



FARMCON <josh@farmdirection.com>

GOOD MORNING: The Van Trump Report 10-30-19

1 message

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

Wed, Oct 30, 2019 at 5:30 AM

Reply-To: Jordan <reply-febf17797161007a-1142_HTML-68584704-100003450-8@vantrumpreport-email.com>

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

"Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it." - **Ronald Reagan (1986)**

Wednesday, October 30, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Investors today will have all eyes on the U.S. Fed and the comments following the FOMC meeting. Most inside the trade seems to be expecting the Fed to deliver its third interest rate cut of the year. Looking back historically, the Fed lowered interest rates three times in 1975, 1996, and in 1998. The average stock market gains six-months later have been around +10%, one year later around +20%. In other words, historically when the Fed cuts rates three times in one year the stock market tends to perform very well in the months following. However, there has been some mixed economic data released as of late that might be making some bulls pause. Including, weakening consumer confidence and a bit of softness in U.S. housing prices. The Conference Board index, monitored by analysts as a signal of future consumer spending, dropped in

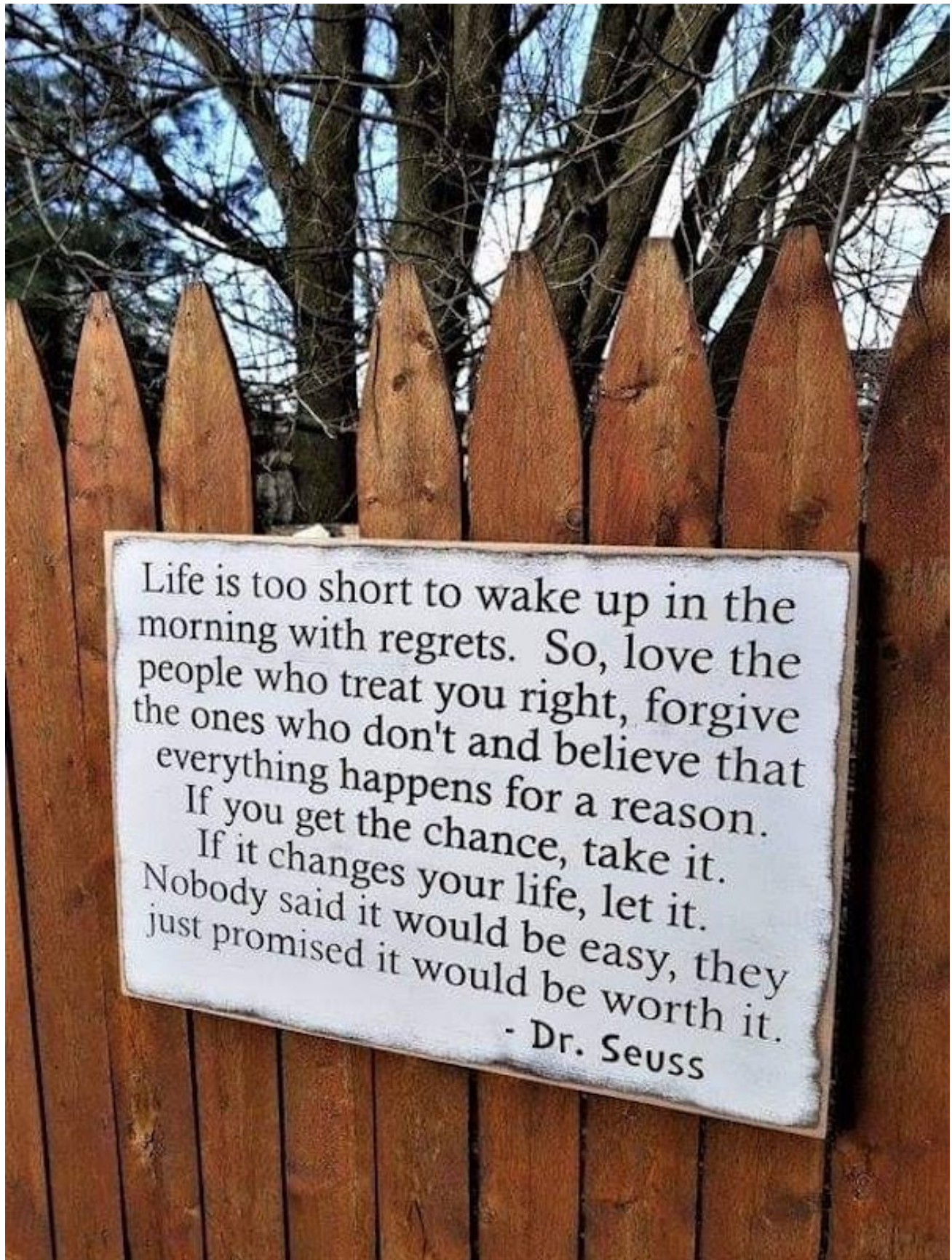
October to 125.9 for a third-straight decline. The fact U.S. consumer confidence again fell makes some worry that "consumer spending" might be teetering. Home prices declined from the prior month for the first time in a year, with some inside the industry noting signs of moderate weakness in what has been a few of the hottest U.S. real estate markets. Bulls are pointing to the fact, nationally, annual home prices are still up +3.2% compared to last year and overall sales are strong, despite prices being down month vs. month. Keep in mind, mortgage rates are hovering near a three-year low and we are seeing some weakness in price, that seems a bit strange. There's some talk that fairly weak wage gains are starting to limit buyer enthusiasm. Phoenix, Miami, Seattle, and Tampa continue to show strong gains from a month earlier. New York and San Francisco, however, are showing some of the largest signs of weakness. The fear is these are the two areas of the country that lead the real estate market on the way up and more than likely would be the two that will lead on the way down. Looking ahead, I suspect the Fed will be paying very close attention to employment numbers and wage growth. If wages appear to be stagnating further or we start to see some weakness in employment, I have to believe the Fed will again take on a more dovish demeanor and look to further lower rates. I suspect once the Fed makes its announcement and Fed Chair Powell holds his press conference at around 1:00pm, the market will immediately turn its attention back towards U.S. and Chinese trade negotiations. Today will also bring the first read on 3rd-quarter GDP, which is expected to slow to an annual rate of +1.6% from +2.0% in the 2nd-quarter. Also on the calendar is ADP's private payroll report which is expected to show U.S. employers added +125,000 jobs in October, down slightly from September's job gains of +135,000. The government's official Employment Situation comes out Friday, with analysts expecting a gain of +90,000 jobs. Today's most anticipated earnings results will come from Apple and Facebook. Apple's earnings will provide some deeper insights into new iPhone sales. Investors are also anxious to see their projections for this year's holiday season. As for Facebook, Wall Street is interested in how many new users the social media company has been adding and also any insights the company might provide regarding the increasing regulatory scrutiny it is facing. Other big names releasing earnings today include ADP, Baker Hughes, Bunge, CME Group, General Electric, GlaxoSmithKline, MGM Resorts, Molson Coors, Moody's, Motorola, Royal Caribbean, Simon Properties, Sony, Sprouts, Starbucks, Suncor, Total, and Yum! Brands. Stay tuned... I continue to narrow my holdings and bank some small profits as I try to best position myself.

Big Change, NCAA Athletes to Earn Endorsement Money: *I have not been following this story so it was big news to me when I heard the NCAA had cleared the way for college athletes to begin profiting from their name, image and likeness. This is considered a landmark decision that will forever dramatically alter the economics of college sports. Just a month ago, California passed a law requiring schools in the state to allow college athletes to earn endorsement money, which represented a stark shift in policy. From what I understand, the NCAA's governing board directed its three divisions to immediately consider changing the rules governing such benefits for athletes and to make all such*

changes no later than January 2021. The details of the new policy are yet to be determined. For a tennis star, it could lead to giving paid lessons to recreational players. For a gymnast with a crowd-pleasing floor exercise, it might mean monetizing a YouTube channel. For a football player, it could mean being paid for being featured in a video game. (Source: [The Wall Street Journal](#))

Amazon Starting 2-Hour Grocery Delivery: *Amazon made a formal announcement that they will be delivering groceries within a two-hour time window to all Prime members for FREE who are living in the 2,000 regions they are rolling it out. The changes eliminate what had been a monthly \$14.99 fee for people shopping on Amazon Fresh, it's online grocery service that delivers milk, eggs, seafood and other perishable products from its warehouses. The new delivery option is in addition to the free delivery Amazon offers to Prime members who shop at most Whole Foods Market stores. Both methods require a minimum purchase for \$35 to have no delivery fees. (Source: NYTimes; USAToday)*

Because It's Just A Great Message!





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Business • Profit • Scale • Automation
January 15 - 16 Kansas City, MO
Helping to Revive Rural America
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"The Best Investment You'll Make In Your Ag Business All Year..."
Kevin Van Trump, CEO of Farm Direction

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Founding Partners





French Wine Prices Might be Moving Higher: *The U.S. has been given clearance by the WTO to impose \$7.5 billion in tariffs on the European Union. Among the products targeted are wines from France, Spain, Germany and the U.K. The 25% tax on the wines means you might be seeing prices jump at the liquor store. Interestingly, these wines only account for about 13% of the total wines we drink here in the U.S. I have to imagine this might ultimately mean good news for some of our higher-end domestic producers, perhaps they will gain a little extra market share. (Source; Bloomberg)*

Midwestern Cities Struggling Financially: *The National League of Cities (NLC) released its annual report, "City Fiscal Conditions," earlier this week. The report, which analyzed survey results and fiscal data from over 500 cities, finds increasing fiscal uncertainty and trends similar to those that emerged at the start of previous economic downturns. For the first time in seven years, cities anticipate a decline in revenue as they close the books on fiscal year 2019. The report shows that general fund revenues slowed to their lowest annual growth rate since 2013. Declining fiscal conditions are sharpest in the Midwest as overall general fund revenues in cities there declined by -4.4%. Property tax receipts are also showing signs of weakening, again*

most notably in the Midwest. In fact, the report says that revenue declines in some Midwestern cities were so sharp that their experts had to check the data multiple times. Much of that appears to be driven by large revenue drops in big cities like Chicago (-11.7% revenue decline) and Minneapolis, Minnesota (-9.6% revenue decline). Cities in the Midwest appear to be struggling most, and perhaps are the canary in the coal mine signaling signs of the next economic downturn. Interestingly, finance officers in the Midwest and in small cities are also least likely to believe a recession will occur anytime soon. The full report is available [HERE](#).

Figure 6 FY 2018 Revenue and Expenditure Growth (by region)

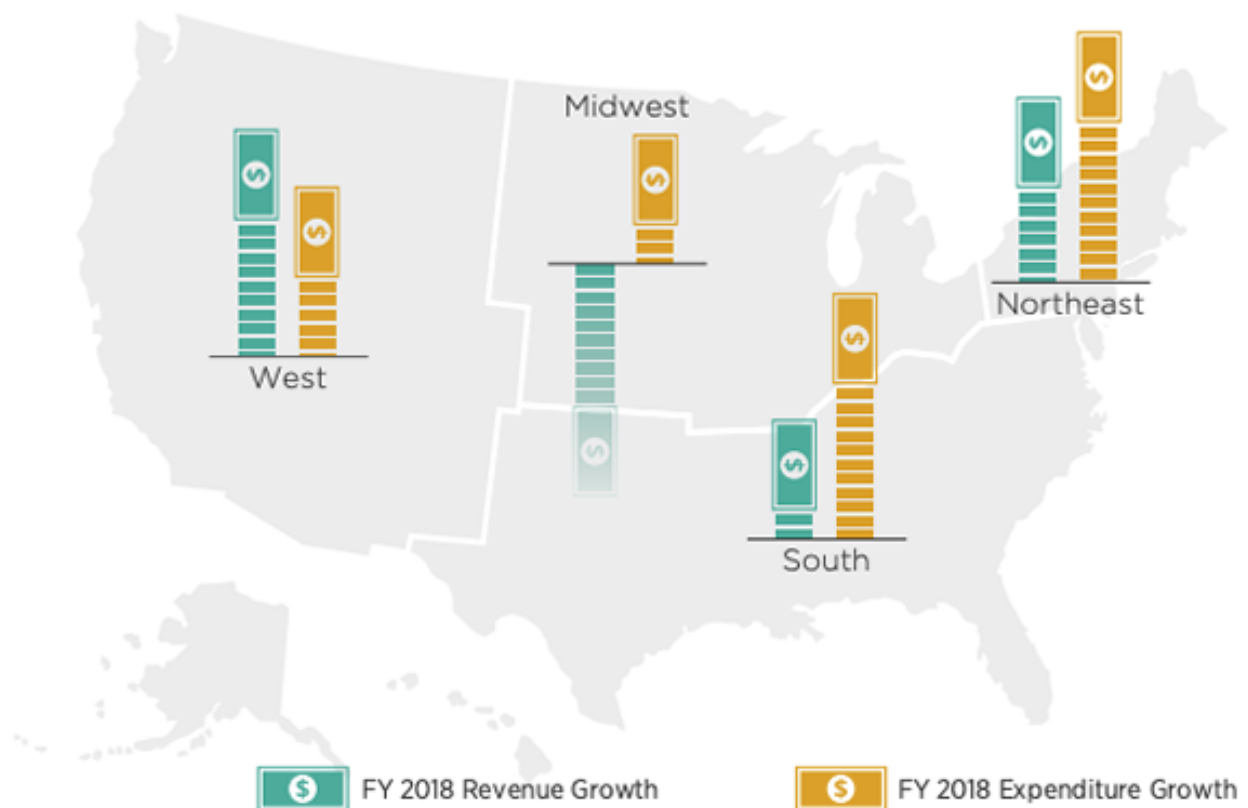
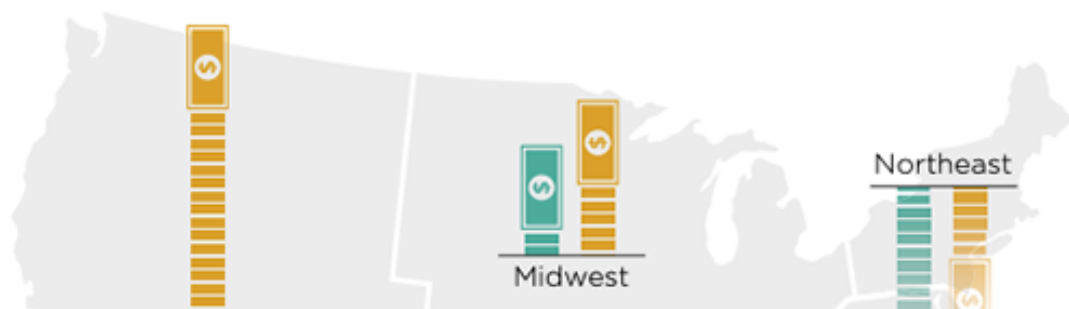
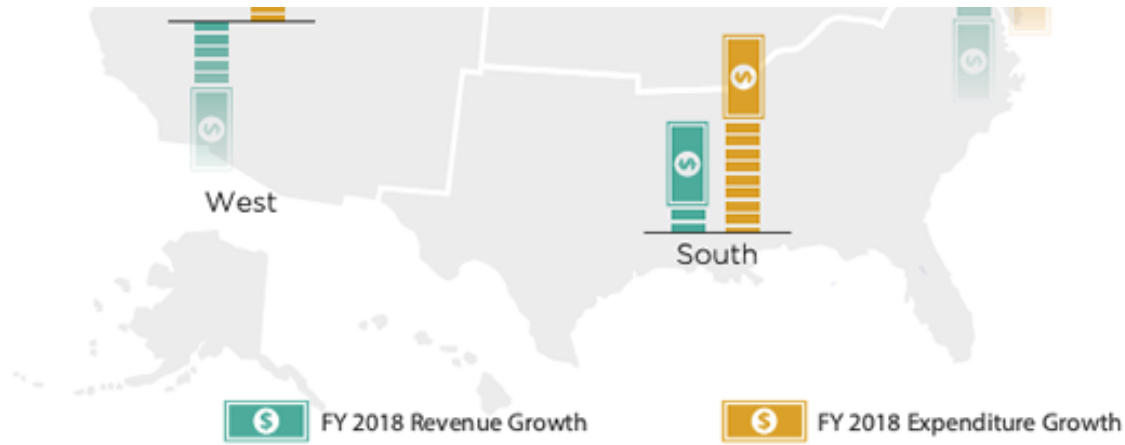


Figure 7 FY 2019 Revenue and Expenditure Growth (by region)





FARM TANK

Tweets of the Day



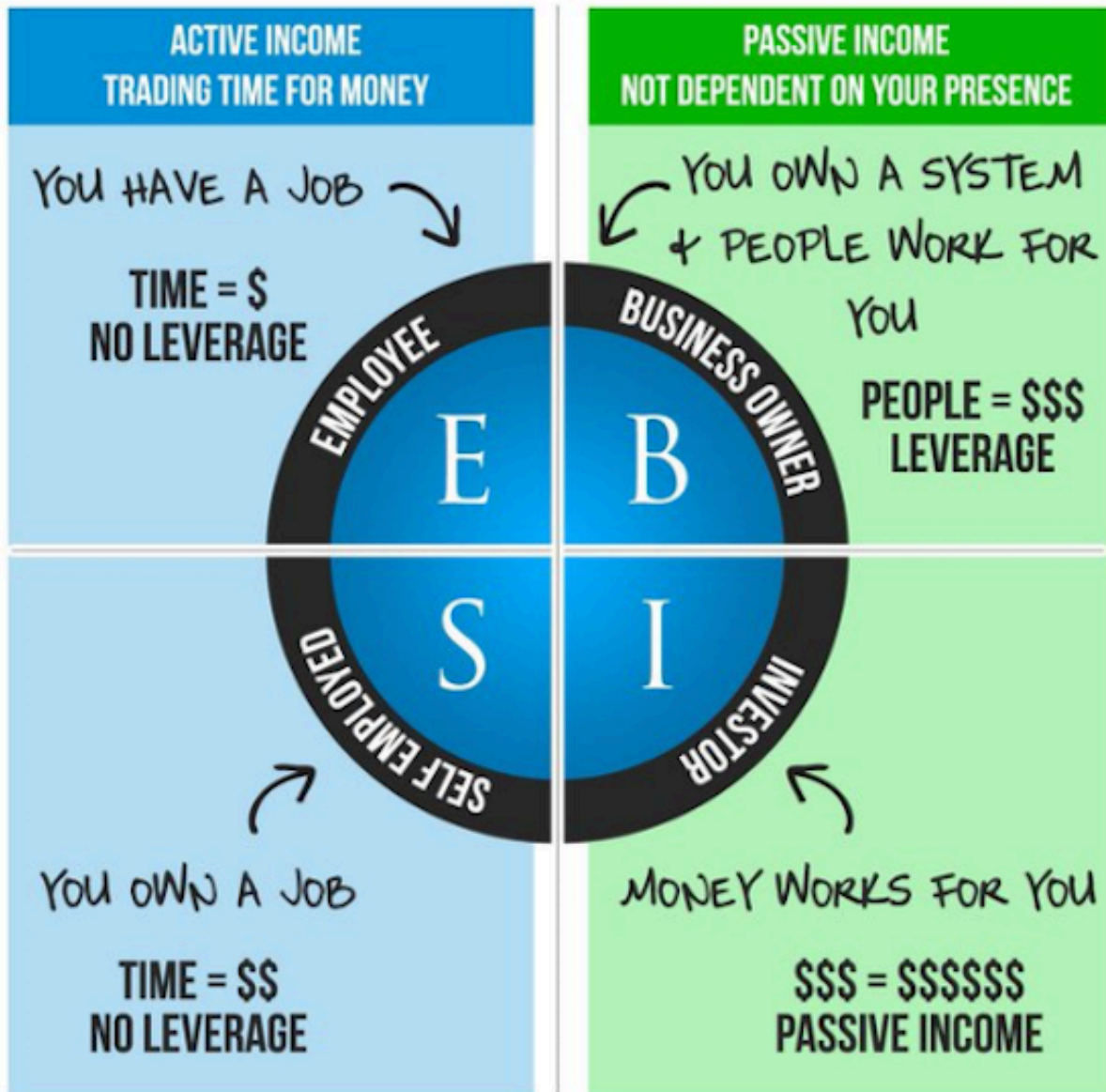


Steve Burns
@SJosephBurns



Robert Kiyosaki's Cash Flow Quadrants:

LINEAR INCOME VS RESIDUAL PASSIVE INCOME



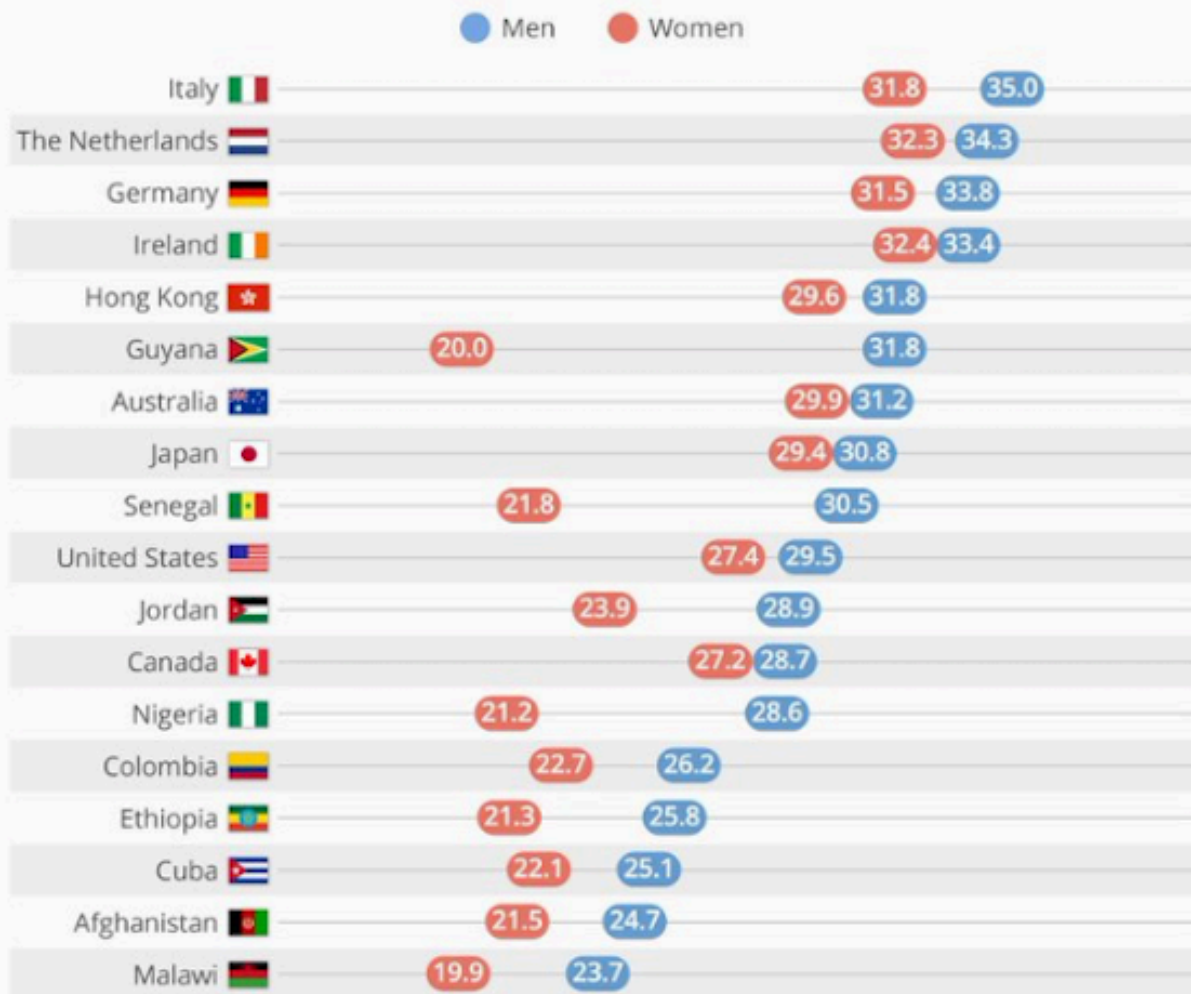


Mark Henry
@Mark_J_Henry

UN data on marriage ages across the globe reveals that the oldest brides in the world are Irish (median age 32.4 years) and we have the smallest age gap between men and women: grooms are just one year older than brides here [statista.com/chart/19119/gl...](https://www.statista.com/chart/19119/global-median-marriage-age)

When People Get Married Around the World

Median marriage age of men and women in selected countries and territories (2016)*



* Or latest available (Nigeria: 2013, Guyana and Cuba: 2014, Japan and Jordan: 2015)
Sources: United Nations, U.S. Census Bureau

statista



Cameron Hildebrand
@CameronHild



#Corn #harvest19 is full steam ahead in southern MB!
Moisture <30%. Tires cheaper than tracks.
#monstermachine





Megan Ternquist
@megan_rrfn

Took a break from playing in the [#harvest19](#) mud to bring the last of the cattle home. A balmy 25°F with 20 mph winds called for all the Carhartt gear 🧢 What month is it again? [#NDag](#) [#CattleDrive](#)



Matt Keller
@dirtfarmer163

Mismatched equipment keeps the dealers honest
[#CaseIH](#) [#geringhoff](#) [#masseyferguson](#) [#fricklin](#)
[#Harvest19](#)





Brittany Wilbanks
@HotMessFarms



The reasons why [@wilbanksfarms](#) and I do what we do. Regardless how stressful and gut wrenching it can be at times. These are the two that keep us looking ahead [#harvest19](#)



Motivational Quotes

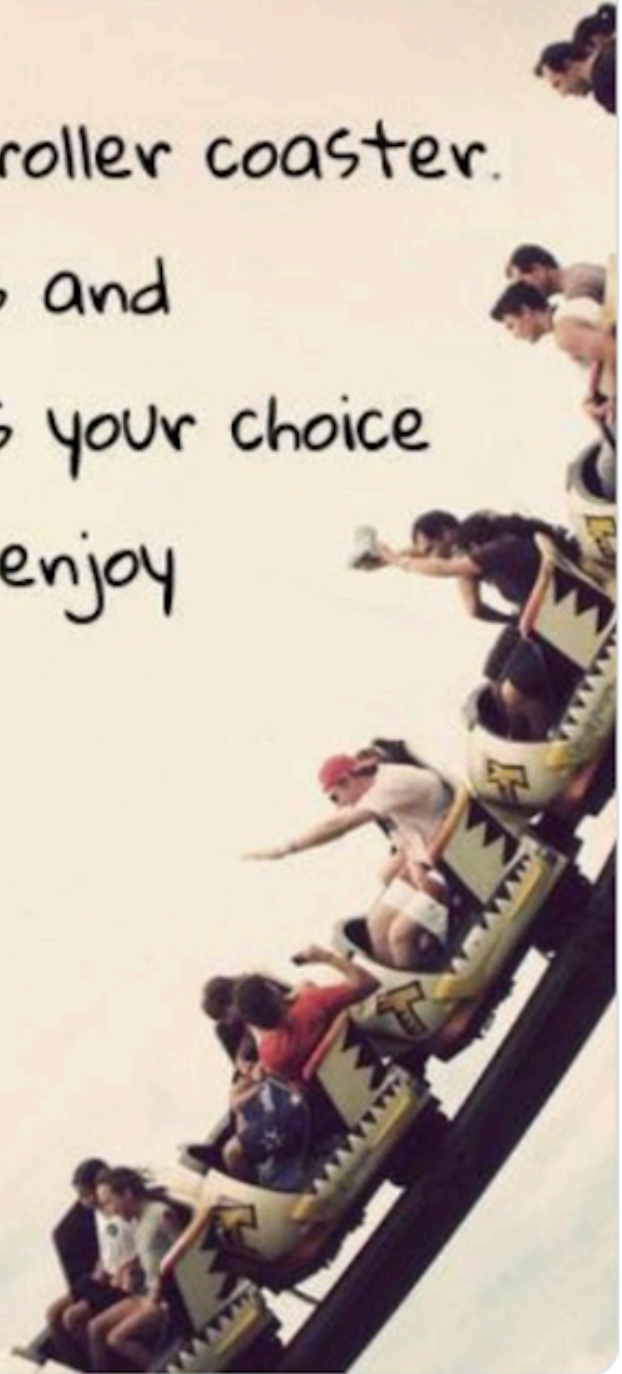
@DavidBoede



 @DavidRogus

Enjoy :)

Life is like a roller coaster.
It has its ups and
downs. But it's your choice
to scream or enjoy
the ride.



A promotional banner for Farmcon. The top half features a vibrant, multi-colored background (green, yellow, orange, red, purple, blue) with a white rectangular box containing the word "FARMCON" in large, bold, black letters. A stylized white plant icon is positioned to the right of the "O" in "FARMCON". Below the box, the text "Conference for Creative Minds in Agriculture" is written in a smaller, white font. The bottom half of the banner has a grey background. On the left, a man in a dark blue suit and glasses stands with his hand on his chin. On the right, a man in a green jacket and a red and black plaid shirt waves. In the center, the text "Great MINDS THINK ALIKE" is displayed in large, bold, black letters, with "MINDS" being the largest word. Below this text is a thin black horizontal line. At the very bottom, a black bar contains the text "Jan. 15th & 16th, Kansas City, MO - Click Here to Learn More" in white.

Corn prices continue to chop around inside a fairly tight range. The harvest being extremely late and another wave of winter weather falling across some important production areas have the bulls excited. In areas that might be lucky enough to avoid the snow and freezing temps, they may still have to deal with heavy rains and extremely wet fields. Demand, however, remains somewhat suspect. I could argue that U.S. corn prices are getting more competitive in the global market and that exports will soon start to gain some traction, but the bears want to see it actually happen, which hasn't been the case as of yet. I also worry that there's just no real major bullish catalyst outside of the arguments that U.S. production is overstated. The fact is, most bulls are still nursing wounds that were previously inflicted when they suspected yields and total U.S. production would be lowered by the USDA. Instead, the yield estimate moved higher and the bulls got injured. Keep in mind, the USDA has shown weekly crop-conditions improving the past

couple of weeks and most field reports circulating are talking about better than expected yields coming off the combine. Meaning most of us who want to be bullish longer-term are scared to place any really large bets, fearing the "unknown" crop size and how the USDA will interpret the data? I'm not so sure the USDA yield is going to change all that much or decrease aggressively like so many bulls want to argue. As I said, this could cause the bulls to pause and dry up some of the money-flow on the long-side going into next week's USDA report. There's really not much of a fresh weather story in South America and the U.S.-Chinese trade deal is probably in limbo through the APEC meeting in Chile scheduled for November 17. In other words, without a fresh new catalyst, bulls might be a bit hesitant and scared nearby to place additional bets on U.S. production moving lower without some confirmation by the USDA. I think we continue to chop around trading mostly sideways into next week's report. As you can see from the graphic included below the U.S. corn harvest pace is the 4th slowest since 1981. I got tired of looking and didn't dive any deeper than the data from 1981, I had seen enough.

Corn Harvest Pace	
Top 10 Slowest Years {Week 43}	
<i>Year</i>	<i>Harvest Completed</i>
2009	20%
1992	33%
2008	39%
2019	41%
1985	44%
1996	45%
2014	46%
1981	46%
1986	48%
1984	49%

Corn Harvest Pace

Top 10 Fastest Years {Week 43}

Year	Harvest Completed
2012	91%
2010	91%
1991	90%
1999	89%
2000	87%
1988	83%
1983	82%
2005	80%
1989	79%
2011	78%

Soybean bulls are pointing to continued positive talk surrounding U.S. and Chinese trade relations. Reports are circulating that President Trump and Xi Jinping will officially meet Nov. 17 in Chile. There are some questions about whether an official "Phase 1" deal will be signed or just some type of interim deal. Bears continue to discount the headlines as mostly talk and still no massive purchases by the Chinese. Bears also point towards ongoing uncertainties involving African Swine Fever. I continue to keep a close eye on South American weather, where bulls are arguing "moisture stress" in some areas of Argentina and Brazil. Don't forget "First-Notice-Day" in the NOV19 contract is Thursday, "Last-Trading-Day" in the NOV19 contract is scheduled for November 14th. I suspect that contract could get a bit volatile heading into delivery so make certain you are paying close attention. As a spec, I decided to temporarily move to the sideline. I had been long from the \$8.60's and rather than roll to the January or March contracts I just decided to tap out. I still have a small loser in my long corn positions, but this winner in the soybean market more than offset the loses and gives me more breathing room to hold corn longer-term. As a producer, I'm hoping we catch a

few bullish tailwinds in the next three or four weeks and I have an opportunity to price more cash bushels. Also paying very close attention to the NOV20 contract as prices trade near \$9.70 per bushel. I have 10% priced already at around \$9.60 and would love to get my average worked higher between now and next Spring.

Soybean Harvest Pace	
Top 10 Slowest Years {Week 43}	
<i>Year</i>	<i>Harvest Completed</i>
2009	44%
1985	46%
1984	46%
1981	55%
1986	58%
2019	62%
1983	69%
2014	70%
1982	71%
2018	72%

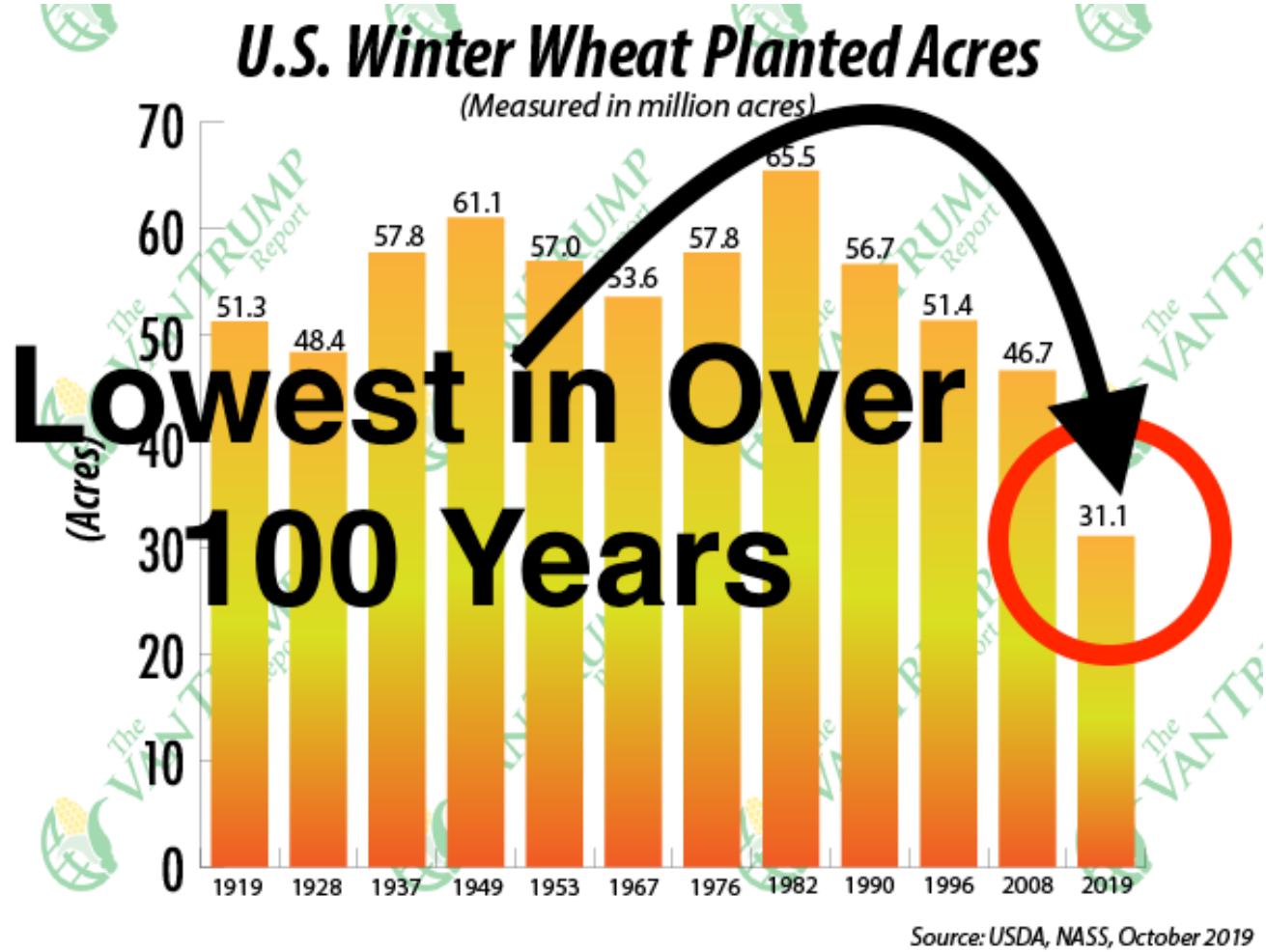
Soybean Harvest Pace

Top 10 Fastest Years {Week 43}

Year	Harvest Completed
2010	96%
1999	93%
2005	92%
2000	91%
2016	87%
2015	87%
2012	87%
2011	87%
1995	87%
2003	85%

Wheat bulls have little fresh or new to cheer about. There's continued talk that U.S. winter wheat acres will be the lowest in over a century, but this isn't really anything the trade hasn't known. As you can see in the graphic I included below, U.S. wheat acres have been deteriorating for many years as we've become the world's ancillary supplier of wheat. Most global importers look for low-cost options out of the Black Sea region and parts of the European Union as their first option. Then perhaps Australia, Argentina, or Canada. If they are overly concerned about delivery or quality they will look towards the U.S. to source supply. The lower export demand and tighter margins for U.S. producers have equated to fewer acres. Unfortunately, record low acres is still not enough to dramatically influence or rally price. Without a major production hiccup in areas of the world that are considered low-cost suppliers, the market just doesn't get all that nervous, especially when we are sitting on record global surplus. Without a major demand story and ample supply, it's tough to mount a sustained and extended rally. As a spec, I'm on the sideline. The SRW wheat contract has rallied over +60 cents since early-September and I'm just worried it could run out of steam nearby. Longer-term, I like the thought of being a bull, eventually believing production in Russia is going to stumble and the macro global economies are going to improve. As a

producer, I'm wanting to stay very patient.





> USDA Releases Proposed Hemp Regulations for Public Comment: *The U.S. Department of Agriculture (USDA) released a nationwide proposal for growing hemp and testing its THC content, a move that comes more than 10 months after the U.S. Congress legalized hemp and ordered the USDA to regulate it. The new framework will set out procedures for testing the levels of THC (the psychoactive ingredient in cannabis) in plants. The regulations will require farmers to have samples of their hemp taken by a USDA-approved agent within 15 days of harvest. Those samples will then be tested in labs registered with the DEA to confirm whether the amount of THC in them exceeds .3 percent—the legal line between hemp and marijuana. Licensed hemp growers will also be able to apply for loans, crop insurance and risk management products available to other farmers. States and Native American tribes will be able to submit their own hemp production plans to the USDA for consideration, but they will not be allowed to ban the interstate transportation of legally grown hemp. More information is available [HERE](#).*

> Challenges to WOTUS Repeal Leaves EPA Using 1986 Regulations: *The EPA last week finalized its rollback of the Obama administration's WOTUS regulations, handing a long-sought victory to farmers, developers and other industries that viewed the sweeping environmental rules as an overreach. But while the Trump administration crafts a replacement, federal regulators are forced to revert to a 1986 policy that gives Washington much broader authority over small creeks and far-flung wetlands. The WOTUS repeal was met with a pair of*

lawsuits, one from each side of the issue. Environmental groups claimed the EPA failed to justify the new rule or analyze its full impact. And the Pacific Legal Foundation filed a lawsuit on behalf of the New Mexico Cattle Growers' Association, arguing that putting the 1980s rules back on the book poses the same problems for industries as the original WOTUS rule itself. The EPA is working to finalize a "replacement" rule with a narrow definition of which streams and wetlands are subject to federal regulations. But legal experts predict that second piece of the agency's effort will get caught in the courts. That means the 33-year-old regulations could remain the law of the land for years to come. (Source: Politico)

> Spend the Big Bucks on Herbicides for Spring 2020: A certified crop advisor says fall weed management is important, but farmers should save most of their money for spring 2020 applications. Mark Wilson is with Wabash Valley Service Company in southeast Illinois. He tells Brownfield excessive rains washed away spring 2019 herbicides allowing weeds to come up late this fall. "We're only going to get one more flush of weeds this fall, if that, with weather cooling off. Next spring, we are going to get flush after flush after flush. That is when we need to spend our big money on herbicides." But he says farmers should not overlook a fall application. "We are going to have weeds that we are going to have to deal with early next spring. So, the cleaner we start out, that seed load that we picked up this year, we will have a better chance of keeping that under control." He says there are a lot of herbicide options out there to simply kill weeds that are present this fall and hold them down for a while. Listen to the full interview at [Brownfield Ag News](#).

> BP Still Aiming to Close Brazil Deal with Bunge in 2019: BP Plc. is still looking to close its deal with Bunge to merge sugar and ethanol assets in Brazil in 2019, so the companies can go on to plan their operations together for the new cane season that starts in early 2020. BP's chief executive for biofuels, Mario Lindenhayn, told reporters on the sidelines of Datagro's sugar conference in Sao Paulo the oil major was just waiting for the green light of antitrust bodies in three countries, including China, to close the deal. (Source: Reuters)

> Aramco to Trade on Saudi Exchange on Dec. 11: Shares in Saudi state oil giant Aramco will start trading on the Middle Eastern country's stock exchange on Dec. 11, television news channel Al Arabiya reported, without identifying the source for the information. Saudi Aramco earned \$68 billion in the first nine months. The unaudited net figure was given to analysts working on its IPO, according to people familiar. That's a multiple of the annual earnings of Exxon, the biggest publicly listed oil firm. Aramco earned \$111 billion last year, making it the most profitable business in the world. Saudi Arabia's Capital Markets Authority will announce the start of the initial public offering process on Sunday, Al Arabiya reported. Subscription for shares will start Dec. 4. Crown Prince Mohammed Bin Salman is counting on Aramco's earnings and Saudi Arabia's vast oil reserves --

the world's biggest deposits of conventional crude -- to attract investors. The kingdom is seeking funds to build job-generating industries that it hopes will help wean the economy off its overwhelming reliance on crude sales. The government has struggled to persuade investors to accept its estimated \$2 trillion valuation for the company, contributing to delays in the initial public offering. (Source: Bloomberg)

> GM Says Strike Cost it \$2.9 Billion: *The six-week strike at General Motors will end up costing the automaker about \$2.9 billion, the company said Tuesday. Nearly 50,000 hourly GM workers went on strike starting September 16, two weeks before the end of the quarter. It ended on Saturday, October 26. GM lost money because factories in the United States, as well as some in Canada and Mexico, were idled during the walkout. The strike directly affected 31 GM factories and 21 other facilities, spread across nine states, mostly in the center of the country. The strike's cost in the final two weeks of the third quarter came to just under \$750 million. GM will account for the rest of the loss this quarter (4th), as it estimates the total loss will come to about \$2 per share. GM was able to post a \$2.3 billion profit in the third quarter, despite the strike and a -\$318 million drop in sales. The revenue from North American vehicle sales actually increased +\$321 million in the period as U.S. sales rose +6%. International sales, which ironically had little impact from the strike, took a hit. The market for new car sales in China, GM's largest market, has slowed considerably in the last year, cutting GM's sales there by -16%. The company also warned that dealer inventories will be "leaner than we like" as GM plants get back to work and they restore vehicle supplies to normal levels. (Source: CNN)*

> How Many People can the Planet Actually Hold? *In 1798, English clergyman Thomas Malthus published a slim but provocative volume titled An Essay on the Principle of Population. The book went viral (by 18th-century standards) for its stunning conclusion that "the power of population is indefinitely greater than the power in the earth to produce subsistence for man." If people kept procreating, Malthus argued, we'd run out of planet. Two centuries later, scientists are still grappling with that possibility. Our numbers doubled in just 150 years, and Malthus' world was making room for its 1 billionth member by 1804. How would they eat? What would they drink? Where would they live? Malthus' answer was that they wouldn't; they'd die of hunger and disease. But he was clearly wrong. So the next Malthusian took up his anxious mantle, and the next. Yet we continued to skirt catastrophe. There are now nearly 7.6 billion earthlings, a number inconceivable to Malthus, and maybe even Ehrlich. By the 2050s, there will be 10 billion. How will we eat? What will we drink? Where will we live? Read more [HERE](#).*

> A Pokemon Card Just Sold for \$195,000: *One of the rarest Pokémon cards in existence went up for auction last week at New York-based Weiss and sold for*

\$195,000. It is now officially the most expensive Pokémon card in existence. It's a "Pikachu Illustrator" card, a promo given out to winners of a comic contest that was held in Japan in 1997-98. While there were 39 of these cards awarded, it's believed only 10 are left today, making each one of them insanely valuable to collectors. The selling price was almost 4x the price paid for the last Pikachu Illustrator to hit auction back in 2013, which "only" went for \$54,970. Earlier this year, a Pokémon card worth \$60,000, Trainer No. 3, was lost in the mail after being sold on eBay. While it's not quite as rare as Pikachu Illustrator, Trainer No. 3 is another incredibly rare card given away as a contest prize. (Source: Business Insider)

> Hard Rock Opens Giant Guitar-Shaped Hotel: *Want to sleep in a building shaped like a guitar? The Seminole Hard Rock Hotel & Casino in South Florida is banking on the idea that music-lovers will flock to its new \$1.5 billion-expansion, which opened last Thursday and features a giant guitar hotel that's impossible to miss. The neon-lit structure can even be spotted from the air for passengers flying into nearby Fort Lauderdale International Airport. The guitar-shaped hotel features the recognizable body of an guitar but stops short of including the long, thin neck that houses the frets in a real instrument. Its aqua-glass tones reflect the Florida sunlight during the day, and once inside, it's easy to forget you're in a building shaped like a guitar, save for Hard Rock's signature rock 'n' roll memorabilia on display. In the lower level, items include Elvis Presley's motorcycle and Neil Diamond's car, plus outfits worn by Madonna and Rihanna and one of Jimmy Page's guitars. The door handles throughout are, of course, shaped like electric guitars. The guitar building boasts 638 guest rooms and suites, with a Platinum King Suite (1,100 square-feet) for \$989. Other rooms, such as a Deluxe King or Queen without a pool view, start at \$189 but can climb as high at \$519, depending on your dates. Guests are also responsible for a \$25 per day resort fee. (Source: USA Today)*

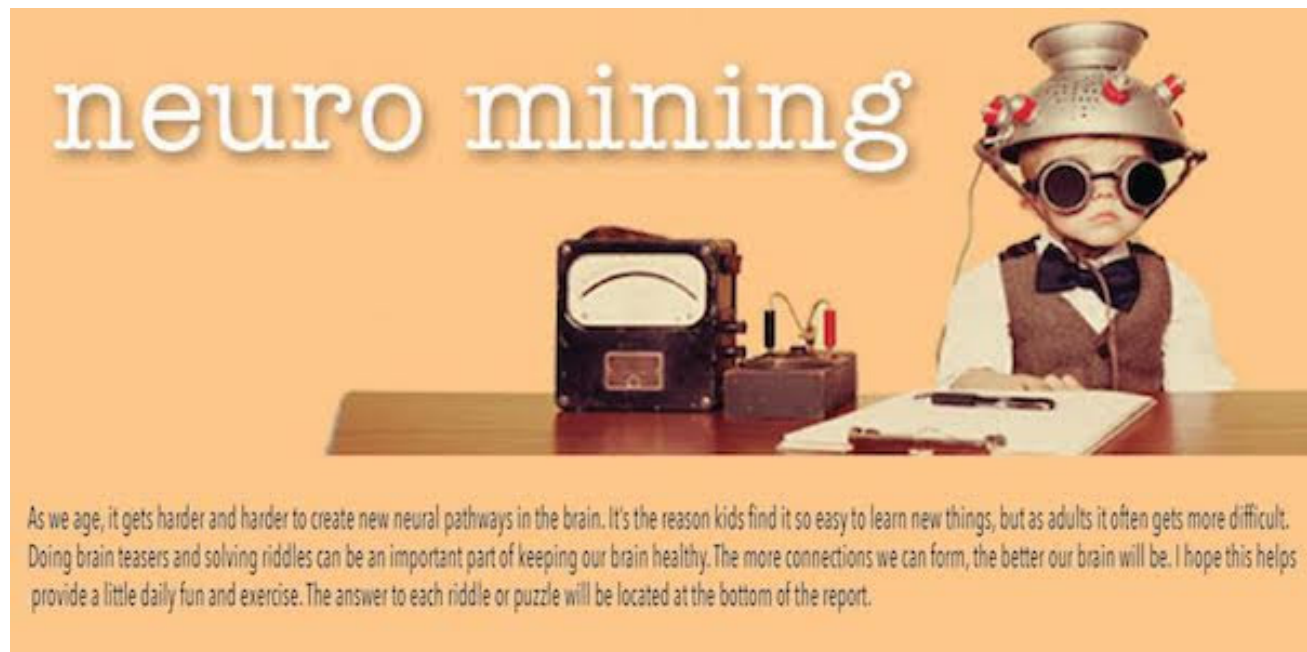




South Central Wisconsin - We just had 3 inches of snow overnight between Monday and Tuesday. We have another decent chance of snow on Thursday again. It's been wet snow so far and I wouldn't expect any different on Thursday. We should see more below freezing during the night and back above freezing during the day. The rain or snow that we have been getting every third day is really making soybean harvest a pain. It's also not allowing the much drying. We have maybe 20% of our soybeans harvested which is well above the neighbors 5-10% complete.

Central Florida - I call home central Florida but I travel the country looking at crops all over the corn belt. Here's what I heard - several knowledgeable people have said corn planted late might be 2 feet taller and lusher because it gets its growth on the longest days but the ears get short-changed as they develop on later "shorter days" so aerials and windshield tours may be deceptive. This applies to beans also. I cannot imagine these crops not being way down but as an old trader told me, "It is not what the crop is, but what the government says it is".

Northwest Ohio - We took prevent plant on 100% of our corn acres this year. The first 3 fields of soybeans made 51, 64 and 44 bushels per acre. More than likely the last field did so poor because it was mudded in. The average of 53 bushels per acre is below last year's yields and a little below our APH. The guys that have harvested corn are more or less not pleased but they didn't expect a record either.



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: Whoever makes me can hear me, but nobody else can.

What am I?



New Financing Opportunities for Growers!

Producers who are wanting to transition towards organic often run into financial hurdles that make the pivot next to impossible. Now, two financial institutions, Rabo Agrifinance and Growers Edge Financial Inc., are stepping in to fill the void by offering financial assistance to those transitioning towards organic as well as those wanting to rebuild soil capacity.

Rabo Agrifinance has created a new product making it financially feasible for farmers seeking organic certification. This industry-first comes at a time when many find themselves needing to get into a premium market. Guidance was provided by [Pipeline Foods](#), a specialty supply chain company that operates up and down the channel, which allowed Rabo AgriFinance to develop a financial framework that now gives farmers the flexibility to acquire the capital needed for upfront costs associated with changing production practices. Farmers can even schedule repayments when they receive the additional revenue from selling certified organic goods.

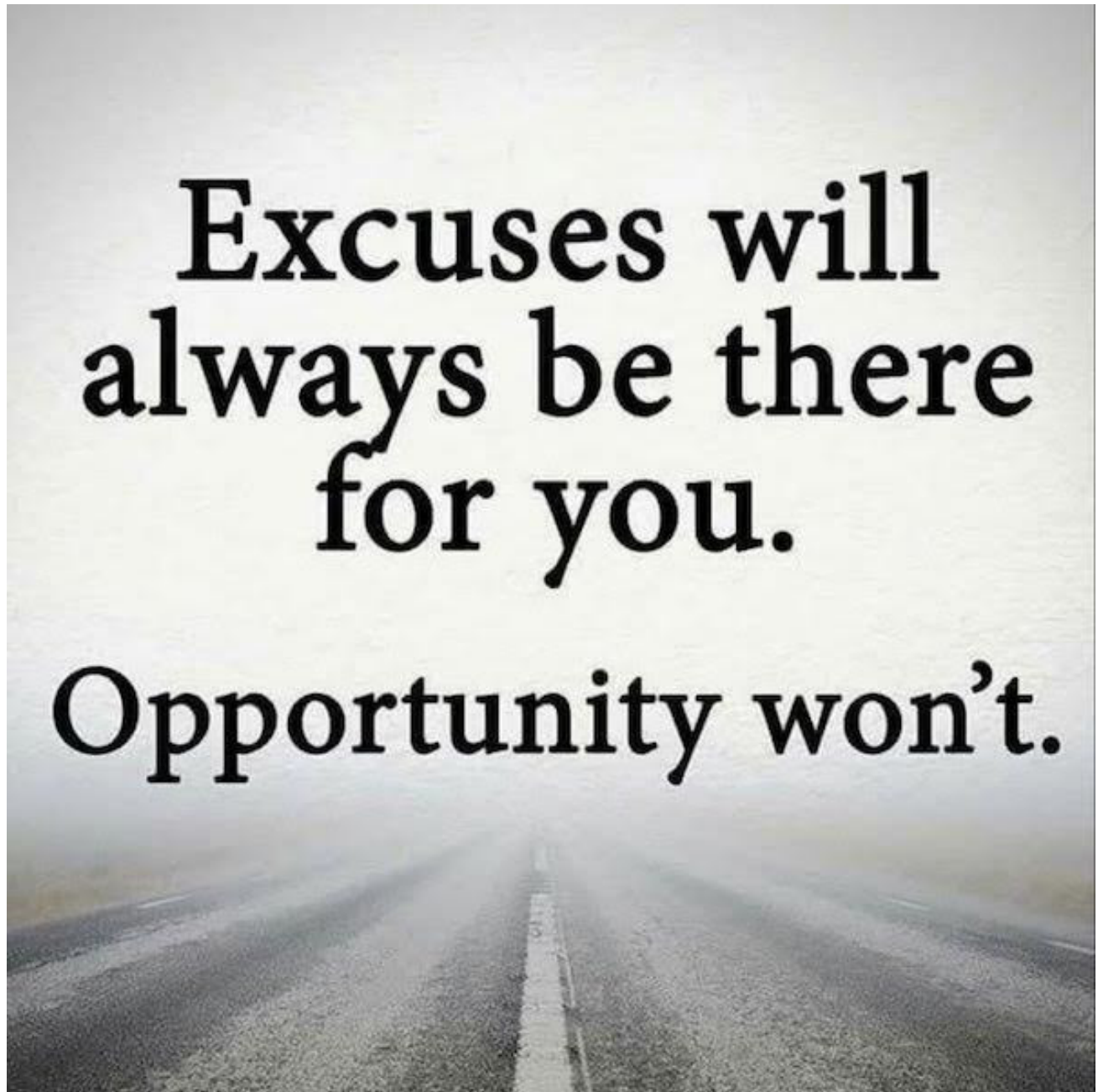
Demand from consumers and food companies for organic food, feed, and ingredients continues to grow as the U.S. imports 9 million to 12 million bushels of organic corn and 12 million to 16 million bushels of organic soybeans per year, meaning the demand is there for U.S. growers to supply. But until now, many farmers have run into a wall trying to pencil out numbers that work and how they are going to survive the transition period. With potential funds now available, producers might be more open to consider the transition to organic.

Growers Edge Financial is also stepping in to assist farmers, having formed a partnership with Delta Institute to create financial products that help provide new capital opportunities for farmers wanting to rebuild soil capacity. Keep in mind, the topic of soil health, regenerative practices, and "sustainability" are at the forefront of most discussions, and current data reveals that soil is currently eroding 10 times faster than it's able to be naturally replenished in the United States. Meaning

there is an estimated 1.7 billion tons of lost farmland annually, according to a Cornell University study. Also, the USDA estimates the total annual cost of erosion from agriculture in the United States at \$44 billion, or \$247 per acre of cropland and pasture.

Traditional financial instruments have yet to meet the needs of farmers who are attempting to break out of traditional farming practices, but with these new tools from Rabobank and Growers Edge, producers can embrace new ways to improve the long term health and profitability of their operation. From what I understand, Growers Edge will leverage its machine learning models and artificial intelligence platform to remove financial barriers and accelerate the proliferation of soil improvement initiatives. Using their fintech analytics platform, the team will provide updated risk metrics and offer financial products and services to farms that invest in improving or rebuilding their soil. As a producer in a commodity space, make sure you are looking far enough out on the horizon when making longer-term legacy type plans for the farm. In other words, if you don't see your operation being sustainable as a "low-cost provider" in the gmo or non-organic space then you need to be thinking about how and when you are going to pivot in a new direction. Hopefully, these financial resources can help. (Source: business wire, agriculture.com)





Dramatically Higher Gasoline Prices in Parts of the U.S. and Importing Brazilian Ethanol

Gas prices across the country have always varied from region to region, and even from city to city, but things have gotten a bit crazy as of late! This fall, the disparity between the national gas price average and what is being paid on the West Coast is being measured in dollars. Last week, the national gas price average was \$2.61, but prices across California were averaging \$4.10 per gallon, the highest in the U.S., including Hawaii. This price differential out West has been rising in each of the past three years, which has a lot of people wondering what is going on?

In general, prices at the pump will vary among states and regions due to taxes and the distance an area is from supplies. Prices can deviate even further amid supply disruptions, which are usually regional, as well as state laws that regulate gas emissions.

Currently, we are in what's known as "peak refinery maintenance season," which occurs in spring and fall in order to gear up for stronger demand in the summer and winter months. Not only do refineries conduct seasonal maintenance, but they also start making different grades of gasoline that are more suitable for the upcoming season. Refineries cut production during maintenance which has a tendency to drive prices higher if inventory levels drop. The current maintenance season has seen refinery utilization drop to just 83%, its lowest rate in 2 years, which has caused price increases in about half of U.S. states.

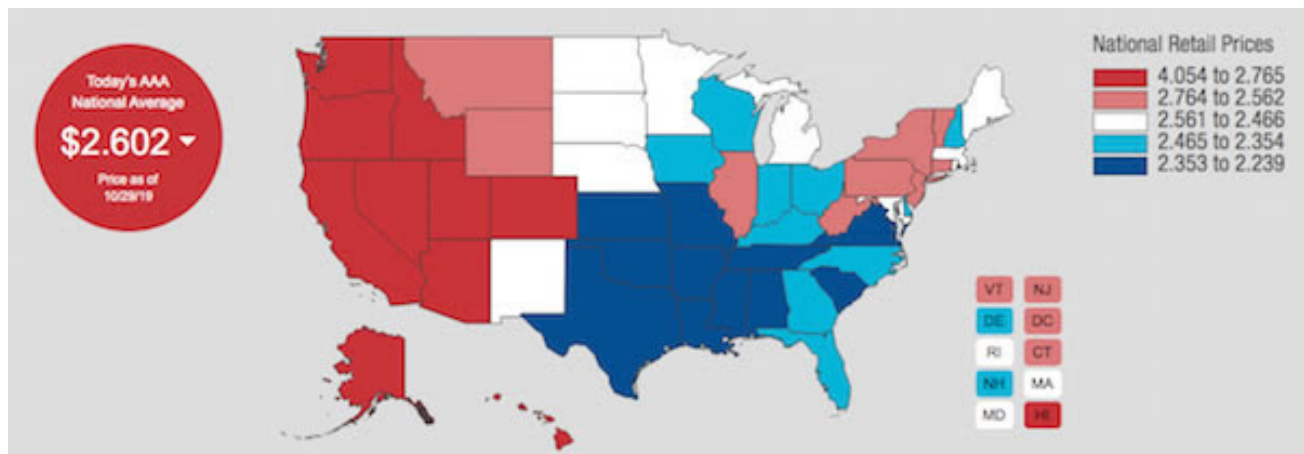
In the West, prices have spiked even higher recently due to Marathon Petroleum's San Francisco Bay Area refinery halting production following an earthquake. It's since resumed production but gasoline stocks in the region remain below last year, which is keeping prices elevated. In addition, West Coast prices are typically more susceptible to price fluctuations because of the region's limited refineries and pipelines. If an unexpected outage occurs, it's more difficult to bring in supplies from other areas. It's also more expensive as the source of gasoline supplies are spread so few and far between. As you would expect, the further replacement supplies need to be transported, the higher the cost differences become.

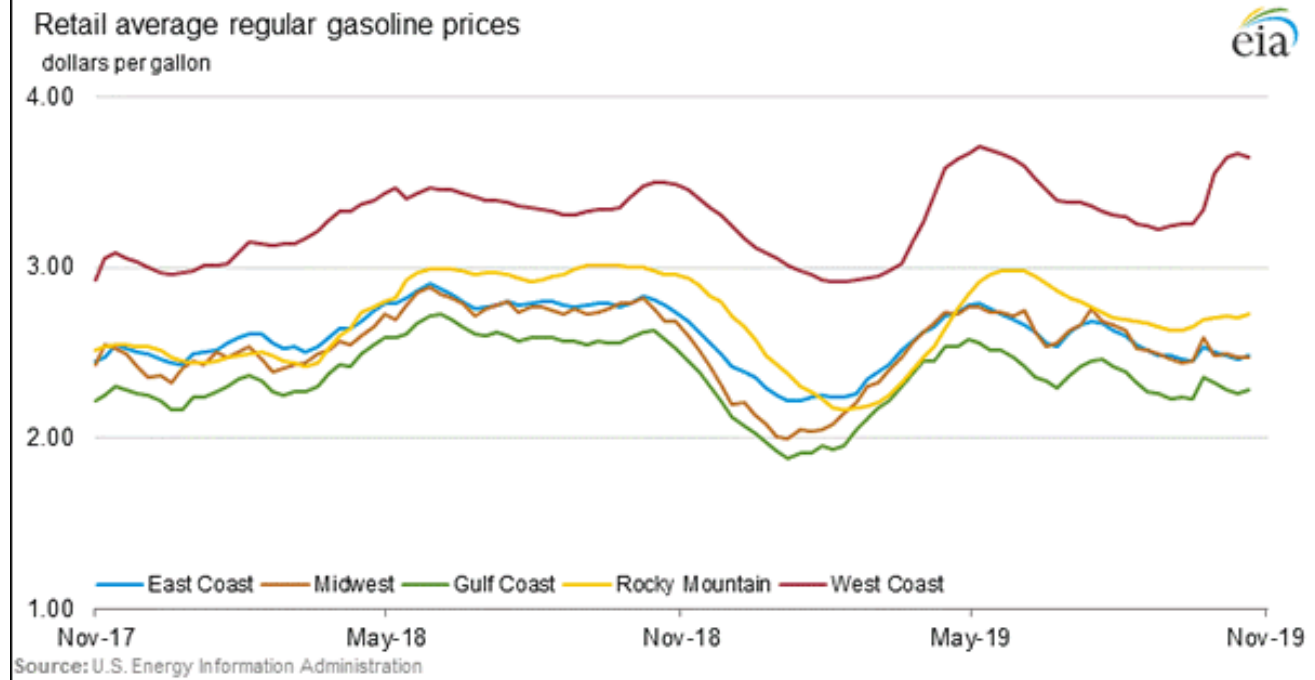
Higher emission standards in Western states, particularly California, also mandate higher prices as they limit the number of refineries the states can get supplies from. California has the smallest number of refineries of all U.S. states as well as some of the strictest emission standards. California's fuel blend is more complicated—and costly—to produce, which adds upwards of a few cents to the price of fuel.

In times of supply shortages and disruptions, transportation costs of unique fuel blends also drive prices higher. For example, during a 2015 shortage, California had to barge in fuel because it was difficult to transition pipelines from one fuel blend to another, which increased delivery time. Thus, during supply disruptions and shortages, prices can often spike by +50 cents or more in a short period of time before the product can be resupplied.

Another major factor in the growing price differences this year has been a number of new laws that raised gas taxes to fund major infrastructure projects. Illinois had the largest increase, doubling its gas tax to 38 cents from a previous 19 cents. Ohio had the second-largest increase, raising 10.5 cents per gallon, followed by California, which raised taxes 5.6 cents a gallon.

I should also note, Brazilian ethanol exports to California have been boosted recently by higher carbon credits prices in the Californian market, which is leading to a premium for the "cane-based" ethanol due to its smaller carbon footprint compared with corn-based ethanol. Reuters ran an article the other day titled, "[Brazil ethanol exports to California rise](#) " and in the article, it estimated that Brazil has exported over +171 million gallons of ethanol to California from January to September, double the volume seen in the same period a year earlier. They also reported, "When you add the price premium for advanced ethanol (RIN), Brazilian ethanol arrives in California currently around -7% cheaper than U.S. ethanol, so it is very competitive." I just hate it when we are swimming in supply and our ethanol plants here at home are struggling but at the same time we are increasing the amount of ethanol we are bringing in from Brazil. I understand, but it's still incredibly tough to swallow! (Sources: Reuters, EIA, NACS, Wall Street Journal)





10 LEAST EXPENSIVE AVERAGE GAS PRICES

10/28/19

1. Louisiana

\$2.23

2. Mississippi

\$2.24

3. Texas

\$2.25

4. Alabama

\$2.27

5. South Carolina

\$2.27

6. Missouri

\$2.28

7. Arkansas

\$2.29

8. Oklahoma

\$2.29

9. Virginia

\$2.29

10. Tennessee

\$2.30

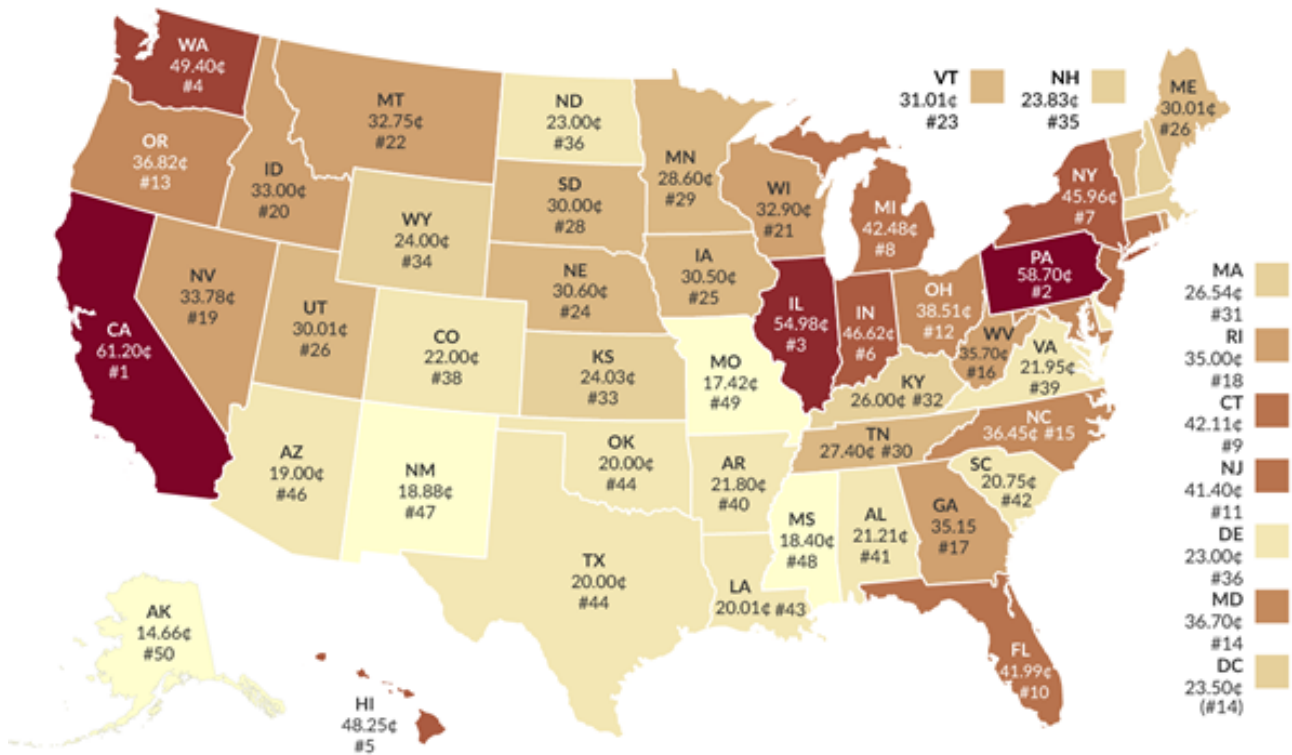
Note: Prices are per gallon for regular unleaded gasoline.

Source: AAA (GasPrices.AAA.com)

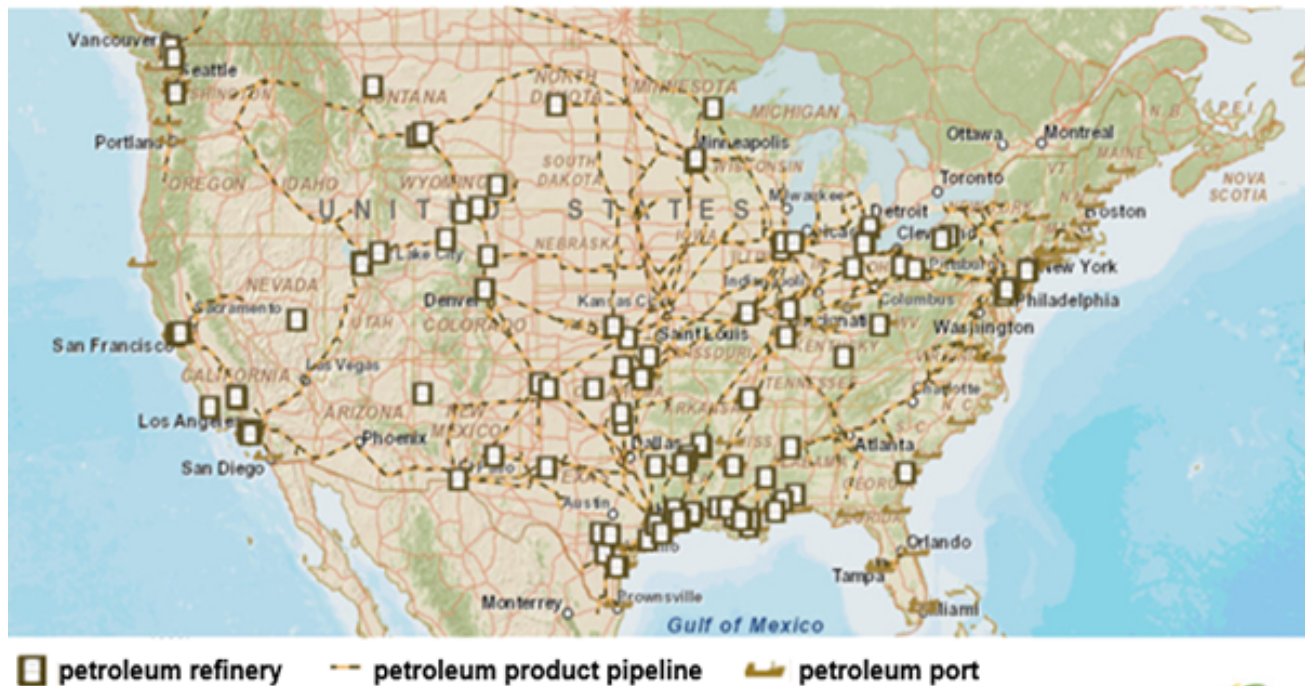


How High Are Gas Taxes in Your State?

Total State Taxes and Fees on Gasoline, as of July 2019 (cents per gallon)



Locations of U.S. petroleum refineries, product pipelines, and ports



Source: U.S. Energy Information Administration, U.S. Energy Mapping System



Grace Slick... Turns 80 Years Old

Grace Barnett Wing, later famously known as "Grace Slick", the lead singer of Jefferson Airplane and Jefferson Starship, was born on this day in 1939, in the Chicago suburb of Highland Park, Illinois. Her father, working in the investment banking sector for Weeden and Company, was transferred several times when she was a child, and in addition to the Chicago metropolitan area, she lived in Los Angeles and San Francisco, California, before her family finally settled in the San Francisco suburb of Palo Alto.

Following high school graduation from a private all-girls school in Palo Alto, she attended Finch College in New York City and then the University of Miami. She then fell in love with an aspiring filmmaker named Gerald "Jerry" Slick and got married during the summer of 1961. Grace then went to work for three years as a model for a high end luxury department store. On the side as a hobby, Grace started composing music, including a couple of contributions to short films her husband was working on.

In the summer of 1965, Grace, her husband Jerry, his brother Darby, and friend David Miner formed a band called "The Great Society". The band made its debut performance in the fall of 1965 at a venue known as the "Coffee Gallery". Soon after Grace Slick, in about one hour's time, composed one of the most famous psychedelic rock pieces in history, "White Rabbit". Around that same time period, Grace's brother-in-law Darby wrote a song called "Someone to Love", which it would also become massively famous.

The following year a professional band on the West Coast named Jefferson Airplane had lost their lead singer. They were out one night and had heard Grace sing with her family band "The Great Society". They offered Grace a position in Jefferson Airplane as the new lead singer. Grace happily accepted and told her family it was her dream to sing professionally. The rest is history... with Slick on board, the Airplane began recording a new style of music, turning in a more psychedelic direction. the band made new recordings of the songs "[White Rabbit](#)" and "[Somebody to Love](#)", both of which became huge iconic hits! Jefferson Airplane became one of the most popular bands in the country and earned Slick a position as one of the most prominent female rock musicians of her time.

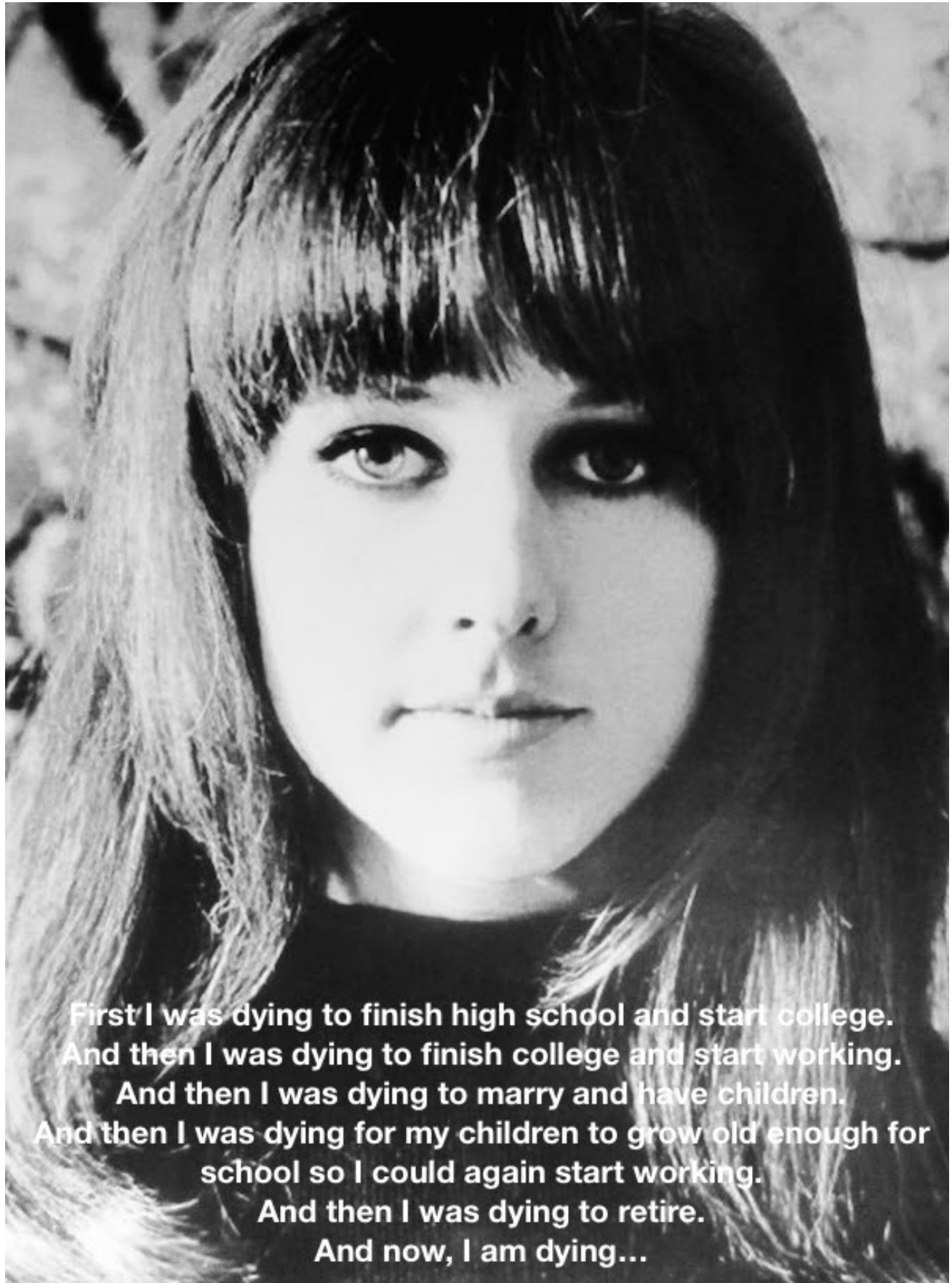
During the 1980s, while Slick was the only former Jefferson Airplane member in the new band called Starship, the group went on to score three chart-topping successes with "[We Built This City](#)", "[Sara](#)", and "[Nothing's Gonna Stop Us Now](#)".

Slick, who was never shy about the idea of getting old, saying that the main reason she retired from the music business was, "All rock-and-rollers over the age of 50 look stupid and should retire." In a 2007 interview, she repeated her belief

that, "You can do jazz, classical, blues, opera, country until you're 150, but rap and rock and roll are really a way for young people to get that anger out", and, "It's silly to perform a song that has no relevance to the present or expresses feelings you no longer have."

Click [HERE](#) to watch Grace Slick sing "White Rabbitt" at the Woodstock Music Festival back in August 1969. The other videos up above are also fun to watch and bring back lots of memories. Wow, I'm getting old. Never thought I would be writing about Grace Slick turning 80. Life goes way too fast...





**First I was dying to finish high school and start college.
And then I was dying to finish college and start working.
And then I was dying to marry and have children.
And then I was dying for my children to grow old enough for
school so I could again start working.
And then I was dying to retire.
And now, I am dying...**



No matter how big or soft or warm
your bed is, you still have to get out
of it.

— *Grace Slick* —

AZ QUOTES

ANSWER to riddle: A thought.

"We can't solve problems by using the same kind of thinking we used when we created them".
- Albert Einstein

"It's not a faith in technology. It's faith in people."
- Steve Jobs

"The truest drive comes from doing what you love." - Peter Diamandis

"Don't be afraid to fill it."
Hock

"Creativity is curiosity is staying power."

"Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success."
- Pablo Picasso

"How the plan, and you'll know how successful you can be. You don't have a plan. That's how you beat most folks."
Bar Bryant

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Conference for Creative Minds in Agriculture

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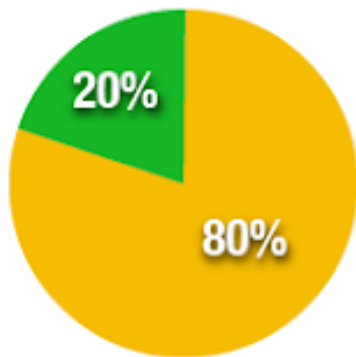
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CASH SALES & HEDGING TOTALS

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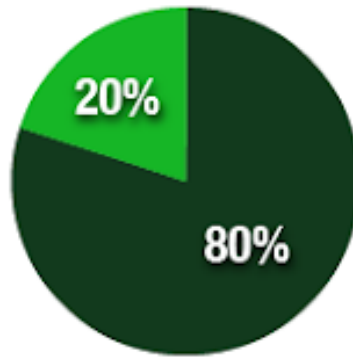
Corn 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



Soybean 2018 Crop

80% SOLD
20% HEDGED
0% UNPROTECTED



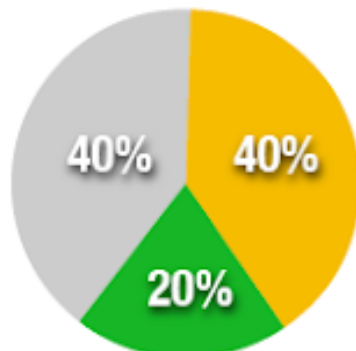
Wheat 2018 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED



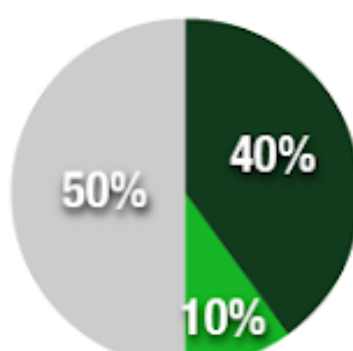
Corn 2019 Crop

40% SOLD
20% HEDGED
40% UNPROTECTED



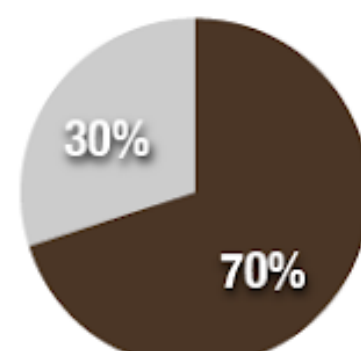
Soybean 2019 Crop

40% SOLD
10% HEDGED
50% UNPROTECTED



Wheat 2019 Crop

100% SOLD
0% HEDGED
0% UNPROTECTED





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