



FARMCON &lt;josh@farmdirection.com&gt;

**GOOD MORNING: The Van Trump Report 10-24-19**

1 message

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

Thu, Oct 24, 2019 at 5:30 AM

Reply-To: Jordan &lt;reply-febb17787c630d7d-1142\_HTML-68584704-100003450-8@vantrumpreport-email.com&gt;

To: josh@farmdirection.com

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

"It's never as good as you want it to be; It's never as bad as it seems." - **William Chapman**

**Thursday, October 24, 2019**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks continue their sideways action into 3rd-quarter earnings. Most insiders are betting that stock earnings this quarter will be mostly mixed but overall down -3% to -5%. Meaning, from a broad perspective, growth has slowed. There's also some concern that the overall industrial sector may continue to struggle, which could keep the stock market from breaking out beyond the all-time highs in any meaningful manner. Caterpillar stood out as the biggest disappointment yesterday, announcing their first quarterly earnings decline since 2016 and raising concerns about further weakness in the global economy. It's worth noting, after the close, Tesla stock rallied +20% after the company reported better than expected results. The stock zoomed past \$300 in after-hours trading. Earlier this year the stock traded down to around \$177 per share. For full disclosure, I banked a few profits last night on my position, but Tesla stock still

remains my top holding followed by Chipotle, Apple, Goldman Sachs, and Twitter. As for today, Amazon will be the major earnings highlight with investors being interested in seeing how online consumer sales have been faring. Traders are also anxious to hear how the company is doing in the delivery and logistics business, as well as plans to stand out amid the ever increasing number of streaming services. Other big names reporting today include 3M, Twitter, Comcast, Intel, Gilead, Raytheon, Capital One, Valero, Hershey, Southwest Airlines, and Tractor Supply. For today's economic data, New Home Sales for September are expected to dip slightly, following three months of gains over the summer. Home sales, both existing and new, have been inconsistent for much of 2019, and despite recent trends that would typically strengthen the housing market, i.e. lower mortgage rates, an upward trend has failed to emerge. Weekly MBA mortgage application data released yesterday actually showed an -11.9% decline in new applications, the largest one week decline since December 2016. However, MBA says application volume is still about +6% ahead of this time last year. I'm also hearing there's just a ton of refinancing taking place. If you have some variable-rate long-term debt still floating around you might want to think seriously about locking in longer-term. There has been no fresh news on the U.S.-China trade front, which some take as a good sign that talks are progressing smoothly. There are some worries that a "Hong Kong human rights bill" working its way through Congress could escalate tensions again, however, so pay close attention. It passed the House last week but the Senate has not decided whether they will bring it up for a vote. I'm also keeping a close eye on the Brexit situation. From what I understand, UK lawmakers are willing to move ahead with Prime Minister Boris Johnson's proposed Brexit deal. But just minutes after approving it they voted against his proposed timetable to push it through by the end of October deadline. so I'm not really certain how the market is going to play this card. As I mentioned above, I will be paying close attention and trying to learn more.

**Why I Continue to Own Apple Stock:** *Apple TV+ launches next month. From what I understand, Apple TV+ is a streaming service that will cost \$4.99 per month for access to a variety of original TV shows and movies bankrolled by Apple. Apple will bundle a free year of the service with the purchase of a new product such as an iPhone or iPad. Morgan Stanley analysts now estimate Apple TV+ could be a \$9 billion-per-year business by 2025, even with conservative sign-up. In return, Morgan Stanley raises its price target on Apple stock +17% to \$289 per share. Morgan Stanley analyst Katy Huberty wrote, "With a growing list of catalysts, including accelerating Services growth and multiple expansion ahead of the 5G iPhone launch, and an attractive 8% total dividend + buyback yield, we continue to view Apple as our top pick into 2020." I should also note, ApplePay is showing major signs of growth becoming the clear market leader, with +28 million*

*Americans now using the app to make purchases, and over +30 million users by yearend. Technology for mobile payments is gaining traction, especially at frequently used retailers like grocery stores. According to Digital Trends, Apple Pay is expected to be available in +70% of U.S. retailers by the end of 2019. Total spending via mobile payments will approach \$100 billion this year in the U.S. alone. That means that on average, a user will spend \$1,545 per year using mobile payments, up more than +24% over last year. Although the use of mobile payments is growing among all age groups, U.S. adults ages 25 to 34 are the largest demographic in terms of absolute size and penetration, with 21.2 million users, or nearly 50% of all smartphone users in this age group. The fastest growth, however, is actually among Americans ages 55 to 64. Interesting data... (Source: CNBC; eMarketer)*

**There is a National Dish Soap Shortage!** *Walmart stores are warning shoppers of a "national supply shortage" of dish soap that could last until December 1. At first I thought this was a hoax but it is indeed real. In a statement to Business Insider, Procter & Gamble, which makes Dawn and Gain, confirmed some of its hand dish products may be harder to find, thanks to a brief period in which demand exceeded supply. Procter & Gamble's statement calls the dish soap shortage a "short-term inconvenience" and says all sizes of dish soap should be available soon. It's not clear if P&G is the only manufacturer running low and no one has provided an explanation as to WHY there is supply crunch, but it might not be a bad idea to make sure your own supply isn't running low!*



Business Insider/Hayley Peterson



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**Caterpillar's Dismal Earnings Flash Warning for Global Economy:** *Caterpillar yesterday reported disappointing third-quarter earnings and slashed its full-year outlook in what some see as a warning sign for the overall global economy. The construction and manufacturing equipment titan, viewed as a bellwether for global industry, revealed a -6% drop in sales and an -8% drop in profit per share in the third quarter. Caterpillar produces so much of the world's equipment that a decline in its business often indicates a broader slowdown in construction and factory activity. Weaker demand for its products typically means people are building and manufacturing less, which doesn't bode well for global economic growth. The company blamed the sales decline on dealers slashing inventories by \$400 million last quarter, after raising them by \$800 million in the same period of 2018. CEO Jim Umpleby warned that pattern is likely to continue. "In the fourth quarter, we now expect end-user demand to be flat and dealers to make further inventory reductions due to global economic uncertainty," he said in the earnings release. Caterpillar's sales in Asia-Pacific declined -13% in the third quarter mainly because of the lower demand in China, the company said. (Sources: Business Insider, CNBC)*

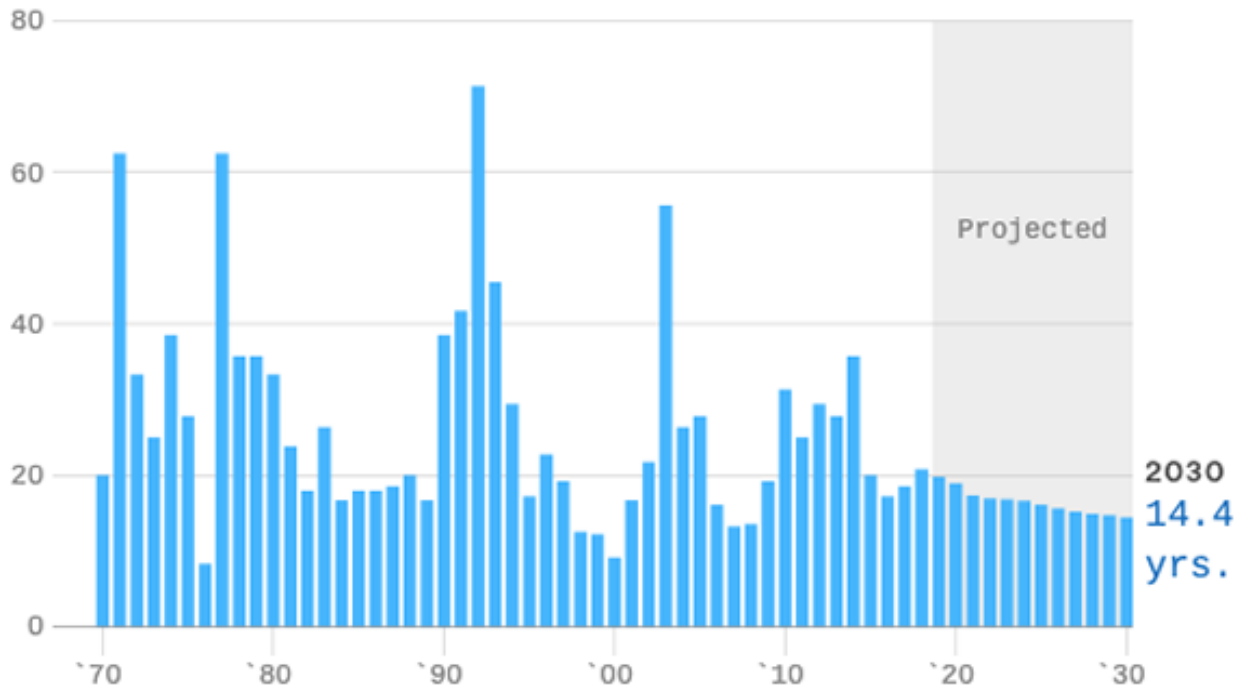


**Tesla's Cost Cuts Deliver Surprise Profit:** *Tesla Inc. surged in late trading after the electric-car maker reined in expenses and posted its first profit in almost a year -- a shock almost no one saw coming. The Model 3 sedan maker earned \$1.86 a share in the third quarter, beating analysts' average estimate for a 24-cent loss. Chief Executive Officer Elon Musk has announced at least three rounds of job cuts since last year and restructured business units to counter slowing sales of higher-margin models. In a follow-up statement, Tesla notes that operating expenses are at the lowest level since Model 3 production started. Musk, who's notorious for setting ambitious timelines and falling behind schedule, said Tesla is proceeding faster than expected with the start of Model 3 production at the factory it began building early this year on the outskirts of Shanghai. The company is also ahead of schedule with Model Y, the small crossover that will share underpinnings with Model 3. Production will start in the summer of next year, rather than the fall, according to the company. Revenue fell to \$6.3 billion in the third quarter, missing analysts' estimates and down from \$6.8 billion a year ago. While the company produced and delivered thousands more vehicles, the vast majority were cheaper Model 3. (Source: Bloomberg)*

**Average Lifespan of S&P 500 Companies is on the Decline:** *The lifespans of companies on the S&P 500 are expected to continually decrease to the point that time spent on the index could drop by five years on average in 2030 compared to 2019, research from QAD finds. QAD says the main reason for the lifespan decline is disruption, with companies that fail to adapt and innovate moving down the ranks as new companies take their places. In fact, the change in industries represented on the S&P from year to year is pretty drastic. In 1969, 166 of the 500 companies on the index, a full 33%, were Industrials, but now, there are only 70 Industrials represented. While that drop is massive, the Industrials industry is still the most represented business sector on the index in all but 17 of the 50 years evaluated. There are indications that Industrials are also doing a better job at adapting to change, as well, as the number of companies represented in the sector has increased in recent years. The other significant story found in their study is the impact technology has had on the S&P 500 and the economy as a whole. In 1969, there were only 16 Information Technology companies represented on the index, the second-fewest of any industry represented. Starting in the 1980s, however, the IT industry began a steady rise up the index, exploding in the 2000s. Currently, Information Technology has 68 companies represented on the index, a 425% increase since 1969. Check out the full study - and some very interesting interactive graphics - [HERE](#).*






















## Average lifespan of companies on the S&P 500

In years, 1970 to 2030



## Yearly Changes In The S&P 500 Index

*in the 2010's*

YEAR	MOST REMOVED SECTOR	# BUSINESSES REMOVED IN SECTOR	MOST ADDED SECTOR	# ADDED IN SECTOR	TOTAL CHANGES (ALL SECTORS)
2010	 Consumer Discretionary	4	 Energy	4	16
2011	 Information Technology	6	 Consumer Discretionary	4	20
2012	 Energy	4	 Consumer Discretionary	4	17
2013	 Information Technology	6	 +  Consumer Discretionary & Industrials	5	18
2014	 Energy	3	 +  +  +  Consumer Discretionary, Financials, Health Care & Information Technology	2	14
2015	 +  Consumer Discretionary & Energy	4	 Information Technology	5	25
2016	 Consumer Discretionary	6	 Industrials	6	29
2017	 Consumer Discretionary	5	 Information Technology	6	27



2018



4



8

24

# FARM TANK

## Tweets of the Day



**Steve Burns**  
@SJosephBurns

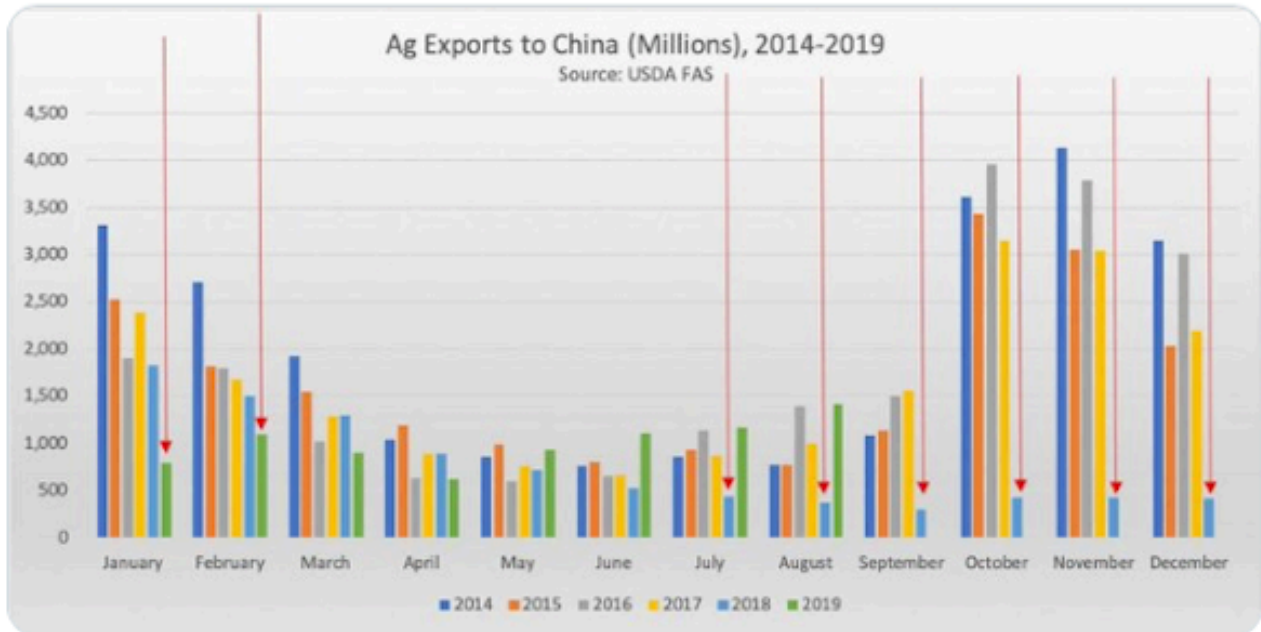




**Barry Ritholtz** ✓  
@ritholtz



## Ag Exports to China, 2014-2019 [dlvr.it/RGSq0Y](https://dlvr.it/RGSq0Y)





**Devon**  
@DevonDevn11



#harvest19 @dtbmali 🌈 🌽





**Cameron Hildebrand**  
@CameronHild



It's a bit messy out there! #Corn #harvest19 after Oct #mbstorm.







**Chad Wheeler**  
@CrystalCoChad



How bad is it around the Hillsboro area. Well a grower trying to trench water with a half track and no implement attached sent this picture today.

[#CrystalSugarCo](#) [#harvest19](#) [#agriculture](#)  
[#toomuchrain](#)





**Jeremy W Wilson**  
@JWW72



What a beautiful morning. [#harvest19](#) progressing well. Lived my life believing when life gives you lemons just squeeze them into lemonade! This week making me think I could use a couple more lemon squeezers.  
[#NeverGiveUp](#)

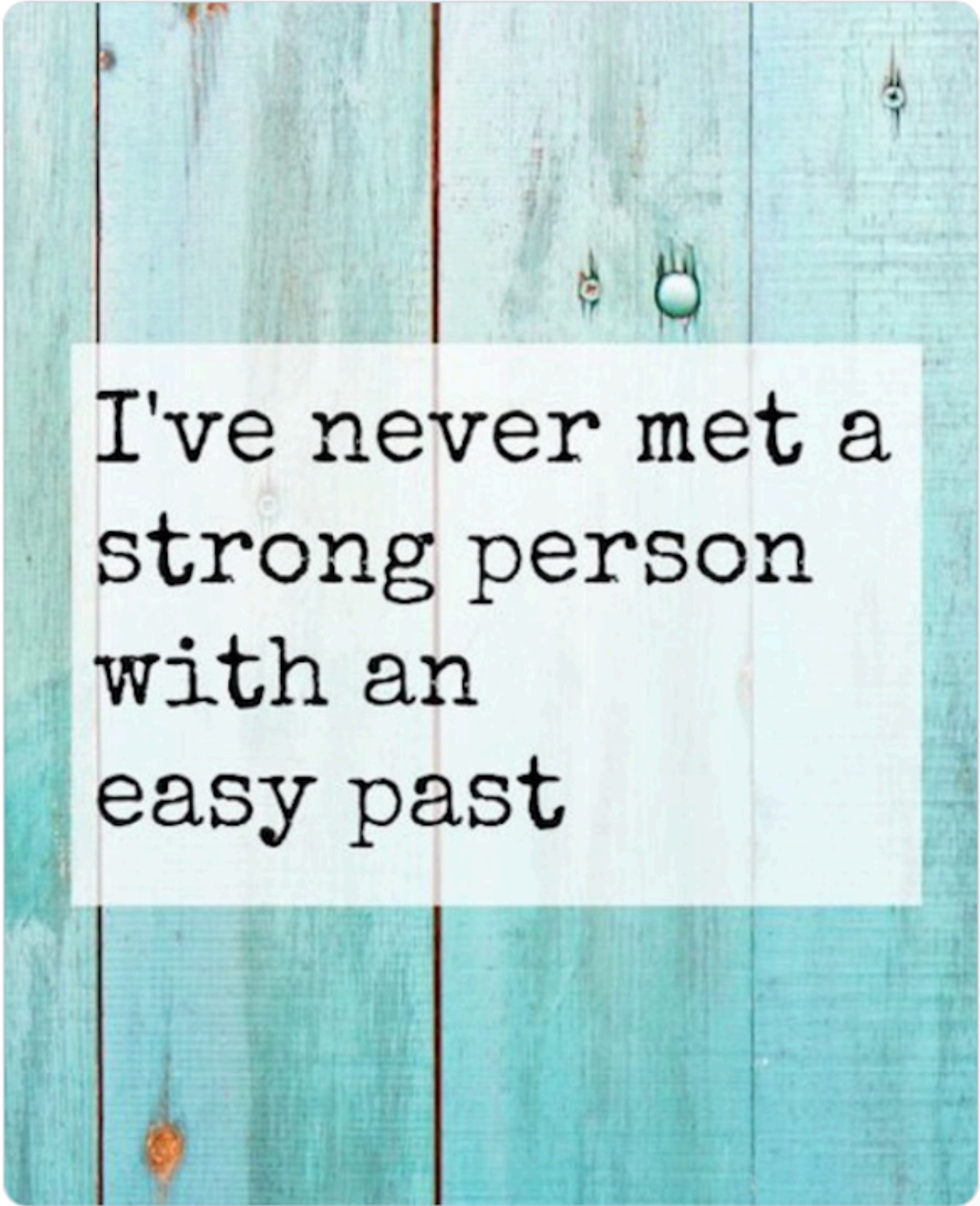


**Motivational Quotes**  
@DavidRoads



Our experiences shape us. Appreciate them, for you wouldn't be the person you are without them.



A quote is displayed on a white rectangular piece of paper with a slightly distressed, torn-edge appearance. The paper is centered against a background of teal-colored wooden planks. Several screws are visible, some of which are painted in bright colors like green and red. The text on the paper is written in a black, typewriter-style font.

I've never met a  
strong person  
with an  
easy past



**No one grows Creative Minds in Ag like FARMCON.**

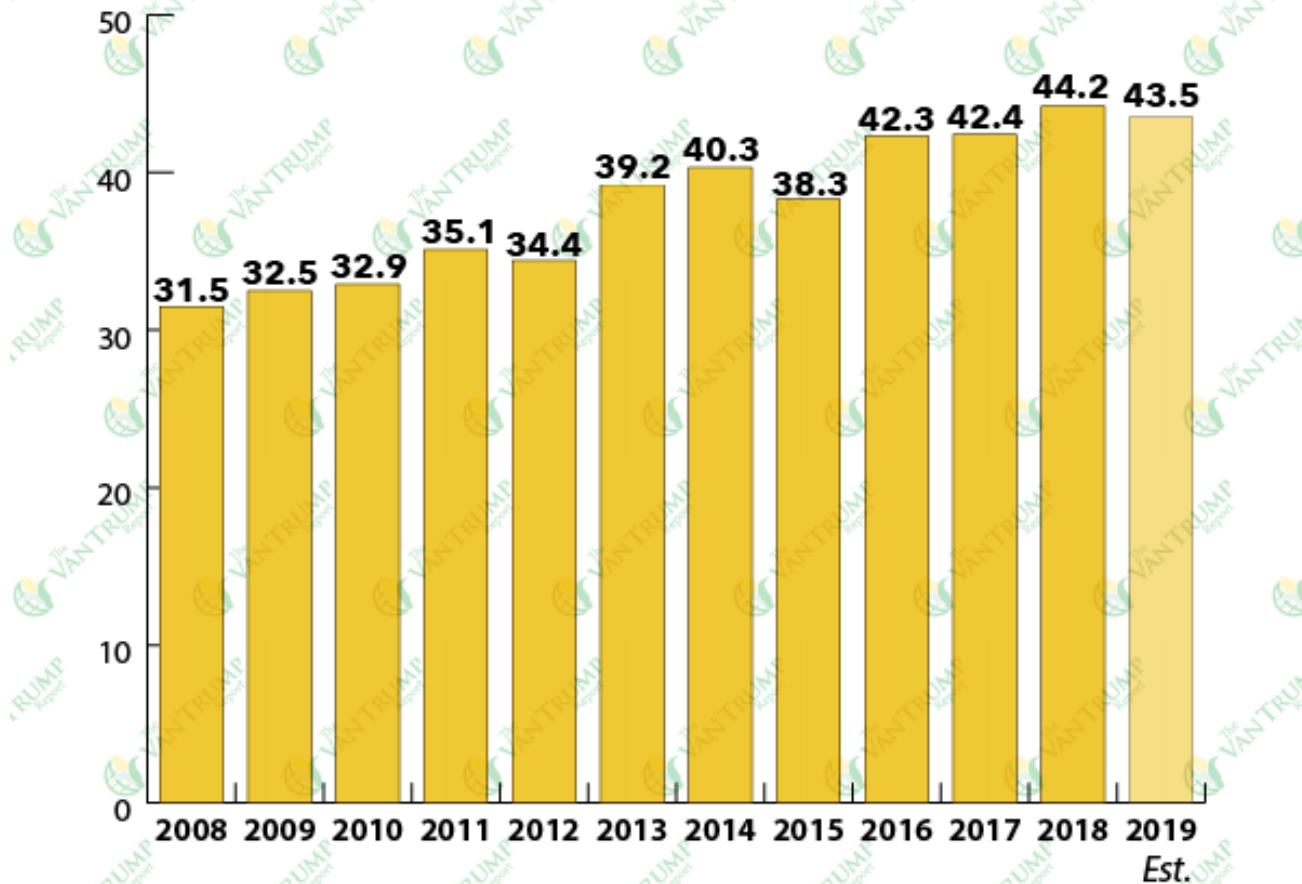
**Jan. 15th & 16th, Kansas City, MO - [Click Here to Learn More](#)**

**Corn** prices remain in a very tight range. Since the middle of last week, we've essentially traded five cents higher and five cents lower, just very little movement.

The trade continues to take a wait-and-see approach towards final U.S. production, South American weather, Chinese trade. Keep in mind, we have the next major USDA report scheduled for November 8, essentially two-weeks from tomorrow. The following week we have President Trump scheduled to meet with Chinese leader Xi during the APEC meetings in Chile and perhaps officially sign and announce a trade deal of some sort. I suspect we will also know a bit more about South American weather. As a producer and a spec, I'm thinking between now and then we can keep prices somewhat supported on the anticipation that a few bullish cards could soon be flipped over. I'm hoping we can challenge the upper end of the range in the \$4.10 area vs. the DEC19 contract. There's starting to be a bit more talk about the crop taking a little beating as it remains in the field. High winds are causing some ear drop, too much moisture is causing a bit more aflatoxin, a little more talk about stalk rot, green snap, etc... Bulls argue this should be enough to get the USDA to start cutting its current yield forecast from the current 168.4 level. Most bulls argue that the U.S. yield is more realistically in the 160 to 165 range. Another question being asked is when would the USDA make an adjustment lower? If the lower yield adjustment were to come much further down the road, there's a chance it could simply fall on deaf ears as we've seen in the past. So not only do we have to try and speculate and guess if the USDA will be reducing the final yield estimate, but also try and guess if they will make the adjustment while it remains relevant to the market? Again, we have to keep in mind how difficult this year has been in regard to spring weather and how that snowballed on everyone and has made collecting data and forecasting much more difficult. I certainly don't have the answer or know how the USDA will elect to play their hand. All I know is they've consistently surprised the trade by forecasting a better than expected U.S. yield. Overall crop conditions just improved this past week in several big production states, so at this point, it's tough to argue or draw the conclusion that the USDA has to reduce their yield estimate any time soon. There is some rough weather being forecast next week for some areas of the U.S. that still have corn in the fields. Who knows how it ultimately plays out, but as of right now, there's a powerful autumn storm in the mix for next Wednesday or Thursday. Several sources are calling for heavier rains and perhaps a foot of snow in some parts of Minnesota, parts of Iowa, Wisconsin, etc... Weather in Argentina and Brazil is forecast to be somewhat improved. There's talk that Argentina could start to dry back out in a few weeks so we need to pay attention. As I've said the past few sessions, there's really very little fresh or new in the headlines, hence I'm thinking the market might chop around in this \$3.80 to \$4.10 range, at least until it learns more about the few main driving market catalyst. Remember, demand also remains a bit of a question mark. Leaders in Washington are still talking about how to best handle the blending credit. And there's still a ton of questions about ethanol demand moving forward. As a bull, I want to continue staying patient...

# World Corn Production

(in billion bushels)

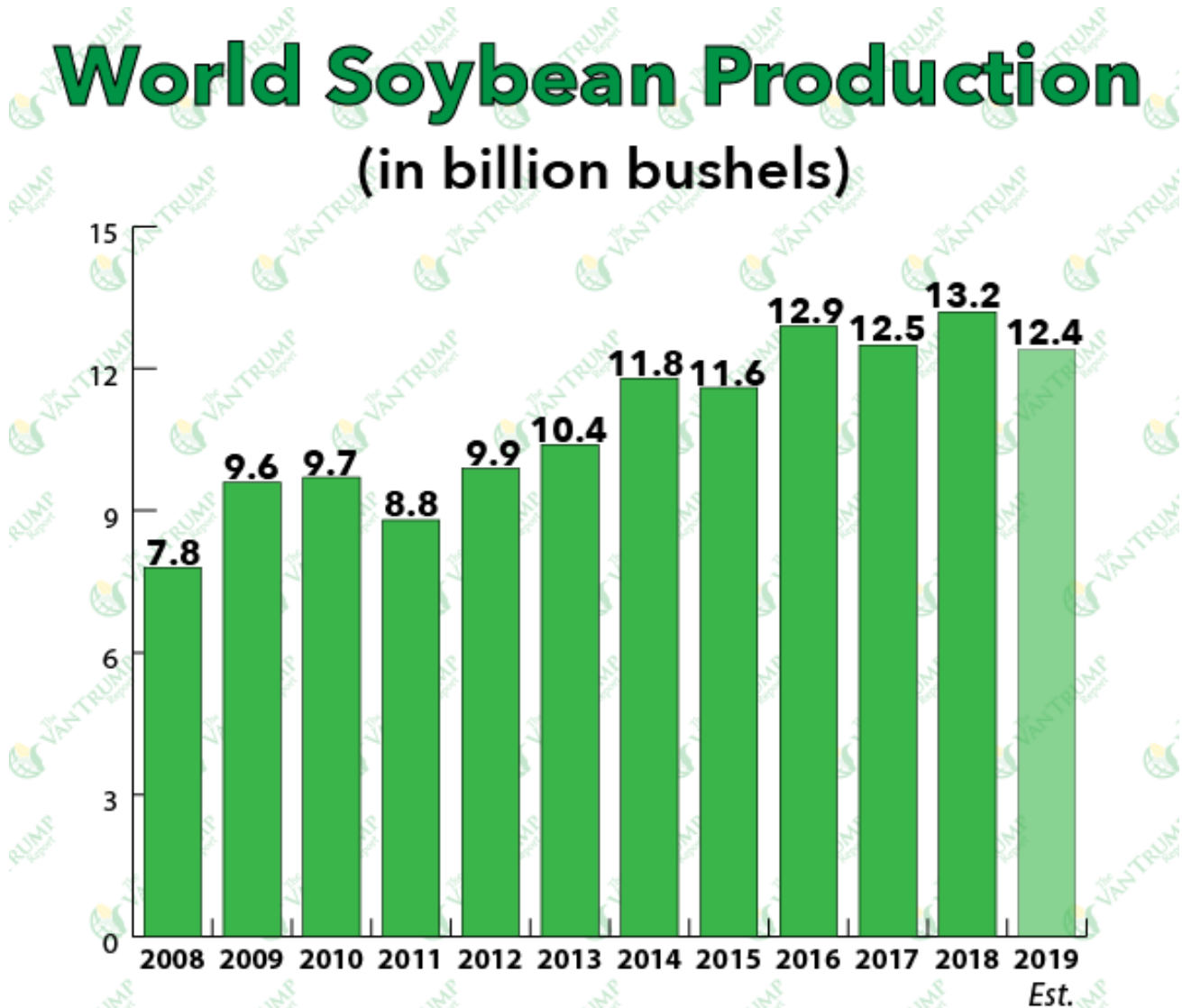


Source: USDA, PS&D, October, 2019

**Soybeans** bulls are talking about the production uncertainty associated with the bushels that still remain in the fields. There are some bouts of cold and rough weather forecast in the days ahead so the downside could stay fairly well supported. Bears are pointing to continued U.S. harvest pressure and improved moisture in South America. Both sides of the trade just seem hesitant to make any significant move with so much uncertainty on the table for the next several weeks. As a spec, I continue to hold my bullish position. As a producer, I continue to wait for another leg higher before pricing any additional cash bushels. The funds have finally shifted from a short-position to a more bullish long-position, which they might stick with for a few weeks. I would love to ride that wave if it should happen to occur. An old trader friend of mine would always say to me, *"You can't start or stop the waves, but only have yourself in position to surf them."* Make certain you are comfortable with your positioning if the waters should start getting rougher. We have a ton of weather in the spotlight currently, a highly anticipated USDA



report in just a couple of weeks, and perhaps an official announcement by President Trump and Xi regarding a "Phase 1" trade deal within the next three weeks. As a spec, I continue to hold my bullish positions. As a producer, I like the thought of selling cash bushels into a strong basis then reowning the board in a less risky manner. Still keeping a close eye on the Nove20 contract as we start to flirt around with the \$10.00 level.

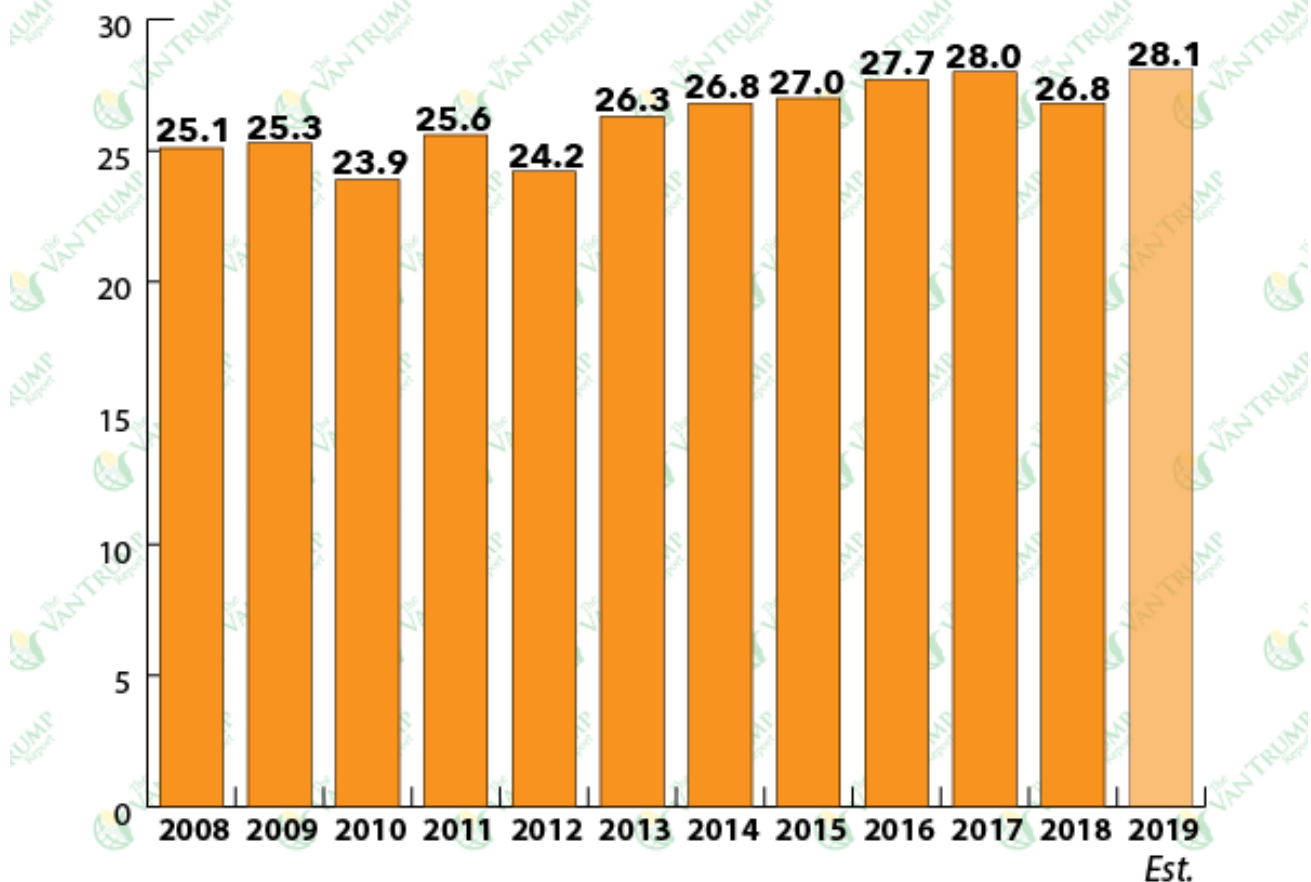


Source: USDA, PS&D, October, 2019

**Wheat** bulls are talking about improved demand, rising global prices, and production hiccups in parts of Ukraine, Kazakhstan, Europe, Australia, and Argentina. On the flip side, bears continue to point to record global surplus and ample supply available in the global marketplace. I would argue that if corn can continue to climb higher it will take wheat prices along for the ride. If corn bulls were to start backpedaling, wheat bulls will quickly find themselves in desperate

need of wide-spread and more frequent bullish headlines. I still see wheat as mostly a follower until the balance sheet shows signs of more real tightening.

## World Wheat Production (in billion bushels)



Source: USDA, PS&D, October, 2019





**> China's Pork Production Set to Decline Another -25% in 2020:** *The USDA's latest Livestock World Market and Trade report projects Chinese pork production to decline another 25 percent in 2020. University of Missouri's Scott Brown says that presents a tremendous market opportunity for the US pork sector. "Back in 2015 the Chinese produced 56.5 billion metric tons of pork," he says. "But from 56.5 to 34.8 billion metric tons in 2020 – and that's why everybody's looking at what's the opportunity for trade." On the demand side, the USDA projects China's pork imports to increase 35 percent next year. Brown says the U.S. is in a great position to capitalize on China's needs – especially as US pork production is expected to grow another 4 percent in 2020. "The absolute growth in the United States pork production in 2020 likely exceeds the growth in everybody else excluding us and the Chinese," he says. "It keeps reminding me we've got to be able to move some of that product outside of the United States, I believe – if we want to try and keep prices at some reasonable level." Brown says China is also likely to turn to the EU and Brazil to meet their pork demand needs. (Source: Brownfield Ag News)*

**> Republican Leader Worries USMCA Will Not Pass in 2019:** *Senate Finance Chairman Chuck Grassley said he's "very worried for the first time" that Congress won't sign off on the new NAFTA deal by the end of the year. The Iowa Republican has long maintained an upbeat view of the negotiations between the Trump administration and House Democrats, who are working on potential changes to the*

*deal. But as the talks stretch into their fourth month — and with just 22 legislative days remaining in 2019 — Grassley said he's losing faith. He also cautioned U.S. Trade Representative Robert Lighthizer against caving to Democrats, suggesting that changing the trade deal's labor, environmental, enforcement and prescription drug provisions too much could jeopardize Republican support. (Source: Politico)*

**> Brazil Reneges on Increasing U.S. Ethanol Quota:** *Ethanol industry groups expressed their disappointment with the news that the Brazilian government amended the recent August 31 rule that raised the quota on U.S. ethanol imports under the tariff rate quote (TRQ) from 600 million liters per year to nearly 750 million liters per year. The TRQ regulates the threshold of ethanol that can be imported into Brazil without triggering a 20% tariff. In a joint statement from Growth Energy, the U.S. Grains Council, and the Renewable Fuels Assn., the groups said the action represents "a step backwards in Brazilian government claims that it is an advocate of free markets." In the statement, the ethanol supporters noted that for more than 15 years, Brazilian ethanol industry leaders lobbied the U.S. government to drop the tax on imported ethanol, saying that it believes in a two-way street and that Brazil would lead by example and eliminate barriers to renewable, clean fuels. (Source: Feedstuffs)*

**> EU Set to Ban Widely Used Neonic Insecticide Thiacloprid:** *EU countries have voted not to extend the license of Bayer's thiacloprid insecticide when it expires at the end of April 2020. Farmers will not be allowed to use the neonic insecticide, sold under the brands Calypso and Biscaya, after April 30, 2020, when its current approval expires. The Commission based its assessment on findings of the European Food Safety Agency published in January 2019. It highlighted concerns about the active substance being toxic for humans and present in too great a concentration in ground water, an EFSA spokesman said in an email. France had already banned the use of five neonicotinoids, including thiacloprid, last September. Three active substances (imidacloprid, clothianidin and thiamethoxam) were also banned in the rest of the EU in December.*

**> It Might Be Time to Stock-Up on Bacon:** *America is sitting on a mountain of uneaten bacon. More than 40 million pounds (18,000 metric tons) of pork bellies, the cut used for bacon making, were sitting in refrigerated warehouses as of Sept. 30, according to U.S. government data released Tuesday. That's the most for the month since 1971. The overhang came after a build up in the American hog herd. Pork output surged over the summer months and through September, said Dennis Smith, senior account executive at Archer Financial Services Inc. Hog producers started building up their herds in anticipation of more demand for meat imports from China, where African swine fever has killed millions of pigs. The U.S. herd swelled to 77.7 million head. as of Sept. 1, a record for the month and the highest since 1943 considering all periods, the most recent U.S. Department of Agriculture data show. So far, that's mostly led to an excess for U.S. supplies. But the glut*

could be short-lived if recent Chinese buying is any indication. Export sales of American pork have soared to weekly records, buoyed by purchases from the Asian country. China mostly buys carcasses, which they then process domestically, rather than individual cuts of pork. Of course, the belly goes over with the whole hog. "The theory is, if we continue to export split carcasses to China, it'll create a belly shortage," Smith said. (Source: Bloomberg)

**> Backyard Bungalows are Becoming Big Biz for Homeowners and Builders:** Second homes, formally called accessory dwelling units (ADUs), are cropping up in back and side yards across America, acting as either rental units or additional space for aging parents and still-nested adult children. Growth in the sector has been fueled by changes to local and state zoning rules. Some municipalities are struggling with a lack of affordable housing and see these additional units as one remedy. The trend has translated into big growth for ADU builders, like Prefab ADU, based in the California Bay Area. It built and installed about 100 ADUs this year but expects to expand that to at least 1,500 next year. Steve Vallejos, CEO of Prefab ADU, says inquiries from potential clients are evenly split between those looking to address housing for family members and those seeking rental income. Pricing at Prefab depends on the size of the unit, of course, but the most popular model, a 288-square-foot home, will run about \$105,000 installed. While it is definitely becoming easier to build ADUs in some local areas, there are still battles big and small, from zoning to neighborhood opposition. Some don't want to see their neighborhoods crowded with renters, pushing density and services beyond capacity. (Source: CNBC)

**> Ozone Hole Shrinks to Smallest Size Since it was Discovered:** This year the ozone hole over Antarctica — which grows in size each September and October only to contract again later — was the smallest since 1982, NASA and NOAA reported. Unusual weather patterns in the upper atmosphere limited depletion of ozone, the layer in our atmosphere that acts like sunscreen and protects us from ultraviolet radiation. On September 8, the hole peaked at 6.3 million square miles and subsequently shrunk to 3.9 million square miles, while in a typical year the hole will grow to 8 million square miles. "It's great news for ozone in the Southern Hemisphere," said Paul Newman, chief scientist for earth sciences at NASA's Goddard Space Flight Center. "But it's important to recognize that what we're seeing this year is due to warmer stratospheric temperatures. It's not a sign that atmospheric ozone is suddenly on a fast track to recovery." The annual ozone hole forms when rays from the sun interact with the ozone and man-made compounds such as chlorine and bromine to deplete the ozone, according to NASA. This occurs during late winter in the Southern Hemisphere. This is only the third time in 40 years when warm temperatures caused by weather systems have actually helped limit the ozone hole, NASA said in a statement. This also occurred in 1988 and 2002. But the scientists say there is no connection they've identified to link the patterns with climate change. (Source: CNN)

**> How College As We Know It Could be Coming to an End:** *Every spring, millions of American high school kids are faced with this choice. It sounds like a no-brainer. And it used to be a no-brainer... because college used to cost a reasonable amount of money. As recently as 1980, you could get a four-year bachelor's degree at a public school for less than \$10,000, on average. These days it'll cost you at least \$40,000... or upward of \$140,000 for a private school... or well over \$250,000 for a top school. Unless a kid has rich parents or a full ride scholarship, he must borrow a ton of money to pay for the privilege of attending college. The cost of a four-year degree has shot up 15X in the past 40 years. If car prices jumped as much as tuition, a base model Toyota Corolla would cost \$90,000 today. As costs have zoomed higher, kids are burying themselves under bigger and bigger piles of debt. Student loan balances have snowballed over 400% in the past 15 years. Last month, they hit \$1.5 trillion. Americans now owe more for student debt than they owe for credit cards and auto loans... combined! Unfortunately, college has been America's most "undisruptible" industry, despite the for-profit colleges that were once hailed as making college a more equitable system. However, there are promising signs that the idea of college is changing. Read more from [Forbes](#).*

**> NCAA Comes Down on Cal Poly for Books Violation:** *The NCAA has placed Cal Poly on two years of probation and will force the school to vacate regular season and conference tournament records in "most of its sports programs" after an investigation concluded the school did not properly monitor its book scholarship program. In a 21-page report released Thursday, the NCAA said Cal Poly provided cash stipends of \$800, intended for books and academic supplies, to 265 student-athletes between 2012 and 2015 that did not equal the cost of the items. The investigation determined these cash stipends resulted in 30 student-athletes exceeding their financial aid limits by an average of \$174.57. In a news release, the NCAA said Cal Poly mistakenly treated the book stipends "in the same manner as room and board stipends," and that the organization will require the school to vacate all regular season and conference tournament records and participation in which ineligible student-athletes competed. If any student-athletes deemed ineligible competed in the postseason, Cal Poly's participation in the postseason will also be vacated. It's unclear how many wins and postseason appearances will be wiped from the record books. Read more from [ESPN](#).*

**> Why New Technology is a Hard Sell:** *New technology is almost always a hard sell. Two obvious reasons are that most new technologies aren't ready for primetime, and incumbents with deep pockets keep competition at bay. But as Morgan Housel over at Collaborative Fund explains, there are a few other overlooked explanations for the gap between new technology and consumer adoption. He's come up with four and they are all good points. One of the most overlooked is probably the "imagination" factor. As Housel puts it: Grasping the*

*value of new technology requires imagination. But unless you have skin in the game that doesn't seem worth the effort because technology is supposed to make things easier and simpler, not wrack your brain. It's easy to underestimate how little thought people are willing to put into a new technology before it becomes an unacceptable mental burden over what they're already using. Check out the full post [HERE](#).*

**> Tennessee Farmer Turns His 910-Pound Pumpkin into a Boat:** *Instead of making a giant jack o'lantern or a massive pie that could feed the whole town, a farmer in Tennessee took his 910-pound pumpkin out for a spin in his pond. It's been Justin Ownby's dream to grow a giant pumpkin. And for the past four years, he has been trying to reach his goal of growing a 1,000 pound pumpkin, his wife, Christin, told CNN. This year the farmer from Cleveland, Tennessee, had an extra special seed to plant in May - a seed from last year's record-breaking pumpkin grown in Tennessee that weighed more than 1,700 pounds, according to Christin. When it was done growing, the pumpkin was hauled onto a trailer. With the help of a neighbor, who had access to a large scale, it was weighed. "It's the biggest we ever grew," she said. "The largest before was 220 pounds." Justin hollowed out the pumpkin to harvest the seeds and then decided to have some fun with the kids, Christin said. On Monday night, he plunged the pumpkin in the pond on the family's property, climbed inside and with an oar in hand he started paddling around. You can watch a video of him paddling around in the pond [HERE](#). (Source: CNN)*







**Eastern South Dakota** - We were pheasant hunting by Brookings, SD this weekend. A local farmer told me that the county had 47% of the corn and soybeans under prevent plant. The soybeans that have been harvested have been in the high twenties to low thirties on yield according to the guys that we are hunting with. I thought the cornfields that we hunt in looked really good considering the year and all the trouble this area has went through.

**Central Minnesota** - In this area very few have started to harvest soybeans but a lot of sampling fields is happening since this weekend. If they have started, they are now taking a break due to the recent rains. The already soaked ground didn't need the additional inch that we just received. When the ground dries out we should be able to start harvesting soybeans. The corn is holding moisture still so we are going to try and let mother nature drop it down, otherwise, we will have a drying bill that will be out of sight. Right now most of the early and late corn is all holding just below 30% moisture. It's interesting how the different maturity dates are almost identical in moisture levels.

**Northwest Kansas** - I wanted to give additional updates on the recent winds. We had several varieties that were just cut off below the ear, while other varieties only got the ear knocked off. A lot of guys are really in the ear of their seed dealers passing the buck on this mess. The one thing that I bet we are going to see a ton of this winter is cattle grazing corn stalks. If a guy doesn't raise cattle they better be figuring out how to rent some of this ground to cattle guys as it's going to be great for them. I think the cattle guys will probably pay a little premium for this land as well. We are trying to figure it out now.

# neuro mining



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

**TODAY'S RIDDLE:** The more of me you have, the longer your life. The more of me you have, the less you have left. What am I?

## FROM MY PERSPECTIVE





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During 2019, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

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**Title: "From Waste to Water"**

**Time: Thursday, October 24, @ 3:00 pm CT**

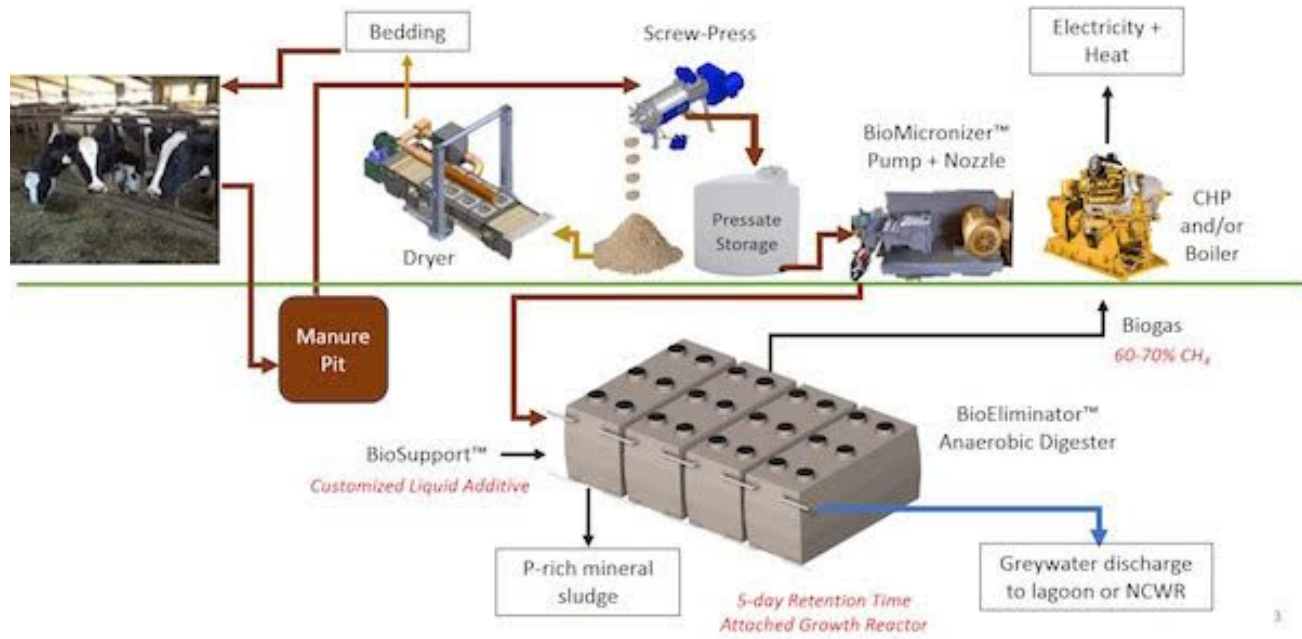
Societies across the globe are being challenged by "waste" as landfills are quickly overflowing and hauling the garbage is becoming increasingly more expensive. On top of that, new legislation is banning the disposal of organics in landfills, meaning we need real solutions for this growing problem. A company called "Digested Organics" believes it's time to make better use of these waste products, converting

them into more useful adjuncts.

Digested Organics is working to reduce the cost and environmental impact of waste disposal through onsite waste treatment and bio-energy production. It is focused on the conversion of organic wastes such as manure, digestate, food & beverage manufacturing wastes, and other high strength wastewaters, into clean water, concentrated co-products, and, when possible, renewable energy. It does this by filtering and treating difficult waste streams to help customers reduce wastewater disposal costs, reclaim clean water for reuse, and produce valuable co-products.

Waste solutions from Digested Organics exist for multiple markets ranging from distilleries, industrials and municipalities, landfills, food and beverage manufacturers and of course farms of all sizes. Producers will benefit from Digested Organics Integrated Manure Management System which includes the BioEliminator, a high-efficiency digester for fast manure treatment and the Nutrient Concentration and Water Reclamation, which reduces the volume of manure to produce a concentrated fertilizer and clean water. From what I'm told, the NCWR removes nearly 70% of the water in manure, meaning you'll have far less liquid to haul, fewer trucks on the road and reduce the chance of spills and soil compaction.

Tax incentives may also be coming down the pipe for biogas investments as Senator Sherrod Brown of Ohio and Senator Pat Roberts to Kansas recently reintroduced the Agricultural Environmental Stewardship Act. If passed, the bill would help grow the biogas market by offering a 30% investment tax credit to offset building costs. Bottom line, traditional approaches to waste management are leaving businesses wanting better for both their bottom line and the environment. Learn more how "Digested Organics" is working on technology to turn waste into water, a webinar to be held today at 3pm CT.







### **INTERESTING: What You Need to Know About "WeWork"... Founder Getting \$1.7 Billion to Step Down!**

For those who might not know, WeWork is basically an office-leasing company founded in 2010. In a nutshell, the company makes money by renting office space to small and medium-sized businesses. WeWork purchases or sometimes rents real estate space—in some cases just a floor or two in an office building—and transforms the space into smaller shared offices. This shared type of workspace allows startups and other entrepreneurs to gain access to space and expand in new regions at lower costs than they would spend on space of their own.

Members include independent freelancers and remote workers who need an occasional office away from home. They may want unlimited Wi-Fi to focus on a deadline. Other customers are small businesses with multiple employees who need a consistent place to work, have meetings, and build their budding empires, but without the high cost. WeWorks often signs the longer-term leases with building owners and then sub-leases out the desks and shared office space. The "shared" business model and culture is what helped create companies like Uber and Airbnb. WeWorks hopes to be the game-changer in the office space.



The most basic membership costs only \$45 per month and includes access to WeWork offices in 200 locations in 53 cities worldwide. It also includes access to WeWork's social network, WeWork Commons, which enables entrepreneurs to interact and exchange ideas. However, the actual use of the facilities costs an additional \$50 per day, so it is best suited to those who are primarily interested in networking and only have occasional need for office space.

The company offers several plans to workers and businesses with varying prices. For example, a worker can get a "Hot Desk" for \$220 per month which will give them guaranteed workspace in a common location. For a desk of your own in the same spot each day, the fee is \$350 per month. Standard private office space starts at \$400 per month. The spaces come with high-speed internet, printers, bike storage, coffee, and shared front desk service. Other amenities include office supplies, water, and daily cleaning services.

In addition to providing state-of-the-art office space to a generation of workers, WeWork has developed its properties into more than workspaces. Each office location is outfitted with stylishly designed common areas that include numerous leisure activities, such as foosball, screening rooms, arcade games, and bocce greens. WeWork also provides regular opportunities for its members to meet, socialize, and network, both online and offline. In addition to its popular WeWork Commons online platform, each office site hosts a number of social events, launch parties and workshops to help its members connect.

WeWork gives its members access to numerous discounts on professional services to help them grow their businesses and live healthier lives. WeWork partners with other companies to offer its member's insider deals on everything from health insurance and gym memberships to human resources and printing services.

WeWork publicly filed its IPO paperwork on August 14. After the filing, WeWork faced intense scrutiny of its finances and leadership from investors and the media. There were concerns about WeWork's path to profitability and its leader, CEO, and co-founder Adam Neumann. Ultimately, WeWork delayed its IPO on September 16. After the delay, attention shifted to Neumann's inappropriate antics.

According to a Wall Street Journal report, SoftBank is about to take control of WeWork as the office-sharing firm battles to stay afloat. In the takeover move, WeWork founder and former CEO Adam Neumann is set to receive almost \$1.7 billion from the Japanese investor as part of the deal, which will see him step off the board. Neumann will reportedly sell about \$1 billion worth of shares to SoftBank, plus receive additional credit and a consulting fee. The Japanese firm has invested about \$10 billion in the company to date. Keep in mind, WeWork was once valued at around \$47 billion, with some bullish investors thinking its real

valuation was up closer to \$100 billion. The Journal reported that SoftBank's takeover deal now values WeWork at about \$8 billion, a fraction of the valuation the firm hoped to achieve when it was scheduled to go public just a few weeks back. WeWork has been in turmoil since it filed its public-offering paperwork in August. Essentially, the valuation of the company has fallen apart in little more than one month's time.

The headlines that led to Neumann stepping down from his CEO role included reports of him smoking weed on a private jet, serving employees tequila shots after discussing layoffs, and trademarking the term "We" and then forcing WeWork to buy it for \$5.9 million. Really, within just 33 days the public stock offering was scuttled, WeWork's valuation plummeted, and Neumann, who believed he would become the world's first trillionaire, was ousted as CEO. It's crazy to think about how quickly things can change. In this case, however, Neuman is still walking away with a very healthy consolation prize! (Source: The Wall Street Journal; Business Insider; Investopedia)











### 50 Year Anniversary of "Butch Cassidy and the Sundance Kid"

It was on this day in 1969, Butch Cassidy and the Sundance Kid, starring Paul Newman and Robert Redford as a team of bank robbers in the Old West, opened in theaters across the United States.

As a kinder, gentler take on the outlaw myth, William Goldman's script tells the "mostly true" tale of early 20th century, real-life, American fugitives Robert Leroy Parker (better known as Butch Cassidy) and Harry Longbaugh (better known as the Sundance Kid). Following a string of train and bank robberies, the disarming duo is on the lam and looking for respite from the authorities. They escape to Bolivia with The Kid's lover (schoolteacher Etta Place) in the hope of turning their luck around. Wistful and charming, director George Roy Hill's 1969 runaway hit includes the single "Raindrops Keep Fallin' On My Head" by Burt Bacharach and Hal David.

The film became a massive and iconic hit, receiving seven Oscar nominations. Below are some interesting facts you might not have known about this mostly true tale. (Source: [History](#); Wiki)

**Butch Cassidy's Family was Among Utah's early Mormon Settlers:** *The eldest of 13 children, Butch Cassidy was born Robert LeRoy Parker on April 13, 1866, in Beaver, Utah. His grandparents and parents were Mormons who moved from England to America in the 1850s in response to Brigham Young's call for overseas members of the Church of Latter-day Saints to help establish communities in Utah. In 1879, the Parker family moved to a piece of property near Circleville, Utah, where they farmed*

and raised cattle. To help contribute to his family's finances, the future Butch Cassidy left home to work at other ranches in the area. At age 13, while working at one of these ranches, he had his first run-in with the law after being accused of stealing a pair of overalls from a store.

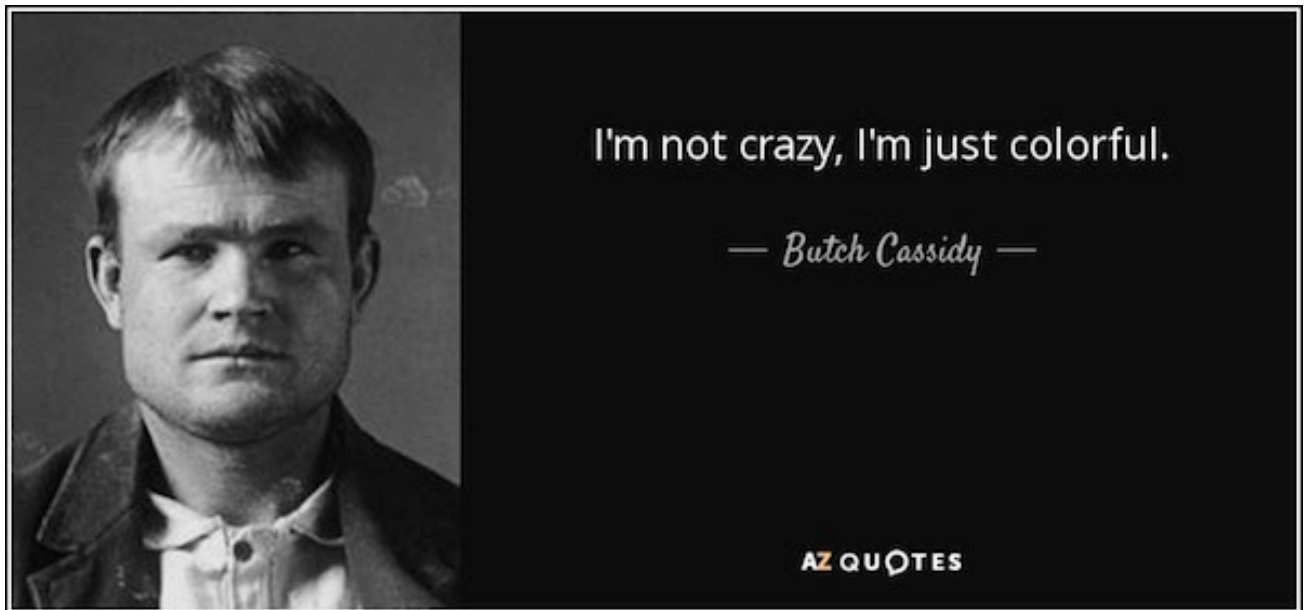
**His Nickname Came from a Butcher Shop:** In the early 1880s, while working at a Utah ranch, Robert LeRoy Parker met Mike Cassidy, a cowhand and small-time cattle rustler and horse thief. Parker admired the older man, who taught him about training horses and shooting a gun. However, after getting into trouble with the law, Mike Cassidy fled the area, and Parker himself departed Utah in search of new opportunities after turning 18 in 1884. Over the next few years, he spent time in the mining boomtown of Telluride, Colorado, followed by Wyoming and Montana. On June 24, 1889, Parker pulled off his first bank robbery, when he and several companions absconded with more than \$20,000 from the San Miguel Valley Bank in Telluride. Not long afterward, Parker started using the surname Cassidy, in honor of his former mentor, and referred to himself as Roy Cassidy. He eventually moved on to Rock Springs, Wyoming, where he landed a job in a butcher's shop and, according to popular legend, became known as Butcher Cassidy, which morphed into Butch Cassidy.

**The Move to South America:** In early 1901, Sundance and Etta Place traveled to Argentina. It's unknown whether Cassidy was with them or if, as some historians believe, he stayed behind and in July of that year took part in a train robbery near Wagner, Montana. By some point in 1902, Cassidy was in South America and he and Longbaugh, using assumed names, had purchased land in Argentina's Cholila, where they ran a ranching operation. By the end of 1904, concerned that the Pinkertons had discovered their location, the American outlaws sold their livestock and left the property, later finding work at the Concordia Tin Mines in Bolivia. Throughout their time abroad, Cassidy and Sundance continued to carry out heists.

**Unknown Death:** Some accounts hold that on November 4, 1908, near the town of Tupiza in southern Bolivia, two men thought to be Cassidy and the Sundance Kid robbed a payroll as it was being transported to the Aramayo mine. Three days later the supposed bandits arrived in San Vicente, Bolivia, but after villagers became suspicious that the strangers were connected to the robbery, Bolivian soldiers were called in and a shootout ensued. During the shootout, the Bolivians reportedly gunned down the suspects, or one of the outlaws killed his partner then turned the gun on himself. Afterward, the bodies were buried in unmarked graves in a San Vicente cemetery. In fact, there is no conclusive evidence linking Cassidy and Sundance to the robbery and shootout. In the late 20th century, researchers exhumed remains thought to be those of the payroll bandits from the San Vicente cemetery and determined they weren't from the two American outlaws. Meanwhile, following the alleged deaths of Cassidy and Sundance in South America, there were multiple reports the two men had returned to the United States (it's unclear whatever became of Etta Place), where they lived for a number of years under aliases. More than a century after their presumed deaths, the true fate of Butch and Sundance remains a mystery.







**ANSWER to riddle:** Heartbeats.





## CASH SALES & HEDGING TOTALS

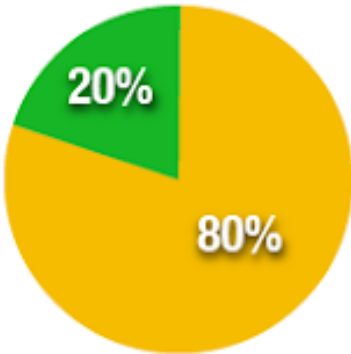
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**Corn 2018 Crop**

**Soybean 2018 Crop**

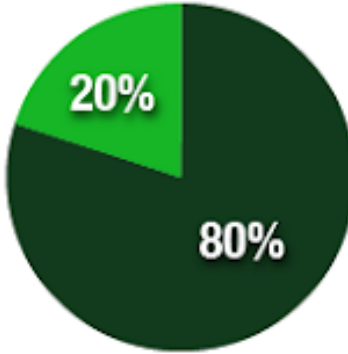
**Wheat 2018 Crop**

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



### Corn 2019 Crop

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



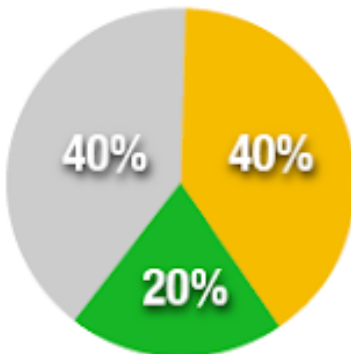
### Soybean 2019 Crop

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



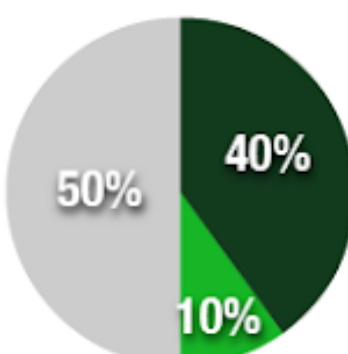
### Wheat 2019 Crop

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



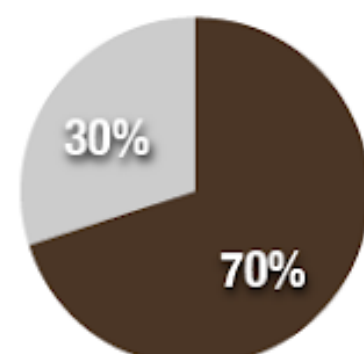
### Corn 2020 Crop

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



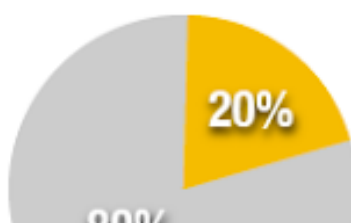
### Soybean 2020 Crop

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

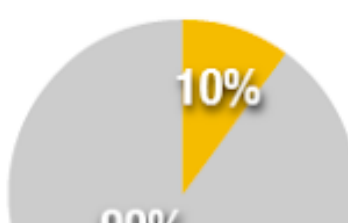


### Wheat 2020 Crop

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

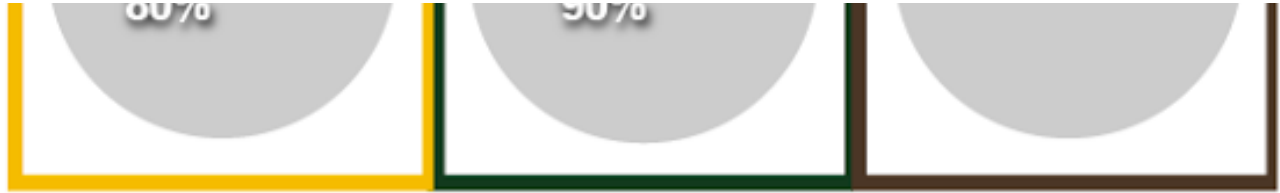


**10% SOLD**  
**0% HEDGED**  
**90% UNPROTECTED**



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





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The image displays two pieces of apparel: a black quilted vest and a white polo shirt. Both items feature the 'AgSwag' logo, which includes the word 'AgSwag' and a cartoon illustration of a goat. The background is a gradient of blue and orange, with a large, stylized DNA helix structure on the left and several hexagonal shapes on the right.





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