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GOOD MORNING: The Van Trump Report 10-15-19

1 message

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

Tue, Oct 15, 2019 at 5:30 AM

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"We on this continent should never forget that men first crossed the Atlantic not to find soil for their plows but to secure liberty for their souls." - **Robert J. McCracken**

Tuesday, October 15, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Investors remain cautious amid what some see as a still shaky trade deal between the U.S. and China. Stock traders are definitely happy that the tariff hike initially scheduled to take effect today has been canceled and that, for now, the two sides are avoiding further escalations in tit-for-tat tariffs. U.S. Treasury Secretary Steve Mnuchin said yesterday he expects President Trump and Chinese President Xi Jinping will be able to finish the deal during their anticipated meeting in Chile in a few weeks. However, if the two sides fail to finalize an agreement before December 15, he sees the planned 15% tariffs on about \$300 billion in imports from China going into effect. China also dimmed the optimism yesterday saying they want further talks to hammer out the details of the "Phase 1" trade deal before they agree to sign on to anything. There is no

doubt that the trade war is hurting China's economy. Customs data yesterday showed September exports fell -3.2% from a year earlier, the biggest fall since February. Chinese data also shows total imports from the U.S. fell -26% in January-September. Keep in mind, China's economy has a huge impact across the globe and their current slump is causing concern regarding how far and deep the slowdown might spread. In fact, I continue to hear a lot of talk and whispers about the very real possibility of a U.S. recession. I'm personally not on that same page, but I should report, the New York Fed's Recession Probabilities model, which gives the odds of a downturn over the next 12 months, now puts the odds of a U.S. recession over the next year at just over 34%. At first glance, that doesn't seem like an alarming number, but bears are quick to point out it's at about the same level as reported in September 2007 at 34.6%. The model also showed odds above 30% just ahead of previous recessions in 1990 and 2001. The reason I'm not a big believer in a recession is the fact oil prices are almost -30% lower than they were last year at this stage. I'm not saying it couldn't happen, but we haven't seen a recession without a massive spike in oil prices in almost a half-century. Perhaps we will be a better understanding once we see this next round of quarterly corporate earnings? Third-quarter earnings season starts to move into full-stride today with Wall Street banks JPMorgan, Goldman Sachs, Citigroup, and Wells Fargo scheduled to report. Other key earnings out today include Johnson & Johnson, Netflix, United Health Group, United Airlines, and Blackrock. There is really not much major economic due today, but several Federal Reserve members are scheduled to speak, including St. Louis Fed President James Bullard, Atlanta Fed President Raphael Bostic, Kansas City Fed President Esther George, and San Francisco Fed President Mary Daly. Investors are anxious to hear any clues the central bankers might offer as to what direction the Fed is leaning on cutting rates at their upcoming meeting later this month. Remember, Bullard and George are two of the three policymakers that voted against the Fed's rate hike in September. In other words, stock market bulls might get a bit uncertain after hearing their commentary. I'm still looking to be a buyer on the bigger breaks...



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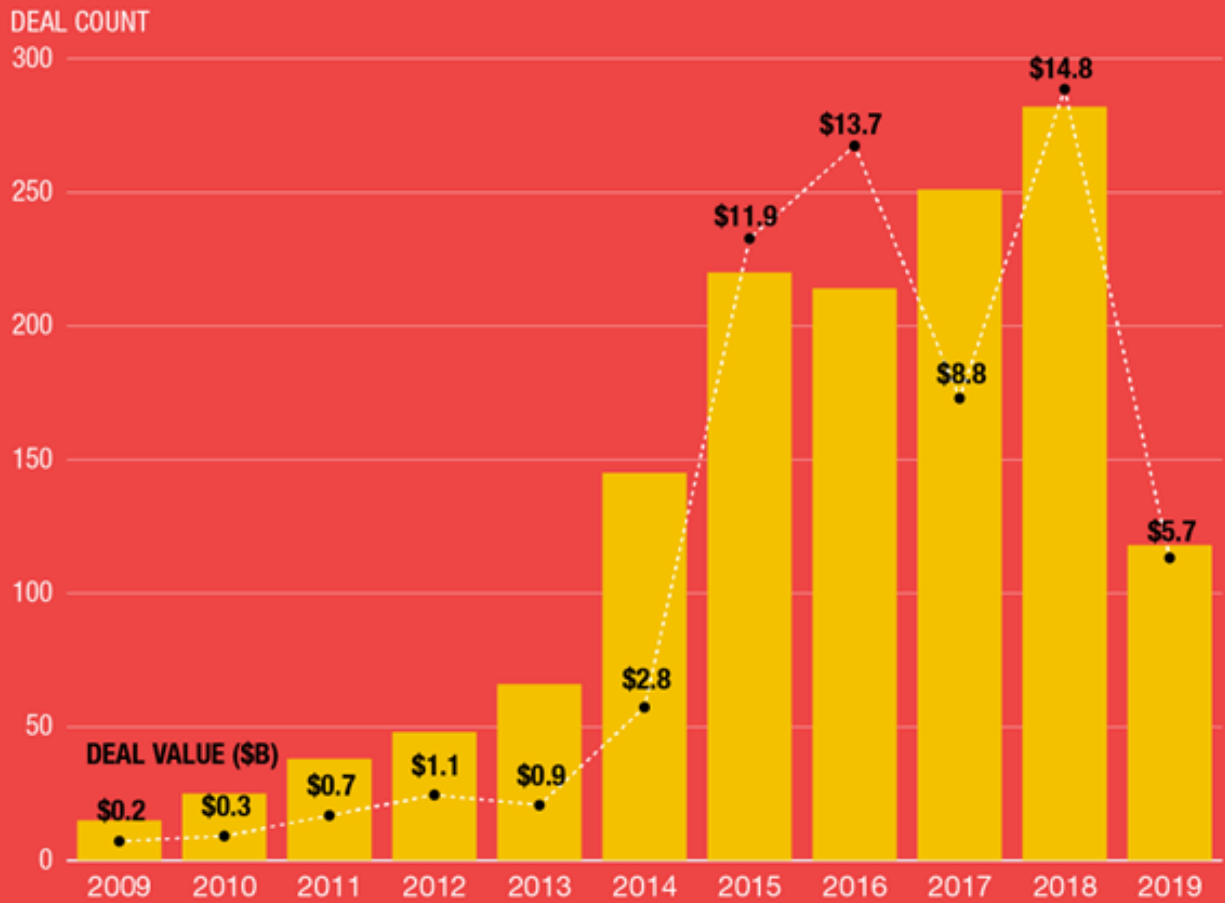
MLB Playoff Update: *Washington Nationals pitcher Stephen Strasburg continues to deal in the playoffs. His 1.10 ERA is the 3rd-lowest in #postseason history, trailing only Sandy Koufax (0.95) and Christy Mathewson (1.06). The Nationals now lead the NLCS against the St. Louis Cardinals 3-0 and have a chance to advance to the World Series tonight with a victory. The Cardinals play at the Nationals at 7:30pm tonight, with the game scheduled to be televised on TBS. The Houston Astros play at the New York Yankees in game 3 of the ALCS this afternoon at 3:08. The series is currently tied 1-1.*

Harley-Davidson Halts Electric Motorcycle Production: *Harley-Davidson has stopped production and deliveries of its first electric motorcycle after discovering a problem related to the vehicle's charging equipment, a major setback for a product the company is counting on to rejuvenate sales. The motorcycle maker said it has suspended production of the LiveWire model as it conducts tests to investigate the problem. The company said Monday that the tests were progressing well but didn't say when production would resume. Harley is banking on the electric bike to help jump-start sales in its core U.S. market. The company in July cut its forecast for motorcycle*

shipments and reported weaker results in its latest quarter. The company asked customers and dealers to only use a professional type of charger available at its dealerships rather than electrical outlets at their homes. The company said the bikes, with a suggested retail price of \$30,000, are still safe to ride. Analysts said Harley needed a smooth rollout of the electric bike after years of disappointing sales for new models. Unfortunately, that's pretty much the exact opposite of how things have gone. Harley had planned to deliver the LiveWire to dealers in August. However, it delayed deliveries to early this month when a smaller number were distributed to dealers. (Source: The Wall Street Journal)

Chinese VC Money Fleeing the U.S., but Does it Really Matter? *Chinese investors face increasing challenges as they navigate the political hazards that come with seeking investment opportunities in the U.S, in the midst of a trade war between Washington and Beijing. While the Trump administration may be considering potential limits to investment flows between the two countries, investment data suggests the flows have already dried up. Last year, Chinese VC funds invested \$14.8 billion in U.S.-based startups, a record total. In the first nine months of this year, that number was slashed by two-thirds, according to data compiled by PitchBook. Some of the slowdown is the result of increasing scrutiny of Chinese investments in the U.S. and the Committee on Foreign Investment (CFIUS) reform. However, it is not seen as too big a deal for U.S. startups. Chinese investors often pitch to American entrepreneurs their ability to help them expand to the mass Chinese market. While U.S. startups may miss that benefit, a decline in investment from China won't be too much of an issue for startups, according to analysts. As the pilot program of the CFIUS approaches its one-year mark, it's expected to continue to dampen the interest of Chinese investment. The new CFIUS program is trying to address the technology transfer issue, a centerpiece of Trump's trade talks with China. The Office of the U.S. Trade Representative has accused some Chinese funds using VC funding in startups to steal American technology in the Special 301 Report. Read more from [Yahoo! Finance](#).*

CHINESE VC INVESTMENT IN THE U.S. DROPS IN 2019



FARM TANK

Tweets of the Day



Visual Capitalist ✓
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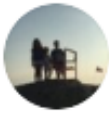


The Countries With the Most Oil Reserves



visualcapitalist.com/map-countries-...





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Largest US Companies, 1960 to Today...

@CharlieBilello Largest U.S. Companies by Market Cap (1960 - 2019)							
Rank	1960	1970	1980	1990	2000	2010	2019
1	AT&T	IBM	IBM	Exxon	Microsoft	Exxon Mobil	Apple
2	General Motors	AT&T	AT&T	General Electric	General Electric	Microsoft	Microsoft
3	Dupont	General Motors	Exxon	IBM	Cisco	Walmart	Amazon
4	Exxon	Eastman Kodak	General Motors	AT&T	Walmart	Apple	Google
5	General Electric	Exxon	Amoco	Philip Morris	Exxon Mobil	Johnson & Johnson	Facebook
6	IBM	Sears Roebuck	Mobil	Merck	Intel	Proctor & Gamble	Berkshire Hathaway
7	Texaco	Texaco	General Electric	Bristol-Myers	Lucent	IBM	Visa
8	Union Carbide	Xerox	Chevron	Dupont	IBM	JP Morgan Chase	JPMorgan Chase
9	Eastman Kodak	General Electric	Atlantic Richfield	Amoco	Citigroup	AT&T	Johnson & Johnson
10	Sears Roebuck	Gulf Oil	Shell Oil	BellSouth	AOL	General Electric	Walmart



Josh Schick
@JoshSchick3

#harvest19 both ears same farm 2019 summed up in two words "highly variable."







BTI John Deere
@BTIequip



That is not a normal view to wake up to on the custom harvest trail! Mike and Kathie Keimig Harvesting

#harvest19





Metzgerins
@Metzgerins1



2019 Wheat Harvest





Dan Ronceray
@RoncerayDan



We checked the corn. It may be a while before we're back in..... [#harvest19](#)

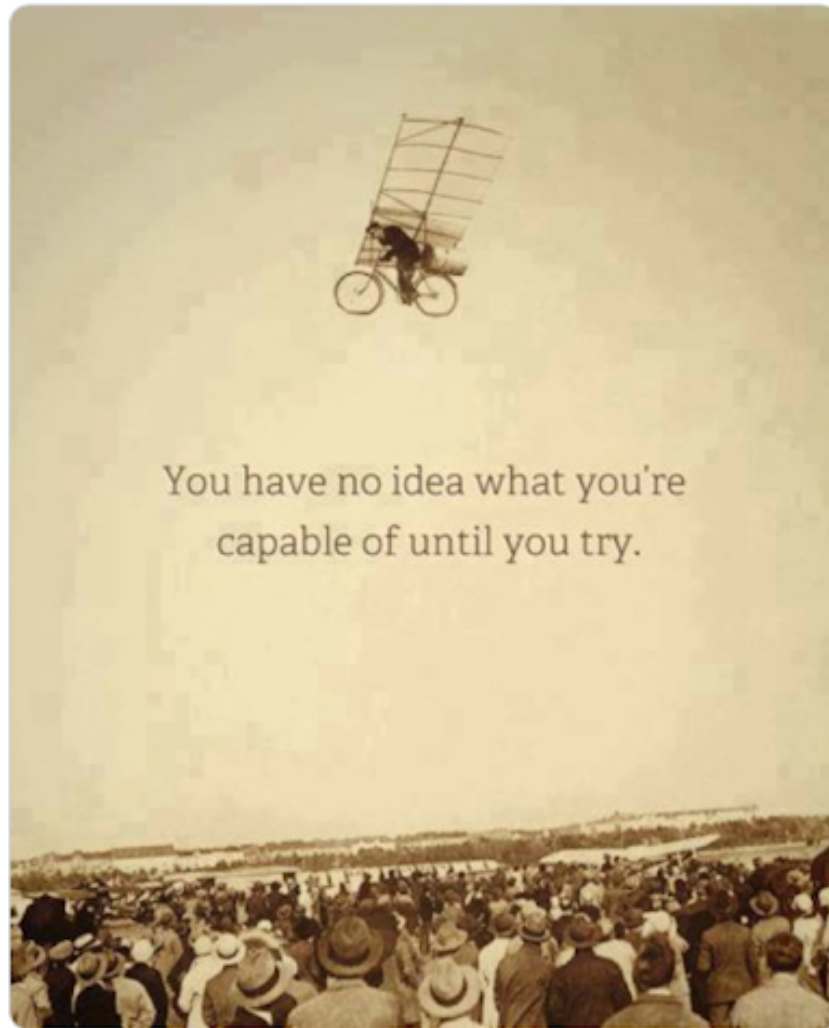




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Corn traders continue to debate U.S. yield and drag associated with the recent winter storm. The damage in some areas could be much more significant than the

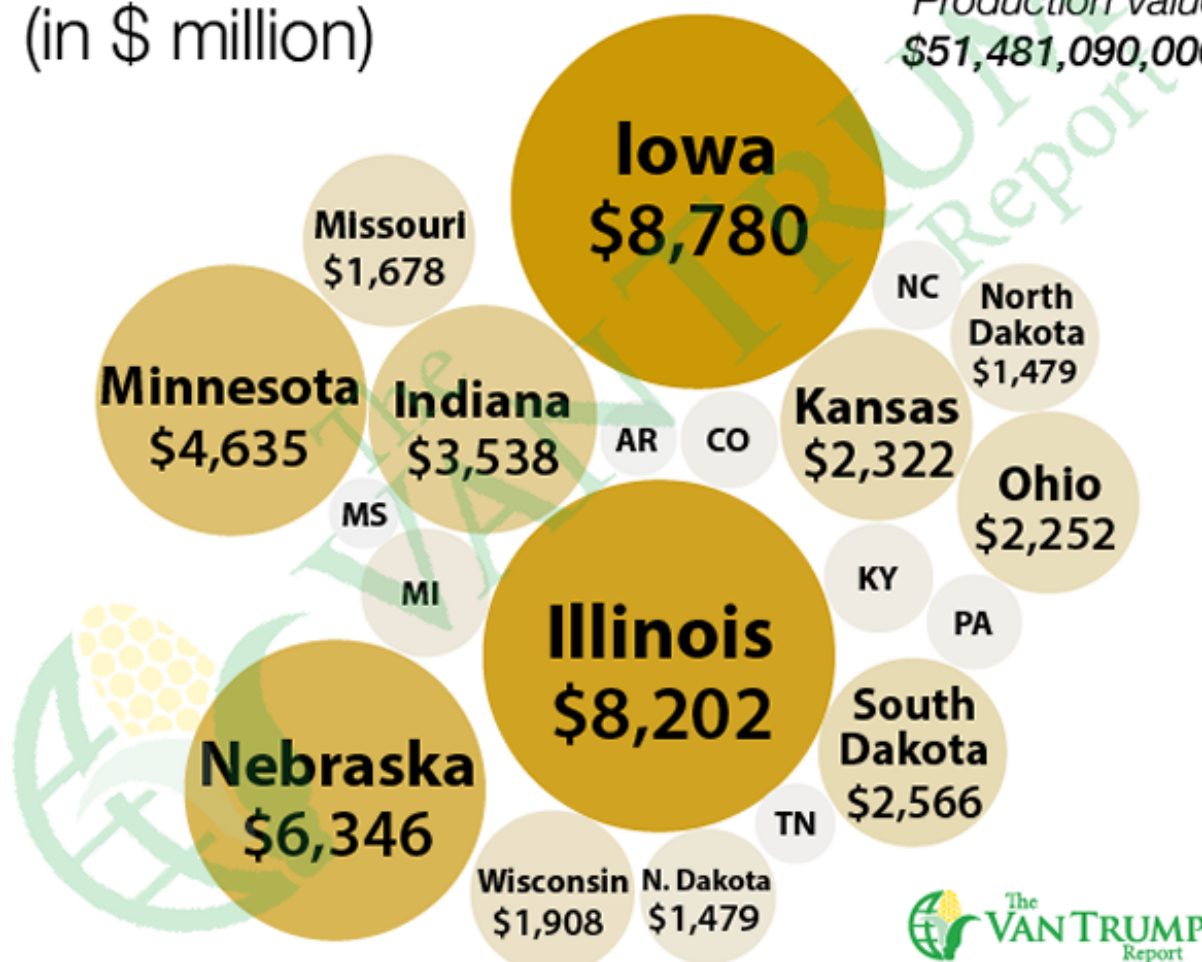
trade was thinking late last week. There were several areas in the Dakota's, parts of western Iowa, and Nebraska that were sub-32 degrees for an extended period of time. There was also winter damage reported in parts of Kansas, Illinois, Minnesota, Missouri, and Wisconsin. Remember, the USDA reported last week that many of these areas were greatly lagging in overall maturity. Illinois and Iowa were running -30% behind their traditional pace of "maturity". North Dakota, South Dakota, and Minnesota were running even further behind in regards to "maturity". The trade will be very interested to see what the USDA has to say in today's weekly crop-progress report about..."maturity", "harvest", and overall "crop-conditions". Technically, I think it feels like the DEC19 contract is going to be comfortable trading in the \$3.80 to \$4.20 range until we learn more about overall winter damage, the recent U.S. and China trade deal, and upcoming South American weather. As a producer, I will be trying to reduce a bit more cash risk up towards the higher end of this range. As a spec, I continue to hold some bullish positions.

Corn Production Value by State

2018 Top 20

(in \$ million)

Total U.S.
Production Value
\$51,481,090,000



Source: USDA, NASS 04/30/19



Soybeans bulls might be tempted to take a few steps backward on headline uncertainty surrounding "Phase 1" of the U.S.-Chinese trade deal. Chinese leaders are supposedly saying they need to have a few additional talks before finalizing Phase 1, the problem is the market has heard something similar in the past. The good news, recent data is showing Chinese soybean import demand gaining a bit of positive momentum. Data circulating is showing that China imported 8.2 MMTs of soybeans in September, which if true would be record large. Bears, however, wonder if that number isn't padded with U.S. purchases made out of good faith ahead of the recent trade talks? Annual Chinese soybean imports are still down heavily but this data is certainly a step in the right direction. Bulls are also pointing to the fact the recent round of U.S. winter weather generated colder temps that were more widespread than anticipated. Particularly in parts of the Dakota's, Kansas, Illinois, Indiana, Iowa, Minnesota, Missouri, Nebraska. I suspect this means the USDA will show another reduction in this week's crop-condition report. Unfortunately, we still won't know the extent of the yield drag and or what real damage has been done until we get more accurate harvest data out of the field. Technically, there's some inside the trade talking about a potential double-top brewing on the NOV19 chart. Personally, I would love to see us close back above \$9.50 per bushel before I get more excited about further upside potential.

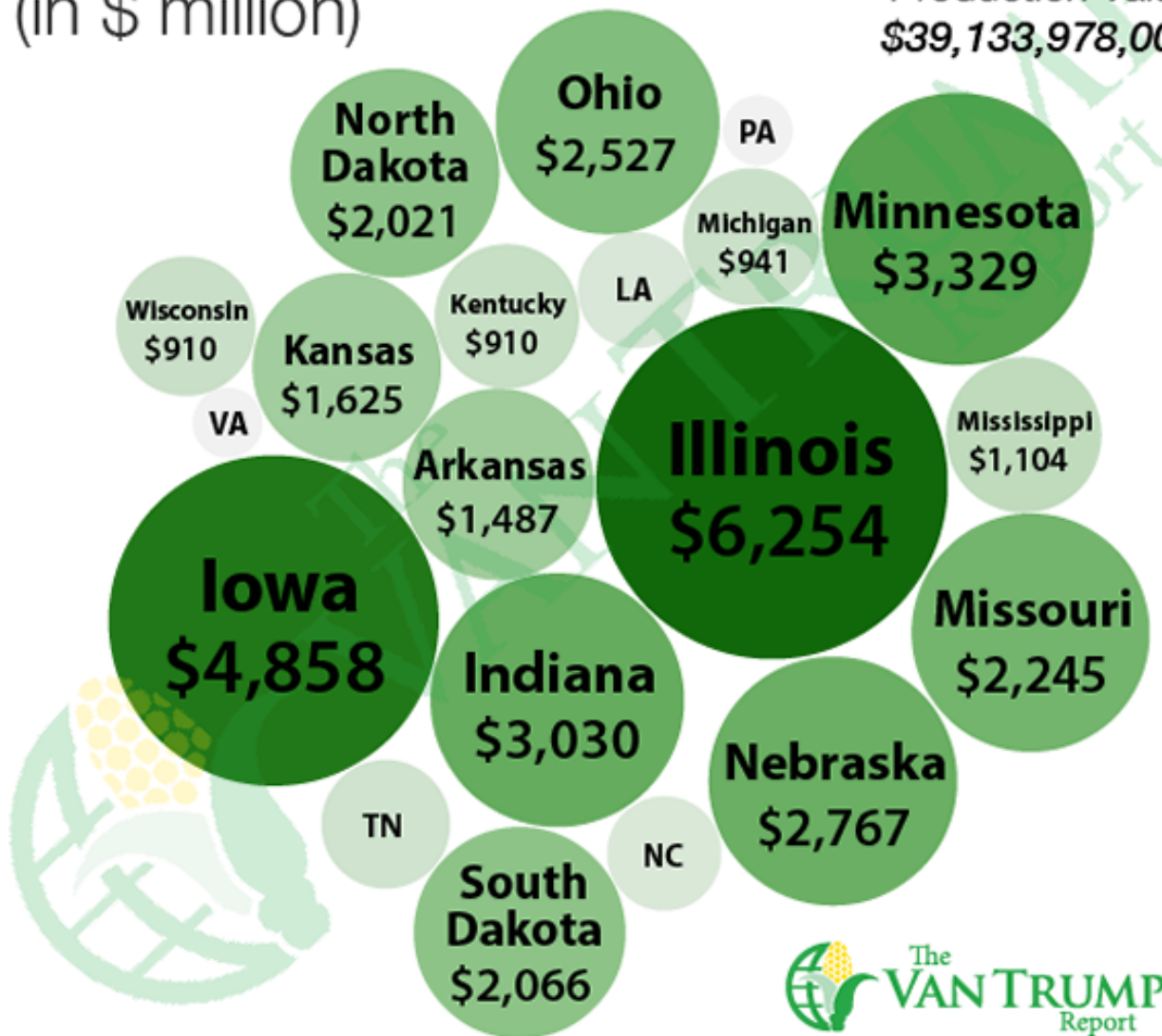
Remember, our most recent high was back in mid-June at \$9.48 per bushel. You have to go back to between mid-February and early-March to find a close above \$9.50 per bushel. Don't forget, NOPA will be releasing their monthly crush numbers today. The trade is looking for a crush number somewhere in the 160 to 164 range. A number of that size would probably beat the September record set last year. The trade is also looking for soyoil stocks to once again be reduced lower. As a spec, I remain conservatively long this market. If we get a sizeable and unforeseen setback in price, I may consider adding a bit more length. As a producer, we have to be making catch-up sales and working to reduce some of our longer-term price risks.

Soybean Production Value by State

2018 Top 20 States

(in \$ million)

Total U.S.
Production Value
\$39,133,978,000



Source: USDA, NASS 04/30/19

Wheat bulls continue to talk about extreme winter weather in parts of the U.S., especially those areas that still have a bit of spring wheat in the fields, primarily in parts of Montana, North Dakota, and Canadian Prairies. The trade is also closely watching those areas that are reporting winter wheat as already emerged. Meaning, traders will be watching today's USDA weekly crop progress numbers closely, i.e. how much spring wheat is still in the field, and how much winter wheat is emerged in the wintery areas? Bulls are also keeping an eye on dry conditions in portions of the southern Plains and Ohio River Basin for both HRW and SRW

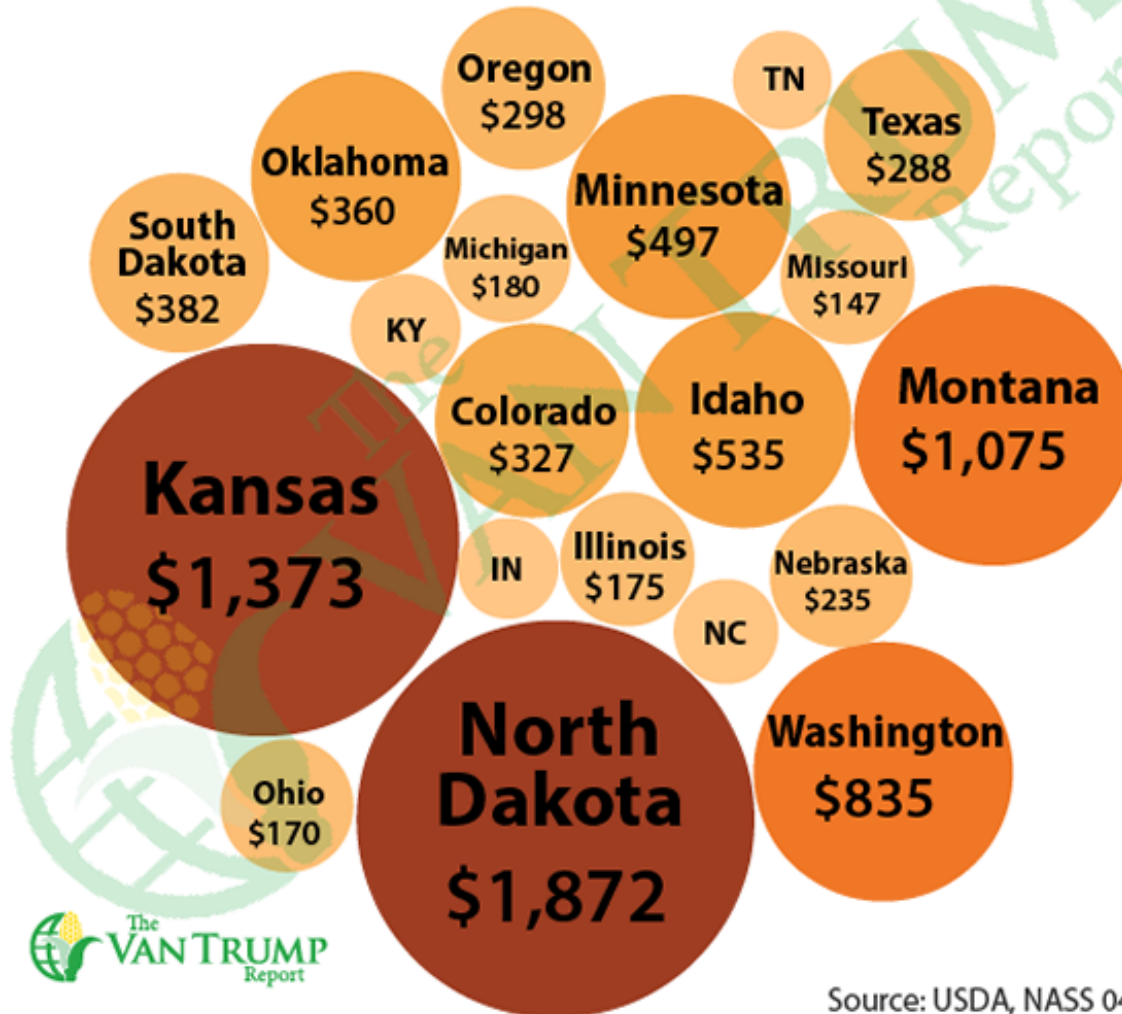
wheat. Technically, SRW and HRW have both rebounded and are making multi-month highs. As a producer, I'm certainly not saying prices are great but they are better than we've seen the past couple of months. Those that feel they are way behind on sales should be paying close attention. I'm personally paying close attention to the JUL20 contract which is trading around \$5.20 in the SRW contract and just above \$4.50 in the HRW contract. As a spec, I remain on the sideline, record global supply, big production out of Russia, and a strong dollar remains a concern and headwind. There's talk out of Russia that the USDA could still be significantly underestimating their production. Southern Russia will still need some rain so it will be heavily monitored. The trade is also keeping an eye on dry conditions in Kazakhstan and Ukraine. I'm also thinking the U.S. dollar might start to weaken a bit, but I would like to see some additional confirmation before placing any bullish bets.

Wheat Production Value by State

2018 Top 20 States

(in \$ million)

Total U.S.
Production Value
\$9,699,073,000



Source: USDA, NASS 04/30/19

Fed cattle prices have jumped substantially in recent weeks. Over the course of the last five weeks, the national average fed steer price has moved up approximately 9.00/CWT. Negotiated cash markets are seemingly tighter, as a result, the futures spreads incentivizing the pulling back of cattle and to some degree, cattle feeders resisting a slightly negative basis on average. Slaughter totals continue to top historical levels for this time of year in the face of a tighter hook space situation. Year-to-date the estimated slaughter numbers are running about 1% above last year, total beef production is unofficially printing 0.5% higher than last year and exports are 8-9% below a year ago a total for both sales and shipments. On a related note, Hong Kong canceled a massive amount of un-

shipped sales. Going forward this week, show lists for cattle to be sold were smaller but remain giant versus the last ten years. Smaller slaughter totals are possible this week as the packer works to manage a slipping margin. The beef cutout is firming with last week's spot product ending the week approximately 3.00/CWT higher. This higher trend is expected to continue with forward holiday demand being noted and middle meats will drive cutout values for the near term. Many are looking for higher cash markets this week and the trend is certainly in that direction if we were to see any kill cuts this could stall or even pressure cash for now. The news surrounding US-China agreements caught the attention of traders and markets on Friday. The overnight grain and equity trade were optimistic early but then became more cautious and wait-and-see about the matter. In total, it would seem there is some direction to the overall negotiations and material advances are being made. However, there is an overwhelming amount of details and nuances that the markets are unaware of or at the very least not clear on. From a futures standpoint, the Dec19 LC made fresh move highs today and is nearing the July 2019 highs around 115.000/CWT. Technical momentum is certainly up for now and COT data indicates a massively short non-commercial trader is trying to wiggle out without making too big of a splash. Trey Warnock - [Amarillo Brokerage Company](#)

USDA Weekly Cash Trade Summary

		10/14/2019		10/7/2019		10/14/2018	
Class		Hd	Price	Hd	Price	Hd	Price
<u>National</u>	Live Str	27,814	\$ 109.08	31,291	\$ 107.32	45,120	\$ 110.87
	Live Hfr	16,199	\$ 109.24	15,725	\$ 107.85	19,847	\$ 110.64
	Drsd Str	12,784	\$ 171.63	1,401	\$ 108.32	26,087	\$ 174.76
	Drsd Hfr	6,684	\$ 171.61	7,400	\$ 169.80	10,175	\$ 174.79
	Grand Total	85,204		96,411		129,613	
<u>5 Area</u>	Live Str	22,986	\$ 109.21	25,893	\$ 107.34	41,674	\$ 110.95
	Live Hfr	13,668	\$ 109.30	14,348	\$ 107.88	16,633	\$ 110.70
	Drsd Str	11,203	\$ 171.77	16,550	\$ 169.80	23,081	\$ 174.83
	Drsd Hfr	5,430	\$ 171.85	5,815	\$ 169.83	9,064	\$ 174.79
		53,287		62,606		90,452	
<u>Texas</u>	Live Str	2,147	\$ 108.92	4,558	\$ 106.23	933	\$ 111.00
	Live Hfr	1,809	\$ 109.00	1,527	\$ 106.55	767	\$ 111.00
		3,956		6,085		1,700	
<u>Kansas</u>	Live Str	3,676	\$ 108.65	6,176	\$ 106.86	8,004	\$ 110.99
	Live Hfr	4,064	\$ 108.65	3,383	\$ 106.86	2,899	\$ 110.92
		7,740		9,559		10,903	
<u>Nebraska</u>	Live Str	8,019	\$ 109.79	6,778	\$ 108.32	16,585	\$ 111.17
	Live Hfr	5,458	\$ 109.95	5,629	\$ 108.69	6,667	\$ 111.17
	Drsd Str	6,697	\$ 171.84	10,434	\$ 169.94	15,320	\$ 174.95
	Drsd Hfr	3,918	\$ 172.00	3,168	\$ 170.01	5,158	\$ 175.00
		24,092		26,009		43,730	
<u>CO</u>	Live Str	139	\$ 108.00	550	\$ 108.73	936	\$ 111.33
	Live Hfr	118	\$ 108.00	1,455	\$ 108.95	-	\$ -
		257		2,005		936	
<u>Iowa</u>	Live Str	9,005	\$ 109.01	7,831	\$ 107.43	15,216	\$ 110.65
	Live Hfr	2,219	\$ 109.18	2,354	\$ 107.61	6,300	\$ 110.07
	Drsd Str	4,248	\$ 171.66	5,802	\$ 169.62	7,362	\$ 174.53
	Drsd Hfr	1,470	\$ 171.44	2,647	\$ 169.62	3,401	\$ 174.30
		16,942		18,634		32,279	



> Economist Expects -20% or Greater Yield Loss After Weekend Freeze:

University of Illinois economist Scott Irwin says the weekend Midwest freeze and the blizzard in the Dakotas might bring more recovery to the corn market. Irwin tells Brownfield Ag News, "From a market standpoint, I like holding pat for now because, I'm thinking, you know, my estimates suggest that this may have knocked back U.S. corn production about a quarter of a billion bushels, and I think that's probably close to the minimum damage." Irwin says farmers who can hold their corn probably should for now. He says the early awareness of the storm coming and Friday's U.S.-China trade announcement contributed to some market recovery, but prices might go up. "The market to some degree has already anticipated this. The question is how much has been anticipated, and is the damage possibly even worse than I've laid out." Irwin says it will take time to know how much of an impact the freeze had on crops. He expects the November USDA report to give a hint to how much actual yield loss took place. (Source: Brownfield Ag News)

> China September Soybean Imports Eased on Falling Feed Demand:

China's soybean imports in September fell -13.5% from the previous month, customs data showed on Monday, as an epidemic of African swine fever that has slashed China's pig herd reduced demand for soymeal. China, the world's top market for soybeans, brought in 8.2 million metric tons of the oilseed in September, down from last month's 9.48 million, according to data released by

the General Administration of Customs. Still, the figure was above the 8.01 million metric tons in the same month a year ago, with importers stepping up buying of Brazilian beans on worries of supply shortages amid a festering U.S.-China trade war. "The volume of soybeans crushed in September was relatively small as crush margins and demand for soymeal have fallen due to African swine fever," said Xie Huilan, an analyst with Cofeed, an agribusiness research firm. China's pig herd shrank by 38.7% in August versus a year ago, according to data published by the Ministry of Agriculture and Rural Affairs in early September. Many in the industry believe the reduction could be much larger than official data suggest. For the first nine months of the year, China bought in 64.511 million metric tons of soybeans, down -7.9% from the same period last year, customs data showed. (Source: Reuters)

> China's Pig Herd Down More than -40% in September: *China's pig herd in September was -41.1% smaller than it was a year earlier, the agriculture ministry said on Monday, as a year-long African swine fever epidemic continued to slash the world's largest herd. The number of sows in China also fell by -38.9% in September, after the deadly disease spread to every province in the country. The declines last month were larger than in August when the pig herd shrank by -38.7% and sow numbers fell -37.4%. The industry widely believes the decline to be larger than official estimates, although the gap between the two have closed in recent months. Rabobank estimates that the herd has already declined by 50% and could fall by 55% by the end of the year. "Next year, especially in the first half, production will go down further," Pan Chenjun, senior analyst at the bank, told Reuters on Friday. (Source: Reuters)*

> Agriculture Funds Aim to Harvest Profit, Along with Corn and Wheat: *Two realities undergird the investment case for agriculture: The world's population keeps swelling and everyone must eat. A third reality — climate change — will make satisfying those billions of appetites harder and companies that can help farmers potentially more valuable. Agriculture isn't a standard investment sector in the way that, say, financial stocks are, and definitions of it vary, including things ranging from the obvious, like the American equipment-maker Deere & Company, to the offbeat, like Leroy Seafood, the Norwegian fish farmer. For investors who take a long-term view, options for investing in agriculture are nearly as varied as the crops in the fields. They range from actively managed mutual funds that put a portion of their shareholders' money into agriculture and related sectors to E.T.F.s that invest in either agribusiness stocks, commodities futures contracts or real estate investment trusts that buy farmland. Read more from [The New York Times](#).*

> Artificial Intelligence Could Be a \$14 Trillion Boon to the Global Economy—If It Can Overcome These Obstacles: *Global growth is stalling. Trade wars are hammering manufacturers, from Shanghai to Stuttgart to Seattle.*

But, awful as today's economic outlook appears, Industry 4.0 is alive and well, its most ardent backers say. Industry 4.0 is the catch-all term for the implementation by businesses of big data, improved robotics and artificial intelligence systems. And it's still expected to be a major driver in global growth over the next decade, and beyond. Yes, even in manufacturing. By 2035, this A.I.-powered push will provide a \$14 trillion boost to the global economy, consulting giant Accenture predicts. Read more from [Fortune](#).

> Bill Gates Thinks These 3 Factors Will Drive Global Health: *Bill Gates believes he can predict the future—at least when it comes to global health. And his vision is pretty impressive: No more malnutrition and fewer doctors working to save lives because more people are stable and healthy. And there's a nice ripple effect—without those problems, we can pour more resources into improving our quality of life instead. He shared his outlook last week while accepting the Professor Stephen Hawking Fellowship at Cambridge, a tribute to the late physicist. Upon accepting the award, Gates gave a lecture that highlighted three key factors crucial to achieving his bright future. And the incremental approach he takes can be applied to all manner of next-generation innovations. Read all about it over at [Fast Company](#).*

> Paralyzed Man Walks With Brain-Controlled Exoskeleton: *A man paralyzed from the shoulders down has been able to walk using a pioneering four-limb robotic system, or exoskeleton, that is commanded and controlled by signals from his brain. With a ceiling-mounted harness for balance, the 28-year-old tetraplegic patient used a system of sensors implanted near his brain to send messages to move all four of his paralyzed limbs after a two-year-long trial of the whole-body exoskeleton. "(This) is the first semi-invasive wireless brain-computer system designed... to activate all four limbs," said Alim-Louis Benabid, a neurosurgeon and professor at the University of Grenoble, France, who co-led the trial. In this trial, two recording devices were implanted, one either side of the patient's head between the brain and the skin, spanning the sensorimotor cortex region of the brain that controls sensation and motor function. For now the exoskeleton is purely an experimental prototype and is "far from clinical application," but it does bring doctors a step closer to one day being able to help paralyzed patients drive computers using brain signals alone, according to researchers who led the work. Read more about the ground-breaking experiment [HERE](#).*

> An Irishman Takes "Getting the Last Laugh" to a Whole New Level: *An Irish man with a sense of humor left behind a final prank for his friends and family: He made a recording before his death, and after his coffin was lowered into the ground, it started playing. "Hello?" he can be heard saying. "Let me out. It's f--ing dark in here." Soon, he was singing "Hello Again" by Neil Diamond. Many of the mourners can be seen laughing in video of the incident. The man was*

identified as father of four, grandfather of eight Shay Bradley. A user identifying herself as Bradley's daughter tweeted, "It was his [dying] wish that we played this at his funeral. What a man.... To make us all laugh when we were incredibly sad..... He was some man for one man.... Love you forever Poppabear #Shayslastlaugh." Be warned, there is some "coarse" language, but it's truly hilarious and obviously brought a lot of joy to an otherwise sad occasion. Check it out [HERE](#).

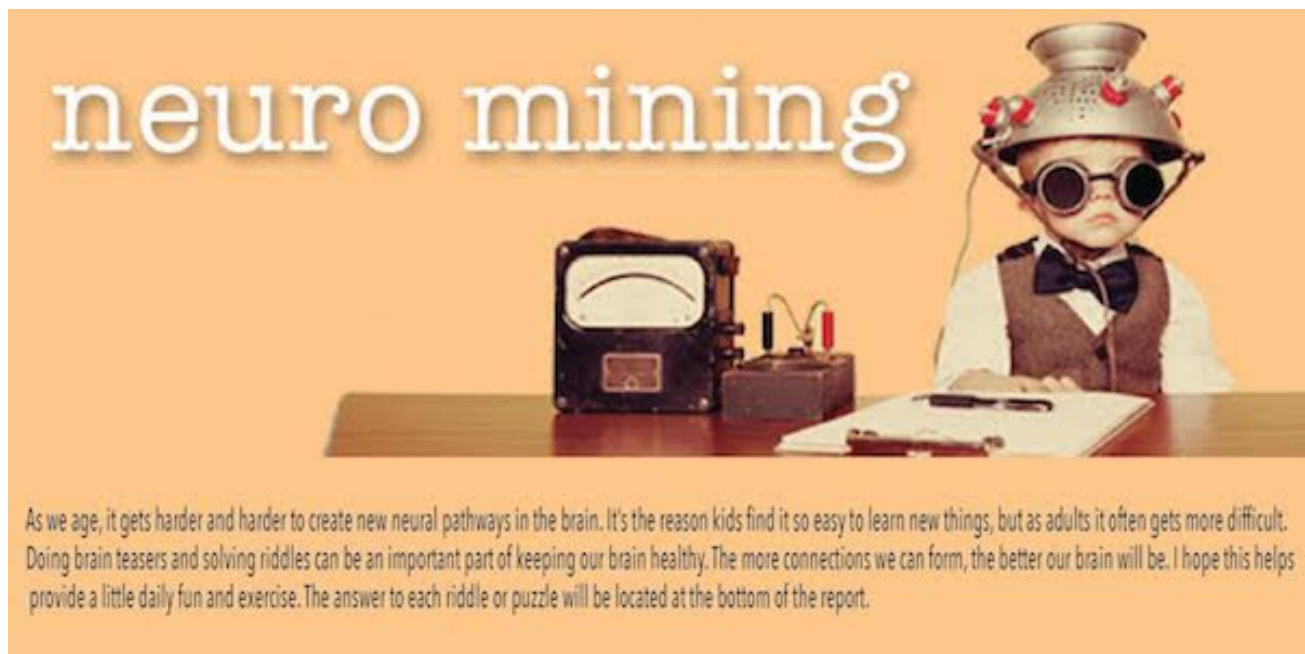


Southeast Minnesota - *It's been a tough fall already with all the moisture making it challenging to get in the field. We just received 8-14 inches of snow to deal with. We needed a foot of snow like we needed a hole in the head! It's been a very hard harvest season but we have to keep chugging along. We are hoping to be out of the field by Christmas, but we will see.*

Western Missouri - *We farm right near Richmond, MO, which is a little northeast of Kansas City. I don't think we've been in the field for more than three days in a*

row for the whole harvest season. We have a small start on corn, haven't touched beans, they still have too much moisture in them. But by the time we get the 900 acres of corn out, beans should be ready to rock.

Southeast South Dakota - *Heavy snow missed the Sioux Falls area where we farm. We got hit with some flurries but that was it, so we lucked out there. The long-range forecast is also calling for dry weather so we will be able to get some good work done over the next ten days. Our goal is to be done by Thanksgiving, but that may be a little ambitious.*



TODAY'S RIDDLE: I can be half without getting thinner. I can shine with no fire. I can be hidden but never taken. I can stay dry while moving to the ocean. What am I?



Interesting Look Inside Grain Export Data

Somewhat surprisingly, U.S. "Grain In All Forms" (GIAF) for the 2019/19 marketing year, rank as the third-best of all time, declining -11% from last year's all-time high. Data released from the USDA and the U.S. Grain Council help shed some additional light. I thought some of the highlights were worth sharing. (Source: grain.org)

Corn and Sorghum Take the Big Hit, Meats Show Gains: *Decreased exports were particularly pronounced for U.S. corn and sorghum which represented 92% of the overall 13.3 million ton reduction in GIAF exports. While declines were fairly widespread over the ten main product sectors the council tracks, view full list [HERE](#), other categories did not suffer as much. Not surprisingly, the best performance was from pork, beef, and poultry exports, which collectively showed a slight gain reaching 23 million tons or 905 million bushels in corn equivalent and together represented 21% of the GIAF total.*

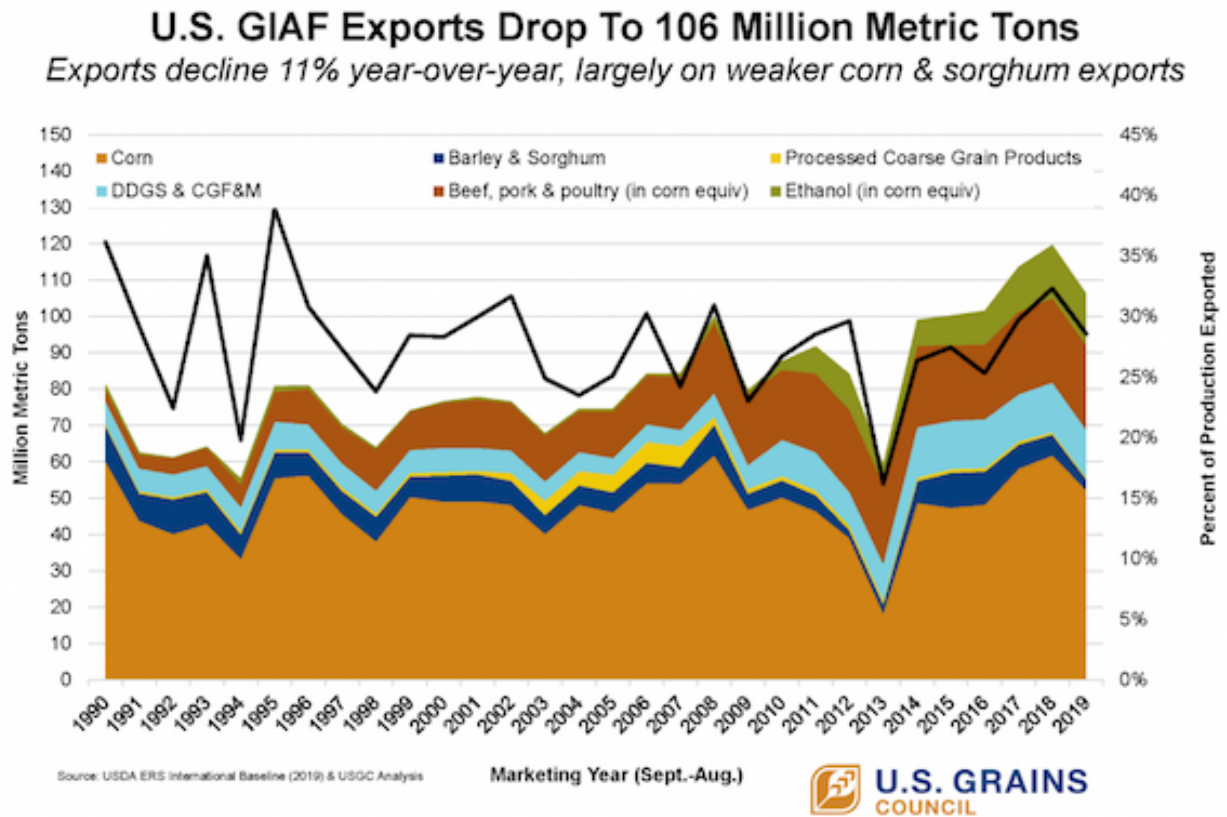
South American Corn Competition Hits U.S. Exports: *U.S. corn exports totaled 52.3 mt, down -15% from the previous year as strong competition from plentiful South American supplies took a toll, especially in the final three months of the marketing year. Interestingly, despite this decline, all but one of the 10 markets showing the greatest positive unit growth this year were in the Western Hemisphere, with top buyer Mexico setting a new record high at 16.1 mt, up 407,000 tons year-over-year. Canada saw the largest increase at 700,000 tons for a total of 2.42 mt and ranking as the fifth-largest buyer.*

Shrinking Chinese Purchases Cut U.S. Sorghum Exports: *U.S. sorghum exports to China totaled 7.1 mt as recently as 2015/2016, but exports to China in 2018/2019 collapsed to just 628,000 tons, largely due to prohibitive tariffs in China. Overall, U.S. sorghum exports took a sharp downturn, decreasing -54% year-over-year to just 2.3 mt. It's worth mentioning, sorghum prices did stimulate exports elsewhere, but these increases were not enough to offset the loss of the Chinese market. I'm told the second-largest buyer – the European Union, led by Spain – jumped to 610,000 tons and Mexico, ranked as the third-largest buyer, purchased more sorghum at 489,000 tons.*

Ethanol Exports Pull Back From Record-Setting Pace: *U.S. ethanol, which has been the fastest-growing U.S. agricultural export over the past 10 years, saw a small drop in 2018/2019 to 1.55 million gallons, almost 14*

million tons or 551 million bushels in corn equivalent. Keep in mind, ethanol only represents 5% of the overall GIAF decline in 2018/2019, but this year's performance was a noticeable pause after five years of uninterrupted double-digit increases which led to new record highs. Exports to China and Brazil accounted for 182 million gallons of loss – a casualty of reduced market access – but otherwise, exports were largely up to the other top ethanol markets. Interestingly, had those two markets kept pace with last year's exports, U.S. ethanol exports would have likely set another new record high. Elsewhere, U.S. ethanol markets showed healthy increases, including to India, which set a new record as the third largest buyer at 200 million gallons, 70.9 million bushels in corn equivalent, and South Korea, which increased +20% to a record of 92 million gallons or 32.6 million bushels in corn equivalent. Notably, both of these markets currently import ethanol for industrial uses, rather than for fuel ethanol.

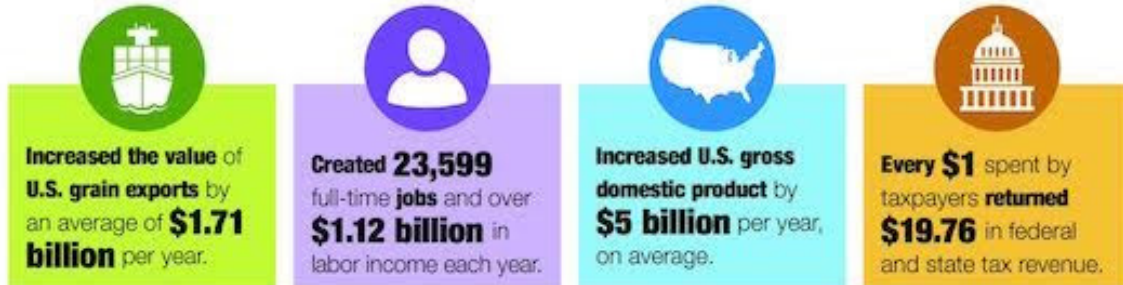
U.S. DDGS Diversification Continues: U.S. DDGS exports remained relatively flat in 2018/2019 at 11.2 million tons, down -3.5% year-over-year, with the largest decline from exports to Turkey, which fell to 468,000 tons. From what I understand, a currency devaluation sharply increased dollar imports in local currency and made letters of credit difficult to obtain. Once again, without this export contraction to Turkey, overall U.S. DDGS exports would have likely increased year-over-year. Mexico continues to represent the largest buyer of U.S. DDGS at 2 million tons, which is down slightly from the previous year, and now Southeast Asia now accounts for 30% of all U.S. DDGS exports, reaching a record 3.4 million tons in 2018/2019, up 10% year-over-year and up +233% since 2012/13.



INVESTMENT IN EXPORT MARKETS FOR U.S. GRAINS PAYS OFF

A study of the impact of the U.S. Grains Council's export market development work from 2010 to 2014 showed it has had a **POSITIVE** impact that is **STATISTICALLY SIGNIFICANT**.

During the period from 2010 to 2014, members of the Council and USDA through the Market Access Program (MAP) and the Foreign Market Development (FMD) program invested an average of \$21.825 million per year in export market development. These investments:



Source: A Benefit-Cost Analysis of the U.S. Grains Council Market Development Activities, Dr. Harry M. Kaiser, Cornell University



U.S. GRAINS
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REMINDER... The Best Time To Book Holiday Travel Is Coming Up

I know it still feels very much like summer in most parts of the U.S., but the holiday season is fast approaching. For many of us, that could mean sorting out travel plans. Many people think that the best money-saving strategy is to book airfare as far in advance as possible. However, some new cost analysis data from Skyscanner, a global travel search engine, shows that travelers usually get the best deals about four weeks in advance of the Thanksgiving, Christmas and New Year holidays.

Thanksgiving - [Skyscanner](#) found that the week of October 31 tends to bring the greatest savings at -7.7%, followed by the week of October 17, which saves an average of -5.1%.

Christmas - The week of November 21 will generally get you a -6.4% discount. However, that is also the week of Thanksgiving, so it may be a bit tough to find the time, in which case Skyscanner recommends the week of December 5 for a savings of -5%.

New Year's - If you plan to ring in the new year in a different city, the week of December 5 averages a -10.5% savings. They also found that waiting until the week before will result in savings of -6.6% to -6.5%. Keep in mind, availability may be extremely limited.

Other Tips - *Experts say that you will find the best deals if you fly in or out on Tuesday or Wednesday. Friday and Sunday are by far the most expensive days. The time of day you travel is also important. No one wants to fly at 4 a.m., but you can shave off big bucks from your ticket price if you are willing.*

Websites - *If you try to book your flight directly through the airlines, comparing costs and other details can be kind of a pain. There are several travel sites out there that will conveniently pull up all published flights, including a couple of my favorites [Google Flights](#) and a site called [Airfare Watchdog](#) which continuously scours airline sites for fresh deals and lists them into one easy to find a place.*

Non-Refundable Tip - *Usually, the bargain airfares are non-refundable tickets, meaning you won't be able to change your ticket if you change your mind or find cheaper alternatives. However, most tickets are absolutely refundable within 24-hours of purchasing.*



PRIME BOOKING WINDOW

The number of days in advance that, on average, yielded the lowest fares to destinations in North America, based on 2018 flight search data.

CheapAir.com

HOW FAR IN ADVANCE YOU SHOULD BOOK YOUR FLIGHT



Pheasant Season is Upon Us.... What the Experts are Saying!

In many states – South Dakota, Iowa and Minnesota among them – pheasant counts decreased after a horrific winter and extremely wet spring-summer nesting and brood-rearing season. But the moisture has brought benefits with it. North Dakota and Montana habitat looks great. Kansas and Nebraska will still be excellent destinations, despite spring's rain and flooding. In places like Michigan and Illinois, hard work by PF chapters is paying off with more habitat on the ground, and that means more birds. I've included a few highlights and comments for the top states. For more specific details, I encourage you to visit the Pheasantsforever website.

South Dakota: *THE state – that leads all others when it comes to pheasant hunting experienced a -17% drop in its traditional pheasant roadside count/brood survey report. But think back to last winter. It was one of the snowiest ones on record ever for South Dakota, with March and April blizzards lined up and swooping in relentlessly to hammer the state when birds should have been starting to step out onto Easy Street. And then consider the historic, epic, biblical – you choose the adjective – rains that hit*

the Plains and did not spare South Dakota this spring and summer. Nests were certainly washed out, broods lost. Long-term habitat loss is a bigger worry. South Dakota has lost 553,000 acres less of CRP than in 2007. Hay land and small grain acres have declined by 5.5 million acres. Over 1.8 million acres were converted from grassland to cropland between just 2006 and 2013. Bottom line, South Dakota still beats everybody else hands-down for wild bird numbers, and this fall will be no different. The 2019 pheasant population index is still higher than the lows of 2013 and 2017, when hunter harvest averaged 900,000 roosters. Many are saying South Dakota will surpass a million birds shot this year.

Kansas: *This could be a great year to hunt Kansas! Kansas pheasants escaped a winter pounding, but spring rains dished out some challenges for hens' first nesting attempts. But it looks like re-nesting went very well in all the excellent cover created by the moisture. Unlike the other "major player" pheasants states, where last winter provided some big challenges to the birds, southerly Kansas tells a different story. But like everywhere else, big-time spring rains had their effect. Heavy spring precipitation caused early nest abandonment, but produced better cover and extended the nesting season. But like everywhere else, big-time spring rains had their effect. "Heavy spring precipitation caused early nest abandonment, but produced better cover and extended the nesting season. The High Plains regions of northwestern and southwestern Kansas had the highest roadside numbers this year.*

Colorado: *Eastern Colorado should provide some fairly good pheasant hunting. Colorado pheasants primarily persist in CRP and wheat stubble," he says. "With reductions in CRP the last several years, wheat stubble has increased in importance. Due to the precipitation that eastern Colorado has received since mid-July and with the late wheat harvest, wheat stubble is in decent shape as we approach the fall. Colorado's pheasant season doesn't open until early November. Yuma, Logan, and Baca counties seem to be the top three potential targets for pheasant hunters this year.*

Idaho: *Historically, Idaho was a destination pheasant hunting location. Although populations have declined because of changes in farming practices and increased urbanization, there are still opportunities to harvest wild pheasants. Additionally, there are a multitude of upland game bird hunting opportunities on millions of acres of public land. Season lengths are long and the bag limits are generous. Idaho pheasant hunters killed roughly 37,300 roosters last year. While pheasant hunting should be good this year, much of the best pheasant habitat occurs on private land. The resourceful hunter can still find roosters on public land along the Snake River and in the numerous riparian areas found across Idaho's pheasant range.*

Illinois: *Most of Illinois' primary pheasant habitat is looking great going into the fall. IDNR's annual bird surveys showed a 48.8 percent increase in the number of pheasants along annual bird survey routes this year. In regions that experienced an extremely wet spring, bird numbers may be tempered. The highest concentrations of wild birds continue to be found in east-central Illinois, although numbers are increasing throughout the whole northern two-thirds of the state. According to a report from the Illinois Department of Natural Resources, 11,692 pheasant hunters harvested an estimated 68,112 wild pheasants last season, an increase of 101 percent from 2017's harvest totals.*

Indiana: *The rough spring and extreme flooding could create some complications for the pheasant hunt this season. Select areas could provide some good hunts. Benton and Newton counties provide some good public land opportunities, and, generally speaking, the northwest and west-central parts of the state often have some of the highest harvest numbers. I have been hearing positive reports from Jasper County and Vermillion County, as well. Indiana's pheasant season opens November 1 and closes December 15.*

Iowa: *After a 2018 season that produced the best pheasant harvest numbers in a decade, poor nesting and brood-rearing conditions shouldn't slow down the momentum for hunters in Iowa. Although late snow and heavy rains may have made for difficult conditions, all indications are that much of Iowa's pheasant population held steady through the abnormally high precipitation levels. Keep in mind, February went down as the snowiest in 147 years with a state record 23 inches of snow. In a normal year, Iowa sees 25 inches over the entire winter. Once things began to thaw, there was a bit of a weather break in early spring providing normal conditions before the weather changed again, testing upland birds yet again. May was the sixth wettest in 124 years, as well as the 22nd coolest. Most of the major rivers in Iowa, including the Missouri River, Des Moines River, and the Mississippi River were at flood stage into late June. Even with the poor nesting conditions, experts are still very optimistic about the outlook for hunters this fall. Roadside surveys showed pheasant numbers were more or less unchanged in seven of nine survey regions compared to last year when 320,000 roosters were harvested. Based on the roadside counts, the north-central, west-central and central regions had the best overall densities.*

Minnesota: *Similar to South Dakota, the rough winter and extremely wet spring has the overall bird numbers in Minnesota down about -17% from last year. Yet the moist-and-cool summer may have provided two favors to the birds. Much upland habitat is in prime shape. And the wet conditions are*

going to help birds on the ground escape some early-season pressure after the pheasants' first retreat into full-up sloughs and marshes. West-central, Southwest, and parts of south-Central and Central Minnesota should still provide good hunts.

Missouri: *Missouri's roadside survey data this year indicate pheasant populations are unchanged from last year. The numbers remain steady over the past three years but remain below the long-term average. Most are seeing the highest numbers in northwest and north-central Missouri. Remember, Missouri is over 94% private land.*

Nebraska: *Compared to recent years, Nebraska experienced a more severe winter in 2018-19, it brought above-normal snowfall, prolonged snow cover and extreme freezing temperatures to nearly all regions of the state during February and March. This year, that statewide index was -14% lower compared to 2018 and declines were observed in 5 of 6 regions. These lower indices are likely indicative of delayed nesting and/or abandonment of early nesting attempts caused by the extreme winter and spring weather. In recent years, Nebraska's best pheasant hunting opportunities have consistently been found in the Southwest and Panhandle regions, and this year will be no different.*

North Dakota: *While North Dakota isn't back to heyday pheasant numbers, there should be birds enough to hunt this year. North Dakota habitat is in good shape due to ample summer moisture. Overall, total pheasants observed per 100 miles are up +10% from last year. In addition, broods per 100 miles are up +17%, though the average brood size is down -5%. There should be more young roosters compared to years past. Traditionally, the southwestern part of the state has provided the best hunts. This year there's been a big jump in birds to the southeast.*

Wisconsin: *It was an above-average pheasant season last year in Wisconsin. In fact, it was the highest harvest total seen in 20 years. According to the small game harvest report, Wisconsin harvested approximately 403,766 pheasants in the 2018-19 season. That's a significant increase from when 301,490 pheasants were harvested in the 2017-18 season, indicating a 34% increase in harvest that's also slightly above the long-term average. The western prairies in Pierce, St. Croix, and Polk counties look like they will have the highest pheasant densities in the state.*







ANSWER to riddle: The moon.



CASH SALES & HEDGING TOTALS

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Corn 2018 Crop

80% SOLD

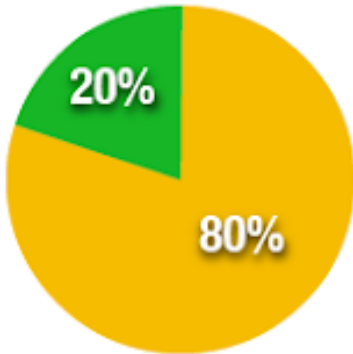
Soybean 2018 Crop

80% SOLD

Wheat 2018 Crop

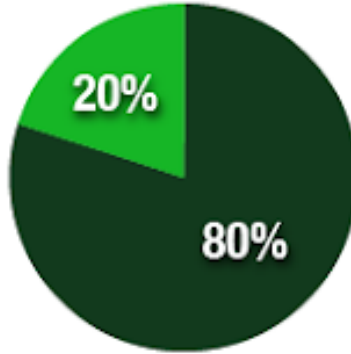
100% SOLD

20% HEDGED
0% UNPROTECTED



Corn 2019 Crop

20% HEDGED
0% UNPROTECTED



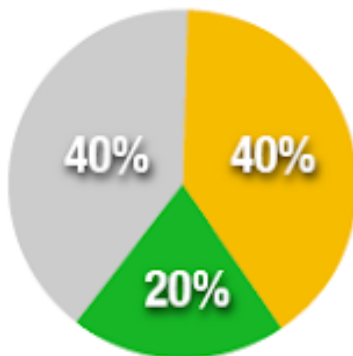
Soybean 2019 Crop

0% HEDGED
0% UNPROTECTED



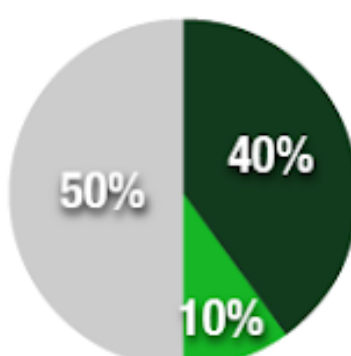
Wheat 2019 Crop

40% SOLD
20% HEDGED
40% UNPROTECTED



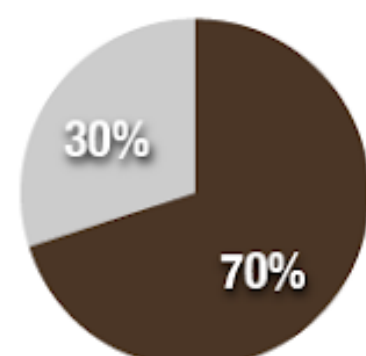
Corn 2020 Crop

40% SOLD
10% HEDGED
50% UNPROTECTED



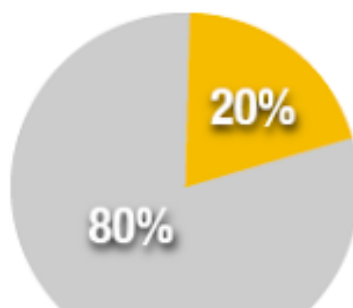
Soybean 2020 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED

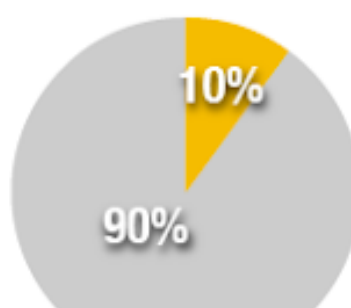


Wheat 2020 Crop

20% SOLD
0% HEDGED
80% UNPROTECTED



10% SOLD
0% HEDGED
90% UNPROTECTED



0% SOLD
0% HEDGED
100% UNPROTECTED



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