



Josh Knight <josh@farmdirection.com>

GOOD MORNING: The Van Trump Report 12-9-19

1 message

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

Mon, Dec 9, 2019 at 5:30 AM

Reply-To: Jordan <reply-fec3107272670075-1142_HTML-68584704-100003450-8@vantrumpreport-email.com>

To: josh@farmdirection.com



"Dear optimist, pessimist, and realist... While you were busy arguing about the glass of water, I drank it. Sincerely, The opportunist."

Monday, December 9, 2019[Printable Copy](#) or [Audio Version](#)

Morning Summary: Big week for the stock market as investors try to navigate some potentially rough waters. We have the U.S. trade deadline quickly approaching as more tariffs on Chinese goods are scheduled to go into effect this coming Sunday, December 15th. We also have the ongoing constitutional arguments over the presidential impeachment. And a heavily anticipated U.K. election. We all know the importance of the U.S. and Chinese trade negotiations but the market doesn't seem to be paying a whole lot of attention to the volleying back and forth. It will be interesting however to see how the market reacts or responds to "deal or no deal" as the deadline approaches at week's end. Analysts seem split on whether President Trump will postpone the tariffs. The administration has signaled that Trump will allow them to go through if the two sides fail to reach a "Phase 1" agreement before the Sunday deadline. In Washington, there is a scheduled House hearing to focus on constitutional grounds for impeachment. Republican and Democratic lawyers for two House committees will make presentations today, with Judiciary Committee Democrats using a report

issued this weekend that seeks to justify moving forward with drafting articles of impeachment. As of right now, the trade continues to discount the impeachment headlines as just "noise", let's hope it stays that way. Across the ocean, many inside the trade believe the upcoming U.K. election will determine Brexit's fate. Prime Minister Boris Johnson, who is promising to take his country out of the European Union, holds a double-digit lead in opinion polls as Britain prepares to vote on Thursday. Lawmakers have been deadlocked over a deal for Britain to leave the European Union for nearly five years now. It's believed if the rival Labour party successfully wins a majority in this election that a second Brexit referendum will be called, raising the possibility that Britain could remain in the EU after all. Let's also not forget, the Fed begins its two-day meeting on Tuesday with a follow-up press conference on Wednesday. After the better-than-expected jobs report released this past Friday and recent data that have indicated inflation remains muted, most suspect the Fed will take a "wait-and-see" approach leaving rates unchanged. Friday's Employment report blew away expectations with +266,000 jobs gained in November and the unemployment rate falling to a 50-year low of 3.5%. The previous two months were revised upward by a combined +41,000. Another highlight from the report was the +3.1% year-on-year climb in hourly earnings. Bottom line, this was a solid report that paints a very positive picture of the U.S. jobs market and broader economy in general. Investors are also feeling optimistic over Friday's Consumer Sentiment report which rose to a seven-month high of 99.2 from a previous 96.8. Sentiment has gained for four straight months since falling to its lowest levels in almost three years in August, which bodes well for holiday spending and the broader economy.

Meg Millions Jackpot Climbs to \$314 Million: *With no one hitting all six numbers in Friday night's Mega Millions lottery drawing, the top prize has surged to \$314 million for the next drawing on Tuesday. Your chance of winning the top prize is 1 in about 302 million. This is actually the third consecutive December that the jackpot has climbed above the \$300 million mark. In 2017, the Mega Millions also soared over \$300 million during the Christmas holidays, finally ending with a \$451 million victory on Jan. 5, 2018, by a ticket purchaser in Port Richey, on Florida's west coast. Then, a year ago, it was the same scenario, finally ending with a \$437 prize on New Year's Day, 2019, won by a group of 23 co-workers from Long Island, N.Y. The largest Mega Millions jackpot in 2019 was \$522 million, won June 7 on a ticket bought in San Diego. (Source: CNBC)*

College Football Playoff Announced: *For the first time since 2015, four Power 5 conference champions have been selected for the College Football Playoff. LSU earned the top seed this year and will face off against Oklahoma in the Chick-fil-A Peach Bowl in Atlanta; Ohio State will play Clemson in the PlayStation Fiesta Bowl in Glendale, Arizona. Both semifinal games will take place on December 28th. The College Football Playoff National Championship*

will be held January 13th at the Mercedes-Benz Superdome in New Orleans. According to ESPN's Football Power Index, Ohio State has the best projection to win the playoff, with a 35% chance of claiming the title. LSU narrowly has the second-best projection at 29%, followed by Clemson at 28%, and Oklahoma 9%. I'm going with both of the tigers (LSU and Clemson) in the title game with LSU winning it all.

Chevy Suburban gets its Own Star on the Hollywood Walk of Fame:

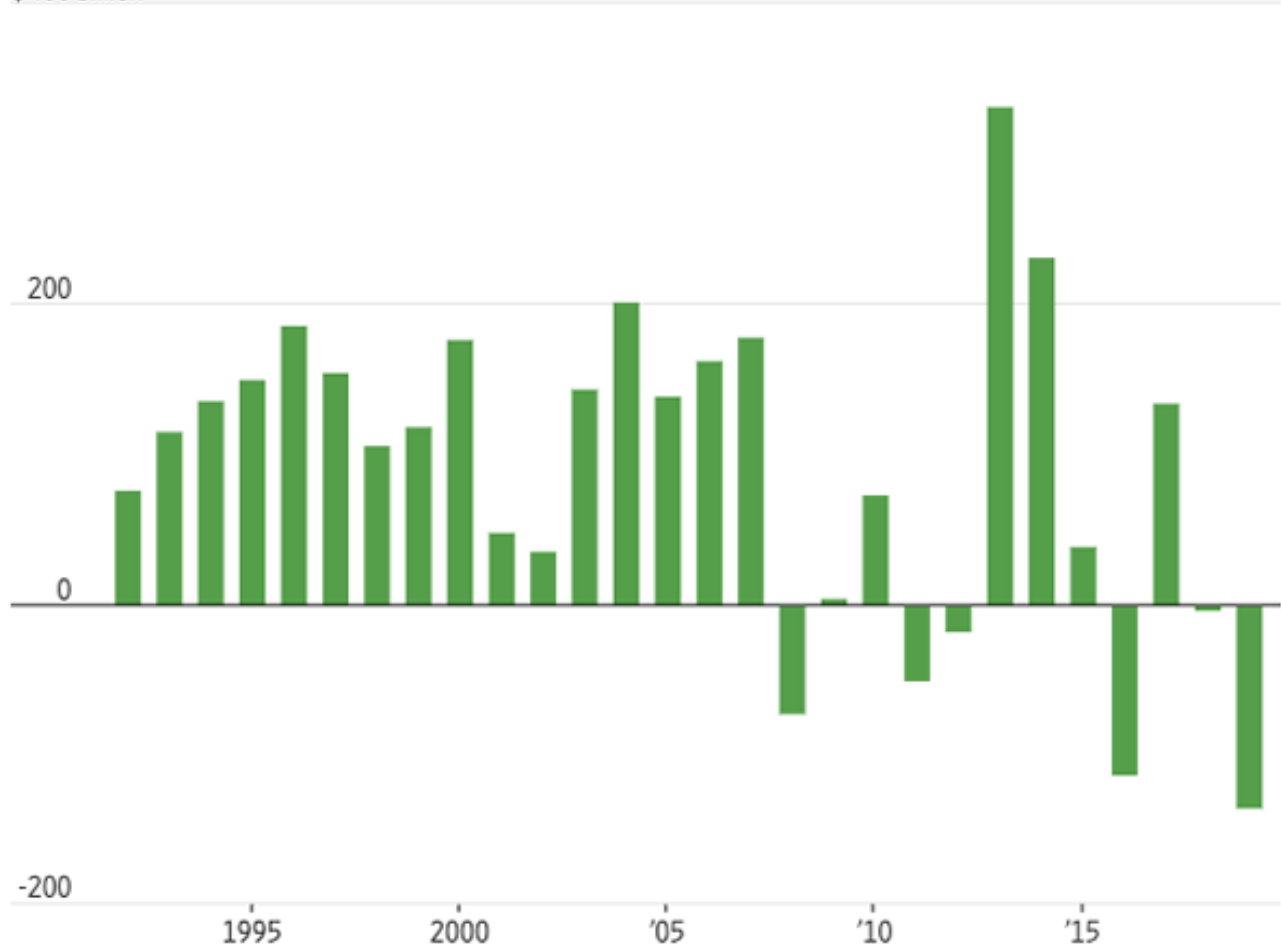
After nearly 60 years in the entertainment industry, the Chevrolet Suburban is now gaining a level of respect that puts it up there with the likes of Charlie Chaplin, Clark Gable, and Mickey Mouse. The big SUV, which has appeared in more than 1,750 films and TV shows since 1952, has become the first automobile to get its own star on the Hollywood Walk of Fame. The Suburban has had the sort of career only a handful of character actors, and even fewer leads, could point to. That includes at least one film every year since 1960 — including 30 nominated for an Oscar — and at least one TV show annually since 1956. The list is heavy on the action and adventure categories, but includes works as diverse as "The Brave One," and "Transformers: Dark Side of the Moon." The Suburban has even come to life in animated form in Pixar's "Cars" series. The current version of the Suburban has been around since 2015, though the original model dates back to late 1934. A twelfth-generation model debuts later this month. (Source: Bloomberg)

Despite Great Year for Stocks, Investors Have Exited in Droves:

The S&P 500 is having its best run in six years, but investors have pulled \$135.5 billion from U.S. stock-focused mutual funds and exchange-traded funds so far this year, the biggest withdrawals on record, according to data provider Refinitiv Lipper, which tracked the data going back to 1992. Analysts say the trend highlights investors' apprehension toward a stock market buffeted by the long-running U.S.-China trade war and lingering worries about a potential recession. The outflows are also a sign that investors aren't chasing the stock market's strong performance, either. This suggests major indexes like the S&P 500 still have plenty of room to run after a decade-long rally. Investors have shifted hundreds of billions of dollars into bonds and money-market funds, areas considered to be harbors from volatility. A trade deal could pull some of that money back into stocks. For the week ended Dec. 4, for example, investors put nearly \$5 billion back into U.S. stock funds—the biggest weekly inflows in three months—on trade optimism, to help somewhat stem the tide of withdrawals. Mutual funds account for most of the outflows. Roughly \$220.8 billion has been pulled from stock-focused mutual funds this year, according to Refinitiv. Meanwhile, \$85.3 billion has flowed into equity ETFs, but those flows are at an eight-year low. The S&P 500 has risen 25% this year, on pace for its strongest gain since 2013. (Source: The Wall Street Journal)

Flows into U.S. stock funds, by year

\$400 billion



Note: Data includes flows into mutual funds and exchange-traded funds. Data as of Dec. 4.
Source: Refinitiv Lipper



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Tweets of the Day

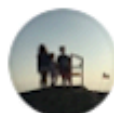




Steve Burns
@SJosephBurns




Great advice by [@austinsilverfx](#)



Charlie Bilello ✓
@charliebilello



S&P 500 hits 3,100 for the first time. [\\$SPX](#)

S&P 500 Index - Milestones			
S&P Level	% Change Between Milestone	# Days Between Milestone	Date
3,100	3.3%	125	11/12/2019
3,000	3.4%	316	7/10/2019
2,900	3.6%	224	8/28/2018
2,800	3.7%	13	1/16/2018
2,700	3.8%	43	1/3/2018
2,600	4.0%	67	11/21/2017
2,500	4.2%	198	9/15/2017
2,400	4.3%	34	3/1/2017
2,300	4.5%	65	1/26/2017
2,200	4.8%	644	11/22/2016
2,100	5.0%	176	2/17/2015
2,000	5.3%	104	8/25/2014
1,900	5.6%	176	5/13/2014
1,800	5.9%	109	11/18/2013
1,700	6.3%	90	8/1/2013
1,600	6.7%	4,790	5/3/2013
1,500	7.1%	260	3/22/2000
1,400	7.7%	117	7/6/1999
1,300	8.3%	80	3/11/1999
1,200	9.1%	276	12/21/1998
1,100	10.0%	46	3/20/1998
1,000			2/2/1998
 @CharlieBilello			



U.S. Embassy Seoul ✓
@USEmbassySeoul



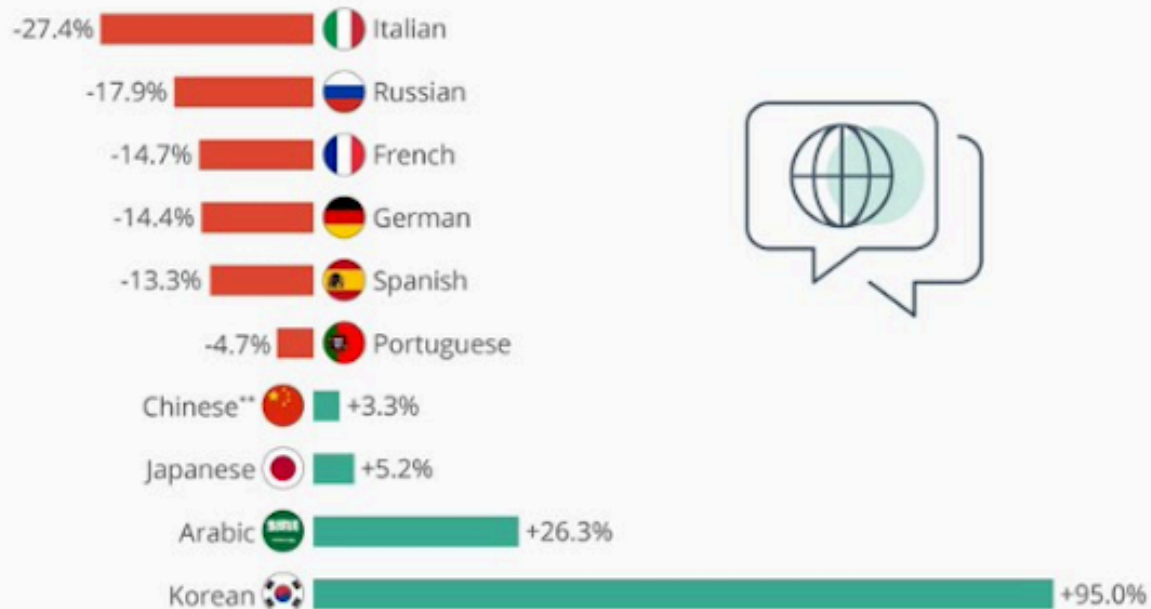
미국 대학생들은 어떤 언어를 더 많이 배우고 있을까요?

@StatistaCharts 에서는 2006년부터 2016년 사이에 한국어 수업을 듣는 대학생 수가 거의 두 배로 증가했다고 밝혔는데요, 이는 1000명 이상이 수강하는 언어 중 가장 큰 증가라고 하네요.
bit.ly/2KSfhBp

[Translate Tweet](#)

What Languages Are College Students Learning More Of?

Change in learners of selected languages at U.S. universities between 2006 and 2016*



Languages with more than 1,000 learners only

* Fall semesters

** All Chinese languages



@StatistaCharts

Source: Modern Language Association

statista



The Hermanator! (Paul Hermans)
@phhermans



Does rotation matter? Corn on soybeans three rows left versus corn on corn right. Customer photo. [#ontag](#)
[#RotationMatters](#) [#harvest2019](#)

Ottawa Valley





Positive Prayers
@PositivePrayers



Where God guides, He provides!

#Inspirational #Quotes





Hired Hand Websites
@HiredHandSoft



Gets me every time... [#cowpics](#) [#farmfunny](#)
[#frontcamera](#)





Motivational Quotes
@DavidRoads



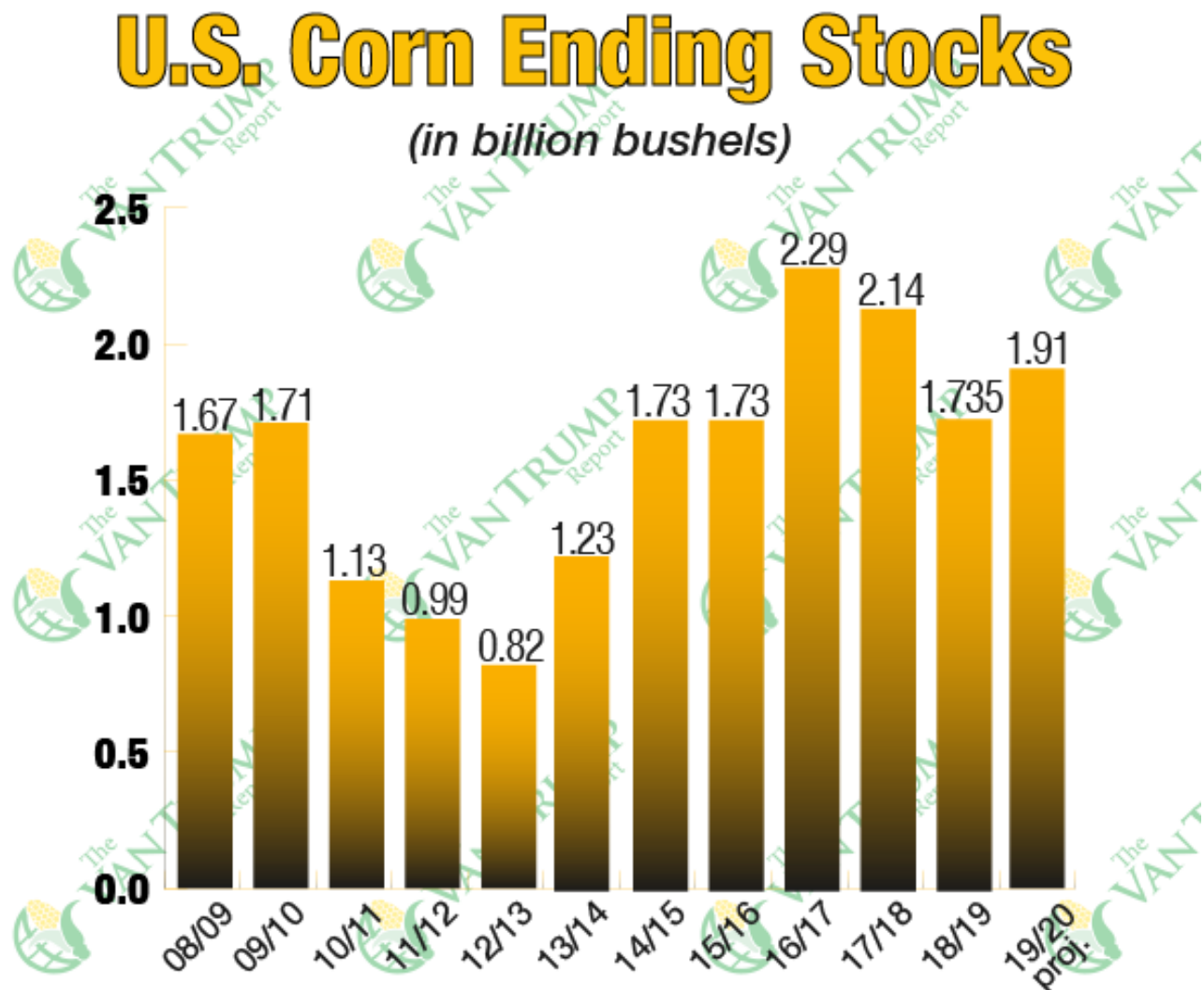
Laughter is the sound of the soul dancing.

LIFE IS
BETTER
WHEN
YOU'RE
LAUGHING



Corn traders will be eager to see the latest harvest progress released this afternoon by the USDA. Last week the U.S. corn harvest was estimated to be 89% complete. Keep in mind, North Dakota was just 36% harvested last week vs. normally being almost completely finished. Michigan and Wisconsin were both only 66% harvested. I'm actually in Wisconsin this morning and was in the upper northern portion of the corn belt all last week seeing a lot of corn still in the fields. Most of the producers I spoke with are having a real struggle keeping trucks and equipment from getting stuck, it's just too wet. South Dakota, Illinois, Indiana, Iowa, Minnesota, and Ohio also still had some work to do getting their remaining acres harvested. I'm also talking to a lot of producers who are worried about low-test weights. Several places are starting to bid up a significant premium on the higher test weight corn, so make certain you are paying close attention. The USDA's December Supply and Demand report is scheduled to be released tomorrow. Even though the USDA won't be updating its production forecast in this report many traders are curious about overall demand? Bears want to argue that both exports and ethanol need to be lowered. I strongly argue against that but remember I'm also holding some bullish corn positions and would like to price more new-crop cash bushels north of \$4.00. I truly believe U.S. exports are going to start picking up some momentum and might actually reach the USDA's current forecast. I also believe the slightly improved margins in the ethanol space can keep demand steady. As for feed and residual demand, I continue to argue the

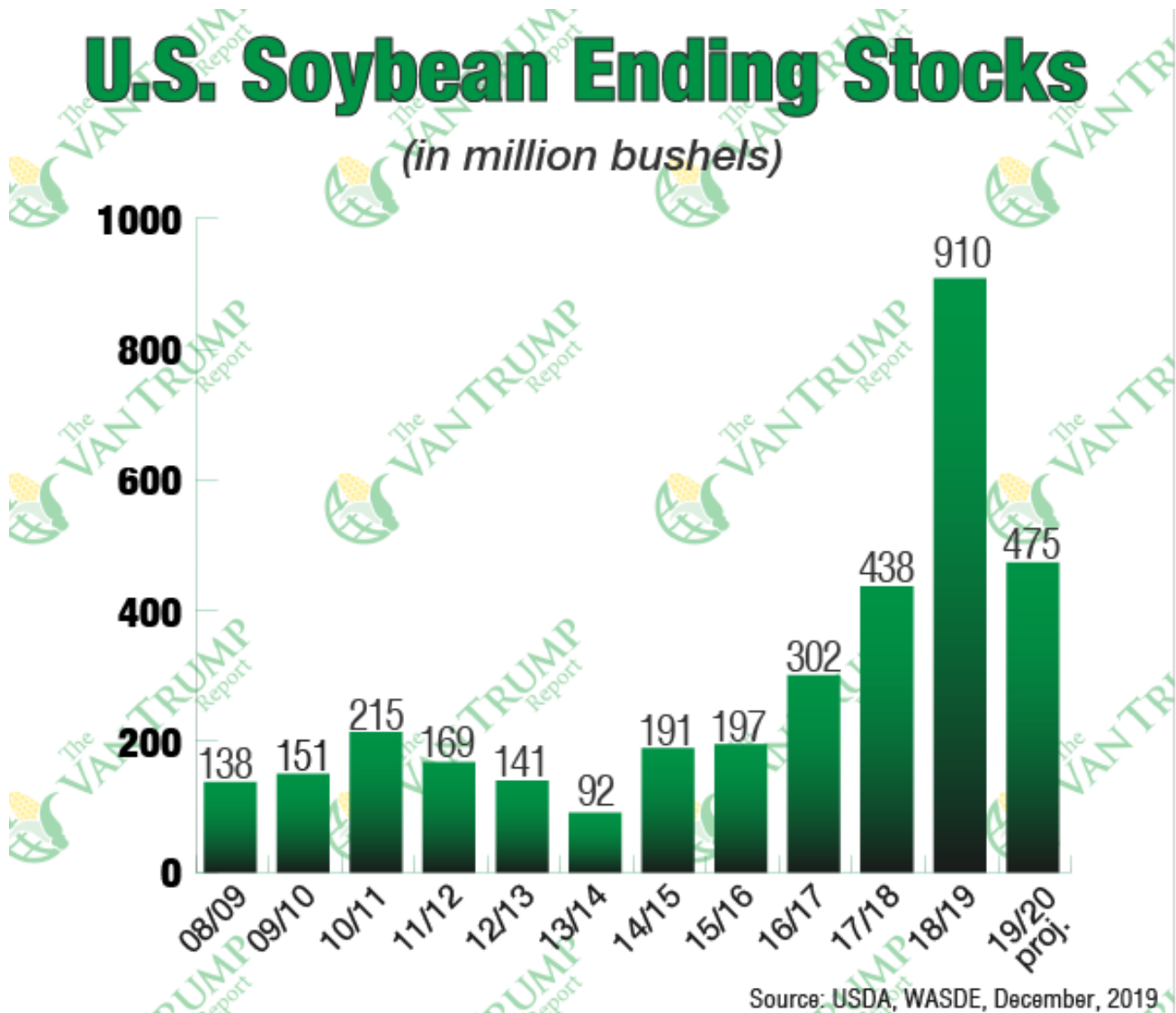
USDA is actually underestimating demand and needs to move their estimate higher, I just don't know if they will take that step in this report, perhaps waiting until the end-of-year January report. Bottom-line, I think U.S. ending stocks are going to eventually work lower over the next six months, but I'm not looking for much change at all by the USDA in tomorrow's report. Outside of the USDA data, I continue to pay close attention to South American weather and U.S. trade negotiations. As a spec, I continue to hold a small bullish position, and like the thought of adding a bit more length if we experience a bigger break in price. As a producer, I'm staying very patient. I see no reason to get in a hurry with front-month prices sub-\$3.80 per bushel.



Source: USDA, WASDE, December, 2019

Soybean traders will be swimming in large waves of headlines this week. We start off tomorrow with the USDA's December Supply and Demand report. Most inside the trade are looking for very little change to the current balance sheet. Bears argue that exports need to be reduced but I'm not sure the USDA will be eager to make that move, especially with so much uncertainty still surrounding Chinese

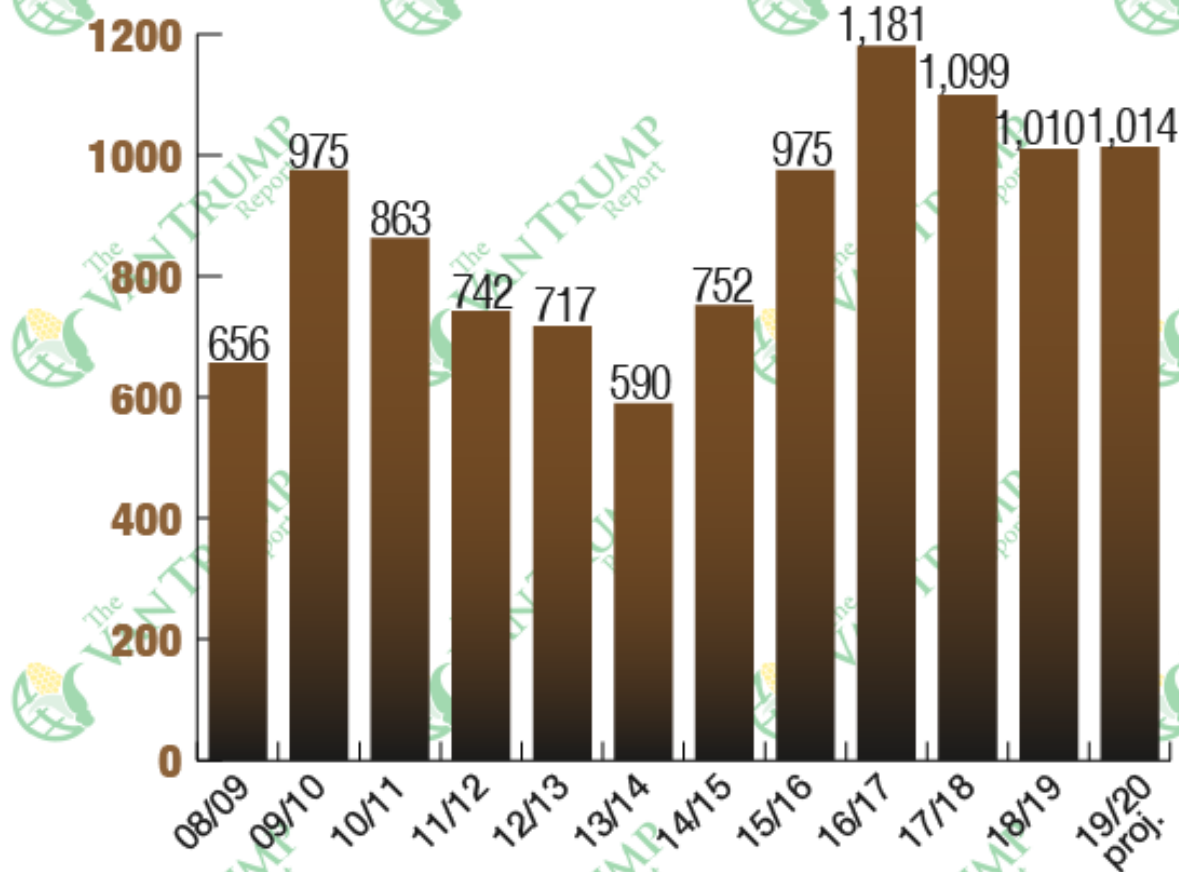
trade negotiations. I also think the recent uptick in Chinese purchases should be enough to keep the USDA on hold. Keep in mind, this past Friday, the Chinese government announced they were reducing tariffs on U.S. soybean and pork as a gesture of good faith. On the surface, this certainly sounds like a positive step in the right direction, but perhaps the Chinese are simply opening up a window of opportunity for its importers before the next round of U.S. trade tariffs go into effect this coming Sunday, December 15th? On top of the uncertainty surrounding trade negotiations and the upcoming USDA report we also have South American weather headlines we need to navigate. Brazil seems to be in better shape than Argentina but both have some dry areas attracting attention. It seems at the moment the southern half of Argentina is generating the most weather headlines. As a producer, I'm in no hurry to price any additional new-crop bushels. As a spec, I continue to hold a small bullish position and look to take a few more small bites should the market fall under knee-jerk type headline pressure. This week is all about the USDA demand numbers, Chinese trade negotiations, and SAM weather. Stayed tuned, buckle up and brace for a bumpy ride!



Wheat bears are pointing to another round of weak export sales which were reported the lowest of the marketing year. Like I mentioned in the corn comments, just remember, last week was a shortened holiday week so perhaps its not all that bad? Next week we get the USDA's monthly Supply and Demand report, but like the other row crops mentioned above, I'm not looking for much change in the balance sheet. Bulls argue that a much weaker export program from Australia and perhaps a small step back by Russian exporters will ultimately allow for stronger U.S. demand. I mostly agree. I'm hoping to see an uptick in U.S. wheat export demand. I'm also hoping to eventually see the USDA bump feed and residual demand a bit higher. Again, however, that probably doesn't happen in next week's upcoming report. As a spec, I continue to hold a small bullish spring wheat position. As a producer, I'm sticking with my wait-and-see approach. I will continue to closely monitor weather here at home and around the globe. There are some areas that certainly need to be on our radar. I'm actually starting to hear more talk and concern about dry conditions building here in parts of the U.S., particularly some of the larger HRW areas in Kansas and Oklahoma. It's very early but we need to be paying attention. Don't forget, Canada releases an update on crop production today. Most inside the trade seem to be looking for a small increase in production from the September crop estimate.

U.S. Wheat Ending Stocks

(in million bushels)



Source: USDA, WASDE, December, 2019

U.S. Grain Ending Stocks 2019/20

(million bushels)

	December #'s	Avg. Trade Estimate	Range of Estimates	November Estimates	2018/19 Estimate
Corn	???	1,919	1,890 - 1,960	1,910	2,114
Soybeans	???	476	455 - 500	475	913
Wheat	???	1,010	989 - 1,025	1,014	1,080

World Grain Production 2019/20

(million tonnes)

	December #'s	Avg. Trade Estimate	Range of Estimates	November Estimates
Corn	???	295.52	292.0 - 298.2	295.96
Soybeans	???	95.46	93.90 - 96.80	95.42
Wheat	???	286.18	283.9 - 288.5	288.28

South American Production

(million metric tons)

	December #'s	Avg. Trade Estimate	Range of Estimates	November Estimates
Argentina Corn	???	49.77	49.0 - 50.0	50.0
Argentina Soybeans	???	53.0	52.0 - 54.0	53.0
Brazil Corn	???	100.93	100.0 - 101.5	101.0
Brazil Soybeans	???	123.03	122.0 - 124.0	123.0



> China to Waive Tariffs for Some U.S. Soybeans, Pork: *China will waive import tariffs for some soybeans and pork shipments from the United States, China's finance ministry said on Friday, citing a decision by the country's cabinet. The tariff waivers were based on applications by individual firms for U.S. soybeans and pork imports, the ministry said in a statement. It did not specify the quantities involved. Beijing's levies on U.S. soybeans initially brought its purchases of the U.S.' most valuable farm export to a virtual halt, although it has offered waivers to buyers in recent months. Those waivers are said to have expired, although new exemptions may come too late, said an analyst. "December arrivals are already pretty high and then we're getting into the Brazil crop," said Darin Friedrichs, senior Asia commodity analyst at INTL FC Stone. "There's limited space to buy new U.S. soybeans at this point." Exemptions for pork are likely to be in higher demand, with less than two months until China's Lunar New Year holiday, the country's peak consumption period. U.S. pork exports to China and Hong Kong are already up +47% in volume terms from January to September, even with high duties in place. (Source: CNBC)*

> Chinese Soybean Production Jumps +13% in 2019: *China boosted its soybean production by +13% in 2019 amid a trade war with No. 2 supplier the United States, official data showed on Friday, helping it record a slight rise in total food crop output. Soybean production jumped to 18.1 million metric tons, the National Bureau of Statistics said, with the area devoted to the oilseed rising +11% after Beijing began offering generous subsidies to farmers to grow the*

beans. Beijing has sought to promote soybeans along with other higher value cash crops such as rapeseed, peanuts and vegetables, while reducing planting of staple grains like corn, wheat and rice due to surplus production of low quality crops. It is also targeting a reduction of corn and wheat on unsuitable land, such as parts of northern China where groundwater has been overexploited. The area planted with corn fell -2% on the year, but output increased by +1.4% to 260.77 million metric tons. Wheat output rose +1.6% to 133.59 million metric tons, and the bureau said more high-quality wheat has been planted nationwide. Rice output fell by -1.2% over the previous year due to a reduction in planting of low-quality and low-efficiency early rice, with many areas moving to planting just one crop per year. (Source: Reuters)

> Beyond Burgers are Coming to Costco: Beyond Burger fans can now buy fake meat in bulk. Beyond Meat will begin selling its plant-based burgers at Costco. To match Costco customers' love for big sizes, Beyond Meat will — for the first time — sell an eight-pack of patties for \$14.99. The burgers are typically sold in packs of two. The burgers won't be available at every Costco location: Beyond Meat said they'll only be available in select stores. Partnering with Costco is the latest major expansion for Beyond Meat. In November, Dunkin' (DNKN) began selling a Beyond Meat breakfast sandwich nationally across its 9,000 stores. It also inked deals for new items at KFC in Georgia for its new chicken alternative and McDonald's in Canada for a new sandwich. The meat substitute protein trend could be a boon for Costco and other retailers that begin selling it. Barclays predicts the alternative meat sector could reach about \$140 billion in sales over the next decade, capturing about 10% of the global meat industry. Jefferies predicts that by 2040, the alternative meat market could make \$240 billion in annual revenue globally. Read more from [CNN](#).

> Toyota Can't Keep its Hybrids in Stock: Toyota Motor Corp. has a problem with selling its hybrids -- it can't get enough of them. "The only thing holding us back on hybrids is capacity," Bob Carter, Toyota's North American executive vice president for sales, told reporters on Thursday at an event in Detroit. "We can't make enough Corolla and RAV4 hybrids." While many of its competitors are walking away from hybrids and plowing billions into battery-powered cars, the Japanese automaker has seen demand surge for its 14 gasoline-electric models. Toyota's hybrids accounted for 13% of total Toyota and Lexus brand sales in the U.S. last month and made up nearly a quarter of the volume for its top seller, the RAV4 compact SUV. Toyota could easily sell twice the number of hybrid RAV4 models, but can't source enough electric batteries for the popular vehicle, Carter said. Toyota plans to shift production of the RAV4 hybrid from Canada to a plant in Kentucky early next year, and also add a plug-in hybrid option from next summer to be imported from Japan. But that growing demand for hybrid versions of the RAV4, Corolla and other Toyota vehicles has come at the expense of its most famous hybrid, the Prius, sales of which are down 21% so far this year. (Source:

Bloomberg)

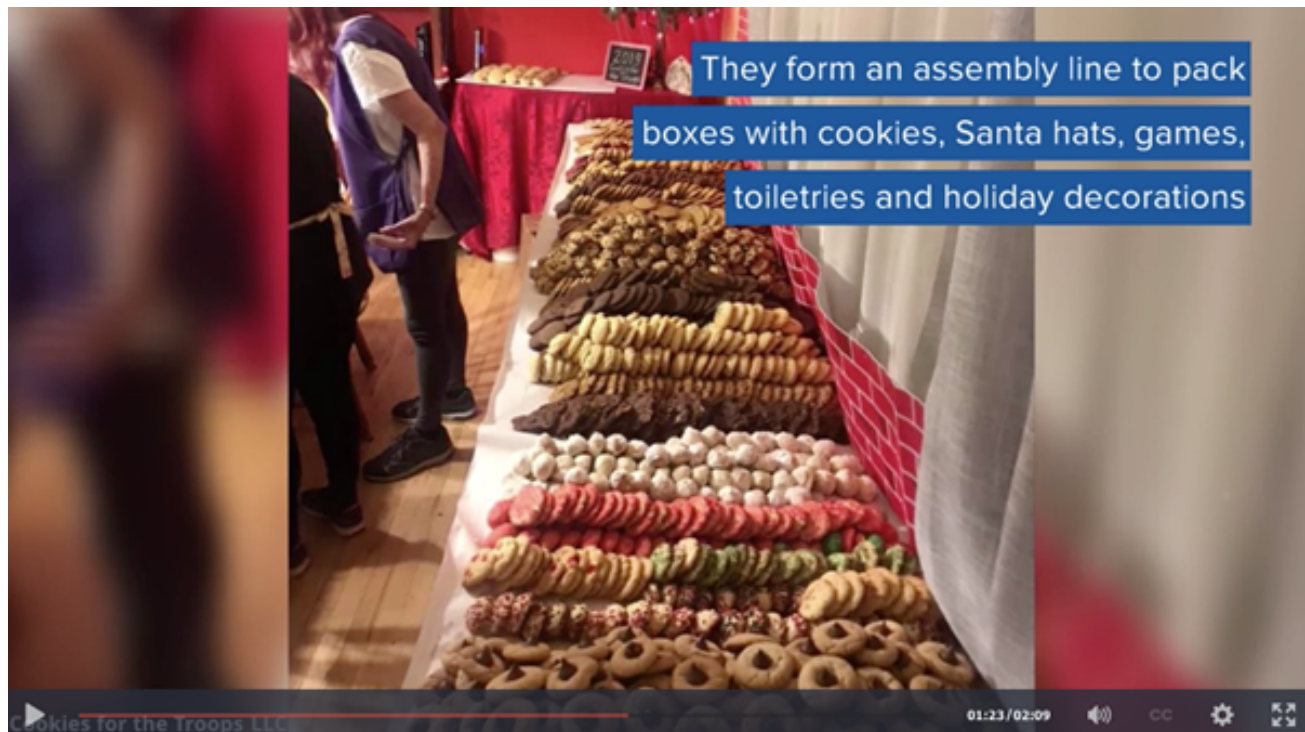
> Food and Beverage Companies Dominate a List of the 20 Fastest Growing Brands: *Per new rankings by Morning Consult, food and beverage companies dominated a list of the 20 fastest growing brands in 2019, with 11 of the top spots claimed by food brands and delivery services. The restaurant delivery service DoorDash came in at No. 1 for the second year in a row, while plant-based meat purveyor Impossible Foods ranked fourth and snack company KIND ranked sixth. The list was determined by the share of consumers who said they would consider buying from a brand over the course of 2019, which Morning Consult tracked on a daily basis. It's not just disruptors and startups that performed well in 2019. The study also shows certain legacy brands have successfully made inroads with younger consumers. For example, Jif and Haagen Dazs both picked up about 9 percentage points in purchasing consideration among Millennials this year. The full report is available [HERE](#).*

> New Can Packages Ditch Plastic Six-Pack Rings for Cardboard Carriers: *The plastic six-pack ring, once ubiquitous on packs of beer and soda, may not necessarily exist much longer. The latest alternative is the KeelClip, a design that attaches a paper lid to the top of the cans, with a hidden flap shaped like the keel on a boat to keep the cans stable. Coca-Cola and AB InBev will begin rolling it out in Europe next year. Graphic Packaging International, the company that designed the KeelClip, started working on alternatives to plastic rings 25 years ago. But it's only in the last couple of years, as consumer sentiment against plastic has grown and countries have started to ban single-use plastic, that beverage companies have started to make the shift. The new design is a little more expensive than plastic, though the company says that the cost will come down as production scales up. The design also gives brands extra marketing space on the top of the cardboard, another selling point. But most importantly, it can fit into existing production lines. In the European Union, single-use plastic will be banned in 2021. (Canada recently announced a similar ban, as have other countries.) Read more [HERE](#).*

> Your Harshest Critic Lives in Your House and Prevents You From Progressing Toward Your Goals: *Let's not kid ourselves: you are your own worst critic. The problem is that critic is with you 24/7. Just waiting for the opportunity to mess with you. Your inner critic has plenty of targets. They know everything, and I mean everything, about you. Career and money are but two areas that your inner critic loves to target. It could be the case you think you aren't working enough. In today's always-connected world there are always opportunities to work more. Maybe your inner critic thinks you haven't progressed enough on your life goals. That need not be the case. James Clear writes, "You can be happy with who you are and still want to be better. You can love your body and still want to improve it. You can appreciate your financial state and still want to*

improve it. Progress does not require self-loathing. You can feel successful along the way." Wanting to put yourself in a better situation doesn't make you less than. If we can tone down the negative self-talk we have a better chance of diagnosing our issues and dealing with them in a positive, productive manner. Read more [HERE](#).

> Friends Bake Nearly 4,000 Cookies for U.S. Troops: A New Jersey mom used to gather her friends every holiday season to bake thousands of cookies for troops like her son, serving overseas. This year, she lost her battle with breast cancer – but the kitchen was not empty. Her friends still got together to bake in her honor, making 3,694 cookies for the troops. Watch a video about their heartwarming story [HERE](#).

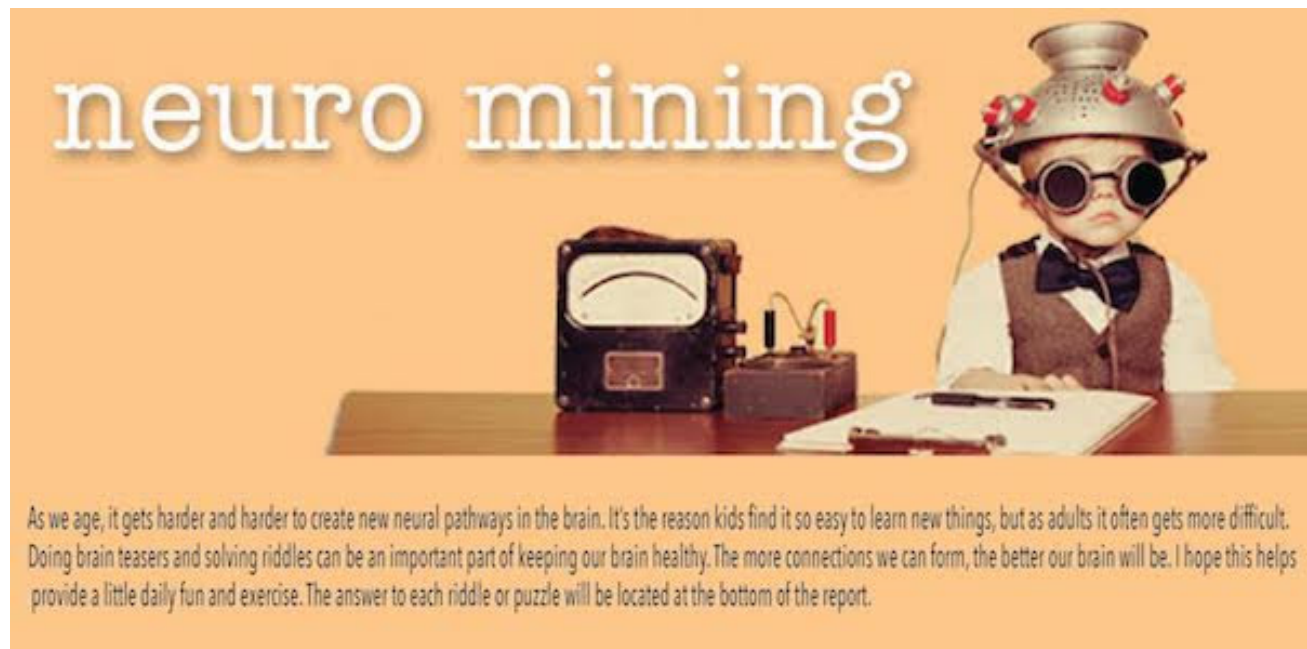


South Central Minnesota - This year I pulled the pin on corn planting May 31st. With the overly wet corn and lack of propane available now, it probably wasn't a bad idea. However having a cooler than normal summer did show what the earlier corn that we normally plant can do, so guessing if I had to plant into the 2nd week

of June I'd be pulling out some even earlier stuff. The corn I mention was 94-96 day corn. The varieties I planted behave very similar and were hard to tell apart but obviously some in that range wouldn't perform near as well. I already planned on staying on the early side of corn for next year, just because of a lot of unknowns with the weather.

South Central Illinois - *We finished up corn a few weeks back and it was as poor or maybe worse than I would have ever expected. I was hearing early yields north of us up near 200 so I was hopeful we might be in the 170s. The corn as a whole made 137 bushels across 640 acres the beans made just a hair over 40 bushels across all the acres. We delivered everything into the elevator out of the field because we don't have a dryer and it needed to be brought down in moisture a little. The soybeans came off dry so we just binned it. Hopefully a Chinese deal will come through and we can salvage this year with some better prices, at least on our beans. We will collect a little insurance on corn but nothing on beans. We have been able to get more fieldwork done this year compared to last so we are pretty much locked into 75% corn next year.*

Northeast Indiana - *The corn came off extremely wet. We don't really have profit in the yields we harvested any way you slice it. We had several fields flooded out completely that made worse than our soybeans in acres across acres. The insurance will bail us out a little but it's going to be a red year either way. I think our absolute best field made 151 bushels per acre. It had good drainage and some rolling ground. We spend at least 20 cents a bushel drying the corn down, maybe more. I haven't done the exact math. The test weight was low but not quite as bad as the boys up north. On to next year.*



TODAY'S RIDDLE: The shorter I am, the bigger I am. What am I?



Will Digital Agriculture Change Our Pricing Models?

Digital agriculture is making it possible to form a predictive model that establishes a yield metric that could lead the industry down the road to "outcome-based pricing". Meaning either inputs and technology actually produce and show a positive outcome or we don't have to pay. Experts say this model could remove some of the seed, input, and technology risk for growers and be a tool for the more risk-averse producer. I think it would also help speed up adoption rates for companies trying to roll out new tech.

From what I understand, Bayer Crop Science piloted such a plan this past summer with a handful of U.S. corn farmers. Bayer executives say that under such an arrangement, the company will team its research and development data with data from the farmer's field to build a predictive model for say fungicide, and if, when, and where it would financially benefit the grower to apply it. Then, if the outcome were to fall below the predetermined metric, Bayer makes up the difference to the farmer. If it falls above the metric, both parties share 50-50 in the upside.

Executives believe the data science behind The Climate Corporation, Bayer's digital agriculture division, can make this model work. Digitization is the key force behind these innovations and this year's pilot program was lead by Bayer's Seed Advisor, a tool that uses an algorithm matching hybrids with specific fields. I'm told that farmers testing the tool in 2018 boosted corn yields by an average of +9 bushels per acre across 100,000 U.S. corn acres in Iowa, Illinois, and Minnesota.

Slumping commodity prices are really what has agricultural firms thinking about outcome-based pricing structures, and this approach isn't new as other industries are also shifting to similar models. There are now accounting and consulting firms who are moving from billing in time increments to a model that links price to the value of client outcomes. (Source: agriculture.com, digitalistmag)



What DNA Testing Can and Can't Tell You About Your Health

Consumer DNA testing kits are big money, with their popularity growing from genealogy tests to now include a wide range of health testing. However, the burgeoning industry, particularly health testing, has also been accused of some questionable practices, including misleading product claims and deceptive marketing. Since consumer testing kits are increasingly popular as gift items, I thought it would be a good idea to take a deeper look.

Medical experts say direct-to-consumer (DTC) genetic testing has both benefits and limitations but it's important for consumers to understand that they are not a substitute for clinical testing. Most DTC tests aren't regulated to the degree that medical genetic tests are either. Experts usually recommend genetic testing only when a patient has a specific medical reason, such as a family history of certain cancers. That's because no single test can search your DNA for general health risks. And the one-size-fits-all health tests that are bundled with ancestry information are typically not personalized enough to inform medical decisions. Your doctor can tell you if your background and concerns make genetic testing a good idea. Below are what medical experts consider the most useful applications for DNA testing with a few notes about their limitations:

Diagnostic Genetic Testing Can Confirm Certain Hereditary Diseases:

If you have symptoms of a disease that may be caused by genetic changes, sometimes called mutated genes, genetic testing can reveal if you have the suspected disorder. According to the National Institutes of Health, genetic tests (at the clinical level) can be used to identify 2,000 hereditary diseases and conditions. Some examples of common hereditary diseases that these

tests might find include cystic fibrosis, familial hyperlipidemia, and muscular dystrophy. In some cases, if doctors are able to identify the disease before symptoms progress to a severe level, they can help patients plan for managing the condition. It might also give patients more options for treating the disease. This type of testing is usually only done in a health-care setting.

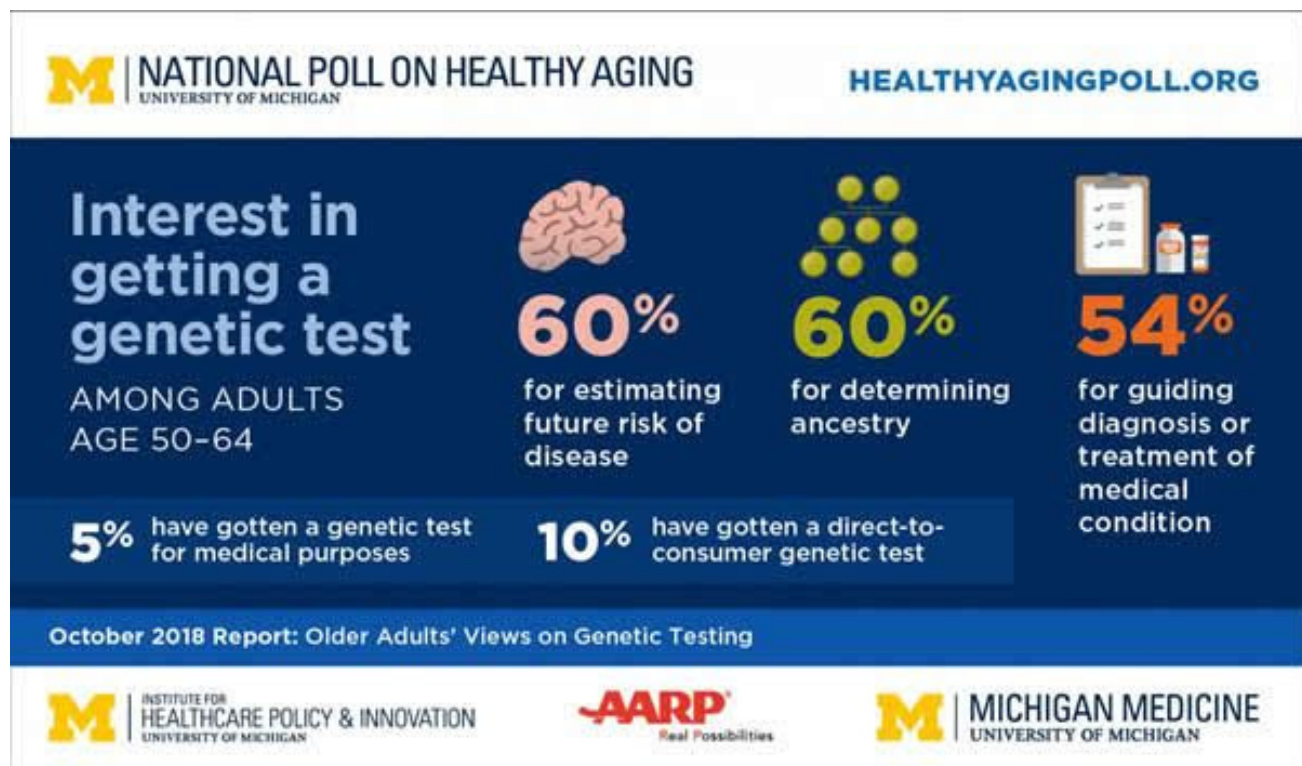
Presymptomatic DNA Tests May Show Whether You'll Develop a Hereditary Disease: When a healthy person with no symptoms has a documented family history of a disease, such as diabetes, genetic tests can analyze specific markers in their genes that are related to that disease. Doctors may then use this information to predict whether that person is at risk of developing the condition. But many of these diseases involve multiple mutations, occurring in one or a few genes, which makes determining a person's risk more complex. Genetic testing can be useful by allowing doctors to analyze the different types of gene changes, which can give them an idea of whether someone will get a disease, how bad it will be, and perhaps insights on potential treatments. But this type of result is a lot different than saying you're definitely going to get a disease. This is especially the case when it comes to diseases where your genes and lifestyle choices play a role in whether you get it.

Predictive DNA Tests May Predict Risks for Certain Cancers but Aren't 100%: According to the National Cancer Institute, some genetic tests can provide people with information about whether they inherited mutations associated with several types of hereditary cancer. This includes certain types of breast cancer, colon cancer, melanoma, and sarcoma. However, it's important to remember that not all cancers are caused by hereditary mutations. In fact, many of the mutations that cause cancers are sporadic, which means they happen randomly and unexpectedly due to environmental factors. This means a genetic test can't always say for certain whether someone will get cancer. Still, if you have a family history of cancer and you're concerned about your risk, you should talk with your doctor about this type of testing.

DNA Testing Can Show if You're a Disease Carrier: If you have a family history of a genetic disorder — such as sickle cell anemia or cystic fibrosis — or you're in an ethnic group that has a high risk of a specific genetic disorder, you may choose to have genetic testing before having children. An expanded carrier screening test can detect genes associated with a wide variety of genetic diseases and mutations and can identify if you and your partner are carriers for the same conditions.

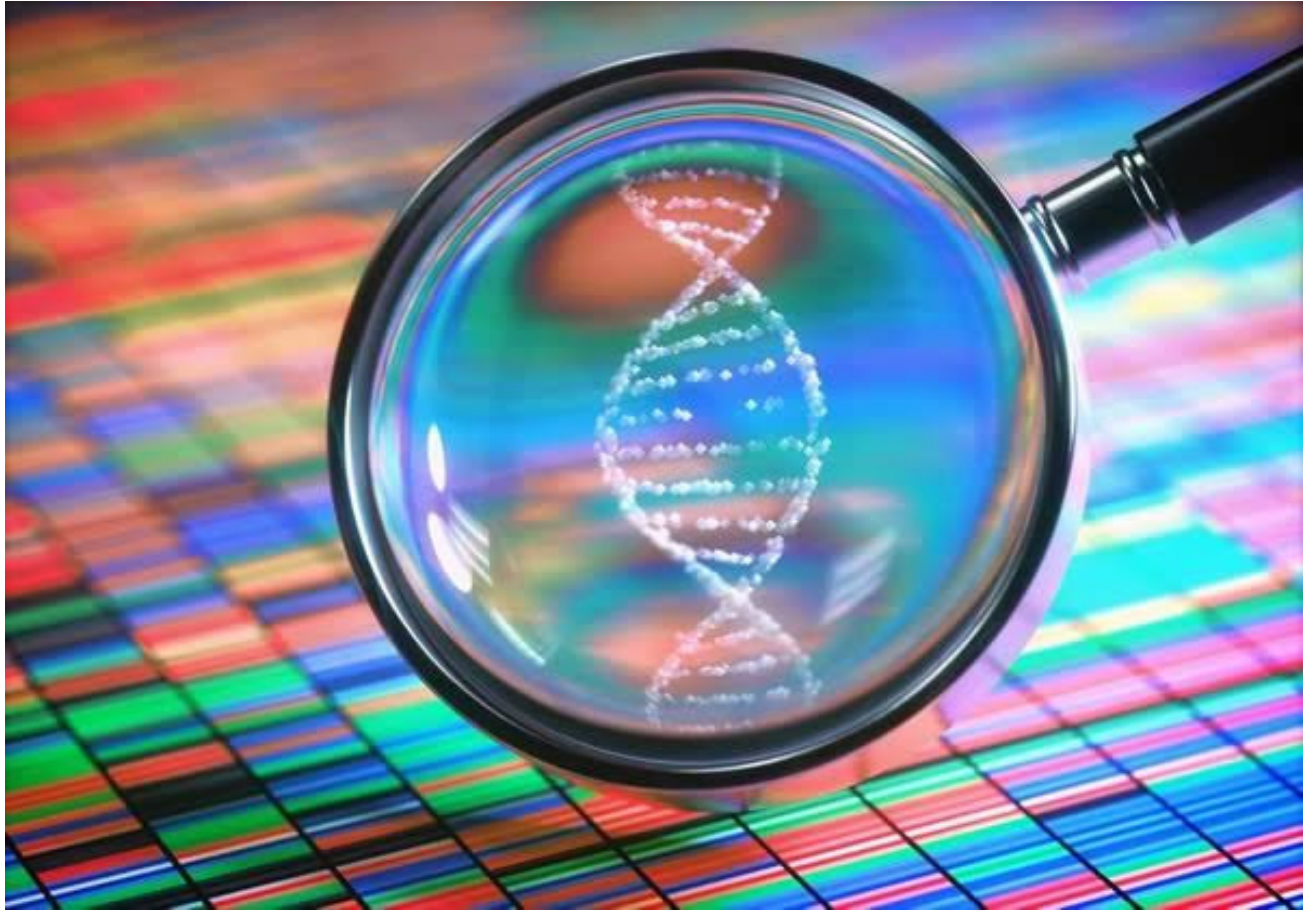
Some Test May Predict Certain Traits: Many consumer DNA tests now provide people with information that isn't related to whether or not they have

a serious genetic disorder. SNP testing (single-based nucleotide polymorphism testing) can detect variations in a person's genome that are associated with different traits that aren't necessarily diseases, but rather medical conditions like lactose intolerance. It's important to note these trait tests, as well as SNP-based tests for disease risk, do have limitations. One issue with these consumer tests is that they only test for a limited number of relatively common genetic variants. This can be problematic if you're someone from an underrepresented population because your results might not be as accurate as those for someone from a population group that has been extensively studied. And even if you are from a population that has been well studied and is highly represented in available research databases, it's important to remember these SNP-based test results are not considered a medical diagnosis. (Sources: Mayo Clinic, Business Insider, UofMHealth)



THERE ARE FOUR TYPES OF GENETIC DISEASES

- ▮ 1. **Single Gene:**
 - > **Disorders caused by abnormality or mutation in the sequence of one gene**
- ▮ 2. **Multifactorial:**
 - > **Caused by a combination of environmental as well as mutations in multiple genes**
- ▮ 3. **Chromosomal:**
 - > **Abnormalities in chromosome structure such as missing or extra copies**
- ▮ 4. **Mitochondrial:**
 - > **Caused by a mutation in the non chromosomal DNA of the mitochondria.**



COMMON DISEASES OF GENETIC ORDER

- ▣ Gaucher Disease
- ▣ Huntington's Disease
- ▣ Hemophilia
- ▣ Parkinson's Disease
- ▣ Phenylketonuria
- ▣ Sickle Cell Anemia
- ▣ Cystic Fibrosis
- ▣ Down Syndrome
- ▣ Alzheimer's Disease
- ▣ SCID: Severe Combine Immunodeficiency
- ▣ Achondroplasa
- ▣ Autism
- ▣ Others

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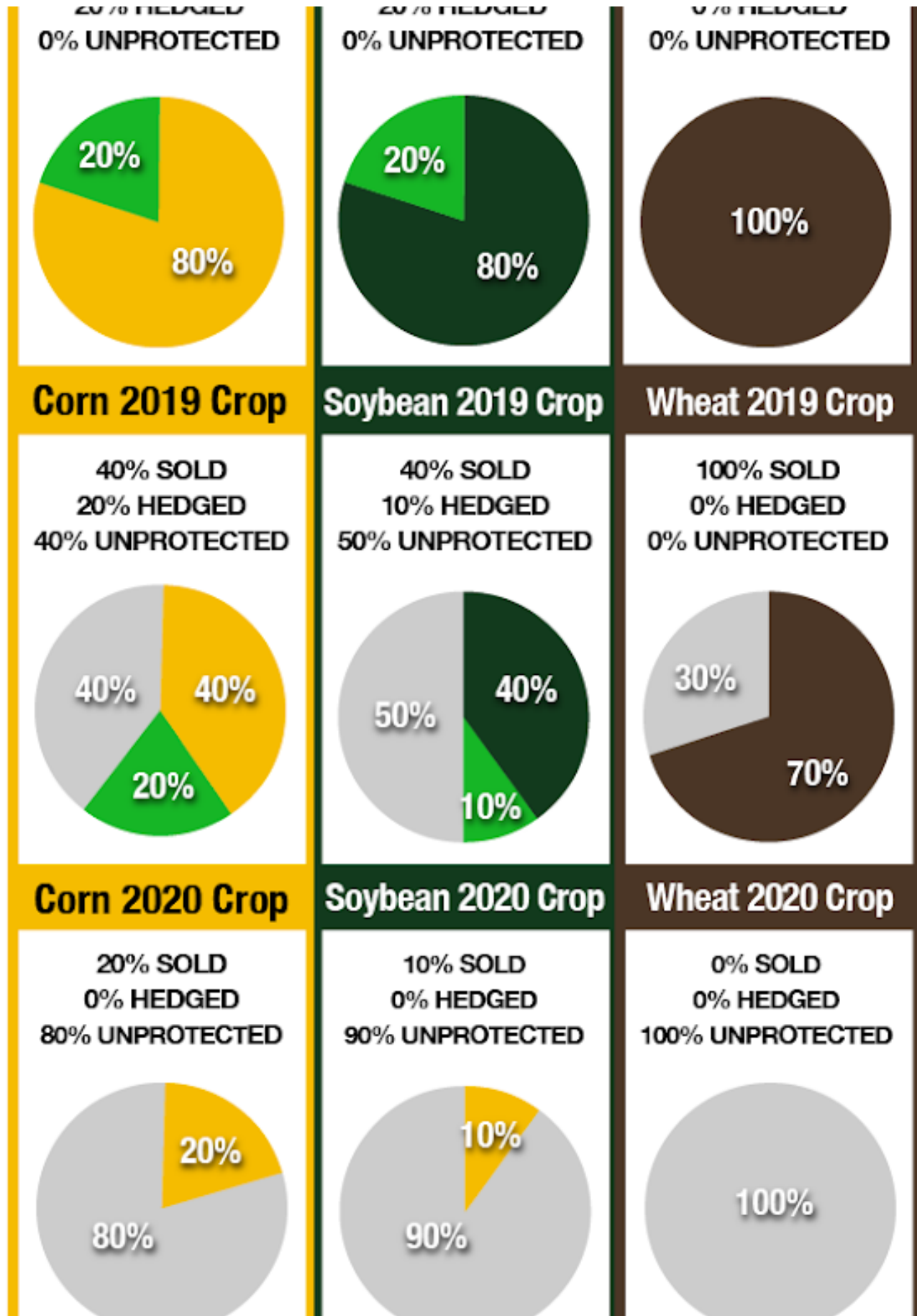
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20% HEDGED

Soybean 2018 Crop

80% SOLD
20% HEDGED

Wheat 2018 Crop

100% SOLD
0% HEDGED



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The image displays two pieces of apparel: a black quilted vest and a white polo shirt. Both items feature the 'AgSwag' logo, which includes a cartoon goat mascot. The vest also has 'THE NORTH FACE' branding at the bottom. The background is a gradient of blue and orange with a DNA helix graphic and hexagonal patterns.



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