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GOOD MORNING: Van Trump Report 8-20-19

1 message

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

Tue, Aug 20, 2019 at 5:31 AM

Reply-To: Jordan <reply-fec177475670d7d-1142_HTML-68584704-100003450-8@vantrumpreport-email.com>

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

"There comes a time when you have to choose between turning the page and closing the book." - **Josh Jameson**

Tuesday, August 20, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stocks continue to confuse many investors with whipsaw type price action, triple-digit gains one day followed by triple-digit losses the next. Keep in mind, the major stock indexes have been negative for three consecutive weeks. Bulls are now pointing to increased talks of global stimulus, with the latest coming from China and Germany. Both countries were in the spotlight last week as "red flags", releasing data that showed their economies continue to struggle. State-owned People's Bank of China has now tossed out a plan to lower borrowing costs for companies in an effort to boost its lagging economy. Meanwhile, Germany is floating the idea of injecting up to \$55 billion in stimulus "should the economy fall

on hard times", according to the country's finance minister. In fact, Germany is now saying it will move away from a balanced budget if the conditions dictate further stimulus is needed. Bears are quick to remind the trade that both countries are facing difficulties related to ongoing trade issues and solutions may not come soon enough to curtail the damage and prevent an all-out global setback. In the U.S., there is talk that President Trump and his administration are discussing a payroll tax cut in order to additionally boost the economic conditions. The White House released a statement denying that the idea was being considered but traders on Wall Street believe something is brewing. The fact that the administration is considering its options is enough to give investors some added confidence and could help keep the stock market supported. For today, no new economic data is on the calendar but we will hear from Federal Reserve Vice Chairman for Supervision Randal Quarles, who is scheduled to deliver a speech in Utah. This comes ahead of the Fed's July 30-31 meeting "minutes" that are due out Wednesday, as well as the Jackson Hole central banker's conference that begins on Thursday. Moral of the story, the market is focused heavily on Fed talk during the next several days. It will be interesting to see how the market interprets and digests the rhetoric. I suspect if Fed Chair Powell disappoints on Friday at Jackson Hole the stock market will take another step backward. I hate to say it, but it feels like the Fed is being painted into a difficult corner, either deliver more aggressive rate cuts and dovish commentary or let the bears trim some of the optimism.

China's Huawei Condemns U.S. Ban, Calling it Politically Motivated: *The U.S. government has extended its Huawei ban to 46 more affiliates, dashing the company's hopes that it would be lifted. Instead, the temporary license allowing Huawei to procure American parts for existing products has been extended another 90 days. In a statement, Huawei called the decision "politically motivated and has nothing to do with national security," which is the reason U.S. officials have given for placing Huawei on a blacklist back in May. U.S. lawmakers, including the President, have expressed concerns about Huawei's links to the Chinese government and fears that its equipment could be used to spy on other countries and companies. Huawei has repeatedly denied those allegations. Commerce Secretary Wilbur Ross said the main aim of Monday's extension is to give smaller U.S. internet and wireless companies - particularly those in rural areas - that rely on Huawei more time to transition away from reliance on its products. Huawei is China's biggest phone maker, and sales to the company account for a significant portion of revenues for some U.S. suppliers. President Trump has previously tied the fate of Huawei to the outcome of U.S.-China trade talks. Analysts say the most recent 90-day*

extension should NOT be viewed as a path towards a resolution in the trade dispute, however. Stephen Ezell, vice-president of global innovation policy at the Information Technology and Innovation Foundation, says "If anything, the extension was granted in the interest of actually further decoupling U.S. telecommunications networks from components made by Huawei." (Sources: Associated Press, South China Morning Post)

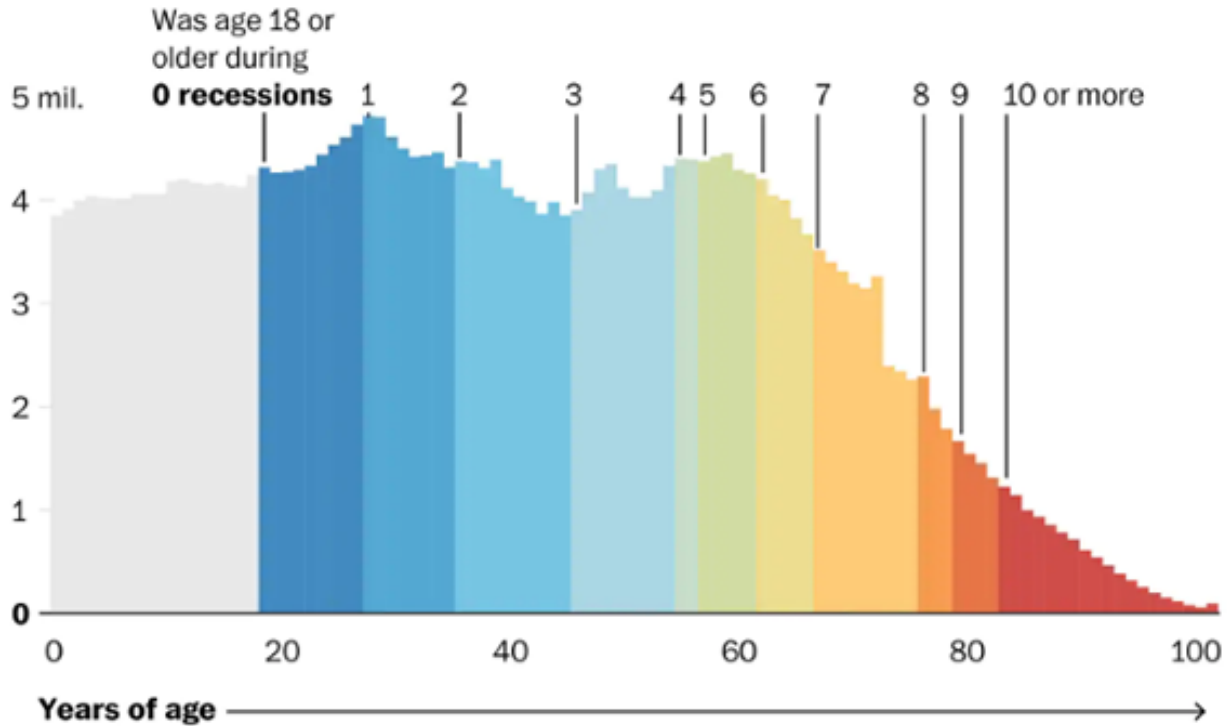
Growth in Short-Term Rentals Continues to Explode Higher! *Airbnb has transformed the hospitality industry. This impact goes beyond its business of consolidating and lowering barriers to a whole new stock of "rooms". The new Skift Research report *The Short-Term Rental Ecosystem and Vendor Deep Dive 2019* highlights how the major short-term rental platforms have consolidated the sector, but then goes much deeper. It discusses the different types of property managers we see today and new business models that will grow over the coming years. Skift Research estimates that Airbnb is the main beneficiary of the growth in short-term rental demand, with gross bookings for rentals estimated to total over \$33 billion in 2018, and further rising to more than \$44 billion in 2019. The short-term rental ecosystem, from property managers and platforms to business-to-business vendors, is rapidly expanding. Read more [HERE](#)*

RV Sales Slump Pointing to Possible Recession? *Total wholesale shipments of recreation vehicles are down -20% so far this year, signaling to some economists that a recession could be on the way. Consumers usually stop buying expensive, big-ticket discretionary items like RVs when money starts to tighten. As such, some economists like to watch for declines in the RV sector for signs of a downward-turning economy. However, many manufacturers attribute the current slowdown to overbuilding after an increase in demand in 2017. When demand started slowing in 2018, dealers were left with too many RVs and began ordering fewer vehicles. Still, shipments remain historically strong. Executives say they expect inventory levels to balance out by the end of the year. The RV Industry Association is forecasting a +2.5% increase in shipments to dealers for 2020. I'm personally wondering if perhaps the early push from baby boomers has finally subsided? Younger generations just don't seem nearly as interested. (Sources: Wall Street Journal, Indianapolis Star)*

How Many Recessions People Have Lived Through as an Adult: *About*

40 million U.S. adults haven't seen a single recession during their working lives. Almost as many, including most millennials, have seen only one since they turned 18. That recession, the devastating Great Recession from December 2007 to June 2009, was (hopefully) not representative. There have been 11 recessions since World War II. On average, they lasted 11.1 months, according to the official scorekeepers at the National Bureau of Economic Research. The shortest was over in just 6 months (1980) and is often counted alongside a follow-up recession in 1981-1982, while the longest lasted 18 months (2007-2009). NBER's standards are complicated, but a rule of thumb says we're in a recession after the economy has contracted for two straight quarters. On average, after around two quarters of a downturn, the stock market also begins to recover, following a haircut of about -7%. Jobs take longer to bounce back. Unemployment tends to rise for 15 or 16 months before the labor market bottoms out. The unemployment rate increases about +2.4 percentage points, on average, over that time. So for most Americans who might remember the Great Recession painfully, the next recession, if it follows a more average path, could feel mild. The Washington Post has more details [HERE](#).

How many recessions people lived through as an adult



Source: Census Bureau's 2018 estimates

THE WASHINGTON POST

FARM TANK

Tweets of the Day

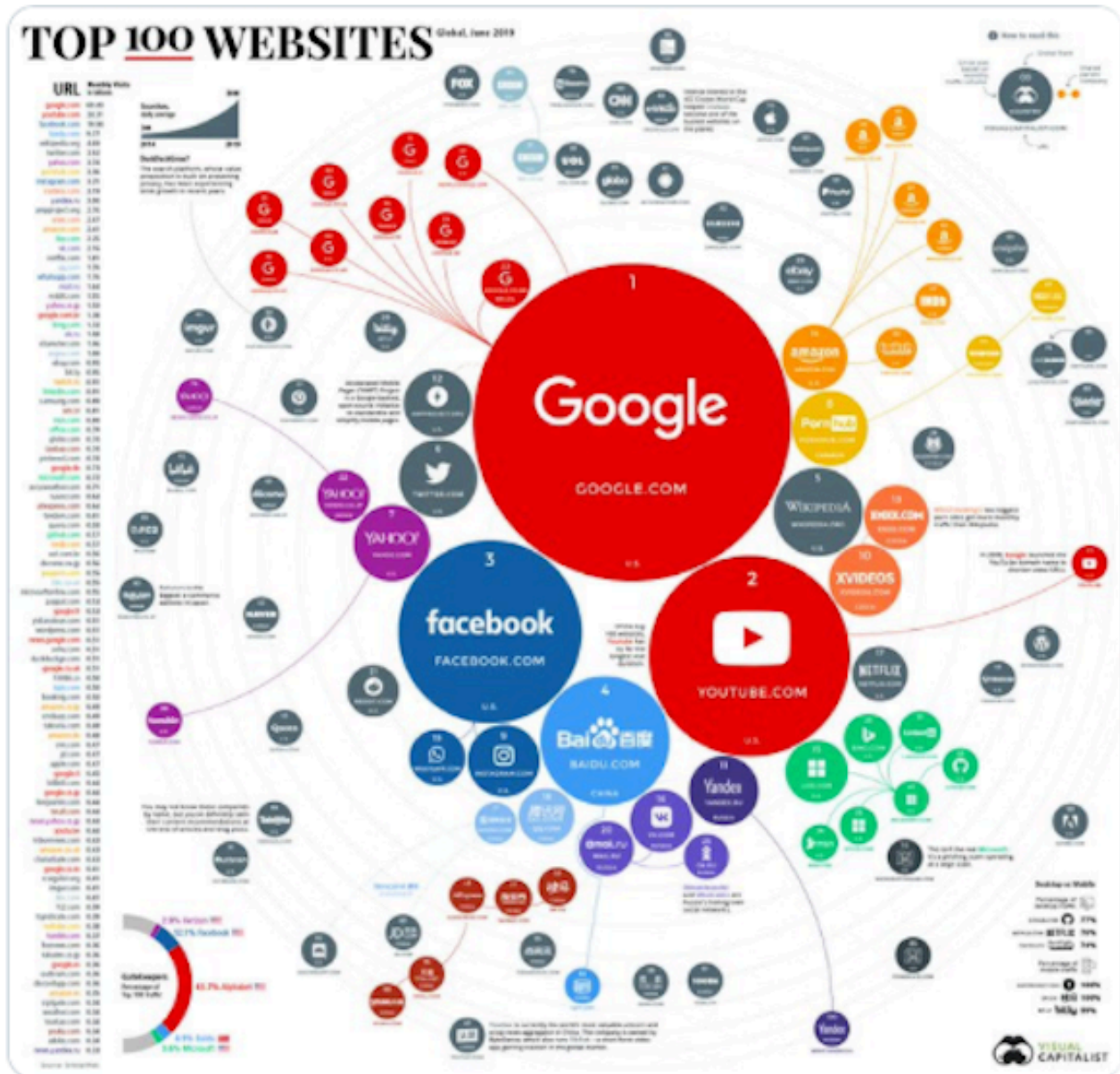




Visual Capitalist 
@VisualCap

Ranking the Top 100 Websites in the World

Full post and analysis: visualcapitalist.com/ranking-the-to...





Statista
@StatistaCharts

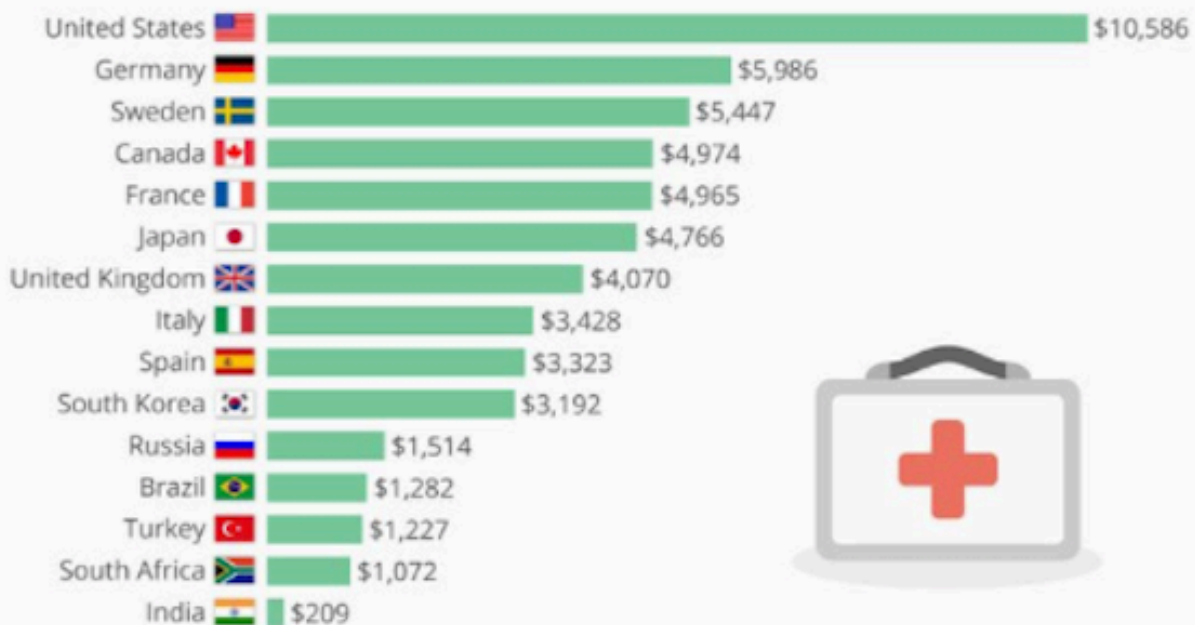


The US spends \$10,586 per capita on healthcare, over double what the UK spends via [@OECD_Stat](#) [#healthcare](#)

bit.ly/31vmexR

The U.S. Has The Most Expensive Healthcare System

Per capita health expenditure in selected countries in 2018



@Statista_com

Source: OECD

statista



West Bureau Farms
@westbureaufarms



Three different fields, three different months, all within a mile of each other. What in the world will [#harvest19](#) look like?? 🧑🏻



April 22

May 15

June 10



Lyle Jensen
@LyleJensen6



Just a picture of field variability. #barley on left #peas on the right.

#agronomy #westcdnag #farming #farmingalberta
#agtwitter #harvest19





Paul Holmes
@kirtonskeldyke



Same shit, different day.....
[#harvest19](#) [#harvest2019](#)





Ron Haase
@Ron_Elo_Haase



Cracks in the soil continue to grow larger in [#corn](#) and [#soybean](#) fields in my area in [#plant19](#)

This spot has only received a trace of rain in August and .25" since July 4. It has received 58% of the 10 year average of in season rainfall. About all of that was in June.





Motivational Quotes
@DavidRoads



Have faith.

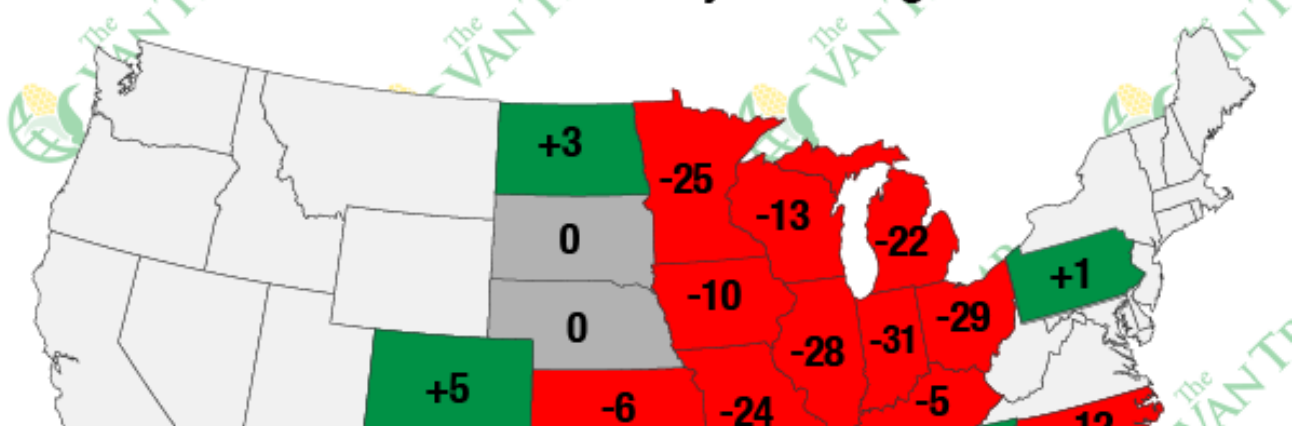


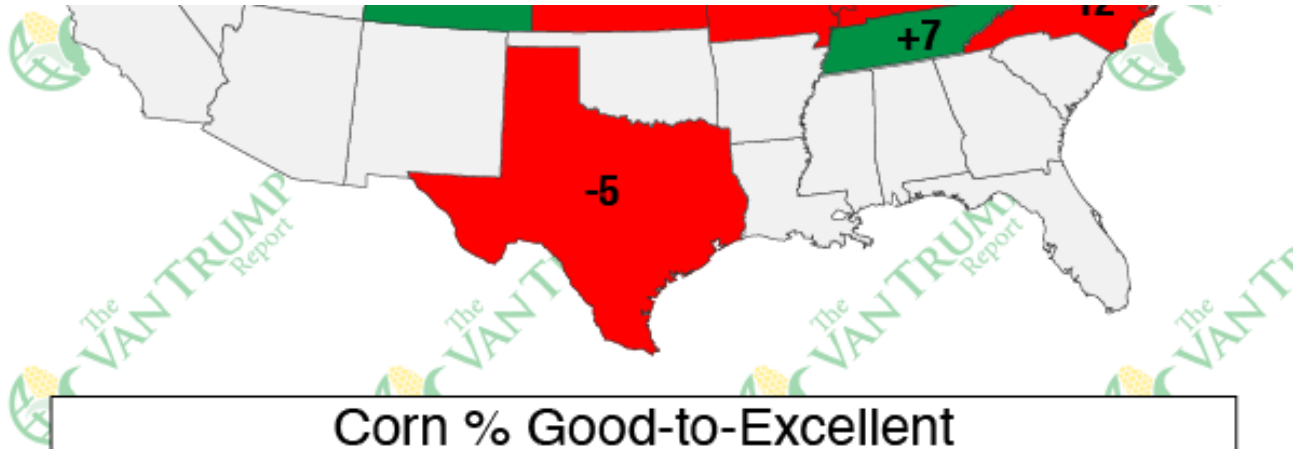
Corn traders continue to debate yield and acres! The USDA lowered its weekly crop-condition estimate by -1% to 56% rated "Good-to-Excellent". The USDA also estimates just 55% of the U.S. crop is in the "dough stage" vs. 83% last year at this time. The USDA also estimates just 15% of the crop is "dented" vs. the 5-year

average of 30% by this date. Bottom-line, the crop is extremely late. The Pro Farmer Crop Tour finished Day #1 with most tour participants talking about very immature crops and abandoned fields. There was also some talk about disease out on the Western leg of the tour. Eastern tour participants were talking about extremely immature crops with many fields just in the "milk stage". There was also some talk of rootworm out east. The tour released results last night that estimates the Ohio yield at 154.35 bushels per acre vs. the current USDA estimate of 160 bushels per acre. Last year the USDA estimated Ohio's yield at 187 bushels per acre vs. the Pro Farmer Crop Tour estimate last year for Ohio at 179.57 bushels per acre. The Western leg of the tour estimates the South Dakota average yield at 154.08 bushels per acre vs. the current USDA estimate of 157 bushels per acre. Last year the Pro Farmer Crop tour estimated the South Dakota yield at 178.01 bushels per acre vs. the USDA's final South Dakota yield estimate of 160 bushels per acre. Regardless of tour results, it still feels like the bears want to push or test the DEC19 contract lows down between \$3.60 and \$3.65 per bushel. I suspect a close below that area would finally washout a lot of the remaining bulls and give the market a fresh new perspective. Longer-term, I still believe we will see higher prices and am in no hurry to price additional new-crop bushels. As a spec, I remain long and will be looking to add if we break sub-\$3.50 vs. the DEC19 contract. Demand still remains a significant question mark, but weaker prices could certainly stimulate some renewed buying. The balance sheet remains burdensome and until the USDA starts to trim yield or harvested acres, I suspect it will continue to keep a lid on most rallies. I still look for the lows to be challenged!

U.S. Corn Good-to-Excellent [week 33] August 18, 2019

Current Good-to-Excellent vs. 5 year average for week 33





Corn % Good-to-Excellent

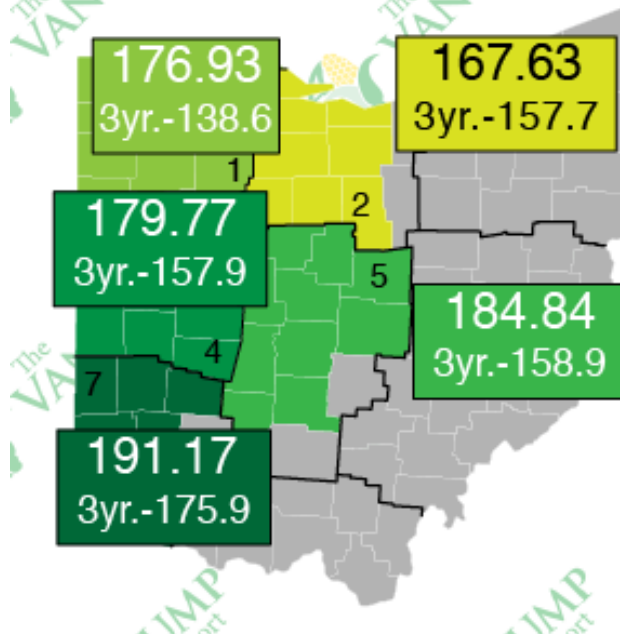
	2017	2018	5-yr avg	This Week	Change vs LW
Colorado	81	57	73	78	1
Illinois	54	76	70	42	2
Indiana	53	71	63	32	-1
Iowa	61	73	75	65	0
Kansas	57	46	57	51	-3
Kentucky	77	74	73	68	-3
Michigan	56	51	62	40	0
Minnesota	82	74	80	55	-1
Missouri	61	28	60	36	-3
Nebraska	63	84	74	74	-1
North Carolina	72	35	55	43	4
North Dakota	50	70	70	73	2
Ohio	60	77	61	32	-2
Pennsylvania	92	74	74	75	-6
South Dakota	42	65	62	62	-2
Tennessee	86	68	77	84	-4
Texas	79	29	57	52	-4
Wisconsin	71	75	76	63	0
Total	62	68	68	56	-1

FARM JOURNAL CROP TOUR RESULTS

OHIO

2018 Corn Yields

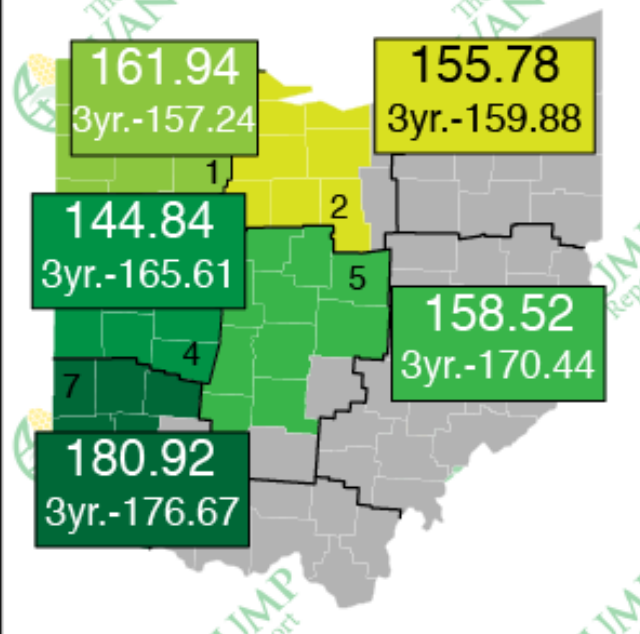
179.5 bpa



Bushels per acre

2019 Corn Yields

154.35 bpa



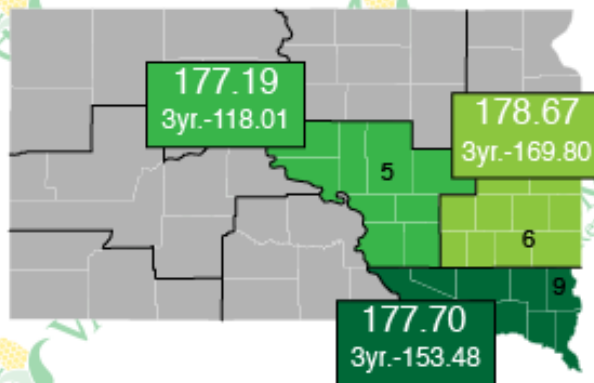
Bushels per acre

FARM JOURNAL CROP TOUR RESULTS

SOUTH DAKOTA

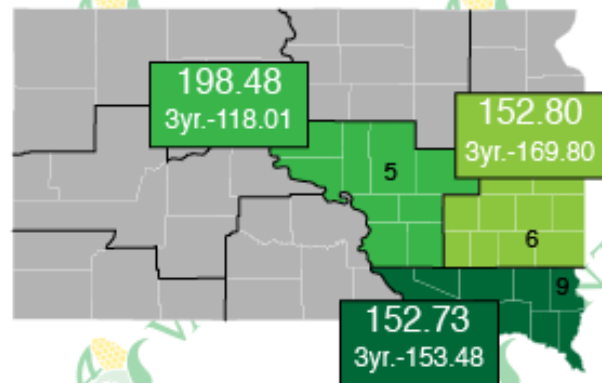
2018 Corn Yields

180.5 bpa



2019 Corn Yields

154.08 bpa



Bushels per acre

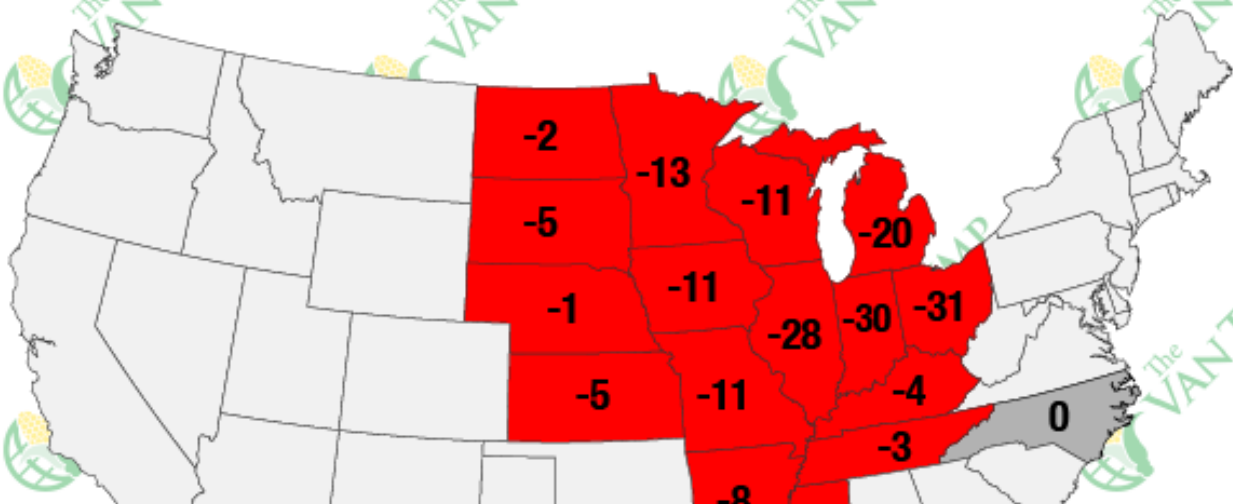
Bushels per acre

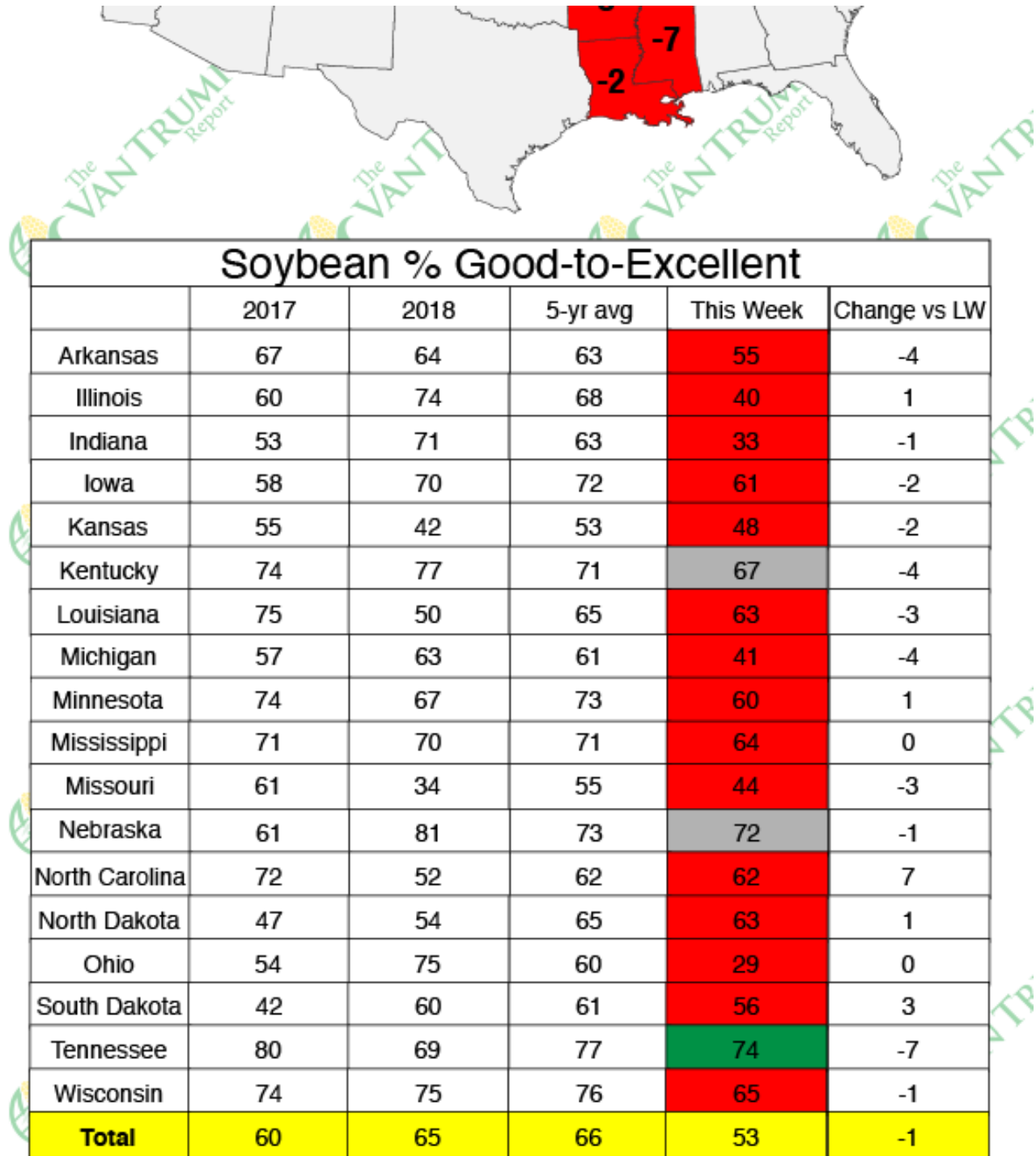
Soybean traders are heavily debating U.S. crop conditions. Similar to corn, the USDA lowered the crop-condition estimate by -1% to now show just 53% of the U.S. crop rated "Good-to-Excellent" vs. 65% this time last year. The USDA is also suggesting that over +7.5 million soybean acres are still yet to bloom, confirming that the crop is running way behind schedule. States running the furthest behind appear to be Michigan, Indiana, Ohio, Missouri, Kentucky, and South Dakota, all showing less than 60% of their crop "setting pods". Illinois is showing just 67% setting pods vs. the historical average of 88% by this date. Iowa shows just 71% setting pods vs. the 89% average. As a whole, the USDA is estimating that just

68% of the U.S. crop is "setting pods" vs. the 85% average. The Pro Farmer Crop Tour on Day #1 also reported seeing a lot of immature fields. The Eastern leg of the tour showed Ohio pod counts at around 764 pods per 3x3' square area vs. a pod count average of 1,248 last year, which puts this year's pod count off by about -38% compared to last year. Last year the USDA estimated the Ohio yield average at 58 bushels per acre vs. their estimate this year of 48 bushels per acre. The Western leg of the tour showed South Dakota pod counts at around 832.85 pods per 3x3' square area vs. a pod count average last year of 1,025. Last year the USDA estimated the South Dakota yield average at 46 bushels per acre vs. their estimate this year of 45 bushels per acre. From my perspective, it seems like the USDA might soon need to trim their yield forecast for both Ohio and South Dakota. The weather will be massively important during the next few weeks, pay close attention. As both a spec and a producer, I remain a longer-term bull but am worried about price deterioration nearby as U.S. weather seems mostly cooperative. Technically, there's still a lot of talk that bears could try and challenge the \$8.50 to \$8.55 area. I suspect a break to sub-\$8.40 levels would shake most of the bulls out of the market. Don't forget, the mid-May lows are all the way down near \$8.15 per bushel. In other words, even though it's hard to imagine, there's still a ton of downside risk floating around inside this market. Hence, the reason I'm only holding a very conservative bullish position. Even though I believe in this market, I just don't want to get over-extended.

U.S. Soybean Good-to-Excellent [week 33] August 18, 2019

Current Good-to-Excellent vs. 5 year average for week 33



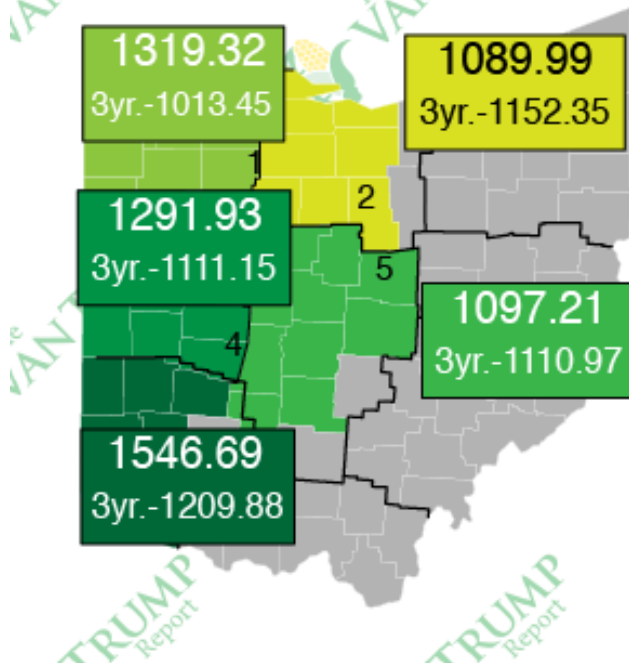


FARM JOURNAL CROP TOUR RESULTS

OHIO

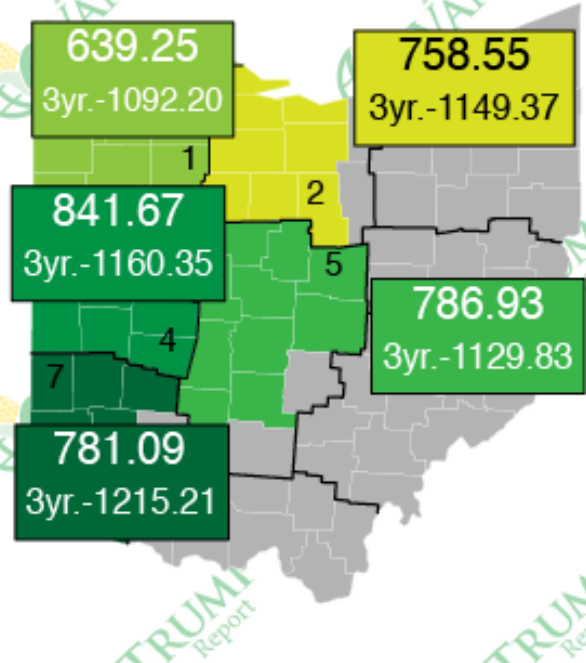
2018 Soybean Pod Count 2019 Soybean Pod Count

1248.20
Pod count



Pod Count in 3 x 3 Square

764.01
Pod count

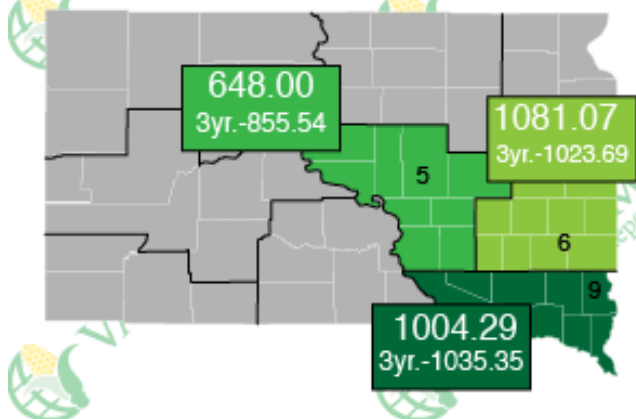


Pod Count in 3 x 3 Square

FARM JOURNAL CROP TOUR RESULTS

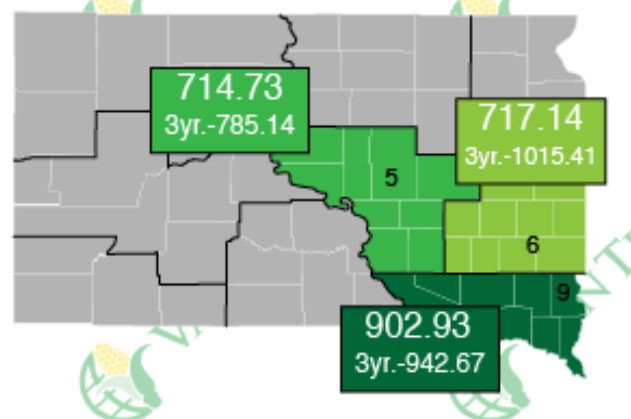
SOUTH DAKOTA

2018 Soybean

1245.76
Podcount

Pod Count in 3 x 3 Square

2019 Soybean

832.85
Pod count

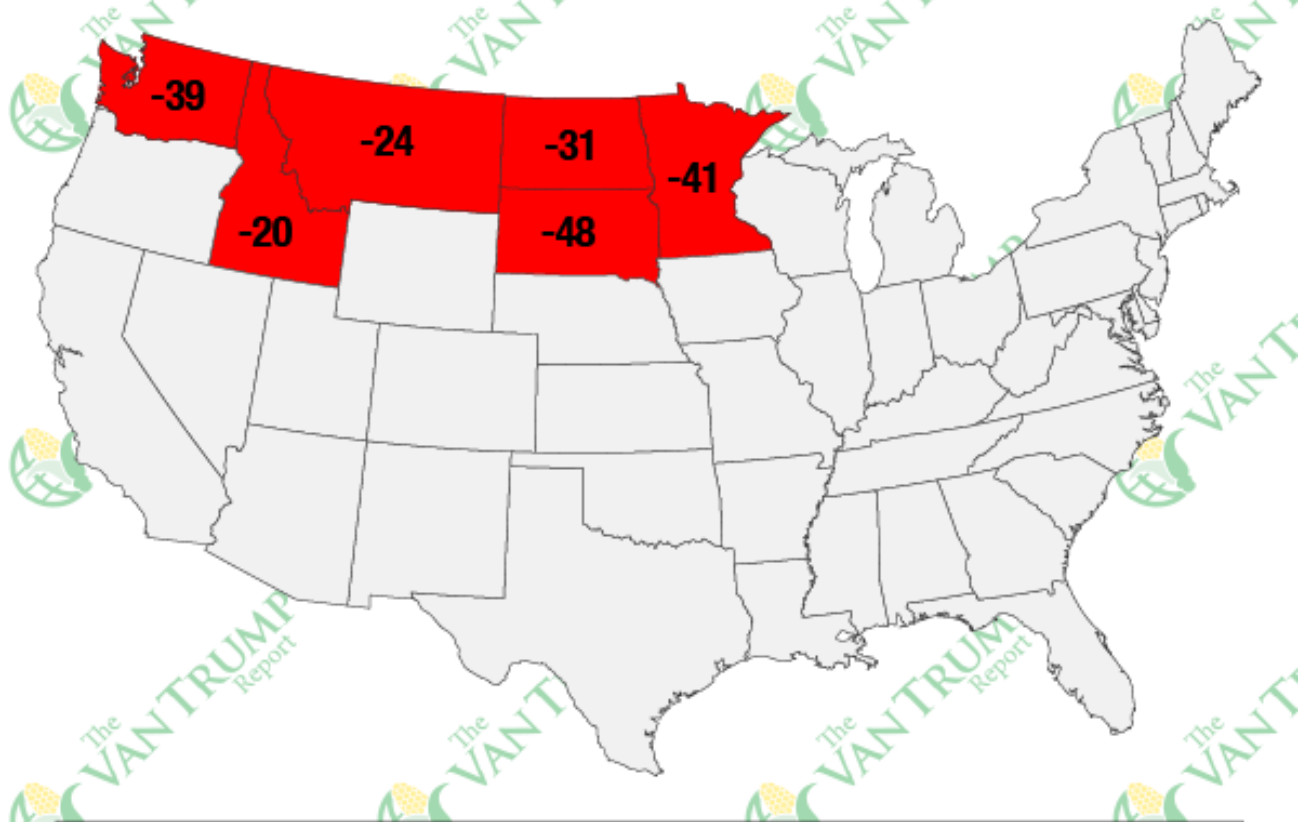
Pod Count in 3 x 3 Square

Wheat traders are positioning for an end to the U.S. winter wheat harvest and the beginning of the spring wheat harvest. The U.S. winter wheat harvest is now estimated at 93% complete. States with the most crop remaining in the field are Idaho, Montana, Washington, and South Dakota. The USDA raised its weekly spring wheat crop-condition estimate by +1% to show 70% of the crop now rated "Good-to-Excellent". Don't forget, the European spring wheat harvest is also right around the next corner. With global supplies overly burdensome and another wave of harvest ahead, it's tough to imagine the bulls stringing together continued upside momentum. Export demand has been improved but with cheaper corn prices there are some questions about wheat demand for feed usage. The market currently seems content moving in a sideways motion slowly posting lower-highs and lower-lows. Until something in the macro space changes more significantly or we see a dramatic reversal in corn prices, I suspect wheat bulls will struggle to find enough fresh news to lift prices on their own accord. Staying optimistic longer-term but afraid nearby we could continue to struggle

U.S. Spring Wheat Harvest

[week 33] August 18, 2019

Current Harvest Pace vs. 5 year average for week 33



U.S. Spring Wheat Harvested

	2017	2018	5-yr avg	This Week	Change vs LW
Idaho	49	44	47	27	12
Minnesota	42	72	55	14	6
Montana	66	42	44	20	10
North Dakota	52	55	43	12	7
South Dakota	88	89	75	27	11
Washington	62	44	64	25	7
Total	58	56	49	16	8



> Philippines Checking For African Swine Fever As Pig Deaths Rise: *The Philippines has set up a crisis management team to determine if the deadly African swine fever virus has reached the country after officials detected a rise in pig deaths in some areas. The Bureau of Animal Industry had reported an increased mortality of pigs "raised by farmers in their backyards", but further laboratory tests were needed to confirm any outbreak of swine fever, Agriculture Secretary William Dar said on Monday. The Southeast Asian nation last year put safeguards in place to protect its \$5 billion hog industry from the highly contagious disease, for which there is no cure and no vaccine. It has banned pork and pork-based products from more than a dozen countries, including Vietnam, Laos and China, where the outbreak has spread throughout the mainland, as well as to Hong Kong. The Philippines' import ban also covers pork and pork-based products from Germany, North Korea, Belgium, Hungary, Latvia, Poland, Romania, Russia, Ukraine, Bulgaria, Czech Republic, Moldova, South Africa, Zambia, and Mongolia. (Source: Reuters)*

> South American Supplier Implicated In Organic Fraud: *A lengthy complaint filed with the U.S. Department of Agriculture alleges fraud at an organic-grain company in Argentina that exports millions of bushels of organic corn and soybeans to the United States each year. The complaint said that Rivara*

SA deliberately used prohibited fertilizers and herbicides to produce grain that it then passed off as organic to U.S. customers, including the largest U.S. producer of organic chickens. The 115-page complaint against Rivara is painstakingly detailed, and raises concerns in a global supply chain — organic grain — that has been rife with problems as the market for organic poultry, eggs and milk in the United States has quickly outpaced the supply of domestic corn and soybeans to feed those animals. Officials at the USDA's National Organic Program (NOP) have thus far refused to confirm the complaint. Read more [HERE](#).

> Organic Fraudster In U.S. Gets 10-Year Sentence: *The alleged mastermind of the largest known organic food fraud scheme in U.S. history was sentenced to 10 years in prison. U.S. District Judge C.J. Williams said Randy Constant orchestrated a massive fraud that did "extreme and incalculable damage" to consumers and shook public confidence in the nation's organic food industry. Williams said the scam harmed other organic farmers who were playing by the rules but could not compete with the low prices offered by Constant's Iowa-based grain brokerage, and middlemen who unknowingly purchased and marketed tainted organic grain. Earlier in the day, Williams gave shorter prison terms to three Overton, Nebraska, farmers whom Constant recruited to join the scheme. Williams described the three as largely law-abiding citizens, including one "legitimate war hero," who succumbed to greed when Constant gave them the opportunity. The farmers reaped more than \$120 million in proceeds from sales of the tainted grain. The scheme may have involved up to 7 percent of organic corn grown in the U.S. in 2016 and 8 percent of the organic soybeans, prosecutors said. (Source: Washington Post)*

> Nearly 17,000 Dairy Operations Enrolled In Dairy Margin Coverage Program: *The U.S. Department of Agriculture (USDA) announced that producers of nearly 17,000 dairy operations have signed up for the Dairy Margin Coverage (DMC) program since signup opened June 17. Producers interested in 2019 coverage must sign up before Sept. 20, 2019. DMC offers protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. In June, when the DMC signup was announced, Secretary Perdue said, "For many smaller dairies, the choice is probably a no-brainer as the retroactive coverage through January has already assured them that the 2019 payments will exceed the required premiums." To date, more than 60 percent of dairies with established*

production histories have enrolled in the program. Wisconsin has seen the most participants with more than 4,832 dairy operations, followed by Minnesota (1,865), New York (1,779), Pennsylvania (1,511) and Michigan (702). You can learn more [HERE](#).

> Unemployment: Lower For Longer? *Unemployment is running near its 50-year low, but inflation has not picked up as expected. This suggests that the unemployment rate consistent with stable inflation has fallen. Combining a conventional Phillips curve tradeoff between unemployment and inflation with a noninflationary unemployment rate that can change over time shows that estimates of this unemployment threshold have declined toward 4% in recent years. One possible reason for this decline is improvements in how job matches are made, reflected in unusually favorable job-finding rates for disadvantaged groups. Read the latest report from the Federal Reserve Bank of San Francisco [HERE](#).*

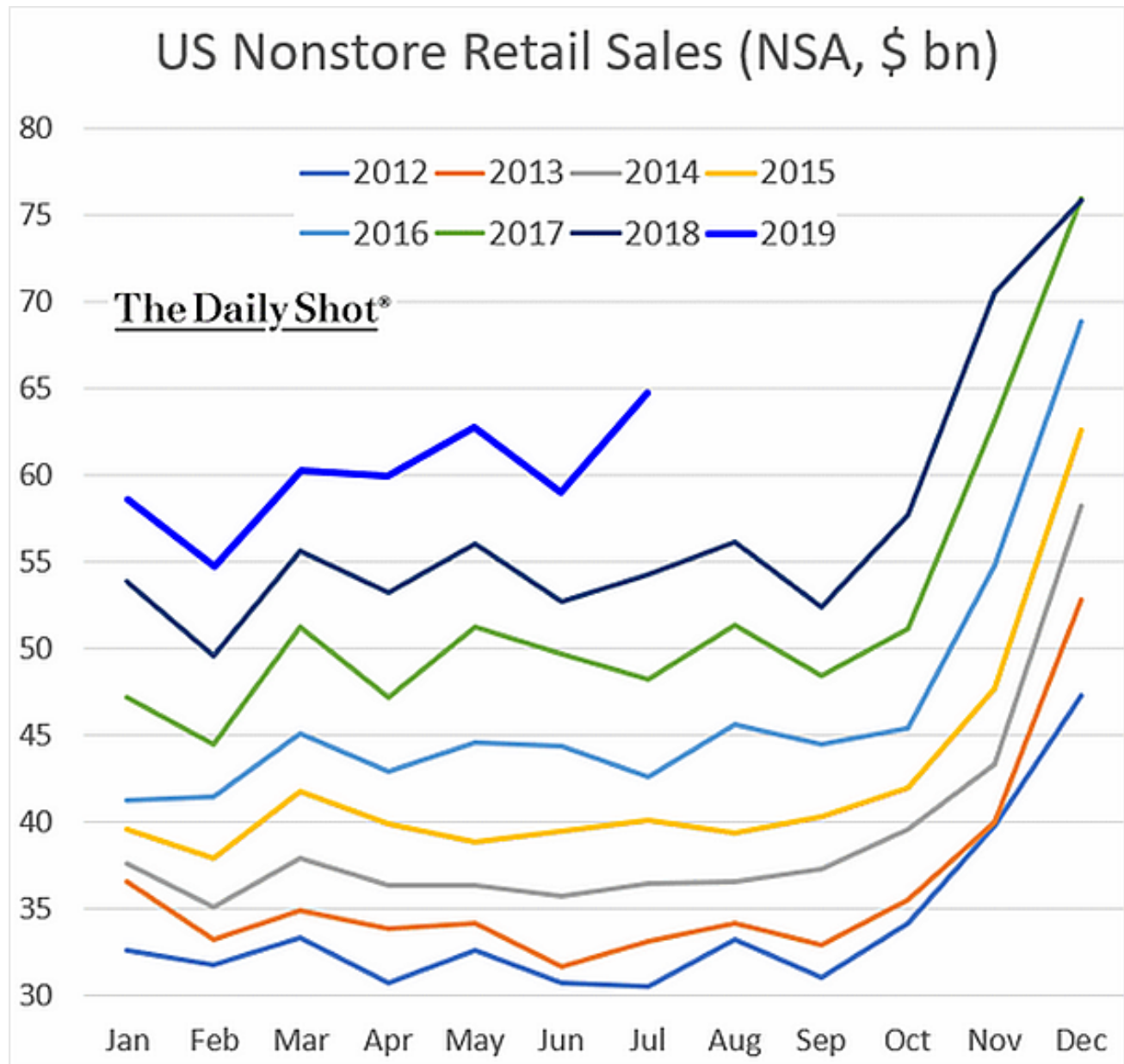
> Mind-Reading Technology Is Closer Than You Think: *Try to remember every thought that crossed your mind at work today—from the benign, like what to have for lunch, to the inflammatory, like why that supervisor is such a jerk. Now imagine if your boss had access to all of those thoughts and feelings. Sounds crazy, right? It's rapidly becoming closer to reality. Companies like Tesla, Facebook, Nissan, Nielsen are trying to find ways to utilize brain activity. There are, of course, both therapeutic and nontherapeutic reasons why people are interested in trying to figure out how to decode the brain. For example, Elon Musk's brain reading venture, Neuralink, is set to start clinical trials and will focus on patients with complete paralysis due to an upper spinal cord injury. The hope is that the implanted mechanism will allow the user to virtually control any device. But Musk's plans for Neuralink aren't entirely altruistic. He believes every human being will eventually wear his device as a way to keep up with artificial intelligence. Read more [HERE](#).*

> Porsche's Type 64 Didn't Sell Because Of A Weird Screwup At The Auction: *A much-hyped car auction sputtered out in the weirdest way Saturday. A 1939 Porsche "Type 64," the only of its kind still existing, was expected to sell for around \$20 million at an auction by RM Sotheby's in Monterey, CA, on Saturday night. But, according to Bloomberg, the auctioneer opened the bidding at \$30 million. Within a few bids, the price rocketed to \$70 million! That price would make*

it the most expensive car ever sold, handily beating out the \$48.4 million Ferrari GTO. That is, of course, if anyone had actually bid that much. The auctioneer noticed the price on the screen was wrong - "It says 70 guys, it's 17," the auctioneer, Maarten ten Holder, can be heard saying in a YouTube video. "It might be my pronunciation, we're at \$17 million." Apparently the screen operator had misheard the auctioneer's Dutch-accented English, and input 30 for 13, 40 for 14, and so on. After a lot of confusion and doubt as to whether they had been purposely tricked, there wasn't a lot of interest in further bidding. No one came forward to top the \$17 million bid, so the auction ended there. It appears as though that didn't meet the reserve, as the car is still listed for sale. Read more [HERE](#).

> British Man Sets New Cycling Speed Record: *A British man has set a new men's cycling speed record of more than 174mph on a bike released from the back of a Porsche as it hurtled down a runway. Architect Neil Campbell, 45, broke the previous record of 167mph using an elongated, custom-built bike based on the design of a tandem. Campbell, from Little Horkesley, Essex, was pulled along the two-mile track by the powerful Porsche Cayenne, then released so he went through the timing gate under his own power. The Porsche had a large attachment on the rear which affected its aerodynamics, punching a hole through the air for Campbell to cycle in. His next challenge will be to try to reach 220mph next year on a six-mile track at the Bonneville Salt Flats in Utah. You can read more details about his new speed record [HERE](#).*

> Amazon's Prime Day Gave July Retail Sales A Huge Boost: *Retail sales for July surprised to the upside last week, pointing to a strong start for consumer spending in the third quarter. A substantial contribution to this larger-than-expected jump in retail sales came from Amazon Prime Day, which is increasingly showing up in economic data. The chart below shows the non-store (internet) retail sales without any seasonal adjustments. Amazon Prime Day activity also boosted retail sales in the UK. (Source: The Wall Street Journal)*

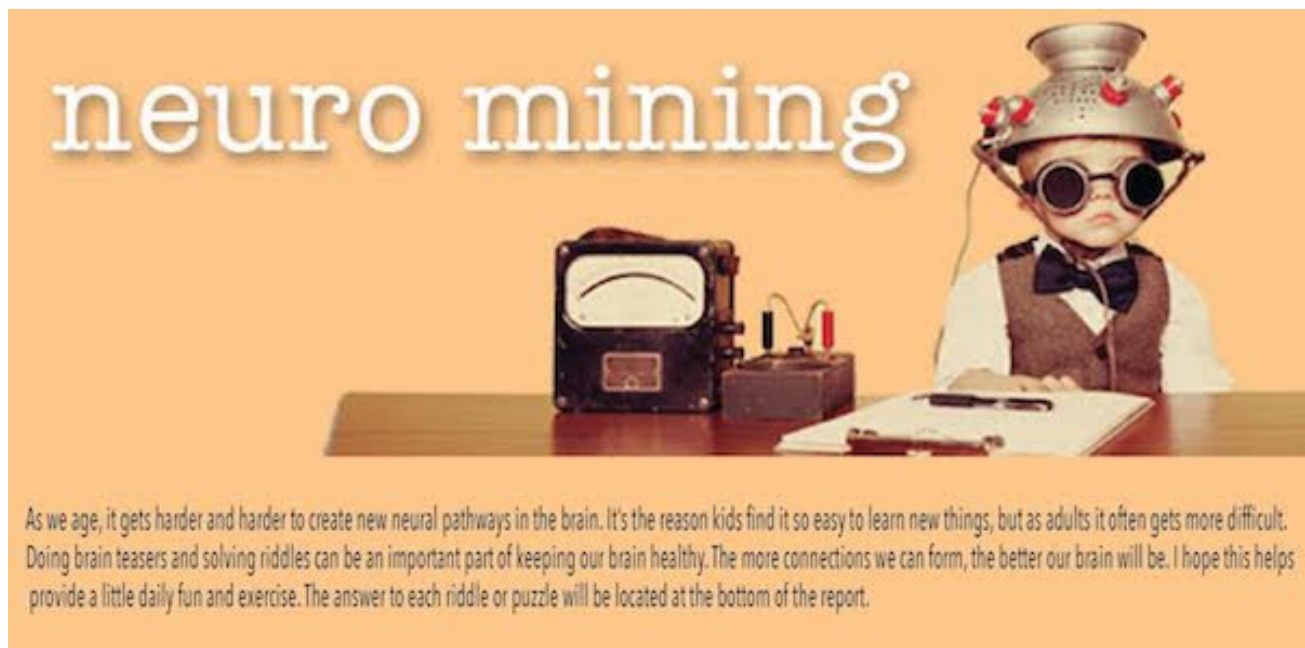


Central Missouri – *The rain we got Friday morning signed, sealed and delivered our crop. We should at the very least make our farm averages. I personally think this will be one of the bigger crops we have seen in the last few years. It's hard*

to top the way the corn and soybeans look right now. The only problem I could see is if the later planted corn just doesn't yield what we think it has potential to yield. We planted corn and soybeans later than we ever have this year and it could potentially knock our yields down.

North Central Kansas – *We got a decent amount of rain the last week, close to 3 inches. I think we have a decent size soybean crop coming on but the corn might be a little lackluster. If you drive by the fields, they all look good. The problem lies inside the end rows. There's a lot of tip back in the ears. We had a really hot spell in early July that I don't think helped us and just the late planting is causing some problems. The late season rains will help the fill but if the corn already has tip back then the damage is done. The beans are tall and filled from top to bottom and we are hopeful we will see a good yields on those.*

Northern North Dakota – *We are getting rains often enough to slow harvest and cause sprouting in the heads. There are some fields harvested but most are still standing. The weather has been consistently wet enough that even the swathers are holding back because of fear the cut wheat will get rained on. We had a small rain over the weekend on the farm so I will go out and try to cut a little wheat today. It will probably be a little wet but we need to get after it so it doesn't start falling down or dropping berries on the ground. Our biggest concern right now is the frost. We have had frost as early as 10 days from now.*



TODAY'S RIDDLE: The more you take, the more you leave behind. What are they?



Lessons From Molson Coors "Future Proofing" Their Supply Chain

Diversification or specialization is becoming more critical for those struggling to compete in the commodity space. One option for operators who want to stay ahead of the curve is to try and "future proof" your end of the supply chain, meaning aligning your operations with those companies who are responding to trends and going sustainable.

Molson Coors is one such company and has spent millions over the last decade on initiatives to bolster their supply chain stability, with the ultimate aim of 'future-proofing' its key resource, barley. In doing so, many family-run barley farms have availed themselves to the process of dealing with pressing sustainability issues from water scarcity and food waste to specially bred barley that purports to be "climate-proof". We all talk about sustainability as of late, but these producers are overcoming their fears of transitioning management practices to prepare their operations to be climate proofed and to remain relevant moving forward.

Transforming US-based agri-food supply chains in the face of political pressure surrounding global warming and population growth is no longer a "nice-to-have" option, it's becoming a necessity. According to Molson Coors, by 2025, 100% of the company's barley and hops from U.S. and UK growers will be certified as sustainable. Keep in mind, many end-users have only begun to get started in their pursuit of similar goals, meaning opportunities are out there for those willing to pursue the cause. Yes, change and risk will be involved, but how else can you take your business to the next level?



Kim Marotta, Molson Coors' global senior director of sustainability, shares at first it was a risky venture for both parties as the company would tell some to turn off the end guns on their water pivots, which was seen as a complete no-go, thinking it would jeopardize their yield. But once the results were seen, everyone was willing to learn. From what I understand, some of the practices and innovations first put in place and showcased at farms in 2012 have become more commonplace across their supply chain, adding profits to the bottom line in the way of premiums as well as cutting expenses in water and input usage.

Producers can no longer assume what has worked in the past will continue to work moving forward. Supply chains are significantly changing not only due to future trends in sustainability, but consolidation as well. I should note, much of what drives food and beverage suppliers' is also important to many of the big retailers like Walmart, who recently asked many of its producers for full-fledged product lifecycle assessments that detail supplier sustainability initiatives. The question is, are you actively planning and steering your boat and get ahead of the masses or are you letting the winds of change simply blow your business in any direction? We

should all be trying to grow our number of direct to end-user relationships and learning more about what they need on their end to move more product.



For full disclosure, I recently purchased some shares of Molson Coors, which trades under the stock symbol "TAP". The stock has been under massive pressure in the past couple of years. Shares peaked in October of 2016 at just over \$112 per share. Yesterday shares were trading just under \$53 per share. The stock got a double downgrade from Bank of America Merrill Lynch in mid-July, from Buy to Underperform.

Some of the beer maker's major brands like Coors Light, Miller High Life, and Blue Moon are said to be declining or losing market share faster than the overall market itself, which is struggling amid competition from healthier drinks like hard seltzers and canned wines. This softness in the stock clearly reflects the ongoing turmoil in the alcohol space resulting from consumers shifting to healthier drink choices. Molson Coors expects a further contraction of the U.S. beer industry volume in the future. However, Molson Coors' is in the process of portfolio-premiumisation to try

and offset market share losses in the traditional space. In first-quarter 2019, Molson Coors' above-premium brands continued to improve with Peroni, Sol, Henry's Hard Sparkling, and Arnold Palmer Spiked growing very rapidly in the United States. Further, Blue Moon witnessed robust growth outside the United States and continued growth across Europe.

For 2019 and beyond, the company is encouraged by its innovation pipeline, including the accelerated development of Clearly Kombucha and the launch of various innovative brands across regions. Molson Coors has also strategically partnered with cannabis producers to generate cannabis-infused non-alcoholic beverages. As always, talk to your licensed stock advisor before initiating any position. There is definitely a risk of loss in trading and or investing in this stock. (Source: Zach's; edie.net; The Guardian; The Beverage)





What You Need To Know About A Currency War

Currency war is a phrase I've been hearing mentioned by more and more analysts and traders lately. With trade tensions between the U.S. and China nowhere closer to resolution, there are growing fears that China will resort to currency manipulation tactics in order to offset U.S. tariffs. The Chinese yuan has recently depreciated past 7 per dollar, a psychologically important mark in the currency world. This is the first time since 2008 China has allowed the yuan to fall below the 7-to-1 ratio with the U.S. dollar.

An unpleasant side effect of China devaluing their currency is the risk of massive capital outflows. China just recently curtailed gold imports which some believe is aimed at limiting the outflow of U.S. dollars and boosting the Chinese yuan. The country has done this before, most recently in 2016 when the yuan experienced a sharp decline. The move is obviously raising more concerns about an all-out economic showdown.



Below is a brief explanation of what a "currency war" is and what some of the consequences might look like:

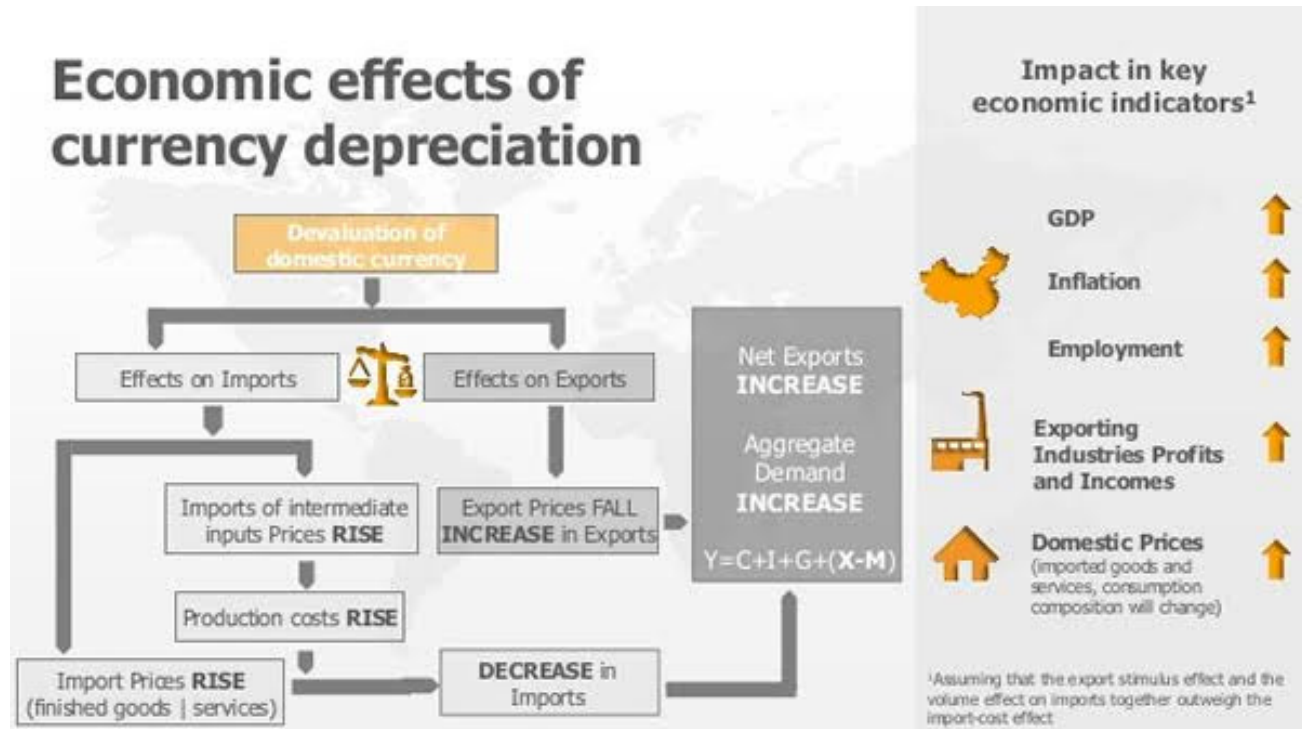
First, what is a currency war? *A currency war starts with currency manipulation, which is when a government uses monetary policy or other methods to purposefully weaken its own currency or that of another country. Competing countries may see this as "economic warfare" and implement devaluation policies of their own. If things devolve into tit-for-tat retaliation, that's when you have a war on your hands. It is important to stress that a country can aim to weaken its own currency without intending to ignite a currency war, but if another country responds by devaluing its own currency then war can break out nonetheless.*

Why would a country want their currency to be devalued? *There are no doubt many benefits to having a strong currency. It can reduce the price of imports and improve the standard of living for citizens, who enjoy greater purchasing power when buying goods from around the world. It can help keep inflation in check and encourage companies to become more competitive and efficient. There are also benefits to having a weaker currency. For one, it makes their exports more competitive. It can also drive up demand for domestic goods and services. It can drive inflation higher and also increase foreign investment.*

What are the downsides of a country devaluing its currency? *Most economists agree that using currency devaluation to fix a country's economic woes is not a sustainable solution. For example, increasing exports and reducing imports can help deliver short-term economic growth as total demand for a country's goods will rise, but making foreign goods and services more expensive can stifle productivity and growth over the longer term. There is also the risk that the international community will disagree with a country's plan to devalue its currency, usually because of the effect it will have on everyone else. If one nation decides to devalue its currency and then another country responds by doing the same, and then another, you have the makings of a full-blown currency war.*

What would a U.S.-China currency war look like? *The U.S. could threaten to buy up large amounts of Chinese government bonds, which would*

push up the yuan's value, even if China wants it to depreciate. But China could also counter by buying up more U.S. Treasury bonds, driving up the dollar. China has also long been pushing for its currency to overtake the dollar in international influence. If the U.S. were to push a currency dispute, some analysts suspect China will accelerate its efforts to transform the yuan into the global benchmark for international trade. The US has generally pursued a "strong dollar" policy with varying degrees of success over the years. However, the U.S. situation is unique since it is the world's largest economy and the U.S. dollar is the global reserve currency.





What historical examples can we look to? *There have been a lot of small currency battles, but economists generally recognize just three major currency wars in modern history. The one that analysts relate most closely to the current situation came in the 1930s following the first World War.*

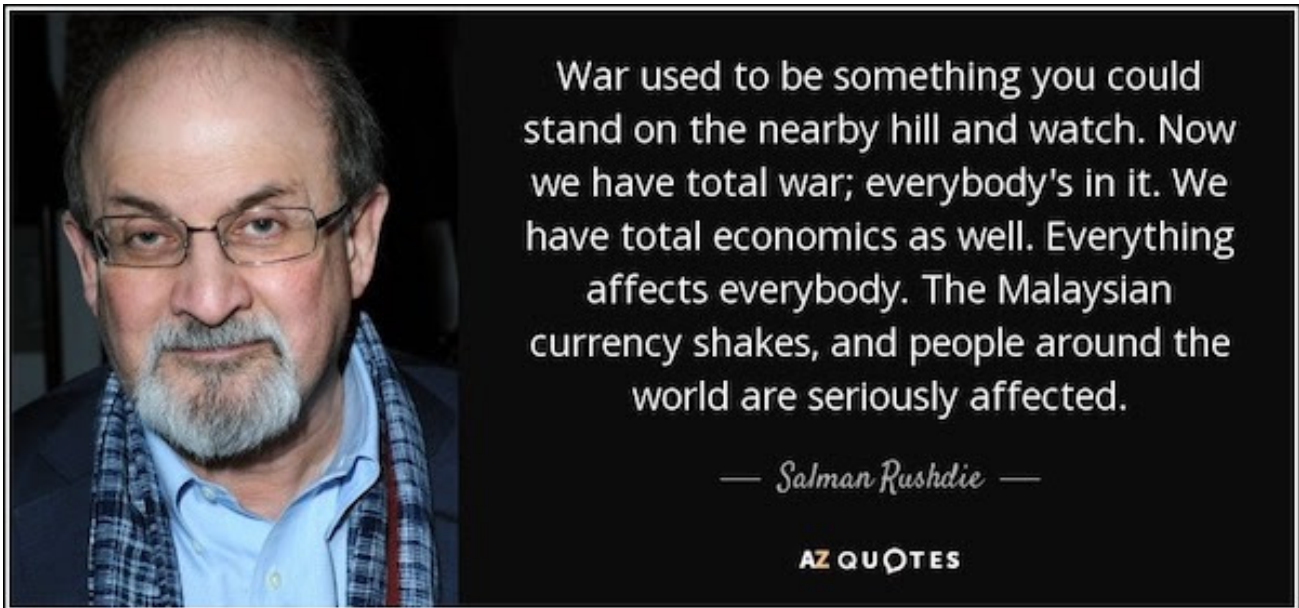
Before World War I erupted, the value of most major currencies was pegged to the price of gold, known as the 'gold standard'. However, countries needed to print more money to fund the staggering costs of the war. This prompted countries to abandon the gold standard to help manage the huge financial burden of the war, but once it was over most of them craved the relative stability it brought and tried to return to it. This was an issue for most countries as the amount of gold available to underpin a currency had barely changed, but countries now had significantly more money in circulation. This meant several countries, including Germany and France, decided to devalue their currencies to readopt the gold standard.

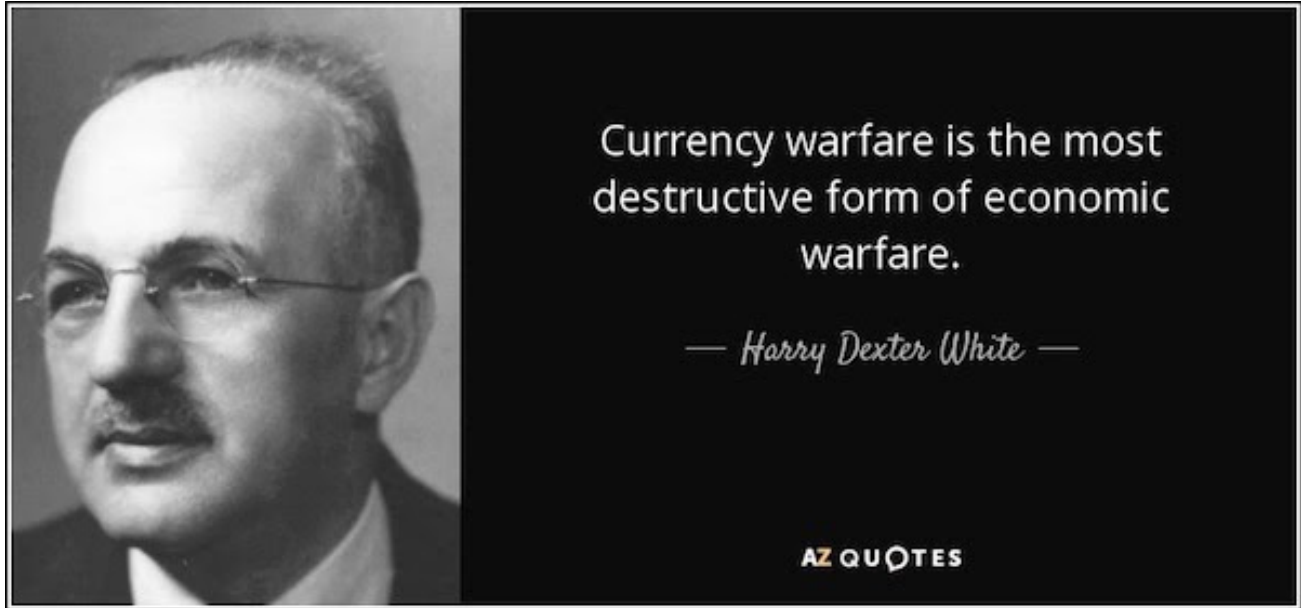
However, the widespread support for the gold standard started to dissipate as financial trouble hit Europe. Driven by German hyperinflation, the meltdown started to spread across Europe. Then on September 19, 1931, Britain abruptly abandoned the gold standard, sending a shockwave through the global economy. This resulted in the pound significantly depreciating against almost every other currency, making British exports much more

competitive on the world stage. Other countries saw this as an aggressive act and responded by implementing controls on capital flows and slapping tariffs on imports. These measures continued to escalate until they eventually began to decimate the global economy.

The problem was exacerbated in places like the U.S. as people started hoarding gold, depleting the Federal Reserve's gold reserves and severely inhibiting their ability to intervene. In March 1933, when the Federal Reserve Bank of New York could no longer honor its commitment to convert currency to gold, President Franklin Roosevelt declared a national banking holiday.

Through a series of maneuvers, Roosevelt effectively scrapped the gold standard and pressured everyone to trade in their gold for dollars. This was how the world-renowned Fort Knox gold reserve was borne and the U.S. became the largest hoarder of gold in the world. With the U.S. holding most of the world's gold, more countries began pegging their currencies to the dollar and thus the dollar became the world's official reserve currency. (Sources: NPR, Investopedia, IG Group, Federal Reserve)





Bass Fishing Fun...

The world championship of professional bass fishing or what many people call "The Forrest Wood Cup" recently took place in Hot Springs, Arkansas. The tournament featured 56 of the world's best bass-fishing professionals casting for the sport's biggest award. The event was won by 2017 FLW Tour Angler of the Year, Bryan Thrift. He picked up an awesome trophy and a nice check for \$300,000. If you have never seen the championship presentation you should check it out [HERE](#) . Bryan is a great fisherman and seems to be a great family man. His wife makes some great comments in the video as well. I've included below some awesome pics along with the current bass fishing record in each state. Sadly I've only gotten out a couple of times this year. I'm still wanting to get down to one of those strip pits in Texas where the big bass are swimming.

Biggest Large-Mouth Bass Ever - *This is one of the most sought after game fish records in the world. Many consider it the "holy grail" of fishing records. George Perry has held this prestigious title for 85 years, since he pulled his massive 22-pound, 4-ounce fish from Montgomery Lake, Georgia on June 2, 1932.*

Record Large Mouth Bass For Each State

Alabama - 1987 - 16 lbs, 8 oz @ Mountain View Lake

Arizona - 1997 - 16 lbs, 7 oz @ Canyon Lake

Arkansas - 2012 - 16 lbs, 5 oz @ Lake Dunn

California - 1991 - 21 lbs, 12 oz @ Lake Castaic
Colorado - 1997 - 11 lbs, 6 oz @ Echo Canyon Reservoir
Connecticut - 1961 - 12 lbs, 14 oz @ Mashapaug Pond
Delaware - 2016 - 11 lbs, 10 oz @ Wagamons Pond
Florida - 1986 - 17 lbs, 27 oz @ Lake Billy O'Berry
Georgia - 1932 - 22 lbs, 4 oz @ Montgomery Lake
Hawaii - 1992 - 9 lbs, 9.4 oz @ Waita Reservoir
Idaho - 1999 - 10 lbs, 15 oz @ Anderson Lake
Illinois - 1976 - 13 lbs, 1 oz @ Stone Quarry Lake
Indiana - 1991 - 14 lbs, 12 oz @ Unnamed Lake
Iowa - 1984 - 10 lbs, 14 oz @ Lake Fisher
Kansas - 2008 - 11 lbs, 12.8 oz @ Private Pit Lake
Kentucky - 1984 - 13 lbs, 10.4 oz @ Wood Creek Lake
Louisiana - 1994 - 15.97 lbs @ Caney Lake
Maine - 1968 - 11 lbs, 10 oz @ Moose Pond
Maryland - 1983 - 11 lbs, 2 oz @ Private Pond
Massachusetts - 1975 - 15 lbs, 8 oz @ Sampson Pond
Michigan - 1934 - 11 lbs, 15.04 oz @ Big Pine Island Lake
Minnesota - 1959 - 8 lbs, 12.75 oz @ Tetonka Lake
Mississippi - 1992 - 18 lbs, 2.4 oz @ Natchez State Park Lake
Missouri - 1961 - 13 lbs, 14 oz @ Bull Shoals Lake
Montana - 2009 - 8 lbs, 12.8 oz @ Noxon Rapids Reservoir Darin
Nebraska - 1965 - 10 lbs, 11 oz @ Sandpit Near Columbus
Nevada - 1999 - 12 lbs even @ Lake Mead
New Hampshire - 1967 - 10 lbs, 8 oz @ Lake Potanipo
New Jersey - 1980 - 10 lbs, 14 oz @ Menantico Sand Wash Pond
New Mexico - 1995 - 15 lbs, 13 oz @ Bill Evans Lake
New York - 1987 - 11 lbs, 4 oz @ Buckhorn Lake
North Carolina - 1991 - 15 lbs, 14 oz @ Private Pond
North Dakota - 1983 - 8 lbs, 7.5 oz @ Nelson Lake
Ohio - 1976 - 13 lbs, 2 oz @ Private Pond
Oklahoma - 2012 - 14 lbs, 12.3 oz @ Cedar Lake
Oregon - 1994 - 11 lbs, 9.6 oz @ Private Pond
Pennsylvania - 1983 - 11 lbs, 3 oz @ Birch Run Reservoir
Rhode Island - 2016 - 10 lbs, 6 oz @ Johnson's Pond
South Carolina - 1949 - 16 lbs, 2 oz @ Lake Marion
South Dakota - 1999 - 9 lbs, 3 oz @ Hudson Gravel Pit

Tennessee - 2015 - 15 lbs, 2 oz @ Chickamauga Lake

Texas - 1992 - 18 lbs, 2.8 oz @ Lake Fork

Utah - 1974 - 10 lbs, 2 oz @ Powell Lake

Vermont - 1988 - 10 lbs, 4 oz @ Lake Dunmore

Virginia - 1985 - 16 lbs, 4 oz @ Connor Lake

Washington - 2016 - 12 lbs, 8 oz @ Lake Bosworth

West Virginia - 2001 - 9 lbs, 9.9 oz @ Dog Run Lake

Wisconsin - 1940 - 11 lbs, 3 oz @ Ripley Lake

Wyoming - 1992 - 7 lbs, 14 oz @ Private Pond











ANSWER to riddle: Steps.

CASH SALES & HEDGING TOTALS

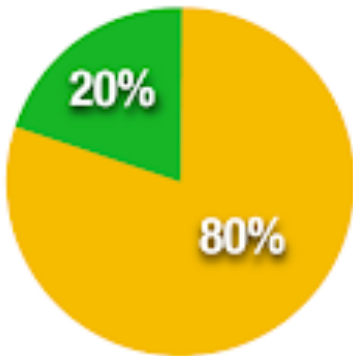
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Corn 2018 Crop

Soybean 2018 Crop

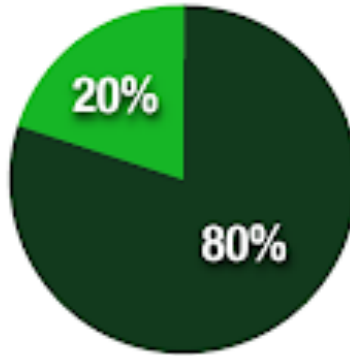
Wheat 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



Corn 2019 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



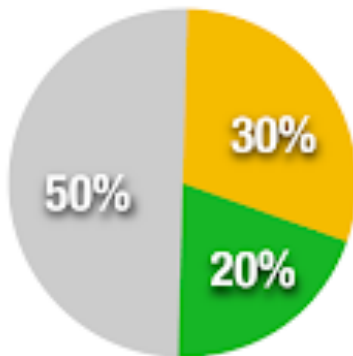
Soybean 2019 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED



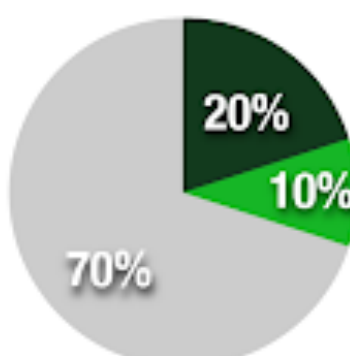
Wheat 2019 Crop

30% SOLD
20% HEDGED
50% UNPROTECTED



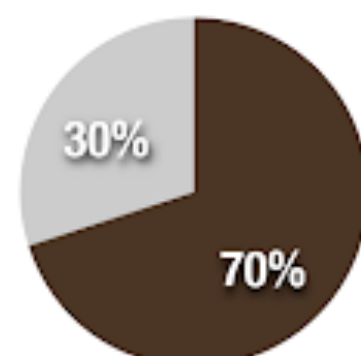
Corn 2020 Crop

20% SOLD
10% HEDGED
70% UNPROTECTED



Soybean 2020 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED



Wheat 2020 Crop

0% SOLD
0% HEDGED
100% UNPROTECTED



0% SOLD
0% HEDGED
100% UNPROTECTED



0% SOLD
0% HEDGED
100% UNPROTECTED





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