



Jordan Van Trump <jordan@farmdirection.com>

GOOD MORNING: The Van Trump Report 6-9-20

1 message

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

Tue, Jun 9, 2020 at 5:30 AM

Reply-To: Jordan <reply-fec31178756d027d-1180_HTML-40325470-100003450-9@vantrumpreport-email.com>

To: jordan@farmdirection.com



"We are addicted to our thoughts. We cannot change anything if we cannot change our thinking." — **Santosh Kalwar**

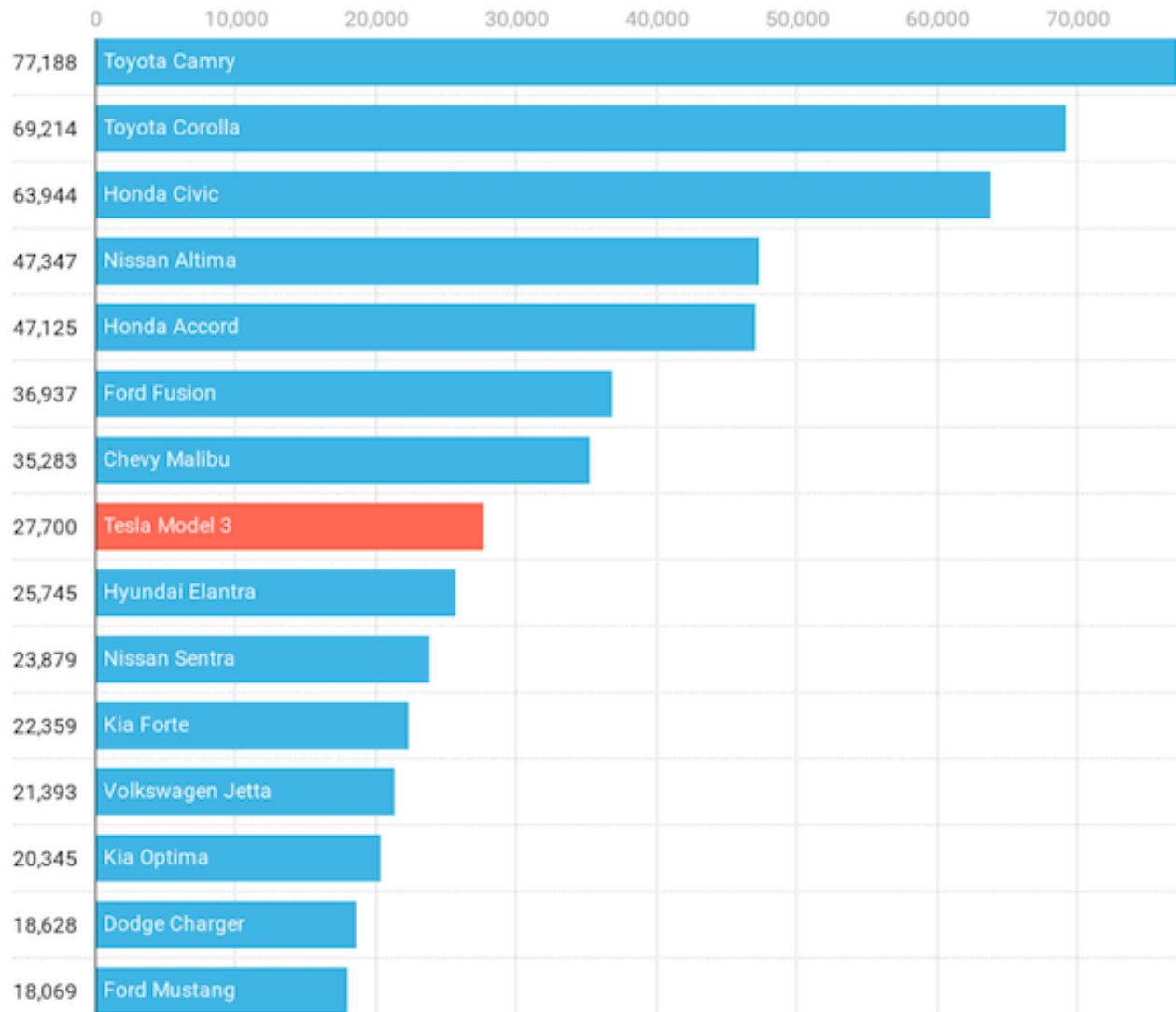
Tuesday, June 09, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: S&P 500 is now positive on the year, the Nasdaq closed at a record all-time high yesterday and the Dow is up almost +50% from the recent March-lows. At the same time, global coronavirus cases marked the biggest daily increase since the pandemic began and 22 U.S. states are now reporting jumps in new cases. The market and the U.S. consumer clearly views this as "old news". Most of my friends and people I speak with seem to have accessed the risk associated with the virus and are making individual decisions that best reflect their specific situation. In other words, almost all of my healthy friends are out and about taking a few precautions but back to carrying on with regular everyday life. Most have gone back to eating inside restaurants from time to time. Many have jumped back on airplanes wearing masks. And most all seem comfortable traveling

by car to visit friends in far-away places. A few of my friends who are battling cancer, recently had surgery or waiting for a procedure are much more cautious and content hunkering down a little longer. I think this is how it should be. I think folks should be able to assess their own risk and make the decision that are best for their family and particular situation. I see little indication that government officials will have much luck reinstating widespread lockdowns if a so-called second wave of the virus appears this fall. Bulls also continue to be fueled by the Fed which yesterday expanded its "Main Street Lending Program" to allow more small and medium-sized businesses to receive financial support. The new rules lower the minimum loan size to \$250,000 and extend the loan terms to five years. Originally, the minimum loan size was \$500,000 for four years. Bears remain completely perplexed, believing stocks are wildly overvalued and pointing to what they see as signs of reckless speculation. At the same time, some famously bearish investors are admitting they "underestimated" the rally and the strength of the bulls. Legendary billionaire investor Stan Druckenmiller said that he was too cautious and "missed a great opportunity." In May, Druckenmiller said the "risk-to-reward" in the stock market was the worst he'd ever seen. Druckenmiller also said, "Well I've been humbled many times in my career, and I'm sure I'll be many times in the future. And the last three weeks certainly fits that category." The rebound in the market clearly surprised some of the most seasoned and sharpest minds in the investing world. I keep hearing from the bears that the true fundamentals always eventually come home to roost it's just a matter of time. I can't help but wonder however if the bears are missing the massive amount of "easy-money" that has been injected into the U.S. economy by the Fed? Today, the Federal Reserve begins its two-day policy meeting as the Labor Department releases the Job Openings and Labor Market Survey (JOLTS) for April. This is usually an important data point for the Fed as it shows the number of job openings versus job seekers. This looks back to April and a lot of analysts think it's already irrelevant. There are a few earnings of interest today, including Chewy, Five Below, and Tiffany. It's worth noting that today marks one year since the anti-government and pro-democracy protest began in Hong Kong. The demonstrations have recently been reignited by China's latest move to impose new security laws. Today's anniversary could see protestors return to the streets and there are worries things could get violent as Hong Kong citizens are extremely fearful of what the future holds. The issue has already heightened tensions between the U.S. and China and investors are still nervous about reigniting the tariff war.

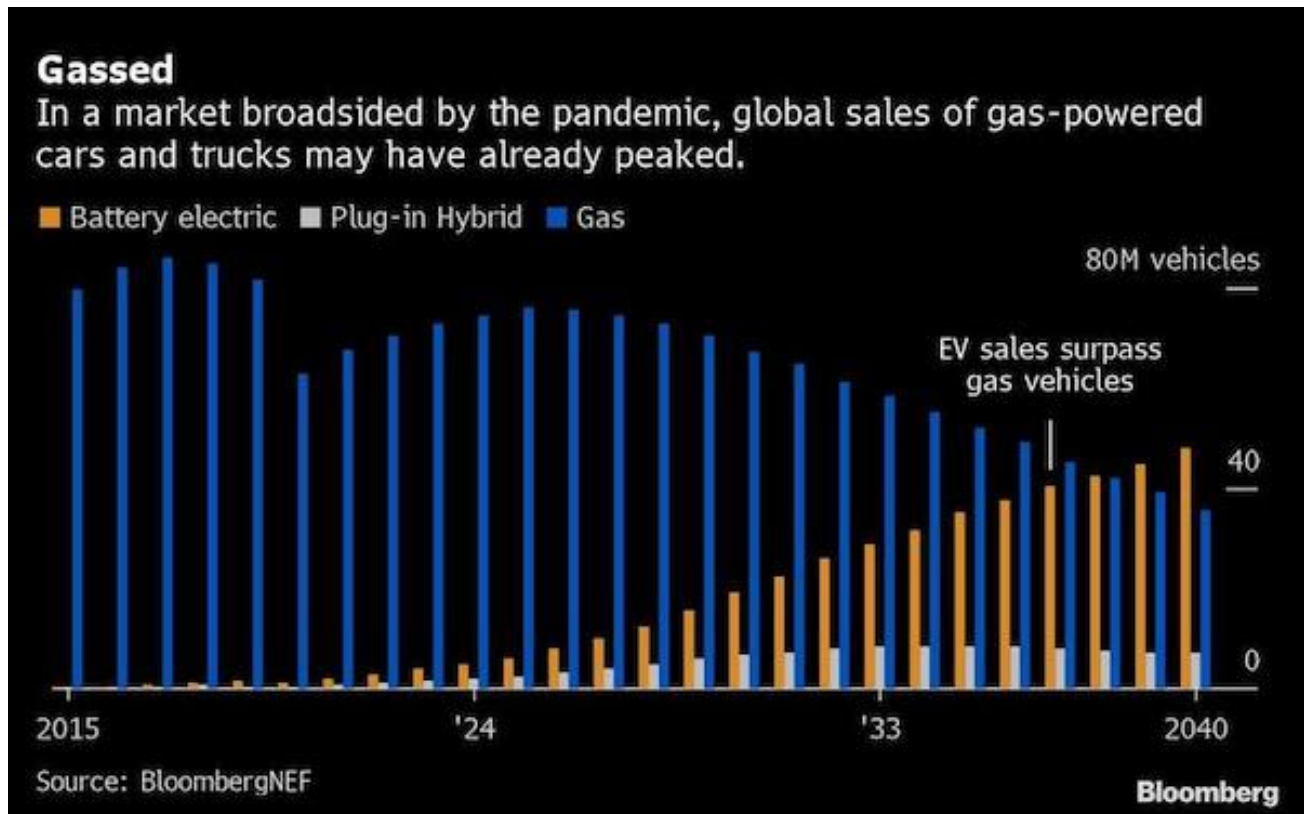
NEW All-Time Highs in Tesla: *Car sales in China rose in May for the first time in nearly a year, and Tesla's were the best-selling new vehicles. Shares of Tesla are approaching +1,000 per share and electric vehicles seem to be gaining more and more traction. There's talk inside the trade that as fewer people will now be taking public transportation because of corona and other viruses it might push more to purchase electric vehicles for commutes. As you can see in the graphic below the **Tesla Model 3 is now the eight best selling car in America.***

15 Best Selling Cars in USA – Q1 2020



Tesla Model 3 sales are estimates based on a variety of sources, including Tesla's official global numbers.

Chart: CleanTechnica • Source: Automakers, CleanTechnica • Created with Datawrapper



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U.S. Economy Peaked in February: Disclaimer, please remember when reading that the stock market is NOT the same as the economy. *The U.S. economy "officially" entered a recession at the end of February, according to*

the National Bureau of Economic Research (NBER). The NBER's business cycle dating committee calls recessions based on broad checks on employment and production activity. The general criteria for a recession is usually two consecutive quarters of negative growth but the NBER has other criteria as well and they've been particularly applicable to the COVID-19 crisis given the speed of the economic downturn. The committee looks for a "significant decline in economic activity" across several economic indicators, which covers not just GDP but factors like real income and employment, as well as retail and manufacturing sales. The committee said that it had determined that economic activity had peaked in February, citing sharp drops in employment and personal consumption following that month. When the NBER declares a "peak," it essentially marks the beginning of a period of "significant decline." The recession declaration ended the 128-month economic expansion that began in June 2009, which eclipsed the 1990s recovery as the longest on record. Read more [HERE](#).

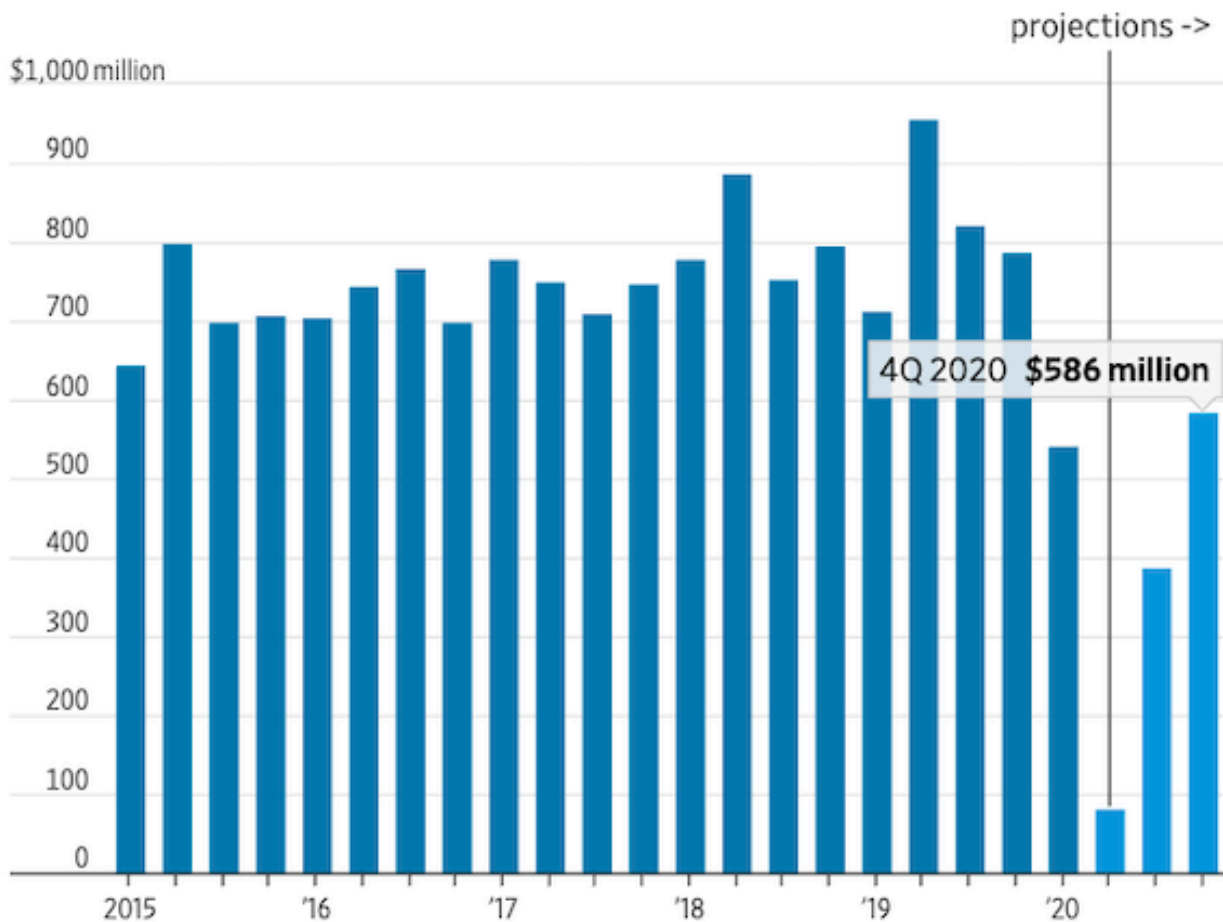
Retail Traders Buying up Bankrupt Stocks: *Investors are piling into stocks of bankrupt companies, wagering against a court process that routinely wipes out shareholders. Car renter Hertz Global Holdings Inc., oil driller Whiting Petroleum Corp. and retailer J.C. Penney Co. are among companies that have seen their shares more than double in recent trading sessions despite being in Chapter 11 bankruptcy, a process that allows companies to keep operating while working out a plan to repay creditors. "I have always thought people have a psychological urge to buy stocks at a low price," said Kirk Ruddy, a former bankruptcy claims trader. Retail investors may be buying big names they recognize without realizing how rare it is for shareholders to get anything back in bankruptcy, he said. Some of the rally in bankrupt shares might be attributable to short covering but the rally could also be fueled by amateur traders, bored in lockdown and looking for a quick buck, using platforms such as Robinhood. The number of Robinhood users holding both Hertz and Whiting Petroleum shares surged after the companies filed for bankruptcy, according to Robintrack, a website unaffiliated with the stock trading platform that uses data to show trends. Read more from [Bloomberg](#).*

Movie Theaters Face Big Test: *Cinemark Holdings is the third-largest theater chain in the world behind AMC Entertainment and Cineworld. It is also considered to be the most financially healthy of the three. So the company's plans to reopen theaters beginning on June 19 bears watching, as it actually has the financial resources to last longer in shutdown mode relative to its peers. But Cinemark and its peers need actual movies to show -- and not just \$5 classics with cheap popcorn that will begin playing during its phased reopening. Theater owners are counting on blockbuster director Christopher Nolan's latest "Tenet," which is set for launch on July 17, to help*

bring audiences back. It will take more than a big movie, though. A survey last month by market-research firm EDO found that 75% of respondents said they would return to theaters if enhanced safety measures were implemented. 30% of the moviegoing audience is made up of people 50 and older, and some analysts worry a significant portion will not feel bold enough to return to theaters. There is also the risk that studios may continue to shift fare directly to streaming channels—bypassing theaters altogether. Read more from [The Wall Street Journal](#).

Ciff Hanger

Cinemark's quarterly revenue



Source: S&P Global Market Intelligence (actual); FactSet (projections)

FARM TANK

Tweets of the Day



Jim OShaughnessy 
@jposhaughnessy



"There are 3 primary drivers of results in life:

- 1) Your luck (randomness).
- 2) Your strategy (choices).
- 3) Your actions (habits).

2 of the 3 are under your control. But if you master those 2, you improve the odds that luck will work for you, not against you."



Bespoke
@bespokeinvest



The 30 best performing S&P 500 stocks since the 3/23 low are all up more than 100%. Here's a look at the list, which includes names like Halliburton [\\$HAL](#), Royal Caribbean [\\$RCL](#), and Norwegian Cruise [\\$NCLH](#). bespokepremium.com/interactive/po...

30 Best Performing S&P 500 Stocks Since 3/23

Stock	Company	Sector	Current	% Since 3/23	% Since 2/19	% 2/19-3/23	% YTD
APA	Apache Corp	Energy	16.07	272.85	-43.55	-84.86	-36.07
HAL	Halliburton Co	Energy	14.52	177.10	-34.83	-76.48	-39.45
LNC	Lincoln National	Financials	47.27	172.45	-22.33	-71.49	-17.02
FANG	Diamondback Energy	Energy	52.21	156.31	-34.15	-74.31	-42.35
NBL	Noble Energy Inc	Energy	11.26	151.90	-40.49	-76.37	-54.06
MPC	Marathon Petroleum	Energy	41.56	150.06	-27.96	-71.19	-28.78
RCL	Royal Caribbean	Cons. Discret.	69.44	146.33	-37.45	-74.61	-44.61
MGM	MGM Resorts	Cons. Discret.	21.72	137.38	-32.32	-71.49	-31.80
DVN	Devon Energy	Energy	14.60	136.25	-35.74	-72.80	-43.18
NCLH	Norwegian Cruise	Cons. Discret.	22.43	131.95	-56.88	-81.41	-59.39
OKE	ONEOK Inc	Energy	45.35	131.38	-40.91	-74.46	-36.98
VLO	Valero Energy Corp	Energy	74.64	128.82	-10.32	-60.81	-17.00
URI	United Rentals Inc	Industrials	161.36	127.62	5.09	-53.83	-2.03
DFS	Discover Financial	Financials	60.62	127.47	-19.77	-64.73	-25.93
VIAC	ViacomCBS Inc	Comm. Svcs	24.82	120.04	-30.42	-68.38	-38.50
MRO	Marathon Oil	Energy	7.32	118.51	-30.09	-68.00	-45.63
LKQ	LKQ Corp	Cons. Discret.	30.28	117.84	-10.94	-59.12	-13.31
LEN	Lennar Corp	Cons. Discret.	63.71	117.07	-9.55	-58.33	15.81
PVH	PVH Corp	Cons. Discret.	62.75	116.01	-27.15	-66.27	-39.26
OXY	Occidental Petroleum	Energy	20.79	114.55	-51.09	-77.21	-47.47
WHR	Whirlpool Corp	Cons. Discret.	136.85	113.10	-7.04	-56.38	-5.24
ALGN	Align Technology	Health Care	288.21	109.27	3.99	-50.31	2.72
DRI	Darden Restaurants	Cons. Discret.	85.59	108.60	-29.08	-66.00	-18.72
PSX	Phillips 66	Energy	87.40	107.65	-1.09	-52.37	-19.55
PHM	PulteGroup Inc	Cons. Discret.	36.72	106.99	-21.12	-61.89	-3.47
CARR	Carrier Global Corp	Industrials	23.56	104.16	-	-	-
LB	L Brands Inc	Cons. Discret.	18.68	103.71	-24.07	-62.72	8.16
SWK	Stanley Black & Deck	Industrials	146.64	103.58	-9.36	-55.48	-10.01
KSS	Kohl's Corp	Cons. Discret.	26.58	103.06	-39.59	-70.25	-44.14
FCX	Freeport-McMoRan	Materials	10.86	101.48	-10.25	-55.45	-16.95



Greg Mostad
@GregMostad



#Plant2020 and **#harvest2019** finished the same day.
Hope to never say that again.





Todd Steinacher
@agold_todd



Can you find the marestail that made it past the roundup. Burndown needs a growth reg with it





Casey C.
@cattleNcrops83



What's the longest you've kept a herd bull? This is "Big Red", 9 years old and still king of the pasture.



Custer County, NE



Warren Schneckenburger 🇨🇦
@farmerschneck



The girls are enjoying the warm weather out on a #croptour with @pokelittlejohn and I. Being able to dig up #corn plants to stage emergence made my daughter's day. Lilianne says they're all coming up together! #ontag #happyfarmer





Tim Fargo 🧐🔵
@tim_fargo



Focus is not about doing less, but rather doing more of what matters most. #quote
#WednesdayWisdom



CORN traders are digesting a U.S. crop that's 97% planted and now rated 75% GD/EX vs. only about 80% planted last year at this time and only about 59% rated GD/EX. Bears are looking at conditions in Illinois and Michigan improving by +9% this past week, North Dakota improving +4%, Wisconsin improving +3%, Tennessee improving +2%, Nebraska improving +1%. Only four states are showing overall crop conditions worse than last year: Colorado is rated 52% GD/EX vs. 69% last year; Kentucky is rated 83% GD/EX this year vs. 84% last year; North Dakota is rated 77% GD/EX vs. 80% last year; Texas is rated 71% GD/EX vs. 74% last year. The issue I see is that big production states like Iowa is rated 85% GD/EX vs. 58% last year; Illinois 65% GD/EX vs. 47% last year; Minnesota 86% GD/EX vs. 53% last year; Nebraska 83% GD/EX vs. 77% last year; Indiana 68% GD/EX vs. 53% last year; Kansas 60% GD/EX vs. 47% last year; Missouri 61% GD/EX vs. 27% last year; Michigan 66% GD/EX vs. 41% last year; South Dakota 82% vs. 55% last year. Globally, the trade will be digesting updated CONAB production numbers scheduled for release this morning. Most inside the trade think some weather problems in Brazil may have trimmed a little second-crop corn production. On the demand side of the equation, the recent

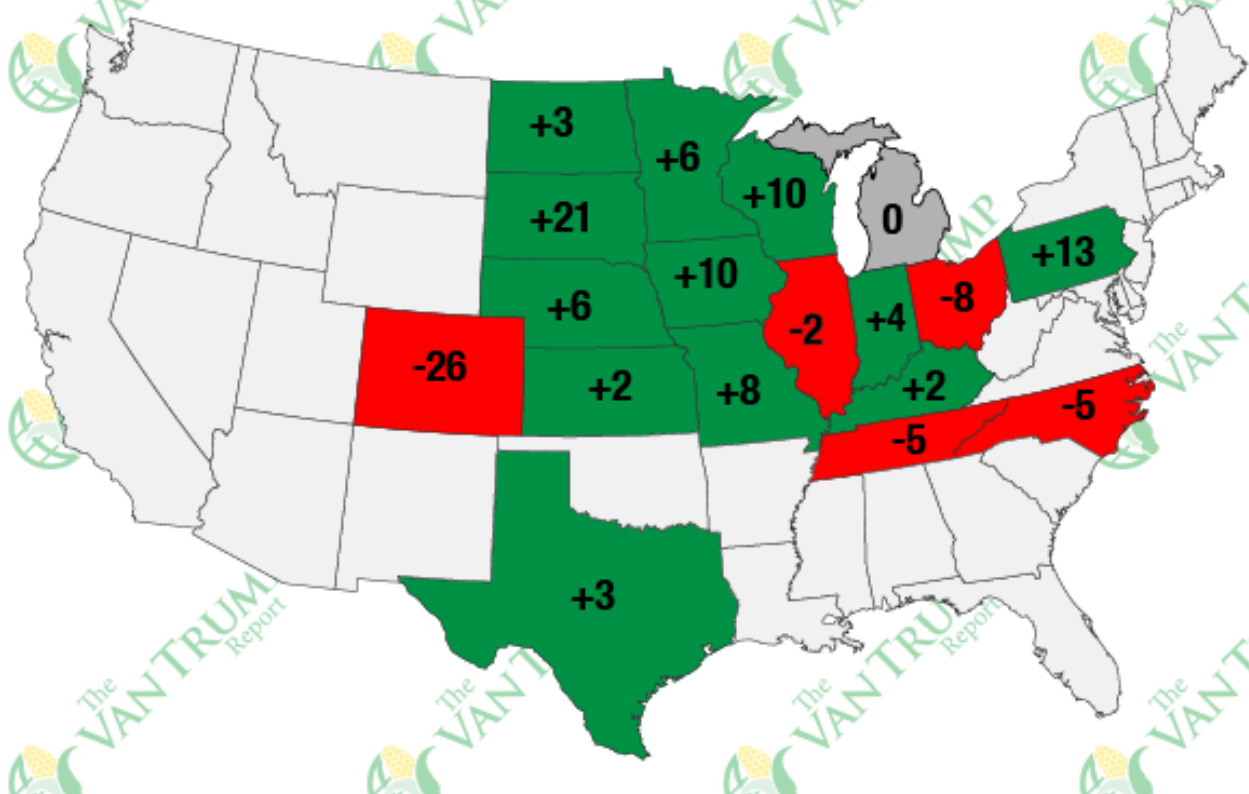
weakness in the U.S. dollar and talk of China perhaps wanting to bring in higher quality U.S. corn directly to end-users to the south is helping to create some bullish interest. we also have improved ethanol conditions with OPEC agreeing to extend production cuts and the global economies restarting. Unfortunately, I worry that the improving strength in demand still isn't strong enough to offset the big yield forecasts and overly burdensome balance sheet. As bulls, we need more widespread talk of hot and dry weather in the U.S. and more headlines or confirmation of China wanting to buy U.S. corn in larger quantities. As producers, we need to be paying close attention. We are up about +20 to +25 cents from the late-April lows. Many inside the trade are thinking the old-crop JUL20 contract should start to run into stiffer resistance in the \$4.40 to \$4.60 range, so adjust accordingly. To breakout to the upside, we are going to need a U.S. weather worry that has the potential to dramatically reduce production. At the same time, we need to find a demand story with enough strength to pull us out of this over-supplied hole.

U.S. Corn Good-to-Excellent

June 7, 2020

[Week 23]

Good-to-Excellent vs. 5-year Average



Corn % Good-to-Excellent

	2018	2019	5-yr avg	This Week	Change vs LW

Colorado	85	69	78	52	-1
Illinois	82	47	67	65	+9
Indiana	75	53	64	68	0
Iowa	81	58	75	85	0
Kansas	60	47	58	60	-7
Kentucky	85	84	81	83	-2
Michigan	72	41	66	66	+9
Minnesota	90	60	77	83	0
Missouri	56	27	53	61	-5
Nebraska	86	77	77	83	+1
North Carolina	54	44	64	59	-5
North Dakota	73	80	74	77	+4
Ohio	87	58	69	61	-1
Pennsylvania	64	79	77	90	-1
South Dakota	63	55	61	82	0
Tennessee	80	72	78	73	+2
Texas	46	74	68	71	-5
Wisconsin	91	53	76	86	+3
Total	77	59	71	75	+1



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SOYBEAN traders see the U.S. crop is now 86% planted and still well ahead of schedule. At the same time, the USDA shows 72% of the crop now rated GD/EX which is better than average and a +2% improvement over last week. Similar to corn, bears are pointing to Illinois conditions improving +11% last week, North Dakota improving +9%, Tennessee +8%. We have big production states like Iowa, Minnesota, Nebraska, South Dakota all showing +82% of their respective soybean fields rated GD/EX. Bears believe good overall crop conditions and talk of more acres should be enough to keep the balance sheet from shrinking and a lid on most rallies. Technically, we are up +40 to +45 cents from the recent lows and at levels we haven't seen in a couple of months. Bulls are happy to see the Chinese still buying U.S. supply as many bears were betting that would come to an end in

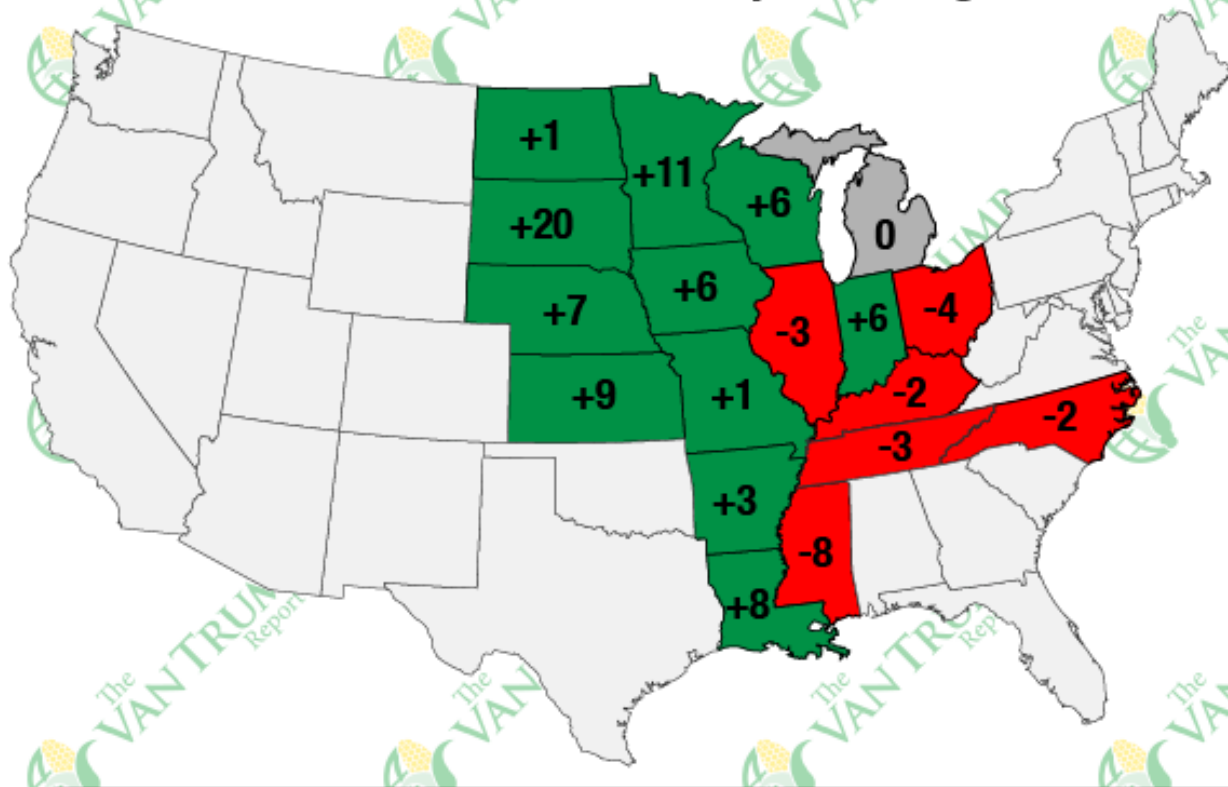
the wake of U.S. political pressure regarding corona and Hong Kong. Many inside the trade were almost certain the USDA would have to reduce their export forecast but with the recent weakness in the U.S. dollar and continued Chinese interest, there's starting to be more debate and a few more bears backpedaling. Keep in mind, the Brazilain real has rallied +17% in comparison to the U.S. dollar in the past month. Thursday's USDA report should provide more insight and direction. As a producer, I still like the thought of adding protection and aggressively defending the \$8.50 level. As a spec, I am on the sideline and waiting to make a play after the USDA releases its numbers. I don't want to try and outguess the USDA, at least not at this juncture with so many variables in the air.

U.S. Soybeans Good-to-Excellent

June 7, 2020

[Week 23]

Good-to-Excellent vs. 5-year Average



Soybean % Good-to-Excellent

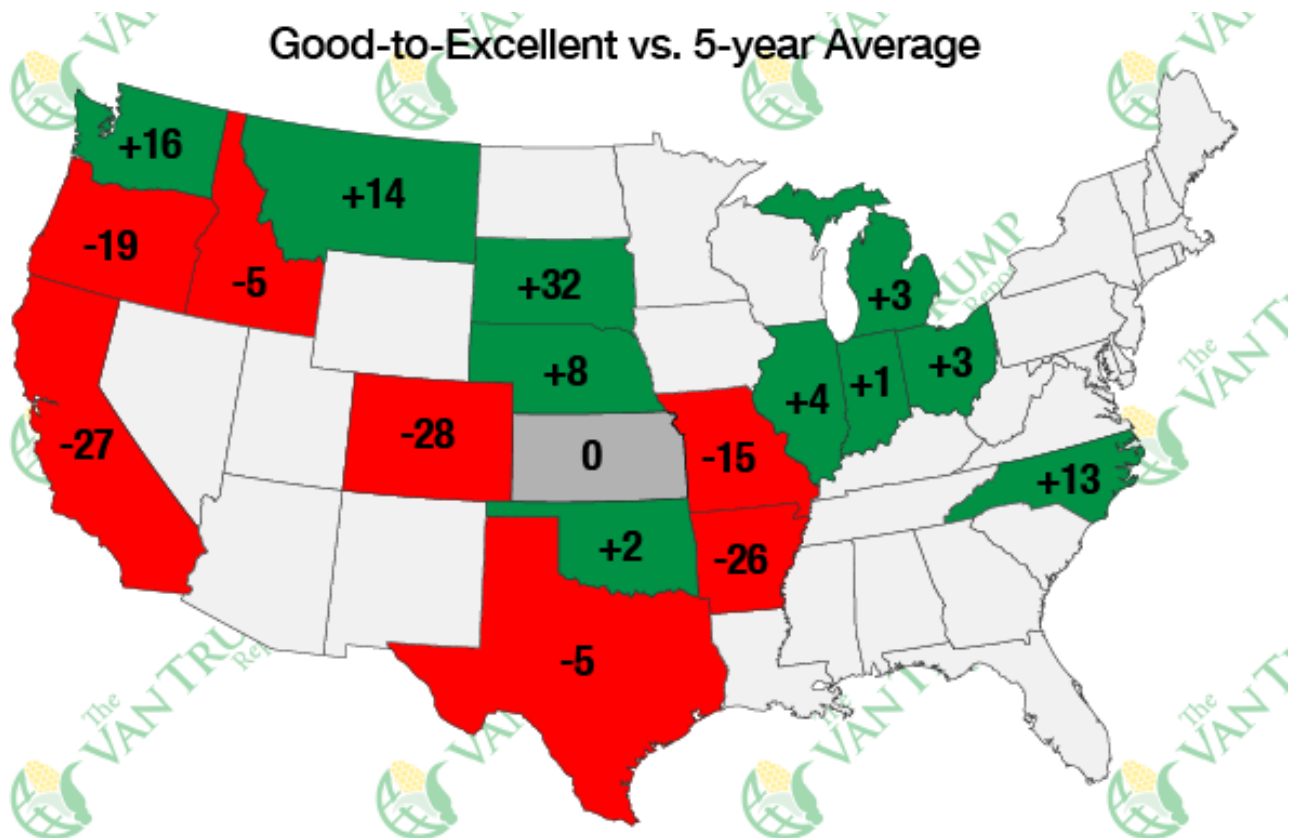
	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	67	60	62	65	+2
Illinois	83	38	70	67	+11
Indiana	73	37	63	69	0
Iowa	78	64	76	82	+1

Kansas	56	46	58	67	-1
Kentucky	84	72	81	79	+1
Louisiana	60	62	66	74	+3
Michigan	71	45	67	67	+2
Minnesota	86	61	73	84	0
Mississippi	77	58	68	60	-10
Missouri	48	35	55	56	+4
Nebraska	87	73	75	82	0
North Carolina	60	50	67	65	+2
North Dakota	79	69	74	75	+9
Ohio	85	28	64	60	-1
South Dakota	60	52	64	84	+1
Tennessee	81	77	78	75	+8
Wisconsin	89	64	80	86	+4
Total	74	53	70	72	+2

WHEAT traders see the U.S. winter wheat harvest slower than anticipated at just 7% complete up just +4% from last week. Like most in the trade, I thought we would have advanced a bit further last week. As expected the USDA left overall winter wheat conditions unchanged at 51% rated GD/EX. Spring wheat is now 97% planted and rated 82% GD/EX which is just a bit better than last year. Bulls were excited to see headlines out of Russia that acres in the southern portion could see a 40% yield drag compared to last year. Similar to the Brazilian real, the Russian currency is also up double-digits compared to the U.S. dollar which has to help the U.S. export outlook. The weaker dollar also has to help create a less bearish macro landscape for commodities. I should note, Coceral updated its soft wheat estimate for the EU and dropped it by -5.7 MMTs down to 129.7 MMTs vs. last year's record crop of nearly 147 MMTs. Keep in mind, however, the trade has already been penciling in lower production totals for both Russia and the EU, so I'm uncertain how much more risk-premium will be added... if any? We need fresh headlines and new headline fears regarding global production i.e. weather getting worse in Russia would be big. And also some fresh new bullish demand headlines, i.e. Chinese buying would be good. Stay tuned...

U.S. Winter Wheat Good-to-Excellent

June 7, 2020
[Week 23]



Winter Wheat % Good-to-Excellent					
	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	60	45	59	33	+1
California	95	95	92	65	0
Colorado	53	81	60	32	+1
Idaho	81	61	75	70	+5
Illinois	71	35	56	60	+4
Indiana	68	46	65	66	+2
Kansas	16	58	42	42	0
Michigan	75	45	66	69	+14
Missouri	55	40	53	38	-2
Montana	81	70	66	80	0
Nebraska	68	70	58	66	+2
North Carolina	68	50	54	67	-3
Ohio	78	28	69	72	-1
Oklahoma	8	73	44	46	-10
Oregon	74	61	62	43	+1
South Dakota	46	68	46	78	-3

Texas	15	59	43	38	-1
Washington	84	72	72	88	+3
Total	38	64	51	51	0

U.S. Grain Ending Stocks 2019/20

(million bushels)

	May #'s	Avg. Trade Estimate	Range of Estimates	USDA May
Corn	???	2,150	2,090 - 2,303	2,098
Soybeans	???	577	497 - 630	580
Wheat	???	979	968 - 998	978

U.S. Grain Ending Stocks 2020/21

(million bushels)

	May #'s	Avg. Trade Estimate	Range of Estimates	USDA May
Corn	???	3,360	2,897 - 3,595	3,318
Soybeans	???	426	350 - 572	405
Wheat	???	897	820 - 940	909

US Wheat Production 2020/21

(million acres)

	May #'s	Avg. Trade Estimate	Range of Estimates	USDA May
All Wheat	???	1,850	1,824 - 1,875	1,866
All Winter	???	1,238	1,211 - 1,264	1,255
Hard Red Winter	???	718	680 - 738	733
Soft Red Winter	???	297	284 - 305	298
White Winter	???	224	218 - 228	224

South American Production 2019/20

(million metric tons)				
	May #'s	Avg. Trade Estimate	Range of Estimates	USDA May
Argentina Corn	???	49.83	49.0 - 50.0	50.00
Argentina Soybeans	???	50.64	50.0 - 51.2	51.00
Brazil Corn	???	99.42	96.5 - 102.0	101.00
Brazil Soybeans	???	122.97	121.0 - 125.0	124.00

World Ending Stocks 2019/20

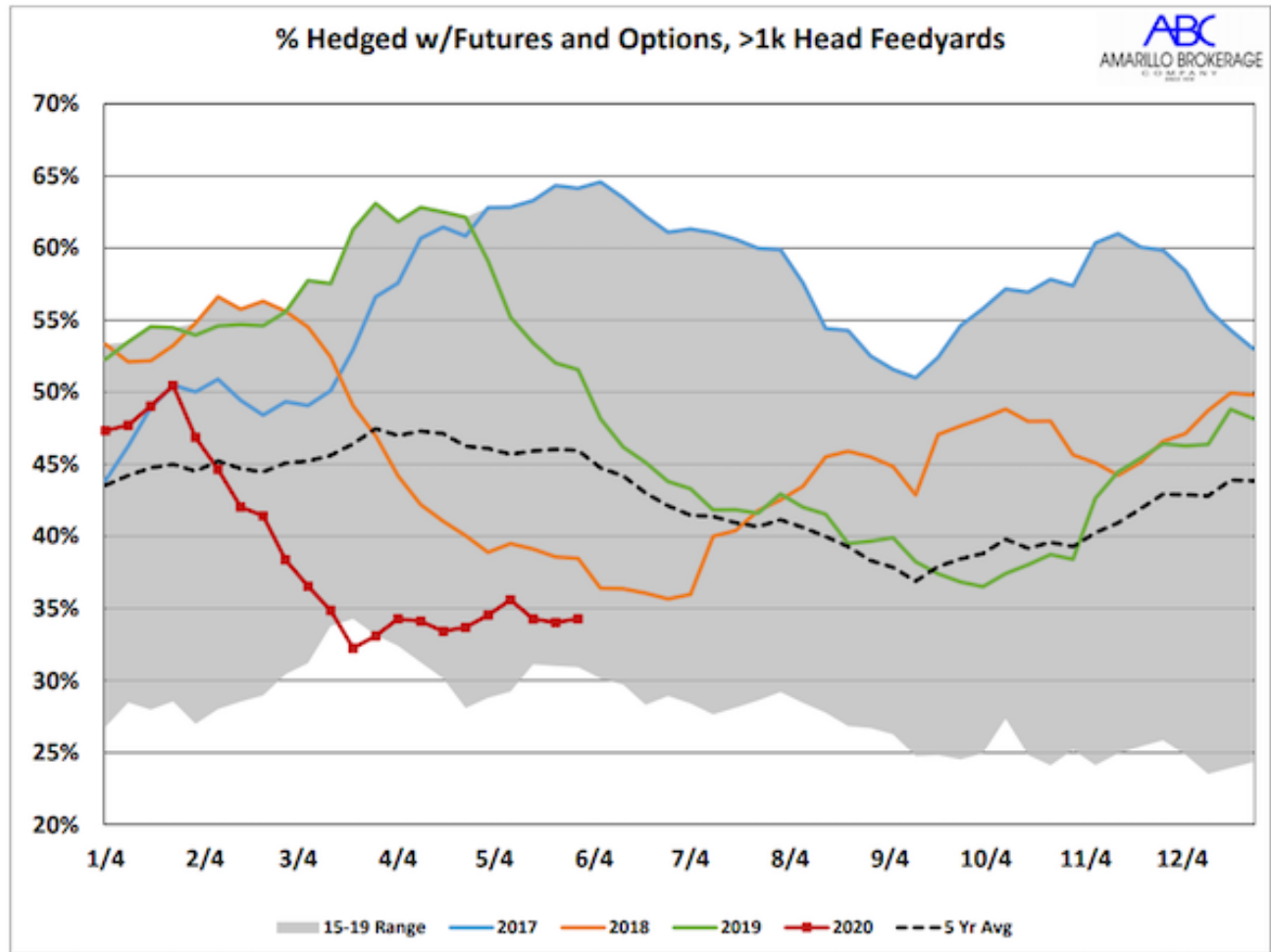
(million tonnes)				
	May #'s	Avg. Trade Estimate	Range of Estimates	USDA May
Corn	???	314.31	310.0 - 319.7	314.73
Soybeans	???	101.23	98.5-110.35	100.27
Wheat	???	294.63	292.0 - 296.0	295.12

World Ending Stocks 2020/21

(million tonnes)				
	May #'s	Avg. Trade Estimate	Range of Estimates	USDA May
Corn	???	339.78	335.0 - 346.6	339.62
Soybeans	???	98.64	96.0 - 102.4	98.39
Wheat	???	307.74	300.0 - 310.5	310.12

Cattle: Week to week it becomes hard to know what the market is going to focus on and choose to form price direction from. As we start the new week, we know that beef is coming down but potentially near a mid-term low. We know that cash has turned softer and the willingness of the packer, at this time, to support the market to the same extent is slightly softer but still exists. Anecdotal evidence points towards another week of softer cash trade as we get early feels from northern sale barns. From a speculative standpoint, many of those inclined to be more friendly are looking at the discount the nearby futures are to average cash (94.00 versus 112.00/CWT) and assuming that the futures must converge to cash

with the risk tool gaining. The more cautious traders are cognizant of the fact that some cattle would trade at or even below current futures prices, many cattle have been delayed into the Jul-Aug marketing period either purposefully or out of necessity and the slaughter pace has seemingly created a large number of cattle on the front end of the market at heavy weights and diminishing feedyard returns. Interestingly, from a hedging or commercial perspective, prices are too low for most to hedge cattle purchased in recent history, and those cattle that may present better estimated profitability are begrudgingly hedged at these levels, if at all. At the risk of being overly simplistic, in many ways this is at the core of why the market is apparently stalled in the recent range. Indecision and a lack of clear direction on the spec and unwillingness by the commercial to make many long-term business decisions creates a stale market. We certainly do not have this all figured out, but it typically takes one of two scenarios to solve a conundrum such as this. We either press the futures far too low and the spec community sees opportunity and least attractive risk-reward relationship, or futures prices move substantially higher and the commercial producer takes advantage by laying physical price risk-off. We have obviously done neither but maybe closer to the former than the latter. Today marks first notice and come down day for Jun20 LC. We may see some tepid deliveries through the month but should see the Jun20 LC spreads heal up after being battered by spec liquidation. As mentioned, cash may be lower on average this week and will likely maintain a wide range of prices. Beef is starting the week off softer but is likely going to find some hand to mouth support. Slaughter should be larger yet again this week although we will see the Saturday totals pull back some. Trey Warnock - [Amarillo Brokerage Company](#)



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> Dicamba Confusion Continues: *Confusion reigns about the legality of dicamba this week, as states have scrambled to issue individual interpretations of a federal court's stunning decision to vacate three dicamba registrations on June 3, in the middle of the spray season. Without clear instructions from the EPA, to which the court's "vacatur" order was directed, states have been left to draw their own conclusions about what the ruling means for retailers, farmers, and applicators. The result is a growing patchwork of conflicting rules regarding spraying and selling the three dicamba herbicides in question -- XtendiMax (Bayer), Engenia (BASF), and FeXapan (Corteva). (Syngenta's Tavium herbicide was not affected by the ruling). So far, more than a dozen states have declared that the products remain available for sale and use in the state until EPA says otherwise, while two other states -- Illinois and South Dakota -- have ordered a halt to all sales and use. Read more [HERE](#).*

> AFBF Economist Analyzes Cattle's Cash Trade Issue: *An American Farm Bureau economist says establishing a mandatory minimum for negotiated cash trade in cattle markets could result in negative consequences for the cattle industry. Michael Nepveux, who has written a "Market Intel" report on the issue, says it would likely mean more government intrusion into the industry. "The issue becomes, who is going to mandate it—and whenever you have a mandatory minimum, it starts to invite further regulation upon the industry," Nepveux says.*

"And who is going to enforce that—the federal government is going to have to be the one involved there." Nepveux says while enhanced price discovery is a good thing, it does not necessarily mean it will result in higher prices, as some proponents of minimum thresholds contend. "Price discovery is not the same as price determination and what's going on with fundamental supply and demand," he says. "So I'm not saying it won't result in higher prices, I'm just saying that may not necessarily be the case." Listen to the full interview over at [Brownfield Ag](#).

> Food Banks Pushed to Brink: *The Agriculture Department is already spending \$3 billion on surplus meat, dairy, fruits and vegetables to help nonprofits meet their needs, but anti-hunger advocates say there's another way Washington should help: Increase food stamp benefits so hungry families can buy more groceries instead of leaning on food banks. Recent data shows that food insecurity rates are going through the roof. For example, a national survey in late April found that more than 17 percent of mothers reported that their children under the age of 12 weren't getting enough to eat because the family couldn't afford enough food — a more than 400 percent increase from when the government last measured hunger rates in 2018. Anti-hunger groups have been pressing Congress to increase food stamp benefits by 15 percent until unemployment rates come down, a move that would give SNAP recipients about \$25 more per month. For every meal provided by a food bank, SNAP is estimated to feed about nine people. (Source: Politico)*

> Tractor Supply Finds Sweet Spot: *Tractor Supply Co., a retailer focused on the rural lifestyle that sells everything from hoes to blackberry bushes to dog food, is resonating with a Covid-rattled, stir crazy population embracing the joys of backyard vegetable patches and time outside. Shares last week hit an all-time high after the company forecast record profit in the current quarter and comps growth of as much as 25%. Several factors dovetailed to fuel demand: spending by restless Covid-shut ins, competitors' shuttered stores, and stimulus cash. Tractor Supply's base is made up of recreational farmers, ranchers, gardeners and others who like to get outside and try their hand at backyard poultry, raising goats and even beekeeping. About half of the \$8 billion in sales last year came from livestock and pet supplies, with hardware and tools chipping in 21%, and seasonal items, clothing and agriculture making up the rest. Read more from [Bloomberg](#).*

> BP to Cut 10,000 Jobs: *Oil major BP is planning to cut 10,000 jobs, or 14% of its workforce, as coronavirus hits the oil major's finances and the company accelerates a strategy shift under its new chief executive to become leaner and "faster-moving". Bernard Looney said in a letter to staff on Monday that the company was "spending much, much more" than it made as the pandemic had dealt a large blow to BP's earnings and caused widespread financial damage across the energy industry. BP will also freeze pay increases for senior level managers as it seeks to strengthen its finances, the company said Monday. Read more from [The](#)*

[Wall Street Journal.](#)

> Dunkin' Plans to Hire 25,000 Workers: *As the restaurant industry tries to bounce back from the coronavirus pandemic, Dunkin' is looking to hire 25,000 employees. The coffee chain is launching its first advertising campaign centered on hiring to tout the benefits of working at its restaurants. Dunkin' said it is partnering with Southern New Hampshire University to offer store employees an online college education. The summer months typically spark fast-food hiring as consumers spend more and teenagers look for work. Yum Brands' Taco Bell, for example, is looking to hire 30,000 new workers this summer. Fast-food chains are bouncing back from the pandemic faster than other segments in the restaurant industry. As of May 23, same-store sales at open Dunkin' locations had fallen -23% quarter to date. During the week ended May 23, same-store sales fell -15% at open restaurants, an improvement from declines in late April. More than 90% of its locations are open with modified operations. (Source: CNBC)*

> U.S. Navy Says 60% of Crew have Coronavirus Antibodies: *A U.S. Navy investigation into the spread of the coronavirus aboard the Theodore Roosevelt aircraft carrier has found that about 60 percent of sailors tested had antibodies for the virus, two U.S. officials told Reuters on Monday, suggesting a far higher infection rate than previously known. In April, the Navy and the Centers for Disease Control and Prevention (CDC) started conducting serology tests to look for the presence of specific antibodies that are created by the immune system's attack response to the presence of the virus and remain in the blood for a period of time. More than 1,100 aboard tested positive for the virus as of April, less than 25 percent of the crew. Read more [HERE](#).*

> The Great Diamond Glut: *In one of the world's biggest diamond vaults, hidden inside a nondescript office compound on the dusty outskirts of Botswana's capital, the precious stones just keep piling up. Owner De Beers, which mines and auctions most of its gems in the southern African nation, has barely sold any rough diamonds since February. Neither has Russian rival Alrosa PJSC. Now, as the coronavirus restrictions that froze the global industry for months begin to lift, the unsold diamonds present a dilemma: how to reduce billions of dollars' worth of stocks without undermining the nascent recovery. The five biggest producers are probably sitting on excess inventories worth about \$3.5 billion, according to Gemdax, a specialist advisory firm. The figure could reach \$4.5 billion by the end of the year, or about one-third of annual rough-diamond production. Read more from [Bloomberg](#).*

> "Hipsteads" and Other New Consumer Species: *As coronavirus stay-at-home orders and self-mandated quarantines extend beyond the first quarter of 2020, some new consumer behaviors are beginning to emerge among those still thriving (and spending) despite the pandemic's economic ravages. We first noticed*

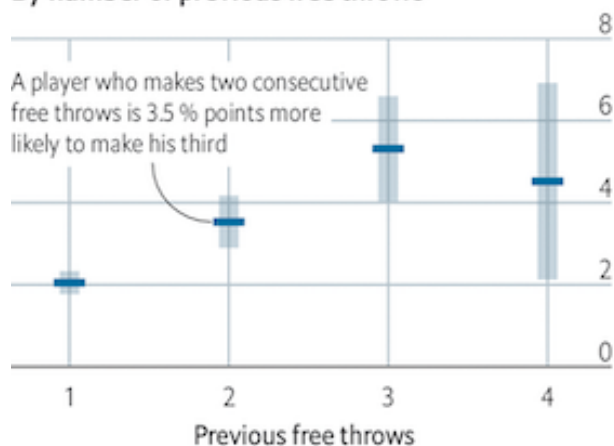
it when otherwise fashionable, non-domestic acquaintances began sharing photos of sourdough starters and herb gardens, touting their new Crocs, and tie-dyeing their clothes with turmeric. This, we realized, was a new species of consumer: the Hipsteader. Other species that have begun to roam the consumer landscape in the era of coronavirus include the Screenhead, a creature that spends the vast majority of its time in hibernation and its money on e-commerce and streaming services and the Overachiever, a species of nervous multitasker that has adapted to the current climate by setting goals to improve their body, mind, and habitat. Read more from [Quartz](#).

> Success does not Always Breed Success: Basketball Fans missing the squeak of sneakers on hardwood have lapped up "The Last Dance", a documentary about the Chicago Bulls' National Basketball Association (NBA) championship run in 1998. ESPN, the sports cable network that produced it, says the show is its most-watched documentary ever. The show owes its success to its protagonist, Michael Jordan, who is widely regarded as the greatest player of all time. His remarkable accomplishments were, at times, a mystery to the player himself. In the first game of the 1992 NBA Finals, Mr Jordan made six three-pointers in the first half alone. After hitting his sixth, he glanced at his friend, Magic Johnson, on the sidelines and shrugged. As Mr Johnson recalled in the documentary: "He was so hot that night." But is the "hot hand" a myth? The notion that a player becomes more likely to score with every successful attempt has been debated for decades. The Economist did the math. Check it out [HERE](#).

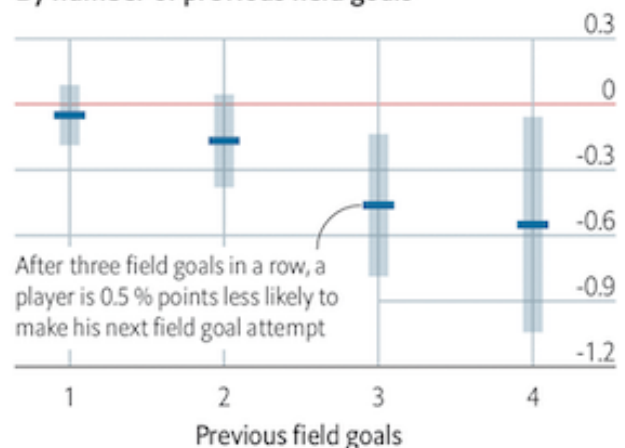
Net gains

Basketball, change in probability of making next free throw or field goal, percentage points
United States, 2004-05 to 2015-16 NBA seasons

By number of previous free throws



By number of previous field goals



Source: "An analysis of the 'hot hand' in NBA field goal and free throw shooting" by R. Lantis and E. Nesson, CEPR, May 2020

The Economist

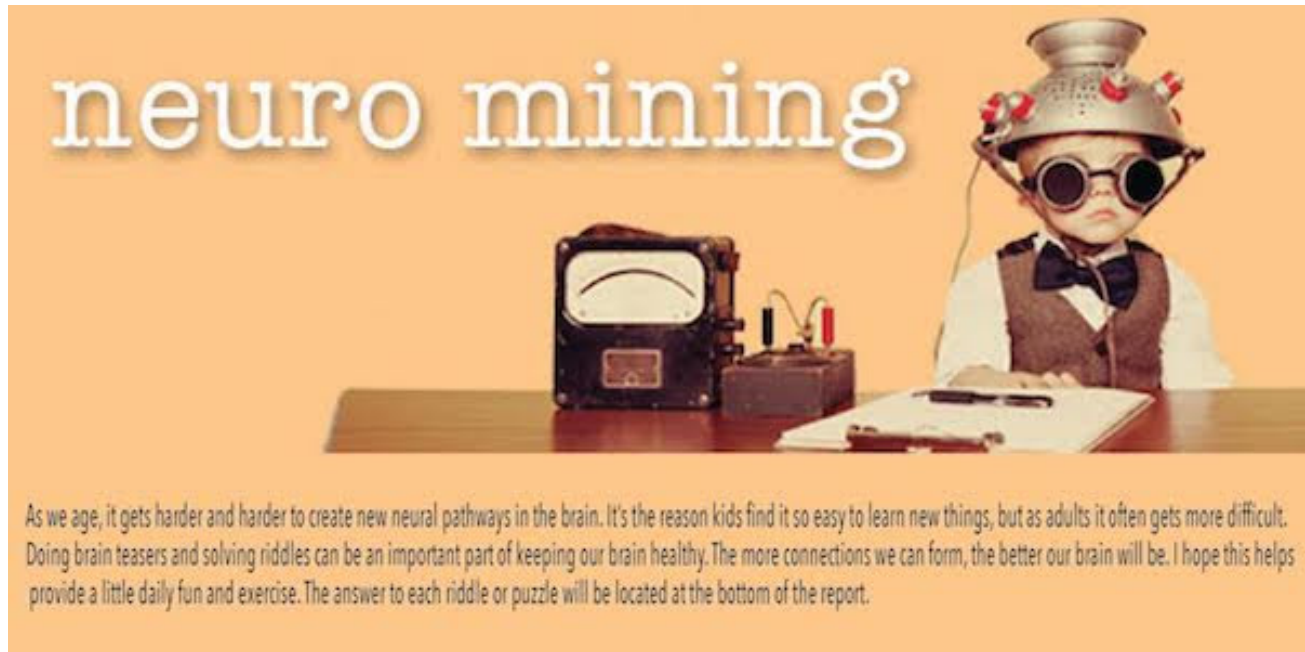


Southwest Kansas - *We run a large dairy farm that sources all its feed locally from our neighbors. Just like everywhere, the dairy market is tough here and the coop had a demand decrease to the point we can only deliver 90% of production. Add to that the +30% drop in milk prices and you can see you better have a good plan to stay in business. The one thing folks forget when I hear talk about the dairy sector is how many more products we now make from the raw product. Keep in mind, it takes 10 pounds of milk to make just one pound of cheese. Even with milk down, there is an opportunity. We are trying to get a processor to come into the area and expand the number and types of products we can offer. At the moment, we don't have anyone ready to outlay the \$300-\$500 million it would take. We are staying on the edge of technology in order to be as efficient and competitive as we can be.*

Northwest Kansas - *It was nonstop dirt blowing all weekend. There are reports of winds upward of 65 miles per hour. The wind didn't do any favors to the wheat but it's hard to say how bad it really hurt it. The wind is supposed to keep blowing but after today we are supposed to cool off, with a chance of half an inch of rain. We need this rain to keep our cattle running on grass otherwise we will be buying hay before the summer is over. I'm sure most guys have their sprinklers running but if they don't, they have a chance of getting them flipped over. Sprinklers flipping is about the least of our worries because anyone that's lived in this area for more than 10 minutes knows to keep them running through this wind.*

Central Nebraska - *We had early problems with the seed not getting enough heat to come up in a timely manner. I would say some corn seed sat in the dirt for close to 20 days or more in some cases. We definitely are getting the heat now. It was right at 100 degrees last week and we've had high winds for 3 straight days now. The next 5 out of 7 days have wind advisories and it's widespread across Central Nebraska and Kansas. If you combine the wind and the heat over the weekend, it's like a blow torch on the corn. It left everything looking less than desirable. There are plenty of guys that need to get out and spray but this wind and spraying do not mix well.*





TODAY'S RIDDLE: What always ends everything?



Farmland Continues to Weather the Storms

Recently, the National Council of Real Estate Investment Fiduciaries (NCREIF) released its first-quarter 2020 results of the NCREIF Farmland Index, a widely relied-upon tool that includes data gathered from investment-grade U.S. farm properties. NCREIF uses the data to provide tools to institutional investors, giving them the ability to identify investment risks in the space, and the index has been increasingly recognized and referenced by the both the academic and investment communities as the bellwether source of metrics for tracking and analyzing the asset class and its performance.

According to data, the total return for the first quarter was -0.10%, down from +2.34% the previous quarter and +0.70% in the first quarter of 2019. It's worth noting, this is the first time since the fourth quarter of 2001 that the Farmland Index posted a negative total return, comprised of a 0.38% income return and appreciation of -0.49%. However, annual cropland outperformed in Q1, posting total returns of 0.66%, with cropland appreciation of -0.27% and annual cropland

income of 0.93%. What's important to note is that while these numbers revealed a negative total return for the Index, when compared to the performance of other indices, they are reflective of the strength of farmland as an asset class amid incredible volatility.

When you glance across the Dow Jones, Russell, QQQ, and S&P, you'll find Q1 losses of -23%, -20.9%, -10.29% and -19.6% respectively. In addition, the Commodities Index posted a sharp decline of -23.3%, and Nareit, an index tracking U.S. real estate investment trusts, saw earnings decline across all REITs by -9% for Q1. Amid the current disruption to the economy, experts predict farmland values will remain steady thanks to low-interest rates, high rents, and limited inventory for sale. On top of that, the CARES Act, which includes \$19 billion in financial assistance to U.S. farmers, food assistance programs, the contraction of the U.S. dollar, and broader access to credit for small businesses, are all expected to bolster growers income this season, thanks to lower input costs and a drastic decline in energy costs.

Bottom-line, for all of us sitting around waiting for farmland prices to brake aggressively before we become a buyer, I'm not thinking it's going to happen anytime soon on a broad scale. Yes, row crop prices are terrible and livestock producers are struggling but interest rates are near record lows and available inventory is limited. In my opinion, this is not a recipe for a big break. I did hear of a few auctions on some dryland ground during the recent lockdown going as a "no sale" with "no bids". But until the Fed starts to show signs of pushing interest rates aggressively higher and more banks start to pull farmer funding I don't see a massive drop in farmland values. You can read more details in the NCREIF report [HERE](#).



Lindsay Kimbrell
@Kimbrellfarms06

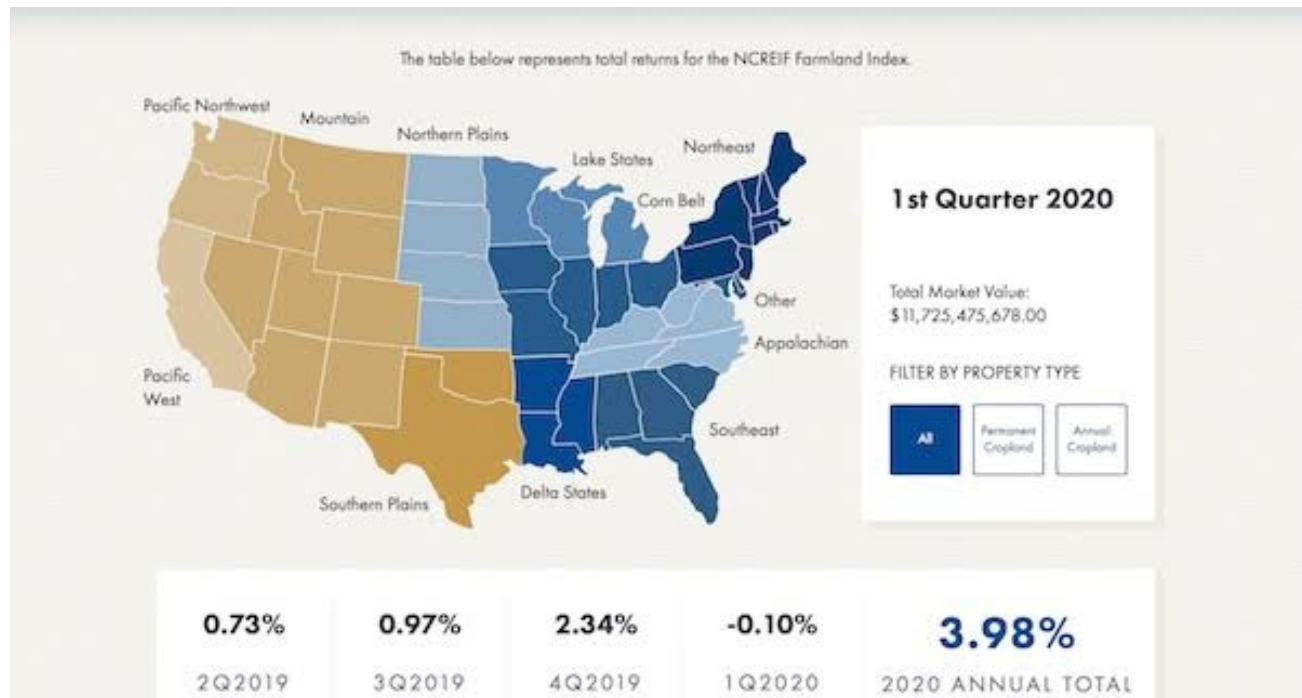


Another day, another field.



#wheatharvest20 #harvest20 #deeresighting
#deerespotting





Million Dollar Treasure Buried in the Rocky Mountains Found!

For a decade now, treasure hunters have been traipsing through the Rocky Mountains in search of a trove worth as much as \$2 million, buried somewhere between Santa Fe and the Canadian border at an elevation above 5,000 feet. That was according to the man who buried it, millionaire art dealer Forrest Fenn. Ten years and hundreds of thousands of searches later, Fenn's treasure has finally been found.

According to Fenn, the man who found it wants to remain anonymous but the find was confirmed by a photograph. "It was under a canopy of stars in the lush, forested vegetation of the Rocky Mountains and had not moved from the spot where I hid it more than 10 years ago," Fenn said in a statement on his website. That would seem to put the whole thing to rest but it sounds like it is likely just another chapter in what is a truly fascinating tale.

Forrest Fenn lives in Santa Fe, New Mexico, where he runs a successful antiquities business. Back in 2010, he decided to bury a chest filled with gold, gems, jewelry, and other precious items somewhere in the Rocky Mountains. The only clues were in a poem that was part of his 2010 self-published autobiography, "The Thrill of the Chase." He claims to have made no money off the books to avoid being labeled a fraud, and the poem has always been available for free on his website

Fenn claims he created the hunt to inspire people to explore nature. It came just as the country was trying to pull itself out of the Great Recession and Fenn has also said he felt the adventure could help inspire hope. Fenn has also supposedly added to the chest over the years and swapped some things out and there are rumors that the contents are worth as much as \$5 million now. There is a whole community built around finding Fenn's treasure with forums and groups all over the internet dedicated to deciphering the poem and comparing search notes.

Needless to say, some people have gotten a little carried away in their pursuit of the alleged fortune over the years. There are stories of people quitting their jobs or spending their life savings to search for it full time. Searchers have stalked Fenn, showing up at his house or sending threatening messages, demanding more information. He's had lawsuits filed against him, one that alleges Fenn fooled him with "fraudulent statements" and basically claiming Fenn led him away from the treasure so someone else could find it. You get the picture - it's led to some real chaos in his life.

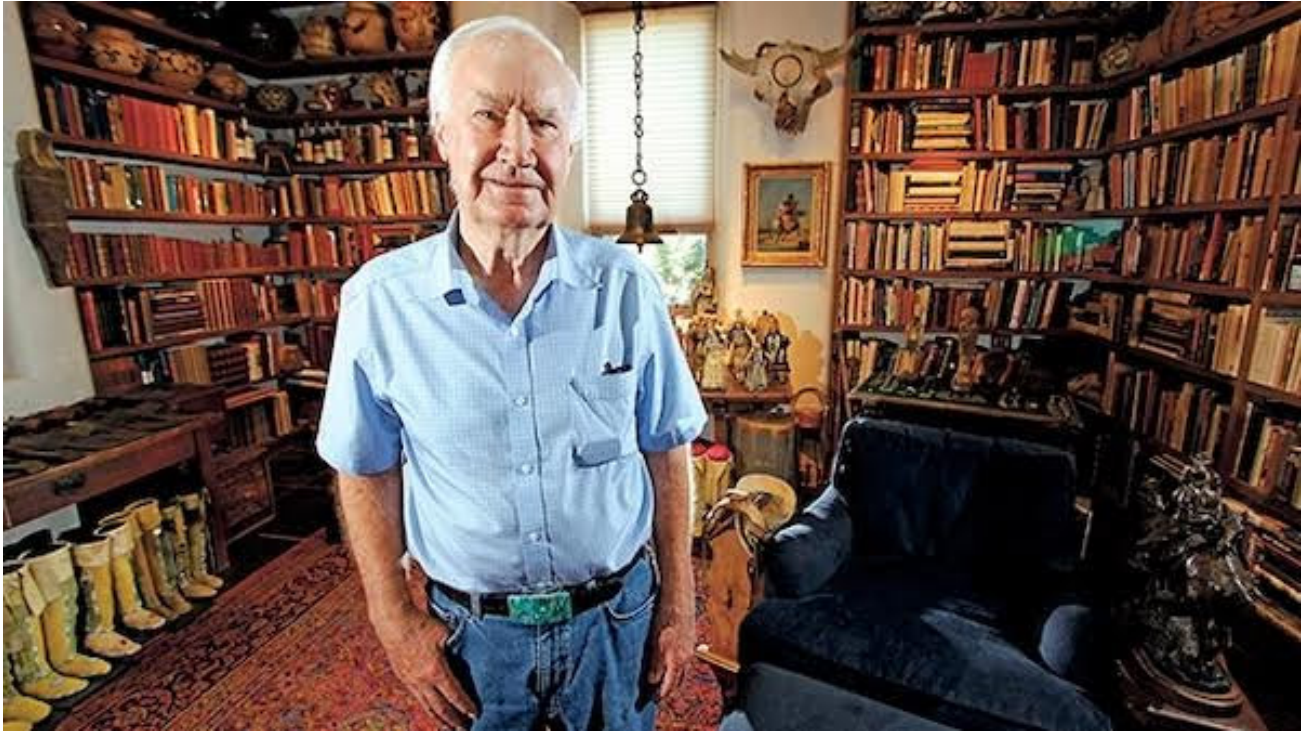
Some people still believe the whole thing is a hoax and the fact that the treasure finder is anonymous has only deepened that conviction. That's a serious accusation considering five people have died while searching for the treasure. The New Mexico State Police tried to get Fenn to call off the hunt because of multiple instances of "people make poor decisions" with such riches at stake. Just this past May, an Indiana man searching for Fenn's treasure had to be rescued in Yellowstone National Park, which incidentally got him banned for five years. For those who believe Fenn made the whole thing up.

The newest entry in the tale includes a treasure hunter from Chicago who claims she figured out where the treasure was hidden but someone stole it out from under her. She's suing an unknown man who allegedly hacked her computer to steal the solve after harassing her for months. But since she doesn't know who that guy is, she's suing Fenn to find out the identity of the man who found the treasure as she believes he is the one who stole her solution.

Asked how he felt now that the treasure has been found, Fenn said, "I don't know, I feel halfway kind of glad, halfway kind of sad because the chase is over." If he's relieved that it's over, he hasn't expressed it publicly. He turns 90 in August and said, "I congratulate the thousands of people who participated in the search and hope they will continue to be drawn by the promise of other discoveries." (Sources: Ars Technica, NPR, Chicago Tribune)







A Loosing "Coin Toss" Proves to be a Big Winner!

It was on this day back in 1973 that a chestnut colt named "Secretariat" and nicknamed "Big Red" won the hearts of Americans by becoming one of the greatest horses in racing history winning the "Triple Crown" and breaking the record for the fastest time ever at Belmont. Interestingly, Secretariat was won in a coin toss between Ogden Phipps and Penny Chenery, who had taken over the running of the family stable when her father became ill back in 1968... Below is the story of the "coin toss". I always find it interesting how the choice was reasoned out and what ultimately happened. (Source: Wiki)

Bold Ruler was the leading sire in North America from 1963 to 1969 and again in 1973. Owned by the Phipps family, Bold Ruler possessed both speed and stamina, having won the Preakness Stakes and Horse of the Year honors in 1957, and American Champion Sprint Horse honors in 1958. Bold Ruler was retired to stud at Claiborne Farm, but the Phipps owned most of the mares to which Bold Ruler was bred, and few of his offspring were sold at public auction.

To bring new blood into their breeding program, the Phipps sometimes negotiated a foal-sharing agreement with other mare owners: Instead of charging a stud fee for Bold Ruler, they would arrange for multiple matings with Bold Ruler, either with two mares in one year or one mare over a two-year period. Assuming two foals were produced, the Phipps family would keep one and the mare's owner would keep the other, with a coin toss determining who received first pick.

Under such an arrangement, Chenery sent two mares to be bred to Bold Ruler in 1968, Hasty Matelda and Somethingroyal. Penny Chenery, who then took over for her ill father, sent Cicada and Somethingroyal in 1969. The foal-sharing agreement stated that the winner of the coin toss would get first foal pick of the foals produced in 1969, while the loser of the toss would get first pick of the foals

due in 1970.

In the spring of 1969, a colt and filly were produced. In the 1969 breeding season, Cicada did not conceive, leaving only one foal due in the spring of 1970. Thus, the winner of the coin toss would get only one foal (the first pick from 1969), and the loser would get two (the second pick from 1969 and the only foal from 1970).

It so happened that Ogden Phipps won the toss and took the 1969 weanling filly out of Somethingroyal. The filly was named The Bride and never won a race, though she did later become a stakes producer.

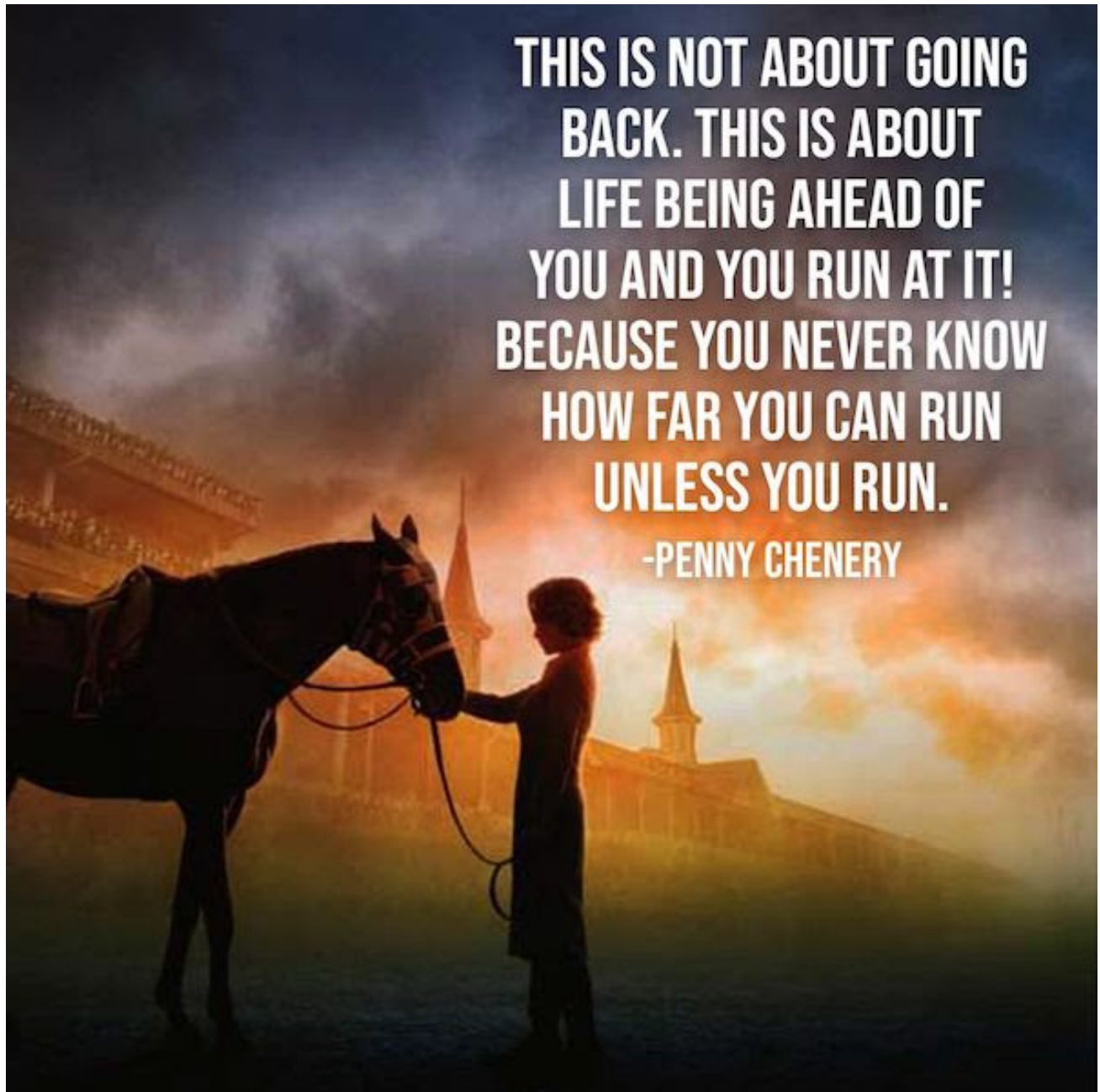
Chenery received the Hasty Matelda colt in 1969 and the as-yet-unborn 1970 foal of Somethingroyal, which turned out to be Secretariat.

After winning the "Triple Crown" and siring hundreds of winners, at the age of 19, Secretariat was buried at Claiborne Farm, under a tree in a pasture he loved to roam.

At the time of Secretariat's death, the veterinarian who performed the necropsy, Dr. Thomas Swerczek, head pathologist at the University of Kentucky, stated, "We just stood there in stunned silence. We couldn't believe it. The heart was perfect. There were no problems with it all. It was just this huge massive engine."

Many times in my own life when I've thought I've been the unlucky one, that perceived "lack of luck" has turned out to be a huge blessing in disguise. In this particular story, Peggy Chenery lost the coin toss but ends up with the greatest horse of all time and saves the family farm. She also did it with what many deemed a rag-tag group. If you ever make it to the Kentucky Derby check out the life-size bronze statue at the of Eddie Sweat leading Secretariat and jockey Ron Turcotte to the winner's circle after winning the 1973 Kentucky Derby. Crazy how life works... I often reference the Garth Brooks lyrics, "some of God's greatest gifts are unanswered prayers..."



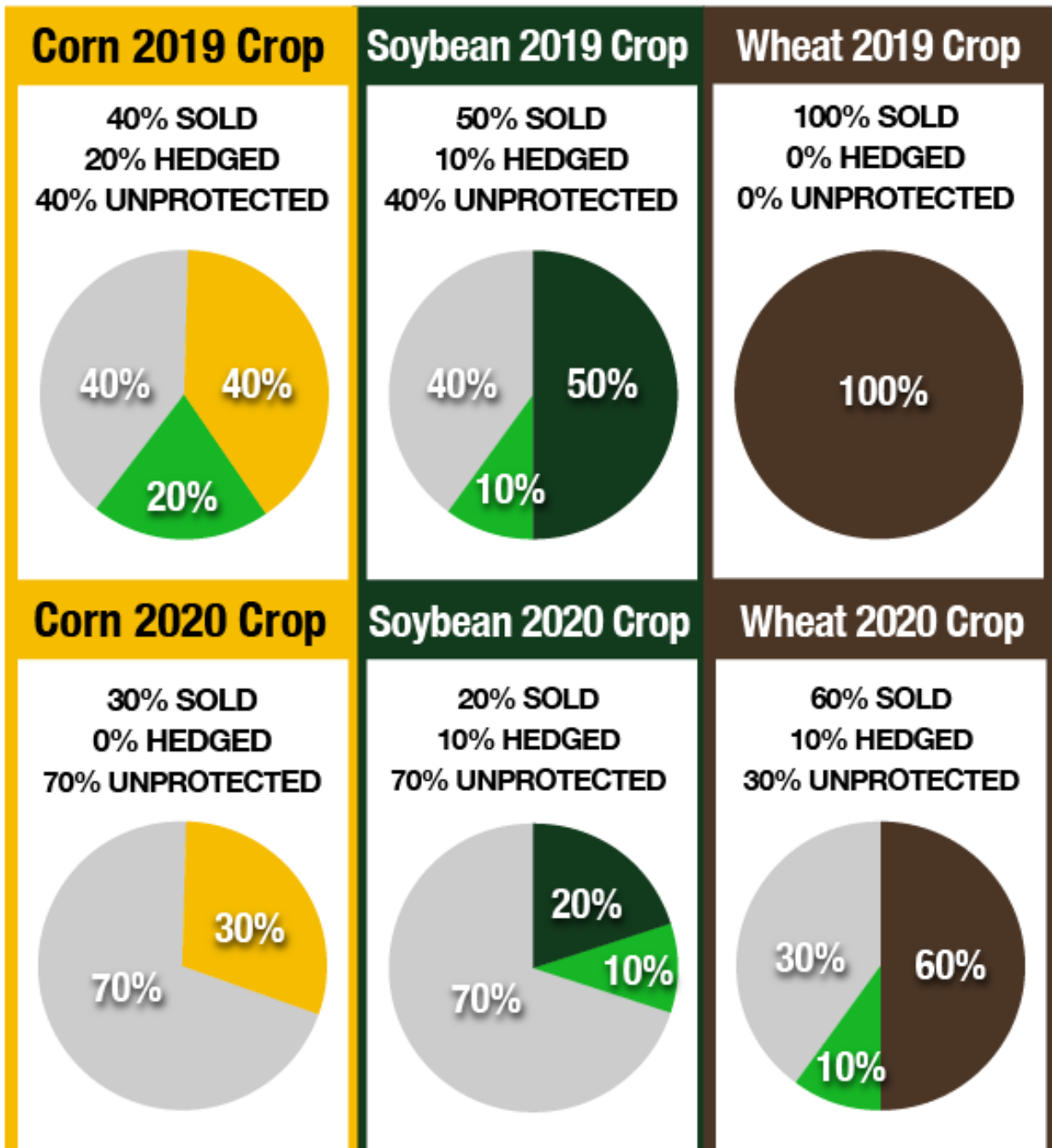


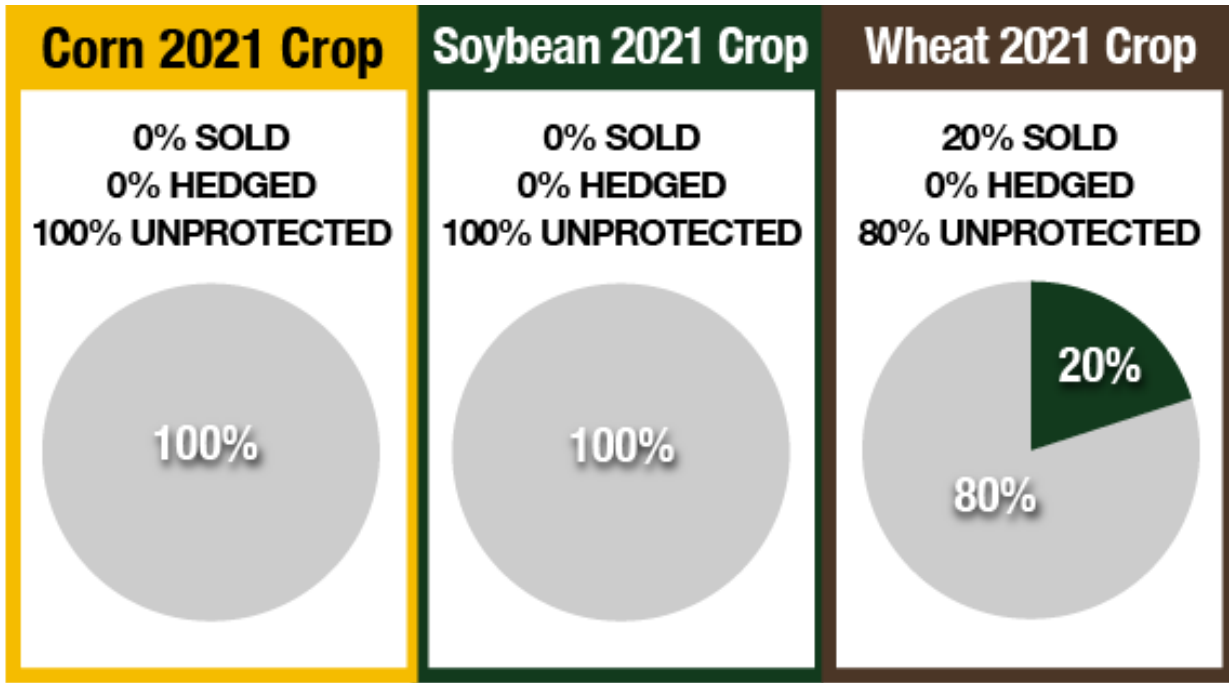
I THANK GOD FOR
PROTECTING ME FROM
WHAT I THOUGHT I
WANTED & BLESSING ME
WITH WHAT I DIDN'T
KNOW I NEEDED.

ANSWER to riddle: The letter G.

CASH SALES & HEDGING TOTALS

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