



FARMCON <josh@farmdirection.com>

Fwd: GOOD MORNING: Van Trump Report 9-20-19

1 message

Mark Hendershott <mark@farmdirection.com>
To: Drew Durham <josh@farmdirection.com>

Fri, Sep 20, 2019 at 8:29 AM

----- Forwarded message -----

From: **The Van Trump Report** <reply@vantrumpreport-email.com>
Date: Fri, Sep 20, 2019 at 5:30 AM
Subject: GOOD MORNING: Van Trump Report 9-20-19
To: <mark@farmdirection.com>

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"A successful man is one who can lay a firm foundation with the bricks others have thrown at him." - **David Brinkley**

Friday, September 20, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock traders remain cautious as stocks hover near all-time highs amid a landscape of uncertainty surrounding trade and geopolitical issues. One surprising market has been crude oil, which is on track to end the week with only modest gains despite the attacks on Saudi Arabia last weekend that effectively knocked out 5% of the world's oil supply. There were some renewed

jitters yesterday over doubts about how quickly Saudi Arabia's production could recover. According to a report circulating, Saudi Arabia is searching for crude supplies to satisfy demand needs and has asked Iraq for as much as 20 million barrels of crude to supply its domestic refineries, although Iraq denies the request. Saudi Arabia's Abqaiq oil processing facility, which was hit in the weekend attack, said on Wednesday it had recovered to 41% of capacity or to 2 million barrels per day and Aramco said crude processing at Abqaiq will return to the pre-attack level of about 4.9 million barrels per day by the end of the month. Geopolitical tensions seem to be rising as well, with Iran's foreign minister that any U.S. or Saudi strike on his country in response to Saturday's attack would lead to "all-out war." The warning seemed unprompted as U.S. and Saudi Arabia officials have both been pretty quiet about the attack and the ongoing investigation. Turning to Washington, Wall Street hasn't been bothered by much of the goings-on in the capital lately but it's good to know lawmakers are making some progress on preventing a government shutdown. The House passed a seven-week stopgap funding bill that maintains current funding levels through November 21. It now needs approval from the Senate and President Trump before September 30. There is no significant economic data due out today but three Fed officials are scheduled to deliver speeches. They include New York Fed President John Williams, Boston Fed President Eric Rosengren, and Dallas Fed President Robert Kaplan. Rosengren is the only one of the three that voted against the Fed's interest rate hike this week, opting instead to leave rates unchanged. Today also brings Baker Hughes oil rig count, which will be of heightened interest since the Saudi Arabia bombing this past weekend and the ensuing geopolitical tensions that have been rising. Last week's count came in at 733, which was a drop of 5 from the previous week. Looking to next week, Fed officials will be out in full force with 10 officials scheduled to deliver speeches. Economic data for the week will include PMI Flash on Monday; the S&P CoreLogic Case-Shiller Home Price Index, the FHFA House Price Index, Consumer Confidence, and Richmond Fed Manufacturing on Tuesday; New Home Sales on Wednesday; the final estimate for 2nd quarter GDP, International Trade in Goods, Pending Home Sales, and Kansas City Fed Manufacturing on Thursday; and Durable Goods Orders, Personal Income and Outlays, and Consumer Sentiment on Friday. Investors will also be anxious to see some progress on trade negotiations between the U.S. and China, as well as the USMCA (NAFTA replacement). President Trump has said that a limited trade agreement has been reached between the U.S. and Japan, so traders will also be hoping to hear more details surrounding that. The two sides have previously said they expected to sign a formal agreement on the UN General Assembly in New York, which kicks off next week. No word yet on whether that is still part of the plan. I'm wanting to be extremely cautious these next 30-days... We've had the Fed rate cut and more improved and optimistic headlines regarding trade negotiations. I'm worried that if the Fed turns less dovish and the upcoming Chinese trade negotiations don't result in a deal the market could easily feel overvalued and bulls a bit disappointed. Remember, October can historically be a

rough month for the stock market. I like the thought of playing strong defense.



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Kevin Van Trump, CEO of Farm Direction

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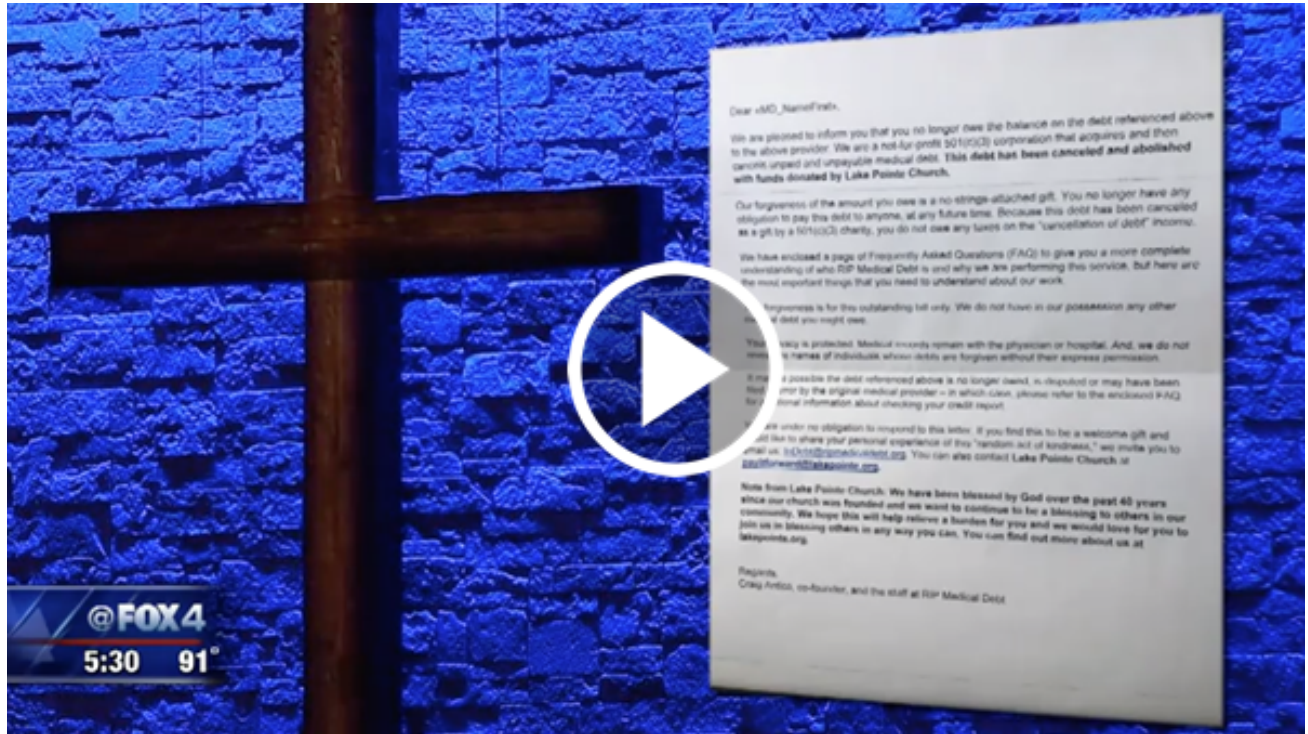


August Home Sales Rise To Highest Level In Over A Year: *August was the strongest month for sales of U.S. homes in nearly a year and a half, sparking fresh hope that a protracted slump in the housing market may finally be starting to reverse. Sales of previously owned U.S. homes rose +1.3% in August from July to a seasonally adjusted annual rate of 5.49 million, the National Association of Realtors said Thursday. The August gain, which came after July marked the first year-over-year uptick in 17 months, strengthened the case that some of the lowest mortgage rates of the past 50 years may at last be luring more buyers back into the market, economists said. For months, they have grappled with why ultralow borrowing rates, strong employment and rising wages have failed to spark more home buying. Annually, sales in August were up +2.6%, the second month of growth following 16 straight months of declines. Purchases of previously owned homes account for most of U.S. homebuying. But significant headwinds remain. For one, the price of homes available for sale continues to rise. The median sales price in August was \$278,200, up 4.7% from a year ago, marking the 90th consecutive month of price increases on an annual basis. The number of homes available for sale meanwhile fell in August. The shortage has also been propping up prices, NAR's Yun said. Concerns that the*

U.S. economy might be headed for a recession and uncertainty about how trade disputes with China will affect the economy are also deterring some buyers, economists and realtors have said for several months now. Read more from [The Wall Street Journal](#).

Global Climate Strike Starts Today: *With world leaders about to gather in New York for a U.N. Climate Action Summit next week, millions of young people from Australia to Iceland will take off from school or work on Friday to demand urgent measures to stop environmental catastrophe. Protests, inspired by the 16-year-old Swedish activist Greta Thunberg, are planned in some 150 countries. The individual strikes are being organized and executed by young people in their own towns and cities across the world, much like last year's national school walkouts aimed at combating gun violence. The organizers' website shows events set for major cities like New York, Los Angeles, London, Berlin, Moscow and Hong Kong. Friday's global climate strikes are meant to include everyone, including adults and corporations. The hope is the strikes will show world leaders that it's not just young people who want climate change to be addressed. Some 400 companies have agreed to let workers take the day off to protests, with some even opting to shut down entirely. Big names shuttering their doors for all or part of the day include Patagonia and Ben & Jerrys. Workers from big tech firms like Amazon, Google, Facebook, Microsoft, and Twitter all have groups participating in the strike. (Source: Reuters)*

Families In Texas Will Get A \$2.7 Million Surprise: *Close to 2,400 families in two Texas counties will get a letter this week that will lift their hearts and also relieve their wallets. What that note will inform them, per FOX 4 News: that a Dallas-area church has raised enough money—almost \$2.7 million in total—to pay off all their medical debt. "We are pleased to inform you that you no longer owe the balance on the debt referenced above to the above provider," the letter from Lake Pointe Church reads. "Our forgiveness of the amount you owe is a no-strings-attached gift. You no longer have any obligation to pay this debt to anyone at any future time." The amazing act of kindness was purred by the church's celebration of its 40th anniversary and accompanying "Pay It Forward" campaign. The church, which collaborated with a medical debt company to bring down some of the amounts owed, will also get in touch with creditors to help restore credit for the families in Dallas and Rockwall counties who are trying to start over. "This week when everybody wakes up and they get the letter that says their debt has been canceled, we want them to know that we love them," Josh Howerton, the church's pastor, tells FOX 4. Check out more of the story [HERE](#).*



FARM TANK

Tweets of the Day





Steve Burns
@SJosephBurns



How have stocks done under each President is always a popular question.

Here are the results from the start of the Dow in 1896.

By @RyanDetrick

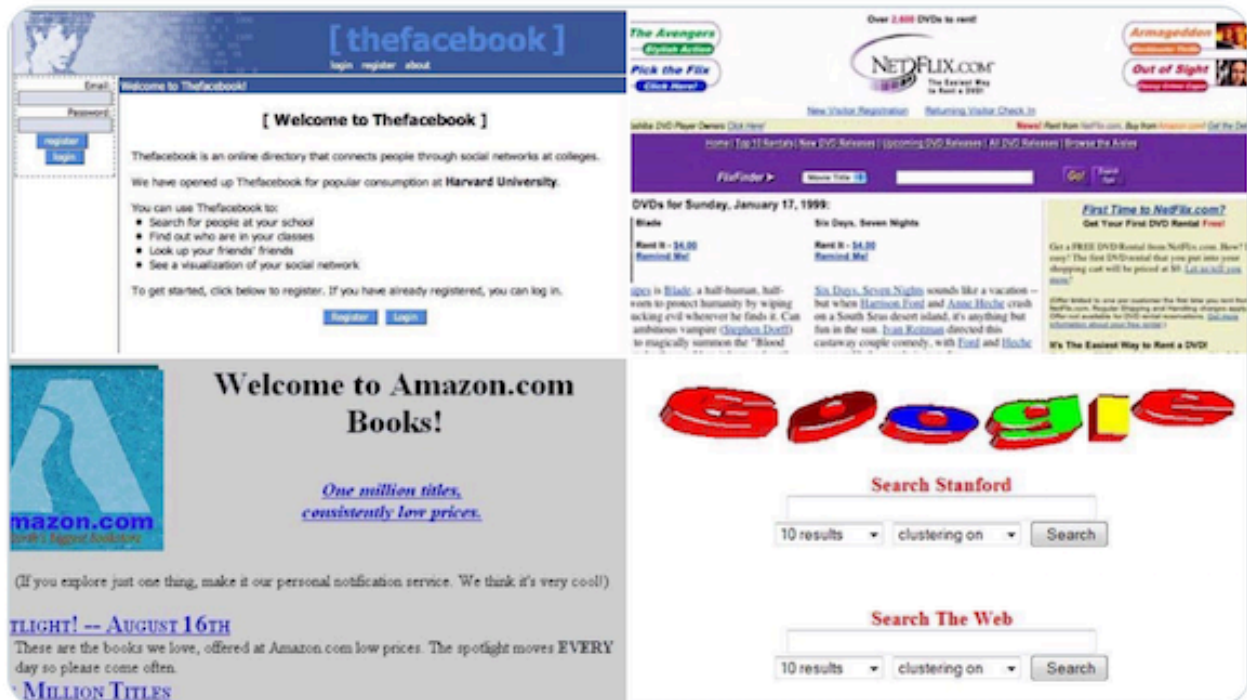
Returns Under Various Presidents Since The Inception Of The Dow				
Start	End	President	Dow Total Return	Dow Annualized Return
3/4/1897	9/14/1901	William McKinley	62.7%	11.3%
9/14/1901	3/4/1909	Theodore Roosevelt	21.6%	2.7%
3/4/1909	3/4/1913	William Taft	-1.3%	-0.3%
3/4/1913	3/4/1921	Woodrow Wilson	-6.9%	-0.9%
3/4/1921	8/2/1923	Warren G. Harding	17.4%	6.9%
8/2/1923	3/4/1929	Calvin Coolidge	255.9%	25.5%
3/4/1929	3/4/1933	Herbert Hoover	-82.8%	-35.6%
3/4/1933	4/12/1945	Franklin Roosevelt	194.4%	9.3%
4/12/1945	1/20/1953	Harry Truman	81.7%	8.0%
1/20/1953	1/20/1961	Dwight D. Eisenhower	120.3%	10.4%
1/20/1961	11/22/1963	John F. Kennedy	12.2%	4.1%
11/22/1963	1/20/1969	Lyndon Johnson	30.9%	5.3%
1/20/1969	8/9/1974	Richard Nixon	-16.5%	-3.2%
8/9/1974	1/20/1977	Gerald Ford	23.4%	8.9%
1/20/1977	1/20/1981	Jimmy Carter	-0.9%	-0.2%
1/20/1981	1/20/1989	Ronald Reagan	135.1%	11.3%
1/20/1989	1/20/1993	George H.W. Bush	45.0%	9.7%
1/20/1993	1/20/2001	Bill Clinton	226.6%	15.9%
1/20/2001	1/20/2009	George W. Bush	-24.9%	-3.5%
1/20/2009	1/20/2017	Barack Obama	149.4%	12.1%
1/20/2017	8/28/2019	Donald Trump	30.0%	10.6%



Jon Erlichman ✓
@JonErlichman

Early websites for tech companies

Facebook (2004), Netflix (1999),
Amazon (1995), & Google (1997):





Chris Solick
@ChrisSolick



2018 - combined 104 days after we started seeding

2019 - 143 days since seeding and at last [#harvest19](#) is finally underway.





Kelsey VanOverbeke
@kelseyvano9



Grower sent this to me....pretty much speaks for itself
🙄 #scout19 #plant19 #harvest19 #isitoveryet19



Glenn Randall, CCA
@fama_il



There are days when I just feel so lucky to do what I do. Today is one of those days. We finally got started south of Pana this afternoon. Yields are absolutely shit but I'm thankful to be out here. I'm also thankful I didn't catch my dryer on fire like my neighbors #harvest19





Ag More Than Ever ✓

@AgMoreThanEver



Happy #Harvest19



Instagram/ashmann5





Inspirational Quotes
@QuoteILoveU



true love isn't found it's built. #Quote



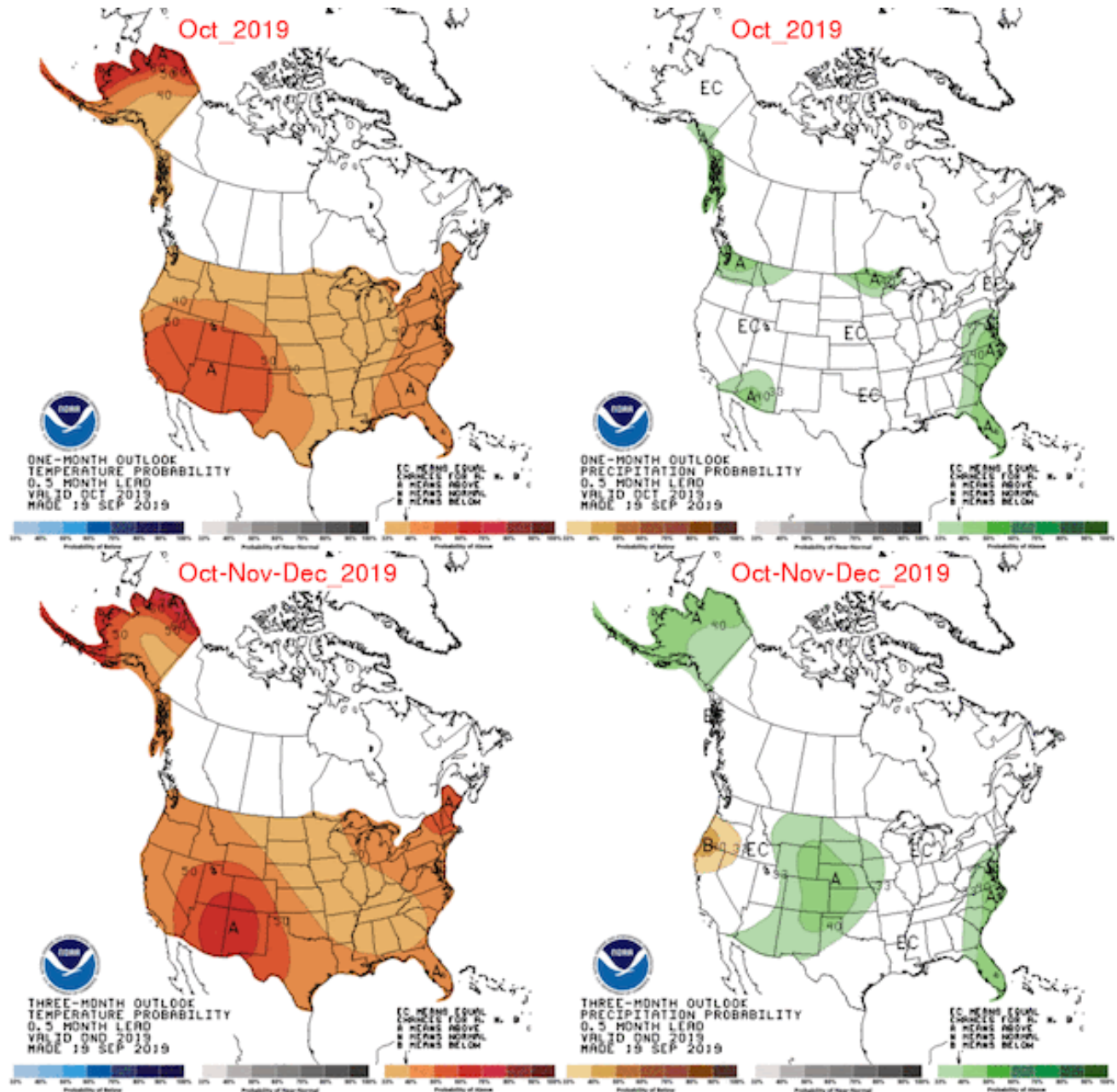
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October - November - December Forecast

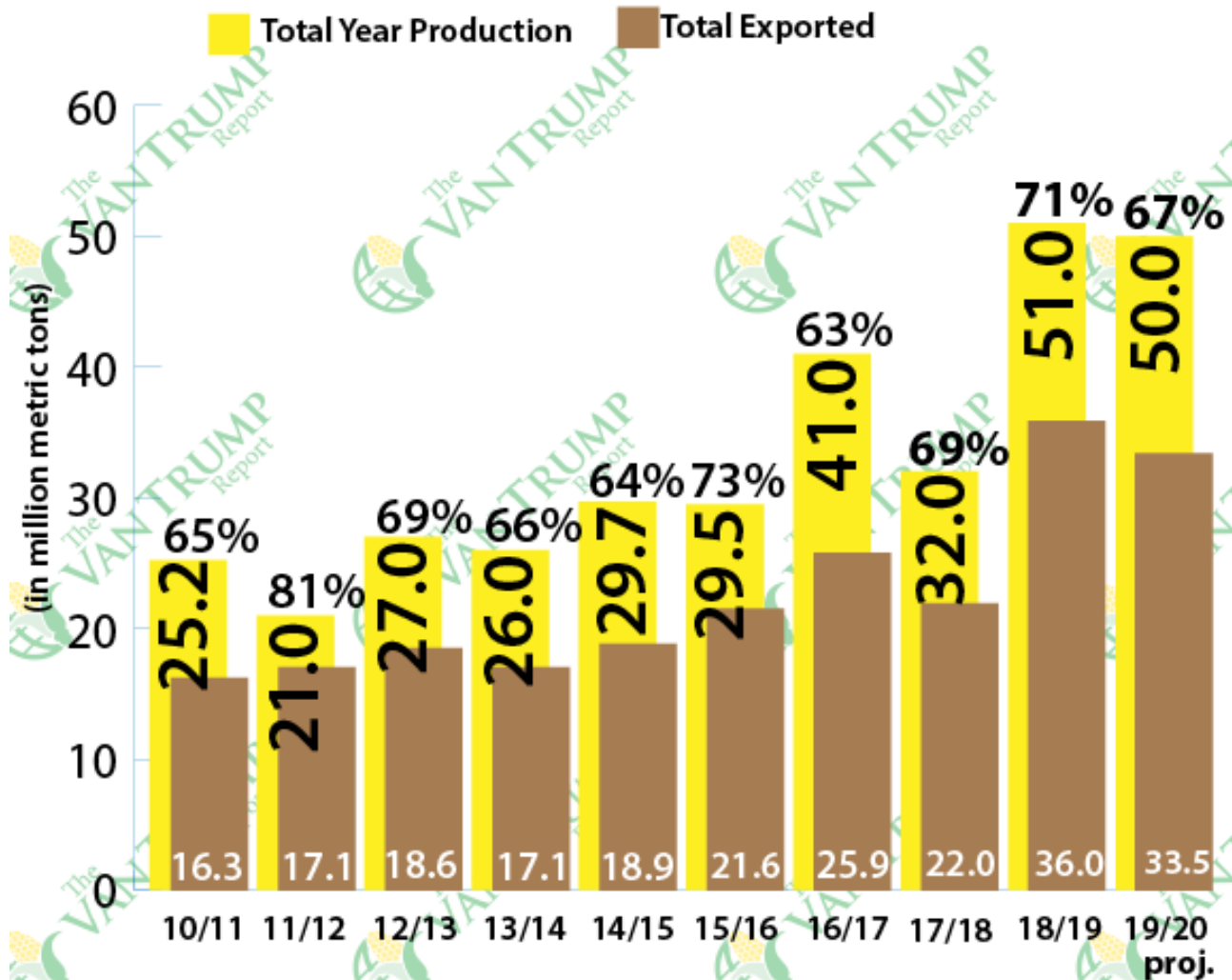


Corn remains mostly in a sideways channel without much of a nearby story. Bulls are hoping the USDA will deliver a more optimistic view in the October report. Personally, I don't see that playing out! As of late, U.S. weather has been highly cooperative and the most recent extended forecast is calling for warmer than normal temps during the next three months. Meaning many late-planted fields will have more time to mature and fill. This makes it hard for me to imagine the USDA will be making any type of serious yield reduction in the October report. If we want to more heavily debate harvested acres, those details might not be fully uncovered or disclosed until the yearend report scheduled for release in January. Technical traders argue we are stuck in a range. Bulls would like to see the DEC19 corn

contract close back above the \$3.80 level before they get more excited. On the flip side, bears are wanting to see the market re-test the lows set just above \$3.52 per bushel back during the first part of September. Longer-term, I feel like the range could widen out to \$3.20 on the downside and perhaps \$4.20 on the upside. As a producer, I want to be paying very close attention if we can breakout above the \$3.80 level. I'm hoping this will provide us an opportunity to make a few more cash sales and reduce a bit more risk! Without a widespread U.S. weather story, the trade will look towards South American crop conditions and overall demand as two primary points of interest. As of right now, forecasters are calling for improved rainfall and moisture for most of the dry parts of Brazil and Argentina. Will there be enough moisture to satisfy the crop longer-term? That will be the big question. As for demand, the spreading of African Swine Fever remains a concern. Keep in mind, South Korea has recently reported multiple cases of ASF and they are one of our main buyers of U.S. corn. If their hog herd gets decimated it could certainly spill over into weaker feed demand.

Argentina Corn % Exported

(out of total production)

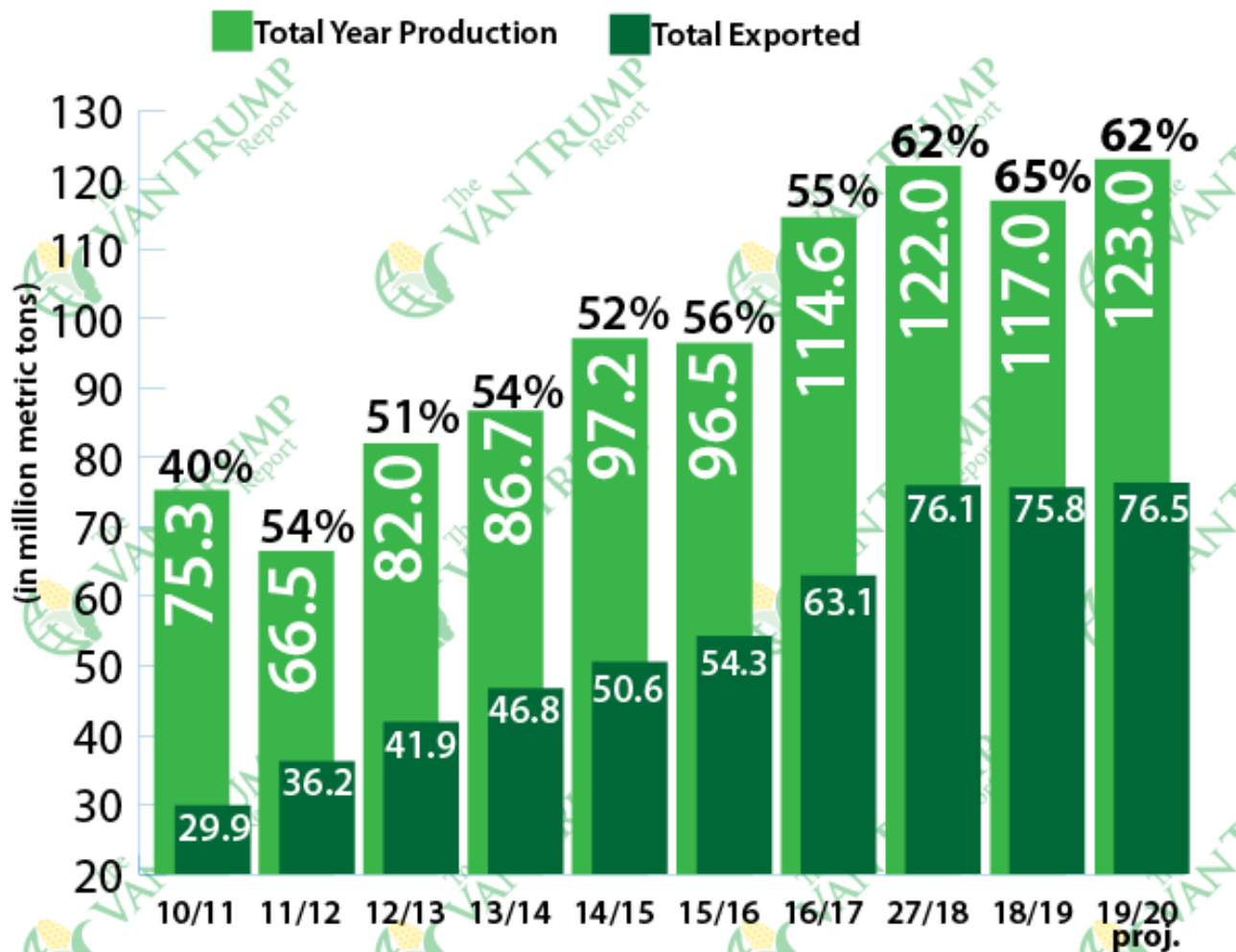


Source: USDA, FAS, PS&D, September, 2019

Soybean bears are talking about mostly cooperative weather in the forecast and the fact it should help the crop finish more favorably. Bulls are holding out hope for increased buying from the Chinese and some weather hiccups ahead for South America. Technically, traders are still talking about stiffer resistance on the charts for the NOV19 contract up between \$9.05 and \$9.20 per bushel. I still see downside support in the \$8.40 to \$8.50 range. As a producer, those who need to move cash bushels in the next 30 to 60-days should be paying very close attention. If we can catch a few positive trade headlines in early-October that might be your best opportunity. As a spec, I continue to hold a small bullish

position but looking to bank profits and exit on the next leg higher. Don't really see any reason to add to my current length at this time. Also a bit hesitant to play the short side of the market with the Chinese wild-card in play. I'm just not 100% sure how the algo's and computer-based trading models are going to score an ag trade deal between the U.S. and China if one occurs? It just makes me nervous being short beans sub-\$9.00. That might ultimately be the right play, especially if South American weather cooperates and African Swine Fever continues to wreak havoc on the global hog herd.

Brazil Soybean % Exported (out of total production)



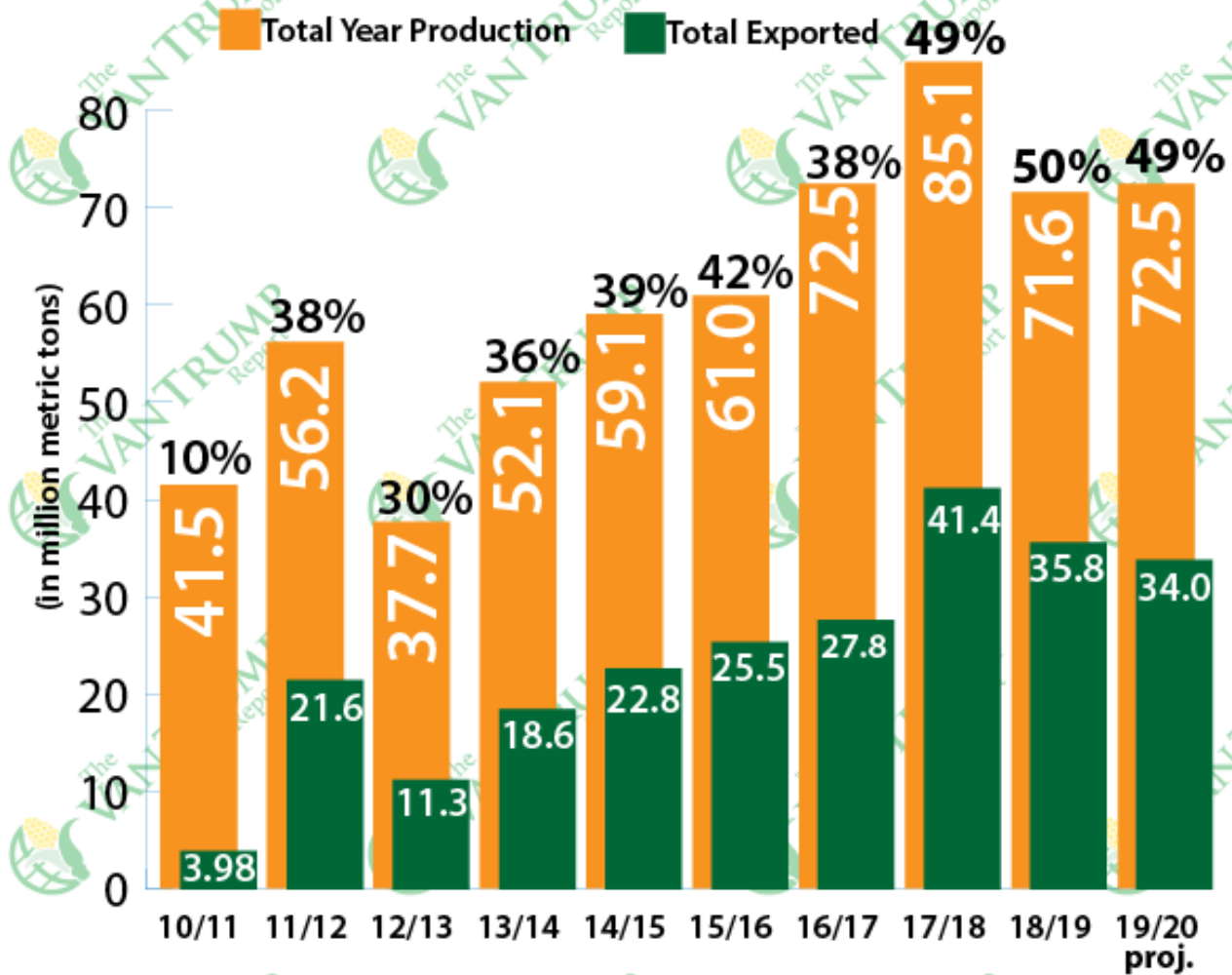
Source: USDA, FAS, PS&D, September, 2019

Wheat bulls are happy to see Minneapolis spring prices make fresh multi-week

highs, bouncing back up to levels not seen since early to mid-August. Unfortunately, there's some fear the short-covering might be over for SRW and HRW contracts, which means fresh new bullish bets will need to come into the marketplace to keep prices moving higher. Finding that type of bullish catalyst in this type of over-supplied environment is why I'm worried the current rally could be short-lived. The U.S. dollar is strong and the funds continue to hold a bearish tone towards the macro space which also adds some headwinds to the oversupplied domestic and global balance sheet. If we could catch a more serious weather-related story out of the Black Sea region, European Union, or North America perhaps we would have a chance of enticing more bullish bets and more heavy money-flow on the buy-side. I continue to keep a close eye on dry conditions, but am not holding my breath, as the bears will need to see profounding evidence. If we weren't so over-supplied the trade would have a much quicker trigger finger on weather-related headlines and concerns, but that's just not the case. Producers needing to make more nearby sales should be paying very close attention as we could start to run into more serious technical resistance. At the same time, it might become tougher and tougher to find fresh new bullish interest without a major change in weather or the underlying macro landscape.

Russian Wheat % Exported

(out of total production)



Source: USDA, FAS, PS&D, September, 2019



> Dairy Margin Coverage Program Sign-Up Deadline Extended By One Week: *USDA Under Secretary Bill Northey says sign-up for the Dairy Margin Coverage program is being extended by one week. Northey told members of two House ag subcommittees yesterday morning that the deadline will be September 27th instead of September 20th, "Our FSA offices have and will continue to make the extra effort to make sure producers are aware of the approaching deadline. We made phone calls and sent out postcards and emails. Additionally, producer organizations and cooperatives have been important partners in sharing program information and deadlines and we'll continue to work with them to do so with this new deadline."* Northey told lawmakers that as of Wednesday, more than 21-thousand producers had enrolled in the DMC with about \$230-Million dollars paid. (Source: Brownfield News)

> House Bill Covers Trade War Mitigation Funding: *The stopgap funding bill passed by the House yesterday will reimburse the Commodity Credit Corporation for trade relief and other payments as of Sept. 17, so the agency doesn't breach its \$30 billion borrowing cap as it continues to send checks to farmers and ranchers. In order to address Democrats' concerns about the distribution of payments, the final language would require Agriculture Secretary Sonny Perdue, by Oct. 31, to submit a report to lawmakers itemizing payments made under the program since it started up last year, and projections for next year. The report is to include information on payments broken out by commodity and specialty crop*

— such as cherries, grapes, cranberries and various types of nuts. State-by-state information would be required as well. The provision would provide the CCC with roughly \$20.5 billion to make more payments under the so-called Market Facilitation program, congressional aides said, shy of the \$30 billion sought by the White House. The stopgap measure still needs approval from the Senate and the President. (Source: Roll Call)

> Chinese Trade Delegation To Visit U.S. Farm Regions Next Week: A Chinese delegation will visit American farm regions with U.S. officials next week in an effort to build goodwill amid ongoing trade negotiations, U.S. Agriculture Secretary Sonny Perdue told reporters on Thursday. "I think they want to build goodwill," Perdue said, adding that it was unclear where specifically they would visit. CNBC reported earlier on Thursday that the delegation, led by Vice Minister for Agriculture Qu Dongyu, would meet with agricultural producers and was planning visits to Bozeman, Montana and Omaha, Nebraska. U.S. and Chinese negotiators were meeting yesterday for their first trade talks in nearly two months. The discussions are expected to focus heavily on agriculture. (Source: Reuters)

> China Greenlights Eight Argentine Meat Plants For Beef Exports: China's customs office said on Thursday it had granted export licenses to some Argentine meat-processing plants. The customs office said in an email to Reuters it has made checks on meat exporters in the South American country recommended by the Argentinian government lately, but did not specify which companies were approved. Beijing approved seven Argentina poultry plants for exports to the world's top meat market last week, according to the Embassy of Argentina in Beijing. (Source: Reuters)

> Renewed Push To Let Mom-and-Pop Investors Buy Shares In Startups: There is a revived push to allow mom-and-pop investors to buy shares in private companies, something from which they have been generally prohibited. At issue is how a lot of startup value creation has become over-weighted to the private markets, with fewer gains being generated post-IPO. Amazon, for example, went public in 1997 with a market cap of just \$382 million. Google took the plunge 8 years later at a \$23 billion market cap, still just a fraction of its subsequent worth. Combined, the two companies raised less than \$100 million in venture capital — in a pre-cloud era of higher fixed IT costs. Today, 4 different startups announced \$100 million+ rounds. SEC chair Jay Clayton has regularly bemoaned how Main Street investors are being shut out of private capital formation, saying in a speech last week that his agency will "take a fresh look" at enabling retail access. It's possible this would increase a relaxing of accredited investor rules, which conflate wealth with sophistication. Read more [HERE](#).

> Biology as Technology Will Reinvent Trillion-Dollar Industries: We face

two major threats today: one to the health of our planet and the other to our own. The U.N. says the global population will hit 9.7 billion by 2050, meaning more people consuming more natural resources than at any point in human history. Consumption is already doubling every 10-12 years. Add to that the challenges of a warming planet. On the human health front, some 30% of young people under age 20 are obese, 31% of deaths are from cardiovascular disease, and cancer cases are growing at a rate twice as fast as the population. Fortunately, biology and technology are creating fixes for the planet as well as for the human body. As they do so, they are poised to reinvent countless industries. As Arvind Gupta, the founder of health-science accelerator IndieBio, argued in one recent Medium post, "the twin catastrophes of planetary and human health" will create a \$100 trillion opportunity. Read more from [TechCrunch](#).

> Believe It Or Not, Physical Books Still Outsell E-Books: Do you prefer reading an e-book or a physical version? It might be a surprise, but for most people, old school print on paper still wins. Publishers of books in all formats made almost \$26 billion in revenue last year in the U.S., with print making up \$22.6 billion and e-books taking \$2.04 billion, according to the Association of American Publishers' annual report 2019. Those figures include trade and educational books, as well as fiction. While digital media has disrupted other industries such as news publishing and the music business, people still love to own physical books, according to Meryl Halls, managing director of the Booksellers' Association in the U.K. People love to display what they've read, she added. "The book lover loves to have a record of what they've read, and it's about signaling to the rest of the world. Genres that do well in print include nature, cookery and children's books, while people prefer to read crime, romantic novels and thrillers via e-reader, according to Nielsen Book International. Read more [HERE](#).

> Downtown Abbey Fans Can Rent The Real-Life Highclere Castle! Highclere Castle, the British stately home better known to millions as Downton Abbey, is now listed on Airbnb. But don't start packing your evening wear just yet - only two guests will get to experience the home, and there'll be plenty of competition. To coincide with the release of the "Downton Abbey" film, the current owners, the Earl and Countess of Carnarvon, are giving a couple the chance to "live like a Lord or Lady" by spending one evening in the castle where the hit British TV show was filmed. The two lucky guests will experience "an exclusive evening drinking cocktails in the Saloon followed by a traditional dinner with the Earl and Countess of Carnarvon in the State Dining Room, being waited on by Highclere Castle's own butler," the site's listing says. The castle covers 100,000 square feet which includes 300 rooms and the guests will receive a tour of the site during their stay. The Airbnb offering is for the evening of November 26, and reservation requests go live on October 1. But it'll be a battle to secure your place - those interested "must have a verified Airbnb profile, positive reviews, and be passionate about Downton Abbey," the listing stipulates. The AirBNB listing can be

found [HERE](#). (Source: CNN)

> Yes, the Stock Market is Going to Crash: According to the United State Geological Survey (USGS), major earthquakes (magnitude 7.0-7.9) occur a little more than once a month. Great earthquakes (magnitude 8.0 and higher) are seen roughly once a year, on average. Earthquake experts can use historical statistics to understand patterns of these natural disasters but they don't occur on a set schedule. So even with advances in geological technology, it's still impossible for experts in this area to predict exactly when the next big one will strike. The same is true of the next stock market crash. But even using historical patterns doesn't provide much clarity because there's little rhyme or reason to the market environment when a crash occurs. In the absence of a clear crystal ball, A Wealth of Common Sense offers up a few ways to prepare for the inevitability of market crashes. Check it out [HERE](#).

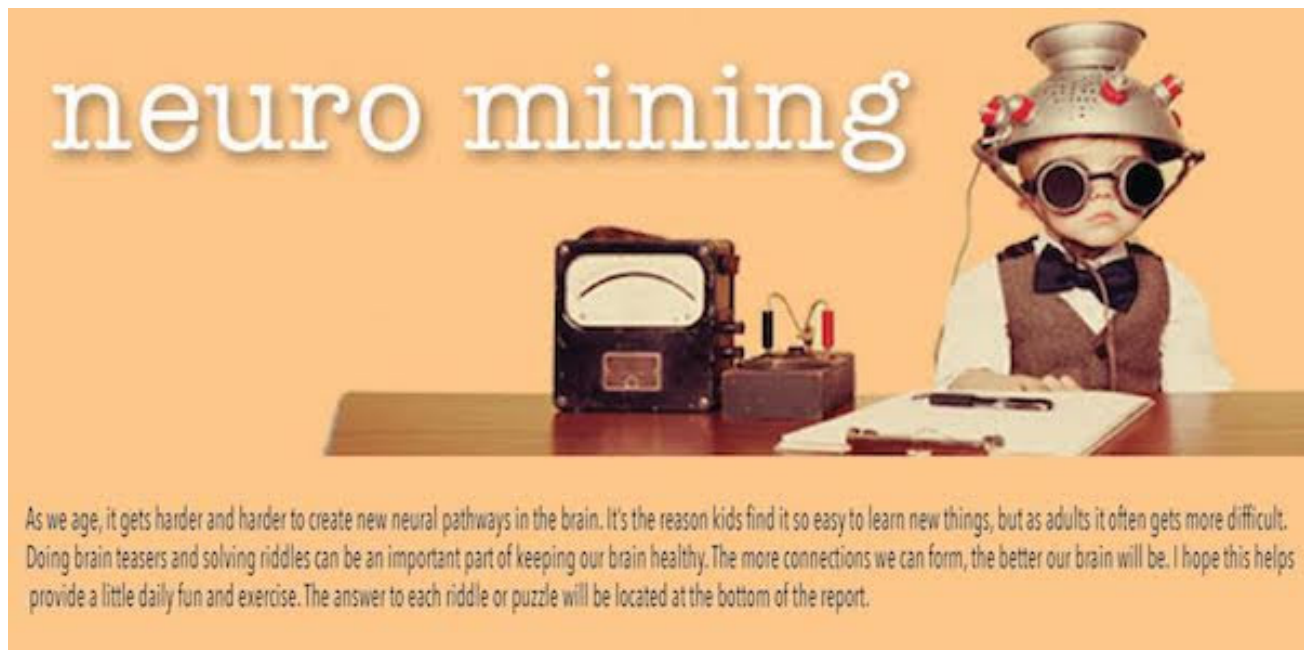
> An Iowa State Fan's Sign Asking For Beer Money Has Raised Over \$200K For Charity: Carson King, 24, was among the thousands who gathered for Saturday's ESPN College GameDay rally pregame show in Ames, and like many, he brought a sign with him. It was a rather rudimentary one, but it was meant to be more of a joke than anything. Scribbled in big black letters, King's sign read, "Busch Light Supply Needs Replenished" and listed his Venmo account info. Thanks to some prime TV placement and the help of social media, King actually started getting donations to fund his hydration. In fact, he ended up getting so much money that he decided to turn the fundraiser into something a little more important. As his Venmo balance hit \$1,600, King decided he'd buy one case of beer and donate the rest of the money to the University of Iowa's Stead Family Children's Hospital. Not long afterwards, Busch caught wind of the story and decided to jump in on the effort. Not only did the company promise to hook King up with a year's supply of free beer, but they also pledged to match the amount of donations he received, dollar for dollar. Later, Venmo also promised to match the total amount King raised on their app. With the fundraising efforts picking up steam, so too did the amount of money flowing into King's account. As of early Thursday morning, King said he had received over \$67,000, bringing the grand total with the matching amounts to over \$200,000! King will keep his fundraising account open through the rest of September. Read more details [HERE](#).



Central Wisconsin - We have had close to 7 inches of rain this week. The month totals are approaching 12 inches. Other areas in the state have received substantially more than we have. I have heard others have seen close to 20 inches on the month. Out to the next 7 days, 4 are scheduled to get hit with rain. The corn is far enough along that this excessive rain should not really hurt it too bad, unless the stalks rot. That would take weeks of standing in the water though. This upcoming harvest is starting to feel a lot like last year. The soybeans are looking okay, but nothing to write home about. I would say this rain is going to help them unless it keeps going like this for another month or so.

Western Missouri - *It's pretty wild how fast we have gone from being too wet then back to dry. The weather is just a little on the dry side right now but that's how we like it during harvest. We are starting to harvest corn and it's actually quite a bit better than anticipated. Originally we were expecting right at or below our APH which is just below 180. We are actually seeing corn that's north of 200 bushels. We haven't picked much corn up to this point so it could get worse, but most of it looks as good as our first fields. Not all corn around here looks as good as ours. Some of the early stuff got banged up in the excessive heat.*

Central Kansas - *Well, I think we made it through this unseasonably hot two weeks in September unscathed. For us, it was brutally hot with the heat index up over 100 several days in the last 2 weeks. Thursday was our last day above 90 degrees. We are going to be roughly 80 degrees through the next 5 days and then back to normal September temperatures. We went out and look at the corn and if the weather stays about like it is now, we are picking full steam by next weekend. Our corn can vary a lot every year but with the timely rains, we should be 20-30 bushels above our APH. I would estimate the corn makes between 130 and 160 bushels per acre.*



TODAY'S RIDDLE: A thousand wheels, but move I do not. Call me what I am, call me a lot. What am I?



What About Growing Rubber, Global Supply Could Be Shrinking

U.S. companies are over 99% reliant on imported natural rubber (NR) currently used in over 50,000 goods including medical products, tires, footwear, and sports equipment, and demand is only growing. Due to foreseeable headwinds for the industry, mostly centered around leaf blight potentially destroying the monoculture crop, globally shifting climate patterns, and trade disputes, the United States Defense Logistics Agency has deemed natural rubber a strategic material critical to our national security. Despite the clear and pressing need for domestic natural rubber, there is little progress for commercial-scale production.

Rubber is an important cash crop in many Asia-Pacific countries, mainly Thailand, Indonesia, Vietnam, and Malaysia, which produce over 90% of the world's supply. Rubber tree plantations being mostly located in Southeast Asia was good in the beginning because it allowed cultivation to be concentrated in one region which ultimately helped to lower production and associated transportation costs, in the end making the rubber cheaper. But now, all the rubber being grown in mostly the same location is threatening the sustainability of supply.

Leaf disease that entered the crop in Indonesia is easily spreading to other important locations. It's difficult to tell how significant production losses might be as some areas remain very remote. What we do know is that natural rubber production for the world fell -5.2% in the first quarter of 2019.

Opportunities here at home do exist for growers to produce natural rubber. And with the current environment surrounding politics, trade, weather, and global disease, it could certainly make sense to start investigating the process. I've had some great conversations with Dan Swiger, CEO of Kultevat, whose company works with the TKS Dandelion, seeking to provide an important domestic source of natural rubber in the United States, Canada, and Europe. I also understand that Guayule, a small woody, flowering shrub native to the southwestern United States and northern Mexico can produce the latex we need from the bark of this plant. With all the digital innovations being thrown at us to improve our bottom line, we should be looking for ways to slowly diversify some acres. Interesting to think about! (Source: rubbernews, researchgate, rubberasia)





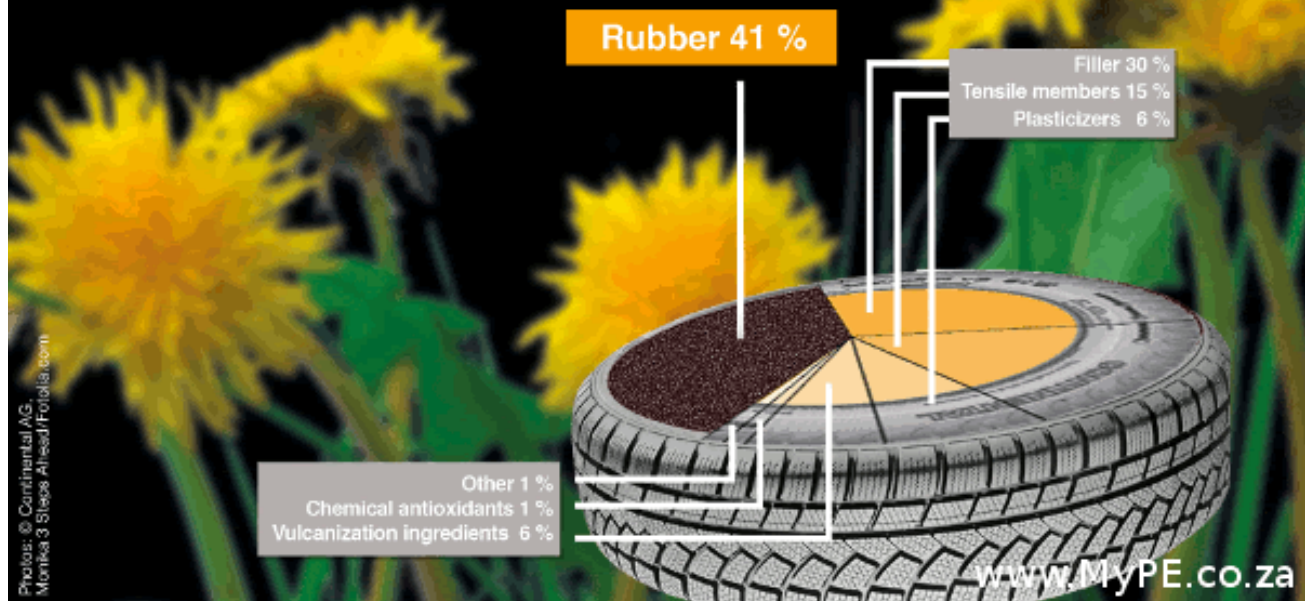
It takes a rubber tree
approximately
7 years to grow.

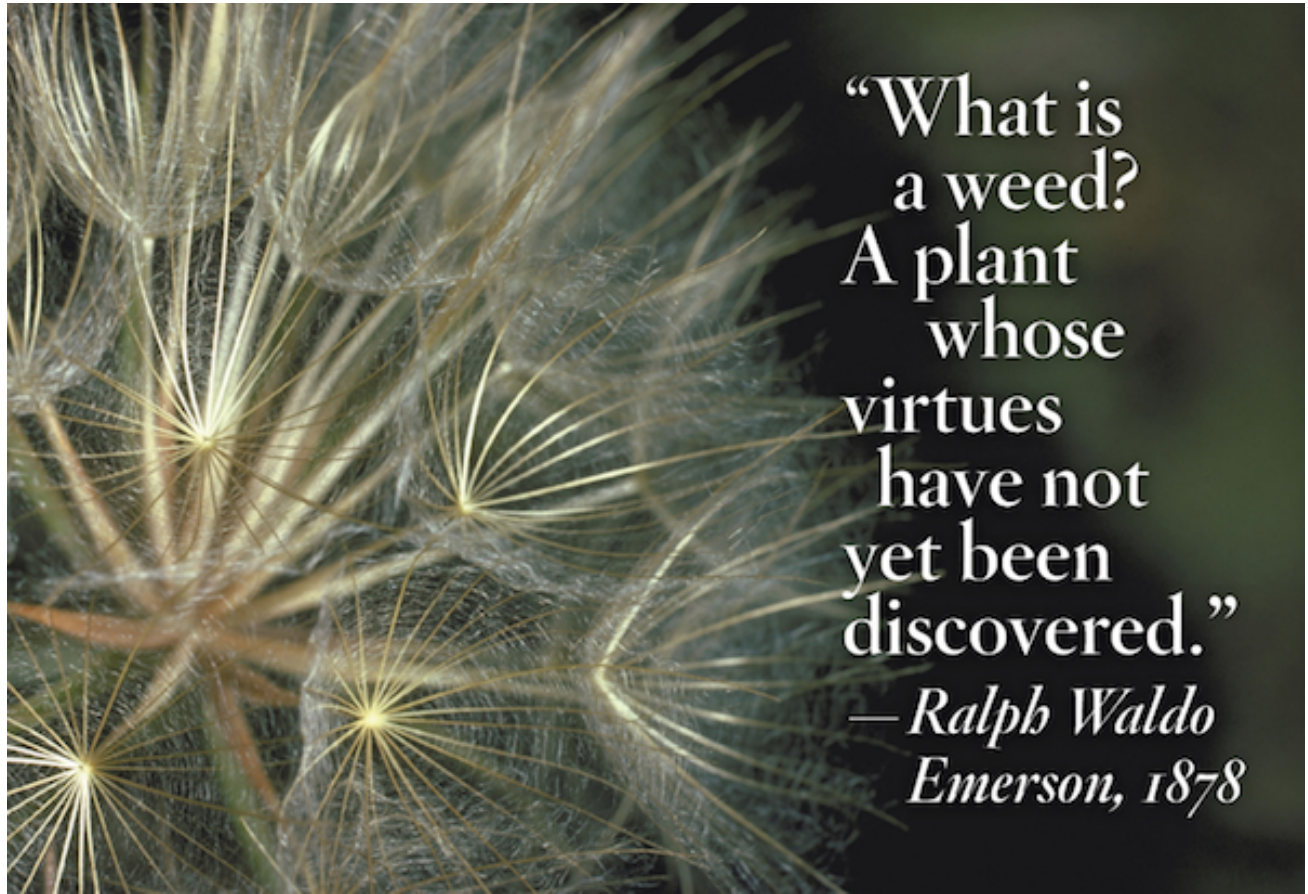


It takes a dandelion
approximately
1 year to grow.

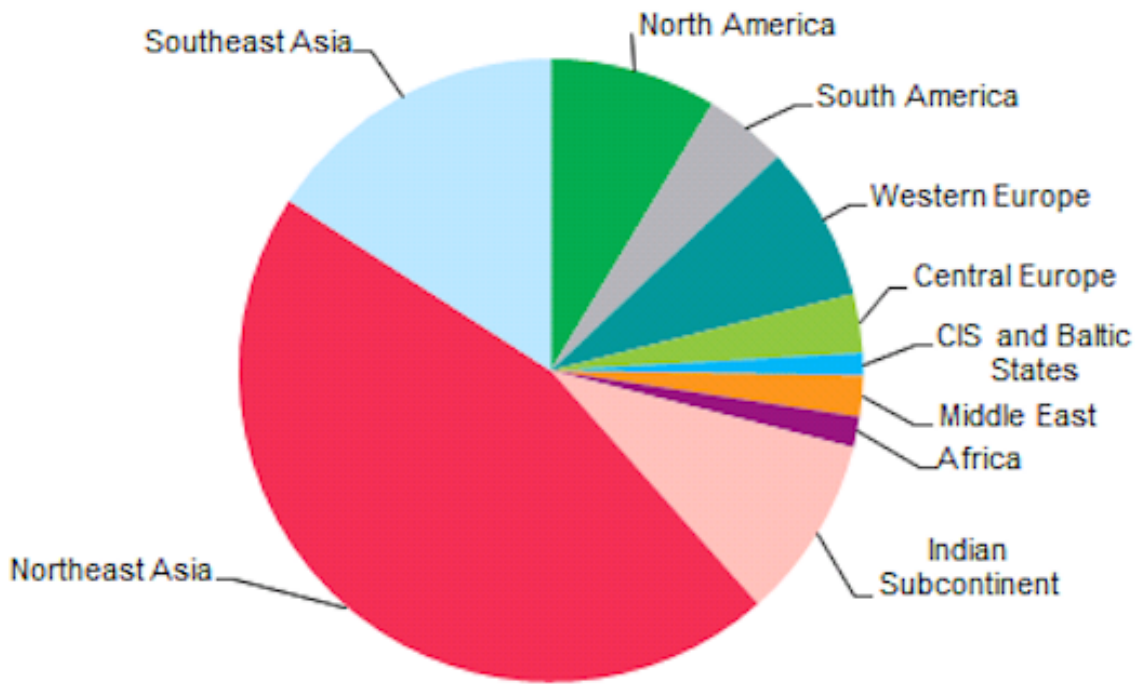
Will weeds soon go into the making of high-tech tires?

That may well be the case in the future.
Dandelions will supply rubber for high-tech tires!





World consumption of natural rubber—2018



Source: IHS Markit.

© 2018 IHS Markit

Think About the Demographic Transition for Your Own Business!

The "Retail Apocalypse" has been an ongoing story for close to a decade now, with traditional brick-and-mortar storefronts predicted to meet a Blockbuster video-style end. It's true that the rising popularity of online shopping has dramatically changed the shape of retail, but some of the larger chains aren't ready to throw in the towel, at least not without a fight.

One area that big retailers are looking to is the secondhand market. Macy's and J.C. Penney have both added used clothing and accessories sections to some of their stores through a partnership with ThredUp, an online reseller that calls itself the world's largest online thrift store.

The success of ThredUp and similar secondhand marketplaces is one of the biggest factors driving department stores' resale experiment. The secondhand market is valued at nearly \$30 billion and includes everything from neighborhood thrift shops to marketplaces like the RealReal that resell authenticated luxury goods on consignment.

Millennial and Generation Z shoppers are at the heart of the secondhand boom, which analysts say was in large part spurred by the Great Recession. Oliver Chen, a retail analyst at Cowen & Co., says that's when buying used began losing its stigma and "it became chic to get a good deal." Macy's Chief Executive Jeff Gennette said in a Wall Street Journal interview, "We looked deeply at Generation Z consumers, and "recommerce" came up over and over again."

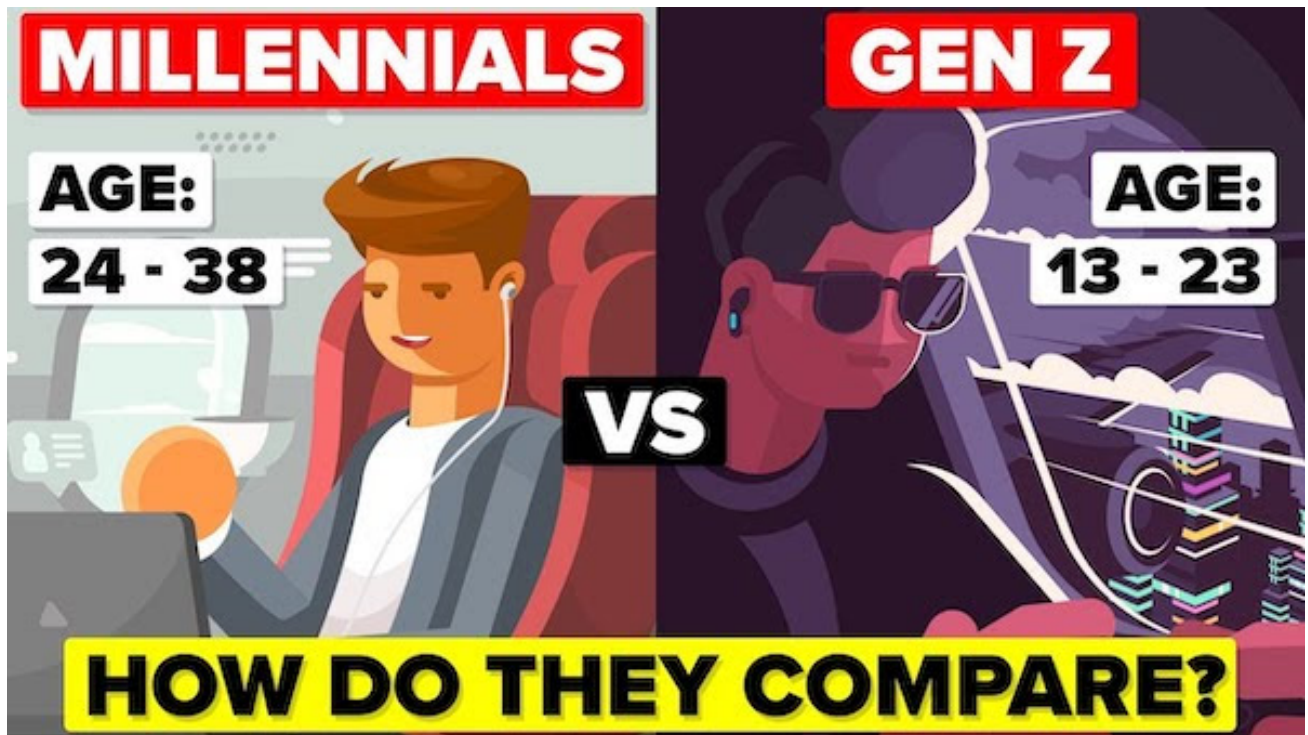
And it seems to be more than a passing trend with shoppers not just looking for a good deal anymore - they also like the hunt. The thrill of a one-of-a-kind find is exhilarating for these shoppers. According to a ThredUp report, resale is growing 21 times as fast as the broader retail market and itself will become a \$51 billion market by 2023. It's also projected to grow to nearly 1.5 times the size of fast fashion, like Zara and H&M, within the next 10 years. In contrast, annual sales at U.S. department stores fell -20% from 2017 to 2018, and are on pace to drop even further this year, according to U.S. Census Bureau.

Not only is buying secondhand easier on the pocketbook, but some consumers also view it as being more environmentally friendly. By some accounts, textile production is projected to account for 25% of all global carbon emissions by 2050. And already, more than 15 million tons of used textile waste is generated in the U.S. alone, an amount that has doubled over the last 20 years. Research firm Green Story says that buying one used item reduces its carbon footprint by 82%.

ThredUp officially launched a "Retail-As-A-Service" program earlier this summer as demand from traditional retailers kept growing. They offer three platforms - an in-store pop-up, online collaboration, or a loyalty program. They raised \$100 million to fund the venture bringing the companies total funding to more than \$300 million with a value of around \$670 million, according to Pitchbook. [ThredUp](#) says it has no plans to go public. [The RealReal](#), which sells high-end consignment items like Gucci, Luis Vuitton, Hermes, Chanel, etc, held its IPO in June and raised around \$300 million. Another wildly popular online resale startup, [Poshmark](#), has been considering a public offering for this fall.

Whether adding resale options can help save traditional stores like Macy's and JCPenney is yet to be seen. They have a lot of competition on the ground and on the web already. What's funny is that "resale" and "consignment" are being heavily touted as "disruptive innovations." When I was a kid, it was simply a way of life, we lived at the garage sales and thrift stores!

I also want to encourage everyone that owns a business to think about how the new buying habits of our younger generations are impacting and shifting our traditional models. These younger Millennials and Gen Z consumers are ok with paying much higher prices for good quality food, drinks, and travel as long it creates an experience. In return, they have reduced spending on items like fancy cars, expensive clothes, high-end furniture, etc... Just as the Boomers brought in the big-box stores, fast-food, and suburbs, these next couple of generations are big enough in size they are going to make massive disruptions. You want to make sure you are standing on the right side of the plate for this pitch. (Sources: Wall Street Journal, Forbes, ThredUp)





Portrait of a Millennial

We compiled data from the U.S. Census, IRI, Mintel, and others to get a snapshot of this purchasing powerhouse.

This group has surpassed baby boomers in terms of population size, with the demographic representing 83.1 million people.

83.1m

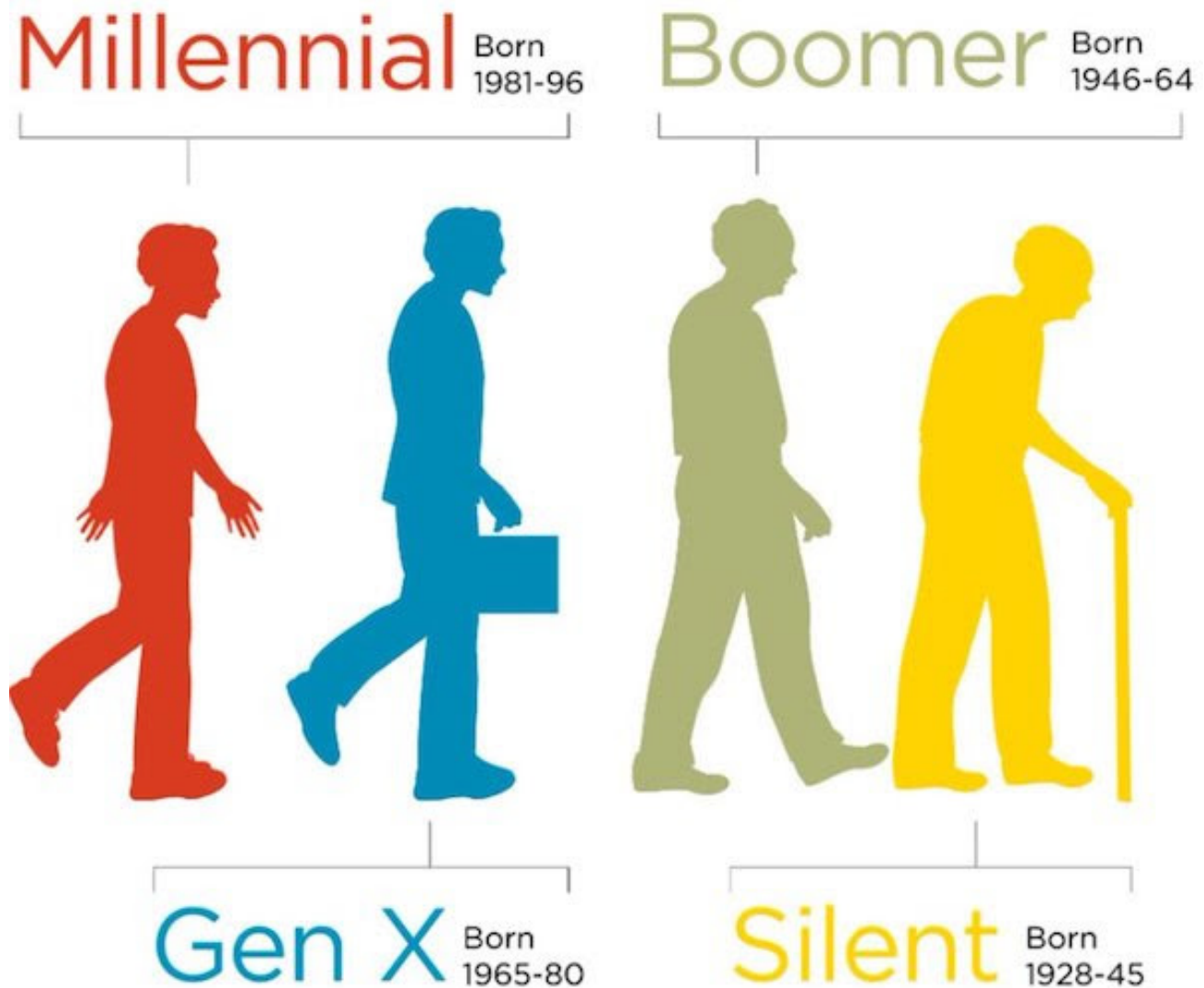


According to IRI, Millennials represent nearly 30% of the population and a \$290-billion opportunity.

30%







Great Story... "Farm Aid" Turns 34 Years Old

Farm Aid 2019, happens this weekend at the Alpine Valley Music Theatre in Wisconsin. The festival brings together a wide variety of artists, farmers, and fans to celebrate and stand up for family farmers, listen to good music, and eat some good food. this year's performers will include: Farm Aid board members Willie Nelson, John Mellencamp, Neil Young and Dave Matthews with Tim Reynolds, as well as Bonnie Raitt, Nathaniel Rateliff & The Night Sweats, Luke Combs, Margo Price, Jamey Johnson, Tanya Tucker, Brothers Osborne, Lukas Nelson & Promise of the Real, Yola, Particle Kid, Ian Mellencamp, Ho-Chunk Thundercloud Singers, and the Wisdom Indian Dancers. Remember, all the artists donate their performances and travel expenses to help the cause. The event has helped raise over +\$60 million for struggling farmers. In the 1980s, family farmers faced a major crisis which hadn't been seen since the Great Depression. Plummeting land values,

rising interest rates, troubled credit markets, and unfair lending practices pushed tens of thousands of farmers out of business.

The event started with an offhand remark made by Bob Dylan during his performance at Live Aid, the massive fundraising concert held at Wembley Stadium, London, and JFK Stadium, Philadelphia, in the early summer of 1985. As television viewers around the world phoned in donations in support of African famine relief, Dylan said from the stage, "I hope that some of the money...maybe they can just take a little bit of it, maybe...one or two million, maybe...and use it, say, to pay the mortgages on some of the farms and, the farmers here, owe to the banks." Dylan would come under harsh criticism from Live Aid organizer Bob Geldof for his remarks ("It was a crass, stupid and nationalistic thing to say," Geldof would later write), but he planted a seed with several fellow musicians who shared his concern over the state of the American family farm. Less than one month later, Willie Nelson, Neil Young and John Mellencamp announced plans for "Farm Aid," a benefit concert for America's farmers held in Champaign, Illinois, on September 22, 1985.

As one might have expected of a concert staged to "raise awareness about the loss of family farms and to raise funds to keep farm families on their land," Farm Aid featured a number of performers from the worlds of country, folk and rootsy rock music. There were the three main organizers and the instigator Bob Dylan, for instance, along with Hoyt Axton, Johnny Cash, Merle Haggard, Emmylou Harris, Waylon Jennings, Loretta Lynn, Joni Mitchell and Charley Pride. But the first Farm Aid, more than any of the annual Farm Aid concerts since, was a bit of a stylistic free-for-all, featuring artists united only by their interest in supporting a good cause.

"As soon as I read in the paper that there was gonna be such a thing," Sammy Hagar told MTV's cameras on the day of the show, "I called my manager and said, 'I wanna do it.' And he said, 'It's all country.' I said, 'I don't care. It's America. I wanna do it.' If there was anything more surprising than hearing Hagar perform his hard-rock anthem "I Can't Drive 55" on the same stage that had earlier featured the quiet folk of Arlo Guthrie, it was hearing Lou Reed perform "Walk On The Wild Side" on a stage that had featured John Denver.

Willie Nelson said, "Family farmers are the backbone of our country." Farm Aid does more than offer Farm Aid as a fundraiser to help struggling farmers. Farm Aid offers a farmer hotline (1-800-FARM-AID and farmhelp@farmaid.org) and a Farmer Resource Network. Through this Farmer Resource Network, the Farm Aid staff refer farmers to a network of more than 700 family farm organizations across the country. This support helps farmers seek to make transitions to more sustainable and profitable farming practices as well as provide immediate and effective support services to farm families in crisis. Watch Willie perform live at Farm Aid by

Clicking [HERE](#). (Source: History; Wiki; Wisconsin News)



"Farm Aid celebrates the independent family farmers and ranchers who make this country strong." – Willie Nelson

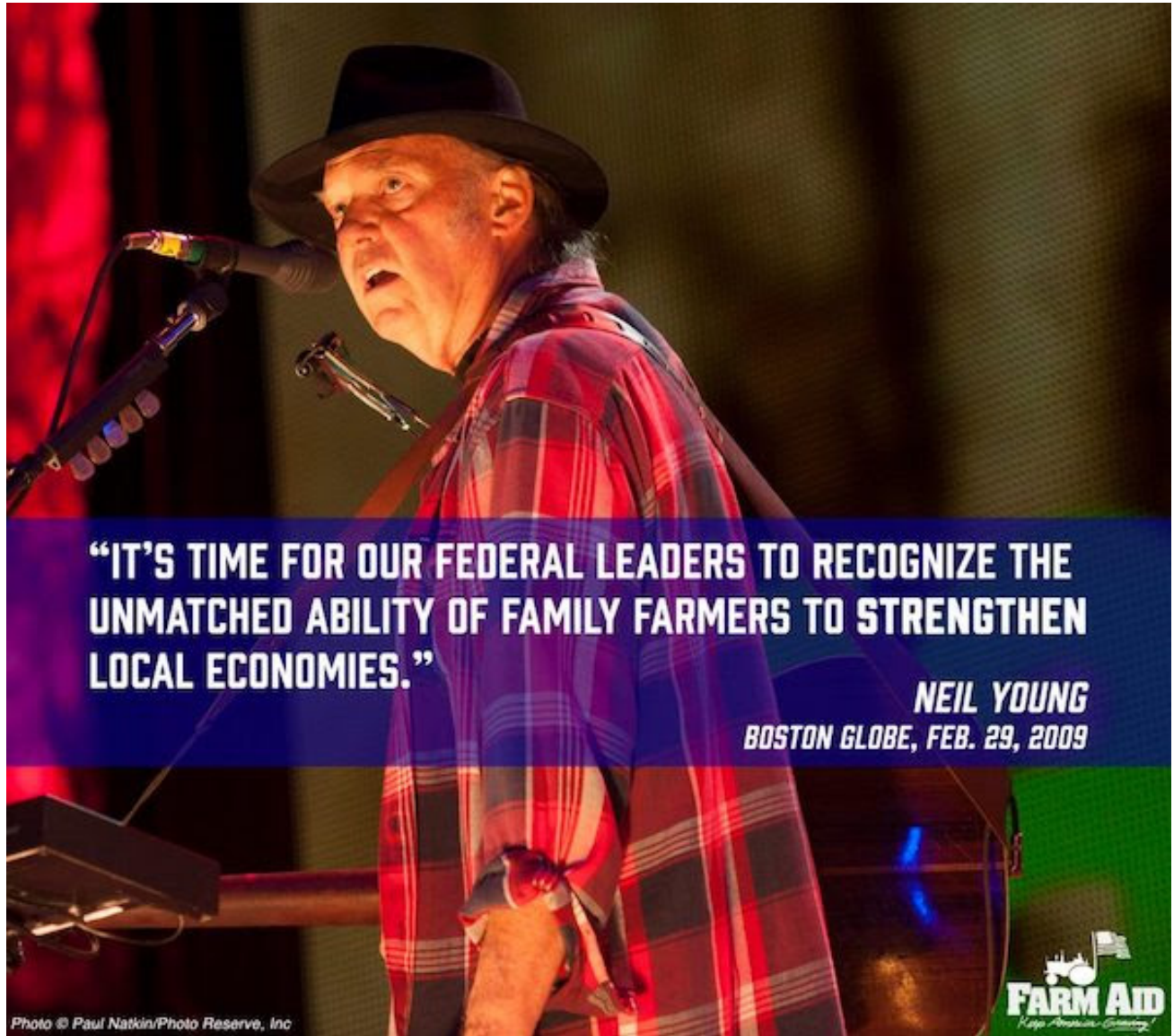


© Brian Bruner

The reasons for the farm crisis we're in now are similar to what family farmers faced in the 1980s. **Almost all of the reasons are out of farmers' control:** low crop prices pushing farm income down year after year; terrible weather disasters that just won't quit; trade wars so farmers can't even sell what they do grow.

We need family farmers on the land. We need them because they know how to grow the good food that sustains us. We need them because they know how to take care of the soil and water in our communities. We need them because their hard work supports local economies.

The Farm Aid festival is an opportunity for us to join together and fight for family farmers, and **your gift to Farm Aid today shows that you stand united with them.** Your donation connects farmers to critical resources they can use to access new markets, as well as to access credit, land, legal advice, financial counseling and other tools they need to thrive.



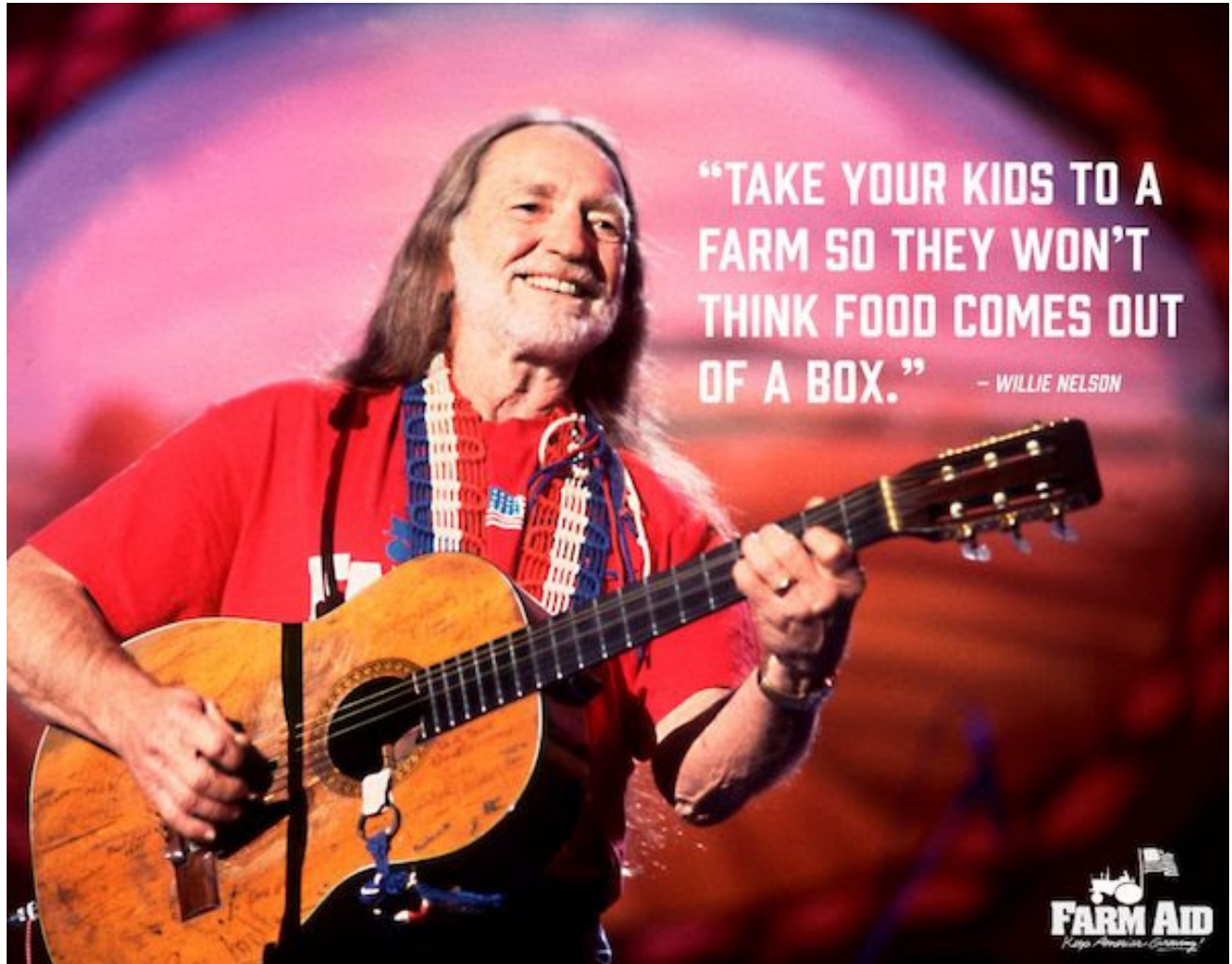
“IT’S TIME FOR OUR FEDERAL LEADERS TO RECOGNIZE THE UNMATCHED ABILITY OF FAMILY FARMERS TO STRENGTHEN LOCAL ECONOMIES.”

NEIL YOUNG
BOSTON GLOBE, FEB. 29, 2009

Photo © Paul Natkin/Photo Reserve, Inc







ANSWER to riddle: A parking lot or garage.

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Corn 2018 Crop

80% SOLD

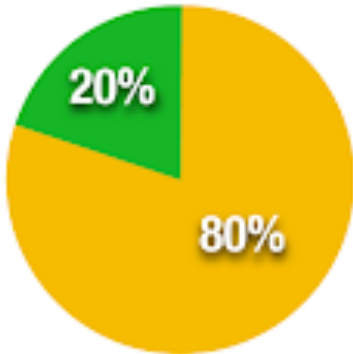
Soybean 2018 Crop

80% SOLD

Wheat 2018 Crop

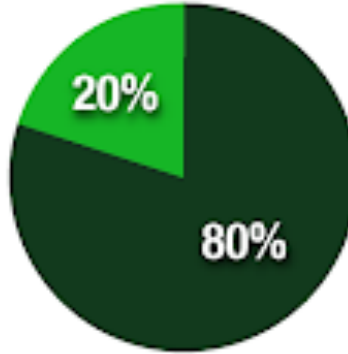
100% SOLD

20% HEDGED
0% UNPROTECTED



Corn 2019 Crop

20% HEDGED
0% UNPROTECTED



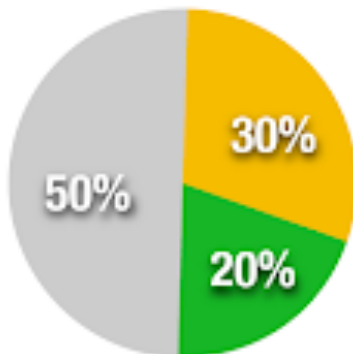
Soybean 2019 Crop

0% HEDGED
0% UNPROTECTED



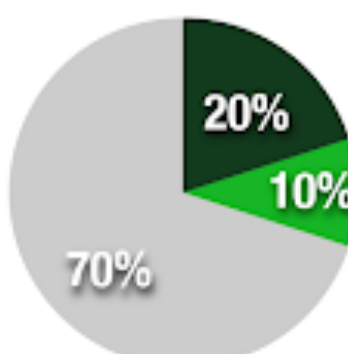
Wheat 2019 Crop

30% SOLD
20% HEDGED
50% UNPROTECTED



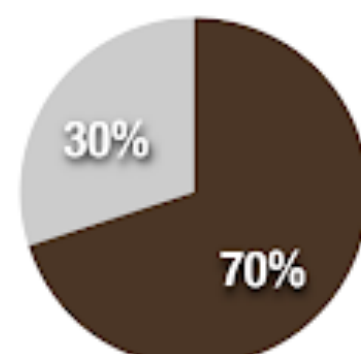
Corn 2020 Crop

20% SOLD
10% HEDGED
70% UNPROTECTED



Soybean 2020 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED



Wheat 2020 Crop

0% SOLD
0% HEDGED
100% UNPROTECTED



0% SOLD
0% HEDGED
100% UNPROTECTED



0% SOLD
0% HEDGED
100% UNPROTECTED



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