



Jordan Van Trump <jordan@farmdirection.com>

GOOD MORNING: The Van Trump Report 6-16-20

1 message

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

Tue, Jun 16, 2020 at 5:30 AM

Reply-To: Jordan <reply-febc11787262027e-1180_HTML-40325470-100003450-9@vantrumpreport-email.com>

To: jordan@farmdirection.com



"I think if I've learned anything about friendship, it's to hang in, stay connected, fight for them, and let them fight for you. Don't walk away, don't be distracted, don't be too busy or tired, don't take them for granted. Friends are part of the glue that holds life and faith together. Powerful stuff." — Jon Katz

Tuesday, June 16, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock bulls continue to point to the Fed and what seems like enough monetary ammunition to keep the bears at bay until someone can come up with a vaccine or treatment for coronavirus. Bears say regardless of the massive amount of easy-money the Fed is injecting, the economy will not be firing on all cylinders for many more months perhaps even a few years. Employment will struggle to get back to pre-corona levels, as will domestic business travel, international travel, traditional retail, restaurants and leisure, and many other industries. I suspect we have reached another battle-ground area where the bulls and bears are going to try and sort it all out. Yesterday, the S&P 500 fell -2.5%

intraday, then recovered all its losses to close up on the day. Keep in mind, that's only the third time that's happened in the past decade. I think the volatility and large price swings will continue nearby. We broke aggressively on the early corona fears headlines of a fallout back in late-February to late-March. Then we rallied aggressively on hopes and anticipation of big money being injected by the Fed and as each day passes getting a step closer to a vaccine and or a treatment. Now perhaps we chop around for a while with larger swings of uncertainty. Technical traders think perhaps the 2,950 level in the S&P 500 might end up being the battle-ground area nearby, meaning plus or minus 300 points either side of that mark. The central bank reiterated yesterday that it has deployed two previously announced lending programs that will buy a total of \$750 billion worth of outstanding and newly issued corporate bonds. The purchases begin today, though it is unclear at what pace they will be made. Investors like the design of the outstanding debt purchase program, which will apply an indexing approach aimed at creating a more diversified portfolio. This adds to the Exchange-Traded Fund purchases the Fed began making back in mid-March. On top of that, the Small Business Administration announced that it is reopening its Economic Injury Disaster Loan and EIDL programs to a broader range of businesses, including those outside agriculture. EIDL alone has approved a total of +\$95 billion in loans. There is also nearly \$130 billion left in the Paycheck Protection Program fund, which has approved a total of \$512 billion worth of loans. From my perspective, that's an incomprehensible amount of money already in play and it doesn't even include direct payments to taxpayers or future rounds of stimulus, the latter of which is expected to be somewhere in the ballpark of another \$2 trillion. Investors today will be digesting remarks from Federal Reserve Chair Jerome Powell as he testifies before the Joint Economic Committee. Investors hope Powell provides more details about the Fed's current economic projections, as well as updates on the effectiveness of the extraordinary measures the central bank has implemented to help the economy weather the storm. Economic data today includes Retail Sales, Industrial Production, and the Housing Market Index. Earnings of interest include Oracle and H&R Block.

Air Travel Update: *Delta said it will add almost 1,000 flights in July, although it notes that the July schedule will be approximately -70% below last year's July numbers. The numbers indicate the nation's air travel bottomed out April 14, when the combined number of TSA security screenings was 87,534 at all checkpoints in the U.S., a figure down from 2.2 million on the same day last year. Think about it like this, the TSA at Orlando International Airport alone was screening an average of nearly 70,000 passengers daily before the pandemic, and it was just the nation's 10th-busiest airport with more than 50 million passengers annually. This past Friday, the Orlando International Airport was expecting to host nearly 13,000 passengers outbound compared with 75,162 on the same day last year. The airport had counted nearly 1,000 takeoffs and landings each day prior to the*

pandemic.

Keeping an Eye on North Korea: There is talk that South Korea recently held an emergency meeting after Kim Jong Un's sister threatened military action. From what I understand, North Korea threatened to re-enter border areas that had been demilitarized under a recent agreement with South Korea.

Tell These Three it Didn't Happen! We must never forget...



These 3 Jewish men arrived in Auschwitz on the same day and were tattooed 10 numbers apart. They met at the Last Eyewitness Project and were photographed by Samdibachom on Instagram.

A smartphone screen showing the FarmTank podcast app. The app's logo, "FARM TANK", is prominently displayed in large white and orange letters on a white background. Below the logo, the episode title "The Great Commodity Super Cycle, E" and subtitle "FarmTank — Kevin Van Trump..." are visible. The phone's status bar shows the time as 6:51 PM and battery level at 60%.

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Icons for various platforms where the podcast can be found: Apple Podcasts, Google Play, and Spotify.

Banks Cut Shale Driller Lifelines: Banks are slashing credit lines to shale drillers, as an oil-price crash and wells that have failed to produce as much as predicted force a painful reassessment of companies' assets. The cuts vary from company to company, but Moody's Corp. and JP Morgan Chase & Co. forecast a total reduction of as much as 30% to the asset-backed loans, or tens of billions of dollars. At current prices, that will be enough to tip some weaker players into bankruptcy as capital for the beleaguered industry dries up, say bankers, lawyers and energy executives. The loans aren't large enough to pose a systemic risk to banks, whose exposure to U.S. energy companies totals around \$650 billion, or about 3.5% of U.S. bank assets, according to JPMorgan Chase. But many banks could suffer sizable losses from souring shale loans and are trying to sell off their portfolios to reduce exposure. During the last oil-market downturn in 2015 and 2016, banks came out largely unscathed as producers sold off their assets or handed control over to bondholders. This time around, some bank lenders are finding out their collateral in the form of oil and gas assets isn't worth enough to cover their debts as oil prices have decreased. Read more from [The Wall Street Journal](#).

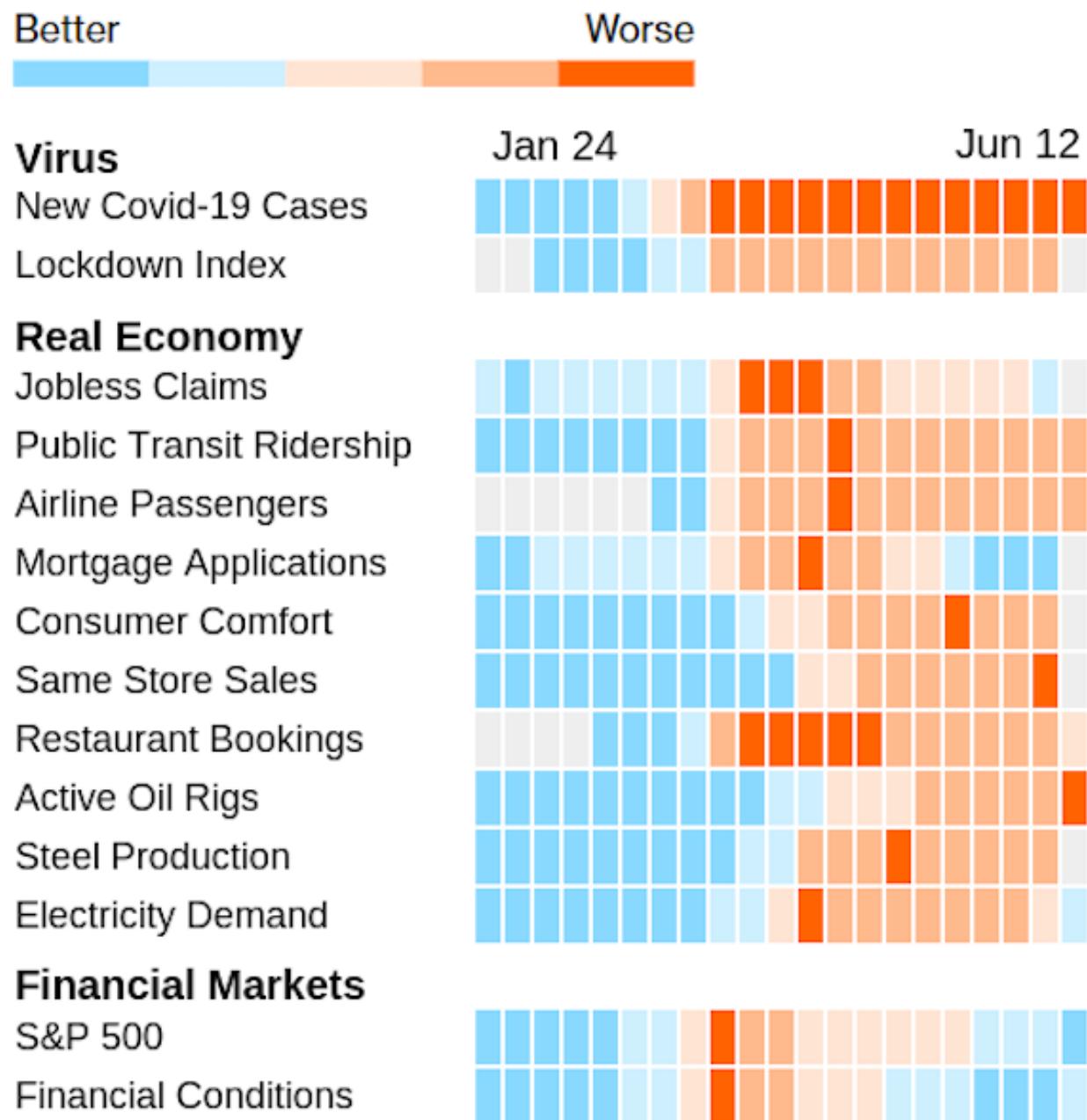
Half a Trillion Spent Through Apps Last Year: Apple announced on Monday that its App Store facilitated \$519 billion in billings and sales in 2019. The study from Analysis Group includes both transactions that Apple handles as well as purchases and other economic activity that happened through iPhone and iPad apps where Apple wasn't directly involved. That includes

sales from online retailer apps such as Target and Best Buy, travel booked through apps such as Expedia and United, and rides hailed through Lyft and Uber. The estimate doesn't include revenue from Apple's own app subscriptions, such as Apple Music. App generated sales included \$268 billion through retail apps, \$57 billion through travel apps, \$40 billion through ride-hailing apps, and \$31 billion through food delivery apps. Another \$61 billion in sales was generated from digital goods and services while \$41 billion came from in-app advertising. Read more [HERE](#).

Tracking the Recovery: Bloomberg Economics created a weekly dashboard of high-frequency, alternative and market-based data to track the economy's plunge into recession and eventual recovery. Most figures, like consumer confidence and applications for unemployment benefits, are showing slight but steady improvement. However, a few others, such as a measure of retail sales, have deteriorated. Shops and restaurants are reopening across the country, and government stimulus has helped support rehiring. At the same time, recent reopenings, paired with widespread protests in the wake of George Floyd's death, have corresponded with an acceleration of new Covid-19 cases in some places. New cases increased for a second straight week, and many customers remain wary of rushing back to reopened businesses. Concerns about a second wave of infections have escalated, and that could have a significant impact on any economic recovery. In more positive news, the Bloomberg Consumer Comfort Index, a weekly confidence measure, rose to 38.7 at the start of June. While the increase was the third straight, the longest such stretch since the start of the year, the improvement has been gradual. A real-time indicator of the housing market — mortgage applications for home purchases — has fully recovered to pre-pandemic levels in recent weeks, rebounding to the highest level since January. With many restaurants now open to dine-in customers, data from OpenTable, a restaurant-booking app, have shown marked improvement. Bookings are down 65% from last year, still devastatingly weak, but up from minus 80% just the week before. (Source: Bloomberg)

Recovery Tracker

Tracking virus spread, real economy and financial markets





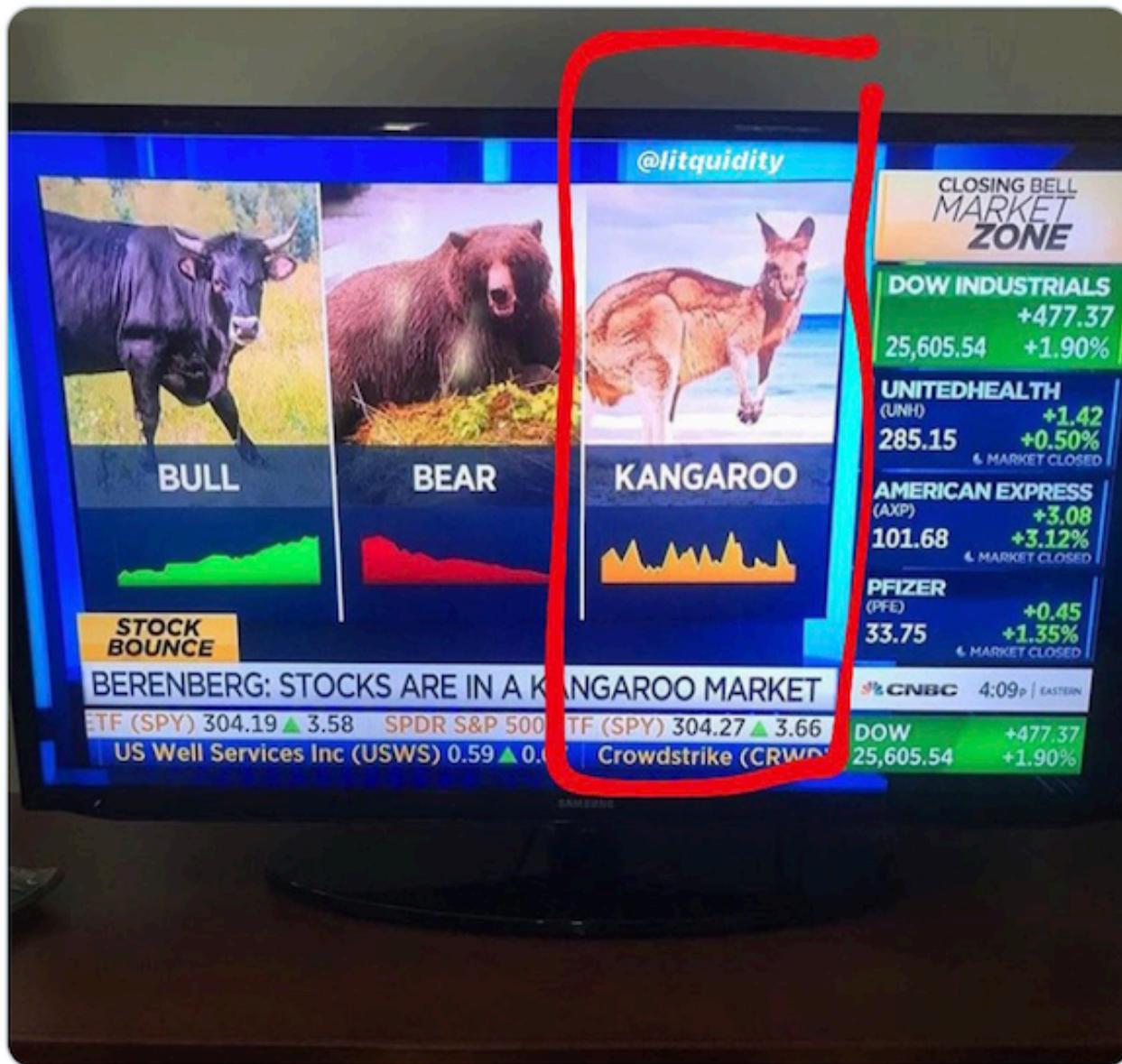
Tweets of the Day





litquidity
@litcapital

The game done changed. We're in a kangaroo market now folks



Charlie Bilello ✅
@charliebilello

Global COVID-19 Update: Reported Tests, Cases & Deaths as % of Population...

compoundadvisors.com/2020/covid-19-...

Global COVID-19 Tracker: Reported Tests, Cases & Deaths as % of Population (as of 6/15/20)								
Country	Population (Million)	# Reported Tests	Tests % Population	# Reported Cases	Cases % Population	# Reported Deaths	Reported Case Fatality Rate	Deaths % Population
Belgium	11	1036321	9.4%	60100	0.55%	9661	16.1%	0.0878%
UK	67	6772602	10.1%	295889	0.44%	41698	14.1%	0.0622%
Spain	47	4826516	10.3%	291008	0.62%	27136	9.3%	0.0577%
Italy	60	4620718	7.7%	236989	0.39%	34345	14.5%	0.0572%
Sweden	10	325000	3.3%	52383	0.52%	4891	9.3%	0.0489%
France	67	1384633	2.1%	157220	0.23%	29407	18.7%	0.0439%
USA	330	24795407	7.5%	2162484	0.66%	117859	5.5%	0.0357%
Netherlands	17	455067	2.7%	48948	0.29%	6065	12.4%	0.0357%
Ireland	5	367780	7.4%	25303	0.51%	1706	6.7%	0.0341%
Ecuador	17	134141	0.8%	46751	0.28%	3896	8.3%	0.0229%
Switzerland	9	461128	5.1%	31131	0.35%	1938	6.2%	0.0215%
Canada	38	2152700	5.7%	98787	0.26%	8146	8.2%	0.0214%
Peru	32	1360839	4.3%	229736	0.72%	6688	2.9%	0.0209%
Brazil	210	1604784	0.8%	867882	0.41%	43389	5.0%	0.0207%
Chile	19	840150	4.4%	174293	0.92%	3323	1.9%	0.0175%
Portugal	10	975737	9.8%	36690	0.37%	1517	4.1%	0.0152%
Mexico	126	406547	0.3%	146837	0.12%	17141	11.7%	0.0136%
Iran	83	1269194	1.5%	189876	0.23%	8950	4.7%	0.0108%
Germany	83	4694147	5.7%	187706	0.23%	8873	4.7%	0.0107%
Denmark	6	810838	13.5%	12217	0.20%	598	4.9%	0.0100%
Austria	9	527670	5.9%	17135	0.19%	678	4.0%	0.0075%
Romania	19	564278	3.0%	22165	0.12%	1427	6.4%	0.0075%
Turkey	82	2632171	3.2%	178239	0.22%	4807	2.7%	0.0059%
Russia	145	15161152	10.5%	537210	0.37%	7091	1.3%	0.0049%
Norway	5	277253	5.5%	8631	0.17%	242	2.8%	0.0048%
Belarus	9	733788	8.2%	54680	0.61%	312	0.6%	0.0035%
Israel	9	756701	8.4%	19121	0.21%	302	1.6%	0.0034%
Poland	38	1188742	3.1%	29788	0.08%	1256	4.2%	0.0033%
Czech Republic	11	497990	4.5%	10027	0.09%	330	3.3%	0.0030%
Saudi Arabia	34	1126653	3.3%	132048	0.39%	1011	0.8%	0.0030%
Iceland	0.3	63184	18.6%	1810	0.53%	10	0.6%	0.0029%
UAE	10	2626000	26.3%	42294	0.42%	289	0.7%	0.0029%
South Africa	58	1121958	1.9%	70038	0.12%	1480	2.1%	0.0026%
Qatar	3	290714	9.7%	79602	2.65%	73	0.09%	0.0024%
Ukraine	42	497284	1.2%	31810	0.08%	901	2.8%	0.0021%
Pakistan	212	897650	0.4%	144478	0.07%	2729	1.9%	0.0013%
Philippines	108	507767	0.5%	26420	0.02%	1098	4.2%	0.0010%
Indonesia	268	523063	0.2%	39294	0.01%	2198	5.6%	0.0008%
Bangladesh	161	519503	0.3%	90619	0.06%	1209	1.3%	0.0008%
Japan	127	338758	0.3%	17429	0.01%	925	5.3%	0.0007%
India	1369	5774133	0.4%	333380	0.02%	9524	2.9%	0.0007%
S. Korea	52	1105719	2.1%	12121	0.02%	277	2.3%	0.0005%
Singapore	6	488695	8.1%	40818	0.68%	26	0.06%	0.0004%
Australia	25	1830665	7.3%	7335	0.03%	102	1.4%	0.0004%
China*	1433	?	?	83181	0.01%	4634	5.6%	0.0003%

Data Source: worldometers.info/coronavirus *All China data is fabricated.

@CharlieBilello



Aaron Vammer
@AgronomyRonny

Now this is how you check sprinkler nozzles in style.
That's my neighbor cruising through his alfalfa field on
his Harley.





Shane Maze
@jdman9870

Not what I expected to find in my wheat this morning.



Cory Jorgensen
@CoBoJo_

Jett enjoyed the nighttime cruise checking on some fields.

Pro tip: smaller the person, the bigger the #Corn looks







Super 70s Sports
@Super70sSports

Greatest recruitment tool in the history of agriculture.
When I was five, if you asked me what I wanted to be
when I grew up I'd have been like "A farmer, obviously."





Motivational Quotes
@DrJerryFowler

The problem is not the problem.
The problem is your attitude about the problem.
#Attitude #Quotes

**THE PROBLEM
IS NOT THE PROBLEM.**

**THE PROBLEM IS YOUR
Attitude
ABOUT THE PROBLEM.**

MyMotivationalQuotes.com

CORN bulls are pointing to the downgrade in U.S. weekly corn crop conditions. Most were expecting the USDA to leave conditions "unchanged" to perhaps a slight improvement, instead, the GD/EX rating fell from 75% down to 71% rated GD/EX. States showing the biggest deterioration: Colorado dropped -26% and now just 26% of its crop is rated GD/EX vs. 78% GD/EX last year at this time; Nebraska conditions fell by -12% and are now 71% rated GD/EX vs. 77% last year; Texas fell by -10% and conditions are now below last year; Kansas fell by -6%; North and South Dakota fell by -5%; Wisconsin by -4%; Illinois, Indiana and Iowa all fell by -2%; Michigan lowered by -1%. States showing improvement were: Missouri and Ohio +2%; Minnesota, North Carolina and Pennsylvania each improved +1%. Outside of conditions deteriorating, bulls are also pointing to fewer U.S. corn acres planted than the current 97 million the USDA is using in the balance sheet. IEG Vantage tossed out a fresh U.S. corn acreage estimate yesterday of 94.1 million and a total U.S. corn crop of just over 15.4 billion bushels vs. the USDA's current forecast of just under 16.0 billion. Technically, the JUL20 contract hasn't closed back above \$3.34 since early to mid-April and hasn't closed above \$3.40 since late-March. Keep in mind we trimmed a good -40 cents off price during the month

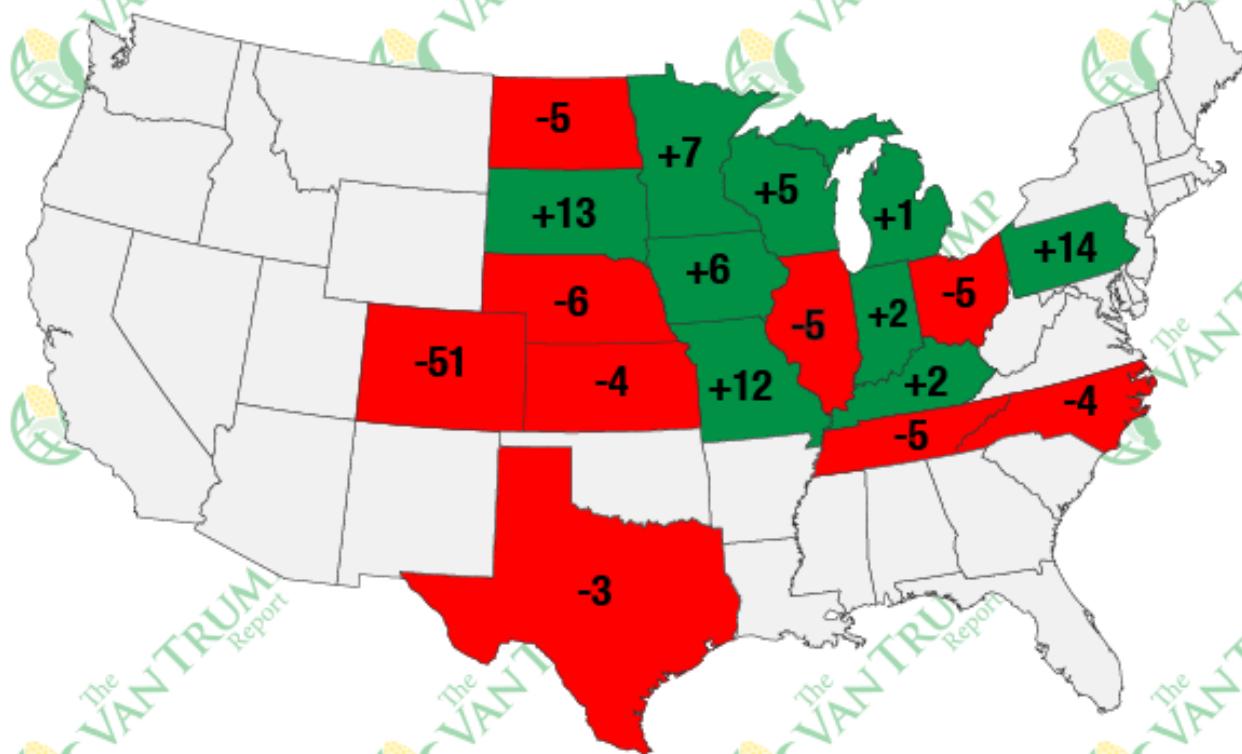
of March. In fact, the JUL20 contract closed sub-\$3.80 on Mar 6th and never really looked back, tumbling to a low of \$3.09 on April 21st in the wake of a major meltdown in crude oil and the headline fears surrounding coronavirus. Now we have the funds holding one of their top-5 largest short positions in the past 30-years. Bulls believe if we get a good wide-spread weather story brewing they can catch the fund's offside and we could get a nice short-covering rally. Bears say with +3.3 billion bushels in ending stocks, suspect demand, and +92 million corn acres planted it better be a major weather story!

U.S. Corn Good-to-Excellent

June 14, 2020

[Week 24]

Good-to-Excellent vs. 5-year Average



Corn % Good-to-Excellent

	2018	2019	5-yr avg	This Week	Change vs LW
Colorado	81	78	77	26	-26
Illinois	81	51	68	63	-2
Indiana	76	50	64	66	-2
Iowa	84	59	77	83	-2
Kansas	61	47	58	54	-6
Kentucky	86	81	81	83	0

Michigan	69	46	64	65	-1
Minnesota	88	58	77	84	+1
Missouri	48	28	51	63	+2
Nebraska	86	77	77	71	-12
North Carolina	53	50	64	60	+1
North Dakota	81	80	77	72	-5
Ohio	87	53	68	63	+2
Pennsylvania	65	75	77	91	+1
South Dakota	66	57	64	77	-5
Tennessee	77	73	78	73	0
Texas	39	67	64	61	-10
Wisconsin	90	54	77	82	-4
Total	78	59	71	71	-4

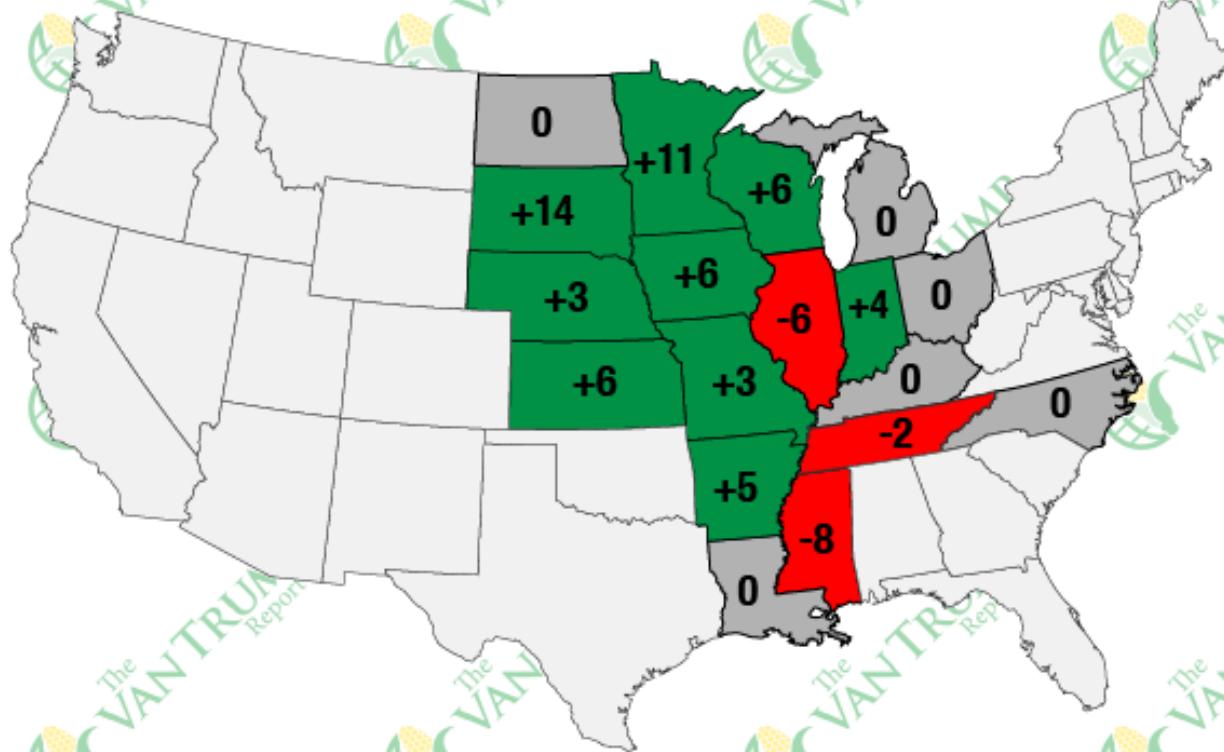
SOYBEAN trader see little to any change to the USDA's weekly crop conditions rating with 72% of the crop still rated GD/EX. The USDA shows 93% of the crop is now "planted" vs. just 72% last year vs. 88% on average. Similar to corn, conditions deteriorated in South Dakota down -6%, Nebraska -4%, Kansas and Illinois -3%, Indiana -2%, North Dakota and Wisconsin -1%. Conditions in Louisiana were down -8%. Conditions improved in Ohio +4%, Arkansas, Missouri, Kentucky and North Dakota +2%, Tennessee +1%. Soybean planting is still lagging a bit in Arkansas, North Dakota and Tennessee. We learn more about total U.S. acres planted in exactly two weeks when the USDA releases its June Acreage report. The USDA is currently forecasting 83.5 million planted U.S. soybean acres but most inside the trade suspect that number is too conservative. IEG Vantage is thinking the U.S. planted soybean acreage estimates should be more like 85.5 million, +2 million higher than the USDA's current forecast. Bears are obviously thinking the U.S. planted soybean acreage number could be even higher. For simple argument sake, you can roughly add an extra +50 million bushels to the new-crop balance sheet for every +1 million harvested acres added to the equation. On the demand side, the NOPA domestic crush numbers for May showed another record at 169.6 million bushels but was short of most trade estimates by nearly 3.5 million bushels and down -2.2 million bushels from April. As for exports, the trade continues to see headlines that indicate the Chinese are buying U.S. supply. Bears say the pace is not nearly fast and or large enough to meet their commitment. Bulls say we could see massive Chinese buying in the fourth quarter, which is Oct-Nov-Dec. Producers who need to price more bushels early might need to be thinking about ways to reown the board. As a spec, I will be looking to start

a small bullish position on any sizeable pullback.

U.S. Soybeans Good-to-Excellent

June 14, 2020
[Week 24]

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	67	+2
Illinois	77	38	70	64	-3
Indiana	74	37	63	67	-2
Iowa	80	64	76	82	0
Kansas	56	46	58	64	-3
Kentucky	86	72	81	81	+2
Louisiana	54	62	66	66	-8
Michigan	68	45	67	67	0
Minnesota	83	61	73	84	0
Mississippi	76	58	68	60	0
Missouri	44	35	55	58	+2

✓ Nebraska	82	73	75	78	-4
North Carolina	56	50	67	67	+2
North Dakota	82	69	74	74	-1
Ohio	81	28	64	64	+4
South Dakota	61	52	64	78	-6
Tennessee	76	77	78	76	+1
Wisconsin	87	64	80	85	-1
Total	73	53	70	72	0

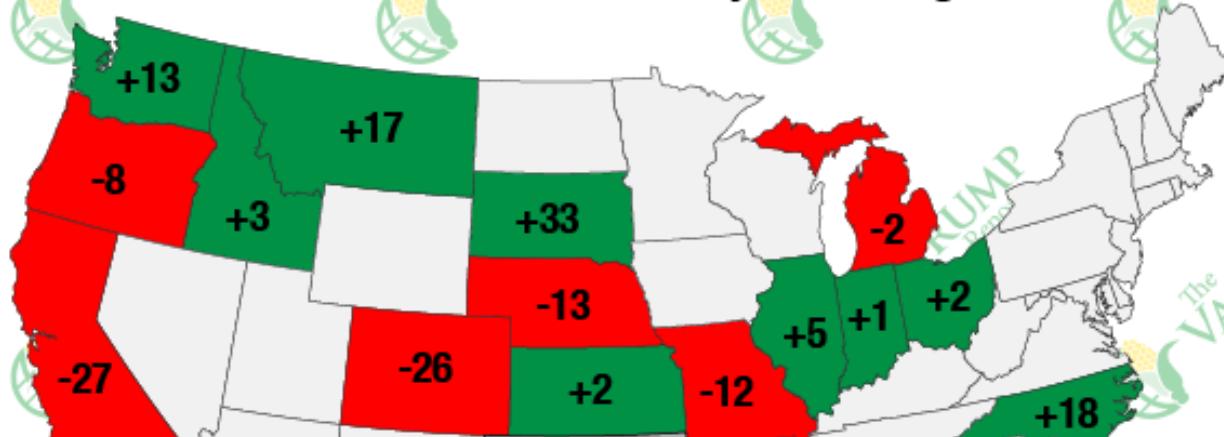
WHEAT bulls are pointing to a slight -1% deterioration in the USDA's weekly spring crop condition rating, but bears a quick to point out it still remains extremely strong at 81% rated GD/EX with about 95% of the crop considered "emerged" and 4% "headed. Winter wheat conditions are also adjusted -1% lower with 50% now rated GD/EX. The USDA estimate shows 15% of the U.S. winter wheat crop is now harvested and running close to our normal pace. Texas has 68% harvested; Arkansas 50% harvested; Oklahoma 40%; California and North Carolina 35%; Missouri 14%; Kansas 9%; Illinois and Indiana 3% harvested. Globally, bulls continue to talk about weather problems in parts of Russia, the Black Sea region, and parts of the European Union. Bears continue to point towards record global supply, U.S. exporters not really gaining any large amount of market share, U.S. harvest pressure and ongoing global macro growth uncertainty. I think we continue to chop around... I would like to be a bull but see no reason to be in a hurry.

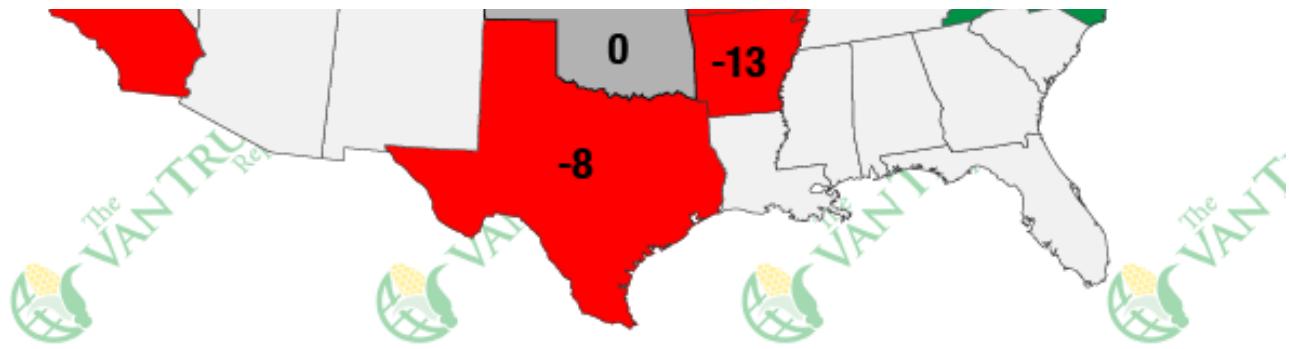
U.S. Winter Wheat Good-to-Excellent

June 14, 2020

[Week 24]

Good-to-Excellent vs. 5-year Average



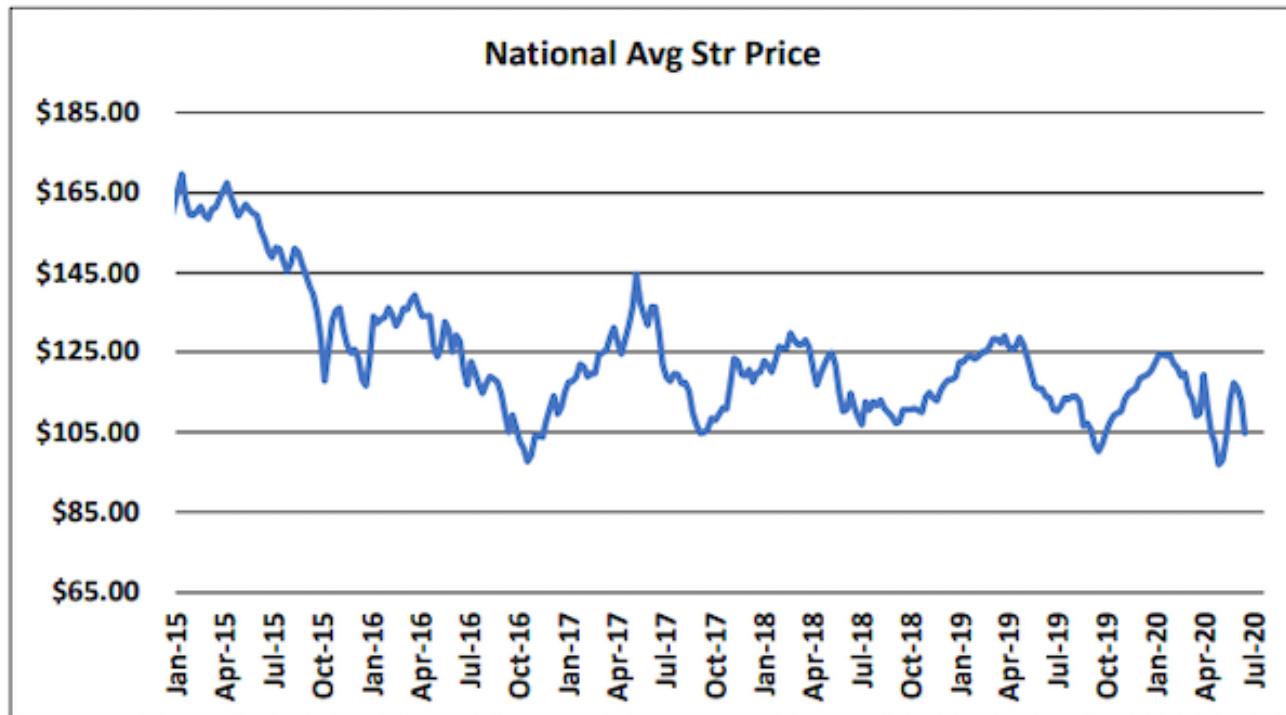


Winter Wheat % Good-to-Excellent

	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	60	45	56	43	+10
California	95	95	92	65	0
Colorado	51	79	57	31	-1
Idaho	77	70	71	74	+4
Illinois	58	33	55	60	0
Indiana	67	52	65	66	0
Kansas	18	58	43	45	+3
Michigan	78	44	67	65	-4
Missouri	51	30	51	39	+1
Montana	84	79	65	82	+2
Nebraska	61	71	56	43	-23
North Carolina	71	45	53	71	+4
Ohio	82	30	69	71	-1
Oklahoma	10	69	46	46	0
Oregon	61	61	58	50	+7
South Dakota	44	64	44	77	-1
Texas	19	63	42	34	-4
Washington	88	70	72	85	-3
Total	39	64	51	50	-1

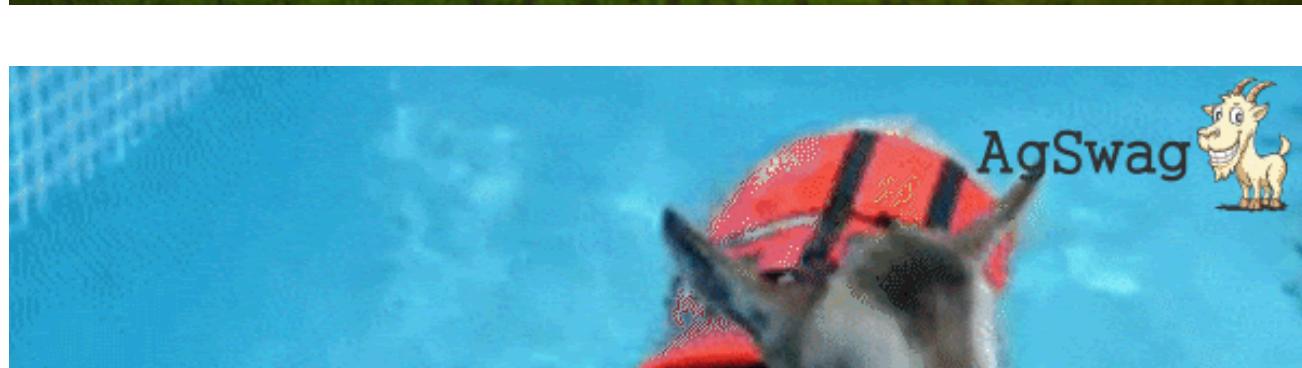
Cattle: As expected, or feared the cash market softened last week on adequate but smaller volumes. The national average cash steer brought 104.67/CWT versus 112.81/CWT last week. Slaughter totals came in firm last week with a robust Saturday kill. Today's estimated kill is 119,000 head which would be one of the largest single-day kills in quite some time. The industry sentiment coming into a new week is a bit mixed. Many looking for lower cash on willing sellers out of the

south, yet others are more current and willing to trade tougher around 100.00/CWT or below. Today we see a few major packers bidding 100.00-105.00/CWT and 159.00-167.00/CWT. These bids brought limited to no activity in the south and tepid movement in the northern regions. As we step back and think about where we are from a broad perspective, the seasonal cash low is potentially near and the basis likely becomes less desirable moving forward. We know that the market is expecting some increased supplies as we work into July and August and to a certain extent through the end of 2020 as we smoothed out numbers backed up due to COVID. Beef markets have pulled back from record-high levels and as of today, the comprehensive beef cutout price is 248.60/CWT, down from over 400.00/CWT. Volumes of beef being moved are ramping back up materially as this week was the largest in 11 weeks and the second largest on record for 2020. A welcomed spike in export sales last week, although we remain down 13% year-to-date on sales and up 4% on shipments. The bull and bear theses have not really changed to any large extent and the overall illiquidity and waning open interest situation remains generally the same. It is apparent to us that we are at or very close to a literal inflection point where it is incredibly important to couple urgency with clarity. When we feel overly compelled to move or act, but have little or no clarity as to the best path or method of action we may create additional issues and challenges. At the same time, having clarity of strategy with no urgency in action can be equally deadly. In short, if we don't know where we are going, any road will get us there. Trey Warnock - [Amarillo Brokerage Company](#)



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WHATEVER FLOATS YOUR GOAT
A Section for Creative Minds

> **Burger King to Offer Impossible Foods Breakfast Sausage:** Plant-based breakfast sausages are coming to Burger King as the Restaurant Brands

International chain said it would add the Impossible Croissan'wich to its menu nationwide. It is the first chain to put the Impossible Foods sausage alternative on its menu. Dunkin' Brands already offers rival Beyond Meat's plant-based sausage. Burger King has counted on Impossible Foods burgers to lift customer traffic and sales at the restaurant. While the plant-based burgers gave sales a boost, and the fast-food chain recently added the Impossible Whopper to its 2-for-\$6 promotional menu, the uplift in demand has not been near the spike in sales seen at Restaurant Brands' Popeye's chain for its chicken sandwich. Still, the addition of the sausage offering represents an opportunity to expand beyond the confines of plant-based beef alternatives into pork and perhaps chicken. (Source: USA Today)

> Meatpackers have a Worker Problem: *Smithfield Foods is missing about a third of its employees at a South Dakota pork plant because they are quarantined or afraid to return to work after a severe coronavirus outbreak, according to the workers' union. Nationwide, 30% to 50% of meatpacking employees were absent last week, said Mark Lauritsen, a vice president at the United Food and Commercial Workers International Union (UFCW). Absenteeism varies by plant, and exact data is not available, but some workers' unwillingness to return poses a challenge to an industry still struggling to restore normal meat output. Tyson had to halt operations at its pork plant in Storm Lake, Iowa in late May - a month after the president's order to reopen - partly because of "team member absences related to quarantine and other factors," the company said in a statement. The plant restarted limited operations on June 3. Read more from [Reuters](#).*

> EU Takes Aim at China's Trade Expansion: *The European Union fired a warning shot at China over its global trade ambitions with an unprecedented tariff decision to counter Chinese subsidies to exporters. For the first time, the EU on Monday took aim at alleged market-distorting aid granted by a country to exporters located in another state. To date, such European duties have focused only on subsidies provided by the country where the exporters are based. "It's a landmark case that could lead to many more similar ones," said Agatha Kratz, an associate director at Rhodium Group who leads research on EU-China relations and Chinese commercial diplomacy. "Chinese state support is in fact found widely beyond China's borders, with distortive effects on EU and other foreign stakeholders." Read more from [Bloomberg](#).*

> Refiners Seek Economic Hardship Status: *In the latest round of tug-of-war between oil and agriculture, small refineries have asked the EPA for economic hardship status, which could free them from their annual RFS requirements, despite a recent court order that threatened to wipe out most of the annual blending waivers handed out by the Trump administration. Earlier this year, a federal court ruled that the agency could only extend the waivers for small refiners who had been continuously exempt from annual blending requirements since the start of the program in 2013. Oil refiners seeking the status ask for it to be dated*

back to then, allowing them to meet the court's standard going forward. With half of all U.S. biofuel production on pause, Washington has been under heavy pressure to throw the industry a lifeline. House Democrats included direct aid for biofuel production in their latest stimulus package, but the bill hasn't gained any traction in the Senate. (Source: Politico)

> Brazil Cotton Harvest Begins, Acres Seen Declining: *Brazilian farmers will start to harvest their 2019-20 cotton crop in June, but the slumping cotton prices will probably result in less cotton being planted in Brazil in 2020-21. The Covid-19 pandemic has resulted in lower demand for Brazilian cotton both internationally and domestically. In response, it is estimated that Brazilian farmers will reduce their 2020/21 cotton acreage by -10% to -20%. In 2019-20, Brazilian farmers planted approximately 4.13 million acres (1.67 million hectares) of cotton, which was an increase of +3.3% compared to 2018-19. Read more from [Soybean & Corn Advisor](#).*

> Eli Lilli Testing Arthritis Drug as Coronavirus Treatment: *The idea that Eli Lilly's arthritis drug Olumiant might help Covid-19 patients emerged from an artificial-intelligence survey of approved drugs, just as the pandemic was gathering speed in February. After encouraging follow-up in labs and medical clinics in the months since, Lilly said on Monday that it is sponsoring a 400-patient randomized Phase 3 trial to confirm whether the drug can reduce heightened immune responses in patients with Covid-19. These immune responses, known as cytokine storms, cause the body to attack itself. "In addition, (Olumiant) may have a role in inhibiting the host cell proteins that assist in viral reproduction, reducing the ability of infected cells to make more virus," Lilly said in a news release. Patients will receive 4 milligrams of Olumiant daily on top of other coronavirus treatment. The will be compared with a placebo in addition to other therapies. Results are expected in the next few months. (Source: Barrons, Business Insider)*

> Why Markets Seem Confused Right Now: *The stock market's performance this year continues to confound but investors are forced to extrapolate an economic situation we've never come close to seeing before. It may come as a surprise to some investors but during the actual recessions of the past the stock market has been up as much as it's been down. Not including the current contraction, there have been 14 recessions since the Great Depression. In 7 out of those 14, the S&P 500 has seen positive returns during the actual recessionary period. The usual caveats apply — the stock market is forward-looking and never matches up perfectly with the economy and so on but this time around things are happening so fast there's no time for the usual economic worries and debates. The stock market hasn't done a great job predicting recessions in the past either but you can see performance after the fact have been solid across the board. The problem with the current period is the economy was given such a huge jolt that*

even the recovery will end up feeling like a nasty recession based on past experience. No one knows what to think, which baselines to use, or the correct way to handicap the current situation. Read more [HERE](#).

> 2021 Ford Bronco will Finally Debut July 9: The 2021 Ford Bronco will finally make its long-awaited debut on Thursday, July 9, according to the automaker. The Bronco was originally scheduled to debut in April, and Ford had even issued invitations for media to attend the big event. The coronavirus pandemic put the kibosh on those plans, however, and while Ford maintained the Bronco would still debut this spring, a summertime debut on July 9 is now official. (Source: CNET)

> Some Texas Players Test Positive for Coronavirus: Multiple Houston Texans and Dallas Cowboys football players, including Pro Bowl running back Ezekiel Elliott, have recently tested positive for COVID-19, sources tell NFL Network. None of the players are believed to have been in their team facilities and the Cowboys and Texans teams followed proper health protocols. Players testing positive is a development that was predicted by Dr. Allen Sills, the NFL's chief medical officer. In a call with agents on Monday, NFL Players Association medical director Thom Mayer said the current plan in place is to test players for the coronavirus about three times per week, isolating those who test positive. The schedule start of training for most clubs is roughly six weeks away. (Source: NFL Network)

> Kennedy's Lost PT Boat Found: An obscure piece of US history was discovered late last month as a crane salvaged what is believed to be the wreckage of the PT-59, a Navy patrol boat commanded by former President John F. Kennedy during his time in the military. Kennedy's record as a war hero helped get him elected to the nation's highest office. He rescued his crew during World War II after a Japanese destroyer sunk his first vessel, the PT-109—a tale that was famously recounted in the New Yorker. The Navy sold the PT-59, which Kennedy commanded afterward, for surplus in the 1950s and it became a fishing charter boat, later rechristened the Sun Tan and the Sea Queen V. The last known owner abandoned the boat in the mid-1970s, leaving it on the dock to sink into the mud. Read more [HERE](#).



© Metropolitan Transportation Authority



South central Wisconsin - Some parts of the soybean field came up great, other spots maybe 10-20%, and others maybe 75%. The only common factor seems to be a cold snap that hit at a critical time. I talked to one of the neighbors who had an agronomist out checking seeding depths, certified seed, treats, fertility, etc. Everything seemed good... We had adequate moisture at planting but we had 3-4 days of a cold snap. The only thing the agronomist could come up with was cold water shock during germination.

Western Missouri - We should be able to get out and try our wheat tomorrow or the day after. There's no rain potential in the forecast until the weekend. By then we will take any rain we can get, even if it slows the wheat harvest down a little bit. I've heard guys talking about the test weight up to around 60 pounds and the yields have been pretty good, between 65 and 90 bushels per acre. The excessive

rain early-on made us a little concerned about test weight loss but I'm thinking we should be good.

Southeast Nebraska - We are unloading some bins today and glad not to have the 30 mph winds that we got hammered with for consecutive days last week. Corn does look good but the crop could use a drink after the blowing heat it withstood. We are getting ready to turn on the irrigation if we don't get a shower soon. We did suffer a small bit of population loss in both corn and beans but nothing requiring to replant. That late frost seemed to take 5% out of the game around here and definitely took some of the pop out of the beans. The only replants around us are from guys that had a chemical app go bad and some guys who didn't have enough pressure on their drilled beans. Moving forward, we should stay in good shape if we can get out of this slight drought conditions that are starting.

neuro mining



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: People always cover me in dirt and step on me as they run past me, yet often people come running back to me when they are in trouble. What am I?

FROM MY PERSPECTIVE



Kevin Van Trump

More Quality, Less Quantity - Post-Lockdown Consumer Food Trends Shifting

Coronavirus has no doubt changed the world, leaving business owners and investors alike the daunting task of figuring out which changes will stick and how they might shape consumer trends. New research from Euromonitor shows that the food and beverage industry might be the only industry to witness any growth at all in 2020. However, that growth probably won't be spread across all categories as consumers try to tighten their belts and shift priorities.

Some of this year's growth for food and beverage companies will no doubt come from consumer stockpiling that happened as the coronavirus began to make headlines in the U.S. While that behavior has since declined, consumers are still spending far more on food and beverages at the grocery store than they were pre-pandemic. Euromonitor expects that trend to continue in part due to cutbacks in spending - fewer restaurant meals - but also in part due to changes in values and priorities.

Euromonitor sees the "COVID-19 era" being shaped by stress and anxieties about the future, with paramount concerns over hygiene, physical health, and mental wellbeing. Decisions will be driven by obvious things like affordability and value, but also the increased desire for a more self-sufficient lifestyle. That likely means a shift away from conspicuous consumption and more focus on things that meet real needs, as well as reflect consumers' values.

We've already witnessed some crazy consumer spending shifts at the grocery store. One of the most notable has been a resurgence in older brands that have been on the decline amid growing competition from newer, hip products. But as the lockdowns set in, the sales trends reversed and everyone wanted their childhood favorites. Consumer analysts equate this to people craving comfort food during the pandemic. Campbell's Soup, for instance, posted a +34.4% increase in food and beverage sales between mid-March and mid-April, compared to last year and following years of steady declines.

Considering heightened health worries - along with pre-coronavirus trends - it's expected consumers will cut back on the more unhealthy and super-processed foods but economic anxieties will probably hinder any rush back to \$10 energy bars and \$9 cold-brews. This could spell trouble for high-end "health and wellness" brands but some analysts say it opens the door for big food brands to introduce their own "healthy" products at better price points.

At the same time, industry experts have cautioned that pandemic-induced shortages have eroded brand loyalty as customers have been forced to try new

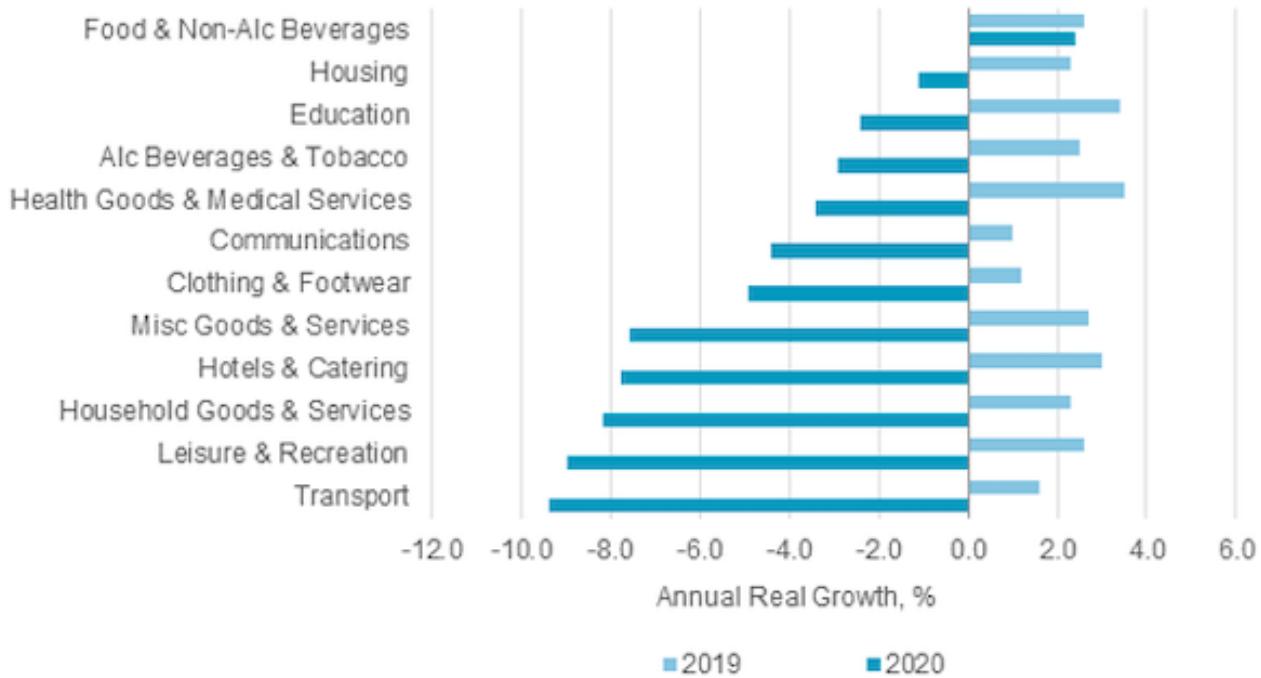
products. Some have discovered that they like the new option better. Those experiences have also made consumers more comfortable with trying different brands and Nicole Collida of the Food Industry Association doesn't believe consumers will return with the same degree of brand loyalty they had before. That means brands need to focus more than ever before on their underlying quality as they may not be able to skate by on that loyal customer base any longer.

One interesting prediction I've seen about post-pandemic grocery shopping is that consumers will stick with online shopping for staple items and reserve in-store purchases for specialty items or things that require closer inspection like fresh produce and meat. Already, some supermarket chains have created "ghost grocery" locations — fulfillment centers that are closed to the public except for curbside pick-up orders.

Industry analysts also believe grocers will drastically reduce the number of items on their shelves, in part due to more online shopping but also because of the pandemic experience that exposed inefficiencies in the food supply chain. Laura Strange, spokeswoman for the National Grocers Association, says that smaller grocers have faired better at keeping some popular items in stock than large chains thanks to their longstanding relationships with local farmers and suppliers. Perhaps we'll see a rise in more specialty shops like butchers and bakeries?

Euromonitor expects the brands and businesses that successfully emerge from the pandemic will be those most prepared for an increase in online consumption. Their research indicates that consumers, having spent the worst of the pandemic doing everything virtually, are more comfortable with the digital world in general which they see bringing a shift toward buying and doing more things online. Online grocery shopping doesn't appear to have lost any momentum - online grocery dollar sales growth totaled \$1.3 billion in May, the same as in April.

Another takeaway from the report is the message that consumers want to hear from brands going forward. Euromonitor says brands will be expected to put people and their wellbeing before profits. Successful companies will be those who understand the health and safety concerns that dominate the thinking of their consumers and employees. I've seen the same prediction from dozens of other analysts and it fits with the longer trend term we've already seen of consumers demanding more transparency and accountability from brands. (Sources: Euromonitor, Food Dive, Supermarket News)





May Scorecard: Online Grocery Delivery & Pickup

Total US – Past 30-day activity*

Performance Metrics	Aug 2019	March 2020	April 2020	May 2020
Sales (Past 30 days)	\$1.2 B	\$4.0 B	\$5.3 B	\$6.6 B
Spend (Average per order)	\$72	\$82	\$85	\$90
Orders (# Past 30 days)	16.1 M	46.9 M	62.5 M	73.5 M
Customers (# Active during past 30 days)	13.1 M	39.5 M	40.0 M	43.0 M
Frequency (Monthly average/customer)	1.0	1.2	1.6	1.7

* Excludes online orders shipped to home via common or contract parcel carriers.

Sources: Brick Meets Click/Mercatus Grocery Survey, May 2020; Brick Meets Click/Symphony RetailAI Grocery Survey, April 2020; Brick Meets Click/ShopperKit Grocery Survey, March 2020; Brick Meets Click Grocery Survey, August 2019.



Understanding the Hype Around EV Startup Nikola

One of the hottest IPOs this year has ended up being electric vehicle startup Nikola Corporation, which recently debuted on the NASDAQ on June 4. Some have been calling it "the next Tesla" while others say the company's multi-billion dollar valuation is built on sheer hype.

Nikola had a market valuation of as much as \$31 billion at one point just a week after going public. To put that in perspective, Ford has a market capitalization of around \$27.5 billion and

they make the best selling truck in America. Nikola has \$0 truck sales and only recently set a June 29 reservation date for its electric pickup truck called "Badger".

The Badger will be available as a battery-electric or hydrogen fuel cell vehicle, directly competing with both Ford's F-150 and Tesla's Cybertruck. Nikola introduced the Badger in March and is supposed to reveal a live model on the same day reservations open. The company is also expected to announce a date for Nikola World 2020, an event where the truck will also be featured. The company just revealed that it's in talks with three major automakers to produce the Badger.

Nikola's specs for the Badger's hydrogen fuel cell system include a 600-mile range - 300 miles on battery-power alone and a further 300 miles when using the hydrogen range extender. Nikola said the truck will house 906 horsepower and 980 pound-feet of torque. A 0 to 60 mph sprint should take 2.9 seconds and it will supposedly tow 8,000 pounds. It's not clear what the price tag will be. The company also offers two electric Off-Highway Vehicles (OHVs) and a watercraft that basically looks like a jet ski. There are also three different semi-trucks with full-electric or hydrogen fuel cell options.

The company has previously claimed it will reveal a revolutionary battery that has 500 Wh/kg at its Nikola World 2020 event. For reference, the best electric vehicle battery in the world is considered to be Tesla's Model 3 battery pack, which is said to have a 247 Wh/kg energy density. Battery tech experts are highly skeptical of Nikola's claims and the company has not shared details about the technology.

Nikola is taking reservations on one of the OHVs and the watercraft for zero down though it's not clear how many they've taken. The company says it has pre-orders for \$10 billion worth of its electric semi-trucks, which claim to have up to a 750-mile range and just a 10 to 15 minute recharge time. Nikola has not actually produced any vehicles or batteries and construction on its factory in Coolidge, Arizona, is still getting underway.

If Nikola can deliver on its big promises, it could have a massive impact on electric vehicle technology. They are basically claiming to have doubled the maximum EV range which means they have a revolutionary new battery technology. Or so say, battery experts. Nikola has also claimed their battery is cheaper than existing technologies.

EV demand is still very low in the U.S. with charging infrastructure being a major roadblock. That will be a huge challenge for Nikola's hydrogen battery power as the fueling station network for that will need to be built from the ground up. That has many questioning how soon such vehicles can really be brought to market.

Ford has recently indicated that the launch of its all-electric F-150 could be delayed to mid-2022, compared to the initial goal of late 2021. Tesla aims to have its all-electric Cybertruck on the roads by the end of 2021. (Sources: TechCrunch, Inside EVs, Cnet, Forbes)





Monterey Pop Festival Changed Music Forever

One of the most important moments in pop music history began on this day, June 16, 1967, when the first "rock festival" kicks off at the fairgrounds in Monterey,

California. The 3-day-long Monterey Pop Festival established the modern-day music festival tradition and gained the counterculture's rock music a new sense of legitimacy. Crazy times for certain... Those who were 18 years old and attended the event are now 71 and probably trying to figure out how to navigate all of the crazy buttons and safety features on a new car, how to get their favorite music to play on an iPhone, and how to communicate with the grandkids on social media platforms like Facebook, Instagram, Snapchat, TikTok, etc. and dreaming of what felt like simpler times!

The festival was planned over the course of just seven weeks by promoter Lou Adler, John Phillips of The Mamas & the Papas, producer Alan Pariser, and publicist Derek Taylor. The festival board included Mick Jagger, Paul McCartney, and Brian Wilson. The setup allowed for between 7,000 and 10,000 people access to the five separate shows performed during the three-day festival, with some 200,000 thousand in total attending. Each performance lasted around 4 hours. According to the record books, the fairgrounds were at max capacity for every act except Indian sitar master Ravi Shankar, whose audience was about 80% capacity following a rainy morning.

Looking back on Monterey's first year, the most striking thing for music lovers is the absolutely mind-blowing lineup. Over 30 artists were on the bill, including already popular groups like Jefferson Airplane, the Grateful Dead, the Byrds, and Buffalo Springfield. It was the first major American appearance for Jimi Hendrix and the Who. It also gave Otis Redding, Janice Joplin, and Jimi Hendrix their first significant exposure to a large audience.

Monterey was barely covered by the media, as most viewed it as a gathering of hippies with its slogan "music, love and flowers." Record companies, however, were finally catching on to the commercial potential of rock music and descended on the festival in throngs. The Who, Joplin (with Big Brother and the Holding Company), Hendrix, and the short-lived Electric Flag all signed major record deals.

The Monterey Pop Festival basically became the blueprint for music festivals moving forward, including Woodstock in 1969. The latter got far more press, partially because of the chaos that it ultimately devolved into but also because rock 'n roll was still flying under the radar. Today, it's considered one of the most pivotal moments in music history and popular culture at large.

Two of the most iconic moments in rock history happened at that first festival in 1967, which included some wild sights U.S. audiences had never seen. First, The Who absolutely destroyed the stage, with Pete Townshend smashing his "perfectly good guitar" and Keith Moon kicking over his drum kit. You can watch their wild finale with "My Generation" [HERE](#). In the UK, The Who was already well known for

these antics and Hendrix had been known to smash a guitar or two as well.

According to stories from those behind the scenes, The Who went on before Hendrix only because of a coin toss, which was held specifically because whichever act went second would have to decide to forgo their usual equipment carnage, or risk looking like a copycat. It's said that as Hendrix watched The Who from backstage, rock writer Keith Altham turned to him and said, "Well, it's a pity you can't set fire to your guitar." After his rendition of "Wild Thing" Hendrix poured lighter fluid over his 65 Fender Stratocaster and set it ablaze, instantly cementing his place as a rock legend. You can watch that performance [HERE](#). (Sources: Rock Archive, New York Times, ATI, Voices of Monterey Bay)

MONTEREY POP FESTIVAL

3 BIG DAYS - JUNE 17-19, 1967

★ ★ ★ **FRIDAY** ★ ★ ★

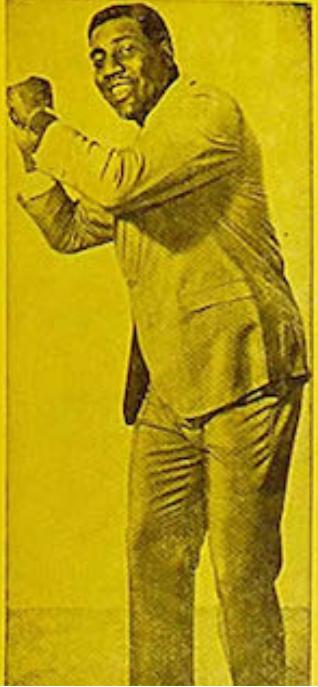
SIMON & GARFUNKEL - ERIC BURDON - JOHNNY RIVERS
LOU RAWLS ★ ★ ★ THE ASSOCIATION

SATURDAY - THE BEACH BOYS - OTIS REDDING
JEFFERSON AIRPLANE - THE BYRDS



JANIS JOPLIN and GRACE SLICK

**BIG BROTHER
AND THE
HOLDING
COMPANY**



SUNDAY GRATEFUL DEAD



THE

WHO

JIMI HENDRIX
RAVI SHANKAR
BUFFALO SPRINGFIELD
MAMAS & PAPAS

THE BEST IN THE WEST

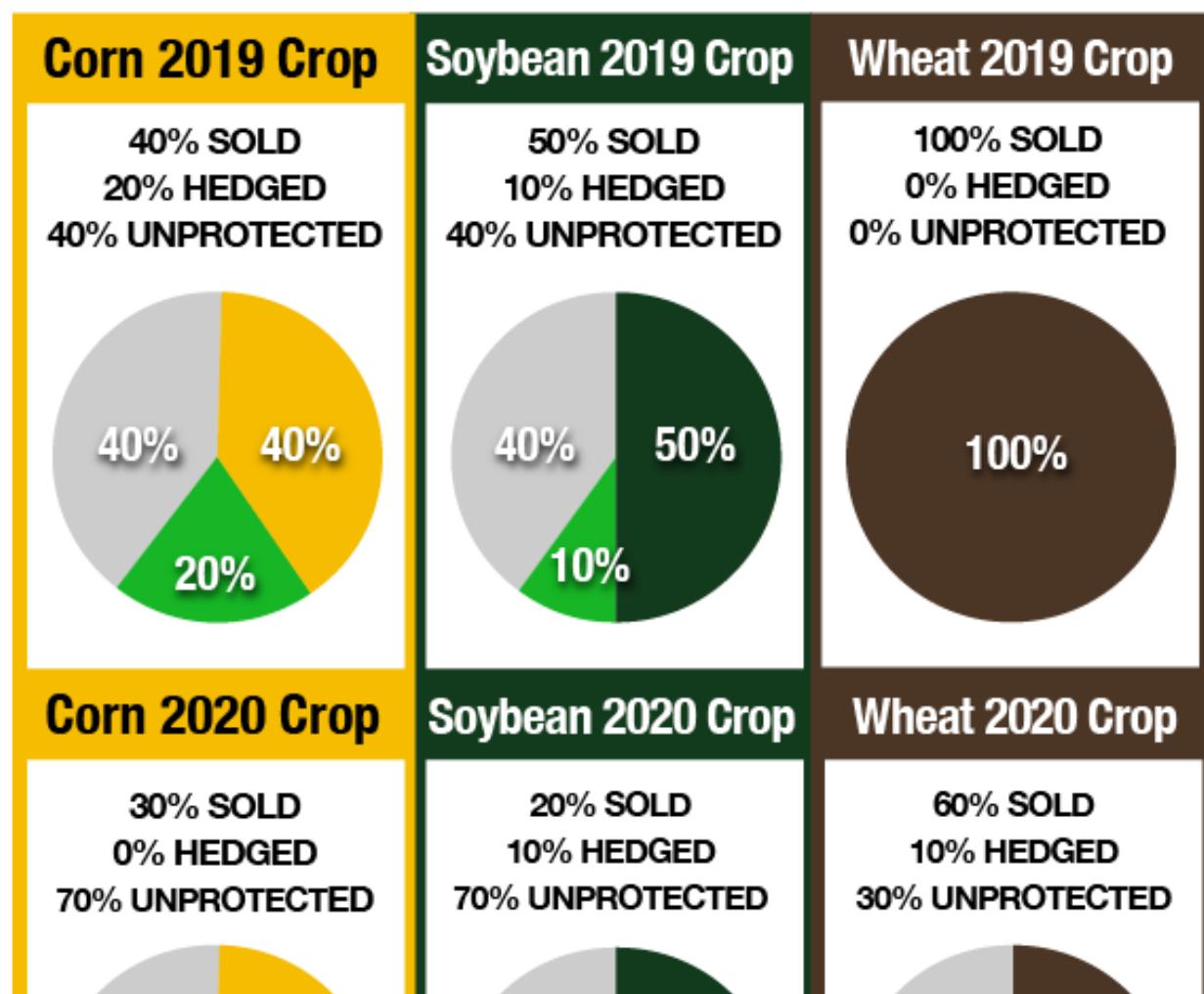


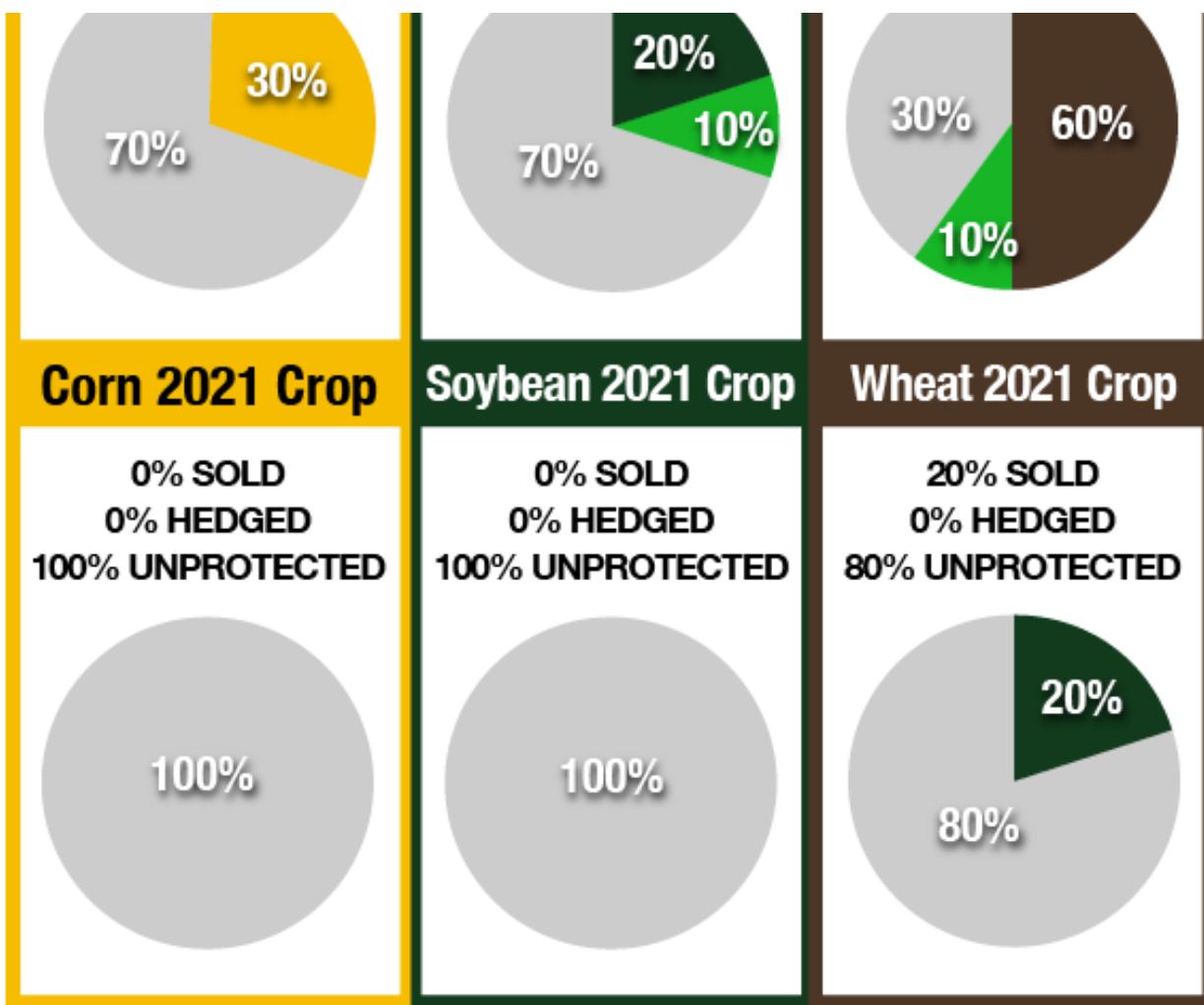


ANSWER to riddle: A baseball base.

CASH SALES & HEDGING TOTALS

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