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GOOD MORNING: The Van Trump Report 5-19-20

1 message

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

Tue, May 19, 2020 at 5:30 AM

Reply-To: Jordan <reply-fece11767766067d-1180_HTML-40325470-100003450-9@vantrumpreport-email.com>

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"No amount of sophistication is going to allay the fact that all of your knowledge is about the past and all your decisions are about the future." - Ian E. Wilson

Tuesday, May 19, 2020
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Morning Summary: Stock bulls are applauding a big step forward in the search for an experimental coronavirus vaccine from U.S. biotech company Moderna which showed signs in Phase 1 human trials that it can create an immune-system response to fend help off the new virus. The U.K. is saying biotech company AstraZeneca could have as many as 30 million vaccine doses available in Britain by September. It's early in the vaccine race, but this latest news offers more "hope". As we've all learned in life it is hope which is the earliest and most effective tool for defeating fear. Bulls are also pointing to the fact, every state but Connecticut - which begins its reopening process tomorrow - has at least loosened some stay-at-home restrictions with even more slated to be lifted in time for the upcoming Memorial Day holiday weekend. Keep in mind, if infections do start to rise again, it could be two to three weeks before they are detected and new outbreaks emerge. Some Governors have said they'll take appropriate action if numbers surge again but a lot of analysts question whether Governors will go so far as to reinstate sweeping stay-at-home orders as it could be a risky political gamble. Today, investors are anxious to hear from Federal Reserve Chairman

Jerome Powell, who is testifying before the Senate Banking Committee on the governments fiscal response to the coronavirus pandemic. In prepared remarks released yesterday, Powell emphasizes the unprecedented economic pain the pandemic has inflicted. I suspect most of the testimony will be a review of programs that have already been implemented but investors will be listening for clues as to what else the Fed might be willing to do to help stabilize the economy. Today's key economic data will be April Housing Starts and Permits. On the earnings front, Walmart, Home Depot, Kohl's and Nordstrom are among the companies reporting earnings results.

2/3rds of Americans on Unemployment Making More Than Before: *It's being estimated that around 2/3rds of American's who have filed for unemployment are now making more than they were before. The extra short-term coronavirus money added to weekly unemployment benefits pushed many earnings beyond previous levels. I wonder however how many of these are waiters, bartenders, and others in the space that are also heavily compensated by tips. Meaning, yes, the unemployment money might be more than their previous "base-pay," but not more than what they actually took home. Interesting...*

Quarantined Cash? *I never even thought about having to quarantine the cash you get back or exchange with someone. In an article I received yesterday, Health experts have said that the coronavirus could live for a limited time period on our cash. Concerned, the Fed has quarantined currency shipments from Asia for 7 to 10 days. Read more [HERE](#)*

Apple Stores Will Reopen... But: *From what I have seen circulating, when Apple starts to reopen its retail locations, it will require face coverings for all of its employees and customers, and we will provide them to customers who don't bring their own. Temperature checks will be conducted at the door, and posted health questions will screen for those with symptoms and they may have the ability to check to see if you've been around someone infected with COVID-19. Throughout the day, they will conduct enhanced deep cleanings that place special emphasis on all surfaces, display products, and highly trafficked areas. (Source: Apple)*

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- Minimum 6,000 Gallons - *Because of our direct buying campaign with the supplier we have to buy in big bulk. We can drop ship 6,000 gallon minimums. I'm thinking we can partner to create smaller packaging units to supply to producers and buyers in your area.*
- 90 to 120 Day Lead Time - *Again because of logistics, I'm thinking we need 90 to 120 days lead time to fulfill orders.*
- Low Price Guarantee - *The market price can vary from week-to-week for DEF but I believe we*

can guarantee and source the lowest prices in the industry.

U.S. Shale Output Decline Seen Accelerating: *Declining US shale oil output is projected to slide further in June by -197,000 barrels per day (b/d) to 7.822 million b/d, a drop of -15,000 b/d compared to what was expected last month, the U.S. Energy Information Administration said Monday. Last month, the EIA forecast production to drop -183,000 b/d in May to 8.526 million b/d, but voluntary shut-ins by producers during the past several weeks have accelerated faster than expected. Well economics have gone south in the wake of extremely low oil prices, and the majority of public and several private operators revealed in the last few weeks that they have curtailed at least some output. The EIA has revised May production estimates to 8.019 million b/d, down more than -500,000 b/d. In its most recent Drilling Productivity Report on Monday, the agency also said it anticipates Permian Basin oil output will dwindle more in June than it had anticipated last month. June production for the West Texas/New Mexico basin is expected to weigh in at 4.29 million b/d, down -87,000 b/d from May. (Source: Platts)*

Significant Hurdles Ahead as Car Manufacturers Restart: *The Detroit automakers on Monday started producing vehicles in the U.S. for the first time since late-March due to the coronavirus. The reopening of plants will test their capital-strained supply chains, coronavirus safety protocols and consumer demand. The Detroit automakers and others have taken steps to assist with all three issues. They've implemented extensive safety protocols for workers and attempted to provide time for suppliers to come back online. For demand, they're offering 0% financing of up to 84 months as well as big discounts on vehicles. GM has said it could have its plants back up and running to pre-pandemic levels in the next four weeks, while Ford Chief Operating Officer Jim Farley said it's "too early to tell" when it will be back to producing where it was ahead of the coronavirus pandemic. Fiat Chrysler CEO Mike Manley has said "production levels will be aligned to consumer demand to ensure we do not build up inventory." Read more from [CNBC](#).*

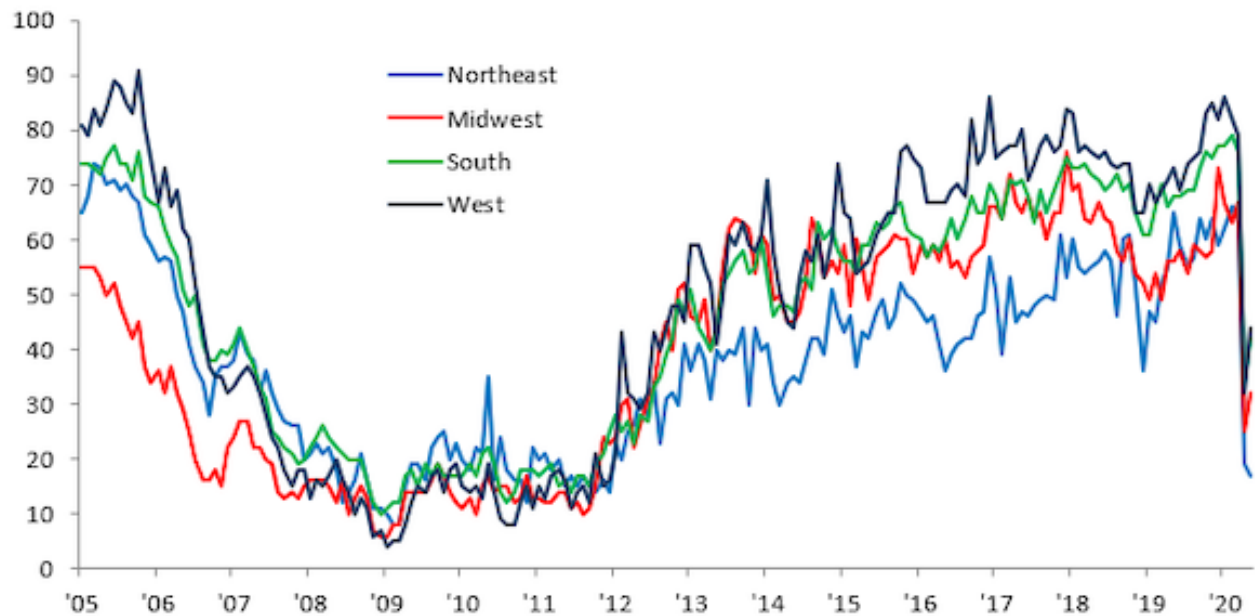
Homebuilder Sentiment Picks Up: *Homebuilder Sentiment for the month of May indicates what many have suspected - housing continues to hold up better than other areas. Like most other economic data of late, NAHB's Housing Market Index has collapsed over the past few months and is sitting around some of its lowest levels in years. But unlike other data, it never reached any sort of new drastic low and there was even a significant improvement in May as the index rose from 30 in April to 37. That 7 point month over month increase was the largest monthly increase for the index since another 7 point gain in June of 2013. Of the sub-indices, expectations for sales for the next six months saw the biggest pickup in May rising 10*

points. Looking across the regions, after each one experienced their largest drop ever last month, the Northeast, which remains one of the hardest hit areas of the country by the coronavirus, was the only one to see sentiment fall even further in May. Sentiment in the region is now down to its lowest level since December of 2011 after falling another 2 points. Meanwhile in every other region, sentiment saw significant improvement. (Source: Bespoke Investment Group)

NAHB Housing Market Index (1985 - 2020)



NAHB Housing Market Index By Region: 2005 - 2020



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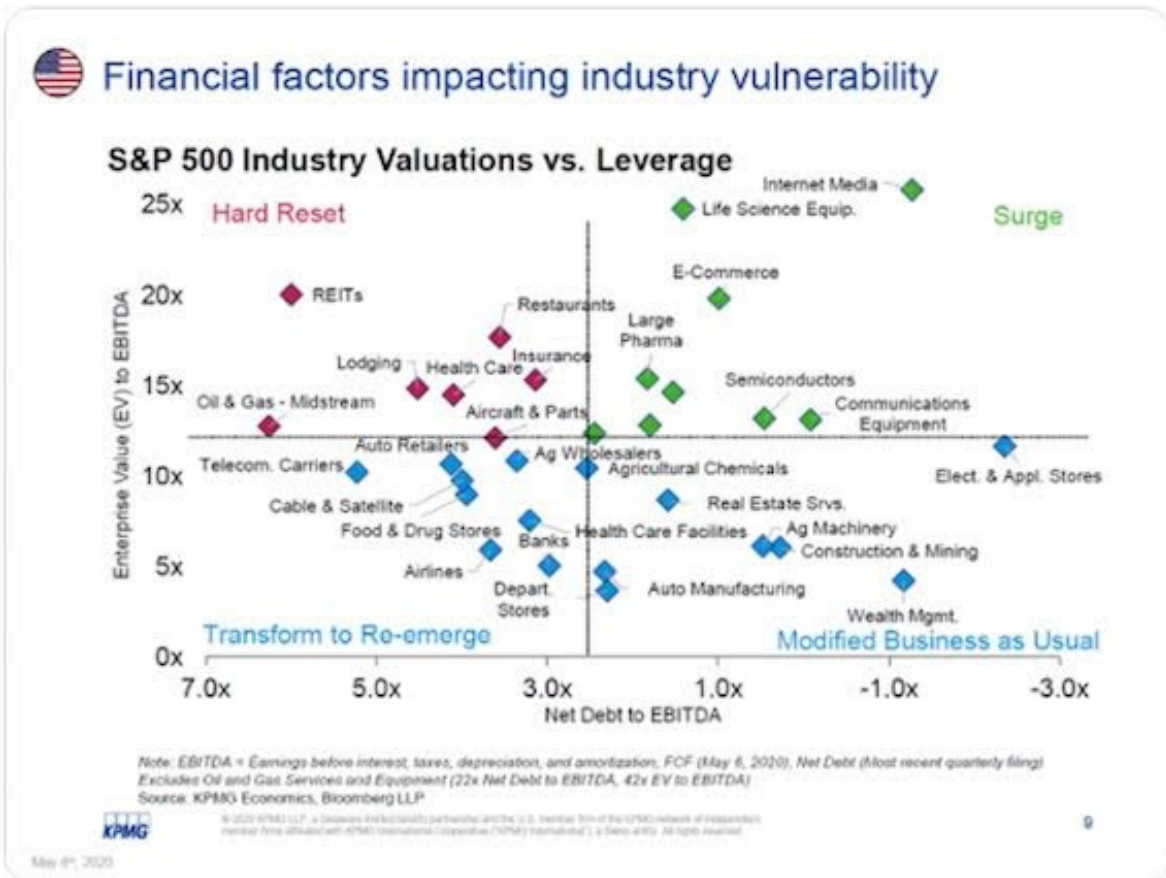
Tweets of the Day





Constance L Hunter ✓
@ConstanceHunter

The impact of #COVID19 on various industries can be divided into 4 quadrants: those that surge vs those seeing a hard reset of their business|Most industries will need to transform to re-emerge in a more nimble state|Some can get by w/modifications as a bridge to the future.





Gratke Wealth, LLC
@GratkeWealth

Replying to @cullenroche and @fbonacci

V-Shaped they said...

Cash Crunch

Some businesses can last longer than others without money coming in.

Posted on
WSJ The Daily Shot

28-Apr-2020

@SaberLook

Days of bills a typical business could pay from its cash balance, without inflows.

Real estate

47 days

Other prof. services

33

High-tech services

33

High-tech manufacturing

32

Healthcare services

30

Metal and machinery

28

All small business median

27

Wholesalers

23

Personal services

21

Construction

20

Retail

19

Repair and maintenance

18

Restaurants

16

Note: Estimates cash buffer days for a business by computing the ratio of its average daily cash balance to its average daily cash outflows

Source: J.P. Morgan Chase Institute



Matt Braun
@FastGrassGuy



Just a little bit of rain here looking at close to 5 inch's



Cory
@CoryRitter



#plant20 in a picture from my area...





RickBieber8
@RickBieber81



Good Morning from what should be a wheat field







BigBoss
@News_Dr252



LMAO! 🤔🤔





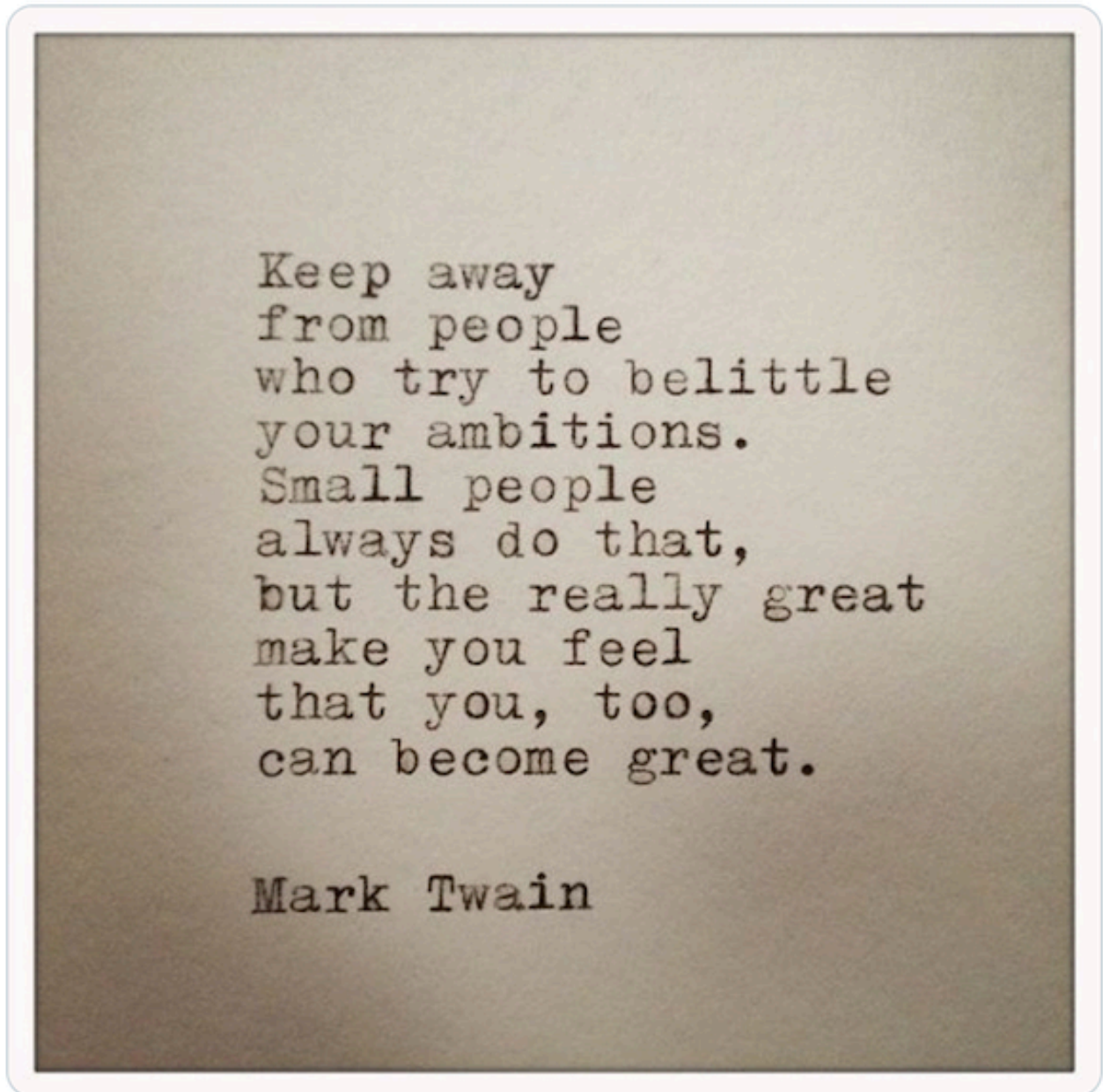
ActionComplete
@ActionComplete



Keep away from people who try to belittle your ambitions. Small...

~Mark Twain

#quotes #inspiration #attitude



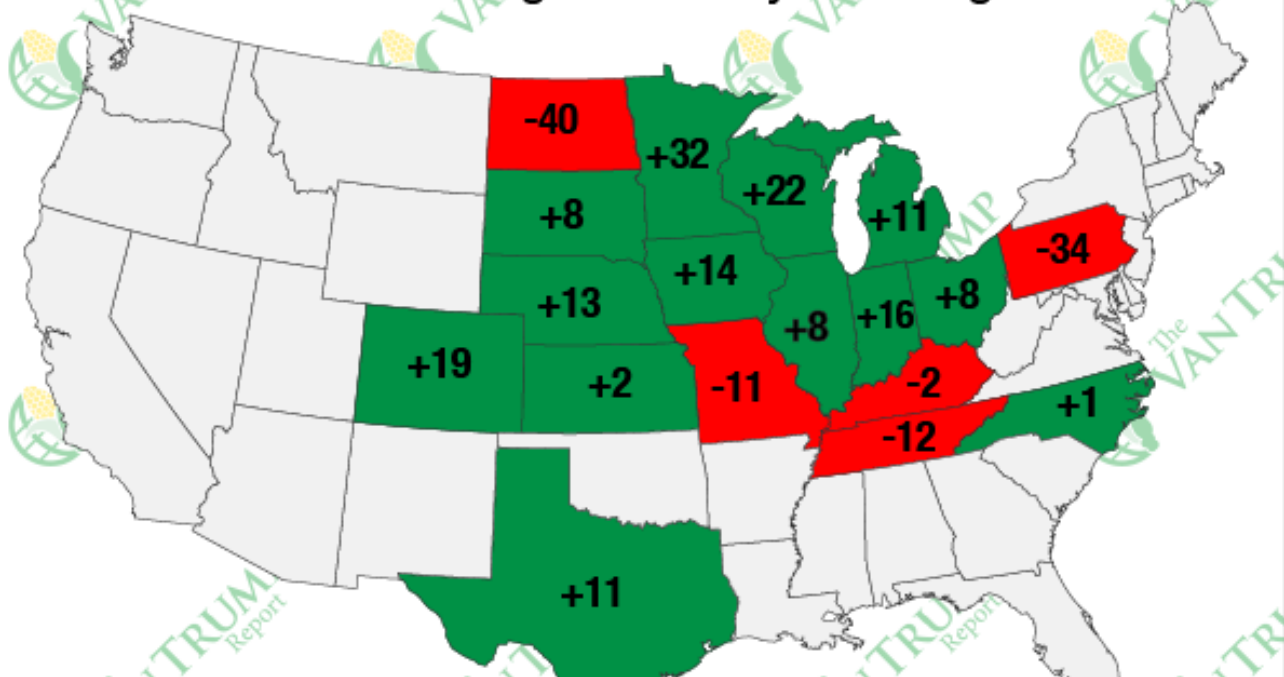
CORN bulls are happy to see the recent strength in crude oil and optimism surrounding a coronavirus vaccine. An improved global economy and stronger oil

prices are both bullish tailwinds for commodities. Bears are quick to point towards the +3.3 billion ending stock estimate and mostly cooperative weather here in the U.S. The USDA released data showing the U.S. crop is well ahead of schedule with 80% now planted. I suspect most important is the fact top-producing states are going to get all their acres planted early: Iowa 96% planted vs. 82% on average; Minnesota 95% planted vs. 77% on average; Texas 93% vs. 82 on average; Nebraska 91% planted vs. 78% on average; Wisconsin 81% planted vs. 59% on average; Illinois 83% planted vs. 75% on average; Colorado 79% vs. 67% on average; Kansas 74% planted vs. 72% on average; Indiana 72% planted vs. 56% on average; South Dakota 67% planted vs. 59% on average; Michigan 59% vs. 44% on average. States running behind include: Pennsylvania which is only 15% planted vs. 49% on average; North Dakota just 20% planted vs. 60% on average; Kentucky 74% vs. 76% on average; Missouri 83% vs. 84% on average. The USDA is also estimating that 43% of the U.S. crop is now emerged vs. 40% on average. Globally, bears are pointing to parts of Brazil that are getting some much-needed rains but it's suspected the second-crop is still going to see some yield drag. Technically, it still feels like the bears are in control and it will take a close in the JUL20 contract back above \$3.40 per bushel to make them take a second look. Keep in mind, the 200-Day Moving Average in the old-crop contract is way up at \$3.82². The bulls will want to see the new-crop DEC20 contract close back above \$3.50 per bushel.

U.S. Corn Planted

May 17, 2020
[Week 20]

Current Planting Pace vs. 5-year Average



Corn % Planted					
	2018	2019	5-yr avg	This Week	Change vs LW
Colorado	67	63	37	79	+28
Illinois	96	24	75	83	+15
Indiana	88	14	56	72	+21
Iowa	86	70	82	96	+5
Kansas	82	61	72	74	+13
Kentucky	81	71	76	74	+9
Michigan	50	19	44	59	+22
Minnesota	77	56	77	95	+6
Missouri	96	62	84	83	+16
Nebraska	88	70	78	91	+12
North Carolina	96	93	94	95	+6
North Dakota	62	42	60	20	+13
Ohio	71	9	49	57	+24
Pennsylvania	35	42	49	15	+10
South Dakota	66	19	59	67	+16
Tennessee	94	85	91	79	+12
Texas	88	92	82	93	+9
Wisconsin	56	35	59	81	+22
Total	81	49	71	80	+13

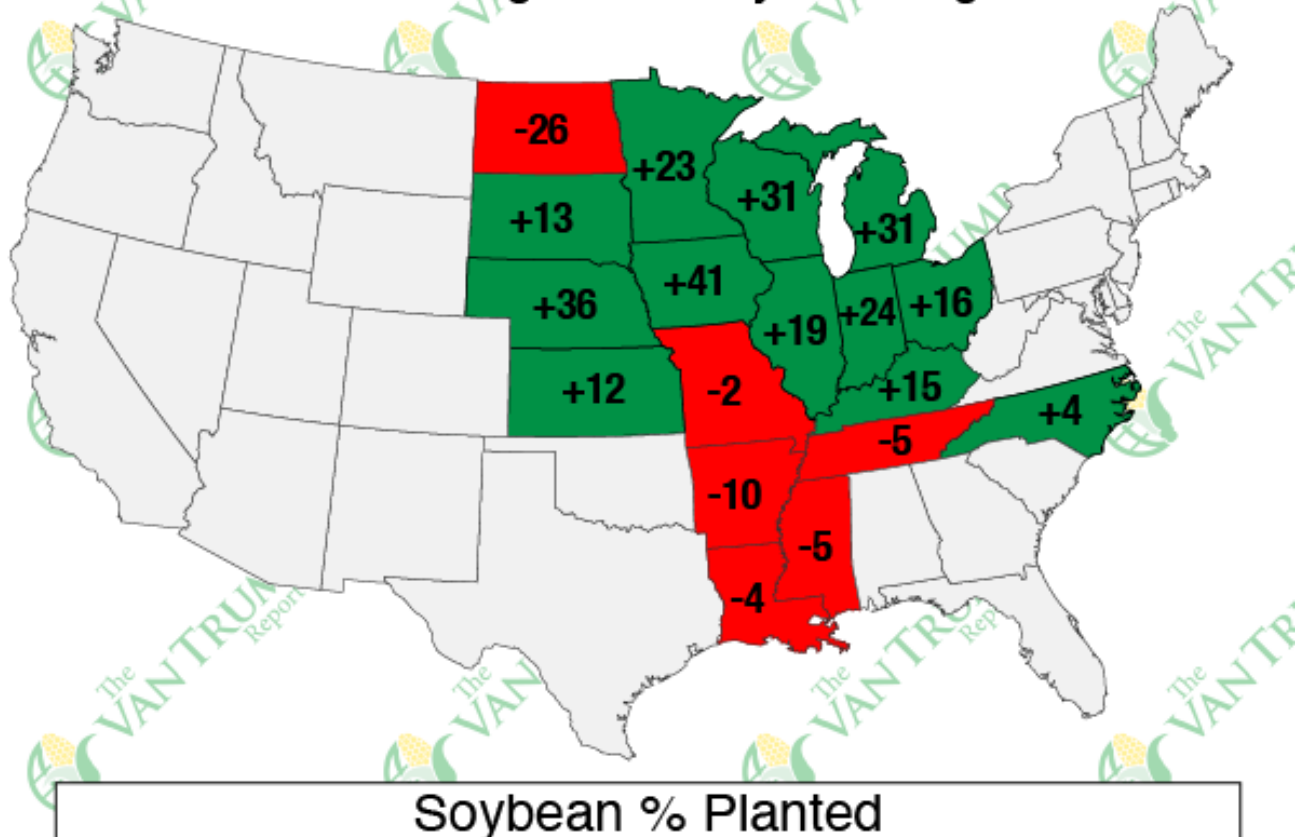
SOYBEAN bulls are pointing to a few more purchases of U.S. beans by the Chinese and their first U.S. bean oil purchase in many months. Bulls are also happy to see strength in the oil space and greater optimism regarding global economic growth. Here at home, U.S. producers have pushed past the halfway point with the USDA estimating 53% of the crop is now planted vs. 38% on average. States running ahead of schedule include: Iowa 86% planted vs. 45% on average; Nebraska 78% planted vs. 42% on average; Minnesota 74% planted vs. 51% on average; Wisconsin 61% planted vs. 30% on average; Illinois 59% planted vs. 40% on average; Indiana 56% planted vs. 32% on average; Michigan 56% planted vs. 25% on average; Ohio 43% planted vs. 27% on average; South Dakota 40% vs. 27% on average; Kentucky 39% vs. 24% on average; Kansas

37% vs. 22% on average. States running behind schedule include: North Dakota just 9% planted vs. 35% on average; Missouri 27% planted vs. 29% on average; Tennessee 29% planted vs. 34% on average; Arkansas 47% planted vs. 57% on average; Mississippi 66% planted vs. 71% on average; Louisiana 75% planted vs. 79% on average. The USDA also showed 18% of the U.S. soybean crop has now emerged vs. 24% on average. Globally, there have been headlines circulating that the Chinese have asked domestic importers and food processors to increase surplus ahead of what they believe could be greater coronavirus supply chain disruption. Bulls see this as a big positive, as the Chinese might source more supply from the U.S. Bears, on the other hand, worry that the Chinese might know something the rest of the world doesn't? Technically, most inside the trade still think we will need to see the JUL20 contract close back above the \$8.60 range to shake the bears and attract more bullish interest. If it matters, the 100-Day Moving Average is all the way up at \$8.92² and the 200-Day is up at \$9.17⁴ both of which are a long way away. The NOV20 new-crop contract needs to close back above \$8.80 to get the bulls more exited. I will continue to keep a close eye on Chinese headlines and extended U.S. weather.

U.S. Soybeans Planted

May 17, 2020
[Week 20]

Current Planting Pace vs. 5-year Average



	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	81	28	57	47	+18
Illinois	81	7	40	59	+12
Indiana	73	5	32	56	+18
Iowa	58	23	45	86	+13
Kansas	50	14	22	37	+19
Kentucky	35	19	24	39	+8
Louisiana	93	63	79	75	+26
Michigan	29	8	25	56	+13
Minnesota	48	17	51	74	+23
Mississippi	84	42	71	66	+18
Missouri	61	8	29	27	+10
Nebraska	68	34	42	78	+3
North Carolina	38	33	29	33	+23
North Dakota	33	19	35	9	+4
Ohio	50	3	27	43	+13
South Dakota	24	3	27	40	+13
Tennessee	50	28	34	29	+15
Wisconsin	33	10	30	61	+26
Total	56	16	38	53	+15

WHEAT bulls are pointing dry conditions intensifying in parts of Europe, Russia, and Ukraine. From my perspective, it doesn't rain soon in many of these areas the trade will have little choice but to start reducing some of the current production estimates. Here at home, bulls are pointing to deteriorating U.S. winter wheat conditions, and spring wheat planting that continues to run behind schedule. The USDA once again trimmed the winter wheat conditions amount to 52% rated GD/EX vs. 66% rated GD/EX last year at this time. Bears point to the fact conditions in the top-producing state of Kansas actually improved +2% to 40% rated GD/EX. Texas, Arkansas, Oklahoma, and Colorado conditions deteriorated the most. The USDA showed U.S. spring wheat planting at 60% complete vs. 80% on average. States lagging the furthest behind are North Dakota 41% planted vs. 76% on average; Minnesota 70% planted vs. 86% on average; Montana 75% planted vs. 77% on average. On the demand side of the equation, the bulls would like to see a last-minute jump in exports or the USDA will probably have to make a slight adjustment lower to the current export estimate. As a spec, I remain on the

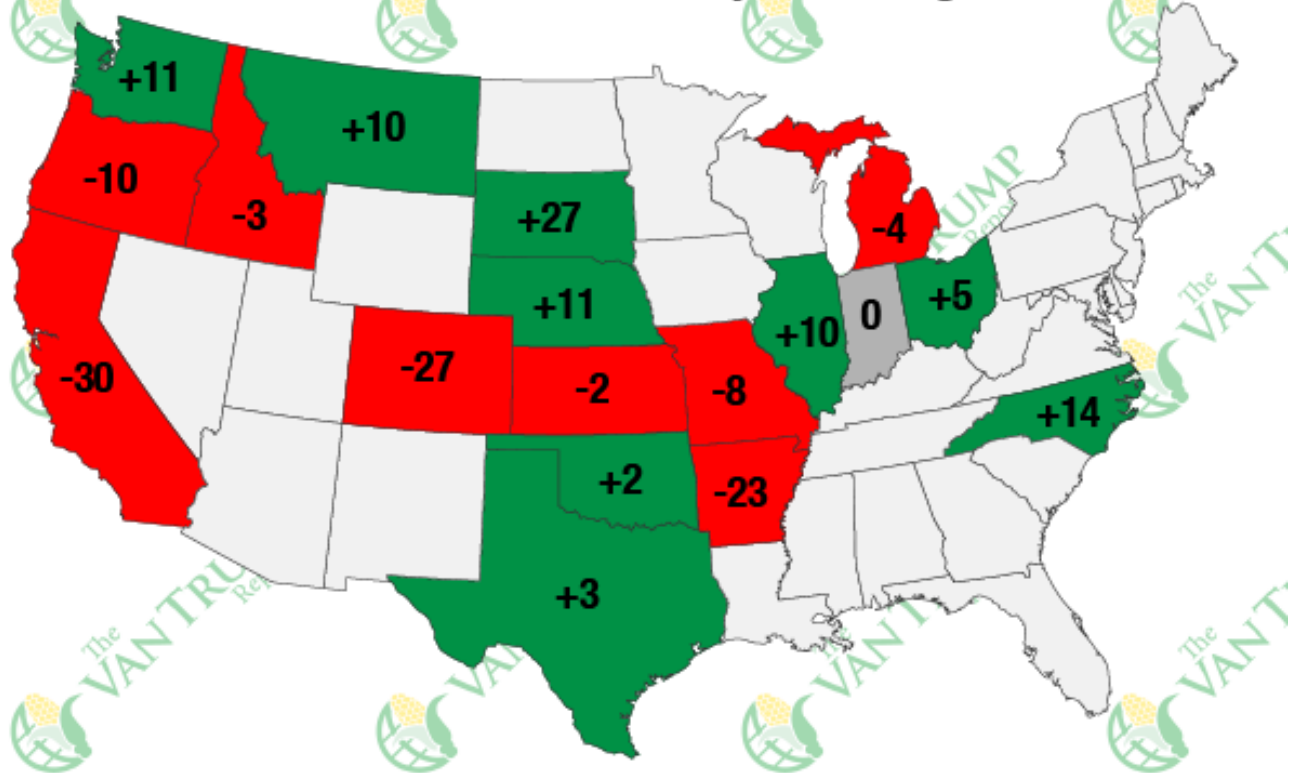
sideline and closely monitoring weather in the European Union, southern Russia, and portions of Ukraine.

U.S. Winter Wheat Good-to-Excellent

May 17, 2020

[Week 20]

Good-to-Excellent vs. 5-year Average



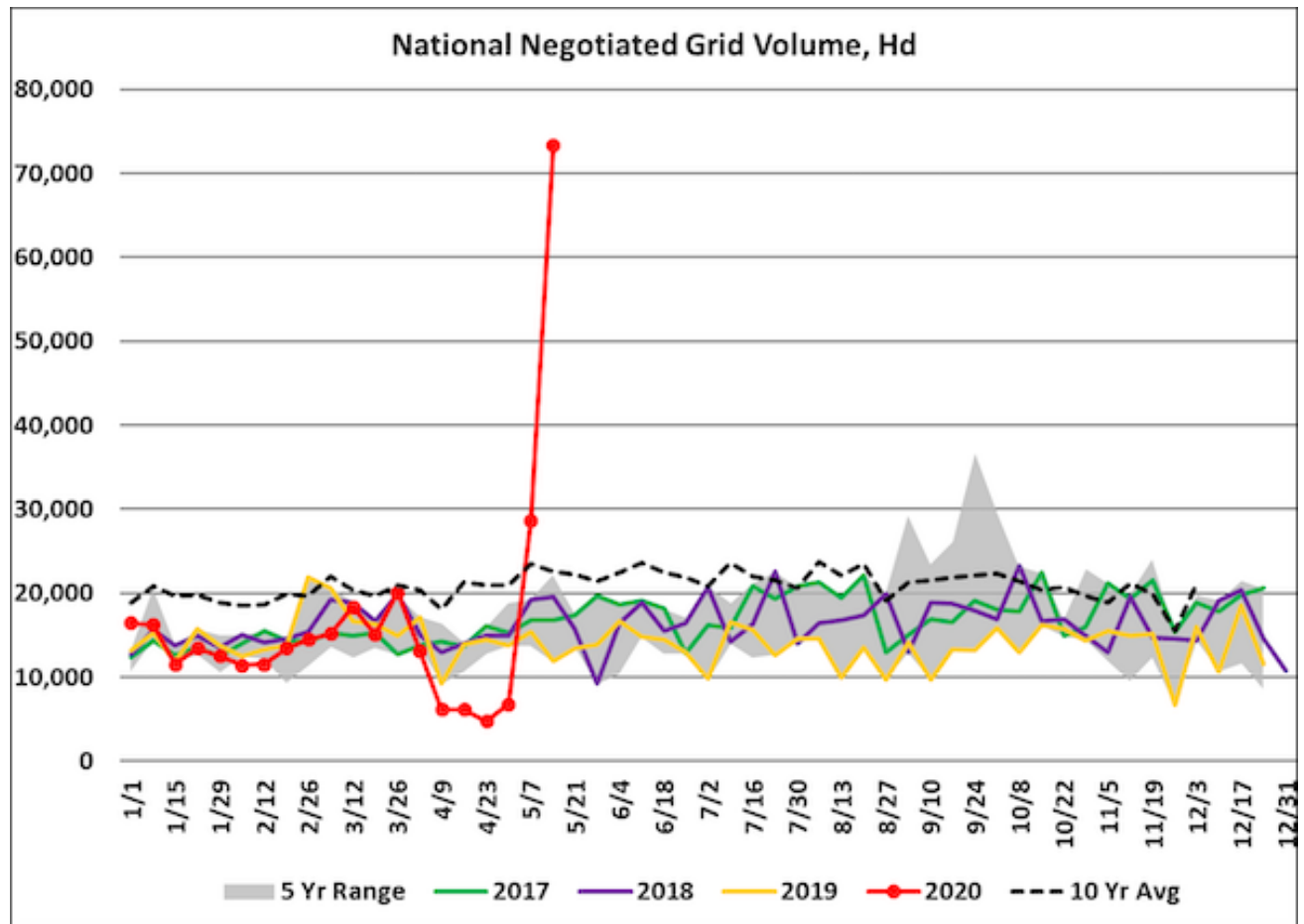
Winter Wheat % Good-to-Excellent

	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	62	61	62	39	-13
California	95	90	92	65	0
Colorado	50	74	58	28	-7
Idaho	80	70	74	71	+6
Illinois	66	38	53	63	-2
Indiana	68	53	64	64	-2
Kansas	15	60	42	40	+2
Michigan	66	41	65	61	+2
Missouri	48	47	57	49	-2
Montana	64	69	62	72	+8

Nebraska	62	69	56	67	0
North Carolina	77	52	61	75	+2
Ohio	76	29	66	71	-1
Oklahoma	12	88	51	53	-3
Oregon	72	62	63	53	+9
South Dakota	46	61	52	79	+1
Texas	16	61	43	46	-5
Washington	89	72	72	83	+5
Total	36	66	63	52	-1

Cattle: Relative to recent history we marketed massive volumes of cattle this past week at much higher prices. National numbers were the largest in nine weeks, which was the largest cash volume since July 2018. Cash prices remain supported for the time and increasing processing rate, returning some normalcy and stabilizing margins may be the only rain on that parade. Much chatter about the massive spike in negotiated grid cattle per USDA MPR reporting. To the best of our knowledge, this is a simple response to cattle being committed to a grid with a known price rather than turning in cattle with an unknown price to be determined later by a regional weighted average or the like. Futures are in an uptrend but begrudgingly so. We finished higher on the week last week and seem to have some momentum to start a new week. One has to wonder how much de-risking will take place ahead of the holiday weekend. The current situation has many industry participants perplexed and traders uncertain. To a certain extent, that is why the markets are behaving erratically. However, some clarity can be gained by examining individual happenings and then evaluating how they may relate to one another. Futures markets seem stagnant and in spite of soaring cash cattle and beef prices are seemingly comfortable wallowing around at historically low levels. As mentioned, cash basis is strong and, in some cases, traded 20.00-25.00/CWT over the board. Beef prices had rallied 25 days in a row for a combined 253.05/CWT bounce in the spot prices. Marketing fed cattle has become a privilege rather than a right and remaining current nags at cattle feeders. Many are strategizing as to how and if government aid will be doled out. The much-discussed set-aside program has captured the industries' interest as we work to avoid a situational over-supply of cattle at a potentially inopportune time. In an attempt to make sense of this all, it's intuitive to us that futures are lacking significant upward momentum as a result of lack of paper demand and concern over the unknown or unquantified risk associated with the virus and impending economic downturn. Cash basis is strong and with firm packing margins and some anecdotal incentive to play nice, the packing entities are comfortable paying higher to gain inventory and support the business we are all in. Marketing cattle is

undoubtedly difficult but improving. The slowdown in packing pace and efficiency is no doubt the issue here and as a result of all of these things, we are collectively working to understand and secure some form of assistance in navigating these paths be it monetary, logistical, or both. Trey Warnock - [Amarillo Brokerage Company](#)





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> China Slaps Tariffs on Australian Barley: *China on Monday announced anti-dumping and anti-subsidy duties totaling 80.5% on Australian barley imports from*

May 19, which is expected to all but halt a billion-dollar trade between them. Australia is the biggest barley supplier to China, exporting about A\$1.5 billion to A\$2 billion (\$980 million to \$1.3 billion) worth a year, which is more than half its exports. "There aren't many alternative markets. It could be sold to Saudi Arabia, but it will be heavily discounted to what Australian farmers could have received by selling to China," an Australian government source told Reuters. By contrast, China - the world's top barley importer - will simply shift purchasing to other key producers, including France, Canada, Argentina and some smaller European exporters. Read more from [Reuters](#).

> China's Phase One Purchases Slow to Start: A new tracker shows that China has gotten off to a slow start toward fulfilling its phase one purchase commitments. The Peterson Institute of International Economics yesterday released the first findings of what will be a monthly update of China's purchases, using both Chinese and U.S. data. For agricultural products covered by the deal, China's imports of farm products through March 2020 were \$5.1 billion, compared with a year to date target of \$9.1 billion. For all products China agreed to purchase, Beijing's total imports from the United States were \$19.8 billion through March 2020 compared with a prorated year-to-date target of \$43.2 billion. (Source: Politico)

> Brazilian Farmers Sold 80% of 19/20 Soybeans, 28% of 20/21: Brazilian farmers have sold 80.6% of their 2019/20 soybean production compared to the average of 60% for this time of the year and the prior record of 67% set in 2016, according to the consulting firm DATAGRO. Farmers have also forward contracted 28.2% of their anticipated 2020/21 soybean production compared to the average of 6.7% and the prior record of 12% set in 2016. According to government data, Brazil has already exported 8.8 million metric tons of soybeans in May. Farmers will start planting their 2020/21 soybean crop in September. Farmers have also been aggressive sellers of the 2019/20 full-season corn production in southern Brazil. They have sold 66.4% of their full-season corn compared to 47% average. Farmers have also forward contracted 56% of their safrinha production compared to 44% last year and 42% average. The safrinha corn harvest is expected to start in Mato Grosso in early June. Read more from [Soybean & Corn Advisor](#).

> NCBA Supports More Price Discovery but not Gov Mandate: The CEO of the National Cattlemen's Beef Association says the organization wants to see more price discovery and an increase in cash trade. But as Colin Woodall tells Brownfield a government mandate isn't the way to do it. "Depending upon what region you're in, depends upon how much cash trade you need to have in order to have true price discovery," he says. "Our concern is a blanket 50 percent across the country might work in some areas, but it wouldn't necessarily be a true national fit." He says historically the organization shies away from government decisions and mandates related to cattle markets. "Our past experience has been you can

have the best of intentions but usually, Congressional legislation and government action doesn't always work out the way you would like it to work out," he says. "And then you spend a lot of time trying to fix the unintended consequences. And that's what we're trying to be careful of here." Listen to the full interview with [Brownfield Ag](#).

> Commons Effort Seeks to Keep Farmland Affordable: *Land access is a growing problem in the United States, where land prices have spiked and about 40% of farmland is rented, according to federal figures cited by the nonprofit American Farmland Trust. Farming groups in southern West Virginia and nearly a dozen other parts of the country are hoping to find one solution in a modern version of an old idea: the commons. They plan to use a form of community-based land ownership to allow charities to grant affordable, long-term land leases to small-scale farmers. The Agrarian Commons project, which started operating this month, is similar to a model that has become increasingly common in the United States as a way to get more people access to affordable housing: a community land trust. Learn more [HERE](#).*

> Uber Announces Further Layoffs: *Uber on Monday announced it was cutting 3,000 more jobs, bringing the total layoffs this month to 6,700, or roughly 25% of the previously 28,600-strong global workforce. Uber also will close or consolidate 45 of the several hundred offices it operates globally, including its Singapore office, which had served as a regional hub. Uber also plans to shutter non-core projects including its Incubator and AI Labs and a job-matching service called Uber Works, Chief Executive Officer Dara Khosrowshahi said in an email to staff Monday. In total, the restructuring and layoffs should save Uber more than \$1 billion compared to its previous plans at the end of 2019, it said in a regulatory filing Monday. (Sources: Business Insider, Bloomberg)*

> Harvard Professors Say This Time Really Is Different: *When Carmen Reinhart and Kenneth Rogoff published their heavyweight history of financial crises in late 2009, the title was ironic. This Time Is Different: Eight Centuries of Financial Folly reminded readers that the catastrophic 2008-09 credit crisis was far from unique. The authors became the go-to experts on the history of government defaults, recessions, bank runs, currency sell-offs, and inflationary spikes. Everything seemed to be part of a predictable pattern. To figure out what might be next, Bloomberg Markets spoke to Reinhart, a former deputy director at the IMF who's now a professor at the Harvard Kennedy School, and Rogoff, a former IMF chief economist who's now a professor at Harvard. It turns out this time really is different. Read more [HERE](#).*

> U.S. Special Forces Test Laser Gunship for Covert Strikes: *The prospect of laser fire from above moved closer with an announcement from the U.S. Air Force Special Operations Command (AFSOC) that they will test fire a high-energy laser*

weapon from an AC-130J aircraft in 2022. AFSOC have been working towards the laser-armed gunship for at least five years, in partnership with the Naval Surface Warfare Center, and have carried out studies and ground tests. The effort to put a laser on the Ghost Rider was recently upgraded to a demonstration program. After years of delays, funding has now been provided for the project. A successful demonstration will lead to further development and, ultimately, an operational laser system. Any further information about the laser or what it gets used for will depend on what Air Force Special Operations Command wish to share. Read more [HERE](#).

> Zoom is now Worth More than the 7 Biggest Airlines: Amid the COVID-19 pandemic, many people have transitioned to working—and socializing—from home. If these trends become the new normal, certain companies may be in for a big payoff. Popular video conferencing company, Zoom Communications, is a prime example of an organization benefiting from this transition. Today's graphic, inspired by Lennart Dobravsky at Lufthansa Innovation Hub, is a dramatic look at how much Zoom's valuation has shot up during this unusual period in history. As of May 15, 2020, Zoom's market capitalization has skyrocketed to \$48.8 billion, despite posting revenues of only \$623 million over the past year. The airline industry has been on the opposite end of fortune, suffering an unprecedented plummet in demand as international restrictions have shuttered airports. In turn, the world's top airlines by revenue have fallen in total value by -62% since the end of January. More details are available from [Visual Capitalist](#).



CHART OF THE WEEK



zoomBOOM

Now, Zoom is worth more than the top seven airlines combined.

MARKET CAPITALIZATION OF ZOOM VS. TOP AIRLINES



Source: YCharts, as of May 15, 2020. Top airlines are selected based on their 2019 revenue. Concept inspired by Lennart Dobrovsky at Lufthansa Innovation Hub



**VISUAL
CAPITALIST**



/visualcapitalist



@visualcap



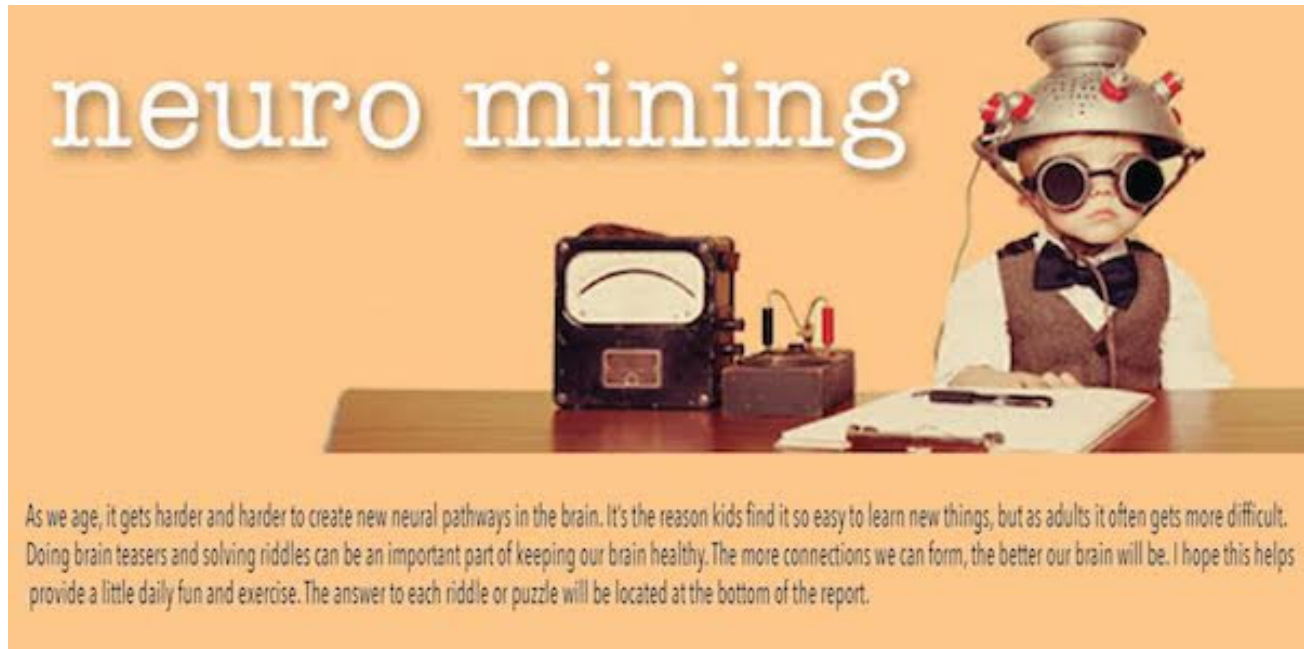
visualcapitalist.com



East central South Dakota - Lots of guys are done planting near me. A lot of the land in production this year was PP last year and from what I saw, most of it was improved upon with tiling and other projects last season. That reminds me that my buddy who travels ND a bunch said he saw a ton of corn still in the fields up there and another friend driving east of Aberdeen says not much at all has been planted that he could see. We only got 40% in the ground last year and it was all soybeans, something we may see more of this year as I'm hearing guys turn from planting the more expensive corn acres. The reality for many of us here is that the ethanol plants get most of our corn and many of them are still way off full production. When all this went down, we dropped from a 15 over basis to 65 under and now everyone who hasn't sold much yet are just a touch nervous.

Northern Missouri - We would be hard pressed not to raise a good crop of soybeans right now. They all went in as smoothly as one would expect and all have a nice even stand. The moisture we have coming plus our subsoil moisture will take us a very long way, and normal or even below-normal rainfall we could still pump out a big crop. The only problem you might hear in the northern Missouri area is SDS because these are prime conditions for it to happen. The cooler temperature and wet conditions are the breeding ground for SDS. Time will tell on that though, and there's really nothing we can do about it anyway.

Central Michigan - We probably won't be done until past the second week in June. This 4-5 inch mess of rain will take 3 weeks to dry up even if it gets warm and sunny. The rivers are all flood stage now. We rarely get 3 weeks with no precip. They're already talking about rain for Memorial Day weekend. I walked down the road and the neighbor's field south of ours was a total 40-acre lake. We have another neighbor across the road that has a sandy field that I've never seen water stand on ever. Today it had water standing. Too bad because everything was pretty much worked up and ready to plant. Oh well, maybe 2021!



TODAY'S RIDDLE: I weaken all men for hours each day. I show you strange visions while you are away. I take you by night, but day takes you back. None suffer to have me, but do from my lack. What am I?



What You Need to Know... Significant Changes to the USDA's Rules for GE Crops

The U.S. Department of Agriculture recently finalized a major overhaul of biotech regulations that will exempt many genetic modifications from the lengthy regulatory approval process. This is the first significant change to the agency's rules for GE crops since it was put in place over thirty years ago.

USDA claims the "Sustainable, Ecological, Consistent, Uniform, Responsible, Efficient" (SECURE) rule will help expedite the development of new innovative crops using genetic engineering and gene editing and reduce unnecessary regulatory burdens for developers. GE plants will also not be subject to regulation if they have plant-trait combinations that are the same as other plants that APHIS has conducted a regulatory review on and approved.

Additionally, the agency leaves it up to biotech developers themselves to determine whether a new crop is exempt from regulatory review. USDA's Animal and Plant Health Inspection Service (APHIS) says the exemptions would "apply to plants containing single targeted modifications" deemed to be low plant-pest risks.










When the USDA first developed the rules back in 1987 it largely focused on genetically modified organisms, where a gene is added from another organism. As APHIS explains, the new exemptions "were formulated to apply to what could otherwise be achieved through conventional plant breeding techniques in any species," something that gene-editing techniques like CRISPR-Cas9 are able to achieve at a rapid pace today.

APHIS says farmers will benefit from the new relaxed regulation by gaining access to a wider variety of traits as well as a greater number of new GE crop species. Some of the innovations APHIS expects to see are crops with greater resistance to disease and insect pests; greater tolerance of stress conditions such as drought, high temperature, low temperature, and salt; and more efficient use of fertilizer.

At the same time, APHIS has warned that growers of "identity-preserved crops," such as "organic, other non-GE and other agricultural commodities segregated for specific purity and quality tolerances" could see negative impacts due to cross-pollination or commingling risks, particularly if there is a wider adoption of GE crops. "Costs incurred by growers of organic and other identity-preserved varieties who seek to prevent such unintended presence may increase," APHIS said.

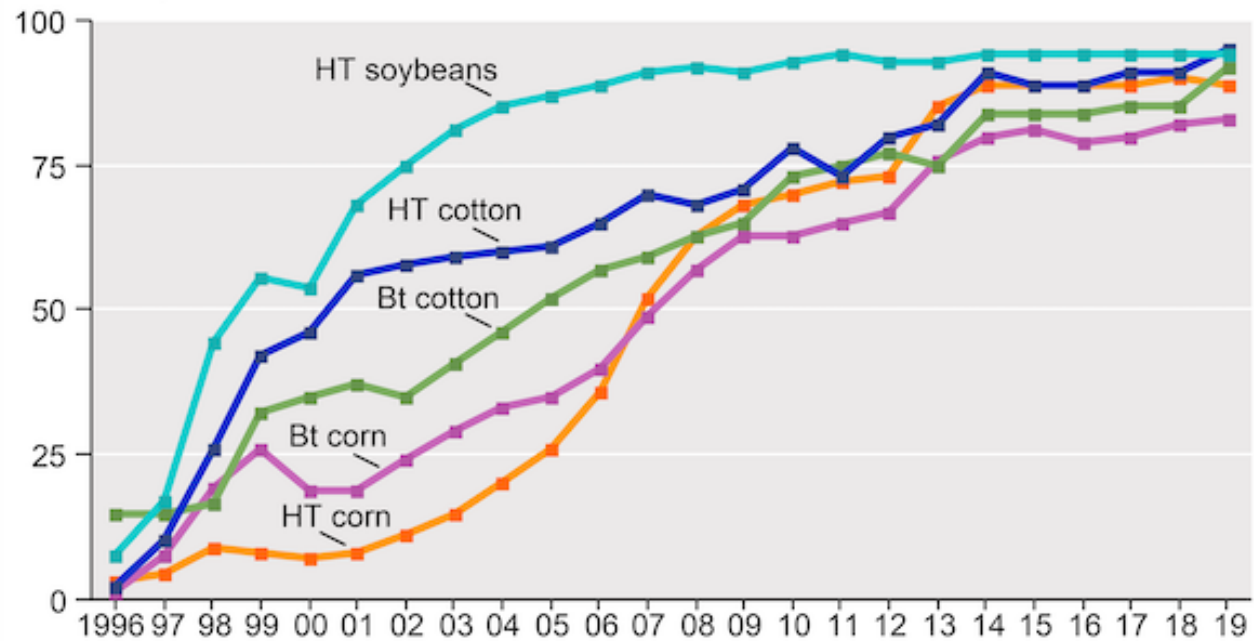
Major industry groups back the rule changes, including American Seed Trade Association, American Farm Bureau Federation, and National Council of Farmers Cooperative. At the same time, some environmental and public health advocacy groups oppose the exemptions, saying the rule will leave consumers in the dark about new biotech products that have entered the marketplace.

EPA Administrator Andrew Wheeler welcomed the new rule, noting that his agency is also working to reduce unnecessary regulations and break down barriers to advancements in biotechnology. "We plan to issue our proposed rule early this summer," he says in a statement released by the USDA. Click [HERE](#) for a larger view of the first graphic below. (Sources: AgriPulse, Chemical & Engineering News, Genetic Literacy Project)

How Crops are Genetically Modified				
Traditional Breeding	Mutagenesis	RNA Interference	Transgenics	Gene Editing
<p>Crossing plants and selecting offspring</p>  <p>Desired gene(s) inserted with other genetic material</p> <p>Almost all crops</p>	<p>Exposing seeds to chemicals or radiation</p>  <p>Random changes in genome, usually unpredictable</p> 	<p>Switching off selected genes with RNA</p>  <p>Targeted gene(s) switched off or 'silenced'</p> 	<p>Inserting selected genes using recombinant DNA methods</p>  <p>Only gene(s) inserted at desired locations selected</p> 	<p>When used to delete genes using engineered nucleases (CRISPR, TALENs, ZFNs, etc.)</p>  <p>Desired gene(s) deleted only at known locations</p> 
Number of genes affected: few genes to whole genomes	100s - 1,000s	1 - dozens	1 - 8	1 or more
No safety testing required; Unregulated	No safety testing required; Unregulated	Safety testing required; Highly regulated	Safety testing required; Highly regulated	Safety testing required depending on jurisdiction; Mixed regulations
Undesirable, unintended effects rarely occur in the final product of any crop, regardless which process is used.				

Adoption of genetically engineered crops in the United States, 1996-2019

Percent of planted acres

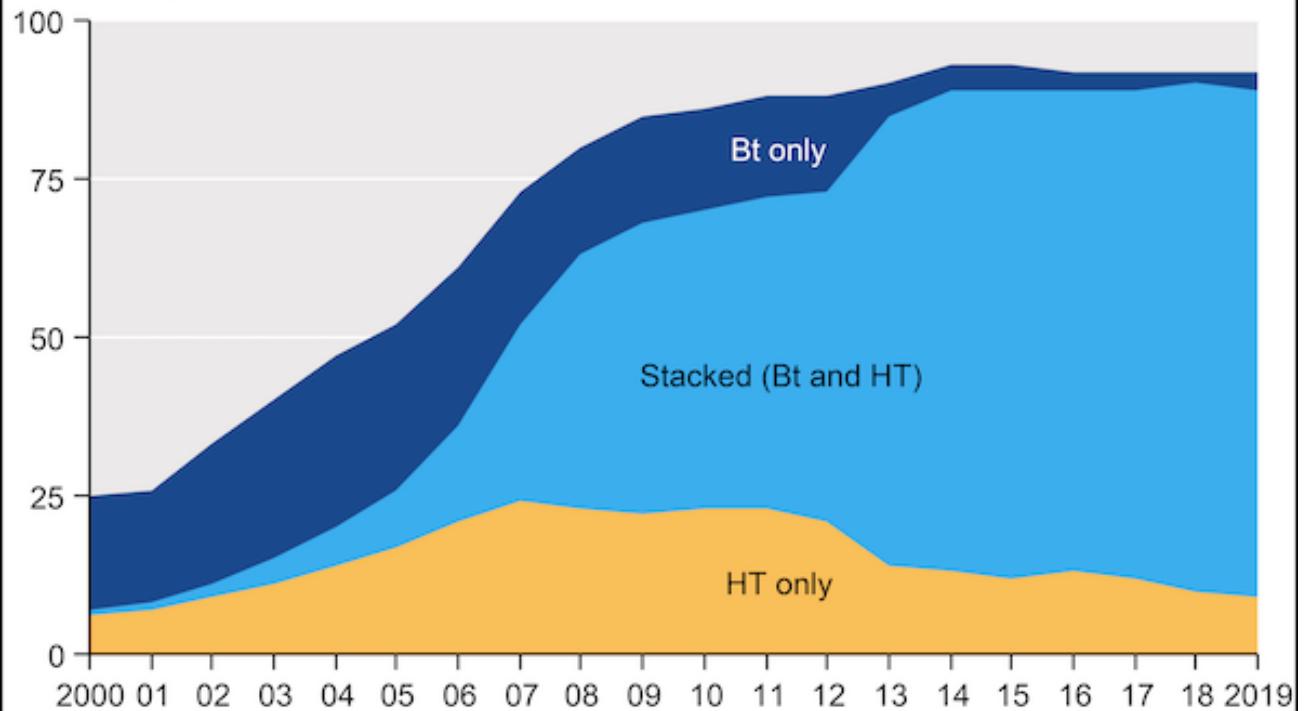


Note: HT indicates herbicide-tolerant varieties; Bt indicates insect-resistant varieties (containing genes from the soil bacterium *Bacillus thuringiensis*). Data for each crop category include varieties with both HT and Bt (stacked) traits.

Source: USDA, Economic Research Service using data from the 2002 ERS report, Adoption of Bioengineered Crops (AER-810) for the years 1996-99 and National Agricultural Statistics Service, (annual) June Agricultural Survey for the years 2000-19.

Adoption of genetically engineered corn in the United States, by trait, 2000-19

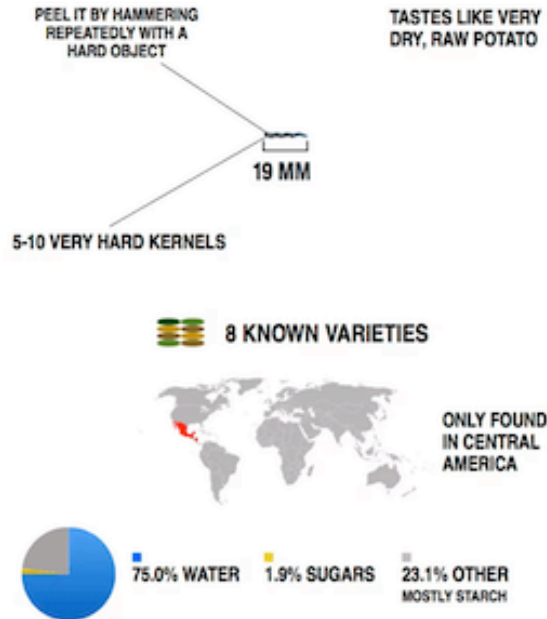
Percent of planted acres



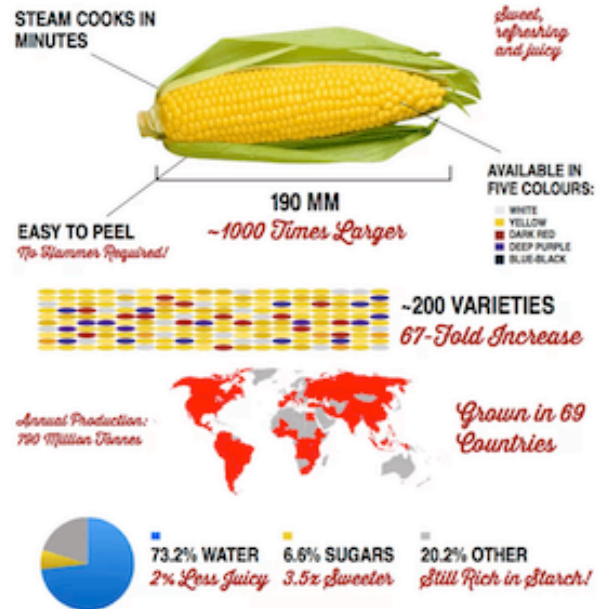
Note: HT indicates herbicide-tolerant varieties; Bt indicates insect-resistant varieties (containing genes from the soil bacterium *Bacillus thuringiensis*).

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, (annual) June Agricultural Survey.

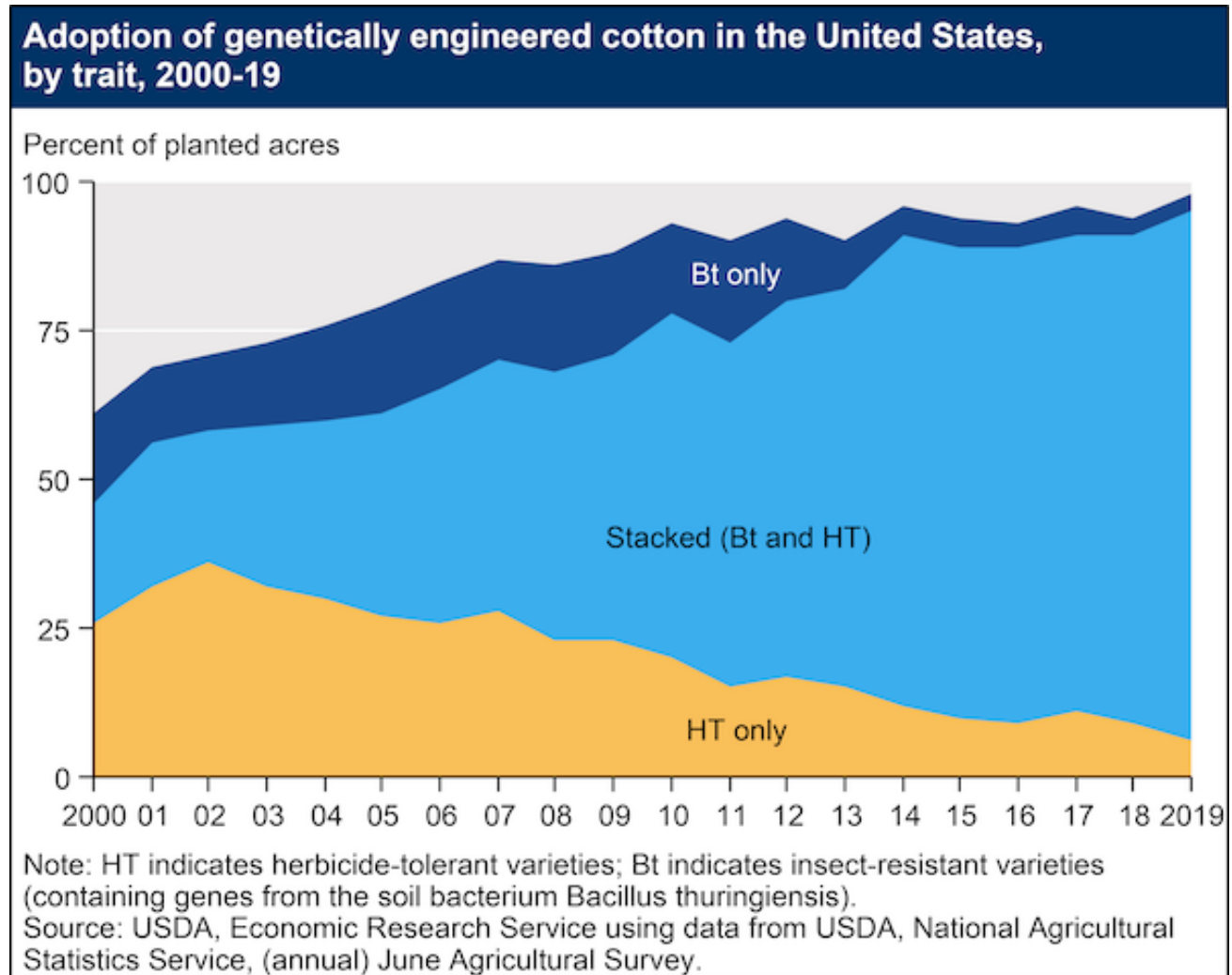
NATURAL "CORN", 7000 B.C.



ARTIFICIAL CORN, 2014



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If We See MLB Baseball This Season, It Will Bring Crazy Changes!

Pro sports are inching back into American's lives day by day. We recently saw UFC 249 premiere two weeks ago and Nascar held it's first race this past weekend. But the "Big Three"... baseball, football and basketball still seem a bit more uncertain. Major League Baseball owners are trying to plan a comeback, but are running into a ton of complications. Team owners signed off on a proposal last week where teams would resume spring training programs in June to prepare for an early-July start. The proposal was then submitted to the MLB Players' Union where it has run into a wave of headwind. I know this much, if we do see Major League Baseball this season it will be unlike anything we've seen in the past. Below are some of the changes being proposed and why the players are objecting:

- *The owners are proposing an 82-game regular season that would begin the first week of July. Essentially half of a normal season.*
- *Three phases of a three-week spring training, requiring all players and support staff to undergo a screening within 7- hours of their report date, that will require a blood test, nasal swab or saliva and a temperature reading. Those who test negative after a 24- to 48-hour quarantine will be permitted*

to be in spring training while those who test positive would be placed in self-isolation until they twice test negative

- No fans would be allowed in the stands during spring training or the regular season in some states, others states may allow for a very limited number of fans.*
- Schedules will be changed to eliminate long-distance travel for players and coaches. From what I'm hearing, games this season would be limited to a team's own division plus interleague matchups with the corresponding division. For example, the AL Central would only play the NL Central, and so on, which means we could see a whole lot of Royals, Cardinals, and Cubs action this year.*
- The league will enforce a universal Designated Hitter for all teams.*
- Gone will be the traditional exchange of lineup cards.*
- There will be no more bench-clearing brawls, or even hitters charging the mound, with fighting strictly prohibited.*
- No high-fives. No low-fives. No fist bumps. No spitting. No sunflower seeds. No chewing tobacco.*
- Players actually in the lineup can sit in the dugout but must stay six feet from one another. those not in the lineup will sit in the stands during games.*
- No showering at the ballpark facilities, players must shower at home or in their own hotel room.*
- Up to 10,000 COVID-19 tests conducted per week.*
- Players will be required to wear masks everywhere except the field and are prohibited from leaving the hotel on the road to frequent a restaurant, bar or even shop without receiving permission from team personnel.*
- Pitchers are even asked to bring their own rosin bag to the mound, with batters taking their own pine tar and batting donuts to and from the on-deck circle.*
- MLB is also prohibiting players from fraternizing or socializing with those on other teams before, during and after games, asking that they remain at least six feet from one another at all times.*
- Hotels on the road will be required to have a private entrance for the players or block off times when the players are leaving or entering the lobby. They will also request that all rooms are on lower-level floors to reduce the need for an elevator. And don't even think about using the hotel's pool, gym or sauna.*
- Owners are wanting to pay players on via a "revenue sharing" proposal. Players are saying the "revenue sharing" portion of the deal is very subjective, with owners willing to share not all but only certain line-items. A 50-50 revenue-sharing plan may sound great from the outside, but ticket sales reportedly account for anywhere from 30-40% of baseball's overall revenues, which means a shortened season with no fans will almost certainly result in a significant pay cut for the players. I should note, many industry experts have suggested owners offer to share TV revenue with players to*

sweeten the pot a little bit for them, but nothing has been announced yet. Keep in mind, the MLB brings in roughly \$1.6 billion per year from media deals with ESPN, Fox, and Turner Sports.

Bottom line, the players are going to have a hard time justifying a major pay-cut and at the same time having to abide by significant restrictions and guidelines while taking on greater perceived health risk by traveling around then returning back home to their families. There are just so many moving pieces to consider, what about the quarantine rules when traveling into Canada, or cities like Los Angeles and New York with much stricter guidelines but now say they are open for playing in empty stadiums? I'm just not sure they come to an agreeable format. I hope I'm wrong and we see baseball back in our stadiums sooner rather than later...

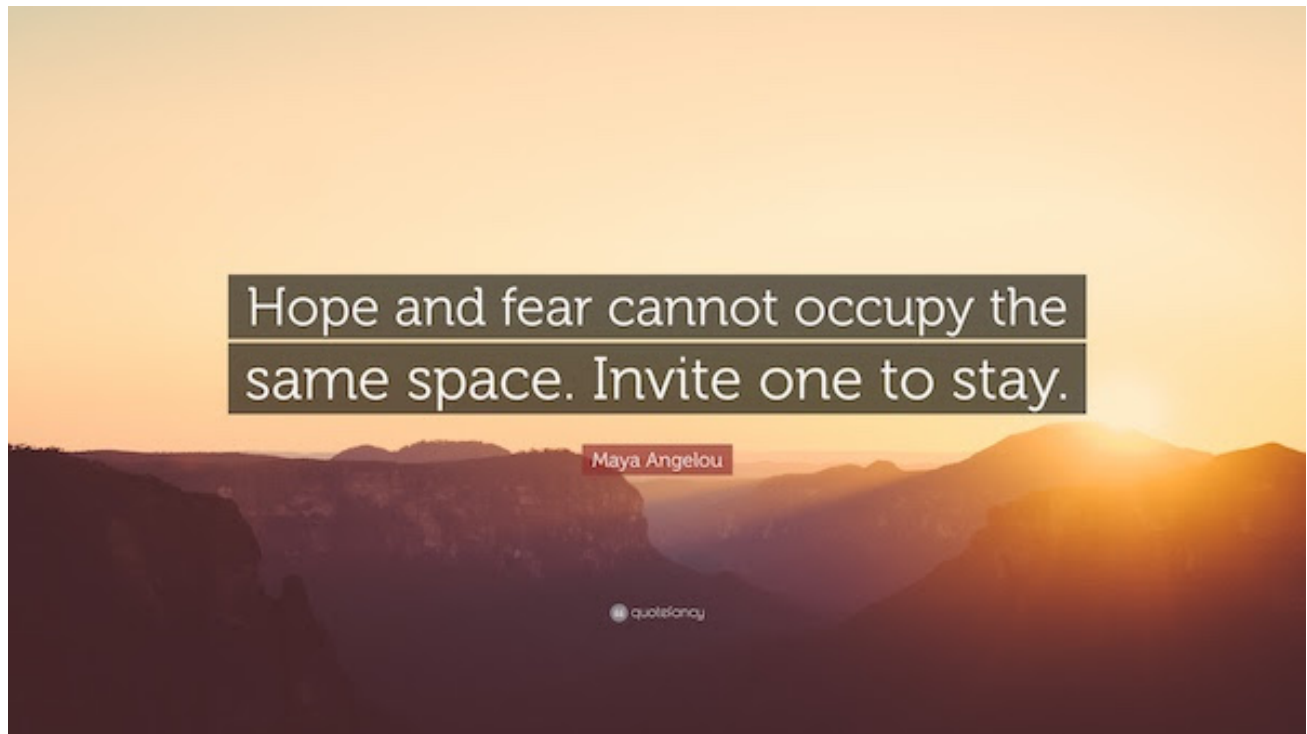






**MUST LISTEN: Navy Seal Delivers a Fantastic Message**

As we start to head back out into a more uncertain world we can not allow ourselves to become debilitated by fear. We have to find "hope", for it is hope that overcomes all of our darkest worries, hope is the medicine that brings back smiles to the defeated, faith to the disenchanted, and life to the dying. I encourage everyone to take a quick moment and listen to this short but very strong message. Click [HERE](#)



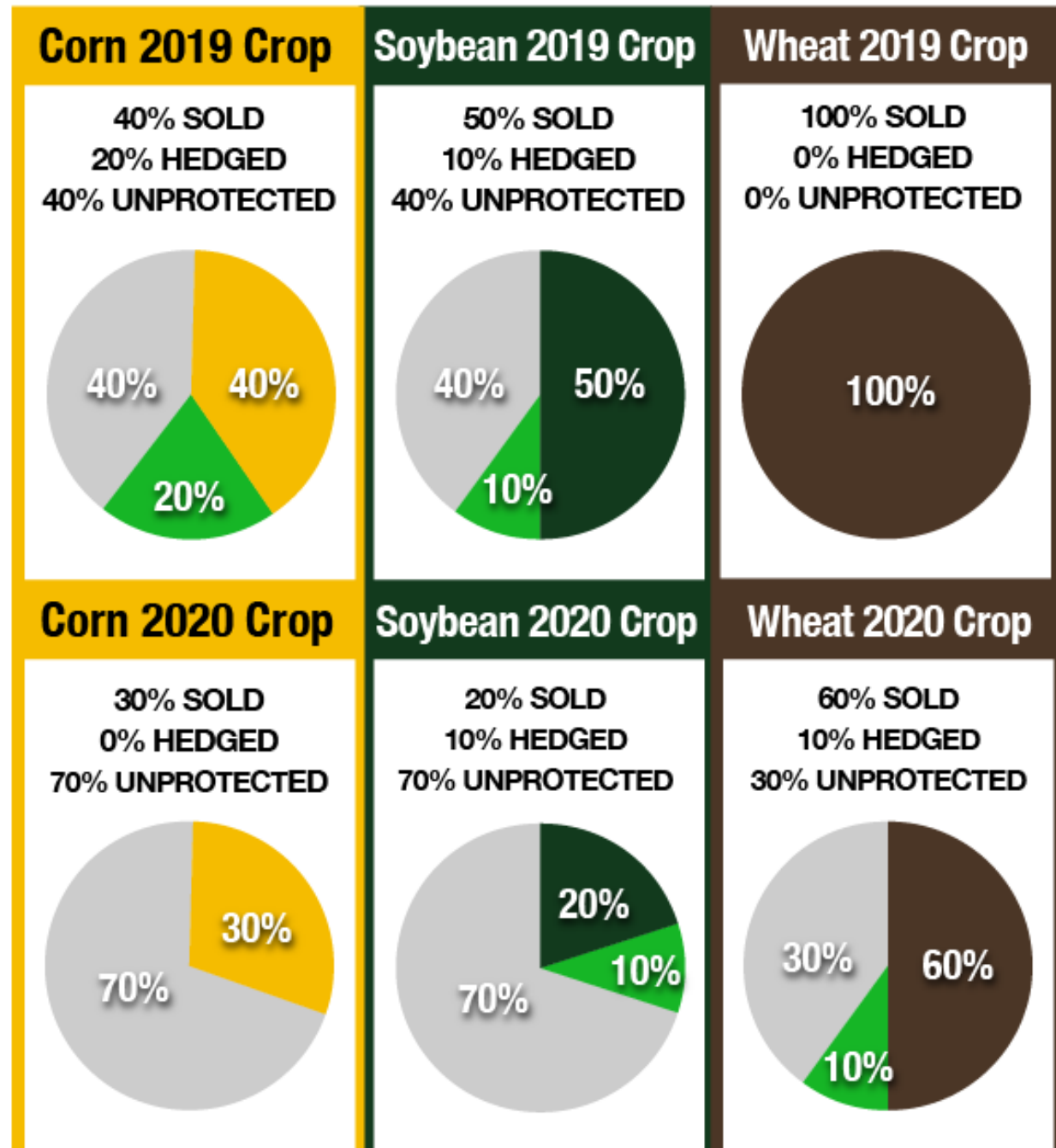


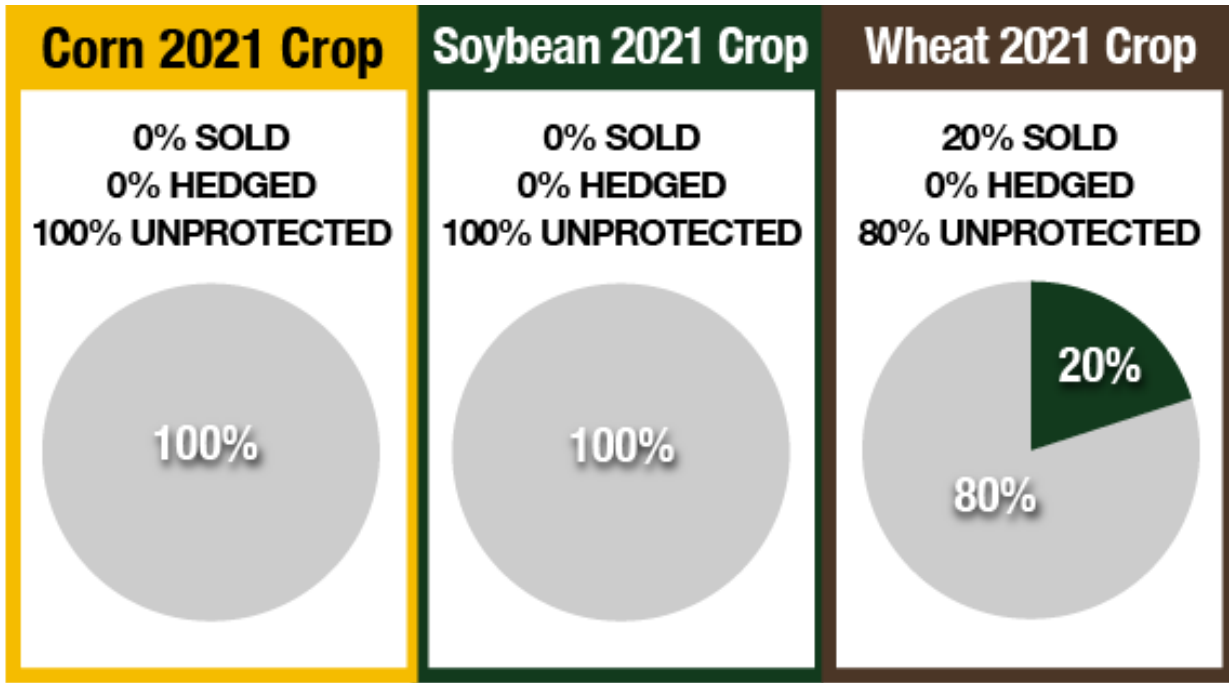
May your
choices
reflect your
hopes, not
your fears.
-Nelson Mandela

ANSWER to riddle: Sleep.

CASH SALES & HEDGING TOTALS

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