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**GOOD MORNING: The Van Trump Report 4-27-20**

1 message

**The Van Trump Report** <reply@vantrumpreport-email.com>

Mon, Apr 27, 2020 at 5:30 AM

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*"The four most dangerous words in investing are: 'this time it's different.'"* - **Sir John Templeton**

**Monday, April 27, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** U.S. coronavirus cases are now thought to be over +1 million, basically making up +1/3rd of all global cases. The big question large investors want to know is if the virus itself is actually spreading more rapidly or have we just figured out how to better test and measure it? I suspect the latter. States and municipalities around the country seem to be divided on how they will cope economically moving forward. Georgia, Oklahoma, Alaska and Arkansas appear to be the most proactive in reopening the economies. Keep in mind, when we last left the markets on Friday more than 97% of the U.S. population was under some type of a stay-at-home or shelter-in-place order. However, starting this week, many states will go from waiving a "red flag" to a "yellow flag" in an attempt to slowly resume economic activity. For those who aren't racing fans, a "yellow flag" simply means NASCAR officials have called a cautionary period because an accident or debris on the track makes driving conditions dangerous. A

"red flag" is obviously when officials deem conditions are too poor and too dangerous for racing to be safe. The bears are pointing to the fact that lockdown restrictions appear as they going to be lifted at a much faster pace than U.S. consumers might be willing to get back to normalized economic activity. Bulls will continue to look past the nearby economic worries and concerns and focus more of their attention on Q4 of 2020 and Q1 of next year, 2021. I personally think "reopening" the economy is going to be more difficult than it appears on paper and consumer behavior might be a bit skittish until deeper into the summer months of July and August. This week, investors will be digesting a massive wave of headlines. Not only do we have the state reopenings but also a ton of extremely important macro and micro-events including: The Fed's two-day FOMC meeting that begins tomorrow; U.S. Q1 GDP numbers out on Wednesday; European Central Bank out Thursday morning with their latest; and U.S. manufacturing data out on Friday. On top of all that, traders will be trying to surf the largest and most dangerous wave of corporate earnings seen in years: Tomorrow we will get earnings from names like 3M, Caterpillar, Ford, Google (Alphabet), Harley Davidson, Merck, Mondelez, Pepsi, Pfizer, Starbucks, and UPS. Wednesday brings earnings from big names like ADM, Boeing, CVS, E-bay, Facebook, General Electric, Mastercard, Microsoft, Qualcomm and Tesla. Thursday we have names like Amazon, Apple, Cheniere Energy, Conoco Phillips, Dow, Kraft Heinz, Kellogg, Gilead, McDonalds, Twitter and Visa. Friday all eyes will be on big names like Chevron, Clorox, Exxon, and Honeywell. Crazy busy week...

**Live from NYC's Times Square:** *I came across a pretty cool link this weekend, which includes a live stream aerial view of New York City's Times Square. I remember visiting Time Square many times throughout my life and it has never looked anything like this... Click [HERE](#) to check it out, also look at it late at night, crazy!*

**Interesting Thoughts on Credit Cards:** *Talk inside the trade is that a lot more U.S. consumers have a lot more credit cards this time around at individual retailers i.e. Lowes, Home Depot, T.J. Maxx, Kohl's, BestBuy, Walmart, Target, American Eagle Outfitters, Nebraska Furniture Mart, etc... These cards are starting to show some missed payments. At the same time, some of the larger banks like Citigroup and Discover are shutting down credit cards that haven't been used in a while and or lowering spending limits. The worry is that move could leave some U.S. consumers without access to credit when they need it most.*

**Western World vs. Eastern World Traffic:** *I continue to see global traffic data that shows increasing weekend activity in the Western world countries i.e. parts of Europe and North America. On the flip side, weekday traffic in China is getting back to normal but weekend travel and traffic remain well below normal. Political experts argue that people in more strict nations are more apt to simply go to work then back home as the government tells them. Those with more freedom are perhaps less likely to go to work and more likely to get out and about on the weekends. I always find human psychology and how people respond and react so much differently in different parts of the world extremely interesting.*

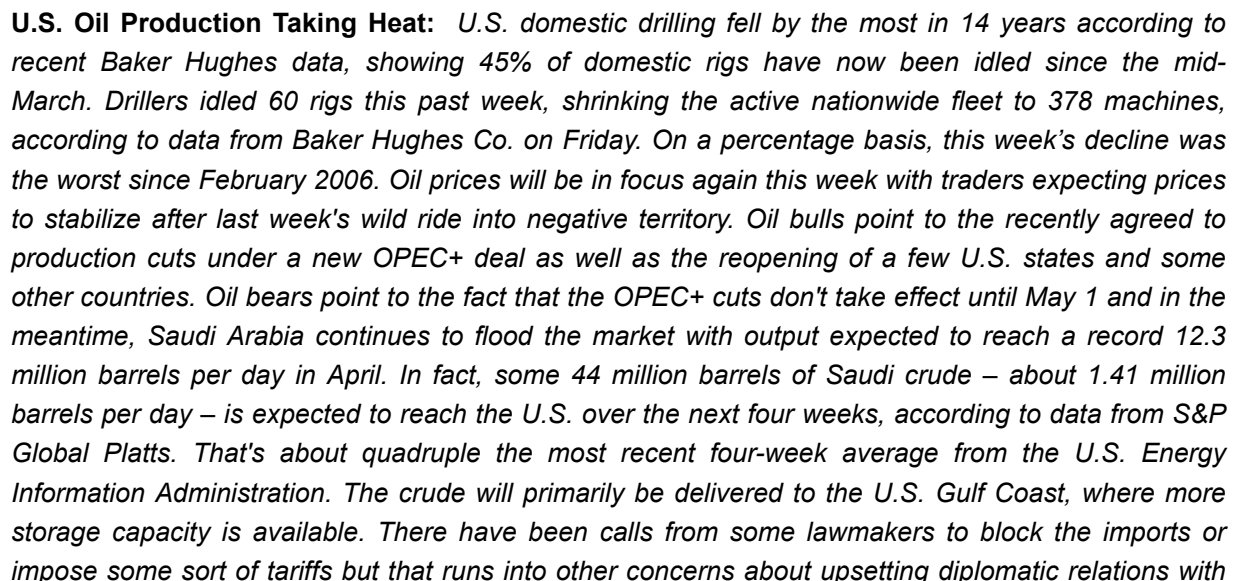
**Plant-Based Meat Growing:** *Impossible Foods will soon be selling its plant-based meat in +1,000 grocery stores in the U.S. Impossible Foods, which is privately held, first debuted its plant-based meat this past Fall in grocery stores in California and then on the East Coast. They are now moving into grocery stores in Chicago, Las Vegas, and parts of Iowa and Indiana. According to the company, a 12-ounce package of Impossible Burger is priced between \$8.99 and \$9.99 in grocery stores. (Source: CNBC)*

**Airbnb in China Rebounding, But...** *Airbnb bookings for the first half of April in China rose ~200% vs. the same period in March although are still running at about half the pre-corona level. Data from AirDNA, a separate analytics firm, showed the number of bookings for the week of April 13 in 10 big Chinese cities, including Shanghai and Guangzhou, were up nearly 80% from the week of March 16, which AirDNA Chief Executive Scott Shattford said was the bottom for that market. Still that's about half the bookings seen the week of Jan. 6. (Source: Reuters)*

**Only 4% to 6% of Normal Air Travel:** *TSA numbers have been interesting... Normally we see about 2.5 million American air travelers each day during this time of year, as of late, that number is somewhere between 100,000 and 115,000 per day. Back in mid-March, we were still seeing about 1.5 million air travelers, but by late-March, that number had plummeted to about 150,000 daily air travelers. See all of the data [HERE](#)*

**Beef Prices Move to Record Highs:** *U.S. wholesale beef prices pushed to all-time record while reduced slaughter levels turn the industry upside down. Weekly cattle slaughter for the week is estimated to fall once again to around 469,000 head, which would be about -33,000 fewer than last week and about -173,000 head fewer than last year at this time. We are also seeing pork prices soar higher by +20% to +30% in many areas as a similar scenario plays out. Keep in mind, there are now more than +5,000 meat and or food processing workers with coronavirus and numbers growing. How many processing plants will be shut down and for how long remains a big question?*

**It Is Appointed Unto Man Once To Die...** *Many of you know the Bible verse I am quoting from. And whether you do or not, all of humanity is well aware of our own mortality. Scientific advances have given us insight into which behaviors may prolong life, and which activities carry the greatest risk of death. Naturally, there have been some unique attempts to create a unified structure around risk and benefit, and to quantify every aspect of the human lifespan. As the graphic below demonstrates, even when we're thinking about death, the human desire to codify the world around us is alive and well. Click [HERE](#) for a larger graphic and more details. (Source: Visual Capitalist, TitleMax).*





*the Saudis. (Source: The Wall Street Journal, Bloomberg)*

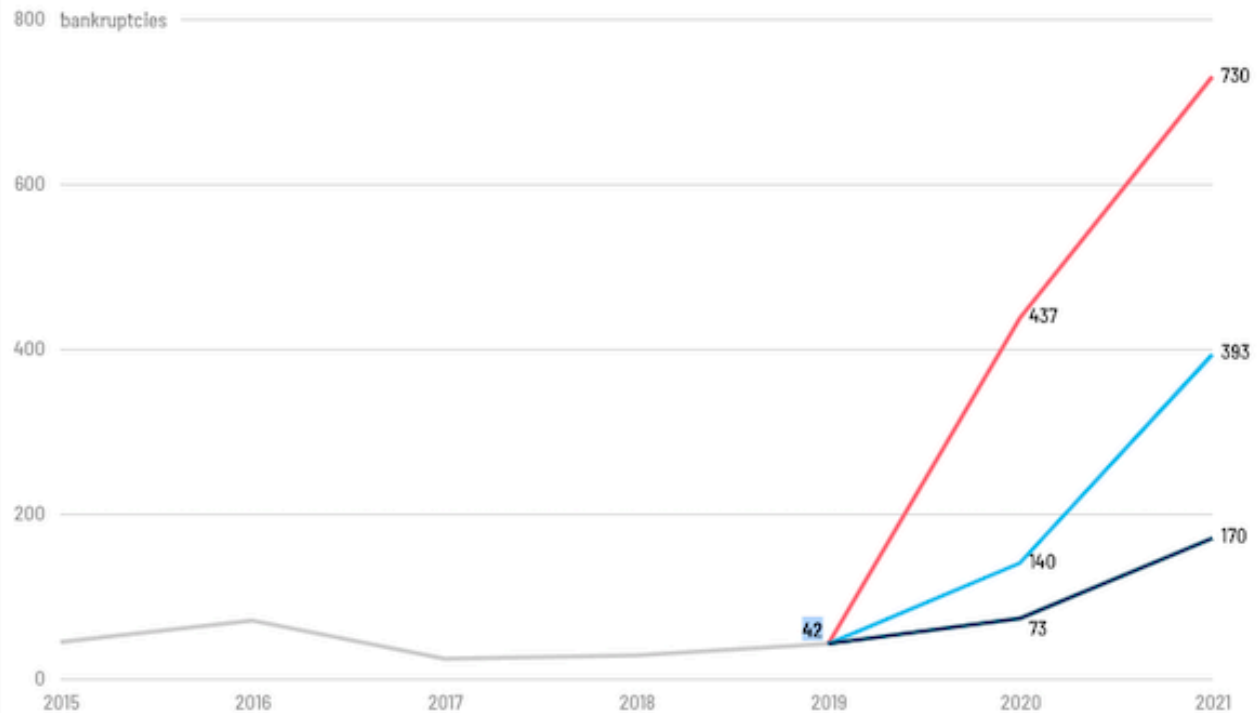
**Some of Last Week's Biggest Losers Were Oil-Trade 'Amateurs':** *Oil demand is crashing, production can't be cut fast enough and producers are running out of places to store the oil they are pumping. The price is plummeting as a result. But ask yourself, was a barrel of oil really worth minus -\$37.63 on Monday and then a positive +\$10.01 on Tuesday? Fundamentals aren't the only thing that drove oil into negative territory. Some traders thought they could make a quick buck. With the May futures contract expiring, they likely tried to force or at least ride a "short squeeze," to drive other traders to capitulate and sell higher. They made one miscalculation, though: The futures contracts they used required them to take delivery of the oil when the contract expired. "The spectacular collapse in the near-month oil appears to be a serious amateur error by someone hoping for a short squeeze in the closing months, without realizing that the contract requires him to take formal delivery," said Art Cashin, who runs UBS's floor operations at the NYSE. These supposedly sophisticated traders were "purely financial entities speculating in commodities," said Lawrence McDonald, who writes the Bear Traps Report newsletter. Forget whether the industry has storage space; these traders were incapable of taking the oil in the first place. They had no choice but to unwind, he said, and take the losses. This is a reminder that the market is driven by speculation and greed, and sometimes those things can be your enemy. (Source: [The Wall Street Journal](#))*

**Hundreds of U.S. Oil Companies Face Bankruptcy:** *Artem Abramov, head of shale research at Rystad Energy says many oil companies took on too much debt during the good times and won't be able to survive this historic downturn. A recent analysis by the firm showed that a \$20 oil environment would see 533 U.S. oil exploration and production (E&P) companies file for bankruptcy by the end of 2021. At \$10, there would be more than 1,100 bankruptcies, with Rystad noting that this price environment would mean almost every U.S. E&P company carrying debt will have to file Chapter 11 "or consider strategic opportunities." (Source: CNN)*

## Dirt-cheap crude could force wave of oil bankruptcies

US oil at \$20 could cause more than 500 bankruptcies among exploration & production companies by the end of 2021.

■ Previous ■ Oil at \$10 ■ Oil at \$20 ■ Oil at \$30



Source: Rystad Energy

Graphic: Matt Egan and Tal Yellin, CNN

# FARM TANK

## Tweets of the Day





**Patrick De Haan** 📊 📈 📉  
@GasBuddyGuy



Lowest in the country: according to GasBuddy, a Shell station in Francis Creek, WI is selling gas for 75 cents per gallon.





**Kevin Van Trump** ✓  
@KevinVanTrump

A buddy of mine sent my way. [#cheapgas](#) out in Wisconsin.



**Tom Farms**  
@TomFarms

[#TodayAtTomFarms](#). We were able to get the [#DB90](#)



rolling today.

At 54 rows at a time we can cover some acres!

#TomFarms #JohnDeere #Dekalb #Corn #Plant20



Leesburg, IN



**Ag of The World**  
@AGofTheWorld



Hi!! Im Laura, a first year, 5th generation row crop farmer in NE, USA. I'm a full time student, own my own cow/calf herd, and love doing anything outside (wake boarding, dirt biking, etc) I farm with my dad and grandpa. Shoot me questions, I'll answer!!







**Hunt Farm**  
@colbyhunt



Covid 19 appropriate elbow bump to start the day





**Lindsay Kimbrell**  
@Kimbrellfarms06



YDrops or bust.



**Adam Norby**  
@ajnorby



Best part of no school or daycare, weekday ride alongs from my helper. He rode for over 5 hours and never complained. Reminds me of every weekend that I



would ride with my dad planting. @PioneerSeeds  
@JohnDeere #plant2020 #FarmLife





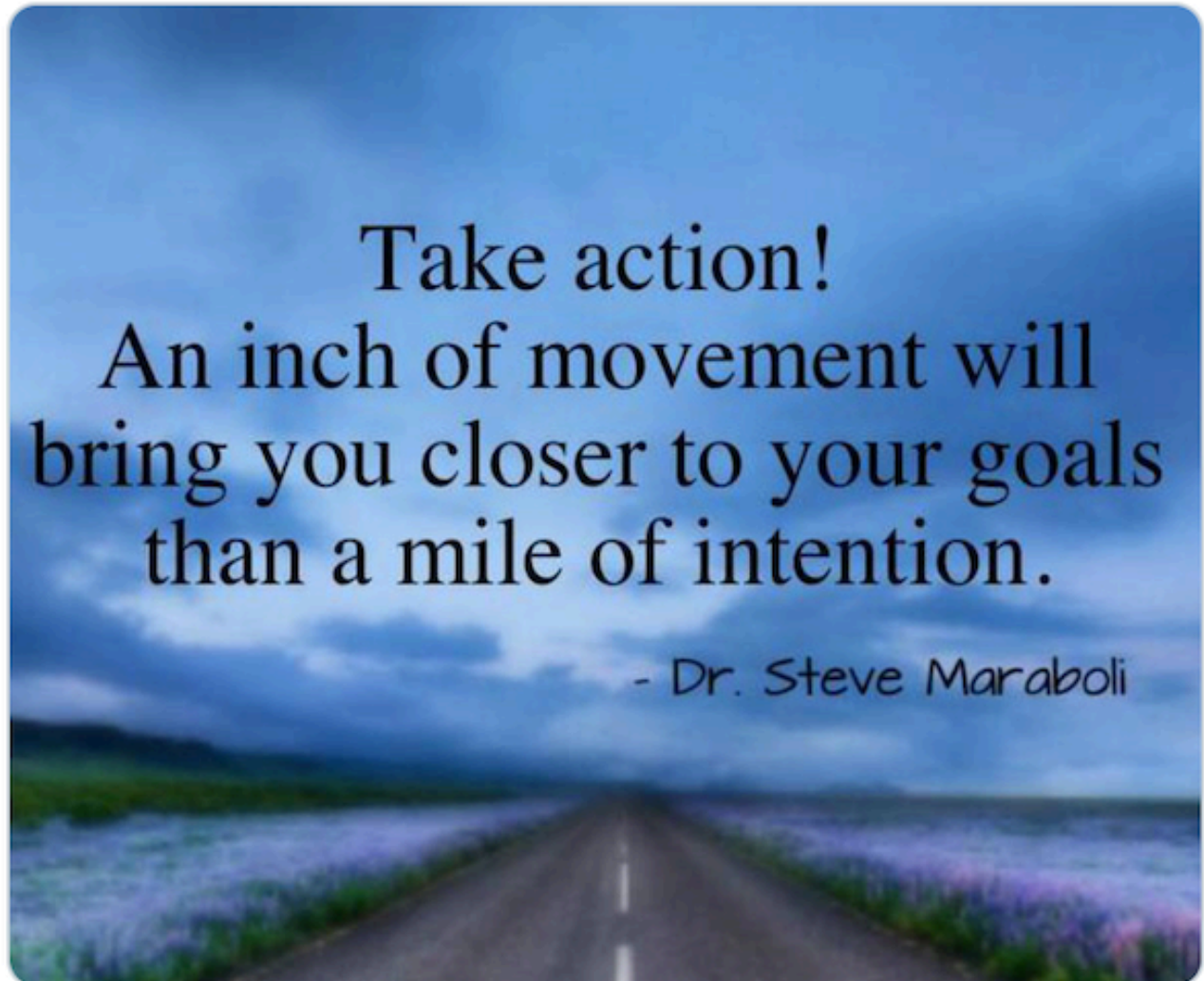
ActionComplete  
@ActionComplete



Take [#action](#)! An inch of movement will bring you closer to your goals than a...

~Steve Maraboli

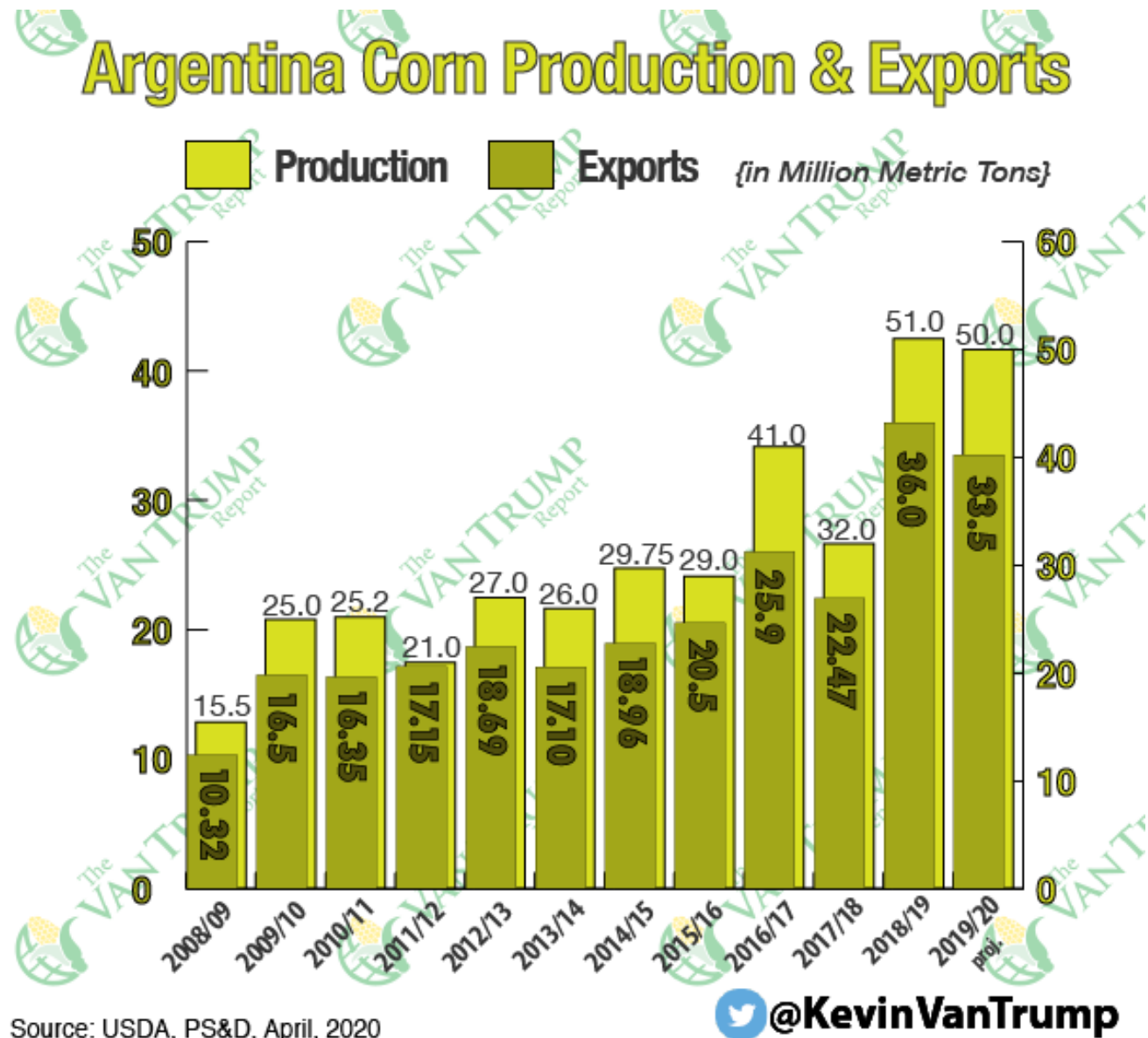
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**CORN** bulls will be trying to keep the market from falling to fresh new contract lows, while the bears continue to question demand from ethanol, livestock, and global exports. Technically, there's been a bit more talk that we are starting to form a bottom in the market. Bulls want to argue that with crude oil prices falling to sub-\$0 it's tough to get much more negativity from that direction. At the same time, it sounds like we are going to start seeing a bit more Chinese buying. And we also have an entire U.S. weather season ahead of us. Keep in mind, there's also still some corp risk in play for parts of Brazil. There's just not a lot new to debate. Demand concerns have been outweighing any and all of the supply side weather worries. Until that dynamic changes or the trade believes we have gotten past the worst of it, the bears will stay in control and

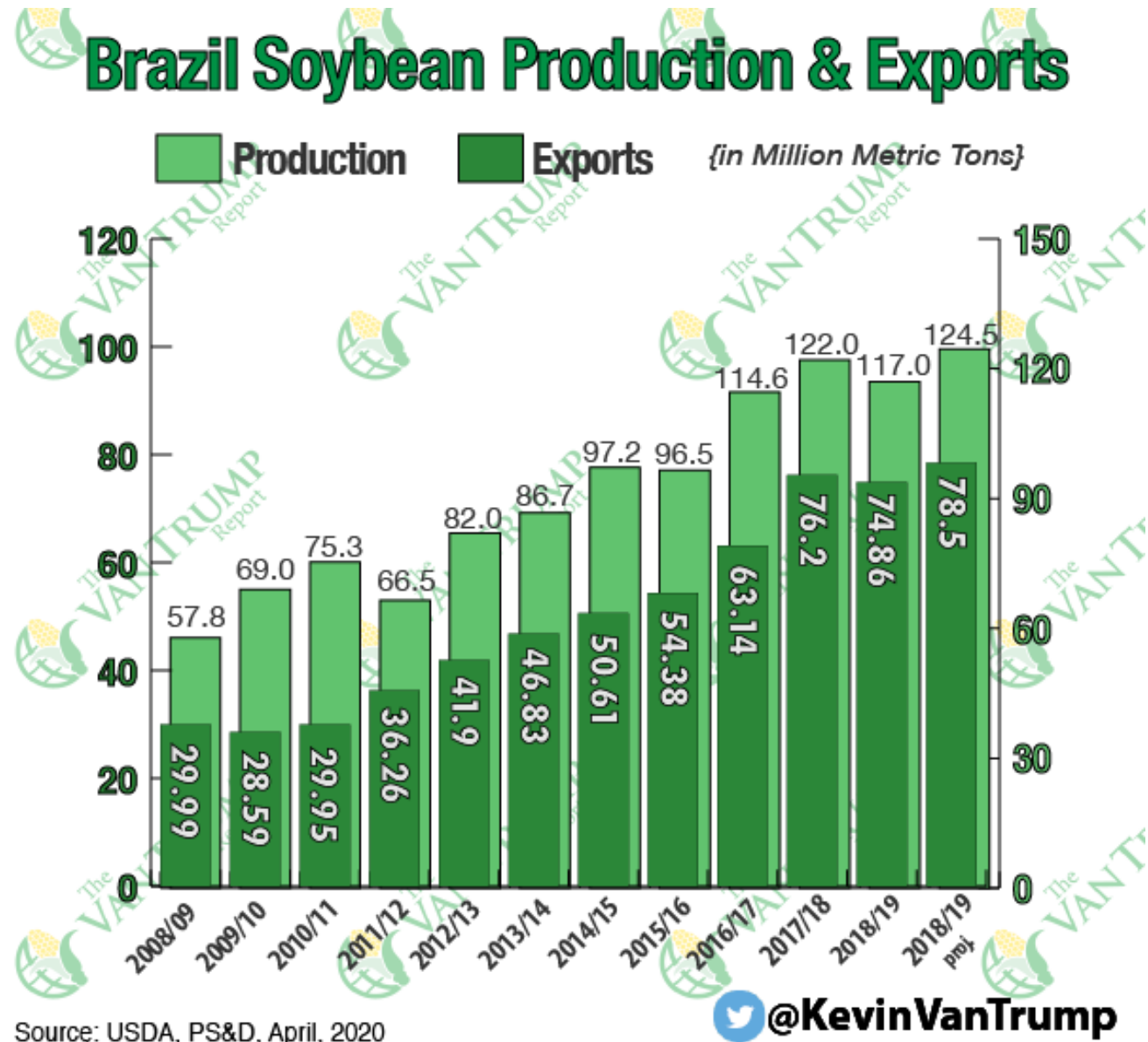


keep a lid on most rallies. As for today, the USDA will update weekly planting progress which will fall somewhere between 20% and 25% complete and ahead of schedule.



**SOYBEAN** bulls have been struggling with continued weakness in South American currencies. Keep in mind, the Brazilian currency closed out last week falling to a record all-time low against the U.S. dollar. This provides Brazilian exporters a much greater advantage over U.S. competitors. The Brazilian currency has been under massive pressure as of late and so have their stocks and bonds on the heels of a deepening political crisis and now the recent resignation of the country's popular justice minister. Brazil's central bank intervened in the currency market four times on Friday trying to stop the massive selloff. The currency is already down -30% so far this year, while stocks are down over -35%. The Argentine currency also slipped to a new low. Bears are thinking the weakness in the South American currency will continue to make U.S. exports look higher in price and less attractive to global buyers, perhaps even the Chinese? The bears are also questioning domestic crush demand as bean oil is backing up with restaurants closed and meal being questioned with livestock backing up on processing plant closures. On the supply side, there's very little weather risk brewing for the crop remaining in the fields in South America. Here at home, we continue to hear

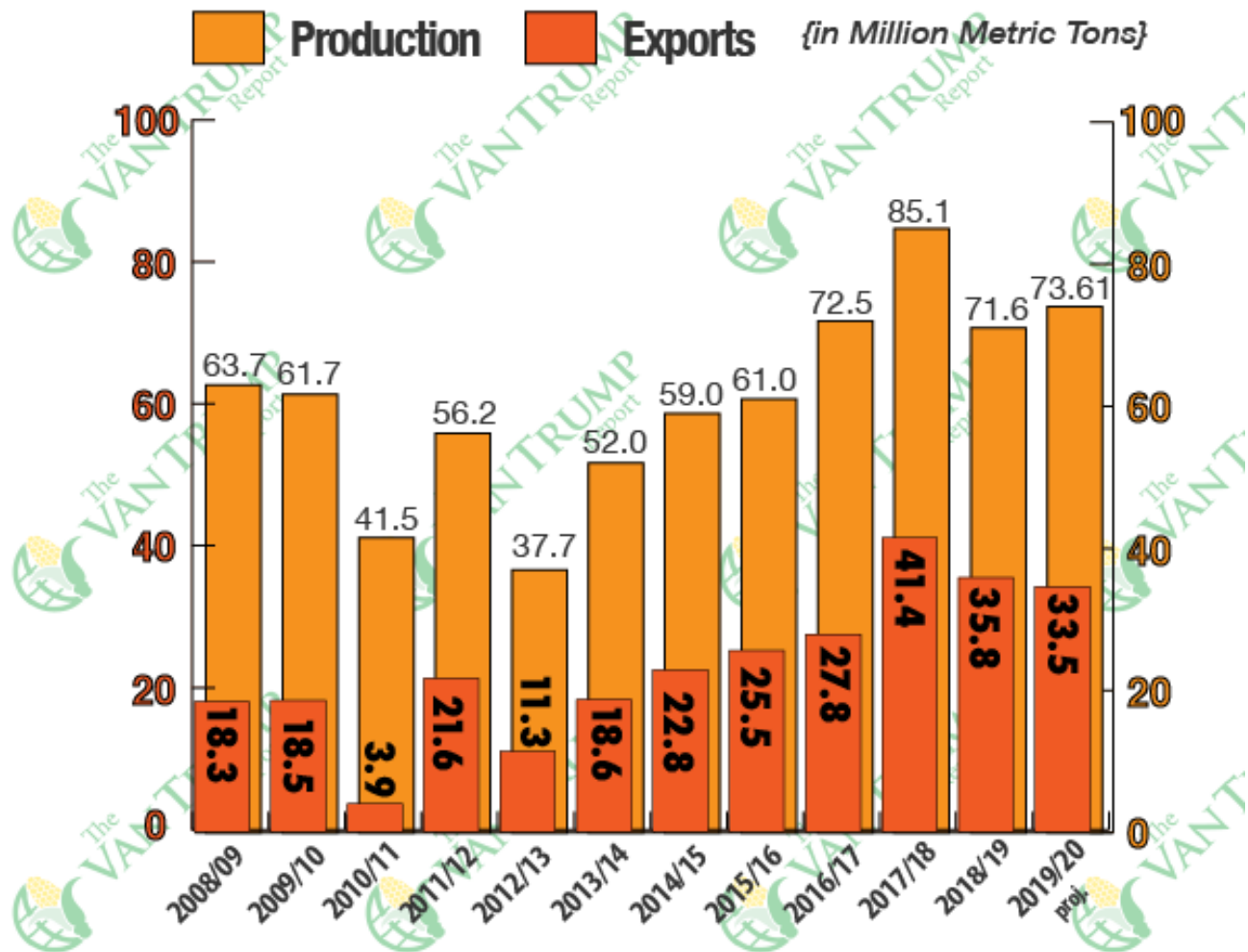
talk of a few more soybean acres. The USDA this afternoon will probably show +5% to +6% of the U.S. crop is now planted and running ahead of schedule. As a spec, I continue to hold a small longer-term bullish position. As a producer, I continue to target Jun-Jul-Aug as my next window of opportunity to price additional cash bushels.



**WHEAT** bears are pointing to some technical weakness and improved weather in parts of the U.S. and Europe. Bulls continue to talk about dry areas in parts of southern Russia and perhaps limited exports out of the Black Sea region. Unfortunately, many inside the trade argue we need to see improved U.S. exports and stronger overall demand to hold price. Bulls are obviously hoping the Chinese will step in and fill some of the needed demand. Weather will remain a huge wild-card. Don't forget, the USDA will be updating U.S. winter wheat conditions and spring wheat planting data after the close. I'm looking for another slight downtick in winter wheat conditions and spring wheat planting to remain well behind our historical pace, 15% to 18% planted vs. 30% to 35% on average.



# Russian Wheat Production & Exports



Source: USDA, PS&D, April, 2020

 @KevinVanTrump



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**A Section for Creative Minds**

**> APHIS Establishes Coordination Center to Assist Producers Affected by Plant Closures:** *On Friday, the USDA's Animal and Plant Health Inspection*

*Service (APHIS) announced the establishment of a National Incident Coordination Center to provide support to producers who cannot move their livestock to market as a result of processing plant closures due to COVID-19. Going forward, APHIS' Coordination Center, State Veterinarians, and other state officials will be assisting to help identify potential alternative markets if a producer is unable to move animals, and if necessary, advise and assist on depopulation and disposal methods. APHIS has also mobilized the National Veterinary Stockpile, and will deploy assets as needed to secure the services of contractors who can supply additional equipment, personnel, and services. Additionally, the USDA's Natural Resources and Conservation Service (NRCS) will be providing state level technical assistance to producers and will provide cost share assistance under the Environmental Quality Incentives Program (EQIP) in line with program guidelines for disposal. More details are available [HERE](#).*

**> Cattle On Feed Report Shows Sharp Drop in Placements:** *Cattle and calves on feed in the United States for feedlots with capacity of 1,000 or more head totaled 11.3 million head on April 1, 2020. The inventory was -5% below April 1, 2019, USDA reported on Friday. The inventory included 7.08 million steers and steer calves, down -5% from the previous year. This group accounted for 63% of the total inventory. Heifers and heifer calves accounted for 4.22 million head, down -7% from 2019. Placements in feedlots during March totaled 1.56 million head, -23% below 2019. Placements were the lowest for March since the series began in 1996. Net placements were 1.50 million head. Marketings of fed cattle during March totaled 2.01 million head, +13% above 2019 and the second highest for March since the series began in 1996. The full report is available [HERE](#).*

**> Smithfield Foods Announces More Plant Closures:** *Smithfield Foods Inc. announced Friday that it will shutter operations at its Monmouth, Illinois, plant beginning Monday and until further notice. The plant represents about 3% of U.S. fresh pork supplies and also produces bacon. The company's location in St. Charles, Illinois, is also being closed on orders from the Kane County Health Department. The facility will remain closed until early May so that it can be cleaned and social distancing requirements put into place. Smithfield also has closed meatpacking plants in Cudahy, Wisconsin; Martin City, Missouri; and Sioux Falls, South Dakota. Read more [HERE](#).*

**> Senators Warn Coronavirus Could Devastate Rural Communities:** *Covid-19 cases have been reported in more than two-thirds of rural counties, said a report by Senate Democrats, who called for nationwide rapid-response testing for the coronavirus and for expansion of high-speed internet to maintain commerce and healthcare in rural areas. The report, which also called for "hazard pay" for frontline workers, was issued a few hours before the House passed a \$484 billion coronavirus relief bill on Thursday. Rural Americans tend to be older, poorer, and sicker than their counterparts in the rest of the country. "It is estimated that rural*



*areas might see peaks of the virus after the worst has passed through larger cities," said the Democrats' report. They add that under-resourced health systems, disproportionate rates of poverty and food insecurity, limited internet access, and economies largely built on essential industries and services leave rural communities at a heightened risk when it comes to fighting the virus. The lawmakers are pushing for deployment of rapid-response testing systems, expansion of broadband services, and proposed a "heroes fund" that would augment the pay of workers at food processing plants. Read more from [Ag Insider](#).*

**> Ebbing Parana River Levels Cost Argentina's Grain Sector \$244 Million:**

*The water level on Argentina's Parana River is at a near 50-year low, hampering export traffic on the grains superhighway and causing local industry \$244 million in losses over the past four months, the Rosario Grains Exchange said on Friday. The measurement index of the Parana river at Rosario hit a near-half-century low of 0.4 meters on Wednesday, according to the exchange, which compares to a normal average reference depth of around 4 meters at this time of year. The problem has cut the amount of recently-harvested corn and soy that can be loaded at the Rosario ports hub, where about 80% of the country's farm exports are loaded. The low water level is forcing ships to take extra time to top off their loads farther south at the deep-water ports of Bahia Blanca and Necochea before heading out to sea. Read more from [Reuters](#).*

**> Some Farmers are Finding Local Help as Pandemic Keeps Guest Workers Away:**

*It's planting season across much of the United States, and for some farmers who rely on foreign guest workers for help in the fields, the pandemic is getting in the way. Pete Pistorius, President of Pistorius Farms, a corn and soybean operation in central Illinois, has utilized the H-2A visa program the last two years but the crew he signed on to host from South Africa couldn't make it. He's managed to find some help around town, from out-of-work plumber, a laid-off janitor, and some high school students. This makeshift employment arrangement is playing out in other states too. In Arkansas, Congressman Rick Crawford launched Arkansas FARM Corps, a program that connects farmers to those out of a job, citing the lack of H-2A workers in the state. So far, Crawford says they've focused on placing military veterans on farms. But college students are also signing up for the program, and according to Crawford, are receiving academic credit for doing so. Read more [HERE](#).*

**> U.S. Oil Industry Looks to China for Help:** *The American Petroleum Institute is urging the Trump Administration to make sure China lives up to its obligations in the "phase one" trade deal with the United States, particularly its energy purchase commitments, arguing they will provide some relief to a U.S. industry reeling from a collapse in price and demand. In the recently signed Phase 1 Agreement, China agreed to purchase in 2020 an additional \$18.5B over their 2017 purchases of various U.S. energy products, including crude and LNG cargos. However, a dropoff*



*in China's demand for oil and gas due to its own pandemic-fueled economic malaise is expected through the year. The U.S.-China Economic and Security Review Commission cited OPEC data in a new report that found China's imports of oil shrank by -3.2 million barrels per day in February compared to the same month last year, and overall demand for the entirety of 2020 will decline by -0.83 million barrels per day. (Source: Politico)*

**> American Express More Than Triples Provision for Credit Losses:** *American Express Co. Chief Executive and Chairman Stephen Squeri said the Covid-19 pandemic "dramatically impacted our volumes" and said the company is "aggressively" lowering its costs. Quarterly revenue at the company—which includes card fees and money from interest—slipped by half a percent to \$10.31 billion. That was under analysts' consensus of \$10.71 billion, according to FactSet. Net interest income rose at American Express, but the company's noninterest revenue—its larger revenue driver—declined. The company more than tripled its provisions for credit losses, which was \$2.62 billion, up from \$809 million a year earlier. The financial-services company's net income was \$367 million, down 76% from a year earlier. Earnings were 41 cents a share, down from \$1.80 a share, below the \$1.46-a-share consensus from analysts. (Source: The Wall Street Journal)*

**> How Virus-Stricken USS Theodore Roosevelt May help Coronavirus Research:** *When the coronavirus roared through the USS Theodore Roosevelt, it crippled the aircraft carrier, sickened hundreds of the 4,800 sailors and ultimately ended the tenure of the Navy secretary. But the ship's odyssey is far from over — and the military's biggest covid-19 crisis could yield an epidemiological gold mine. At least 777 Roosevelt sailors have been infected, and the rate of asymptomatic infection is about 50 percent, the Navy said last week. In contrast, the general population rate is about half that — as high as 25 percent, the Centers for Disease Control and Prevention has said. And now, as experts and governors are struggling to understand the role of asymptomatic transmission to hone guidance and economic recovery options, the ship infections could reveal new clues of how the virus percolates through communities, epidemiologists said. Read more from [Bloomberg](#).*

**> Zoom's Biggest Rivals Are Coming for It:** *As people turned in droves to the video chatting app Zoom in recent weeks, the buzz caught Facebook's attention. Inside the social network, that immediately set off a scramble. Mark Zuckerberg, Facebook's chief executive, ordered employees to ramp up and focus on the company's own video chat projects, according to New York Times' sources. On Friday, Facebook unveiled one of its biggest expansions into videoconferencing yet, including video group chats for as many as 50 people on Facebook Messenger, a direct challenger to Zoom. Facebook plans to roll a similar feature out for WhatsApp and Instagram. Facebook isn't the only one trying to capitalize on the*

current video conferencing moment. Google this month made its video chat app, Meet, more accessible through Gmail. Cisco recently promoted its Webex teleconferencing service as highly secure compared with Zoom. And Verizon announced last week that it was acquiring BlueJeans Network, a videoconferencing service. Read more from [The New York Times](#).

**> Why Investors Are Hanging So Much Hope on Remdesivir:** More than 20 publicly traded companies are working on evaluating drugs that could potentially treat the novel coronavirus disease. Several of those candidates come from well-known names like Bayer and Eli Lilly, but it's Gilead's remdesivir drug that investors are following most closely. Health experts say it's the drug furthest along in clinical studies and results from one of the company's late-stage trials is expected as soon as today. Keep in mind, two separate leaked reports about remdesivir trials over the last couple of weeks seem to have had broad market impacts. The first, showing remdesivir was highly effective in treating Covid-19 patients, came out on April 17, a day the Dow rallied over +700 points. The other, posted on April 23, said the drug didn't show any clinical benefit at all, which traders blamed for quashing a rally and a -5% decline in Gilead's stock. Gilead will also be releasing results from another of its late-stage trials in May which could coincide with results from the U.S National Institute of Allergy and Infectious Disease's (NIAID) own late-stage study of remdesivir. The Motley Fool has more info [HERE](#).

**> See Which States Are Reopening and Which Are Still Shut Down:** After weeks of shutdown, the nation began to slowly, cautiously re-emerge last week. Like the decisions to shut down, the plans to reopen have come state by state or region by region. They have brought sighs of relief in some corners but kindled fears of a resurgence in others. The New York Times has a guide showing when each state will reopen [HERE](#).

**> "A Snapshot of Humanity"... From Farm Family:** Cuomo Receives Letter, Mask From Kansas Farmer: New York Gov. Andrew Cuomo read a letter he received from a farmer in Kansas who sent one of his last five N95 masks for a medical worker to New York despite having a wife with one lung and diabetes. Watch the video [HERE](#).



**South central Illinois** - *Planted some corn a few backs that I'm now having concerns about. I did have a buddy tell me that he got kicked out of a field while planting last year and couldn't get back at it for two weeks. It turns out the later planted corn emerged the same day as the early planted and yield was actually better. I feel I just need another 10 days without more moisture to make things happen. I'm still trying to figure out why some of my upland soil will rot, while at the same time my flooded black bottom ground 600 feet away will survive. It seems like my early April corn always takes three weeks to emerge, and if it is not by week four, I generally get the replant ordered. I have to admit after the cold and wet crappy spring last year, I can at least hope for another good surprise on my yields.*

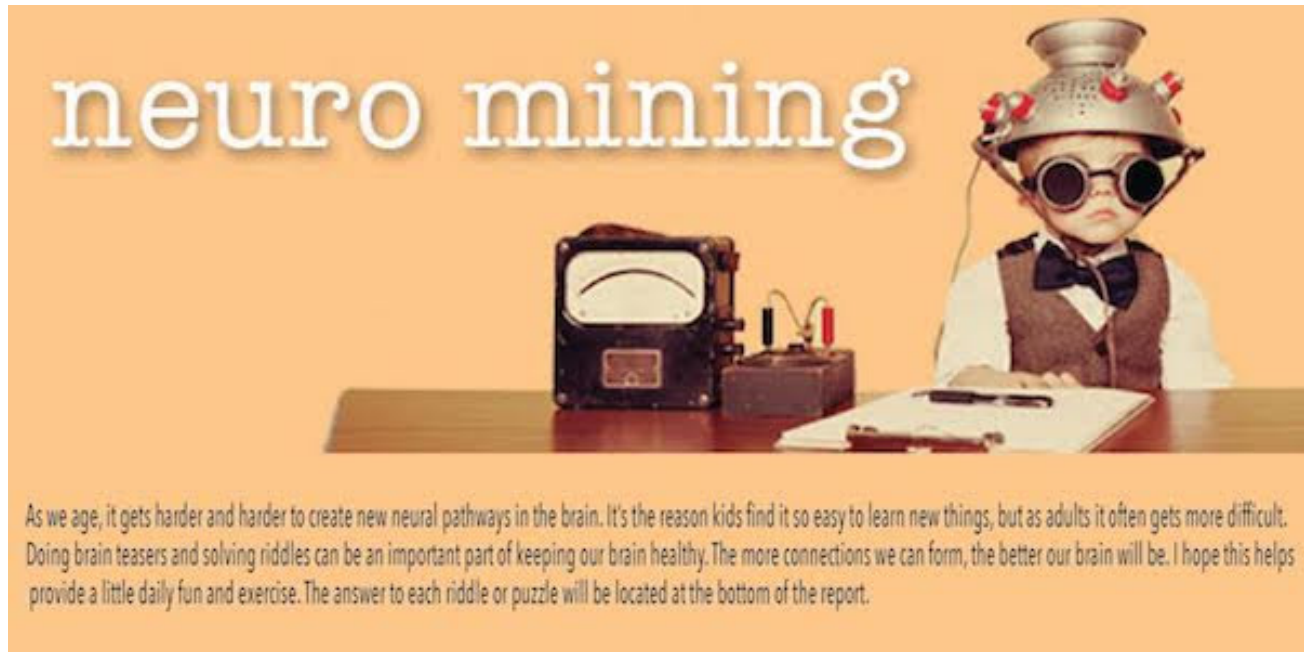
**Central Iowa** - *I have a 50/50 farm that gets some straw bedding spread on the bean stubble. It gets applied between fall and early spring. It is applied with an NH 195 spreader and comes out the width of the spreader and lays on the ground like a ribbon. This spring, I applied NH3 and hit the strips with my older Krause disk. When I disked, the ground was dry except under the straw. It has sat for two*

*weeks before trying to field cultivate with my Case TMII. I still have spots where it doesn't feed through the field cultivator very well. I am thinking there isn't much nutrient value in this bedding.*

**Central Texas** - *Over the last couple of weeks, Dad has been harvesting the wheat crop for hay. We usually graze a good portion of the wheat over the winter, but this year it was slow to get started. Since we had already missed the fall grazing season and with the uncertainty in the cattle market, Dad decided it was best to bale the entire crop this year. I enjoyed videoing Dad mowing, raking, and baling the wheat crop. I hope some of you enjoy seeing the video. Click [HERE](#).*







**TODAY'S RIDDLE:** What is the only chain we can eat?



### Don't Miss Mecums 'Gone Farmin' Vintage Tractor Auction

Vintage collectors, history buffs and pretty much every red-blooded American farmer who enjoys a walk down the equipment memory lane will want to check out Mecum's Gone Farmin auction. In 2010, Dan Mecum, son of Mecum Auctions' President and Founder Dana Mecum, officially launched a tractor division to stand all on its own, and as a true-blue enthusiast himself, he recognized that the hobby would benefit with a louder voice and some legs.

Since it rolled out ten years ago in rural Walworth, Wisconsin, the tractor division of the auction behemoth Mecum, has seen enormous growth, and now with national television broadcasts on the RFD Network, you don't have to miss a second of the action if you can't be there. I'm told the offerings run the gamut from entry-level collector tractors that sell for just a couple thousand dollars to high-end ultra-rare machines like the 1938 Minneapolis Moline UDLX that sold for \$200,000 in 2016, meaning the auction has something for every tractor enthusiast.

This year's auction was originally scheduled for late March at the Mississippi Valley Fair Center in Davenport, Iowa, but like the rest of the world's events, had to be pushed back, and is now scheduled for June 17-20 if all goes as planned. This year's auction highlights include the first John Deere D Industrial sold to the public, a rare 1957 Farmall 350 Diesel and a 1972 John Deere 4320 that has undergone an expo-quality restoration. Offering an unparalleled array of vintage and collectible tractors is a uniquely Mecum trait and you can always count on a selection of hundreds of different tractors sporting either the red of International, the orange of Allis Chalmers, the green-and-yellow livery of John Deere, and even the bright blue-and-orange of Lamborghini.

Some of the cooler results from Davenport 2019 include, 1928 John Deere C from the Jim Mills Collection, which sold for \$97,125, a 1926 Fordson Prototype which sold for \$90,750, a Minneapolis 35-70 sold for \$89,250 and a Gas Traction Company Big Four 30 which left the property after a winning bid of \$315,000. You can see the rest of the 2019's top 10 results [HERE](#).

If you're planning on attending, general admission tickets are just \$10 and kids under 12 enter free. You can take the family and camp out at the facilities as Mississippi Valley Fairgrounds offer full camping hook-ups with electric and water, but it is a first come first serve process, with prices ranging from \$20-\$30 depending on your electrical needs. Bidders on-site who win need to plan on a 5% buyers premium and if you're bidding from home and win, it 7%. There are a ton of great pics of the tractors as well as signs and memorabilia online [HERE](#), where you can read more and register to bid. This is a don't miss vintage tractor auction for sure! (Source: Mecum.com, [goldeagle.com](#))













### **What's In the New Coronavirus Aid Packages for Agriculture?**

There are two new avenues of aid being made available that will help U.S. farmers and rural America. Last week, Congress passed another coronavirus aid package that will provide additional funding for the small business loan program and bolster the country's medical response to the pandemic. The top aim of the \$484 billion package is to replenish the Paycheck Protection Program (PPP), which offers loans

to small businesses to help support payrolls. The new bill also opens up economic disaster loans to farmers. In addition, the USDA just announced \$19 billion in federal aid that will be distributed this spring to help farms and ranches across the U.S. Below are more details about the key measures and how they impact agriculture and rural America.

**More Funding for SBA Loans:** *The bill adds \$310 billion to the funding pool for the PPP managed by the Small Business Administration (SBA) after businesses exhausted the initial \$349 billion allocated for the program in less than two weeks. The SBA has been unable to process PPP applications since funding for the program expired, which means a massive backlog could be looming that could quickly draw down the new funds. Lenders have been urging businesses to get applications in as soon as possible.*

*The measure also adds \$10 billion in funding for the Emergency Economic Injury Disaster Loan program, which allows businesses to borrow up to \$2 million with an initial grant of up to \$10,000. The loans are also not as limited in what they can be used for compared to PPP loans. The EIDL also does not have the collateral demands that small businesses and farmers might face from commercial lenders.*

**What the Means for Agriculture:** *Ag producers and agriculture enterprises will now be eligible for the EIDL program. Businesses may be eligible for up to \$10,000 in emergency grants, which do not need to be repaid. They can also apply for low-interest rate loans. To be eligible, ag businesses will have to show that they have been hurt by the economic downturn caused by coronavirus. The emergency grants are limited to \$1,000 per employee up to a max of \$10,000. Applications for EIDL are administered by the Small Business Administration (SBA). The EIDL loans carry fewer restrictions on how the money can be used compared to PPP loans and for some may require less collateral.*

**Aid for Hospitals:** *The bill includes an additional \$75 billion for hospitals to cover treatment for coronavirus patients and lost revenue from canceled elective procedures. \$825 million of that is slated for rural health clinics and community health centers, as well as \$4.25 billion provided to areas based on a relative number of Covid-19 cases, according to the National Rural Health Association (NHRA).*

*NHRA said it was disappointed that the package does not establish a rural set-aside within the Provider Relief Fund, nor does it contain clear language to allow small government-owned hospitals the ability to participate in the SBA's PPP.*



**More Money for Coronavirus Testing:** *The bill also includes \$25 billion in funding to develop and expand access to tests for coronavirus, a crucial step toward curbing the pandemic and easing social distancing restrictions. State, local, territorial and tribal governments will receive up to \$11 billion in funds to develop, run and process coronavirus tests, boost laboratory capacity, trace contacts and help employers test workers for the virus. The measure also sends billions to the Centers for Disease Control and Prevention, National Institutes of Health, Food and Drug Administration and Biomedical Advanced Research and Development Authority to boost coronavirus surveillance, research and progress toward treatments and vaccines.*

**USDA's \$19 Billion Aid Program:** *The package, called the Coronavirus Food Assistance Program (CFAP) will issue \$16 billion in direct payments to farmers and ranchers and \$3 billion in food purchases. The Agriculture Department will receive another \$14 billion in July for further assistance. The USDA will make direct payments of \$5.1 billion to cattle producers, \$2.9 billion for dairy and \$1.6 billion for hogs, according to a statement from Senator John Hoeven, chairman of the Senate Agriculture Appropriations subcommittee.*

*Another \$3.9 billion will go to producers of row crops such as soybeans, corn and cotton, while \$2.1 billion is earmarked for producers of specialty crops such as fruits and vegetables. And \$500 million will go for other crops, Hoeven said.*

*USDA says it will begin the food purchases by buying \$100 million of fruits and vegetables per month, and \$100 million per month each of dairy and meat. (Sources: Capital Press, Senate Ag Committee, Politico, Daily Yonder, Bloomberg)*



## **Thought You Made a Couple of Bad Trades or Marketing Decisions... Try This One!**

I've talked about this before, but each year a story recirculates around the trade that is worth sharing.

If anyone has made a few bad trades in the market the past few months, just remember it was in April of 1976 that "Ronald Wayne" sold his 10% stake in Apple for just \$800. Wayne had originally founded Apple along with Steve Wozniak and Steve Jobs.

The story is Wayne had worked with Jobs at "Atari" and the men started "Apple" on April 1st of 1976. He signed a partnership agreement, but after receiving some legal advice from a family member decided to relinquish his stake in the firm and have his name removed from the legal agreements.

Wayne was 42 years old at the time and unlike Jobs (21) and Wozniak (25), he owned a home and had some assets. He was told he was really the only one with anything to lose and if creditors were to come after the company he would be the one they would target. Not wanting to take this kind of "risk" he opted out of the partnership for a mere \$800. A few months later after the company started to take off and became a corporation, Wayne received another check, for \$1,500, for his agreement to forfeit any and all claims ever against the new company.

Wayne actually drew the first Apple logo, wrote the three men's original partnership agreement, and wrote the Apple I manual.

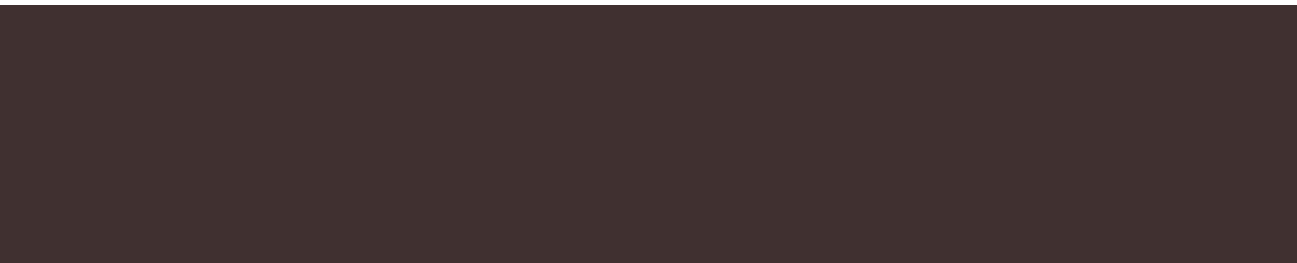
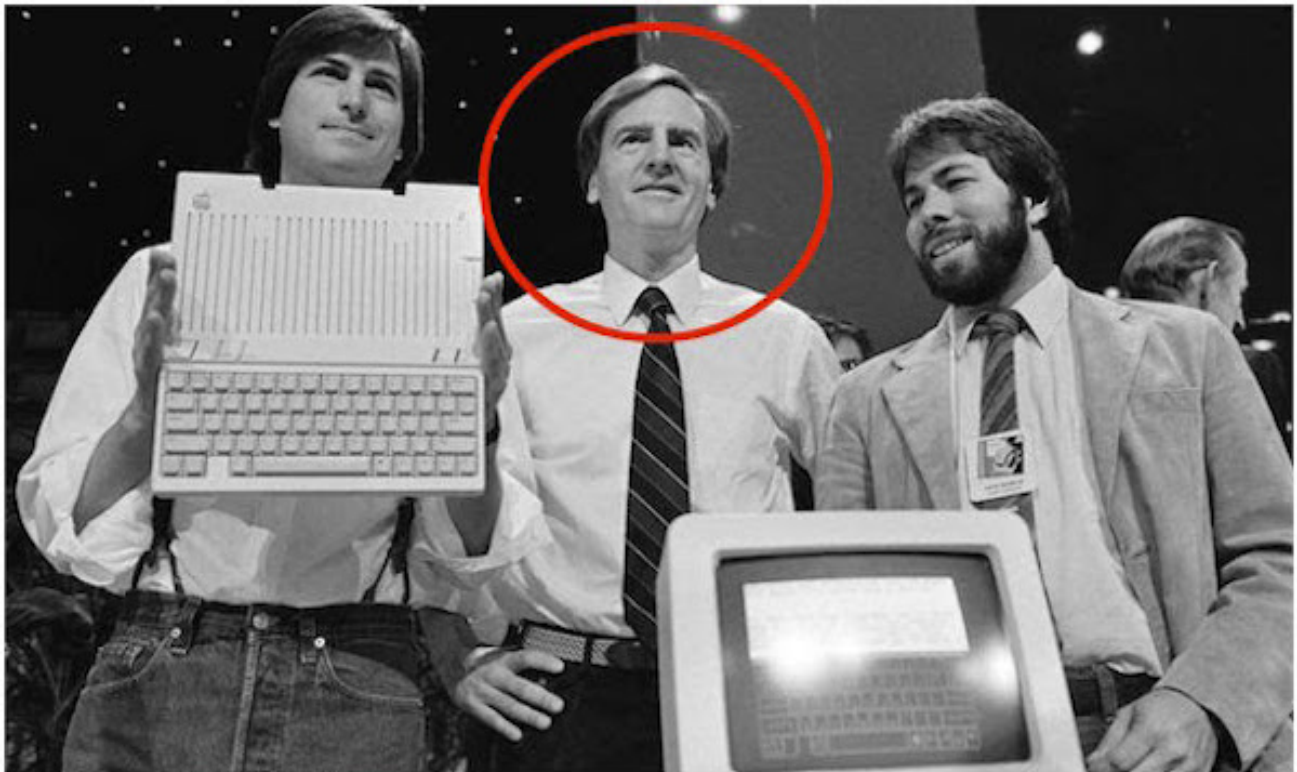
Here's where it gets crazy... if he would have kept his original 10% stock it is estimated he would now be worth over +\$100 billion!

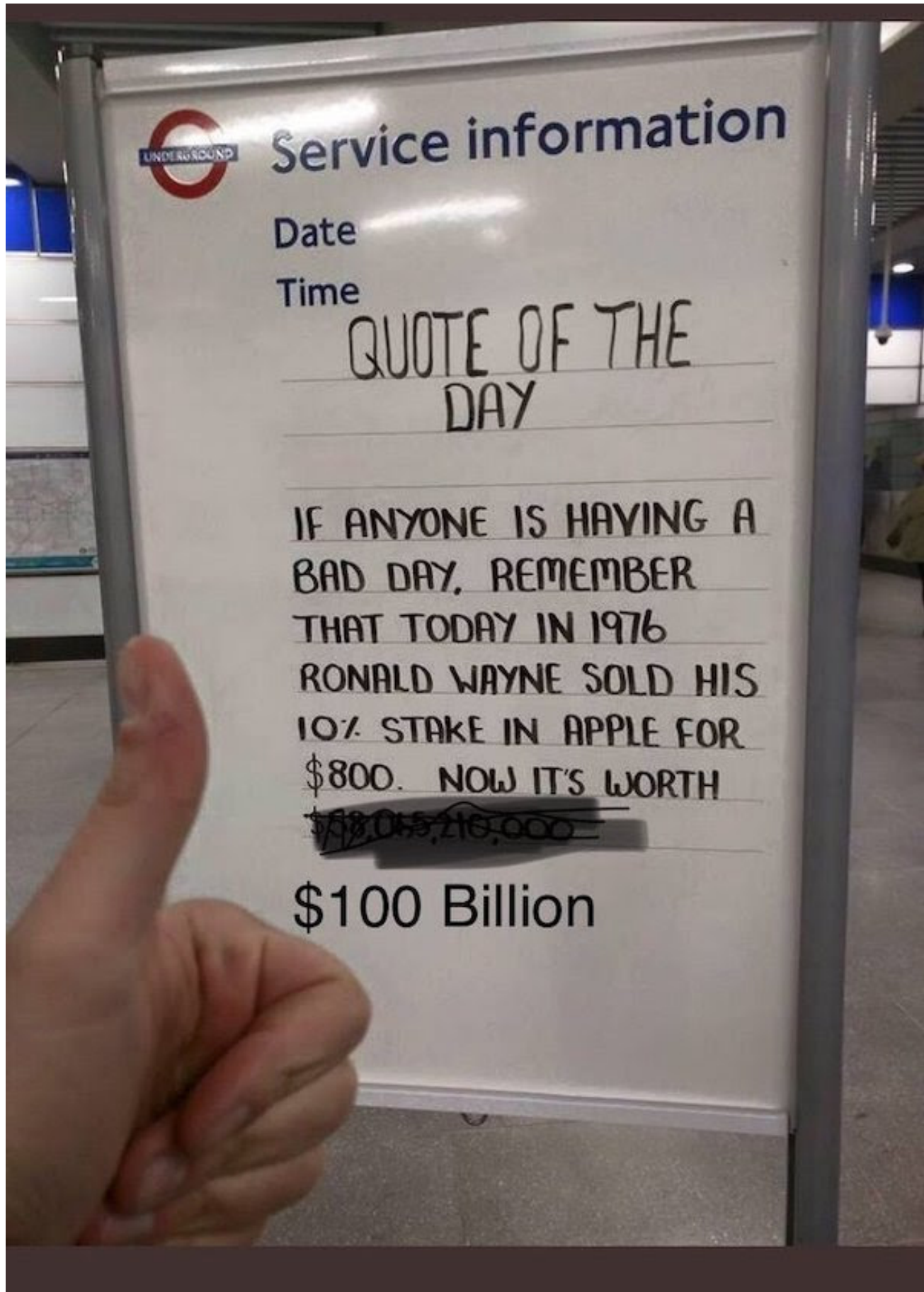
Instead, in the late-1970's Wayne started a stamp collecting shop in Milpitas, California. After a number of break-ins, he moved his stamp operations to Nevada. The logo for his business was ironically a wood-cut style design, with a man sitting under an apple tree, with the company's name, "Wayne's Philatelics" written in a flowing ribbon curved around the tree.

To add even more salt to the wound, in the early 90's, Wayne reportedly sold the original Apple partnership contract paper, signed in 1976 by Jobs, Wozniak, and himself, for \$500. In 2011, that same contract was sold at auction for a whopping \$1.6 million!

The story is, Wayne retired to a mobile home park in Pahrump, Nevada, where he sells his stamps and rare coins. I'm certainly not saying life's all about money, and I suspect Ronald Wayne has had a peaceful and pleasant life. But some times it just pays to take that extra bit of "risk"...







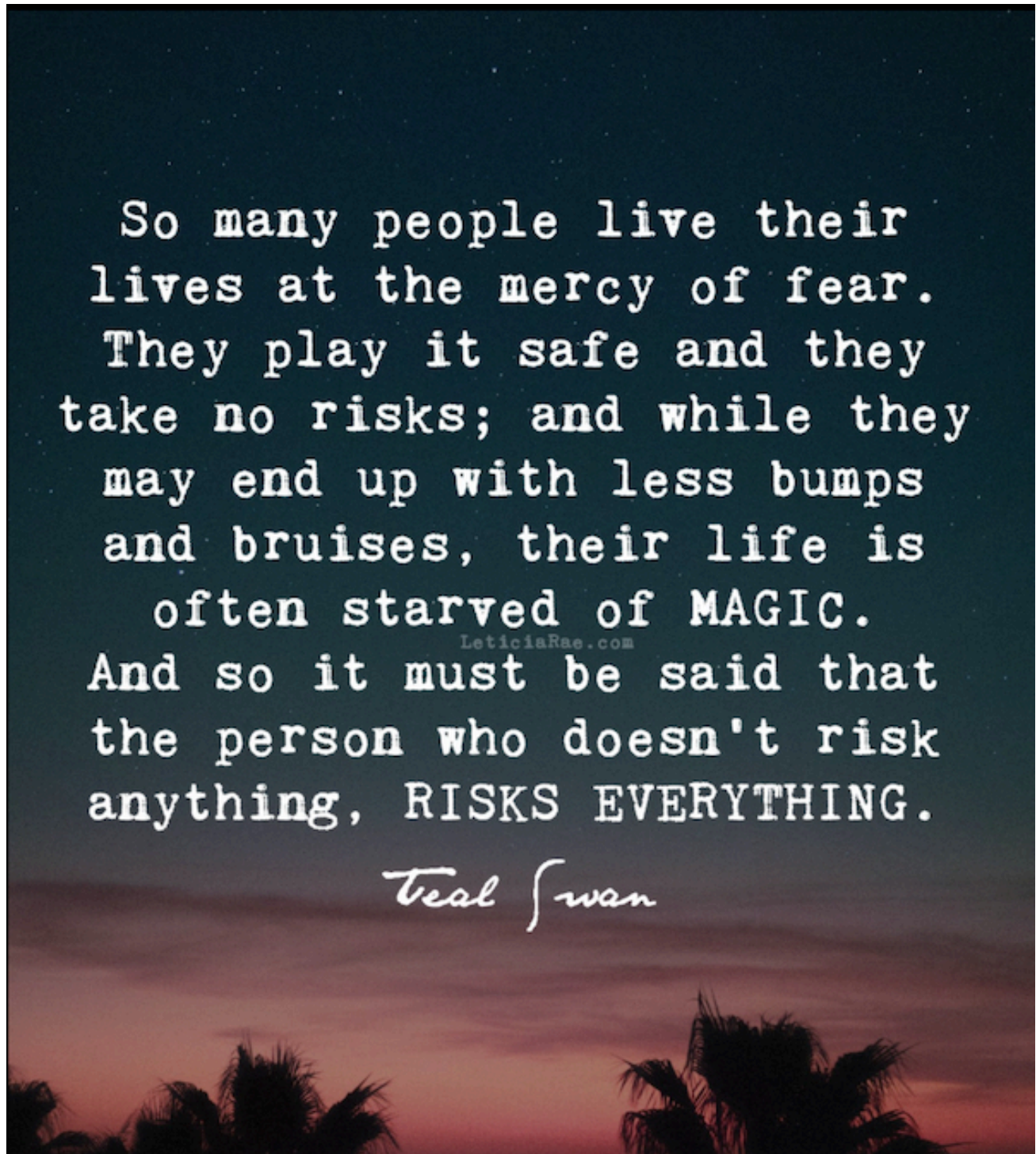
"IN THE END... We only  
regret the chances we didn't  
take, the relationships we  
were afraid to have, and the  
decisions we waited too long  
to make."

— Lewis Carroll







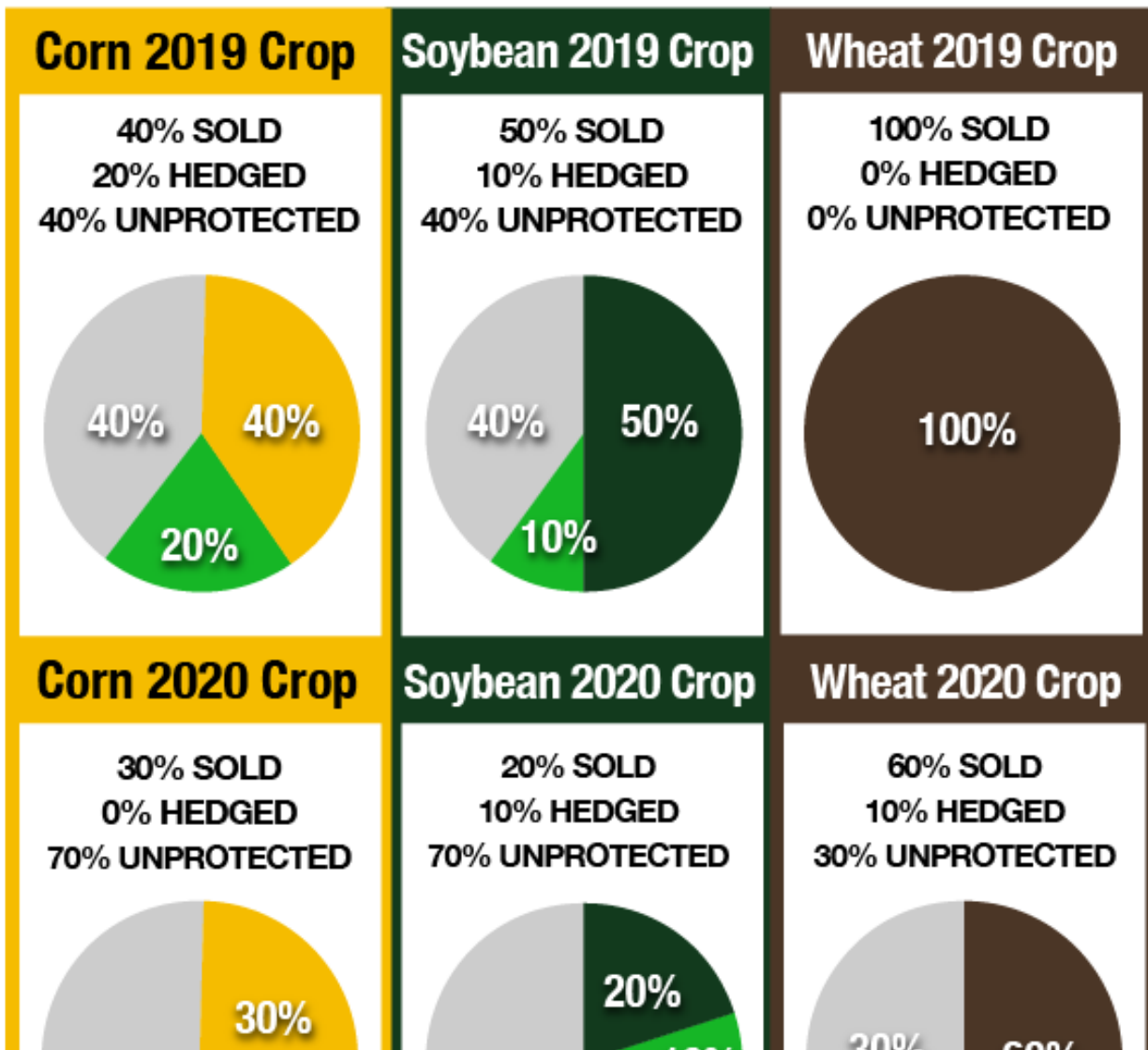


**ANSWER to riddle:** Food chain.

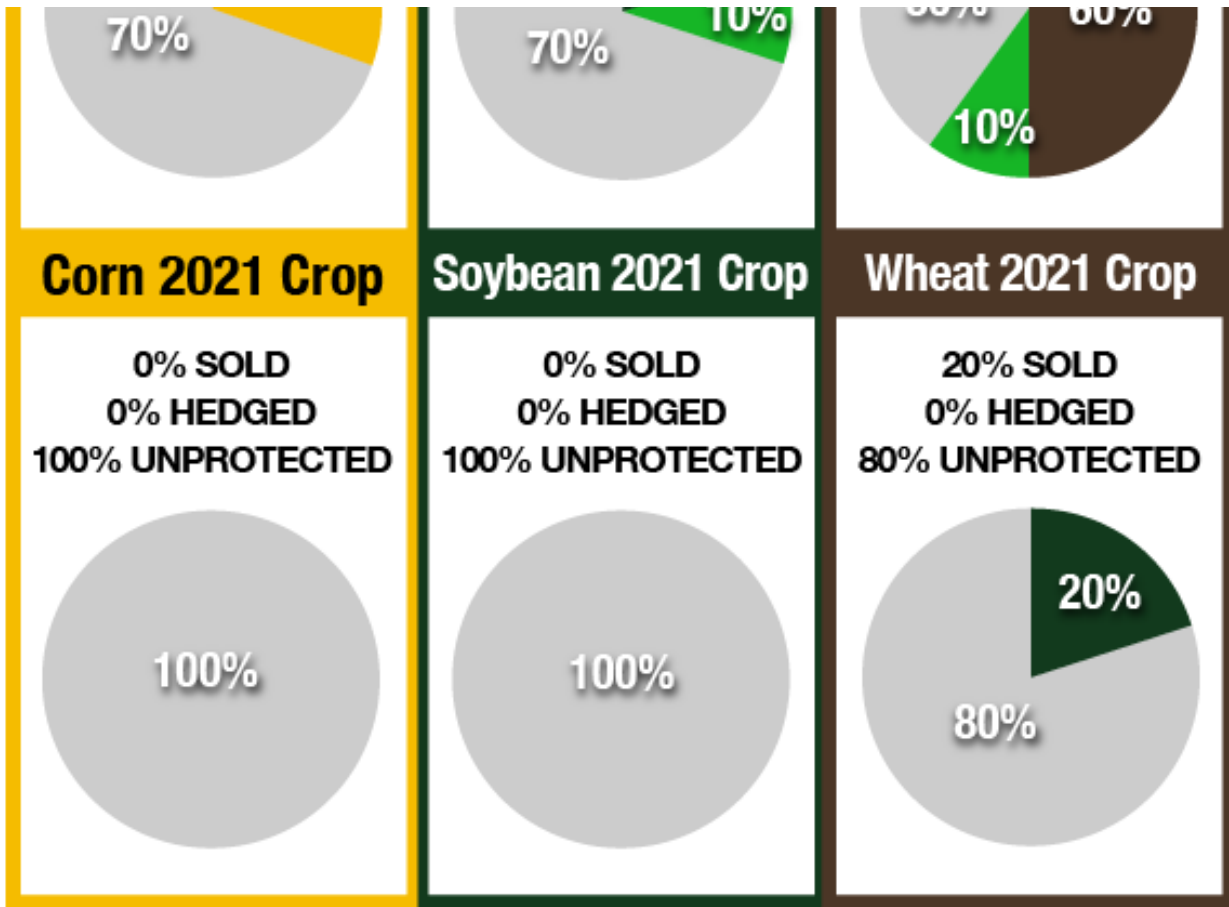


# CASH SALES & HEDGING TOTALS

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