



Josh Knight <josh@farmdirection.com>

GOOD MORNING: Van Trump Report 9-6-19

1 message

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

Fri, Sep 6, 2019 at 5:30 AM

Reply-To: Jordan <reply-fec41775776c067a-314_HTML-68584704-100003450-7@vantrumpreport-email.com>

To: josh@farmdirection.com

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

"If you want the kids' test scores up, bring back the band and bring back shop so the kids are actually learning stuff instead of teaching them how to take a test." - **Adam Savage**

Friday, September 06, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Investors will have all eyes on today's monthly Employment Situation Report which is expected to show job gains of around +160,000 for August, just slightly lower than the 164,000 added in July. The unemployment rate is seen remaining steady at 3.7% with hourly wages also maintaining last month's gain of +0.3%. One of the more closely watched components of the report will be the average workweek hours which is seen as a leading indicator that employers are beginning to scale back. The number fell slightly in July to 34.3. With manufacturing and business investment both displaying some recent signs of

weakness, consumer spending is seen as vital for holding up the U.S. economy. Obviously if the U.S. job market starts to deteriorate, consumer spending will fall under pressure, and analysts and investors alike fear that would be the proverbial "straw that broke the camels back." Even the more dovish members of the Federal Reserve have consistently pointed to continued strength in consumer spending as a reason for their faith that the economy is in not headed for a downturn. So keep your eye on the "average workweek hours". Speaking of the central bank, Federal Reserve Chairman Jerome Powell is scheduled to deliver a speech on "Economic Outlook and Monetary Policy" in Switzerland today just a few hours after the Employment report is due out. Investors will definitely be interested in his thoughts on those topics as well as any clues he may drop regarding what direction the Fed is leaning on another interest rate hike at their upcoming meeting on September 17-18. Fed members go into "silent mode" next week so this may be the last investors hear from a policymaker before that meeting, where expectations are high that interest rates will be cut by another quarter point. The economic data schedule is considerably lighter next week with Consumer Credit on Monday; JOLTS on Tuesday; the Producer Price Index, Atlanta Fed Business Inflation Expectations and Wholesale Trade on Wednesday; CPI on Thursday; and Retail Sales, Import/Export Prices, Business Inventories, and Consumer Sentiment on Friday. Investors will also be bracing for curveballs coming out of Washington next week as both houses of Congress are back in full session. Most insiders think they'll immediately resume their battles on gun control, immigration, and budget spending. More importantly for financial markets, the House needs to pass a stopgap funding bill to keep agencies open through November or early December. President Trump will be pushing both chambers to act on the USMCA, aka the new NAFTA deal. Also keep in mind that the next Democratic Presidential debate is scheduled for Thursday, September 12. Looking overseas, the European Central Bank will announce its updated monetary policy decision on Thursday. Expectations are very high that policymakers will deliver a fresh economic stimulus package. The central bank's main deposit rate is already negative and pushing them further into negative territory is extremely controversial. If the ECB fails to take any action, however, it could spark something of a temper tantrum in financial markets.

Overhauling Fannie Mae And Freddie Mac: *The Trump administration on Thursday released its first formal plan to overhaul the housing finance system and begin the process of removing Fannie Mae and Freddie Mac from*

government conservatorship. The objectives of the administration's plan are to create a limited role for the federal government in the housing finance system, enhance taxpayer protections and increase the role of private sector competition. That plan does not include ending the ongoing net-worth sweep of all of Fannie and Freddie's profits, which is part of the Treasury's senior preferred stock agreement. Instead, the plan allows the firms to retain more earnings and thereby grow its capital buffers. There is nothing in the administration's plan to address the holders of Fannie and Freddie common shares. The expectation of this plan, however, has sent those shares soaring in the past few weeks. The Treasury plan is less focused on recapitalization, however, and more dedicated to comprehensive housing reform. Treasury "does not believe a government guarantee is required," but said it would support legislation that authorizes an explicit, paid-for government guarantee of the payment of principal and interest of qualifying mortgage-backed securities. CNBC has more details available [HERE](#).

Investment Banking Revenues Have Fallen To A 13-Year Low:

Revenues at the world's top investment banks plunged to a 13-year low in the first half of 2019 as geopolitical tensions, slowing growth and low interest rates compounded a structural decline that set in after the financial crisis. The 12 biggest U.S. and European investment banks generated \$76.8bn in revenue from their trading and advisory operations during the six-month period, down -11% from 2018. It was the slowest first half since 2006, according to the latest data from industry monitor Coalition. Across the group, the most eye-catching fall was in equities, where revenue dropped -17% year on year across all regions because of significant declines in client demand for derivatives and prime brokerage services, the business of lending to and trading for hedge funds. Fixed-income and commodities trading also fared poorly in the first half, falling -9%, partly because of lower interest rates, while revenue from M&A advisory and capital markets declined -8% as cautious companies sold fewer bonds and equity listings stagnated. Investment banks, particularly in Europe's smaller and more fragmented markets, are coming under increasing pressure from investors as their profitability dwindles amid higher capital requirements, increasing digitisation and ultra-low or negative interest rates. Coalition forecasts that return on equity, a key measure of profitability, will fall to an average of 6.7% this year, from 9.5% in 2016. Operating margins have similarly narrowed to the

worst in four years. (Source: Financial Times)

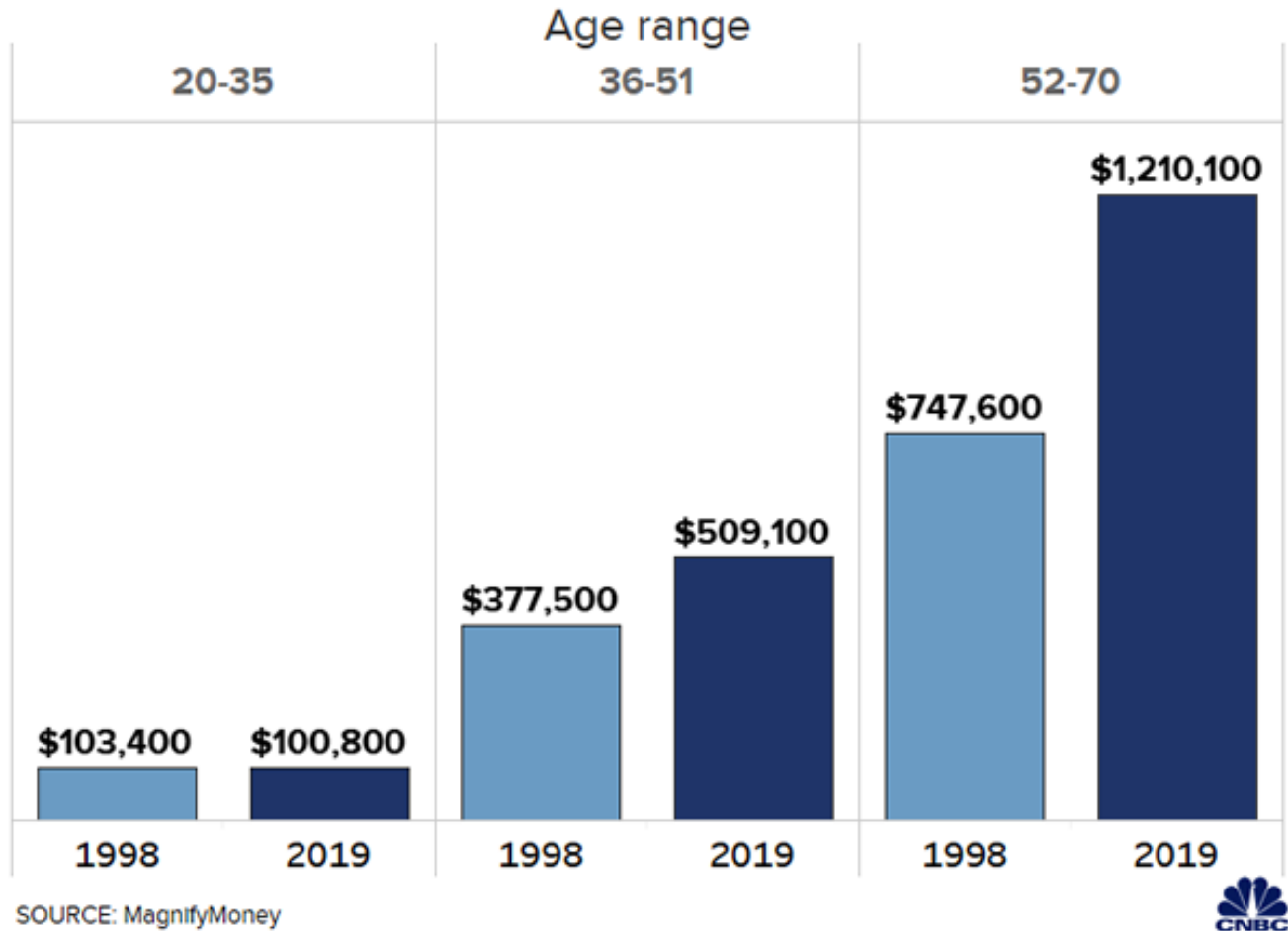
Prudential Financial set to buy online insurance startup Assurance IQ for a whopping \$2.35 billion, the latest in a series of moves by traditional insurers to up investment in technology and data crunching by buying Silicon Valley startups. (Source:Reuters)

WeWork Considers Slashing IPO Valuation by More than Half: WeWork's parent company We Co. is considering putting a price tag on its initial public offering that would value the company somewhere in the \$20 billion range. That is less than half of the \$47 billion mark where it last raised private capital just this year, making it one of the largest valuation comedowns in IPO history. Since We unveiled the papers for its IPO last month, potential investors have raised concerns with the company and its underwriters about We's steep losses, as well as hundreds of millions of dollars of real-estate deals and past personal loans involving the firm and Adam Neumann, We's co-founder and chief executive. They have also balked at valuations anywhere near the \$47 billion mark. It's not clear if the company will go ahead with the IPO this month as planned. Some existing investors have encouraged the company to wait until next year. (Source: Wall Street Journal)

Boomers' Wealth Is 12 Times Greater Compared To Millennials: The wealth gap between baby boomers and millennials has become a gulf. Back in 1998, the average household aged 52 to 70 years had a net worth of \$747,600, while households in the 20 to 35 age bracket had an average net worth of \$103,400, according to a MagnifyMoney analysis of Federal Reserve data. Over the last two decades, the oldest cohort has seen their average net worth grow to \$1.2 million. Meanwhile, the 20- to 35-year-olds have an average net worth of \$100,800. Rising housing costs are in part to blame for millennials' difficulty accumulating wealth. The median home value in the U.S. today is \$227,700, according to Zillow. The number has skyrocketed since 1990, when the median home value was \$79,100 (or \$101,100, when adjusted for inflation) according to data from the U.S. Census Bureau. Millennials have also been hit hard by student debt. The Federal Reserve estimates that there is around \$1.6 trillion in outstanding student debt in the U.S. and that, of the roughly 45 million Americans with the loans, more than

a third are under 30. In addition to these rising costs, the Great Recession also caused millennials to be timid about entering the market, Mandi Woodruff, executive editor at MagnifyMoney. (Source: CNBC)

Average net worth



FARM TANK

Tweets of the Day



Steve Burns
@SJosephBurns

Is it really this simple?

If the economy didn't have a recession heading into a re-election, the current President has won 11 of 11 times since WWI.

via @RyanDetrick

If There Isn't A Recession Ahead Of The Re-Election, Presidents Have Won Everytime (Since WWI)			
Re-Election Date	President	Recession Two Years Before Election	Win Re-Election?
11/5/1912	William Taft (Rep)	Recession	No
11/7/1916	Woodrow Wilson (Dem)	Recession	Yes
11/4/1924	Calvin Coolidge (Rep)	Recession	Yes
11/8/1932	Herbert Hoover (Rep)	Recession	No
11/3/1936	Franklin Roosevelt (Dem)	No Recession	Yes
11/5/1940	Franklin Roosevelt (Dem)	No Recession	Yes
11/7/1944	Franklin Roosevelt (Dem)	No Recession	Yes
11/2/1948	Harry Truman (Dem)	No Recession	Yes
11/6/1956	Dwight D. Eisenhower (Rep)	No Recession	Yes
11/3/1964	Lyndon B. Johnson (Dem)	No Recession	Yes
11/7/1972	Richard Nixon (Rep)	No Recession	Yes
11/2/1976	Gerald Ford (Rep)	Recession	No
11/4/1980	Jimmy Carter (Dem)	Recession	No
11/6/1984	Ronald Reagan (Rep)	No Recession	Yes
11/3/1992	George H.W. Bush (Rep)	Recession	No
11/5/1996	Bill Clinton (Dem)	No Recession	Yes
11/2/2004	George W. Bush (Rep)	No Recession	Yes
11/6/2012	Barack Obama (Dem)	No Recession	Yes
11/3/2020	Donald Trump (Rep)	?	?



deere runner
@joshthofer



Takin of some barley at 24 moisture....dryer is doin it's job #harvest19





Mark Edgecombe
@FarmerDorset



#Harvest19 done. Thanks to the team 👍💪🇬🇧





Jennifer McCombe
@JenniferMcCombe



Beautiful night to be getting into wheat @TherouxDave
#Harvest19 #MBAg





Chandlers Turkeys
@ChandlerTurkeys



Our new combine driver steering a straight path through the spring barley earlier today! [#FarmDog](#)
[#Harvest19](#)

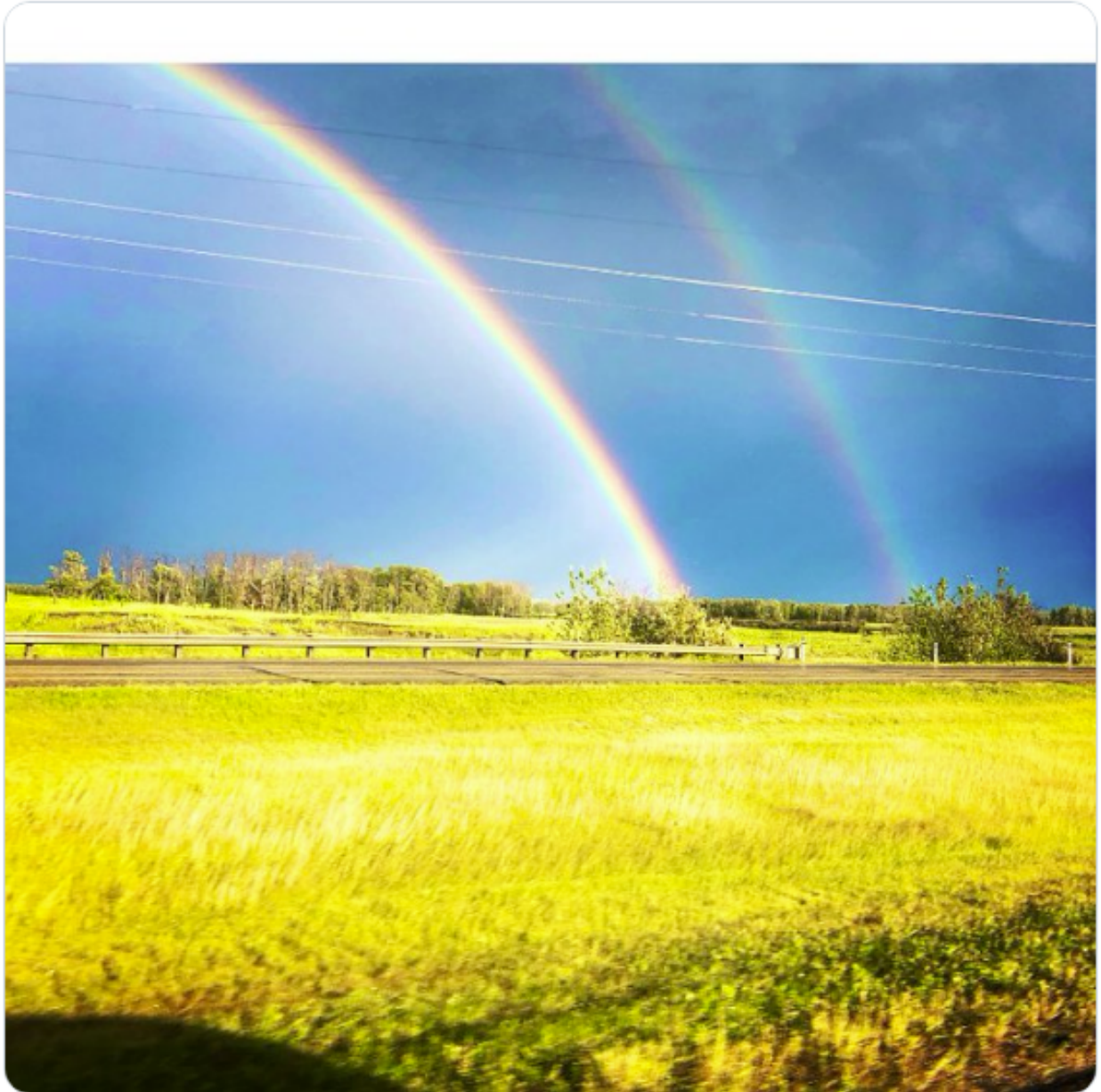


J Andraszewski
@farminginpearls



Yesterday travelled from Two Hills to Trochu, Three Hills, Crossfield and finally Calgary. Not a single swather

time, crosshairs and many Calgary. Not a single swather or combine was spotted during this entire tour. All we could find was this double rainbow. It's a sign! #Harvest19 will soon be coming to a farm near you! #AlbertaAg





ActionComplete
@ActionComplete

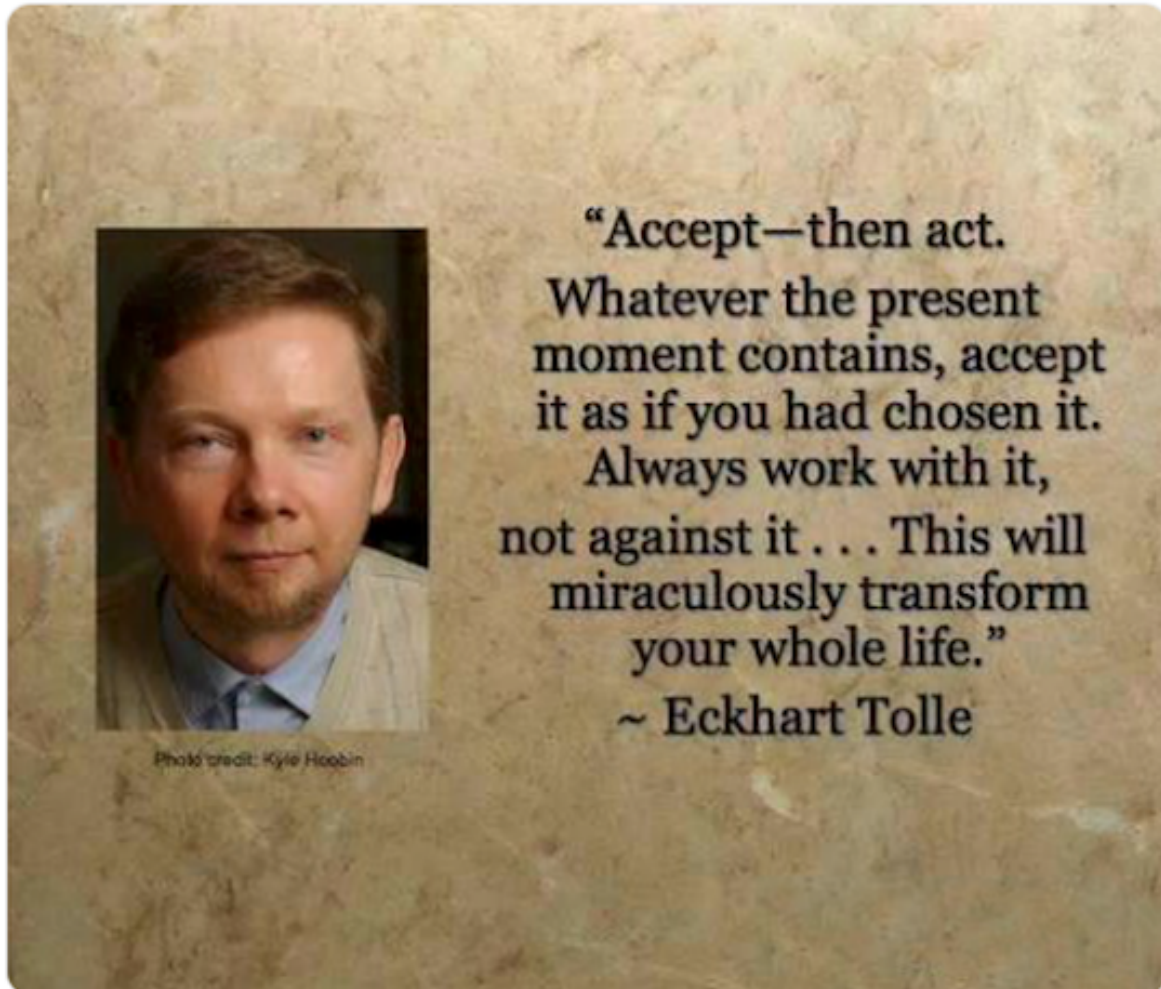
Following



Accept - then act. Whatever the present moment contains, accept it as if you...

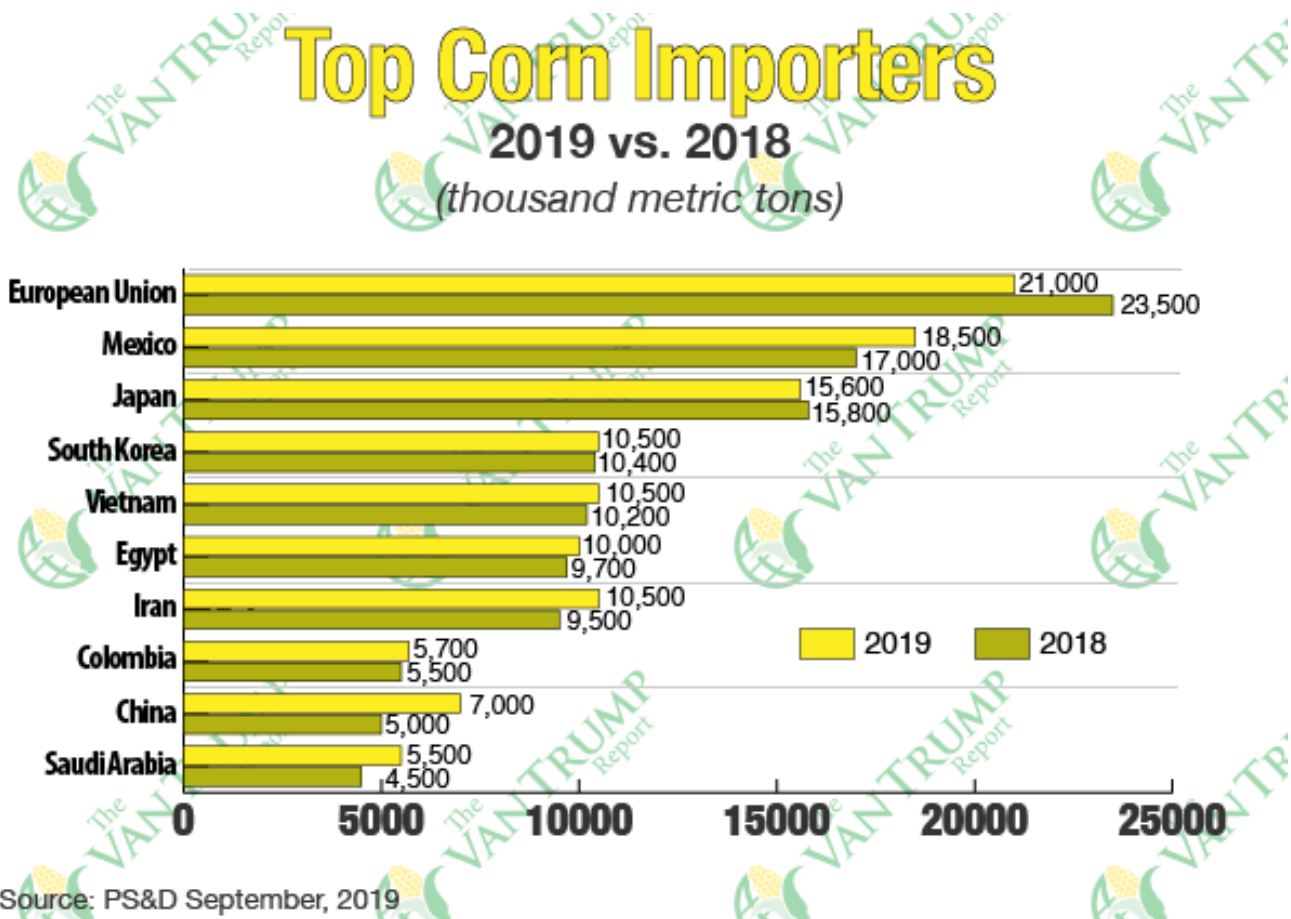
~Eckhart Tolle

#quotes #inspiration



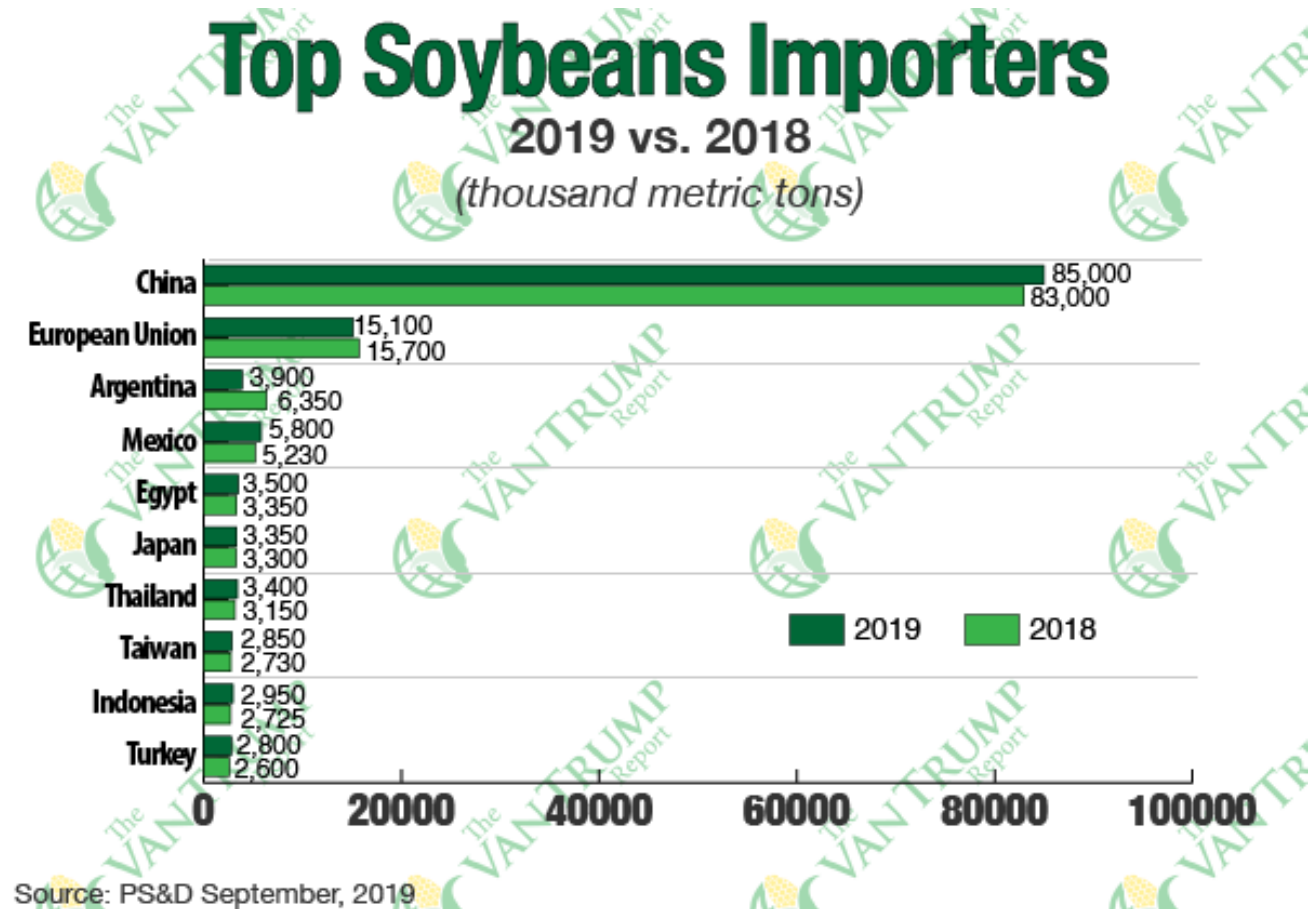
Corn prices continue to flirt with new contract lows, down about -10 cents from last weeks close. Weather continues to be mostly cooperative with late-planted acres racing against the clock. Bears are also pointing to continued weakness in demand. Most inside the trade are looking for the USDA to reduce exports (by -50 million bushels or more) and at the same time reduce corn used for ethanol (by -25 million bushels or more). Ethanol demand numbers yesterday were the lowest we've seen in several weeks, at the same time ethanol stocks moved higher. Bottom-line, even if the USDA moves their production estimate lower the balance sheet

is probably offset by lower estimates for demand. Most technical traders continue to talk about corn now being stuck in a range somewhere between \$3.30 and \$3.90 per bushel. It was a wild ride up during the spring and a wild ride down during the growing season, the market now simply seems exhausted! Waiting on a new catalyst. Worried we could drift sideways to lower until something fresh and new arrives.



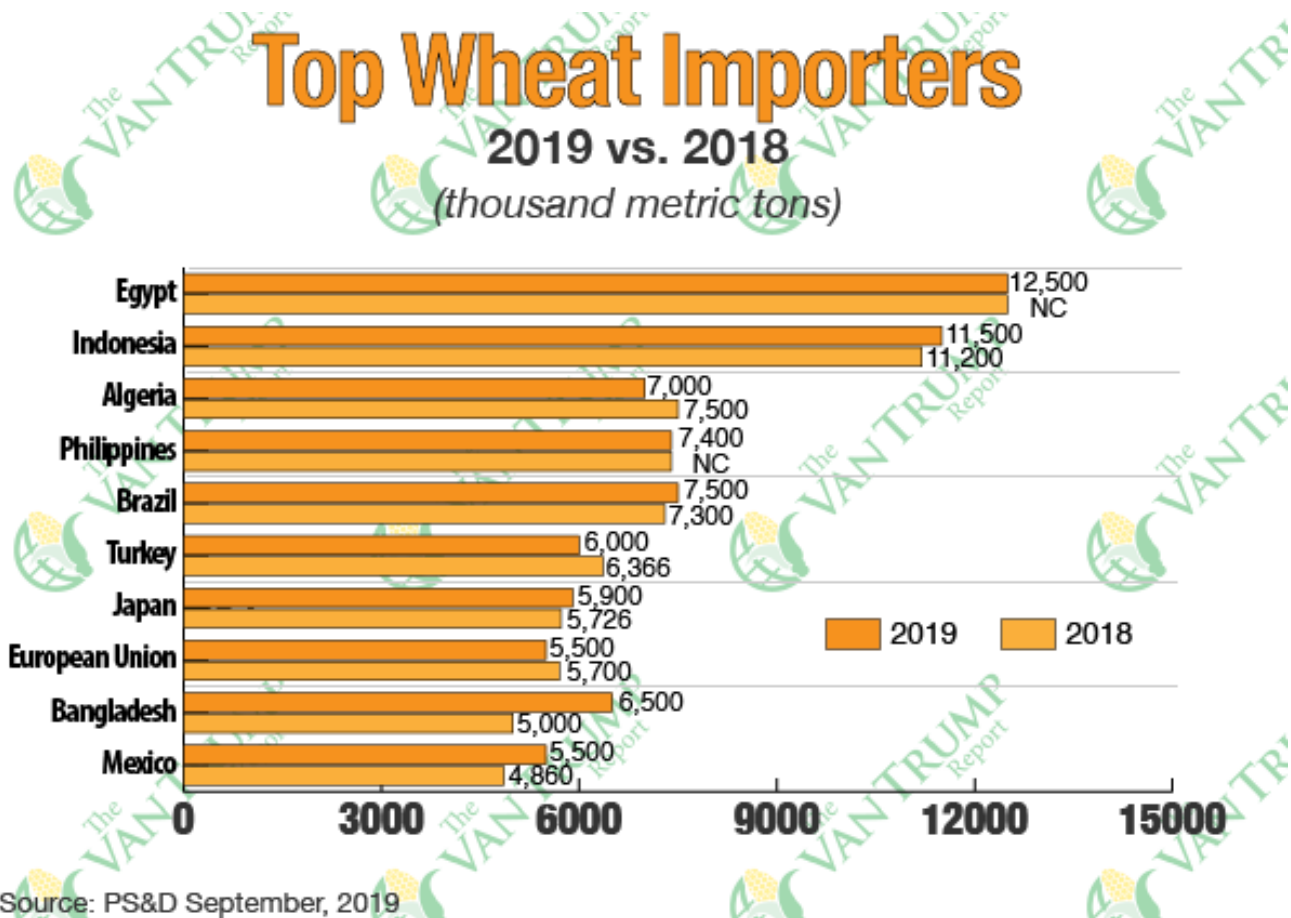
Soybean traders are trying to distinguish "the noise" from "the music." If yesterday was any indication, the market seems to be digest further trade talks with the Chinese as simply "noise" and the fact Chinese demand is being dramatically reduced as the actual "music". In other words, the trade doesn't seem to be buying talk of improved Chinese trade relations, but does seem worried about ongoing demand headwinds mostly associated with African Swine Fever. As I've mentioned many times, I think the bears however lose that leverage once South American supplies are mostly depleted, which I don't see as that far away. Technically, it still feels like heavier resistance lies up between \$8.80 and \$9.20 per bushel. If you apply the same 40 cent range to the downside, that places most of the heavier support somewhere between \$8.10 and \$8.50 per bushel. If the market wants to chop around a while longer in order to see a few more cards, perhaps prices stay somewhere in that middle-ground between \$8.50 and \$8.80. As a spec, I remain conservatively long and looking to add another small bite on the next major leg lower. As a producer, I continue to play the waiting game... I am keeping a closer eye on South

America. There's a strike in Argentina that's complicating a few things, new monetary controls, and talk of perhaps new leadership in the government that is making farmers more tight fisted. There are some dry conditions in parts of Brazil that traders are now keeping a closer eye on as well. I realize it's early to be talking about South American weather, but as a longer-term bull, I'm searching for any help I can get:) Actually, some areas of Brazil will see planters rolling within the next couple of weeks. Hang in there!



Wheat catches a little bounce but remains a market without much of a nearby bullish story. Technical traders worry that the bulls will have a hard time maintaining momentum without fresh headlines. I suspect a strong weekly export sales number or perhaps a weaker U.S. dollar could provide some nearby support, but the overall underlying landscape of being "oversupplied" while swimming in a negative global macro market has to change for bulls to gain control. Right now that's just not the case. There's some optimism in the air surrounding renewed Chinese trade talks, which helps paint a brighter global growth story, but there's still a glut of supply in the marketplace and no major sign of production problems for the world's leading exporters. Yes, bulls can argue ongoing complications in Argentina and Australia, but those have been fairly well advertised and not

considered significant enough to do the heavy lifting that's required with this much supply in play. I'm also keeping a close eye on developing dry conditions in parts of Kansas, Oklahoma, and Texas. It's certainly not an extreme concern as of yet, but is worth having on the radar. As a spec, I remain on the sideline, hesitant to be a buyer on the bounce and not wanting to play the game from the short-side. As a producer, I continue to target late-2019 or perhaps early-2020 as our next window of opportunity to make additional cash sales.



Rice has consolidated near 12.00/cwt in the nearby NOV contract. Since bouncing off of lows near 11.15/cwt two weeks ago, bulls continue to sit in the driver's seat. Short-covering sparked by average to below average yield chatter got the rally started, but better demand has allowed prices to hold near recent highs. Harvest is picking up in the Delta, and Arkansas showed to be at 11% complete on this week's crop progress report compared to the 5-year average of 17%. That number should steadily pick up as we go forward with near ideal harvest conditions continuing in the extended forecast. The question moving forward is whether or not the USDA will reduce their current yield and acreage estimate. Many in the

trade are looking for another drop. I continue to believe that just like other row crops, it may take a few months to really get a handle on exactly what kind of crop we will end up with this year. Another unknown that could affect rice is US/Chinese trade. This would normally not affect rice but given the sale of US rice to China a few months ago, traders will be watching that as well. Technically, if we could get a close above 12.00/cwt nearby, that may be enough for another leg higher towards 12.50/cwt. I would caution however, that if prices do reach the 12.50/cwt area on the board, we could see more cash sales made which could in turn pressure prices from a commercial hedging standpoint. Trey Morris - [Husk Trading](#)



> Trade Relief Subsidies Are Helping Prop Up Farm Income: *USDA has received more than 175,000 applications from farmers seeking trade relief payments for their 2019 production, and \$2.46 billion has been paid to date. The latest aid comes on top of \$8.6 billion producers received for their 2018 production under last year's trade relief plan, which drew more than 1 million applicants. Row crop growers, hog farmers and dairy producers have received the most funds, followed by cherry and pecan growers, a USDA spokesperson told Politico. The money has flowed heavily to Midwestern states led by Illinois, Iowa, Minnesota,*

Kansas and Indiana. The payments have helped buoy farmer income amid a continued slump in the ag economy, which is struggling under low commodity prices, trade headwinds and rising farm debt levels. John Newton, chief economist for the American Farm Bureau Federation, has pointed out that without federal support, farm income this year would total \$69 billion, according to USDA estimates. That would put 2019 income in the bottom half of all years since 1929, accounting for inflation. (Source: Politico)

> FDIC Has Its Eye On Farm Lending Risks: *In a quarterly report on the health of U.S. banks, the Federal Deposit Insurance Corporation on Thursday said more farmers were falling behind on loans held by community banks compared to a year earlier and that it was watching risks in the agriculture sector. While the banking regulator did not directly refer to the Trump administration's trade war with China, they noted some farm banks were reporting a deterioration in asset quality. The FDIC said the share of long past-due farm loans held by community banks, which are major agricultural lenders, was 1.28% in the April-June period, up 13 basis points from the same period in 2018. The ratio captures the share of farm loans that are at least 90 days past due or which no longer accrue interest because of repayment doubts. (Source: Reuters)*

> Platts Analysis: With No Alternative To China, U.S. Soybean Farmers Face High Stocks, Low Prices: *Growing uncertainty around the US-China trade dispute has left American farmers grappling with high soybean stocks and falling soybean prices, as they face limited options in selling their inventory. Ever since the trade tensions started, U.S. soybeans have been selling at a discount of \$15/mt to the Brazilian beans, S&P Global Platts data showed. Since July 2018, China's imports of U.S. beans have fallen -77% year on year to 6.7 million metric tons. "Since China accounts for almost 65% of global soybeans demand, it is impossible for the U.S. to find significant alternatives for such a big demand driver," Matheus Pereira, director of agro-consultancy firm ARC Mercosul, told Platts. With Brazilian soybean inventories expected to decline in the fourth quarter of 2019, China is expected to turn its focus on Argentinian supplies. Pete Meyer, head of Grain and Oilseed Analytics at S&P Global Platts Analytics, says that in his opinion, even after trade issues are resolved with China, "there is a huge risk in my opinion that the American beans may become a secondary supplier in the Chinese market, unless there are severe droughts in the South American region." "It takes years and years to cultivate a client and only a few minutes to lose that client," Meyer said, adding that buyers have long memories. The full report is available [HERE](#).*

> Germany To Ban Use Of Glyphosate From End Of 2023: *Germany is to ban the use of the controversial herbicide glyphosate by 2023, citing its impact on insect populations and biodiversity. Glyphosate is the main ingredient in the weed killer Roundup, which the German company Bayer bought from US agribusiness*

Monsanto last year. The chemical will be fully banned by 2023, when the EU's current approval period for the use of the chemical ends. Austria became the first EU member to forbid all glyphosate use in July. The Czech Republic, Italy and the Netherlands have restrictions in place. France initially said it would phase out its use by 2021, though the date has been pushed to 2023, in the face of resistance from farmers, who say it is the most effective way to kill weeds. Bayer protested the ban, arguing the chemical can be used safely and is "an important tool for ensuring both the sustainability and productivity of agriculture". The company has also been facing lawsuits, from the US and elsewhere, from people who claim glyphosate causes cancer. Bayer says studies have shown the chemical is safe, but several juries have awarded damages. (Source RFI)

> Health Officials May Have Pinpointed Contaminant Linked To Vaping

Illness: *State and federal health officials investigating mysterious lung illnesses linked to vaping have found the same chemical in samples of marijuana products used by people sickened in different parts of the country and who used different brands of products in recent weeks. The chemical is an oil derived from vitamin E. Investigators at the U.S. Food and Drug Administration found the oil in cannabis products in samples collected from patients who fell ill across the United States. The oil derived from the vitamin, known as vitamin E acetate, is commonly available as a nutritional supplement and is used in topical skin treatments. It is not known to cause harm when ingested as a vitamin supplement or applied to the skin. Its name sounds harmless, experts said, but its molecular structure could make it hazardous when inhaled. Its oil-like properties could be associated with the kinds of respiratory symptoms that many patients have reported: cough, shortness of breath and chest pain, officials said. Learn more [HERE](#).*

> U.S. Blacklists Oil Shipping Network Allegedly Run By Iran

Revolutionary Guards: *The United States has sanctioned an "oil for terror" network of firms, ships and individuals allegedly directed by Iran's Islamic Revolutionary Guard Corps that supplied Syria with oil worth hundreds of millions of dollars in breach of U.S. sanctions. The U.S. action intensified a "maximum pressure" campaign aimed at driving to zero Iran's oil exports, the country's main source of income, and almost certainly will increase tensions that erupted when President Donald Trump withdrew last year from an international accord designed to stop Tehran from producing nuclear weapons. The Treasury Department's Office of Foreign Assets Control action froze any assets in the United States of the designated entities and generally prohibited U.S. citizens or companies from doing business with them. U.S. officials said that the Qods Force, the IRGC's elite foreign paramilitary and espionage arm, and Hezbollah, the Iranian-backed Lebanese militia movement, profited financially from the sales of Iranian oil and petroleum products, mostly to Syria, that this spring alone were worth more than \$750 million. (Source: Reuters)*

> Facebook Dating Debuts In The U.S.: *In spring 2018, Facebook announced that it was launching its own version of Tinder—but designed for people who are interested in meaningful relationships. Now, after rolling out in 19 countries including Colombia, Thailand, and Canada, Facebook's dating service is available in the United States. Instead of the rapid-fire swiping found in many dating apps like Tinder and Bumble, Facebook Dating users have to tap into each profile before they can "pass" on someone or express interest by sending them a message. The company's algorithm selects matches for you based on location—which you verify using location services on your phone—along with your stated preference and interests that you've indicated on Facebook. The service is entirely opt-in, for people ages 18 and over, and you won't ever be matched with your friends. The company is also integrating Instagram into the service. By integrating Instagram and Stories into Dating, Facebook is also making a play for the younger users that tend to prefer Instagram—in other words, it's using Dating as a Trojan horse to bring them back to the core Facebook app. Read more [HERE](#).*

> Even Diet Sodas Are Tied To An Increased Risk Of Early Death: *Consuming too many soft drinks — even diet drinks — may increase your risk of early death, a new study suggests. The study, which included data from nearly half a million people in Europe, is the largest of its kind, the authors said. People who consumed two or more glasses of soda per day — either regular or diet — were 17% more likely to die during the nearly two-decade study, compared with people who consumed less than one glass of soda per month, the study found. Still, the study only found an association and cannot prove that soda consumption actually causes early death. But the results, published Sept. 3 in the journal JAMA Internal Medicine, support "ongoing public health campaigns aimed at reducing the consumption of soft drinks," according to the study authors, who are from the International Agency for Research on Cancer, a part of the World Health Organization. Interestingly, people who frequently consumed diet sodas were more likely to die from cardiovascular diseases, such as heart disease; while people who frequently consumed sugar-sweetened sodas were more likely to die from digestive diseases, such as diverticulitis or liver diseases, compared with those who rarely consumed soft drinks. Learn more [HERE](#).*

> "Storm Area 51" Could Be A Disaster For Small Nevada Counties: *This past week, Lincoln and Nye Counties in Nevada issued declarations of emergency in preparation for the crush of humanity expected to descend on the area on September 20 for the alien-themed "Storm Area 51" gathering. Area 51 is popularly known as the site of rumored government studies of outer space aliens. The "Storm Area 51" Facebook event went viral in July as people pledged to crash the secret military base in an attempt to "see them aliens" and has grown in scale in recent weeks. More than 2 million Facebook users have now said they are going, with over 1.4 million replying they were interested. Based on social-media monitoring, on-the-ground observations, and motel and rental-car reservations,*

officials are anticipating that roughly 30,000 people will actually show up on September 20, says Varlin Higbee, vice chair of the Lincoln County Board of Commissioners. More than a half-dozen local, state, and federal agencies are involved in the planning, including the Las Vegas Police, the Nevada Department of Public Safety, and the state highway patrol. Governor Steve Sisolak's office has been briefed and is monitoring the situation. And when the alien enthusiasts arrive, 200 to 300 police officers, medics, and firefighters will be on hand to receive them. Read more from [The Atlantic](#).

> **Strongest Men VS Strongest Fish:** BlacktipH Fishing posted this video of some of the strongest men in the world to trying to battle one the strongest fish in the world! They invited JujiMufu (fitness freak and social media celebrity), Devon Larratt (World Arm Wrestling Champion and ex-special forces), and Layne Norton (World Champion powerlifter and fitness expert) on a quest to catch some monster Goliath groupers using stand-up tackle. Everyone quickly discovered how difficult it is to catch goliath groupers using stand-up tackle. The goliath grouper can grow to more than 8 feet in length and weigh as much as 790 pounds, though they average around 400 pounds when mature. All three men had very intense battles with these sea monsters! The video is kind of long at just over 21 minutes, but it is so worth it! Check it out [HERE](#).



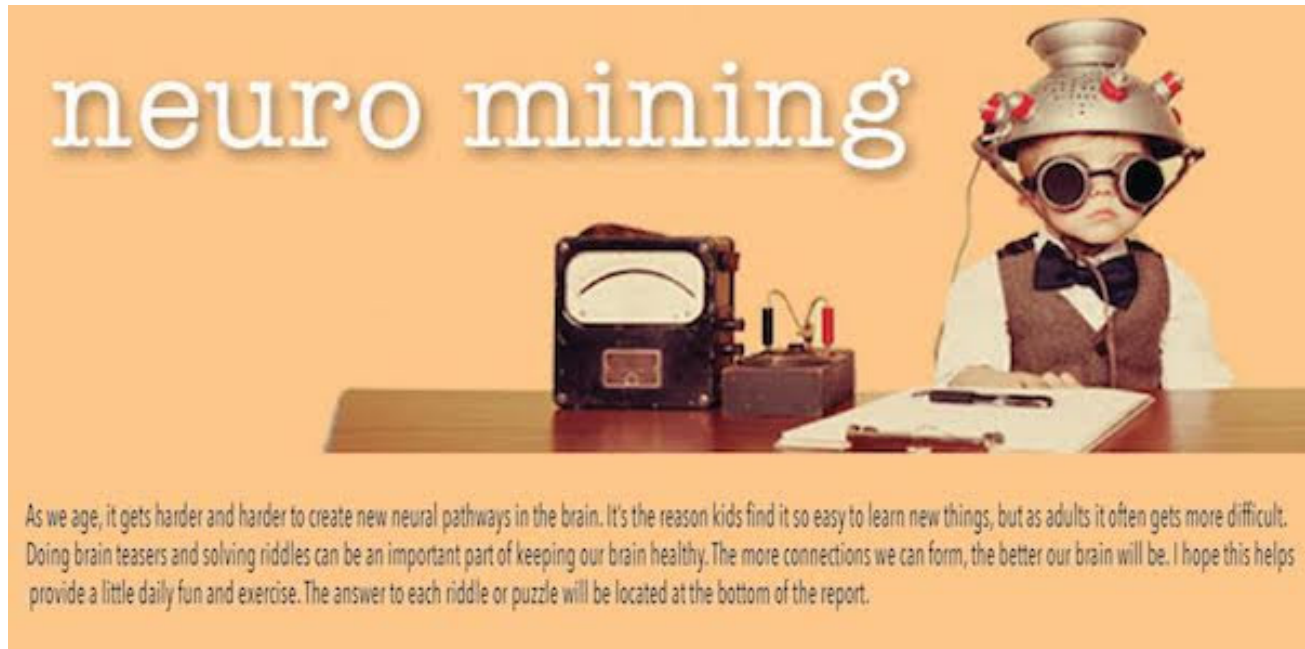


Northeast Arkansas – *We are just starting to get our there and pick our first corn fields. I hate to say this because I'm really hoping the USDA lowers the yield, but the crop is better than I expected. The corn we picked last night made about 181 bushels per acre. It was our early corn, so it had a little better planting condition. We only had 2 fields that were planted early. The later planted corn should be ready about this time next week. Based on what I have seen so far, we should be right up there with last year's yields at least in corn.*

Southwest Minnesota – *I was doing some checking to see where our corn is at maturity wise and I have not found any good news. Right now, we have seen the last 20 days be below the normal average temperature. Towards the middle of August, we were in fairly bad shape, but everyone kept saying the heat would push us to maturity relative quickly. That just has not happen and we have dropped further and further behind. Today I'm going to guess we will need to make it through all of this month and half of October to not get hurt by cold weather. If you know anything about our weather, that's very unlikely.*

Northern North Dakota – *We are not necessarily taking the LDP program but what I'm hearing is guys are considering it on spring wheat. The reason guys are considering it is because they can get 60% payment on wheat that has sprouted. A lot of wheat in this area has sprout from all the rain. There's still a ton of wheat that is in the field and more rain coming this weekend. I'm hearing elevators are knocking \$1.40 off sprouted wheat and that doesn't even include the basis. These guys will be better off taking the payment and unloading it to the government.*





As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE: How can you add 8 8's to make 1000?



Global Water Stress is Growing

Water would seem to be the most renewable of all the Earth's resources, as it falls from the sky as rain and surrounds us in the oceans that cover nearly three-quarters of the planet's surface. But reservoirs in Chennai, India's sixth-largest city, are nearly dry right now, and last year, residents of Cape Town, South Africa narrowly avoided their own "Day Zero" water shut-off. Before that, Rome had to ration water to conserve their scarce resource. At the moment, countries that are home to one-fourth of Earth's population face the risk of running out of water. These are not isolated incidents and the reasons for their occurrence go much deeper than drought.

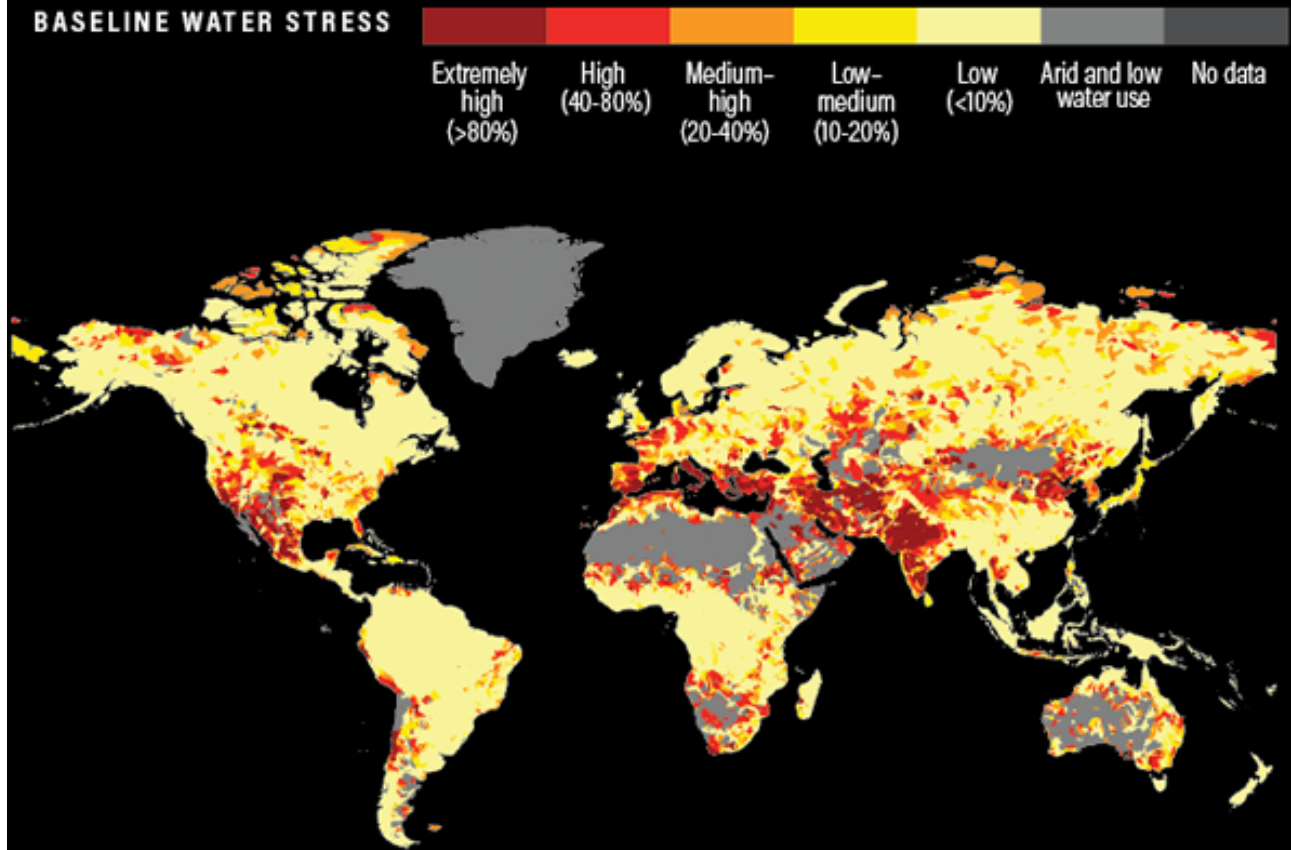
Using new models, World Resource Institute (WRI), found that water withdrawals

globally have more than doubled since the 1960s due to growing demand and unfortunately, they show no signs of slowing down. WRI also identified 44 countries, home to one-third of the global population, who face "high" water stress levels, meaning on average more than 40% of available supply is withdrawn every year. Keep in mind, such a narrow gap between supply and demand leaves countries vulnerable to fluctuations and potentially facing their own "Day Zeros", along with the economic and social unrest that follow.

Countries with low overall water stress still have local areas that experience extremely stressed conditions. For example, South Africa and the United States rank #48 and #71 on WRI's list, respectively, yet the Western Cape and New Mexico experience extremely high stress levels. Many of you may be struggling through local battles to secure your farm's needed water resources for the future, but without a concerted effort by all, anyone of us could soon face our own "Day Zero." The question is, do you have a plan for that? Whether it's climate change, demand, or politics that are affecting resources water in your area, it's definitely a topic you be ready to deal with. (Source: wri.org, New York Times, Guardian)

17 COUNTRIES FACE EXTREMELY HIGH WATER STRESS

BASELINE WATER STRESS



Source: wri.org/aqueduct

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 **WORLD RESOURCES INSTITUTE**



Piggly Wiggly Becomes the First Supermarket!

It was on this day in 1916 that a store in Memphis, Tennessee, named Piggly Wiggly became the first true self-service grocery store and the originator of various familiar supermarket concepts such as checkout stands, individual item price marking, and shopping carts.

Clarence Saunders, the founder of Piggly Wiggly, had the concept of the "self-serving store" patented in 1917. Saunders mother died when he was five. In 1891, his father moved the family to Montgomery County, Tennessee, where his father worked as a laborer and sharecropper. Saunders had only two years of formal education. At age 11, he worked in the sawmill and limestone kiln during the summer and at Burl Owens' general store in Palmyra, Tennessee, during the holidays. At age 17, Saunders worked the Blossburg, Alabama, coke ovens and steel mill as a night watchman. At age 19, he started working in the wholesale grocery business for John Hurst and Joseph Boillin in Clarksville, Tennessee. Saunders married in 1903, and in 1904, they moved to Memphis, where Saunders worked for the wholesale grocers Shanks, Phillips & Co.

Located at 79 Jefferson Street in Memphis, Tennessee, Saunders opened his first official Piggly Wiggly. Saunders had renovated a warehouse, removing old countertops, and replacing them with characteristic turnstiles at the entrance and exit, and cabinets arranged along a continuous path, which ended at a cashier stand complete with adding machine and cash register. The 1,125 sq ft store included a front lobby, the continuous-path middle salesroom, and rear stockroom. The store incorporated shopping baskets, self-service branded products, and checkouts at the front. Creating elaborate aisle displays, and rearranging the store to force customers to view all of the merchandise in a continuous path, were just some of the characteristics of the early Piggly Wiggly stores. The store stocked four times the variety of items normally found in an ordinary general store. A refrigerator separated two of the aisles, offering butter and cheese. Bins offered fruits and vegetables, while flour and other bulk goods were pre-packaged and placed near the end of the shopper's journey through the aisles.

Saunders then listed Piggly Wiggly shares on the New York Stock Exchange in Feb. 1922. In April 1922, the company sold 50,000 new shares on the market at \$43 a share. By 1921, there were 615 stores in 200 cities and 40 states. By 1923, Piggly Wiggly had grown into 1,267 stores, 667 owned by the company and the rest owned by franchisees. The company employed 250 people in Memphis. Stock in Piggly Wiggly Stores, Inc., paid a massive dividend of 11%.

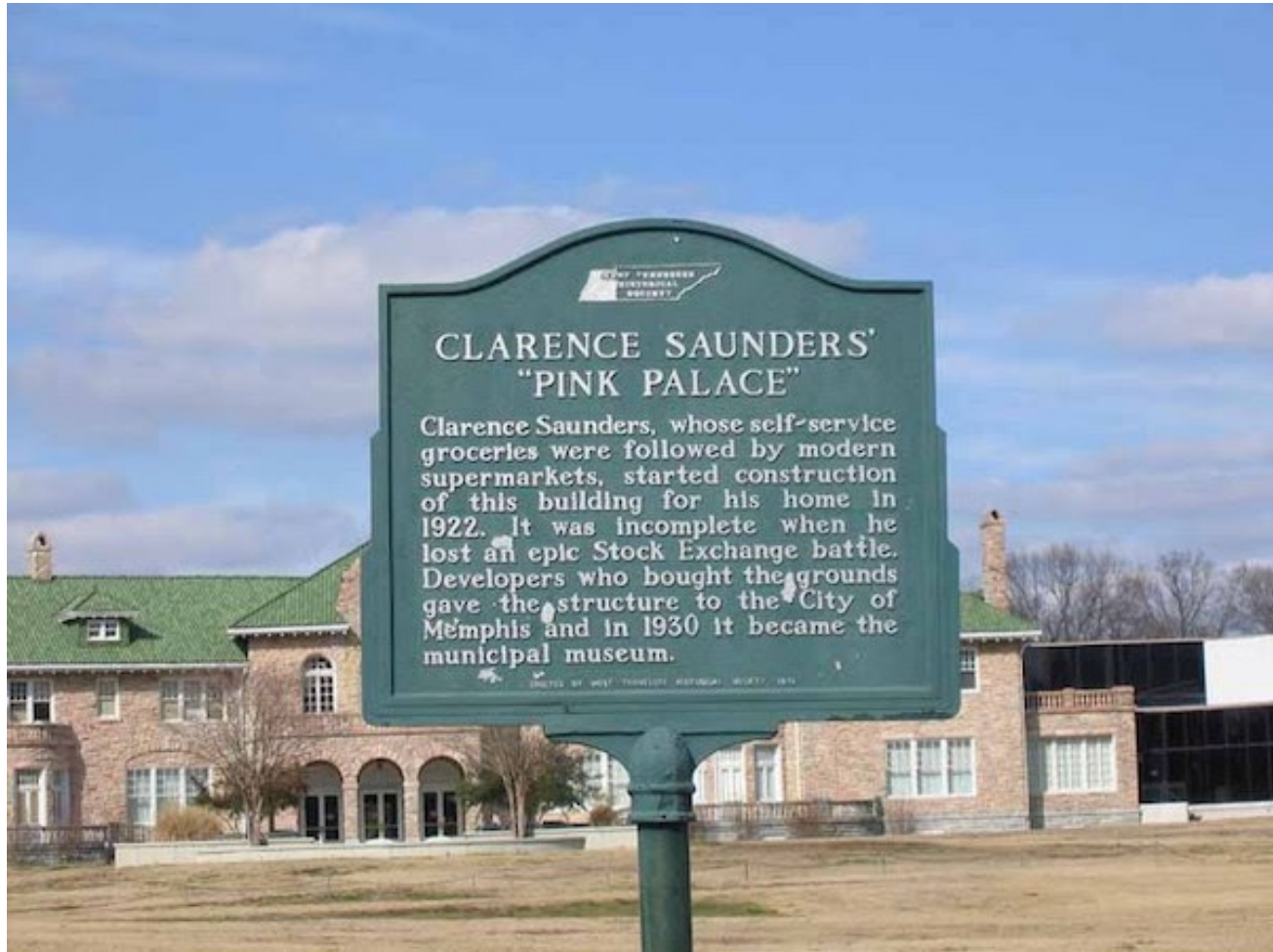
In the early 1920s Saunders began construction of a pink marble mansion in Memphis. Then, in early 1923, a group of franchised outlets in New York failed. Merrill Lynch and other speculators on Wall Street attempted a bear raid on the price of Piggly Wiggly stock, gambling the price would fall. With a loan of \$10 million from a number of Southern bankers, plus a bit of his own money, Saunders counteracted with a corner, buying a large amount of Piggly Wiggly stock in hopes of driving up the price. He flamboyantly declared his intent in newspaper ads. Saunders bought Piggly Wiggly stock until he had orders for 196,000 of the 200,000 outstanding shares. The firm's share price went from a low of \$39 in late 1922 to \$124 by March 20, 1923. Pressured by the 'bears', the New York Stock Exchange declared a 'corner' existed and gave the 'bears' five days rather than 24 hours to deliver the stock Saunders had bought. The additional time meant "a flood of stock poured in from distant points and gave the shorts an opportunity to deliver."

In the words of John Brooks, "...in mid-August, with the September 1st deadline for repayment of two and a half million dollars on his loan staring him in the face and with nothing like that amount of cash either on hand or in prospect, he resigned as president of Piggly Wiggly Stores, Inc., and turned over his assets-his stock in the company, his Pink Palace, and all the rest of his property to his creditors"... The Pink Palace mansion eventually became Memphis' first museum in 1930.

Until the time of his death, Saunders was developing plans for another automatic store system called the "Foodelectric." Saunders described his concept as follows: "The store operates so automatically that the customer can collect her groceries herself, wrap them and act as her own cashier. It eliminates the checkout crush, cuts overhead expenses and enables a small staff to handle a tremendous volume... I can handle a \$2 million volume with only eight employees." The concept store, which was to be located two blocks from the first Piggly Wiggly store in downtown Memphis, never opened. I would say Saunders was certainly a man ahead of his time and would be saying "I told you so..." if he were alive today.







3,000 Miles In A \$500 Car...What's Not To Love!

How does the idea of driving an extremely crappy car across more than 3,000 miles of rough Eastern-European terrain in 10 days sound? If you said something like "dreamy", then the "Pothole Rodeo" might be the adventure road trip you've been searching for.

Also known as the Balkan Rally, Banger Rally, Schrottautoralley, Cheap Car Rally, Fun Rally, and 500 Euro Rally, this long-distance adventure takes drivers and their teams across the Balkans. Starting in the city of Graz, Austria, the route crosses Hungary into Romania and the coast of the Black Sea in Bulgaria, then on to Albania, Montenegro, Bosnia, and Croatia. The main requirement is that participants have a truly crappy car - at least 20 years old and not costing more than 500 euros (about \$555 US). The point of the race is not to reach the finish line first, though, it's about simply reaching the finish line! The often bad road conditions and a famously large number of potholes on the Southeastern European roads increase the challenge. Teams compete for points via daily challenges presented along the route and the team with the most points is declared the winner.

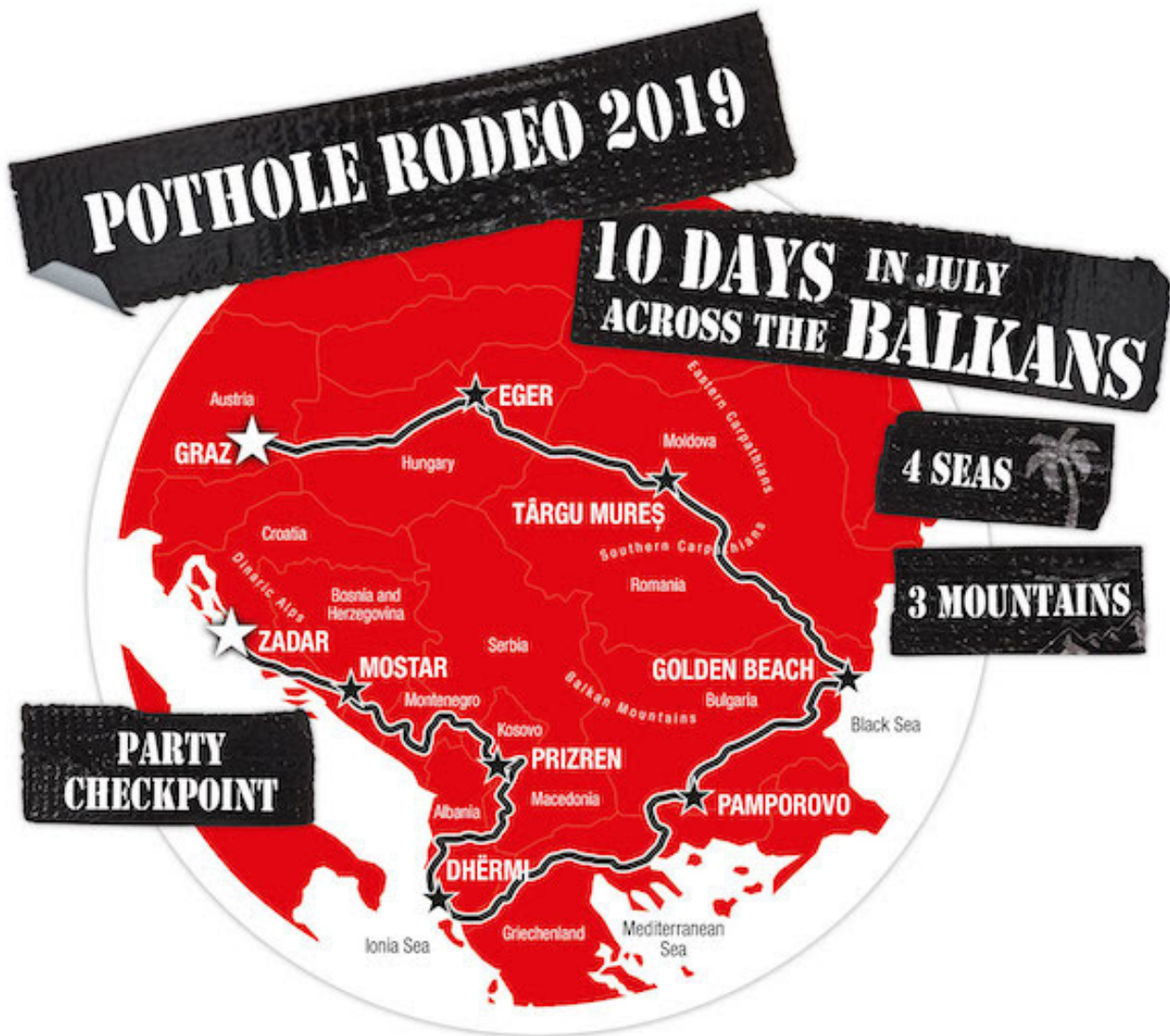
The so-called route isn't actually a clear-cut path. The route guidance consists of waypoints that vary during each rally. The Pothole Rodeo provides a "roadbook" that shows route recommendations that cross particularly adventurous roads or places, but it's up to participants to figure out what roads they will take to the next checkpoint. Sometimes that also requires figuring out how to drive on them, as the roadway conditions vary considerably from region to region. From well constructed federal highways and beautiful country roads to gravel roads with tons of potholes and other obstacles.

It's the car requirements that I find the most intriguing. They actually check car registration documents and won't allow drivers to participate if their jalopy is less than 20 years old. And the older the car, the more points a team earns. They "highly" recommend road-trippers have a mechanic on their team. Experienced Potholers also recommend bringing along a stash of spare parts. The road trip crosses mountains and sparsely populated areas where there are no lights, so nighttime driving can be truly treacherous sometimes. Most teams add additional lighting onto the roof of their cars.

The first Pothole Rodeo was held in 2014 and included just ten teams. By 2018, the rally had grown to +250 participating teams. Most teams use their participation in the rally to raise money for a charitable cause and manage to find some kind of sponsorship, ranging from free coolers and luggage racks to advertisers on their websites or social feeds. Some teams have even managed to score free cars from used vehicle dealerships.

The final round of this year's Pothole Rodeo just ended on September 2, when the teams arrived in Split, Croatia, which sits on the coast of the Adriatic Sea. I'm told it's insanely beautiful. Registration for next years [2020 Pothole Rodeo](#) begins in early-January. This could be an awesome time for the right group of friends! A team dubbed the Bearded Balkan Buddies put together a great video of their Pothole Rodeo trip last year, which you can watch [HERE](#).













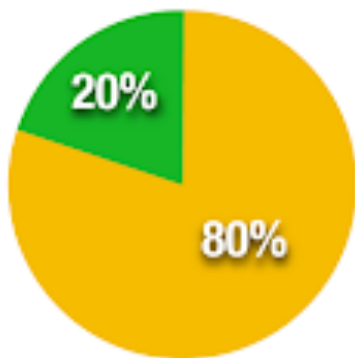
ANSWER to riddle: $3^2=4+5$

CASH SALES & HEDGING TOTALS

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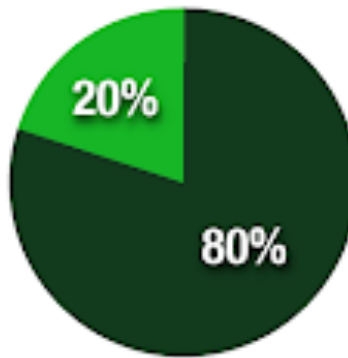
Corn 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



Soybean 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



Wheat 2018 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED



Corn 2019 Crop

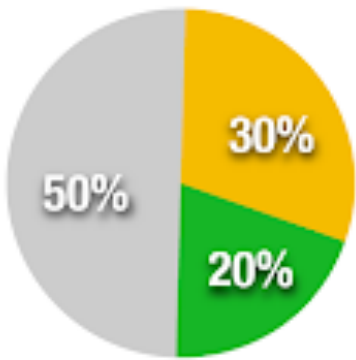
30% SOLD
20% HEDGED
50% UNPROTECTED

Soybean 2019 Crop

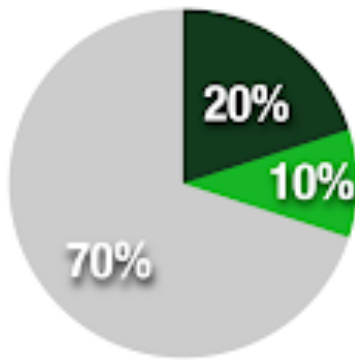
20% SOLD
10% HEDGED
70% UNPROTECTED

Wheat 2019 Crop

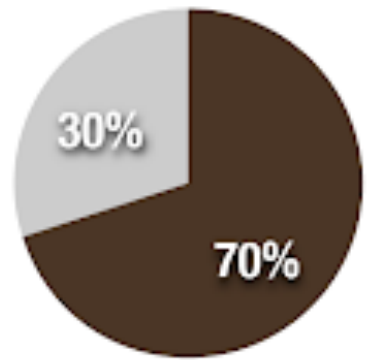
100% SOLD
0% HEDGED
0% UNPROTECTED

**Corn 2020 Crop**

0% SOLD
0% HEDGED
100% UNPROTECTED

**Soybean 2020 Crop**

0% SOLD
0% HEDGED
100% UNPROTECTED

**Wheat 2020 Crop**

0% SOLD
0% HEDGED
100% UNPROTECTED



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