



FARMCON <josh@farmdirection.com>

**Fwd: GOOD MORNING: The Van Trump Report 10-7-19**

1 message

**Tucker Perkins** <tucker@agswag.com>  
To: josh@farmdirection.com

Mon, Oct 7, 2019 at 8:10 AM

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From: **The Van Trump Report** <reply@vantrumpreport-email.com>  
Date: Mon, Oct 7, 2019 at 5:30 AM  
Subject: GOOD MORNING: The Van Trump Report 10-7-19  
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"You don't drown by falling in the water; you drown by staying there." - **Edwin Cole**

**Monday, October 7, 2019**  
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**Morning Summary:** Investors will have a lot to digest this week as they await headlines regarding U.S.-China trade negotiations that are set to resume later this week. China's Vice-Premier Liu He will lead the Chinese delegation meeting with top U.S. officials in Washington on October 10-11, which will be preceded by deputy-level talks scheduled to take place today and Tuesday. President Trump last week expressed optimism about the talks, saying "we have a very good chance of

making a deal." But over the weekend, there were headlines circulating that Chinese officials are growing hesitant to pursue a broad finalized trade deal at this stage of the game. The talks are that China will not include commitments on reforming Chinese industrial policy or government subsidies, which are a couple of big demands leaders in Washington would like to see on the table. Bulls hoping at least an interim or small-scale deal can be reached. Something that centers around China buying more U.S. agriculture products and the U.S. postponing planned tariff increases set for Oct. 15 and Dec. 15. Bulls also want to believe China's worsening economic outlook will help provide further motivation to reach a more speedy compromise. China on Friday cut bank reserve requirements for a seventh time since early 2018 to free up more cash for lending and more stimulus measures are expected in the coming weeks as China's economy is expected to slump even further in the wake of falling exports and ongoing trade dispute. Here at home, investors are worried the impeachment battle is now distracting Washington and could further complicate trade negotiations. There's also some talk that it could give the Chinese some hope in "waiting" just to see how things play out for the President. I should also note, the U.S.-Canada-Mexico trade agreement will also be in the headlines this week. From what I understand, a group of U.S. Congressional members are scheduled to meet with Mexican President Andrés Manuel López Obrador in Mexico tomorrow to discuss the deal. Another worry on the international trade front stems from a running dispute with the European Union. The U.S. plans to impose tariffs on \$7.5 billion worth of European exports by the middle of this month following The World Trade Organization approval for the U.S. to implement retaliatory tariffs on goods from Europe because the bloc had failed to comply with an earlier ruling regarding government subsidies for Airbus. The EU has said it aims to avoid a trade war with the U.S. and wants to negotiate. In more traditional economic news, the Labor Department announced on Friday that the U.S. economy added +136,000 jobs in September. While the pace of hiring has been slowing, the unemployment rate has now fallen to a 50-year low of 3.5%, which contradicts the "doom and gloom" outlook that many are trying to play up. It's important to remember that the Federal Reserve has estimated the trend job growth needed to sustain U.S. economic expansion is between 50,000-110,000 per month. So a slowdown from the brisk hiring pace we've grown accustomed to seeing is not a sufficient sign that a recession is on the horizon. Federal Reserve Chair Jerome Powell on Friday tried to dispel some of those fears as well, describing the U.S. economy as still being in "a good place." He did note that the economy faces some longer-term challenges but added the Fed is focused on its job of keeping the economy on solid footing "as long as possible." Powell has speeches scheduled again for today, tomorrow, and Wednesday. Wednesday also brings the release of "minutes" from the Fed's September meeting in which they lowered interest rates for the second time this year. Today, the only economic data of note is Consumer Credit for August which is expected to fall to \$18.2 billion following a larger-than-expected increase in July. Don't forget, 3Q corporate earnings are right around the next

corner and scheduled to ramp up next week. BlackRock, JP Morgan, Citigroup, Wells Fargo, Johnson and Johnson, JB Hunt, Charles Schwab, and Goldman Sachs all report next Tuesday.



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**Portland Maine to Bar Harbor...** *Another amazing leg of the journey! Lots of great seafood and great scenery. This leg seemed a bit more remote and rural than the other parts of the trip. In Portland, we stayed at the Press Hotel and had a few great meals, one at a steak joint called The Grill Room, another at a place called the High Roller Lobster Company, and The Corner Room Italian Kitchen. We then stayed a couple of nights at Bar Harbor, which is right near Acadia State Park. Below are a few final pics from the trip. Lots of fun and great memories!*













**NEW Tobacco Device:** *Marlboro maker Altria started developing its new*

*tobacco device more than a decade ago — as smoking rates declined but long before vaping took hold in the U.S. It took two more years for regulatory clearance. But Altria is finally launching Iqos in the U.S. this week, and the company's timing — though coincidental — couldn't be better. It's called "Iqos" and it isn't a vaping device or a cigarette. It heats tobacco, but doesn't burn it, and is designed to give users the same rush of nicotine as smoking with fewer toxins. The U.S. launch comes amid public panic over an outbreak of a deadly lung disease that's killed at least 18 people. U.S. health officials have traced the illnesses to vaping. You can learn more [HERE](#)*

**UAW Says GM Labor Talks Have "Taken a Turn for the Worse":** *The United Auto Workers' strike against General Motors could continue for the foreseeable future, as the union on Sunday said talks between the sides have "taken a turn for the worse." UAW Vice President Terry Dittes, in a letter to members on Sunday, said the union plans to continue to negotiate but a Sunday morning proposal from GM was inadequate and "reverted back to their last rejected proposal and made little change." About 48,000 UAW members with GM have been on strike and picketing outside the automaker's U.S. facilities since Sept. 16. The work stoppage has caused a ripple-effect throughout the automaker's North American operations, causing thousands of additional layoffs. Wall Street analysts estimate GM is losing roughly \$50 million to \$100 million per day in lost production. J.P. Morgan, in a note to investors last week, estimated the UAW's strike cost GM more than \$1 billion during the third quarter. This is the largest work stoppage at any U.S. business since the last time autoworkers struck GM (GM) in 2007. But that strike was over in less than three days. Repercussions of halted production have rippled through the automotive supply chain, particularly in Michigan. Michigan relies far more on the automotive industry for wage and salary income than the U.S. as a whole. The sector accounts for 7% of such income, compared with less than 2% nationally, according to Moody's Investors Service. The work stoppage had cost GM hourly workers and others in Michigan not working due to the strike a total of about \$9.3 million a day in lost wages by the end of last week, according to the Anderson Economic Group. (Sources: Reuters, New York Times)*

**U.S. Household Size Rises for the First Time in More Than a Century:** *The average size of the American household has steadily declined since the 1850s, but new Census Bureau data shows the number of people residing in households has grown 6% since 2010, according to the Pew Research Center. In 2019, 20% of households are shared households, up from 17% in 2007. The increase in household size is significant because it could have implications for national economic growth. Rising household size reduces the demand for housing, resulting in less residential construction and less demand for home appliances and furniture. In general, it leads to a less vigorous housing sector. However, the increase in household size is beneficial for the household itself, if its additional members are working adults who can contribute to the overall income. The widely noted arrangement of young adults residing with their parents demonstrates the economic benefits of bigger households. Last year, 6% of families that had at least one adult child age 25 to 34 living in the home were in poverty. The Census Bureau estimates that the poverty rate for these families would have been 11.5% if the young adult were not a member of the household. Average household size will likely exceed 2.58 persons in 2020 if the current pace of household growth holds. You can read the full analysis from [Pew Research](#).*

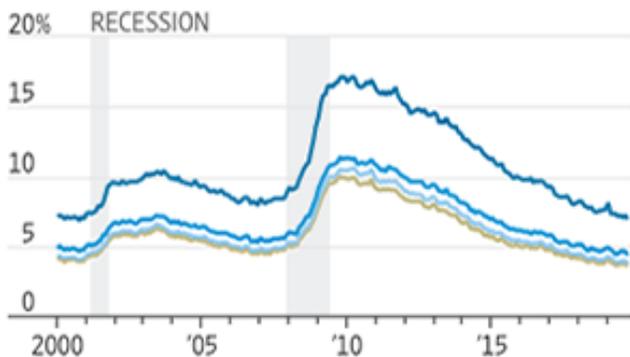
**How Low Can U.S. Unemployment Go?** *The unemployment rate dropped to 3.5% in September, a rate not seen since December 1969. Economists are*

now puzzling over how low joblessness can fall and for how long. A widely held economic theory predicts falling unemployment should push up wages and inflation but with the U.S. economic expansion now in its 11th year, the jobless rate has continued to fall and year-over-year inflation remains shy of the Federal Reserve's 2% target. This has forced economists and central bankers to rethink old models based on a theoretical threshold level of unemployment at which the economy is in balance and inflation is neither rising nor falling, referred to as full employment. A decade ago, many economists estimated this rate was around 5%. The Fed's rough estimate now is 4.2%, according to projections released last month. Unemployment dropped to that level two years ago and has fallen further since, without inflation taking off. With the unemployment rate now at a fresh 50-year low with few signs of rising inflation, are we finally at full employment? Economists aren't convinced. Many say if the economy really were at full employment, wages would be rising faster as employers compete for scarcer workers by offering higher pay. Average hourly wages rose 2.9% for the 12-month period ended September, down from 3.2% in each of the prior three months, the Labor Department said. The September employment report included some signs of continuing improvement that suggest the labor market could tighten further. One is that the share of so-called prime-age workers 25 to 54 years old with a job ticked up to 80.1% in September—the highest level since March 2007. Read more from [The Wall Street Journal](#).

### Broader Measures

Alternate measures of the rates of unemployment and underemployment

- Plus part-time for economic reasons
- Plus marginally attached
- Plus discouraged workers
- Headline unemployment rate



Note: Seasonally adjusted.  
Source: Labor Department

### Prime-Age Participation

Share of the prime-age (25-54 years old) population that is...

- In the labor force
- Employed



Note: Seasonally adjusted.  
Source: Labor Department

# FARM TANK

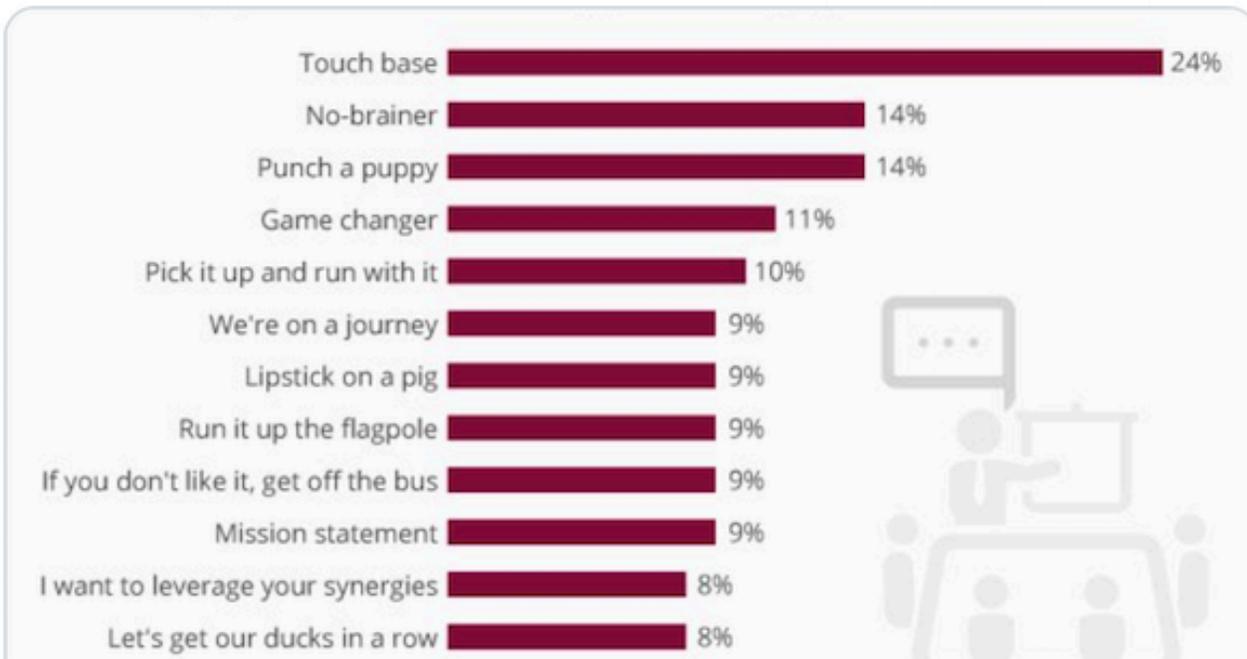
## Tweets of the Day



**Statista**  
@StatistaCharts



The most hated office jargon - would you add anything to this list? [bit.ly/30mUICS](https://bit.ly/30mUICS) (via @Glassdoor)



### Infographic: The Most Hated Office Jargon

This chart shows the share of employees that find certain office jargon phrases annoying.

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



**Jon Erlichman** ✓  
@JonErlichman



## Number of billionaires in the US:

2019: 607  
2018: 586  
2017: 566  
2016: 542  
2015: 535  
2014: 492  
2013: 444  
2012: 424  
2011: 412  
2010: 404  
2009: 359



**Laneview Farms**  
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Getting the combine set and checking the moisture of soybeans with my son this afternoon. #harvest19  
[@WhyIFarm](#) [@JohnDeere](#) [@FLFFA](#) [@bamfert](#)  
[#HammerDown](#)





**Christopher Gordon**  
@Brushy06



Nights like these remind you why you love farming.  
[#harvest19](#)





**George Kakasuleff**  
@Indyfarmer



Let's party



**History Lovers Club**  
@historylvrsclub



Mike Tyson poses with World Heavyweight Champ Evander Holyfield during a press conference in New York. (Sep. 1991). More photos: [cmore.pics/0mpHH](http://cmore.pics/0mpHH)







**Motivational Quotes**

@DavidRoads

Following



Very True.



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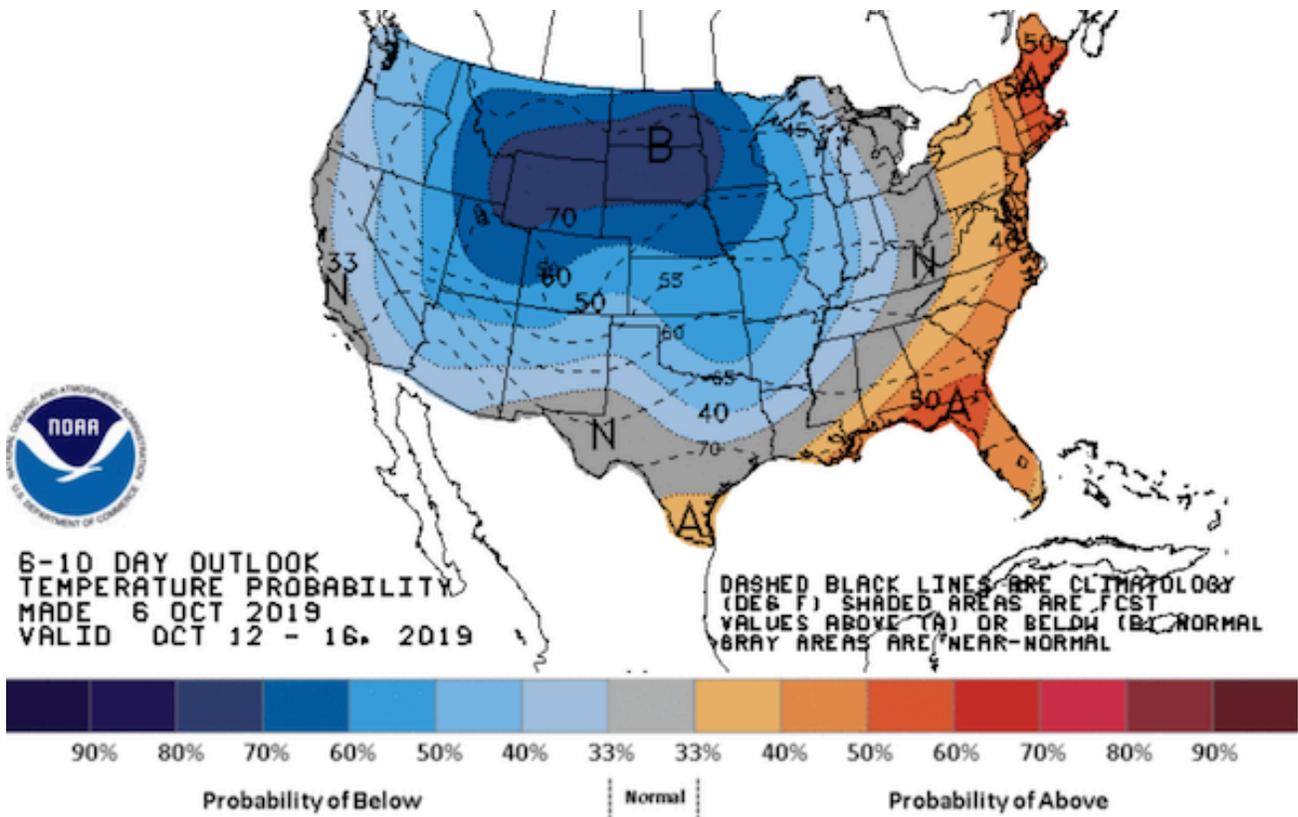
# BUSINESS. PROFIT. SCALE. AUTOMATION.

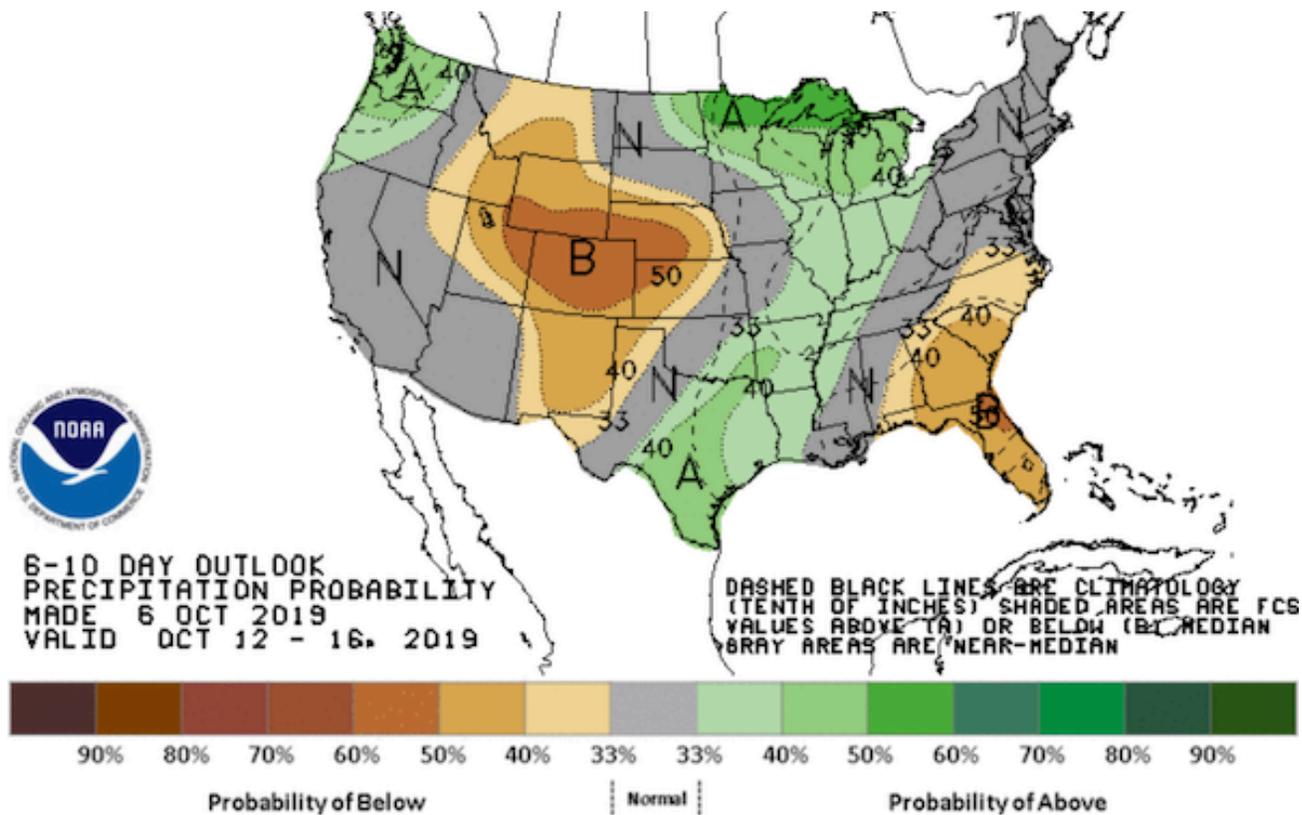
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**Corn** bulls added +13 cents last week to the market and are hoping to add a bit more. The colder weather forecast for the U.S. and talk of heavier snow late this week in the northern Plains could help add a bit more weather-related premium with the crop yet to reach full maturity. Brazil has gotten a bit of rain as of late to help ease some nearby concern but looking ahead there could still be some concerns about dry conditions. Most inside Argentina continue to talk about dry conditions but the planters have been rolling. From what I can gather, producers in Argentina have already planted about 25% of the crop which is well ahead of schedule. Outside of U.S. and South American weather, traders continue to debate and try to predict the next USDA move. The October USDA report is scheduled to be released this Thursday and is being highly anticipated. Most inside the trade seems to be looking for a slight yield reduction. The big question now is will the USDA continue to lower its yield forecast? This past Friday, Inorma cut their corn yield forecast from 169.6 down to 167.5 bushels per acre. The USDA is currently forecasting an average yield of 168.2 bushels per acre. The trade is also looking for a reduction in total U.S. ending stocks in association with the lower than anticipated quarterly-stocks report that lowered last year's supply by -300 million bushels. From what I'm hearing, the USDA will be updating Preventive Plant acres but will not be updating Cover-Crop acres in this report. Don't forget, the trade will

also be paying close attention to developments involving Chinese trade talks. That has been some rumors and whispers that Chinese buyers were perhaps sniffing around for U.S. corn, which would make some sense considering the Chinese were recent buyers of U.S. white wheat and soybeans ahead of the trade discussions. I suspect even a small purchase of U.S. corn by the Chinese would be a welcomed headline considering the demand uncertainties the trade is currently battling. I will also be keeping an eye on the talks coming out of Washington about increasing ethanol blending requirements. Technically, traders are still thinking the DEC19 contract wants to re-test the \$4.00 level. Much beyond that level, however, the technical climb starts to get much steeper. The \$4.20 to \$4.40 area in the DEC19 contract seems like a very difficult hurdle to overcome. As a producer, I made a cash sale last week and reowned the board with some JUL20 calls. I just wanted to reward the recent rally and needed to limit a bit more of my new-crop price risk. As a spec, I continue to hold bullish positions.

**Harvest Crop Revenue Insurance Guarantee \$3.88<sup>4</sup>** - Remember this price will update daily during the month of October as the monthly price average is determined.

*2019 - Spring price \$4.00; Harvest price ???*  
*2018 - Spring price \$3.96; Harvest price \$3.68*  
*2017 - Spring price \$3.97; Harvest price \$3.49*  
*2016 - Spring price \$3.86; Harvest price \$3.49*  
*2015 - Spring price \$4.15; Harvest price \$3.83*  
*2014 - Spring price \$4.62; Harvest price \$3.49*  
*2013 - Spring price \$5.65; Harvest price \$4.39*  
*2012 - Spring price \$5.68; Harvest price \$7.50*  
*2011 - Spring price \$6.01; Harvest price \$6.32*  
*2010 - Spring price \$3.99; Harvest price \$5.52*  
*2009 - Spring price \$4.04; Harvest price \$3.90*

# Top Corn Producing Countries

## % of Production Exported - 2019/20

(in thousand metric tons)

Country	Production	Exports	% of Production Exported
<b>United States</b>	350,515	52,072	<b>14.8%</b>
<b>China</b>	254,000	20	<b>0.007%</b>
<b>Brazil</b>	101,000	34,000	<b>33.6%</b>
<b>EU</b>	64,800	2,000	<b>3.0%</b>
<b>Argentina</b>	50,000	33,500	<b>67.0%</b>
<b>Ukraine</b>	36,000	30,000	<b>83.3%</b>
<b>India</b>	29,000	500	<b>1.7%</b>
<b>Mexico</b>	27,000	1,500	<b>0.5%</b>
<b>Canada</b>	14,000	1,500	<b>10.7%</b>
<b>South Africa</b>	14,000	1,500	<b>10.7%</b>

Source: USDA, FAS, PS&D Updated 10/04/19

**Soybean** bulls are coming off a big week adding +33 cents to its price. The bulls are now looking for confirmation that harvest is running extremely late and a significant portion of the crop is struggling to reach maturity. Most sources inside the trade are thinking the U.S. crop is 12% to 14% harvested vs. what's traditionally 33% to 35% harvested by this date. Later in the week, the trade will be eager to see the monthly supply and demand adjustments that will be made by the USDA. Most are looking for a slight yield reduction in new-crop yield and the balance sheet reduction to account for the adjustment made in the recent quarterly stocks report. From what I understand, Informa recently lowered its soybean yield estimate from 48.4 down to 46.5 bushels per acre and total production down from 3.671 billion bushels down to 3.513 billion bushels. Of course, weather and Washington will also be heavily monitored. The much colder U.S. weather forecast could certainly create complications for crops that are late-maturing. We also have the highly anticipated U.S. and Chinese trade negotiations. As a producer, I see a lot of things that could go right and push prices higher. But

at the same time, as a trader, I worry that the market could be building in a bit of premium in anticipation, but could easily pull that back out of the market if things don't develop. In other words, many bears have banked profits and have moved to the sideline ahead of the weather worries and trade talks. But if the weather forecast turns warmer and trade talks with the Chinese fall apart with no official ag-related deal, then recent risk-premium will be removed and the bears will be back on the bandwagon. As a producer, I went ahead and purchased some JAN19 puts to help reduce some risk and sold a few 2020 cash bushels. This could be an extremely defining week for the soybean market so make certain you are paying extremely close attention. This is that period of time I've been talking about... between now and the end of the year. South American supplies are basically depleted and the rest of the world is reliant on U.S. supply between now and yearend. The trade could get much more nervous if South American weather shows some uncertainty or if the U.S. balance sheet continues to tighten.

**Harvest Crop Revenue Insurance Guarantee \$9.15<sup>4</sup>** - Remember this price will update daily during the month of October as the monthly price average is determined.

*2019 - Spring price \$9.54; Harvest price ???*  
*2018 - Spring price \$10.16; Harvest price \$8.60*  
*2017 - Spring price \$10.19; Harvest price \$9.75*  
*2016 - Spring price \$8.85; Harvest price \$9.74*  
*2015 - Spring price \$9.73; Harvest price \$8.91*  
*2014 - Spring price \$11.36; Harvest price \$9.65*  
*2013 - Spring price \$12.87; Harvest price \$12.87*  
*2012 - Spring price \$12.55; Harvest price \$15.39*  
*2011 - Spring price \$13.49; Harvest price \$12.14*  
*2010 - Spring price \$9.23; Harvest price \$11.63*  
*2009 - Spring price \$8.80; Harvest price \$9.66*

# Top Soybean Producing Countries

## % of Production Exported - 2019/20

(in thousand metric tons)

Country	Production	Exports	% of Production Exported
<b>Brazil</b>	123,000	76,500	<b>62.2%</b>
<b>United States</b>	98,865	48,308	<b>48.8%</b>
<b>Argentina</b>	53,000	8,000	<b>15.0%</b>
<b>China</b>	17,100	125	<b>0.007%</b>
<b>India</b>	11,000	220	<b>0.02%</b>
<b>Paraguay</b>	10,200	6,200	<b>60.7%</b>
<b>Canada</b>	6,500	4,600	<b>70.7%</b>
<b>Russia</b>	4,300	900	<b>20.9%</b>
<b>Ukraine</b>	3,600	1,900	<b>52.7%</b>
<b>Bolivia</b>	2,900	10	<b>0.03%</b>

Source: USDA, FAS, PS&D Updated 10/04/19

**Wheat** traders should have a fairly uneventful week in comparison to corn and soybean traders. Most inside the trade doubt to see any major adjustment by the USDA. The outside macro market continues to allow the funds to lean on the bearish side. The U.S. dollar is near a 2-year high and U.S. exporters continue to play second-fiddle to suppliers out of Russia, Ukraine, Kazakhstan, and parts of the European Union. Bulls are hoping to see the USDA further reduce its Argentina and Australian production estimates. The trouble is we might see the Russian and crops bumped higher. Bottom-line, I'm looking for the wheat market to be a follower this week. U.S. ending stocks are expected to remain burdensome at +1.0 billion bushels and global stocks are expected to remain near record large. As a producer, I'm still kicking myself for not making any early sales for my estimated 2020 production. I got a bit greedy on the last rally and set my price target too high. Now hoping I get a second chance sometime sooner rather than later. The JUL20 SRW contract is currently trading at about \$5.08. The JUL20 contract traded to \$5.68 back in late-June. Mid-October of last year this contract

was trading just north of \$6.00 per bushel. As a spec, I currently have no positions in the wheat markets.

## Top Wheat Producing Countries

### % of Production Exported - 2019/20

(in thousand metric tons)

Country	Production	Exports	% of Production Exported
<b>EU</b>	151,000	27,500	<b>18.2%</b>
<b>China</b>	132,000	1,300	<b>0.9%</b>
<b>India</b>	102,190	500	<b>0.4%</b>
<b>Russia</b>	72,500	34,000	<b>46.8%</b>
<b>United States</b>	53,892	26,535	<b>49.2%</b>
<b>Canada</b>	33,300	24,500	<b>73.5%</b>
<b>Ukraine</b>	28,700	19,500	<b>67.9%</b>
<b>Pakistan</b>	25,600	800	<b>3.1%</b>
<b>Argentina</b>	20,500	14,500	<b>70.7%</b>
<b>Turkey</b>	19,000	6,500	<b>34.2%</b>

Source: USDA, FAS, PS&D Updated 10/04/19



> **White House Unveils Biofuels Plan:** *The Trump administration on Friday unveiled a plan to boost U.S. biofuels consumption starting next year to help struggling farmers. The plan would require an unspecified increase in the amount of ethanol that oil refiners must add to their fuel in 2020, and would also aim to remove further barriers to the sale of higher ethanol blends of gasoline like E15, the Environmental Protection Agency said in a statement. However, while the final plan won widespread praise from biofuel advocates, it was condemned by oil industry leaders who decried it as a politically motivated policy shift that punishes refiners, consumers and manufacturing workers. The EPA is set to formally propose changes this week. The agency said it would seek public comment on ensuring more than 15 billion gallons of conventional ethanol are blended into the nation's fuel supply beginning in 2020 and that statutory obligations for biodiesel also are satisfied. (Source: Reuters)*

> **USDA Secretary Perdue In Tennessee Today:** *U.S. Secretary of Agriculture Sonny Perdue will be in Tennessee on Monday, October 7. Perdue will tour Tennessee State University's Ag Complex Research Labs, give a lecture to 300 students and participate in a Q&A session on Monday morning, followed by a visit to Tyson Foods in Goodlettsville, TN. Later in the afternoon, he will tour Strasser Farms and participate in a Stakeholder Townhall in Nashville. The Secretary attended the University of Tennessee Ag Day and Expo over the weekend. (USDA)*

**> Meat Industry Sues California for Animal Protection "Overreach":** *California was sued on Friday by the largest U.S. trade group for meat packers and processors, which wants to block enforcement of a voter-approved measure requiring farmers to provide more space for animals being raised for food. The North American Meat Institute, whose members include processors such as Tyson Foods and retailers including Walmart, said enforcing Proposition 12 would hurt producers and consumers by significantly increasing their costs. It also said the measure, which passed last November with 63% of the vote, was an "overreach" that violated the U.S. Constitution's Commerce Clause by requiring out-of-state producers to comply with California's rules or face a sales ban. Proposition 12, or the Prevention of Cruelty to Farm Animals Act, sets minimum space requirements for calves raised for veal, breeding pigs and egg-laying hens, and bans the sale of raw veal, pork or eggs from animals enclosed in too little space. In its complaint filed in Los Angeles federal court, the Meat Institute is seeking an injunction against the sales ban targeting out-of-state veal and pork. Read more [HERE](#).*

**> Bayer Says October U.S. Glyphosate Trial Delayed Until February:** *A pending U.S. lawsuit over claims related to Bayer's glyphosate-based herbicide Roundup has been delayed, the company said on Sunday, with a new court date set for February, 2020. The lawsuit is the latest of several to be delayed as mediator Ken Feinberg tries to negotiate a settlement between the company and U.S. plaintiffs after a California jury in August last year found that Monsanto should have warned of alleged cancer risks. The number of U.S. plaintiffs blaming Roundup and other glyphosate-based weed killers for cancer has been rising continuously to stand at 18,400 as of July 11, hitting Bayer's share price. Bayer has repeatedly declared that the chemical is safe, saying health regulators worldwide have come to the same conclusion. Rattled investors have ratcheted up pressure on Bayer to put the litigation behind it following three court losses that have undermined confidence in what is now the world's largest pesticide-and-seed company. At this year's spring meeting, shareholders delivered what amounted to a rare vote of no confidence in Bayer's chief executive, Werner Baumann. Some institutional investors say that without a deal, Mr. Baumann is unlikely to survive next year's annual meeting. But they also insist that their gamble on Bayer will pay off. Glyphosate is already the most widely used agricultural chemical in history, and farmers will continue to depend on Roundup, investors reason, especially as a growing population increases the demand for food. Independent market researchers project that the global market for glyphosate could reach \$12 billion by 2024, regardless of health worries. (Sources: Reuters, New York Times)*

**> Square to Begin Payment Processing for CBD Sellers:** *Square Inc. announced that it was officially opening up payment-processing capabilities to sellers of CBD products, after initially offering the service as part of a beta program. Speaking at an event in Manhattan, Square's General Counsel Sivan Whiteley highlighted an opportunity to offer modern processing capabilities to CBD*

merchants, which have been seen as a thorny commercial area for business partners due to the evolving regulatory landscape in the industry. CBD sellers at the event pointed to challenges around obtaining transparent payment services, mentioning high fees from other processors and a prior reliance on check payments. Square will charge CBD sellers 3.90% plus 10 cents per transaction for in-person tap, swipe, and dip payments. Online payments will cost 4.20% plus 30 cents per transaction. Sellers will also be able to access other Square business services, including payroll and inventory-management offerings. Whiteley said Square does due diligence on CBD merchants to see whether they comply with federal regulations around labeling, marketing, and medical claims. Square specifies in a blog post on the matter that CBD products "must be hemp-derived and have less than 0.3% THC." Whiteley also told media attendees that Square's decision to open up processing for CBD merchants "doesn't per se open up any opportunities" to support cannabis sellers or others in related areas due to a lack of clarity on regulations at the federal level. (Source: MarketWatch)

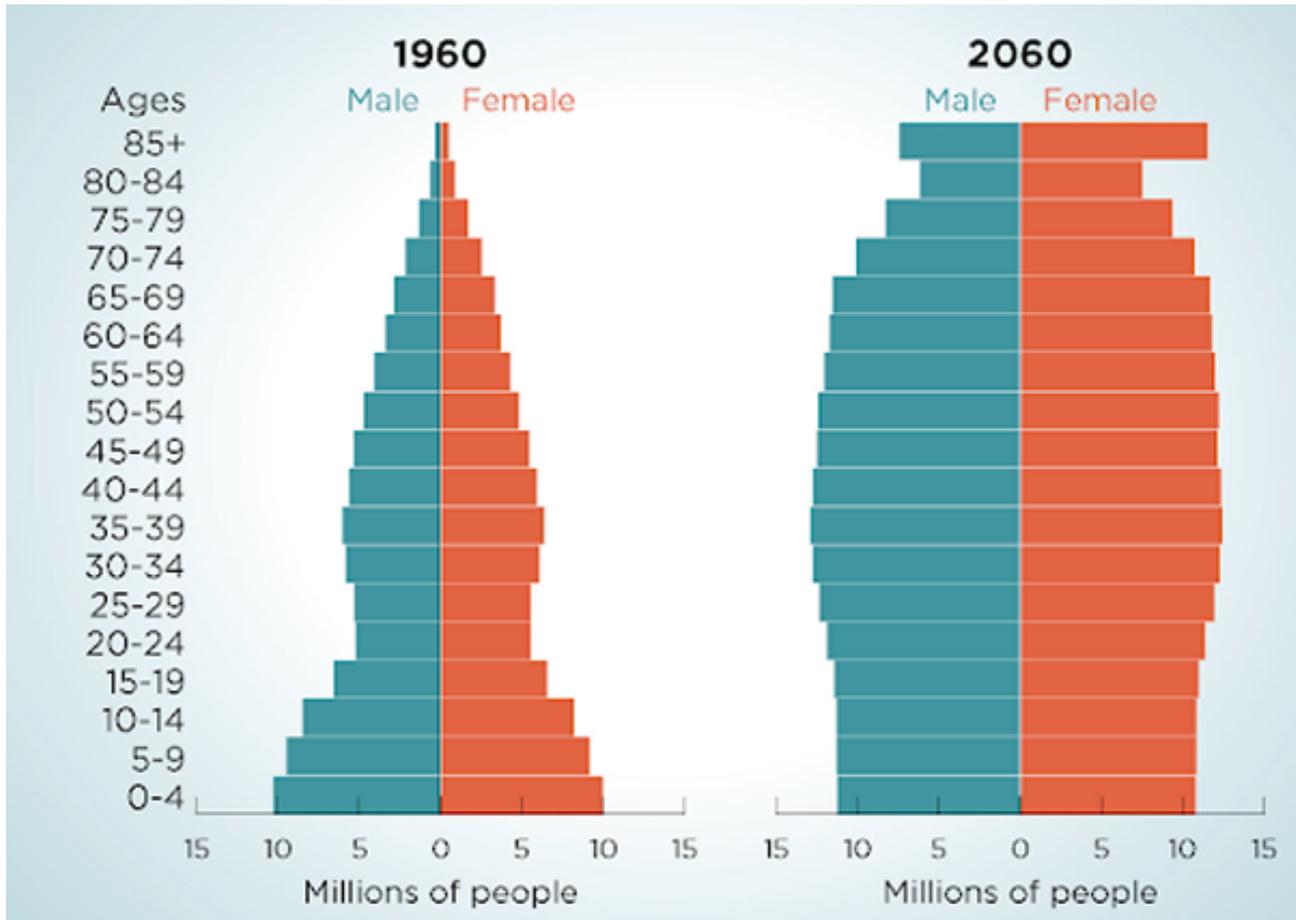
**> Apple Increases iPhone 11 Production:** Apple has asked suppliers to increase production of its iPhone 11 models by up to 8 million units, or about 10%, Nikkei Asian Review reported, hinting that demand for the recently launched versions of its flagship phone was picking up. "Previously, Apple was quite conservative about placing orders," which were less than for last year's new iPhone, the Nikkei said on Friday, quoting a source. "After the increase, prepared production volume for the iPhone 11 series will be higher compared to last year." The recent surge in iPhone orders is concentrated in the cheapest iPhone 11 model and the iPhone 11 Pro model, sources cited by Nikkei said, while Apple has slightly reduced orders for its top range model, the iPhone 11 Pro Max, which has a starting price of \$1,099. J.P. Morgan analysts have recently raised their iPhone shipment forecast and now expect Apple to sell 1 million units more than their previous estimates. In the company's latest reported fiscal quarter, iPhones contributed less than half of company revenues for the first time in seven years. (Source: Yahoo! Finance)

**> Over a Third of the U.S. Workforce is Now Freelancing:** According to the sixth annual "Freelancing in America" survey, released on October 3 by the Freelancers Union (which has 450,000 members) and Upwork, a digital platform for freelancers and their employers, more people are opting to work as freelancers. In the U.S. this year, 57 million people worked as freelancers, up from around 53 million in 2014, the first year this study was conducted. That's about 35% of the U.S workforce. Freelance income currently makes up almost 5% of the country's GDP, or close to \$1 trillion. That's a greater share than those of industries like construction and transportation. Technological improvements make this option more feasible—77% of freelancers in the study said technology helped get them contract assignments. The internet also helps people who can't work nine-to-five office jobs do their work from home. On top of that, freelancers are

earning more than they used to. Per hour on average, they make more money than 70% of all types of U.S. professionals. Of course, not all generations freelance equally. In general, the rule is the younger an adult is, the more likely they are to freelance. While just 29% of baby boomers freelanced, 31% of Gen X did, as did 40% of millennials. Among Gen Z professionals, 53% did contract work. Read more [HERE](#).

**> Why Some Say College is No Longer the Sure Path to Success:** A new study conducted by Third Way, a Washington, D.C.-based think tank, concludes that some college graduates only earn the equivalent salary of high graduates. Contrary to popular opinion, which contends that the path to success is rooted in attaining a college education, the findings indicate that half of U.S. colleges in 2018 churned out some graduates that earned under \$28,000 a year. Today, there is great pressure put upon high school students to attend universities—even if they lack the aptitude or interest. Along with the general acceptance of college for everyone, the tuition has grown beyond belief. We are now making 17- and 18-year-old kids take on loans in the neighborhood of up to—and in excess of—\$200,000. Once in college, there is a proliferation of courses and majors in subject matters that may be interesting, but don't lend themselves to a real job—paying a reasonable living with the opportunity to advance. The study states what should be obvious to most rational people—it's imperative that prospective students—and their parents—only consider institutions that serve them well by being able to make a living. Read more from [Forbes](#).

**> The Three Most Important Forces Shaping The World:** There are hundreds of forces shaping the world but Morgan Housel has picked three that he thinks will have a profound impact on the coming decades because they're both transformational and ubiquitous. They impact nearly everyone, albeit in different ways. The top one is a demographic shift that is reconfiguring modern economics. In 1960 there were three times as many Americans age 0-4 as age 70-74. By 2060 those groups are about even. The share of young workers is declining while the share of older workers is rising and the share of retired people is surging. Fertility in America has declined from 120 births per 1,000 women age 15-44 in the 1950s to 59 in 2018. Fewer babies while everyone else lives longer is a Big Thing, because it means the population ages. And when the population ages everything from economic growth to workplace culture to the global order of nations gets shaken up. Lower births are a global phenomenon, particularly in the developed world. And while America ages and population growth slows, the rest of the world's major economies turn into a Florida retirement community and population growth in many cases is on track to turn negative. Housel also highlights wealth inequality and more widespread access to information. Check out the full article [HERE](#).

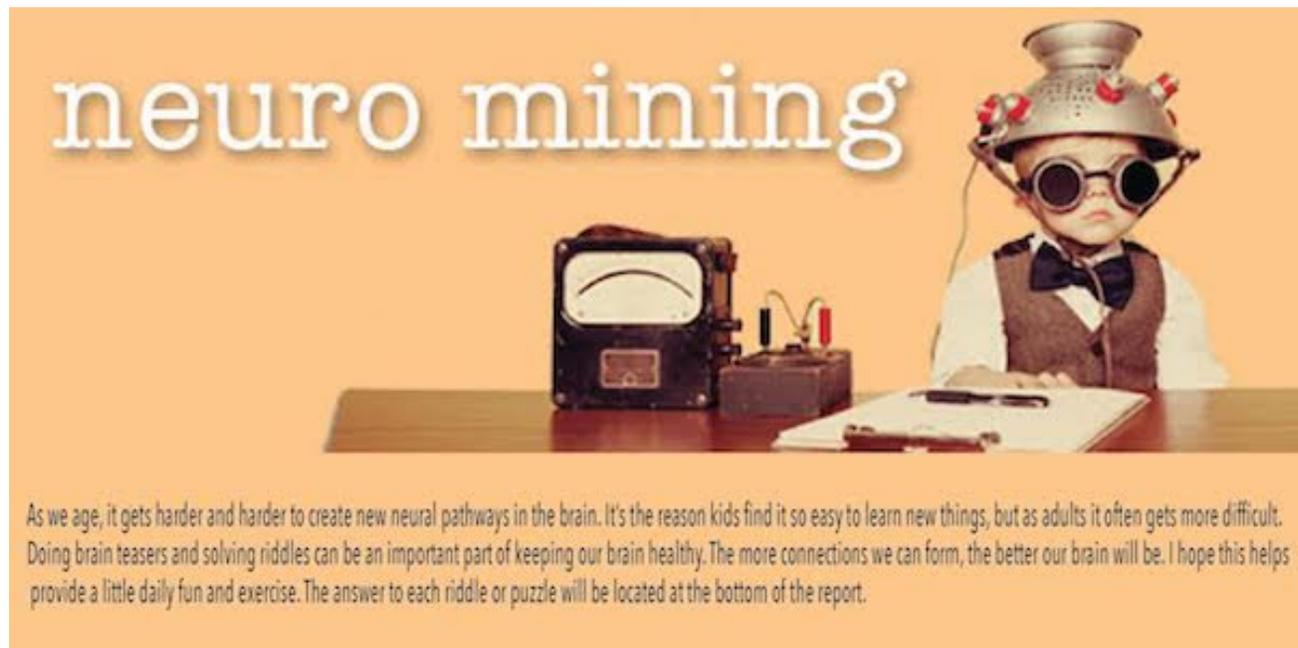


**Central Nebraska** – *I spend a lot of time driving through Nebraska and from the road everything looks very good. The biggest thing I see in the state is what variation the crops are at. In some area you see field that are completely harvested. Other fields are still green and don't really look like they will be harvested for another several weeks. As a whole though, I would say Nebraska looks good and will raise a decent crop.*

**Central Kansas** – *There are a few places south and west of us that look a little rough. Most of these areas are just nothing more than dry pockets and they are not widespread. Our corn is looking as good as I have ever seen it look. We have one field that got dinged with hail but it will still make close to our normal APH. If*

*the price would climb up another 50 cents, we would have our best year by far.*

**Central Minnesota** – *It looks like we are going to make it clear of any frost. The cooler weather is going to slow the maturing process but it looks as if we will be above freezing until at least Friday. I think we should be far enough along by the weekend the corn should not be affected. I would say we hit APH in corn and about 10 bushels higher than our APH in soybeans.*



**TODAY'S RIDDLE:** I stand in one place yet I fill a whole room. I can be filled with molten rock and come in every hue. What am I?



### **A New Harvester Can Pull Water From Desert Air**

Water scarcity is a real and growing problem across the globe and one that has serious consequences for the future of agriculture. Researchers at the University of California, Berkeley say they are one step closer to producing a machine that can

harvest water from the air, even in a desert environment.

UC Berkeley's Omar Yaghi and his colleagues say their device can pull as much as five cups of water per day from low humidity air for each kilogram (2.2 pounds) of specialized water-absorbing material called a metal-organic framework, or MOF. During a recent 3-day field test in the Mojave Desert, the harvester was reliably producing about three cups (0.7 liters) per kilogram of MOF per day. They kept the harvester running 24/7, powered by solar panels and a battery. Even on the driest day in the desert, with an extremely low relative humidity of 7% and temperatures over 80 degrees Fahrenheit, the harvester produced six ounces (0.2 liters) of water per kilogram of MOF per day.

As Yaghi explains, "Some people say that 0.7 liters is not a lot of water. But it is a lot of water if you don't have water."

When people think of "pulling water from air", the first thing that comes to mind is dehumidifiers. This technology is different however as a dehumidifier needs to work at high relative humidity. Condensing water from low humidity air generally works by cooling down the air to below freezing, which is obviously impractical on a 120-degree day in the middle of a desert. Yaghi's water harvester does the job without the cooling.

The key component is the MOF, which Yaghi and UC Berkeley colleagues developed. The material of a typical MOF is so porous that one gram has the surface that is equivalent to an entire football field. The MOF developed by Yaghi and his cohorts "easily and quickly takes up water from the air and just as readily disgorge it so the water can be collected."

Water molecules in the air "stick" to the internal surfaces, increasing the relative humidity inside the MOF to the point that water condenses, much like water on a leaf after a cool night. But with this specialized MOF, condensation can occur even at room temperature. When the MOF is heated slightly, the water comes back out and can be condensed and collected.

This is the third version of Yaghi's water harvester and this one uses what they call MOF-303. The aluminum-based material holds 30% water than previous versions and can desorb water in a mere 20 minutes "under ideal conditions." The device itself is basically a large, transparent plexiglass box about the size of a microwave, filled with cartridges of MOFs.

Since the water harvester is completely self-contained, it is also portable. This could make it an ideal solution for rural regions or developing countries where water scarcity is an issue.

The team has created a startup for the project, Water Harvester Inc., and will soon begin marketing a device about the size of an oven that can 1.8 to 2.6 gallons of water per day, which is enough daily drinking water for three adults. A larger model is also in the works, which will be about the size of an average refrigerator and capable of supplying between 53 to 66 gallons of water per day. That's enough to fulfill an entire household's daily water needs, including cooking and bathing.

Yaghi says he gets inquiries about the harvester on a near-daily basis from agencies and countries across the globe. Not surprisingly, a lot of those come from arid regions like the Middle East, Africa, South America, Mexico, Australia and around the Mediterranean. The bulk of the funding for improvements to the harvester comes from Saudi Arabia's King Abdulaziz City for Science and Technology, as part of a joint KACST-UC Berkeley collaboration.

Yaghi believes that, in time, the water harvester can help turn these dry deserts into oases. But he has a much bigger objective - "that water should be a human right." (Sources: New Atlas, Berkeley News)





### **Big Question... Are You a Trader or Investor?**

There's a constant debate amongst traders and investors about technique. Interestingly, I've never cashed any investment checks based on style points or originality of my routine. With that in mind, I encourage everyone to define in broader terms your overall objective, are you a trader or investor?

Similar to a golf swing or baseball swing, there are a million ways to approach and hit the ball. But the real professionals seem to have a similar mindset and position right at "contact." In other words, all great traders and investors are all a bit different in their approach or process, but at contact, they are very much the same. They may have a million different strategies and ways they get from point-A to point-B but their overall objective is the same... make money!

First off you have to remember, "investors" are much different than "traders". Investors have a much more long-term approach. When the stock market is in a tailspin, true "investors" do NOT feel a sense of panic. In fact, true "investors" often prefer to see stock prices falling. Remember, the goal of an "investor" is long-term returns. If you really do have a long-term horizon, all that matters is that the value of your investment will be higher further out in the future...if and when you actually plan to sell.

On the other hand, if you're looking to sell and bank profits rather quickly or in the more near future, perhaps needing the money to eventually pay bills or expenses, then you need to reclassify yourself and your objective as a "trader." In fact, many of us get this wildly wrong. I constantly have to self-reflect to make certain I'm not using the wrong mindset and trying to get a different result.

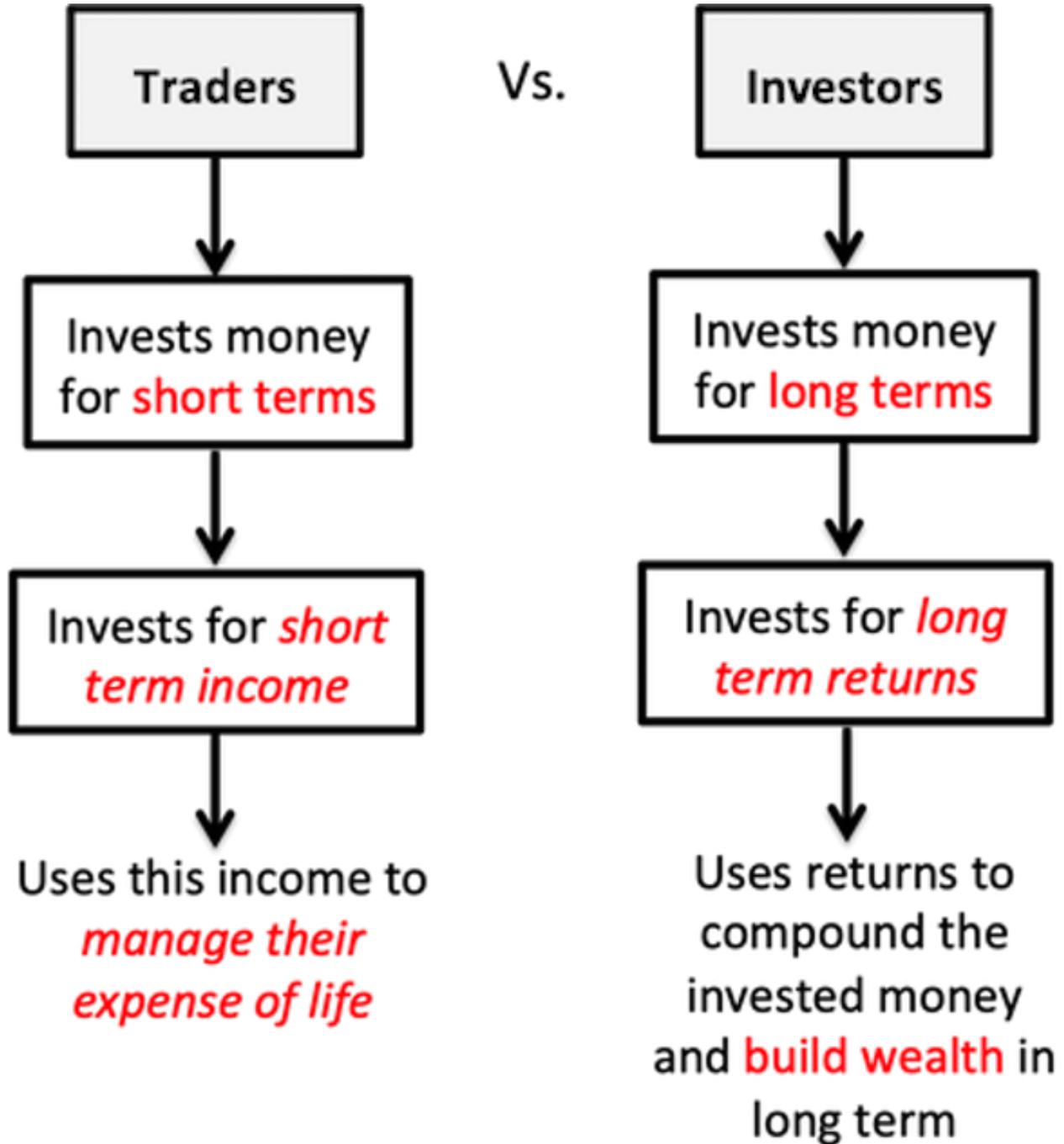
Multiple personality traits, bouncing between an "investor" and a "trader" can often be a dangerous game. True investors tend to have at least a 5 to 10-year time horizon. Most financial planners argue that retired individuals often make a big mistake by placing themselves in the category of "investor." This can become a problem because they are no longer contributing to a qualified retirement plan and they don't have the income or time to replace the losses if and when they occur. Meaning, you shouldn't "invest" money that you might need within the next several years. You would be much better suited to classify yourself as a "trader" and use those tactics and strategies.

I will argue that some of my older friends are "investing" for legacy type plays. Meaning they have perpetual trusts set up for their families that will continue to payout to children and grandchildren for generations to come. In this particular case, you would certainly want to classify yourself as an "investor" with a much longer-term focus. I should also mention, these perpetual trusts are extremely interesting. You can set them up to continue to pay for college educations for years and years to come. Very interesting and worth checking into.

Next, you need to think like an "investor." This can be surprisingly hard because financial news outlets often cater to more of the Wall Street "trader" type mentality which constantly creates buy and sell signals. This type of media programming is much sexier and creates better ratings. Be careful not to get caught in this trap - you have to separate the noise from the music.

Bottom line, there's a huge difference in being an "investor" or being a "trader", it's critically important that you define and identify who you are and don't waffle between the two. Remember, investors are looking for opportunities to "buy" rather than opportunities to "sell." Traders are looking for opportunities to "flip." I should also note, if you find yourself worrying excessively about your "investments", you probably need to do some deeper reflection and come to the realization you are in fact a "trader" who has misclassified themselves as an "investor." Accurately and honestly define yourself and your objectives then work on your style and technique.







Investing is the intersection of  
economics and psychology.

Seth Klarman

quotefancy

"CALLING SOMEONE WHO TRADES  
ACTIVELY IN THE MARKET  
AN INVESTOR IS LIKE CALLING  
**SOMEONE**  
WHO ENGAGES  
IN ONE NIGHT STANDS  
**A ROMANTIC."**

-Warren Buffett

The Catalyst logo features a stylized bar chart icon to the left of the word "CATALYST" in a bold, sans-serif font. The bars in the icon are of varying heights, and the letters in "CATALYST" are white with a red outline.

### **"936 Pennies"... A Great E-Mail Worth Passing Along**

I was sent a very interesting e-mail from a subscriber the other day and I wanted to pass it along. It was titled "[How 936 Pennies Will Forever Change How You Parent](#)". Below is an excerpt from the entire article posted on the website link I included previously. It 's definitely worth the read:

*At our old church back in Wisconsin, I was in charge of organizing events, including ordering the parenting books, children's' Bibles, and children's hymnal CD's that would be tied together with ribbons and handed out to the parents. In our new Church, I was a bit surprised as the gifts were handed*

*out to each family. Into my hand was placed a mason jar full of pennies. A heavy mason jar full of pennies. A mason jar heavy with the weight of exactly 936 shiny copper pennies.*

*"In these jars is a penny for every week you will raise this child." Our pastor explained. And with his words the jar felt exponentially more heavy in my grasp.*

*"Every week, when you get home from church, remove one penny from the jar. And it will be a reminder of the time you have left to raise your child before they go out on their own." I stared at the pennies, shiny and glinting within the glass jar. They looked so many, yet so very few.*

*That jar of pennies now sits on my desk. Our pastor had instructed us that, once we brought it home, we should start by removing a penny for each week old our child was. Ellison is one and a half. He was the oldest child being dedicated that Sunday morning, and I had a lot of pennies to remove. So many, in fact, that I have yet to do it. I haven't removed them; not a single one. Maybe it's because I haven't made a spare moment to sit and count them out, but more so I suspect it is because my heart is afraid to feel the weight of 76 pennies being emptied from that jar, never to return. Maybe I am afraid to begin removing pennies because I know with each penny I remove, my heart will grow heavier. More imminent. More immediate.*

*936...935...934...*

*And then I look at my firstborn, and my soul feels the weight of 172 pennies gone.*

*I ask the inevitable question – how were they spent?*

*A penny can be invested; it has the potential of growing in value. It also has the potential of getting lost in a couch cushion. And if we are to divide a penny into seven parts – one day for each week – what worth are we breathing into each of those days? Further, a day can be divided up also – into moments.*

*Some days I feel like I spend my whole penny – an allowance of a week – in a single 24 hour period.*

*In a weak moment, I can feel like I blow through 5 cents. One slip of the tongue, one impatient reaction, one missed the opportunity to speak the truth, one fatigued mama feeling the whole weight of failure; it can leave me wondering if I just screwed up a whole week of parenting; or if my actions, or*

*reactions, will stick with them for a lifetime.*

*I know they will. How I spend these pennies will shape the rest of their lives; they'll carry the effects of my spending habits with them for the rest of their days beyond our nest.*

### **Two Jars On my Desk**

*This realization leads me to add a new jar to my desk. Only this one is empty – for now; awaiting its own pennies. I set the two jars side by side, and I begin to count.*

*I count out 76 pennies, one for each week of Ellison's life so far. I count them out from my first jar and I deposit them into this new jar.*

*This new jar that represents the investment of a lifetime – truly, the investment of an eternity.*

*This is when I realize something monumental to motherhood – that as I withdraw those pennies from that jar on my desk, they are not being lost, misplaced, or tossed out to never see again. They are being invested. They are creating something new, something of great beauty, bravery, and Kingdom importance.*

*They are building my son into who God has created him to be.*



**ANSWER to riddle: A lamp.**

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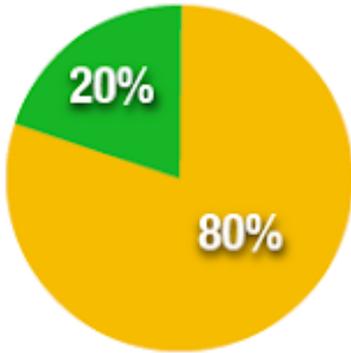
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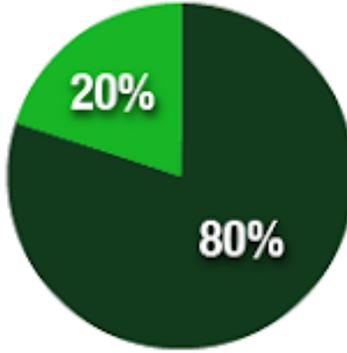
Corn 2018 Crop	Soybean 2018 Crop	Wheat 2018 Crop
80% SOLD	80% SOLD	100% SOLD

**20% HEDGED**  
**0% UNPROTECTED**



**Corn 2019 Crop**

**20% HEDGED**  
**0% UNPROTECTED**



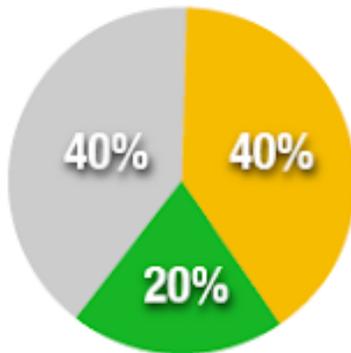
**Soybean 2019 Crop**

**0% HEDGED**  
**0% UNPROTECTED**



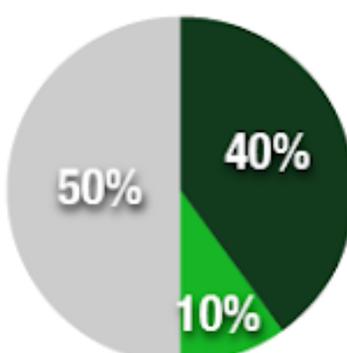
**Wheat 2019 Crop**

**40% SOLD**  
**20% HEDGED**  
**40% UNPROTECTED**



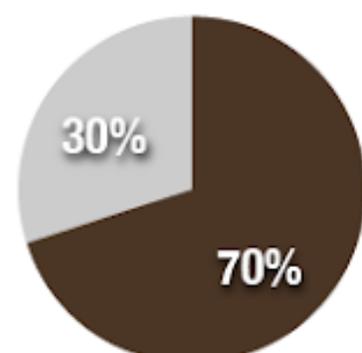
**Corn 2020 Crop**

**40% SOLD**  
**10% HEDGED**  
**50% UNPROTECTED**



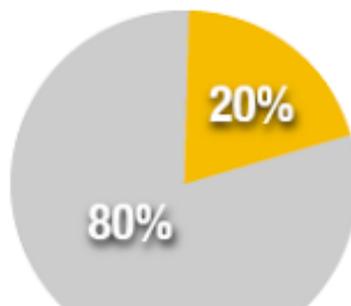
**Soybean 2020 Crop**

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

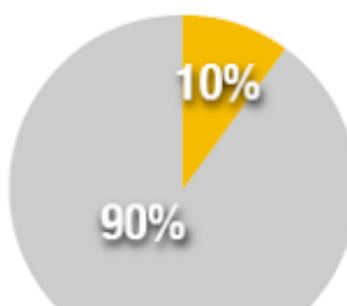


**Wheat 2020 Crop**

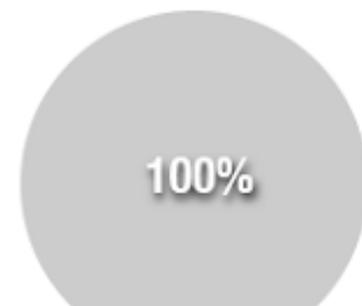
**20% SOLD**  
**0% HEDGED**  
**80% UNPROTECTED**



**10% SOLD**  
**0% HEDGED**  
**90% UNPROTECTED**



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



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