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**GOOD MORNING: Van Trump Report 9-3-19**

1 message

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

Tue, Sep 3, 2019 at 5:31 AM

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

"Great minds have purposes, others have hopes and wishes." - **Washington Irving**

**Tuesday, September 03, 2019**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Investors start the shortened trading week with continuing anxieties surrounding trade, as well as both the U.S. and global economies. New 15% tariffs on approximately \$110 billion worth of Chinese goods kicked in as of Sunday, as did China's retaliatory tariffs on around \$75 billion worth of U.S. goods. A second round of U.S. tariffs is due to take effect on December 15, which will encompass virtually all Chinese goods which have yet to be affected in the ongoing trade battle. Yesterday, China formally lodged a complaint against the U.S. with the World Trade Organization over the U.S. import duties. China claims the latest U.S. tariffs violate a consensus reached by trade negotiators and is actually the

third such challenge China has brought against the U.S. tariffs. According to the White House and Chinese officials, talks are set to resume sometime in early-September, I've heard as early as this Thursday...stay tuned! Oil prices are back in the spotlight as Hurricane Dorian impacts the southeastern coast of U.S. Interestingly, the event is not being viewed as bullish for oil prices as there really aren't any oil platforms in danger. In fact, it's actually put more nearby downward pressure on oil and gas prices as the storm leads to lower overall gasoline demand along the east coast. Oil prices are also facing bearish headwinds amid concerns of global oversupplies and easing demand resulting from a global manufacturing slowdown. OPEC oil output rose in August for the first time this year, with members of the group pumping 29.61 million barrels a day, up +80,000 barrels a day from July's revised figure. Don't forget, OPEC's next meeting is scheduled for September 12, so expect more oil related headlines. Today brings fresh U.S. manufacturing data with both the PMI and ISM Manufacturing Indexes. PMI for August is expected to remain flat at 49.9 compared to 50 in July, although that would be the worst result in 10 years. ISM's read came in at 51.2 in July. Obviously, a major pullback in these indexes will continue to stoke the flames or fears of recession. Construction Spending is also on today's calendar and seen rising a slight +0.3% following a sharp -1.3% decline last month. This week's biggest ticket item is the August Employment Situation, due out on Friday. The trade is thinking we created fewer jobs in August vs. July, just under 160,000, with the unemployment rate expected to hold steady at record low levels near 3.7%. Investors are closely monitoring the U.S. job market for signs of more widespread economic troubles. The fear is that companies may suddenly pullback on hiring and even accelerate layoffs as uncertainties about the U.S. economic outlook compound and the U.S.-China trade spat lingers with no resolution on the horizon. Below are more details on the issues investors will be closely following.

**U.S.-China Trade War:** *As mentioned, new U.S. tariffs went into effect on around \$110 billion worth of Chinese imports this past Sunday. This latest round is expected to have a particularly harsh impact on U.S. consumers with a wide array of consumer products in the mix, including apparel, footwear, food, and some electronics. More than 150 U.S. trade groups sent a letter to President Trump last week pleading for a postponement, saying the measures "come at the worst possible time, right in the middle of the busy holiday shipping period." Additional levies are set to kick in on the other half of the roughly \$300 billion Chinese imports impacted by the tariffs on Dec. 15. Tariffs will also be raised on October 1 to 30%, from 25%, on an existing round of tariffs already in effect on \$250 billion in Chinese goods. Some 92% of apparel sold in this country, as well as 68% of home textiles and 53% of footwear, were subject to higher tariffs that began September 1, according to the American Apparel*

*and Footwear Association. Industry groups and economists are also warning that the tariffs are already causing companies to cut costs and delay investments as they seek to cushion the impact of the tariffs. In retaliation for some of the U.S. tariffs, China cut off imports of U.S. agricultural products, which Deere & Co. cited as a main reason for cutting production by -20% in the second half of 2019, including large John Deere tractors made in Illinois and Iowa.*

**U.S. Recession:** *Concerns about a looming recession in the U.S. remain elevated following the yield curve inversions experienced in August, when yields on long-term treasuries began falling below short-term rates. In a healthy market, long-term bonds carry a higher interest rate than short-term bonds. When short-term bonds deliver a higher yield, it's called an inversion of the yield curve. The worry is that an inverted yield curve has preceded every U.S. recession in the last half-century, but sometimes it takes up to two years before the economic downturn occurs. Credit Suisse recently released data that shows on average a recession occurs about 22 months after an inversion. Not all analysts buy into this line of thinking, though, with some pointing to the increase in negative bond yields on overseas debt, which they say is driving more foreign investment into U.S. Treasuries. Many investors also worry that a weakening U.S. economy could be further exacerbated by the tariffs on Chinese imports, which analysts estimate could cost American households an additional \$1,000 per year. Keep in mind, consumer spending accounts for two-thirds of the U.S. economy. There is also a good amount of concern that all the "worries" about a possible recession could become a self-fulfilling prophecy of sorts with consumers reigning in spending due to the increased talk about a looming recession. Keep in mind, the University of Michigan's consumer sentiment index, released Friday, fell by the most since December 2012. Google searches show recession fears have spiked exponentially since the end of July, when the Federal Reserve cut interest rates for the first time since the financial crisis.*

**Truck Makers Apply the Brakes:** *The U.S. trucking industry had one of its strongest years ever in 2018, as high demand for freight encouraged transportation companies to expand their fleets. Now, trade tensions and slower global growth are depressing freight volumes. Freight rates have fallen more than 20% from a record in June 2018. Now, there are more trucks than there are loads. Orders for heavy-duty models from the four largest truck makers in North America—Daimler Trucks North America LLC, Paccar Inc., PCAR 0.28% Volvo Trucks USA and Navistar International Corp. —fell 80% in July from a year earlier, says market forecaster ACT Research. Orders in June declined 69% from a year earlier. Read more on this topic at [The Wall Street Journal](#)*

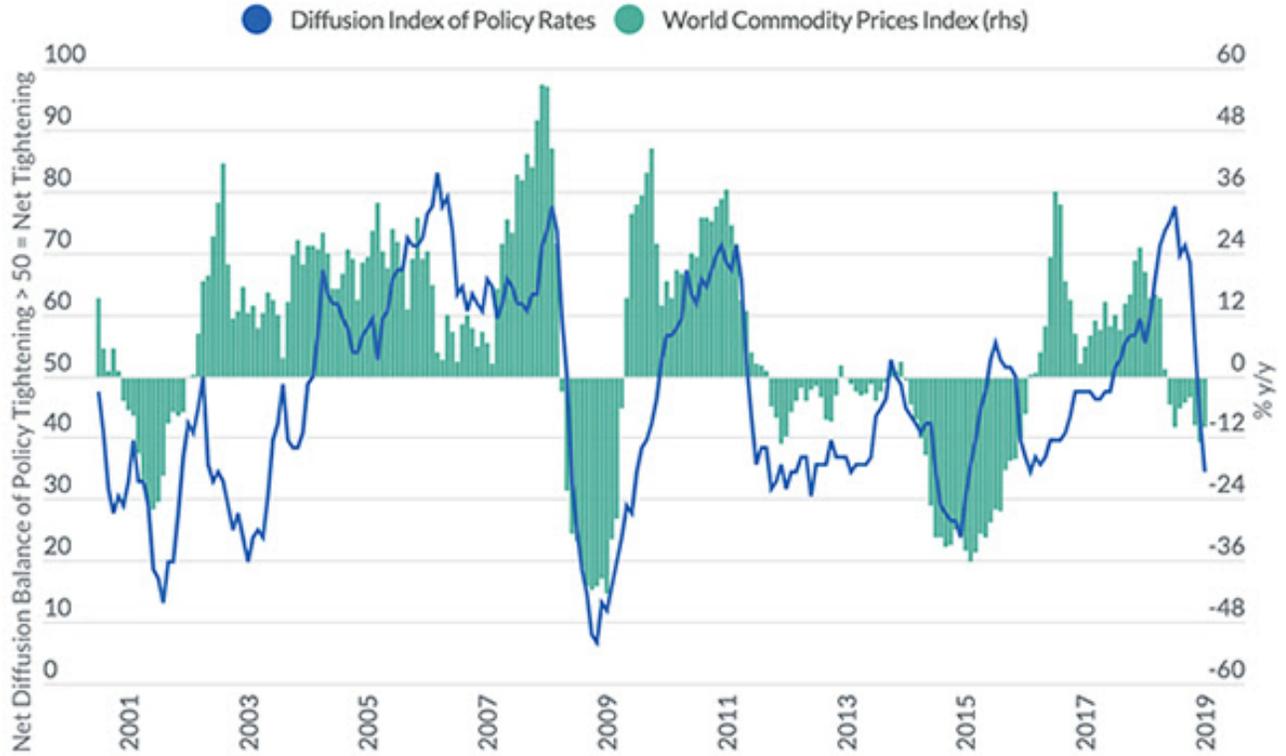
**Global Economy:** *Several trouble spots around the globe have investors bracing for the possibility of a widespread global economic slowdown. Recent data showed factory activity in China shrank in August for the fourth month in a row, which is being equated to increasing U.S. trade pressure as well as sluggish domestic demand, all pointing to a further slowdown in the world's second-largest economy. Additionally, some analysts believe China is on the verge of a debt crisis that many fear*

could spread throughout Asia. Economic growth in Europe is also slipping with Germany, the EU's number-one economy, set to experience a second quarter of negative growth. Analysts are anticipating the country will implement a plan to inject €50 billion worth of stimulus into the economy but there are worries it is "too little, too late" to head off a recession. Fears of a chaotic Brexit are also weighing on EU economies, particularly the United Kingdom. It's believed a "no deal" Brexit will likely throw the UK into a recession. The country's exit from the EU is set for October 31 and the two sides have not moved any closer to an agreement that would allow Britain to maintain trade advantages with the eurozone. No deal would also mean the UK service industry would lose its guaranteed access to the EU single market, which has already caused a mass exodus of UK-based banks and insurance companies.

**Central Banks:** Monetary policy remains a central focus as investors are looking for proactive measures to help minimize some of the risks the global economy is facing. If central banks fail to act, analysts fear that financial markets could have a violently negative reaction that could ripple through the real global economy. The U.S Federal Reserve is expected to cut rates again at its next meeting on September 17-18. Those expectations will be even greater if the European Central Bank unleashes more stimulus at its meeting on September 12. There are also increasing calls for China to do more to support growth. The People's Bank of China last month did launch some reforms in how it deals with lending rates, but many analysts and investors alike believe more extreme measures are needed.

**Central Banks Haven't Shifted Direction This Abruptly In A Decade:** The shift in central bank monetary policy direction during the last six months hasn't been this dramatic in a decade. Fitch Ratings, examining the direction but not magnitude of central bank shifts, found that more than a third of them have loosened monetary policy in the past six months. Those central banks range from the U.S. to Turkey, with only Norway and the Czech Republic going in a different direction by raising interest rates, Fitch found. In December, 52% of the 38 central banks it examined were in a monetary policy tightening phase and only 3% were easing, Fitch said. One difference between the financial crisis of 2009 and now is that the shift to looser monetary policy has not been accompanied by any collapse in commodity prices. Another is that the deterioration in the global economy hasn't been anywhere near as severe, the Fitch report said. "This apparent disconnect could be consistent with a profound global impact from the Fed's steps to normalize policy through 2017 and 2018, steps which were then reversed following the Fed's 'pivot' back towards easing in early 2019," the report said. "The European Central Bank's recent signals that they will also shortly be resuming easing - after announcing an end to asset purchases last December - could also have had a strong impact on global policy settings." (Source: MarketWatch)

### Share of Global Central Banks Tightening Policy



Source: Fitch Ratings, BIS, IMF



**FUNNY and Wanted to Share:** Gotta love those goats!



**Courtney Koizan**  
@courtlee05



Only on our funny farm. Thank God for good UPS drivers because them damn goats would eat them. 🙏





**Courtney Koinzan**  
@courtlee05



Does anyone know what meat goats are worth? Asking for a friend of course...



# FARM TANK

Tweets of the Day

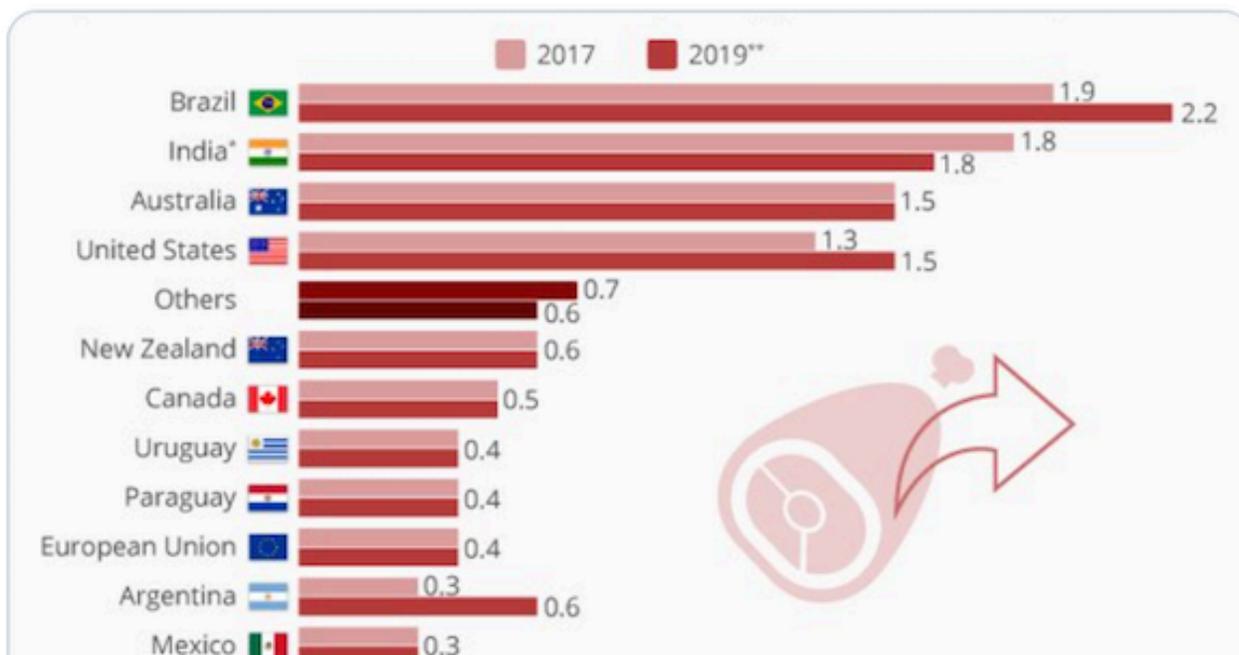




**Statista**  
@StatistaCharts



#Brazil is the biggest exporter of #beef in the world. Now the country's large-scale cattle industry is also being tied to the devastating forest fires raging in the #Amazon. [statista.com/chart/19122/bi...](https://www.statista.com/chart/19122/bi...) @USDA #brazilfire #AmazonFire #AmazonRainforest



**Infographic: The Biggest Exporters of Beef in the World**

This chart shows the biggest exporters of beef and veal in the world in 2017 and 2019.

[statista.com](https://www.statista.com)



**Charlie Bilello** ✓  
@charliebilello

Total Returns, Last 5 Years...

Amazon: +433%

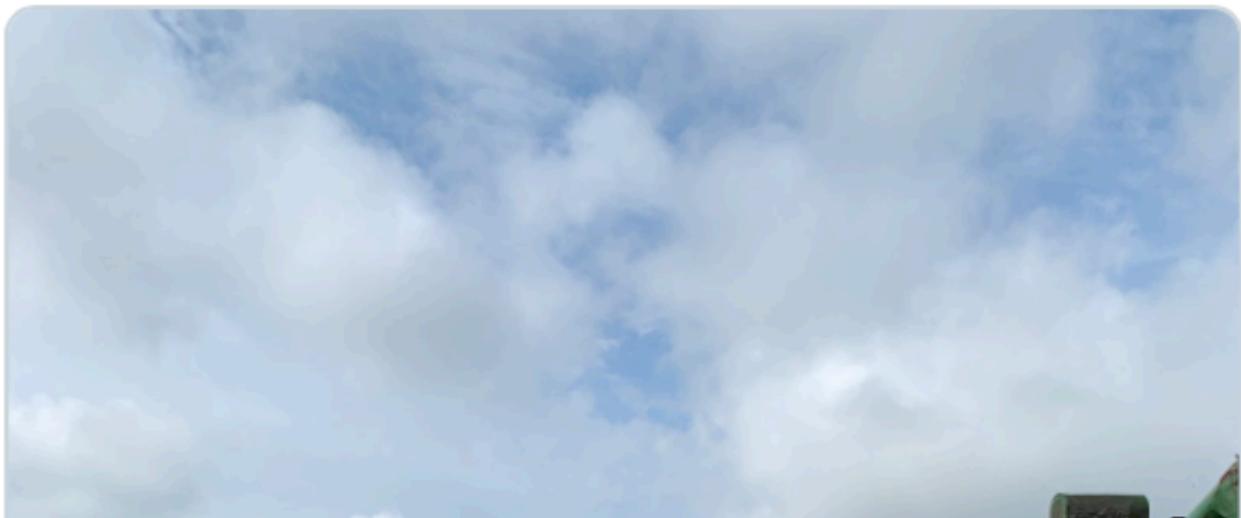
S&P 500: +61%

Retailers: -5%



**Half Century of Progress Show**  
@halfcenturyshow

Harvest is happening! Don't miss it!







**Scott Berge**  
@sberge34



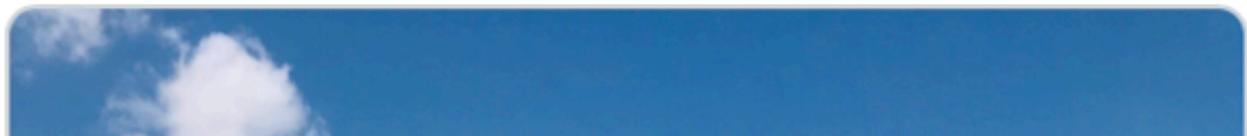
Captured this sweet pic last night, while waiting for the grain cart. #caseih #northdakota #wheatharvest #harvest19



**Nikki Zahradka**  
@ZZrock



Buschhhh barley harvest! @BuschBeer #harvest19 #NoBarleyNoBeer







**Super 70s Sports**  
@Super70sSports



Your Uber driver will be here in five minutes. Look for the "Stabbin' Cabin."



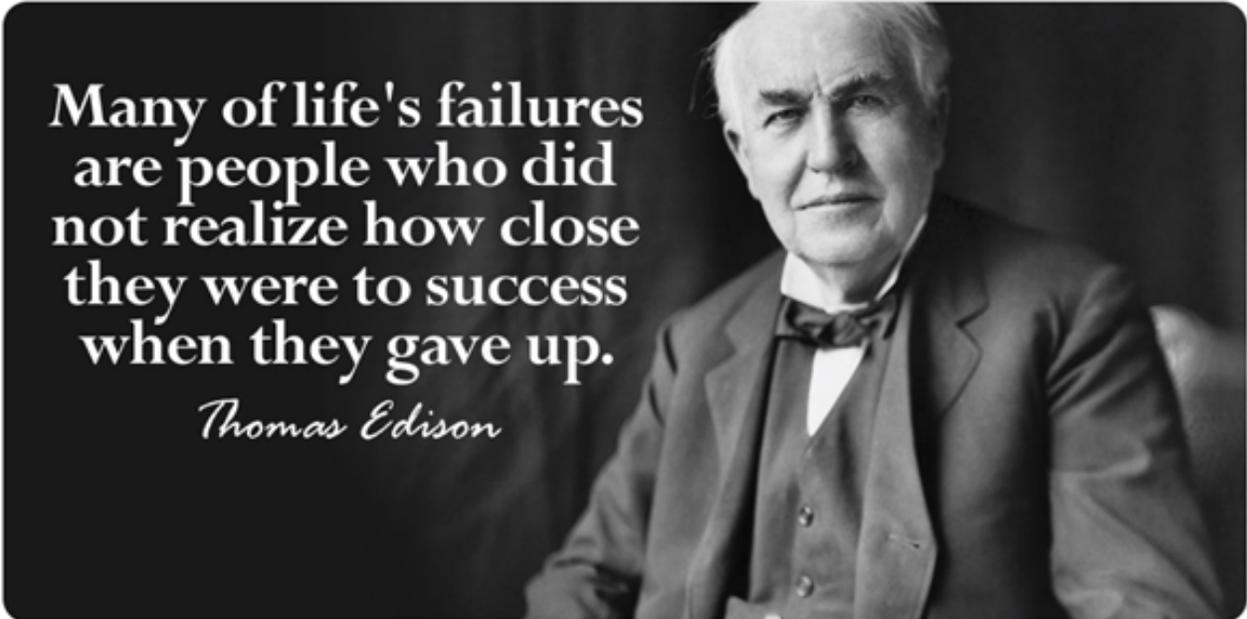


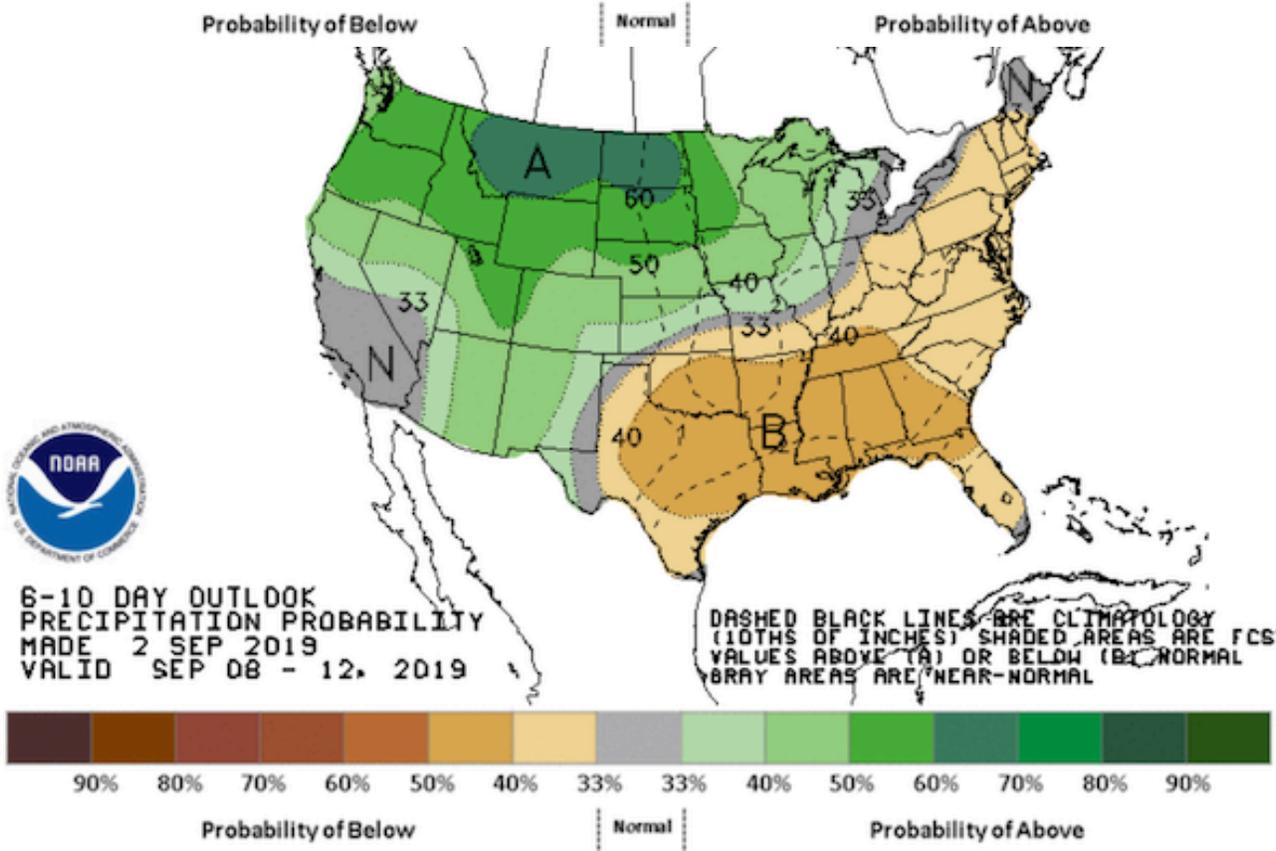
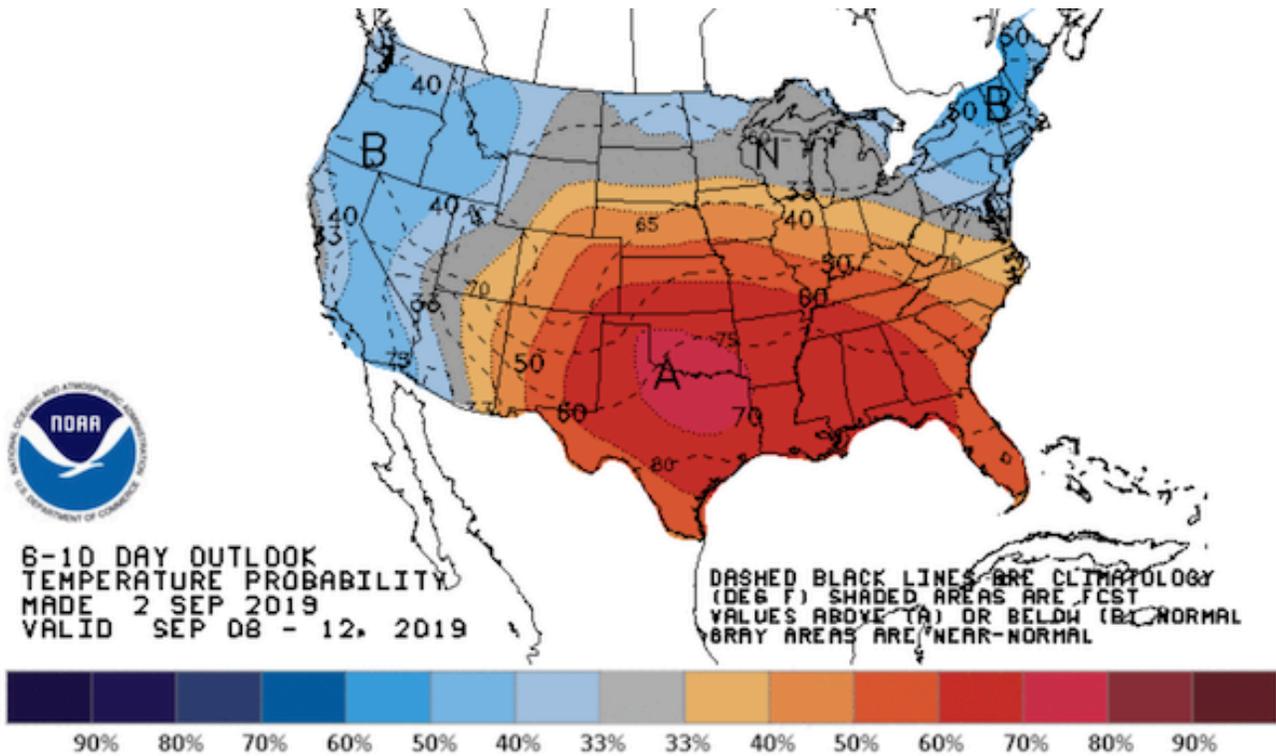
**Tim Fargo** ❤️ 🔒  
@tim\_fargo

Following



Many of life's failures are people who did not realize how close they were to success when. - Thomas Edison #quote #TuesdayThoughts



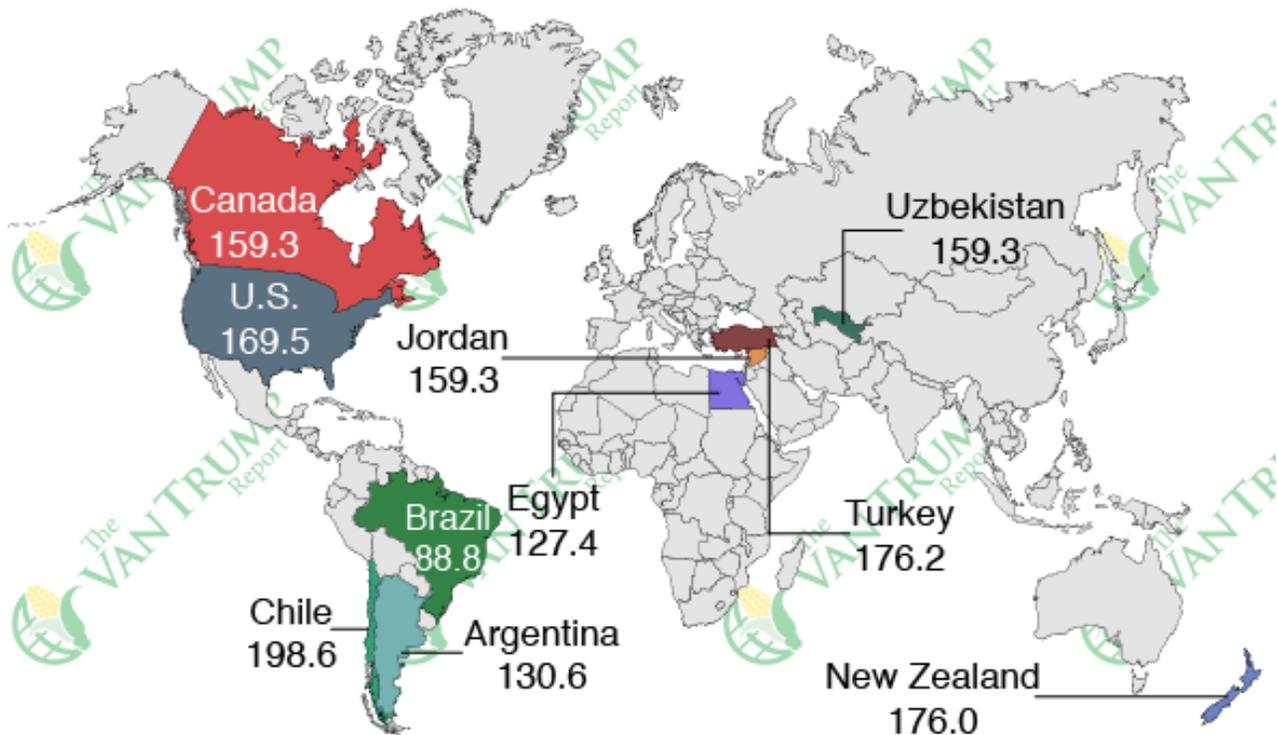


**Corn** prices traded in a mostly sideways channel during the last-half of August. Bulls got knocked out by the August 12th USDA report then stubbled backwards for a few more days. But since mid-August (15th), the DEC19 prices have traded

between \$3.64<sup>2</sup> and \$3.81 per bushel. Unfortunately, I worry that we could be stuck in this narrow, sideways-to-lower range until the next major bullish catalyst arises. As of right now, U.S. weather is mostly cooperative and macro market headlines involving ongoing Chinese trade disputes are allowing the bears to stay up to bat. Most sources inside the trade are looking for USDA weekly crop conditions to tick slightly higher. Bulls continue to wonder if the late-planted crop will be able to fill with limited GDD's and will there be a more sizable yield drag? There's also the ongoing questions and debates surrounding harvested acres? As both a spec and a producer, I want to remain a longer-term bull, but worry nearby prices could continue to trend sideways-to-lower. Keep in mind, both FCStone and Informa are both scheduled to release updated crop estimates this week. In their early-August estimate, FCStone tossed out a 167 yield average with total production at 13.992 billion bushels. The USDA estimated the average yield in their August 12 report at 169.5 bushels per acre and total production at 13.901 billion bushels. In other words, FCStone was awful close last month releasing their data ahead of the USDA, so I suspect the market will be paying very close attention. The weather has been mostly cooperative the past 30-days and I could easily see FCStone bumping their current yield estimate higher or perhaps more in-line with the USDA's most recent 169.5 forecast. Net-net, if FCStone and Informa move their forecast higher, I suspect the bulls backpedal a bit further. Tough to find a bullish catalyst with enough strength to win the current tug-o-war against the bears.

# 2019/20 Global Corn Yield Estimates

(Measured in bushels per acre)



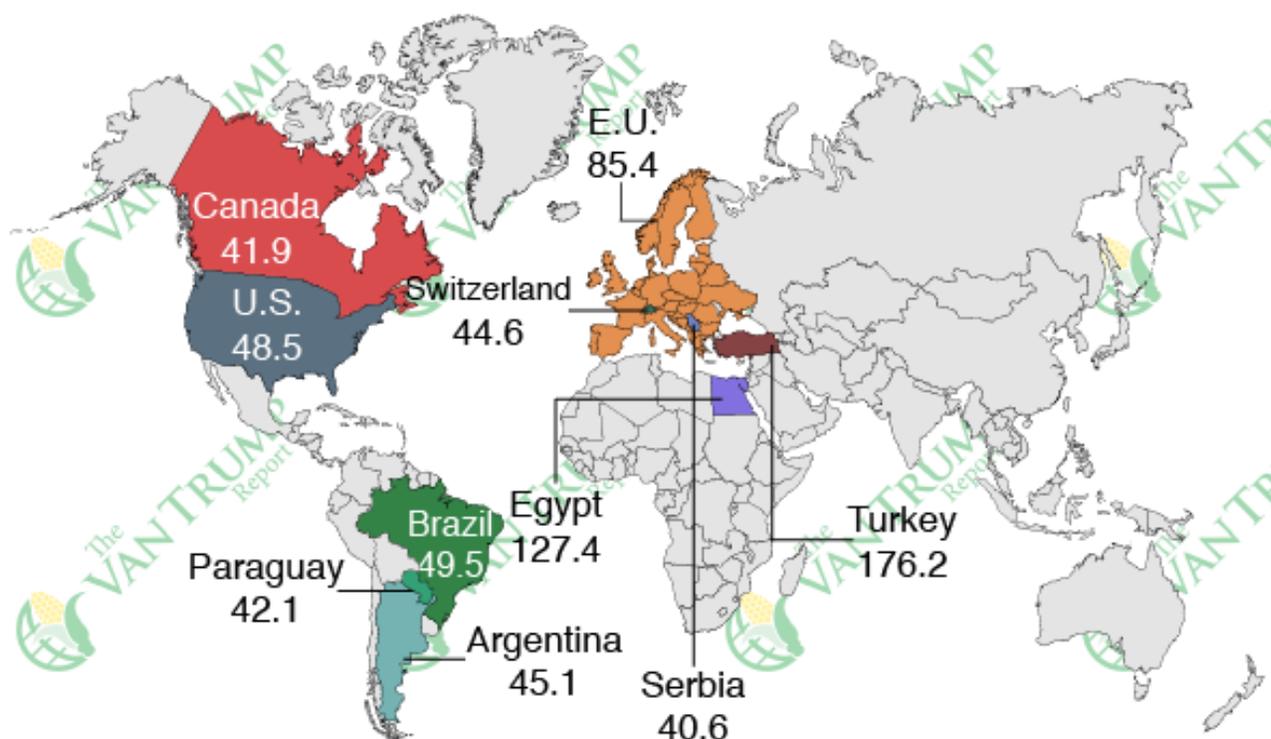
Source: USDA Supply & Demand, PS&D, September, 2019

**Soybean** bulls backedpedal a bit on mostly cooperative U.S. weather and another round of Chinese tariffs officially going into play. Most sources seem to be thinking USDA weekly crop conditions could tick a hair higher based on good weather this past week. Bulls however still continue to question if the crop will finish before the first cold-snap hits the Midwest. Despite multiple indications last month of a possible breakthrough in trade negotiations, the U.S. and China went ahead this weekend with their latest tariff increases on each other's goods. Washington slapped tariffs of 15% on \$112 billion worth of Chinese goods on Sunday, and China retaliated with the first of two batches of duties targeting \$75 billion worth of US goods. In other words, the outlook doesn't look positive for a trade deal any time soon. There's also some geopolitical buzz surrounding Argentina, who slapped currency controls on businesses this past weekend to prevent capital flight after the peso lost more than a quarter of its value since primary elections last month. In fact, the value of the peso has plummeted this year, losing more than half of its value vs. the U.S. dollar as the Argentine economy teeters on the verge of a massive crisis. From what I understand, the Argentine central bank will require exporters to repatriate earnings from sales abroad. Those holding dollars are being forced to convert to peso's, as the South American country struggles to avoid its ninth sovereign debt default. Most macro traders I've talked to see the problems brewing in Argentina as a longer-

term bullish tailwind. The rising inflation and the recent move towards more strict currency controls could make Argentine producers more tight fisted and reluctant to sell their bushels. There's also more talk that we could soon see a change in Argentine leadership that would bring back the hefty export tariffs on agriculture, ultimately making Argentine production less competitive in the global marketplace. As a spec, I continue to hold a very conservative longer-term bullish position. Nearby however, I could see more bearish headwinds on mostly cooperative U.S. weather and continued trade uncertainties with the Chinese. As a producer, I worry that we could be playing the waiting game for several more weeks.

## 2019/20 Global Soybean Yield Estimates

(Measured in bushels per acre)

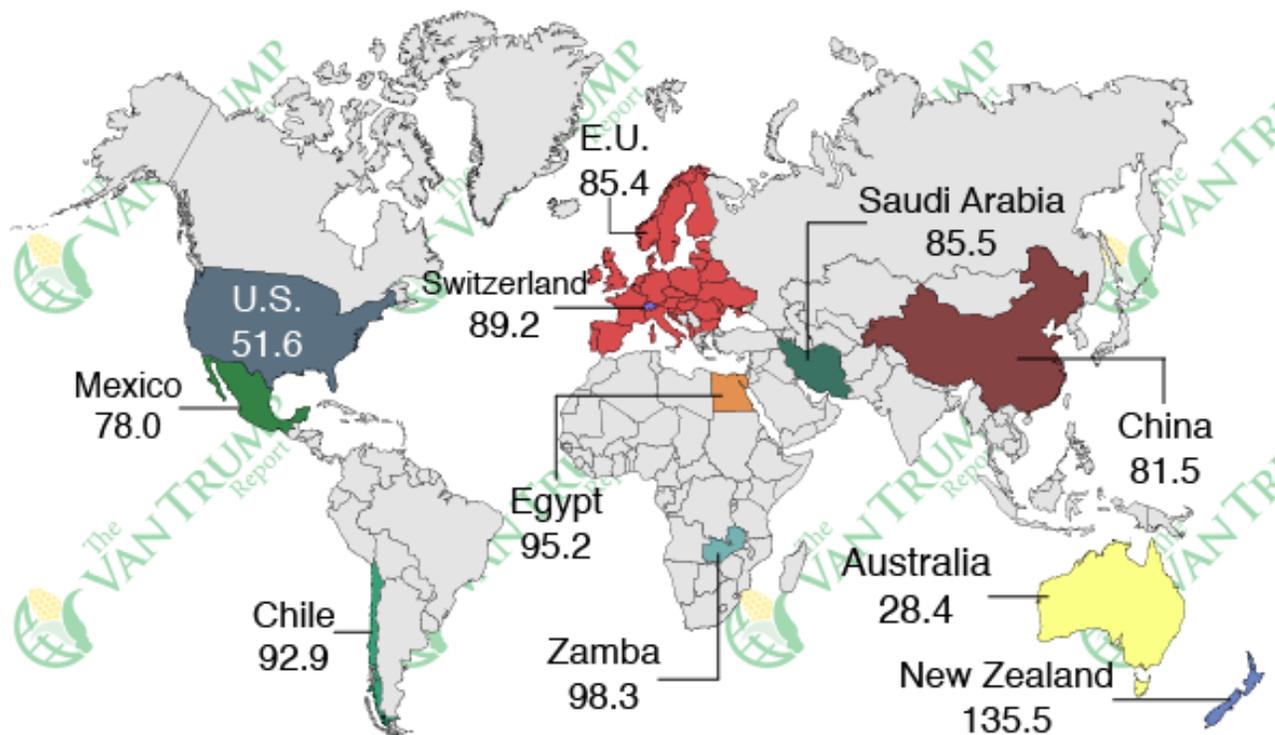


Source: USDA Supply & Demand, PS&D, September, 2019

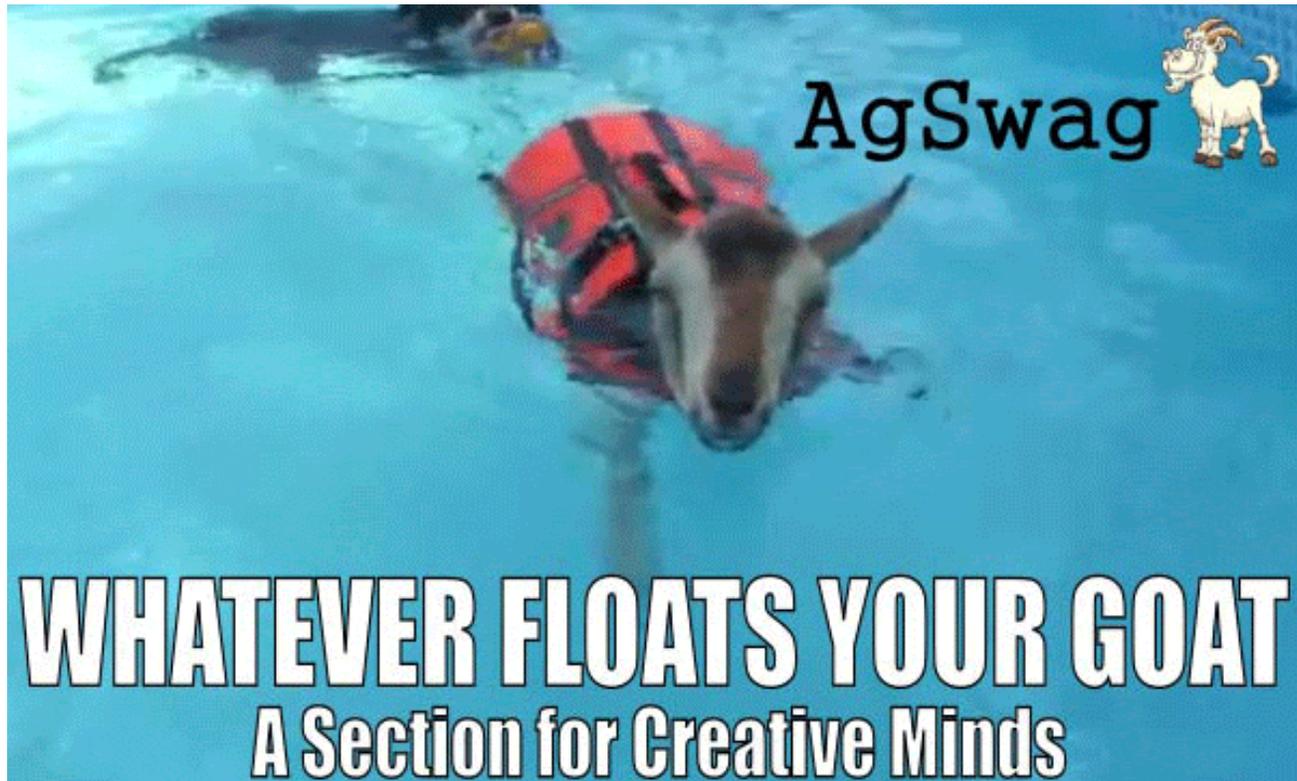
**Wheat** prices have been under extreme pressure the past several weeks. In fact, SRW is down over -14% in the past 3-months, HRW is down over -23%, and spring wheat is down about -15% and all making multi-year lows. There's simply no major story for the bulls to build on. Global stocks are overly burdensome and constantly at or near record high levels. At the same time the U.S. dollar just posted a multi-year high. The funds holding a strong bearish macro stance helps keep a lid on most all rallies. Weather has been problematic in a few areas but not wide-spread enough to overcome the burdensome simply side balance sheet. U.S.

demand has improved on better export and feed usage numbers, but with total ending stocks over +1.0 billion bushels nobody is worried about lack of supply. In other words, there's no real need or urgency for anyone to bid up for wheat with so much floating around in both the domestic and global marketplace. Also with corn and soybean prices becoming cheaper these even less urgency in being an aggressive buyer. As a spec, I'm still on the sideline and not yet ready to try my hand at picking a bottom. As a producer, it looks like we could be playing the waiting game for many more weeks. I see no reason to sell cash bushels down at these levels.

## 2019/20 Global Wheat Yield Estimates (Measured in bushels per acre)



Source: USDA Supply & Demand, PS&D, September, 2019



**> U.S. Grain Elevators Facing Market Volatility:** *Grain elevators and end users are navigating heightened market volatility caused by uncertainty over the size of this fall's corn harvest. After U.S. corn farmers suffered historic planting delays from nonstop rains this spring, the crop is late in maturing, especially in states across the eastern Corn Belt. Those delays could lead to major losses in crop production this fall and raise the stakes for grain merchandisers as well as ethanol producers and livestock feeders, according to a new report from CoBank's Knowledge Exchange division. Uncertainty over corn availability this fall has injected fear and volatility into the market, complicating forecasts on profitability for grain elevators, the report said. Through May and June, basis in central Ohio rallied 25 cents to the highest level in five years before plunging nearly 50 cents by mid-August. It noted that with the high level of market volatility, elevators could experience either extreme profits or losses for new crop corn. Some elevators could potentially face an even more difficult issue — lack of access to corn. In corn-deficit areas, elevators will be forced to compete for local bushels or look for corn outside the region. Read more [HERE](#).*

**> China Says Trade War Won't Impact Country's Pork Supply:** *China said its trade dispute with the United States would not affect the Asian nation's pork supply, state-television reported on Friday, citing an official at the agriculture ministry. The comment came before an additional 10% tariff imposed by China on U.S. farm imports kicks in on Sept. 1. Pork prices in China have soared to a record*

level after African swine fever (ASF) swept through the country's pig herd. "The amount of American pork imports accounts for less than 0.2% of Chinese output, and the trade dispute with the United States has no impact on pork supply and pork prices in China," said Xin Guochang at the husbandry and veterinarian bureau at the Ministry of Agriculture and Rural Affairs told CCTV. China, the world's biggest pork consumer and hog producer, produced 54.04 million metric tons of pork in 2018. INTL FCStone estimated the figure would fall to 38 million metric tons in 2019 and 34 million tonnes in 2020 as China continued to struggle to control ASF. Pork imports in the first seven months rose 36% from the same period a year earlier to 1 million metric tons. (Source: Reuters)

**> ADM, Bunge Not Sourcing From Newly Deforested Parts Of Amazon:** Grain traders Archer Daniels Midland Co ADM. and Bunge Ltd (BG.N) said in separate statements on Friday they do not source crops from newly deforested areas in the Amazon and are using satellite monitoring to enforce their policies. Bunge said it is evaluating available information about the number and location of the existing Amazon rainforest fires. Brazil's oilseed crushing association Abiove, which represents companies such as ADM and Bunge, has said soybean plantings in the 10 towns that reported the most fires is immaterial to overall soybean production.

**> Argentina Implements Capital Controls As Currency Crisis Grows:** Argentina is taking desperate action to keep dollars in the country as it tries to prop up its collapsing currency and avoid defaulting on its debt for the third time since 2000. The government of President Mauricio Macri, who is trailing his opponent ahead of a general election in October, said this weekend that the central bank will need to authorize dollar purchases, and companies will need to quickly repatriate dollars earned overseas. The move is an attempt to stop money pouring out of the country and shore up the country's foreign currency reserves, which are being depleted rapidly as Argentina attempts to support the peso. The currency crisis poses a huge risk to Argentina, which signed on to a \$57 billion bailout with the International Monetary Fund last year. It previously defaulted on its debts in 2001 and 2014. Fears are rising that the country could default again, since Argentina has "significant exposure" to dollar-denominated obligations, according to Moody's, which downgraded Argentina's rating last week. Read more [HERE](#).

**> New Ways To Make Vertical Farming Stack Up:** The biggest drawback of vertical farming is the high cost of the electricity required to run the large number of LEDs. This has meant that production has been commercially viable for high-value, perishable produce only, such as salad leaves and herbs. That, nevertheless, is a market not to be sniffed at. But for a broader range of produce, it can prove too expensive. In 2014 Louis Albright, an emeritus professor of biological and environmental engineering at Cornell University in America,

*calculated that a loaf of bread made from wheat grown in a vertical farm would be priced at about \$23. One way of saving electricity is to use LEDs that generate only the colors that plants require, instead of the full spectrum of plain white light. One vertical farm is taking this idea further. It uses LEDs that are highly tunable. Although the lights produce mostly blue and red wavelengths, researchers now know that other colors play an important role at various stages of a plant's development. Learn more from [The Economist](#).*

**> Fake-Branded Gold Bars Are Slipping Into World Markets:** *Gold bars fraudulently stamped with the logos of major refineries are being inserted into the global market to launder smuggled or illegal gold, refining and banking executives tell Reuters. The fakes are hard to detect, making them an ideal fund-runner for narcotics dealers or warlords. In the last three years, bars worth at least \$50 million stamped with Swiss refinery logos, but not actually produced by those facilities, have been identified by all four of Switzerland's leading gold refiners and found in the vaults of JPMorgan Chase & Co., one of the major banks at the heart of the market in bullion, said senior executives at gold refineries, banks and other industry sources. Four of the executives said at least 1,000 of the bars, of a standard size known as a kilobar for their weight, have been found. That is a small share of output from the gold industry, which produces roughly 2 million to 2.5 million such bars each year. But the forgeries are sophisticated, so thousands more may have gone undetected, according to the head of Switzerland's biggest refinery. Read more [HERE](#).*

**> Why Is China Trying To Hide Its Oil Tankers?** *In early June, a Chinese-owned supertanker abruptly went dark in the Indian Ocean, the tracking system signaling its course apparently deactivated. It was not the first ship to vanish from the monitors. The deactivation of transponders that generate a unique ID issued to ships by the International Maritime Organisation (IMO) has become increasingly familiar in recent weeks to the companies that track tankers. The Trump administration has stepped up its efforts to track tankers linked to China's biggest state-run oil company in response to signs that the vessels are helping to transport Iranian crude in defiance of US sanctions against Tehran. While Washington seeks to block Iranian oil exports as part of a "maximum pressure" campaign to force Tehran to negotiate over its nuclear and security policies, China – which is locked in its own escalating trade war with the US – appears to be throwing Iran a significant lifeline. Read more [HERE](#).*

**> America's Worker Deserts:** *The U.S. unemployment rate is so low that some cities and states have turned into "worker deserts" — places where companies can't find people to hire. The "good news" story of the strong labor market has a big downside that is playing out in places like Iowa, New Hampshire and Florida, where companies say they can't keep up with business demand — hampering growth — unless they find more workers. Across the country, there are more than*

*1 million more jobs available than there are people to fill them. In Iowa, for instance, the unemployment rate was 2.5% in July, just 1 percentage point above the lowest level on record. According to the most recent government data, there are 70,000 fewer unemployed Iowans now than there were at the onset of the current economic expansion. That's great for Iowans, but there's a catch: Population growth in the working-age demographic has been shrinking since 2015, according to the U.S. Census Bureau, while more Iowans are aging out of the labor force. A dramatic example of how far companies are willing to go to find new workers is Iowa-based Wells Enterprises, which makes Blue Bunny ice cream. It opened new facilities across the country for the sole purpose of finding employees. Read more [HERE](#).*

**> Will The Next Recession Destroy Millennials?** *Millennials got bodied in the downturn, have struggled in the recovery, and are now left more vulnerable than other, older age cohorts. As they pitch toward middle age, they are failing to make it to the middle class, and are likely to be the first generation in modern economic history to end up worse off than their parents. The next downturn might make sure of it, stalling their careers and sucking away their wages right as the Millennials enter their prime earning years. Read more [HERE](#).*

**> Which Countries Have the Most Wealth Per Capita?** *The visual below uses data from the ninth Credit Suisse Global Wealth report, which ranks countries by average wealth, calculated as gross assets per adult citizen. While using such a metric certainly gives a quick snapshot of wealth per capita, it doesn't necessarily show the complete picture. Some argue, for example, that calculating the mean doesn't factor in the gap between the richest and poorest in a population—also known as wealth inequality. For this reason, Visual Capitalist compared this number to median wealth for each country, providing a separate angle on which countries really have the most wealth per capita. When it comes to wealth per capita, it's clear that Australia and Switzerland lead the pack. In fact, the data shows that both nations top the lists for both mean and median wealth. However, both nations also have the highest absolute household debt-to-GDP ratios in the world: in 2018, Switzerland's levels reached nearly 129%, while Australia followed behind at 120%. The United States boasts 41% of the world's millionaires, but it's clear that the fruits of labor are enjoyed by only a select group—average wealth (\$403,974) is almost seven times higher than median wealth (\$61,667). This growing inequality gap knocks the country down to 18th place for median wealth. More details are available [HERE](#). Click the graphic for a larger view. (Source: Visual Capitalist)*



CHART OF THE WEEK

# Where Do the Richest People Live?

Ranking the world's most affluent countries by average and median wealth

Countries often compete over who's the richest, and rely on economic indicators such as average wealth to make their case.

But some argue that this simple metric doesn't factor in the gap between the richest and poorest in a nation—also known as income inequality.



**Average wealth:**

Calculated by dividing a country's overall wealth (gross assets) by its total adult population.



**Median wealth:**

Calculated by dividing wealth distribution into two equal groups—those with more above, and those with less below, the middle wealth value.

Using data from the Credit Suisse Global Wealth Report 2018, we break down the top 10 countries by average wealth per adult, and who's really the richest when median wealth is accounted for.

Top 10 (Average)				Top 10 (Median)			
1		SWITZERLAND	\$530,244		AUSTRALIA	\$191,453	
2		AUSTRALIA	\$411,060		SWITZERLAND	\$183,339	
3		UNITED STATES	\$403,974		BELGIUM	\$163,429	
		BELGIUM	\$313,045		NETHERLANDS	\$114,935	
		NORWAY	\$291,303		FRANCE	\$106,827	
		NEW ZEALAND	\$289,798		CANADA	\$106,342	
		CANADA	\$288,263		JAPAN	\$103,861	
		DENMARK	\$286,712		NEW ZEALAND	\$98,613	
		SINGAPORE	\$283,118		UNITED KINGDOM	\$97,169	
		FRANCE	\$280,580		SINGAPORE	\$91,656	

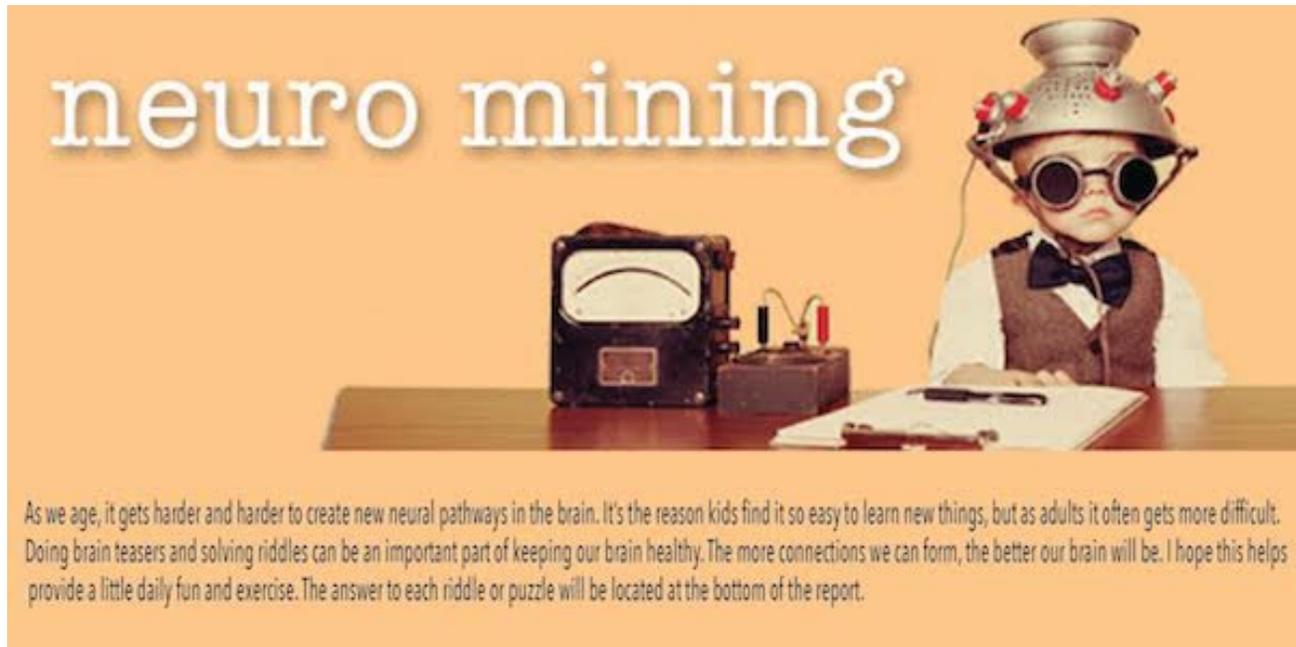
Data estimates are for mid-2018 values  
Source: Credit Suisse Global Wealth Report 2018, Global Wealth Databook 2018



**Central Minnesota** – *I'm looking at my corn and watching the weather and I really believe there's no way we beat the frost to maturity. We have one field that was planted in early May that's just starting to dent now. We really need a lot of heat quickly for us to have a chance. The weather is looking a bit to cool which is definitely going to push us backwards. Our normal harvest is usually the first week of October and I'm guessing that we will be lucky to be harvesting the first week of November by the looks of everything. All things considered, if we miss this frost we will have a fairly decent crop this year but if we don't, we will lose at least 15% of our yield if we are lucky.*

**Central Nebraska** – *We have been getting a lot of rain the last week. Really, we have been getting a lot of rain most of the growing season. I think the pivots have run less than 50% of normal this year which has been a nice savings on fuel. The excessive rain has made the dryland corn nearly as nice as the irrigated which makes everyone happy. The early plant corn and soybeans will skate right on through without any problems. On the other hand, the later planted crops are just now starting to hit the blister stage, which is making a lot of guys nervous, especially since we are starting to cool off quite a bit. The temperatures are going to jump back up over the weekend but next week we are right back to the 60's and 70's on the high. Many guys in this area are starting to think about another wet harvest.*

**Western Kansas** – *All the corn looks good here. I'm seeing more corn fields than I think I have ever seen in this area. We have had enough rain this year that the dryland should about max out its potential. The yield is going to all depend on population and stand. We have so much potential corn here that I'm hearing basis is starting to widen out quite a bit. My kernel count estimate makes me think we are going to have over 150 bushel per acre corn this year on dryland and 230 bushel corn on irrigated. That will all depend on test weight though.*



**TODAY'S RIDDLE:** A five lettered word, I'm used to make bread. Remove one letter and I'll burn you instead. Remove two and do this to your stew. Mix that around and a good drink we will brew.



### Stay on Top of Your Ag Business

Ag business owners must have a clear understanding of their key metrics in order to know how the business is performing. It's easy to fall into a habit of not paying attention to your numbers when things are fine but failing to do so can have disastrous effects on your bottom line. Often when we ask owners how their business is doing, we find they have a difficult time answering that very important question. Understanding and keeping track of the essential metrics doesn't take a degree in data science. What you do need to know are your financials and your customers. That and a good story will go along way to keeping your business growing and in the forefront of your customers minds. Below are the simple yet often overlooked strategies that business fail to monitor, so if you haven't spent

time keeping in touch with them, now's a good time to start. (Source: USFarmData)

## **Financials**

**Cash Flow Statement:** *Many business owners are surprised to learn that even though they have a number of clients, they still have cash flow problems. Cash flow problems in these circumstances usually have to do with accounts receivable. Staying on top of invoices means you will be much less likely to encounter a cash flow crisis. As more businesses have been offering their own financing recently, this is one area we hear that is causing a drag for some. It can be difficult to address this issue with long-term clients who are also friends, but at the end of the day you are in business to make money, meaning be upfront with your policies in this area.*

**Profit and Loss Statement:** *This statement summarizes the revenues, costs and expenses that an Ag business incurred within a specific timeframe, and surprisingly many business owners are amazed at the wealth of information these statements provide. Spending thousands of dollars on direct mail pieces, irrelevant swag or year end parties that offer no return on investment, are just a few items that can be identified when you review your P&L. Make sure you are regularly checking this statement in order to change direction as needed.*

## **Customers**

**Average Lifetime Value:** *Do you have a customer who consistently makes significant purchases? Nurturing this customer needs to be a high priority. Data is consistently supporting the fact that you need to be spending 5-7% on the top end clients to keep them. Assuming they are always going to be there has cost many businesses to experience decreased revenues, and don't forget it costs a lot more to acquire a new customer than it does to keep your existing ones.*

**Customer Acquisition Costs:** *Do you know what the cost is of acquiring a new customer? You can control them by examining which tactics are the most successful and eliminating those that are unsuccessful. Not acquiring enough new customers? Again, it's time to examine how your marketing dollars are being spent.*

**Customer Retention Rates:** *How long do your customers stay with you? Do many of them make one purchase and move on? If this is the case, how can you convert them into loyal customers? Acquiring accurate data in this area is critical to long-term success, as it allows you to make set up a plan to keep the right number of "touches" with customers who may otherwise look for the next best deal. Give them a reason not to leave by doing what your*

*competitors aren't.*

**Customer Feedback:** *Do your customers comment on your business on social media? What are they saying? Are you customers happy with your products and services? Automating this aspect of your business allows you to scale up operations quicker. If you are having to make one touch at a time, it becomes a strain on your resources that could otherwise be creating new revenues for your company.*

**Sales Leads and Conversions:** *If you are not tracking where your leads are coming from, you will never know which strategies you should be investing in and which strategies you should abandon. This is probably the most underutilized tactic that can generate income over the long haul. Too often it is overlooked as it takes time and effort, but once again, spend the time to automate this and you'll free up staff to generate income.*

**Your Culture:** *Data supports the fact that customers don't buy products, they buy brands with strong stories that are simply told and consistently delivered upon. Know what you stand for, who you are serving with what products and why. Having a company culture built around those principles and taking the time and resources to effectively communicate your story will keep your customers coming back and bringing new ones with them. Too often companies simply utilize a multitude of tactics that are not joined by a singular purpose or message. Every move you make in the customers direction has to fit inside your company's story!*



## WHY DO YOU NEED A BRAND STORY?

A brand story sets you apart. Without one, you're just another business or commodity.



When people know your story, they care about you and connect with you.

A connection means loyalty to your services or products.



You're crafting uniqueness and scarcity and dictating the value of your company.

Customers with a connection won't only buy your products but will pass up competitors in favor of yours.



Advertising that evokes emotional responses has a greater influence on customers.

“ IF YOU DON'T HAVE TIME TO DO IT RIGHT, WHEN WILL YOU HAVE TIME TO DO IT OVER? ”

- JOHN WOODEN



[www.thenext28days.com](http://www.thenext28days.com)

### **X-PRIZE Winner Hopes To Change The Future Of Seafaring Vessels**

An award-winning autonomous ship called Maxlimer is poised to become the first sea vessel to cross the Atlantic without a crew. The Maxlimer is supported entirely by robotics and could be a game-changer for both reducing the carbon footprint of ocean transport as well as the cost.

Maxlimer is the brainchild of British maritime tech company SEA-KIT and primarily designed to support offshore oil and gas drilling operations. In fact, it was recently

part of the first fully unmanned offshore pipeline inspection "over the horizon" ever completed, surveying up to 60 miles from the shore. The SEA-KIT unmanned surface vessel (USV) acted as host to the Kongsberg Maritime's Hugin autonomous underwater vehicle (AUV). The complete operation was controlled from an onshore control center, including launch and recovery of the AUV, command and control of the USV/AUV and monitoring of the acquisition of pipeline inspection data.

SEA-KIT managing director Ben Simpson describes Maxlimer as a "utility pickup vehicle of the sea." "It's robust, it's adaptable, it's got a huge range." It can carry 2 1/2 tons of cargo. With no crew to support, that cargo could include a flotilla of smaller USVs and submarines, as well as other autonomous equipment that the onboard robotic systems can launch and retrieve.

SEA-KIT set out to produce a flexible ship that would be cheaper and safer than today's manned ships. Ifor Bielecki, executive director at SEA-KIT, explains, "In the commercial offshore industry, where safety is king, the only way to truly mitigate the risk of injury is by removing humans from the vessel completely." Maxlimer is different from other autonomous vessels that are already fairly common in the offshore sector. Bielicki says Maxlimer "is significantly bigger and heavier and this makes an enormous difference: for example, smaller and lighter vessels will be limited by weather.

Maxlimer's aluminum hull was constructed by British-based boatbuilder Hush Craft Ltd. They also produced the vessel's diesel-electric hybrid system, which gives the ship a range of 12,000 nautical miles and an endurance of 270 days, depending on speed, with top speed calculated to be 8 knots. SEA-KIT teamed Kongsberg Maritime in collaboration with the Norwegian Defence Research Establishment to develop the "brain" of the ship, called the K-Mate Autonomy Controller. The system provides remote control capabilities as well as autonomous operations. Bielecki explains: "A mission plan is uploaded into the K-Mate system and the Sea-Kit will follow this. Should any conflicts or issues be detected, the operator is alerted and control of the vessel can be taken remotely if required, or the mission plan can be updated."

SEA-KIT is part of the GEBCO-Nippon Foundation Alumni, a team of scientists from 14 nations that won the \$4 million Shell Ocean Discovery XPRIZE in May of this year. The competition was a three-year program aimed at developing safer, faster,

and more affordable ways of mapping the ocean floor. The Maxlimer has also completed cargo runs between Britain and Belgium, allowing SEA-KIT to further test the vessels capabilities.

A successful trip across the Atlantic would be a huge win for SEA-KIT, proving that their technology not only works but is also safe. The trip is planned for early 2020. The company would eventually like to expand into larger USVs with additional capabilities but for now, will concentrate on the energy market. Meanwhile, interest in USV technology is definitely on the rise.

The U.S. Navy and other global naval fleets are said to be experimenting with unmanned warships and the shipping industry seems poised to pivot in that direction as well. A spokesperson for the U.S. Maritime Administration, or MARAD —the regulatory body overseeing the U.S. shipping industry—says the technology could benefit the maritime industry by making things safer, more efficient and/or more environmentally friendly." However, they don't see anticipate "a leap to full autonomy any time soon." Instead, it will likely start with baby steps into partial autonomy, meaning more automatic systems and fewer people.

MARAD is interested in pursuing a fully autonomous solution for oil-spill cleanup, though, and just partnered with SEA-KIT to develop such a vessel. MARAD stresses that "Every advance towards autonomy must increase safety, otherwise MARAD will not be in favor of it." SEA-KIT acknowledges that regulation is a major hurdle for the blossoming business, but if things proceed as planned, robot ships could very well be the future of seafaring vessels. (Sources: Daily Beast, Hellenic Shipping News, National Geographic)



**GOOD READ - Igniting the Fire... Picasso, Pottery and Pro Athletes!**

NIKE uses an advertising agency called "Wieden+Kennedy". Many might not realize it, but several industry experts often credit the agency with large portions of Nike's huge success. Dan Wieden met David Kennedy in 1980, at the William

Cain advertising agency while working on the Nike account. They took Nike with them as a client after founding Wieden+Kennedy on April 1, 1982.

Two of the agency's television ads for Nike have won Emmy Awards: "[The Morning After](#)," which featured a runner on New Year's Day in 2000, not noticing that every dire Y2K prediction has come to pass; and "[Move](#)," which edited seamlessly dozens of athletes and children moving from one sport or activity to another. The Morning After aired in late 1999 and won the Emmy in 2000; Move aired during the 2002 Winter Olympics and won the Emmy that year. In 2002, the Gunn Report named W+K as the most-awarded agency in the world, and the agency was AdWeek's "Global Agency of the Year" in 2007.

"Just Do It" is now perhaps one of the most recognizable tag-lines in the world, it was coined in a 1988 meeting by Dan Wieden. The company is also credit with campaigns such as, "[Bo Knows](#)", featuring professional football and baseball player Bo Jackson. Air Jordan ads featuring Spike Lee as "[Mars Blackmon](#)". "[Revolution](#)", featuring the Beatles song "Revolution". Lance Armstrong's "LIVESTRONG" yellow bracelet campaign to raise funds for cancer research. "[Dream Crazy](#)" for Nike's 30th anniversary of the "Just Do It" campaign, Fall 2018.

Repetition is the resounding theme in all of these tag lines and commercials. They feature individuals who have become great by "doing" and doing things over-and-over a countless number of times to become great! You might have thought this was a story about creativity, but it's a story about grinding it out, repetition and what it takes to become great!

Author Bill Buxton shared a story of the benefits of repetition to achieve quality in his 2007 book, "[Sketching User Experiences: Getting the Design Right and the Right Design](#)." In the book he relates a fantastic story of a pottery instructor and the results from his class:

*The ceramics teacher announced on opening day that he was dividing the class into two groups. All those on the left side of the studio, he said, would be graded solely on the quantity of work they produced, all those on the right solely on its quality.*

*His procedure was simple: on the final day of class he would bring in his bathroom scales and weigh the work of the "quantity" group: fifty pound of pots rated an "A", forty pounds a "B", and so on. Those being graded on "quality", however, needed to produce only one pot – albeit a perfect one – to get an "A".*

*Well, came grading time and a curious fact emerged: the works of highest quality were all produced by the group being graded for quantity. It seems*

*that while the "quantity" group was busily churning out piles of work – and learning from their mistakes – the "quality" group had sat theorizing about perfection, and in the end had little more to show for their efforts than grandiose theories and a pile of dead clay.*

Bottom-line, like I always try and tell my kids, "Quantity leads to Quality"! Do not allow yourself to get stuck overthinking, delaying, or waiting for inspiration or motivation. Remember, action leads to motivation, no the other way around. Hammer away at whatever you want to get good at, do the work, keep showing up, then get inspired and watch the fire ignite!

If you still don't believe me and are looking for a bit more evidence... Pablo Picasso, wildly understood this concept of quality leading to quality. Yes, he was a gifted artist, but he refined and developed his art through constant repetition and doing. Did you know that Picasso painted over 300 canvases each year, nearly six paintings each week! His constant grinding and doing however is what created a few paintings that sold for +\$100 Million dollars! Keep grinding it out...







**ANSWER to riddle:** Wheat, heat, eat, tea.

## CASH SALES & HEDGING TOTALS

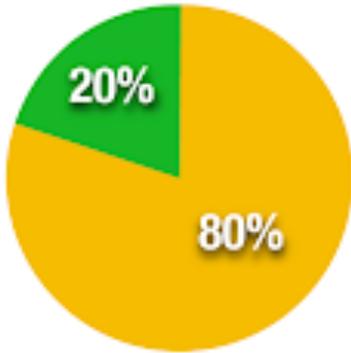
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**Corn 2018 Crop**  
100% SOLD

**Soybean 2018 Crop**  
100% SOLD

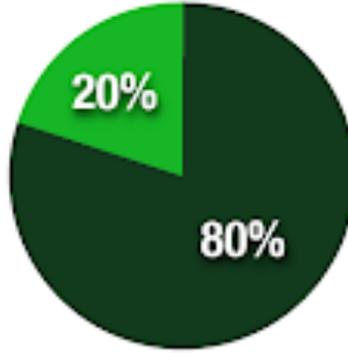
**Wheat 2018 Crop**  
100% SOLD

**80% SOLD**  
**20% HEDGED**  
**0% UNPROTECTED**



**Corn 2019 Crop**

**80% SOLD**  
**20% HEDGED**  
**0% UNPROTECTED**



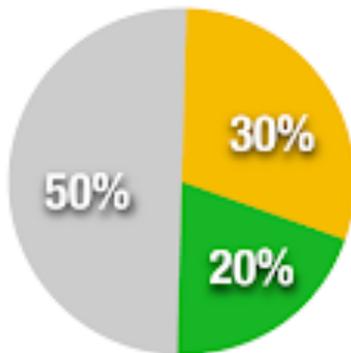
**Soybean 2019 Crop**

**100% SOLD**  
**0% HEDGED**  
**0% UNPROTECTED**



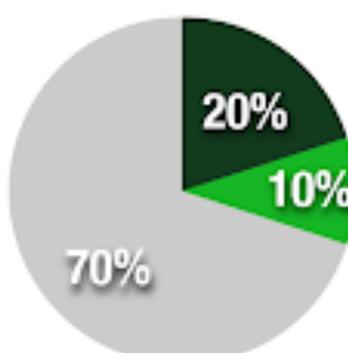
**Wheat 2019 Crop**

**30% SOLD**  
**20% HEDGED**  
**50% UNPROTECTED**



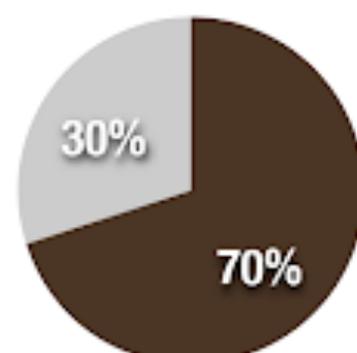
**Corn 2020 Crop**

**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**





# AgSwag



Your #1 Source for the Coolest Swag in Ag

Sponsored by **AgSwag**

Tired of battling poor customer service, poor quality and lack of premium selection in the swag space?

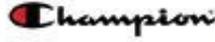
AgSwag now offers our members the latest fashions and trends from brands such as: Branded Bills, Carhartt, Champion, Cutter & Buck, Drake, Fairway and Greene, Filson, Ice Shaker, Marmot, New Era, Nike, North Face, Pacific Headwear, Under Armour, Yeti... and more

Swag should NOT be considered a "cost" or an expense for business owners. When used properly in a well thought out campaign "corporate swag" can dramatically reduce the cost of new customer acquisition, client churn and retention, expedited development of brand ambassadors, etc. The Van Trump family believes their AgSwag business can deliver on those promises.

AgSwag is not trying to be the lowest cost supplier. We are trying to partner with "best-of-practice" and like-minded businesses to bring a better "return-on-investment" by designing and helping to implement a well thought out corporate swag strategy and campaign. There are hundreds of online companies that offer quick ways to throw a corporate logo on a cheap hat or t-shirt. AgSwag offers the best in selection, design, implementation, and service! Click [HERE](#) to learn more!

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