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**GOOD MORNING: The Van Trump Report 1-7-20**

1 message

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Tue, Jan 7, 2020 at 6:42 AM



"What a wonderful life I've had. I only wish I'd realized it sooner." – **Colette**

**Tuesday, January 7, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stocks have mostly stabilized as bulls brush off the latest tensions in the Middle East as a buying opportunity. While stocks have gained back some of the losses, gold prices have now risen to their highest levels in almost seven years. Gold prices generally rise during times of geopolitical or economic uncertainty as it's viewed as a "safe haven" investment. In fact, Goldman Sachs recently made the statement that gold generally offers a more effective hedge than oil in times of global uncertainty. Bears argue that a full-blown conflict or retaliation from Iran could disrupt several million barrels a day of oil supply from the Persian Gulf and push oil prices to levels that create a drag on the U.S. consumer and ultimately the U.S. economy. From what I've learned through years investing and heeding my history lessons, oil prices generally need to rally +90% to +100% in a one year period to have a wide-spread negative impact on consumer spending and an overall noteworthy drag on the U.S. economy. In other

words, prices at the pump have to rally aggressively in a fairly short period of time to have a widespread impact. Sources inside the market are saying if Brent crude oil prices rally back to +\$90 in 2020, a price level not seen since the fall of 2014, then bulls could become much more worried. What's a bit different this time around than in years past with turbulence in the Middle East is the fact U.S. producers are expected to average a record +13.2 million barrels of crude oil production per day in 2020. At the same time, U.S. suppliers are expected to export +4 million barrels of crude oil per day. Moral of the story, in years past the U.S. economy was much more at the mercy of the Middle East. I'm not saying the problems in the Middle East couldn't spark an uncertainty or fear inside the trade that leads to a selloff and or reversal in money flow. Overall investor psychology will always be the most important market-moving dynamic, and I know you never want to say this time around things are different, but perhaps this time around things are a bit different? On a positive note, China has officially confirmed they will send a trade delegation to the U.S. to sign the first phase of its trade deal with the U.S. Top negotiator Liu He and his team will be in D.C. for the scheduled January 15 signing. Turning to today, economic data include International Trade, Factory Orders, and ISM Non-Manufacturing. The latter is the more closely watched report and expected to edge up to 54.5, which would be welcome news following a slowing trend that had begun to emerge last year. Things improved in November and an uptick for December will be another positive sign for the U.S. labor market. It's also worth mentioning that the Consumer Electronics Show (CES) kicks off in Las Vegas today. The event tends to generate a lot of headlines with some of this year's big news expected from television manufacturers, wearable health tech, self-driving vehicles, as well as all things AI. We will report on some of the coolest releases as they rollout this week and we learn more.

**Keeping an Eye on Bird Flu:** *There has been a handful of reports of Bird Flu reported the past few days across parts of Poland. Keep in mind they are Europe's largest poultry producer so it could gain some headline attention.*

**Ford Vehicle Sales Declined -3.2% in 2019:** *Ford Motor Co. said its U.S. vehicle sales were off -3.2% in 2019 as falling sport-utility vehicle and sedan sales outweighed gains in purchases of trucks, the latest U.S. auto maker to report declining sales. The No. 2 U.S. auto maker by sales said Monday it sold about 2.41 million vehicles last year, down from around 2.49 million in 2018. For the last three months of 2019, sales were off -1.3% to 598,728 units. Sales of trucks rose +8.8% to about 1.24 million in 2019 and +16% to 326,941 for the fourth quarter. The company said it sold 153,868 Transit vans last year, up +12% from the prior year. Car sales fell -28% to 349,091 units for the full year, reflecting Ford's decision to drop nearly all passenger cars from its U.S. lineup. SUV sales were off -4.8% to 830,471 units. Sales of Ford's top-selling vehicle and biggest moneymaker—its F-150 Series pickup trucks—slipped -1.4% in 2019. Overall, U.S. vehicle sales fell 1.6% last year,*

*to 17.1 million vehicles, research site Edmunds.com said Monday. U.S. vehicle sales rose steadily since the financial crisis a decade ago, when they bottomed out at 10.4 million in 2009. Sales hit a record 17.6 million in 2016 and have bobbed along around the 17-million mark in recent years. In fact, 2019 was the fifth year in a row that sales exceeded 17 million. (Source: The Wall Street Journal)*

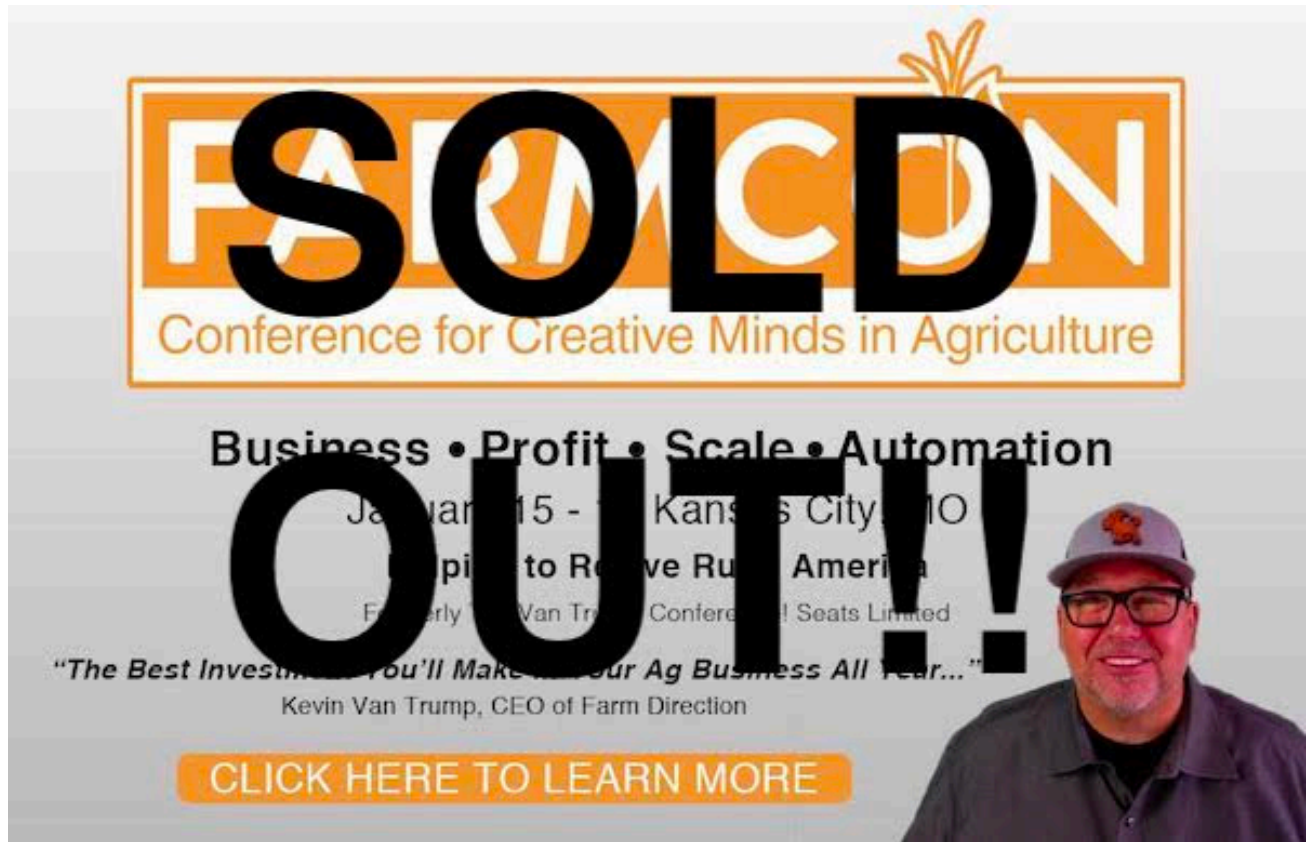
**Pier 1 to Close Stores and Cut Jobs:** *Home decor and furniture retailer Pier 1 Imports said on Monday it plans to close up to 450 stores, cut jobs and warned about its ability to continue as a going concern. Pier 1 has drafted a bankruptcy plan and made a presentation to creditors last month, with a plan to create a smaller post-bankruptcy company with about \$900 million in annual sales, a person familiar with the matter said on Monday. Pier 1 has also held discussions with lenders about potentially providing financing that would help the retailer continue operating while under bankruptcy protection, the person said. The Fort Worth, Texas-based Pier 1's shares, which were trading around \$500 in 2013, plunged to about \$5 late last year. The company had 973 stores in the United States and Canada, as of March 2, 2019, according to its annual filing. Since the start of 2017, over 20 U.S. retailers, including Sears Holdings and Toys 'R' Us, have filed for bankruptcy. (Source: Reuters)*

**What Heightened U.S.-Iran Tensions Could Mean for Oil Prices:** *Brent crude oil futures surged more than +4% and contracts for West Texas Intermediate crude oil jumped more than +3% just after the late Thursday announcement of an U.S. airstrike that killed a top Iranian military commander. But while the initial market reaction to news of the attack was swift, the longer-term effects on oil prices will ultimately depend on the response from Iran, an energy-production leader and a gatekeeper for one of the world's most important energy transportation passageways. Arguably the most dire reaction for global energy markets would occur if Tehran were to try and close off the Strait of Hormuz. The Strait of Hormuz – a waterway 96 miles long and 21 miles wide at its narrowest point — serves as a connector between the Persian Gulf and Indian Ocean and is flanked by Iran, the United Arab Emirates and Oman. The U.S. Energy Information Administration has called it "the world's most important oil chokepoint," and it serves as a passageway for a major portion of the global energy supply. Its oil flow averaged 21 million barrels per day in 2018, or more than one-fifth of global petroleum liquids consumption. "If Iran tried to close off the Strait of Hormuz, we've previously estimated that Brent crude would jump to \$150 [per barrel]," Jason Tuvey, senior emerging markets economist for Capital Economics, wrote in a note Friday. Other economists are more skeptical, however, of a lasting rise in oil prices given the U.S. and other countries' abilities to intervene in the event of a drastic energy market disruption. Read*

more from [Yahoo Finance](#).







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The advertisement features a large, bold, black 'SOLD OUT!!' text overlaying the central part of the image. To the right of the text is a portrait of Kevin Van Trump, CEO of Farm Direction, wearing a grey baseball cap with a red logo, glasses, and a dark shirt. The background is a light grey gradient.

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# Founding Partners





# FARM TANK

Tweets of the Day





**Farm Futures**  
@FarmFutures





**#Borden** becomes second big U.S. **#milk** producer to file for **#bankruptcy**

Conventional milk producers have struggled amid rising milk prices and competition from almond, rice and soy milk.

[farmprogress.com/business/borde...](https://farmprogress.com/business/borden...) **#milkprices**  
**#competition #farm #agriculture #dairy #dairycows**



Best Performing Stocks in the S&P 500 over the last 30 Years (1989 - 2019)					
Symbol	Name	Industry	30-Yr Total Return	30-Yr Ann. Ret	Growth of \$10k
JKHY	Jack Henry & Associates Inc	Information Technology Services	230391%	29.4%	\$ 23,049,051
MNST	Monster Beverage Corp	Beverages - Non-Alcoholic	202935%	28.9%	\$ 20,303,514
MO	Altria Group Inc	Tobacco	106545%	26.2%	\$ 10,664,530
CERN	Cerner Corp	Health Information Services	102114%	26.0%	\$ 10,221,448
UNH	UnitedHealth Group Inc	Healthcare Plans	91255%	25.5%	\$ 9,135,488
BBY	Best Buy Co Inc	Specialty Retail	84323%	25.2%	\$ 8,442,308
MSFT	Microsoft Corp	Software - Infrastructure	40471%	22.2%	\$ 4,057,113
STZ	Constellation Brands Inc	Beverages - Wineries & Distilleries	36489%	21.7%	\$ 3,658,889
ROST	Ross Stores Inc	Apparel Retail	33201%	21.4%	\$ 3,330,092
AMGN	Amgen Inc	Drug Manufacturers - General	28729%	20.8%	\$ 2,882,923
AAPL	Apple Inc	Consumer Electronics	28594%	20.8%	\$ 2,869,357
ADBE	Adobe Inc	Software - Infrastructure	27781%	20.6%	\$ 2,788,148
LRCX	Lam Research Corp	Semiconductor Equipment & Materials	26728%	20.5%	\$ 2,682,815
FISV	Fiserv Inc	Financial Conglomerates	24126%	20.1%	\$ 2,422,585
DHR	Danaher Corp	Diagnostics & Research	23133%	19.9%	\$ 2,323,342
FAST	Fastenal Co	Industrial Distribution	22253%	19.8%	\$ 2,235,330
SCHW	Charles Schwab Corp	Capital Markets	21132%	19.6%	\$ 2,123,214
HD	The Home Depot Inc	Home Improvement Retail	20766%	19.5%	\$ 2,086,566
PAYX	Paychex Inc	Staffing & Employment Services	20753%	19.5%	\$ 2,085,315
MXIM	Maxim Integrated Products Inc	Semiconductors	19539%	19.2%	\$ 1,963,921
TJX	TJX Companies Inc	Apparel Retail	19458%	19.2%	\$ 1,955,798
EA	Electronic Arts Inc	Electronic Gaming & Multimedia	18748%	19.1%	\$ 1,884,818
LOW	Lowe's Companies Inc	Home Improvement Retail	18067%	18.9%	\$ 1,816,748
AMAT	Applied Materials Inc	Semiconductor Equipment & Materials	17774%	18.9%	\$ 1,787,408
NI	NiSource Inc	Utilities - Regulated Gas	17476%	18.8%	\$ 1,757,576
NKE	Nike Inc	Footwear & Accessories	17452%	18.8%	\$ 1,755,198
SYK	Stryker Corp	Medical Devices	16325%	18.5%	\$ 1,642,466
ROK	Rockwell Automation Inc	Specialty Industrial Machinery	16008%	18.5%	\$ 1,610,793
VAR	Varian Medical Systems Inc	Medical Instruments & Supplies	15045%	18.2%	\$ 1,514,450
RJF	Raymond James Financial Inc	Capital Markets	15034%	18.2%	\$ 1,513,450
SPX	S&P 500 Index	N/A	1627%	10.0%	\$ 172,677
 COMPOUND			Data Source: YCharts		 @CharlieBilello





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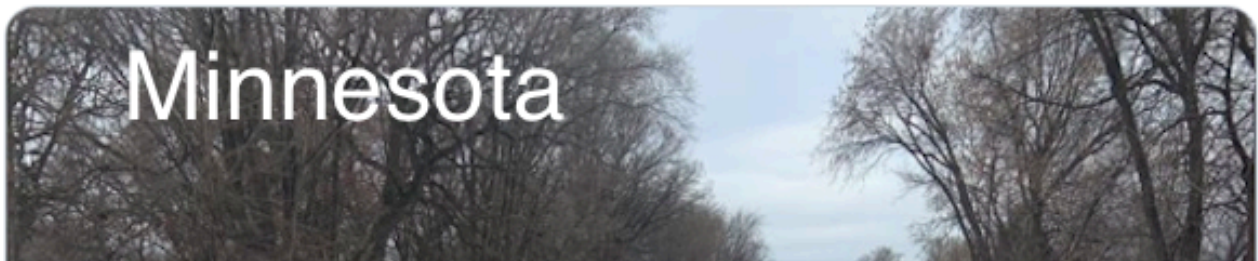
Hurry up and go sit in that line 🤔😂🤔 #soybeans



**Mike Parker**  
@Mike1Parker



Corn spilled on the tracks by my house the ducks and deer haven't found it yet



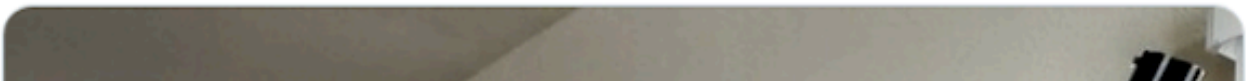




Will  
@TilghmanWill



Somebody is a happy young man. Now all I'm hearing is let's go pheasant hunting. 😊 🎄 📺









Will  
@TilghmanWill

My daughter and I connected on an [#elk](#) today, her first time getting to go elk [#hunting](#) with dad and she had a blast! 🦌



Inspirational Quotes  
@QuoteloveU

Life is like a book.  
Some chapters are sad, some are happy and some are exciting, but if you never turn the page, you will never know what the next chapter has in store for you.

[#Quote](#)



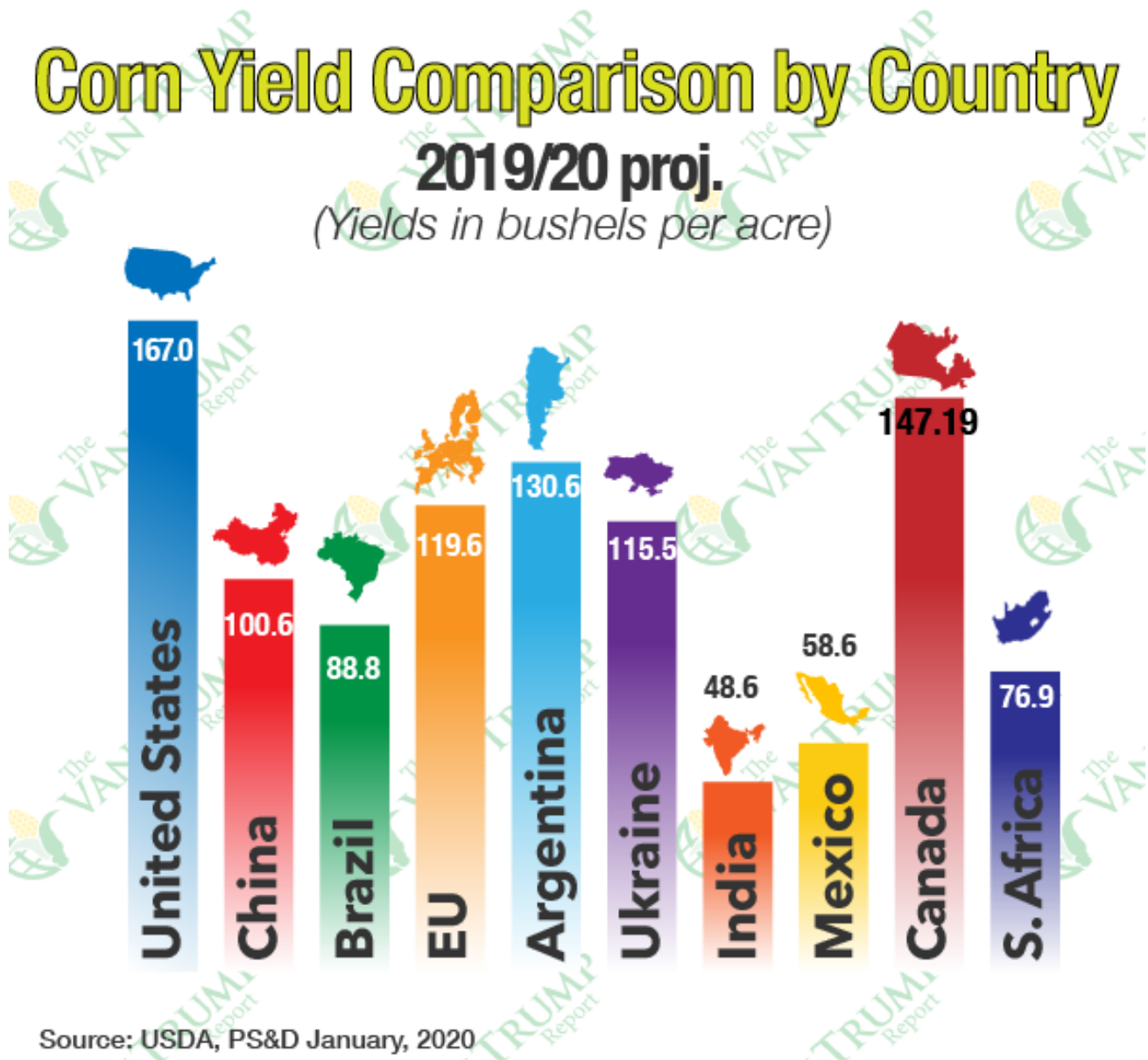
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**Corn** bulls are talking about production problems spreading across Brazil's Rio Grande do Sul region. Even though this is just the country's third-largest grain production state there's worry that production losses from overly dry conditions could be mounting. I've heard several estimates from the region ranging from a -10% to -30% reduction from pre-season guesses. As it might sound worrisome in the headlines I'm afraid this might have more bark than bite. FCStone yesterday reportedly dropped their estimate for the area from 6.0 down to 4.8 MMTs, which is a -20% reduction. Moral of the story, while this is worth keeping an eye on, be careful thinking it's overly bullish or massively market moving at this juncture. I could argue that with domestic supply extremely tight in Brazil any noteworthy cut in production could certainly impact exports, so we must continue to pay close attention. Here at home, the trade is extremely eager to see Friday's USDA crop report. There are some big questions surrounding both U.S. production and demand. Bulls argue that total U.S. production is still majorly overstated as both acres and yield need to be lowered. Bears believe demand is overstated as both exports and ethanol could be adjusted lower. Marketing year-to-date export shipments are actually down by more than -50% from last year. Let's also keep in mind, 13 U.S. ethanol plants have closed in just over the past year and several other plants have at times been forced to reduce production. Technically, bulls

need to see the MAR20 contract close back above \$3.92 per bushel in order to resume upside momentum. Major upside resistance still seems to be in the \$4.00 to \$4.15 range.



**Soybean** bulls are pointing to rumors that a Chinese delegation might be coming to the U.S. this weekend ahead of signing the "Phase 1" trade deal. Bears are quick to remind the trade that "framed contracts" do not necessarily imply new or greater business for the U.S. soy exporters but rather political promises. Hopefully, there will be actual follow-through buying based on the commitments. As for South America, I argue that weather is offering up no real bullish interest. There are the dry pockets in southern and northeastern Brazil, but I still think another record crop could be harvested. In Argentina, moisture has recently improved, but perhaps more important for the bears is the fact the Argentine government has temporarily suspended its 3% export taxes on soybeans. Here at home, it's all

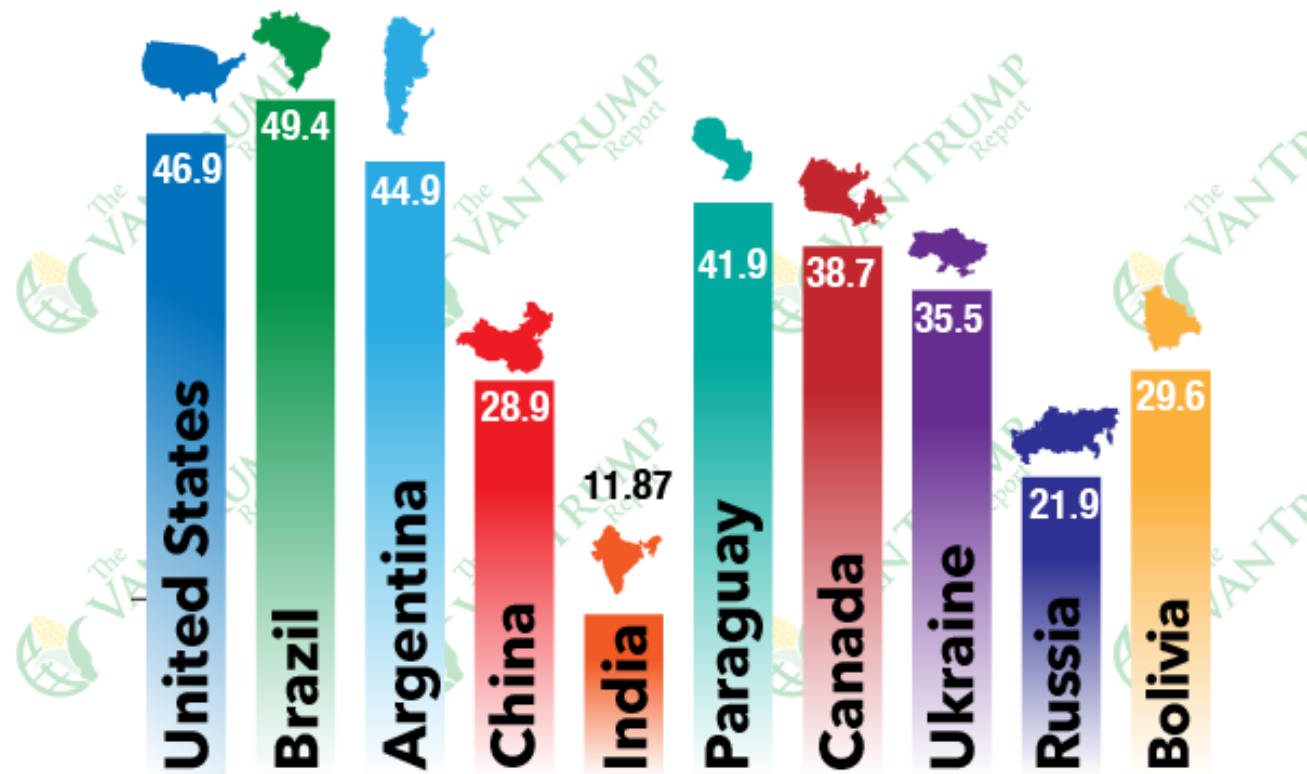


about Friday's USDA report. Will a reduced U.S. production estimate be greater than a possible setback in demand? Regardless, bulls are embracing the fact U.S. ending stocks will be decidedly less burdensome than last year and that Chinese buyers will hopefully be more interested in U.S. soybeans. Technically, there's a lot of heavy resistance in the MAR20 contract up between \$9.60 and \$9.85 per bushel. To the downside, many of the major moving averages will be providing support in the MAR 20 contract down in the \$9.00 to \$9.25 range. Funds are now thought to be holding a near neutral to slightly bearish position. As a spec, I have also closed all of my open positions and am comfortable sitting on the sideline waiting for the market's reaction. Producers should be paying very close attention and using any nearby bullish headlines to help reduce a bit more long-term risk. I'm concerned that there might not be enough fresh headlines generated to keep the bulls fed moving beyond this Friday's USDA report and the signing of the "Phase 1" trade deal with China.

## Soybean Yield Comparison by Country

### 2019/20 proj.

*(Yields in bushels per acre)*



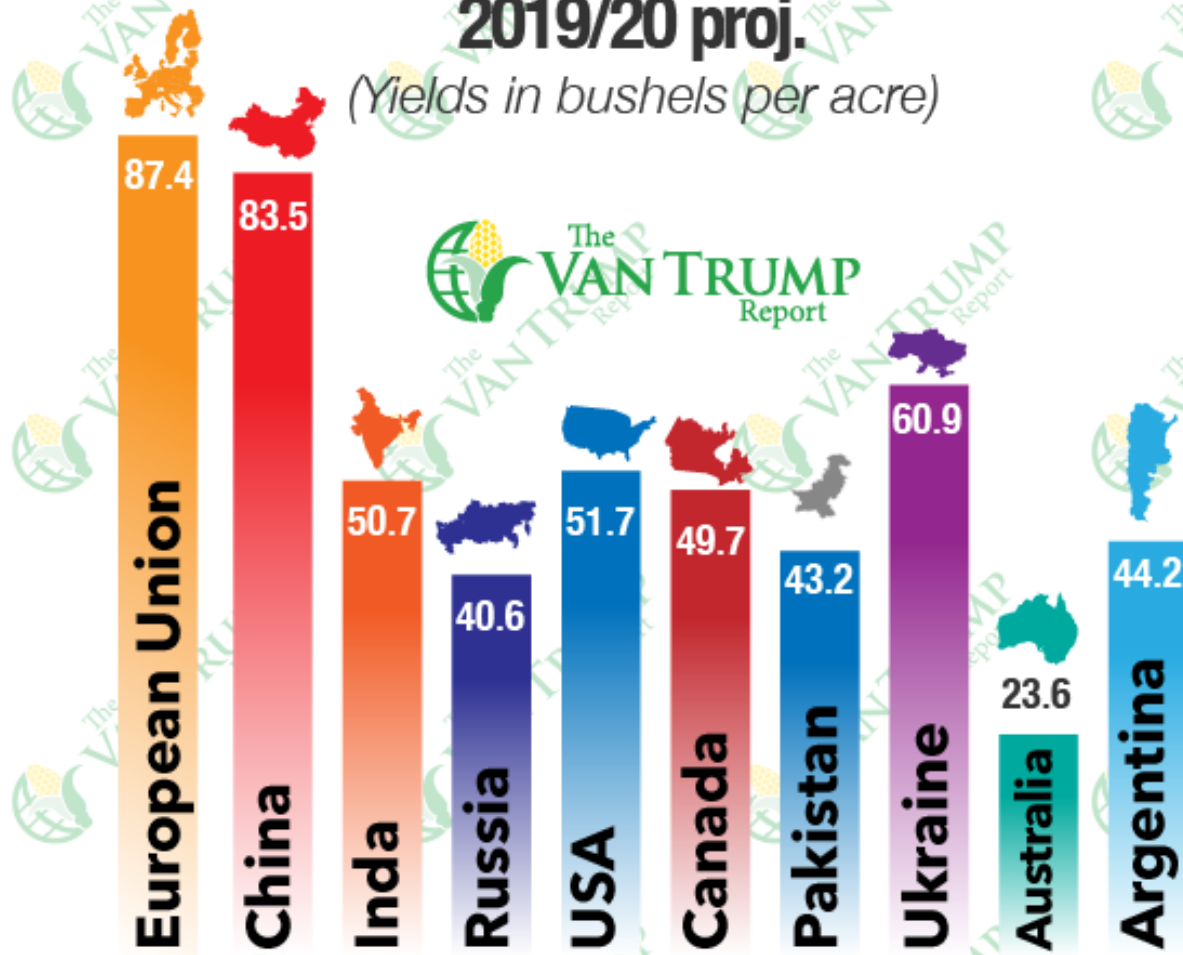
Source: USDA, PS&D January, 2020

**Wheat** bears continue to point towards ample global supply and still no major U.S. export headlines. Bears believe a large chunk of global buying might have been a bit front-end loaded meaning we could now see buying headlines drying up a bit. From a global perspective, weather seems to currently be a non-event. Here at home, traders have been keeping a close eye on conditions across the Plains where many forecasters are now calling for improved moisture and more protective snow cover. As for Friday's USDA data, I think bulls are looking for fewer U.S. acres. Bears, on the other hand, are doubting there will be much change to the global balance sheet with some minor reductions being offset by improved conditions in a few locations. As a spec, I've liquidated my bullish spring wheat position and remain on the sideline. The wheat market has enjoyed a good run and like the other markets above I worry about finding the next round of fresh headlines that will be strong enough to keep pulling the market higher and dragging new bullish money into the mix. As a producer, rewarding the SRW wheat rally with some small new-crop sales seems like a good play. Obviously, the trade will be keeping a close eye on the "Phase 1" details as both bears and bulls wonder if it will lead to more consistent Chinese wheat buying? Sorry, there's not really a lot fresh or new in the headlines right now...stay tuned!

# Wheat Yield Comparison by Country

2019/20 proj.

(Yields in bushels per acre)



Source: USDA, PS&D January, 2020



**> FC Stone Trims Brazil's First-Crop Corn Production:** *FCStone says that corn production in Brazil's Rio Grande do Sul, the country's number-three grain-producing state, will likely be reduced by -20% from initial estimates due to a severe drought. The state's corn production was cut to 4.8 million metric tons from a previous 6 million metric tons. Accounting for that reduction, Brazil's first-crop corn production is lowered -3.4% from initial projections to 25.75 million metric tons, FCStone said. Second-crop corn is forecast marginally lower at 71.97 million metric tons, compared with 72.1 million metric tons forecast previously.*

**> Mideast Tensions Threaten Strained U.S. Wheat Exports:** *Rising tensions in the Middle East threaten to make a tough export market for U.S. wheat growers even harder to crack. Fears of retaliation for a U.S. airstrike that killed top Iranian General Qassem Soleimani have sparked concern that U.S. wheat growers will lose access to Middle Eastern markets—a growing destination for U.S. grain exports. Middle Eastern nations are projected to import 17.3 million metric tons of wheat in the 2019-20 marketing year, according to the U.S. Department of Agriculture, making them one of the largest importers of wheat outside Southeast Asia and North Africa. But the U.S. only claims a small portion of exports to the region. U.S. grains traders have been hoping that weather events, such as the widespread brush fires in Australia, would boost demand for wheat and other U.S. agriculture. Read more from [The Wall Street Journal](#).*

**> One of America's Oldest and Largest Milk Producers Files for**

**Bankruptcy:** *Borden Dairy Co., one of America's oldest and largest dairy companies, on Monday became the second major milk producer to file for bankruptcy in the last two months. Dean Foods, America's largest milk producer, filed for bankruptcy November 12. Borden said it filed for bankruptcy because it cannot afford its debt load and its pension obligations. It has 3,300 employees, 22% of whom are covered by a collective bargaining agreement. The company said it also has been hurt by broader industry trends, including a 6% drop in overall US milk consumption since 2015. Borden noted that more than 2,700 family dairy farms went out of business last year, and 94,000 have stopped producing milk since 1992. With the wholesale cost of milk rising due to fewer suppliers and retail milk prices weaker due to lower consumption, the margins for milk processors like Borden have suffered, the company said in its filing. The company said it had net sales of +\$1.2 billion in 2018, but that resulted in a net loss of -\$14.6 million. From January 2019 through December 7, Borden reported a net loss of -\$42.4 million, according to its bankruptcy filing. (Source: CNN)*

**> Australian Fires Hit Key Dairy Regions, Adding to Drought Woes:** *Bushfires across Australia's east coast are set to pile on more pain for the country's dairy industry, already hurt by a prolonged drought, as processors in one of the world's largest exporters face tightening milk supplies. The fires have swept through major dairy areas along the New South Wales south coast, where many producers have faced a three-year drought, and East Gippsland in Victoria. Bushfire-affected regions account for about a third of the country's milk output, data from industry group Dairy Australia shows. "It isn't yet possible to get a full picture," said Phin Ziebell, agribusiness analyst, National Australia Bank. "Hundreds, perhaps thousands of cattle will have been lost. We have to wait for the full assessment but the impact will be devastating." Australian Prime Minister Scott Morrison said on Monday nearly 4,000 head of livestock had been killed by the fires. Australia is the world's seventh-largest dairy exporter, supplying mainly Asian markets with products such as fresh milk, butter and cheese, as well as milk powder. Dairy is the country's fourth-biggest rural industry, worth \$2.3 billion. Even before the fires, Australia's milk production was set to fall to a 22-year low due to drought. Many farmers are now struggling to secure feed for their cattle, which could affect both milk production and breeding. (Source: Reuters)*

**> Coalition Seeks Ag-Labor Reform:** *Pointing to a wage hike of +6% in 2020 for agricultural guest workers, the Agriculture Workforce Coalition is calling on the U.S. Senate to take up legislation that would change the H-2A program and help farmers with their labor needs. The coalition wrote Senate leaders on Thursday pointing to the change in 2020 of the Adverse Effect Wage Rate (AEWR) set by the Department of Labor for H-2A workers, calling it inflated "using flawed survey data that does not take into account the value of other expensive benefits provided to the workers." The letter also states the Department of Labor doesn't consider agriculture's ability to absorb the additional costs. "Today, the new AEWR goes*



*into effect, and farmers' labor costs will suddenly increase by an average of 6% while revenues for agricultural goods continue to diminish," the coalition wrote the senators. "This increase is just the nationwide 'average' for 2020. In some parts of the country, farmers will be forced to absorb increases of nearly 10%, and some of those same farmers experienced increases of more than 22% last year." Read more from [DTN/Progressive Farmer](#).*

**> 2020 Predictions from Agri-Foodtech's Leading Venture Capitalists:** *The past decade saw the emergence of a group of investors dedicated to investing in tech startups across food and agriculture. While this pool of capital continues to grow as new funds launch each year, the industry needs more capital, particularly growth capital, as the first wave of startups matures into the later stages of startup life. Increasing numbers of generalist investors are entering the space but as a complicated and very nuanced industry, the more expert investors supporting its tech revolution, the better. AgFunder asked a few of these dedicated investors what they're expecting in 2020 and beyond. Check out their responses [HERE](#).*

**> Floating Wind Farm Starts Generating Power Off Portugal's Coast:** *A wind turbine floating off the coast in northern Portugal began transmitting electricity to the grid, a crucial step for a technology that could vastly increase the potential for offshore wind power. The WindFloat Atlantic project is backed by European energy companies EDP Renovaveis SA, Engie SA and Repsol SA and uses the floating platform developed by Principle Power Inc. Three turbines with a combined 25 megawatt capacity will eventually be connected, helping to advance the economic viability of floating wind farms in the increasingly competitive market for renewable energy. Floating turbines could have a built-in advantage to traditional offshore platforms because they can be placed more readily. The machines can operate in waters much deeper than the relatively shallow seabeds required to anchor stationary masts. The turbines in Portugal float 100 meters (328 feet) above the seafloor, some two-thirds deeper than the maximum depth of fixed offshore farms. Read more [HERE](#).*

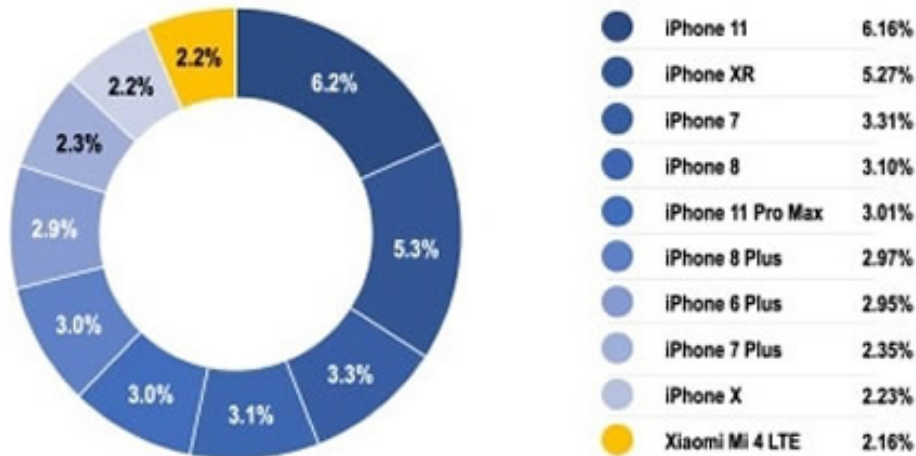
**> How Lawmakers, Regulators Could Take on Big Tech in 2020:** *Big tech took a beating from politicians, regulators, the media and consumer advocates in 2019. Despite all the rhetoric around "taking on big tech," Congress hasn't passed meaningful legislation to regulate the industry. Companies like Facebook, Amazon, and Google were publicly shamed by lawmakers throughout the year, but the industry hasn't faced too many consequences — yet. One of the first issues Congress could tackle in 2020 is data privacy. As other countries develop privacy laws and California's law goes into effect, U.S. lawmakers are feeling the pressure to get a federal law on the books. Other areas in which the tech industry could face scrutiny include antitrust violations and stopping the spread of misinformation online. There is also a lot of talk about modernizing antitrust statutes. Read more [HERE](#).*



**> Disney's Frozen 2 Claims Top Spot:** *Frozen 2 has become the highest-grossing animated film of all time, pulling in \$1.325 billion worldwide and crushing the record set by the previous holder of the title, Frozen, which made \$1.281 billion way back in 2013. The film now in third place, The Incredibles 2, made \$1.243 billion in 2018. Frozen 2 is still making an avalanche of money at the box office, pulling in \$53.7 million globally last weekend despite debuting Thanksgiving. It's made \$875 million at the international box office and is projected to land somewhere north of \$950 million. (Source: Deadline)*

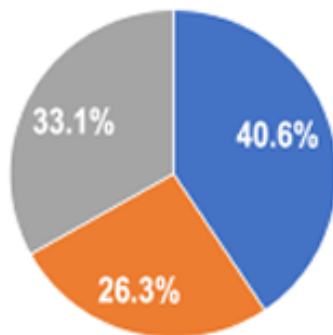
**> Apple's iPhone Dominated U.S. Holiday Smartphone Sales:** *Americans activated far more iPhones during the week between Christmas and New Year's Day than Samsung handsets, or those of any other rival, according to market-research firm Flurry. According to Flurry, 40.6% of handsets activated in the United States in the weeks before Christmas were made by Apple. Rival Samsung's products made up 26.3%. In the Dec. 24 to Dec. 31 period, iPhone activations jumped up to 42.8%, while Samsung's number dropped to 23.5%. The most activated model in the United States during the span between Christmas and New Year's Day was the iPhone 11, accounting for 6.16% of all activations and 15.4% of Apple activations. Apple's older generation devices continue getting traction too, likely appealing to more price sensitive customers. iPhones 6, 7 and 8 all cracked the Top 10 list. In fact, iPhones accounted for nine of the 10 most activated devices in the last week of December. The only non-Apple offering in the Top 10 was the Xiaomi Mi 4 LTE. Speaking of holiday sales, Christmas Day spending on mobile applications topped \$250 million for first time ever last month. (Source: Flurry)*

## Top Devices Activated in US 12/25 – 12/31

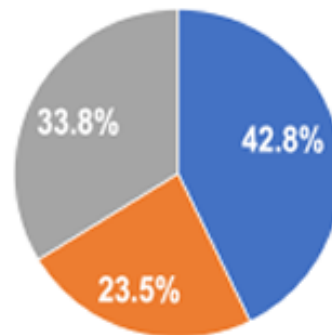


Source: Flurry Analytics, December 25 - 31, 2019

## US 2019 Holiday Market Share by Manufacturer



December 1 – 24



December 25 - 31



Source: Flurry Analytics, December 1 – 31, 2019

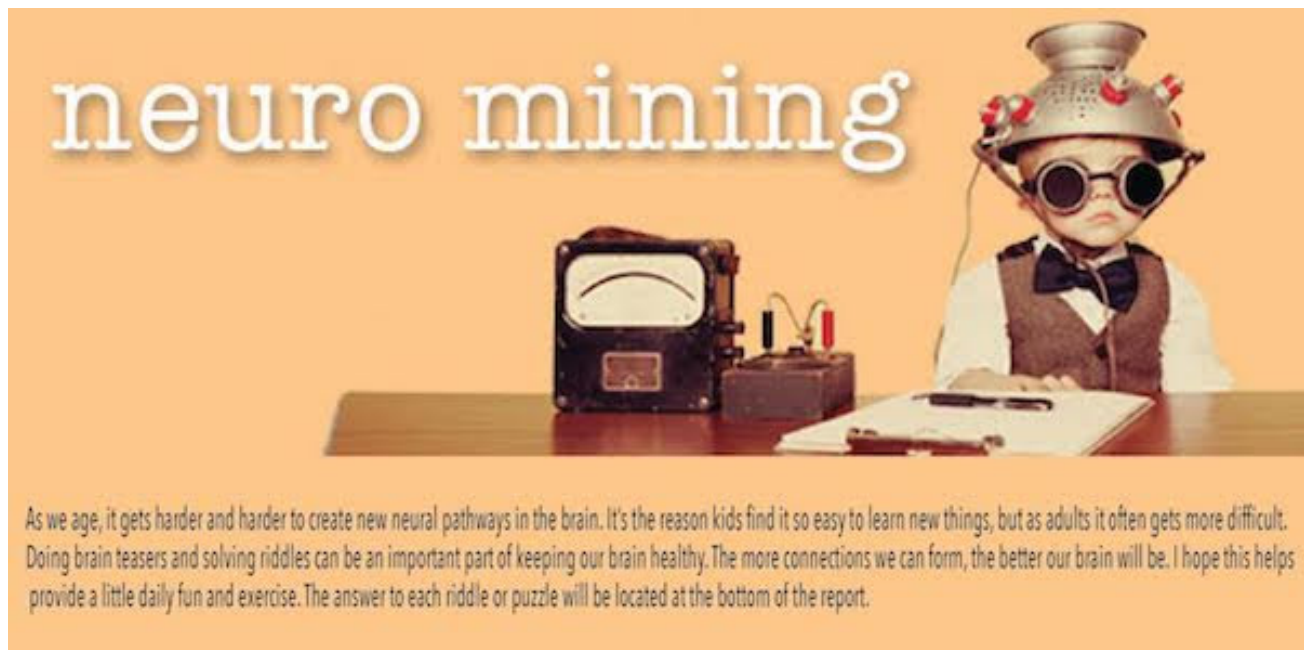


**Southwest Ohio** - *I'm thinking of going to more of a 1/3 corn and 2/3 soybean*

*rotation. I farm completely by myself and all I do is haul corn. That is good because I have been able to really raise great crops lately. The problem is it's very time-consuming. I have had a very good crop of beans also, but they take much less time to harvest. The problem with planting beans on beans is they underperform unless there's a cover crop of some sort. I know I read somewhere where guys do this year after year and have excellent bean crops while keeping erosion at bay. I can harvest many more beans in a day than I can corn. Just trying to plan for next year.*

**Northern Minnesota** - *You would think that we fight icy roads all winter long but it's pretty much the opposite. I have been hauling corn and beans in the last few months but had to shut it down last week because we actually got above freezing which is what causes the road to become icy. When it stays between 10 degrees and -20 degrees we usually never have to shut down unless a truck doesn't want to start. This is the beginning of living in my semi for the next 4-5 months at least, depending on the crop size. This year we have a little more to haul in than normal with better yields.*

**Southern Iowa** - *I'm thinking about using group 7 soybeans as a cover crop planted with corn. The main problem is we don't want the soybeans to set pods and make beans before the first frost. I don't want juicy beans in the combine tank mixed in with the corn. The goals of the cover crop are nitrogen production and weed control. I'm guessing even if they make beans the corn head should push them down mostly.*



**TODAY'S RIDDLE:** I go up and I go down, towards the sky and the ground.  
I'm present and past tense too, Let's go for a ride, me and you. What am I?



## **A Few Farming Thoughts from 30,000 Feet Worth Considering**

In a recent post on Agfunder, agtech expert Corbett Kull, CEO of [Tillable](#) and cofounder of 640 Labs which was acquired by [Climate Corp.](#), shares some insights that I found interesting. Operationally speaking, agtech is making it easier than ever to collect and share data, which really should be considered good news for farmers, landowners and investors. Better data collection and improved data transparency can help ensure farmland profitability. Traditional ways of doing business in ag are changing meaning both farmers, as well as farmland owners, may have to find new ways to build trust and credibility within their more competitive channel. Below are a few key areas that many of the most successful producers and owners will be utilizing as they try to gain a competitive advantage.

### **Farming as a Service**

*Farming as a Service (FaaS) is the term commonly used to refer to subscription and pay-per-use farming services, and numerous agritech startups are now adopting this business model as they offer farming-related advanced technological mechanisms to help farming become a sustainable and profit-yielding enterprise. Most of us refer to this as a more generalized and simple term called "custom farming", and given the uncertainties surrounding marketing commodities, it has been a boon to farmers and farmland owners who are looking to establish fixed costs and goals upfront. An example of an FaaS company making some things happen is a startup called " [Sabanto](#)" that uses autonomous tractors to perform planting and other row crop operations. As new models for farmland management and technology present themselves, FaaS leaders are gearing up to meet the needs of data-driven operations as the industry continues to make farming more efficient.*

### **Data transparency and Analytics**

*Producers may turn a deaf ear to this topic as we've heard about it for so long and up til now many really haven't benefited a great deal from the space. The speed of change today in technological advancements is the real game-changer. Data transparency and analytics in the farming space is now going well beyond just improved equipment and crop capabilities. While*

*agricultural tools get smarter and data delivery gets easier, it's increasingly common for farmland owners and tenants to also conduct business digitally by signing leases that require data delivery and provide deadlines for that information via cloud computing. There will be much great reliance on the cloud and blockchain moving forward.*

### **AgTech Investment Opportunities**

*The landscape for farmland investors is changing quickly, alongside the rest of the modernizing agricultural industry. Startups like [FarmTogether](#) aim to help more investors get the benefits of having farmland in their investment portfolios, and they're working to make sure more people understand the variety of ways this can be structured. As the continued interest in agtech companies provides traditional investment opportunities, the new equity-based arrangements will continue to change the farmland investment game. As consumers become much more concerned about their food and where and how it's grown, Wall Street will throw more and more money in that direction. The big money being put in play by Wall Street will create somewhat of a self-fulfilling prophecy consisting of faster and greater change. As more interest and more money enters agriculture we have to prepare for more rapid change.*

### **Landowner Empowerment Growing as More Farm Ground is Passed Down**

*Having input receipts in hand from the past five years running is valuable and farmland owners are beginning to understand just how valuable it can be to have a complete view of their farmland's soil health. Knowing your soil will need inputs next season (or a multi-year nutrient application) has a real financial impact for landowners. If a landowner knows they'll be investing in these types of improvements in advance of signing their next cash lease they'll be able to forecast further and set a fair price and advanced outline for who will pay for these improvements. Many suspect data delivery and literacy will begin to have a larger impact on the bottom line for savvy farmland owners in the 2020s as increased technology and online tools assist remote landowners with their first glimpse of what's going on inside the numbers. Transparent data sharing amongst landowners could change things for many farmers who have been renting the same ground for years. There's more talk that as the farm ground is passed down to the children, it will be the kids who are much more curious about the details and the data. It will be these much more tech-savvy kids that will lead the charge towards more full transparency.*

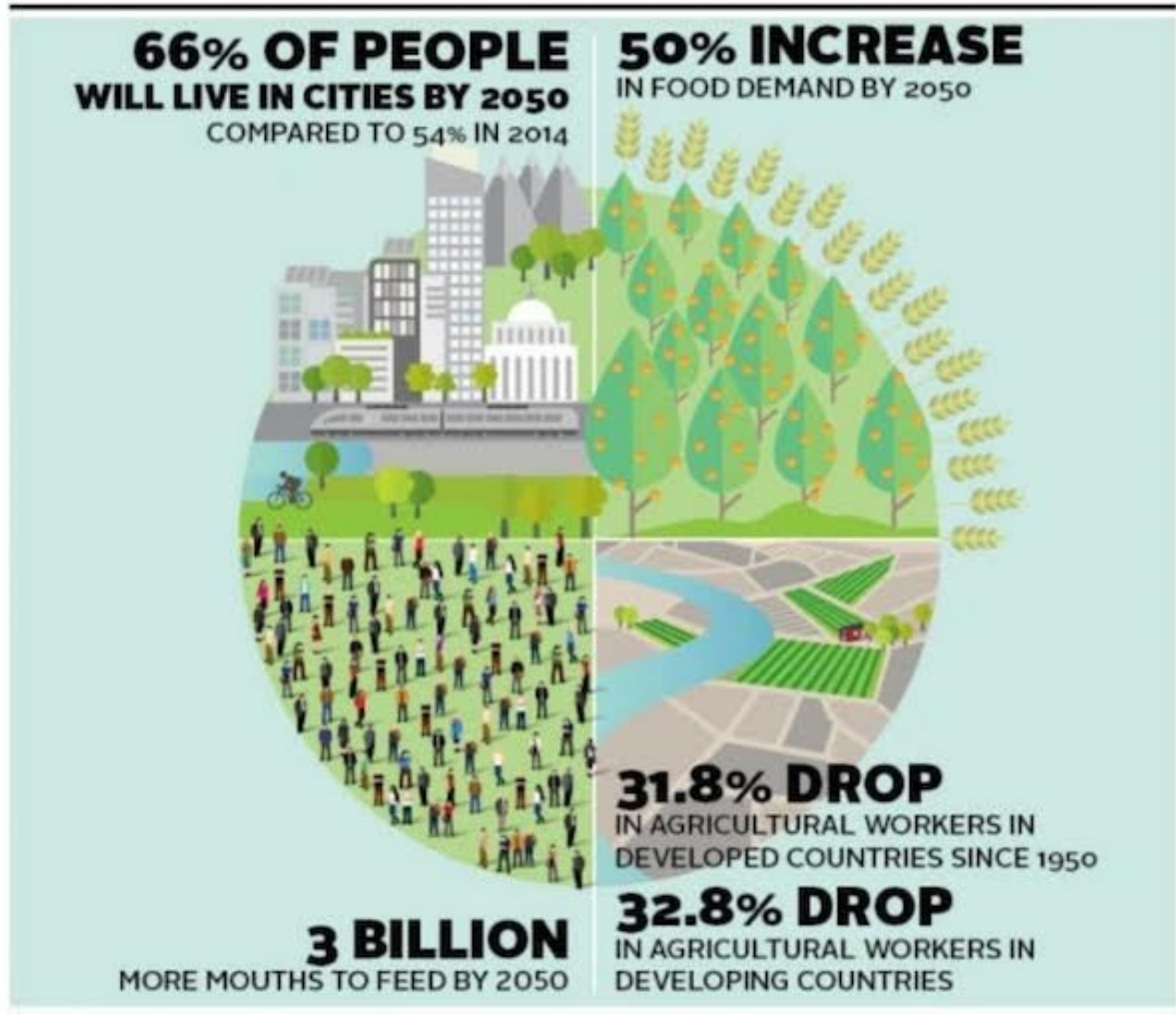






# CONFLATING TRENDS

## SEVERAL TRENDS ARE PUSHING AG-TECH FORWARD



SOURCE: FAO



### **YouTube's Highest-Paid Star Last Year was an 8-Year-Old that Made \$26 Million!**

Ryan Kaji has been in the "unboxing" business for five years now. He began opening toys on camera at age 3 and one could say he's done pretty well for himself - for the second year in a row, he tops the list of YouTube's highest earners. Kaji earned \$26 million in 2019 thanks largely to his channel "Ryan's World" which has nearly 23 million subscribers. His channel has expanded from simply opening toys. He does science experiments, educational videos and the occasional egg surprise—basically he opens a huge fake egg to see what's inside. He now also has a Nickelodeon show, a contract with Hulu, and a line of branded merchandise sold at Target, Walmart, and Amazon.



Kaji isn't the only kid on the list. He's joined by 5-year-old Anastasia Radzinskaya, who placed third in the ranking with earnings of \$18 million. Russian-born Radzinskaya, who goes by "Nastya", appears in videos with her father, which basically just show the pair playing and visiting different places. According to an interview with Forbes, her parents started making the videos to share her progress as she went through treatment for cerebral palsy. Her doctors were actually afraid she would never be able to talk, Nastya has 107 million followers across seven channels that have wracked up over 42 billion views. Her biggest channel, Like Nastya Vlog, is also the 4th most subscribed YouTube personality channel in the world. According to Forbes, Nastya earns a big chunk of her cash through sponsorship deals with brands like Dannon and Legoland. She also working on a line of toys and mobile games and has plans to publish a book next year.

Forbes compiles the Highest-Paid YouTube Stars list every year based on earnings estimates from June 1, 2018, through June 1, 2019. To be clear, these are not necessarily the YouTubers with the most followers and most aren't even very well known outside their niche circles. The bulk of this year's list is made up of gamers, mixed with a few toy reviewers and daredevils, and one beauty blogger. Combined, the 10 highest earners brought in a total of \$162 million for the year, and no one on the list made less \$11.5 million. Below are the other 8 YouTubers that made this year's list. (Sources: Forbes, CNN, People)

**Dude Perfect, \$20 million:** *Five friends in their 30s—Coby Cotton, Cory Cotton, Garret Hilbert, Cody Jones and Tyler Toney—play sports, perform stunts and break Guinness World Records. Their videos, like "Bowling Trick Shots" and "Bubble Wrap Battle," helped them score a TV contract The Dude Perfect Show, which airs on Nickelodeon.*

**Rhett and Link, \$17.5 million:** *Two of YouTube's first stars, Rhett McLaughlin and Link Neal, host Good Mythical Morning, one of YouTube's most popular daily show on which they eat foods like Cheetos-flavored Pop-Tarts and sing with stars like Kelly Rowland. They've expanded their brand of comedy to four channels, a podcast, two books and, earlier this year, purchased the multichannel network Smosh for a reported \$10 million.*

**Jeffree Star, \$17 million:** *After getting his start as a musician on MySpace, Jeffree Star moved to YouTube, where he found a following doing makeup tutorials. He now uses his channel to tout his makeup line, which he says does at least eight figures in revenue thanks to its popular lipsticks, highlighters and eye shadow palettes.*

**Preston Arsement, \$14 million:** *One of two newcomers on this year's list, 25-year-old Preston Arsement got his start playing Call of Duty and quickly became so popular that he started posting friendly pranks in addition to his gaming content. He continues to game but is now famously known for his videos in which he either eats outrageous amounts, gives away tons of money, or completes wild challenges. Outside of YouTube, his biggest moneymakers are the Minecraft servers he runs for seven figures annually.*

**PewDiePie, \$13 million (tied):** *It's no surprise to see Felix Kfellerberg on this list. Since joining in 2010, his following count has grown to over 100 million and continues to grow. Though a controversial figure, many people love to follow his antics both online and in real life. He uploads videos on a nearly daily basis and is known for sharing the content of all kinds. However, he has recently announced he'll be taking a break from YouTube in 2020.*

**Markiplier, \$13 million (tied):** *Mark Fischbach is a gamer as well as an entertainer. Over the years, he's played many a game, but his over 24 million followers love his sketch comedies and other content as well. Moreover, he's known for his good deeds like playing charity live-streams, which allowed him to raise over \$3 million for various charities. He is currently collaborating with CrankGameplays on Unus Annus, a project where he and his collaborator create a video every day for a year before deleting all content.*

**DatTDM, \$12 million:** *Daniel Middleton is a huge name in the world of online gaming. The Brit joined the YouTube-sphere in 2012 and has since expanded his following to 22.2 million followers. He specializes in playing Minecraft games but expanded his portfolio to include Fortnite, Roblox and more. Plus, he's the author of his very own graphic novel series, which has taken him on tours across the globe.*

**VanossGaming, \$11.5 million:** *Evan Fong capitalizes on the huge popularity of online gaming by creating video montages from his own play-time, centered around funny moments or revealing how to complete challenges. He's been a part of the YouTube community since 2011.*







### **The Art of Being Happy... Are You Sure You Have Your Dog in the Right Race?**

Time and time again I learn that "happiness" is all about perception and perspective. Everyone ultimately wants to be happy but too often people are searching and looking for it in all the wrong places. Many of my friends ask about my success in both business and life, particularly how I've managed to balance and accomplished "happiness" on several fronts. I tell everyone it hasn't always been great and certainly not as rosy as it may look from the outside looking in. We've certainly had our fair share of ups and downs. I went broke twice before the age of 35 and made more than my fair share of bad investments and bad business decisions!

Luckily I've had the opportunity along my journey in life to meet some very smart people who were willing to point out where I slipped rather than laughing when I actually fell. Perhaps even more important was my willingness to listen and being receptive to their constructive criticism and suggestions. On top of that, I took action! I didn't just listen and nod my head or get bullied up and mad that my mentors were pointing out my deficiencies, instead I took action, I made the changes and I made the adjustments!

In many cases, my perception and perspective were way off target. I was setting goals and making plans to try and acquire more "money" and "material possessions" thinking it would ultimately bring our family more happiness. Wow, how stupid was I? I like to tell people I definitely had my dog running in the wrong race! Somewhere in life I had concocted or come to this crazy conclusion that the

race was for more money, the quickest to climb the corporate ladder, the coolest car, the coolest house, etc... We had learned in school that  $2+2=4$  but somehow I concluded and started believing "money+possessions = happiness". In some case that might be right. Money and possessions can bring momentary glimpses of happiness but those moments are fleeting at best and never long-term or healthy in nature.

In fact, building goals and objectives around material items only works to keep you on the hamster-wheel and craving for more. It's a very addicting and dangerous cycle to get trapped in. I've heard so many of my friends through the years says things like, "as soon as we get this new house built things will be different", "as soon as we get a new truck things will be different", "as soon as the kids get out of college things will be different", "as soon as we buy the lake house things will be different". Bottom line, you can't buy happiness!

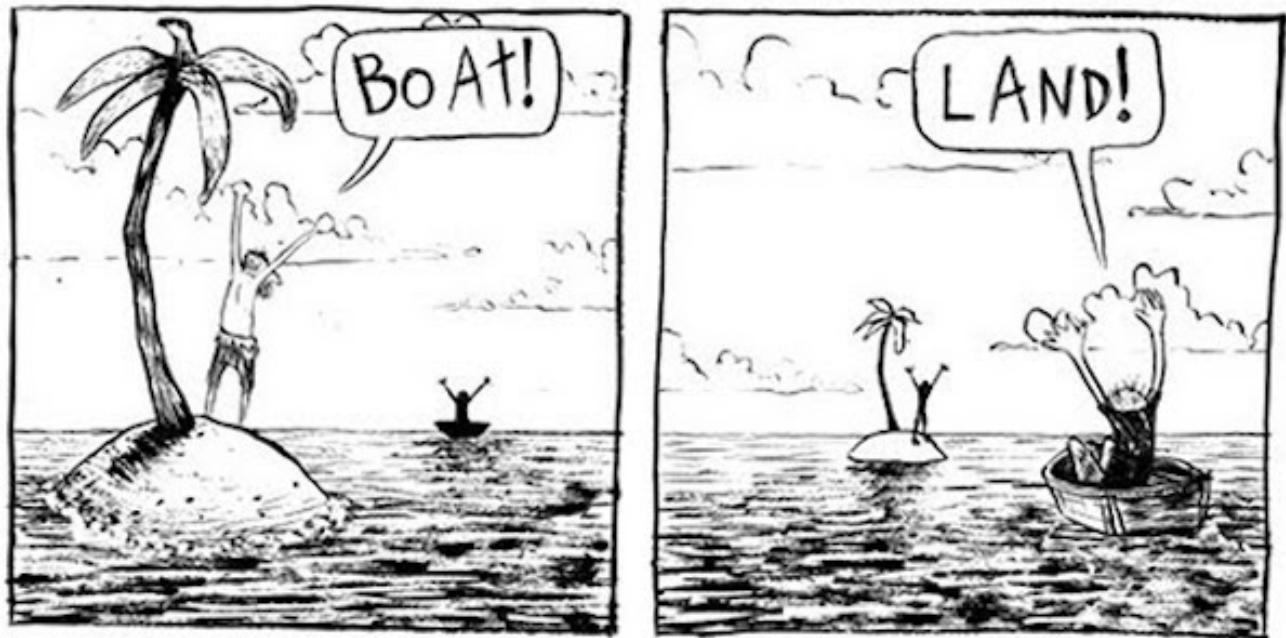
Psychologists researching happiness have repeatedly found that the problem is much deeper. In fact, research shows that money and possessions can actually decrease happiness as it works to alter your perspective. So where did I find happiness? It was everywhere that I wasn't looking. Kind of like "negative space" in art. Sometimes it's just a whole lot easier to draw the "negative space" rather than focusing exclusively on the object you are trying to draw. In other words, I was spending the majority of my time focusing on ways to make money, building a business, and ways I could improve monetarily. The problem was it was all about me and money. It was never about finding ways to help other people, it was never about finding ways to increase quality time with my family, it was never about donating more and helping others, especially when I felt like we were drowning in our own problems. But that's exactly when the light switch came on and it all hit me... The more I started helping others and focusing less and less on my own problems the better life became.

It becomes extremely easy to leave "compassion" and "helping others" out of the equation when you are crazy busy and focused on the wrong goals. There are only so many hours in the day. the big question is... How many of those hours are you focused on improving your situation vs. How many of those hours are you focused on helping others?

Compassion not only brings happiness to those you help but it also works in a strange way to improve how you feel about yourself. You become proud of what you are doing. You become excited and start to gain the ability to move much more quickly. The decisions come much easier and execution much simpler. Hence, happiness starts to brew and build momentum. It's been proven time and time again, helping others stimulates the brain's pleasure pathways and provides a much more lasting dopamine drip.

In addition, by focusing your attention on trying to help others solve their problems, you become less preoccupied with your own worries and concerns. Your brain becomes energized as you try to be part of someone else's solution, which allows you to tackle your own problems with renewed vigor. I suspect the biggest change I had to make, was to slow down and constantly think about my "perception and perspective" in life at any given moment. It's all around us every day.

I've read study after study about happiness, most all conclude the same thing, people almost always think if they only had a little bit more they would be happier and things would be different. I call bull shit on that idea! The results always reveal this simply isn't true. It's the entire perspective and perception that are wrong and misaligned. Those who seem to sacrifice the most to help the most tend to always be the happiest. Bottom-line, somewhere along the line our perception in life gets thrown off and out of alignment, we start to believe just a little bit more the happier we will become. Interestingly, however, the reality is the more we give away and do to help others, the happier we become. Again, it's all about perspective...



Perspective...

**HAPPINESS**  
Is all about perspective...

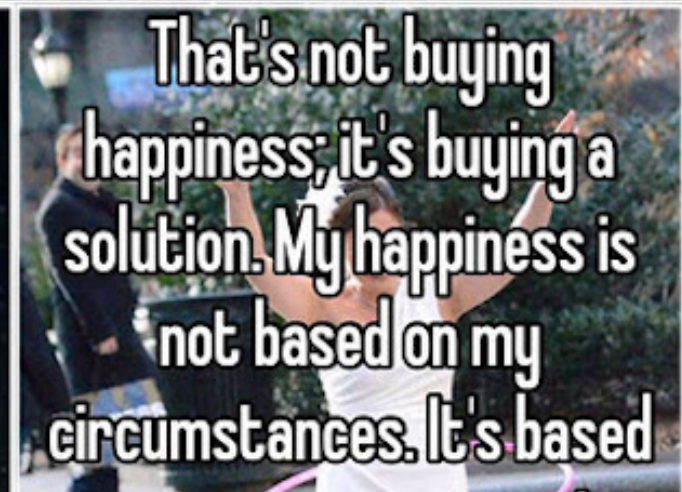
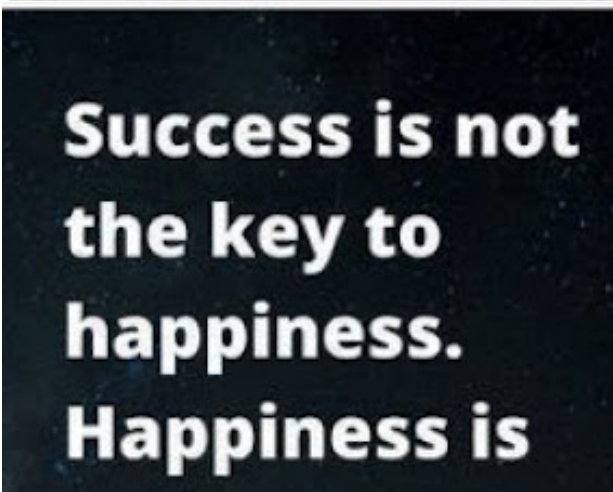


The reason people find it so hard to be happy is because they always see the past better than it was, and the present worse than it really is.!

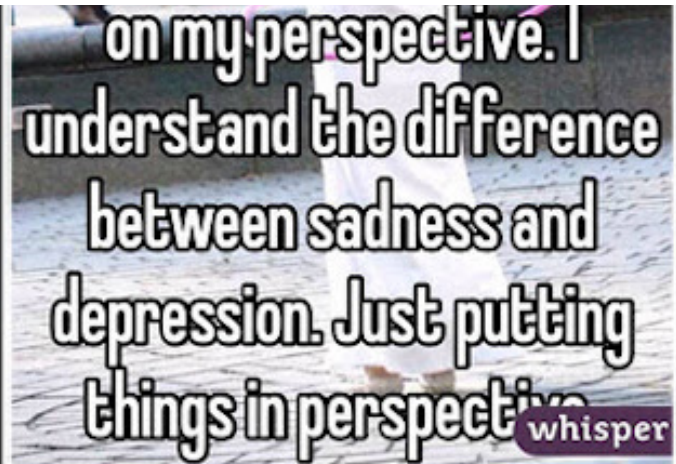
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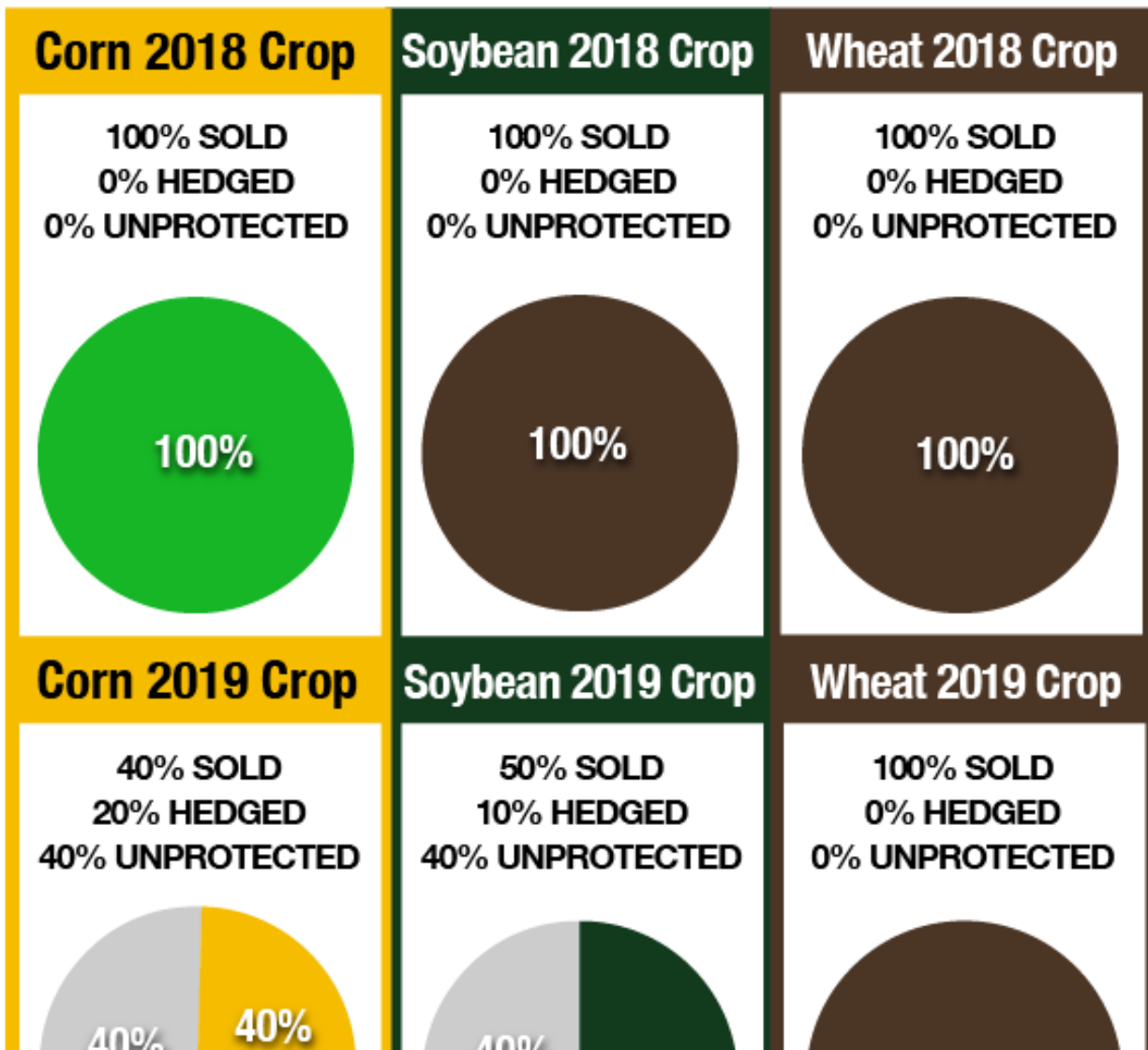


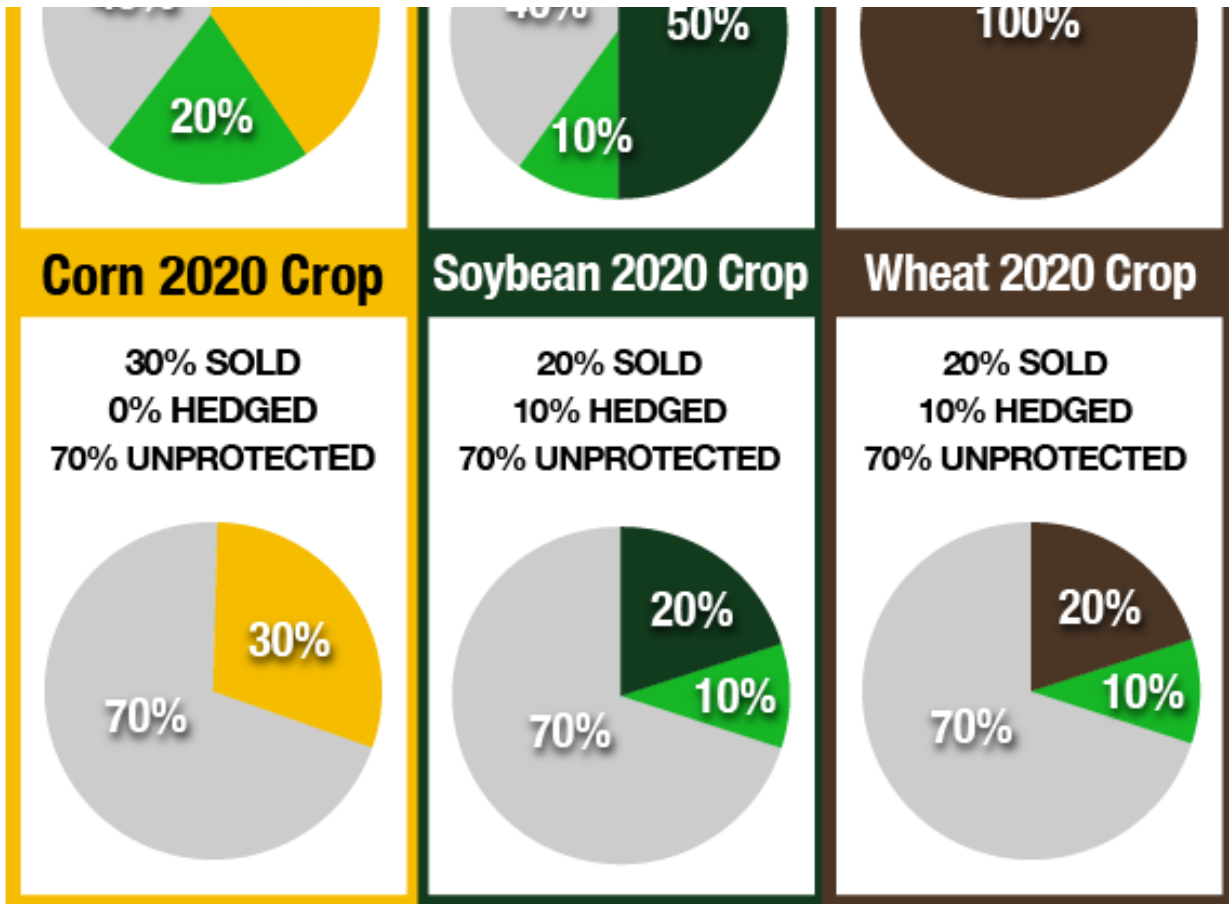
**ANSWER to riddle:** A seesaw.



# CASH SALES & HEDGING TOTALS

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