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GOOD MORNING: Van Trump Report 8-23-19

1 message

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

Fri, Aug 23, 2019 at 5:01 AM

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

"The game of life is not so much in holding a good hand as playing a poor hand well." - **H.T. Leslie**

Friday, August 23, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Investors are hoping to soon have a better road map for navigating the Fed's path forward on U.S. monetary policy as well as trade matters with both China and Japan. Fed Chairman Jerome Powell will deliver a speech this morning at the annual Jackson Hole symposium. His comments are scheduled to begin at 9 a.m. CST and officials say he will not be taking questions afterward. Keep in mind, Powell hasn't spoken publicly since a July 31 news conference following the Fed's first rate cut in over a decade. Since then, a number of "red flags" have been waved which some insiders believe are indications of a

slowing U.S. economy and possibly even the start of a recession. Investors are anxious for any clues as to what direction the Fed is leaning in regards to future rate cuts. Odds for another quarter-point rate reduction at the Fed's is at about 95%. The market is also thinking the odds are between 65% and 75% that the Fed cuts yet again at their October FOMC meeting. In other words, the trade is massively leaning over the dovish side of the boat. If Fed Chair Powell doesn't deliver that message, the market could start trimming gains as bulls backpedal. The stock market is up +18% this year, so many argue that the market has room for a little pullback before anyone gets overly nervous. On the trade front, White House economic adviser Larry Kudlow says talks with Japan were yielding pretty good progress on agriculture and telecom issues. The situation with China on the other hand, seems to keep finding more obstacles. There are now worries that a planned sale of fighter jets to Taiwan may cause talks to breakdown and Chinese commerce ministry spokesman Gao Feng again warned over U.S. "wrong tariff action," vowing that adding new tariffs would force China to "adopt retaliatory actions." Also adding to the tensions is the ever-weakening Chinese yuan, which fell to its lowest level in over a decade yesterday. The latest hiccups come as cracks are beginning to show in the U.S. manufacturing sector. The Kansas City Fed Manufacturing Index for August, released yesterday, showed its largest monthly drop in over three years, falling -5 points further into contraction to -6. The report said the drop was driven by declines at both durable and non-durable plants, especially primary metal, electrical equipment, appliances, paper, printing and chemical manufacturing. Even more worrisome was the drop in new orders which fell -14 points to negative -16. Economic data for today is focused on July New Home Sales with analysts expecting to remain mostly flat. Over the weekend, President Donald Trump and other leaders of the world's industrialized nations will open their annual G-7 summit by discussing the global economy. Trump and the six other leaders of the Group of Seven nations will begin meeting Saturday for three days in France. According to insiders, an informal dinner is scheduled for Saturday evening, where they are expected to discuss foreign policy and security issues before more formal working sessions Sunday and Monday. Next week will bring a slew of new U.S. economic data, including Durable Goods and Dallas Fed Manufacturing on Monday;

FHFA House Price Index, Consumer Confidence, and Richmond Fed Manufacturing on Tuesday; the first look at 2nd quarter GDP, International Trade In Goods, and Pending Home Sales on Thursday; and Personal Income and Outlays, Chicago PMI, and Consumer Sentiment on Friday. There is also some key data due on the international front, including Chinese manufacturing and inflationary data; 2nd quarter GDP estimates for France, Germany, and Canada; Eurozone and Japanese unemployment. Keep in mind, next week is also the last week of the month and also leads into the extended U.S. Labor Day holiday weekend. Meaning liquidity near the end of the week may fade and exacerbate market volatility even further. I'm in no major hurry at this moment to deploy more investing capital. Staying extremely nibble and arguably underinvested!

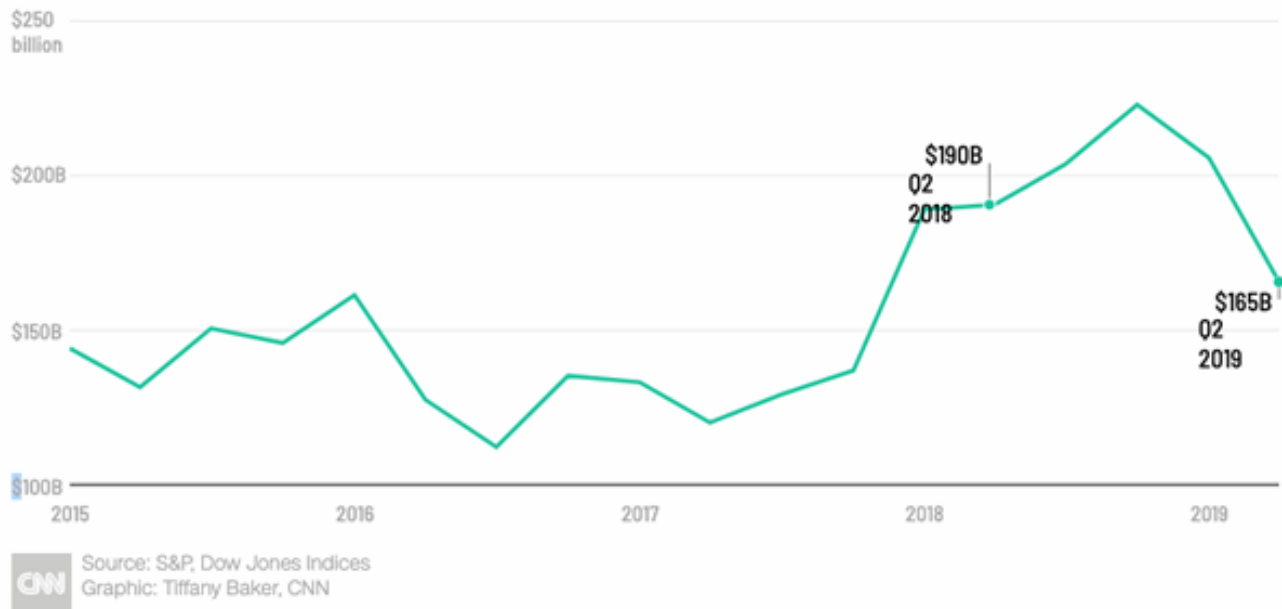
Taiwan Arms Sales Carry Risks For U.S.-China Trade Deal: *China threatened sanctions against any U.S. firms involved in the planned sale of \$8 billion worth of advanced fighter jets to Taiwan, which China says undermines its national security. Beijing's countermeasure against the proposed sale of 66 F-16V fighters isn't expected to have much impact on the manufacturer, Lockheed Martin Corp. , but it could complicate efforts to resolve the U.S.-China trade dispute, according to the Wall Street Journal. U.S. and Chinese officials have been discussing a new rounds of talks, expected to be held next month in Washington, to resolve the countries' ongoing trade dispute. Some Trump administration officials have grown concerned in recent months that national-security disputes with China, including arms sales to Taiwan—a separate \$2.2 billion proposed sale of tanks, missiles and other military hardware was approved in July—are souring efforts to secure a trade deal. (Source: Wall Street Journal)*

Stock Buybacks Are Slowing Down: *Corporate America's epic buyback mania may finally be succumbing to gravity. The 2017 corporate tax cut left US businesses flush with cash. S&P 500 companies responded by rewarding shareholders with record amounts of buybacks in 2018, with each quarter setting an all-time high. However, that record-shattering pace appears to be slowing. S&P 500 companies executed \$165.7 billion of buybacks during the second quarter of 2019, according to preliminary estimates by S&P Dow*

Jones Indices. Although that's still a stunning amount of repurchases, it marks a 13% decline from the same period a year ago. "2018 was an adrenaline high," said Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. "Companies pounded their chest and rushed to show how much money they could return to shareholders via the new tax changes." The pullback in buybacks may also reflect a desire by companies not to get stuck buying their own stock near record highs. CNN has more good info on the topic [HERE](#).

Buyback mania cools off

After spiking in 2018, buybacks declined in the second quarter by nearly 13% year-over-year.



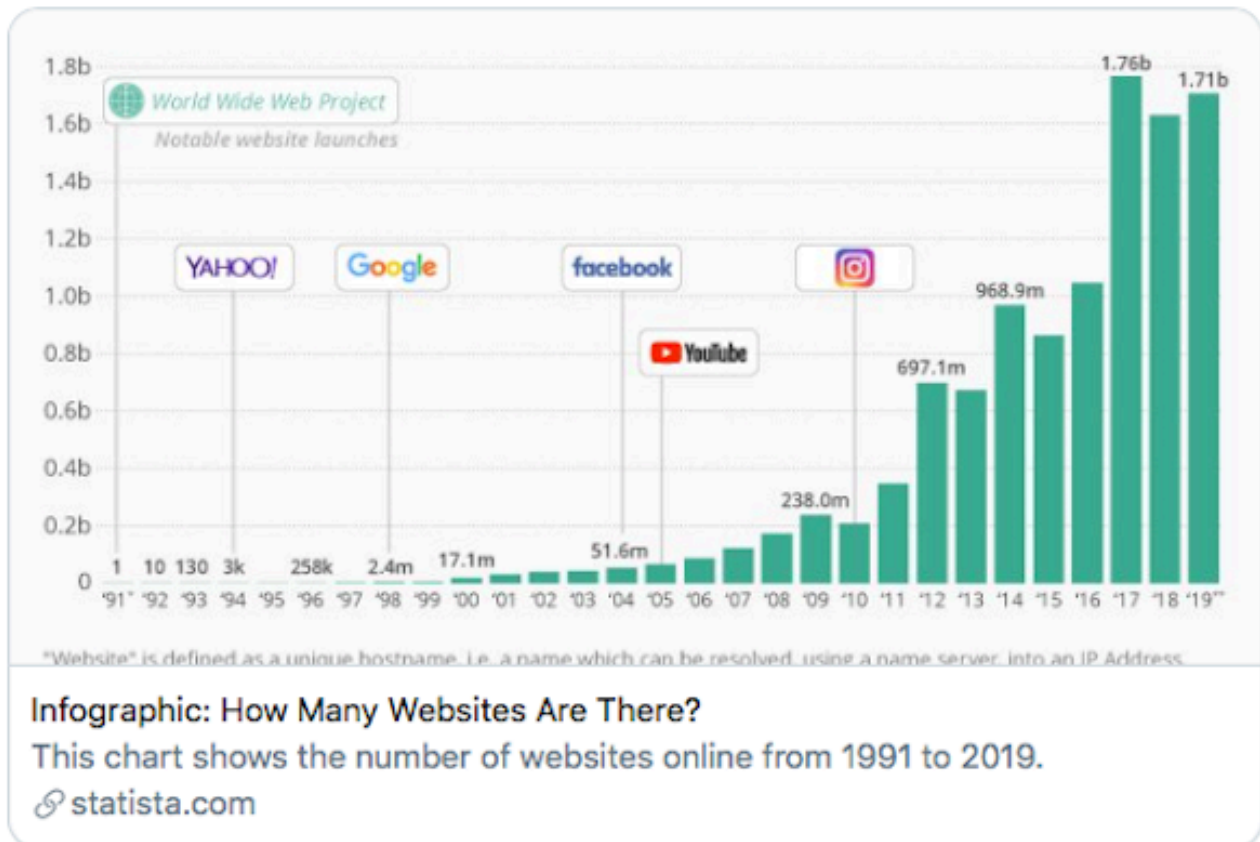
FARM TANK

Tweets of the Day





How many websites are there? bit.ly/2Zdn84M #internet #websites



**Chris Young-Love**

@IrelaCGF

Following



grin and you'll feel better. OMG - so true. My husband loves to do this to give me a heart attack..and... [#humor](#) [#giggle](#) [#smirk](#) [#absurd](#)





Brad Heffington
@BradHeffington



Man, these are everywhere this year. You better be careful checking water and working on pivots and drip irrigation!





Allen Meissner
@bigaljack



Getting prepped for the final day of [#harvest19](#)

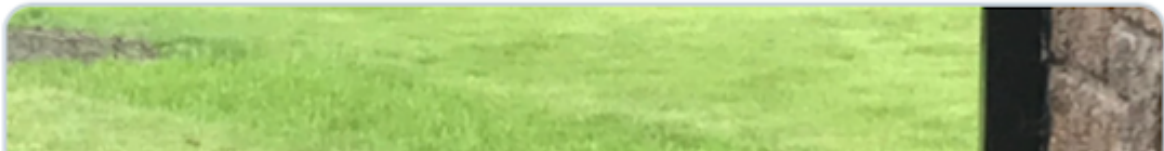


Mark Delany
@MarkDelany6



The boss had to abandon the tractor and trailer due to the rain. The weather is gone beyond a jokes at this stage. 8 inches of rain in 2 weeks.

[#harvest2019](#) 🙄🙄🙄







Charlie Harris
@Charliesharris1



#Harvest2019 at Beeswax Dyson looking very nice! 👍
@beeswaxfarming



Inspirational Quotes
@QuoteloveU



Every single event in your life, especially the difficult lessons, have made you smarter, stronger, and wiser than you were yesterday. "Be Thankful"
#WednesdayWisdom #Quote

Every single event

in your life, especially the difficult lessons, have made you smarter, stronger, and wiser than you were yesterday.

Be thankful!



Corn bulls are battling improved moisture profiles, worries about U.S. ethanol, a strong U.S. dollar, and a hard to believe number of harvested acres. Bulls feel like either the harvested acre number is well overstated or the yield is being significantly overestimated. If the acres are zeroed out and left unharvested, which bulls believe there will be plenty of, then the USDA's acreage estimate needs to come down significantly. There's this overwhelming feeling and talk amongst the trade that farmers planted from "fence-row to fence-row" in hopes of being able to claim a boosted preventive e plant payment of a second round of MFP once they were released. If those acres are actually all harvested the yield

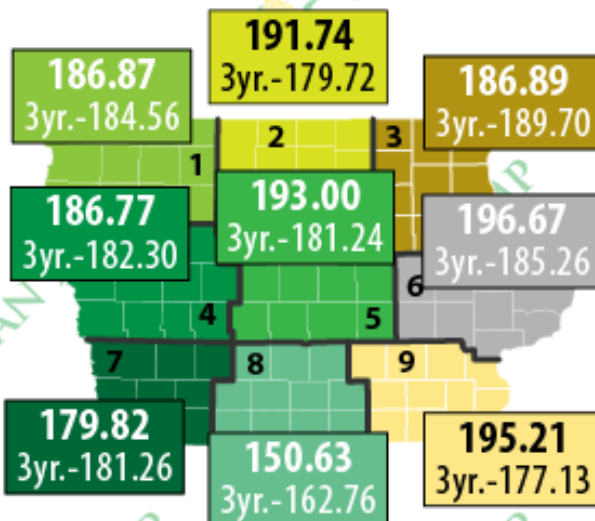
will need to come down significantly. If those acres are not Harv tested then the acreage number needs to be adjusted lower. It's just hard for anyone to imagine the harvested acreage number and the yield can stay at these elevated levels considering producer faced the wettest planting period in modern history and prevent plant acres were massively large. Separately, the bears argue the numbers make sense, but when you bring the numbers all together it's extremely difficult to believe the accuracy. Unfortunately, many insiders who worry it might take several months before anyone can get the numbers all sorted out. With an already burdensome balance sheet, an ongoing trade dispute, a strong U.S. dollar, and continued worries and concern regarding demand, the bulls might find very few headlines that provide them a chance to run. The Pro Farmer Tour releases their results for Minnesota and Iowa last night. The tour estimated the Minnesota yield at 170.37 bushels per acre vs. 178.67 last year. The USDA estimated Minnesota's final crop last year at 182.0 bushels per acre vs. 173 bushels per acre this year. Bears will argue that based on the Pro Farmer Tour results perhaps the USDA is a bit too conservative in Minnesota. The Iowa Pro Farmer Tour results showed an average yield of 182.83 bushels per acre vs. 188.20 last year. The USDA last year estimated the final Iowa yield at 196 bushels per acre vs. the current estimate of 191.0 bushels per acre. I personally remain long this market, but starting to question my conviction more as each day passes. I desperately want to believe the acres and the yields are NOT there, but being stubborn while being wrong the market isn't putting food on the table or paying the bills. I haven't added or taken any positions off, I just continue to bleed out as the more bulls become doubtful. I would like to say we have bottomed-out, but since I have been absolutely wrong these past couple of months I am really doubting and second guessing my own thoughts. My written plan was to build a bullish position into 2020, so come hell or high-water that's what I'm going to do! I guess I have plenty of friends, so if I need a place to stay leave the light on for me:)

FARM JOURNAL CROP TOUR RESULTS

IOWA

2018 Corn Yields

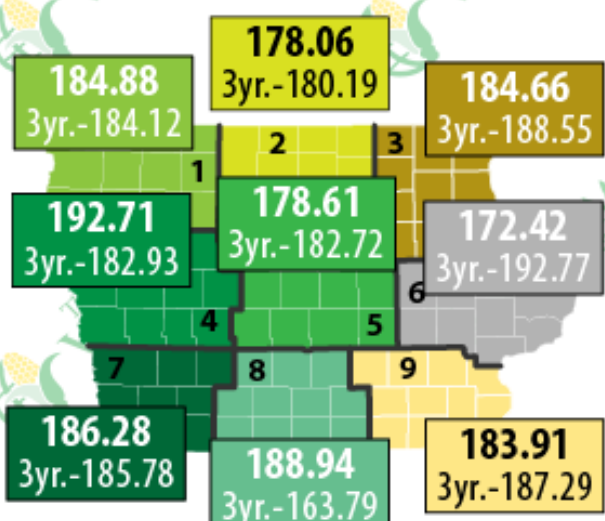
188.20 bpa



Bushels per acre

2019 Corn Yields

182.83bpa



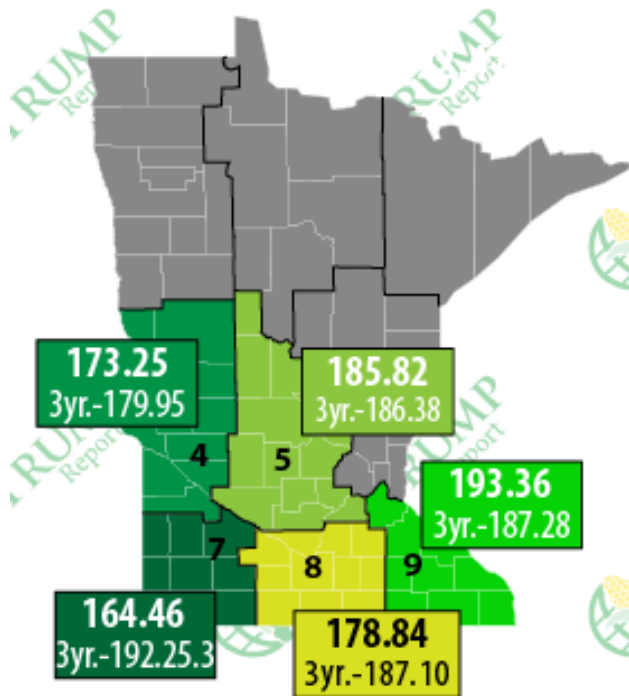
Bushels per acre

FARM JOURNAL CROP TOUR RESULTS

MINNESOTA

2018 Corn Yields

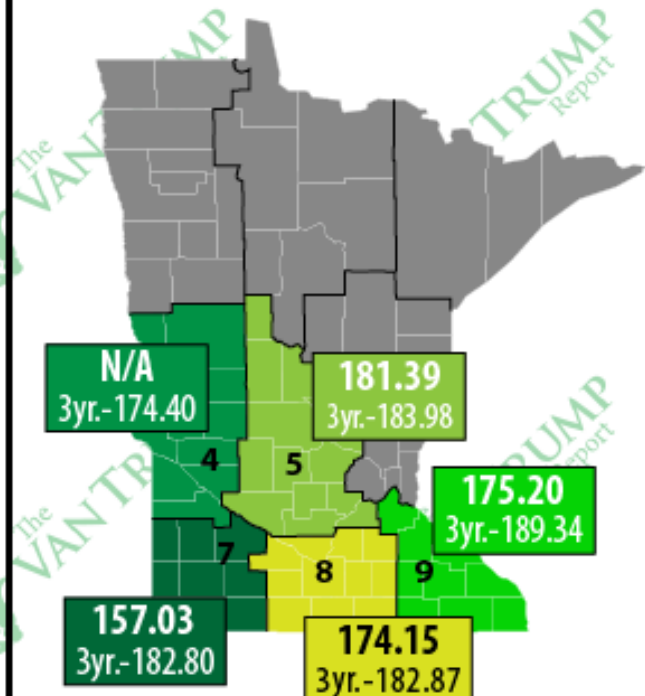
178.67 bpa



Bushels per acre

2019 Corn Yields

170.37 bpa



Bushels per acre

Soybean traders continue to debate U.S. yield and finishing weather. Bulls continue to believe the crop is way too late, underdeveloped, and will struggle to meet the USDA's projected yield estimate before the cold temps arrive. Bulls also continue to doubt the extremely late-planted acres. Bears on the other hand, continue to talk about improved rains across the U.S., the ongoing trade dispute with the Chinese, the continued spread of African Swine Fever, the strength of the U.S. dollar compared to the massively depreciated South American currencies, and talk of more South American soybean acres soon getting ready to be planted for the 2020 harvest. The Pro Farmer Crop Tour released results for Minnesota and Iowa last

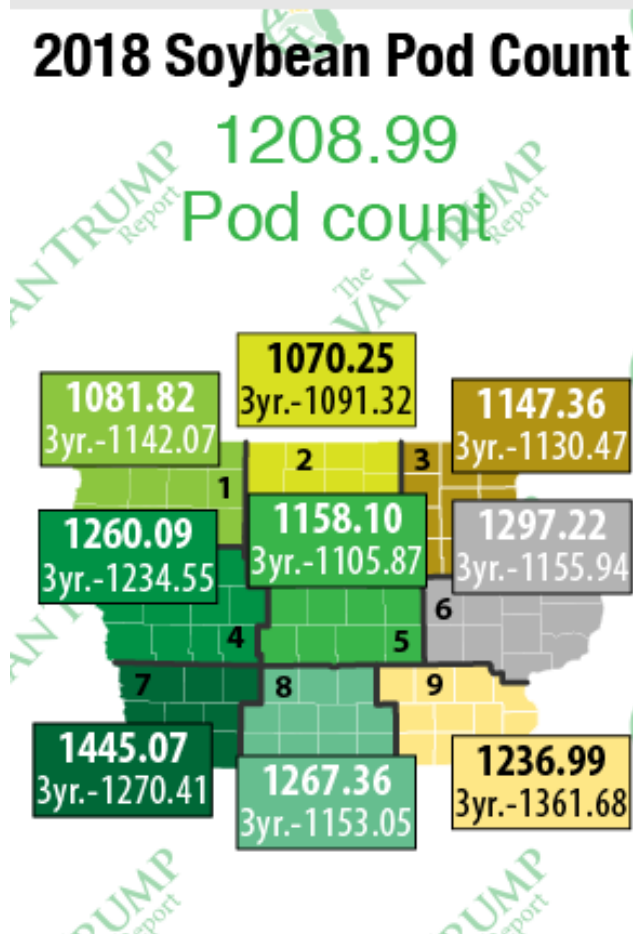
night. The Minnesota pod count came in at 965.31 vs. 1090.47 last year. The USDA estimated the the final soybean yield last year in Minnesota at 50.5 bushels per acre vs. this years estimate of 46 bushels per acre. Based on the tours results some bears are arguing that the USDA might be a bit conservative with their Minnesota yield. The tour released their Iowa results showing a pod count of 1106.91 vs. a 1208.99 pod count last year. The USDA's final yield estimate for last year was 57 bushels per acre vs. the 55 bushel per acre current estimate. Net-net, the final day of the tour really didn't producer or generate much noise for either the bulls or the bears. There's still just a ton of unanswered questions on both the supply and demand side of the equation. As a spec, I continue to hold a small conservative bullish position and may add a little bit more on the next leg lower. I still believe there could be a longer-term bullish story brewing and that the risk-to-reward favors the upside. As a producer, I remain extremely patient hoping for better days ahead. In absolutely no hurry to sell cash bushels down at these levels!

FARM JOURNAL CROP TOUR RESULTS

IOWA

2018 Soybean Pod Count

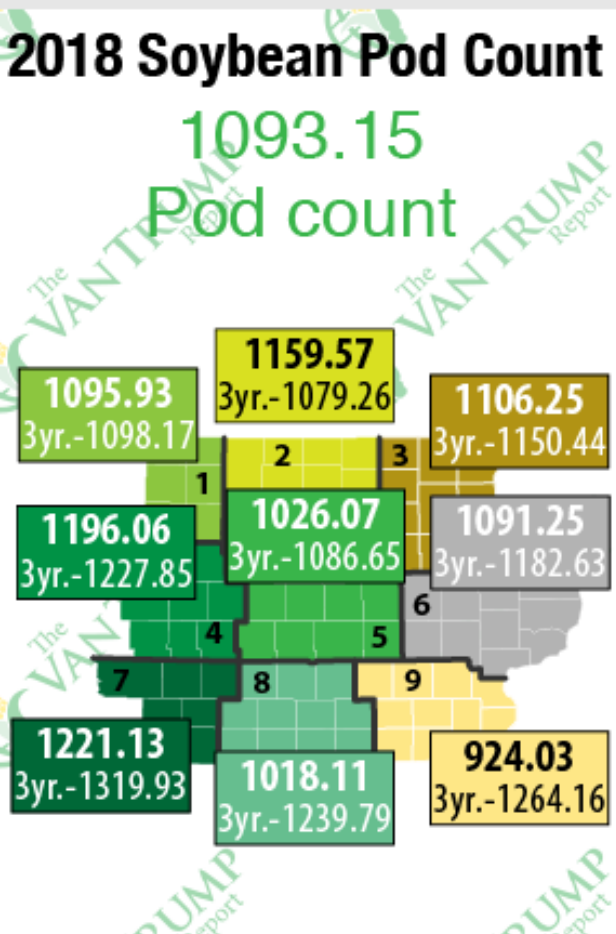
1208.99
Pod count



Pod Count in 3 x 3 Square

2018 Soybean Pod Count

1093.15
Pod count



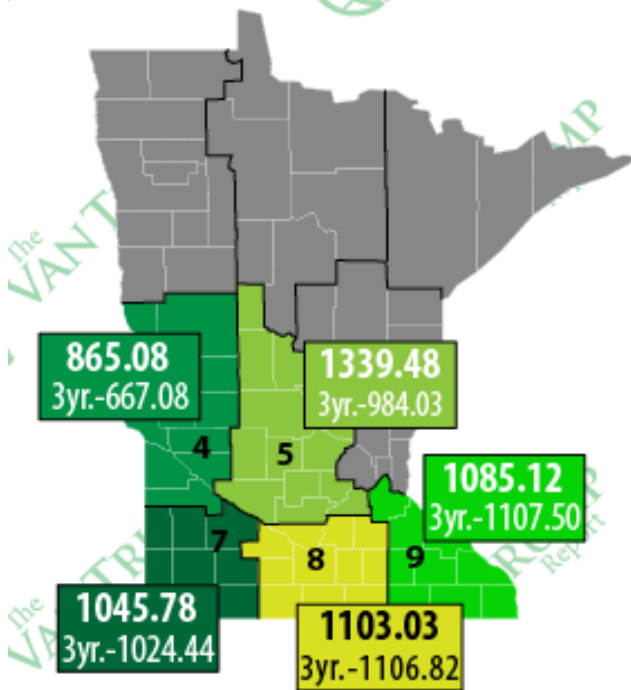
Pod Count in 3 x 3 Square

FARM JOURNAL CROP TOUR RESULTS

MINNESOTA

2018 Soybean Pod Count

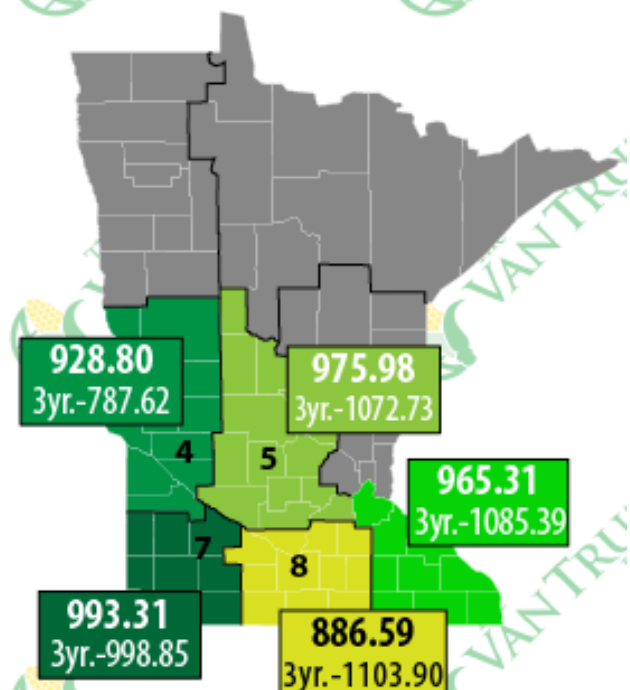
1090.47
Pod count



Pod Count in 3 x 3 Square

2019 Soybean Pod Count

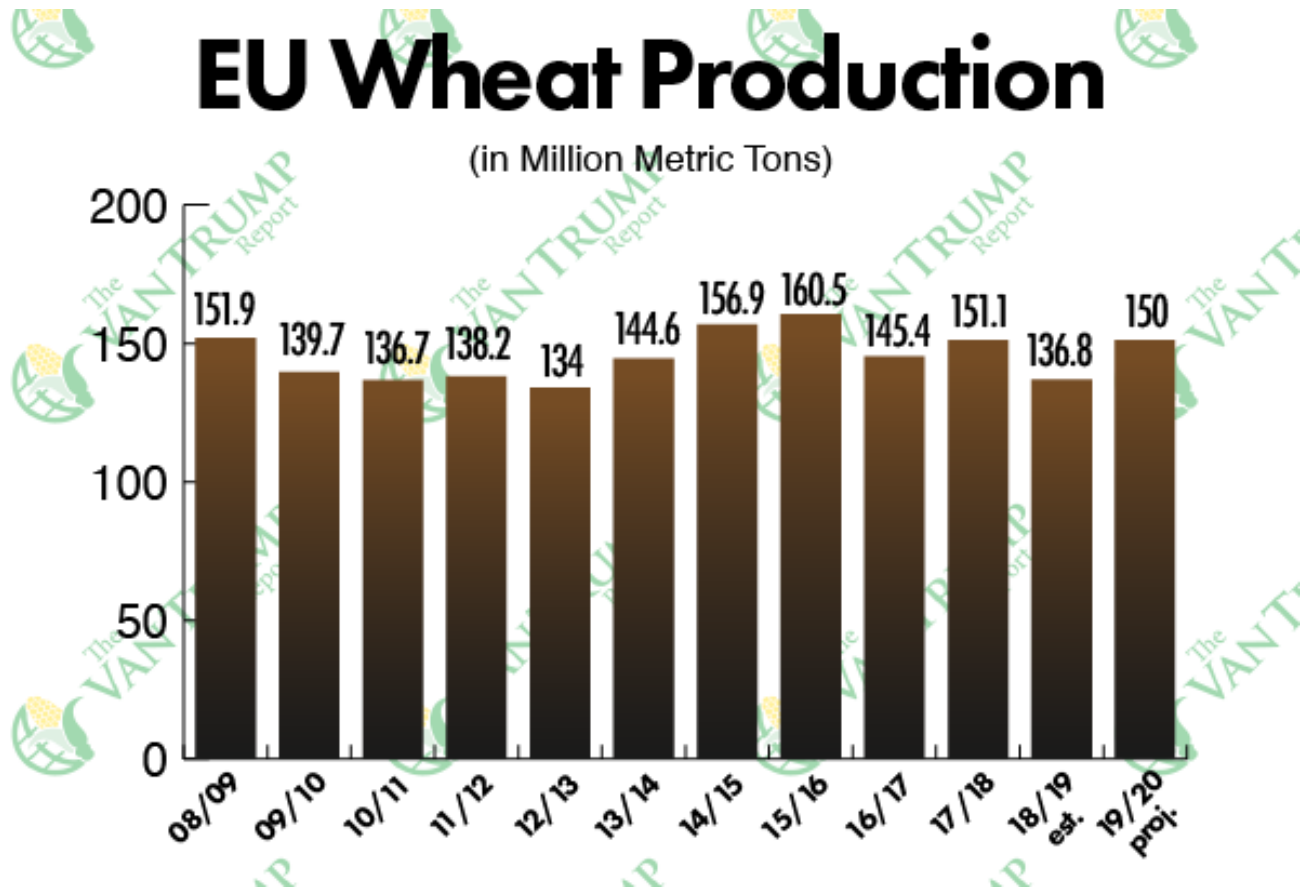
950
Pod count



Pod Count in 3 x 3 Square

Wheat prices have tumbled somewhere around -\$1.00 per bushel since late-June. During the same period of time the U.S. dollar has shown continued strength and macro trading funds have remained bearish the global economies. These two together have created a larger bearish cloud over the marketplace. At the same time, the U.S. winter wheat harvest has resulted in better than expected production. Also, weather worries in parts of Russia, the Black Sea region, and portions of the European Union have failed to develop in a more significant manner. With global wheat supplies at or near record levels and U.S. domestic ending stocks +1.0 billion bushels it's tough for the bulls to gain momentum. Either we have to somehow become

less oversupplied, the global macro environment has to become more bullish, or a significant global producer needs to run into a more widespread weather problem. If none of those come to fruition, it feels like the market will continue to move in a sideways to lower fashion.





> Cattle on Feed Report: *Most inside the trade are expecting today's report to show gains in all categories compared to last year. Cattle on Feed estimated to be just over +11.1 million head as of Aug. 1 just slightly higher than last year. Traders are saying higher grain prices earlier in the summer along with good pasture ground let the calves stay at home longer and placed at heavier weights. That trend could certainly change with the collapsing of grain prices. Stay tuned...*

> USDA Secretary Sonny Perdue Visits Nebraska Today: *U.S. Secretary of Agriculture Sonny Perdue will be in Nebraska today, where he is set to tour Cyclone Farms in Waco, followed by a press conference. Perdue will also participate in a Disaster Roundtable Governor Ricketts, Senator Fischer, the Nebraska Congressional Delegation and local stakeholders in Grand Island. He'll cap off the visit with a Town Hall hosted by the University of Nebraska.*

> Reminder About Upcoming Deadlines For USDA Support: *Today is the deadline (August 23) for farmers and ranchers with expiring Conservation Reserve Program contracts to re-enroll in certain continuous sign-up practices or, if eligible, select a one-year contract extension. CRP is one of the country's largest conservation programs and run through the USDA's Farm Service Agency. Officials say they'll also be accepting offers from landowners who want to enroll for the first*

time. This year's CRP continuous sign-up practices include grass waterways, filter strips, riparian buffers, wetland restoration and others. CRP contracts for these practices last for 10 to 15 years, with soil rental rates set at 90% of the 2018 rates. Sign-ups are also open for the FSA's Market Facilitation Program (MFP), which helps certain crop and livestock producers who suffer from economic damages resulting from trade wars with foreign nations. That sign-up period runs through December 6. Through MFP, USDA will provide up to \$14.5 billion in direct payments to impacted producers, part of a broader trade relief package announced late last month. The first round of trade aid payments has already started going out. If conditions warrant, the second and third tranches will be made in November and early January. More information is available [HERE](#).

> After The Flood Comes The Enormous Pile Of Burning Soybeans:

Following catastrophic spring storms in the Midwest, flood waters still haven't receded near many parts of the Missouri and Mississippi Rivers. The federal government estimates the cost for recovery and rebuilding will be in the billions. Those costs are continuing to climb, and it has been tough to assess the damage since so much of the area is still under water. The prolonged flooding has caused some problems that officials say they haven't encountered before. The flooding soaked 650,000 bushels of surplus soybeans piled outside of a commercial grain elevator in Missouri, causing the crop to rot. The heat generated by the decaying beans, mixed with the summer sun, made the pile spontaneously combust. It's been burning since mid-July. Fire officials have decided the safest way to manage it is to just let it burn. Listen to the full story [HERE](#).

> Cargill To Open Innovations Lab In Illinois: Cargill has announced a new partnership with the University of Illinois under which the Minneapolis, Minnesota-based company's digital labs team of scientists will work alongside university students at a new Cargill Innovation Lab located at the Urbana-Champaign campus. As part of the partnership, Innovation Lab students and staff will work directly with Cargill business leaders, operations teams and customers to help move digital ideas — in weeks, not months — to test mode. The Innovation Lab on the university's campus is expected to provide Cargill with a pipeline of talented software engineering and data science students and graduates ready to modernize agricultural supply chains and food systems across the globe. Read more [HERE](#).

> U.S. Has Not Been Adding As Many Jobs As Thought: It's not uncommon

for the Department of Labor to revise job growth numbers. It actually does so annually, when, instead of using the surveys that help form those initial estimates, it reviews unemployment insurance records in each state to come up with more accurate figures. What is uncommon is how big of a gap between those two numbers exists this time around: On Wednesday, the agency announced it slashed total US job gains (not counting farms) from April 2018 to March 2019 by 501,000 —what USA Today reports was the "largest downward revision in a decade." That translates to around 170,000 jobs added each month on average, not the 210,000 originally estimated. Consumer-tied industries like leisure/hospitality and retail saw the greatest reductions, while the information, financial activities, and transportation and warehousing sectors saw modest boosts. Still, all the numbers swirling around now make more sense. "The mystery was how the economy is continuing to get 200,000 jobs a month," a TD Economics analyst tells USA Today. "It's less of a mystery now." At the same time, the pace of job gains remains well above the roughly 100,000 needed per month to keep up with growth in the working-age population and we have yet to see any sustained increase in Weekly Initial Jobless Claims. (Source: USA Today, CNBC)

> Economists Are Bad At Predicting Recessions: Every president's election-year nightmare — a recession — is suddenly looming over the 2020 race. In a survey released earlier this week by the National Association of Business Economics, 38 percent of economists predicted that the country will slip into an economic downturn next year, and another recent poll of economists put the chances of a recession in the next 12 months at 1 in 3. Those predictions are getting a lot of attention, and it's not hard to see why — an economic slowdown in the middle of the presidential election cycle could reshape the race, potentially changing the calculus of Democratic primary voters and undermining President Trump, who has made the strong economy a central selling point of his presidency. But take a deep breath before you spend a lot of time trying to figure out how a recession would change Trump's reelection chances: Although the economy does have a big effect on an incumbent president's odds of winning a second term, economists have a terrible track record when it comes to predicting recessions. Read more from [FiveThirtyEight](#).

> Retailers Are Building Stores That Don't Sell Anything: Traditional brick-and-mortar stores alone are not enough to stay ahead in the digital era. America's shoppers want convenient, hassle-free experiences. So Walmart and Nordstrom

are building physical stores that don't actually sell anything. The two retailers are creating small hubs in big cities and dense suburban areas for shoppers to retrieve their online grocery and clothing orders. These new locations give them access to shoppers who want their stuff in a hurry without schlepping out to regular big-box stores or waiting around for home delivery. Walmart and Nordstrom's innovations are the latest examples of how retailers are attempting to create distinctive services to fight off Amazon. Read more [HERE](#).

> A Matrix Sequel Is In The Works: The Hollywood blockbuster "The Matrix" celebrated its 20th anniversary in March. The movie was followed by two sequels in 2003: "The Matrix Reloaded" and "The Matrix Revolutions." Warner Bros. has announced that another sequel in the franchise is set to begin production in 2020. "The Matrix" universe centers around the philosophical concept that our reality may not be real. The films' protagonist discovers that his world is a vast simulation run by hyper-intelligent AI. Since "The Matrix" first came out, many scientists and philosophers have discussed the validity of the movie's claims. Some say the idea that we're living in a simulation is totally plausible, and maybe even likely. Others argue, however, that we'll never be able to figure out whether or not we're living in a simulation. It's all a little "out there", but it's an interesting thought experiment! Read more [HERE](#).

> How To Rewire Your Brain For Happiness: Feelings aren't truth incarnate. They depend on thoughts. If I think you're pointing a gun at me, I feel scared. If I realize the gun is actually a water pistol, I don't feel scared anymore. The thought determines the feeling. And this has a very powerful corollary — if you change your thoughts, you can change your feelings. Your brain is a pattern-recognition machine. It makes observations and starts forming rules about the world. It's good at this. Problem is, sometimes your brain makes errors when it's forming its rules. Like the time you got made fun of in grade school during "Show and Tell" and its takeaway was, "Public speaking is terrifying and always shall be henceforth." And we get so used to these rules and their automatic thoughts that we don't even notice them anymore. Learn what you can do to prevent these automatic thoughts from dictating your feelings [HERE](#).

> The World's Biggest Consumers Of Antidepressants: 15 years ago, Iceland had the world's highest rate of antidepressant consumption - 71 out of every 1,000 people consumed antidepressants daily. By 2015, that trend hadn't

changed. In fact, the rate of consumption among Icelanders actually increased to 130 per 1,000 people. Some experts attribute this to a weakening of social taboos while others point to the lingering impact of the country's financial crisis when its three largest bank failed. Australia comes second for antidepressant consumption while Portugal rounds out the top three. Interestingly, the U.S. doesn't even crack the top fifteen. (Source: Statista)

Dancing with the Stars 2019 & How Much They Make! *With a lineup of celebrities including a supermodel (Christie Brinkley), a former White House press secretary (Sean Spicer), a Bachelorette (Hannah Brown), pro-athletes from the NFL (Ray Lewis) and NBA (Lamar Odom), a Supreme (Mary Wilson), a country music star (Lauren Alaina) and a TV icon (James Van Der Beek) to name a few, Dancing with the Stars is waltzing its way into its highly anticipated upcoming 2019 season. According to multiple sources, contestants on the ABC competition series make \$125,000 for the show's rehearsal period and their first two weeks on the air. If they make it to week three and beyond, they begin to earn additional fees each week. Sources say that the maximum contestants can earn is \$295,000. By comparison, Spicer was making just under \$180,000 during his time with the Trump administration, per a White House report released in 2017. Contestants on previous seasons could, according to reports at the time, make as much as \$345,000. (Source: Variety)*

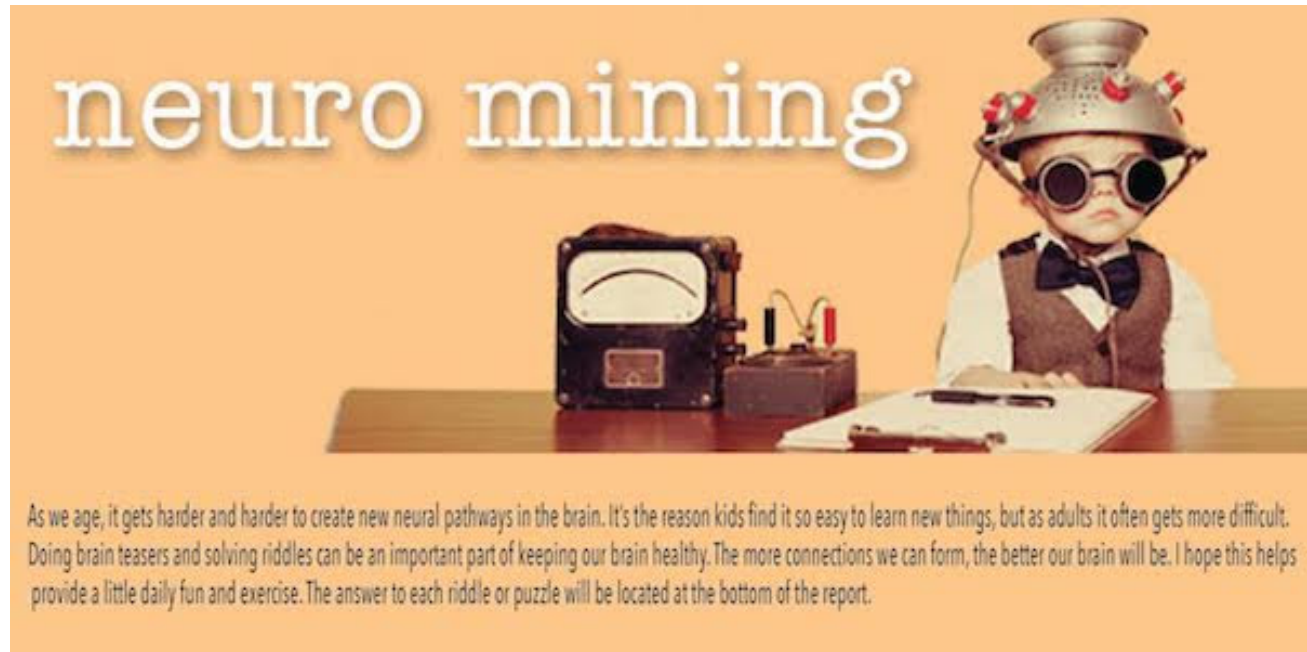




Central Illinois – *I'm back to flying on dope to kill spider mites in soybeans. When I'm up in the air this time of year I can never see the rows. By this time of the year, soybeans are 4-5 feet tall and usually twisted up to the point you can't make out rows. It basically looks like a hayfield from the air. This year, you can use the rows to steer and it's very unusual. The soybeans visibly look good, but the plants have very low pod counts. Some corn is very tall and other spots are short and drown out. I'd say the biggest concern right now is the various stages of maturity within the same field.*

Northwest Indiana – *I don't think the farm tour went through our area or they would have seen a lot of worse crops in the state. We're past the point of a rain helping us in any big way now. I thought we would see something early in the week, but it petered out on the east side of Illinois. The corn is firing a third the way up and looks pretty sickly. The ears are either tipped back pretty bad or they are very small. The soybeans looked fairly good the duration of the growing season until the last three weeks. They didn't bloom and the pods are few and far between.*

Southern Minnesota – *I'm thinking the tour might find some decent looking corn around Minnesota. We ended up getting our last acres planted fairly late, but there are guys inside of 50 miles from me that didn't get everything planted. Our ears are 16 to 18 around and the kernels are filled to the end. Right now, we'll be near or above our APH. The only catch is our temperatures drop over the next two weeks and we're going to definitely go backward on GDU. The corn is still at Milk stage, so we can't see before October 20th. There's nearly no chance of a frost not hitting before that date. Usually, we'll see a frost by October 5th.*



TODAY'S RIDDLE: On a clock, how many times a day do the minute and hour hand overlap?



Can We Expand Our Largest Ag Export Market

Canada is the United States' largest export market for agricultural and agricultural-related products, which was valued at \$25 billion in 2018, accounting for more than +15% of total U.S. agricultural exports to the world. I should mention, Canada is the only market where U.S. agricultural exports have consistently exceeded \$20 billion every year since 2010. One question to consider is, can we expand this market and create new opportunities? Keep in mind, the two countries maintain the world's largest bilateral trading relationship with almost \$170 million of food and agricultural products crossing the U.S.-Canada border everyday and totaling over \$62 billion last year.

Purchasing power in Canada is strong, with a per capita GDP of \$48,400 on a purchasing power parity basis, ranking them eighth among countries with populations greater than 10 million. Also, with our geographic proximity, business, and cultural similarities as well as established business channels and relationships, expansion opportunities for small and medium-sized companies exist. Of the 48 major export commodity groups tracked through USDA's Global Agricultural Trade System, Canada is the number one export market for 19, and either the second- or third-largest market for 15 others.

U.S. market share of Canadian imports of agriculture and related products has averaged 59% over the last decade, although it did slip to 56% last year due in part to retaliatory duties (since lifted in May 2019) on imports of some U.S. products. U.S. exporters have remained the leaders in Canadian import markets despite the improved access for several of our competitors following a free trade agreement with the EU in 2017 as well as the TPP which began last December. Let's not forget the significance of the well-developed food safety regulatory structure and broad market access secured under the North American Free Trade Agreement (NAFTA) and retained in the signed, but not yet in force, U.S.-Mexico-Canada Agreement, which will continue to provide U.S. exporters an excellent opportunity for sales growth in Canada.

Changing demand from Canada's aging population as well as immigration into the country are considerations for U.S. exporters to keep in mind. Opportunities exist for exporters to tailor their product sizing and packaging accordingly for the aging crowd, and with the foreign-born population over +20% in the country, more opportunities for a broader variety of foods to be sold will present itself. As growers and business owners, when one door closes, we need to look for the next open door. It's not going to be easy and only those ready to benefit from new and expanded market opportunities will succeed. I suspect this means being ready to do something different, whether in crops produced or management practices used. Either way, one vital key to maintaining and growing our businesses is being ready for and able to change as needed. With 36 million people living in Canada, and 90% of them within 100 miles of our northern border, we should be looking to expand and create new opportunities with them. (Source: USDA-FAS)

Top Markets for U.S. Agricultural Exports in 2018

Canada \$20.7 billion
Mexico \$19.0 billion
European Union \$13.5 billion

Japan \$12.9 billion
China \$9.2 billion
South Korea \$8.3 billion



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 @USDAForeignAg

United States Department of Agriculture
 Foreign Agricultural Service



**U.S. Agricultural & Related Product Export Composition to Canada
 (January – December, Million USD)**

	2014	2015	2016	2017	2018	2014-18 % Change
Total U.S. Ag. & Related Exports	26,514	25,058	24,313	24,722	25,004	-6
Consumer-Oriented Total¹	18,475	17,974	17,435	17,506	17,414	-6
Prepared Grocery Foods ²	4,386	4,479	4,380	4,423	4,491	2
Fresh & Processed Vegetables	2,476	2,490	2,398	2,491	2,484	0
Fresh & Processed Fruit	2,288	2,123	2,094	2,082	2,019	-12
Non-Alcoholic Bev. & Juices	1,793	1,678	1,591	1,499	1,465	-18
Seafood	951	914	1,020	936	958	1
Distilled Spirits, Wine & Beer	863	808	777	812	803	-7

Pork & Pork Products	904	778	798	793	765	-15
Beef & Beef Products	1,029	900	758	791	746	-28
Chocolate & Cocoa Products	702	725	749	748	713	2
Tree Nuts	661	686	598	643	696	5
Dog & Cat Food	630	602	597	640	650	3
Dairy Products	591	554	630	637	641	8
Poultry Meat & Eggs	741	777	608	561	526	-29
<i>Other Misc. Consumer Oriented</i>	461	458	437	450	457	-1
Intermediate Products Total	3,815	3,344	3,304	3,394	3,521	-8
Essential Oils	368	408	414	433	454	23
Sugar, Sweeteners, Bev. Bases	400	384	419	409	391	-2
Planting Seeds	374	305	302	343	389	4
Soybean Meal	519	330	281	317	354	-32
Vegetable Oils (ex. soybean)	440	347	336	299	290	-34
Live Animals	110	118	126	251	263	140
<i>Other Intermediate</i>	1,605	1,452	1,426	1,342	1,380	-14
Bulk Commodities Total	841	780	781	844	1,132	35
Corn	154	212	146	131	309	100
Soybeans	139	80	106	145	269	93
<i>Other Bulk</i>	548	488	528	569	554	1
Biofuels & Forest Products	3,382	2,960	2,794	2,977	2,939	-13
Forest Products	2,271	2,100	1,988	1,990	2,059	-9
Biofuels (ethanol & biodiesel)	1,111	859	806	987	880	-21
<i>Source: U.S. Census Bureau Trade Data, BICO-HS10</i>						

"Cat, Dog, Horse Cloning" Hits China's Booming Pet Market

Garlic the cat was born in July, much to the delight of his owner, a Chinese man who lost the original Garlic to a deadly infection. New Garlic is actually a clone and is believed to be the first commercially cloned feline in China. The company responsible for the near-identical copy-cat, Sinogene Biotechnology Company in Beijing, is hoping news of its success with Garlic will lure other feline lovers to their service, which costs around \$35,400. Sinogene already provides a cloning service for dogs, though that comes with a heftier price tag of around \$54,000. With an estimated 73 million pet owners in China alone, it stands to be a very lucrative business plan. This year alone, they expect between 100 and 200 orders but hope to raise that to 300 to 500 annually. Pet owners can also choose to just store their pets' DNA "just in case," which is

considerably cheaper than cloning but still a revenue-generating side to the business. The company's deputy general manager Zhao Jianping says they also have plans to clone horses and carrier pigeons in the future.

The cloning process works by removing cells from an animal donor egg and then transplanting cells from the animal being cloned. The embryo is transferred to a surrogate mother and is born "naturally" after the typical gestation period, which for cats and dogs both is around 60 days.

Pet cloning is not new and companies in the U.S. have already been offering it as a commercial service for several years now. The first commercially cloned pet in the U.S. was a cat named Little Nicky, produced in 2004 by Genetic Savings & Clone for a north Texas woman. What's different about Sinogene is that they want to give cloned animals the memories of the original pet. The company is exploring the use of artificial intelligence and hi-tech storage systems to replicate or restore a dead animal's memories to a clone. How that would work isn't really clear, though.

There is some science that shows it might be possible. Last year, UCLA researchers claimed to have transferred memories between snails through injections of RNA. RNA is the cellular "messenger" that transmits DNA instructions throughout other parts of cells. Snails are often used for research into the complexity of the human mind because snail brains are very, very simple. According to the study, researchers administered a series of mild electric shocks to the tails of a marine snail until they began displaying a simple type of learning known as "sensitization." In the next phase of its research, the team extracted RNA from the nervous systems of the snails that had been shocked and injected it into snails that had not been shocked. Those snails then began to display the same type of sensitization. The scientific community at large remains highly skeptical about this being an actual memory transfer. What's more, a cat or dog brain is much, much more complicated than that of a snail.

One thing that is clear is that a cloned animal is not an exact duplicate. Garlic's owner says the new version looks mostly like his beloved fur friend but is missing distinct markings on his face. Also, his temperament and his personality is wholly original. Basically, the "new version" of his pet isn't at all the same pet. In fact, there is no guarantee a clone will even look like the original. All that these pet cloning companies can promise is that Fido or Fluffy 2.0 will have the same genome as your first pet but there is no way to control how that is ultimately expressed. And there is no way - yet - to duplicate their personality or transfer their memories of a doting owner and their shared lives together. Whether it is close enough is, of course, up to the pet lovers that can't bear to part with their friends. Click [HERE](#) to visit the SINOGENE website. (Sources: Global Times, Scientific American, Wikipedia)

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Services we Provide

Cat Cloning

It is possible to upturn the desired companionship and to achieve life-long amity with your dearly loved cats. They acquire a special place in your house and heart once you become a crucial part of your life. Since the bond becomes so unique over the time that the idea of separation becomes unacceptable and unbearable, it has now become commonplace to find cats in every house. They are part of the family and is treated like so. With the hope of bringing even the slightest source of happiness in the lives of people, Sinogene has put countless efforts and devotions to achieve its milestone in advancing the cloning technology.



DOG CLONING

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Services we Provide

Dog Cloning

Even after advances in veterinary medicine, your beloved dog will not live forever. SINOGENE focus on the science of dog cloning which presents an opportunity to owners of dogs for extending their relationship with their dog. Dogs are recognized as a loyal friend of its owner, which creates difficulty for many owners to live without their dog. However, if your dog passes before the collection of DNA sample you may:



HORSE CLONING

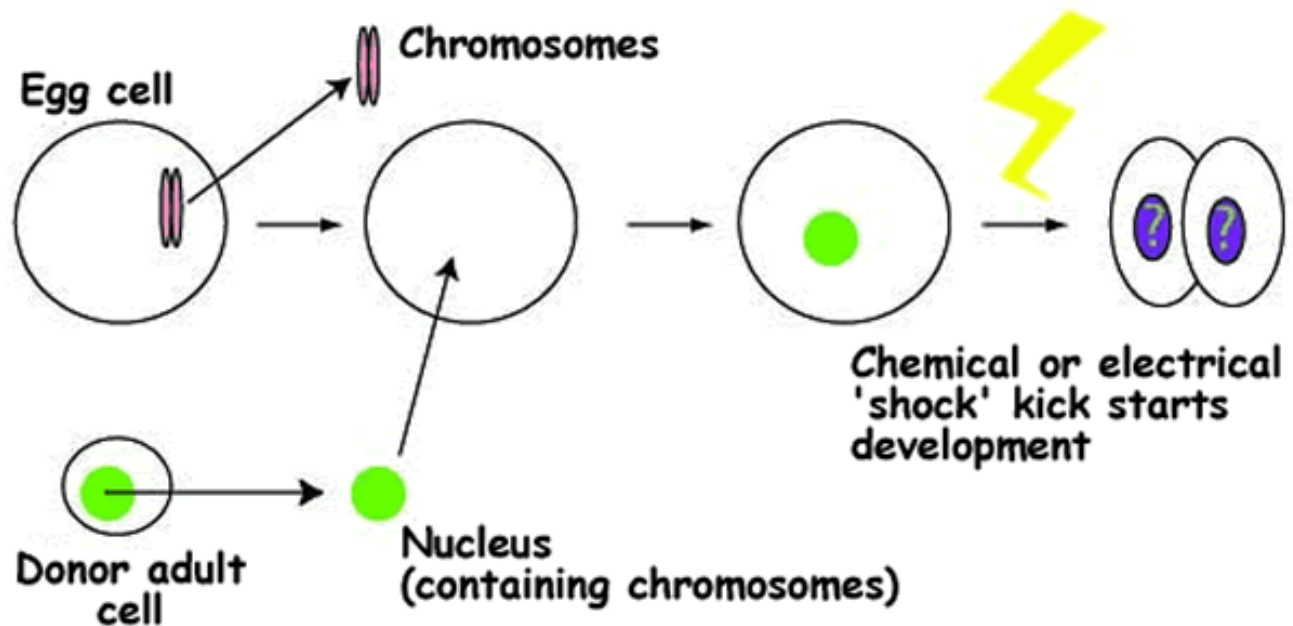
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Services we Provide

Horse Cloning

Science has made possible to genetically replicate the horse by the horse cloning process. SINOGENE provides an opportunity to protect the elite horse genetics by offering genetic preservation and cloning service. The horse cloning allows producing the foal, which is identical to the donor. We offer insurance to breeders and horse owners to extend reproductive life. The cloning of the horse is relatively simple as the chromosomes of a cell from the donor horse are transferred into the cytoplasm of an egg. However, if your horse passes before the collection of DNA sample you may:

The process of Cloning



Fantasy Football Talk... Getting Ready for Our Draft!

It's that time of year and Fantasy Football fans are starting to think long and hard about their picks. Fantasy Football is expected to draw in over +75 million players this year, who will spend about \$5 billion. Between league materials, league costs and single-player challenge games, the average player spends \$465 a year on fantasy sports, reports the Fantasy Sports Trade Association. [The Fantasy Football World Championships](#) this year is offering a payout of \$150,000 for the grand prize winner and \$12,000 goes to the winner of each 12-man league. The draft weekend live event takes place Sept. 5th to 8th at the Palms Hotel & Casino in Las Vegas. Those who can't make it to Vegas can draft online. There's another high stakes league called [The National Fantasy Football Championship](#) which hosts two draft events and also pays out \$200,000 to the winner. I hear there's a \$250,000 payout to the winner of [The Fantasy Championship](#) , which is a money league created by RealTime Fantasy Sports and MyFantasyLeague.com. Another quarter-million-dollar payout can be taken home by winning the Fantasy Football Players Championship, which is billed as the largest season-long tournament in the world. [The Footballguys Players Championship](#) has a \$2.3 million prize pool with a \$250,000 grand prize. Drafting is online only. It costs \$350 to draft a team, with a discount of three teams for \$1,000. If you really want high-stakes fun, [The Fantasy Football Millionaire](#) — aka the Milly Maker — is an extremely unique tournament. It often has close to 200,000 entries. Roughly 33 percent of the total prize pool goes to first place and someone wins an absurd \$2 million on a \$20 buy-in. I think Jordan and I are going to test our skills in a couple of high-stakes leagues this year. Will probably be a "learning experience" and quick donation:)

Breaking down a few more fantasy football numbers, 56.8 million of the 75 million fantasy football players in the world are from either the United States or Canada. I should also note, 80% of all players are males, 78% have a college degree or more, 89% are caucasian, and 66% have a full-time job. The average age players is 34-years-old and the average annual income for everyone that plays fantasy football is just under \$93,000. In addition, the average time spent consuming fantasy sports is nine hours per week and every player has an average of 9.5 years experience under their belt. OppLoans found that the average fantasy football player spends 6.9 work hours every week working on their team, which translates to almost a full day of work lost every week during the NFL regular season. Keep in mind, the craziest number I saw was fantasy football is an \$18.6 billion market, which is \$6 billion more than the current estimated NFL revenue.

Personally, I don't know many secrets that others don't in regard to drafting the best Fantasy team, but one question many people always ask is, how many running backs should they take? In a league that starts two RBs without a flex, you can generally get by with five on your roster. Most leagues have a flex though, so shoot for 6 on your roster. Another piece of advice to win your fantasy league is to get one stud receiver like Michael Thomas, DeAndre Hopkins, Odell Beckham Jr. or Julio Jones and let the rest fill in as the draft goes. Also, don't be afraid to take a QB late in your draft This year's QB pool seems deeper than ever. And there are always a couple of QBs who significantly outproduce their draft positions like Dak Prescott and Philip Rivers. The last piece of advice to help better your fantasy team is if you don't get Travis Kelce, Zach Ertz, or George Kittle at tight end then wait in your draft to try to pick up a sleeper. Below is a list we've compiled in the office that includes the top-five players at each position in PPR leagues and who most services are defining as top "sleepers" for this fantasy season as well as a few potential busts at each position. I hope this helps give you a rough idea about upcoming drafts!

Quarterbacks:

Top 5 - Patrick Mahomes KC, Deshaun Watson HOU, Aaron Rodgers GB, Baker Mayfield CLE, and Carson Wentz PHI.

Sleepers - Andrew Luck IND, Kyler Murray AZ, Dak Prescott DAL, Jameis Winston TB, and Lamar Jackson BAL.

Potential Busts - Ben Roethlisberger PIT and Drew Brees NO

Running Backs:

Top 5 - Saquon Barkley NYG, Christian McCaffrey CAR, Alvin Kamara NO, David Johnson ARI, and Todd Gurley II LAR.

Sleepers - Peyton Barber TB, Kalen Ballage MIA, Ito Smith ATL, Tevin Coleman SF, Alexander Mattison MIN, and Jaylen Samuels PIT.

Potential Busts - Le'Veon Bell NYJ, Leonard Fournette JAC, and Phillip Lindsay DEN.

Wide Receivers:

Top 5 - Davante Adams GB, DeAndre Hopkins HOU, Odell Beckham Jr. CLE, Julio Jones ATL, and Michael Thomas NO.

Sleepers - Marvin Jones DET, Golden Tate NYG, Dante Pettis SF, Christian Kirk AZ, DK Metcalf SEA, and Devin Funchess IND.

Potential Busts - Jarvis Landry CLE and Sammy Watkins KC.

Tight Ends:

Top 5 - Travis Kelce KC, George Kittle SF, Zach Ertz PHI, Evan Engram NYG, and O.J. Howard TB.

Sleepers - Delanie Walker TEN, Mark Andrews BAL, and Jimmy Graham GB

Potential Busts - Eric Ebron IND

Kickers:

Top 5 - Greg Zuerlein LAR, Stephen Gostkowski NE, Justin Tucker BAL, Wil Lutz NO, and Harrison Butker KC.

Defenses:

Top 5 - Chicago Bears, Los Angeles Rams, Jacksonville Jaguars, Minnesota Vikings, and Los Angeles Chargers.

Sleepers - Denver Broncos and Pittsburgh Steelers



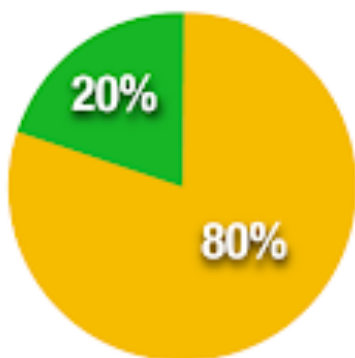
ANSWER to riddle: 22 times: 12:00:00, 1:05:27, 2:10:55, 3:16:22, 4:21:49, 5:27:16, 6:32:44, 7:38:11, 8:43:38, 9:49:05, 10:54:33. Each twice a day.

CASH SALES & HEDGING TOTALS

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Corn 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED

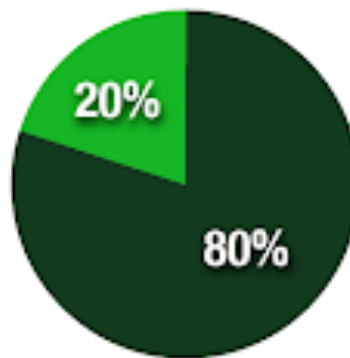


Corn 2019 Crop

30% SOLD

Soybean 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



Soybean 2019 Crop

20% SOLD

Wheat 2018 Crop

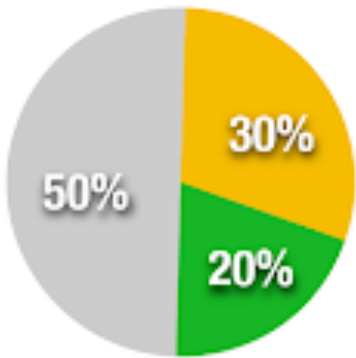
100% SOLD
0% HEDGED
0% UNPROTECTED



Wheat 2019 Crop

100% SOLD

20% HEDGED
50% UNPROTECTED

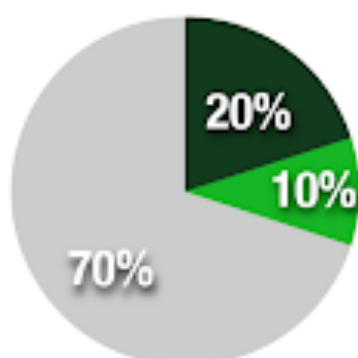


Corn 2020 Crop

0% SOLD
0% HEDGED
100% UNPROTECTED



10% HEDGED
70% UNPROTECTED

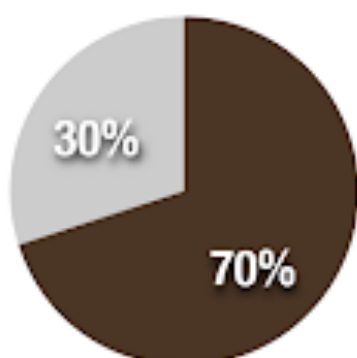


Soybean 2020 Crop

0% SOLD
0% HEDGED
100% UNPROTECTED



0% HEDGED
0% UNPROTECTED



Wheat 2020 Crop

0% SOLD
0% HEDGED
100% UNPROTECTED



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