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**GOOD MORNING: The Van Trump Report 6-11-20**

1 message

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

Thu, Jun 11, 2020 at 5:30 AM

Reply-To: Jordan &lt;reply-febf117876620675-1180\_HTML-40325470-100003450-9@vantrumpreport-email.com&gt;

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*"I believe that what we become depends on what our parents teach us at odd moments when they aren't trying to teach us. We are formed by little scraps of wisdom."* — **Umberto Eco**

**Thursday, June 11, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stock bears are pointing to concerns about a second-wave of coronavirus cases as U.S. states push deeper into reopening. Texas has reported three consecutive days of record-breaking Covid-19 hospitalizations. Nine California counties are reporting a spike in new coronavirus cases or hospitalizations. Arizona is also reporting a surge. Bottom-line, new coronavirus infections are rising in at least 20 states. Public health experts say these surges should not be dismissed as a result of more testing, which was my guess, instead, saying it's very clear that it's a real increase in community spread. On the flip side, bulls continue to see a U.S. Fed and government that is fully willing to keep the economy afloat until a vaccine arrives. Johnson & Johnson announced Wednesday

its early-stage human trial for a potential coronavirus vaccine will begin in the second half of July, earlier than its initial forecast of September. Moderna is now saying it expects to enroll about 30,000 people when it begins a phase-three trial in July. Eli Lilly is saying they could have a drug specifically designed to "treat" COVID-19 authorized for use perhaps by early-September if all goes well with either of two antibody therapies it is testing. Moral of the story, it sounds like the Fed is going to do anything and everything in its power to keep the economy alive until the vaccine and treatments arrive. Fed Chair Powell seemed to make that crystal clear in comments yesterday when said, "we're pursuing maximum employment and price stability and we measure financial stability by the health of the banking sector, therefore we aren't really watching asset prices" In other words, they are not really worried about the stock market or other asset classes pushing to extreme highs on speculation they are however paying very close attention to employment and financial stability of the U.S. consumer. This is why we are hearing more talk of more and more stimulus and support coming in the weeks ahead. Powell wasn't overly optimistic about growth but continues to offer longer-term support and says there is absolutely no talk of raising interest rates anytime soon. The Fed seems to be thinking unemployment will remain well above pre-corona levels for the next few years. Treasury Secretary Steve Mnuchin yesterday did say that the Trump administration could be open to another round of stimulus checks for Americans. Analysts still expect something will be pushed through by the end of July. Mnuchin also said he supports more aid to businesses but with a more targeted approach to ensure that those hardest hit are getting adequate support. Today, Weekly Initial Jobless claims are expected to show another 1.55 million Americans filed for unemployment last week compared to 1.87 million previously. Continuing claims are estimated at around 20 million, down from 21.5 million. Investors mostly just want to see those weekly numbers continue to decline. Earnings of interest today include Adobe and Lululemon.

**NASCAR Will Allow 5,000 Fans to Attend Talladega:** *NASCAR is set to allow fans back at the track for races this month at Homestead-Miami Speedway and Talladega Superspeedway after postponing the race in May due to the coronavirus pandemic. NASCAR has stated they will allow up to 5,000 guests at the upcoming Cup race on June 21st in the frontstretch grandstands/towers. In addition, there will be limited motorhome/camping spots available outside the track. I should note, NASCAR says all fans attending must live within 150 miles of Talladega, be screened before entering, required to wear face coverings, mandated to social distance at six feet, and will not have access to the infield, among other revised operational protocols. As of right now, there are no plans for fans to attend the Cup Series races after Talladega at Pocono, Indianapolis, and Kentucky.*

**U.S. Meat Back Online:** *The USDA has reported that U.S. meatpacking operations are up and running at near full capacity. Beef and poultry facilities are thought to running at near 98% capacity, pork facilities are lagging just a bit behind.*

**Fight of the Decade?** *The all-British heavyweight blockbuster fight between Anthony Joshua and Tyson Fury won't happen once, but twice! It's being reported, in principle, the two sides have reached*

*a deal for two fights in 2021. Fury is now 30-0-1 with 21 knockouts and is widely regarded as the No. 1 heavyweight in the world and the reigning WBC and lineal heavyweight champion. Joshua is now 23-1 with 21 KOs and the WBO, WBA and IBF heavyweight champion. If the two can agree on the final details it will set the stage for a unified heavyweight champion for the first time in over 20 years. For what its worth... Tyson Fury is heavy betting favorite for the fight at -200, with Joshua available at +175.*

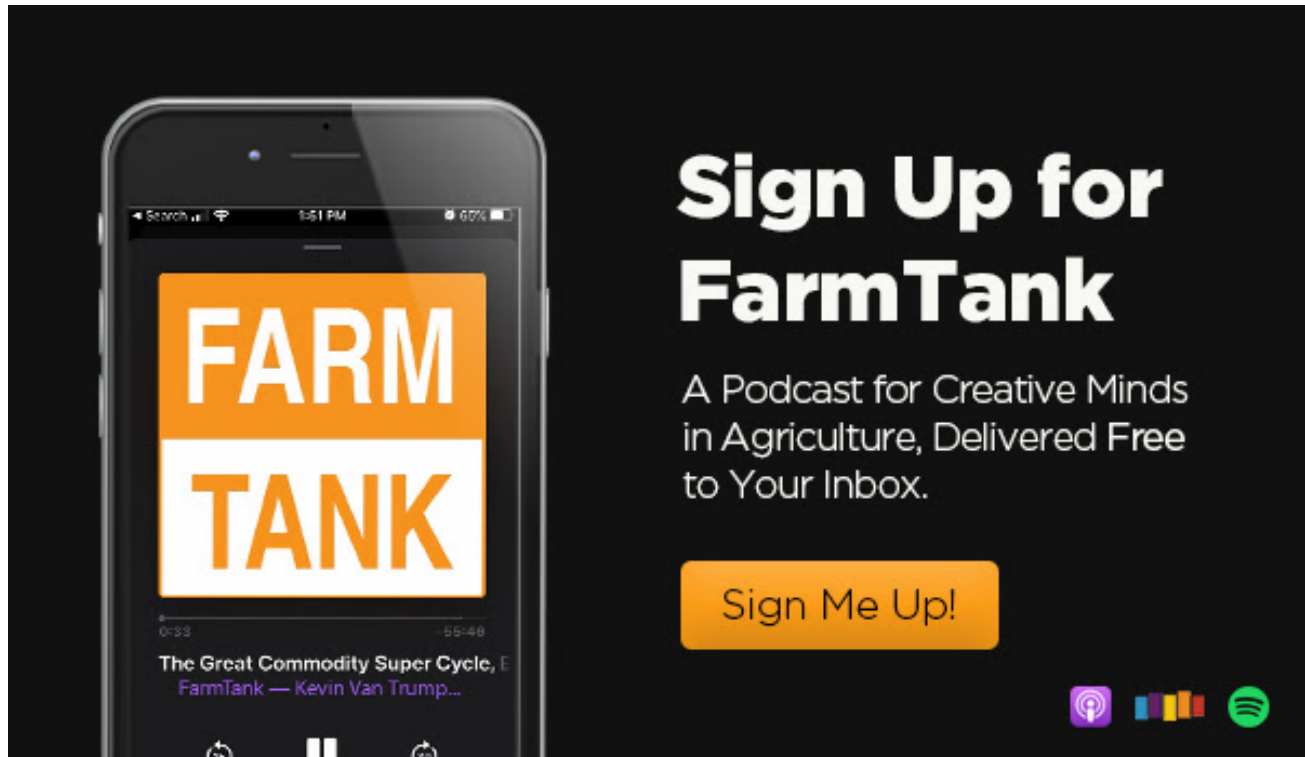


**Bleacher Report** ✓  
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Anthony Joshua and Tyson Fury have agreed on a two-fight deal, promoter Eddie Hearn tells  
[@SkySportsNews](#)





**Prices Rising for Food, Shelter Amid Zero Inflation:** *The things that we are still spending money on — food, rent, booze, and video streaming — are going up in price as the coronavirus pandemic wears on. The things that we aren't buying as much of — gasoline, clothing, transportation, and hotel rooms — are going down in price. That works out to no inflation in government data with the consumer price index falling -0.1% in May. But there are serious questions about whether the consumer price index over the past few months accurately reflects the experience of households. After all, do you care if gasoline prices fell -3.5% in May if you didn't buy any? In May, grocery prices rose +1% as compared with April. Over the past three months, they've risen +4.1% — that's an annual rate of +17.5%. Beef prices are up +11% in just three months. Shelter prices (including both rental and ownership costs) are not rising as fast as they were at the beginning of the year, but they are still increasing, up +2.6% in the past year. Read more from [MarketWatch](#).*

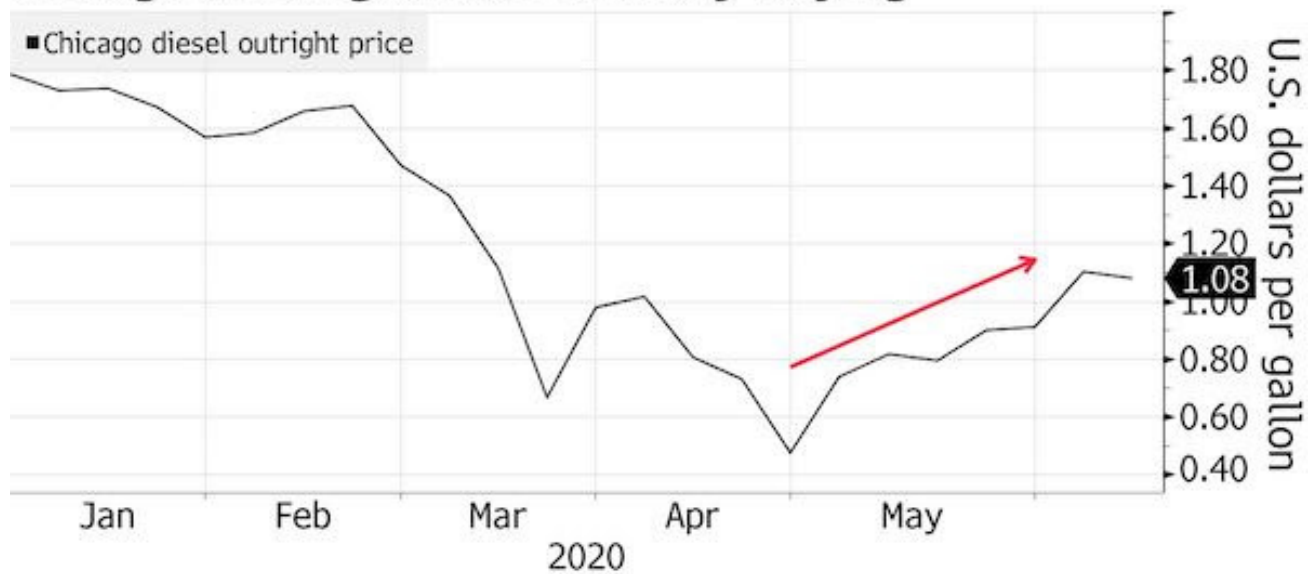
**Lawmakers Propose \$22.8 Billion for Semiconductor Industry:** *A bipartisan group of U.S. lawmakers on Wednesday introduced a bill that would provide more than \$22.8 billion in aid for semiconductor manufacturers, aiming to spur the construction of chip factories in America amid a simmering strategic technology rivalry with China. Chip factories can cost up to \$15 billion to build, with much of the expense in the form of pricey tools. The proposal would create a 40% refundable income tax credit for semiconductor equipment, \$10 billion in federal funds to match state*

*incentives to build factories, and \$12 billion in research and development funding. While some U.S. firms like Intel and Micron Technology still make chips in the U.S., the industry's center of gravity has shifted to Asia, where Taiwan Semiconductor Manufacturing Co. has more than half of the overall market for contract manufacturing chips and even stronger hold on the most advanced chips. Read more [HERE](#).*

**Why Midwest Diesel Prices are Rising:** *Spot prices for diesel in the U.S. Midwest have risen this month as refiners running at reduced rates have bought fuel to fulfill contracts and make use of storage plays, traders said. Refiners in the Midwest are running at substantially lower levels than normal after demand was crushed by coronavirus lockdowns. Even as recently as early May, some were curbing production. BP Plc, operator of the largest Midwest refinery at Whiting, Indiana, reduced output to 77% of normal. Now, refiners are buying diesel on the open market because some cannot fulfill contracts with their current production. Currently, refiners in that region are running at just 75.9% of capacity, according to U.S. Energy Information Administration data. (Sources: Reuters, Bloomberg)*

## Dollar Diesel

### Chicago ULSD gains on refinery buying



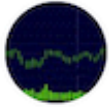
Source: Bloomberg



# FARM TANK

Tweets of the Day



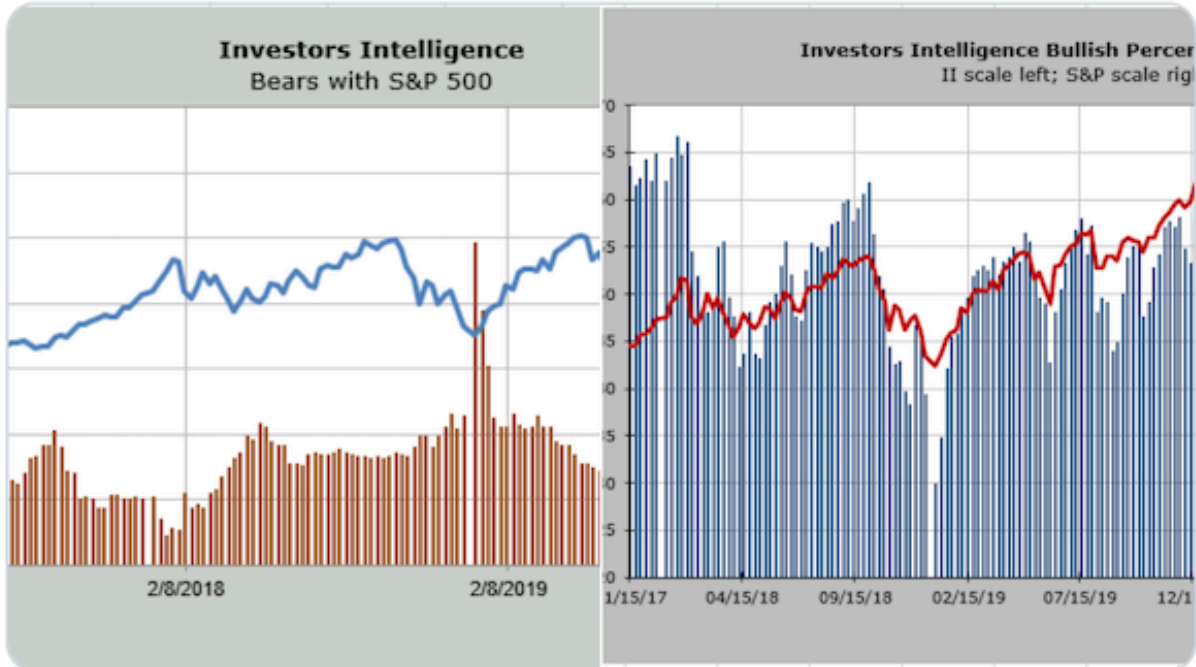


**Helene Meisler**  
@hmeisler



II Bulls now 56.9%. Bears 22.5%.

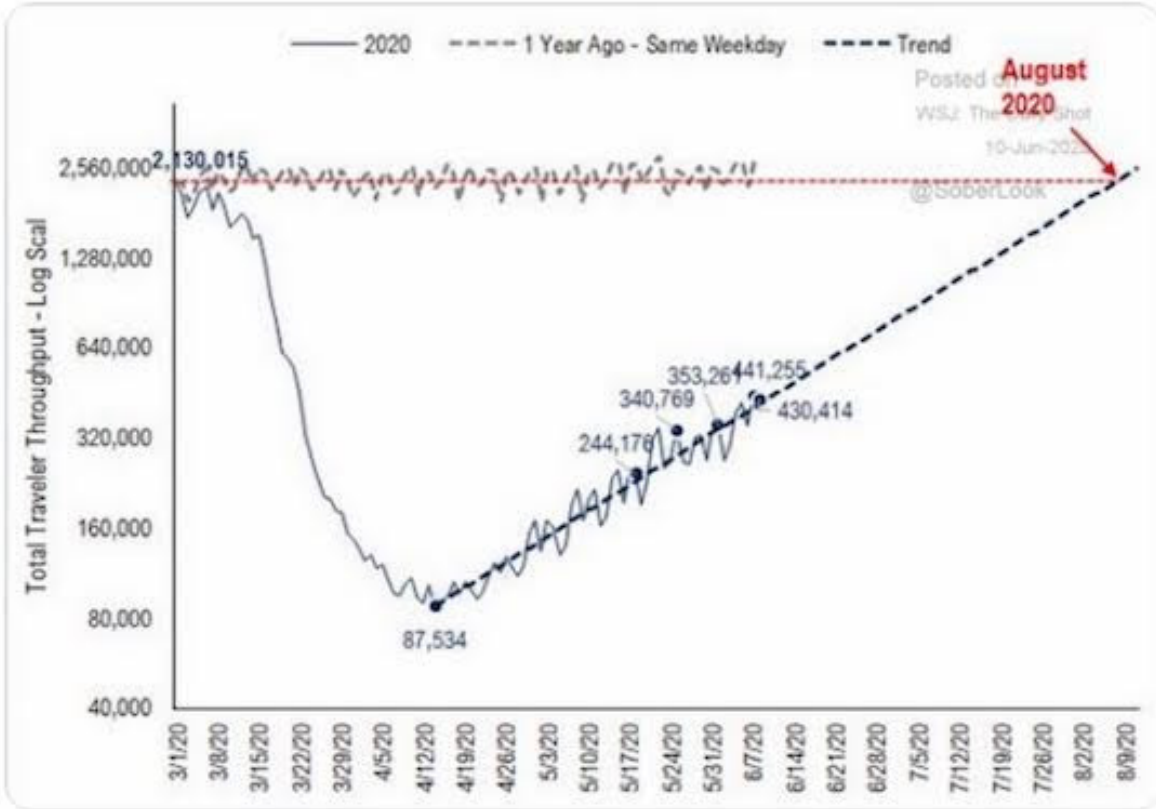
The interesting one though is those in the correction camp since they are now the fewest since January 2018.





**Liz Ann Sonders** ✓  
@LizAnnSonders

Easier said (or drawn) than done, but assuming current trajectory for @TSA traveler throughput persists, we could get back to “normal” levels by August @carlquintanilla @fundstrat @SoberLook







**Wachtel Farms Inc**  
@wachtelfarms



cont... #plant20 was so hectic that I didn't get a chance to take any "action" videos from the drone. When we finished planting Saturday, we left everything parked outside. We decided it might be fun to unfold and "stage" some equipment in the driveway.





**Ryan Johnson**  
@lynnecreekfarm



It's been a long time since I remember kicking up dust behind the planter... I'm guessing 2018. [#plant20](#)







**Bryan Baker**  
@BryanTheFarmer



Well this sucks. Having to list up some fields that blew out last night.....It WAS some pretty cotton...its a freaking mess now.





John  
@thebirdfarmer



Earning their breakfast. Already worked lambs and tied up 4-H calves. Even sold 25 bales this morning already!





Tim Fargo 🧐 ✓  
@tim\_fargo



If you wouldn't build a house without blueprints, why would you build a life without plans? - Tim Fargo

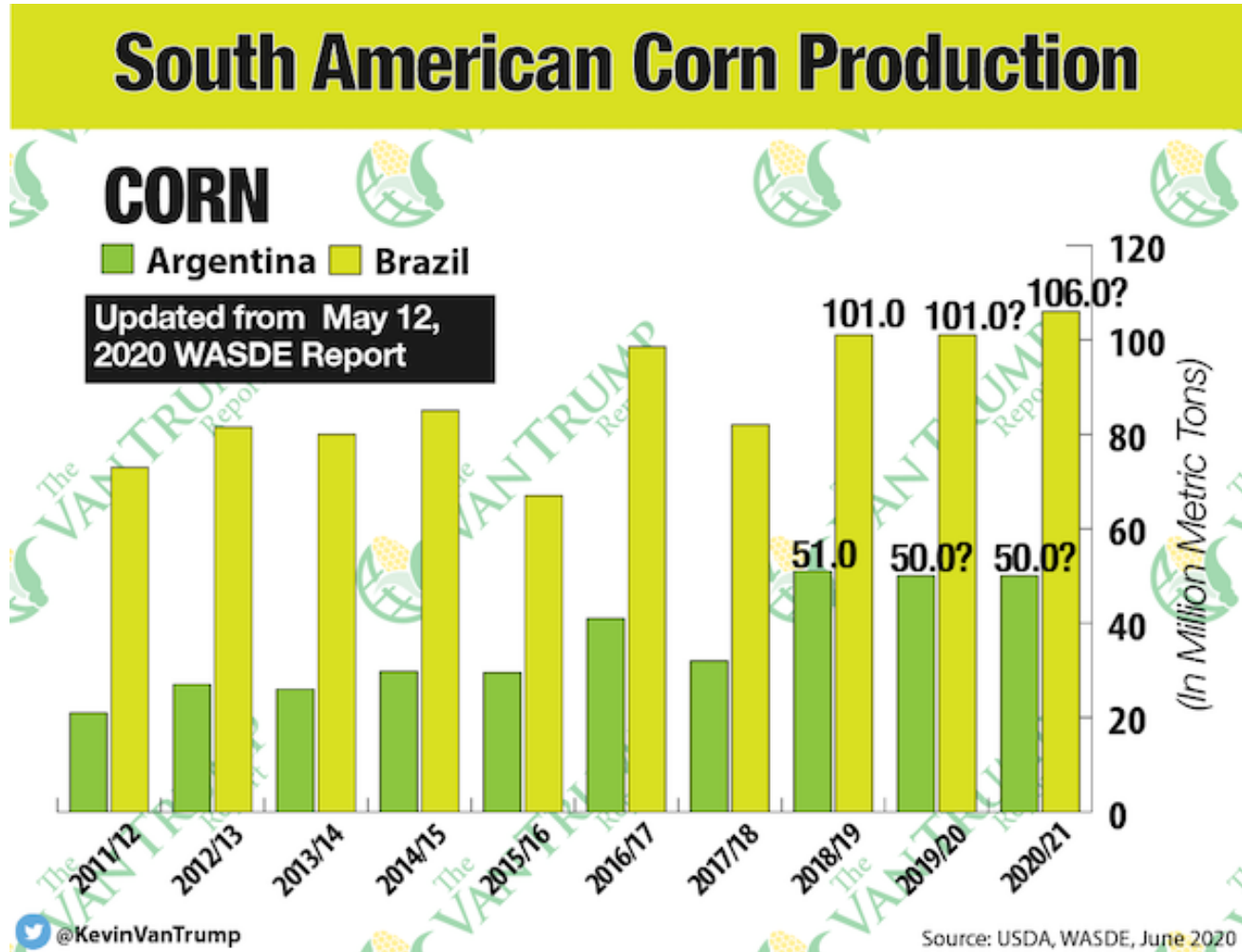
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**CORN** traders are debating Goldman's recent remarks to be short corn. Bears can easily point to the USDA's +3.3 billion bushel ending stock estimate and a U.S. crop that's off to a good start with very favorable crop-conditions. Bears are also pointing to demand concerns as the USDA will more than likely be forced to make another sizeable reduction to its corn used for ethanol estimate. There's also some concern about U.S. exports as South American new-crop corn starts to become more readily available. Bulls want to argue that Chinese end-users are desperate for better quality corn and might start looking more seriously at U.S. supplies, especially with the recent weakness in the U.S. dollar and political uncertainties swirling in South America. Bulls also believe the Chinese are going to take big steps towards fulfilling their "Phase 1" trade agreement and might up the ante with U.S. corn purchases. I'm a bit hesitant to bet big on that headline coming to fruition. There is still a lot of U.S. weather ahead so anything is possible. From a money-flow perspective, it feels like we've seen some fresh new selling pressure this week on an up-tick in both volume and open interest. As a spec, I remain on the sideline, eager to see today's June USDA report. It's crazy to think about +3.0 billion bushels in ending stocks and at the same time such big uncertainty in ethanol. Yes, corn used for ethanol continues to improve in recent weeks but will



we ever get back to previous levels? Will we ever again see the overall demand for crude oil make new highs now that people have become somewhat hesitant to fly, reluctant to take public transportation, and way fewer people commuting to work? Even after we get a vaccine, what will be the new normal for crude oil demand, how much market share will electric vehicles have stolen? Bears are also asking, what about fake meats? With technology continuing to improve out in the fields and a few recent holes being shot in our demand story, we need to find the next big use for corn or we need to see a sizeable reduction in acres. Those are longer-term topics for debate, today, it's all about the USDA data... stay tuned for the release at 11:00am CST.







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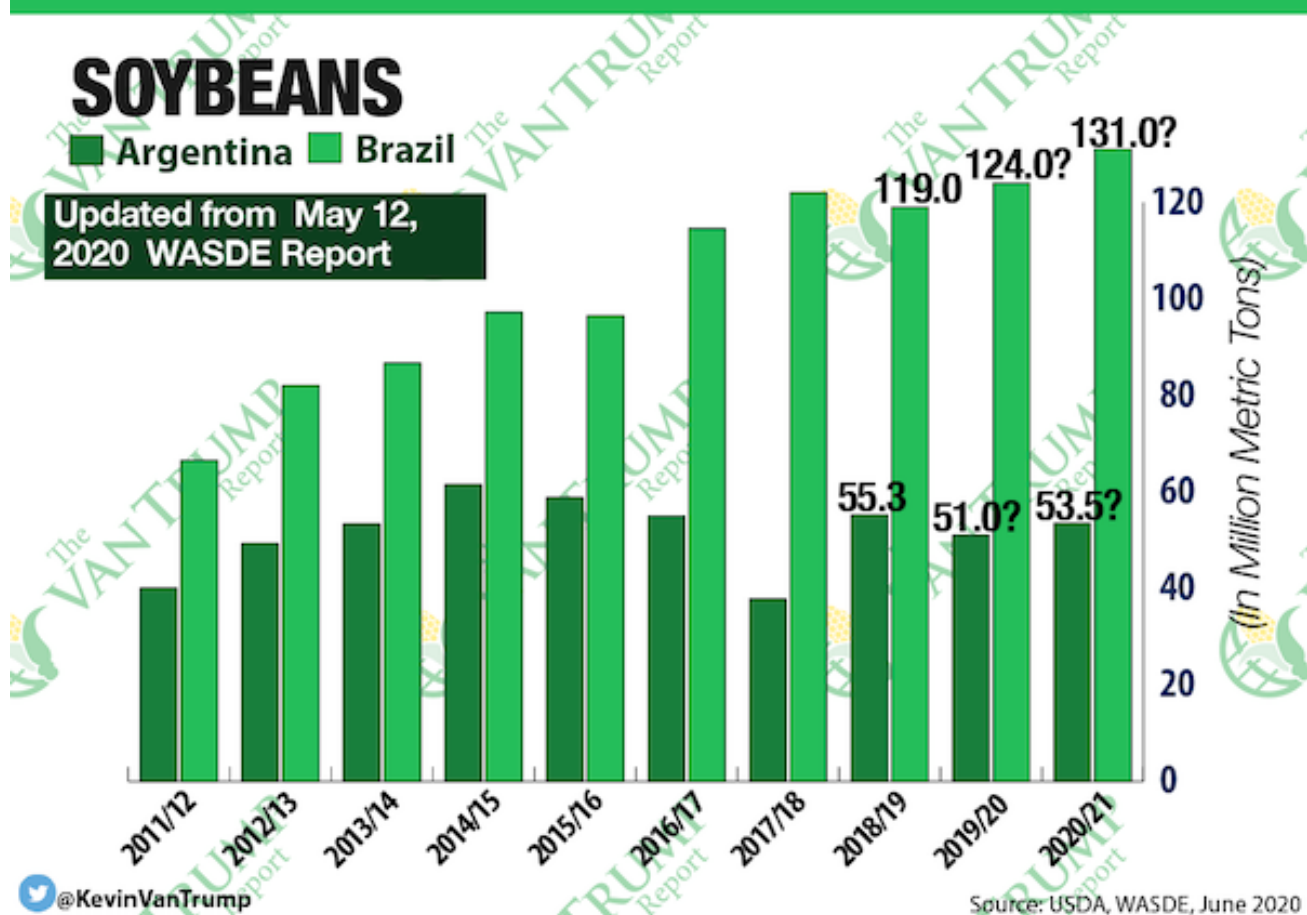
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**SOYBEAN** traders are eagerly awaiting the updated USDA numbers. Bears are thinking the USDA has overestimated old-crop exports and will again need to bump the old-crop balance sheet higher. With the U.S. crop off to a good start and a lot more acres in the ground than last year, bears believe there will be plenty of old-crop supply to bridge the gap between an upcoming large U.S. harvest. Bulls continue to point to Chinese demand, perhaps a slightly smaller than anticipated South American crop, major political uncertainty in both Argentina and Brazil, a weaker U.S. dollar as of late, and a lot of U.S. weather still ahead. I'm on the sideline as a spec, perhaps looking to fade the extremes, i.e. shorting a major rally or buying a major break. I'm not wanting to get chopped up as the market tries to determine long-term weather and political uncertainties between the U.S. and

China. As a producer, I like selling cash and reowning with more-limited risk calls and or looking for alternative ways to defend the downside and still participate to some extent in a weather-related rally if one should occur later in the marketing year. Technically, JUL20 soybeans should run into heavier resistance on the charts between \$8.75 and \$9.00 per bushel, so if catch some further momentum it might be time to kick old-crop cash. Pay close attention and continue to stay defensive. As for new-crop, I'm staying a bit more patient with upside potential, hoping for heavier Chinese buying in Q3 or Q4 of 2020, but still defending the \$8.50 level on the downside.

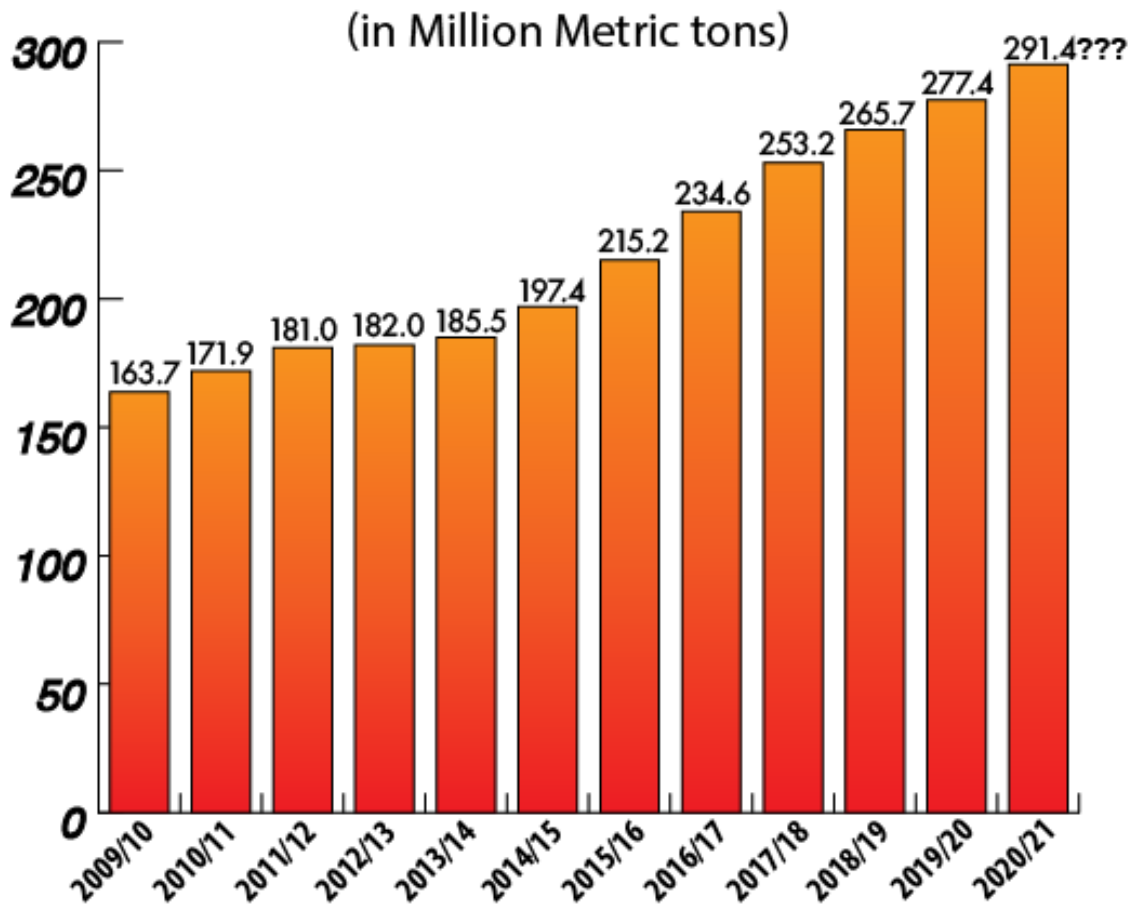
## South American Soybean Production



**WHEAT** bulls are hoping to see a sizeable adjustment lower in the USDA's production estimate for the European Union and Black Sea region. Bears still have mixed opinions about Russia as some sources bump estimates higher on improved rains. In fact, SovEcon recently bumped its estimate +1.5 MMTs to 82.7 MMT vs. 77.0 MMTs the USDA's were forecasting last month. Here at home, bears are talking about winter wheat in Kansas and Oklahoma coming out of the fields a bit better than anticipated with strong test weights, and at the same time, U.S. spring wheat showing some really good condition ratings. From my perspective, weather

worries for southern and central Russia and the Black Sea region have to stay a concern and the U.S. dollar needs to stay weak for bulls to get the help they will need to pull prices higher. As a spec, I can certainly argue upside potential, especially if we can get the cards needed to bet the hand, but I remain apprehensive in putting real money at work at the moment, still content taking a wait-and-see approach after banking profits my last trip as a bull. As a producer, I like the thought of making catch-up sales on any rallies and continuing to keep all hedges in place. I would like to price just a little bit more of next year's estimated production if we can catch a rally. I currently have about 20% of next year's crop priced early with JUL21 trading north of +\$5.50 per bushel.

## Chinese Wheat Total Supply



Source: USDA, PS&D, June 2020

@KevinVanTrump

## 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



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**> DOE Purchased U.S. Crude:** *The US Department of Energy said it has bought 126,000 barrels of crude oil for the Strategic Petroleum Reserve (SPR) from Shell Trading, a fraction of the 1 million barrel test purchase it had planned to make to gauge market conditions. The DOE did not disclose any findings of the market test, the price paid, or whether it had plans to buy the remaining 874,000 barrels. SPR stocks have grown by +12.8 million barrels from April to 647.8 million barrels as of May 29, according to the latest Energy Information Administration data. With current authorized capacity of 714 million barrels, the stockpile has room for another +66.2 million barrels. (Source: Platts)*

**> China Says ASF Vaccine Safe:** *A Chinese vaccine against African swine fever appears to be safe in clinical trials now underway, the official Xinhua news agency said on Wednesday, a step closer to preventing one of the world's most devastating livestock diseases. The disease, which kills almost all pigs infected, has devastated the huge hog herd since arriving in China in 2018, and is still killing pigs there and elsewhere in Asia. In a paper published in March, Chinese researchers at the Harbin Veterinary Research Institute, part of the Chinese Academy of Agricultural Sciences (CAAS), said a live attenuated vaccine they had developed was safe and effective against African swine fever in laboratory tests. Clinical trials were approved in March and have been underway since on 3,000 pigs in three locations, said Xinhua, which cited a CAAS news conference. (Source: Reuters)*



**> Fed Payments will Account for 36% of 2020 Farm Income:** *The government will send a record \$32.8 billion in direct payments to farmers this year but the economic slowdown triggered by the coronavirus still will pull down farm income by 3 percent, said the FAPRI think tank at the University of Missouri. Federal supports would amount to 36 percent of farm income, its largest share since 2001. Trade war and coronavirus relief payments would account for the bulk of the payments. Both are temporary programs, ending this year. After dipping to \$90.6 billion this year, farm income would fall by 21 percent in 2021, to \$79.4 billion, "given current market conditions and the assumption of no new government payment programs," said the Food and Agricultural Policy Research Institute in updating its agricultural baseline. The think tank said current conditions indicate China will not satisfy its "phase one" agreement to buy vastly larger amounts of U.S. farm exports. Read more from [Ag Insider](#).*

**> Grassley Wants Tyson Investigation Findings by August:** *Senator Chuck Grassley (R., Iowa) sent a letter to Agriculture Secretary Sonny Perdue requesting that the U.S. Department of Agriculture's Packers & Stockyards Division publicly release findings from its investigation into beef pricing margins following a fire last August at the Tyson Foods beef plant in Holcomb, Kan. The Packers & Stockyards Division was instructed to launch an investigation in August 2019, and a report has yet to be released. If a report is not issued on the Holcomb plant by Aug. 9, 2020, a year since the fire there, Grassley said he will be asking the Government Accountability Office (GAO) to conduct an investigation into the reporting processes of the Packers & Stockyards Division to see if additional authority or resources are needed to properly conduct oversight of processing facilities. (Source: Feedstuffs)*

**> Summer Harvest Could Fuel Coronavirus Spike:** *Labor advocates say too many ag employers still haven't taken enough precautions to protect their workforce from coronavirus, as farms in nearly every region are seeing a spike in positive cases. To name a few: More than 100 farmworkers at large produce operations in New Jersey contracted the virus in May. Nearly 500 laborers have been infected in Washington's Yakima Valley, which produces most of the nation's tree fruit. And there are now around 500 cases in Immokalee, a major tomato-growing region in South Florida. Labor leaders are asking for more testing at farms and worker camps, safer housing accommodations and extra financial and health benefits. Out of some 2.5 million farm workers, about a quarter follow the harvest from region to region, potentially helping coronavirus spread to more states and more farms in the coming weeks. Doctors Without Borders, which set up a mobile clinic in Immokalee to test farmworkers and distribute sanitation products, is now evaluating where to travel next. (Source: Politico)*

**> Companies Stockpile Ingredients:** *Consumer packaged goods companies are*

*stocking up on raw materials and ingredients rather than hoarding cash after supply chain issues tied to the coronavirus left many companies in a lurch and unable to fulfill demand. This strategy is a major shift for food companies that have spent years minimizing storage costs by keeping minimal inventories of product ingredients on hand. With additional cash going toward ingredients for existing products, Bloomberg reported this has caused innovation and new product development at many companies to take a backseat. Whole Brain Consulting Co-Founder Brandon Hernandez recently told Food Dive the concentration of the supply chain to source ingredients from the cheapest locations has resulted in a bottleneck. However, he said the experience manufacturers had when they were simultaneously looking to access ingredients from a single source where ports were closed and workforces were insufficient will stimulate a push for supply chain diversification. Read more [HERE](#).*

**> Instacart Passes Walmart as Top Online Grocer:** *The coronavirus pandemic gave a major boost to online grocery orders but Instacart benefited a lot more than its bigger rival, Walmart. Walmart saw its weekly share of the online grocery business relative to other major players in the category drop to around 25% in March, after ranging between about 40% and 50% for more than a year. The decline came as Walmart struggled to fulfill the onslaught of new orders. Meanwhile, Instacart's share spiked dramatically, reaching a high of 57% in April, according to Second Measure, a firm that analyzes credit card purchasing data. Instacart's rise suggests its business model may give it an advantage over individual players that don't take the same approach. It sells goods from Costco, Kroger, Albertsons and hundreds of other retailers, representing tens of thousands of stores. At the same time, Walmart's problems could be a temporary blip from which it recovers. Source: The Information)*

**> Tesla Competitor Nikola Draws Short Seller Attention:** *With shares of Nikola Corporation (NKLA) racing more than +150% higher in just a matter of days, it's clear that investors are smitten with the electric truck manufacturer. Nikola stock's sharp rise has caught the interest of a noted short seller, Citron Research's Andrew Left, who predicted that shares in the highflying trucking startup will fall 50% over the next month. He questions management, and said more competition from electric-vehicle behemoth Tesla could ding Nikola stock in the short run. Interestingly, Citron believes that Nikola is largely built on smoke and mirrors, claiming that the company doesn't have any significant intellectual property. In addition, Left says that Trevor Milton, Nikola's founder and CEO, recently sold shares. But investors shouldn't blindly follow Left's thinking. In early February, for example, Left announced that he was shorting Tesla and, since then, shares of the stock have soared about 29%. Read more from [The Motley Fool](#).*

**> Grub Announces New Merger Plan:** *Grubhub plans to merge with European food delivery company Just Eat Takeaway.com, the companies announced*

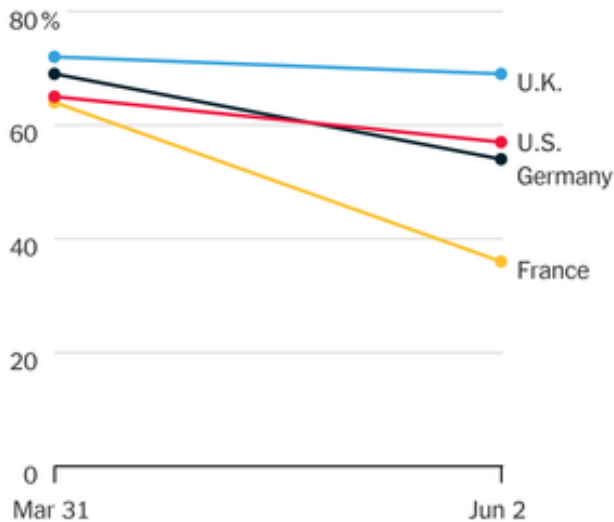
*Wednesday. The deal gives Grubhub shares an implied value of \$75.15, implying a total equity value of \$7.3 billion. The merger, which would combine two of the top food delivery services in the U.S. and Europe, comes after Grubhub's talks with Uber fell through amid concerns over antitrust scrutiny. Though both parties had agreed on a price ratio, the companies remained concerned about likely antitrust pressure and could not come to an agreement on how Uber would support Grubhub through the regulatory process. Grubhub's deal with Just Eat is unlikely to garner as much regulatory attention as its possible combination with Uber. The companies said they expect the deal to close in the first quarter of 2021. (Source: CNBC)*

**> These Lego-Like Mod Homes Expand:** *A startup called Module is making modular homes with removable roofs, which allows for another floor to be added if the owner wants more space. Module sees right-sized houses as one way to help address the problem of affordability. The company's units start as small as 500 square feet, which keeps the initial cost down. If a family needs more space, the modular design could make it less expensive to build an addition. Brian Gaudio, cofounder and CEO of Module, got the idea from developments in South America. Gaudio says that as a tiny startup, they're not yet seeing large cost advantages to the construction method. But it does save time: Workers were able to complete the newest homes over the winter, while it was snowing outside, and then deliver them in March, where they are currently being finished. Gaudio estimates that the whole process is roughly 25% faster than traditional construction. Module says it also allows for better quality than building on-site. Read more from [Fast Company](#).*

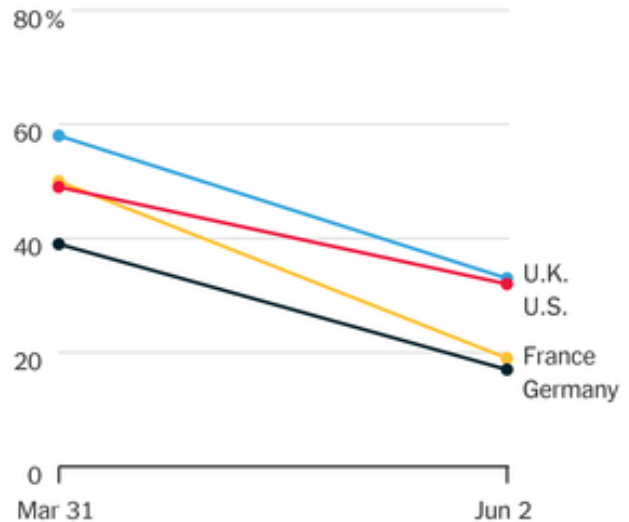
**> People's Tolerance for Sacrifice has Declined:** *People's tolerance for sacrifices to contain the virus is "collapsing," according to surveys in several countries by Deutsche Bank. The latest poll, taken in early June, showed that far fewer people were willing to give up things like travel, seeing friends and going to shops than they were a few months ago. (Source: New York Times)*

## Prepared to give up over next 3 months to contain coronavirus

### Going on vacation



### Seeing friends/family



By The New York Times | Source: Deutsche Bank Data Innovation Group — dbDIG



**Central Iowa** - *We are trying to stay diversified with our row crop, seed corn, and feed yard businesses. We'll pretty much do most custom work as well. Right now with the ethanol and dicamba situations, there are a ton of headwinds to face and I'm especially concerned for ethanol. In my opinion, with the advent of robotics that will be able to weed large-scale farms, we will see organic become a huge play. Weed control is the main issue and I think technology will overcome that obstacle soon enough. I think we could see as much as 1/3 of row crops transition to organic, leaving the gmo crowd to feed and fuel. We are doing some cool experiments up here that combine growing two crops at the same time in the same field and using grain cleaners to clean and separate the grain. There is a lot of room for new production plans for guys willing to try new things and we plan to be on the forefront.*

**Southern Minnesota** - *The little bit of rain that we saw from that tropical storm*


*was welcomed but we hoped for much more. We had fields get 2-4 tenths and other fields that didn't see a drop. I heard that many guys didn't catch any of it especially if you are more towards the middle center of the state. Most of the rain that amounted to anything went on the eastern side of the state and they didn't get all they wanted either. It sounded like it gave Iowa a nice heavy rain and had nothing left for us which is unfortunate because we definitely needed it. The 10-15 day isn't looking to be much help either, about 20% is our highest chance through the 25th of this month. Those predictions can change and we are going to need them to or we are going to be in a flash drought area in real short order.*

**West central Wisconsin** - *I planted these oats the Saturday before Easter. I haven't planted oats in years. I fertilized them and planted 4 bushels per acre. They were drilled into bean stubble. As you can see they were spotty. Spots in the field are waist high and other places mid-calf so the variation is huge. Also, some spots are heading, some are not. The only reason oats were planted was to till the ground this fall. The big yellow spot in the bottom of the field is where tile is needed the most. What's odd is the high spots that don't hold water have places where they are yellow and short and places they look great. These oats have been through snow, freeze, and 90°+ heat since planting. Been a wild year, to say the least.*





# neuro mining

A child wearing a metal helmet with electrodes and goggles, sitting at a desk with a vintage oscilloscope and a battery pack. The child is dressed in a white shirt and a dark vest. The background is a solid orange color.

As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.



**TODAY'S RIDDLE:** What makes more as you take them?



### **Genetically Modified Pest Control Closer Than We Think**

Genetically modified mosquitoes are in the news again with new EPA permits making it possible the critters could be released in Florida and Texas this summer. Oxitec, the company behind the GM mosquitoes, was granted an experimental use permit to release millions of them into the Florida Keys and around Houston over the next two years in an effort to reduce the spread of mosquito-borne illnesses.

The mosquitoes are not new. Oxitec has been around since 2002 with the aim of combatting insects that transmit diseases and destroy crops, according to their website. Oxitec's mosquitoes are a genetically altered variety of the *Aedes aegypti* species, which is a known transmitter of dengue, chikungunya, yellow fever, and Zika viruses. The lab-bred mosquitoes are all male. When they mate in the wild, the female offspring are supposed to die, accomplish two key things. First, it effectively thins the mosquito population and could, in theory, eventually cause it to collapse completely. Second, females are the ones that bite so reducing those numbers means fewer disease transmitters.

Oxitec has carried out several trials over the last decade, the largest being in Brazil from 2013 to 2015. The company claims its method successfully reduced the native mosquito population in the trial area by up to 85%. There was a dispute about their reported success last summer but in March of this year, 6 of the 10 scientists involved in the critique withdrew their support. Long story short, the scientific community felt the version of critique as-published was misleading and used questionable science.

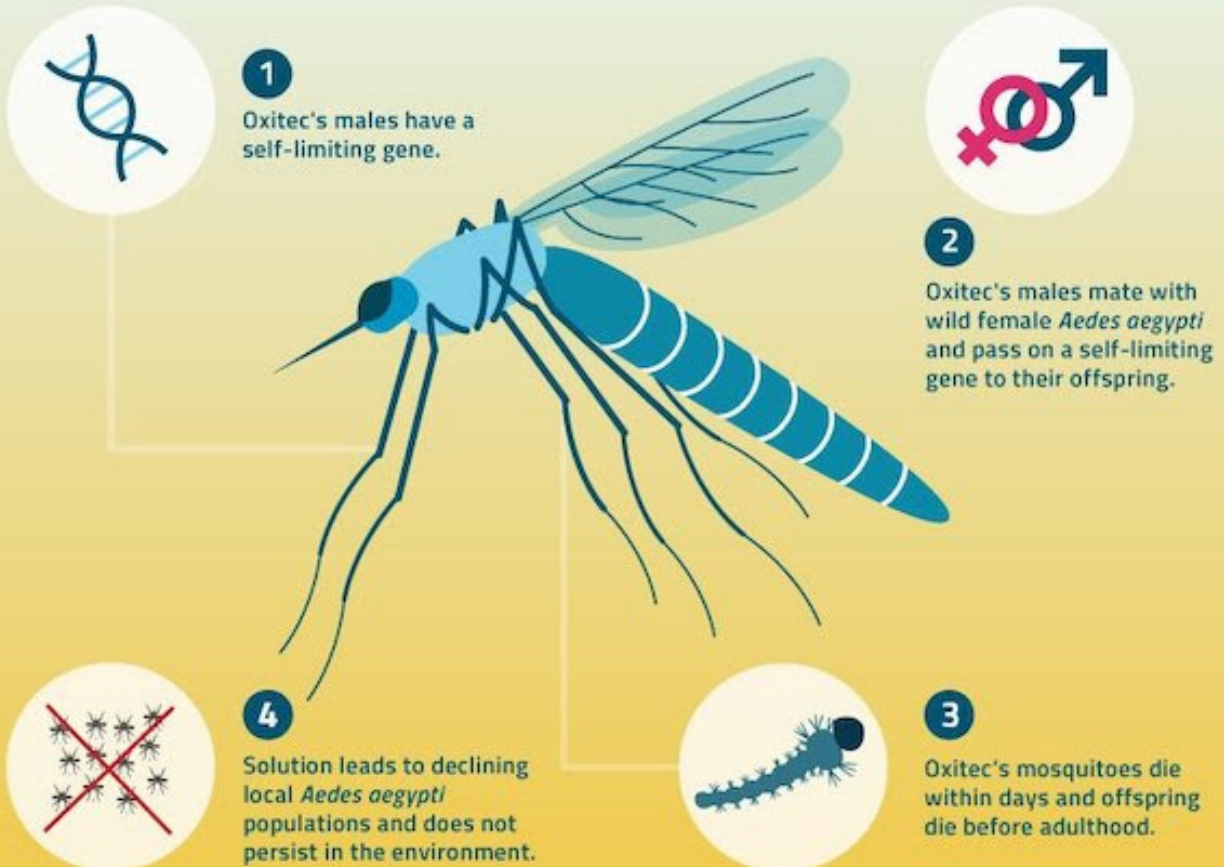
The company is currently awaiting regulatory approval in Florida and Texas so it's still unclear if these field tests really will get off the ground. Pending approval, testing will take place over a two-year period in Monroe County, Florida, starting this summer, and in Harris County, Texas, beginning in 2021.

If these trials are successful, Oxitec is already working on how to scale its technology. The company has developed a way to packetize the eggs of its male

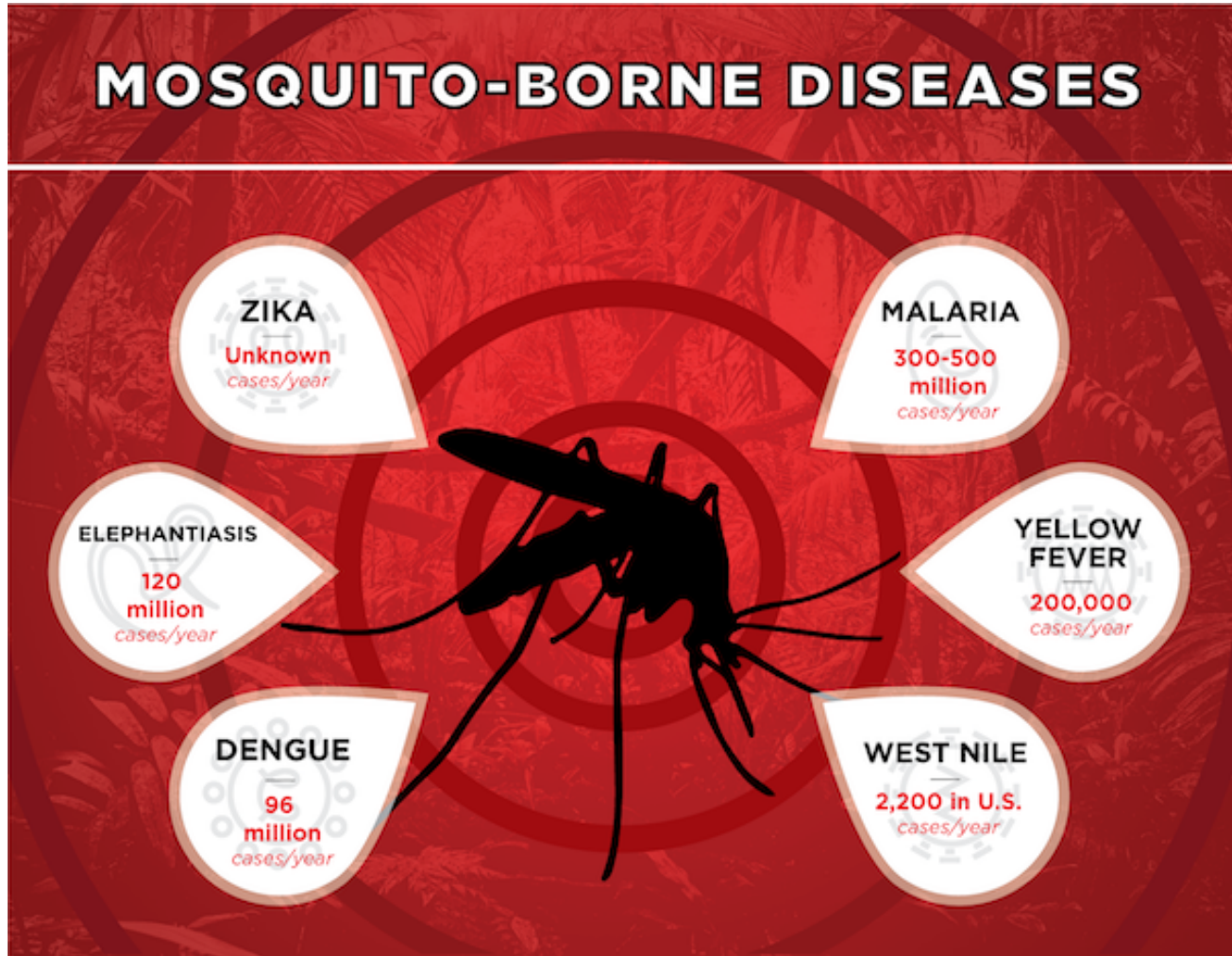
mosquitoes into Friendly™ mini-capsules that actually look just like a pill. According to the company, end-users just place them in water and adult GM mosquitoes soon follow. Oxitec says the delivery method will allow for "targeted suppression with simplicity, scalability, and economic sustainability" that can work for government and communities of all sizes and incomes.

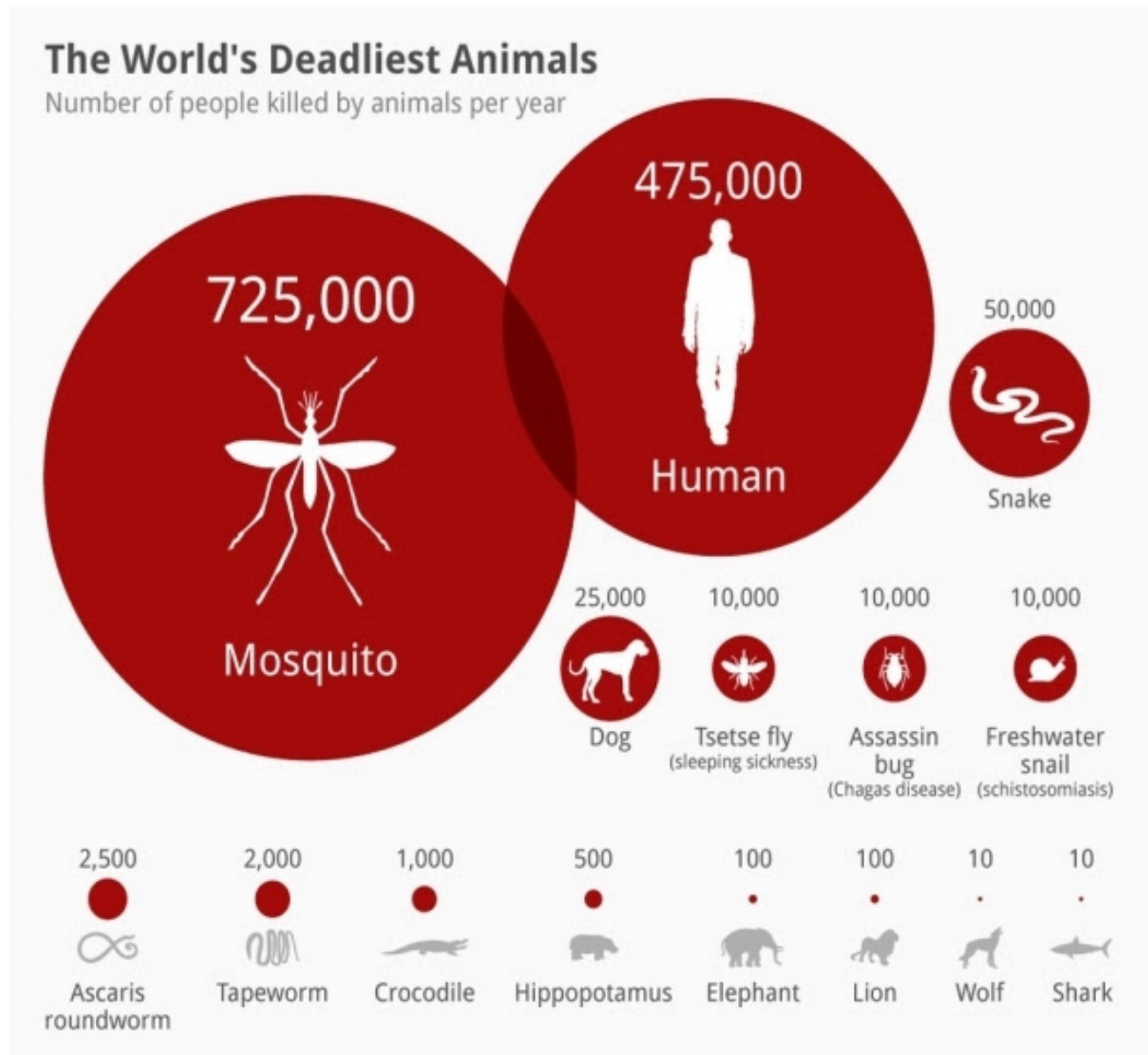
Oxitec says a just completed a trial of the Friendly™ mini-capsule in Brazil showed the method suppressed 95% of disease-carrying *Aedes aegypti* in urban, dengue-prone environments following just 13 weeks of treatment. I wasn't able to find any outside reviews of their data but the product sounds pretty ingenious if it does indeed work. Oxitec is also developing similar suppression technology for fruit flies, diamondback moths, and soybean loopers. Learn more from their website [HERE](#). (Sources: Nature, The Conversation, Bloomberg)

## USING GENETICALLY ENGINEERED MOSQUITOES TO STOP DISEASE-CARRYING AEDES AEGYPTI



VISIT [OXITEC.COM](https://www.oxitec.com) TO LEARN MORE









### **"E.T. the Extra-Terrestrial" Opens at Number One**

On June 11, 1982, a homesick alien and his ten-year-old human pal Elliot became a cultural sensation while setting a new high-bar for the summer blockbuster. Steven Spielberg's "E.T. the Extra-Terrestrial" broke box office records worldwide and to this days remains one of the most profitable films of all time.

I can't believe it's been almost forty years since the release and most Americans still get the reference, "E.T., phone home." Interestingly enough, director Steven Spielberg didn't set out to make a movie about aliens at all. The original story was meant to be about the effect of divorce on a young boy, to a great degree based on his own childhood experience. Spielberg knew that wouldn't be a very good movie though and spent at least 15 years fine-tuning the idea while gathering inspiration from people and other projects along the way.

E.T. was largely expected to be a success, garnering critical praise at the film festivals in the



months before its release. Spielberg was already a blockbuster film-maker with "Jaws", "Close Encounters of the Third Kind", and "Raiders of the Lost Ark" under his belt. No one could have predicted the wave of records E.T. set and held for years to come, though. It opened at number one with a gross of \$11 million in the U.S. It held the global box-office record until it was surpassed by Jurassic Park—another Spielberg-directed film—eleven years later in 1993. E.T. was re-released in 1985 and 2002, earning another \$60 million and \$68 million respectively, for a worldwide total of \$792 million. At a cost of \$10.5 million to make, they made their money back 75 times over! Below are a few of E.T.'s other impressive stats:

- *Filming took place from just September to December 1981 with a total expense of roughly \$10 million.*
- *The movie made more than \$17 million during the 1982 Fourth of July weekend, the largest four-day gross in Hollywood history to that point.*
- *Box Office Mojo estimates that the film sold more than 120 million tickets in the U.S, in its initial theatrical run. E.T. is now the fourth most profitable movie of all time.*
- *Spielberg, with his newfound success following the back-to-back smash hits of Jaws in 1975 and Close Encounters of the Third Kind in 1977, director Steven Spielberg wanted to tell a smaller, more personal story for his next film. Entitled Growing Up, the proposed movie was inspired by the divorce of his parents when he was 15 years old. When the project was shelved, Spielberg moved on to another big budget film, 1941, but the basic idea stayed with him. Around the same time, Columbia Pictures demanded a sequel to Close Encounters. Spielberg wanted no part of that, though he had a small idea about what would have happened if an alien didn't go back to the mothership at the end of that movie. Spielberg said that gave him the combined ideas for both E.T. and Poltergeist. It is estimated that Spielberg earned \$500,000 a day from his share of the profits.*
- *Getting the right young actors to play the three main young siblings was a paramount problem for Spielberg. The first kid he cast was Drew Barrymore as Gertie, the youngest of the trio.*
- *E.T.'s favorite candy was supposed to be M&Ms, but... Spielberg brought his idea to Mars Incorporated, the company that owns M&Ms, to ask if they could use their little candies in a scene where Elliott attracts the inquisitive alien back to his house. Universal Studios legally barred the company from seeing the final script, so Mars passed on the cross-promotional opportunity. Spielberg and company then brought the idea to the Hershey Company to see if they could use Hershey Kisses, but the company was looking to get more exposure for their newest creation, Reese's Pieces, and suggested the peanut butter filled treats instead. Hershey agreed to spend \$1 million for the rights to promote the use of their product in E.T., and Reese's Pieces became the little alien's candy of choice. The agreement certainly paid off for Hershey, as the company reported a +65% increase in profits on Reese's Pieces just two weeks after the film premiere.*

It may surprise some to learn that the science fiction genre actually holds three of the top ten spots of all-around top-grossing movies. Some of the big-budget productions, like the Marvel movies, also cost hundreds of millions to make. The most expensive movie ever made happens to be the sci-fi blockbuster "Avatar" (2009), at nearly \$480 million, \$150 million of which was just marketing and promotion. Some might argue it was totally worth it - the movie ended up making nearly \$3 billion in revenue. Below are some of the other most profitable sci-fi movies of all time based on the production budget and gross worldwide box office sales. Not surprisingly, the list is heavy on the Star Wars franchise!

**Star War Episode IV: A New Hope (1977)**

Budget: \$11 million

Worldwide Box Office: \$776 million

Gross Profit: +7054.4%

**Jurassic Park (1993)**

Budget: \$63 million

Worldwide Box Office: \$1.03 billion

Gross Profit: +1634.9%

**Star Wars Episode V: The Empire Strikes Back (1980)**

Budget: \$33 million

Worldwide Box Office: \$538 million

Gross Profit: +1630.3%

**Star Wars Episode VI: Return of the Jedi (1983)**

Budget: \$43 million

Worldwide Box Office: \$573 million

Gross Profit: +1332.6%

**Avatar (2009)**

Budget: \$237 million

Worldwide Box Office: \$2.8 billion

Gross Profit: +1176.4%

**Transformers: Age of Extinction (2014)**

Budget: \$100 million

Worldwide Box Office: \$1.1 billion

Gross Profit: +1104%

**Independence Day (1996)**

Budget: \$75 million

Worldwide Box Office: \$817 million

Gross Profit: +1089.3%

**Star Wars Episode I: The Phantom Menace (1999)**

Budget: \$115 million

Worldwide Box Office: \$1.03 billion

Gross Profit: +893%

**The Hunger Games (2012)**

Budget: \$78 million

Worldwide Box Office: \$691 million

Gross Profit: +885.9%











### **Air Force Vet Paid \$350 for Watch Now Worth +\$700,000**

More than four decades ago in the mid-1970s, a U.S. service member spent \$350 on a watch he wanted to use for scuba diving. This was considered a lot of money back then and a huge investment for someone in the service. Instead of taking diving trips, however, the watch sat in a safety deposit box — unworn — for years. Now, folks from Antiques Roadshow think the watch could be worth +\$700,000.

The veteran of the U.S. Air Force, who wanted to stay anonymous, said he was stationed in Thailand from 1973 to 1975, where he often flew on Air America and Continental Airlines and saw pilots wearing Rolex watches. However, he wanted a Rolex that he could use and really rely on while scuba diving.



He ordered the 1971 Rolex Cosmograph Daytona Oyster in November 1974 through the exchange store on the military base where he was stationed. He even saved the receipt, which shows he paid \$345.97. After receiving the watch, though, he says he decided it was "too nice" to use diving and he was scared he would lose it. Even after getting out of the Air Force a few years later, the man says he decided to keep the Rolex in storage rather than wear it regularly. He put the watch, along with its original case (even the outer cardboard box), as well as accompanying documents like the sales receipt, his warranty paper, and the original brochure, in a safety deposit box.

The old veteran said he had only looked at the watch a handful of times during the past +45-years, but was at the bank in his safety deposit box last summer and remembered Antiques Roadshow was coming to Fargo, ND in July, so he thought "what the heck, let's see if it's worth anything". Experts at Antiques Roadshow say it has to be one of the greatest watches to ever appear on the show. What a great story! It reminded me of an old parable I once received from a good friend. Below are the picks from the watch find and below that the parable.



**"Antiques Roadshow" appraiser Peter Planes with a U.S. Air Force veteran and a 1971 Rolex Cosmograph Daytona Oyster** Photo by Meredith Nierman for WGBH, (c) WGBH 2020



### **The Old Watch**

*Before he died, a father said to his son, "Here is a watch that your grandfather gave me. It is almost 200 years old. Before I give it to you, go to the jewelry store downtown. Tell them that I want to sell it, and see how much they offer you."*

*The son went to the jewelry store, came back to his father, and said, "They offered \$150.00 because it's so old."*

*The father said, "Go to the pawnshop."*

*The son went to the pawnshop, came back to his father, and said, "The pawnshop offered \$10.00 because it looks so worn."*

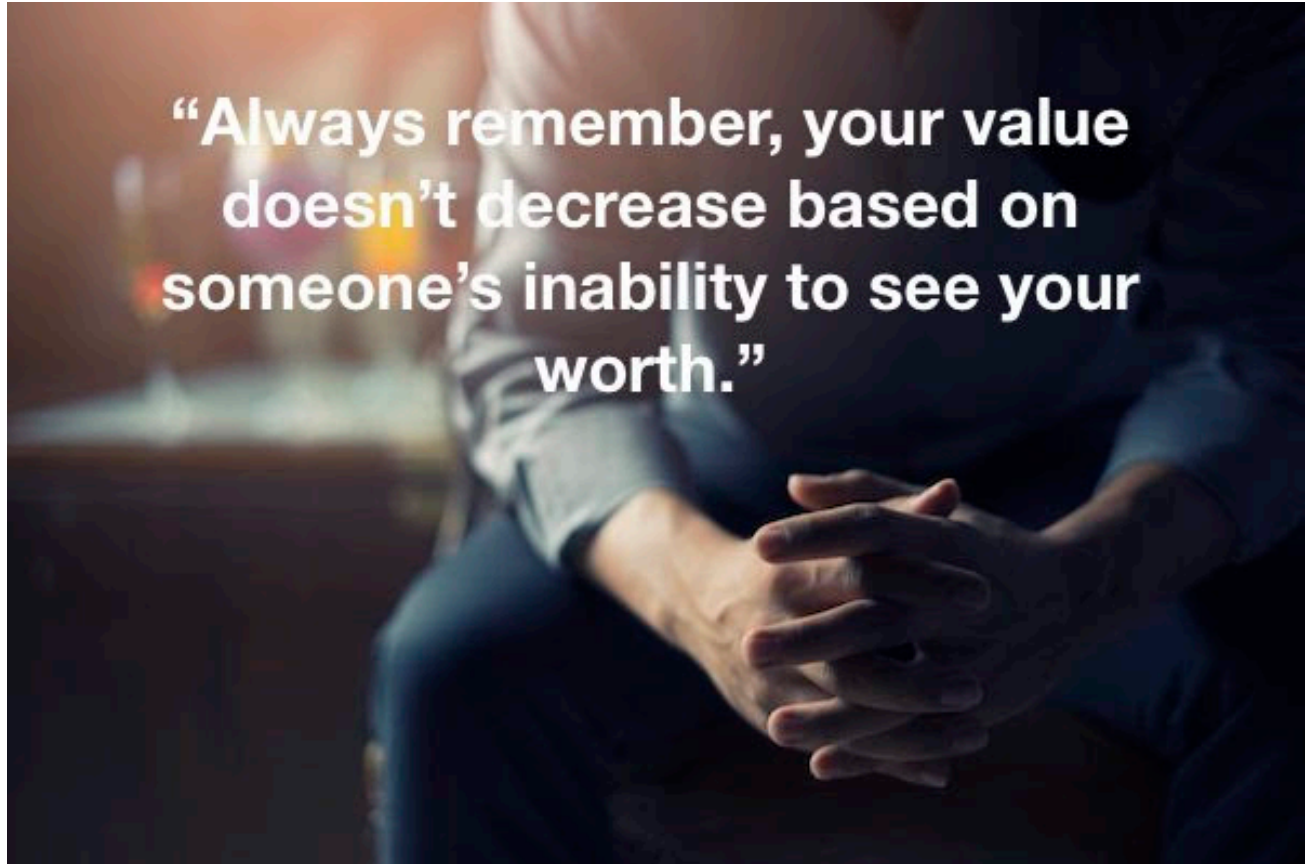
*The father asked his son to go to the museum and show them the watch.*

*He went to the museum, came back, and said to his father, "The curator offered \$500,000.00 for this very rare piece to be included in their precious antique collections."*

*The father said, "I wanted to let you know that the right place values you in the right way. Don't find yourself in the wrong place and get angry if you are not valued. Those that know your value are those who appreciate you, don't stay in a place where nobody sees your value."*



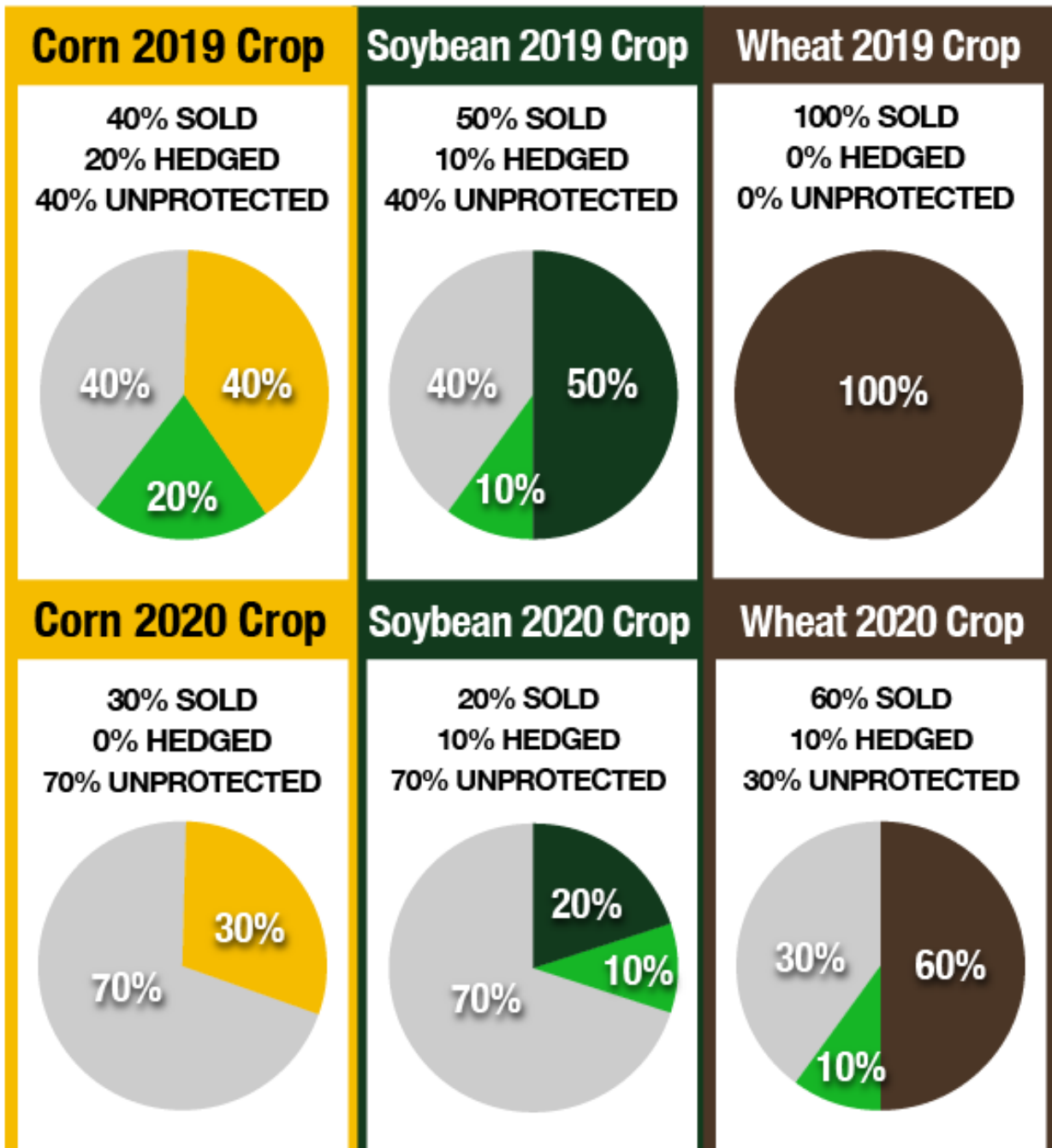
*Know your worth!*

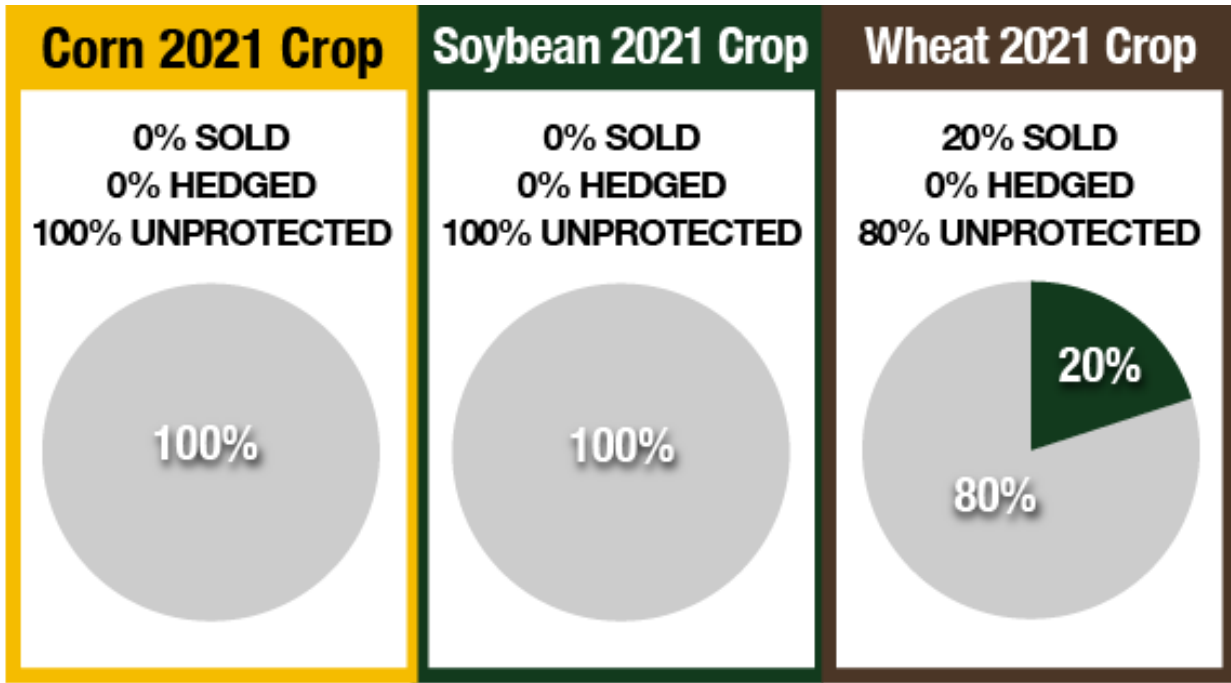


**ANSWER to riddle:** Footsteps.

**CASH SALES & HEDGING TOTALS**

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