



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

**GOOD MORNING: The Van Trump Report 11-15-19**

1 message

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

Fri, Nov 15, 2019 at 5:30 AM

Reply-To: Jordan &lt;reply-fec710707d67077b-1142\_HTML-68584704-100003450-8@vantrumpreport-email.com&gt;

To: josh@farmdirection.com

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

"You don't make poor people rich by making rich people poor." - **Winston Churchill**

**Friday, November 15, 2019**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks continue to grind out new all-time highs despite there being no official news regarding "Phase 1" of the U.S.-China trade deal. Rumors continue to circulate that China might be balking at fully committing to such large U.S. agricultural purchases but as of right now it's just a bunch of talk and rumors. House Speaker Nancy Pelosi yesterday said the new North American trade deal (USMCA) is "imminent" and wants to see it passed by the end of the year. Some labor groups, like the AFL-CIO Industrial Union Council, are still pushing for further tweaks before fully supporting it, which could make the end-of-year goal tough to meet. Either way, it is all speculation and traders seem to have become a lot more immune to the "promises" that have so far failed to produce any concrete or official agreements. Economic data this week has been very light and what has been released is viewed as mostly inconsequential. The Producer

Price Index yesterday showed prices rose +0.4% in October bringing the annual increase to +1.1%. Combined with the Consumer Price Index released earlier this week, there are no real signs the U.S. economy is in danger of "overheating". Today's economic data includes Retail Sales, Empire State Manufacturing, Import/Export Prices, Industrial Production, and Business Inventories. Next week data is more heavily centered around the housing market with Housing Starts, the Housing Market Index, and Existing Home Sales all set for release. Next week also brings the release of "minutes" from the Federal Reserves October 30 FOMC meeting, which is due out Wednesday, November 20. Next week will also bring some highly anticipated international updates with China releasing Industrial Production and Retail Sales, and Germany reporting third quarter GDP. As for earnings, JD.com is about the only release of interest today. The majority of companies have now reported and analysts will soon start releasing the final tallies. At the start of this week, earnings for S&P 500 companies were on track decline -2.4%. I should note, Walmart stock traded to new all-time highs yesterday after the retailing giant posted better than expected earnings. Walmart reported earnings of \$1.16 a share, +7 cents ahead of expectations. While revenue of \$128 billion was in line with estimates, sales grew +2.5% year-over-year and comparable-store sales growth of +3.2% beat expectations. A strong grocery business helped Walmart's online sales grow +41% in the third quarter, the company said Thursday, fueling an earnings beat and 21 quarters of growth in the U.S. Walmart has started testing delivering groceries directly to customers' refrigerators in three cities. Its InHome grocery delivery membership program costs \$19.95 a month. And making the most of its bricks-and-mortar stores, it has more than 2,700 grocery pickup locations for online orders across the United States. Walmart also now offers a "Delivery Unlimited" option from 1,400 locations, where customers can pay \$98 annually, or \$12.95 monthly, for unlimited grocery delivery.

**Snap "Spectacles 3" Have Arrived:** *It was three years ago this week that Spectacles first arrived, via colorful Snapbot vending machines that captivated Snapchat fans. A second generation arrived last spring with a refreshed, waterproof design and the ability to snap still photos for the first time, but didn't cause half the stir the first pair did. Now, the Spectacles 3 have arrived, available exclusively through Snap's online Spectacles store. They come with a striking new design and a much higher price — \$380, up from \$150 to \$200 for the previous edition. In addition, the glasses will be available in black "Carbon" or rose goldish "Mineral" color schemes. The new glasses allow users to now use two cameras and capture the world in 3D along with new filters. Click [HERE](#) to check them out! (Source: The Verge)*



**Mike Trout and Cody Bellinger Take Home the MVP:** *Major League Baseball announced last night that Mike Trout would be taking home his third career AL MVP award with a .291 batting average on the season, 45 home runs, and 104 RBIs. In addition, Cody Bellinger took home the trophy in the National League hitting .305 along with 47 home runs and 115 RBIs. Other notable awards this season include Justin Verlander winning the AL Cy Young, Jacob deGrom winning the NL Cy Young, Mike Shildt as NL Manager of the Year, Rocco Baldelli as AL Manager of the Year, Pete Alonso as NL Rookie of the Year, and Yordan Álvarez as AL Rookie of the Year.*

**PBR 99-Pack Sells Out in Less than 24-Hours:** *If you've ever had the need for 99 cans of beer, then Pabst Blue Ribbon has a ridiculously large box for you. They're mainly available in Canada, but limited edition Pabst Blue Ribbon packs containing 99 cans for \$59.99 were available at the MGM Wine and Spirits in Mankato, Minnesota this week. Keep in mind, according to some social media posts in Canada, the 99-pack is going as high as \$175. The box contains three types of PBR: Original, Easy (which is a light lager), and Extra (which contains even more ABV than the original). After advertising the deal on their Facebook page, the store completely sold out of the seven-foot-long packs just an hour later.*





**Value Has Never Been This Cheap vs. Momentum:** The chart above is quite amazing. It comes from Savita Subramanian, who runs the Equity & Quant group at Bank of America Merrill Lynch. She shows how inexpensive Value stocks are on a relative basis to Momentum stocks. Subramanian's takeaway? Value stocks as a group are as cheap as they have ever gotten. "The only time in history that Value has gotten this cheap was in 2003 and 2008, when Value outperformed Momentum by 22ppt and 69ppt, respectively, over the subsequent 12 months." (Source: [The Big Picture](#))

**Chart 1: Value has never been this cheap vs. Momentum**

Relative forward P/E of Value (top decile by forward earning yield) vs. Momentum (top decile by 12-month price return)



Source: BofA Merrill Lynch US Equity & Quant Strategy, FactSet





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DAYS HOURS MINUTES SECONDS  
Powered by CountdownMail ©



## Last Chance to Save on FARMCON Tickets

FARMCON "**early-bird special**" ends on December 1st. This is going to be a game-changing conference for those looking to grow, build, or perhaps sell an ag related business!

I promise **you will hear business strategy and hacks you've never heard or thought of before.** If you are looking for a

traditional ag conference this is NOT it!

The room is going to be filled with those industry leaders, producers, executives, and investors who are **willing to take risks and are open to thinking differently.**

Remember, doing the same thing over and over and expecting different results is often referred to as insanity.

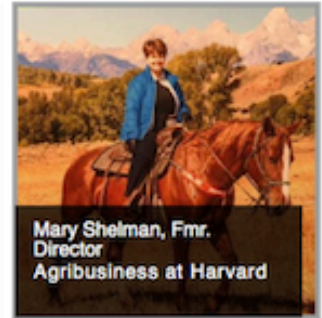
We have to come together and **find NEW ways to keep our rural lifestyle and legacy moving forward.** We have to be open to "change" and new perspective! Hope to see you in Kansas City January 15-16.

[Click here to get your ticket today!](#)

FYI... after we get past the "early-bird" special date of Dec 1, we are going to be using an algorithm that raises ticket prices as seats start to become fewer and fewer. Also keep in mind we changed venues this year and are only able to accommodate half as many guest! Sorry, the conference just got too big for my family to handle all of the moving parts so we voted to cut it way back in size. I personally think it's going to be way better and will allow us all more time together.

WWW.FARMCON.COM

# Featured Speakers





# Founding Partners



## Impeachment Hearings Costing American Businesses \$2.1 Billion an Hour:

*Millions of Americans are watching the impeachment hearings—and not doing their work. That's costing businesses \$2.1 billion per hour, according to an estimate by the outplacement firm Challenger, Gray & Christmas. To a degree, the loss of productivity is to be expected, as an historic event unfolds in Washington, D.C. Challenger, Gray & Christmas reported a similar dip during Christine Blasey Ford's testimony at now-U.S. Supreme Court Justice Brett Kavanaugh's confirmation hearing. One key difference: The impeachment inquiry will last much longer. Then again, people likely will lose interest as it goes on. (Source: [Fast Company](#))*

**States' Massive Google Antitrust Probe Expanding:** *The 50 attorneys general investigating Google are preparing to expand their antitrust investigation into the company's search and Android businesses, people familiar with the matter tell CNBC. So far, the investigation has explicitly focused on Google's advertising*

*business. the attorneys general – who represent 48 states, Puerto Rico and Washington, D.C. – will write up subpoenas known as civil investigative demands, or CIDs, to support the inquiries. The development in the states' investigation highlights how broadly the states and their attorneys general intend to scrutinize the tech conglomerate. States can be more aggressive in antitrust investigations than federal regulators, because they are less constrained by the lobbying and political forces that consume Washington, D.C. States are also typically more strained for resources than the federal government, though the states have committed to sharing resources in the Google investigation. Read more from [CNBC](#).*

**Fidelity Tells Boomers to Lay Off the Stocks:** *In its third quarter retirement report, Fidelity Investments says 55- to 75-year-old investors are overinvesting in stocks. "While the market's performance over the last few years has had a positive effect on many retirement account balances, it may have also contributed to some individuals having more stock than is recommended," writes Kevin Barry, the president of workplace investing at Fidelity Investments. Boomers, or the generation born between 1944 and 1964, have been riding a 10-year bull market into retirement, steadily upping bets on stocks to boost 401(k) returns and exposing them to unnecessary risk. More than a third of the generation had crossed over Fidelity's recommended allocation to stocks, which is 70% for those 10 years from retirement. Almost one-tenth of boomers were entirely in equities during the quarter, running the risk of serious losses in a market meltdown. (Source: Business Insider)*

**Venture Capital Mega-Deals on Pace to Set New Record in 2019:** *Venture capital "mega-deals"—which rake in \$100 million or more—have taken off at breakneck speed. A total of 185 were signed by the end of September, setting the pace for a record number of mega-deals in 2019. Interestingly, mega-deal counts aren't the only thing ballooning in venture capital financing. Almost everything has gotten bigger: venture capital funds, deal sizes, and exit valuations. Venture capital fundraising remains robust, with \$29.6 billion raised across 162 funds year-to-date. Not only that, a higher proportion of funds are quite large. Roughly 9% were sized \$500 million or more, with 15 such mega-funds closed year-to-date. Total deal value is set to surpass \$100 billion for a second consecutive year, partly driven by the rise of mega-deals. At every stage of startup financing, average deal sizes remain elevated. While the focus has shifted to the massive amount of capital available at later stages, angel and seed-stage deals are still quite healthy, with an average deal size of over \$2 million. At late financing stages, the 2019 average deal size is nearly \$35 million, second only to 2018's record of \$44 million. Companies continue to raise large sums of capital prior to going public, with 140 late-stage mega-deals completed in 2019. More details and a full version of the graphic are available over at [Visual Capitalist](#).*

## FUNDRAISING

## VC fundraising has shifted toward increasingly larger vehicles since 2012, with 15 mega-funds closed YTD

Nearly half of all funds closed YTD in 2019 were sized \$100 million or above, up from roughly 30% in 2014, and 9.3% of all funds were sized \$500 million or above, up from 5.2% in 2017. Conversely, micro-funds (sized under \$50 million) have dropped to 33.3% of the total fund count YTD, down from roughly 60% of all funds in 2012.

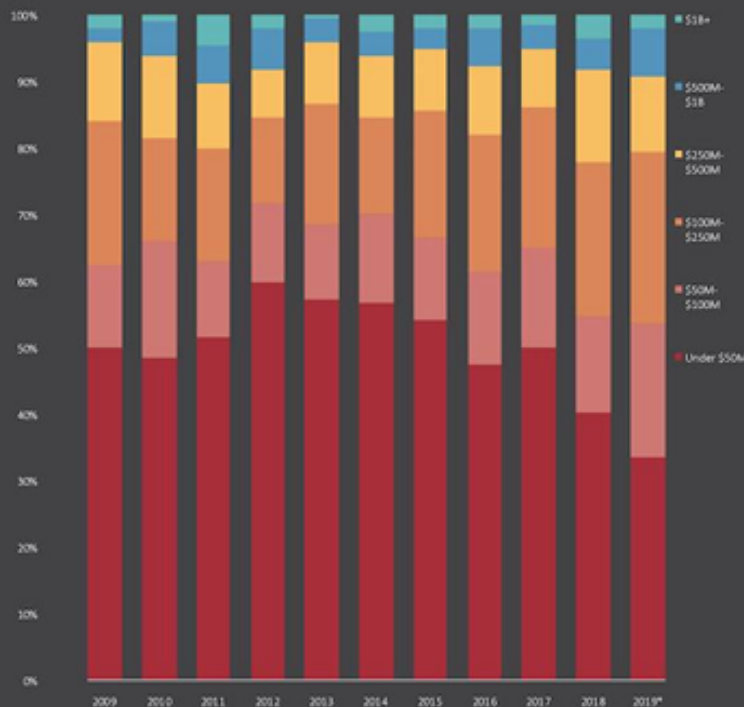
# \$3.2B

the largest VC fund closed YTD was TCV's tenth (TCV X), which is focused on tech-enabled service companies

# 8 of 15

VC funds closed YTD were Silicon Valley based, underscoring the continued concentration of capital and investment activity

### US VC FUNDRAISING ACTIVITY (#) BY SIZE



# 16.9

months on average to close a fund, a 3.2-month increase YoY

# \$225M

closed for the largest first-time fund, Vensana Capital Fund I

### BREAKDOWN: SILICON VALLEY MEGA-FUNDS

ACCEL LEADERS FUND II

ACCEL XIV

ANDREESSEN HOROWITZ FUND VI

ANDREESSEN HOROWITZ LSV FUND I

DCVC V

ECLIPSE FUND III

LIGHTSPEED SELECT III

TCV X

# FARM TANK

## Tweets of the Day





**Charlie Bilello** ✓

@charliebilello



## Global Central Bank Update...

-Thailand cuts rates by 25 bps to an all-time low of 1.25%.

-Peru cuts rates for the 2nd time this year, 25 bps move to 2.25%.

@CharlieBilello	Global Central Bank Policy Rates					
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Switzerland	Target Rate	-0.75%	-0.3%	-0.5%	Cut	Jan-15
Denmark	Deposit Rate	-0.75%	0.5%	-1.3%	Cut	Sep-19
Eurozone	Deposit Rate	-0.50%	1.1%	-1.6%	Cut	Sep-19
Sweden	Repo Rate	-0.25%	1.5%	-1.8%	Hike	Dec-18
Japan	Policy Rate Bal	-0.10%	0.2%	-0.3%	Cut	Jan-16
UK	Bank Rate	0.75%	1.7%	-1.0%	Hike	Aug-18
Australia	Cash Rate	0.75%	1.7%	-1.0%	Cut	Oct-19
New Zealand	Cash Rate	1.00%	1.5%	-0.5%	Cut	Aug-19
Thailand	Policy Rate	1.25%	0.1%	1.1%	Cut	Nov-19
South Korea	Repo Rate	1.25%	0.0%	1.3%	Cut	Oct-19
Norway	Deposit Rate	1.50%	1.5%	0.0%	Hike	Sep-19
Poland	Repo Rate	1.50%	2.6%	-1.1%	Cut	Oct-14
Taiwan	Discount Rate	1.50%	0.4%	1.1%	Cut	Mar-16
US	Fed Funds	1.63%	1.7%	-0.1%	Cut	Oct-19
Canada	Overnight	1.75%	1.9%	-0.2%	Hike	Oct-18
Chile	Base Rate	1.75%	2.5%	-0.8%	Cut	Oct-19
Czech Republic	Repo Rate	2.00%	2.7%	-0.7%	Hike	May-19
Hong Kong	Base Rate	2.00%	3.2%	-1.2%	Cut	Oct-19
Peru	Policy Rate	2.25%	1.9%	0.4%	Cut	Nov-19
Saudi Arabia	Reverse Repo	2.25%	-0.7%	3.0%	Cut	Sep-19
Malaysia	Policy Rate	3.00%	1.1%	1.9%	Cut	May-19
China	Loan Prime Rate	4.20%	3.0%	1.2%	Cut	Sep-19
Colombia	Repo Rate	4.25%	3.9%	0.4%	Cut	Apr-18
Philippines	Key Policy Rate	4.00%	0.8%	3.2%	Cut	Sep-19
Indonesia	Repo Rate	5.00%	3.1%	1.9%	Cut	Oct-19

Brazil	Target Rate	5.00%	2.5%	2.5%	Cut	Oct-19
India	Repo Rate	5.15%	4.0%	1.2%	Cut	Oct-19
South Africa	Repo Rate	6.50%	4.1%	2.4%	Cut	Jul-19
Russia	Key Policy Rate	6.50%	3.8%	2.7%	Cut	Oct-19
Mexico	Overnight Rate	7.75%	3.0%	4.7%	Cut	Sep-19
Turkey	Repo Rate	14.00%	8.6%	5.5%	Cut	Oct-19

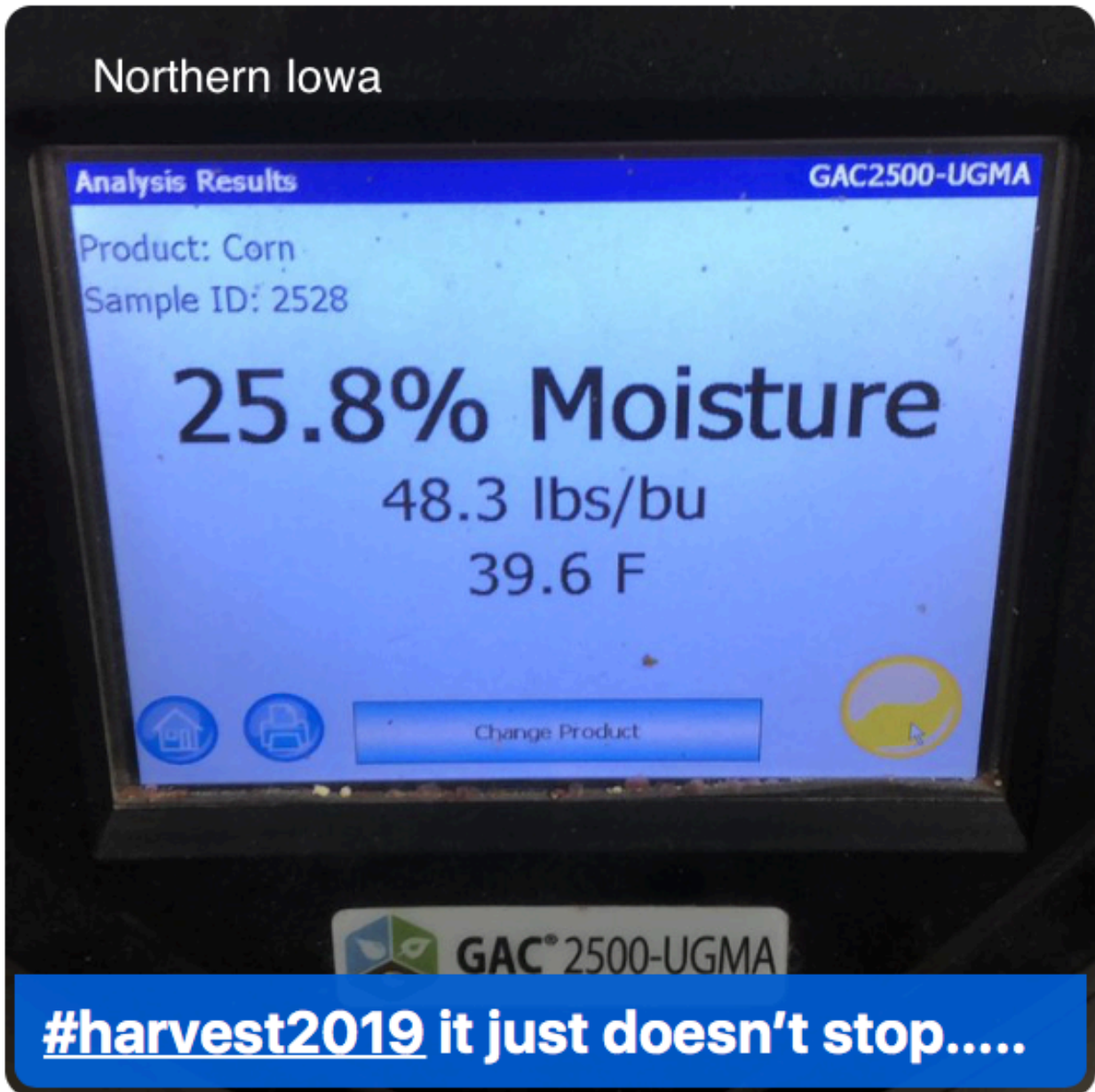


@BOB4ST8

@BOB4ST8



Northern Iowa





**Carl Gaukerud**  
@CarlGaukerud



**#harvest19** only took 101 days. Hopefully **#harvest20** is a little quicker







**Jorgensen Land and Cattle**  
@JorgLandCat



Beans are done, on to corn! [#corn](#) [#harvest2019](#)  
[#johndeere](#)

Ideal, SD





Frank  
@legnerfarms



This was our view yesterday when the elevator opened up at the farm. [#harvest19](#) is as much fun as [#plant19](#). Next time it all going to prevent plant





**Brandon Brieger**  
@brieger34



The Lord painted a good one this evening [#Harvest19](#)







**B/R Betting** ✓  
@br\_betting

Joe Burrow running away with the Heisman 🏆



# HEISMAN ODDS

<b>JOE BURROW:</b>	<b>-600</b>
<b>JALEN HURTS:</b>	<b>+800</b>
<b>TUA TAGOVAILOA:</b>	<b>+1200</b>
<b>JUSTIN FIELDS:</b>	<b>+1600</b>
<b>J.K. DOBBINS:</b>	<b>+10000</b>
<b>JONATHAN TAYLOR:</b>	<b>+10000</b>
<b>JUSTIN HERBERT:</b>	<b>+10000</b>
<b>TRAVIS ETIENNE:</b>	<b>+10000</b>
<b>TREVOR LAWRENCE:</b>	<b>+10000</b>

 -600 means a \$600 bet wins \$100

(via FanDuel Sportsbook)

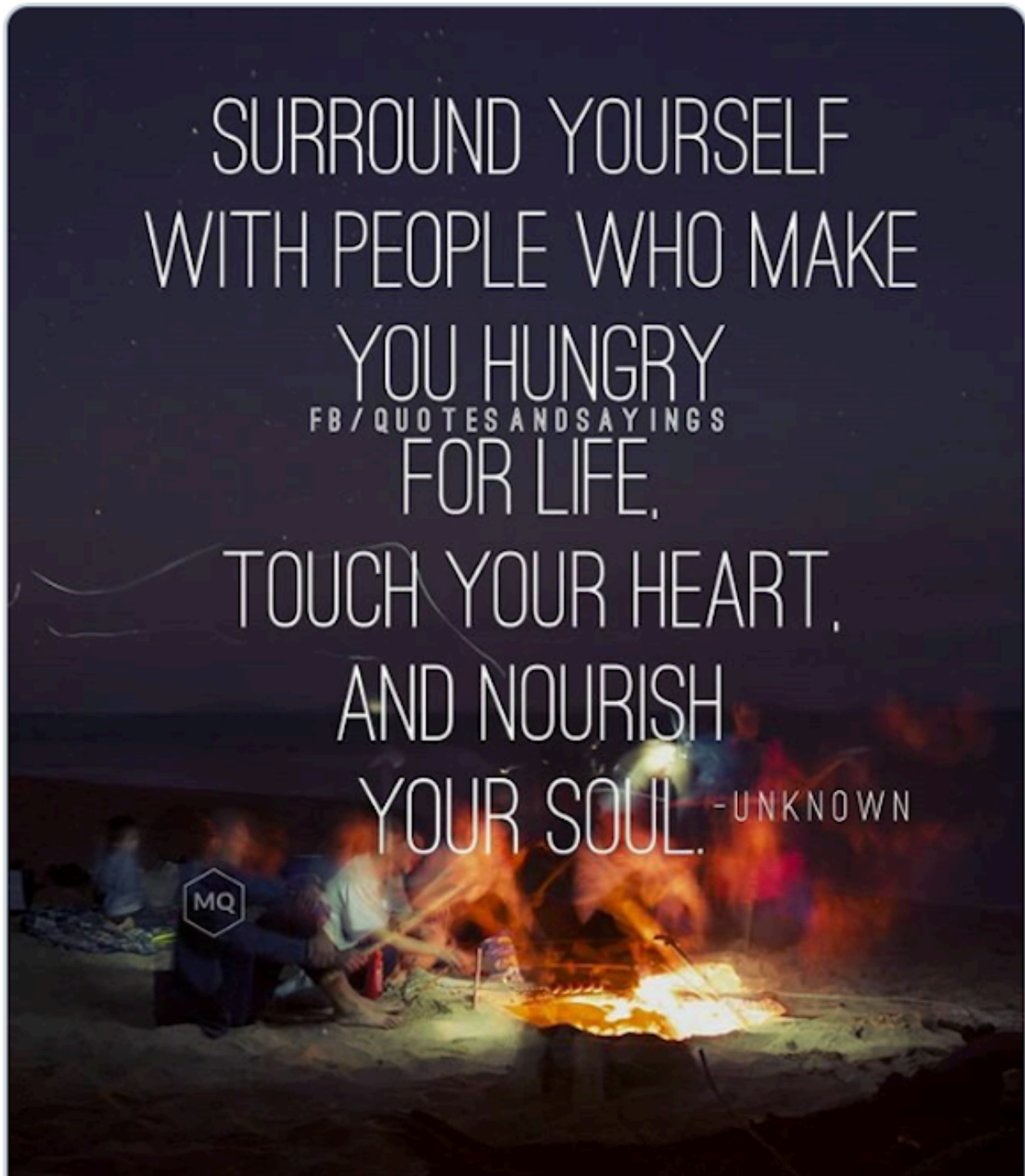


**Motivational Quotes**  
@motivational

Surround yourself with people who make you hungry for life, touch your heart, and nourish your

soul. -unknown

#quotes #sayings #proverbs #thoughtoftheday  
#quoteoftheday #motivational #inspirational  
#inspire #motivate #quote #goals ift.tt/2Nxr7me

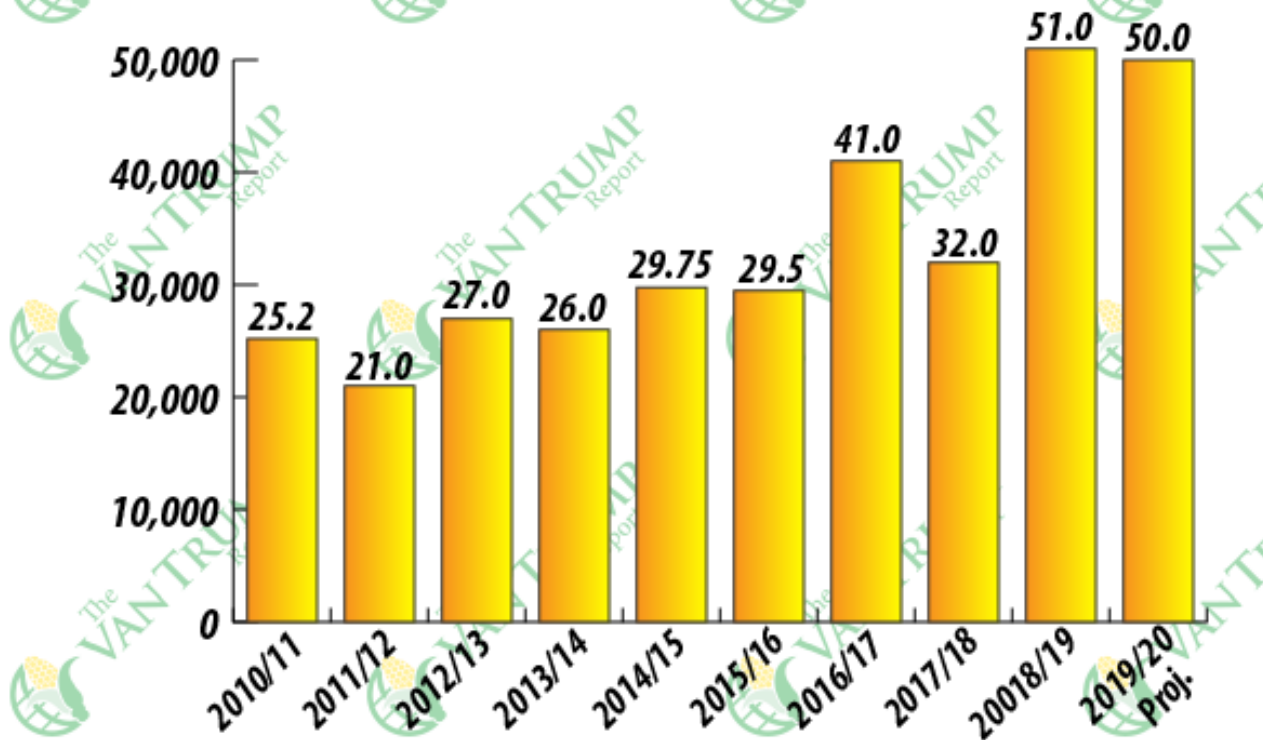






**Corn** bulls are pointing to better ethanol headlines. Weekly ethanol production continues to bump slightly higher while stocks tighten a bit. In fact, ethanol stocks are down just over -10% compared to last year at this time and at the lowest levels we've seen in over two years. I've been saying that I thought the ethanol headlines were going to start improving and I think they might continue to improve into yearend. It would be nice if we could follow this up with better than expected weekly exports which should be released this morning. Most inside the trade are looking for a weekly export number of between 350,000 and 450,000. Weather in South America is arguably mixed. The rains in Argentina have improved the situation, but there's starting to be more eyes on pockets of dry conditions in southern Brazil. Keep in mind, Brazil's corn exports have been record strong. With record exports and more corn-based ethanol plants coming online that means less ending stocks for Brazil. If they run into a more wide-spread weather hiccup the bulls will run. As a spec, I continue to hold a few bullish positions. As a producer, I want to remain patient waiting for better pricing opportunities. In areas with a strong basis bid I like selling the cash out of the field and reowning the board in some capacity.

# 10-Years of Argentina Corn Production (in Million Metric Tons)



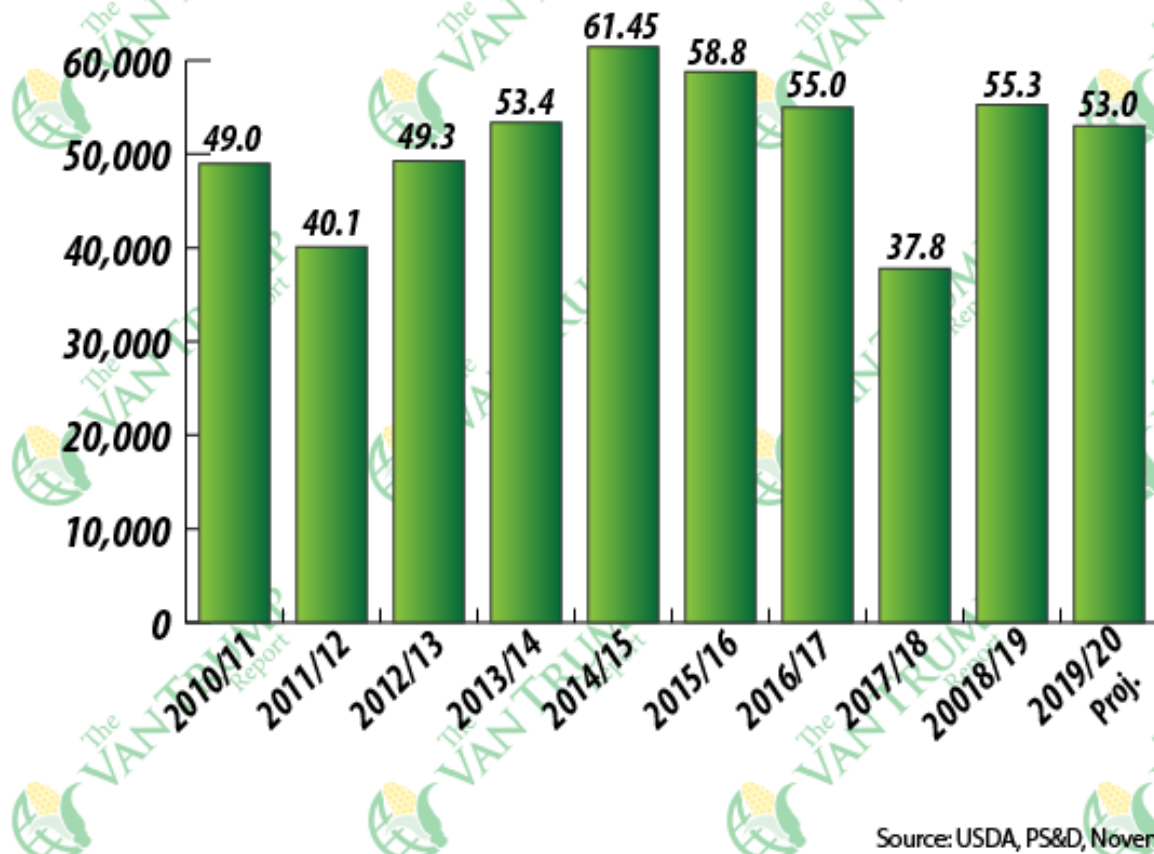
Source: USDA, PS&D, November, 2019

**Soybean** bulls are pointing to continued buying from Chinese importers and the fact China officially lifted bans on U.S. poultry...meaning that perhaps we are getting closer to a "Phase 1" trade deal. Bears are pointing to the fact Brazilian soybeans start to get cheaper than U.S. soybeans out past early-February so the Chinese buying window for U.S. beans could be somewhat limited. Most inside the trade are looking for the USDA to announce another set of strong weekly export sales numbers this morning. U.S. demand seems strong enough to support a bullish story into 2020. I also think U.S. production might still be a bit overstated as +20 million acres are still probably unharvested. As for South America, as I mentioned above in the corn comments, Argentine moisture has improved but the trade is keeping a close eye on dry pockets in southern and eastern Brazil. I forgot that the NOPA crush numbers were being delayed a day because of Monday's Veterans Day holiday, so they are going to be released today at 11am CST. Most inside the trade are looking for an October crush number of between 165 and 168 million bushels which would be down a bit from last October's record 172.3 million bushels but still better than the 152.6 million crush estimate released last month.



# 10-Years of Argentina Soybean Production

(in Million Metric Tons)

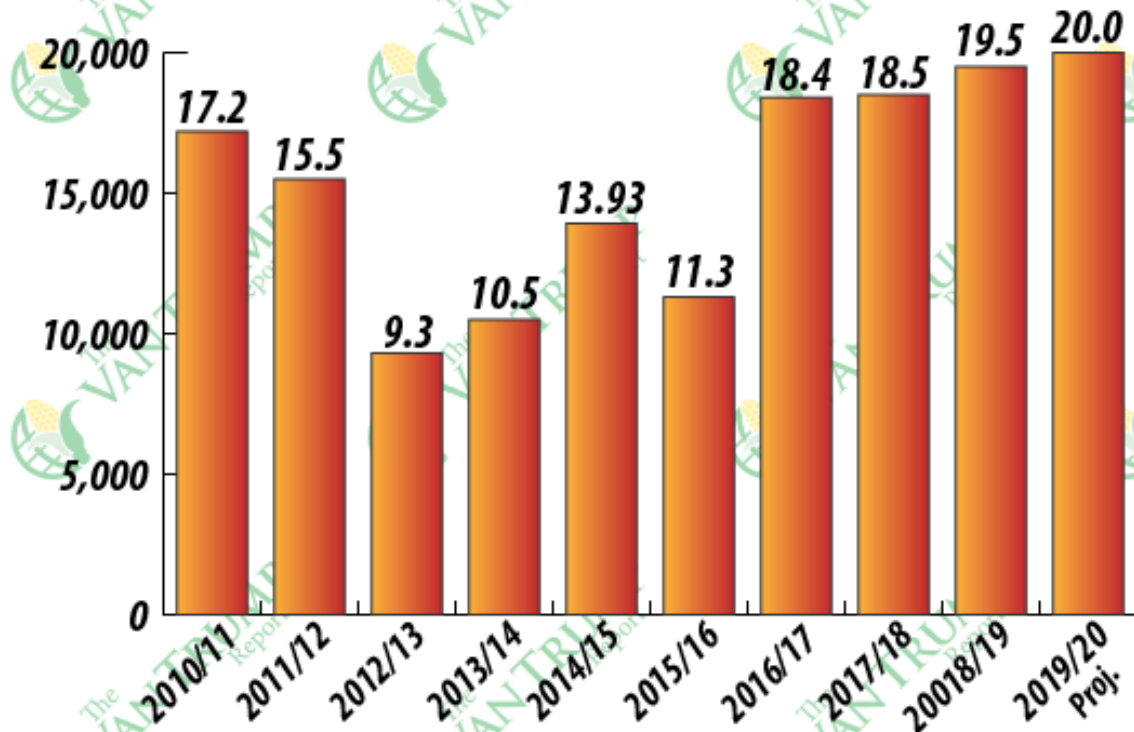


Source: USDA, PS&D, November, 2019

**Wheat** bulls are happy to see a few more people downgrading their estimates for Argentine, Australian and Ukraine wheat production. There's also more eye on dry areas in parts of China. Unfortunately, Russian and EU production estimates have been ticking a bit higher. Here at home, weather seems to be mostly neutral. Bears are pointing to warmer temperatures in the forecast perhaps helping to improve HRW wheat conditions. Bulls believe there could already be some damage done with the extremely cold temps. There are also some bullish bets being placed on dry conditions and complications that might arise in 2020. As a spec, I like the thought of being a bull, perhaps most in the spring wheat contract, but I still don't have enough conviction to pull the trigger. For now, I'm simply going to stay on the sideline. I would like to see a bit of weakness in the U.S. dollar and more competitiveness from U.S. exporters. It would also be nice to see "Phase 1" of a trade deal officially inked with the Chinese. I have to imagine that would create a less bearish macro outlook by the funds and perhaps provide a little tailwind for the bulls. As a producer, I want to stay patient and wait to see more cards. I'm targeting Q1 of 2020 for our next round of cash sales.

# 10-Years of Argentina Wheat Production

(in Million Metric Tons)



Source: USDA, PS&D, November, 2019



**> Ag Secretary Sonny Perdue in Kansas City Today:** *U.S. Secretary of Agriculture Sonny Perdue today is scheduled to tour the new ERS and NIFA location in Kansas City, Missouri (805 Pennsylvania Avenue, Kansas City, MO 64105). He'll be joined by Missouri Governor Mike Parson and Senator Roy Blunt for the event, starting at 11:20 a.m. CST. Perdue will host a media availability event after the tour. Perdue will also participate in a fireside chat with National Association of Farm Broadcasting (NAFB) President Lorrie Boyer at the NAFB Convention (1 E Pershing Rd, Kansas City, MO 64108), which starts at 1:30 p.m. CST.*

**> China Officially Lifts U.S. Poultry Ban:** *Beijing lifted a nearly five-year ban on imports of U.S. poultry meat on Thursday, a move the U.S. Trade Representative said would lead to more than \$1 billion in annual shipments to China. China's decision comes as the world's two largest economies are trying to finalize a limited trade deal. It is also driven by an unprecedented shortage of meat in China after a fatal hog disease, African swine fever, has killed millions of pigs in the pork-loving country over the past year. China, the world's top pork consumer, will likely buy all types of U.S. chicken, turkey and duck to offset the pork shortage, said Jim Sumner, president of the USA Poultry & Egg Export Council, an industry group. Beijing banned U.S. poultry and eggs in January 2015 because of a U.S. outbreak of avian flu, closing a market that bought \$500 million worth of American poultry products in 2013, according to the U.S. Department of Agriculture. China's total imports of chicken surged nearly 48% to 9.2 billion yuan (\$1.3 billion) in the first nine months of this year, including breast meat, which is*

*normally in surplus in the country. (Source: Reuters)*

**> USDA Risk Management Agency to Defer Interest on Crop Insurance**

**Premiums:** *USDA's Risk Management Agency (RMA) has announced it will continue to defer interest on crop insurance premiums to ag producers until January 31 for all policies with a premium billing date of August 15. Keith Gray, chief of staff for the RMA, says this will help farmers and ranchers impacted by the extreme weather in 2019. He tells Brownfield the decision was made to continue to extend flexibility for producers. The USDA previously announced a deferral to November 30, providing producers with an additional two months from the traditional September 30th date. Producers will have until January to pay the 2019 premium without accruing interest. (Source: Brownfield Ag News)*

**> Organic Corn Harvest Bogged Down by Winter Weather:**

*Just like adverse weather is impeding harvest for conventional corn, organic corn growers are also weeks behind in harvesting their crops compared with the last five years, as cold, wet weather has kept farmers sidelined in key states like Illinois, Iowa and South Dakota. Continued delays could push the end of the harvest into December for some states and further affect crop yields and quality, according to a new organic market report from Mercaris. "The weather this harvest season isn't offering much in the way of an apology for this year's planting conditions," said Ryan Koory, the research firm's economics director. USDA last week lowered its estimate for 2019 corn production by -1% because of the weather problems, which have cut into corn yields. Koory said it's "difficult to speak with any level of certainty about [organic] production this year when half of the corn crop is still in the field." More information is available [HERE](#).*

**> The World's Most Expensive Spice Might be Suitable for U.S. Production:**

*Dr. Rebecca Brown and her colleague Dr. Rahmatallah Gheshm at University of Rhode Island's agronomy campus have been experimenting with growing saffron, which has proved surprisingly suitable for the southern New England climate. This is actually the third year they've harvested saffron in Rhode Island. It's a highly lucrative crop with a pound of saffron going for as much as \$10,000. Right now, Iran is the highest saffron-producing country in the world, exporting nearly half of the world's market, according to UN trade data. However, compared to the sunny, dry conditions in Iran, Rhode Island has a much higher humidity level—the impact of which Brown and Gheshm wanted to observe in their study. So far, it appears that the humidity might not be a problem. In 1992, the U.S. imported \$3.17 million worth of the spice, a value that has since risen steadily to \$16 million last year, according to Census data. Because of issues like America's economic sanctions against Iran, Gheshm explains, most of the U.S.'s saffron imports come through Spain, which is both a major importer and exporter of the spice. The researchers believe that local production could meet America's rising demand for the spice. Read more [HERE](#).*



**> Traditional U.S. Grocery Stores are Struggling:** Last year sales at traditional supermarkets fell -1.7% compared with the previous year, going instead to wholesalers, supercenters and dollar stores. About 0.9 percent of the marketshare in food sales shifted away from traditional grocers to other competitors, and that doesn't look like it will change: last year the number of grocery stores fell -1.3%, to less than 25,000. The number of supermarkets in the U.S. is projected to decline by 6 percent over the next five years. Some regional brands — H-E-B, Hy-Vee, Kroger, Wegmans and Publix — have managed to stake out a brand by paying workers better and emphasizing customer service. These regional players are also savvy operators, analysts say. They have expanded carefully and avoided taking on debt, issues that have plagued many retail peers. All are privately held companies and do not have to answer to Wall Street every quarter. The good news for them is that 95% of Americans still buy groceries in-person. The bad news is that major national supercenters and tech companies are gunning for them. Read more from [CNN](#).

**> Berkshire Hathaway Reveals New Stakes in Furniture Retailer RH, Occidental Petroleum:** Berkshire Hathaway owned 1.2 million shares of furniture retailer RH, formerly known as Restoration Hardware, at the end of the third quarter, according to a filing with the Securities and Exchange Commission. Shares of RH surged 7.5% in after-hours trading on Thursday. The stock has rallied 41% this year. Warren Buffett's conglomerate also revealed a new stake in Occidental Petroleum worth around \$332 million, according to the company's 13-F filing. The filing documents the company's holdings as of end of September. The filing showed Berkshire decreased its stake in Wells Fargo by 7.7% to about 378 million shares. Berkshire also trimmed its Phillips 66 stake by 6.7% to 5.2 million shares worth around \$530 million, according to the filing. (Source: CNBC)

**> Global Debt Surges to More than \$250 Trillion:** Global debt hit a fresh record above \$250 trillion in the first half of 2019, with China and the U.S. accounting for more than 60% of new borrowing, the Institute of International Finance said. Borrowing by governments, households and non-financial business now accounts for more than 240% of the world's gross domestic product, and it's growing faster than the global economy, the Washington-based IIF said in a report published Thursday. In developed countries, it's governments that account for the bulk of borrowing over the past decade, the IIF said. In emerging markets, companies have taken the lead -- but more than half of corporate debt in those countries is likely held by state-owned businesses. And it said that "high-debt countries that also have high exposure to climate risk" -- like Japan, Singapore, Korea and the U.S. -- may struggle with the rapid increase in funding that the fight against climate change will require. IIF expects the global debt load to exceed \$255 trillion by the end of the year, with the U.S. and China leading the way. (Source: Bloomberg)

**> Dangerous Superbugs Kill More Than Previously Thought:** *Nearly twice as many people are dying from drug-resistant infections in the United States than previously thought, according the Centers for Disease Control and Prevention (CDC). "Superbugs" are responsible for more than 35,000 deaths and nearly 3 million illnesses each year, the report found. The increase comes as researchers develop more sophisticated techniques to identify the deadly infections. Superbugs evolve when the germs — including bacteria and fungi — become resistant to nearly all of the medications used to fight them. The fear, experts say, is that patients will develop once-treatable infections that are now resistant to every possible treatment. Some of the most common drug-resistant illnesses are urinary tract infections, particularly among women and the elderly, as well as hospitalized patients who need urinary catheters. Michael Craig, senior adviser for antibiotic resistance at the CDC explains that many of things we've come to rely upon to prolong life are dependent on effective antibiotics. "We don't want to be in a position where people are surviving their cancer treatments because of great chemotherapy drugs but then ultimately dying of a drug-resistant infection because we don't have an effective antibiotic," Craig said. Read more at [NBC](#).*

**> AAA Projects More than 55 Million Travelers this Thanksgiving:** *More than 55 million travelers are making plans to kick off the holiday season with a trip of 50 miles or more away from home this Thanksgiving. This will be the second-highest Thanksgiving travel volume since AAA began tracking in 2000, trailing only the record set in 2005. Overall, an additional +1.6 million more people will travel compared with last year, a +2.9% increase. The vast majority of holiday travelers will drive to their destinations and, INRIX, a global transportation analytics company, expects Wednesday afternoon to be the worst travel period nationally, with trips taking as much at four times longer than normal in major metros. Gas prices have been fluctuating as of late, but are currently cheaper than the national average at this time last year, giving Americans a little extra money to spend on travel and motivating millions to take road trips. For the majority of Americans, AAA expects gas prices to be fairly similar to last year's Thanksgiving holiday, which averaged \$2.57. As for air travel, according to the U.S. Transportation Security Administration, about 26.8 million passengers are expected to pass through TSA checkpoints nationwide from the Friday before Thanksgiving through the Monday afterward, or November 22 to December 2. That would be a record for the Thanksgiving period, and about +4% more than the same time last year. The Sunday after Thanksgiving, December 1, is expected to be the single busiest day ever for the U.S. airline industry, with about 3.1 million expected to fly that day.*





# 2019 AIR TRAVEL

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**NOV 25** best overall day to fly

**NOV 28** cheapest ticket price  
(Thanksgiving Day)

**NOV 26-27** busiest travel days



**49.3M**

Americans will take a road trip



**4.45M**

Americans will fly



**1.49M**

Americans will travel by  
cruise, train or bus

Worst day to travel  
nationwide:



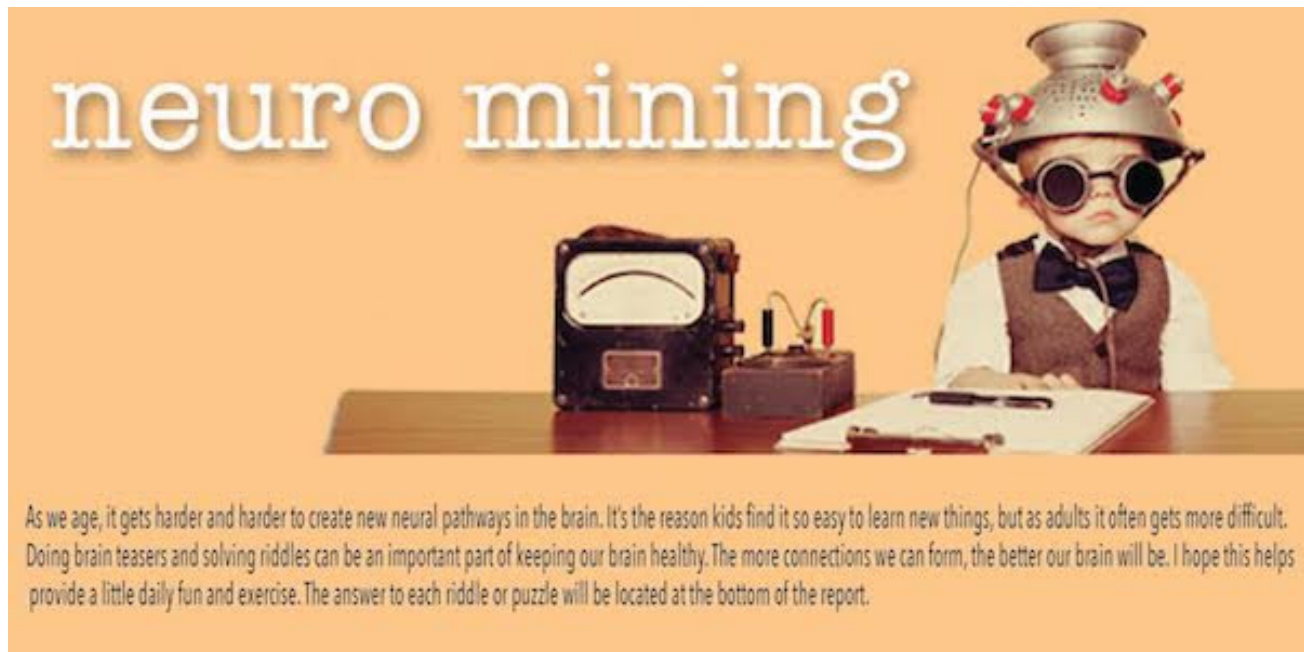
**North Central Iowa** - *The temperatures dipped to -5 below zero pretty much stopping all operations. About 20% of our diesel operated equipment would not start so we held off on harvest yesterday. Hard to believe but local coop was trying to still custom apply anhydrous. Their outside piles are almost full and not much more than 5% of corn is left and just a few have beans to harvest. The temperatures forecasted near 30 degrees will probably allow the tillage to continue. We will finish today and still have one small custom job to finish so now the clean up begins as all the machines are a mess. Fortunately, there were no breakdowns because many weren't that fortunate. Yields were above average as not much was under 200 and standing excellent. Snow on the stalk was a problem until winds blew it off. Now, all we need to do is get the price back to fair value.*

**East Central Illinois** - *We got 3" of snow and the right temperatures to ice over all the side roads. The down corn is covered with ice and snow so it's gonna have to melt off before we can start picking again. There's a lot of corn still in the field at 28% moisture and up. It's not drying down as fast as we would like. There are long lines at the elevators all day so that slows everyone down as well. Going to be slow going from here on.*

**Central Minnesota** - *Everything has frozen up solid, there's frost down around 6-8" in most all places. There's corn left in the fields almost every direction you look. There's a few 30's in the future forecast. I don't have much hope for any tillage resuming. Cornstalks are like tree trunks chewed off by beavers. We have already*



*punched a hole in one combine tire. The chopping corn head is really underperforming trying to pull in frozen "bamboo poles". We are fighting iced up tarps, frozen ice in the slopes of everything, extension cords plugged into everything with a block heater...etc. Long road ahead!*



**TODAY'S RIDDLE:** Light hides me and darkness kills me. What am I?



### **Rare Event in Nature Leads to Origin of Deadly Stem Rust Strain**

Only one short generation after researchers managed to identify strong resistance genes against stem rust, and successfully bred those genes into new plant varieties beginning in the 1960s, the fungus was all but forgotten. But a new strain called Ug99 emerged in Uganda in 1998, and it is now immune to most of the known resistance genes. I should mention, it is more aggressive than most stem rusts as it evolves more quickly and now there are at least 13 new pathotypes.

Exciting news from the science community has been reported recently as research teams from U of Minnesota, Australian National University, University of the Free State in South Africa and the Commonwealth Scientific and Industrial Research

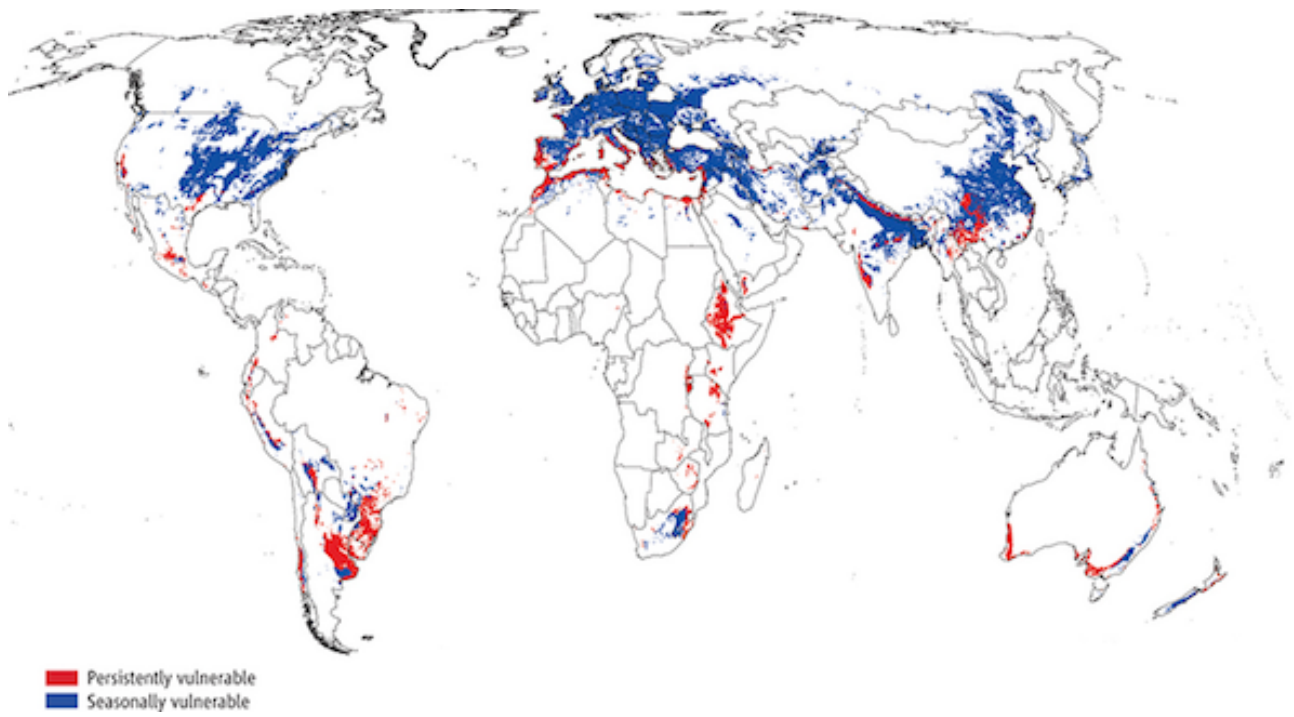
Organization (CSIRO), have discovered the origin of the strain, which currently has the ability to attack more than 80% of all varieties planted in the world.

Scientists have known for some time that stem rust is highly variable, but they were unable to determine the molecular basis for it. It's worth mentioning, this team is the first to provide compelling genome-wide data that this event, called "somatic hybridization," in the rust fungi can generate new virulence combinations, which also helps explain the sudden emergence of Ug99 in Africa. I'm told this phenomenon rarely occurs in nature and is where two different rust strains fuse together and exchange intact nuclei, without going through the entire sexual cycle. Keep in mind, this event creates a hybrid strain with a wider host range than its original parents. It was interesting to hear one researcher's take on the discovery, leading him to note what an amazing moment it was for science, when you stop and think just how much there is still to learn about nature.

Data obtained through this study will offer scientists new insights on the strain that emerged and hopefully provide them an advantage moving forward as they seek to develop more resistant crops. This discovery is hugely important in understanding how these pathogens evolve, by knowing more about the genome scientists will be able to detect diseases more easily.

For a deeper dive on the discovery, you can read the detailed research findings in the journal Nature Communications. (Source: ScienceDaily, [science.anu.edu.au](http://science.anu.edu.au), [undark.org](http://undark.org))



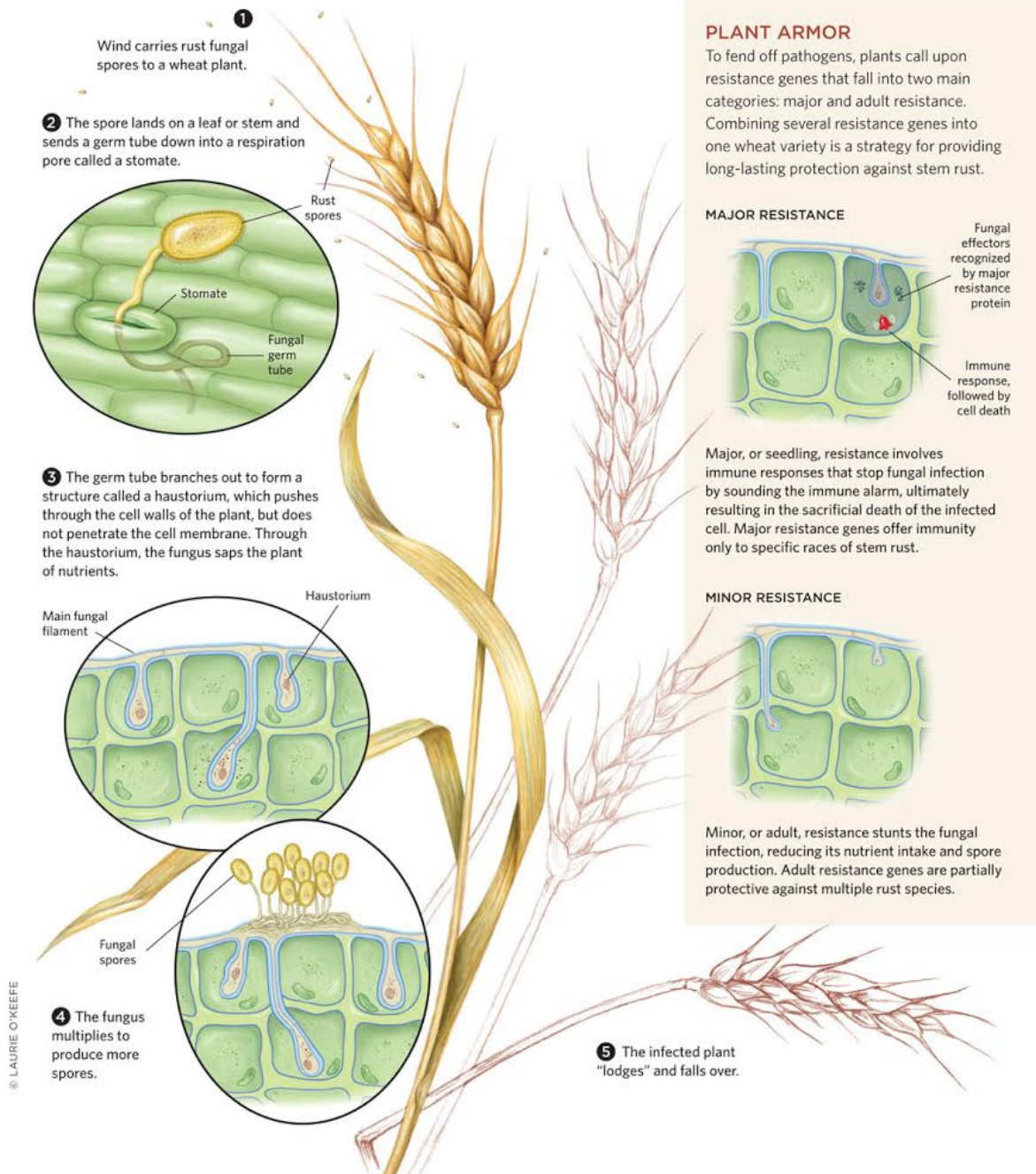




## WHEAT ASSASSIN

Stem rust can take out a healthy wheat crop within weeks to months of infection. The offending fungus, *Puccinia graminis* f. sp. *tritici*, weakens its host by hijacking sugars and other nutrients. Eventually, the plant falls to the ground, and combine harvesters can no longer gather the crop.

To protect the world's wheat crop from this devastating pathogen, researchers aim to develop varieties with multiple forms of rust resistance by taking genes from strains of wheat, wild grasses, and other plants that can resist the disease.



## 14 Year Olds Genius Idea... Science Fair "Blindspot"

Over 840,000 of the car crashes that occur on U.S. roadways each year can be traced back to a problem area with which all drivers have experience: the blind spots caused by the A-frame of a car's structure.

Despite over a century of constant improvements to automobiles, there's still no perfect fix for blind spots that the auto industry has uniformly accepted. But that might be about to change thanks to an ingenious solution from an unlikely engineering hero who can't even drive.

Alaina Gassler, 14, of West Grove, Pennsylvania, has designed a technology that makes the A-frame pillars of a car "see-through" by using projectors that cast images of what's really behind them onto their surfaces.

It's not just a fix for the rear blind spots, but also a solution for the front. If a pedestrian is crossing the street in front of your vehicle, for example, Gassler's invention makes it so that you can see live footage of the person crossing the street through the A-frame with cameras, making them sort of like "ghost pillars".

You can watch a video of the technology [HERE](#).

Gassler, who engineered the projector-based technology as part of a science and engineering competition, took home a grand prize of \$25,000 for her invention, which she completed while in eighth grade.

The Broadcom MASTERS competition that Gassler won is a middle school competition put on by the Society for Science & the Public. Maya Ajmera, that organization's president and CEO, says 80,000 middle school students across the U.S. start out in the competition across 300 affiliated science fairs. Just 10% of the participants are nominated by judges to compete in Washington, D.C., and 2,500 end up in the big competition. This year, all major awards in the competition went to girls!

Gassler says it usually takes her a while to find inspiration for science fair projects each year, but this idea came to her organically when her grandmother scraped the paint from the side of her car after hitting a pole that was in her blind spot.

You can watch a video of Gassler explaining her invention [HERE](#). (Source: Popular Mechanics).



### How a High School Dropout Became One of the Richest in Restaurants!

It was on this day in 1969 that a 37-year-old entrepreneur named Dave Thomas opened his very first restaurant in Columbus, Ohio at [257 East Broad Street](#). The idea for the "old fashioned" hamburgers was inspired by Dave Thomas's trips to "Kewpee Hamburgers" in his old home town of Kalamazoo, Michigan. The Kewpee



sold square hamburgers and thick malt shakes, very much like the now-famous restaurant that Thomas opened in Columbus, Ohio, in 1969 and named after his fourth child Melinda Lou "Wendy" Thomas.

Dave Thomas had a very diverse and some would argue difficult childhood. He was born in Atlantic City, New Jersey, to a young unmarried woman he never knew, Thomas was adopted at six weeks by Rex and Auleva Thomas. His adoptive mother died when he was just 5, and his father moved around the country constantly seeking work. Thomas spent some of his early childhood near Kalamazoo, Michigan, with his grandmother, Minnie Sinclair, whom he credited with teaching him the importance of service and treating others well and with respect, lessons that helped him in his future business life.

At the age of 12, Thomas had his first job at Regas Restaurant, a fine dining restaurant in downtown Knoxville, Tennessee, then lost it in a dispute with his boss. He vowed never to lose another job! Moving with his father, by 15 he was working in Fort Wayne, Indiana, at the Hobby House Restaurant owned by the Clauss family. When his father prepared to move again, Thomas decided to stay in Fort Wayne, dropping out of high school to work full-time at the restaurant. Thomas, who considered ending his schooling the greatest mistake of his life, did not graduate from high school until 1993 at the age of 61 when he obtained a GED.

At the outbreak of the Korean War in 1950, rather than waiting for the draft, he volunteered for the U.S. Army at age 18 to have some choice in assignments. Having food production and service experience, Thomas requested the Cook's and Baker's School at Fort Benning, Georgia. He was sent to West Germany as a mess sergeant and was responsible for the daily meals of 2,000 soldiers, rising to the rank of staff sergeant. After his discharge in 1953, Thomas returned to Fort Wayne and the Hobby House.

In the mid-1950s, Kentucky Fried Chicken founder Col. Harland Sanders came to Fort Wayne to find restaurateurs with established businesses in order to try to sell KFC franchises to them. At first, Thomas, who was the head cook at a restaurant, and the Clauss family declined Sanders's offer, but Sanders persisted, and the Clauss family franchised their restaurant with KFC and later also owned many other KFC franchises in the Midwest. During this time, Thomas worked with Sanders on many projects to make KFC more profitable and to give it brand recognition. Among other things Thomas suggested to Sanders, that were implemented, was that KFC reduce the number of items on the menu and focus on a signature dish. Thomas also suggested Sanders make commercials that he appear in. Thomas was sent by the Clauss family in the mid-1960s to help turn around four failing KFC stores they owned in Columbus, Ohio.

By 1968 Thomas had increased sales in the four fried chicken restaurants so much that he sold his share in them back to Sanders for more than \$1.5 million. This experience would prove invaluable to Thomas about a year later when he began Wendy's. The rest is history!

- **1970** - *Invents First Pick-Up Window: Wendy's introduced the first modern drive through to the world; what Dave Thomas coined the "Pick-Up Window". This innovation was so revolutionary that customers needed instructions on how to talk through the speaker to place an order. Originally called the "drive-in window," Dave wanted to change the name from something that could attract cruisers and joyriders.*
- **1978** - *Opens 1,000th Store Opens*
- **1979** - *Introduces First "Salad Bar"*
- **1980** - *Opens 2,000th Store Opens*
- **1983** - *Adds the famous "Backed Potatoe" to the menu*
- **1984** - *Launches the iconic "Where's the Beef" commercial*
- **1985** - *Opens 3,000th Store Opens*
- **1989** - *First to introduce the "Value Meals and Menu"*
- **1992** - *Created the Dave Thomas Foundation for Adoption (DTFA) because he believed every child deserves a permanent, loving home. The DTFA is the only public, non-profit charity in the United States that is focused only on foster care adoption.*
- **1996** - *Spicy Chicken Sandwich introduced as a huge hit.*
- **1997** - *5,000th Store Opens*
- **2001** - *6,000th Store Opens*
- **2002** - *Founder Dave Thomas passes away at the age of 69.*

Dave Thomas was married for 47 years to his childhood sweetheart Lorraine. She is the mother of their five children. In addition to "Wendy" they had three more daughters, Pam, Lori, and Molly, and a son, Kenny. Though Kenny died in 2013, Dave's daughters still continue to own and run multiple Wendy's locations. Thomas also founded the chain "Sisters Chicken and Biscuits" in 1978, named in reference to his other three daughters and sold it for millions. As of December 31, 2018, there were a total of 6,711 Wendy's locations... Not bad for a high school dropout and kid with a rough upbringing. I would say Dave Thomas is a man that maximized his potential! What an amazing story.



*"If there are things  
you don't like in the  
world you grew up in,  
make your own life  
different."*

*Dave Thomas*



*signature program*

**Dave Thomas**  
**Foundation *for* Adoption®**

**CANADA**

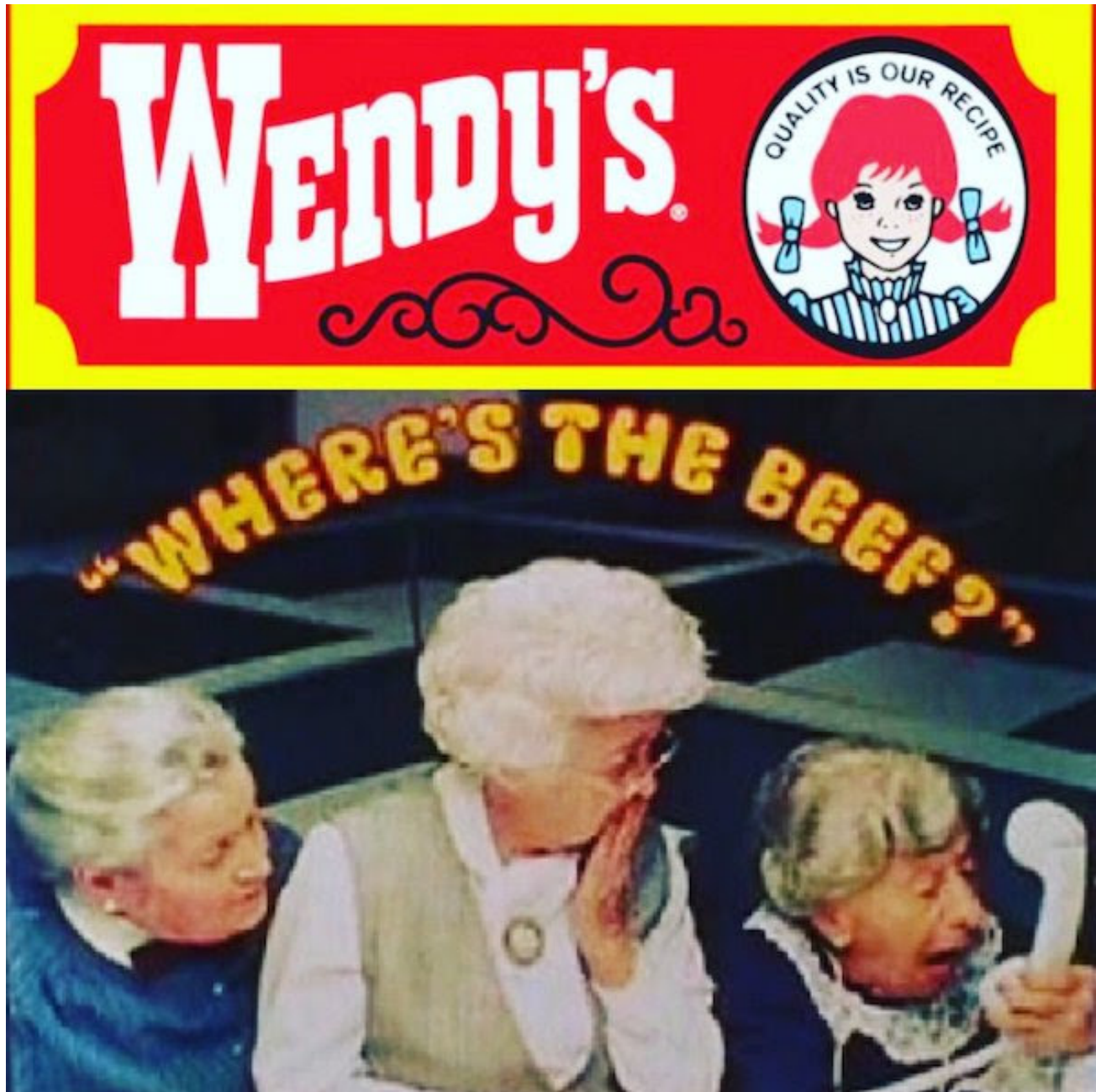




What's the secret to success? It's no secret. You need a winning attitude, honesty and integrity, and a burning desire to succeed.

— *Dave Thomas* —

**AZ QUOTES**



**ANSWER to riddle:** A shadow.



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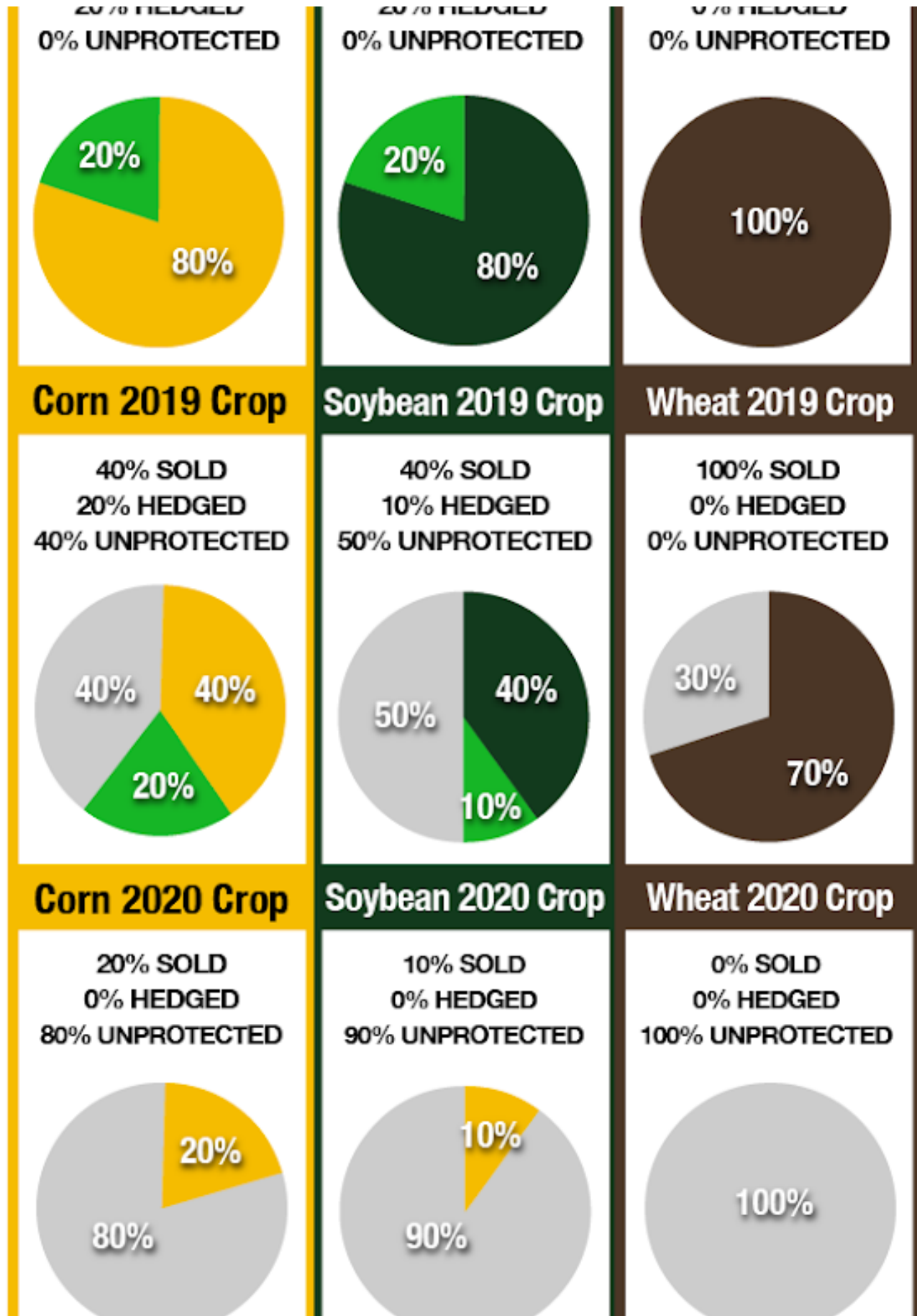
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## CASH SALES & HEDGING TOTALS

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Corn 2018 Crop	Soybean 2018 Crop	Wheat 2018 Crop
80% SOLD 20% HEDGED	80% SOLD 20% HEDGED	100% SOLD 0% HEDGED





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