



Jordan Van Trump <jordan@farmdirection.com>

# GOOD MORNING: The Van Trump Report 6-23-20

1 message

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

Tue, Jun 23, 2020 at 5:30 AM

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*"The truth is, if you don't know what your edge is... then you don't have one. "* - **Brian Tracy**

**Tuesday, June 23, 2020**

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**Morning Summary:** Stock traders continue to debate headwinds being created by a surge in coronavirus cases vs. more "easy money" being injected by the Fed. Tech stocks have gotten a boost from Apple's Worldwide Developers Conference that kicked off yesterday with some big product updates, including a new iPhone operating system and a plan to begin making its own processing chips for Mac computers. It's not so great for current supplier Intel but it will help Apple cut costs as well as allow for faster development of new software. The strength in tech has now pushed the Nasdaq to its 20th record closing high of 2020. Bears believe climbing corona cases will continue to complicate reopening efforts and keep a lid on economic growth. Texas Governor Greg Abbott yesterday warned that coronavirus cases in his state continue to climb at an "unacceptable rate" and said additional measures might be necessary if it's not corralled. In Florida, Miami has delayed some reopening plans and now make mask mandatory in public places. Stock bulls don't believe the continued coronavirus outbreaks will prove a major roadblock to the overall restart of the economy and remain optimistic that new therapies will keep it contained until a vaccine arrives. The

prevailing sentiment remains that trillions of dollars in Fed money will help support both companies and consumers through the worst of the crisis, giving way to a strong recovery in the second half of the year. Investors today are looking forward to New Home Sales, which are expected to remain flat as the new home market has remained mostly unfazed by the pandemic. Data yesterday showed Existing Home Sales in May fell by almost -10% from April, and down -27% compared to last year. Many analysts believe a combination of pent up demand and low mortgage rates could bring a new buying surge in the coming months, though insiders are still warning about low inventories that continue to push prices higher. The median existing-home price last month was \$284,600, up +2.3% from last year. At the same time, inventory levels were down -19% compared to May 2019. I should note, U.S. home-mortgage delinquencies climbed in May to the highest level since November 2011. The number of borrowers more than 30 days late swelled to 4.3 million, up +723,000 from the previous month. Reports indicated more than +8% of all U.S. mortgages were past due or in foreclosure. Mississippi had the highest delinquency rate in May, followed by Louisiana, New York, New Jersey and Florida. New York's share rose to 11.3%. It peaked at 13.9% in December 2012. New Jersey's rate was 11%, compared with the peak of 16.8% in December 2012. Florida's share climbed to 10.5%. Its previous peak was 25.4% in January 2010. Investors will also be looking for rebound signs in June PMI Manufacturing data as well as the Richmond Fed's Manufacturing Index, both due out this morning.

**Corona Update:** *Delta said it will restart flights to China on June 25, becoming the first American carrier to re-establish service since the suspension that started in February; Toronto will reopen restaurant patios, shops and swimming pools Wednesday; New Jersey will reopen its Atlantic City casinos and indoor dining statewide on July 2. Health care giant Gilead Sciences said it would begin screening healthy volunteers this week for a trial of an inhaled version of its investigational antiviral remdesivir. The drug is now being given to patients as an intravenous infusion in the hospital setting, but an inhaled version could potentially allow for easier administration outside the hospital at earlier stages.*

**New Graduates Looking for Jobs:** *With tens of millions of people newly unemployed, the class of 2020 has stepped into one of the worst job markets in history. A new study just released by GlassDoor showed that new grad-related job openings have dropped 68 percent from this time last year. Software engineer applications accounted for 8 percent of all job applications from new grads in May, making it the most popular role to apply to for new grads. This is not surprising given its high salary of over \$94,000 for workers fresh out of college. Additionally, there are several other high paying roles attracting new grads in May, including data scientists and software developers. You can read more [HERE](#)*

## Top 10 Jobs Attracting New Grad Job Seekers

Rank	Top Jobs New Grads are Applying To	Percent of New Grad Applications	Median Annual Base Salary
1	<a href="#">Software Engineer</a>	8%	\$94,111
2	<a href="#">Data Analyst</a>	6%	\$60,508
3	<a href="#">Business Analyst</a>	4%	\$65,267
4	<a href="#">Data Scientist</a>	3%	\$100,793
5	<a href="#">Administrative Assistant</a>	3%	\$34,375
6	<a href="#">Sales Representative</a>	2%	\$28,188
7	<a href="#">Financial Analyst</a>	2%	\$64,807
8	<a href="#">Project Manager</a>	2%	\$55,583
9	<a href="#">Graphic Designer</a>	2%	\$41,347
10	<a href="#">Software Developer</a>	2%	\$70,000

Source: *Glassdoor Economic Research* ([Glassdoor.com/research](https://www.glassdoor.com/research))

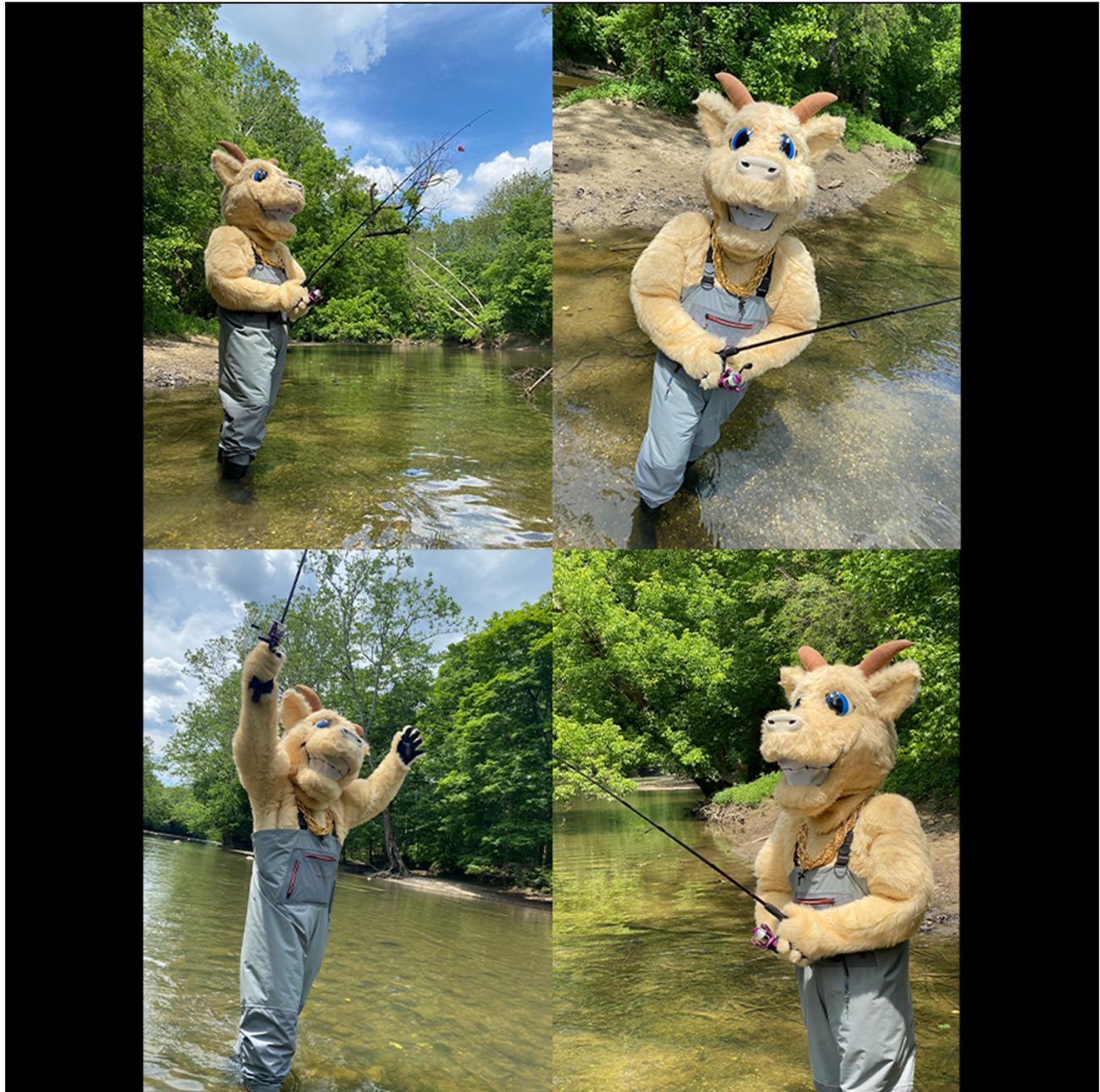
Rank	Top Employers Attracting New Grads	Industry
1	<a href="#">Amazon</a>	Technology
2	<a href="#">Microsoft</a>	Information Technology
3	<a href="#">The Goldman Sachs Group</a>	Finance
4	<a href="#">Apple</a>	Technology
5	<a href="#">TikTok</a>	Technology
6	<a href="#">Google</a>	Technology
7	<a href="#">Ernst &amp; Young</a>	Accounting & Legal
8	<a href="#">Facebook</a>	Technology
9	<a href="#">Randstad US</a>	Human Resources
10	<a href="#">Salesforce</a>	Technology

**Winnebago (WGO) stock closed at all-time highs** yesterday +\$70 per share after trading as low as \$16.94 back in mid-March. Wow, what a 90-day return 4X your money! The company is scheduled to report earnings tomorrow before the market opens.

**Tesla Cybertruck Pre-Orders Top 650,000:** Tesla is not expected to start production of its Cybertruck until late-2021, but early signs of strong demand for the company's electric pickup are already beginning to emerge, according to Wedbush Securities analyst Dan Ives. Ives said that pre-order levels "are staggering coming out of the gates since announced last year and currently stand north of 650,000 based on our estimate." In a sign of sufficient demand for its Cybertrack, Tesla would need to meet the 175,000-to-200,000 unit threshold in its first full year of deliveries, which will likely be 2022, the firm added. For perspective, Ford sells roughly 1 million of its best selling F-150 pickups per year. (Source: Investing.com)



**Took "Gary the Goat" out** for a little AgSwag fishing session on the river. I have to admit, it was a great time as Gary and the rest of the team caught a ton of fish! To make things even better Under Armour and Columbia are giving us a great blowout deal on some of their fishing apparel. All of our Van Trump Prime members will also have access to the deals on long sleeve options and other apparel as well. Your company or farm logo will look great on it. And please remember, no set-up charge or art and design fees. To learn more give AgSwag a call @ 816-221-SWAG or email [todd@agswag.com](mailto:todd@agswag.com)!



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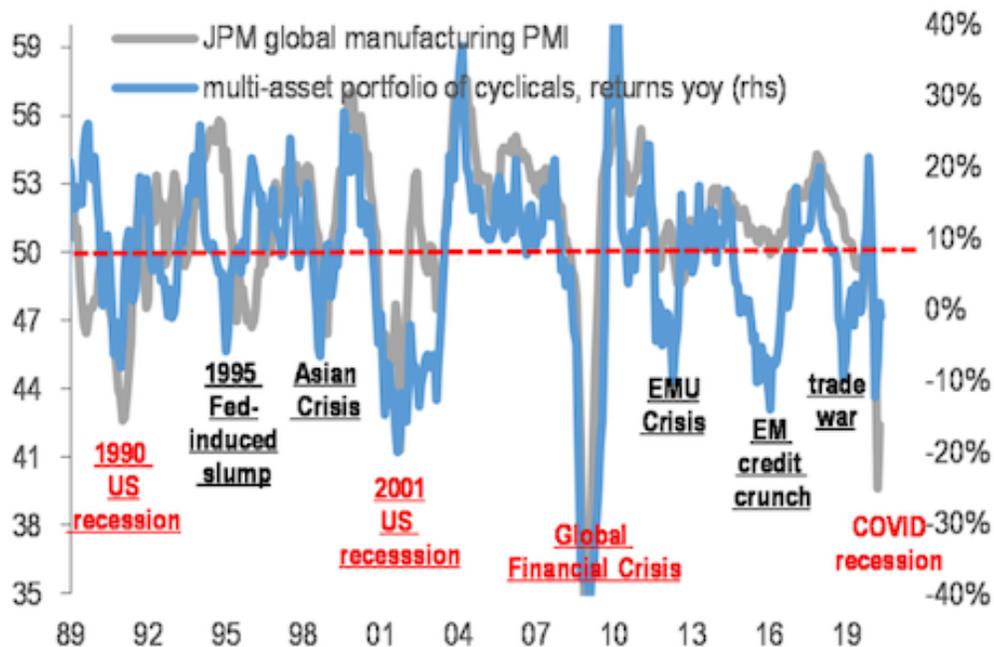
**AgSwag** 

**JPMorgan Advises Investors Become More Selective:** *Investors should be more selective in the next six months as asset returns are likely to diverge because liquidity "cannot paper over specific weaknesses indefinitely," according to JPMorgan Chase & Co. An "indiscriminate approach" to a portfolio would largely have worked in April and May, when most financial assets rallied -- a typical result at a turning point in the cycle, according to strategists led by John Normand in a June 19 note. "But typically these high correlations mean-revert to their long-term averages within a few months, in part because the pace of quantitative easing slows and in turn allows country, sector and company-specific factors to reassert themselves," the strategists wrote. The second half of 2020 "should bring this sort of*

differentiation." JPMorgan's recommendations for the second half of 2020 include stocks from Covid-19 "endgame winners" sectors, including technology, communications, and health care, as opposed to a broad preference for cyclicals or defensive shares. As for commodities, JPMorgan recommends investors stick with gold as it's most leveraged to a low real-yield environment, and to agriculture, the cheapest market. More details available [HERE](#).

**Chart 2: Cyclical assets like Equities, Credit and Commodities tend to trend higher as long as the business cycle remains in an upturn**

Level of JPM global manufacturing PMI vs year-on-year returns for multi-asset portfolio of DM/EM Equities, Bonds, HG Corporate Credit and Commodities



Source: J.P. Morgan

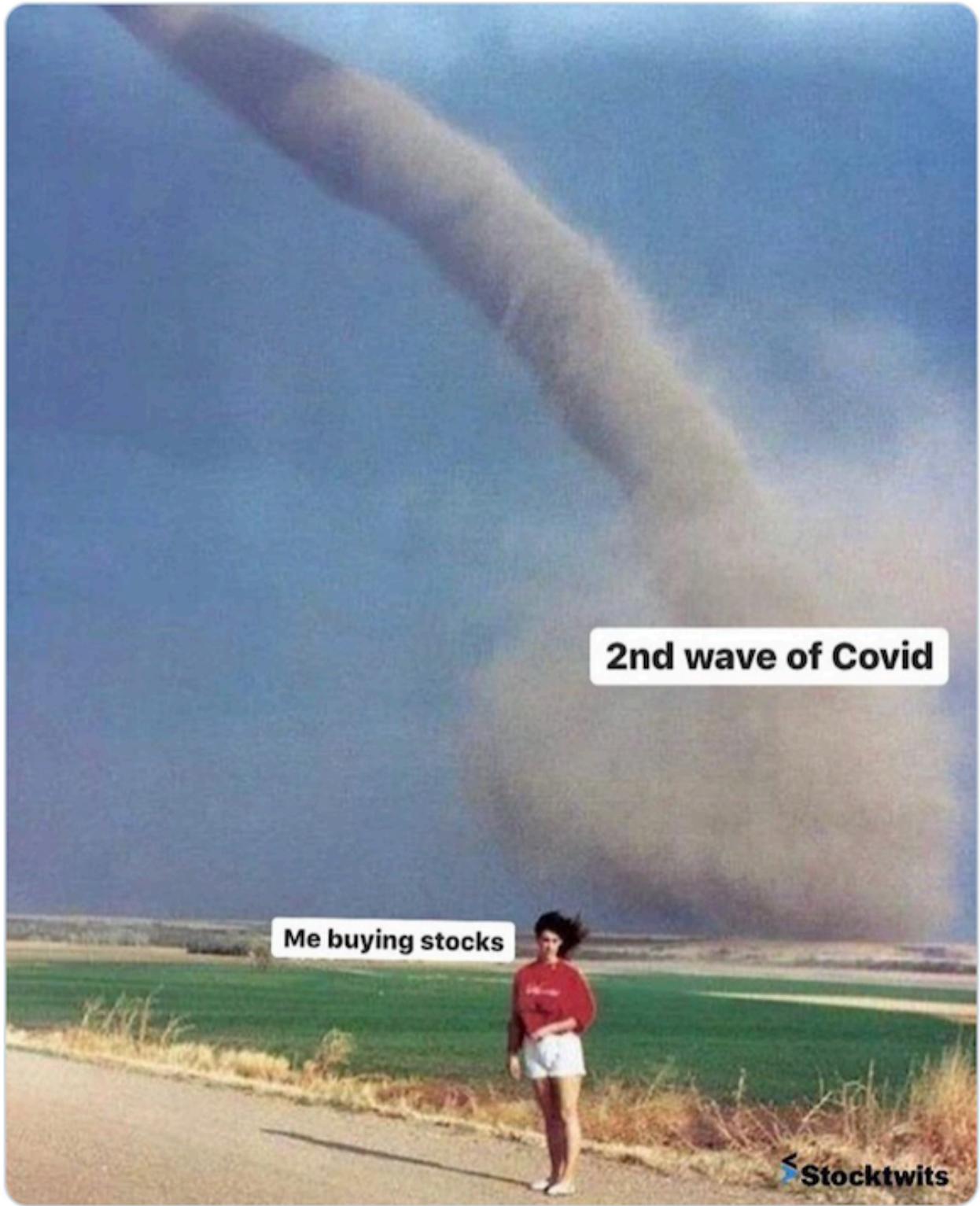
# FARM TANK

Tweets of the Day





**Stocktwits** ✓  
@Stocktwits





**Lisa Abramowicz** ✓  
@lisaabramowicz1

Gold prices have climbed to the highest since 2012.





**J Propheet**  
@TheCornProphet



It's not perfect, but current local corn crop is probably in the best looking shape I can remember for several years. Long way to go, but for now [#keepthehammerdown](#)





**Dayne**  
@DJessupFarmsLLC



Papaw, thank you for being my inspiration and motivation. The timing was never right and the cards seemed to be stacked against me, but I did it. I did it on my own, and that's the best gift. Learning hard work and determination.





**Craig Schenck**  
@schenkra



First time bagging. Wish me luck! Hope it doesn't split open...





**Lindsay Kimbrell**  
@Kimbrellfarms06



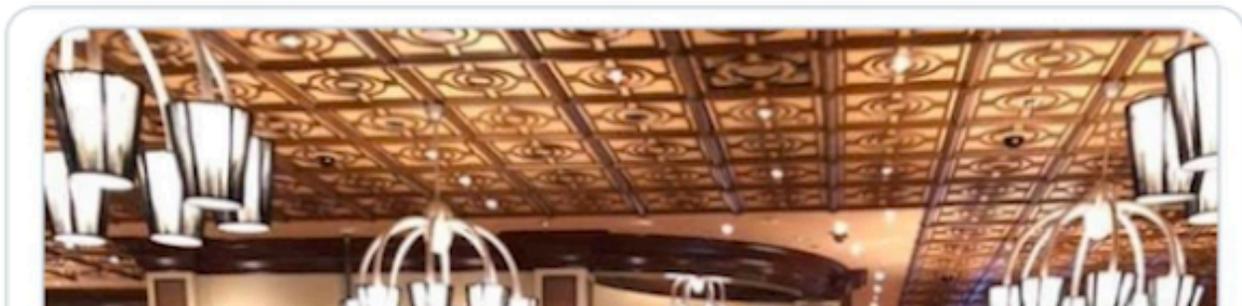
Answered prayers!  
We needed these rains, such a blessing!



**Darren Rovell** ✓  
@darrenrovell



The Bellagio Poker Room (📷 by @milehighprophet)





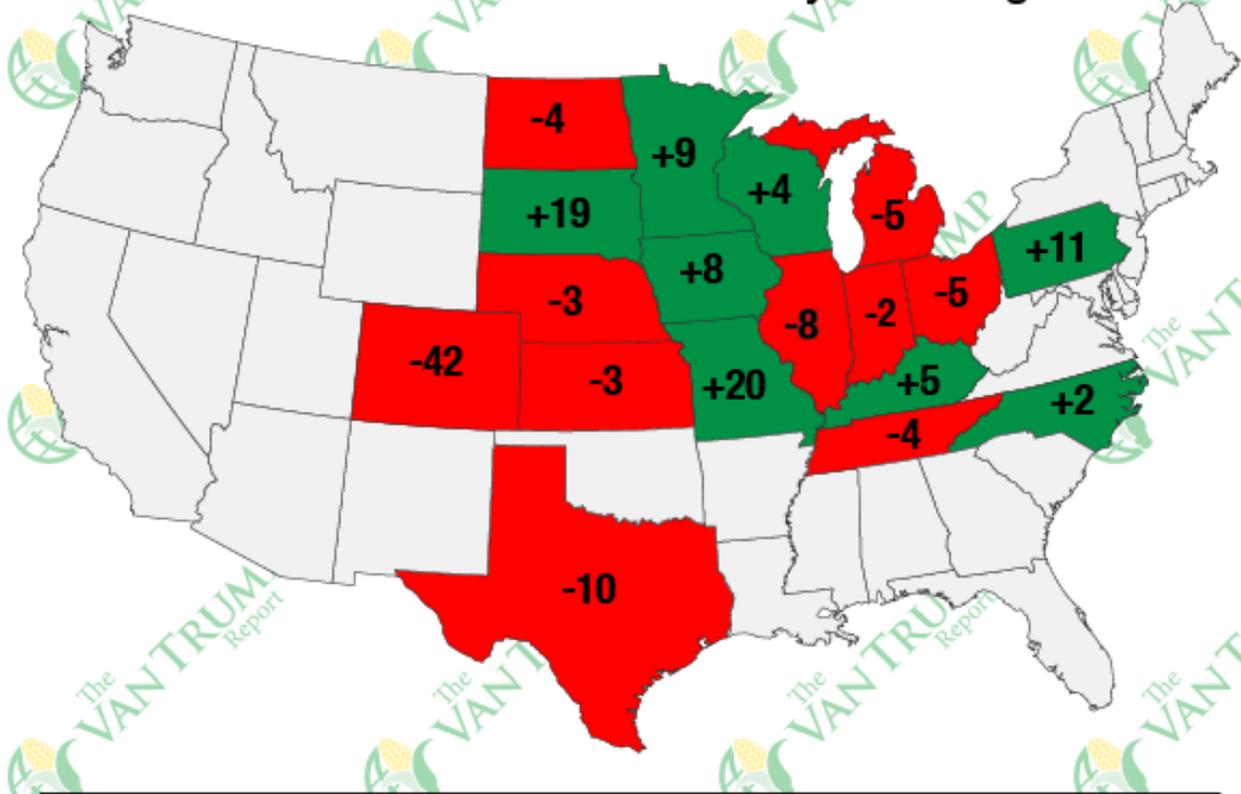


**CORN** bears continue to point to burdensome supply, no major weather threat, no big demand story, and lack of overall bullish interest from the funds. The USDA showed overall crop conditions improving slightly from 70% to 72% rated GD/EX vs. 56% rated GD/EX last year at this time. Conditions where the corn crop improved the most... Colorado +8% to 34% GD/EX vs. 69% last year; Missouri +7% to 70% GD/EX vs. 28% last year; South Dakota +5% to 82% GD/EX vs. 56% last year; Nebraska +3% to 74% GD/EX vs. 77% last year; Iowa +2% to 85% GD/EX vs 62% last year; Kentucky +2% to 85% GD/EX vs. 76% last year; Minnesota +1% to 85% GD/EX vs. 59% last year. Conditions where the corn crop deteriorated the most... Indiana -8% to 58% GD/EX vs. 43% last year; Ohio -7% to 56% GD/EX vs. 39% last year; Michigan -7% to 58% GD/EX vs. 40% last year; Texas -6% to 55% GD/EX vs. 71% last year; Illinois -4% to 59% GD/EX vs. 47% last year; North Dakota -3% to 69% GD/EX vs. 73% last year. The USDA reported 2% of the U.S. corn crop is now "silking". From what I'm hearing, the U.S. weather forecast might be getting a bit wetter out East where many fields are in need of a drink. I should note, I've talked to many recently who say conditions couldn't be much better but many others who say things are starting to get really dry. We are definitely into a weather-driven portion of the market. Unfortunately, with +3.3 billion ending stocks forecast we have to have massive wide-spread weather worry to gain even a second thought from the funds who are holding a large bearish position. A few pockets of worry or a slight drought is not going to be enough to do the heavy lifting, especially without a strong demand story brewing in the background. As a producer, I continue to keep hedges in place and working to eliminate further price depreciation and downside risk. As a spec, I worry that we could re-test the lows in the DEC20 contract (\$3.25) if the USDA doesn't make a sizeable reduction to its planted acreage estimate next Tuesday. Staying on the sideline...

# U.S. Corn Good-to-Excellent

June 21, 2020  
[Week 25]

Current Good-to-Excellent vs. 5-year Average



## Corn % Good-to-Excellent

	2018	2019	5-yr avg	This Week	Change vs LW
Colorado	75	78	76	34	+8
Illinois	83	43	67	59	-4
Indiana	76	35	60	58	-8
Iowa	81	63	77	85	+2
Kansas	55	57	57	54	0
Kentucky	34	73	80	85	+2
Michigan	72	42	63	58	-7
Minnesota	84	57	76	85	+1
Missouri	46	33	50	70	+7
Nebraska	86	77	77	74	+3
North Carolina	51	40	59	61	+1
North Dakota	82	77	73	69	-3
Ohio	86	35	61	56	-7

Pennsylvania	63	81	77	88	-3
South Dakota	70	58	63	82	+5
Tennessee	77	85	77	73	0
Texas	41	68	65	55	-6
Wisconsin	87	60	76	80	-2
<b>Total</b>	<b>77</b>	<b>57</b>	<b>68</b>	<b>72</b>	<b>+1</b>

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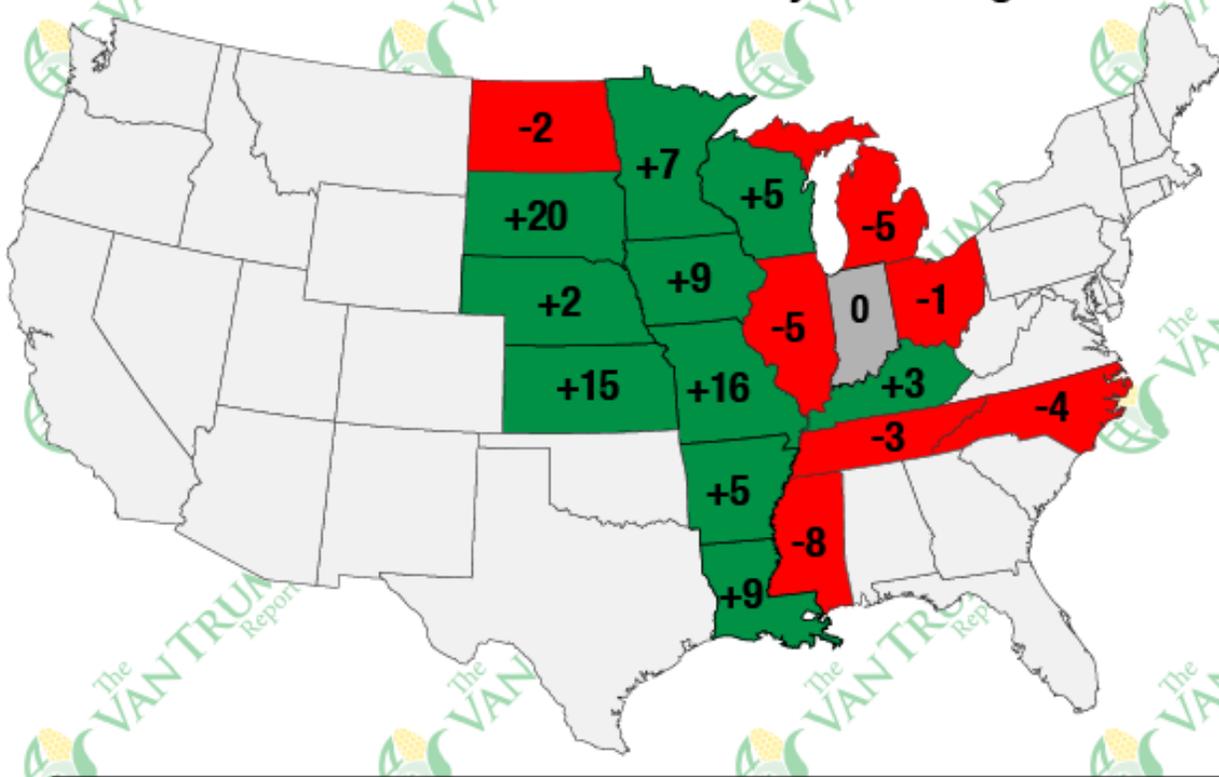
The Great Commodity Super Cycle, E...  
FarmTank — Kevin Van Trump...

**SOYBEAN** traders see little fresh or new to influence price. The U.S. weather is mostly a non-event and Chinese buying continues but at a fairly limited pace. The USDA reported 89% of soybeans are "blooming" vs. 85% on average. And U.S. "planting" is now thought to be 96% complete vs. 93% on average. The USDA also lowered crop conditions slightly from 72% down to 70% rated GD/EX vs 54% last year. Conditions where the soybean crop improved the most... Louisiana +7% to 73% GD/EX vs. 57% last year; Missouri +5% to 63% GD/EX vs. 36% last year; Kansas +4% to 68% GD/EX vs. 43% last year; South Dakota +3% to 81% GD/EX vs. 55% last year; Iowa +2% to 84% GD/EX vs 63% last year; Kentucky +2% to 85% GD/EX vs. 76% last year. Conditions where the soybean crop deteriorated the most... Michigan -10% to 57% GD/EX vs. 38% last year; Indiana -8% to 59% GD/EX vs. 41% last year; Ohio -7% to 57% GD/EX vs. 30% last year; North Carolina -6% to 61% GD/EX vs. 54% last year; Illinois -4% to 60% GD/EX vs. 42% last year; North Dakota -4% to 70% GD/EX vs. 70% last year. Minnesota -3% to 81% GD/EX vs. 66% last year; Wisconsin -3% to 82% GD/EX vs. 59% last year; Nebraska -1% to 77% GD/EX vs. 75% last year; Arkansas -1% to 66% GD/EX vs. 55% last year.

# U.S. Soybeans Good-to-Excellent

June 21, 2020  
[Week 25]

Current Good-to-Excellent vs. 5-year Average



Soybean % Good-to-Excellent					
	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	67	54	61	66	-1
Illinois	78	45	65	60	-4
Indiana	71	36	59	59	-8
Iowa	79	64	75	84	+2
Kansas	52	50	53	68	+4
Kentucky	86	72	80	83	+2
Louisiana	55	53	64	73	+7
Michigan	74	46	62	57	-10
Minnesota	79	60	74	81	-3
Mississippi	71	56	64	56	-4
Missouri	45	41	47	63	+5
Nebraska	85	73	75	77	-1
North Carolina	54	54	65	61	-6

North Dakota	80	65	72	70	-4
Ohio	77	30	58	57	-7
South Dakota	65	47	61	81	+3
Tennessee	82	82	77	74	-2
Wisconsin	84	62	77	82	-3
<b>Total</b>	<b>73</b>	<b>54</b>	<b>65</b>	<b>70</b>	<b>-2</b>

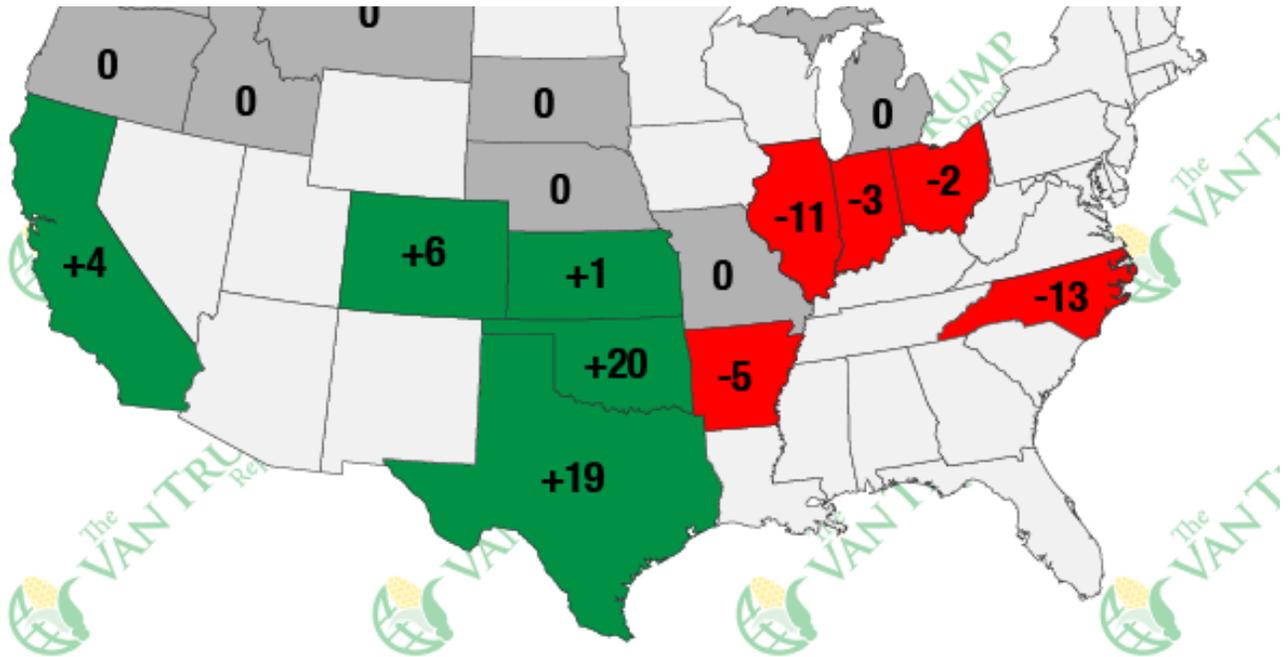
**WHEAT** bulls have little to cheer about. U.S. winter wheat conditions improved from 50% to 52% now rated GD/EX vs. 61% last year. States where conditions improved: Nebraska +19%; Missouri +6%; Illinois +5%; Oklahoma +4%; Arkansas, Montana, Oregon and South Dakota +3%. States where conditions deteriorated: Ohio -7%; Michigan -4%, Indiana -3%; Colorado and Idaho -2%; Kansas -1%. Conditions in states such as California and Texas were left "unchanged". The USDA now estimates the U.S. winter wheat harvest at 29% complete vs 15% last week vs. the 26% historical average. U.S. spring wheat conditions fell -6% to 75% rated GD/EX vs. 75% last year. The USDA is currently estimating 12% of the U.S. spring wheat crop is "headed" vs. 22% on average. The winter wheat crop is about 96% "headed" and very close to our historical average. Many veteran traders worry that the upside in wheat could be limited until we get over the half-way point with the U.S. harvest. Let's also keep in mind, we have been hearing more talk that the Russian wheat crop estimate might be improving and actually a bit higher than the USDA's current forecast of 77 MMTs. This would be a big swing compared to what we were thinking six to eight weeks ago. At the same time, we have record global ending stocks forecast, a record crop out of India forecast at 107 MMTs vs. 103 MMTs. The Australian crop is forecast at 26.0 MMTs vs. 15.2 MMTs last year. China is forecast at 136 MMTs vs. 133 MMTs last year. Canada is forecast at 34 MMTs vs. 32.4 MMTs last year. Argentina forecast at 21 MMTs vs. 19.5 MMTs last year. Kazakhstan forecast at 13.5 MMTs vs. 11.5 MMTs last year. The only real downgrades come from the European Union who is forecast to producer 141 MMTs vs. 154.5 MMTs last year, and Ukraine who is now forecast to producer 26.5 MMTs vs. 29.1 MMTs last year.

## U.S. Winter Wheat Harvested

June 21, 2020  
[Week 25]

Current Harvest Pace vs. 5-year Average





### U.S. Winter Wheat % Harvested

	2018	2019	5-yr avg	This Week	Change vs LW
Arkansas	99	74	84	79	+29
California	50	51	51	55	+20
Colorado	6	0	1	7	+7
Idaho	0	0	0	0	0
Illinois	66	12	37	26	+23
Indiana	28	8	16	13	+10
Kansas	52	4	24	25	+16
Michigan	0	0	0	0	0
Missouri	66	16	41	41	+27
Montana	0	0	0	0	0
Nebraska	1	0	0	0	0
North Carolina	75	56	65	52	+17
Ohio	4	0	2	0	0
Oklahoma	92	35	65	85	+45
Oregon	0	0	0	0	0
South Dakota	0	0	0	0	0
Texas	71	53	66	85	+17
Washington	0	0	0	0	0
<b>Total</b>	<b>41</b>	<b>13</b>	<b>26</b>	<b>29</b>	<b>+14</b>

**Cattle** on feed released Friday was essentially as expected. Sharp upticks in numbers on feed were noted in the south and particular Texas. Marketing's bounced back in most all areas with exception to Texas. Placements were quite large in the south as many yearlings were coming off grass late and heavy. As we begin to put the pieces together between market ready numbers, projected out-front supplies, and current kill on a weekly basis; it has become apparent that the supply of cattle is not necessarily insurmountable. Most analyst are projecting that the carryover numbers from COVID could be comfortably attenuated by the fall or years end. This will continue to pressure the nearby futures relative to the deferred contracts as the market works to grasp the timing component. Last week's cash trade was large in volume and lower in price. The negative sentiment seems to have carried over to the current week, however, show lists were down sharply for the first time this year and many yards are increasingly current. Deliveries have been noted basis the Jun20 LC contract. Many have wondered about why the deliveries have occurred when cash is on average premium to the futures, kills are increasing and cash trade volumes are building. We would suggest although the last few months have certainly been unique in almost every aspect, the contract is functioning well as both a risk tool and delivery mechanism. Some feeders have not been able to obtain a bid on all cattle or even some cattle in certain circumstances. There have been fed steer and heifer supplies sold well below average cash prices and even via cull markets. In this sense, the CME delivery avenue has not become a dumping ground because contract specifications protect against that. It has become an outlet for cattle that do not have, but need a home. Lastly, the deliveries noted so far were either taken willingly or demanded. This would indicate that there is value at the levels tendered and hopefully will rightly be a win for both parties. Futures markets have obviously been choppy and sideways. The price ranges traded are spent and stale, the amount of commercial interest at current levels is small and as mentioned in the past the speculative trader lacks a directional desire to participate longer term. As a result of this, the futures stay choppy this week and are looking for any signs of cash strength. The cash market can hold at these levels and we expect feeders to trade tougher going forward. As always, look to sound business strategies for your operation when forming a path forward. Step carefully when executing the plan and wear sunscreen. Trey Warnock - [Amarillo Brokerage Company](#)



**> Frozen Meat Supplies Continue Decline:** *Total red meat supplies in freezers on May 31, 2020 were down -18% from the previous month and down -13% from last year. Total pounds of beef in freezers were down -13% from the previous month but up +2% from last year. Frozen pork supplies were down -24% from the previous month and down -26% from last year. Stocks of pork bellies were down -27% from last month and down -8% from last year. Total frozen poultry supplies on May 31, 2020 were down -5% from the previous month and down -4% from a year ago. Total stocks of chicken were down -8% from the previous month but up +3% from last year. Total pounds of turkey in freezers were up +1% from last month but down -15% from May 31, 2019.*

**> Brazil's Corn Export Commitments Already at 26-28 MMT:** *Brazilian farmers are being advised to pay close attention to the exchange rate between the Brazilian real and the U.S. dollar as well as the weather in the United States in order to determine when and how much of their remaining corn crop they should sell. According to the analysts from the trading firm Germinar Corretora, Roberto Carlos Rafael, Brazil has already committed to exporting 26 to 28 million tons of corn until the end of the harvest year which is January 31, 2021. He estimates Brazil will eventually export 34 million tons of corn, but the final amount will be determined by the currency exchange rate and the price of corn on the Chicago Board of Trade. Export commitments slowed down the last several weeks when the Brazilian currency strengthened compared to the dollar, but the currency has started to weaken once again and as a result, commitments have started to pick*

up. Read more from [Soybean & Corn Advisor](#).

**> U.S., Brazil Protest Thailand's Pesticide Ban:** *The United States and Brazil lodged separate protests with Thailand over its ban on two farm chemicals earlier this month, documents reviewed by Reuters show, saying the "restrictive" and "serious" move could hurt key agricultural exports. Bangkok's pesticide ban could hit U.S. and Brazilian exports of wheat and soy that are worth more than \$1 billion a year, according to United Nations data, potentially setting up a diplomatic showdown with Thailand, a leading importer of the commodities from both countries. Thailand added weedkiller paraquat and insecticide chlorpyrifos to its list of most hazardous substances on June 1, citing a need to protect human health. The move triggered another health regulation banning imported food products containing residues of prohibited chemicals. The United States and Brazil challenged Thailand's move in separate letters in late May after Thailand informed the World Trade Organization (WTO) of the pending import ban. Read more [HERE](#).*

**> Argentina Backs Off Nationalizing Vicentin:** *Argentine President Alberto Fernandez agreed this weekend to a new plan to rescue the cash-strapped crusher Vicentin, through which the province of Santa Fe will assume the liabilities of the company so that a wholesale nationalisation by the federal government can be avoided. After announcing his intentions to nationalise Vincentin two weeks ago, Fernandez backtracked after tensions in Argentina's grains sector bubbled over, with thousands of Argentinians protesting on Saturday against the federal government's plans to take the crusher into public hands, among other issues. The alternative plan was designed by the Santa Fe governor, Omar Perotti, after a Sante Fe court ruled against the government's plans last Friday and ordered the reinstatement of the original management of Vicentin. The crusher currently owes approximately \$350 million to grain suppliers, while the firm's overall debt including local and foreign banks is estimated at \$1.5 billion. Read more from [AgriCensus](#).*

**> Consumers Plan to Keep Loading Pantries:** *According to a survey by PwC of more than 1,600 U.S. consumers, COVID-19 and the recession are driving changes in shopper behavior that could be beneficial for grocers long-term. The survey found that 42% of consumers say they won't stop loading their pantries until COVID-19 is fully resolved, and that 64% will continue to maintain their current rate of pantry loading for the foreseeable future. Pantry loading has led to a surge in center store sales, breathing life into formerly flat or sagging categories like canned soup and dry cereal. Retailers are also seeing high sales in fresh produce, proteins and baking supplies that are key components of at-home meals. Fifty-one percent of those surveyed reported a "significant increase" in cooking at home, and 69% said this activity has added to their quality of life during the pandemic. 65% of those surveyed reported eating out less and 66% said they are reluctant to eat at restaurants due to safety concerns. (Source: Food Dive)*

**> Foreign Worker Restrictions Extended:** *President Donald Trump signed an order yesterday extending foreign-worker restrictions through the end of the year. The new order extends restrictions originally enacted in April due to the coronavirus pandemic and expands on the previous directive, which blocked most people from receiving a permanent residency visa — or green card. The new order also prohibits visas for most guest workers who come to the U.S. for temporary or seasonal work, but exempts farm workers, among others. The order applies to H-1B visas, H-2B visas, H-4 visas, L-1 visas and certain J-1 visas. (Source: Politico)*

**> Germany Warns Banks to Prepare for Hard Brexit:** *Germany's deputy finance minister on Monday said that it was necessary to prepare for the worst on Brexit and urged banks to be ready for a hard Brexit, adding there is a very strong risk of a tough situation ahead. "The strategy of hope for the best, plan for the worst, I think is very prudent here," Joerg Kukies told the Frankfurt Finance Summit. "Every financial institution has to make sure that they are prepared for a hard Brexit, if and when it happens. We don't want that and we hope that it can be avoided. But anyone who listens to the progress updates of the negotiating teams has to take into account that there is a very significant risk that we will go into a difficult situation." (Source: Reuters)*

**> Downside to Planting Millions of Trees:** *A multi-decade state program to subsidize tree planting in one of South America's wealthiest nations led to a loss of biodiversity and did little to increase the forests' capacity to capture greenhouse gases. Chile's plantation forests more than doubled between 1986 and 2011, while native forests shrunk by 13%, according to a new report by U.S. and Chilean academics. The country subsidized tree planting while its forestry sector boomed over that period. Yet the environmental benefits are not as clear. While forest area expanded by more than 100% between 1986 and 2011, the carbon stored in vegetation increased by just 1.98% during that period. Forests have the capacity to absorb carbon dioxide in the atmosphere, becoming so-called "carbon sinks" that contribute to mitigating the greenhouse gas emissions responsible for global warming. But Chile's case shows that planting trees at a large scale is expensive—and might not contribute much to the fight against climate change. Read more from [Bloomberg](#).*

**> You Might be Showering Too Much:** *In October, when the Canadian air starts drying out, the men flock to Sandy Skotnicki's office. The men are itchy. Skotnicki studied microbiology before becoming an assistant professor of dermatology at the University of Toronto. She has been practicing for 23 years, always with an eye to how the environment—including the microbial one on our skin—affects health. "I say to them, 'How do you shower?'" Even water alone, especially hot water, slowly strips away the oils in the outer layers of skin that help preserve moisture—and the drier and more porous someone's skin, the more susceptible it is to irritants*

*and allergens. Skotnicki believes that this is one way overwashing prompts eczema to flare in people with a genetic predisposition to the disease. While eczema itself can be debilitating, it often does not travel alone. It seems to be part of a constellation of conditions caused by immune-system misfires. Infants with eczema have an increased risk of developing allergic rhinitis or asthma in childhood, part of a cascade of immune-system overreactions known as the "atopic march." Skotnicki goes so far as to speculate if we, as a society, actually triggered eczema by overwashing. Read more [HERE](#).*

**> Covid-19 Continues Spreading Among Food Workers:** *The nation is in various stages of reopening as the number of new Covid-19 cases falls in some regions. Yet among the vulnerable workers who produce our food, the pandemic is still raging. A new analysis of data collected by FERN since mid-April shows that the virus is spreading steadily among meatpacking, food processing, and farmworkers, and many states are experiencing outbreaks in multiple food and farm sectors. Since April 22, FERN has counted over 32,000 Covid-19 cases and 109 deaths among food-system workers. The true count is likely much higher, as data irregularities, including the industry's reticence to share data about worker illness and the inconsistent availability of state figures, make it impossible to know exactly how many workers have contracted the virus. But the trend line below illustrates that there has not been a flattening in the number of new reported Covid-19 cases in the sector at any point since the pandemic began. The ongoing spread of Covid-19 among food-sector workers has contributed to rising infection rates in many rural communities, even as major metropolitan areas see the virus' spread abating. Analysis by FERN and Daily Yonder found that, in rural communities with meatpacking plants that have had Covid-19 outbreaks, the infection rate is five times higher on average than in other rural counties. Read more from [The Fern](#).*

# Covid-19 continues to spread in the food industry

Cumulative total of Covid-19 cases among meatpacking, food-processing, and farmworkers from April 22 to June 22, 2020.

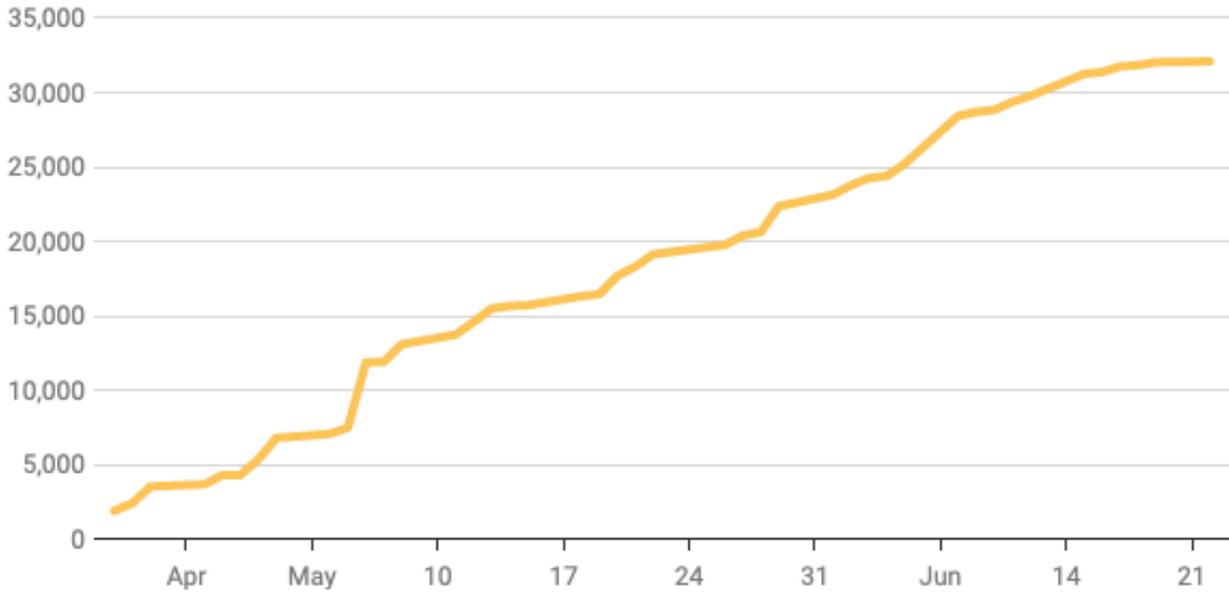


Chart: Leah Douglas • Source: Food and Environment Reporting Network • Created with [Datawrapper](#)

# Cases among meatpacking, food processing, and farmworkers continue to rise

Cumulative total of Covid-19 cases among meatpacking, food processing, and farmworkers from May 11 to June 22, 2020.

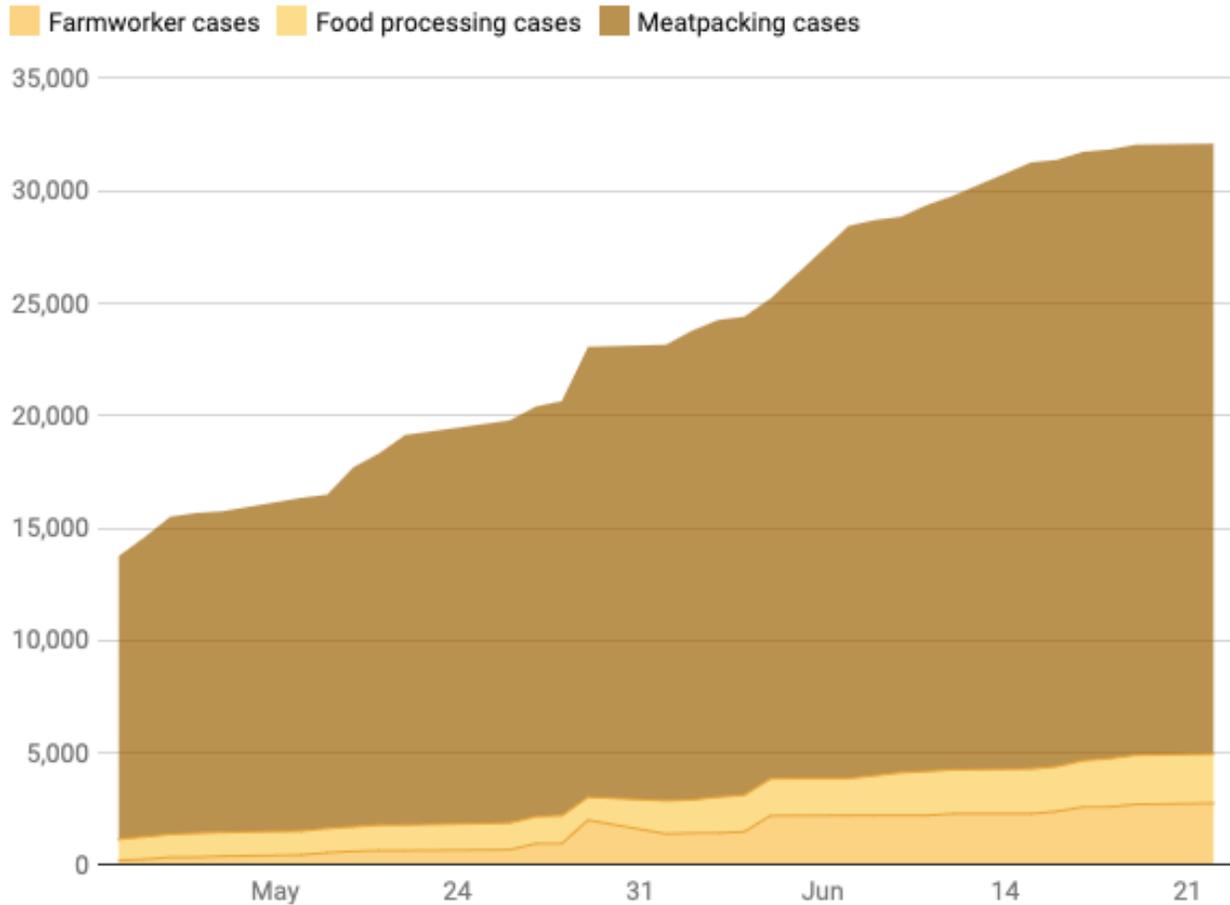


Chart: Leah Douglas • Source: Food and Environment Reporting Network • Created with [Datawrapper](#)

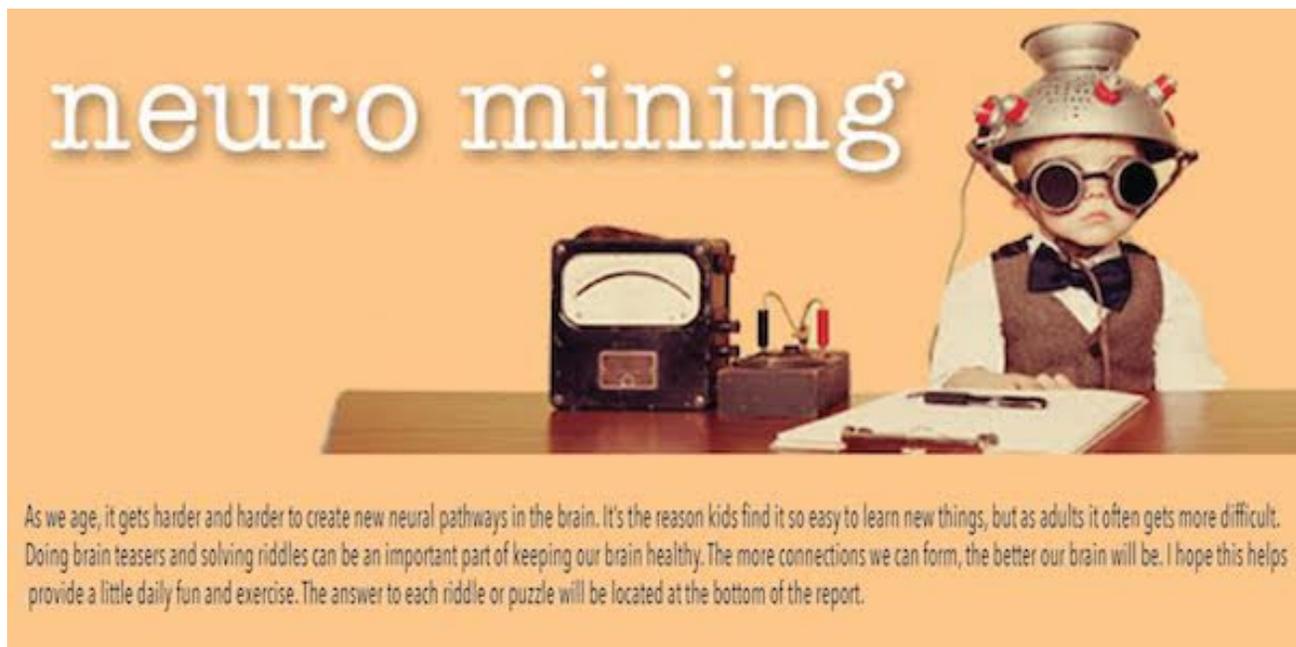


**Central Illinois** - *We're playing with our new dump trailer as we wait for the rains that are forecasted. We need it though, even after the 2" from the weekend. There wasn't much replant in our area and we are getting back to normal rotations at 60/40 corn/beans. We went heavy last year and will have some corn on corn acres this year but not something we generally do. If it wasn't for the fact we can*

*outproduce these low prices, I don't know what we'd do. Basis is pretty good right now at +.15 but not as good as the river. I keep wondering when the poor waterway infrastructure will make transporting on the rivers a pain in the butt and start having an effect on how we transport. Nothing else to do now that sprayings all done but go on vaca for a bit.*

**Northeast North Dakota** - *We saw a half-inch of rain over the weekend but with the heat and wind we are right back out spraying Monday. The top 2 inches are dry but we have really plentiful subsoil moisture this year. We dug down 3 feet for some footing and the hole in the ground filled with water. The corn ranges from just below the knees to waist high already. The general rule this far north is knee-high by the fourth of July which we will easily surpass. There may be some areas that are hurting for rain but we are not one of them.*

**Northern Iowa** - *As a state the corn looks really good, probably as good as I've seen in the past 30 years. The planting was about as early as I can ever remember and it went in smooth. Compared to last year everything seemed easy. We got a little rain Sunday that was accompanied by hail and wind. Almost every storm I have heard about this year is coming with at least strong winds. I haven't heard of any major damage from the hail or wind in either Minnesota or Iowa. We should have deep roots after the little stress the heat has put on the crops in the first half of June. The weather should stay below 80 degrees for the remainder of the week and then we have another shot of rain on Friday.*



**TODAY'S RIDDLE:** Never was, I am always to be. No one ever saw me, nor ever will. And yet I am the confidence of all, to live and breathe on this terrestrial ball. What am I?



### **A Brief History of Brazil's "Little" Corn Crop**

With a lot of debate about Brazil's corn crop production this season, is it going to be well over +100 MMTs or sub-100 MMTs, I thought it might be a good idea to take a look back at how the crop has gotten so large. Keep in mind, the USDA is already forecasting next year's Brazilian corn crop at 107 MMTs. For reference, last year here at home in the U.S. we produced just over +359 MMTs, China just over +268 MMTs, Argentina 56.75 MMTs, Ukraine 46.55 MMTs, Russia 40.5 MMTs, Mexico 30.4 MMTs, Canada 28.5 MMTs.

Corn production in Brazil has grown rapidly over the last two decades and one of the big drivers behind that has been the introduction of "safrinha", or second crop, corn. The word "safrinha" is actually Portuguese for "little crop," which is a bit misleading considering it accounts for around 70% of the country's total annual corn production.

Brazil enjoys an extra long growing season which allows for two corn crops in different parts of the country. The first (summer crop) is generally planted starting in September and harvested in February-March. It's concentrated in the South and grown primarily to meet domestic needs like feed. The second crop is normally planted during the January-March period, directly following soybean harvest, and harvested during the June-August period. The majority of this production occurs in the center-west and southern regions, with the states Mato Grosso, Parana, and Mato Grosso do Sul the and primarily goes towards exports, which helps explain why the country's second crop is so closely monitored.

The second crop was introduced in the 1980s and by the 1990s had grown to around 100 million bushels, or about 10% of Brazil's total production. By 2017, safrinha corn output reached 2.6 billion bushels, or nearly three-quarters of total annual production. This growth has helped propel Brazil from zero corn exports in the 1990s to the second-largest corn exporter in the world in 2019, behind only the U.S.

Safrinha corn really surged starting in 2007 when the soybean growing season in the savanna was shortened in an effort to control the fungus that causes soybean

rust. The severe disease, which can be spread over vast areas by wind, first impacted southern soy plantations in 2001. As a result, Brazilian farmers lost around 8.5 million metric tons of soybeans between 2001 and 2003 alone, with up to 90% of farms affected by the 2002-2003 growing season.

In an effort to stop the development of the fungus, Brazil introduced a soybean-free period which changed the start of the soybean growing season. This year, for instance, the 90-day period runs from June 15 to September 15. Unfortunately, soybean rust continues to develop and strengthen throughout the growing season, thanks in part to a rainy season that creates ideal conditions for its spread, so timing the harvest is also essential to help reduce crop losses.

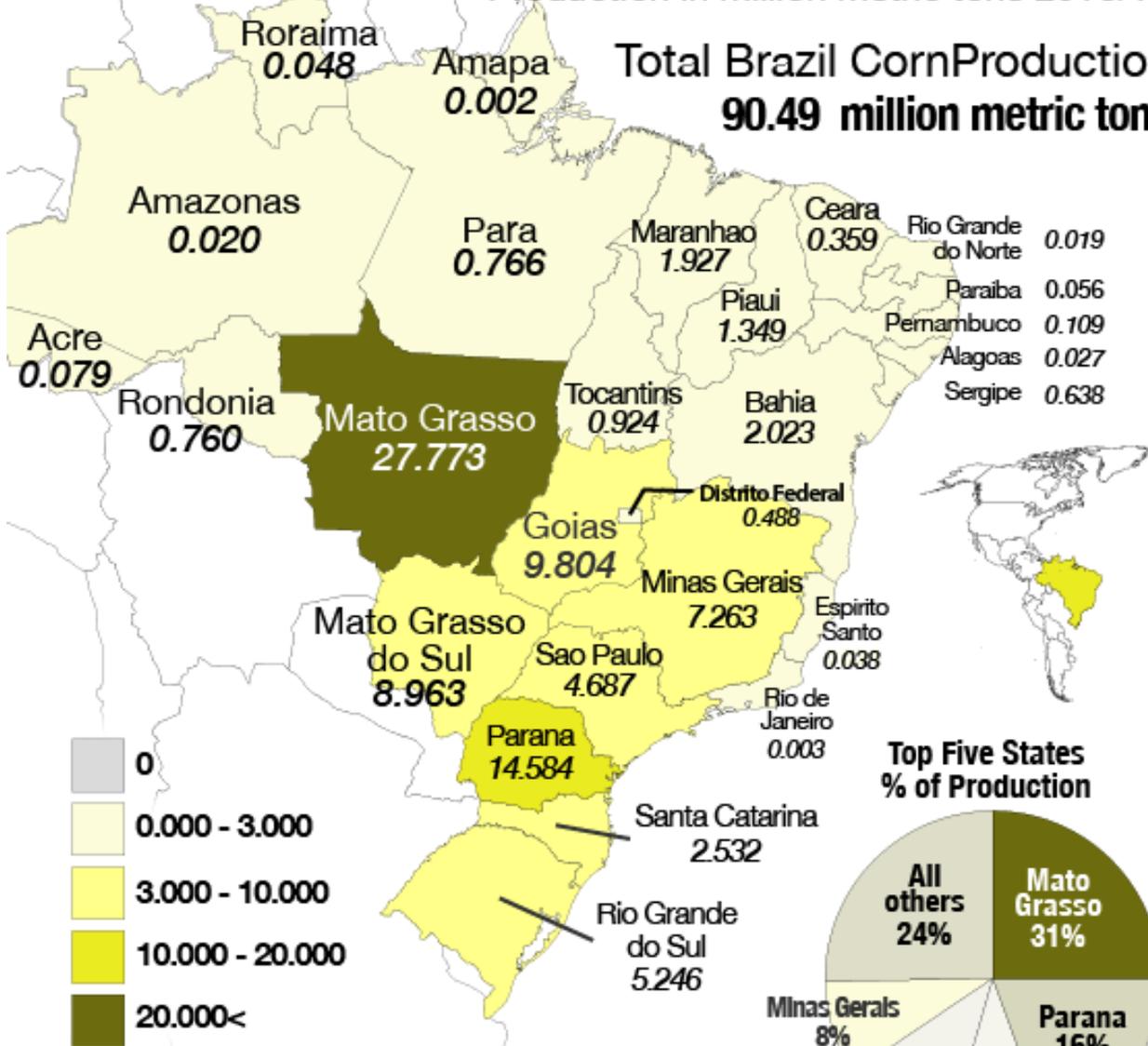
That dilemma led to experimentation with early-maturing soybean varieties that ultimately allowed for them to introduce a corn crop in the very same season. Again, a lot of experimentation with short-season hybrid varieties helped make it a viable option. With the intensification of crop management, including soil improvements with nitrogen and phosphate fertilizers, second-crop corn yields have increased by +2.3% per year since the early 2000s.

Still, it can be a risky crop for farmers to undertake as some Brazilian farmers have witnessed this season. Because of a rainy spring, this year's soybean harvest experienced delays, leading to late planting of Brazil's safrinha corn. A late planted crop is at greater risk of yield losses due to dryness or freezing temperatures, or both. Brazil's Conab just recently lowered its estimate for this year's safrinha corn by -1.6 million metric tons due to dryness in the south. (Sources: CARD at Iowa State University, USDA, Ohio Ag Net, Soybean & Corn Advisor)

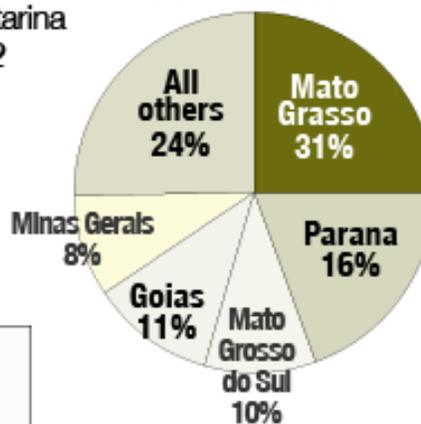
# Brazilian Corn Production by State

Production in million metric tons 2018/19

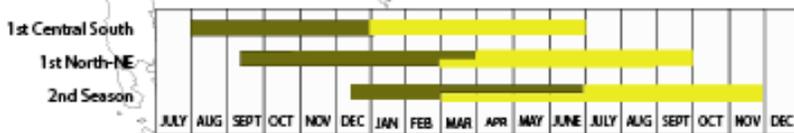
**Total Brazil Corn Production  
90.49 million metric tons**



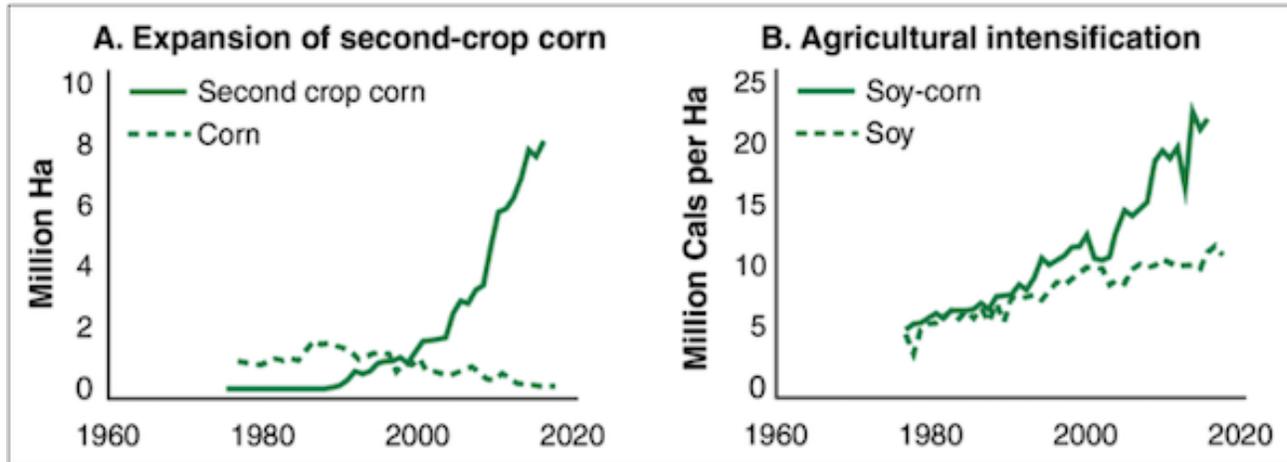
**Top Five States  
% of Production**



## Corn (both seasons) Calendar



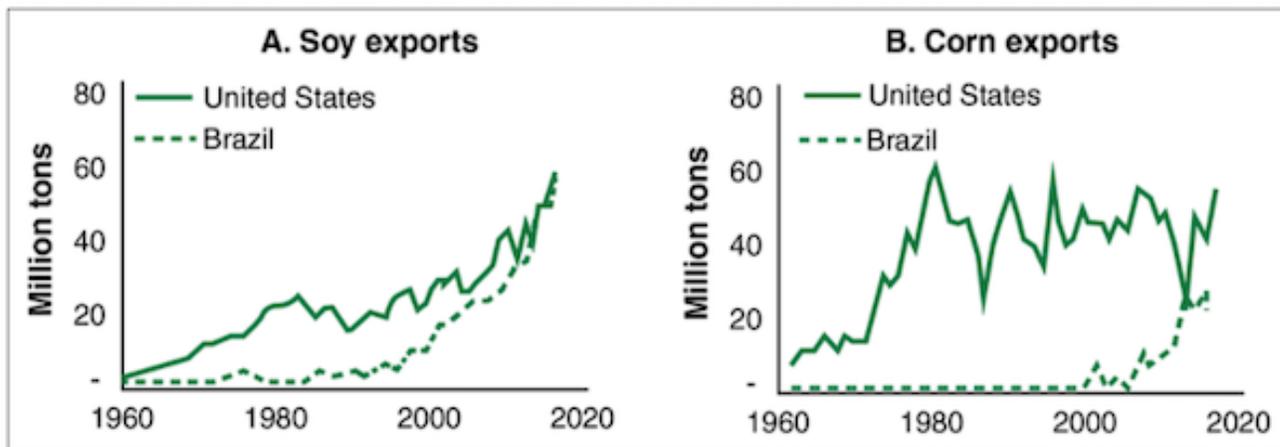
Source: CONAB Historical Series data for 2018/19



**Figure 2. Soy-corn double-cropping expansion in the Brazilian Savanna**

*Data source:* Brazilian National Supply Company (CONAB, 2019)

*Note:* Data is for three savanna states in Brazil: Mato Grosso, Mato Grosso do Sul, and Goias. The 2019 data represent projections from CONAB. The calorie content for corn and soybean are 1,690 and 1,590 calories per pound respectively (Williamson and Williamson 1942).



**Figure 1. Historical trends in soy and corn exports, US and Brazil, 1960–2019**

*Data source:* Food and Agriculture Organization Statistics (FAO 2019)

### How the NBA is Planning to Comeback

NBA is scheduled to resume the 2019-2020 season on July 30th at Disney World in Orlando, Florida. Keep in mind, just last week, the governor of Florida, Ron DeSantis, announced that +300 workers at Orlando International Airport had tested positive for the coronavirus as well as an increase of over 3,000 more COVID cases in the state. In fact, some media sources are saying Florida could become the new "epicenter" of the coronavirus pandemic if it doesn't start to take stronger "social-distancing" measures. How the NBA is going to restart down in Florida with all of the media attention should be very interesting. Below are some of the crazy specifics...

The NBA released its medical protocols to teams, a 108-page file. Among the highlights: players must shower in their individual hotel rooms instead of the game or practice arenas, be part of a contact tracing program, and that it is "recommended that coaches wear face coverings pre- or post-game where feasible."

The 22 teams selected to finish out the season will arrive in Florida on July 7, 8 or 9. They will be tested and quarantined for the first few days. If they test negative the required number of times they are released and free to join others at the Walt Disney World NBA Campus. According to the NBA's health and safety memo, players, coaches, and staff will receive a "smart" ring, a Disney MagicBand, an individual pulse oximeter, and a smart thermometer to help monitor and reduce the spread of the coronavirus. In addition, the league is also be investigating the implementation of a wearable alarm to help players and staff adhere to social distancing. I should also note, players that decide to start playing again will be subject to extensive testing, quarantines from their families, and strict rules pertaining to social behavior.

One tool the NBA will use with players is a "smart ring" that players will wear during their time at Disney World. The ring, reportedly made by Oura, can measure body temperature, respiratory functions, and heart rate, which are all things that can signal whether or not someone is sick. I should also mention, the titanium rings are also capable of predicting COVID-19 symptoms up to three days in advance with 90% accuracy. In addition, the league is teaming up with the University of Michigan to study the data and help generate an overall wellness assessment of each player or staff member.

Players across the league will also be given access to a MagicBand, which will be required to wear at all times, except during workouts and games. The Disney MagicBand will act as a hotel room key and let players check in at security checkpoints and coronavirus screenings. I've heard it's extremely similar to the device that Disney World guests use for access to hotels and payments for food and gifts inside the park. Overall, the MagicBands are going to provide a lot of help for the league when it comes to contact tracing. As of right now, the league is investigating a way to use the bands to know if a player diagnosed with COVID-19 has come into contact with another player.

Other than the main two devices, all players and staff will be also given an individual pulse oximeter to take blood oxygen saturation levels daily and a smart thermometer that can take and record the individual's temperature. The league will also heavily promote social distancing rules by requiring players and staff to wear a small device that will serve as an alarm, which will be set off when within six feet of another person for a period longer than five seconds.

By late-July, teams will be playing three scrimmages against other teams in the same hotel. During September they will start to play and eliminate teams. Once the league has moved past the first round of the playoffs, each of the remaining eight playoff teams will be allowed to reserve 15-17 hotel rooms for player guests, with the exact number being the same as the number of players the team brings to Orlando. Players will pay for the rooms used by their guests but not for meals and testing.

Any guest will have to do the following:

- *Self-quarantine for a week before traveling to Orlando.*
- *Quarantine and be tested at least every other day for three days in either the team's home market or outside the NBA's campus in Orlando before entering the campus. Anyone who tests positive during this period won't be allowed to enter.*
- *Quarantine and be tested every day for four days once arriving inside the campus. Anyone who tests positive during this period must self-isolate in league-designated accommodations on the campus.*

Any guest who leaves the campus won't be allowed to return.

Interestingly, beginning July 7, random drug testing will resume for the players -- but only for sports-related performance-enhancing drugs and diuretics. The league won't test for recreational substances, but players remain subject to discipline for possession or use of prohibited recreational substances. I also feel like it's worth mentioning, the NFL isn't considering the NBA's coronavirus re-start strategy as they feel these intense measures aren't necessary to prevent the virus during the season. It will be interesting to see if the NBA can overcome all of the obstacles and sure to be controversial media attention. From what I understand, the 2020 NBA Finals could play into early-October.

NBA teams will be split between three hotels. Players will not be allowed to go into each other's hotel rooms, and meals eaten with players from other teams must be outside. The hotels include: Grand Floridian, The Yacht Club, and Gran Destino Tower at Coronado Springs. Most of the games and things will be held at the ESPN Wide World of Sports Complex. (Source: ESPN, CNBC; Getty)





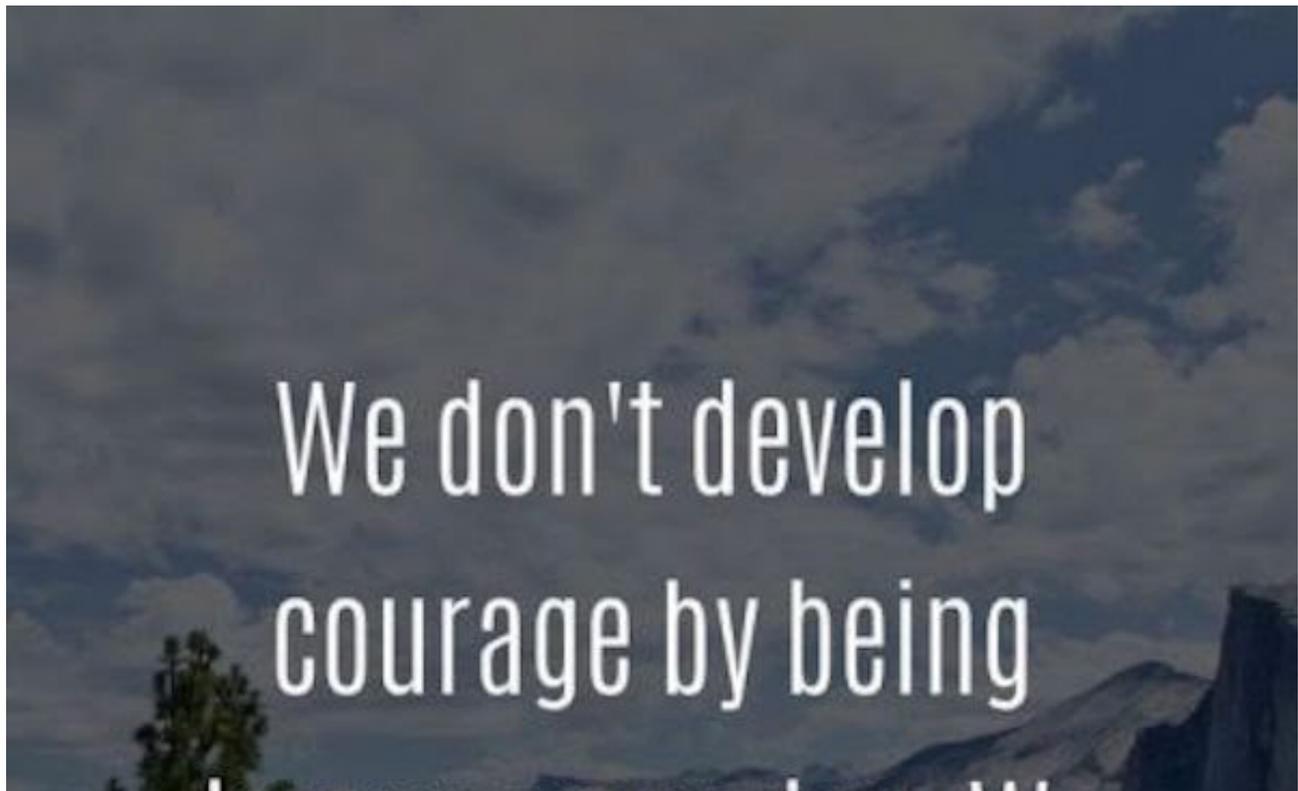


### **You Can't Always Control Your Situation**

When disaster strikes, we learn a lot about ourselves. We learn whether we are resilient, whether we can adapt to challenges and come out stronger. We learn what has meaning for us, we discover core values, and we identify what we're willing to fight for. Maybe we discover abilities we didn't know we had. Maybe we adapt to a new normal with more confidence.

Overcoming adversity is the secret to becoming highly successful. Like I was always told, "It's not a matter of if you are going to get knocked down in life, it's about how quickly you get back up..." I understand everyone is dealing with difficult financial circumstances. We have to remind ourselves that while we can't

always control our situation, we can control how we respond and react to it. I encourage to take a brief moment and watch this short video about the sacrifices and attitude of retired United States Army Staff Sergeant Travis Mills of the 82nd Airborne. I thank him for his service and the life lesson he is teaching to so many. Click [HERE](#) (Source: GoalCast; FarnamStreet)

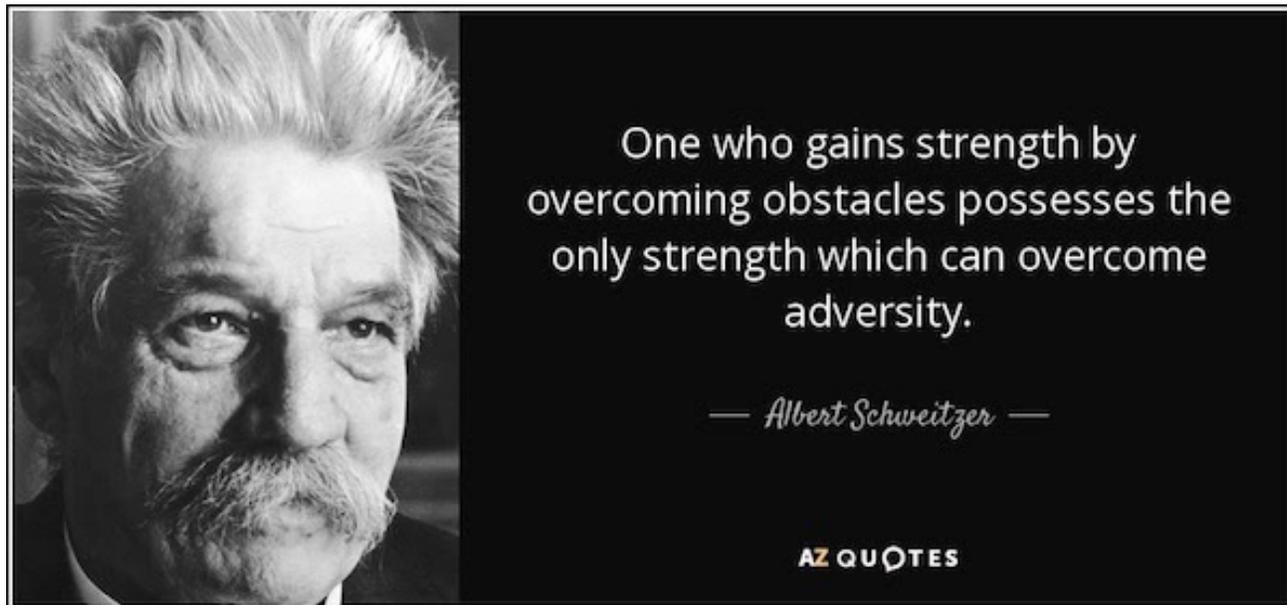






**STRENGTH  
DOESN'T COME  
FROM WHAT  
YOU CAN DO.  
IT COMES FROM  
OVERCOMING  
THE THINGS YOU  
ONCE THOUGHT  
YOU COULDN'T.**

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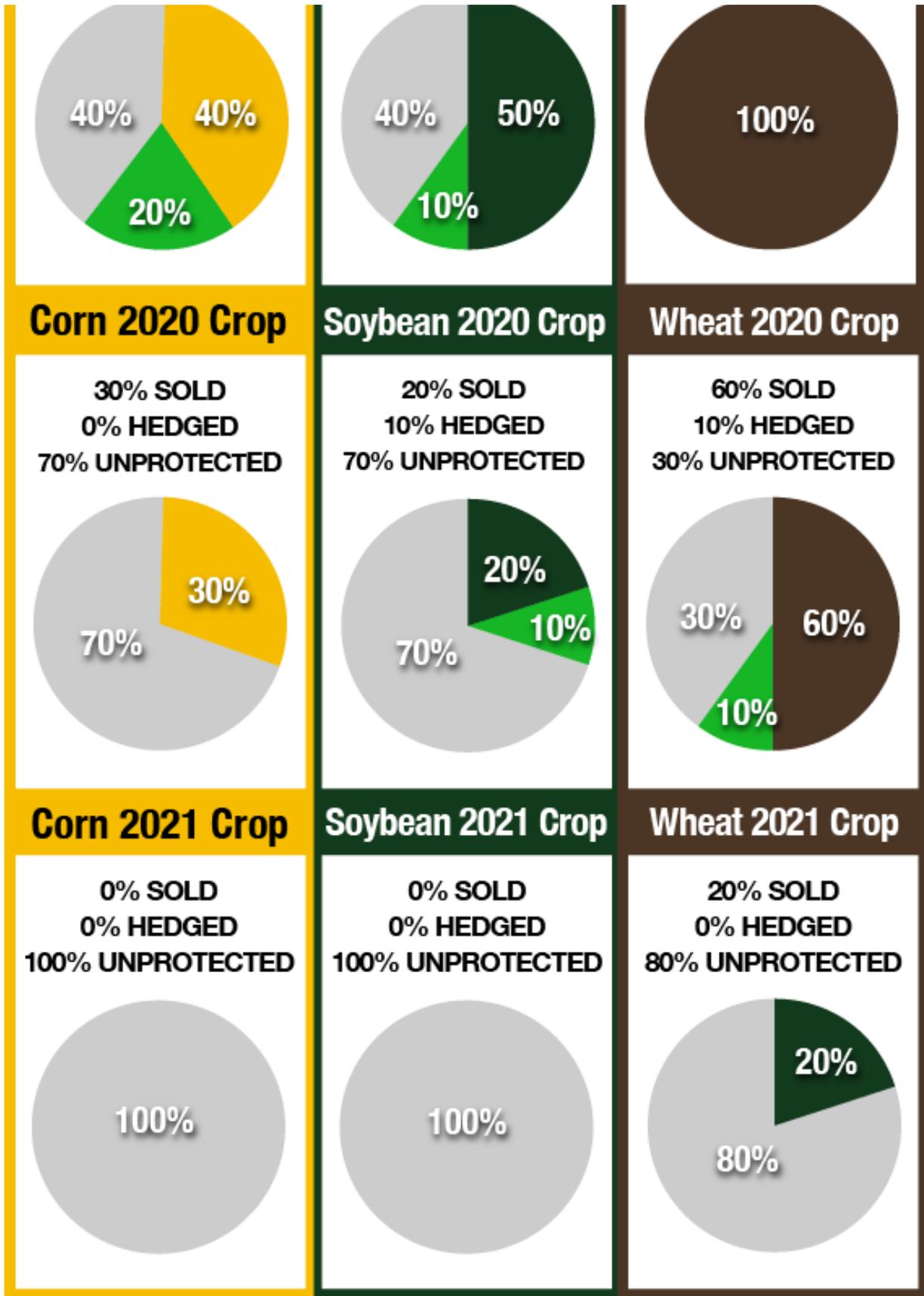


**ANSWER to riddle:** The future.

## CASH SALES & HEDGING TOTALS

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Corn 2019 Crop	Soybean 2019 Crop	Wheat 2019 Crop
<p><b>40% SOLD</b>  <b>20% HEDGED</b>  <b>40% UNPROTECTED</b></p>	<p><b>50% SOLD</b>  <b>10% HEDGED</b>  <b>40% UNPROTECTED</b></p>	<p><b>100% SOLD</b>  <b>0% HEDGED</b>  <b>0% UNPROTECTED</b></p>



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