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GOOD MORNING: Van Trump Report 9-10-19

1 message

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

Tue, Sep 10, 2019 at 5:30 AM

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

"Life is not a matter of holding good cards, but of playing a poor hand well." -
Robert Louis Stevenson

Tuesday, September 10, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: U.S. stock traders seem to be in a "holding pattern" as they await more actionable insights on multiple fronts, especially the U.S.-China trade war and key central bank policy decisions. Keep in mind, the Dow and S&P 500 are both within spitting distance of the all-time highs set back in July. With the current cloud of uncertainty surrounding the global economy and how it's being impacted by ongoing trade tensions, it's hard for stock market bulls to justify pushing prices significantly higher, at least until we get past the historically volatile months of September and October. Since 1937, the average September performance of the S&P 500 index and the Dow Jones Industrial Average is a -1% decline. Bulls argue

that we could see some fundamentally optimistic headlines during the month of September if reach a final trade deal with Japan and Congress passes the U.S.-Mexico-Canada Agreement (USMCA). There's also the outside chance that more optimistic headlines could circulate around Chinese trade negotiations. From what I understand, officials from China are still expected to visit Washington in October. Meaning the lines of communication do appear to be open. Treasury Secretary Steven Mnuchin said yesterday the U.S. and China have a "conceptual" agreement on enforcement concerns. He also said talks at the "vice-minister level" will take place this month. Investors do however still seem a bit nervous and uncertain about the European Union and how their Central Bank's policy meeting will play out this week. It's expected the ECB will implement some form of "stimulus" action but if it's less than investors feel is appropriate, stock bulls could backpedal a bit. Today's key economic data will come from the July JOLTs employment report. The major headline driving event for today is Apple's big unveil of new products, including a trio of iPhone 11s and a new Apple Watch. If Apple can deliver some excitement the market could continue to push higher.

Consumer Reports Take on Lab Grown Meat: *The in-depth article is titled, "Meat Gets a Makeover" and was released last week by Consumer Reports. The trusted source tries to answer tough questions like: Are the new plant-based patties and eventual lab-grown meats safe, healthy, or tasty? And will they save the environment? It's an in testing full of good research. If you are invested in this space or just generally interested I encourage you to read this article in full detail [HERE](#)*

Huge Bet on AT&T: *Stock of AT&T soared Monday after Paul Singer's "Elliott Management" announced it now owns +\$3.2 billion in the underperforming telecom giant's stock. The hedge fund said it sent a letter to the company's board and argued for ways AT&T can 'improve its business and realize a historic increase in value.' The activist investor said its AT&T stock purchase is one of the firm's largest investments ever. Elliott said the company could eventually be worth at least \$60 per share. The stock (trading under the symbol "T") was trading just under \$37 per share yesterday. Earlier in the year the stock had tumbled down to under \$27 per share. You can read more details at [CNBC](#)*

Ford's Debt Rating Downgraded To "Junk" By Moody's: *Moody's Investors Service late Monday downgraded Ford Motor Co.'s debt rating to Ba1, the first rung of "junk," or non-investment speculative grade, from Baa3. The outlook is stable, Moody's said. The downgrade reflects*

"considerable operating and market challenges facing Ford, and the weak earnings and cash generation likely as the company pursues a lengthy and costly restructuring plan," the debt ratings agency said. Ford has embarked on a long-term restructuring plan with about \$11 billion in charges, and a cash cost of about \$7 billion. "Ford is undertaking this restructuring from a weak position as measures of cash flow and profit margins are below our expectations, and below the performance of investment-grade rated auto peers," Moody's said. Cash flow and profit margins are likely to remain weak and Ford faces such difficulties at a time auto markets are softening, it said. Ford "does have a sound balance sheet and liquidity position from which to operate," Moody's said. (Source: MarketWatch)

"Volfefe Index" Tracks Market Impact Of Trump's Tweets: *Analysts at JPMorgan Chase have created an index to quantify the market impact of having such a prolific presidential presence on Twitter. Dubbed the "Volfefe Index," a tongue-in-cheek reference to President Trump's since-deleted "covfefe" tweet from 2017, the gauge indicates that the president's tweets have a statistically significant effect on Treasury yields. The president has produced more than 10,000 tweets since taking office, and the count of market-moving missives has increased in recent weeks, averaging more than 20 tweets and retweets per day, up from five in early 2017, the JPMorgan Chase analysts found. More tweeting by Mr. Trump means more opportunities for tweets that move markets, although only some of them actually do. The ones that have the biggest sway on the market focus on trade and the Federal Reserve, and J.P. Morgan says they often include the words "China," "billion" and "great." You can learn more [HERE](#).*

Saudi Arabia Signals Oil Production Cuts Will Remain In Place: *Saudi Arabia's new energy minister has moved to reassure oil markets that production cuts co-ordinated with Opec and Russia would remain in place, as the kingdom accelerates plans for a listing of its state-owned oil company. Prince Abdulaziz bin Salman, who replaced the respected Khalid al Falih as energy minister, says his arrival would not derail the kingdom's goals and emphasized there would not be "radical" changes but did not rule out shifting policy in the future. Oil traders and analysts have speculated that Prince Abdulaziz could seek to boost the oil price, either through deeper production cuts or other strategies. Crude has for much of the year traded below the*

\$70-\$80 a barrel level needed for Saudi Arabia to balance its budget. Speaking at the World Energy Congress, the energy minister played down suggestions of an overhaul of the policy put in place by Mr Falih, which since 2016 has seen the kingdom lead Opec in partnering Russia to cut output. The removal of the oil veteran Mr Falih comes as Prince Mohammed seeks to fast-track a listing of state oil company Saudi Aramco. Prince Abdulaziz said plans for the listing would come "as soon as possible", although many analysts believe the kingdom wants a higher oil price first to help reach the ambitious \$2tn valuation placed on the company by the crown prince. (Source: Financial Times)

Charting The Most Powerful Reserve Currencies in the World: *Reserve currencies are currencies that a country holds in its foreign exchange reserve. These can be used for international payments and to support a country's own national currency. Developing countries that export tend to hold more foreign currencies than developed currencies. The U.S. Dollar makes up 61% of all central bank foreign reserves, making it the most popular and powerful currency in the world. The total value of all currencies held in foreign exchange reserves is equal to nearly \$11 trillion. Currently, around \$580 billion U.S. Dollars are used internationally, 90% of forex trading involves U.S. bills, and about 40% of the globe's debt is issued in this currency. Despite being a large part of global trade, the Chinese Renminbi makes up less than 2% of global currency reserves. While some countries have called for the establishment of a singular global currency for stability purposes, there doesn't seem to be any imminent plans to do so. (Source: [HowMuch](#))*

The World's Top Reserve Currencies in 2019

Total Allocated Exchange Reserves by Currency (in \$)



Article & Sources:

<https://howmuch.net/articles/worlds-top-reserve-currencies-2019>
International Monetary Fund - <http://data.imf.org>

howmuch.net

FARM TANK

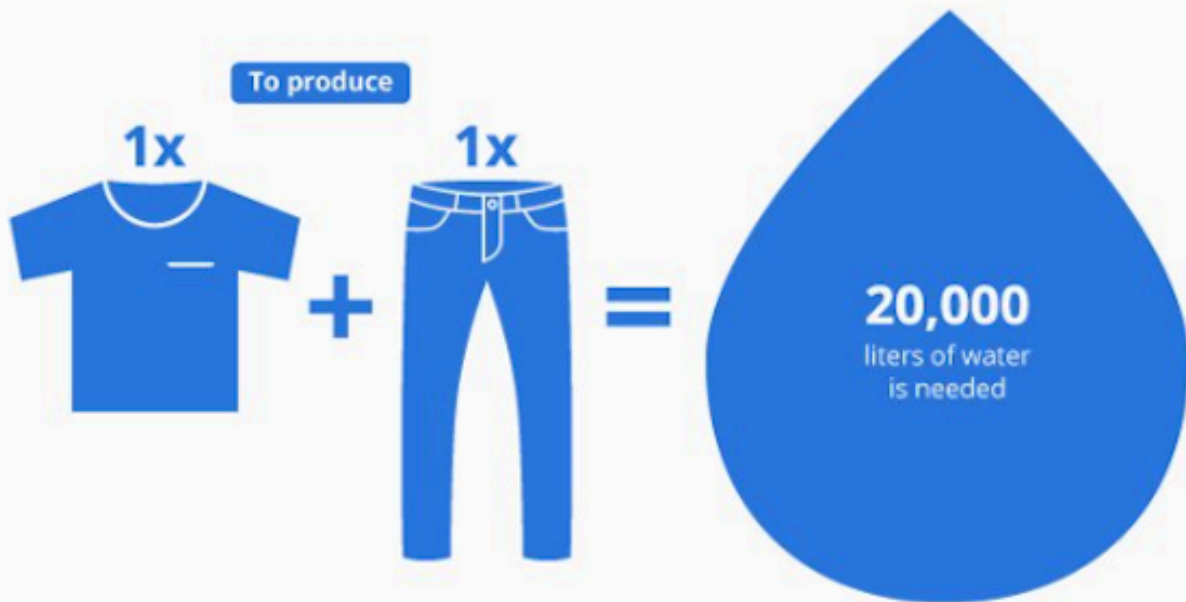
Tweets of the Day



Statista
@StatistaCharts



An estimated 20,000 liters of [#water](#) is used in the production of just one t-shirt and one pair of jeans via [@OxfamAmerica](#)



Infographic: The Insatiable Thirst of Fashion

This chart shows the estimated water required in the production of clothing items.

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



Jeff Madsen
@jeffmadsen22



What a starry night! Worked late with the
[@CLAAS_America](#) LEXION 750TT last night and got to
see an amazing harvest sky. [#claas](#) [#lexion](#) [#westcdnag](#)
[#harvest19](#)





Dallas Henry
@DallasCHenry1



When we get more hay baled I'm going to try this MDS triple bale spear. The center bale is stationary, but the outside two slide in.





Kyle Wasson
@kyle2lazyK



My buddy Ty loading winterwheat. #peterbilt #wilson
#harvest19





Baylee Jordan
@bjordag



Had some help taking @ChannelSeed 🌽 ear pictures this afternoon! #farmdog





Bleacher Report CFB 
@BR_CFB



After Week 1, Jalen Hurts is now a Heisman co-favorite

 @br_betting

HEISMAN ODDS



JALEN HURTS		3-1*
TREVOR LAWRENCE		3-1*
TUA TAGOVAILOA		3-1*

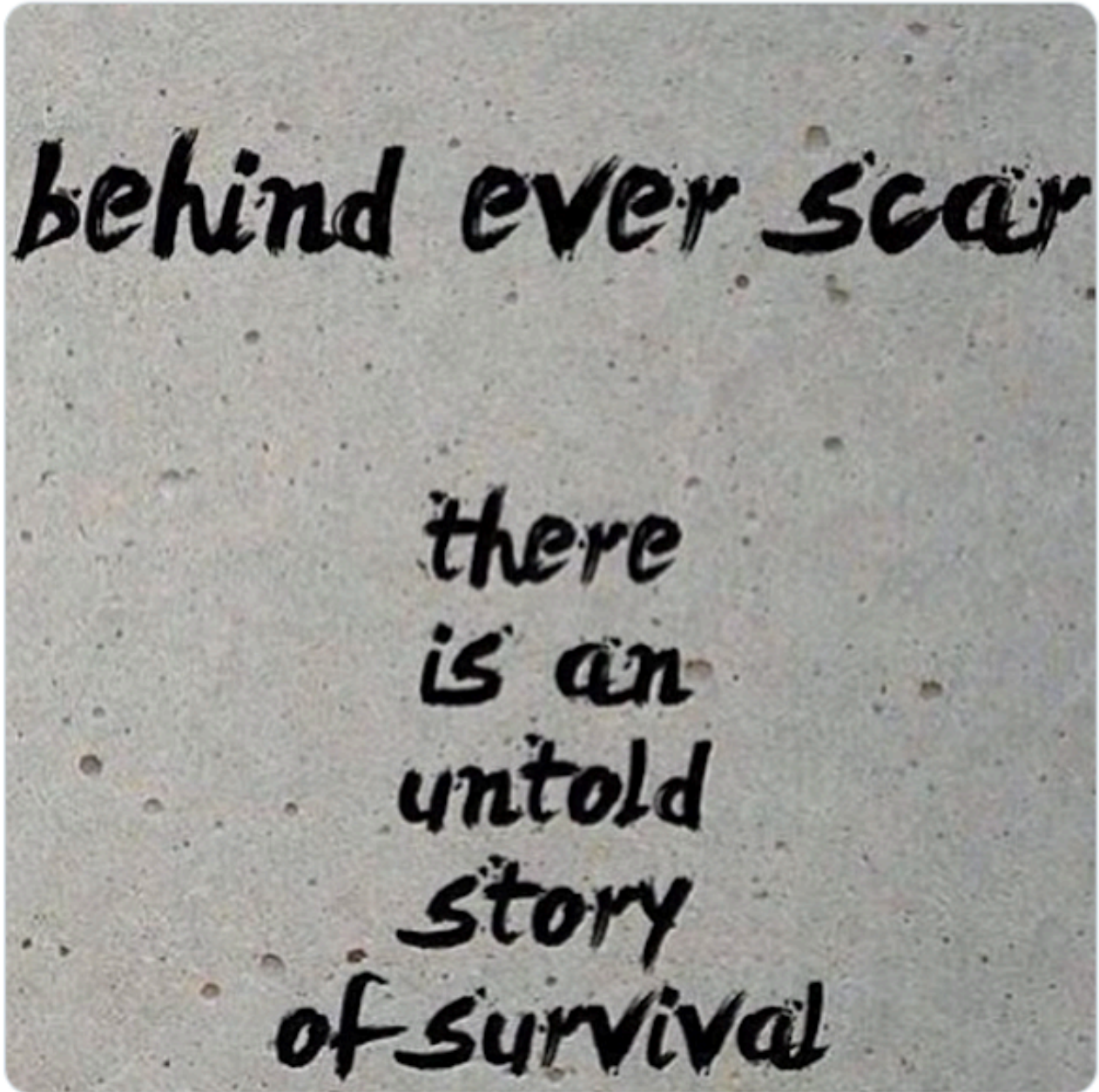
VIA CAESARS *\$100 BET WINS \$300



Pure Guts
@pure_guts_



Love this thought.



Corn bulls are happy to see the USDA cut their condition rating by -3% from 58% down to 55% rated "Good-to-Excellent" vs. 68% rated GD/EX last year at this stage of the game. At the same time the USDA reported that 89% of the U.S. corn crop was in the "dough" stage vs. the 5-year average of 97%. The USDA also

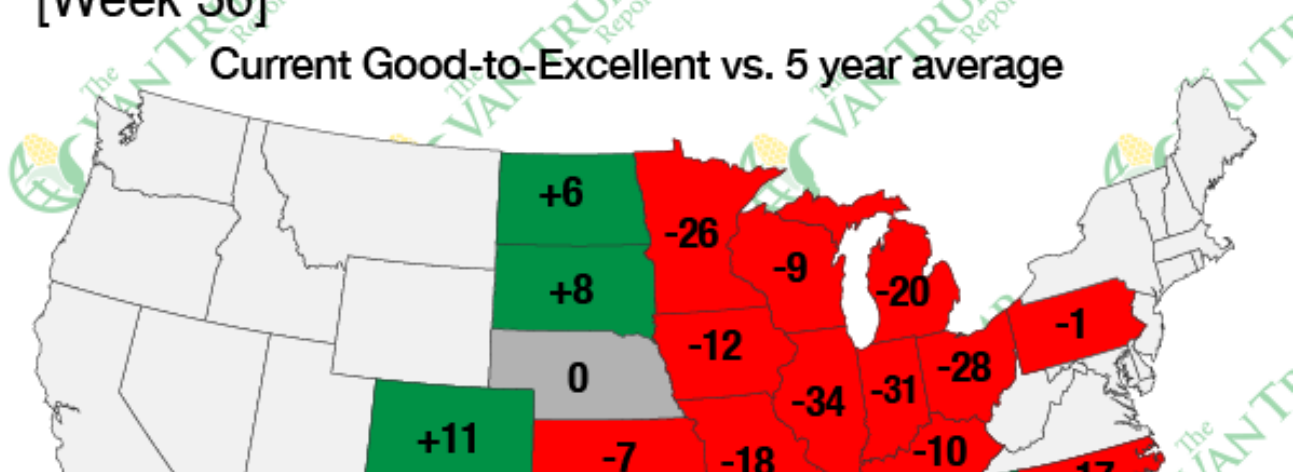
estimates that 55% of the crop is "dented" vs. the 5-year average of 77%. They are estimating just 11% of the crop is "mature" vs. the 5-year average of 24% mature by this date. Illinois is just 8% mature vs. 35% historically; Indiana 8% vs. 26%; Iowa 4% vs. 17%; Kansas 28% vs. 40%; Minnesota 1% vs. 8%; Missouri 15% vs. 47%; Nebraska 9% vs. 18%; North Dakota 1% vs. 10%; Ohio 4% vs. 17%; South Dakota 2% vs. 14%; Wisconsin 0% vs. 11%. Bottom line, the U.S. crop remains well behind schedule and there's a lot of question about how the late-planted acres yield out of the field? In case you missed it, Informa bumped their U.S. corn yield estimate higher late last week from 168.8 to 169.6 bushels per acre. Their total U.S. corn production estimate at 13.906 is now higher than the USDA's highly controversial August forecast of 13.901 billion bushels. Most in the trade are looking for the USDA to actually drop their production number down to between 13.6 and 13.7 billion bushels on a 167 average yield estimate. The big problem is export and ethanol demand could easily be lowered and offset any production cuts. In fact, bears warn that the balance sheet could actually larger if the demand cuts are substantial and the USDA elects to wait another month to make any major adjustment to production. As a spec, I'm still long a small amount of corn and feeling significant pain. I have yet to cost-average into this position as I struggle to find a catalyst worth increasing my wager and taking on additional risk. As a producer, I'm stuck playing the waiting game! I'm blessed to have sold all of my old-crop supply and to have 50% of our estimated new-crop priced at good levels, but I'm still extremely frustrated that I didn't get more sold on the Spring rally.

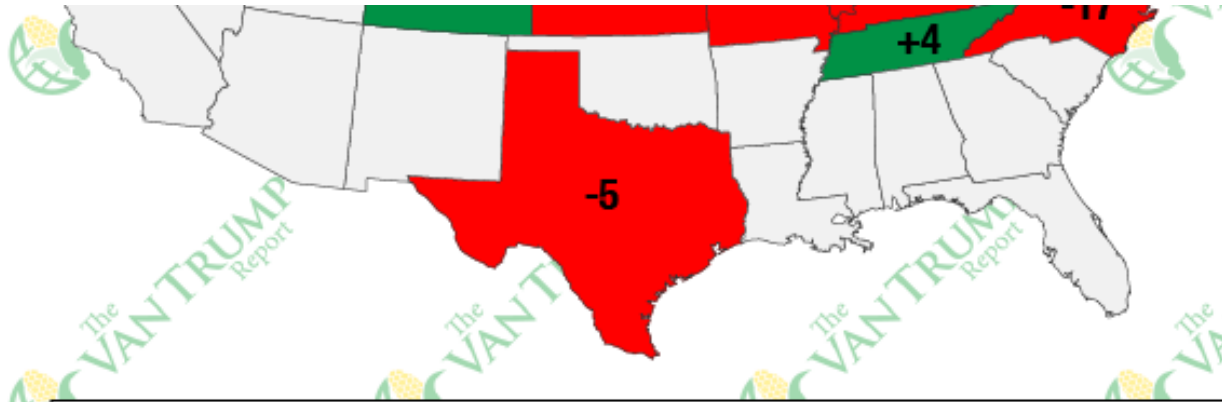
U.S. Corn Good-to-Excellent

September 8, 2019

[Week 36]

Current Good-to-Excellent vs. 5 year average





Corn % Good-to-Excellent

	2017	2018	5-yr avg	This Week	Change vs LW
Colorado	58	70	69	80	-3
Illinois	56	77	72	38	-8
Indiana	52	72	64	33	0
Iowa	60	73	75	63	1
Kansas	54	46	55	48	-2
Kentucky	81	77	75	65	-2
Michigan	49	53	61	41	-4
Minnesota	82	76	81	55	0
Missouri	62	28	60	42	4
Nebraska	64	82	73	73	-4
North Carolina	77	41	58	41	5
North Dakota	49	63	68	74	0
Ohio	61	79	61	33	-1
Pennsylvania	87	74	72	71	-1
South Dakota	43	64	61	69	4
Tennessee	86	71	78	82	-4
Texas	79	29	57	52	-4
Wisconsin	70	75	76	67	1
Total	61	68	68	55	-3

Corn Mature vs 5-year Average				
State	8-Sep-19	5-year Average	Difference	Acres Behind the 5-yr
Illinois	8	35	-27	2,889,000
Iowa	4	17	-13	1,768,000
Missouri	15	47	-32	1,040,000
Indiana	8	26	-18	918,000
Nebraska	9	18	-9	900,000
Kansas	28	40	-12	768,000
Minnesota	1	8	-7	553,000
South Dakota	2	14	-12	540,000
Wisconsin	0	11	-11	423,500
Ohio	4	17	-13	364,000
North Dakota	1	10	-9	315,000
Texas	58	68	-10	250,000
Michigan	0	8	-8	160,000
Colorado	2	7	-5	75,000
Kentucky	59	62	-3	48,000
Tennessee	63	65	-2	19,400
Pennsylvania	19	15	4	56,000
North Carolina	90	89	1	9,700
Total	11	24	-13	10,730,200

Corn Dented vs 5-year Average				
State	8-Sep-19	5-year Average	Difference	Acres Behind the 5-yr
Illinois	53	87	-34	3,638,000
Minnesota	42	76	-34	2,686,000
Iowa	60	79	-19	2,584,000
Indiana	43	76	-33	1,683,000
South Dakota	35	71	-36	1,620,000
North Dakota	25	63	-38	1,330,000
Nebraska	70	81	-11	1,100,000
Ohio	29	68	-39	1,092,000
Wisconsin	31	59	-28	1,078,000
Missouri	72	92	-20	650,000
Michigan	26	58	-32	640,000
Colorado	44	63	-19	285,000
Kansas	80	83	-3	192,000
Kentucky	85	86	-1	16,000
North Carolina	95	96	-1	9,700
Tennessee	94	95	-1	9,700
Texas	94	86	8	200,000
Pennsylvania	65	62	3	42,000
Total	55	77	-22	18,158,800

Soybean bulls continue to point to a large number of acres planted extremely late. Producers in many key locations are saying the pods still need a lot longer to fill. The USDA released data after the close yesterday that showed 8% of the entire U.S. crop is still yet to "set pods". Indiana and Missouri still have 16% of the crop that has not set pods; Wisconsin 15%; Kentucky 13%; Kansas, Michigan and Ohio 11%; Illinois 10%; South Dakota 9%; Iowa and Nebraska 6% still yet to set pods. In addition, the USDA continues to show just 55% of the entire U.S. crop in "Good-to-Excellent" condition vs. 68% of the crop rated GD/EX last year. The trade is also keep a closer eye on weather in Brazil, where bulls argue that some acres may face delayed planting because conditions are simply too dry. Interestingly, at the same time, soybean prices have tumbled to their lowest level since mid-May. I should note, Informa bumped their U.S. soybean yield estimate higher late last week from 48.2 to 48.4 bushels per acre. Their total U.S. soybean production estimate is now at 3.671 and just slightly lower than the USDA's August forecast of 3.680 billion bushels. Most inside the trade are looking for the USDA to drop their production number down to between 3.5 and 3.6 billion bushels. As a spec, I'm long and wrong at this point! Technically, the picture doesn't look very good. There's some fear that if the USDA report is bearish and doesn't deliver on anticipated production cuts we could run a ton of stops just below \$8.50 in the NOV19 contract and potentially try and test the mid-May lows down around \$8.15 per bushel. once we move past Thursday's dangerous USDA report all eyes will shift back towards the latest

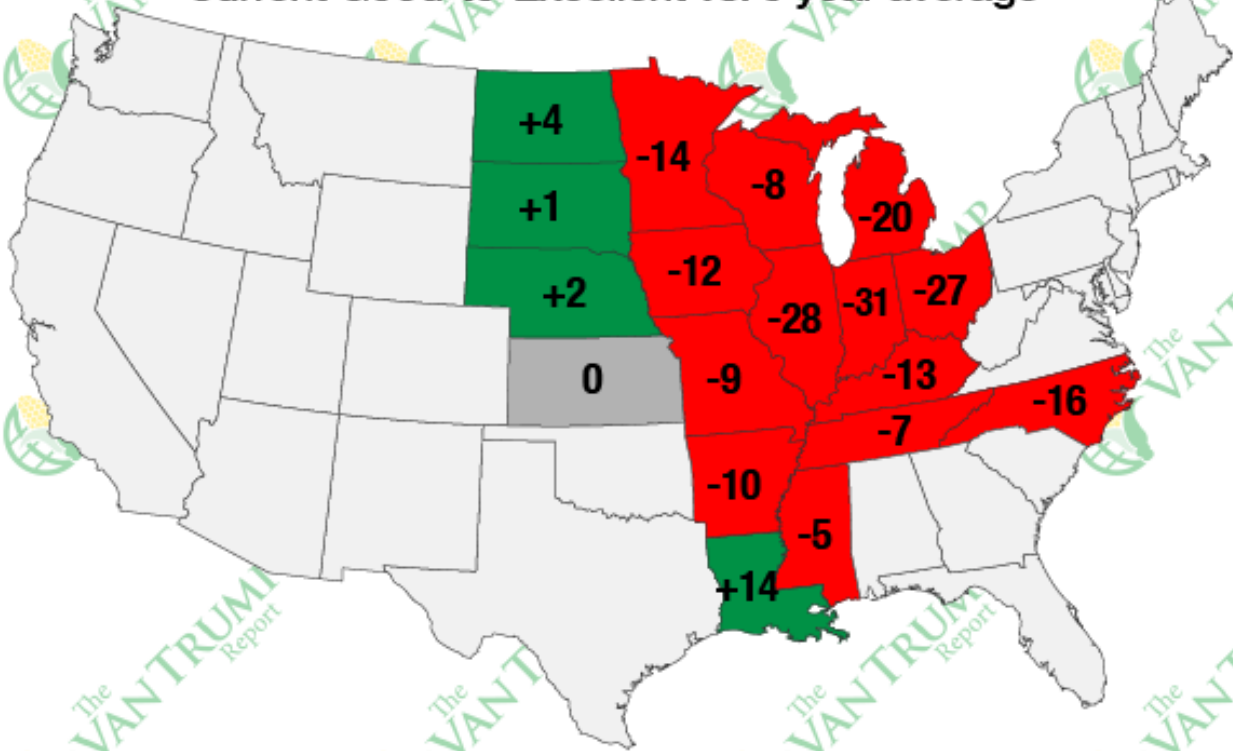
trade negotiations and late-finishing weather. I'm looking for a wild ride the next two weeks...

U.S. Soybean Good-to-Excellent

September 8, 2019

[Week 36]

Current Good-to-Excellent vs. 5 year average



Soybean % Good-to-Excellent

	2017	2018	5-yr avg	This Week	Change vs LW
Arkansas	68	63	62	52	-5
Illinois	57	79	69	41	-5
Indiana	52	72	63	32	-1
Iowa	61	72	73	61	1
Kansas	49	56	55	55	2
Kentucky	75	77	72	59	-6
Louisiana	52	55	57	71	9
Michigan	53	63	62	42	-3
Minnesota	72	71	73	59	1
Mississippi	69	70	71	66	-2
Missouri	62	43	57	48	2

Nebraska	63	82	73	75	-4
North Carolina	69	63	64	48	-11
North Dakota	47	53	62	66	2
Ohio	56	79	61	34	-1
South Dakota	50	59	64	65	6
Tennessee	79	69	76	69	-6
Wisconsin	77	77	78	70	0
Total	60	68	66	55	0

Soybeans Setting Pods vs 5-year Average				
State	8-Sep-19	5-year Average	Difference	Acres Behind the 5-yr
Illinois	90	99	-9	894,600
Indiana	84	99	-15	805,500
Ohio	89	100	-11	458,700
Iowa	94	98	-4	365,200
Missouri	84	91	-7	352,100
Nebraska	94	100	-6	297,000
South Dakota	91	99	-8	276,800
Wisconsin	85	98	-13	231,400
Kansas	89	94	-5	227,500
North Dakota	96	100	-4	226,000
Michigan	89	98	-9	154,800
Arkansas	97	100	-3	79,500
Kentucky	87	91	-4	67,600
Mississippi	97	99	-2	33,400
Tennessee	95	96	-1	14,700
North Carolina	93	90	3	45,900
Louisiana	100	100	0	-
Minnesota	99	99	0	-
Total	92	99	-7	5,071,500

Wheat bulls are talking about a more substantial cut in the Australian production estimate. ABARES reduced its Aussie estimate down to 19.2 MMTs vs. the USDA's current 21.0 MMT estimate. Keep in mind, Australia's 10-year production average is just over 25.5 MMTs. I don't view this reduction as any big surprise to the market considering 2/3rds of Australia has been battling extremely dry conditions

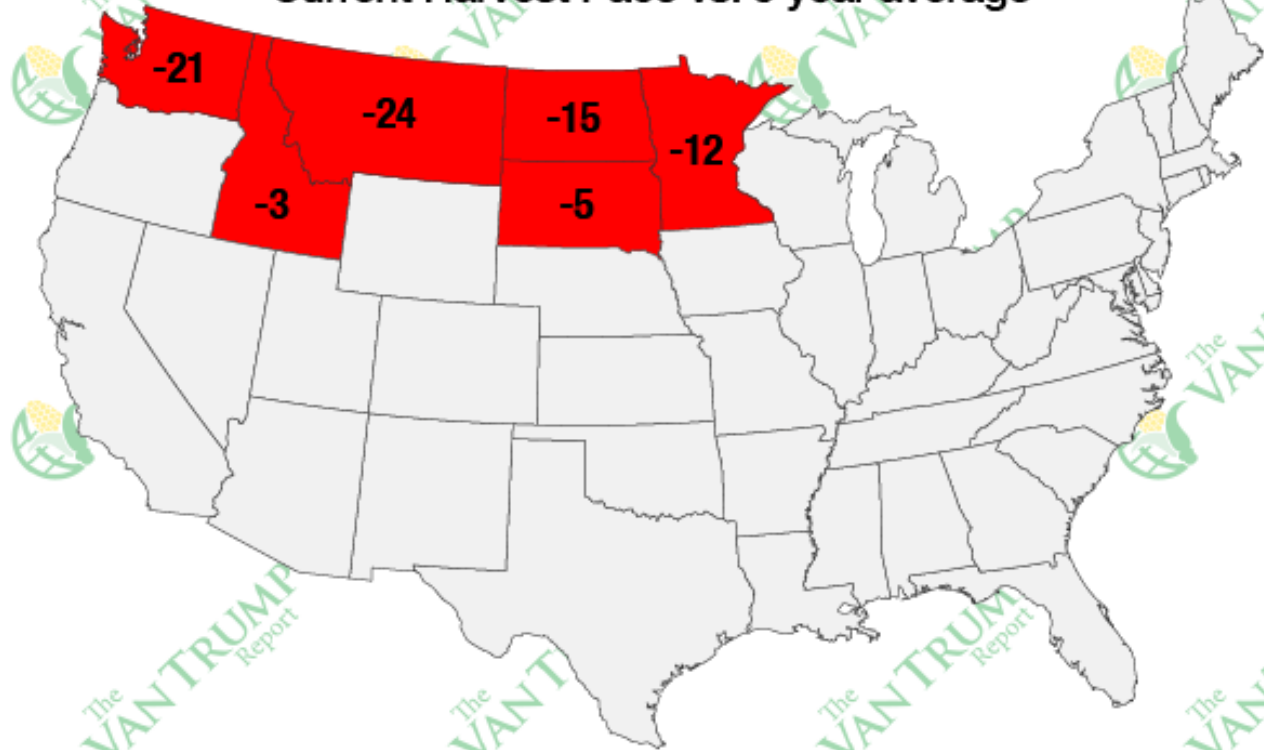
for weeks. We should also remember that Australia produced just over 17 MMTs last year. In other words, I'm not viewing this a game-changing. Here at home the spring wheat harvest moved along at a good clip last week jumping +16% to 55% now complete. The largest producing spring wheat state of North Dakota has now harvested 68% vs. 83% last year; Montana 62% vs. 86%; Washington is 74% harvested vs. 95% last year; Minnesota 78% vs. 90%. Unfortunately, bears continue to point to overall lack of U.S. demand. Saudi Arabia was once again a buyer of Black Sea and European Union wheat, with U.S. suppliers mostly an after thought. Technically, there's some talk that if we can breakout above a few of the longer-term moving averages perhaps we can start to build a more bullish story. The 100-Day and 200-Day Moving Average in the DEC19 SRW wheat contract sits just above \$5.00 per bushel. The 100-Day in DEC HRW wheat is up at \$4.57 level, the 200-Day is up at the \$4.80 level. The 100-Day moving average in Spring wheat is up near the \$5.48 level, the 200-Day is all the way up near \$5.63. In other words, these technical hurdles that need to be cleared are still a long ways away. I'm not biting as a bull just yet, still staying patient!

U.S. Spring Wheat Harvest

September 8, 2019

[week 36]

Current Harvest Pace vs. 5 year average



U.S. Spring Wheat Harvested

	2017	2018	5-yr avg	This Week	Change vs LW
Idaho	95	87	88	85	16
Minnesota	97	99	90	78	13
Montana	97	85	86	62	16
North Dakota	94	93	83	68	16
South Dakota	99	100	96	91	12
Washington	93	90	95	74	13
Total	95	92	87	71	16

U.S. Production 2019/20

(million bushels)

Corn	September Estimates	Avg. Trade Estimate	Range of Estimates	August Estimates	Last Year
Production	???	13,557	12,617 - 14,003	13,901	14,420

Yield	???	166.7	162.0 - 171.5	169.5	176.4
Soybeans	September Estimates	Avg. Trade Estimate	Range of Estimates	August Estimates	Last Year
Production	???	3,578	3,430 - 3,735	3,680	4,544
Yield	???	47.2	45.5 - 49.0	48.5	51.6

U.S. Grain Ending Stocks 2019/20

(million bushels)

	September Estimates	Avg. Trade Estimate	Range of Estimates	August Estimates	Last Year
Corn	???	1,936	1,482 - 2,269	2,181	2,360
Soybeans	???	660	535 - 797	755	1,070
Wheat	???	1,015	909 - 1,066	1,014	1,102

U.S. Grain Ending Stocks 2018/19

(million bushels)

	September Estimates	Avg. Trade Estimate	Range of Estimates	August Estimates	Last Year
Corn	???	2,399	2,180 - 2,515	2,360	2,140
Soybeans	???	1,050	993 - 1,084	1,070	438

World Ending Stocks 2019/20

(million tonnes)

	September Estimates	Avg. Trade Estimate	Range of Estimates	August Estimates	Last Year
Corn	???	302.1	292.7 - 310.0	307.7	328.6
Soybeans	???	100.5	89.6 - 119.0	101.7	114.5
Wheat	???	285.8	283.0 - 288.1	285.4	275.5

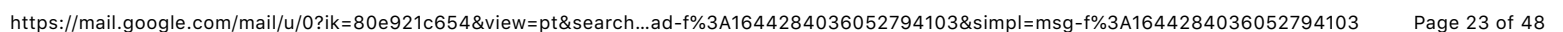
World Ending Stocks 2018/19

(million tonnes)

	September Estimates	Avg. Trade Estimate	Range of Estimates	August Estimates	Last Year
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Corn	???	329.4	328.5 - 332.3	328.6	340.4
Soybeans	???	114.3	113.0 - 115.9	114.5	99.1
Wheat	???	275.7	275.0 - 276.9	275.5	281.9

Cash Fed Cattle markets were much softer last week as attitudes continue to suffer and leverage between cattle feeders and packers is challenging to say the least. Volumes of cattle traded last week was larger than the previous week and might be some indication that the short-term marketing situation is not as backed up as it was. Cattle trading for out front delivery bounced to the highest levels noted so far this summer. Continuing to remain current and take advantage of stronger than normal basis will be vitally important to not creating a problem later in the year. As we start this week, the sentiment for cash is not overly optimistic and Oct19 LC futures already have a decline priced in. The weekly comprehensive beef report was lower on money and volume. Actually, total beef volume moved during this past holiday week was much lower than average and lowest in the last few years. Having said that show lists for cattle to be sold this week were smaller and the kills continue to come in strong. News to start the week was a bit unsettling. China has reportedly approved multiple plants to export protein from Brazil. This is an indirect impact at this point and is likely more of a psychological barrier than anything else. On an unrelated matter, some reports indicate that a KS beef packer is experiencing some mechanical and cooler issues that is hampering production to some degree for a short time this week. If history is any indicator, this market will bottom when the news and attitudes are at their worst. Futures started the week on a softer tone. To some degree the previously mentioned cash trade and concerning news may have played a role in this. Additionally, CME raised LC and FC margins as of the close on Friday. The increased capital requirements certainly could have been the last straw for some traders. New lows were put in today for spot LC and the technical setup is oversold. Those that are friendly are pointing out the historically cheap prices and wide packing margins as well as nearing seasonal lows to the summer/fall. Bears are following the trend and looking for additional downside stemming from packing capacity constraints, awful sentiment and potential for additional selling as a result of uncertainty. Trey Warnock - [Amarillo Brokerage Company](#)





> WHIP+ Signups Begin September 11: *U.S. Secretary of Agriculture Sonny Perdue today announced that agricultural producers affected by natural disasters in 2018 and 2019, including Hurricane Dorian, can apply for assistance through the Wildfire and Hurricane Indemnity Program Plus (WHIP+). Signup for this U.S. Department of Agriculture (USDA) program will begin Sept. 11, 2019. More than \$3 billion is available through the disaster relief package passed by Congress and signed by President Trump in early June, building on its predecessor program, the 2017 Wildfire and Hurricane Indemnity Program (2017 WHIP) that was authorized by the Bipartisan Budget Act of 2018. WHIP+ will be available for eligible producers who have suffered eligible losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only). Disaster losses must have been a result of hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires that occurred in 2018 or 2019. Also, producers in counties that did not receive a disaster declaration or designation may still apply for WHIP+ but must provide supporting documentation to establish that the crops were directly affected by a qualifying disaster loss. More information is available from [USDA](https://www.usda.gov).*

> Philippines Now Confirming African Swine Fever: *The Philippines has reported its first cases of African swine fever, becoming the latest country hit by the disease that has killed pigs from Slovakia to China, pushing up pork prices worldwide. The Philippine outbreak began with the identification of infected pigs in*

two towns near the Philippine capital, Manila, and authorities have culled more than 7,000 pigs within a 0.6-mile radius, said the agriculture minister, William Dar. He said the country was not facing an epidemic and urged Filipinos to continue eating pork, which is a critical market and accounts for 60% of meat consumption in the Philippines. Authorities suspect the swine fever cases stemmed from backyard hog raisers who feed pigs "swill", leftover food scraps from hotels and restaurants. The ministry added the virus could also be traced to smuggled frozen meat and returning overseas Filipino workers who brought back infected meat products. (Source: The Guardian)

> China Plans Subsidies for Large Pig Farms to Boost Output: China's state planner said on Monday it will issue subsidies of up to 5 million yuan (\$700,000) to support the construction of large-scale pig farms in the latest measure to promote pig farming after a devastating disease ravaged the hog herd. China's state planner said on Monday it will issue subsidies of up to 5 million yuan (\$700,000) to support the construction of large-scale pig farms in the latest measure to promote pig farming after a devastating disease ravaged the hog herd. The move comes as official figures show China's hog herd, the world's largest, has shrunk by almost a third since a year ago, after deadly African swine fever swept across the country. Many people believe the losses to be much higher, however, at about half the herd. Pork prices began rising sharply in June in response to the reduced supplies, reaching a fresh record last month, and Beijing has warned that they will go higher, threatening to become a serious concern for low-income consumers. (Source: Reuters)

> China Clears 25 Brazil Meat Plants For Export: China granted export licenses to 25 Brazilian meatpacking plants, Brazil's Agriculture Ministry said on Monday. Brazil's Agriculture Ministry said the plants - including 17 for beef exports, six for chicken, and one each for pork and donkey meat - "can already export immediately." China is Brazil's largest export market for beef, chicken and pork, with demand surging since last year as an African swine fever outbreak has decimated China's pig herds. Brazilian pork exports to China soared +48% in the first eight months of the year, according to Brazil government statistics, while beef exports to China are up +17% and chicken exports rose soared +37%. The expanded opportunity in China comes as Brazil's meatpackers face tougher scrutiny from markets such as Europe over how a boom in cattle ranching has contributed to deforestation and fires in the Amazon rainforest and other sensitive habitats. (Source: Reuters)

> Brazilian Miners Block Grain Transportation Route: Small gold miners that have been working on illegal pits in the Amazon rainforest blocked an important road for grains transportation in Brazil's Para state on Monday, protesting a crackdown by the government, police said. The miners, mostly habitants of Moraes Almeida, a district in the Itaituba municipality that is at the center of an

environmental crisis due to widespread fires in the forests surrounding it, blocked the BR-163 federal road. The road is used by commodities traders to transport soybeans and corn from Mato Grosso farms to a port at the Tapajós river in Para. The police said miners were protesting recent raids from Brazil's environmental defense teams that led to seizure and destruction of equipment found in protected areas inside the forests, where mining activity was going on. The miners want the government to stop those raids and halt destruction of equipment. They have also asked the government to legalize some mining areas in the region that would enable small miners to work. (Source: Reuters)

> China Ramped Up Its Gold Reserves By +5% In August: *Gold has risen 18% since January as investors around the world have been looking to the precious metal as political uncertainty has weighed on markets. Part of the reason is that China has added 100 tons of gold to its reserves since December. Gold's rise, which has come in line with the ever escalating US-China trade war, is a major sign that investors are worried about the state of the economy. Traders plowing into bonds and gold show that investors are scrambling to assets seen as safe havens in times of turbulence. Gold currently is at its highest since February 2013 showing the effect the trade war has had on the metal's rise, as well as central banks around the world have been cutting interest rates to try and fight economic slowdown. (Source: Business Insider)*

> Why Gallup Is Tracking World Happiness: *Before society shaking events like Brexit vote, Arab Uprisings, and the Euromaidan Revolution, the economy in the United Kingdom, Egypt, and Ukraine had been rising steadily. If you were looking simply at GDP, those places would have seemed unlikely locations for big moments of unrest. But, clearly, there are many metrics at work besides broad economic numbers. As the saying goes (sort of), money can't buy social well-being. To better spot what can and why that matters, Gallup just launched its Global Happiness Center. The new online hub shares findings around the well-being numbers Gallup has been gathering for the past 13 years. The hub will incorporate the group's existing global emotions map that helps people click on different positive or negative emotional experiences to see where they're most prevalent around the globe. Learn more [HERE](#).*

> America's #1 University Now Comes With A \$293,000 Price Tag: *On Monday, U.S. News & World Report released its annual ranking of the best colleges and universities in America — and once again, Princeton landed the top spot. It was followed by Harvard, Columbia, Massachusetts Institute of Technology and Yale. The analysis looks at 1,400 colleges and universities and ranks them on student outcomes such as graduation rates; faculty resources like class sizes; expert opinion from fellow educators; alumni giving and student excellence such as incoming student SAT and ACT scores. Princeton scored highly on a number of measures, including a student-faculty ratio of just 5-to-1, a high graduation rate of*

98%, and a high alumni giving rate of 59%. But it also comes with a high sticker price: upwards of \$73,450 a year, which could — if you graduate in the expected four years — hit over \$293,000 total. The good news: Many students and their families don't have to pay full sticker price. One reason: "Princeton has a generous financial aid policy," U.S. News' chief data strategist Robert Morse tells MarketWatch. What's more, Princeton has one of the lowest levels of debt for graduates of any university, with just 4% of graduates graduating with debt at a median level of just \$7,500. Read more [HERE](#).

> **"Volfefe Index" Tracks Market Impact Of Trump's Tweets:** Analysts at JPMorgan Chase have created an index to quantify the market impact of having such a prolific presidential presence on Twitter. Dubbed the "Volfefe Index," a tongue-in-cheek reference to President Trump's since-deleted "covfefe" tweet from 2017, the gauge indicates that the president's tweets have a statistically significant effect on Treasury yields. The president has produced more than 10,000 tweets since taking office, and the count of market-moving missives has increased in recent weeks, averaging more than 20 tweets and retweets per day, up from five in early 2017, the JPMorgan Chase analysts found. More tweeting by Mr. Trump means more opportunities for tweets that move markets, although only some of them actually do. The ones that have the biggest sway on the market focus on trade and the Federal Reserve, and J.P. Morgan says they often include the words "China," "billion" and "great." You can learn more [HERE](#).

> **Are Kids Really So Fragile? What Trigger Warnings Get Wrong:** Jonathan Haidt, the Thomas Cooley Professor of Ethical Leadership at New York University's Stern School of Business and best-selling author, has a new book out, "The Coddling of the American Mind: How Good Intentions and Bad Ideas Are Setting Up a Generation for Failure." He co-authored the book with Greg Lukianoff, the President and CEO of the Foundation for Individual Rights in Education (FIRE) and also a best-selling author. Haidt sat down for an interview with Next Big Idea Club Editor Jeremy Price to discuss why free speech and healthy debate are under threat, and what steps we can take to create an emotionally and intellectually resilient society. It's a long read but it's definitely worth your time. Check it out [HERE](#).

> **University of Tennessee Turns Bullied Kid's Homemade Shirt Into Official Merch:** Laura Snyder, an elementary school teacher in Florida, shared on Facebook the story of one of her students who wore a homemade shirt to support the University of Tennessee's football team for the school's college colors day. The student was excited to wear a bright orange shirt (the official color of the Tennessee Volunteers) and came to school with a hand-drawn "U of T" logo done by the student pinned to the front. But, according to Snyder, the student was bullied by others who mocked the DIY design. Noting it's hard to get a Volunteers

shirt in Florida — home territory of one of Tennessee's biggest rivals, the University of Florida Gators — Snyder reached out for help via her Facebook page and the University of Tennessee came through, sending the student a giant care package of merchandise. But even more awesome is the new shirt the school made based on the student's original design. Not only are they now selling the shirt but proceeds are going to an anti-bullying group. Check out the full story [HERE](#).

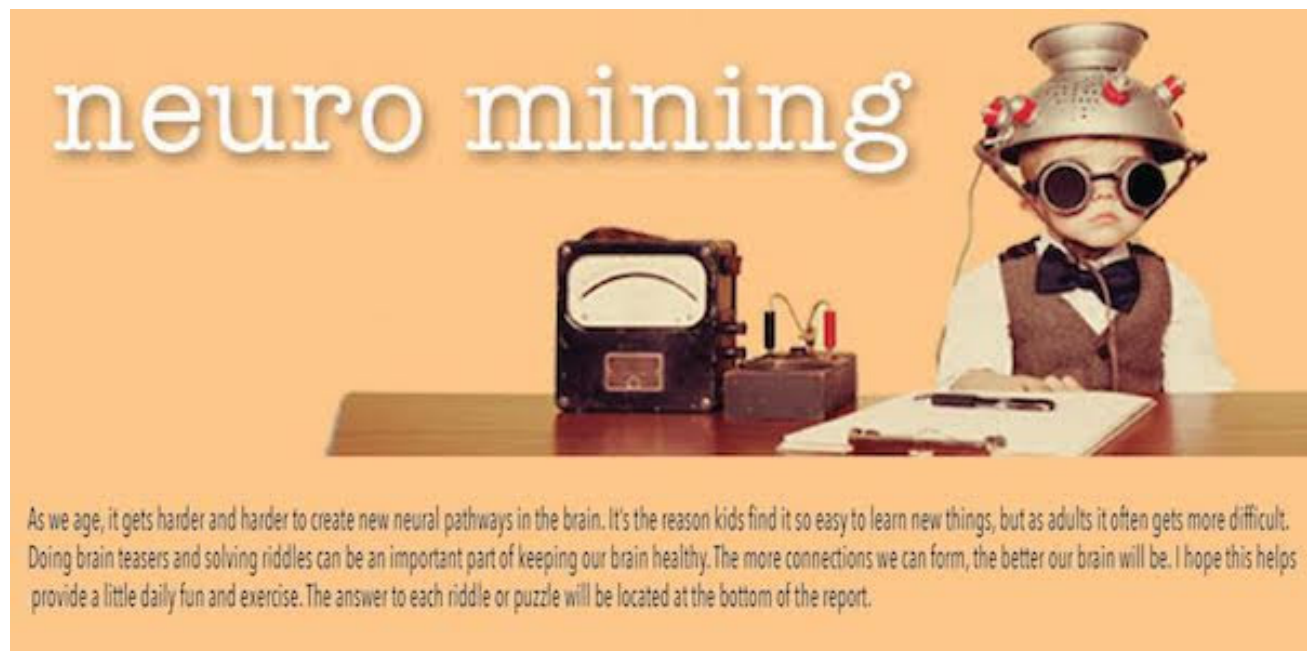




Northern Minnesota – *I took the long way home from northern Minnesota and wanted to let you know what I have seen as I passed through the state. Most of the corn in the central and southern part of the state does not have that lush green color. It looks as if there was significant nitrogen loss through leaching. As we travelled into the southern part of the state there was significant wind damage in quite a few fields. The weather has been a major factor in the state of Minnesota and that's an obvious observation from the road in my opinion.*

Northeast North Dakota – *I wanted to provide you a quick update of what's happening in our area. There were many, many combines harvesting very wet wheat over the weekend. I was hearing moisture as high as 20%. The logic behind the wet harvest was simple, the weather is going to get more wet and cooler. Today we are sitting at about 55 degrees at 1 PM and the rain is coming. I heard the rain totals will be between 2-4 inches of by the weekend. We don't get above 60 degrees until Saturday and Sunday. While we do not warm up, we don't get below 45 degrees either, so we will not be freezing.*

North Central Kansas – *Started picking some of my shorter season corn this weekend. The corn is 95-day corn and it's making 170 bushels per acre. We usually expect it to make between 150-170 bushels per acre. This corn was planted in roughly late April to early May, depending on the field. We were actually seeing some bottom ground making 230-300 bushels on the monitor. That was only a small portion and not really what we worry about since the average is 170 bushels per acre.*



TODAY'S RIDDLE: I live off of a busy street if you want you can stay for an hour or two, but if you don't pay rent I'll tell on you. What am I?



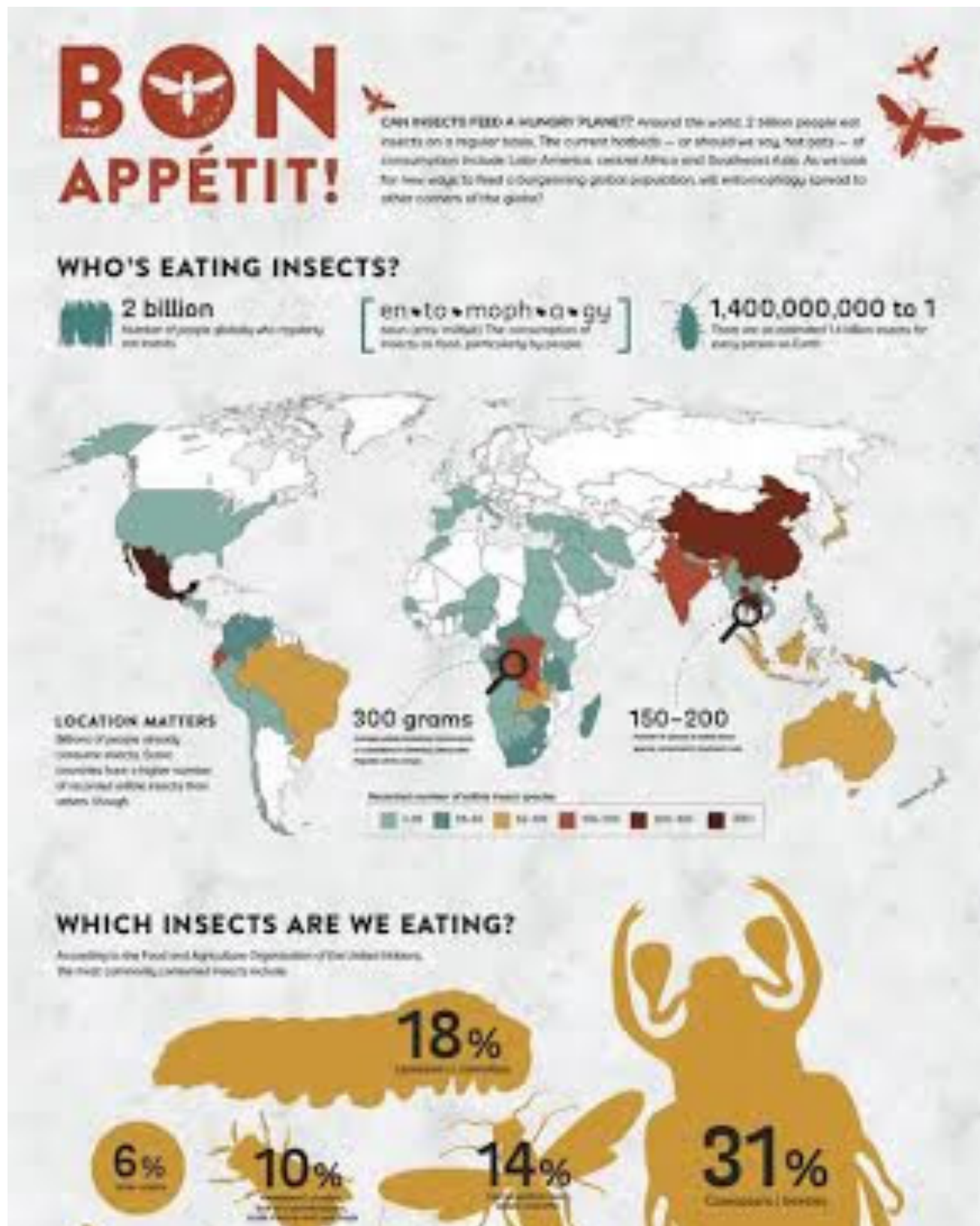
NEW Study Could Change Consumer Perception of Eating Insects

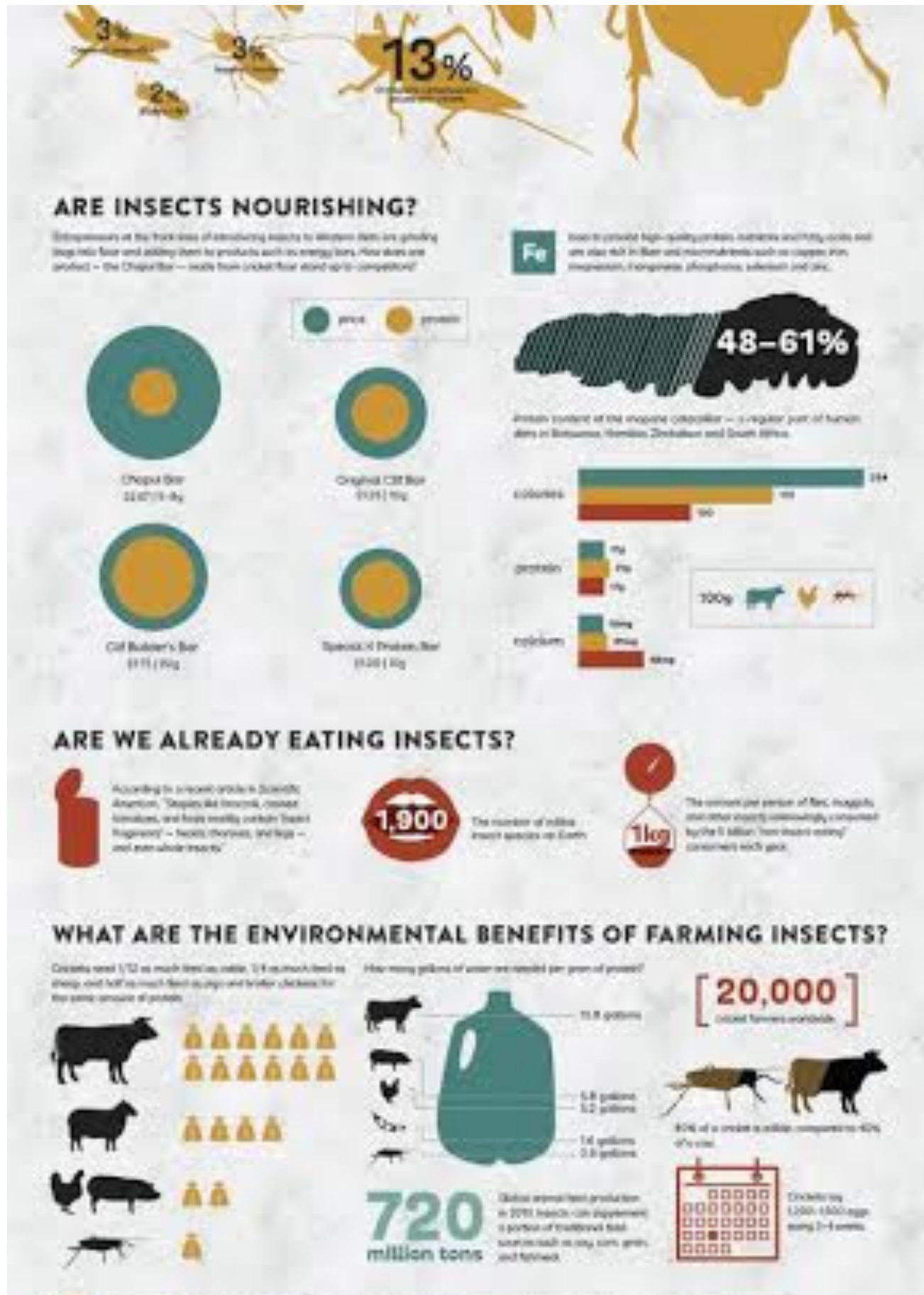
Italy's University of Teramo has concluded that water-soluble extracts of edible grasshoppers, silkworms and crickets have an antioxidant capacity five times greater than fresh orange juice. Although many people still find the practice of eating bugs repulsive, this study could push reluctant consumers to give it a try. And let's not forget, this isn't the first study to show the positives of eating bugs. According to the FAO, insects contain proteins, minerals, vitamins, and fatty acids and are regularly consumed by at least +2 billion people around the world.

Study results could have significant implications for the insect industry as more data pours into the benefits of eating them, and researchers are also hoping it will shift consumer perceptions. Not only that, but the environmental benefits are also on the table, along with their sustainability as a food source, something which is becoming more and more important to consumers when shopping. Interestingly, Westerners seem to be the last to resist eating bugs, while at the same time we're quick to down slippery oysters, stinking cheese and hot dogs made of entrails unknown. Keep in mind, a mere 70 years ago, most in the rural communities never considered eating frozen meals, but the war changed that. I suspect we are not that far away from circumstances that will lead to changes in our eating habits as well, be it bugs or not.

Companies like Chirps, Bitty Foods and Exo aren't having a problem selling crickets to the Americans who spent over \$55 million on foods containing insects in 2017. Whether a relatively high antioxidant level will change anyone's mind about eating grasshoppers, silkworms and crickets will be seen as news of the study spreads. Just keep in mind, the North American Coalition for Insect Agriculture estimates the industry will reach \$1.2 billion in market worth by 2023, meaning as negative perceptions start to ease, this could be a lucrative area for producers looking to

diversify or create additional revenues. Learn more about the industry from a former insect farming CEO [HERE](#). (Source: fooddive, usatoday, livinghistoryfarm, nytimes)







What's All the Fuss About a "Recession"?

Considering how much fear the term "recession" can inspire, it's actually a rather ambiguous term. In fact, the way a recession is gauged doesn't even have a fixed "definition of economic activity." That's according to the agency responsible for declaring that the economy is in recession - the National Bureau of Economic Research.

Perhaps the term is more bark than bite! Since 1854, the U.S. has "officially" had 33 recessions, the most recent being the Great Recession that began in 2007 and lasted until mid-2009. It was considered the most significant downturn in U.S. economic history behind only the Great Depression that began in 1929. Those that were old enough know that it was brutal and its effects were long-lasting. Keep in mind, there's a huge difference between the word "recession" and the word "depression".

Interestingly, the definition of a "depression" is "a sustained, long-term downturn

that lasts several years." Again, rather ambiguous. The most widely used definition of a recession is "two consecutive quarters of negative economic growth as measured by a country's gross domestic product (GDP)." For the sake of comparison, the Great Depression saw GDP contract nearly -10% with the unemployment rate reaching as high as 25%. The Great Recession's worst GDP decline was -2.5% with unemployment pushing to only 10%.

Most countries put a great deal of effort into trying to predict and, where possible, head-off recessions. There is no single way of predicting these downturns, but economists generally look to a combination of things. The first is "leading indicators", which include the ISM Purchasing Managers Index, Conference Board Leading Economic Index, and overall Consumer Confidence. Investors and economists watch these for early warning signs. Then there are regularly scheduled data series like Housing Starts and New Orders. Changes in these data may slightly lead or move simultaneously with the onset of a recession, in part because they are used to calculate the components of GDP. What are called "lagging indicators" are used to confirm an economy's shift into recession, such as a rise in unemployment.

Probably the most difficult thing about recessions (aside from living through one!) is determining the cause. Some economic theories pin them on structural shifts in industries, such as a sudden and sustained spike in oil prices that spreads across the overall consumer economy. Other theories explain them as dependent on financial factors, such as the overextension of credit and financial risk during an expansion period. The U.S. Mortgage Crisis that preceded the Great Recession is a great example. Psychology-based theories of recession tend to look at the excessive exuberance of a preceding boom followed by deep pessimism or depression on the slightest economic pullback. If this depressed or worried feeling starts to spread amongst all consumers it can become a self-fulfilling prophecy and actually trigger a recession. Lots to think about... But overall, perhaps we are more fearful about a "recession" than we should be. They are an inevitable part of all economies. (Sources: NBER, BLS, Investopedia)



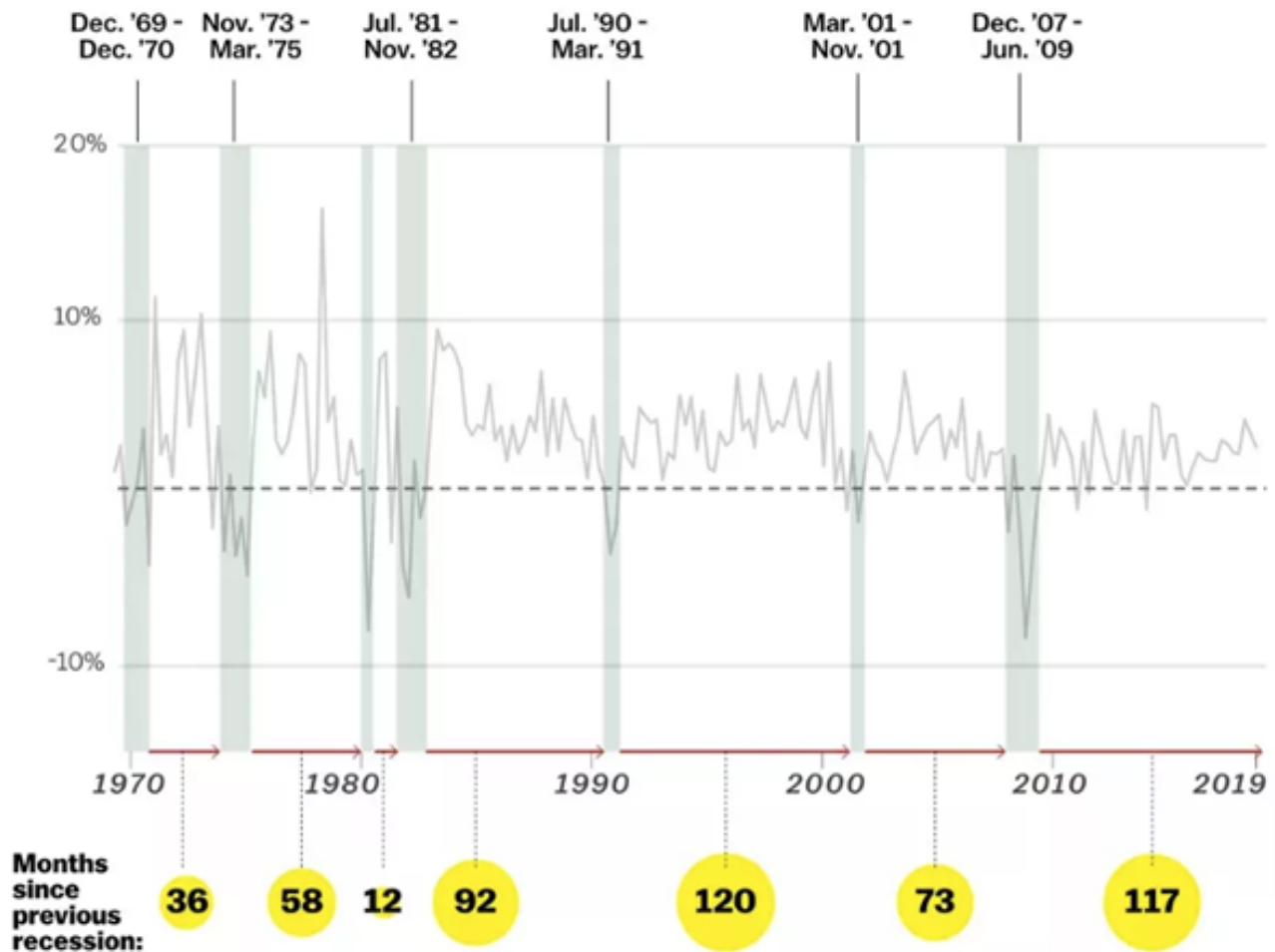
It's a recession when your neighbor
loses his job; it's a depression when
you lose yours.

— *Harry S. Truman* —

AZ QUOTES

Recent US economy recessions

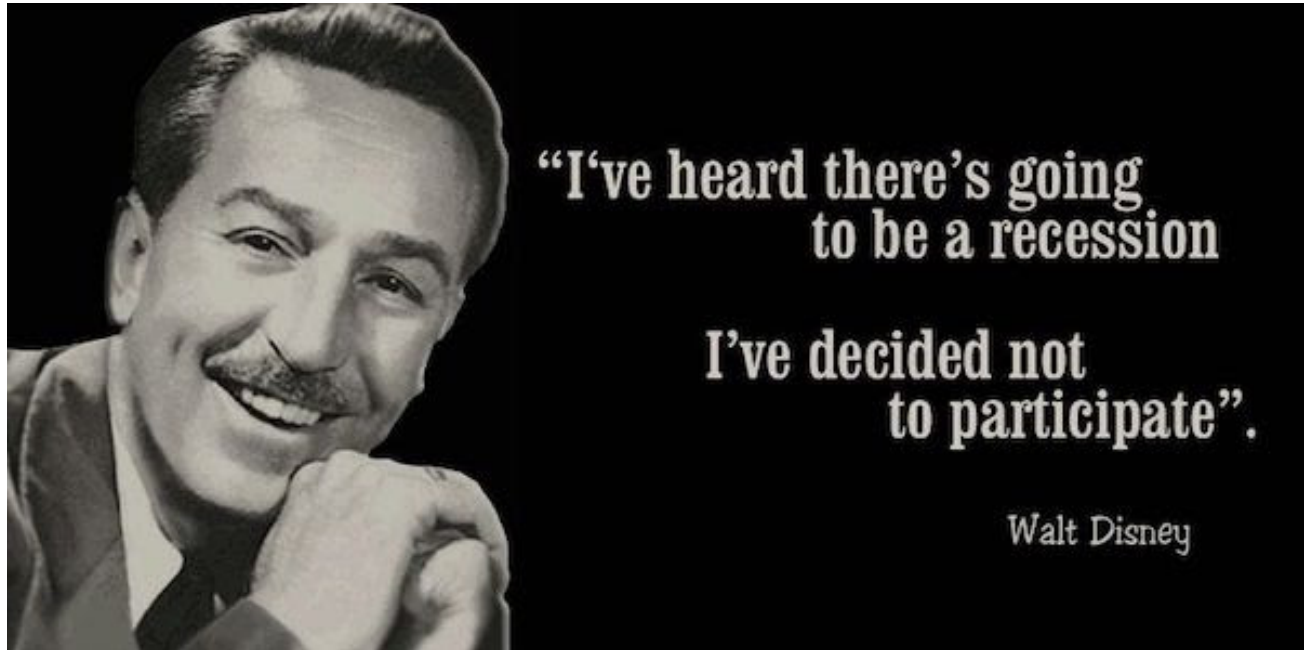
Real GDP, percent change from preceding period



Source: FRED, US Bureau of Economic Analysis, Nber.org

Vox

Vox/Javier Zarracina



Worth the Read... You'll Live Longer!

A famous quote from the Dalai Lama goes "Choose to be optimistic, it feels better." While it's my personal experience that that is a true statement, there is new evidence showing a sunny outlook can also help you live longer. A recent study released in the Proceedings of the National Academy of Sciences finds that "exceptional longevity" is intimately linked to optimism.

"Exceptional Longevity" is defined as living to age 85 or older, a milestone that is becoming more common around the world thanks to technological advances. But researchers aren't simply curious to know how to extend life, they are looking at what makes for a long AND happy life. The search for that answer gave them surprising insights into the power of positive thinking.

Countless studies have been conducted to gauge how food, exercise, and lifestyle impact human longevity, but this study focuses solely on one's state of mind. Lead author Lewina Lee, Ph.D., an assistant professor of psychiatry at Boston University School of Medicine, who worked on the study, says their findings indicate optimism can be used as a "psychosocial resource" that can promote "healthy and resilient aging."

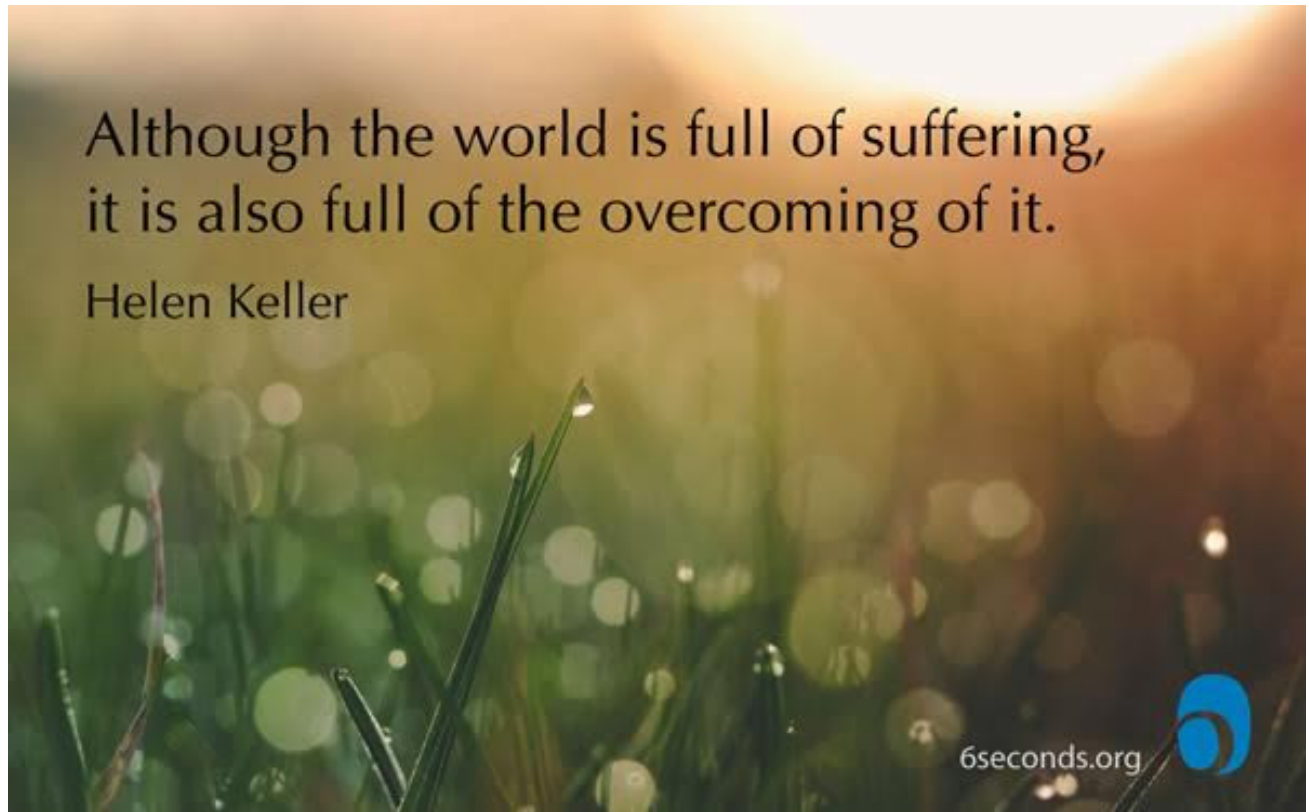
The study used two existing groups of people recruited for different studies. Their overall health was assessed along with their levels of optimism. On average, the most optimistic men and women had an 11-15% longer lifespan and were significantly more likely to live to 85 compared with the least optimistic group. What's more, people with higher levels of optimism were less likely to report serious health conditions such as type 2 diabetes as well as mental health problems.

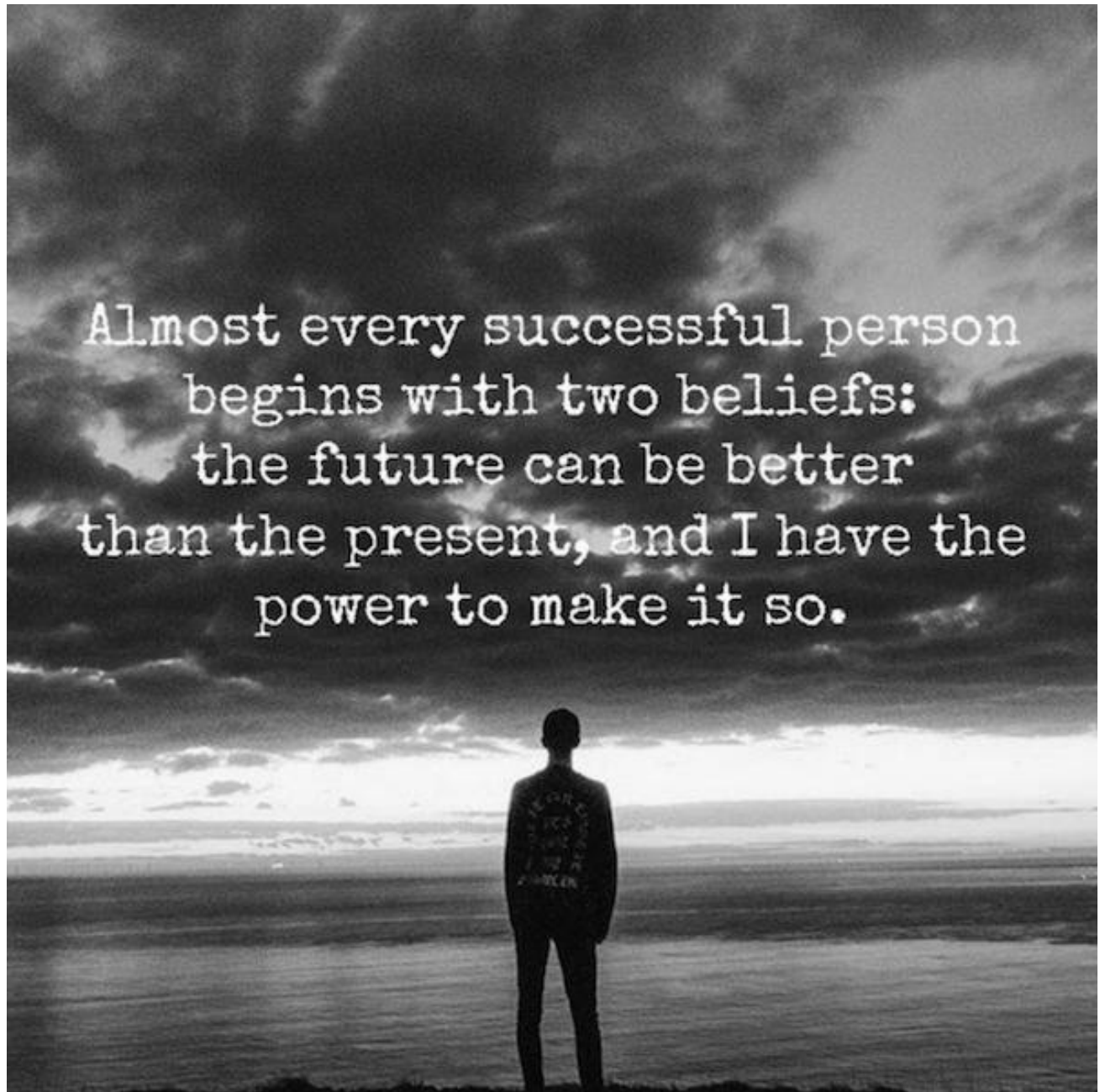
One of the most surprising findings was that even after adjusting for health conditions such as heart disease and cancer, and habits like smoking and alcohol use, the association with increased longevity still persisted. Meaning even optimistic people suffering from disease or engaging in activities directly associated with shortened lifespans have higher chances of living longer than their pessimistic counterparts.

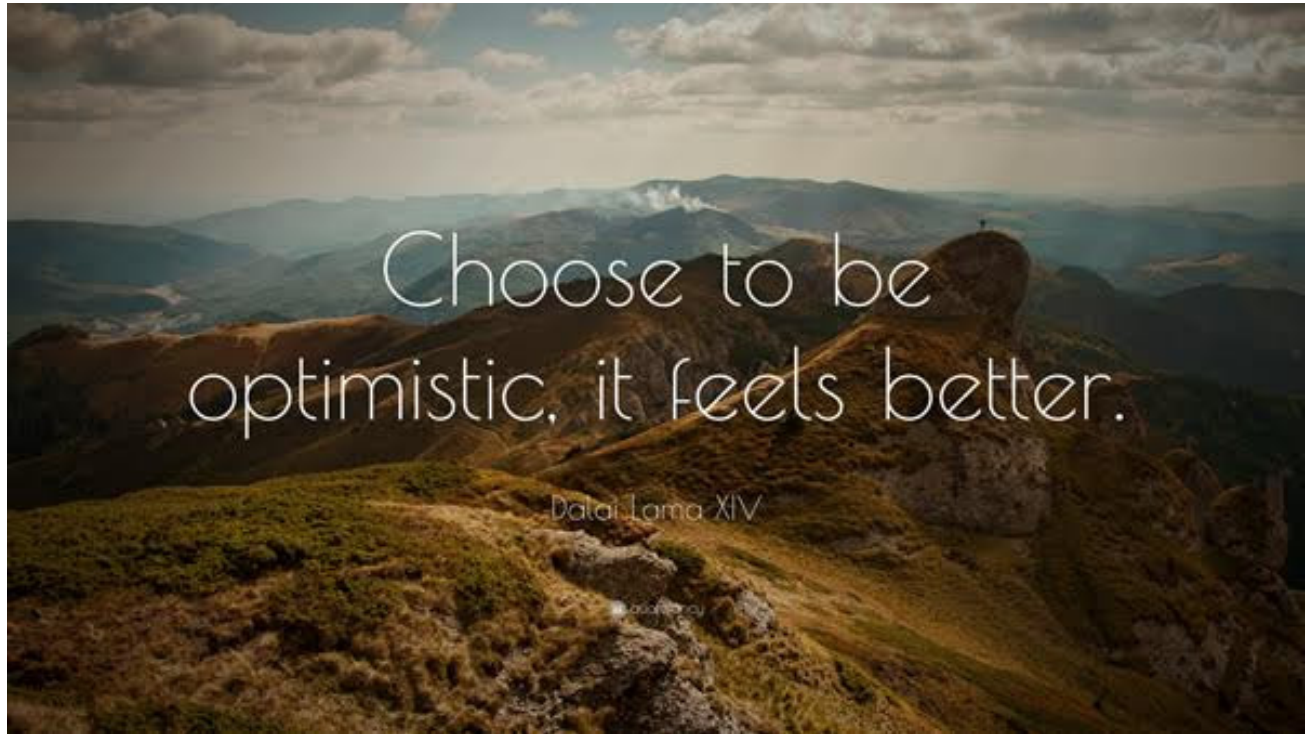
This study backs up several others that also suggest "nonbiological factors" have a strong influence on a person's survival, although no one really understands why. Some theories point to optimistic personalities being better able to cope with stress. Professor Bruce Hood, who runs a course called "The Science of Happiness" at the University of Bristol, explains, "A number of studies have also linked stress with shorter telomeres, a chromosome component that's been associated with cellular aging and risk for heart disease, diabetes, and cancer." Stress also negatively impacts the human immune system, so optimists may be better equipped to deal with infections.

For those out there with less positive personalities, research shows that it's possible to train your brain to be more optimistic. Personality psychologists describe optimism as a generalized expectation that good things will happen. No matter what, there are trying times that we all go through when an optimism boost can help. Psychological research conducted over the past five years or so has shown the value of one effective and easily adoptable intervention to boost optimism - Visualize your best possible future self as vividly as possible. Psychologists call it the "best possible self" visualization. In simple terms, it involves generating vivid images of positive events occurring in the future with you in the center of them. Here's how the exercise works, from Psychology Today:

When you have a few minutes of free time, envision yourself in the future that has turned out to be the best of all possibilities (and somewhat feasible). In this future, you have reached all the goals you had set for yourself, you have climbed the pinnacle of your dream career, you have found the soul-mate and love of your life, you are in peak physical shape, you have friends who are trustworthy and caring, and so on... You get the picture. Visualize what such a future will be like using as much detail as possible. Afterwards, you should write down the thoughts that come to your mind. I know it sounds crazy, but it practiced somewhat religiously it helps calm the mind and ease the stress. It was actually a hard exercise for me to complete the first time I tried it! I found my mind was constantly spinning, worrying about the negatives and trying to solve problems. It's as if I had almost forgotten how to relax my mind and enjoy happy thoughts. I challenge everyone to work on this during these difficult economic times. (Sources: Inverse, BBC, Psychology Today)









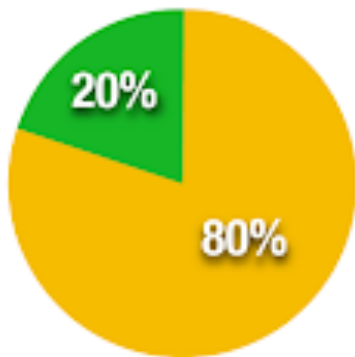
ANSWER to riddle: A parking meter.

CASH SALES & HEDGING TOTALS

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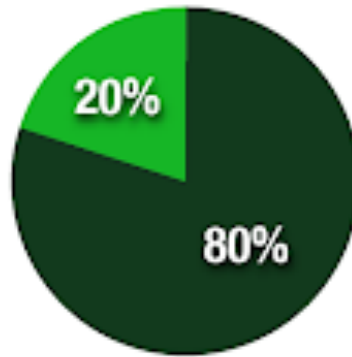
Corn 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



Soybean 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



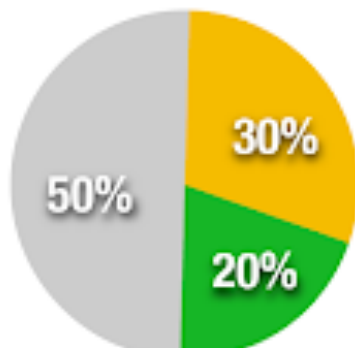
Wheat 2018 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED



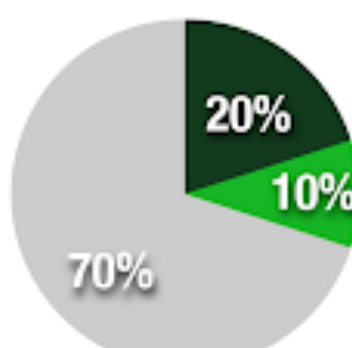
Corn 2019 Crop

30% SOLD
20% HEDGED
50% UNPROTECTED



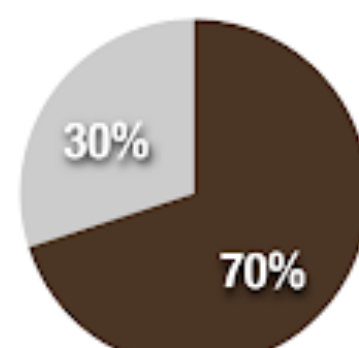
Soybean 2019 Crop

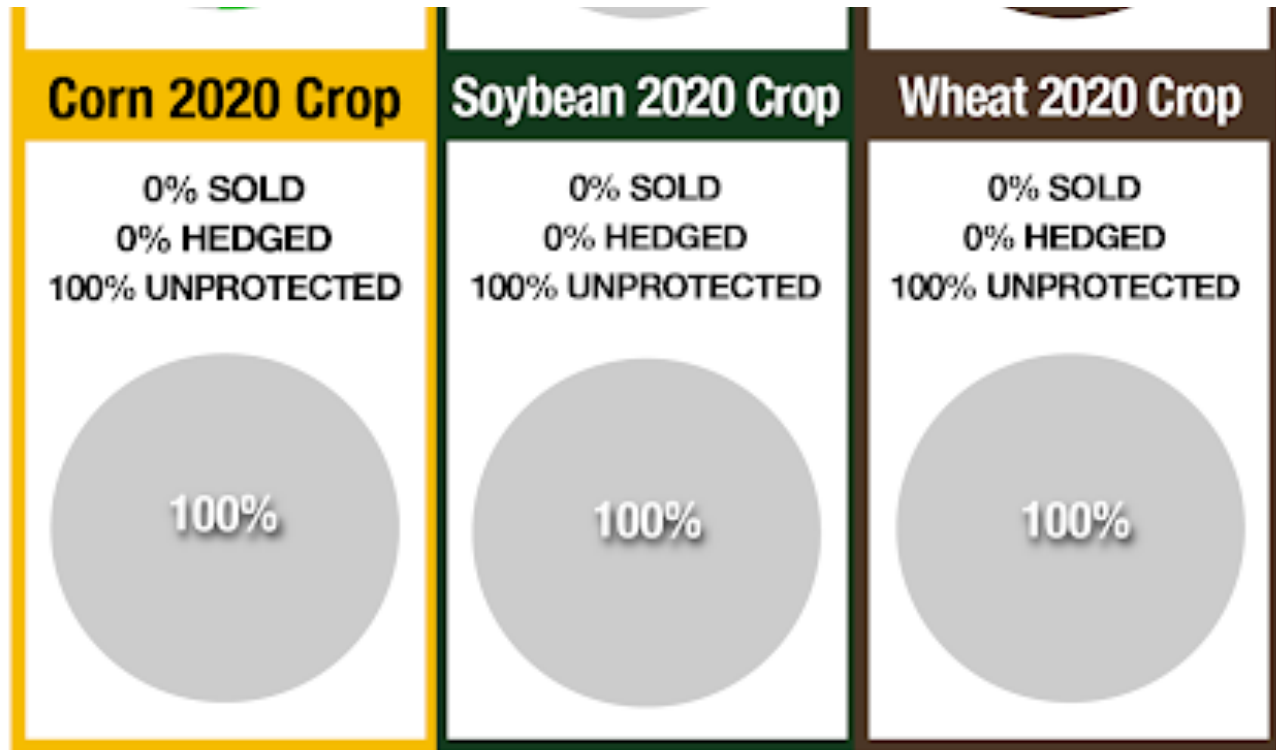
20% SOLD
10% HEDGED
70% UNPROTECTED



Wheat 2019 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED





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