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GOOD MORNING: The Van Trump Report 12-2-19

1 message

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

Mon, Dec 2, 2019 at 5:30 AM

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"Photography is an art of observation. It has little to do with the things you see and everything to do with the way you see them. " - **Elliott Erwitt**

Monday, December 2, 2019

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Morning Summary: Investors are eagerly heading into the last month of 2019 and the final leg of the decade. This should be a fairly busy week on Wall Street with a lot of interesting headlines and moving parts and pieces, i.e. on going trade negotiations with the Chinese, a new and perhaps more intense phase of the impeachment inquiry, OPEC's meeting about oil supply, as well as a few key readings on the U.S. economy. From what I understand, the three panels leading the impeachment probe plan to deliver a controversial document soon after returning from the Thanksgiving recess. The report will supposedly present the necessary evidence for impeaching President Trump to the House Judiciary Committee, which begins its own hearings on Wednesday, so the media continues to build the drama. It will be interesting to see how the market reacts. To this point it's been a non-event as the stock market continues to post new all-time highs. Globally, it sounds like Saudi Arabia is jockeying to extended oil-supply cuts, with many insiders believing it's an added attempt to help boost value of the

state-owned Saudi energy giant Aramco ahead of its scheduled public offering later in the week that is on course to break many records. Bottom-line, the OPEC meeting starts Thursday and will run into the weekend, energy traders are thinking the Saudi's are going to try and pressure other nations to keep reducing supply in an effort to tighten the global balance sheet and drive oil prices higher. The big question is if Russia will go along with the cuts? I should also mention, oil traders are paying very close attention to the resignation of Iraqi Prime Minister Adel Abdul-Mahdi following weeks of antigovernment protests. Oil bears believe his resignation will help stabilize the situation in Iraq but bulls see it as adding another layer of chaos in the region that could further threaten oil supplies and push prices higher. Here at home, traders are eager to see a few important U.S. economic reports. Remember, the Federal Reserve has cut interest rates three times this year, most recently in October, on worries that weakness in manufacturing, trade and business investment could threaten the economic expansion by triggering cutbacks in hiring and consumer spending. This week we will get the latest monthly employment report, some important manufacturing numbers and some additional reads on consumer confidence and overall spending. U.S. shoppers have been the economy's driving force over the past two quarters as business investment has declined. At this point, traders seem somewhat mixed regarding the extent to which consumers will be able to keep fueling the U.S. economy. Most retailers reporting quarterly sales have provided conflicting views. Department-store chains Kohl's, Macy's, Nordstrom and J.C. Penney have reported weak sales, but on the flip side, Amazon, Best Buy, Target, TJX, and Walmart have all reported better-than-expected sales. Today we get the U.S. Institute for Supply Management's Manufacturing Index and Construction Spending. With the manufacturing sector under close scrutiny, the ISM index will be one of the more highly anticipated reports this week. The index rose to 48.3 in October following a decade-low read of 47.8 for September. Services figures will follow on Wednesday. Don't forget, the majority of the trade is hoping to see a solid U.S. jobs report released on Friday. The Fed doesn't meet for a couple more weeks for their last scheduled policy gathering of 2019. At the start of last week, Fed Chairman Jerome Powell said, "as this expansion continues into its 11th year, the longest in U.S. history, economic conditions are generally good", so it's hard for me to imagine much change in overall policy. I continue to bank profits in some of my smaller and more diversified positions and add more length to my long-term favorites, i.e. Tesla, Chipotle, Facebook, Amazon, Goldman Sachs, Apple, Starbucks, Disney ... For what it's worth, I also started buying a bit of Uber!

"Great Recession" a Decade Ago is One Reason Your Christmas Tree will Cost More this Year: *Sprucing up your home may be a bit more expensive this Christmas. That's because the price of natural Christmas trees has been rising over the past few years, thanks to lingeringly tight supply in the wake of the Great Recession, as well as a labor shortage and inclement weather stunting harvests at some tree farms in Oregon, Michigan, North*

Carolina and Missouri over the past couple of years. The average live evergreen cost \$78 last year, which was up \$3 (a 4% increase) from the roughly \$75-per-tree price tag in 2016 and 2017, according to the National Christmas Tree Association. The trade group's seasonal spokesperson, Doug Hundley, told MarketWatch that he expects to see a similar pattern this year. So if prices creep up another 4%, the average tree would cost just over \$81. Yet some tree farmers in states whose crops have been hit especially hard have warned that tree prices could jump an extra \$20 or \$25. One reason for the shortage, a glut of yule trees 10 years ago came just as customers started tightening their budgets during the recession, which led to a surplus of trees and selling prices that were less than what the trees had cost farmers to produce. So growers planted fewer trees after 2008. Now, a decade later, that smaller crop of trees is being harvested for the holidays. Read more from [MarketWatch](#).

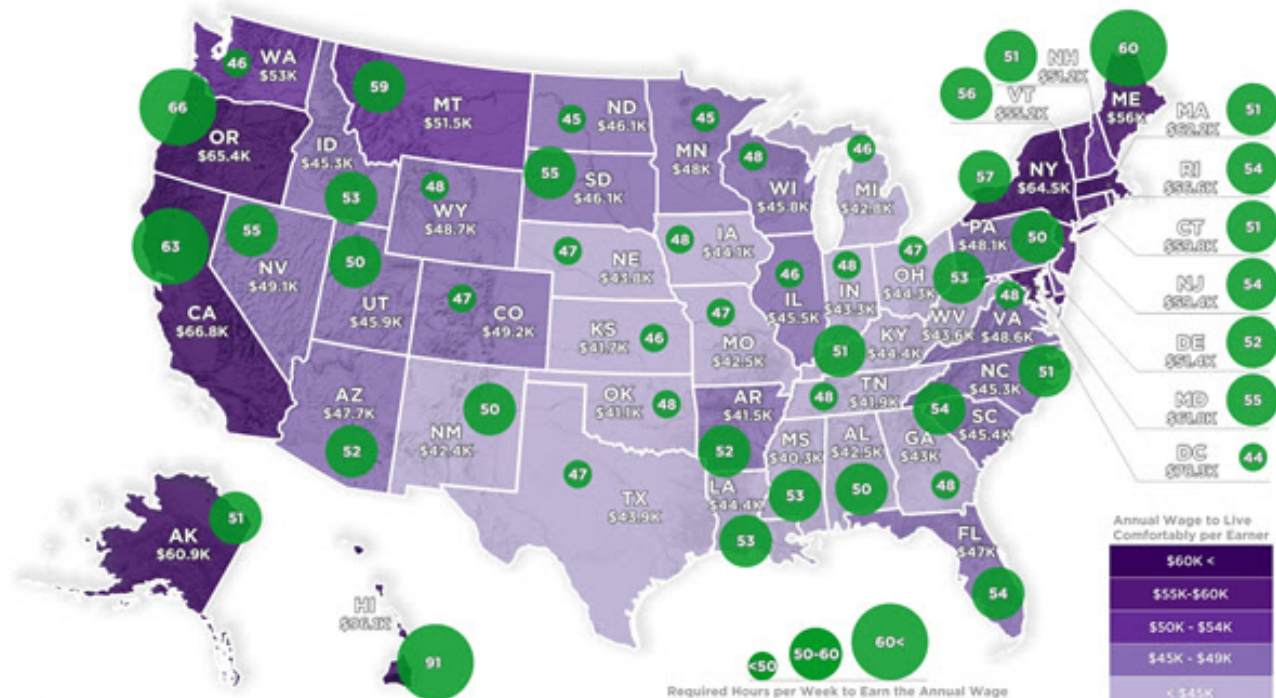
Online Holiday Shopping Off to a Record Start: *Thanksgiving day online sales hit a record \$4.4 billion, the first time the figure has ever surpassed \$4 billion, according to Adobe, which tracks purchases on over 4,500 retail sites in America. That's double a typical good day's sales, even in the holiday season. In comparison, there were only eight days between November 1 and the 27th that surpassed even \$2 billion. Adobe showed online Black Friday sales also hit a new record high of \$7.4 billion. At brick and mortar stores, Thanksgiving Day shopping figures were up +2.3% but Black Friday sales fell by -6.2%. Eight of the 10 predicted busiest shopping days of the year are still to come as the December holidays arrive, according to ShopperTrak. December 2, also known as Cyber Monday, is on track to break records as the biggest online sales day ever, at \$9.4 billion, based on Adobe estimates. (Source: The Wall Street Journal)*

The Cost of a Comfortable Living in America: *Do you make enough money to enjoy a comfortable life? Or are you just scraping by? If it feels like you can't ever truly get ahead, then you aren't alone according to the latest map from HowMuch on the cost of living across the U.S. Using the median wage for workers in each state vs the average annual consumer expenditures and adjusted to each state's cost of living, they calculated the number of hours needed to make a comfortable living. Hawaii is the single most difficult state for workers to get ahead, requiring \$96.1K to enjoy a comfortable life and 91-hour workweeks to get there. The states where a comfortable life is within reach stretch across the South. Mississippi is the most affordable at \$40.4K. Making that much money would require average workers to clock 53 hours. Kansas stands out as a reasonably affordable place to enjoy the good life (\$41.7K) without spending too much time on the job (46 hours). There isn't a single state in the country where an average worker can enjoy a comfortable living on 40 hours or less of work per week. North Dakota has*

the shortest required minimum hours at 45. The states where it's easiest to enjoy a comfortable living are shaded light purple and have small green circles. Click the map for a larger view. Read more [HERE](#).

The Cost of a Comfortable Living in America

Annual Wage to Live Comfortably by Earner & Required Hours per Week to Earn it



Article & Sources:
<https://howmuch.net/articles/cost-comfortable-living-america>
 Bureau of Labor Statistics - <https://bls.gov>
 MERIC - <https://meric.mo.gov>

howmuch.net

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Tweets of the Day

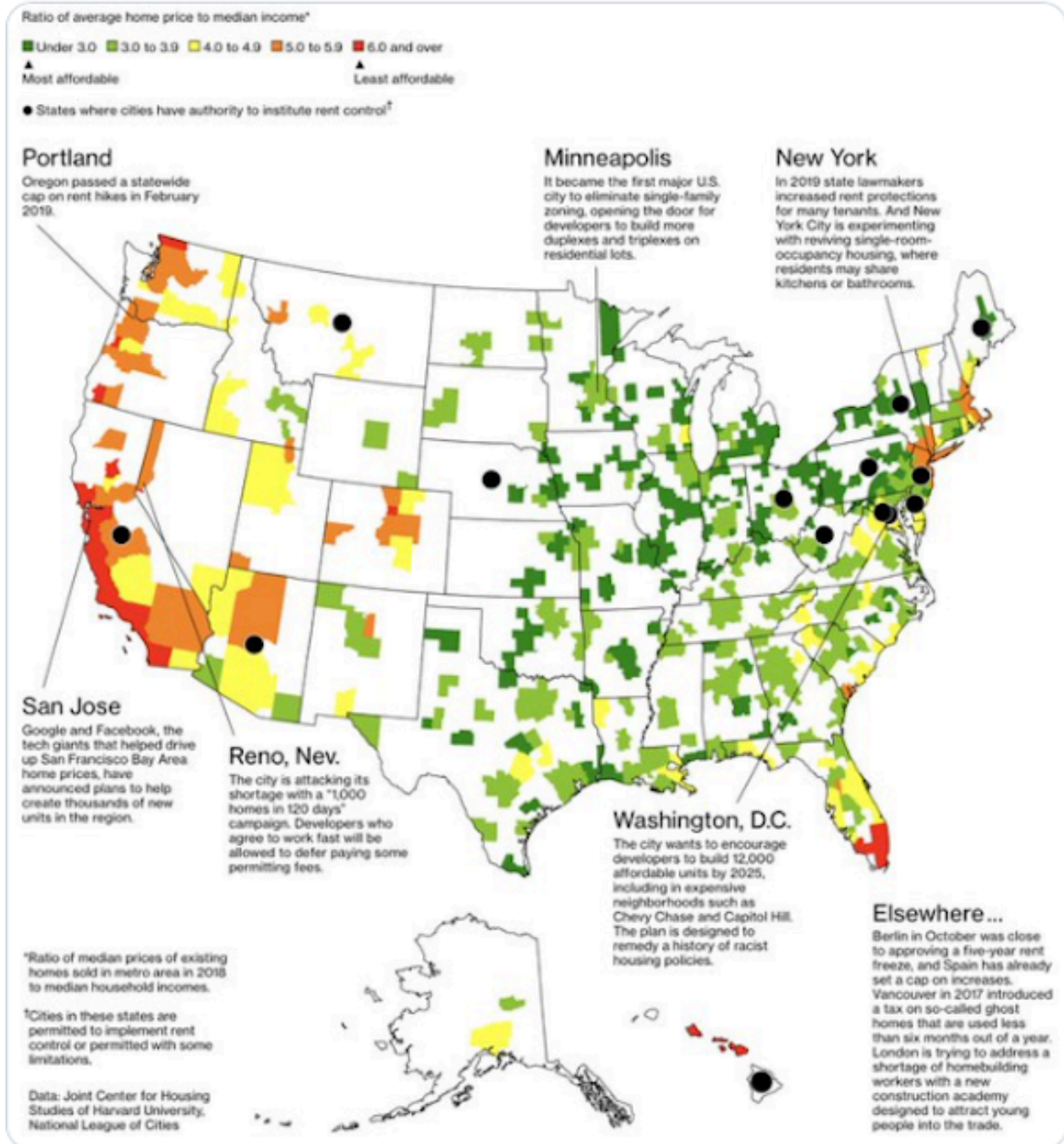




Barry Ritholtz ✓
@ritholtz



U.S. Home Prices Up 25% in 5 years dlvr.it/RGnWZX





Jon Erlichman ✓
@JonErlichman



An email in 2007 led to the creation of Airbnb

From: joe
Date: September 22, 2007
To: Brian
Subject: subletter

brian

i thought of a way to make a few bucks - turning our place into "designers bed and breakfast" - offering young designers who come into town a place to crash during the 4 day event, complete with wireless internet, a small desk space, sleeping mat, and breakfast each morning. Ha!

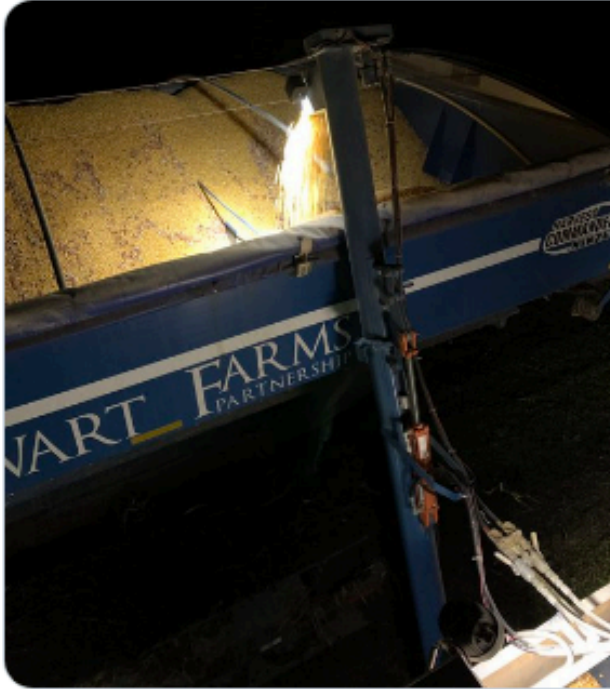
joe



Jared Fender
@jfender7710



Mudfest/plot harvest 2019 has been completed!





carly.martin
@carlyjill31



91 years old & in-home hospice care wasn't going to stop us from getting Grandpa in the combine again! His body may be weak but his mind is strong. He's one of the good ones.

#FarmStrong #AgTwitter #Iowa





Farmer Ted
@EvanEmray96



Didn't think I'd be helping the Arnold Boys pick corn over Thanksgiving break! [#Harvest2019](#) [#YearFromHell](#)





Joe
@quitbeingbroke



WTF Redneck Fails That Will Make You Think What's Wrong With The World? ow.ly/3xFN24 @joemonsen





Dawn

@dawnlovesdavid2



Today's inspirational quote.

“There is hope, even
when your brain tells
you there isn't.”

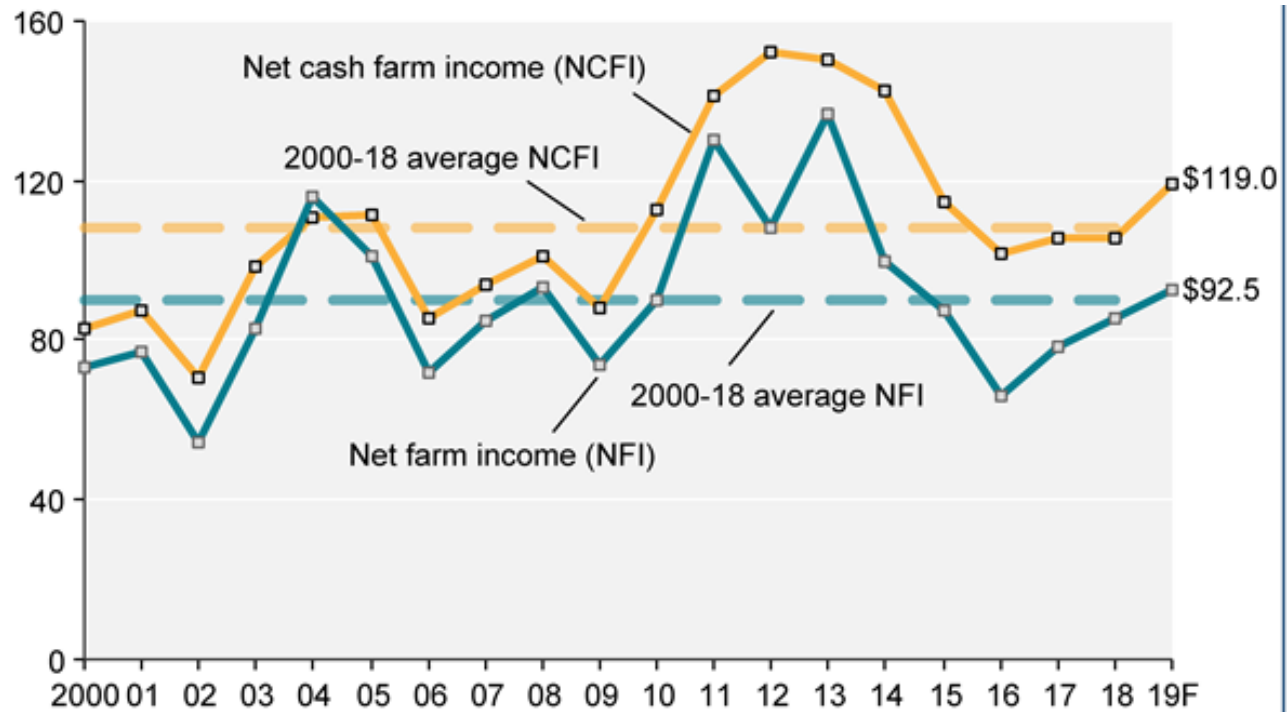
JOHN GREEN



Net Farm Income Up, Helped by Government Payments: Nearly one-third of projected U.S. net farm income this year will come from government aid and taxpayer-subsidized commodity insurance payments, according to a forecast issued by the USDA. The agency increased its net farm income forecast for 2019 by more than +10%, to \$92.5 billion, driven largely by the Trump administration's trade aid payments to farmers and federal insurance indemnities from extreme weather events, USDA Economic Research Service senior economist Carrie Litkowski said in a conference call with reporters. Without those payments, U.S. net farm income this year would have dropped by nearly -8%, to \$63.6 billion. Total direct payments to the nation's estimated 2 million farms are expected to surge to \$22.4 billion this year, a +64% increase over 2018 and the highest rate paid out since 2005, Litkowski said. Farm income also was boosted by an estimated \$6.5 billion paid out in federal commodity insurance indemnities, which does not include the premiums that farmers paid themselves, she said. That includes crop insurance payments Midwestern farmers received in the wake of record floods that devastated a wide swath of the Farm Belt this spring. The full report is available [HERE](#).

Net farm income and net cash farm income, 2000-19F

\$ billion (2019)

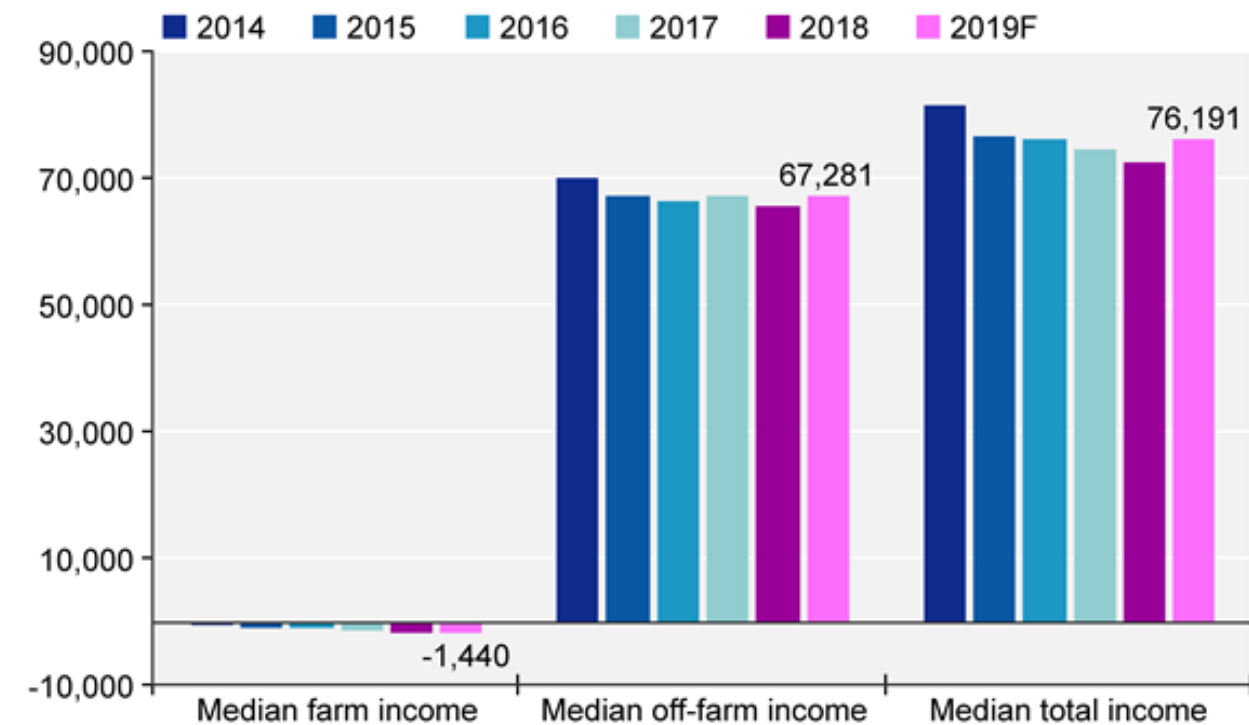


Note: F = forecast. Values are adjusted for inflation using the chain-type GDP deflator, 2019=100.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics. Data as of November 27, 2019.

Median farm income, median off-farm income, and median total income of farm operator households, 2014-19F

Dollars (nominal)

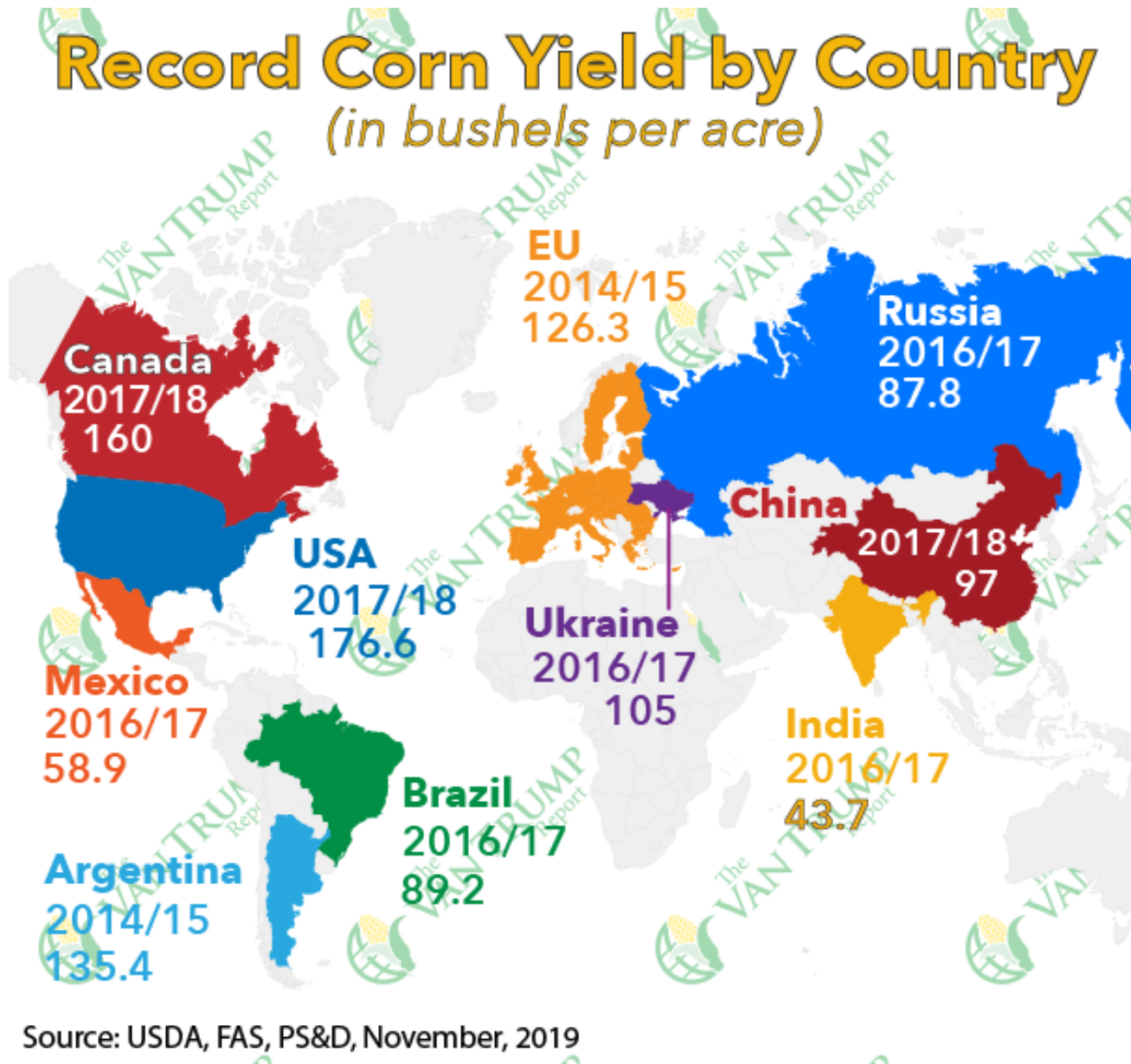


Note: F = forecast

NOTE: 1 - Forecast.

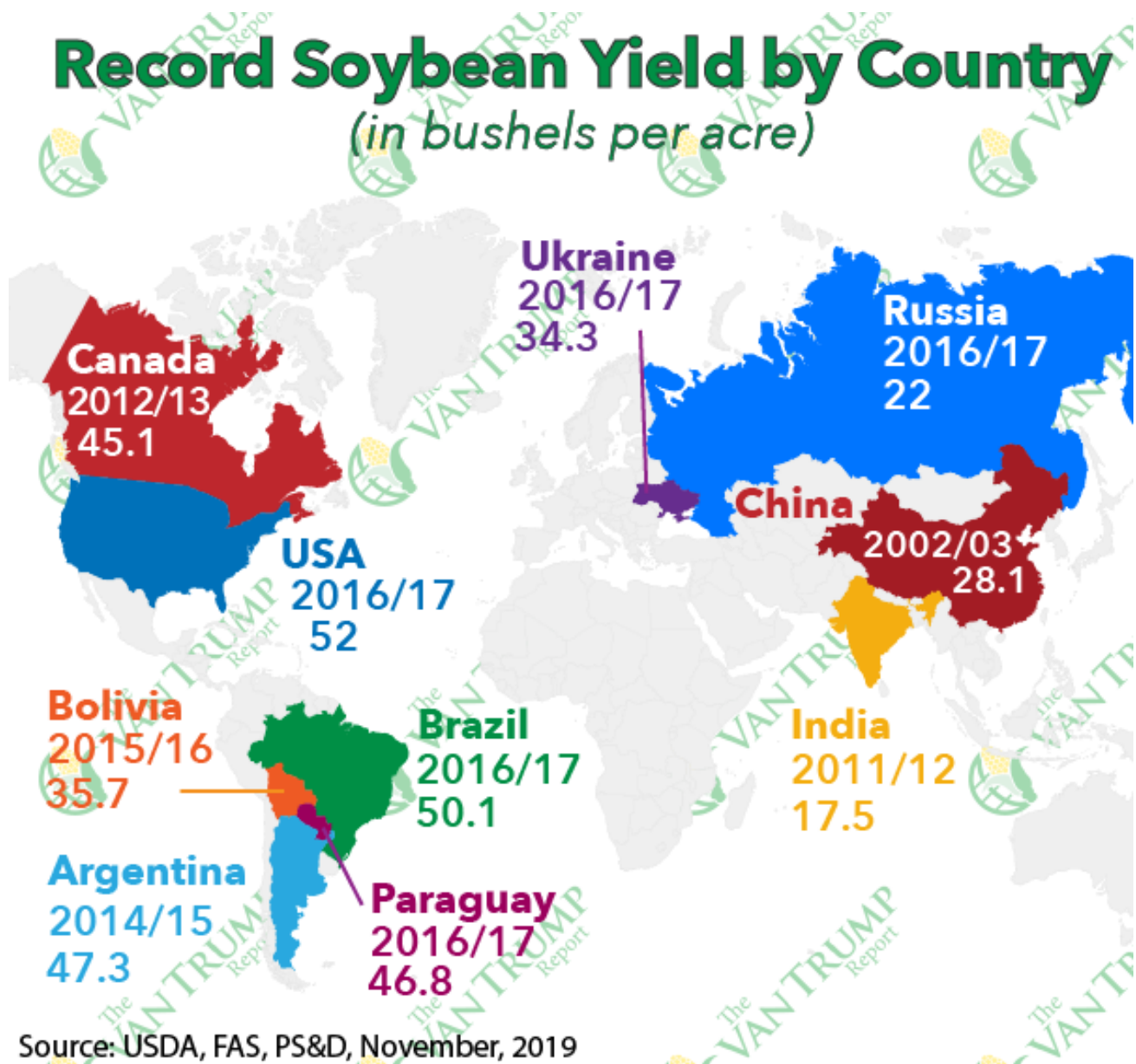
Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of November 27, 2019.

Corn bulls this week will be trying to break through technical resistance at the \$3.90 level in the MAR19 contract. Keep in mind, we haven't closed the MAR20 contract above \$3.90 since the first week in November. It would certainly go a long way to improving bullish momentum if we can clear this hurdle. I continue to argue that demand in both exports and ethanol is improving, but it simply might not be enough to do the heavy lifting needed to get us back above the highly important psychological level of \$4.00. In my opinion, we need to get prices back above \$4.00 in order to shake some of the strong fisted funds who are still holding large net-short positions. I'm just trying to figure out nearby what could provide that catalyst? Certainly some type of formal trade agreement with the Chinese, but lets assume that doesn't come to fruition for several more weeks. Now what? Brazilian weather has arguably improved and cash corn prices have been bid aggressively higher on record strong export demand. They are also starting to see a bit more competition for supply coming from the ethanol space. Net-net, the Brazilian farmer is seeing extremely strong demand for cash corn and probably itching to plant a few more second-crop corn acres. Without a Brazilian weather story of some sort this means more corn for Brazil and not a bullish catalyst. I could argue that both weather and politics could become much larger headwinds for producers in Argentina but it's still extremely early to have a ton of confidence in that bet. I think longer-term Argentine headlines could become a bullish tailwind but as of right now I think we are bit early. I could also argue there's a few problem areas in Europe and the Black Sea region worth closely monitoring but again that might be a bit of a stretch nearby. The upcoming December USDA report might offer a few surprises but I think most traders are looking for the end of year January report to hold more insight. In other words, I think the market continues to chop around the next few weeks searching for the next major catalyst. The MAR20 contract has essentially traded in the \$3.65 to \$4.10 range since mid-August. As a spec and an end user, I continue to like the thought of being a longer-term buyer if I can pick up some bushels at the lower end of that range. As a producer, I want to remain patient, hoping to price more bushels at the upper end of the range. It will be interesting to see how much corn is still in the fields for states like North Dakota, Michigan, Wisconsin, Illinois, Indiana, Iowa and Minnesota?



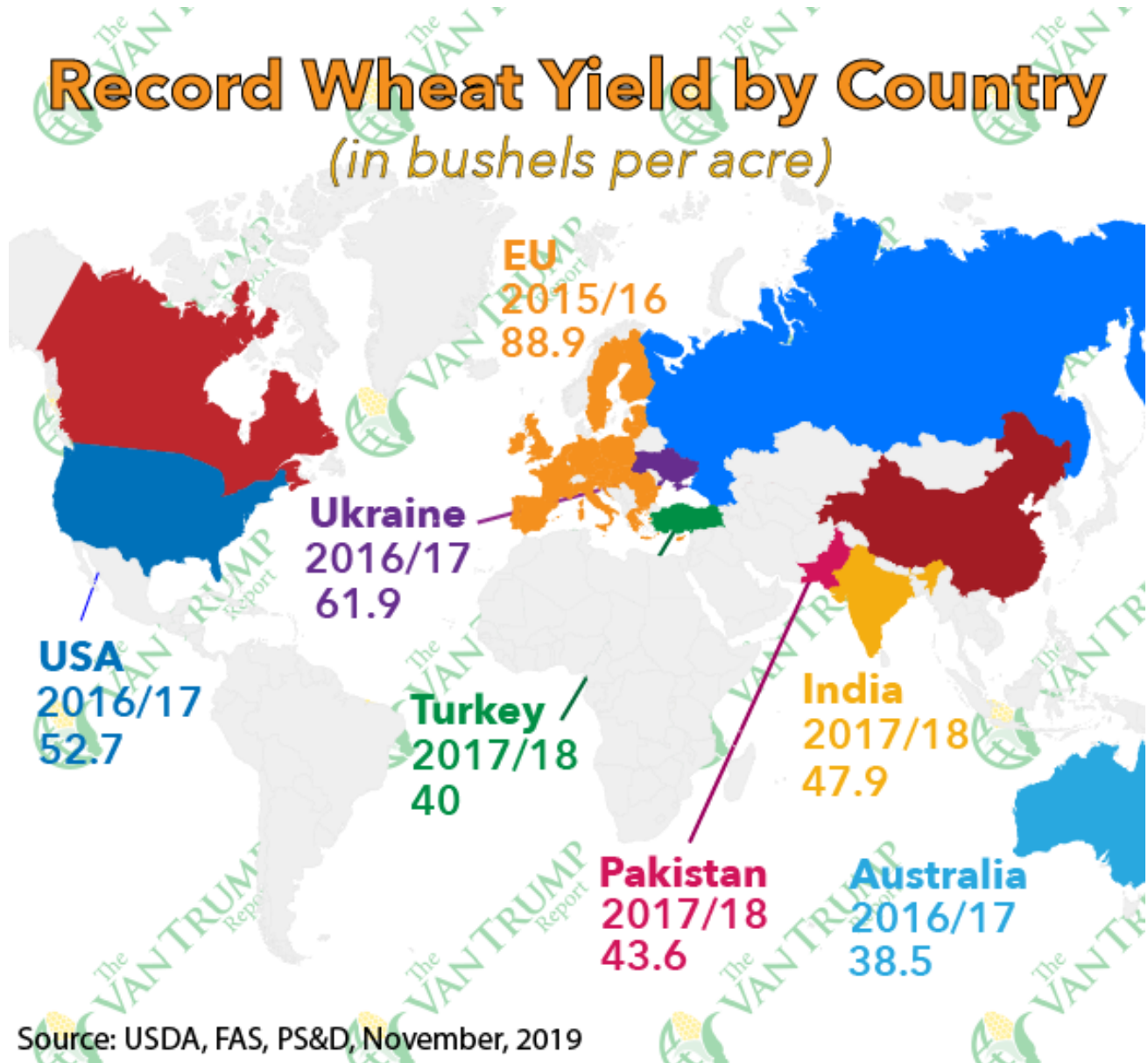
Soybean bears continue to point towards no official trade agreement between the U.S. and China, the world's top buyer of soybeans, as being reason enough to keep swinging their bat. Technically, the bulls wonder how much more damage can be done and how much lower the bears can pressure prices? The bears trimmed over -65 cents from the JAN20 contract just this past month. There's some talk bears have their eye on the low posted in the contract back in mid-September at \$8.65. That seems a bit extreme to me on the downside with "Phase 1" of the Chinese trade talks still in the table, a lot of weather still in play for South America, and the U.S. balance sheet sub-500 million and perhaps shrinking? As a spec, I like the thought of dipping a toe in the water as a longer term bull somewhere between 8.60 and \$8.80 per bushel. I certainly don't want to get over-extended or over-committed to the position but rather taking small bites on any additional major breaks in price. As a producer, I'm fully committed to playing the

waiting game and in no hurry to sell more new-crop with prices sub-\$9.00.



Wheat bulls are looking at multi-month highs in the Chicago SRW contract. The MAR19 SRW wheat contract hasn't traded to these levels since mid-July. If you're a producer who still has some unpriced bushels this might be your window of opportunity to feather in a few cash sales. Bulls continue to point towards ongoing complications and production problems in parts of Argentina and Australia. The global balance sheet could become much more interesting as Australia perhaps moves from a net exporter to net importer of wheat. Bulls are also keeping a close eye on the European Union, especially in areas of France where the crop struggles to get planted. Here at home there's also some areas of concern. Bears point to the fact conditions in both Russia and India have improved and production should be more robust. As I've mentioned several times the past few weeks, I would be

very apprehensive shorting SRW wheat or trying to short spread against it. I know being long Minneapolis spring wheat vs. short SRW looks enticing but I still see it as highly dangerous. As a spec, I like the more simplified play of being long spring wheat in the \$4.65 to \$5.15 range. As a producer, SRW wheat bushels certainly need to be considered. HRW and spring wheat prices are still too low for me to make any new cash sales so I have to stay patient.





> EU Lawmakers Clear U.S. Beef Imports but Fault U.S. Tariffs: *European Union lawmakers approved an increase in U.S. beef imports to the EU on Thursday, a move likely to ease transatlantic tensions. The vote came with a resolution urging the removal of U.S. tariffs on EU steel and aluminum, and the withdrawal of Trump's threat to raise tariffs on EU cars. The agreement on beef is designed to settle a dispute that dates back to 1981 when the EU banned the use of growth hormones in meat across the 28-nation bloc, including in imports. The EU and the United States eventually concluded an agreement in 2009 to grant a quota for hormone-free beef imports, which currently stands at 45,000 metric tons. However, under World Trade Organization (WTO) rules, the quota also had to be made available to non-U.S. suppliers. Exporters from Australia and Uruguay, and more recently Argentina, decided to sell into the quota, pushing the U.S. share from nearly 100% to 30%. Under the revised deal, to which the other countries had to agree, U.S. farmers will gain an initial 18,500 metric tons of the quota, rising to 35,000 metric tons after seven years. (Source: Reuters)*

> Brazil Corn Demand to Jump in 2020: *Domestic demand for corn is expected to grow 6% in Brazil in 2020, driven by increasing corn-ethanol production and buying from the meat industry, Dutch bank Rabobank projected. That outlook would likely reduce exports from one of the world's top corns exporter next year, opening room for the United States and other players, Rabobank's grain analyst Victor Ikeda said. "Corn ethanol producers alone are expected to demand 2.5 million metric tons more corn in 2020, as several projects start production," Ikeda*

said, estimating total demand for corn in Brazil reaching 68 million metric tons. The bank expects Brazilian corn exports to fall to around 30 million metric tons next year from a record near 40 million metric tons in 2019. Read more [HERE](#).

> EPA to Finalize Rule to Reallocate Biofuel Blending Requirements: The EPA typically releases its final rule for annual biofuel blending mandates under the Renewable Fuel Standard the day before or after Thanksgiving — but the agency said last week that it won't complete this year's final rule until the winter. The agency issued a supplemental RFS rule this year, throwing a wrench into the usual timeline. "The comment period on EPA's October 15th supplemental proposal will close on Friday, November 29th, after which the agency will review and respond to all comments and hopes to finalize the rule this winter," EPA spokesperson Michael Abboud said in a statement. The White House is still getting an earful from biofuel advocates over the proposal. More than 800 advocates for biofuels signed comments to the U.S. Environmental Protection Agency in support of keeping the provisions of the federal Renewable Fuel Standard in place and enforced, according to officials with the Iowa Renewable Fuels Association. The signers urged EPA officials to "stick to President Trump's deal" — 15 billion gallons of biofuels per year — and ensure biofuel demand is not destroyed by small refinery exemptions to the Renewable Fuel Standard, according to an association statement. In the past three years, according to the association, EPA officials have granted 85 small-refinery exemptions, effectively cutting more than 4 billion gallons of biofuel demand. (Sources: Politico, Biofuels International Magazine)

> Deere Warns of Lower Profits in 2020 on Lingering Trade Tensions: Deere & Co. last week warned of lower earnings next year after reporting a fall in quarterly profits, hurt by trade tensions as well as poor weather in the U.S. farm belt that has slowed equipment purchases by farmers. In response to an "uncertain" business environment, the company announced a voluntary separation program for its salary employees, which is estimated to cost it about \$140 million next year, but is projected to contribute to annual savings of \$150 million. The world's largest farm equipment maker said it was also reviewing its overseas footprint and would focus on growing its more profitable parts and services business. Deere expects net income of \$2.7 billion to \$3.1 billion next year, lower than \$3.25 billion in 2019 and compared with Refinitiv's average analyst estimate of \$3.5 billion for 2020. Deere has cut production and laid off workers to keep a lid on costs in the face of weak demand. It expects global agriculture and turf equipment sales to decline -5% to -10% next year. Industry sales of farm equipment in the U.S. and Canada are forecast to decline about -5% on lower demand for large equipment. Adjusted profit in the latest quarter came in at \$2.14 per share, down from \$2.30 per share last year. (Source: Reuters)

> Wisconsin "Lemon Law" for Farm Equipment Introduced: A lemon law proposal for agricultural equipment has been introduced in Wisconsin. State

Senator Jerry Petrowski says his bill would give buyers and leasers of implements of husbandry the same protections Wisconsin car and truck buyers get. The proposed law would require the manufacturer or their dealer to repair problems with tractors, combines, and other farm machinery, and if there are four or more complaints about the same problem OR the machine is out of service for 30 days, the consumer can get a refund or replacement. The Tennessee Farm Bureau says the federal Magnuson-Moss Warranty Act of 1975 provided some federal warranty standards, but several state lemon laws provide consumer protection by forcing manufacturers to fulfill their warranty in a certain manner. Lemon laws for farm equipment are already on the books in several states. The first one covering tractors passed in Minnesota in 1986. You can listen to the full story over at [Brownfield Ag News](#).

> Millennial Farmer Makes 5 Times More Money from YouTube Channel than His Crops: *Zach Johnson, 34, is used to talking into a camera held in one hand as the other helps direct his nearly 400,000 YouTube subscribers around the farm. Johnson's "Tractor Stuck in the MUD" video has garnered over 1.6 million views (his most viewed video yet) since he uploaded it in early June, but it's just another day in the life of the fifth generation Minnesota farmer — better known on YouTube as MN (Minnesota) Millennial Farmer. He credits this video's popularity to its "good three-act narrative," complete with a setup, a conflict and a resolution. "That's my theory anyway," Johnson says. Johnson declined to comment on actual revenue numbers, but tells CNBC Make It that this year, the MN Millennial Farmer social media brand will make him at least five times more money than his actual crops. The farmer and now social media influencer never expected to make any money when he uploaded his first farming video three years ago. So how did the hobby become a lucrative success? Read the interview over at [CNBC](#).*

> The Search for Tastier Grocery Store Tomatoes is Closing in: *If you've been unimpressed with some grocery store-bought tomatoes, there's probably a reason for that. "After World War II, breeders really intensively focused on improving varieties, increasing yield, getting disease resistance. Flavor has been neglected and it's deteriorated dramatically," in the words of Harry Klee, professor of horticultural sciences at the University of Florida. It's not that tomato breeders didn't care about flavor, it's that it was hard to track. Unlike disease, which can be controlled by one or two genes and move visibly and discretely from one generation to the next, flavor is controlled by at least thirty genes. If one or two didn't get passed on to the next generation, it was hard to tell. "If you're ignoring certain traits, there's a potential you can lose those traits," said David Wolff, a breeder at Sakata Seeds. One by one, over generations of tomatoes, flavor-related genes slipped out of the DNA of a lot of tomato varieties as other qualities — pest resistance, disease resistance, shippability, shelf life, thicker skins — were bred in. But over the past few decades, an effort to recover tomatoes' lost essence has intensified. Read all about it from [Marketplace](#).*

> Thieves Took \$49 Million in Ethereum from Crypto Exchange: *South Korean crypto exchange Upbit has confirmed that 342,000 Ethereum coins, worth about \$49 million, were transferred from its wallet to an "anonymous wallet" (read: a thief) on November 27th. The exchange quickly suspended all crypto deposits and withdrawals and moved all assets to offline wallets that couldn't be attacked. Upbit said it would "immediately" replace the missing Ethereum with its own assets, but that it would take two weeks before deposits and withdrawals would resume. The exchange encouraged community members to block deposits from the offending wallet, but didn't have leads to identify the owner. There's a wide range of potential candidates. It could be typical online criminal organizations, an inside job, or nation states hoping to pad their funds when sanctions leave them cash-strapped. (Source: Coindesk)*

> George H.W. Bush Children: What Out Dad's Life Taught Us: *Despite the very public nature of his role, our father, the late President George H.W. Bush, was a humble man who preferred to keep the spotlight off himself. However, now that we find ourselves upon the first anniversary of his passing, we wanted to take a moment to share more about the legacy of kindness left behind by the man we knew simply as Dad. Read the full letter [HERE](#).*

> Bulldog "Thor" Wins the National Dog Show: *Last year, the top dog at the National Dog Show was a sleek, elegant whippet named Whiskey. This year, the judges went in the opposite direction: A stout, chunky little bulldog named Thor, a.k.a. "GCHG Diamond Gold Majesu Pisko Bulls." Thor beat out more than 1,900 dogs to take best in show at the show presented by the Kennel Club of Philadelphia. With his adorable waddle and Winston Churchill looks, the dog won over the judges and the fans— although his selection was a surprise to his handler. He tipped over from a crouch when Thor was named the overall winner. It's also a big victory for all the bulldog lovers in the country — the breed is the fifth most popular in the United States, according to the American Kennel Club. (No. 1? Labs, America's favorite dog for more than two decades.) Thor, a 2-year-old male, is already a champion on the professional dog circuit with several best-of-shows to his name, but this win makes him the star of the most popular dog show in the world. More than 20 million people (and, no doubt, their favorite canine buddies) spend two hours of their Thanksgiving curled up on the couch watching their favorite breeds skip across the screen. The Philadelphia canine contest was supposed to be a one-time experiment to boost sagging midday ratings on Thanksgiving. The Kennel Club of Philadelphia, which has been hosting dog shows since 1876, agreed to participate with NBC, and Purina signed up as lead sponsor. It succeeded beyond all expectations, drawing millions of viewers of all ages from the first year. This year's finalists — seven dogs who won the best of their group — included Thor, who won the non-sporting group. The show runner-up was GCHP Oestes in the Name of Love, a Havanese representing the toy group*

who is currently ranked No. 1 show dog in the world. (Source: The Washington Post)

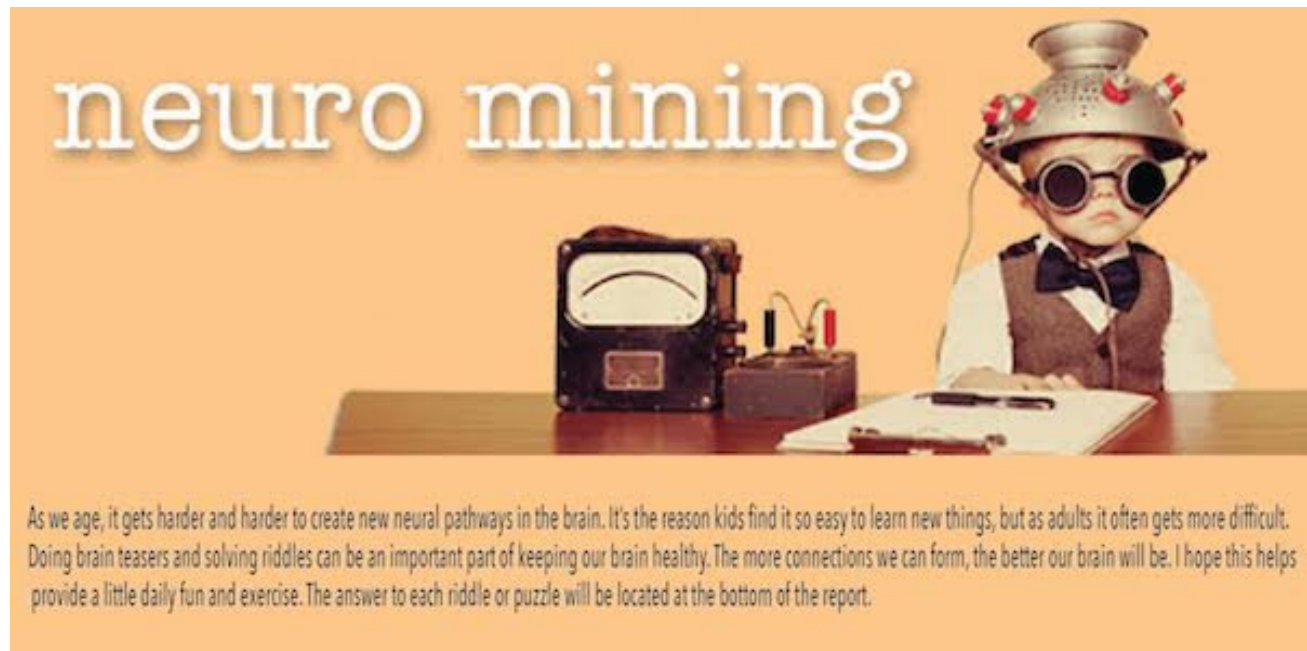




Northeastern Missouri - *If guys aren't done with harvest here it's because they are dragging their feet. We have had ample days to finish two times over. Most of the guys I know are attempting to beat the weather by planting cover crops or knifing on anhydrous. The ground is dry enough to do either right now. Unlike last year, we will finish most if not all our field work. We have been consistently pushing 45-60 degrees most days. We will have some delay due to rain and drizzle over Thanksgiving but we should be right back out there the following week. Temperatures should maintain for at least a couple more weeks.*

Southwest Minnesota - *Our area saw nearly every weather condition imaginable this year, and some of us here are jokingly waiting for the plague of frogs to finish things off. We did finish our own harvest a couple weeks ago and got the last of our custom work done after that. We finished as 4 inches of wind-driven snow hit us, making tillage a challenge, but I'm going to give it a shot. I'm hearing many others have had the same marketing train wreck we did this season. Between our waiting for things to get better and trying to get our harvest in, we had a first in 27 years as we put our beans under contract. We got bills, operating expenses and next seasons inputs taken care of, so now we wait for all the politics to settle and hope prices head north. I did not have to take insurance on my beans thanks to being spread out over 40 miles and having one big spread be in the right spot, which averaged us right at the insurance level. Our corn wasn't even close to making their bushels as we average 195 and hit 65 this year after a double whammy of wind. There was a huge bidding war around here between the four ethanol and four feeding facilities and basis is still strong around 10 over. We really believe corn markets have to head north soon!*

Northeast North Dakota - *We are trying to pick as much corn as we can pick before the storm moves in and dumps 8-12 inches of snow. Right now our corn that we are delivering is getting docked a dollar. We are binning most of the corn in the hope the test weight comes up a point or more. They are docking 20 cents for FM. Most of the time we don't ever see FM dockage but this year there's just a lot of damage. It might have to do with the light test weight or early frost that we got, it's hard to tell. It's either slow down the thrasher and kick it out the back of the combine or break kernels and get docked. Pick your poison. According to the USDA we are going to have a lot more of on farm storage if they count the corn left standing, because there will be a bunch of it, at least here.*



TODAY'S RIDDLE: What has ten letters and starts with gas?



Top Food and AgTech Investors Share Thoughts & Insights!

New research published by technology incubator Idea2scale and Agri-FoodTech venture capital firm AgFunder has revealed what Food & AgTech investors are most interested in. I think it's important that we stay ahead of the changing trends in our industry and pay close attention to the investments being made in "food and agtech" as they will create more dynamic downstream opportunities and could dramatically impact our traditional farming business. You can access the full report [HERE](#). (Source: [agfundernews](#), [ideatoscale](#), [agfunder.com](#)) Below are a few interesting findings:

Ag Biotechnology, which includes on-farm inputs for crop and animal ag including genetics, microbiome, breeding, and animal health is again the most popular category for VC funding.

Innovative foods are the second most popular areas investors are looking at, including the alternative protein section and lab-grown meats. Keep in

mind, following the surprising, but impressive Beyond Meat IPO, the segment looks to grow from \$4.6 billion a year ago to over \$85 billion by 2030. Nearly 34 million U.S. adults already describe themselves as "flexitarians", or folks who don't have to eat meat each day.

Farm management software, sensing, and IoT, *was the third most popular with 45% of VCs investing in the category.*

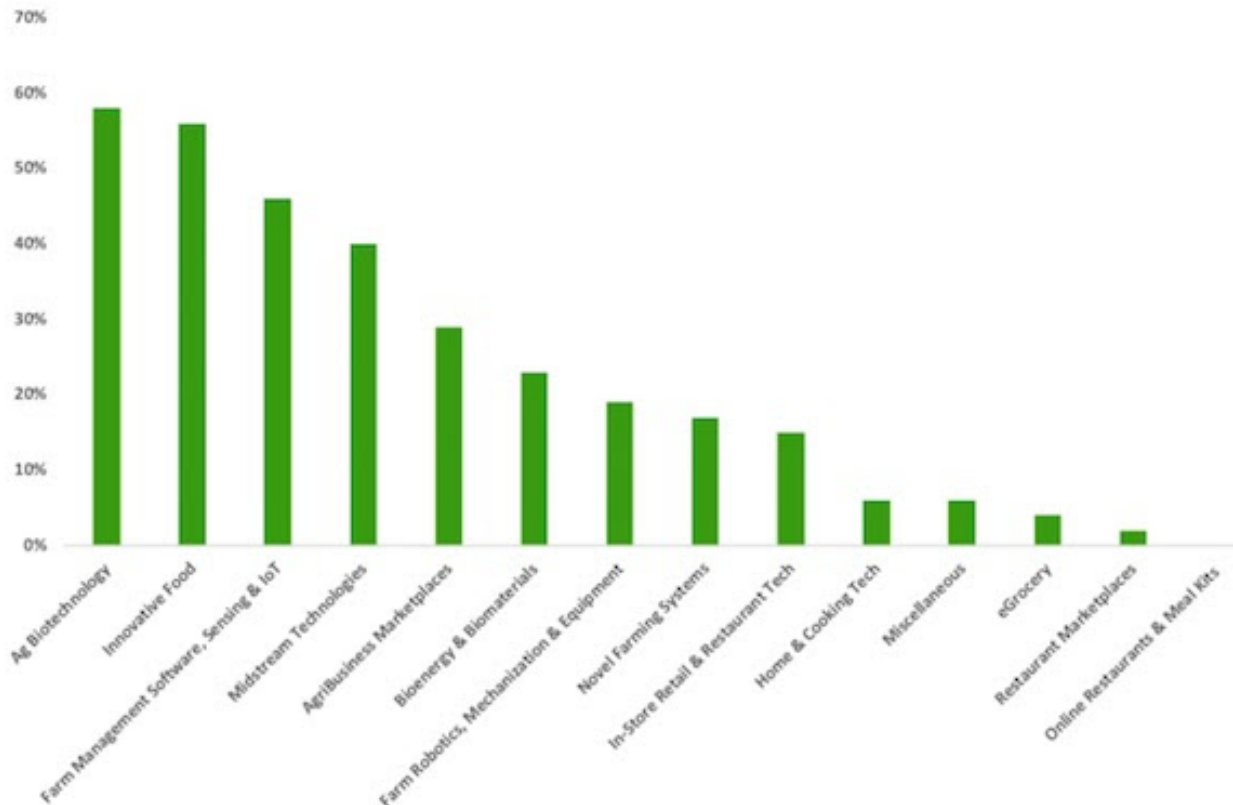
Asia, *despite the trade battle, is still considered to be what most investors are excited about. It's worth mentioning, by 2030, the OECD predicts that Asia will be home to two-thirds of the world's middle-class, representing a +500% increase in just 20 years. I'm told this trend is reflected in consumption forecasts, with Asia set to account for +60% of global consumption, while the European and U.S. share is predicted to drop from 64% in 2010 to around 30% by 2030.*

Investors *look at an average of 78 deals for every one investment they make. Over +50% of investors agree that the number one reason for passing on a deal is the team or their lack of certain skills.*



What's Hot?

Top Categories Getting Investors Excited in the Next 12 Months



UFO Fund Provides a New Way to Invest in Space

Investors with an interest in "the final frontier" might want to check out the ProcureAM Space ETF, which launched (no pun intended!) in April of this year. The fund claims it's the first of its kind to focus solely on the space-related economy. Trading under the clever ticker UFO, the fund tracks the S-Network Space Index, the first Certified Space Data Product™ to be recognized by the nonprofit Space Foundation, for whatever that might be worth to you.

Procure's website says it "may provide diversification beyond the limitations of solely earthbound companies." In keeping with the fund's pure-play nature, it invests 80% in companies that generate at least half their revenue from space-related activities. Those activities include things like operating satellites and making products that go into space. Most of those that qualify are pretty obvious. Intelsat and SES for instance, operate communications satellites; Lockheed Martin builds both satellites and spacecraft; Raytheon has an extensive aerospace

program. As Procure explains, for companies whose products and services are solely used on the surface of the Earth, space must play an essential role in the business in order to be classified as "space-related". For example, a GPS smartwatch is not a viable product without its GPS satellite connectivity, while a car with GPS navigation can still serve its basic function without that space-related perk.

I ran across an interview with Andrew Chanin, CEO of ProcureAM and the man behind the Procure Space ETF, where he was explaining some of the changing economics of the space industry. The biggest is how government agencies like NASA are no longer the sole institutions investing in space. In fact, they are investing more and more of their funding into commercial businesses via various partnerships that can help them meet their goals. For example, in 2018, NASA awarded \$44 million to private companies through its "Tipping Point" program, which is intended to help the commercial space industry push next-generation technologies over the finish line. The agency's 2020 budget request of \$21 billion sets aside \$363 million specifically to help companies develop "a large lunar lander." Additionally, NASA has nine companies competing for up to \$2.6 billion in lunar transportation contracts.

Industry analysts point out that new NASA administrator Jim Bridenstine in general wants to increase the use of commercial partnerships. One of the key motivating factors is to accelerate development and improve efficiency. In just the past year, NASA has moved two of its missions to commercial options: Lunar Gateway's "power and propulsion element" and the Europa Clipper mission to Jupiter, planned for 2023. Chad Anderson, CEO of the angel investor fund Space Angels, explains that the agency recognizes private companies have real capabilities and they can deliver at a cheaper price point.

Another interesting line item in NASA's proposed budget - \$3 million for what's called the Communications Services Program, which would replace the government run Space Network with commercial communications services and capabilities.

\$3 million isn't a ton of money, but ProcureAM's Chanin points out that people don't give NASA enough credit as to how valuable \$1 of their spending can be. "It's come out in various reports showing that \$1 that NASA spends actually shows \$8-10 in growth." That's growth in the overall economy, not individual companies, but it does illustrate that NASA tends to invest in good ideas. Think of GPS satellites that we use for everything from weather forecasting to surveillance and intelligence services.

UFO has a ton of satellite companies in its mix, but Chanin says as the "space race" gains momentum, he expects the ETF will also. "This industry will likely change over the years. The index provider is aware of that, so they're already

looking for companies that are going to be doing things in the militarization of space, in more space transportation and hospitality as well as infrastructure building.” Chanin also believes that as NASA continues to support commercial interests, it will help expand the whole industry. Another interesting bit of data - according to the Space Foundation, the global space economy reached \$414.75 billion in 2018. Morgan Stanley expects that value will triple to nearly \$1.1 trillion by 2040. At just over \$12 million in assets, the UFO ETF is small relative to the overall ETF space. It's also pretty cheap, trading around the \$25 range.

As always, you should consult with an advisor to determine if an investment is right for you and your financial goals. (Sources: CNBC, Benzinga, NASA)





Billionaires that Did NOT Graduate High School

After writing and researching the story about Andrew Carnegie last week, I became intrigued by the fact he was yet another billionaire who cut ties with traditional schooling early. Notice how I did not say stopped his quest for learning but rather broke free from traditional schooling.

I often wonder if traditional schooling doesn't at times tie people down and restrict their thinking? Conventional and normal decision making generally tends to produce conventional and normal results. I'm a huge proponent for literacy and the constant grind for improving your intelligence, but I'm not necessarily a huge fan of becoming really good at following directions. I kind of feel that's what traditional schooling has moved towards, i.e. coloring inside the lines, staying compliant, following directions, memorization, and very little room for originality or creative thoughts.

I'm certainly not urging or encouraging anyone to drop out of school because I don't know a better solution. I actually have a degree in education, but I've often wondered if our traditional schools have become more about babysitting and falling inline than working to create great leaders and independent thinkers? Below are a few billionaires besides Andrew Carnegie that dropped out of school early:

Henry Ford left the family farm when he was 16 to relocate to Detroit. He became an apprentice in a machine shop and later chief engineer at the Edison Illuminating Company. Ford built his first car in 1896 and would go on to revolutionize the assembly line. Not bad for someone who had no formal education in science.

Amancio Ortega, at around the age of 14, Amancio Ortega left school and began running errands for local shops. In 1975 he founded Zara, which would become an empire in the fashion world by expanding aggressively and controlling much of its own supply chain. Today, Ortega is the richest man in Spain with a whooping \$74 billion net worth.

Kirk Kerkorian dropped out of the eighth grade, became an amateur boxer, World War II fighter pilot and mega-resort tycoon. It all began when Kerkorian purchased a piece of land in Las Vegas in 1962 and opened the original MGM Grand seven years later.

Francois Pinault is often considered one of the richest individuals in France, who has holdings like Gucci, Christie's auctioneers, Samsonite and Puma, left his private school in 1947 because his classmates made fun of his poor background. Pinault worked in his father's lumber mill and now has an art collection that contains more than 2,000 works and is worth billions.

David H. Murdock left school in the ninth grade and worked at a gas station until he was drafted into the Army in 1945. After returning from World War II, Murdock purchased his first business, a diner in Detroit. He flipped the diner several months later and made a \$700 profit. In 1985, he acquired Hawaiian real estate outfit Castle & Cooke, which owned fruit company Dole. Dole became the world's largest fruit and vegetable producer.

Richard Branson is one of the most recognizable billionaires in the world before that however he struggled with dyslexia and dropped out of school when he was just 16. He soon founded his first business, a mail-order record retailer called Student Magazine. That company would become the Virgin Records stores and music label. During his career, Branson has overseen approximately 500 companies.

Carl Lindner Jr. dropped out of school to deliver milk for his family's dairy company at the age of 14. Lindner opened up an ice cream shop with his two brothers that became the United Dairy Farmers chain, which operates around 200 stores. In 1984, Lindner purchased Chiquita Brands International. In 1999, he became part owner and CEO of the Cincinnati Reds.

College Dropouts... Steve Jobs, Bill Gates and Mark Zuckerberg all left college before they could collect their diplomas. A few other famous modern-day college dropouts include:

Michael Dell, dropped out of University of Texas at Austin his freshman year at the age of 19. He would go on to found Dell Technologies.

Steve Jobs, the founder of Apple left Reed College when he was just 19, reportedly because it was too much of a financial burden for his family.

Bill Gates, the founder of Microsoft, left college after just two years and went on to become the richest man in the world.

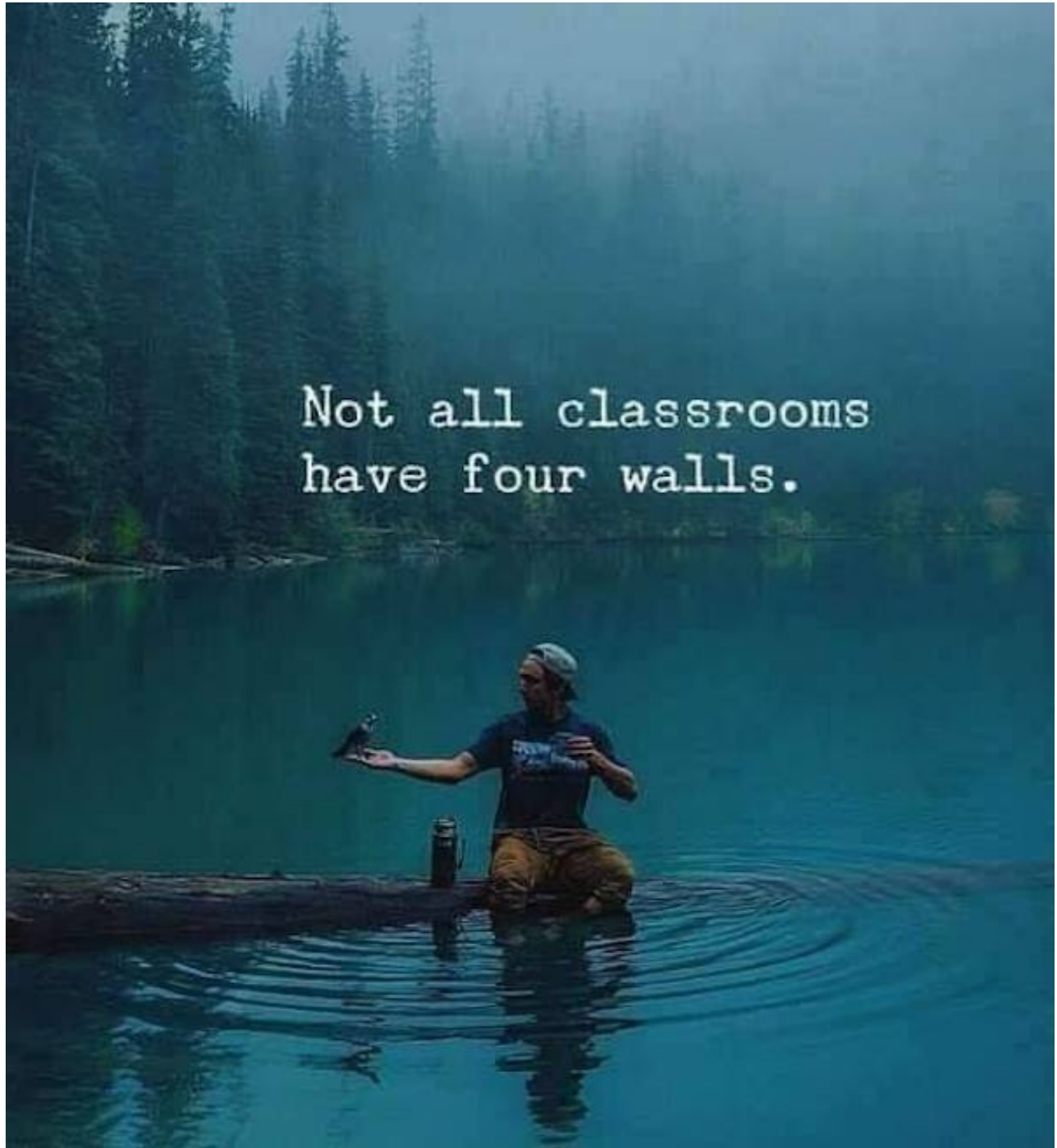
Evan Williams, co-founder of Medium and Twitter. Evan grew up in Clarks,

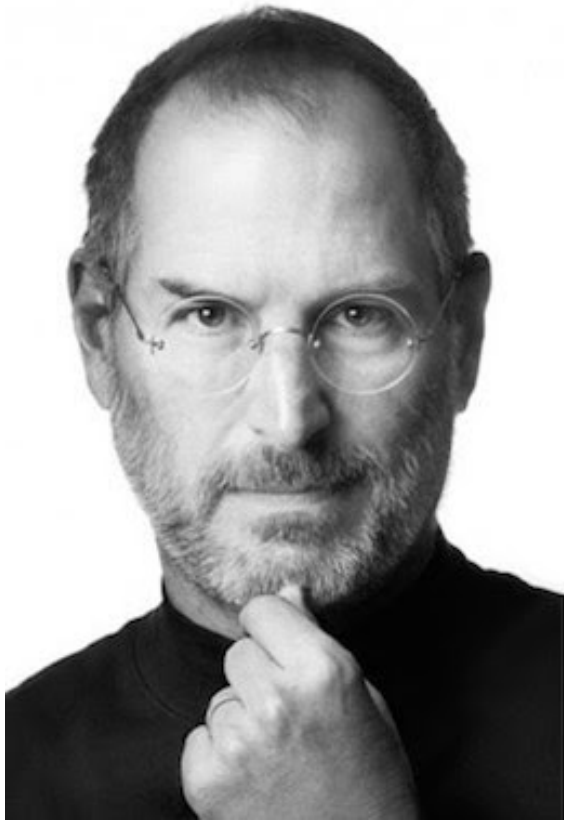
Nebraska, where his family ran a farm. He attended the University of Nebraska at Lincoln for three semesters before dropping out. Williams was a freelance software programmer for Hewlett-Packard and Intel before landing a gig at Google. He later quit his job at Google to build Twitter, and became a billionaire.

Larry Ellison *is known as a software billionaire and founder of Oracle. He attended the University of Illinois at Urbana-Champaign and the University of Chicago, but struggled with his medical courses and dropped out.*

John Mackey *studied religion and philosophy at the University of Texas before dropping out, borrowing \$45,000, and starting a health food store called SaferWay in downtown Austin. Mackey grew his business into what is now organic grocery behemoth Whole Foods.*







*"because the ones who are
crazy enough to think that
they can change the world,
are the ones who do."*

Steve Jobs (1955 - 2011)

You might be surprised at who's dropped out

PHOTOS (FROM LEFT): FRAZER HARRISON/GETTY; PETER KRAMER/GETTY (2); PAUL J. RICHARDS/AFP/GETTY

MAYBE DROPPING OUT of high school isn't such a bad thing. Here is a list of successful people who shot to the top, even though they dropped out:

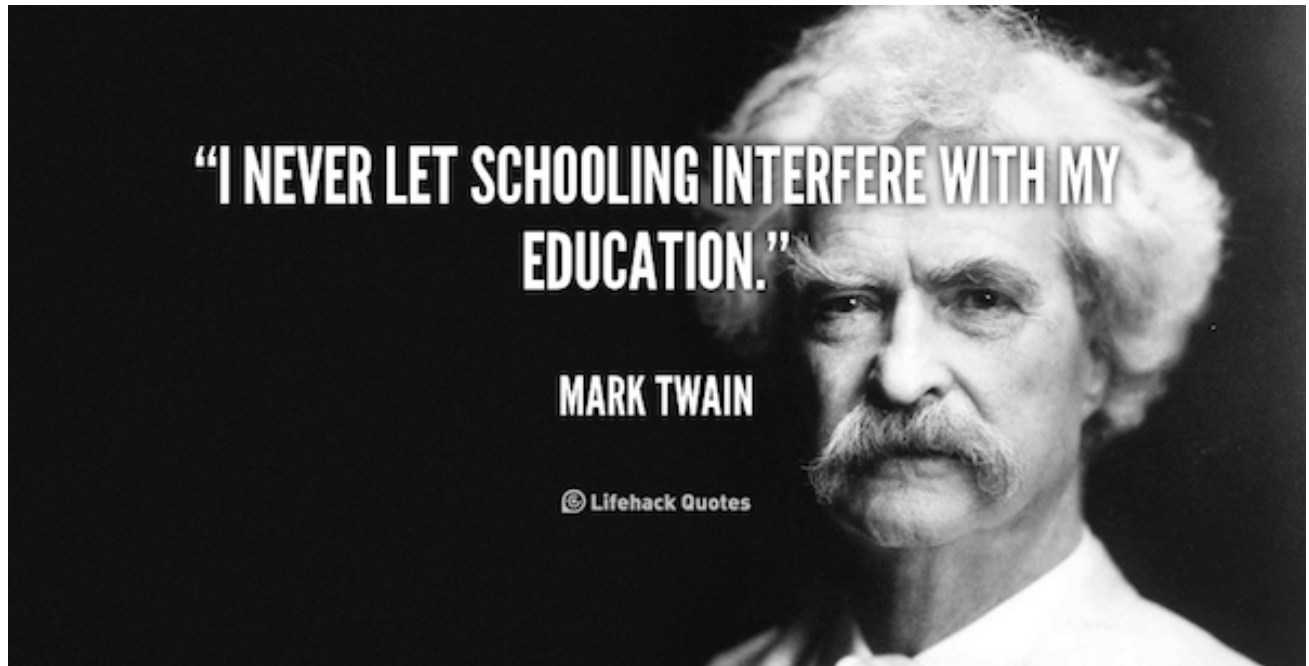
- ❶ Original supernanny Julie Andrews
- Everybody loves Lucille Ball
- ❷ Spandex-lovin' David Bowie

- Rebel billionaire Richard Branson
- Oscar-winner Sir Michael Caine
- Original 007 Sean Connery
- Mean maven Joan Crawford
- A-Bomb facilitator Albert Einstein
- Songbird Ella Fitzgerald
- Queen of soul Aretha Franklin
- ❸ The late Peter Jennings

- Napanee pseudo-punker Avril Lavigne
- MGM Studios co-founder Marcus Loew
- Physical Aussie Olivia Newton-John
- ❹ Civil rights activist Rosa Parks
- Musical team Sonny & Cher
- Star Trek TNG Patrick Stewart
- Blood lovin' Quentin Tarantino
- JENNIFER SELK/DOSE

DOSE 096 THURSDAY 18 AUGUST 2005



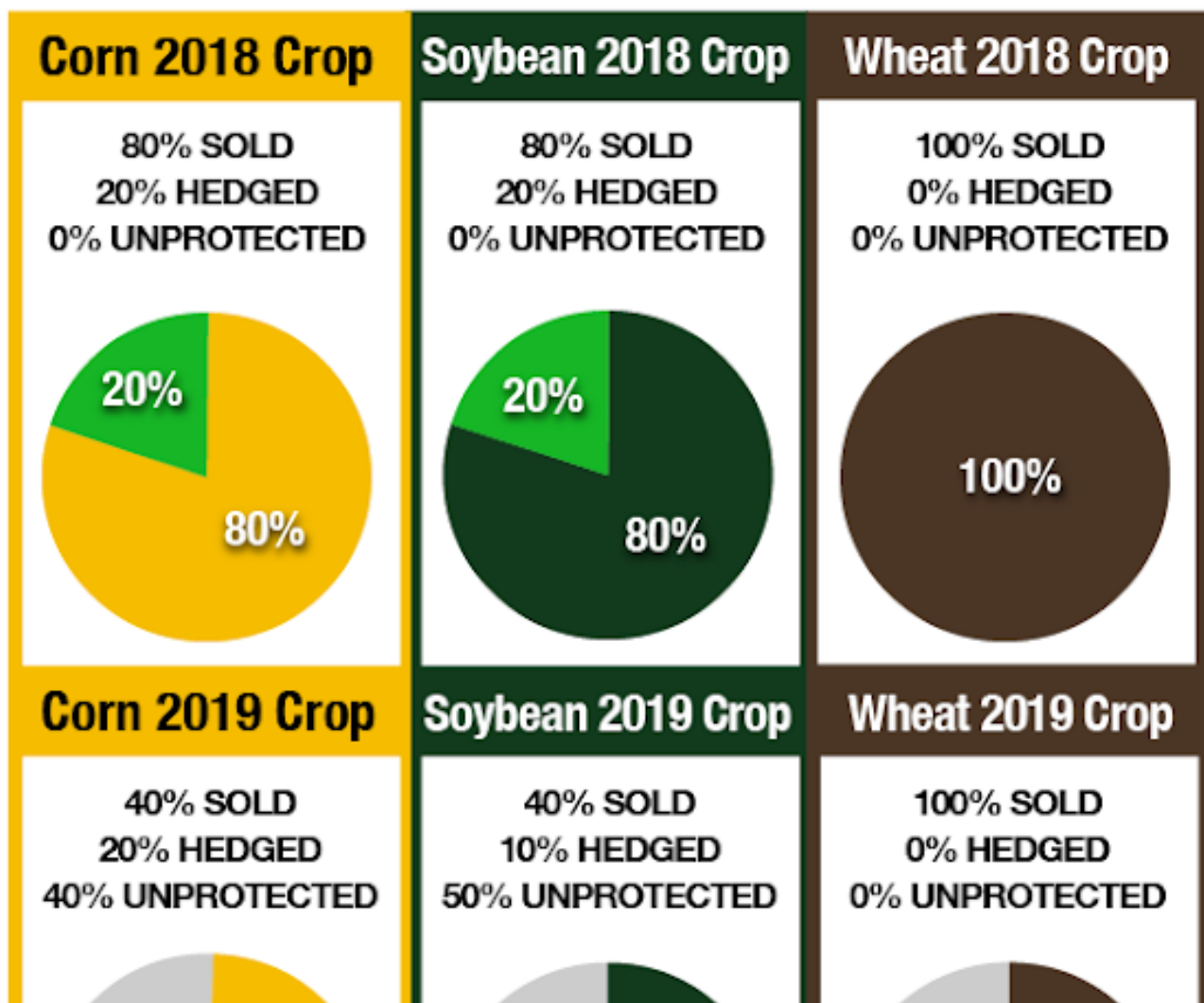


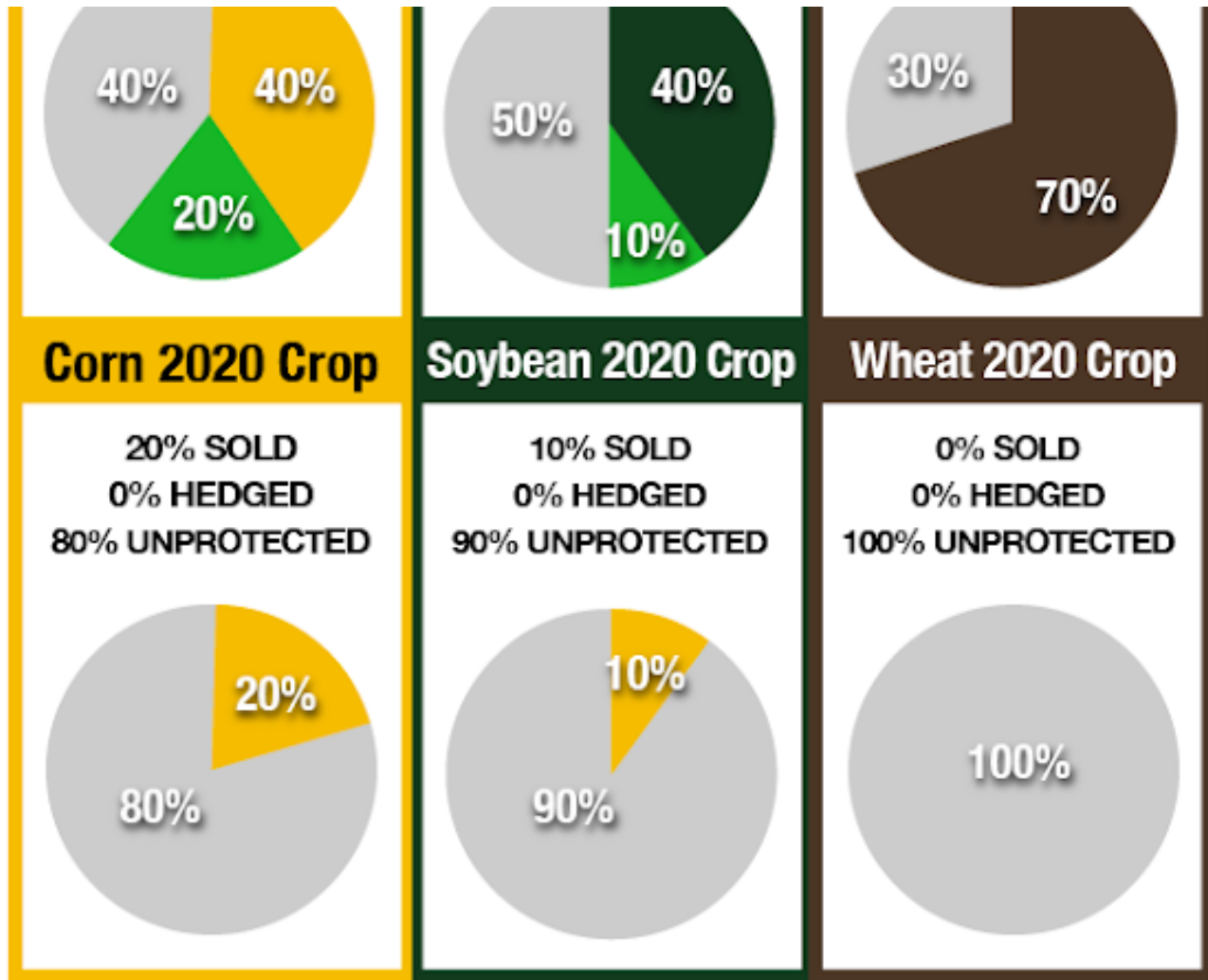
ANSWER to riddle: An automobile.



CASH SALES & HEDGING TOTALS

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