



Josh Knight &lt;josh@farmdirection.com&gt;

**GOOD MORNING: The Van Trump Report 11-1-19**

1 message

Mark Hendershott <mark@farmdirection.com>  
Bcc: Josh@farmdirection.com

Fri, Nov 1, 2019 at 7:38 AM

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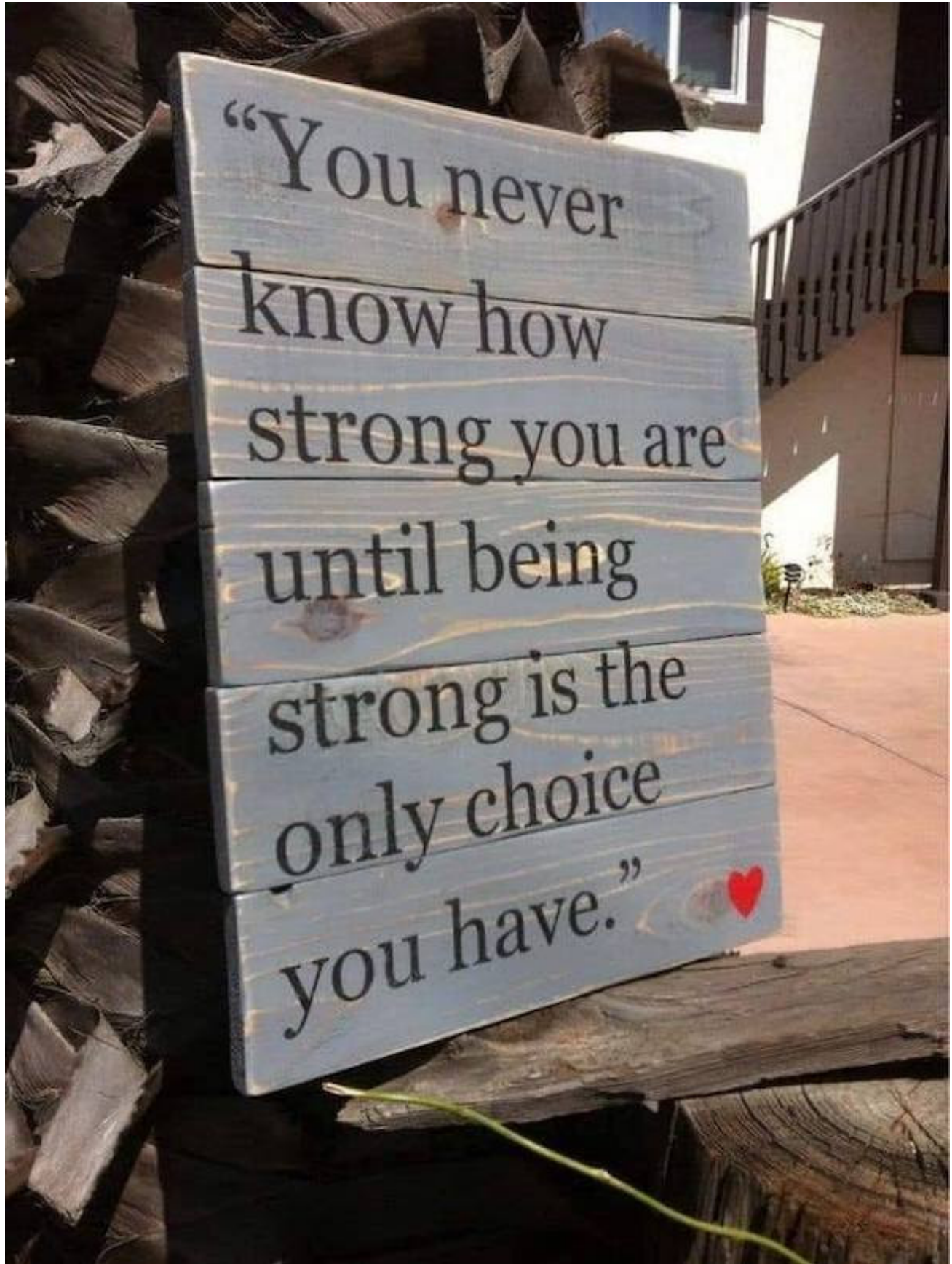
"Wherever you are, make sure you're there." — **Dan Sullivan**

**Friday, November 1, 2019**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Investors are questioning the finality and details regarding "Phase 1" of the U.S. and Chinese trade negotiations. Bloomberg reported yesterday that Chinese officials were unsure a long-term trade accord could be inked because they worry President Trump may back out of even a limited deal. President Trump, however, remains positive, saying yesterday that the U.S. and China will soon announce a new venue to sign "Phase 1" of the trade pact. China also acknowledged that talks will continue as planned, with lead negotiators scheduled to speak by phone today. Again, there's just so much "noise" surrounding the negotiations it's extremely difficult to know what's true and what's simply "fake news". It feels like the stock market has become mostly calloused to the drama so I see no reason in trying to read between the lines or losing much sleep over the unknowns. Interestingly, despite the recent rhetoric we've been

hearing, the market seems to think the Fed will again have to cut interest rates in Q1 or Q2 of 2020. The trade seems a bit cloudy about rates, industrials, corporate spending, etc. The market currently seems good with consumer spending and rewarding companies that are flush with cash and a strong balance sheet. U.S. economic data released yesterday brought about more signs of deterioration for the manufacturing sector. The Chicago Purchasing Management Index fell to its lowest level since December 2015 last month, though economists do chalk up the bulk of that to the GM strike. The October read came in at 43.2 from a previous 47.1. The bigger worry in the report was the new order index, which also fell to a 10-year low. Order scores in the 30s are usually seen at times of economic crisis but again, this may be another temporary setback related to the GM strike. The strike could also have a negative impact on today's October Employment Report. The data is expected to show the U.S. economy added between +50,000 to +90,000 jobs vs. the +136,000 added in September. The GM strike knocked thousands of workers off the payrolls so any large dip would be seen as just temporary. Some bears have actually been arguing the numbers could go negative, though it seems unlikely considering ADP's recent employment report showed +125,000 jobs added. Keep in mind, the U.S. unemployment rate is at its lowest level in half a century and the economy has created jobs for a record 108 straight months. Unfortunately, the manufacturing sector continues to struggle as it now makes up only about 11% of gross domestic product, the smallest share in data going back to 1947. Other economic numbers scheduled for release today include ISM and PMI Manufacturing Indexes and Construction Spending. There are also six Fed officials scheduled to speak today, all of which come after today's economic reports, so investors will be interested to hear their thoughts on the current state of things. Today also brings highly anticipated earnings results for oil majors Exxon and Chevron, which both report before markets open. Other big names dropping results today include Abbvie, Alibaba, Berkshire Hathaway, Colgate-Palmolive, Dominion Energy, and Transcanada. Turning to next week, the economic calendar is packed with highlights including Motor Vehicle Sales, International Trade, and Consumer Sentiment. There is also a slew of Fed speeches scheduled. Interestingly, the two Fed officials that opposed a rate hike this week - Kansas City Fed President Esther George and Boston's Eric Rosengren - are not on that list, though that could still change. Earnings season continues next week as well, though the pace will definitely slow down. According to FactSet, third-quarter earnings for S&P 500 companies are now on track to decline -2.7%, a big improvement from the -4.0% decline projected just a couple of weeks ago. Some of the major companies to look for next week will include Adidas, CVS, Duke Energy, Enbridge, Fidelity, Humana, Marriott, Qualcomm, Sprint, Square, Uber, and Walt Disney.

**Just Because it's a Great Message!**





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# Founding Partners





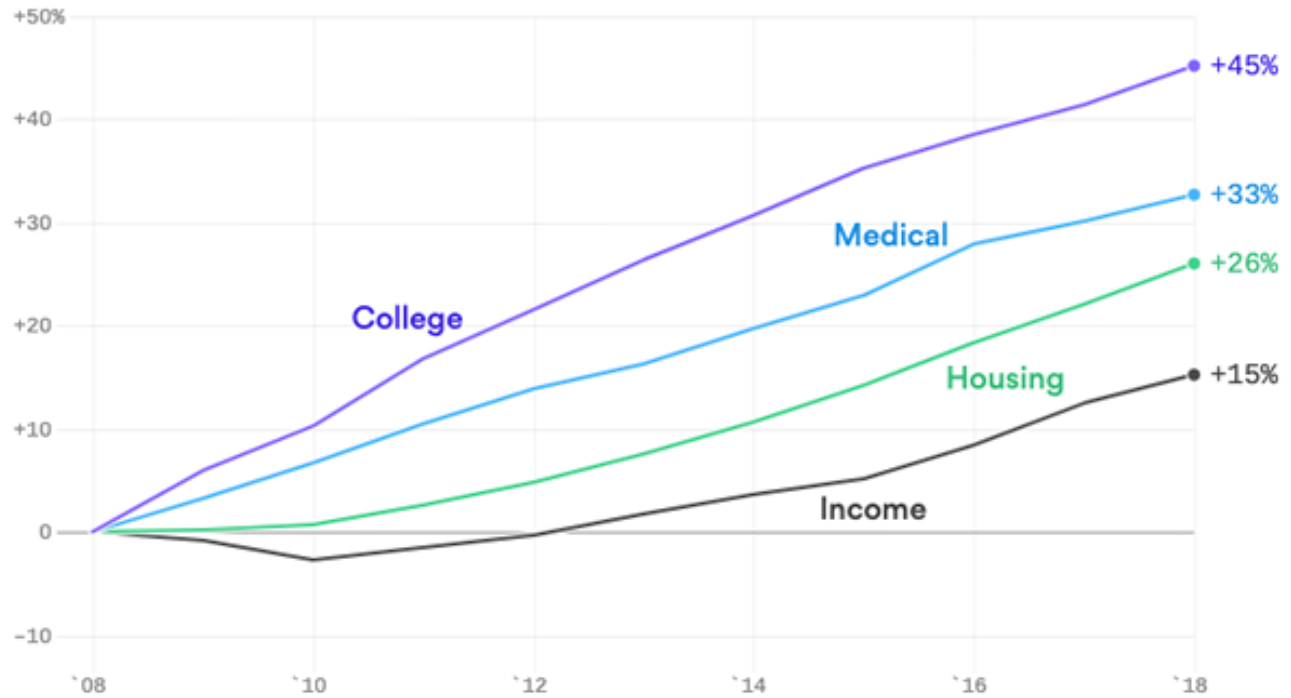
**China's New Crypto-Coin:** *The Chinese government is working on their own token, akin to something like Facebook's Libra, for their citizens to use as currency. A dream come true for crypto fans right? Maybe not. Coindesk interviewed an anonymous developer known for working on blockchain technology who expressed the following in a Q&A when asked about China's involvement. "Crypto is technology just like nuclear fusion is just technology: You can use it to create nuclear generators that might benefit a lot of humanity, or you can use it to create atomic bombs. We do need to think about ethics when it comes to these things. If the value is something a totalitarian state can take hold of and use to track every single person and what they're doing, enforcing the strictest currency controls, then this is what they are going to do." The crypto community has developed a reputation for punk rock and anti-authoritarianism stances. Not everyone in the space shares that attitude but it has been the prevailing voice. (Source: Stocktwits)*

**U.S. Could Still Ratify North American Trade Deal by Year End:** *The timetable towards ratification of a new North American trade deal (USMCA) has slipped slightly but the pact could still pass the U.S. Congress by year end, a senior Mexican trade official said on Thursday. Speaking in*

Washington, Deputy Foreign Minister for North America Jesus Seade said his predicted timeline had "extended a little" for Democrats in the U.S. House of Representatives to agree on what changes they would like to see to the agreement. Seade, who helped craft the new trade pact, said there was some expectation that Democrats could finalize such proposed changes by Thanksgiving, on Nov. 28. He had previously hoped that the House would have agreed to such changes with the U.S. Trade Representative by this week. How deeply the proposed changes might affect the trade deal will determine whether and how quickly Mexico agrees to them, he added. Interestingly, some insiders are saying U.S. companies and trade groups that want lawmakers to approve a new trade pact with Mexico and Canada are making the unusual bet that the impeachment drama in Washington could actually help get the deal through Congress. They're wagering that House Democrats led by Speaker Nancy Pelosi will want to show voters that the party can still do other business while investigating the president. John Murphy, senior vice president for international policy at the U.S. Chamber of Commerce, said this week that that meetings have intensified and he thinks thinks the parties are potentially close with a "very serious objective" to get a handshake agreement before the House goes on recess from today (Friday) until Nov. 12. Legislative text for a vote could follow shortly the lawmakers return, he said. (Sources: Reuters, Bloomberg, Financial Times)

**Growing Debt Burden on Low- and Middle-Income Americans:** Lower- and middle-income households in the U.S. are just starting to feel the benefits of the economic recovery as wage growth has picked up over the last year, but many are still struggling because the pace of wage gains has not kept up with expenses. As a result, more Americans are taking on debt in the form of personal loans, which are now outpacing credit cards and auto loans as the fastest-growing debt category in the U.S., according to data from credit reporting firm Experian. Many consumers are taking on the debt through online installment loans, which hold longer payoff times than notorious payday loans, "but often the same sort of crippling, triple-digit interest rates," according to a report from Bloomberg. "If the payday loan's target audience is the nation's poor, then the installment loan is geared to all those working-class Americans who have seen their wages stagnate and unpaid bills pile up in the years since the Great Recession," per Bloomberg. The increase in lending is also the result of fintech products, which have more than doubled their market share of unsecured personal loans from 22.4% in 2015 to 49.4% in 2019. Online installment loans have managed to avoid many of the regulations payday lenders have been subject to by extending payback time and increasing the amount of the loans. However, the fees are often just as high, meaning borrowers simply have more time to dig themselves into debt. Read more [HERE](#).

### Change in household income vs. expenses, 2008 to 2018



Reproduced from [Bloomberg](#) using Census Bureau and BLS data; Chart: Axios Visuals

# FARM TANK

Tweets of the Day







**Jon Erlichman** ✓  
@JonErlichman

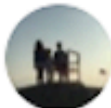


1986:

Steve Jobs buys Pixar for \$5 million

2006:

Disney buys Pixar for \$7.4 billion



**Charlie Bilello** ✓  
@charliebilello








Betting markets have Warren in the lead (40% odds) for democratic nominee, ahead of Biden at 23%.  
Interesting: Hillary Clinton (who is not running (yet)) is

In 5th place w/ 9% odds, Bloomberg @ 2%.

[predictit.org/markets/detail...](https://predictit.org/markets/detail...)

### Who will win the 2020 Democratic presidential nomination?

Contract	Latest Yes Price	Best Offer	
 Elizabeth Warren	40¢ <small>6¢↑</small>	40¢	<a href="#">Buy Yes</a>
 Joe Biden	23¢ <small>NC</small>	23¢	<a href="#">Buy Yes</a>
 Pete Buttigieg	16¢ <small>5¢↑</small>	17¢	<a href="#">Buy Yes</a>
 Bernie Sanders	12¢ <small>NC</small>	13¢	<a href="#">Buy Yes</a>
 Hillary Clinton	9¢ <small>1¢↑</small>	9¢	<a href="#">Buy Yes</a>
 Andrew Yang	8¢ <small>1¢↓</small>	9¢	<a href="#">Buy Yes</a>
 Kamala Harris	4¢ <small>NC</small>	4¢	<a href="#">Buy Yes</a>
 Amy Klobuchar	4¢ <small>1¢↑</small>	4¢	<a href="#">Buy Yes</a>
 Tulsi Gabbard	3¢ <small>1¢↓</small>	3¢	<a href="#">Buy Yes</a>
 Cory Booker	2¢ <small>NC</small>	2¢	<a href="#">Buy Yes</a>
 Mike Bloomberg	2¢ <small>1¢↓</small>	3¢	<a href="#">Buy Yes</a>



**Glenn Randall, CCA**  
@fama\_il



Grandpappy's semi broke down and we really needed to get that load of corn into the Coop before they closed. Since Grandpappy is old and can't dolly the trailer down he took matters into his own hands. Thanks to Big Al's Towing & Recovery for getting the job done!!! #harvest19







**Chet Edinger**  
@ChetEdinger





Junk holes that have been filled in and farmed over are hard on [#combine](#) ladders. [#harvest19](#)







**B/R Betting**   
@br\_betting

We have a new favorite for MVP 

(Odds via Caesars Sportsbook)



## NFL MVP ODDS

<b>AARON RODGERS:</b>	<b>+175</b>
<b>RUSSELL WILSON:</b>	<b>+200</b>
<b>CHRISTIAN MCCAFFREY:</b>	<b>+500</b>
<b>PATRICK MAHOMES:</b>	<b>+600</b>
<b>DALVIN COOK:</b>	<b>+1500</b>
<b>DESHAUN WATSON:</b>	<b>+1800</b>
<b>TOM BRADY:</b>	<b>+2000</b>
<b>DAK PRESCOTT:</b>	<b>+2500</b>
<b>KIRK COUSINS:</b>	<b>+2500</b>

 +175 means a \$100 bet wins \$175

(via Caesars Sportsbook)



Inspirational Quotes  
@QuoteloveU



Look at your problems as problems & they'll continue to hold you down. See them as blessings in disguise & that's what they truly become. #Quote #mondaythoughts #Mondaymotivation

“Look at your problems as  
problems & they'll  
continue to hold you down.  
See them as  
blessings in disguise & that's  
what they truly become.”  
-Unknown

A promotional banner for Farmcon. The top half features a vibrant, multi-colored background (green, yellow, orange, red, purple, blue) with a stylized plant icon. The word "FARMCON" is written in large, bold, black letters. Below it, in a black box, is the text "Conference for Creative Minds in Agriculture". Two men are standing on either side of the central text. The man on the left is wearing a dark suit and glasses, with his hand on his chin. The man on the right is wearing a plaid shirt, a green jacket, and jeans, with his hand raised in a wave. The central text "Great MINDS THINK ALIKE" is written in large, bold, black letters. At the bottom, a black bar contains the text "Jan. 15th & 16th, Kansas City, MO - Click Here to Learn More".

# FARMCON

Conference for Creative Minds in Agriculture

Great  
**MINDS**  
THINK ALIKE

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

**Corn** bulls are wanting to talk about wide-spread wintery conditions causing more complications for the U.S. crop. The harvest is already running well behind the historical pace but should finally push through 50% complete. The abnormally cold temps are going to continue for the upper-Midwest but it looks like we are going to get a drier run which should allow a few more combines to get back in the fields. Of course, bears continue to point towards suspect demand headlines despite some slight upticks in both ethanol and exports. Many bears are penciling in another -50 to -100 million bushel decline in the USDA's export estimate. There's still nothing substantial or any major changes involving Japan or China. At the same time, there's still no official deal inked on the new NAFTA negotiations. I would have to say South American weather is currently a non-event. Fresh rounds of rain have eased some concerns in both Argentina and Brazil. Certainly, there are still pockets of concern but not enough to add serious risk-premium to price. Technically, the DEC19 contract remains stuck in the \$3.80 to \$4.10 range. Some


insiders argue the range is probably more like \$3.70 to \$4.05. Be on the lookout for updated production estimates from FC Stone and IEG Vantage formerly Informa. I believe last month, FCS lowered its corn yield from 169.3 down to 168.4 bushels per acre. IEG Vantage lowered its forecast from 169.6 down to 167.5 bushels per acre. Keep in mind, the USDA bumped its estimate higher from 168.2 to 168.4 bushels per acre.

<b>2019 vs. 2018 Corn Harvest {Week 43}</b>				
<i>State</i>	<i>2019</i>	<i>2018</i>	<i>Difference</i>	<i>Acres Ahead/Behind</i>
<b>Illinois</b>	54	88	-34%	(3,553,000)
<b>Iowa</b>	26	46	-20%	(2,640,000)
<b>Minnesota</b>	22	55	-33%	(2,442,000)
<b>Indiana</b>	48	75	-27%	(1,323,000)
<b>South Dakota</b>	14	39	-25%	(1,002,500)
<b>North Dakota</b>	6	34	-28%	(915,600)
<b>Wisconsin</b>	13	44	-31%	(880,400)
<b>Missouri</b>	64	89	-25%	(765,000)
<b>Ohio</b>	37	62	-25%	(647,500)
<b>Michigan</b>	21	44	-23%	(391,000)
<b>Nebraska</b>	44	45	-1%	(96,500)
<b>Kansas</b>	74	75	-1%	(60,000)
<b>North Carolina</b>	97	95	2%	17,800
<b>Texas</b>	85	84	1%	20,500
<b>Tennessee</b>	98	95	3%	27,600
<b>Pennsylvania</b>	53	48	5%	48,000
<b>Kentucky</b>	94	88	6%	90,000
<b>Colorado</b>	56	48	8%	97,600
<b>Total</b>	<b>41</b>	<b>61</b>	<b>-20%</b>	<b>(15,322,000)</b>

**Soybean** traders continue to closely monitor the late U.S. harvest, ongoing Chinese trade uncertainties, the South American weather forecast, and both domestic and global soy demand. The U.S. harvest should be between 70% to 75% complete by this Sunday, which is still well behind our traditional pace. The recent extreme winter weather has added some additional hiccups and complications to the mix. The temps look like they will remain extremely cold to the North for the next week. The only real bright spot is there's little rain or snow in the forecast. As for South America, I would argue that weather is currently a non-event. The planting conditions in both Argentina and Brazil have slightly improved with a little more rainfall in some key areas. Traders are still keeping a close eye on some areas inside Argentina and the Northeastern portion of Brazil. In regards to Chinese trade and the official signing of a "Phase 1" agreement, I

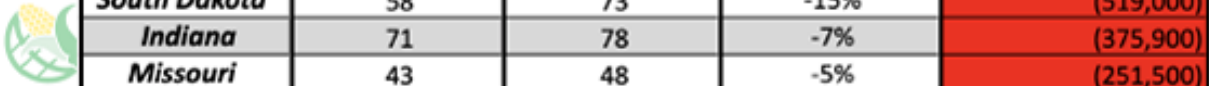
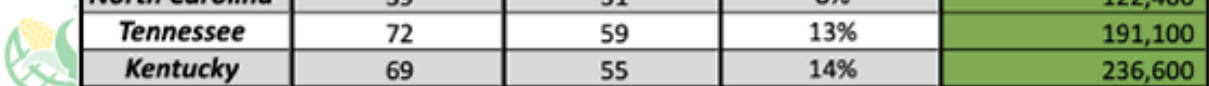


continue to hear mixed signals. Some inside the trade believe the comment insinuating \$40 to \$50 million in Chinese ag purchases is overly stated and entirely unrealistic. Others say it can happen but will take some extended time to work through all of the specifics and logistics associated with numbers of that size. There's also a lot of cloudiness surrounding demand. The continued spread of African Swine Fever outside of China is keeping some traders concerned. We also have the ongoing demand uncertainties inside China as they try and battle their own AFS related problems. Domestic demand can be debated but I don't really see it as much of a winning argument for either side. Bulls want to argue that heavy Chinese demand is right around the next corner with the signing of the "Phase 1" agreement. Bears say it's all mostly talk and political positioning, and aren't counting any of the additional exports, mostly just similar buying to what we have seen in the past. If U.S. soy exports are competitive, make sense, and the Chinese need supply then they will be buyers. Don't forget, the USDA will be out with its monthly Oilseed Crushings report this afternoon at around 2:00pm CST. The trade is looking for a crush number just north of 161.5 million bushels vs. 177.5 million the month before vs. 169.3 million one year before. As a producer, I'm hoping we see one more leg higher between now and yearend, at which time I would like to feather in a few more cash sales. I would also like to price another 10% of my estimated 2020 production. As a spec, I recently banked profits and closed out all of my bullish positions and remain on the sideline until I have a more clear vision of the future. Keep your eye out for updated production estimates from FC Stone and IEG Vantage formerly Informa. Last month FCS lowered its total soybean production estimate just slightly to 3.648 billion bushels on a yield of 48.1 bushels per acre. IEG dropped the yield from 48.4 last month down to 46.5 bushels per acre and dropped total production from 3.671 billion bushels down to 3.513 billion bushels.



### 2019 vs 2018 Soybean Harvest {Week 43}

State	2019	2018	Difference	Acres Ahead/Behind
North Dakota	29	74	-45%	(2,542,500)
Illinois	69	84	-15%	(1,491,000)
Minnesota	62	83	-21%	(1,432,200)
South Dakota	58	73	-15%	(519,000)
Indiana	71	78	-7%	(375,900)
Missouri	43	48	-5%	(251,500)
Wisconsin	46	57	-11%	(195,800)
Michigan	51	62	-11%	(189,200)
Ohio	70	73	-3%	(125,100)
Iowa	66	66	0%	-
Louisiana	98	93	5%	43,500
Mississippi	90	87	3%	50,100
North Carolina	39	31	8%	122,400
Tennessee	72	59	13%	191,100
Kentucky	69	55	14%	236,600
Arkansas	77	62	15%	397,500
Nebraska	85	71	14%	693,000
Kansas	56	39	17%	773,500
<b>Total</b>	<b>62</b>	<b>69</b>	<b>-7%</b>	<b>(5,071,500)</b>

**Wheat** prices continue to continue to trade in a sideways to lower pattern after peaking just a couple of weeks back. The SRW and Spring wheat contracts have given back about -30 cents from the high posted between October 17th and 21st. The HRW contract has given back about -20 cents. I would like to believe we will soon start finding more heavy technical support and a fresh new fundamental catalyst, but I'm starting to wonder? There's just so much global supply in the pipeline that smaller bullish headlines are simply overwhelmed. It's like a small boat out on the open waters in the ocean. The slightest storm creates a sea that is simply too rough and almost immediately capsizes the small vessel. The same thing in the wheat market... a small to medium concern or bullish headline sets sail out in this market and the slightest bit of bearish concern creates a storm that capsizes and engulfs most every bullish boat. In simple terms, we are going to need a bullish headline the size of a massive aircraft carrier or something with the durability and toughness of the largest ocean ice breaker. Until I see that type of bullish boat or headline being boarded and ready to set sail I'm not interested in

place any bullish bets. As a producer, I'm staying extremely patient and in no hurry to price more cash bushels. For what it's worth, both the Australian and Argentine crops seem to keep ticking lower, but as I mentioned above, the market simply tosses those headlines around like they are small to medium-sized boats in waters that are way too big and rough.



<b>2019 vs. 2018 Winter Wheat Planting {Week 43}</b>				
<b>State</b>	<b>2019</b>	<b>2018</b>	<b>Difference</b>	<b>Acres Ahead/Behind</b>
<b>Montana</b>	87	93	-6%	(111,000)
<b>Idaho</b>	95	98	-3%	(20,400)
<b>Missouri</b>	43	47	-4%	(18,800)
<b>California</b>	25	29	-4%	(5,400)
<b>Indiana</b>	78	80	-2%	(5,200)
<b>Michigan</b>	78	79	-1%	(4,900)
<b>North Carolina</b>	22	19	3%	6,750
<b>Arkansas</b>	67	48	19%	11,400
<b>Washington</b>	94	93	1%	16,600
<b>South Dakota</b>	97	94	3%	21,900
<b>Illinois</b>	75	71	4%	23,600
<b>Ohio</b>	91	82	9%	37,800
<b>Colorado</b>	98	96	2%	43,000
<b>Nebraska</b>	100	95	5%	48,500
<b>Oregon</b>	90	79	11%	80,300
<b>Texas</b>	74	66	8%	176,000
<b>Oklahoma</b>	89	78	11%	302,500
<b>Kansas</b>	88	75	13%	858,000
<b>Total</b>	<b>85</b>	<b>77</b>	<b>8%</b>	<b>1,837,600</b>



**> Farm Bankruptcies Reach Decade High Level:** *New data from the US Courts shows chapter 12 farm bankruptcies increased 24% in the 12-month period ending September 2019. American Farm Bureau economist John Newton tells Brownfield there were 580 total filings with 255 in the Midwest – up 13% from year ago levels. "I think it really signals the financial stress that we have experienced in the farm economy now for several years. We look for the trade aid and crop insurance benefits to hopefully reverse this trend soon." Newton says a notable Midwest state is Wisconsin with 48 filings – the highest in the last decade. "We've seen the number of dairy farms that Wisconsin has lost accelerate in recent years and that really coincides with what we are seeing on the bankruptcy front." Newton says bankruptcies have been going uphill for a while and have not been this high since 2011, but are nowhere near the level of the 1980's. When looking at the 3rd quarter of 2019, Newton says bankruptcies are starting to stabilize which he calls a glimmer of hope. You can listen to the full interview [HERE](#). The American Farm Bureau also has an in depth report on state of the farm economy [HERE](#).*

**> Brazil to Remain Net Ethanol Importer:** *An ethanol production increase expected for Brazil, the world's second largest market for the biofuel, will not be enough to cope with rising demand and the country will continue importing fuel from the United States to cover the shortfall. According to analysts from S&P Global Platts, demand for ethanol in Brazil will increase around 2.5% per year in coming years, due to a new federal policy to boost use and to the price advantage*



over gasoline in the local market. That means the country will need 5 billion liters more through 2025. "Even with new capacity coming from corn-based ethanol plants, that won't be enough to supply increasing demand," Beatriz Pupo, senior biofuels analyst for Platts, said. U.S. exporters are likely to continue to supply Brazil's Northeast region, since Brazilian mills further south in the main center-south area will not have enough supplies to ship north as demand in states such as Sao Paulo and Minas Gerais continue strong. Nicolle Monteiro de Castro, Platts' senior price specialist, projects Brazil's Northeast will have an ethanol deficit of 1.04 billion liters from now through February 2020. (Source: Reuters)

**> ADM Beats as Nutrition Biz Helps Ease Trade War Impact:** Grain trader Archer Daniels Midland posted higher-than-expected quarterly profit on Thursday, as increased returns in its nutrition business and improved U.S. grain marketing efforts helped cushion the impact of sluggish commodity prices, ethanol industry troubles and trade war woes. Lower demand from China, the world's biggest hog producer and soybean importer, has led to a tightening of ADM's oilseed processing margins both in the U.S. and South America, and turned the company's focus toward other export markets, including Vietnam. African Swine Fever in China killing millions of pigs also has affected what crops some plants are processing, said ADM Chief Executive Juan Luciano. Excluding special items, ADM earned 77 cents per share in the third quarter, beating average analyst estimates by 8 cents. The nutrition business was a bright spot for ADM, with a 76% jump in adjusted operating profit, as the company pushes for growth by investing in specialty items such as pea protein and other plant-based, protein-rich ingredients, which supply trendy vegan products. Extreme weather in the United States has also impacted ADM and other grain merchants' supply chains, company officials said on Thursday. How much those delays could hurt ADM's bottom line next quarter is unclear. The company does expect to see "some significant drying revenue" in the coming months, as U.S. farmers deliver wet grain that will need to be dried, ADM Chief Financial Officer Ray Young said on a call with analysts. (Source: Reuters)

**> Record 45 Million People in Southern Africa Facing Food Crisis:** A record 45 million people across southern Africa face severe food shortages in the next six months, with around a quarter of them currently enduring drought-induced "crisis" food insecurity, three United Nations agencies warned on Thursday. The 16-member Southern African Development Community is in the grips of a severe drought, as climate change wreaks havoc in impoverished countries struggling to cope with extreme natural disasters, such as Cyclone Idai which devastated Mozambique earlier this year. WFP, the Food and Agriculture Organization and the International Fund for Agricultural Development (IFAD) appealed jointly for urgent funding to help mitigate the effects of climate change in Africa. Southern Africa's temperatures are rising at twice the global average, according to the International Panel on Climate Change, and the region includes six of the nine African countries

set to be hardest-hit by adverse weather in coming years - DR Congo, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe. More information is available [HERE](#).

**> CEO of Biggest U.S. Mall Owner Says Retail Industry is "Reaching the Bottom" of Bankruptcies:** The CEO of the biggest mall owner in the U.S., Simon Property Group, says the retail industry looks to be "reaching the bottom" of a tumultuous wave of bankruptcies. "We are having a high bankruptcy year. ... There's no denying that," David Simon told analysts during a post-earnings conference call on Wednesday morning. "But I think we're kind of reaching the bottom in ... 2019 on that stuff. It's rivaling what happened in 2017." The CEO's comments come on the heels of Forever 21 and Barneys New York, among other retail chains, filing for bankruptcy this year. So far in 2019, U.S. retailers have announced 8,993 store closures and 3,780 store openings, compared with 5,844 closures and 3,258 openings in all of 2018, according to a tracking by Coresight Research. The consulting firm expects closures could still hit a record 12,000 by the end of this year. (Source: CNBC)

**> Microsoft's AI Project Will Replace Human Driving Instructors:** A new artificial intelligence project from Microsoft aims to replace driving instructors during driving tests to ease the nerves of drivers. Known as the HAMS project (Harnessing AutoMobiles for Safety), it is essentially a smartphone mounted to the windshield with the front camera focused on the driver and the rear camera focused on the road ahead and any driving obstacles to keep track of how the driving is doing. Instead of having a driving instructor seat in the passenger seat critiquing your every move, HAMS uses multiple sensors using features that the smartphone already has like a camera and an accelerometer at the same time. In this way, the phone can detect things like sharp braking, vehicle-to-vehicle distance, and driver distraction. Microsoft said that the technology could benefit both driving instructors and drivers. HAMS would take the burden off of driving instructors to have to sit through and evaluate a new driver learning the ropes, and it would ease the nerves of a new driver having an instructor watch their every move. Read more [HERE](#).

**> Brazil Wants to Join OPEC:** Brazilian President Jair Bolsonaro said this week that he wants his country to join OPEC, a move that would add the most significant new producer to the oil cartel for years. The comments come ahead of a massive auction of oil rights in Brazil, which is boosting output rapidly. OPEC membership would likely require Brazil to limit oil production, potentially throwing future expansion plans into doubt. The Organization of the Petroleum Exporting Countries groups top exporter Saudi Arabia and 13 other countries. Since 2017, OPEC has had a deal with several non-member producers, excluding Brazil, to limit supply in an effort to bolster prices. Oil output has been rising rapidly in Brazil from offshore fields and production surged by 220,000 barrels per day (bpd) in

August to a record 3.1 million bpd, according to the International Energy Agency. The country's current output would make it OPEC's third-largest producer, far above that of recent new members such as Congo and Equatorial Guinea. OPEC delegates said membership talks with Brazil were going on although it had made no formal request to join the group. (Source: Reuters)

**> China's Median Age Will Soon Overtake America's:** The pressure on China is mounting. The coming year will see an inauspicious milestone. The median age of Chinese citizens will overtake that of Americans in 2020, according to un projections (see chart). Yet China is still far poorer, its median income barely a quarter of America's. A much-discussed fear—that China will get old before it gets rich—is no longer a theoretical possibility but fast becoming reality. According to un projections, during the next 25 years the percentage of China's population over the age of 65 will more than double, from 12% to 25%. By contrast America is on track to take nearly a century, and Europe to take more than 60 years, to make the same shift. By the middle of the century China will be nearly a fifth smaller than it is now. China will have gone from nine working-age adults per retired person in 2000 to just two by 2050. The economic impact is being felt in two main ways. The most obvious is the need to look after all the old people. The second impact is on growth. A shrinking labour pool is pushing up wages and, as firms spend more on technology to replace workers, pushing down returns on capital investment. The labour shortage is hitting not just companies but entire cities. Read more from [The Economist](#).

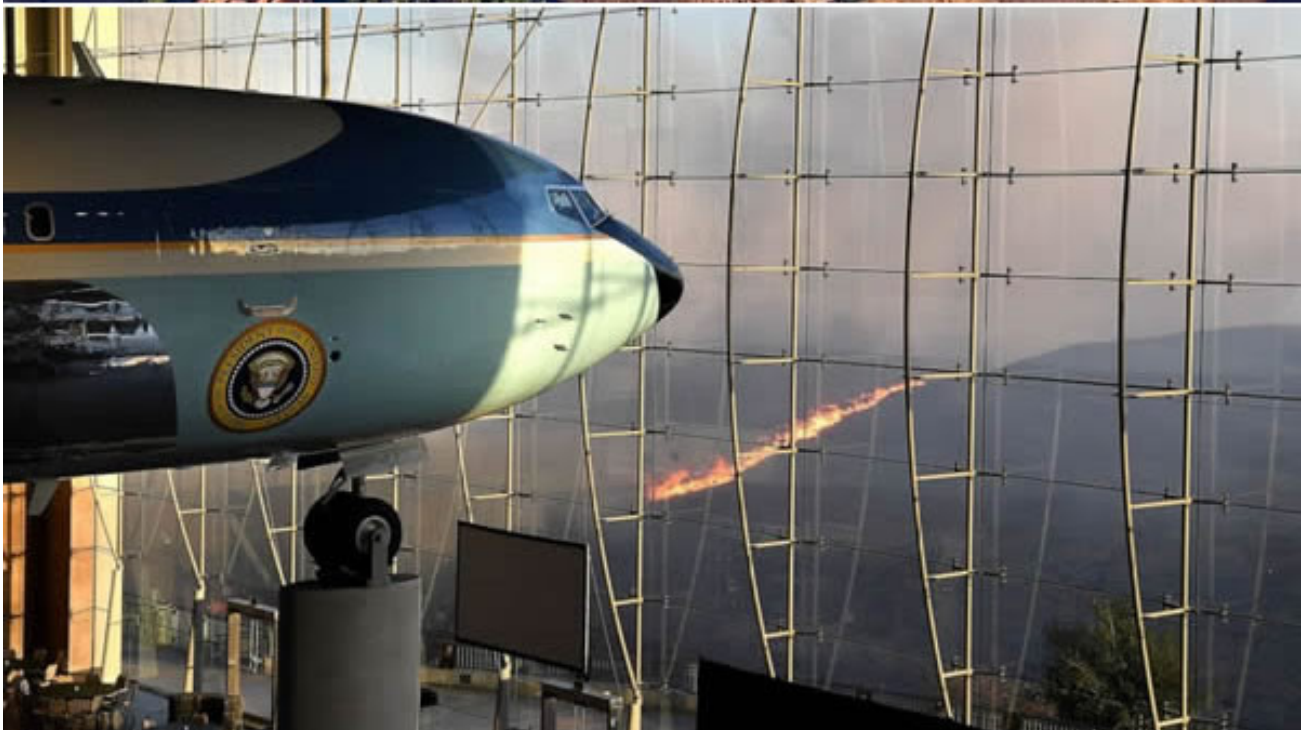
**> The Marketing Tactics Behind Weird Weights and Sizes at the Supermarket:** Have you ever stood in the grocery aisle, frozen, unable to decide which loaf of bread or box of cereal is the better deal? Maybe you wished that you had a Ph.D. in math, because many of the same products come in seemingly random quantities and weights. One more plastic bag in this box, half an ounce more olive oil in that bottle. What's going on here? It's hard to know a particular company's reasoning, because these decisions are made behind closed doors. Part of the reason could be practical — when you combine shelf size, box size and the weight of certain foods, you can get odd numbers. But marketing experts have some other theories, too. Check them out [HERE](#).

**> How Goats Helped Save the Reagan Library From Fire:** Since 2011, the Ronald Reagan Library and Museum in Simi Valley, California, has been using goats to clear brush around the property. The annual brush clearing is an important part of fire prevention because the facility is in a fire-prone area, which became all too apparent earlier this week when the "Easy Fire" erupted. The flames weren't able to reach the library thanks to the buffer zone the voracious goats are able to create every spring. Unfortunately for Simi Valley residents, the fire is still raging and has burned nearly 1,800 acres since erupting Wednesday morning. About 30,000 were under mandatory evacuation and close to 6,500

*homes were in danger. The Santa Ana winds that have been fueling fires across California were expected to significantly ease by today, hopefully allowing firefighters better conditions to battle the blazes. There were 11 major wildfires still mostly uncontained as of yesterday. Of course, it takes more than goats to fight the awful wildfires that California has suffered repeatedly the last few years. Fire crews from all across the country have come to the state to help. It's tough to calculate how many firemen are out there currently, but there were over 4,000 battling the Northern California Kincadee fire alone. The pics below show some of the goats that have been out at the Reagan Library over the years, as well as the fire currently burning around the structure, including one taken from inside the library on Wednesday. Truly frightening! Our thoughts are with everyone that is dealing with this nightmare. Stay safe everybody!*







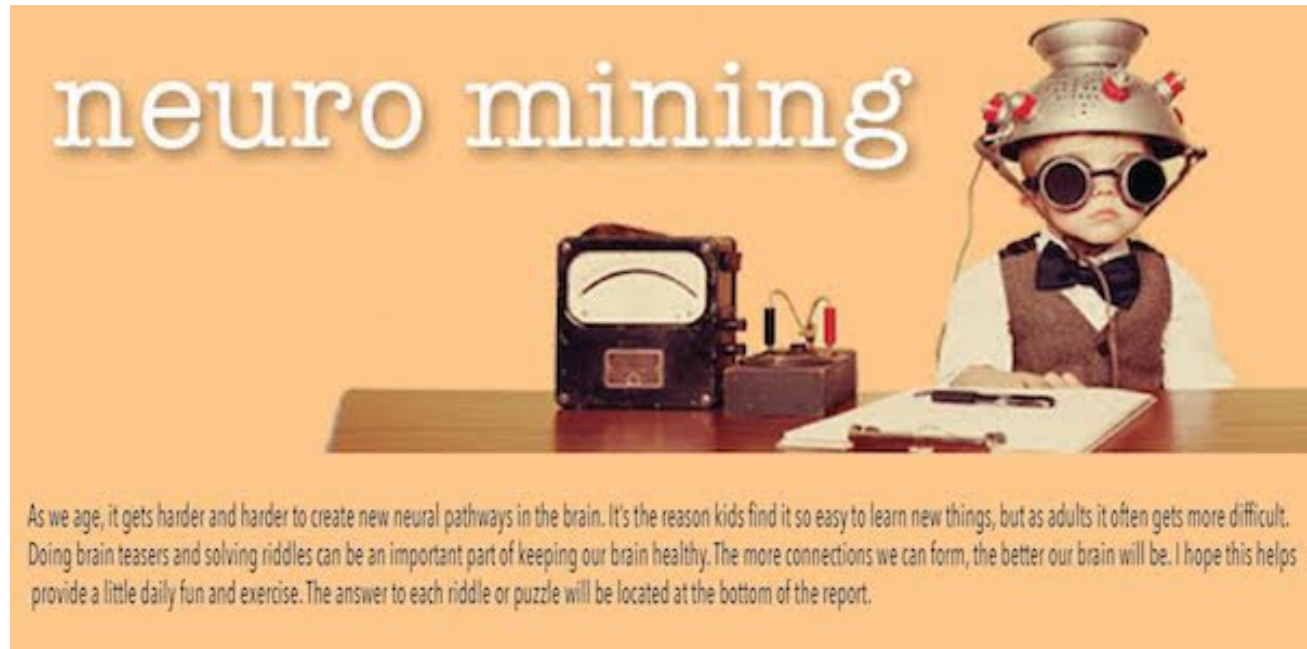


**Northern Kentucky** - *We turned off a bit dry late in the soybean growing season. This caused a ton of tiny soybeans to develop in the pods. This was only a problem in the later soybeans. The early soybeans made close to 70 bushels per acre and normally we would expect to see 50 bushels per acre in the second crop soybeans. This year we saw a lot more soybeans closer to 30 bushels in the late and second crop soybeans, which was a little disappointing. The corn is a completely different story. This year we made around 230 bushels per acre across all our farms. Last year they did about the same so we have had two excellent corn years in a row. Normally we would expect about 180-200 bushels. We have been running an extensive fertilizer program lately.*

**West Central Missouri** - *We have seen roughly 2 inches of rain since last weekend. Last night we got a slight dusting of snow and a little ice. Corn is mostly done in this area but the soybeans are a really slow go so far. We should be able to get back after the first part of next week. We have a 6-day window starting tomorrow where temperatures will be pushing 50-60 degrees and the sun and wind will be present. We should be able to whack a lot of soybeans in that timeframe.*

**Central Illinois** - *What's interesting in my particular area is the later planted corn is actually yielding about 10% better than the corn planted in May. I'm not exactly sure why but my agronomist thinks it has to do with too much water standing on the early corn for too long. I'm not close to done, but right now I'm hopeful due to the fact that I have more later planted corn than early. A lot of corn was just simply drowned out in this area early on so it had to be replanted. The soybeans are yielding better than I expected but there is substantially more inconsistency throughout the fields. I'm told we didn't see enough sunlight late in the growing season otherwise they might have been close to last year.*





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:** You bury me when I'm alive, and dig me up only when I die. What am I?



### **Could Cosmic Crisp be the Perfect Apple?**

There's a new apple in town that promises to be a game-changer for growers and consumers alike. The "Cosmic Crisp", the first apple ever developed in Washington state, claims to have a perfect sweet-tart balance, a crisp bite, and a shelf life of up to a year.

The new apple is a cross-breed of Honeycrisp and Enterprise apples, cooked up by horticulturists at Washington State University. Their efforts began in 1994 when Washington State horticulturist Bruce Barritt lobbied for funding to launch an apple breeding program. Which makes sense, considering Washington state is the apple capital of the country, producing about 70% of the apples sold in the U.S. However, sales of the two most-planted varieties - Golden Delicious and Red Delicious - had been on the decline as consumers switched to newer rivals like

Pink Lady and Royal Gala. Barritt thought a new apple breed could be the answer Washington apple farmers were looking for.

Barritt began the Cosmic Crisp hybridization in 1997 using the tried and true technique of taking pollen from one variety and placing it on the stigma of another variety to produce a hybrid seed. The Cosmic Crisp got its name because of the light yellow speckles that dot the dark red skin, which breeders likened to stars in the night sky.

Cosmic Crisp wasn't made available for commercial planting until 2017 but it had already developed a reputation among apple farmers. Demand was so high that potential farmers had to enter a lottery to get seeds that first year. Sales of Cosmic Crisp seedlings have since continued to boom and there are now about 12 million trees in orchards across the state. And Washington is the only state you'll find the trees. Washington State University retains the patent to sell the variety internationally, but Washington's farmers were giving the exclusive rights to produce the Cosmic Crisp for the next 10 years.

Horticulturist Kate Evans, who took over the project when Barritt retired, believes Cosmic Crisp apples could replace Red Delicious among Washington growers. The two varieties harvest at roughly the same time, so Evans says it would be an easy switch for growers that have been looking for something to replace Red Delicious, which has dramatically fallen out of favor with consumers and producers alike. As Evans explains, "If you're going to pull out a variety, you need to find something else that's going to fit that harvest window."

It's a good fit for sellers as well. One of the big problems with varieties like Red Delicious and Gala apples is their low acid content, which causes them to quickly lose flavor once they're off the tree. Cosmic Crisp has a higher acid content and a high natural sugar content which keeps it tasting fresh even after being transported thousands of miles to grocers across the country. Its long shelf life also means that crisp taste is still going strong after sitting in a grocer's bins for weeks, then on a consumer's kitchen counter for another few weeks. The Cosmic Crisp people say their apple will taste fresh-picked for as long as 10 to 12 months if they are stored under cool conditions. Another benefit of that high acid content - they don't brown as quickly as other popular varieties after being sliced.

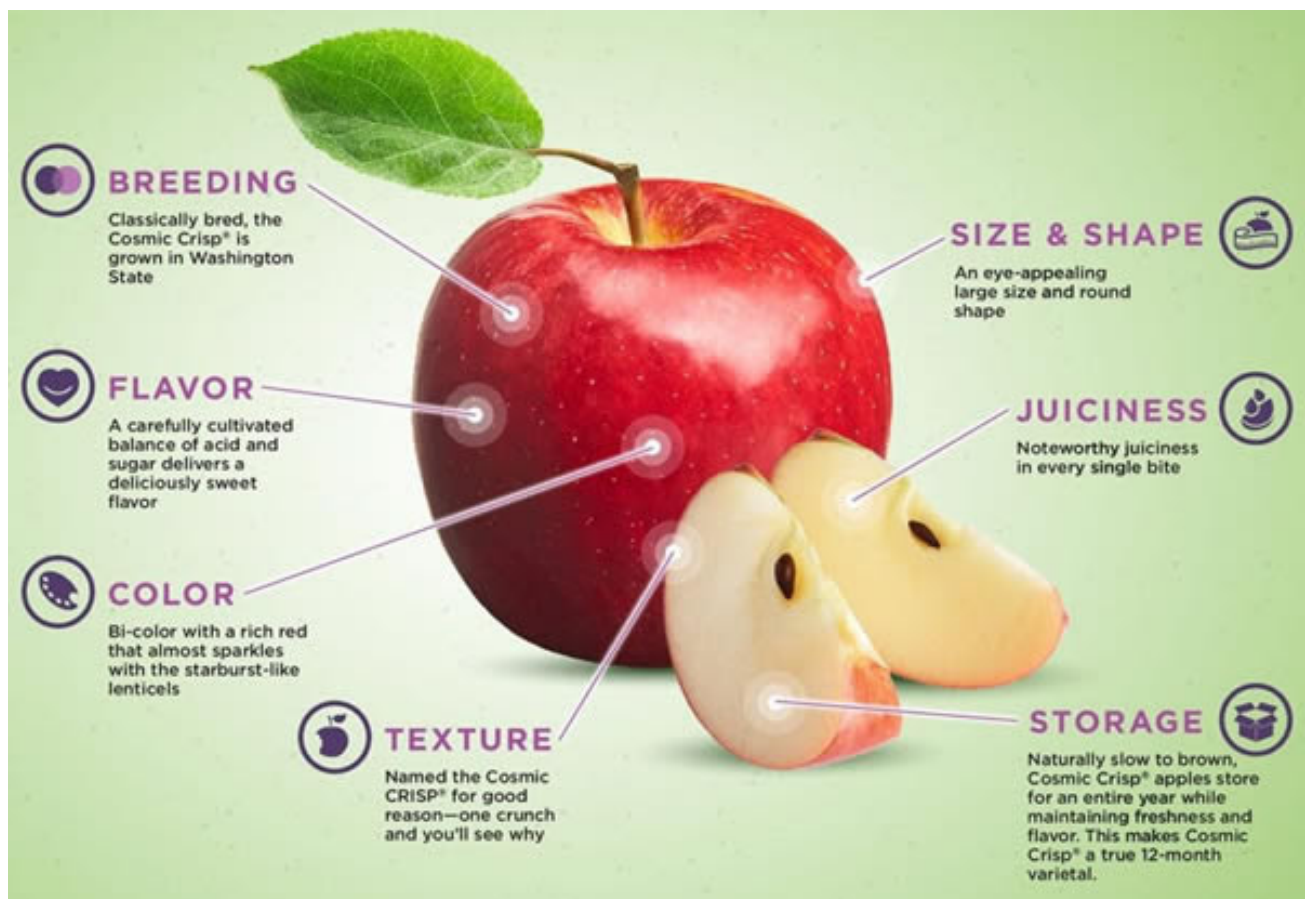
Growers and sellers aren't the only ones excited about the new apple. There have been a ton of write-ups about the Cosmic Crisp in food-centric magazines, columns, blogs - you name it. The foodie world is going nuts over this thing. One common thread among them is definitely a strong dislike for Red Delicious apples. Chefs hate their bitter skin and flavorless, mushy flesh. One food blogger called them a "Styrofoam prop that looks picturesque but really has no business in the mouth."



Honeycrisp apples, by contrast, are very much prized for their flavor and crisp crunch but don't ship or store well. That means there is only a short window for selling them. They are also difficult to grow. The trees are unwieldy, with long spindly, branches that have to be trained and tended constantly. The trees also don't take up calcium properly, so the fruit is vulnerable to something called "bitter pit", which causes sunken brown spots. Honeycrisps also have very thin skin, which makes them susceptible to sunburn as well as birds (which apparently LOVE them). And during transport, that thin skin is easily ripped by other apples in the shipment. In the end, only about 50% of the apples make it to market, which also makes them a lot more expensive than other varieties.

Cosmic Crisp apples won't necessarily be cheaper than Honeycrisps when they hit grocery store shelves, though. The Cosmics currently being sold in the U.S. are going for about \$5 a pound. For comparison, you can pick up a 3-pound bag of Gala's for around \$2.50. These early sales of the Cosmic Crisp need to recoup the expense of its development, as well as the \$30 million growers have spent adopting it into their orchards. Along with the 20 years it took to get off the ground, it takes about 3 years for a Cosmic Crisp tree to produce a viable crop. They are also spending an unprecedented amount to launch the apple, backing it with a \$10.5 million marketing budget.

Cosmic Crisp apples are expected to start shipping from Washington state to supermarkets and other retailers on December 1. More than 467,000-40lb boxes are now projected to be shipped before the end of this year, rising to two million in 2020, and 5.6 million by 2021. The apple even has a trademarked slogan - "Imagine the possibilities." (Sources: Food & Wine, BBC)





### **How You "CUT" Your Steak Can Make All the Difference!**

Many Americans would passionately argue that there is nothing in this world more delicious than a juicy, tender steak. Cuts like KC Strip and filet mignon come from weak muscles and with little to no help, are almost always going to be tender. That's because the muscle fiber bundles are very thin. Cheaper cuts though like flank and skirt steak come from harder working muscles, giving them more dense fiber bundles and forming what you've likely heard referred to as the "grain".

These more economical cuts tend to be tougher than their pricey counterparts, but there's a trick that can make them much tastier!

Butcher, chefs and other food-savvy types always say the secret to a delicious steak is to cut against the grain. The folks over at America's Test Kitchen recently set out to prove that this isn't just a foodie thing, using science to show that how you slice a steak really can make all the difference.

Cutting against the grain means cutting perpendicular to the muscle fibers, which are clearly visible on cheaper steak cuts. In their experiment, they cook a flank steak and strip loin exactly the same. They then used a piece of equipment called a "texture analyzer" to determine how much force was required to bite into the meat. When the flank was cut against the grain, it required 383 grams of pressure to bite into the meat. On the other hand, when cut with the grain it required 1,729 grams of force! They also compared these results to strip and found that the lowly flank steak can stand its ground against premium steaks that cost significantly

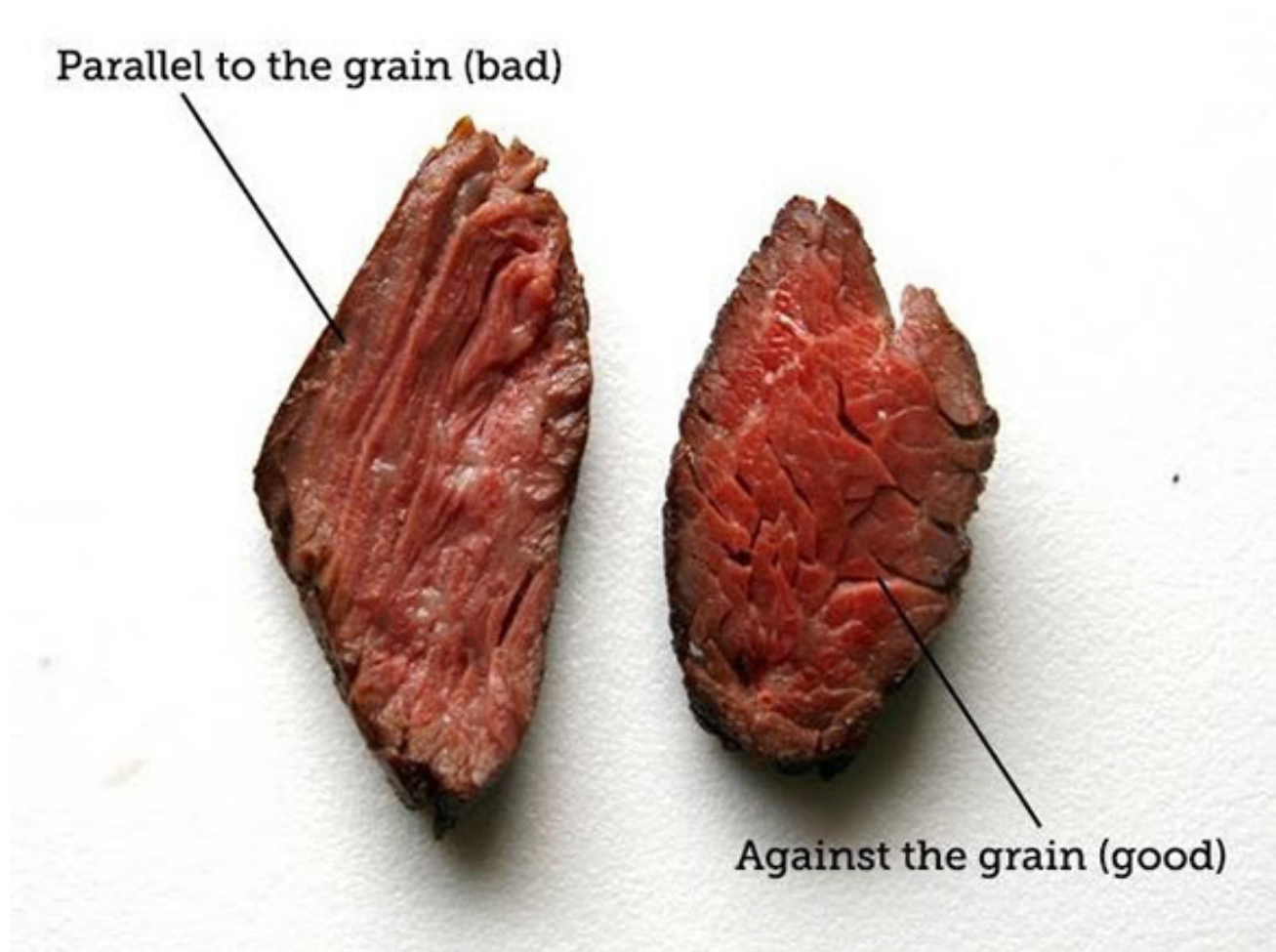


more. Cut with the grain, flank was about 193% tougher than the strip, but cut against the grain it was just 16% harder to bite through!

America's Test Kitchen has a great video explaining all of the details [HERE](#).







### **Dogs Are Awesome! The Long List of Military Heroes**

In America's takedown of ISIS leader Abu Bakr al-Baghdadi, one key player stands out among the brave U.S. special forces that carried out the mission - a Belgian Malinois named Conan. The dog reportedly chased the terrorist leader into a tunnel before he detonated a suicide vest. Luckily, Conan only sustained minor injuries and is currently recovering. I also hear he'll be making a visit to the White House soon!

I am personally not familiar with the Belgian Malinois breed, but U.S. officials say it is the breed of choice in special operations where they are prized for their intelligence, athleticism, and ferocity - when required. It's also the same breed as Cairo, the dog that participated in the 2011 raid by Navy SEALs that killed Osama bin Laden.

While officials admit the canine performed "a tremendous service," he will not be receiving any medals for his bravery. The U.S. suspended the practice of awarding Purple Hearts and valor medals to dogs after complaints that it diminished the service of humans. The pooch probably doesn't mind and his service surely won't

be forgotten by the American public which holds a special reverence for these heroes. Below are just a few of the four-legged heroes from American military history:



Conan



Cairo

**Sallie - Civil War:** *Sallie was a Staffordshire Terrier who served as the mascot of the 11th Pennsylvania Volunteer Infantry during the Civil War. At the Battle of Gettysburg, she was separated from her soldiers during the fighting. Three days later, they found her, still on the battlefield, guarding the wounded and dead soldiers. Sallie was killed in action at the Battle of Hatcher's Run in Virginia. Years after the Civil War had ended, soldiers from her regiment placed a memorial statue of Sallie at Gettysburg.*



**Sgt. Stubby - World War I:** *Sergeant Stubby was around when the military still recognized its canines' bravery with medals, and he was the most decorated of all the war dogs during WWI. Serving with the 102nd Infantry, 26th Yankee Division, he was the only dog to be promoted to the rank through combat. Sgt. Stubby served in the trenches in France, warning soldiers of incoming shells, gas attacks, and locating wounded soldiers on the battlefield. In one instance he caught a German soldier by the seat of his pants, holding him there until American soldiers found him. Stubby got his start in the military when Corporal Robert Conroy discovered him hanging out on the grounds of the Yale University campus while members of the 102nd Infantry were training. When it came time to ship out, Conroy hid the pup under his coat and snuck him on board the troop ship. Legend has it that when Conroy's commanding officer discovered the dog, Stubby saluted him as he had been trained to do in camp, and the commanding officer allowed the dog to stay on board.*



**Rags - World War I:** *Rags, who became a World War I dog hero, was originally just a stray pup picked up by an American soldier in July of 1918, outside a bar in Paris. He became the mascot for the U.S. 1st Infantry Division when the soldiers discovered he was good for morale as well as detecting incoming shells. He eventually learned to run messages between the rear headquarters and the front lines. Rags achieved great notoriety and celebrity war dog fame when he saved many lives in the Meuse-Argonne Campaign by delivering a vital message despite being bombed, gassed and partially blinded. The soldier that rescued him in Paris, Private James Donovan, was critically wounded and shipped back to the U.S. His fellow soldiers made sure to smuggle Rags onto the ship taking him back to America, where he was allowed to visit Donovan daily until he sadly passed away. Rags lived until 1936 and was buried with military honors at the Aspen Hill Pet Cemetery in Silver Spring, Maryland.*





**Chips - World War II:** *The most decorated military dog of World War II was a German Shepherd/Collie/Husky mix named Chips. Part of the Dogs for Defense program initiated after the attack on Pearl Harbor, Chips was given to the military by his owner in New York. Chips served in General Patton's Seventh Army in Germany, Italy, Sicily, France, and North Africa. The dog was awarded the Silver Star for valor and the Purple Heart for his injuries. Unfortunately, the military later took back the medals, claiming that Chips was only equipment and not eligible to receive the medals. Chips has many stories of heroics during WWII, but the one considered his most courageous*

*came in 1943 when he and his handler were part of the invasion of Sicily. Chips broke free from his handler on the beach and ran toward machine gun fire that was pinning down Allied service members. Chips attacked the hidden gun nest, biting German soldiers and even pulling a machine gun from its base. According to his soldiers, Chips grabbed one of the Germans by the neck and dragged him from the pill box. His comrades followed with their hands up.*



**Smoky - World War II:** *A Yorkshire Terrier who saw action in the Pacific during World War II, Smoky was initially found in February 1944, abandoned in a foxhole in the jungles of New Guinea. The dog was included in a dozen*



*combat missions and survived more than 150 air raids. Her owner, Corporal William A. Wynne, credited Smoky with saving his life by warning him of incoming shells on an LST (transport ship), calling her an "angel from a foxhole." As the ship deck was booming and vibrating from anti-aircraft gunnery, Smoky guided Wynne to duck the fire that hit eight men standing next to them. One of Smoky's most famous exploits was at a crucial airstrip in the Philippine Island of Luzon. The dog pulled a telegraph wire through a narrow 70-foot pipe, saving construction time and keeping workers and engineers safe from enemy fire.*



**Nemo - Vietnam:** *Nemo A534, a German Shepherd, served with the Air Force in the Vietnam War. While on guard duty one night with his handler, Airman Robert Throneburg, Nemo sensed enemy soldiers approaching and alerted Throneburg. Thanks to Nemo's alert, Throneburg was not taken by surprise and the two were able to put up a valiant fight. Both were shot*

*during the fight, with Throneburg taking a bullet to the chest and Nemo suffering gunshot wounds to his nose and eye. Despite the gunshot wound, Nemo helped keep the attackers at bay long enough for Throneburg to radio for help. When Throneburg fell unconscious from his wounds, Nemo guarded his wounded handler from attacking forces until help arrived. In fact, Nemo was so protective of his handler that he wouldn't let anyone near him – friend or foe – and it eventually took a veterinarian to get Nemo to move so that medics could treat them. Both recovered from their injuries.*



**Lucca - Iraq:** *Lucca, a German Shepherd/Belgian Malinois mix, served for six years in the United States Marine Corps, completing two tours of active service. A specially trained explosive detecting dog, Lucca was able to work off-leash to find buried or hidden explosives and IEDs. During her two tours, she completed around 400 missions and saved countless lives by detecting explosive devices. In 2012, Lucca was on her second tour in Afghanistan when she saved the lives of several Marines – but at a price. After finding one buried explosive, Lucca began the search for a second device in the area.*



*An IED was set off, with Lucca taking the brunt of the explosion. Luckily, she survived but she did lose a front leg. Later, she was "unofficially" awarded a Purple Heart by a fellow Marine who had received the medal. (Sources: Military Times, Dogs in History, Wikipedia)*



**ANSWER to riddle:** A plant

*"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

*"The good..."*  
- Jo

*"Creati..."*  
curiosity is sta

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*"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

*"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."*  
ar Bryant

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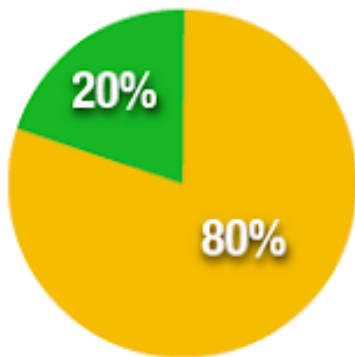
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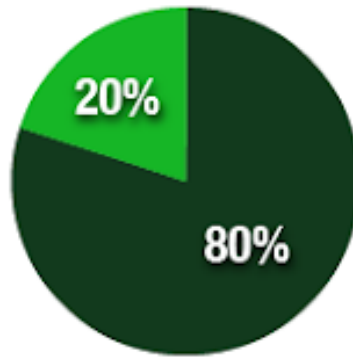
### Corn 2018 Crop

80% SOLD  
20% HEDGED  
0% UNPROTECTED



### Soybean 2018 Crop

80% SOLD  
20% HEDGED  
0% UNPROTECTED



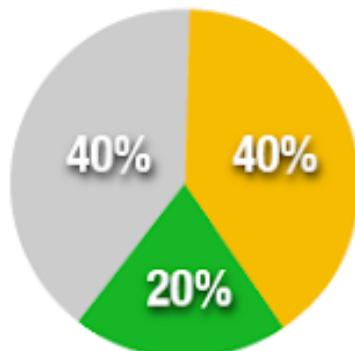
### Wheat 2018 Crop

100% SOLD  
0% HEDGED  
0% UNPROTECTED



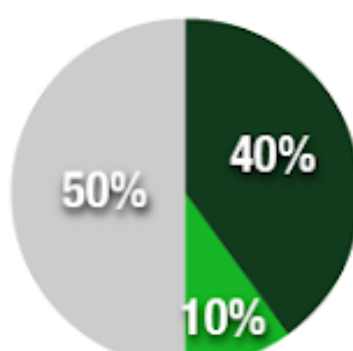
### Corn 2019 Crop

40% SOLD  
20% HEDGED  
40% UNPROTECTED



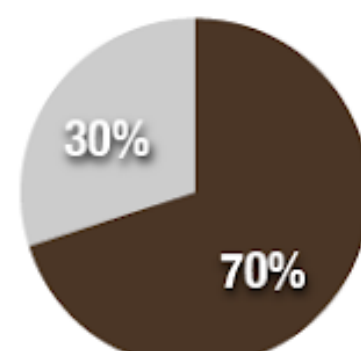
### Soybean 2019 Crop

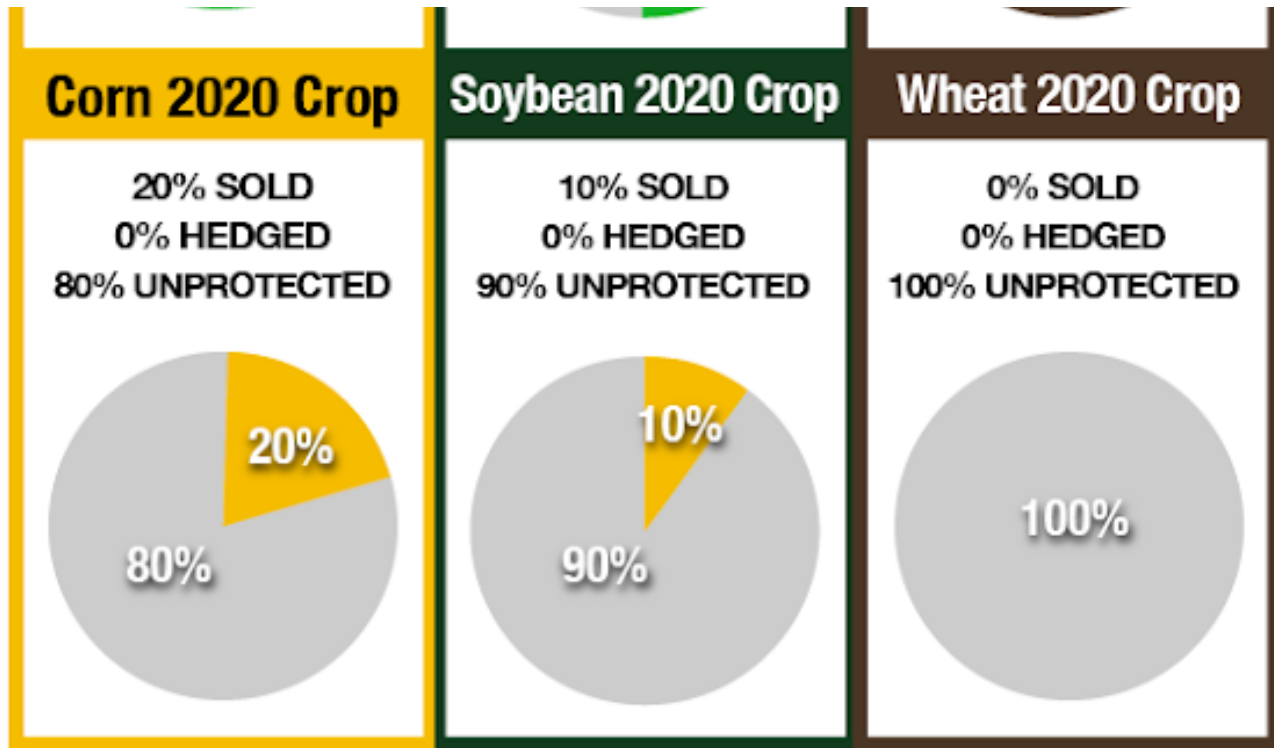
40% SOLD  
10% HEDGED  
50% UNPROTECTED



### Wheat 2019 Crop

100% SOLD  
0% HEDGED  
0% UNPROTECTED





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