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**GOOD MORNING: Van Trump Report 7-30-19**

1 message

**Mark Hendershott** <mark@farmdirection.com>

Tue, Jul 30, 2019 at 8:23 AM

To: Drew Durham &lt;josh@farmdirection.com&gt;, Jordan Van Trump &lt;jordan@farmdirection.com&gt;

To view this email as a web page, go [here](#).

"An inconvenience is only an adventure wrongly considered; and adventure is only an inconvenience rightly considered." - **G.K. Chesterton**

**Tuesday, July 30, 2019**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Traders are becoming extremely anxious and eager to hear tomorrow's announcement from the Fed following the two-day FOMC meeting. Investors are debating between the Fed leaving rates "unchanged", a quarter-point rate reduction and a half-point rate reduction. As I argued last week, more importantly, is how the Fed explains the playing of their hand. There's a good chance that two or three Fed officials could disagree with the central bank's decision to cut rates, making it more difficult for traders to forecast the course of

future Fed policy. Remember, Fed chair Powell has repeatedly cited trade tensions as part of the current global economic and manufacturing slowdowns. Top U.S. trade officials are back in China this week and working again towards finding some type of resolution. The stock market seems to be fine with the trade war as long as lines of communication remain open and perceived progress is being made. I think it's going to be interesting to see how the stock market reacts during the next couple of weeks following the Fed rate decision and moving past Q2 corporate earnings. Without a Chinese trade deal, it's getting harder for me to find the headlines that will keep pushing the stock market higher. Several traders and large investors I know are talking about a classic "buy the rumor and sell the fact" type set-up. I'm just not sure what's going to bring fresh new buying power off the sidelines and into the market after the next couple of weeks. Traders will get more data today as Consumer Income and Spending numbers will be reported. Another massive wave of Q2 earnings will be out today with big names like: Apple, Amgen, Procter and Gamble, MasterCard, BP, Conoco Phillips, Merck, Pfizer, Corning, Cummins, Bayer, Under Armour, Eli Lilly, Electronic Arts, Samsung, Gilead, and Xerox. I still like the thought of narrowing the scope of my portfolio and banking more profits on the rallies. I still have this feeling that I should be accumulating more dry-powder, currently around 50% invested, with 50% in cash on the sideline.

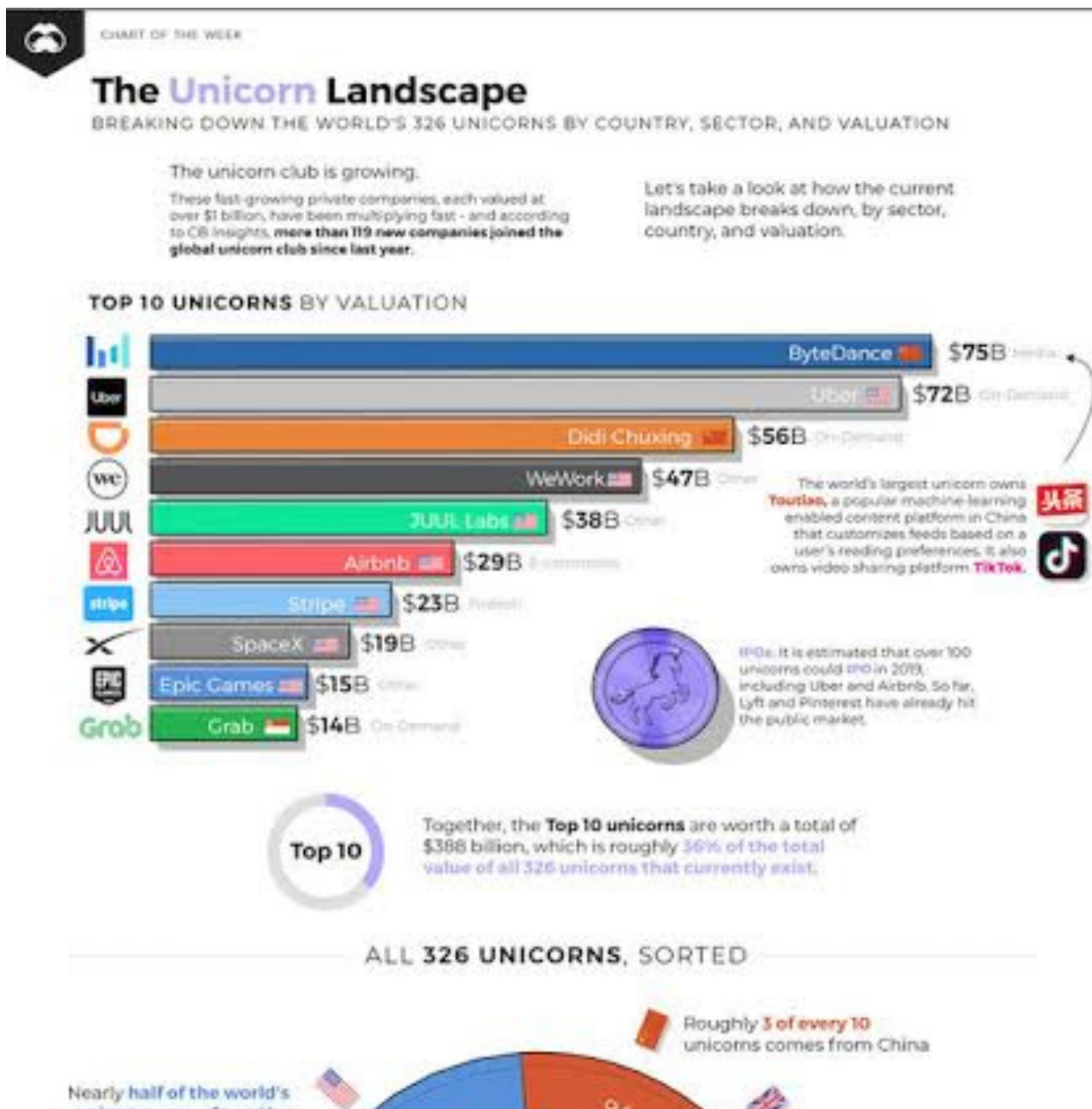
**Home Improvement Sector Riding Heavy Tailwinds:** *Home improvement spending nationwide has been growing at almost double the rate of the rest of the retail sector, and with the current tailwinds at its back, it doesn't look to let up soon. There are currently three reasons that are driving the surge, which is homeowner equity that has doubled the past five years making people feel richer and more disposed to improvements, age of homes, and Millennials who are finally buying homes, usually which are older. I'm told, research conducted at HomeAdvisor showed Millennials are doing a greater number of home improvement projects each year than any other age group and should continue to drive billions of dollars of home improvement in the coming years, meaning it may be time to look at some stocks in the sector. Read more [HERE](#) on the future of the remodeling industry.*

**Will Amazon Further Disrupt Agriculture & Food?** *The New York Times* broke an article yesterday about some of Amazon's possible plans for a new grocery concept: The original idea started before Amazon actually purchased Whole Foods in mid-2017, making it sound like Amazon has a much larger and more well thought out plan for the food space. The concept centered on a store that features perishable items on display but non-perishables items in a warehouse area on premise. Customers would place orders for the non-perishable items (products like paper towels or canned vegetables) on an easy to use app while shopping in person on the produce, meat, prepared meal and fresh baked aisles, the other perishable items would be ready and waiting at checkout. There would also be an area to pick up any and all groceries that had been ordered online and to manage other amazon packages. There has been reports that Amazon has been looking for spaces close to Whole Foods locations, indicating they will use a hub-and-spoke approach where one store serves as the warehouse and commissary for others. Experts say it could take more than a decade to build out a new chain from the ground up, so perhaps they will make a few more purchases? It was originally thought to be a major grocery player, Amazon would need just over 2,000 stores. That's far fewer than the 5,000 currently run by Walmart, the country's top grocery seller, but more than the roughly 1,200 currently operated by Publix. For what it's worth, the "Whole Foods" purchase got Amazon about a quarter of the way to their goal. you can read the entire article by Clicking [HERE](#)

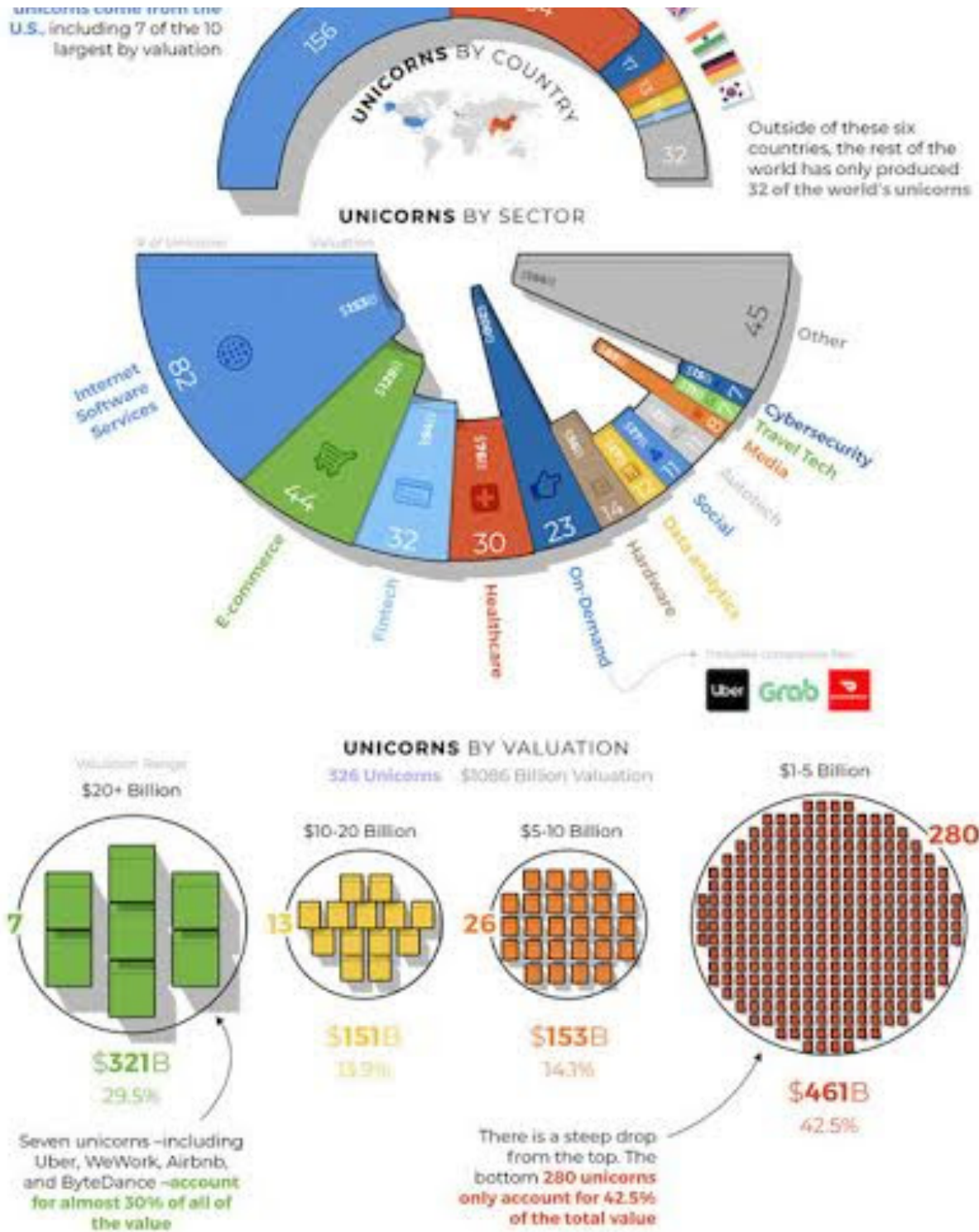
**Cuts to Transportation Disrupters:** *Uber is laying off about 25% of its 1,200-person strong marketing department in an effort to slash costs and make operations more efficient following its public debut and first quarter losses of \$1 billion. Lyft Chief Operating Officer Jon McNeill is leaving the company, confirmed in a filing on Monday afternoon. McNeill came to Lyft from Tesla, where he served as president of global sales and services. He also started and ran eight technology and retail companies. (Source: CNBC; TechCrunch)*

**Who Are the Biggest Unicorns in the World?** *Six years ago, venture*

capitalist Aileen Lee coined the term "unicorn" to describe any privately-held startup worth \$1 billion or more. Keep in mind, at the time, such valuations were so rare that they deserved a special name. Now, it's fair to say that the landscape has shifted dramatically, as the startup boom has intensified and capital flows into private companies are happening at an unprecedented pace. Below's chart uses data from the Unicorn Tracker created by CB Insights to break down the unicorn landscape by sector, valuation, and country, but what you'll notice is the segment most valued by investors is On-Demand. Click [HERE](#) for a bigger map and more insights.







# FARM TANK

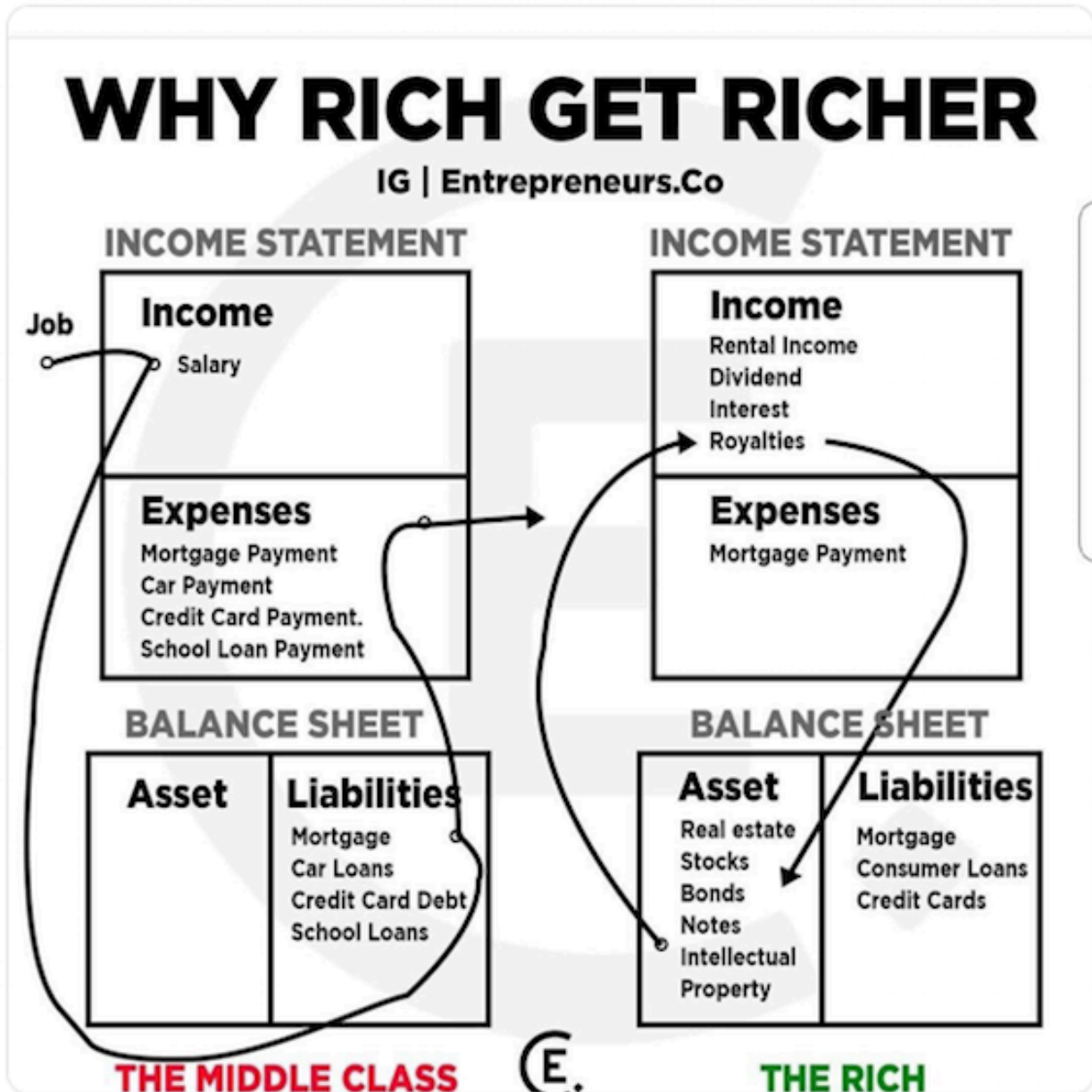
Tweets of the Day





**Steve Burns**  
@SJosephBurns

Following






**Charlie Bilello** ✓  
@charliebilello



## The Best Performing Stocks in the S&P 500 over the last 10, 15, and 20 years...

Data Source: YCharts

Best Performing Stocks in the S&P 500 over Last 10, 15 and 20 Years (Total Return)											
Rank	Symbol	Name	Last 10 Years	Rank	Symbol	Name	Last 15 Years	Rank	Symbol	Name	Last 20 Years
1	NFLX	Netflix Inc	5470%	1	MNST	Monster Beverage Corp	20446%	1	MNST	Monster Beverage Corp	74414%
2	ABMD	Abiomed Inc	3666%	2	NFLX	Netflix Inc	12232%	2	TSCO	Tractor Supply Co	40017%
3	MKTX	MarketAxess Holdings Inc	3533%	3	ILMN	Illumina Inc	11677%	3	CELG	Celgene Corp	14619%
4	ULTA	Ulta Beauty Inc	3045%	4	AAPL	Apple Inc	10522%	4	AAPL	Apple Inc	12937%
5	TDG	TransDigm Group Inc	2531%	5	BKNG	Booking Holdings Inc	8595%	5	NVDA	NVIDIA Corp	11577%
6	UAL	United Airlines Holdings	2363%	6	ISRG	Intuitive Surgical Inc	8569%	6	CTSH	Cognizant Technology	11396%
7	AMZN	Amazon.com Inc	2147%	7	NVDA	NVIDIA Corp	5909%	7	HFC	HollyFrontier Corp	10559%
8	URI	United Rentals Inc	1757%	8	SBAC	SBA Communications Corp	5459%	8	ANSS	Ansys Inc	8994%
9	EXR	Extra Space Storage Inc	1689%	9	AMZN	Amazon.com Inc	4920%	9	BLK	BlackRock Inc	7520%
10	ALGN	Align Technology Inc	1635%	10	CRM	Salesforce.com Inc	4718%	10	VTR	Ventas Inc	7154%
11	STZ	Constellation Brands Inc	1500%	11	REGN	Regeneron Pharmaceuticals	4017%	11	MO	Altria Group Inc	6271%
12	MA	Mastercard Inc	1498%	12	ALXN	Alexion Pharmaceuticals Inc	2917%	12	CERN	Cerner Corp	5974%
13	BKNG	Booking Holdings Inc	1494%	13	ABMD	Abiomed Inc	2877%	13	IDXX	IDEXX Laboratories Inc	5724%
14	WCG	WellCare Health Plans Inc	1428%	14	EW	Edwards Lifesciences Corp	2455%	14	ATVI	Activision Blizzard Inc	4932%
15	REGN	Regeneron Pharmaceuticals	1390%	15	IDXX	IDEXX Laboratories Inc	2172%	15	ALXN	Alexion Pharmaceuticals	4664%
16	NVDA	NVIDIA Corp	1364%	16	EQIX	Equinix Inc	2092%	16	KMX	CarMax Inc	4459%
17	CRM	Salesforce.com Inc	1318%	17	ROST	Ross Stores Inc	2088%	17	AZO	AutoZone Inc	4384%
18	INCY	Incyte Corp	1316%	18	ANSS	Ansys Inc	1941%	18	GILD	Gilead Sciences Inc	4374%
19	IPGP	IPG Photonics Corp	1280%	19	ORLY	O'Reilly Automotive Inc	1819%	19	CPRT	Copart Inc	4220%
20	SBUX	Starbucks Corp	1238%	20	MTD	Mettler-Toledo International	1804%	20	ROST	Ross Stores Inc	4112%

 @CharlieBilello





**Aaron Martinka**  
@AaronMartinka



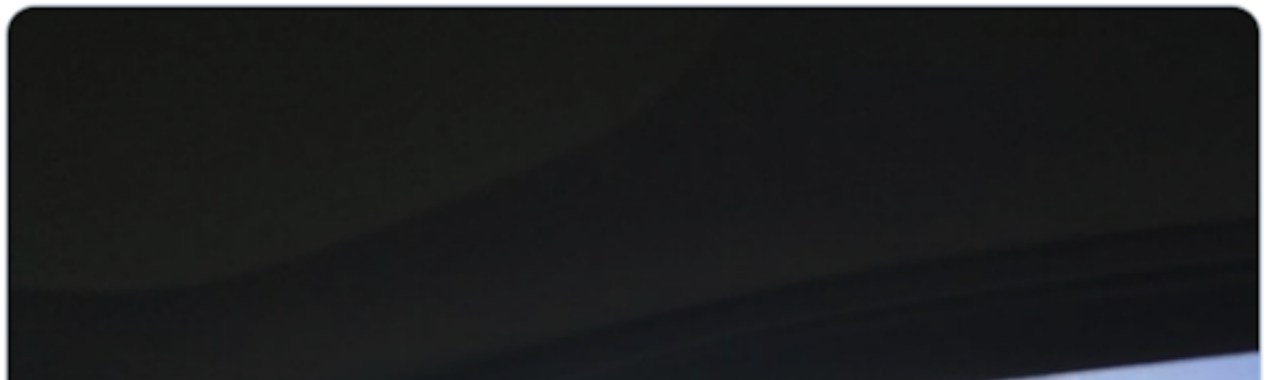
#Harvest19 #Corn is underway in CenTx



**Moffman**  
@Bmoff101



this field is a representation of all of Ohio #corn. Some good spots, some ok, some w/no corn. #plant19  
#fcstone









**David Wood**  
@ddwoodfarms



Girls gone shopping...so we started [#carpetfarming](#)  
[#harvest19](#) today! Good stress relief not going to lie!



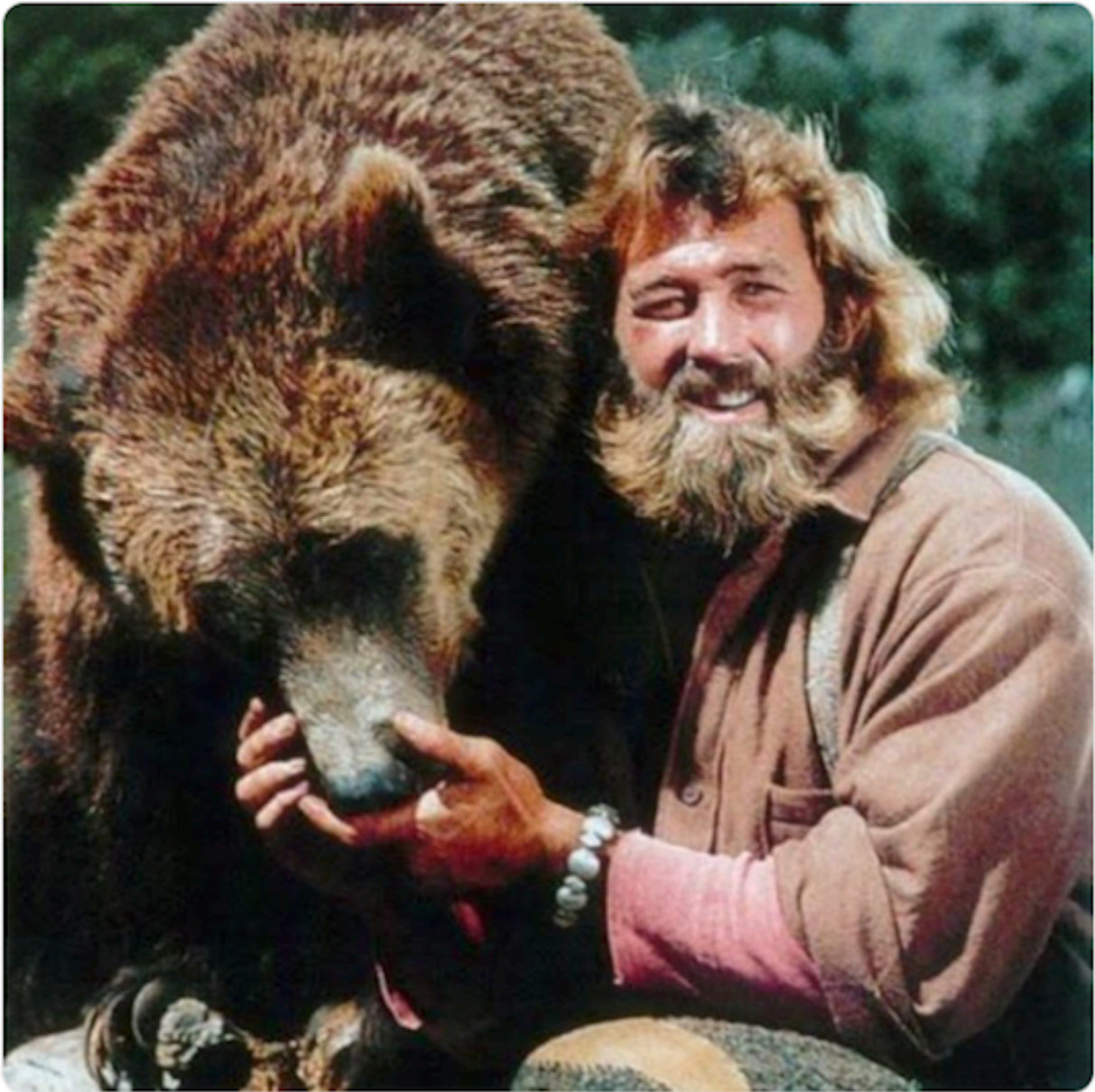
**Super 70s Sports**

@Super70sSports

Following



When you have a beard this sweet going, pretty soon you're gonna be looking for bears to chill with. I get that.

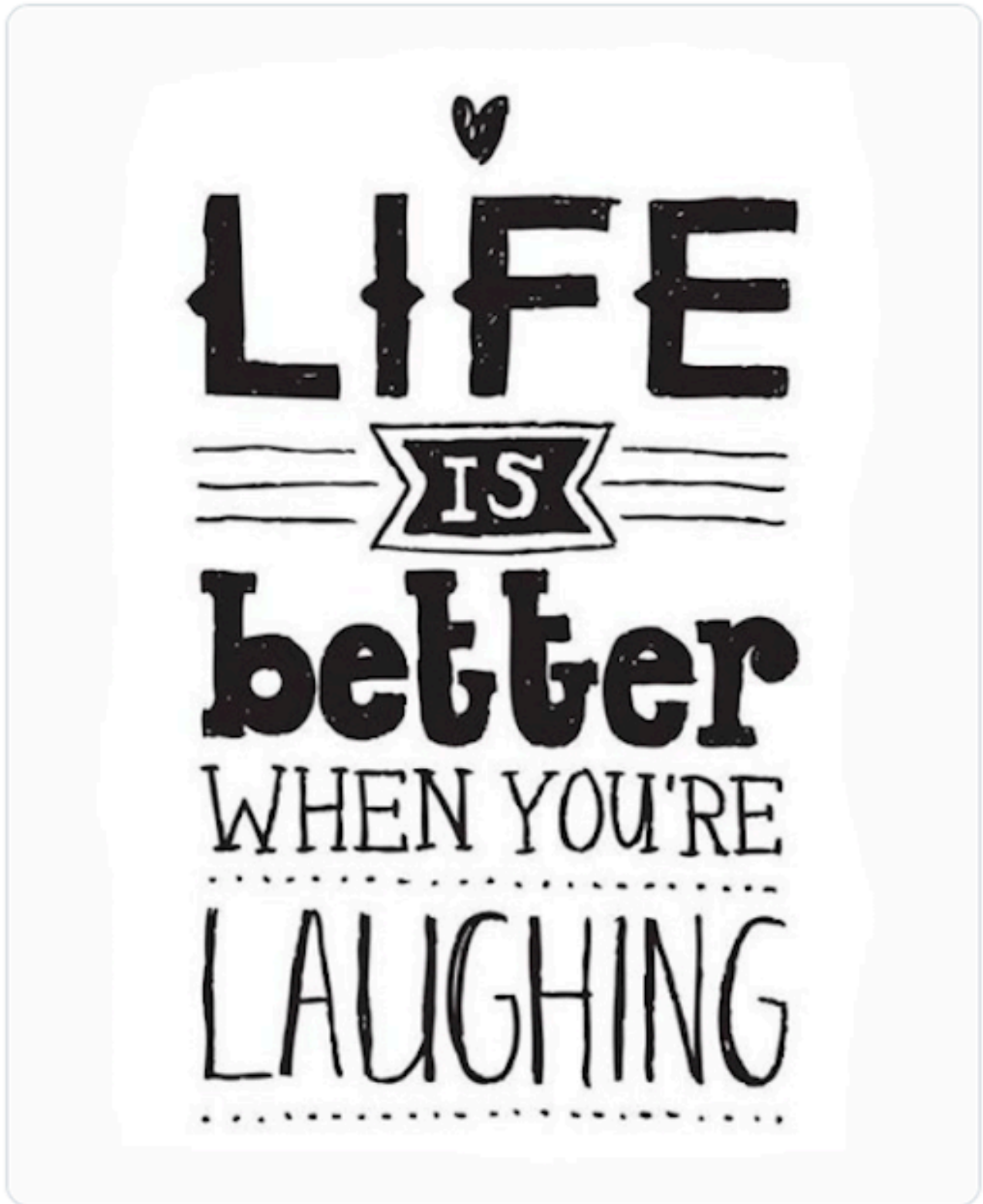
**Motivational Quotes**

@DavidRoads





Laugh on.



**Corn** bulls continue to pause and perhaps some even backpedaling a bit as weather becomes more cooperative and the trade starts to talk about a more



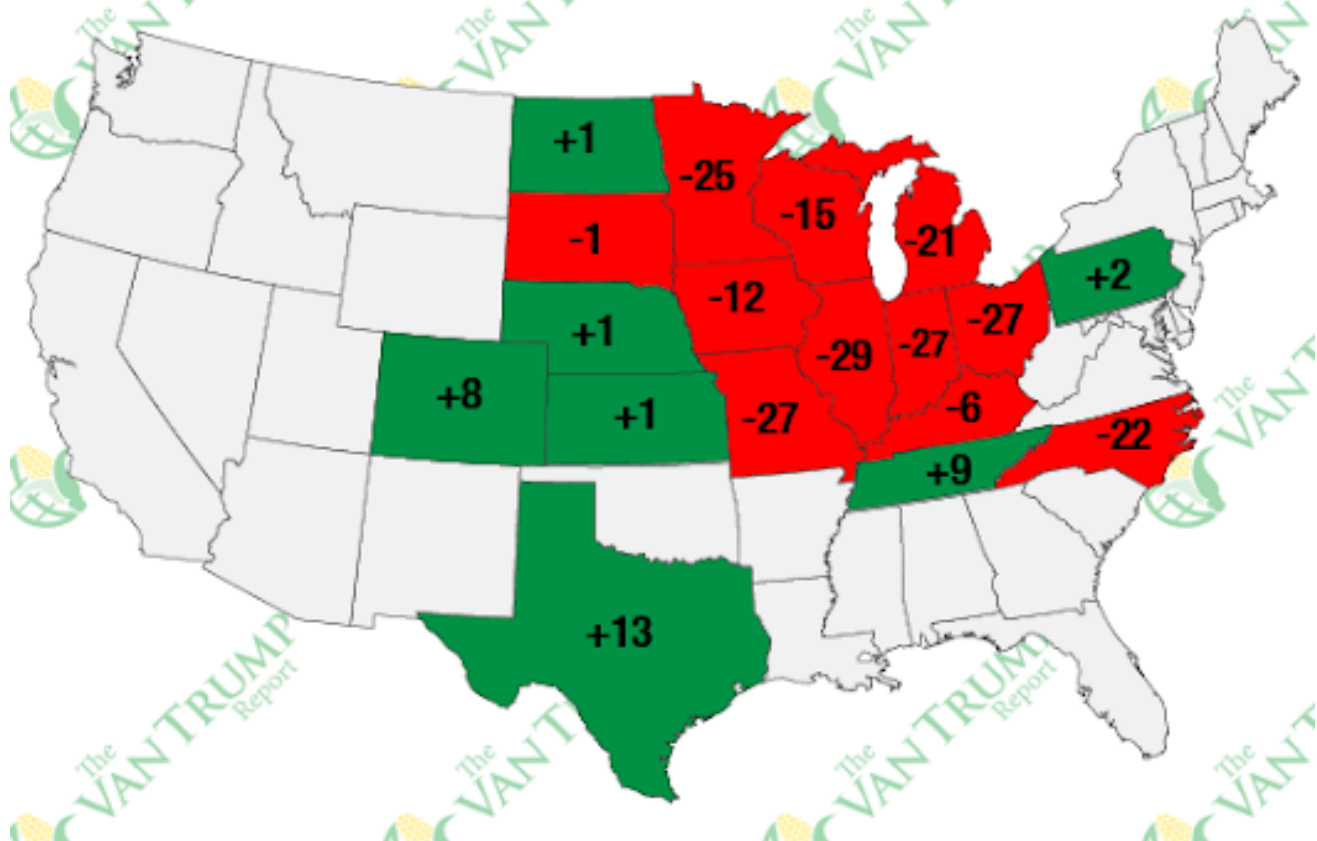
stable crop. The USDA raised their weekly crop condition estimate from 57% to 58% now rated "Good-to-Excellent." Indiana, Missouri, and Ohio conditions continue to deteriorate with all three states showing 36% or less of their total crop rated "Good-to-Excellent". Wisconsin shows just 43% of its crop in GD/EX condition. Illinois shows just 44% of their crop GD/EX vs 73% last year. There seems to be some mixed opinions about Minnesota. The USDA shows just 56% of the crop rated GD/EX vs. 80% last year, but some insiders have done a few private tours and think that rating could be a bit low, meaning the crop in Minnesota is perhaps a bit better than this. I'm not hearing that from my producer friends, but wanted to toss that out to our readers. Kansas is trending about the same as last year at 57% rated GD/EX. The top producing state of Iowa has improved a bit to 65% rated GD/EX vs. 77% last year. The state of Nebraska is actually a bit better than last year at 75% rated GD/EX. Colorado, North Dakota, Pennsylvania, and Tennessee are also thought to be in slightly better condition than last year. I've heard a few more private crop tour yield estimates coming in between 160 and 165 bushels per acre. Most seem to be talking harvested acres somewhere between 77.0 and 80.5 million, with a total U.S. crop somewhere between 12.2 and 13.2 billion bushels. For what it's worth, the USDA's previous estimate was 83.6 million harvested acres with a yield of 166 bushels per acre and a total crop of 13.875 billion bushels. I'm personally kicking around a total crop of about 12.5 billion bushels. My harvested acre number of 78.5 million might be a bit below most of the insiders I know, but I'm thinking some of the ground might have gotten planted just to be eligible for the second phase of MFP payments. And there's still a ton of weather uncertainty ahead that could further impact the harvest, hence the reason I'm sticking with a sub 80 million harvested acreage number. My yield estimate is plus or minus 2 or 3 either side of 160. In other words, somewhere between 157 and 163 bushels per acre depending on how the weather plays out. Bottom-line, as long as the weather continues to cooperate and demand remains suspect, bulls could get tired of waiting on fresh new headlines and continue to exit stage left. As both a producer and a spec, I want to remain patient. As a spec, I'm wanting to hold my current bullish position until at least November. As a producer, I'm in absolutely no nearby hurry to price more new-crop bushels. Technically, there's a ton of support in the DEC19 contract in the

\$4.00 to \$4.20 range. I'm hoping it can hold through the August and September USDA reports.

## U.S. Corn Good-to-Excellent

[week 30] July 28, 2019

Current Good-to-Excellent vs. 5 year average for week 30



### Corn % Good-to-Excellent

	2017	2018	5-yr avg	This Week	Change vs LW
Colorado	66	62	72	82	2
Illinois	63	80	73	44	1
Indiana	49	69	63	36	1
Iowa	65	78	77	65	2
Kansas	56	47	56	57	0
Kentucky	80	74	75	69	-4
Michigan	69	48	64	43	1
Minnesota	81	79	81	56	-1

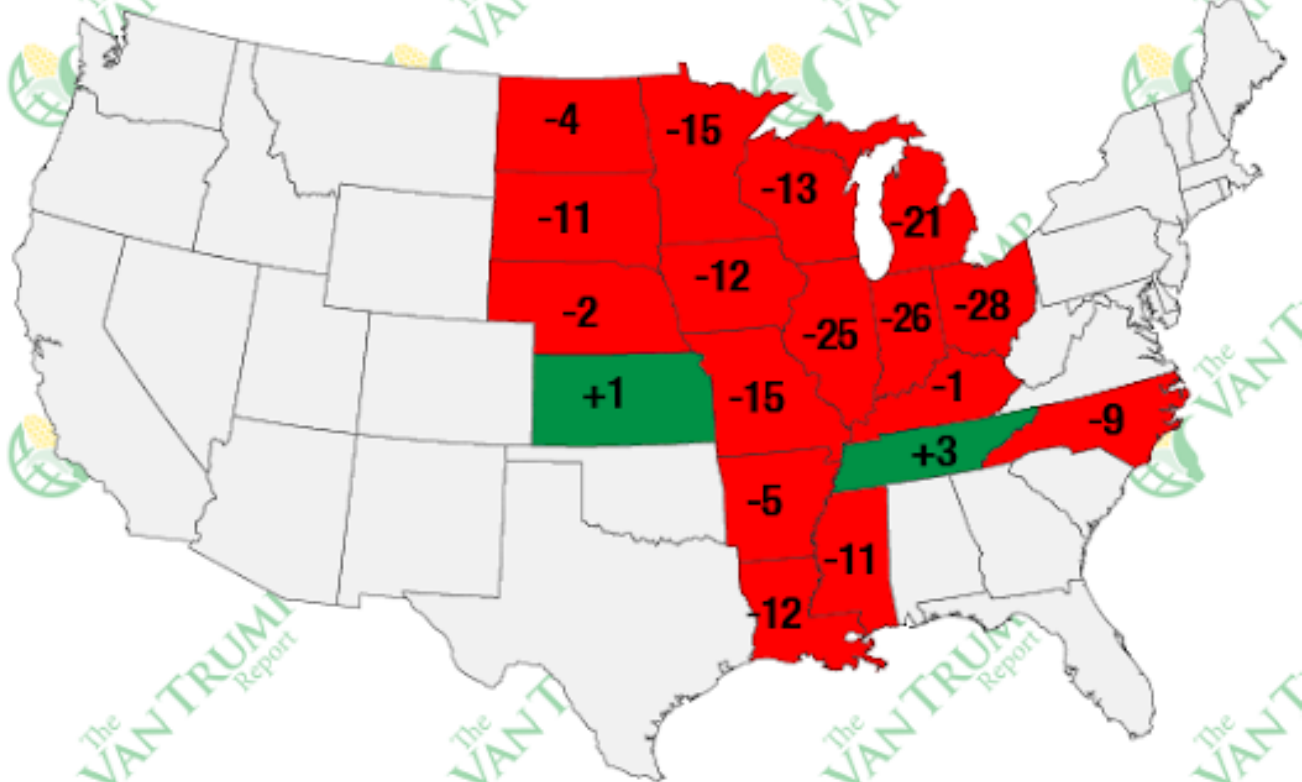
Missouri	61	33	61	34	1
Nebraska	61	86	74	75	-2
North Carolina	76	29	56	34	-6
North Dakota	39	90	74	75	-2
Ohio	57	71	61	34	-1
Pennsylvania	88	84	78	80	-1
South Dakota	29	75	62	61	3
Tennessee	82	74	75	84	-1
Texas	69	36	56	69	1
Wisconsin	70	81	78	63	3
<b>Total</b>	<b>61</b>	<b>72</b>	<b>69</b>	<b>58</b>	<b>1</b>

**Soybean** traders seem comfortable with prices orbiting around the \$9.00 level. Bears continue to argue burdensome U.S. supply, more acres actually being planted than previously thought, and the ongoing lack trade dispute with the Chinese. Bulls on the other hand argue how far behind the U.S. soybean crop is, how many acres got planted exceptionally late, how much fewer pods the plants could have, and if there will be enough in the way of sunlight to harvest a good crop prior to the first winter freeze? The USDA elected to leave their weekly soybean condition estimate "unchanged" at 54% rated "Good-to-Excellent". Again, Indiana and Ohio appear to be struggling the most with Indiana's crop rated at just 36% GD/EX and Ohio's at 30%. Missouri and Michigan are rated at just 41% GD/EX. Illinois is rated 44% GD/EX vs. 69% last year. Arkansas is rated 56% vs. 62% last year. Iowa is rated 62% vs. 74% last year. Minnesota is 60% vs. 74% last year. From my perspective, it's just so early to tell how this years soybean crop is going to yield with so many acres planted exceptionally late. I would have to imagine there's a yield drag simply based on fewer pod-counts and fewer growing-degree-units. It's just crazy to drive around the country and see such short soybean plants, when the past few years the soybean plants looked like large shrubs of some sort at this date, they were huge! Many producers argue and say the size of the plant has nothing to do with the final yield. I had thought the same when I was younger, but am starting to question that theory after seeing

the yields the past few years on huge plants. Bottom-line, I have absolutely no clue on how to guess the soybean yield at this stage of the game. I feel like there are going to be more acres planted than many analyst thought a few weeks back, but the yield drag could easily offset the extra acres. Just lots of unknowns in this market. I like the thought of being a spec buyer on a break. I don't want to be short this market, worried it would just be too hard to navigate longer-term. As a producer, I'm stay patient. Technically, I'm still deeply interested in seeing how we trade if the NOV19 contract drifts down into the \$8.75 to \$8.90 range.

## U.S. Soybean Good-to-Excellent [week 30] July 28, 2019

Current Good-to-Excellent vs. 5 year average for week 30



### Soybean % Good-to-Excellent

	2017	2018	5-yr avg	This Week	Change vs LW
Arkansas	70	59	61	56	0
Illinois	66	75	69	44	-1

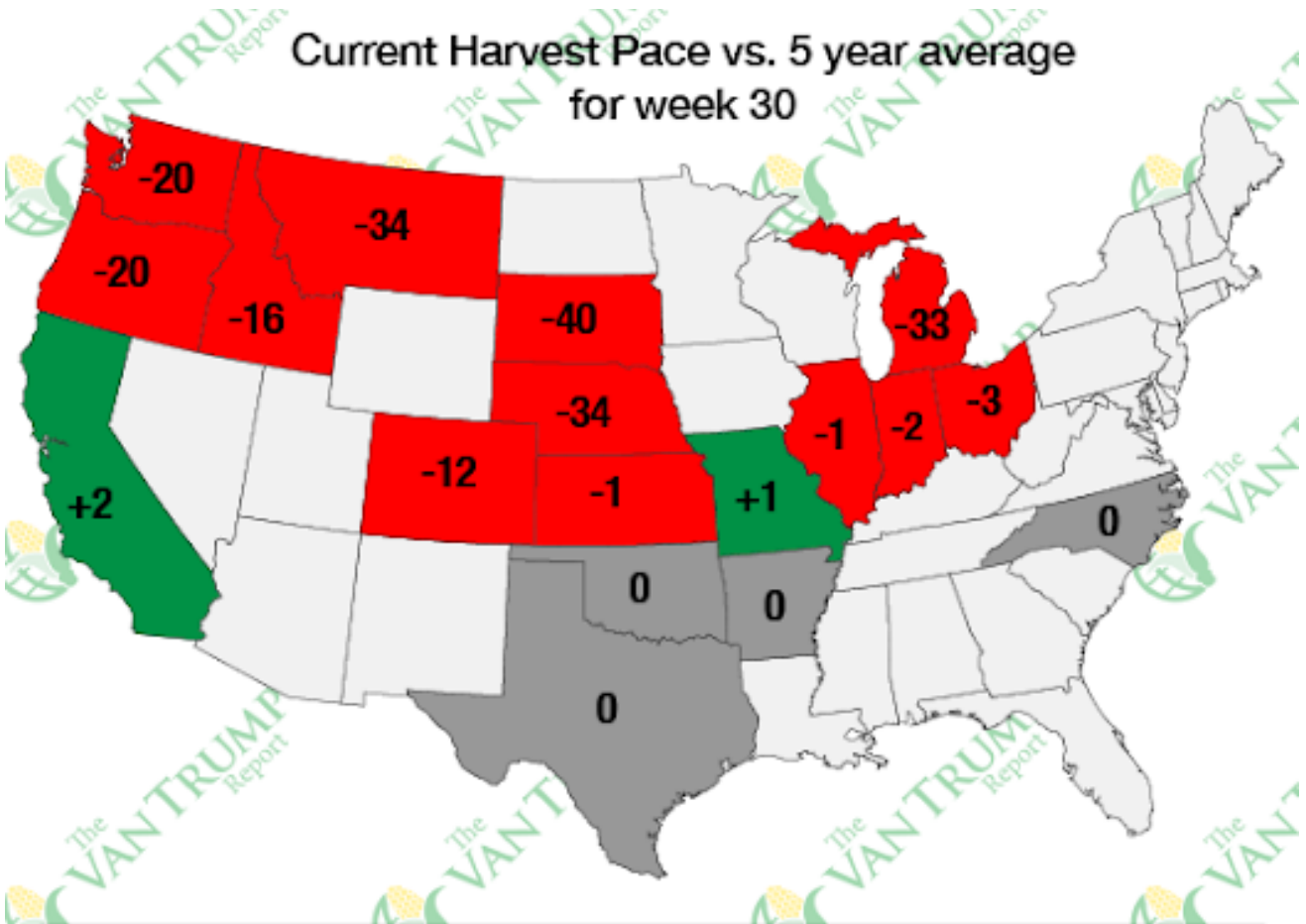
Indiana	51	67	62	36	0
Iowa	60	77	74	62	-2
Kansas	51	43	51	50	0
Kentucky	73	76	71	70	-2
Louisiana	85	52	71	59	6
Michigan	66	54	62	41	-5
Minnesota	73	75	75	60	0
Mississippi	69	76	72	61	5
Missouri	65	40	56	41	0
Nebraska	60	85	73	74	1
North Carolina	64	53	62	53	-1
North Dakota	34	82	69	65	0
Ohio	48	65	58	30	0
South Dakota	28	69	61	50	3
Tennessee	72	74	75	78	-4
Wisconsin	74	79	78	65	3
<b>Total</b>	<b>59</b>	<b>70</b>	<b>67</b>	<b>54</b>	<b>0</b>

**Wheat** bulls continue to talk about production hiccups in parts of Russia, Australia, Argentina and portions of the European Union. Traders also continue to monitor the monsoon rains in India and production in both Canada and China. Here at home, the USDA lowered the spring wheat crop condition estimate from 76% down to 73% rated "Good-to-Excellent". The USDA also showed the U.S. winter wheat harvest at 75% complete, with Nebraska, Montana and South Dakota still running the furthest behind. There's really nothing fresh or new to report. As a spec I remain on the sideline with no real intention of jumping in the waters anytime soon. As a producer, I'm glad I made the early sales and fully content on watching the clock tick. In absolutely no hurry as either a spec or a producer.

**U.S. Winter Wheat Harvest**  
[week 30] July 28, 2019



## Current Harvest Pace vs. 5 year average for week 30

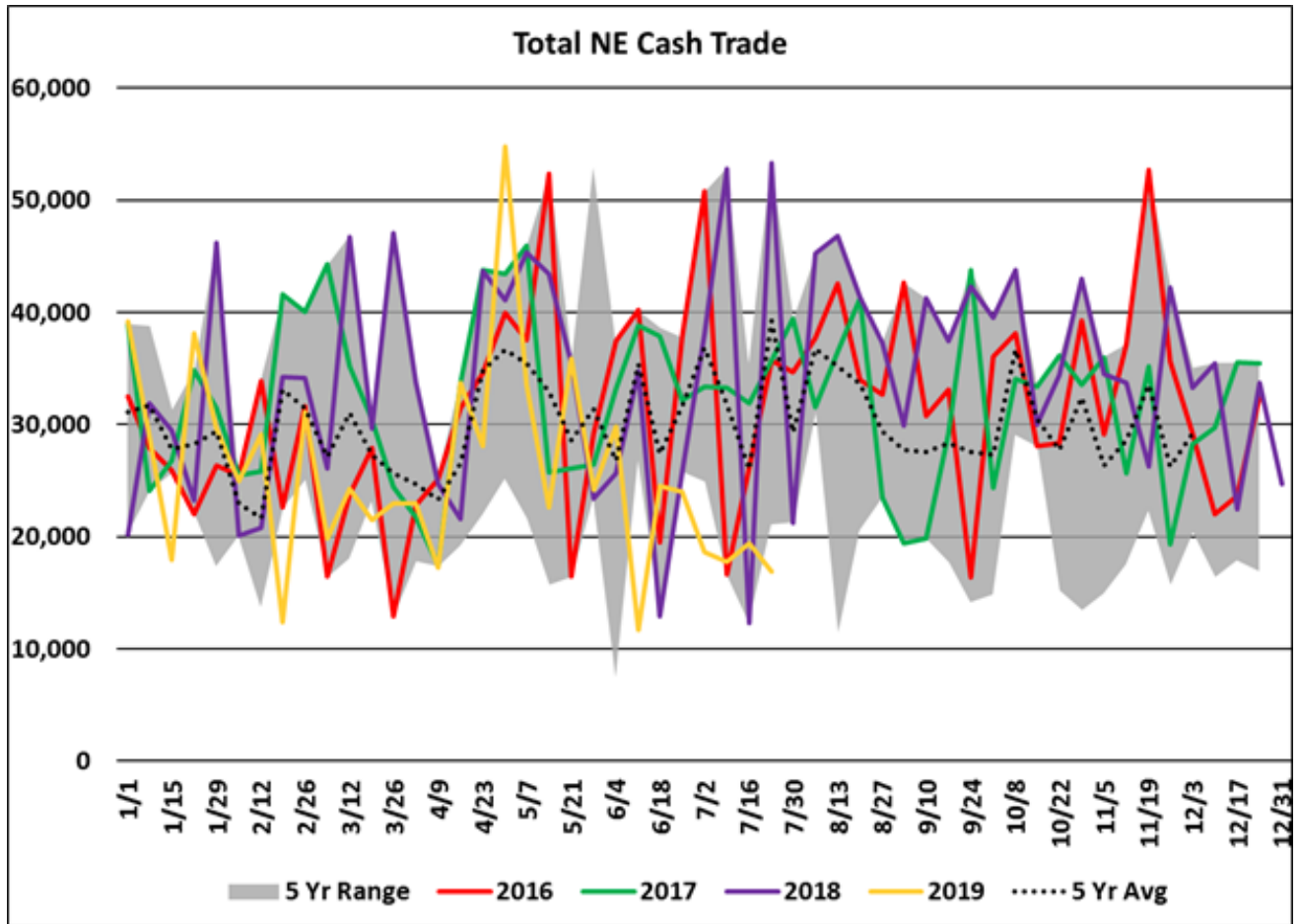


## U.S. Winter Wheat Harvested

	2017	2018	5-yr avg	This Week	Change vs LW
Arkansas	100	100	100	100	0
California	94	95	95	97	2
Colorado	94	97	92	80	15
Idaho	17	24	22	6	4
Illinois	100	100	99	98	4
Indiana	99	100	98	96	4
Kansas	100	100	99	98	2
Michigan	88	87	78	45	31
Missouri	100	100	99	100	0
Montana	65	19	35	1	1
Nebraska	99	89	89	55	22
North Carolina	100	100	100	100	0
Ohio	99	100	96	93	10
Oklahoma	100	100	100	100	0

Oregon	42	55	53	33	16
South Dakota	82	79	64	24	24
Texas	100	100	100	100	0
Washington	31	28	39	19	9
<b>Total</b>	<b>88</b>	<b>85</b>	<b>86</b>	<b>75</b>	<b>6</b>

**Cattle Comments:** The cattle feeder managed to trade cattle approximately 1.00/CWT higher this past week on slightly lighter volumes. The national average steer brought 113.91/CWT live and 183.32/CWT on a dressed basis. Total volumes were around 90,000 head versus 96,000 head last week and 148,000 head last year. Interestingly, NE is trading much lighter volumes of cattle currently compared to what we might expect from a historical standpoint. The lighter northern numbers are likely a function of several fundamental factors. First, the cattle that would be market ready would generally have been placed when northern yards were still struggling with winter and less than ideal pen conditions. Second, the strong basis has certainly kept all feeding regions more current than less. Third and last, NE is seasonally trading larger volumes through formula and grid marketing methods. We are at or near the largest grid volumes since the summer of 2017 and the largest formula numbers since last summer. Weekly slaughter totals continue to impress. Last weeks combined fed and non-fed harvest was estimated to be 651,000 head, which would be 105.5% of the 10 year average. Cattle on show lists for this week were higher in all regions and heat across portions of the central and southern areas will potentially compel feeders to keep cattle moving. The cattle markets have certainly been range-bound and quiet for nearing two weeks. Daily futures volumes are on the lighter side and fresh infusions of news are all but absent. The broad technical setup for LC futures is viewed as supportive as we remain in an uptrend and above the pivotal 50 day average. Shorter term, we can certainly see some sign of exhaustion and today's (7.29) break would likely be a result of the overbought setup and rejection of the upper Bollinger band. Trey Warnock - [Amarillo Brokerage Company](#)



**> Ethanol Industry Getting Squeezed:** *Todd Becker, CEO of Green Plains, believes the ethanol industry could be at a breaking point. The U.S. ongoing trade war with China increases in small refiner exemptions from RFS and shrinking margins are weighing heavy on many in the space. I should mention, Green Plains, the fourth largest ethanol company, sold off three of its ethanol plants in October and Plymouth Energy out of Merrill, Iowa, announced it would suspend production until further notice last week. Read more [HERE](#).*

**> Chinese Hog Prices Could Hit Record Highs by Q4:** *Surging pork imports are expected to send China's pork and hog prices up to record territory by fourth quarter according to Chenjun Pan, senior analysts for animal protein at Rabobank. From what I understand, Pan forecasts China will import 3 MMT of pork in 2019, which is more than triple 2018's 1.19 MMT. It's worth mentioning, in the first half of the year, China brought in 818,703 MT of the meat, meaning, it's likely we'll see a surge in pork in the second half of the year.*

**> GMO's Being Considered for Organic:** *Organic certification currently requires products with the organic label that lack antibiotics, artificial colors, genetically modified ingredients, and synthetic pesticides. GMOs made the list because they aren't naturally occurring, a value which is at the root of the organic movement. However, USDA Undersecretary of Agriculture Greg Ibach testified before the House Agriculture Subcommittee this month that plants grown with the aid of genetically modified organisms and gene editing could be allowed to be certified organic in the future. The debate is heavy on the subject as some studies show as many as 50% of people say they wouldn't eat GMO organically grown food. Read more [HERE](#).*

**> Researchers One Step Closer to Genetically Controlling Weeds:** *Genetic control could one day reduce the need for the chemicals that are proving elusive to the destruction of waterhemp and Palmer amaranth. I'm told, researchers from the University of Illinois just published a study in Weed Science, where they were able to identify genetic signatures that distinguish male waterhemp and Palmer amaranth plants from females. I should mention, the discovery is a crucial part of*



developing a genetic control system for the damaging weeds. I'm told, the researchers' goal is to one day introduce genetically modified male plants into a population to mate with wild females, and ultimately, all plants in a given population would become male to cause reproduction would cease and populations to crash. Read more [HERE](#).

**> Colleges Begin to Embrace the Business of Cannabis:** Universities are now offering career paths for those interested in the marijuana business. Cornell and the University of Maryland are leading the way in preparing students for a future involving the cropping, agronomics, medicinal aspect, chemistry, and consumer attitudes and policy surrounding cannabis. From what I understand, the University of Maryland announced in June that its School of Pharmacy will offer a master's degree in medical cannabis. In addition, a new course is also being added this fall at Cornell University's School of Integrative Plant Science called "Cannabis: Biology, Society and Industry." I suspect more and more will venture into the space with Gallup polling showing that American support for the legalization of marijuana has been steadily increasing in the past decade and reached an all-time high at 66% approval in October 2018. I suspect we see a ton more industry pop up surrounding cannabis as it continues to be embraced by society. Read more [HERE](#).

**> 3M Sees Past the Obvious... Creates New Packaging:** Minnesota-based materials company 3M is releasing a new type of packaging that requires no tape and no filler. The company says it can be customized to fit any object under 3 pounds, which I'm told accounts for about 60% of all items that are bought online and shipped. From what I understand, the material, called the Flex & Seal Shipping Roll, can reduce time spent packing, the number of packaging materials, and the space needed to ship packages. Interestingly, when 3M started doing ethnographic research to understand the problems merchants like Amazon and Target were having, the team found that people were so accustomed to thinking shipping had to be done using boxes, filler, and tape because they didn't even see it as a problem—just a necessary evil. This could be a game-changer for shipping smaller items. Read more [HERE](#).



**> Great Lesson from First Colombian to Win Tour de France:** *Egan Bernal, who became the winner of the 2019 Tour de France last Sunday, isn't just the first Colombian to win the Tour, but at age 22, he's the youngest to win it in over a century. More importantly though, is the lesson we can learn from the fact that Bernal was even in the race. Less than one year ago, after a bad crash during the one-day Clasica San Sebastian, Bernal was lying in a hospital with a nasal fracture, damage to teeth in both jaws... and a brain bleed, a type of traumatic brain injury that can be life-threatening. So, while most people say they go the extra mile or willing to pay the price for achievement, this young man did it and showed the world, once again that most of our limits are self-imposed. So, even if you'll never be an elite athlete, make sure you're not the one limiting what you choose to do! Read more [HERE](#).*

**> Breathing New Life into the Business of Death:** *Douglas County cemetery and others in Colorado cater to a growing population of Americans looking to shirk the conventional customs of death. From what I understand, experts in the industry agree that the changing attitudes about the end of life and a desire for more personalized ceremonies, earlier attention to funeral planning, and environmental concerns, as well as a desire for lower costs, are beginning to disrupt the quiet and conservative business of death. I'm told some operations are now opening their doors to non-mourners as they seek to diversify and stay relevant in an industry that's seeing more turn away from traditional burial and go with cremation. Lot's happening in this space right now. Read more [HERE](#).*

**> America's Most Stable Housing Markets:** *Boulder ranked as the best housing market nationwide based on home price growth and stability for the fifth year in a row, according to a new report from SmartAsset. I'm told, the odds of a major drop in home prices in Boulder were 0%, and properties in the city have increased 268% in price since 1994. I should mention, the study analyzed 25 years of home-value data across 358 metropolitan areas around the country from the Federal Housing Administration, then the metro areas were ranked based on two factors: Overall home price growth and the probability that a homeowner would experience a significant price decline of 5% or more within a decade after purchasing a property. See the 10 most stable housing markets [HERE](#).*

**> \$30 Million Fortnite World Cup Crowns 16-Year-Old Champion:** *US teen Kyle Giersdorf recently won the solo event at the Fortnite World Cup, which took place on Sunday at the Arthur Ashe Stadium in New York City. I'm told, more than 40 million players participated in the qualifying events for the final, but only 50 duos and 100 solos players made it through the last round and were in for a chance to win a cut of the \$30 million prize pool. Fortnite, which involves 100 players being parachuted onto a virtual island, and then battling it out until only one remains, is the most popular video game in the world with more than 250 million registered players. From what I understand, the game is free to play, players can use V-Bucks to purchase cosmetic items and unlock features in Fortnite, and Epic Games reportedly earned more than \$2.4 billion from microtransactions in 2018. Read more [HERE](#).*

**> America's First Fun-Loving Off-Roadster Hits Auction Block:** *Bruce Meyers grew up in the midst of the early days of surfing, drag racing, and hanging out at Pismo Beach, where he was introduced to the dune buggy. Keep in mind, the early dune buggies were crude, heavy backyard creations based off of full-size sedan, and pickup truck chassis. Bruce took it upon himself to improve upon the design by modifying a VW Kombi bus with wide wheels and dubbed "Little Red Riding Bus," and shortly thereafter, he incorporated his boat-building experience to construct the first fiberglass-bodied dune buggy allowing the Meyers Manx to be born. If you don't remember, the Meyers Manx took the world by storm, appearing on the covers of Hot Rod magazine and Car & Driver, and even found itself successful in competition, winning its class in the 1966 Pikes Peak hill climb. I should mention, over the years the buggy grew a pop-culture following bolstered by a starring role in films such as Steve McQueen's The Thomas Crown Affair. Click [HERE](#) to see more or place a bid on the piece of Americana.*









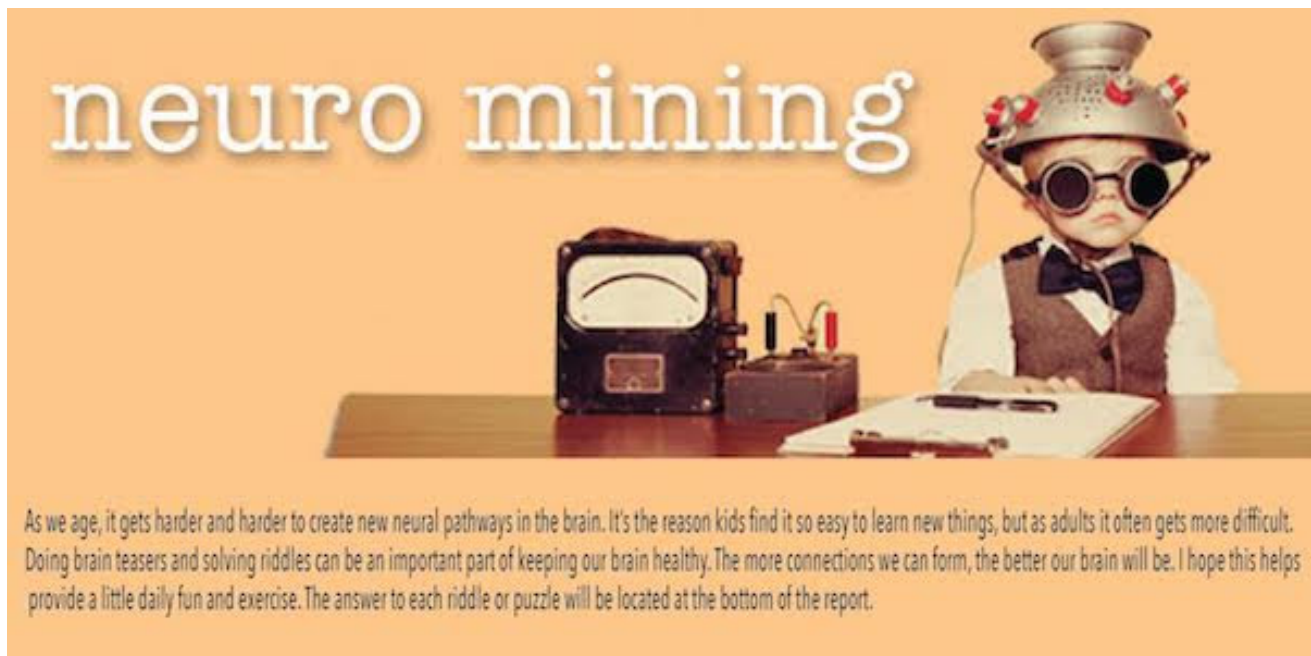
**Northern Illinois** – *We grow all corn just north of Peoria about 30 miles. Today, the corn is looking a little better because we got a shot of rain on Saturday and a little drink this morning as well. Neither rain was big, but it did help drop the temperature a little. We were just over 90 degrees this weekend with a strong south wind, so the corn was starting to look a little tough. The temperatures are supposed to stay in the low 80's, but we're going to be dry for the first half of August, followed by warmer than the normal second half. We should start pollinating mid-August by the looks of things. Everything is about chest high and we do have a lot of uneven corn. If you go south of us 100 miles you'll see a lot of fields shooting tassels unevenly across the field, which makes the unevenness really show through.*

**Eastern Missouri** – *We farm right along the Mississippi River. We generally plant an even rotation of corn and soybeans. This year we prevent plant about half our crop. All the fields along the river were completely lost to flooding. We're just now seeing the river go down enough that we can see dirt for the first time since this spring. Most of that ground has compaction issues with all the water as well as large amounts of debris on the fields. If the river stays down, then we're going to go get soil samples to see how much damage is done and start coming up with a plan to fix the fields. Been a tough year here.*

**Northcentral Ohio** – *Last year was a fairly good year from the production side once we got the crop off. We fought it the entire way through. The early planted corn and soybeans look better right now than the later stuff. I'd bet we don't even come close to the yields we saw last year because of uneven pollination and horrible stands. The soybeans yield jury is still out, but they have a long way to*



*go right now. We just need to stay away from the heat for the rest of August. I think our saving grace this year will be the \$67 payment we're getting from the Market Facilitation Program.*



**TODAY'S RIDDLE:** How can you physically stand behind your father while he is standing behind you?



### China's Road to Recovering its Swine Herd

China's swine herd could take years to get back to pre-ASF levels of over 440,000 head, if it ever does, but as the industry begins to look ahead to what it will take to eradicate the disease and begin the rebuilding process there are a ton of considerations. All of which could have a lasting effect on China's herds, world production, demand, and prices for those operations still in the game. In fact, higher prices are actually a concern at the moment, as it is feared that high pork prices will incentivize many Chinese hog farmers to restock or expand, despite

the significant animal health risks.

Inconsistencies between Chinese policies and actions are also a concern as it is strongly believed that the number of reported cases is well understated due to provincial governments refusing to report outbreaks to higher-level authorities in order to avoid the appearance of not controlling ASF. Unfortunately, this can lead to improper disposal of infected swine allowing the disease to possibly remain. I should add, despite the significant decrease in the number of World Organization for Animal Health reports, ASF outbreaks continue to appear in distant areas that are creating great uncertainty as to the actual conditions leading to the spread of the disease. This lack of accurate reporting is one of the greatest obstacles to controlling the disease and implementing effective countermeasures.

USDA's FAS recently released a GAIN report which focused on the Chinese swine herd and its uncertain future. For now, from a supply standpoint, it was determined there will be sufficient animal protein supplies to meet Chinese demand, despite an anticipated 21% herd reduction in 2019. Looking forward, as pork supplies tighten through the second half of 2019 and demand strengthens near the Chinese New Year in January 2020, pork and all other animal protein prices will rise and imports will increase. It's believed that in order for the Chinese swine herd to recover, a number of factors will have to be addressed, which we share below. (Source: [gain.fas.usda](http://gain.fas.usda), [statista.com](http://statista.com))

**Development of an Effective Vaccine:** *Development and distribution of an effective vaccine against ASF could advance the timetable for the recovery of the swine herd. However, it's unlikely that a vaccine will be prepared by 2020 and will not have an effect on next year's situation. Keep in mind, it's important to watch for announcements about ASF vaccines that are the result of peer-reviewed research and not a lone ranger.*

**Increasing Prices Incentivize Restocking:** *Rising swine prices provide strong financial motivation for many farmers to attempt to raise hogs, despite the high risks from ASF. In the first half of 2019, prices have held fairly stable as demand fell alongside supply. When live swine prices start to rise more rapidly, even more, conservative operations may try to restock. Each province may have its own price dynamics. Rising live swine prices are generally indicative of restocking, whereas decreasing prices indicate that farmers are liquidating herds due to ASF outbreaks, depressing prices.*

**Industry Restructuring:** *Small farmers may be able to take advantage of short-term factors and generate high profits, but it will be modern large-scale integrated facilities that will be more sustainable over the long-term. Keep in mind, it will be the speed and manner in which this consolidation happens that will influence the trajectory of China's recovery from ASF. Also, due to ASF, China is moving away from shipping live hogs to shipping chilled carcasses, primarily to manage the risk of shipping live animals across the country. For this to be sustainable, China will need to build additional slaughter capacity closer to the new production facilities and add significant cold-chain capacity. Once again, it will be the speed at which the industry is able to implement these restructurings that will affect when China is able to stabilize production.*

**Chinese Government Policy Response:** *Implementing and consistently executing responsible policies to detect, monitor, and control the spread of African Swine Fever is a critical first step. Policy announcements that lack sufficient national government hinder efforts to control the disease. For example, when MARA first announced a subsidy program for culled swine, the per-head subsidy was set at \$120 USD. While the subsidy was later increased to \$180 USD, the local governments were left responsible for funding a large portion of the subsidy bills and, reportedly, lacked the funds to do so. As a result, most farmers don't expect to receive subsidies for culled animals, undermining their incentive to follow the stated regulations.*

**Effective Biosecurity Implementation:** *Biosecurity measures can run up into the hundreds of thousands of dollars for medium to large operations, and even if the costs can be overcome, it will require widespread education and implementation to succeed. Hopefully, China's recent announcement to subsidize interest payments for short-term loans to swine farmers will likely have a positive effect on biosecurity investment by large farms, speeding the pace of recovery.*

**Availability of Imports:** *Based on relatively high worldwide volumes of pork, it's possible for China to dramatically increase its imports in 2019. However, non-price related disruptions to the market can affect the availability of imports, thus driving up prices. For example, China recently suspended Canadian meat imports.*

**Available Replacement Animal Protein:** *Replacing pork with other animal proteins relies on the ability to increase the supply of these proteins. Since beef supplies are also*

*expected to decrease, it will require the increase to come from imports. as it will for pork as well. Poultry could see additional supply come from domestic increases as imports account for less than 4% of total consumption.*



### **Million Dollar Lures**

If you haven't had a chance to step away from your crops just yet to get in a little fishing, check out this lure list from Field and Stream before you do. Eight of the best professional bass fisherman were lined up by the magazine to weigh in with the most lucrative lure in their career. On the pro fishing circuit, guys are trying to pass the \$1 million in tournament winnings mark to set themselves apart from the rest, and these guys have done just that. Field and Stream called on the bass anglers to share the bait that has had the biggest impact on smashing the million-dollar mark. So, before you hit the lakes with your buddies or the family, make sure you're all geared up for the best chance of landing a granddaddy bass, and if you do... send us a pic! Below I share my five favorites, so be sure to click [HERE](#) for a deeper dive on all eight anglers. (Source: FieldandStream)

**Keith Combs, Deep-Diving Crankbait:** *Combs is a big fan of offshore fishing and believes that targeting deep, open-water bass schools offers him the best chance of winning most of the time. Deep diving crankbaits allow Combs to get down and cover lots of water and it's often the 3-inch Strike King 6XD that gets tied on first. According to Combs, the 6XD gets down and stays down with a tight wobble that's not too aggressive, as well as its size, mimicking most of the primary forage on the waters he fishes. In his opinion,*

*you can throw a worm and sit there all day, but why do that when you can use a crankbait and catch five big fish real quick? It's not the two pounders you want, but rather the 6 pounders from the heart of the school, according to Combs. Combs has won \$979,135 from B.A.S.S. and \$436,511 in his previous stint at FLW.*



**Skeet Reese, Large-Profile Jig:** *Although he's probably most closely associated with fast-moving lures such as swimbaits and crankbaits, Reese says he's won the most money overall on a jig including "a half a million in one shot" when he won the Classic. Reese shares that the key to a jig in a lot of situations is slowing down your presentation as bigger fish are a little more aware of a bait moving unnaturally, which is how a jig often looks when you're moving it too quickly. So, if you are like me, then you'll have to fight the urge to hop it and pop it! Since joining the national tour, Reese has won \$3,335,353 in B.A.S.S. cash. He has also won the 2009 Bassmaster Classic, on the Red River and a total of eight B.A.S.S. events from coast to coast.*





**Larry Nixon, 6-Inch Curly-Tailed Worm:** *Nixon's not afraid of change, but he's as old-school as they come and still loves a plastic worm, although today he might be rigging it on a shaky head more often than classic Texas-style. According to Nixon, people have moved away from fishing long worms and he says that's a mistake. It's the lure that got my career started and is still my go-to when I have to have a bass in the boat. In his opinion, anglers don't always put enough thought into a worm's tail, meaning, choosing one needs to be based on conditions. For instance, while a plastic worm has no inherent noise-making ability, bulky models with tails that flutter or wiggle do a better job of attracting fish in current and in dirtier water. Nixon is a veteran pro with a career that started in the 1970s. In addition, Nixon was the first angler to pass \$1 million in winnings, a feat he achieved in 1992. He earned \$1,635,858 with B.A.S.S., and since moving exclusively to FLW, he's added four FLW Tour wins and another \$1,834,987 in tournament earnings.*



**Mark Menendez, Spinnerbait:** *Menendez has banked a big percentage of his cash with an old-school spinnerbait—a lure that’s fallen out of favor among some pros in recent years as swim jigs and chatterbaits have gained shelf space. Using the spinner, Menendez caught his two largest bass including a 13-pound-9-ouncer and three over 10 pounds. While burning a spinnerbait is an effective and proven tactic— most notably for clear-water smallmouths — Menendez thinks the average angler leans on burning too much. He advises not forgetting about depth control, which can be a critical factor of spinnerbait success. In his opinion, you want to get the spinner as close to the bottom as you can, regardless of the depth, then work it back slow so it stays down. Menendez has earned \$1,125,201 in the course of his career and has wins at the Top 100 at Pickwick and Wilson lakes, a Southern Open at West Point Lake, and an Elite Series event at Lake Dardanelle.*





**Steve Kennedy, Ribbed Paddle-Tail SwimBait:** *Swimbait has increasingly become Kennedy's best money winner, starting at Clear Lake in 2007, when he dropped \$3,000 at California tackle shops and then stomped the competition at an unfamiliar venue. Interestingly, after becoming a devotee of a discontinued Bass Pro Shops XPS swimbait, Kennedy proceeded*

*to enlist the entire Kennedy clan to buy out everyone they could find from coast to coast in as many Bass Pro Shops as they could hit. Ultra-clear water seems to present the best conditions for Kennedy as he claims it's an addictive bite because it's so visual. Keep in mind, the best swimbaits have a natural action, even when you're crawling them, and though it's tempting to retrieve them quickly, Kennedy is quick to point out that you should work them slow as they can call in bass from long distances. Kennedy has won \$1,664,263 with B.A.S.S. and an additional \$786,277 with FLW. Most significantly, he's done it all on his own, largely without sponsor support.*



### **Plot Twist... from Bruce to Caitlyn!**

Bruce AKA "Caitlyn Marie" Jenner set a world record on this day in 1976, bringing home the gold medal in the men's decathlon at the Montreal Olympics. Many believe the secret to Jenner's success was how he trained. In the 1970s, most decathletes trained with other decathletes. Jenner, however, trained with some of the world's best athletes in each of the 10 decathlon categories. After the win over Nikolai Avilov, the world record-holder and 1972 Olympic champion from the Soviet Union, Jenner enjoyed the title of "world's greatest athlete" and appeared in movies, on television and, of course, adorned on that famous Wheaties box.

Sports had always been Jenner's passion. He had earned a football scholarship and attended Graceland College in Lamoni, Iowa, but was forced to stop playing because of a knee injury. Recognizing Jenner's potential with strength and athletic



ability, Graceland track coach L. D. Weldon encouraged Jenner to try his hand at the decathlon. Jenner took the advise and competed in his first decathlon in 1970 at the Drake Relays, finishing in fifth place. It's hard to believe, less than six years later he sets a world record and wins the 1976 Olympics. It just goes to show how quickly things can happen when you have a plan, execute, stay consistent and determined to succeed.

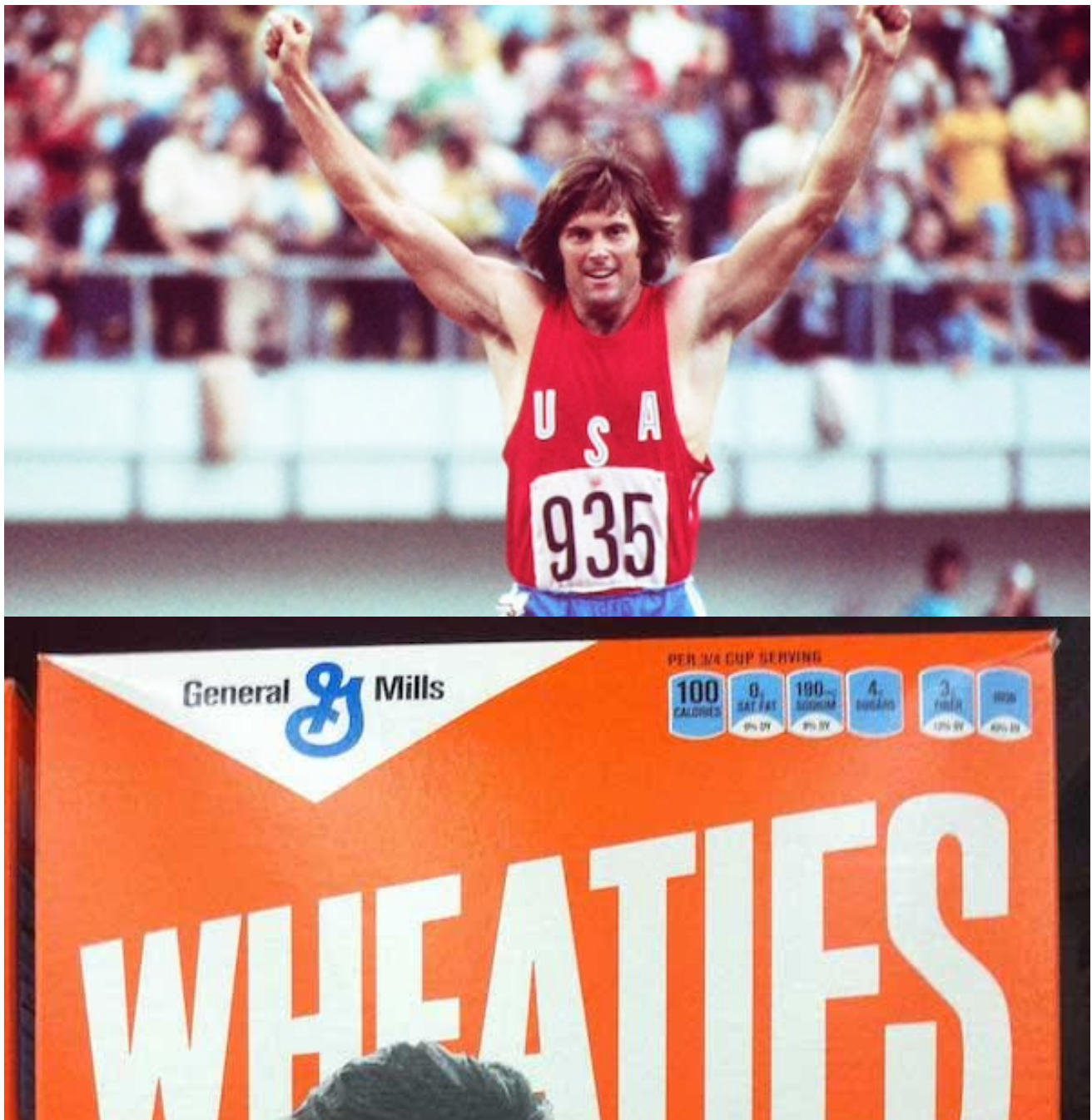
Training as an amateur to compete against the best professionals also created a massive headwind. Remember, back in 1976, the U.S. didn't allow professional athletes to compete in the Olympics, even though Russian athletes were state-sponsored. This meant Jenner would train during the day and sell insurance at night in order to pay his bills. Jenner said in 1972 he made the decision to go four years and totally dedicate himself to his goal of becoming the best decathlete he could become, and then, regardless of the outcome he would move on after those four years were over. He did just that! He won the 1976 Olympics, took an American flag from a spectator and carried it during the victory lap, and never competed again...

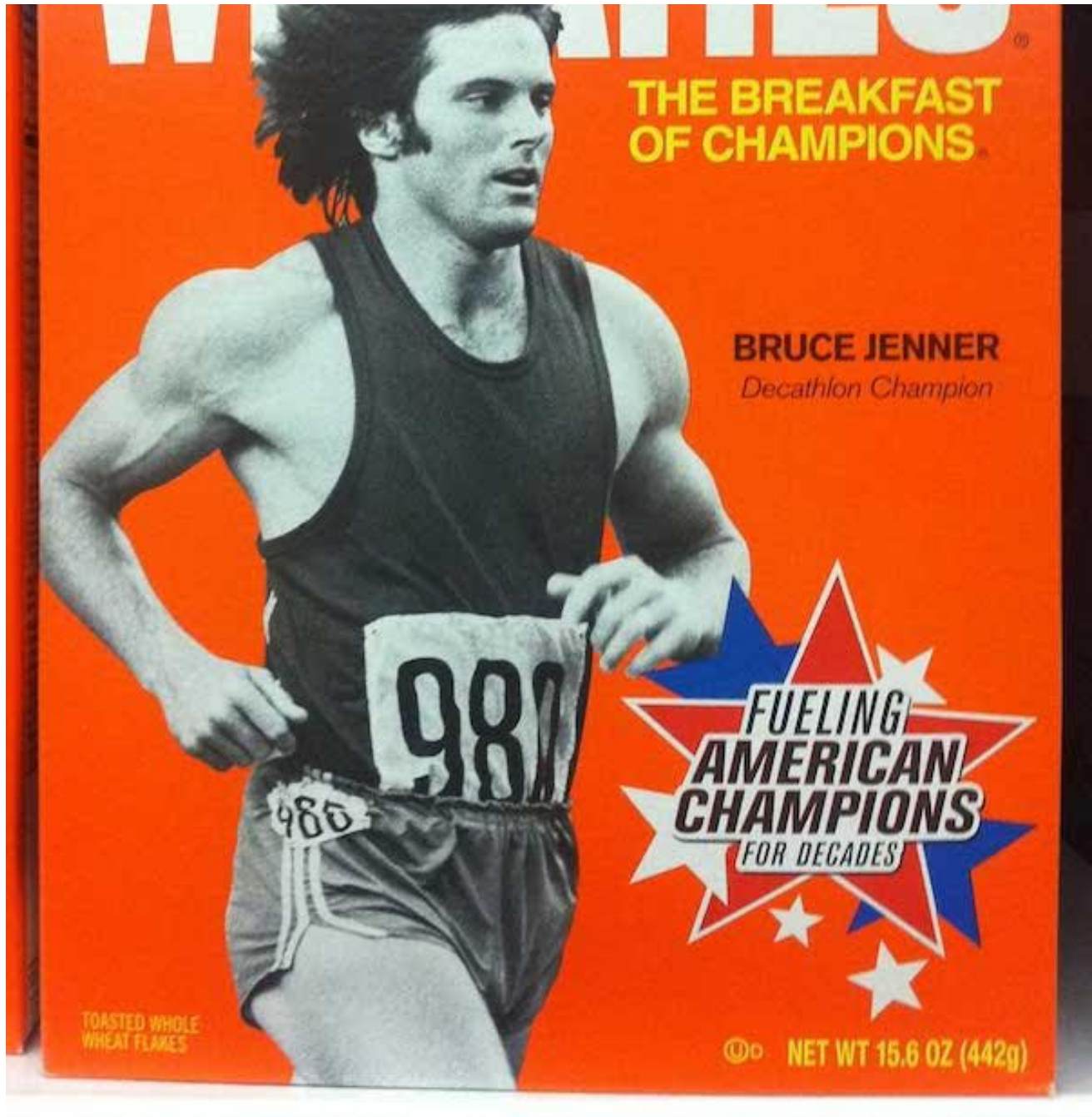
Dedicating ourselves, setting time-based goals, and executing consistently are really the key ingredients and what it takes to move the ball.

Winning the Olympic decathlon, made Jenner a national hero, receiving the James E. Sullivan Award as the top amateur athlete in the United States and also named the Associated Press Male Athlete of the Year in 1976. Jenner was inducted into the United States National Track and Field Hall of Fame in 1980, the Olympic Hall of Fame in 1986.

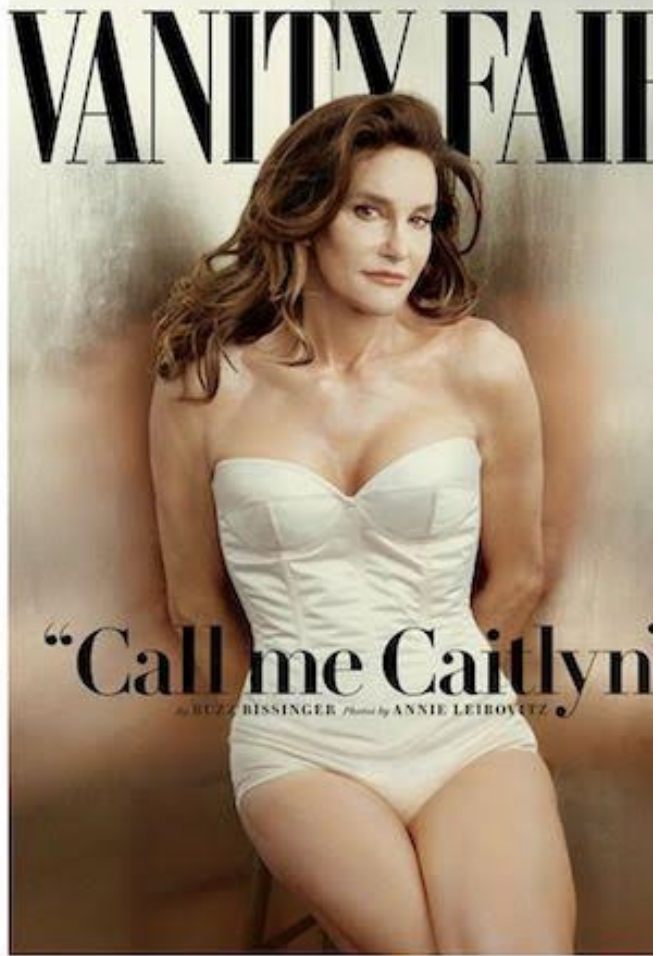
Plot Twist... In a 20/20 interview with Diane Sawyer in April 2015, Jenner came out as a transgender woman, saying that he had dealt with gender dysphoria since his youth and that for all intents and purposes, he was a woman. Jenner has undergone cosmetic surgery, and completed sex reassignment surgery in January 2017. Jenner constantly confirms never being sexually attracted to men, but always to women, and that people constantly confuse the difference between sexual orientation and gender identity. Jenner now nearly 70 years old, still

considers himself or herself a Christian and leans towards political conservatism as a registered Republican. On her reality show "I Am Cait," Jenner said that although she would never support Hillary Clinton and ended up voting for Trump in the 2016 presidential election. Caitlyn Jenner's net worth is now estimated to be +\$100 million. Daughter Kylie Jenner, 21, is reportedly now worth +\$1 billion and our nations youngest self-made billionaire. Regardless of our opinions, Caitlyn (formerly Bruce) Jenner definitely beats to her own drum and provides us lots of things to think about...









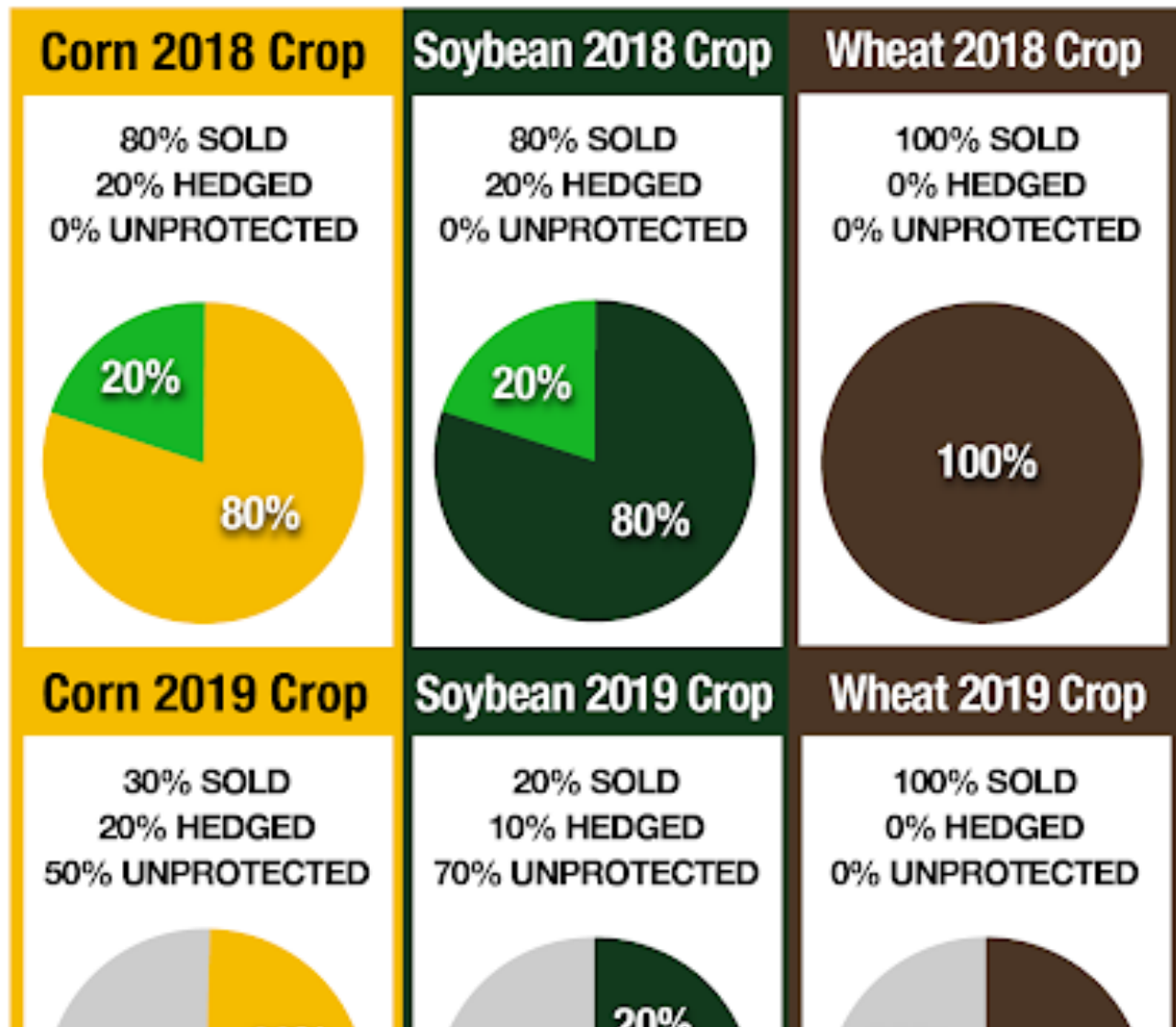


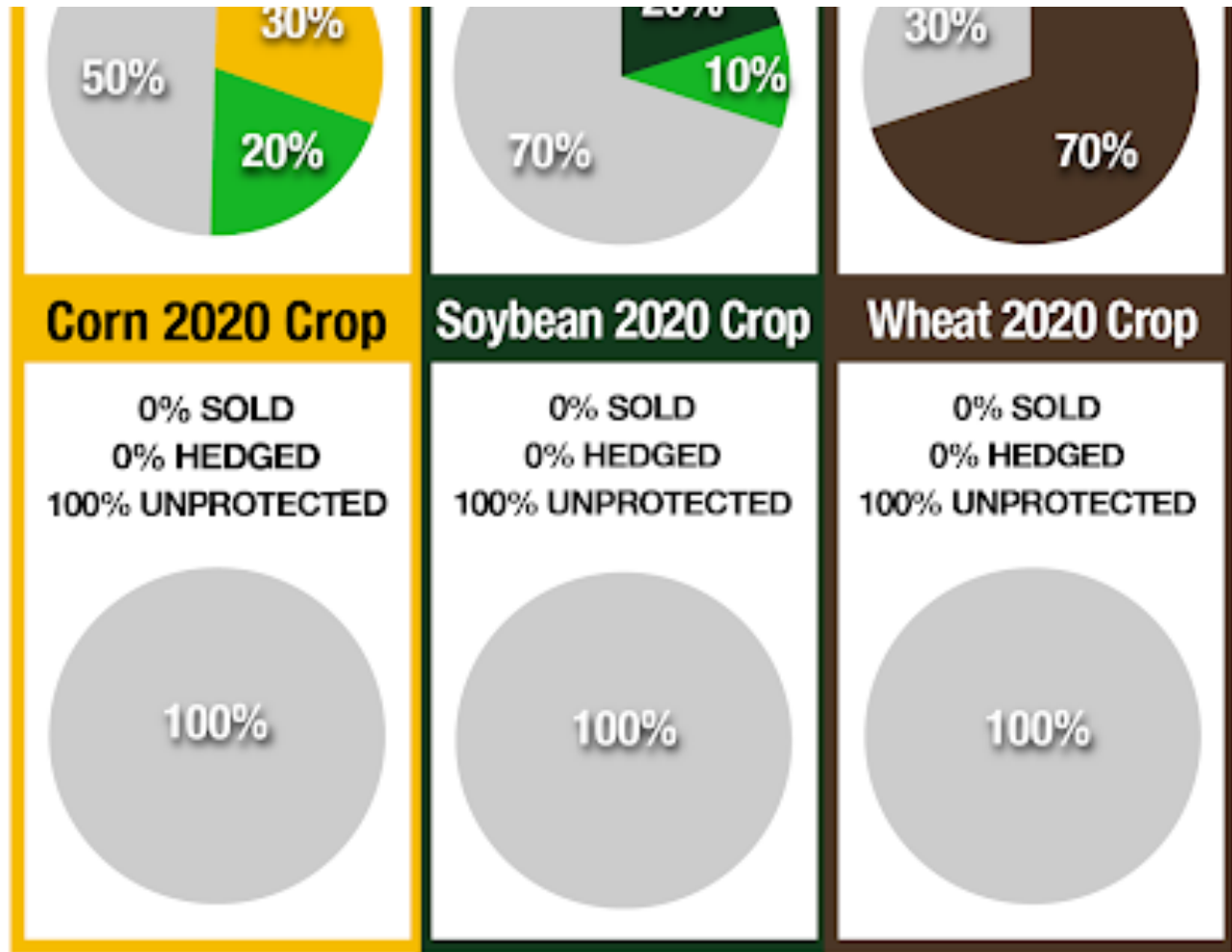


**ANSWER to riddle:** You are standing back-to-back with your father.

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