



Jordan Van Trump &lt;jordan@farmdirection.com&gt;

**GOOD MORNING: The Van Trump Report 6-29-20**

2 messages

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

Mon, Jun 29, 2020 at 5:30 AM

Reply-To: Jordan &lt;reply-fed412707566047e-1180\_HTML-40325470-100003450-9@vantrumpreport-email.com&gt;

To: jordan@farmdirection.com



*Happiness isn't about making more money, but rather freedom. The freedom to say no to things you don't want to do. The freedom to say no to people you don't like. The freedom to not feel like you are obligated to say "yes."* - **Shane Parrish**

**Monday, June 29, 2020**[Printable Copy](#) or [Audio Version](#)

**REMINDER:** Each year I give myself and the others in the office two weeks off per year to spend time with friends and family. One week is between Christmas and New Years, the other is the week of July 4th. With that in mind, the last report we will issue this week will be on Wednesday morning July 1st. We will then restart our regular schedule with a morning report released the following Thursday. I will personally be monitoring the markets between now and then and if anything significant happens I will jump on and do a brief podcast sharing my thoughts and opinions. From my family to yours, have a safe and happy July 4th. Remember, most markets close early this Friday, July 3rd.

**Morning Summary:** Investors will be tasked this week with weighing an economy that is both expanding and contracting as reopening efforts continue in some parts of the country, while others are looking to reverse course or perhaps pause reopening plans. Texas and Florida have both scaled back reopening efforts and other states with climbing cases, like Arizona and California, also are rethinking their plans. It's certainly dashing plans that many had for Fourth of July celebrations, meaning another holiday weekend of lost revenue for scores of places. Texas has closed the bars and Florida has banned the bars from selling alcohol. It's become very clear that thousands of stores, restaurants, and hotels will never get reopened, which might have wider implications for the job market as well as commercial property. The EU is set to reopen borders on Wednesday, but travelers from the U.S. as well as Russia will remain restricted due to what they deem are elevated coronavirus outbreaks. The decision highlights an uneven recovery across the entire globe that will continue to weigh on growth and complicate the outlook for several vulnerable sectors. Oil traders are closely watching the resurgence in the U.S. which some worry could again weigh on overall gasoline demand. Interestingly, gasoline demand in Texas on Wednesday, June 24 was -17.8% lower than on Wednesday, June 17, a drop that came as coronavirus cases began rising dramatically. The fear is that U.S. consumers could pause as and perhaps even pullback a bit as case counts spike. Personally, I think this re-opening dance of three-steps forward and two-steps back will continue as we bring more businesses and consumers back online. But I see this as the necessary steps to recovery. The more people we get out and about and more businesses reopened along with more testing the higher the numbers. Consumers and government officials might pull back a moment trying to protect the masses, the counts will drop a bit, and we will make another run at it i.e. three or four-steps forward followed by one or two-steps back. The tech sector this week may come under additional pressure from an advertiser boycott against Facebook that's grown quite large and weighing on the company's stock price as of late. Hershey, and Honda are among some of the 120 advertisers that have decided to temporarily halt ad spending with Facebook. Unilever on Friday announced it was halting advertising on both Facebook and Twitter through the end of the year. Coca-Cola and Starbucks have gone one step further and paused advertising on all social media platforms. The bigger worry among some analysts is that this might just be the start of deeper social media advertising cuts across the board amid wider belt-tightening as the pandemic wears on and social unrest widens. Keep in mind, the biggest and most heavily traded tech stocks, the so-called FAANG stocks (Facebook, Amazon, Apple, Netflix, Google), make up around 20% of the S&P 500 and their performance has a substantial impact on the broader market. Bears warn that if investors lose faith in these companies, support for stocks in general could start to weaken. This latest development also comes as fund managers are looking at quarter-end and month-end rebalancing of portfolios. Today brings fresh economic data with May Pending Home Sales and the latest Dallas Fed Manufacturing Index. The other key reports this week include tomorrow's

Consumer Confidence, ISM Manufacturing released on Wednesday, and the highly anticipated June jobs report on Thursday.

**Fracking Giant Chesapeake Energy Files for Bankruptcy:** *Chesapeake Energy Corp. filed for bankruptcy protection Sunday as an oil- and gas-price rout stoked by the coronavirus pandemic proved to be the final blow for a shale-drilling pioneer. Co-founded in 1989 by the late wildcatter Aubrey McClendon, the company was early to recognize that horizontal drilling and hydraulic fracturing could unlock vast troves of natural gas, a trend that led to a rebirth of American fossil-fuel output and eventually made the U.S. the top oil producer in the world. By the end of 2008, the Oklahoma City-based company had drilling rights to nearly 15 million acres, according to a securities filing, an empire roughly the size of West Virginia. That vast footprint once helped Chesapeake earn the title of second-largest U.S. gas producer. More than 200 shale companies may file for bankruptcy over the next two years if oil and gas prices stay around current levels, analysts say. (Source: [The Wall Street Journal](#))*

**How Does a Civil War Start?** *Two or more sides disagree on who runs the country. And they can't settle the question through elections because they don't even agree that elections are how you decide who's in charge. That's the basic issue here Who decides who runs the country? When you hate each other but accept the election results, you have a country. When you stop accepting election results, you have a countdown to a civil war.*

**This Might Explain a Few Things...** *I always loved it when my Mom said, "I'll pull this car over right now." I also remember a lot more talk of physical violence involved in our conversations when I was being overly ornery or disrespectful.) I also remember that we always had a dog, but it was just a "dog". I think Dad would have lost it if Mom would have agreed to let us kids spend money on some cool dog toys, awesome dog bedding or some high-priced organic dog food. Crazy to think about how everything has changed but so many of us think everything should stay the same! I know a lot of parents across this country that raised their kids much differently than we were raised. And now those kids are adults and many are asking for change... can't imagine why?*

MOMS NOW	vs. MOMS THEN:
"That word is inappropriate."	"Say that again and I'll wash your mouth out with soap."
"Good job trying one	"You'll eat what I make,

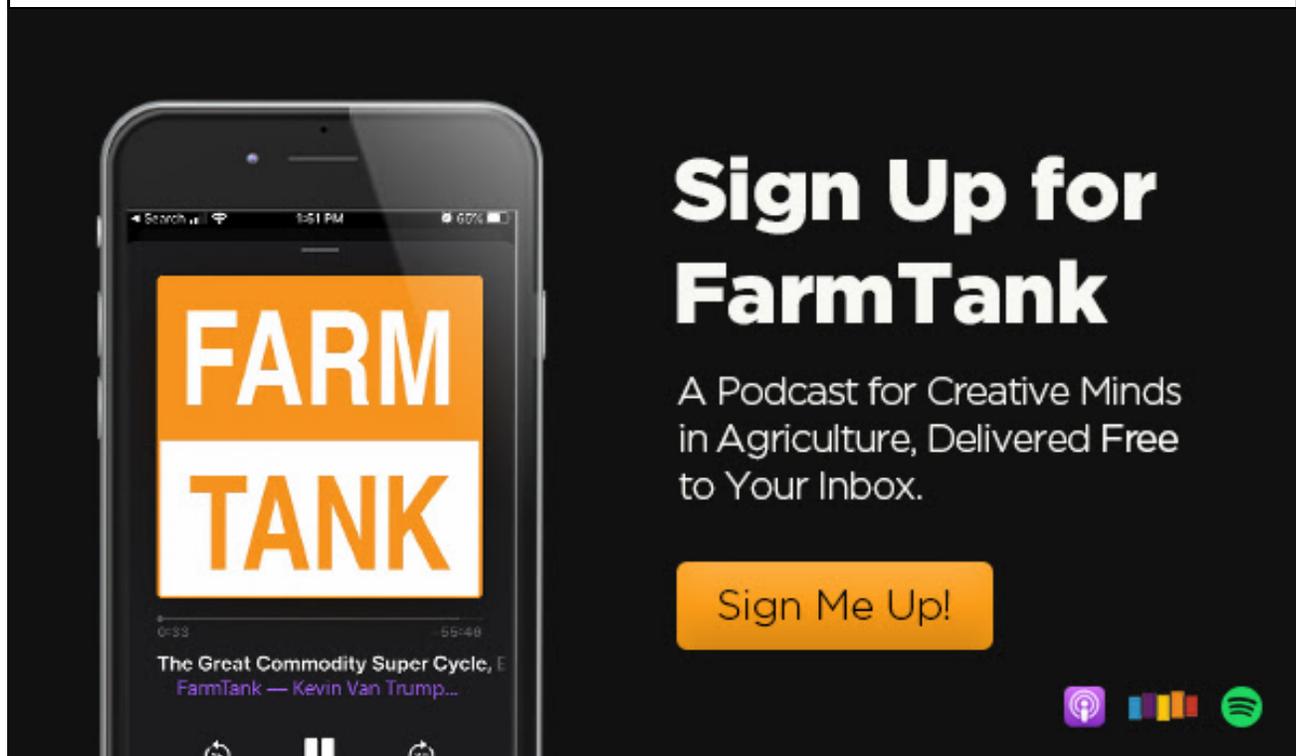
bite of the dinner I made. Now you can have Mac & Cheese."	whether you like it or not. There are starving children in the world."
"I can see you're upset. Take a deep breath and use your words."	"You better stop crying or I'll REALLY give you something to cry about."
"You can't walk around the block by yourself. I'll drive you. Text me when you need a ride back."	"You want to go out? Take your bike. Be home before dark."
"I packed your bento box with almond butter on whole grain, kale chips, and an organic smoothie."	"Take a brown bag with a bologna sandwich on Wonder Bread. Grab a Twinkie and a Hawaiian Punch too."

Andy and I recorded a NEW podcast... All FarmTank and Van Trump Report subscribers should receive the link this morning. Look for it in your inbox! If you are not signed-up you can do so for FREE by clicking the FarmTank button below.

w/ Kevin Van Trump & Andy Daniels  
**UNFILTERED TALK**  
Amongst Professional Traders,  
Investors & Top Executives

**NEW Highly Volatile Podcast... Stocks, Row Crops, and Barbeque"** Andy Daniels and Kevin Van Trump talk about how they will be trying to position themselves in the markets ahead of the harvest and highly anticipated November U.S. presidential election. Hear thoughts regarding stocks, crude oil, gold, corn, soybeans, rice, etc... There are also some good BBQ tips and talk. For those who might not know, Andy's BBQ team has had some high competition finishes, so it's interesting to hear from a seasoned pro as we all kick the grills into high gear this summer.

If you haven't yet signed up for the podcast series, you can do so for FREE by [Clicking HERE](#), the podcast will come direct to your inbox from our FarmTank team. Look for the NEW podcast in your inbox around 7:30 AM CST!



**Fed Reveals Corporate Bond Purchases:** *On June 16, the U.S. central bank began purchasing securities of individual issuers as part of a broad index it created to include companies that were eligible for the program. New disclosures show the Federal Reserve bought bonds issued by companies including AT&T, UnitedHealth Group, and Walmart, as part of its emergency lending program set up in response to the pandemic,. The disclosures, posted Sunday, showed that of the \$207 million of purchases made on the first day of buying, about 21% were of debt issued by firms in the consumer non-cyclical sector, while 15% were of consumer cyclical debt and 10% were of technology debt. Fed officials have said the goal of the buying is to maintain liquidity in the market for corporate debt, so that issuers are able to access capital. As of Tuesday, the Fed had amassed \$8.71 billion of assets including ETFs and individual securities through the program. Read more from [Bloomberg](#).*

**Credit Card Industry Reins in Balance-Transfer Offers:** *Balance transfer offers, which typically entice borrowers to move their debt to a new lender in exchange for a temporary 0% interest rate, have been sharply reduced at banks including JPMorgan Chase, Citigroup, Bank of America, Barclays and Capital One, according to people with knowledge of the matter at each firm. American Express took the most drastic step, dropping the product altogether, according to a company spokesperson. Banks were burned in the 2008 recession when users of balance transfers defaulted at among the highest rates in the industry, according to the sources. Now, lenders are being more selective about who they make no-interest offers to, favoring customers with higher credit scores and other advantages, said the people. At the same time, the industry has offered many borrowers forbearance during the pandemic, waiving late fees and interest for months. For many customers, those programs are ending soon, and it's an open question as to whether they will resume making payments. (Source: CNBC)*

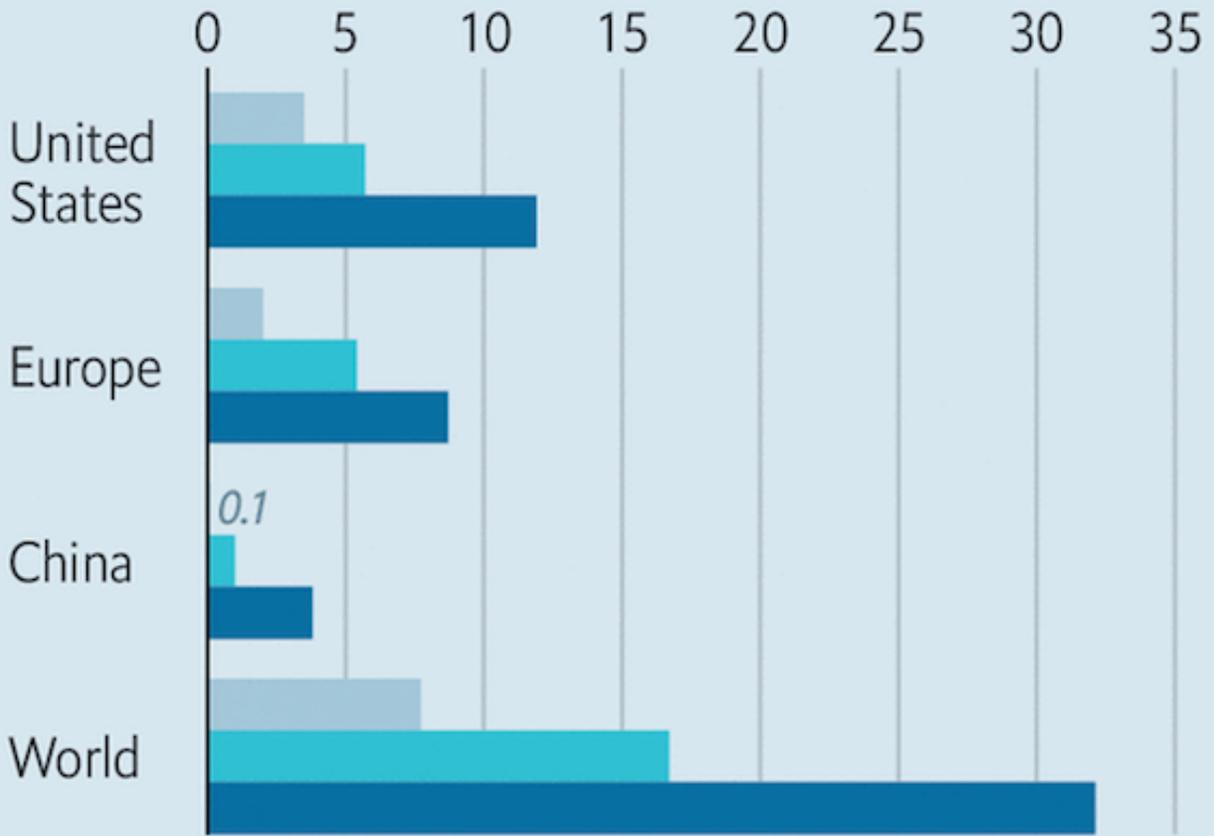
**Investor Infatuation with Commercial Property Fading:** *The global stock of investible commercial property—hotels, shops, offices and warehouses—has quadrupled since 2000, to \$32 trillion. More than a third is owned by institutional investors, which piled in, lured by lucrative, solid returns. Worldwide, offices and shops account for 61% of assets. But by the start of this year, there were already signs of froth, with both offices and industrial property prices reaching new record prices. Retail property prices peaked in 2018. Now, swarms of tenants have simply stopped paying rent as the economy has reeled. Collection rates have fallen below 50% on both sides of the Atlantic and the resulting lost rental income is likely to have passed through to missed mortgage payments. Many banks report losses with a lag and with limited detail, but delinquency rates on commercial-mortgage-backed securities (cmbs)—bundles of loans sold on capital markets—provide a barometer. In America this month they exceeded levels seen during the financial crisis. A fifth of debt payments on shopping properties are late; a quarter of those due on "lodgings"—including student housing, vacant since universities closed—have also been skipped. Read more from [The Economist](#).*

# Climbing the ladder

1

Investible stock of commercial property, \$trn

2000 2010 2020\*



Source: CBRE Research, Oxford Economics

\*Estimate

The Economist

# On rent strike

4

United States, commercial-mortgage-backed securities, delinquency rate\* by property type, %



Source: Trepp

\*Loans 30 days or more past due

The Economist

# Summer Special

**UNDER ARMOUR TIDE CHASER  
& COLUMBIA PFG**

**\$39.99**  
MINIMUM ORDER 12



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# FARM TANK

Tweets of the Day





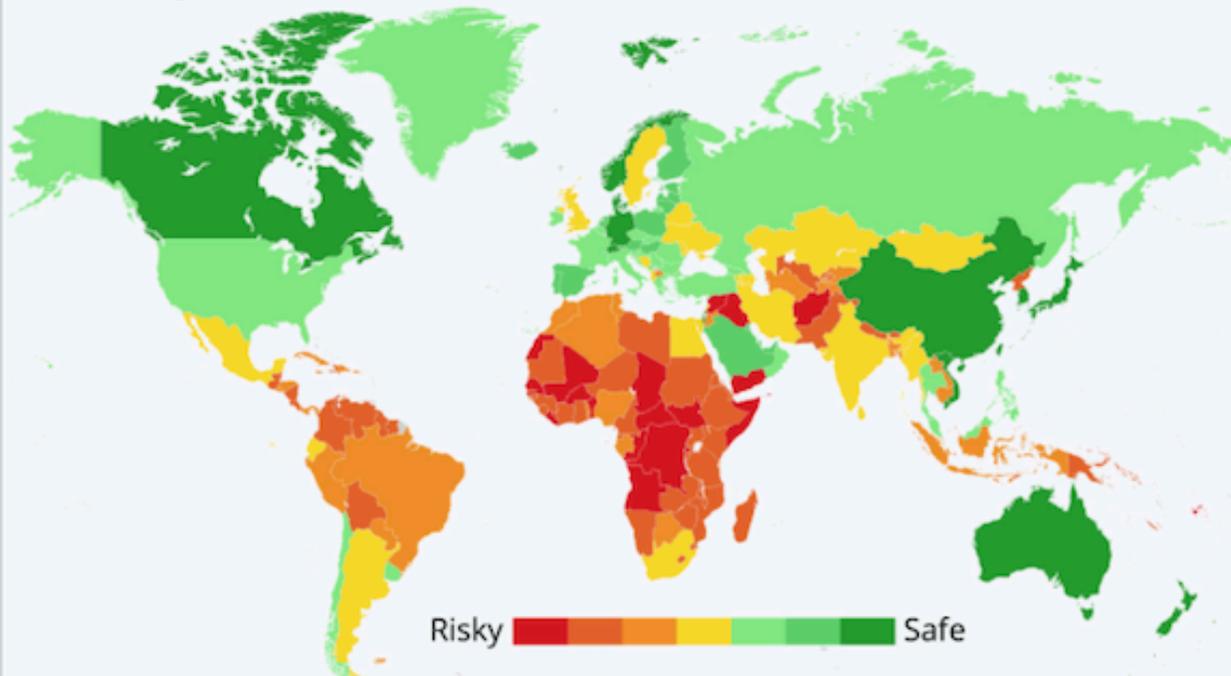
**Statista**  
@StatistaCharts



Data Journalist [@uisceglas](#) takes a look at where the [#covid19](#) risk is lowest & highest. The [@Deep\\_Tech\\_VC](#) put together a report based on 11,400 data points that can be accessed through the article. [statista.com/chart/22098/co...](https://www.statista.com/chart/22098/covid-19-risk-levels)

# Where The COVID-19 Risk Is Lowest And Highest

Countries and territories scored on COVID-19 safety levels (June 03, 2020)\*



\* Based on 11,400 data points regarding the economic, social and health stability.  
Source: Deep Knowledge Group





**Charlie Bilello** ✓  
@charliebilello



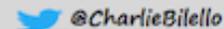
# The top performing stocks in the S&P 500 over the last 20 years...

Data via @ycharts

Top Performing Stocks in the S&P 500 over the last 20 Years						
Rank	Symbol	Name	Industry	20-Yr Total Return	20-Yr Ann. Ret	Growth of \$10k
1	MNST	Monster Beverage Corp	Beverages - Non-Alcoholic	98664%	41.2%	\$ 9,876,364
2	TSCO	Tractor Supply Co	Specialty Retail	67966%	38.6%	\$ 6,806,578
3	ODFL	Old Dominion Freight Lines Inc	Trucking	18949%	30.0%	\$ 1,904,937
4	ATVI	Activision Blizzard Inc	Electronic Gaming & Multimedia	16643%	29.2%	\$ 1,674,288
5	TYL	Tyler Technologies Inc	Software - Application	10591%	26.3%	\$ 1,069,145
6	AAPL	Apple Inc	Consumer Electronics	10467%	26.2%	\$ 1,056,691
7	ANSS	Ansys Inc	Software - Application	9435%	25.6%	\$ 953,533
8	ISRG	Intuitive Surgical Inc	Medical Instruments & Supplies	8148%	24.7%	\$ 824,775
9	AMZN	Amazon.com Inc	Internet Retail	7835%	24.4%	\$ 793,479
10	HUM	Humana Inc	Healthcare Plans	7724%	24.4%	\$ 782,381
11	HFC	HollyFrontier Corp	Oil & Gas Refining & Marketing	6812%	23.6%	\$ 691,174
12	ORLY	O'Reilly Automotive Inc	Specialty Retail	6581%	23.4%	\$ 668,092
13	FLIR	FLIR Systems Inc	Scientific & Technical Instruments	5865%	22.7%	\$ 596,528
14	WST	West Pharmaceutical Services Inc	Medical Instruments & Supplies	5704%	22.5%	\$ 580,369
15	NVR	NVR Inc	Residential Construction	5633%	22.4%	\$ 573,329
16	IDXX	IDEXX Laboratories Inc	Diagnostics & Research	5519%	22.3%	\$ 561,920
17	KMX	CarMax Inc	Auto & Truck Dealerships	5441%	22.2%	\$ 554,112
18	VTR	Ventas Inc	REIT - Healthcare Facilities	5430%	22.2%	\$ 552,984
19	MO	Altria Group Inc	Tobacco	5379%	22.2%	\$ 547,851
20	ROST	Ross Stores Inc	Apparel Retail	4584%	21.2%	\$ 468,426
	SPX	S&P 500 Index	N/A	206%	3.8%	\$ 30,611



Data Source: YCharts





**Martin buoy**  
@mbuoy97



I think the option of using the boys dirt bike to work on pivots is about to come to an end.

#worksmarternotharder



**jim bob**  
@PukwanaU



Just call me Snoop DO Double G. Smoke weeds everyday #supersprayer



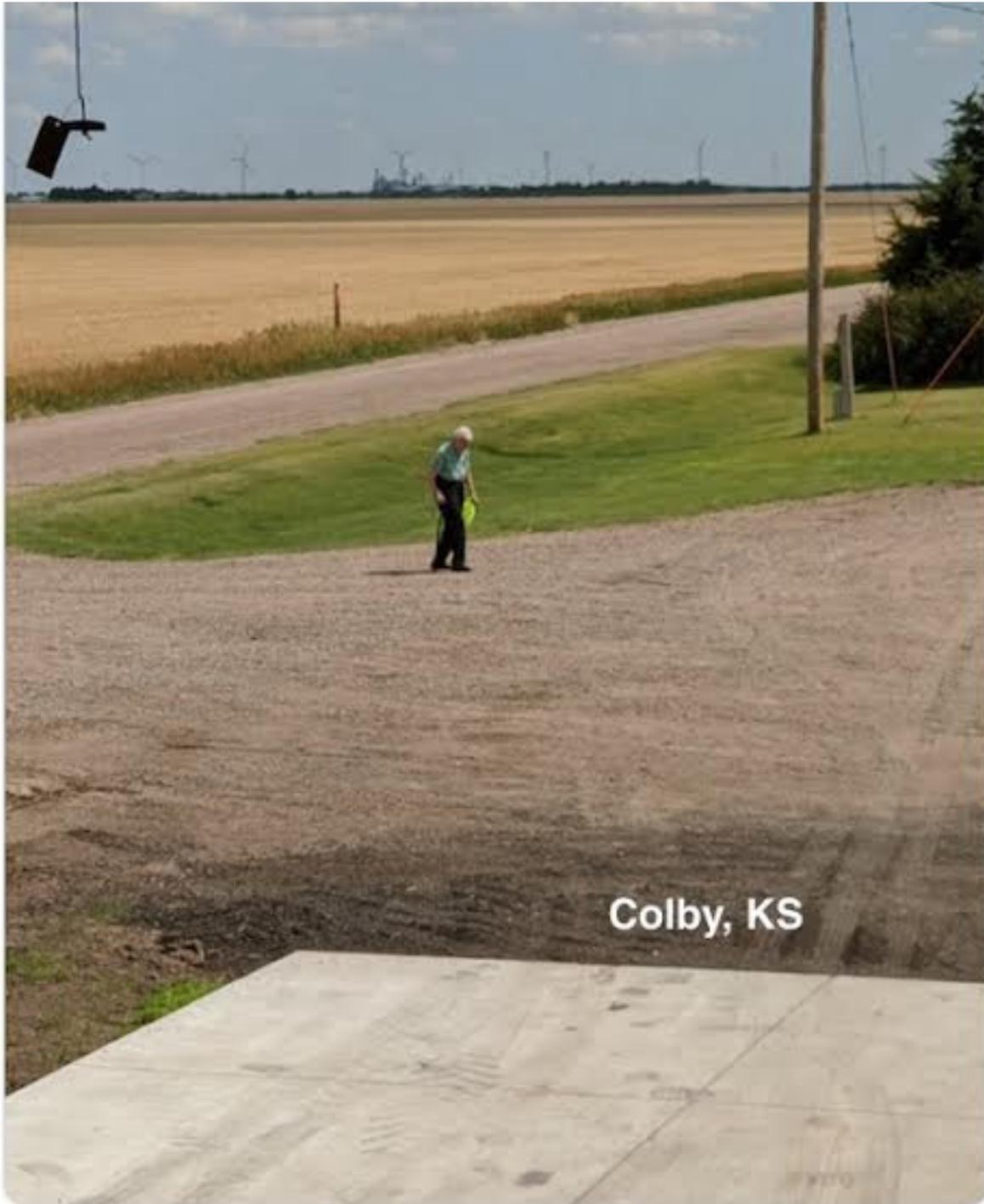


**Aaron Horinek**  
@ahorinek



You know it's a beautiful day to spray if Grandma is out without her perm covered.





**Jeff Theis**  
@TheisAg

She says this is the final sign of her career. Moving to the city to prepare for [#volleyballseason](#) and [#college](#) next week. It has been an awesome ride @halletheis [@PioneerSeeds](#)





**Ag of The World**  
@AGofTheWorld



I asked grandpa if those were the good old days. He said "hell no, everything was ten times as hard as it is now, I would never want to go back to the way we did things then".



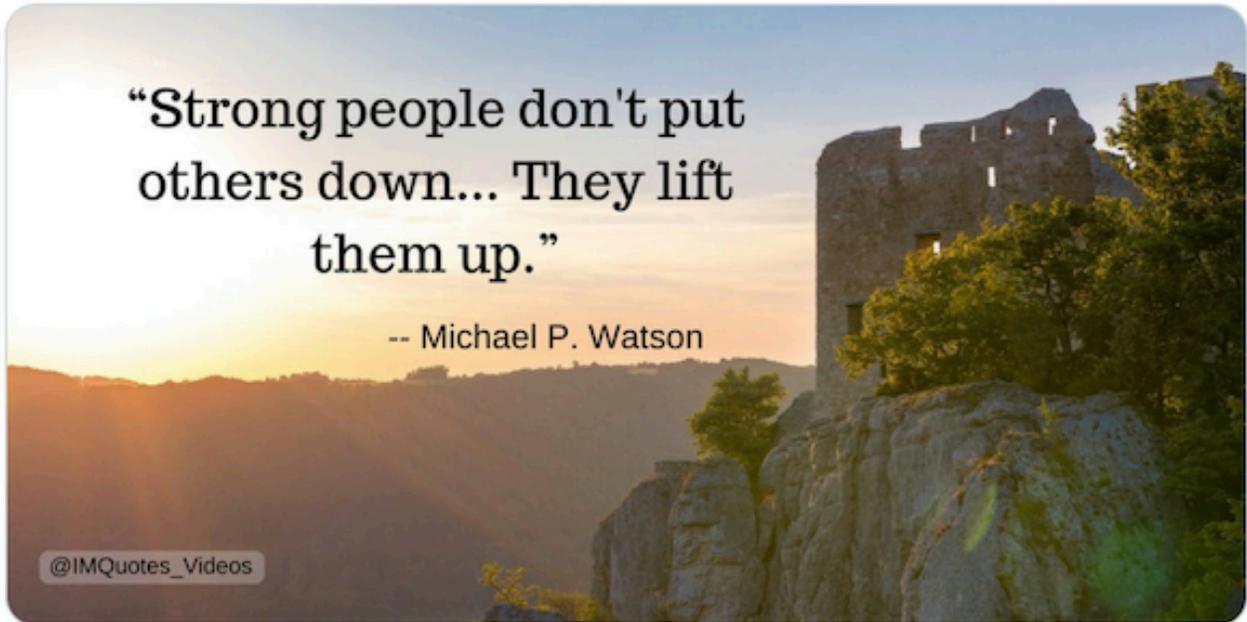


Inspired Motivation Quotes

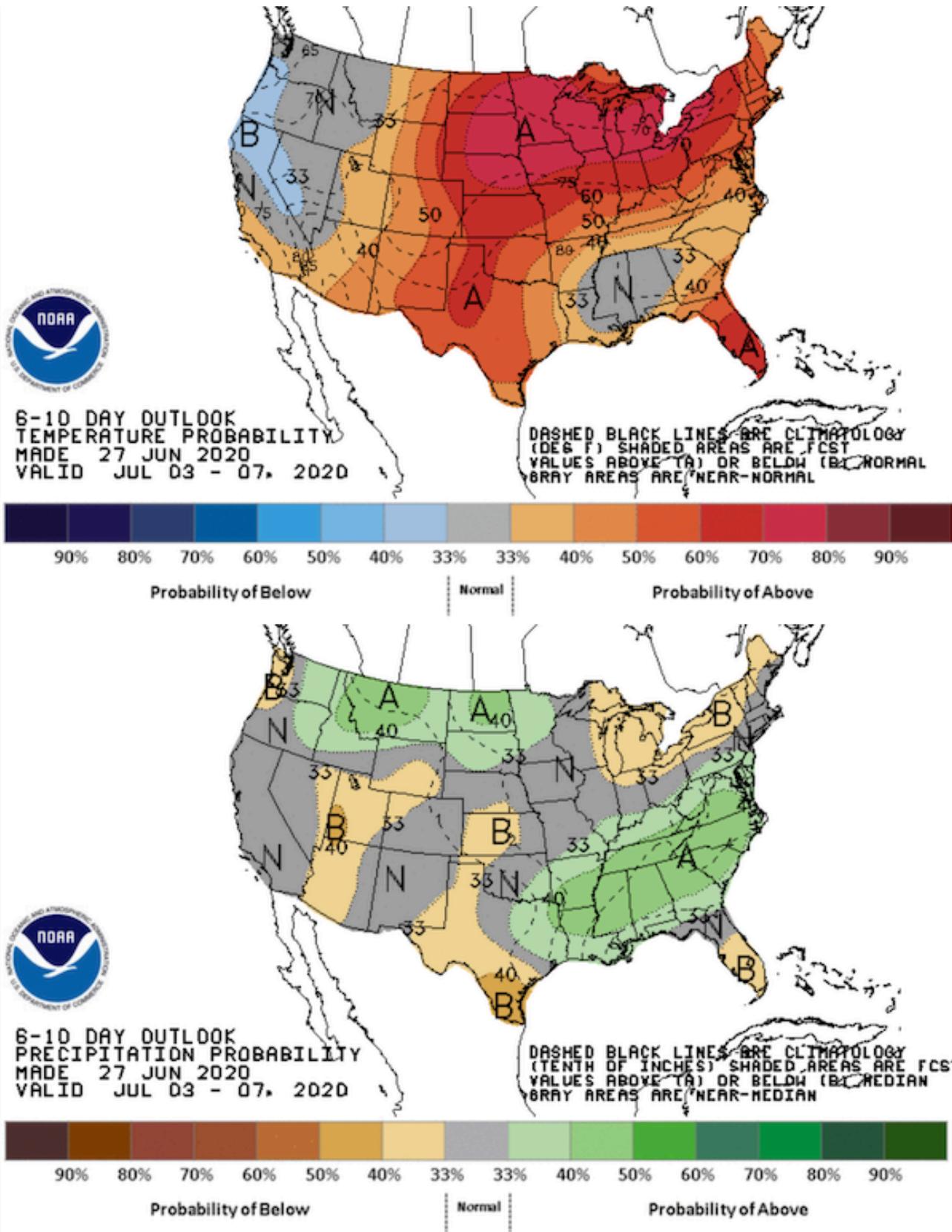
@IMQuotes\_Videos



Be the person who is always encouraging and positive toward others. [#positive](#) [#inspirational](#) [#motivate](#) [#quote](#) [#wordstoliveby](#) [#positivevibes](#) [#strength](#) [#encourage](#)



**6-10 Day Forecast**

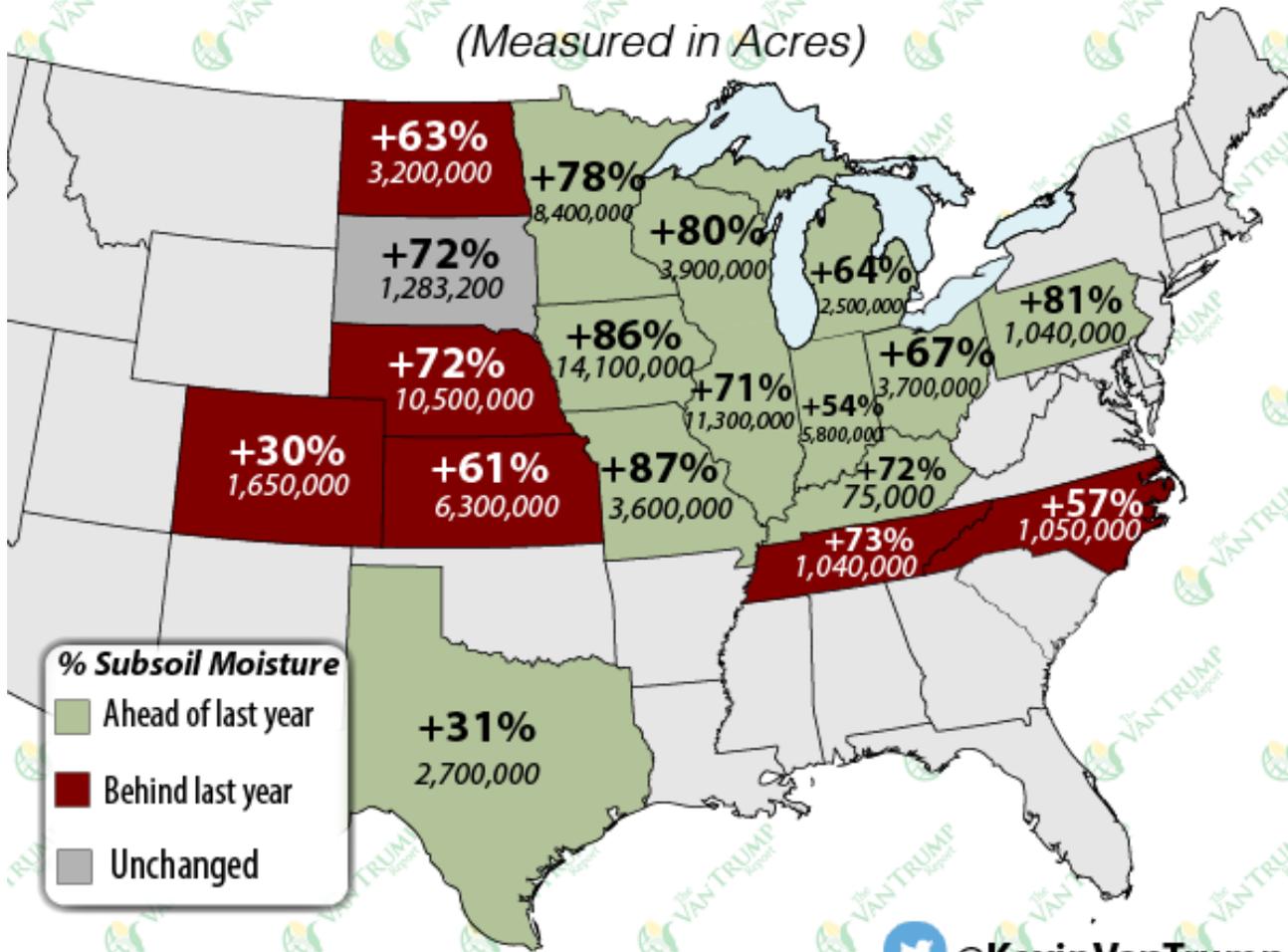


**CORN** traders have all eyes on the USDA's June 1 Quarterly Stocks and June Acreage Report, which are scheduled for release tomorrow. I had been worried about corn retesting the lows heading into these reports

and that's just what has happened. I'd like to believe the heavily short-sided funds now have enough of the trade convinced of their bearish argument that they will pass the baton and attempt to exit stage-left as the cards are turned over and evidence revealed. Even if the USDA shows a -1 to -3 million reduction in planted acres, bears can point to mostly cooperative weather and a realistic chance at record-setting yield +180 bushels per acre. Meaning we will still be talking about ending stocks up around 3.0 billion bushels. What we need is some type of bullish surprise on the "demand" side of the balance sheet but at the moment there's just not a lot to chew on. I could argue that ethanol demand is improving but most inside the trade believe the USDA will eventually need to trim more of their corn used for ethanol forecast by another -50 to -200 million bushels. At the same time, South American exporters appear to be getting more competitive with their prices, so there's not a great deal of optimism around export demand, especially with such large political uncertainty involving China. Feed and Residual demand is looking like the big "wild-card" as it's extremely uncertain as to how the USDA will be playing coronavirus complications. I suspect we could see a little surprise considering the massive backup and logistical disruptions in livestock associated with corona. Did we feed less corn as the animals backed up and major uncertainty brewed regarding where the animals were going to go? Or did we feed more corn with what is said to be low-test-weight supply and strong animal herd numbers? While most of the arguments and data is being construed as bearish, I contended that's what has gotten us here but not necessarily indicative of where we are headed. In other words, you have to decide how much of this bearish news is already cooked into the price and with the funds already holding a very large short-position, how much meat is left on the bone to the downside? As a producer, I've started to lift some of puts and downside protection. My plan all along was to start lifting if prices were pressured down to between \$2.80 and \$3.20 per bushel. In fact, my goal is to have all downside protection lifted and hedging profits banked between now and \$2.80. Any cash corn in elevator storage or with basis contracts, I am not rolling but rather pricing and reowning with some more risk-averse strategies on the board. I am not looking to sell any on-farm or quality corn that is in storage, I still believe cash corn could have some strength in the coming weeks. As a spec, I'm taking small bites on the breaks and trying to build a longer-term bullish position. I believe the risk-to-reward ratio now favors the upside. I fully understand the current bearish fundamentals and the historical tendency for corn prices to deteriorate but I'm hoping to use that pressure to build a position. I would like to have a full-position on if prices were to eventually tumble to \$2.80, in other words, scaling into a larger bullish position between now and then.

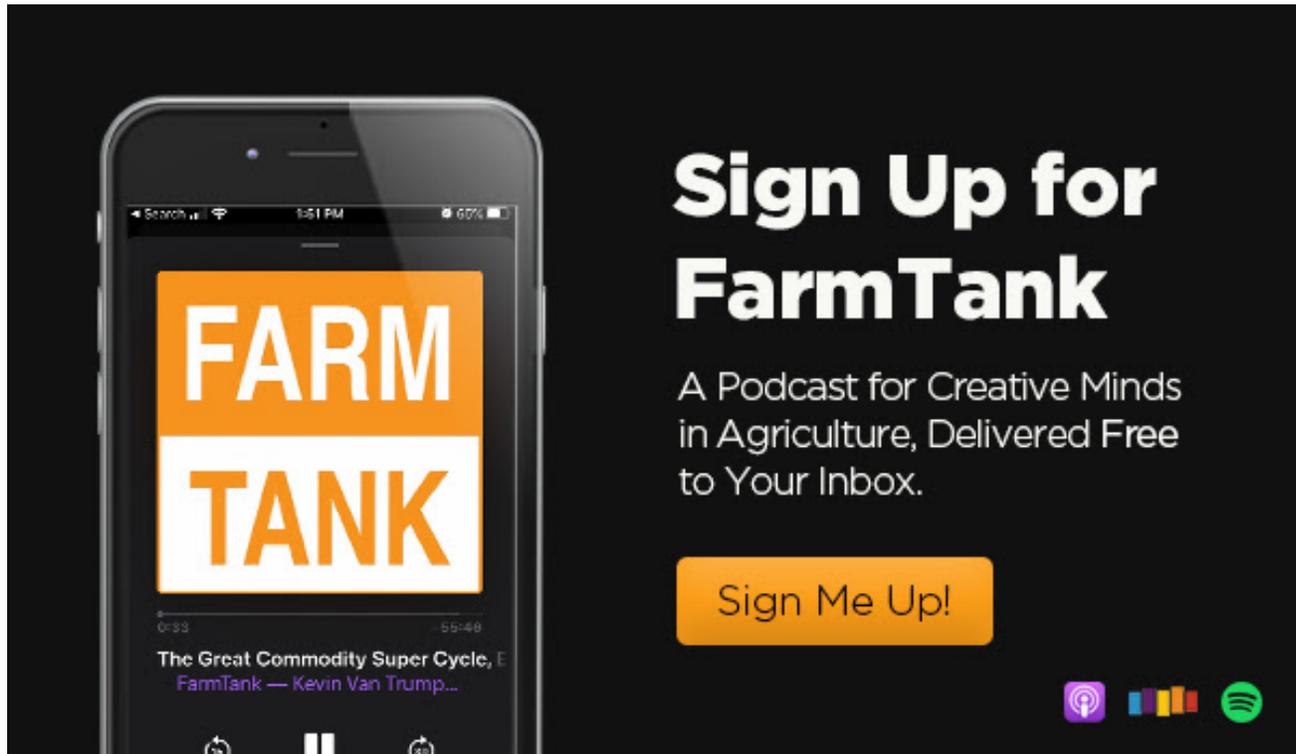
# Corn Acres vs. % Adequate Subsoil Moisture

(Measured in Acres)



Source: USDA Crop Progress, NASS, June 2020

@KevinVanTrump



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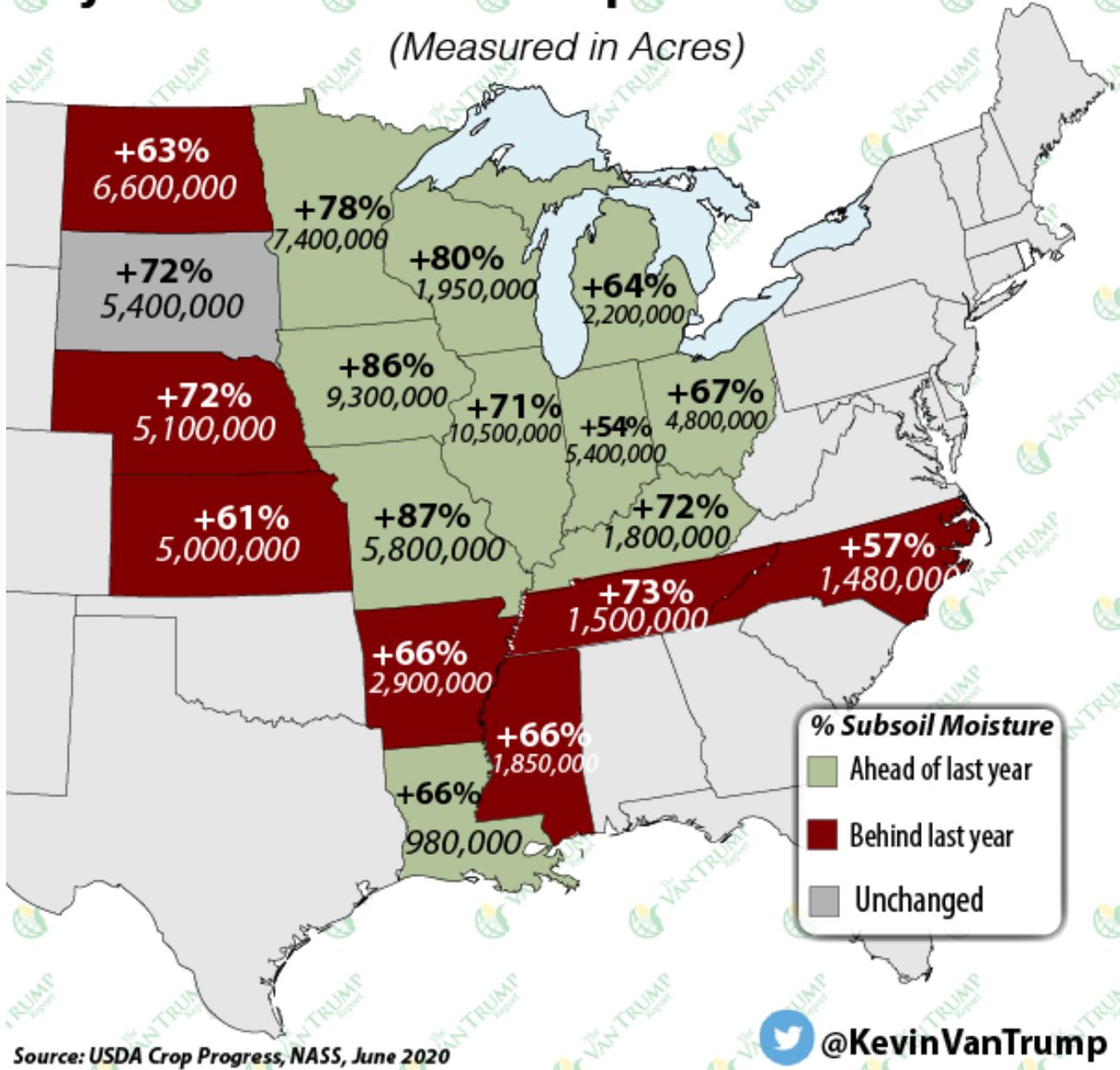
The Great Commodity Super Cycle, E  
FarmTank — Kevin Van Trump...

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**SOYBEAN** traders continue to debate U.S. and Chinese relations and ongoing political uncertainties. In my opinion, "demand" remains a big unknown. The trade seems to be mostly in agreement that U.S. planted acres are moving higher and mostly cooperative weather to this point is adding to a higher yield forecast. Meaning, the trade has come to the conclusion that total U.S. production is on track and looking good. Now it becomes all about China. Who knows how the Chinese are ultimately wanting to play their hand going into the U.S. Presidential Election. The fear is the Chinese don't make any large U.S. purchases until after the election, which could weigh on the balance sheet and keep a lid on prices between now and then. It's hard for me to imagine why the Chinese would want to try and help President Trump when he has been one of the few to step-up and call them out on trade and other misgivings. I suspect the Chinese may purchase enough to keep President Trump somewhat happy, or should I say, hedging their bet in case he wins another four years? I just see a lot of political gamesmanship coming in the next 120-days, between July 4th and the November 3rd U.S. election. As a producer, I want to believe there's still a ton of upside potential, but I still have to play the game somewhat defensively and protect the \$8.50 level

# Soybean Acres vs. % Adequate Subsoil Moisture

(Measured in Acres)

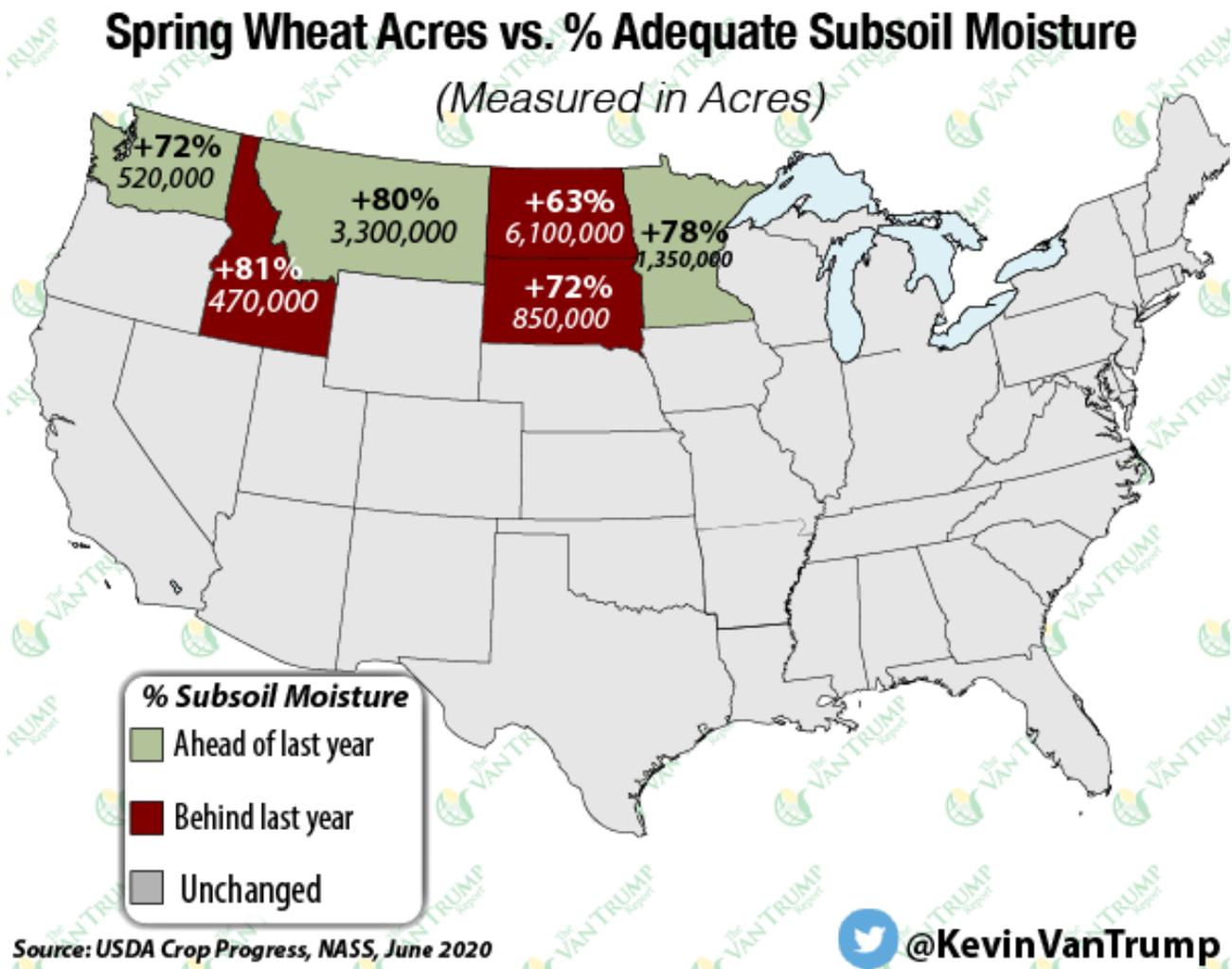


Source: USDA Crop Progress, NASS, June 2020

@KevinVanTrump

**WHEAT** bears remain in control as wheat prices have tumbled to multi-month lows on little if any fresh supply-side or new demand-driven headlines. Bears continue to point towards record global ending stocks and lack of any fresh news for the bulls to chew on. Outside macro uncertainty surrounding global growth is also providing a headwind and keeping a lid on most rallies. As both a spec and producer, I continue to keep an eye on the weather in parts of the European Union, parts of Black Sea region, and some dry regions in parts of North America. Most inside the trade are looking for the USDA to show spring wheat conditions holding steady at around 75% rated GD/EX and the U.S. winter wheat harvest now pushing to +40% complete. As a producer, I'm feeling extremely good about

making those JUL21 sales (next years crop) when prices were up north of +\$5.50 now just wishing I would have done more. As a spec, I still remain on the sideline. Don't forget, we have the latest Stats Canada numbers out this morning and the biog USDA Quarterly Stocks and Acreage Report out tomorrow.



### U.S. Planted Acres

(million acres)

	June #’s	Avg. Trade Estimate	Range of Estimates	2019 Acres	USDA March
Corn	???	95.207	93.00 - 97.10	89.70	96.99
Soybeans	???	84.716	83.50 - 85.60	76.10	83.51
All Wheat	???	44.718	44.20 - 45.10	45.16	44.655
Winter Wheat	???	30.849	30.40 - 31.60	31.159	30.775
Other Spring	???	12.551	12.15 - 12.81	12.66	12.59
Durum	???	1.313	1.20 - 1.44	1.339	1.29
Cotton	???	13.153	12.50 - 13.75	13.738	13.703
Sorghum	???	5.881	5.60 - 6.15	5.265	5.82
Barley	???	2.835	2.50 - 3.00	2.721	2.921
Oats	???	2.954	2.70 - 3.30	2.81	3.012
Rice	???	2.828	2.60 - 3.00	2.54	2.847

### U.S. Grain Ending Stocks as of June 1

(million bushels)

	June #’s	Avg. Trade Estimate	Range of Estimates	Last Year
Corn	???	4,951	4,795 - 5,150	5,202
Soybeans	???	1,392	1,275 - 1,490	1,783
Wheat	???	980	925 - 996	1,080



**> U.S. Food Suppliers Sign Virus-Free Guarantees:** *U.S. food and feed exporters are shipping goods to China with letters assuring the safety of their cargo in lieu of official declarations requested by Chinese authorities that guarantee coronavirus-free shipments, a U.S. agricultural export group said on Friday. The commitment statements, drafted by the Agriculture Transportation Coalition (AgTC), are meant only to assure importers that shipments have been harvested, processed and handled consistent with industry safety standards and guidelines from medical experts. The move comes after China's customs authority last week asked food exporters to the country to sign official declarations their produce is not contaminated by the novel coronavirus. Peter Friedmann, executive director of AgTC, which represents mostly exporters of U.S. agricultural products in shipping containers, says it's not possible for exporters to guarantee a cargo will remain virus free once it leaves their facilities. Read more [HERE](#).*

**> Hog Backlog Could Hit 2 Million:** *As many as 2 million hogs are backed up on U.S. farms because of coronavirus slowdowns and shutdowns at meatpacking plants, with the backlog expected to persist into the fall. Economist David Miller of Decision Innovation Solutions estimated a backlog of 1.2 million hogs. He also calculated that 2.1 million head had disappeared since March 1, either through direct sales and custom butchering or because of euthanasia by farmers. During a teleconference sponsored by the National Pork Board, Miller said that "as long as we're backing up hogs," market prices this fall could be 20% to 25% lower than a year ago. Read more [HERE](#).*

**> ADM Says Work Delayed on Key Export Terminal:** Archer-Daniels-Midland says one of its key U.S. grain-export terminals won't be back online until next year after work to repair the facility was delayed. Construction at the Reserve terminal in Louisiana, one of the three ADM owns in the Gulf of Mexico region, will be completed in early 2021, the company said in response to questions. Repairs were needed after a third party vessel collision damaged the facility last year. The delay means ADM's Reserve terminal will miss some key months for the American crop-cargo season, with most U.S. soybeans exported from November through January. Gulf ports usually ship about 2 billion bushels a year, according to the U.S. Department of Agriculture. ADM has two other export elevators in the Gulf region as well as facilities in Texas and the Pacific Northwest "to help us manage export volumes," the company said. (Source: Bloomberg)

**> Argentina, Brazil Monitor Massive Locust Swarm:** Argentina and Brazil are monitoring the movement of a nearly 9.5 square mile locust swarm in Argentina's northeast, though authorities and specialists said so far it had not caused significant damage to crops in the South American countries. Argentine food safety body SENASA said the swarm, which initially entered Argentina from Paraguay in late May, contained about 40 million insects. It is in the province of Corrientes, near borders with Brazil, Uruguay and Paraguay. Due to the arrival of a cold weather front from the south, the movement of the locusts would be limited in the coming days, according to Héctor Medina, a coordinator at Argentine food safety body SENASA. The low temperatures "will prevent them from moving and reproducing. The lethargy makes them stay still," Medina said. Winds could eventually push the cloud of locusts into a neighboring country, he added. Brazil's agriculture ministry is also monitoring the swarm and has asked farmers in the south of the country to be on alert, although it has concluded that the locust cloud is unlikely to move into Brazilian territory for now. Read more from [Reuters](#).

**> Locust Swarm Enters India's Sugar Cane Region:** A fresh swarm of desert locusts has entered Uttar Pradesh, India's biggest sugar cane grower, via capital city Delhi and the northern state of Haryana, according to the federal farm ministry. The hoppers, which normally settle on trees during the night and fly during the day, have been controlled in about 314,379 acres of area across the country between April 11 and June 26, the ministry said. In January, the biggest locust swarm to hit India's western state of Gujarat over a quarter of a century resulted in almost 62,000 acres of wheat, rapeseed, cumin, and potatoes being attacked, with at least a third of the crops damaged in 75% of the affected areas. Farmers grow mainly rice, pulses, cotton, sugar cane and soybeans on about almost 260 million acres during the monsoon season between June and September. (Source: Reuters)

**> Cancel Culture Comes for Facebook:** Mark Zuckerberg's promise to add

*labels to rule-breaking posts from politicians hasn't stopped more big-name advertisers from joining an advertising boycott of the social network. Coca-Cola, Hershey and Honda are among the latest high-profile companies to say they will temporarily stop advertising with Facebook. Unilever, the company behind brands like Dove and Lipton, and Verizon (which owns Engadget but has no editorial control over us) had announced earlier they would join the boycott organized by civil rights groups. There are now more than 120 companies participating in the boycott. Some companies, like Coca-Cola, are opting to pause their Facebook ads, but are not explicitly joining the boycott. Just how much impact the boycott will ultimately have is unclear. Facebook brings in billions of dollars in ad revenue — much of it from small businesses — and a month-long pullback in advertising seems unlikely to significantly affect that. Read more from [Engadget](#).*

**> Gunmaker Remington Preps for Bankruptcy:** *Firearms manufacturer Remington Arms Co. is preparing to file for chapter 11 protection for the second time since 2018 and is in advanced talks for a potential bankruptcy sale to the Navajo Nation, people familiar with the matter said. Despite cutting some \$775 million in debt through the 2018 bankruptcy, Remington has continued to face high interest costs and operational issues, according to people familiar with the matter, and expensive litigation surrounding the 2012 Sandy Hook Elementary School shooting. The industry's fortunes also tend to rise and fall based on the country's political climate. Demand has generally fallen since President Trump took office, though the number of gun background checks—a proxy for sales—rose in recent months as fearful Americans rushed to stock up on firearms and ammunition during the coronavirus pandemic. Read more from [The Wall Street Journal](#).*

**> Microchip Tech Helps Beat Glass Shortage:** *As scientists work to create a vaccine against the coronavirus, they've also had to consider how it will eventually be dispersed. Vaccinating everyone on the planet means making somewhere between 7 and 15 billion doses. As the historic efforts ramp up, vaccine makers say the biggest bottleneck they're encountering is a cruelly literal one. "The challenge is not making the vaccine itself, it's filling vials. There just aren't enough vials in the world," Pascal Soriot, the executive director and CEO of AstraZeneca says. To hedge against a more immediate shortfall, BARDA is betting on a company that has developed vial-making technology that doesn't rely on the traditional sand-to-glass supply chain. Instead, it uses manufacturing processes honed in Silicon Valley's semiconductor industry to make an end-run around traditional forms of glass. Read more from [Wired](#).*

**> Business Lessons from the U.S. Postal Service:** *The next time you hear "snail mail," think about this: every day, the United States Postal Service (USPS) processes and delivers 181.9 million pieces of mail (5,464 a second) and manages an army of 82,000 mail carriers while processing about 118,000 address changes.*

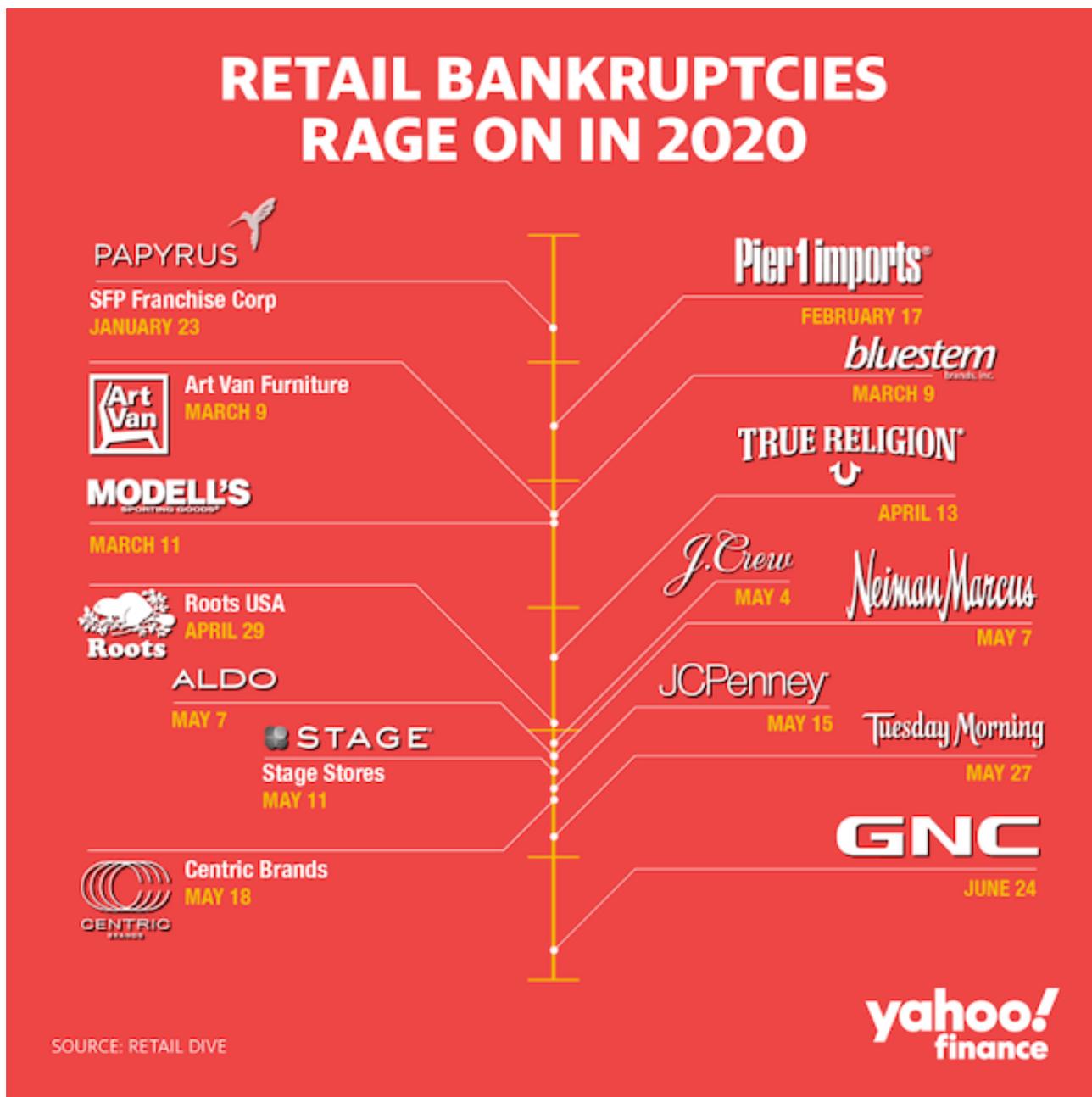
*Though it's come under fire from our government's highest offices and had its long-term viability called into question, the USPS is actually an undercover tech leader, managing colossal digital and physical infrastructure and reliably serving a populace with ever-increasing expectations for convenience. One tech startup founder that's worked closely with the USPS for years says he's seen first hand that tech and legacy companies could learn some valuable lessons from the agency. Read more from [Fast Company](#).*

**> Ride a Balloon Into the Stratosphere:** *If you've ever dreamed of snapping a selfie, sipping a cocktail or even getting hitched while soaring through Earth's stratosphere, you might be in luck. This week, a new company, Space Perspective announced plans to test out its commercial spaceship, "Spaceship Neptune," beginning in early 2021. The company hopes to begin taking passengers into space in the next three years or so, reports William Hardwood for CBS News. The ship, an enormous hydrogen-filled balloon with a small pressurized cabin hanging underneath, will carry research payloads, a pilot and up to eight paying civilian passengers into the stratosphere at a time, according to a statement. The 650-foot-tall balloon will lift off from leased facilities at NASA's Kennedy Space Center and gently rise to the stratosphere, about 19 miles above Earth's surface—not technically outer space, but high enough to see the curvature of the Earth and the darkness of space stretching out beyond, all for the lofty price of \$125,000. Read all about it [HERE](#).*

**> Why Grocery Items are Still out of Stock:** *Several months into our pandemic-era reality, the panic-buying phase has passed, and shoppers are reporting some improvement in what they've been able to find at stores from those early days. NPD Group found in recent surveys that 37% of shoppers had experienced out-of-stocks when shopping for food in the month of May, down from 48% who said the same for the month of April. But you need only take a trip to your local supermarket or try to fill your digital grocery cart to see that the out-of-stock situation hasn't returned to pre-pandemic patterns. So what is going on? It varies from item to item, but Bloomberg provides some reasons you might still be having to substitute – or do without – some of your go-to groceries that includes supply chain issues but also new consumer habits. Check it out [HERE](#).*

**> Scary Number of Retailers Face Bankruptcy:** *GNC has walked through death's door after knocking on it for years. And it's likely others will follow suit this year as the COVID-19 pandemic continues its devastation of America's retail sector. The 85-year-old vitamin seller filed for bankruptcy on Wednesday after years of battling waning sales and a debt load north of \$1 billion. Meantime, fellow debt-laden mall dweller J.C. Penney said on Tuesday it will close another 13 stores as part of its recent bankruptcy filing. The company told the courts in May it would shutter a total of 250 stores by the end of summer 2021, leaving it with a shade under 600 locations. To be sure, 2020 is shaping up to be one of the deadliest*

ever for the former icons of the mall and various shopping centers. While GNC's bankruptcy is a headline maker, the fact is we haven't seen a strong uptick in bankruptcies just yet for several reasons, experts explain. First, preparing for a structured entry into bankruptcy typically takes two to three weeks. Retailers were only thrust into mass social distancing driven store closures in mid- to late-March. Secondly, even the worst positioned big name retailers still had enough cash on hand to move through April and May. And lastly, one of the benefits of a retailer filing for bankruptcy is to raise cash for creditors by holding store closing sales. That couldn't happen with state mandated store closings. Read more [HERE](#).



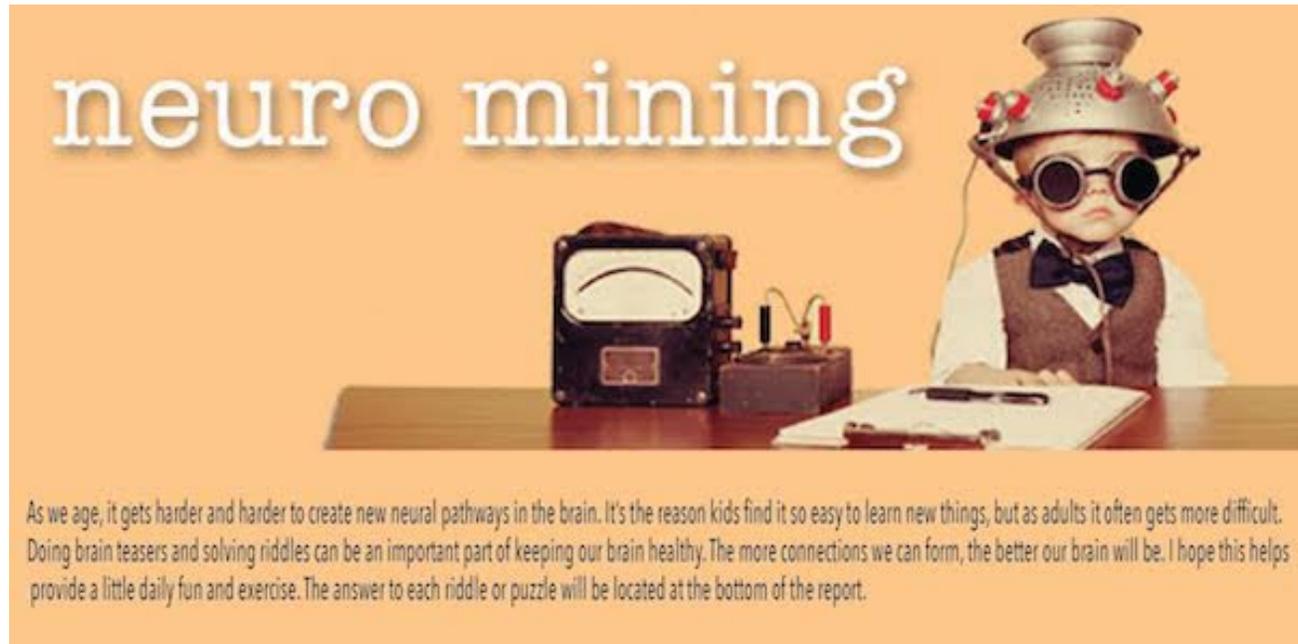


**East central Nebraska** - *Before everyone assumes it's Dicamba drift, we have beans in my area that I know for a fact that are Dicamba beans and they are cupped. Driving by them they have really changed the last few days so something else is going on. We have been dry and hot in this area also. Dicamba has had issues but everyone in my area has been communicating with each other asking what is planted and watching for gardens and being patient waiting for the right winds. Not sure why the soybeans are cupping besides stress. I sprayed some beans within a few hundred feet of some tomato plants, never fazed them but I took the time to talk to the owner and we covered them for a few days at night after application.*

**Northwest Illinois** - *We mostly strip-till here and have found the transition to no-till from conventional tillage has been easier in heavy soils to push through or eliminate the hardpan. I have some really sandy fields and when I push the penetrometer in, I find a hardpan under my strip or in between the rows. A few neighbors were having a discussion about this because we all have this hardpan no matter the form of tillage and no-till in this particular sand. I'm wondering about making an in-line ripper go fairly deep, but questioning whether mechanical tillage is the answer. It has to help because I hit it now at around 12 inches deep. I have an old cattle lot at the home farm that was cattle for as long as I have aerial photos for. It hasn't been cattle for 20 years and I can push the penetrometer down with very little effort. It'll go as deep as I want. No different tillage but the soil samples are a little different in organic material and P and K. The Ca/mg ratio is fairly similar. It's also been corn on corn as long as I can remember. It's usually the field I harvest first so thinking of doing a cover crop.*

**Northeast Kansas** - *We farm corn and soybeans with some bottom ground that we like to run heavier with our corn sometimes. Dad is running more corn acres this year and we have slightly more bean acres. All the crops look good and I think some of the stress the beans were put under prior to getting some rain actually helped them out. We are debating putting up more storage and a grain dryer. I told my dad we could cut three weeks earlier and get the anhydrous down sooner as well in the fall, but the number of dollar signs are winning out at the moment. Our 40-foot augur is just going to have keep getting the job done for now. We have been able to increase our acres over the last few years and are trying to farm them smarter and not harder, as we look to the future and are trying to figure out*

*where the premiums might be found.*



**TODAY'S RIDDLE:** What gets wetter and wetter the more it dries?



### **What You Need to know...Carbon Sequestration Gaining Momentum Across the Ag Industry**

Carbon sequestration seems to be getting more attention lately with the U.S. Senate Ag Committee even holding a hearing on the subject. The lawmakers are exploring how to create a carbon capture program for interested farmers and landowners as part of the Growing Climate Solutions Act. It focuses on removing technical barriers and assisting with upfront development costs, as well as establishes standards and protocols.

The idea has gained traction across the agricultural industry. Ag startup [Indigo Ag](#) has said thousands of farmers working more than 18 million acres of farmland, nearly all in the United States, have expressed interest in enrolling in its carbon-sequestration program. A consortium of food giants and non-profits has raised

more than \$20 million to build a marketplace to sell soil carbon credits. The [Ecosystem Services Market Consortium](#) counts among its members agri-business giants Bunge and Cargill, food companies General Mills and Land O'Lakes, and agriculture groups such as the National Farmers Union, American Farm Bureau Federation and the National Cattlemen's Beef Association. The marketplace is piloting its program on 50,000 acres of farmland and has announced a nationwide target launch date of 2022.

With the idea of providing farmers incentives finally gaining what looks like real momentum in Congress, it seems like a good time to take a look at what carbon sequestration actually is. For some producers, it could mean getting paid for things they already practice, including those in the "regenerative agriculture" movement. At the same time, it opens up possible economic incentives for others that might have been considering changes. A very good breakdown of the Growing Climate Solutions Act can be found [HERE](#). Below is more information on carbon sequestration and what it could mean for farmers. (Sources: USGS, Beveridge&Diamond PC, GreenBiz, UC Davis)

### **What is carbon sequestration?**

*Carbon sequestration is the process of capturing and storing carbon dioxide to prevent it from entering the atmosphere. The ultimate goal is to reduce and/or slow global climate change, which some scientists argue can not be done to a meaningful degree by simply reducing carbon emissions. For example, in 2018, the National Academies of Sciences, Engineering and Medicine reported that "negative emissions technologies" — techniques for removing carbon from the atmosphere, rather than simply reducing new emissions of carbon — are needed to stabilize global warming below 2 degrees Celsius, the level scientists believe could be catastrophic.*

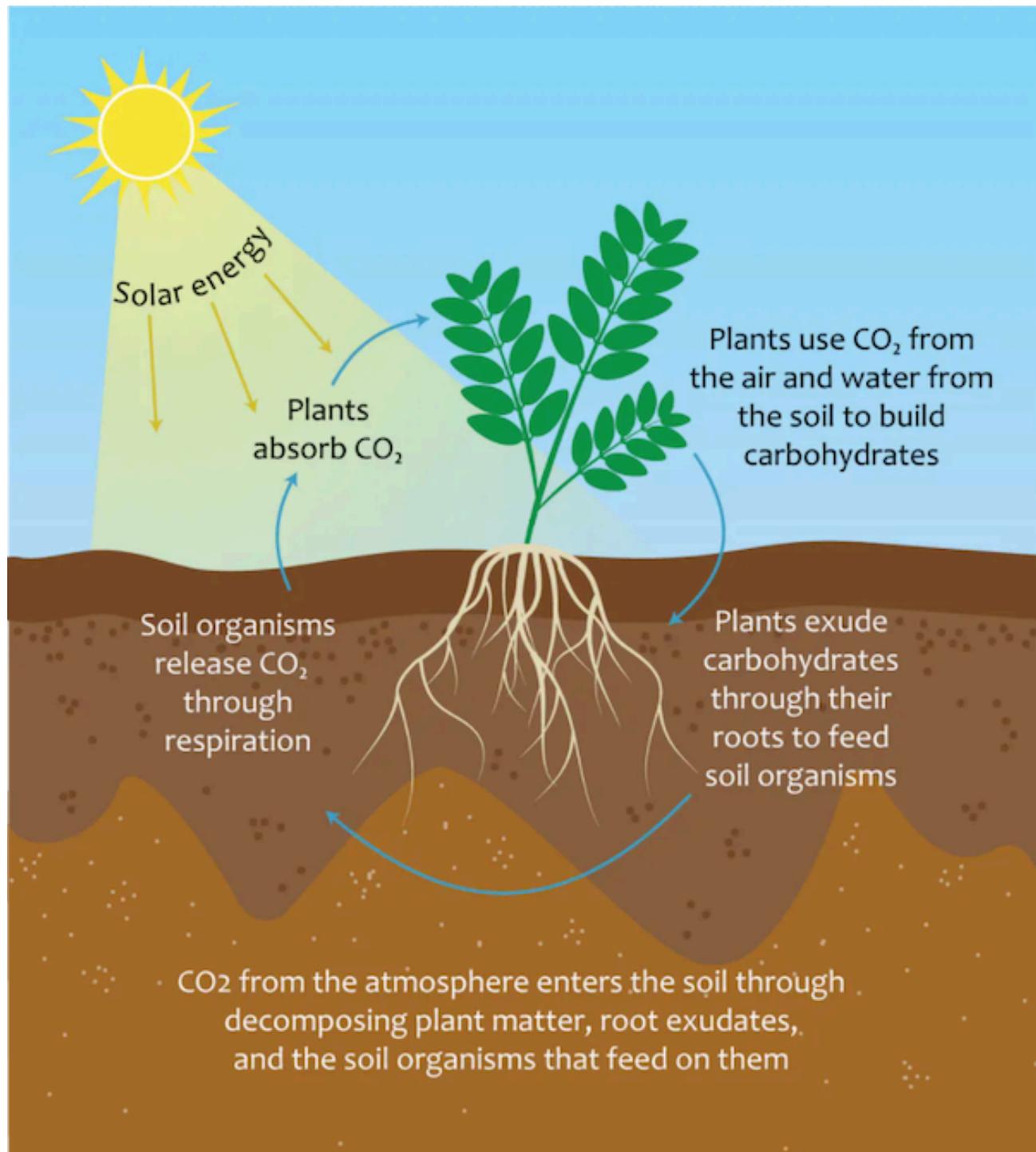
### **What are the different types of carbon sequestration?**

*There are two main types of carbon sequestration. The first, geological sequestration, is the process of storing it in underground geologic formations. For agriculture, we are talking about biological sequestration, which is the storage of atmospheric carbon in vegetation, soils, woody products, and aquatic environments. Soil sequestration was identified in the academy's study as a cost-effective solution with the potential to remove as much as 5% of the U.S.'s annual CO2 emissions, which totaled 5.4 billion tons in 2018.*

### **What is the process of soil carbon sequestration?**

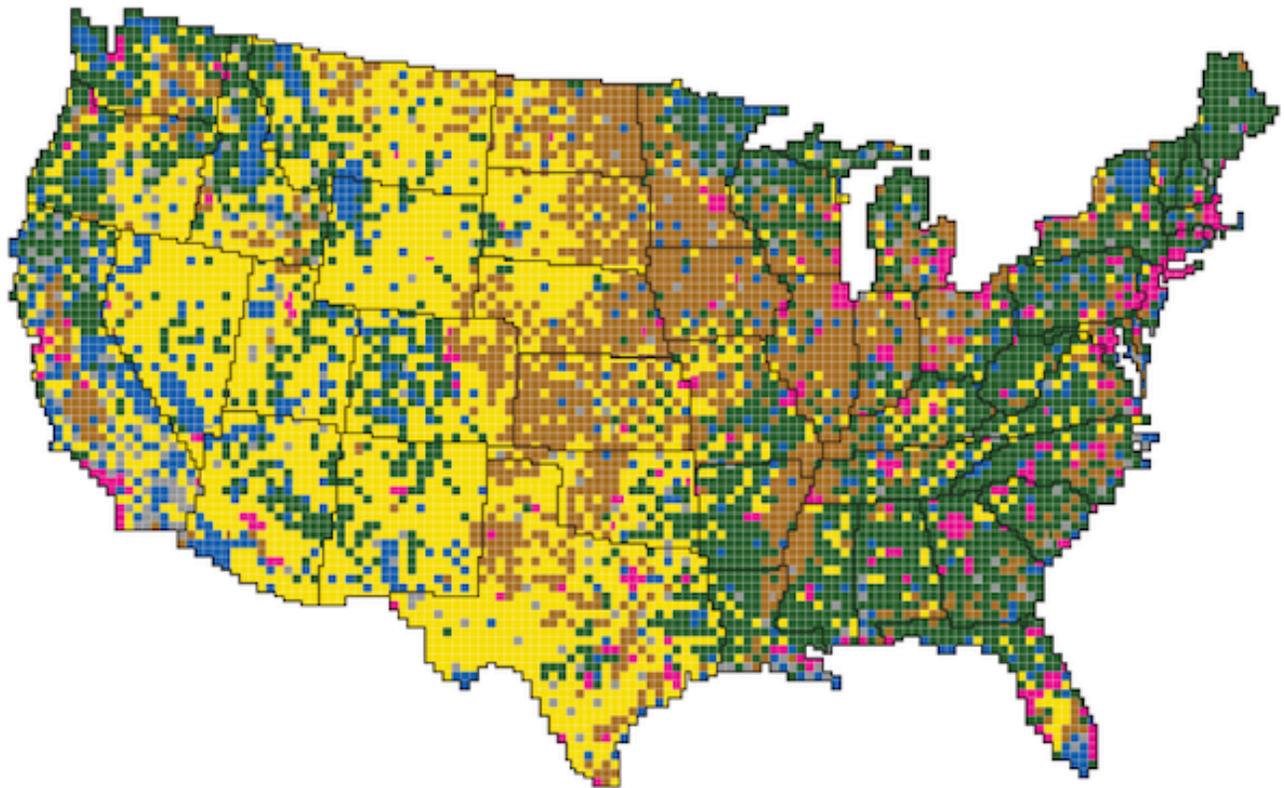
*Soil sequesters carbon through a complex process that starts with photosynthesis. A plant draws carbon out of the atmosphere and returns to the soil what isn't harvested in the form of residue and root secretions. This feeds microbes in the soil. The microbes transform it into the building blocks*

of soil organic matter and help stabilize the carbon, sequestering it. Based on the same National Academy of Sciences study, global farmland could capture and store as much as 3 billion tons of additional carbon dioxide if farmers adopted a number of practices. Those include the use of cover crops and no-till, practices a large number of farmers already employ.





■ Pasture/range ■ Forest ■ Cropland ■ Special Use ■ Miscellaneous ■ Urban  
■ = 1 million acres



## **What Can Be Made from One Barrel of Oil?**

The Visual Capitalist released a white-paper a few years back detailing what is made from one barrel of crude oil. A portion of the research was written by Jeff Desjardins, the Editor-in-Chief of Visual Capitalist, a media site that creates and curates visuals on business and investing. The article was circulating inside the trade again this past week and I thought I would share. It's somewhat sad how bad of a rap crude oil has gotten with the media and Millenials these days. I find it fascinating what our ancestors were able to do with crude oil. I understand it might be time to turn the page and move ahead more rapidly with "clean energy", but it's still amazing what they were able to accomplish with so little technology and tools available. Enjoy [The Visual Capitalist](#) comments below:

*Many people think of crude oil as a thick, black liquid that is used to source our unquenchable thirst for gasoline. However, the reality is that each barrel of oil is refined to be used in a variety of applications that includes fuel, cosmetics, plastics, rubber, and candle wax.*

### **What's in one barrel of oil?**

*Today's infographic comes from [JWN Energy](#), an oil and gas news site. Using Chevron as a source, it shows 17 different things that can be made from each barrel of oil.*

*Here is everything that can be made from just one barrel of oil:*

- *Enough gasoline to drive a medium-sized car over 450km (280 miles).*
- *Enough distillate fuel to drive a large truck for almost 65km (40 miles). If jet fuel fraction is included, that same truck can run nearly 80km (50 miles).*
- *Nearly 70 kWh of electricity at a power plant generated by residual fuel.*
- *About 1.8 kg (4 lbs) of charcoal briquettes.*
- *Enough propane to fill 12 small (14.1 ounce) cylinders for home, camping or workshop use.*
- *Asphalt to make about 3.8 L (one gallon) of tar for patching roofs or streets.*
- *Lubricants to make about a 0.95 L (one quart) of motor oil.*
- *Wax for 170 birthday candles or 27 wax crayons.*

*But that's not all. After producing all of the above products, there's also enough petrochemicals leftover to be used as a base for one of the following:*

- *39 polyester shirts*
- *750 pocket combs*

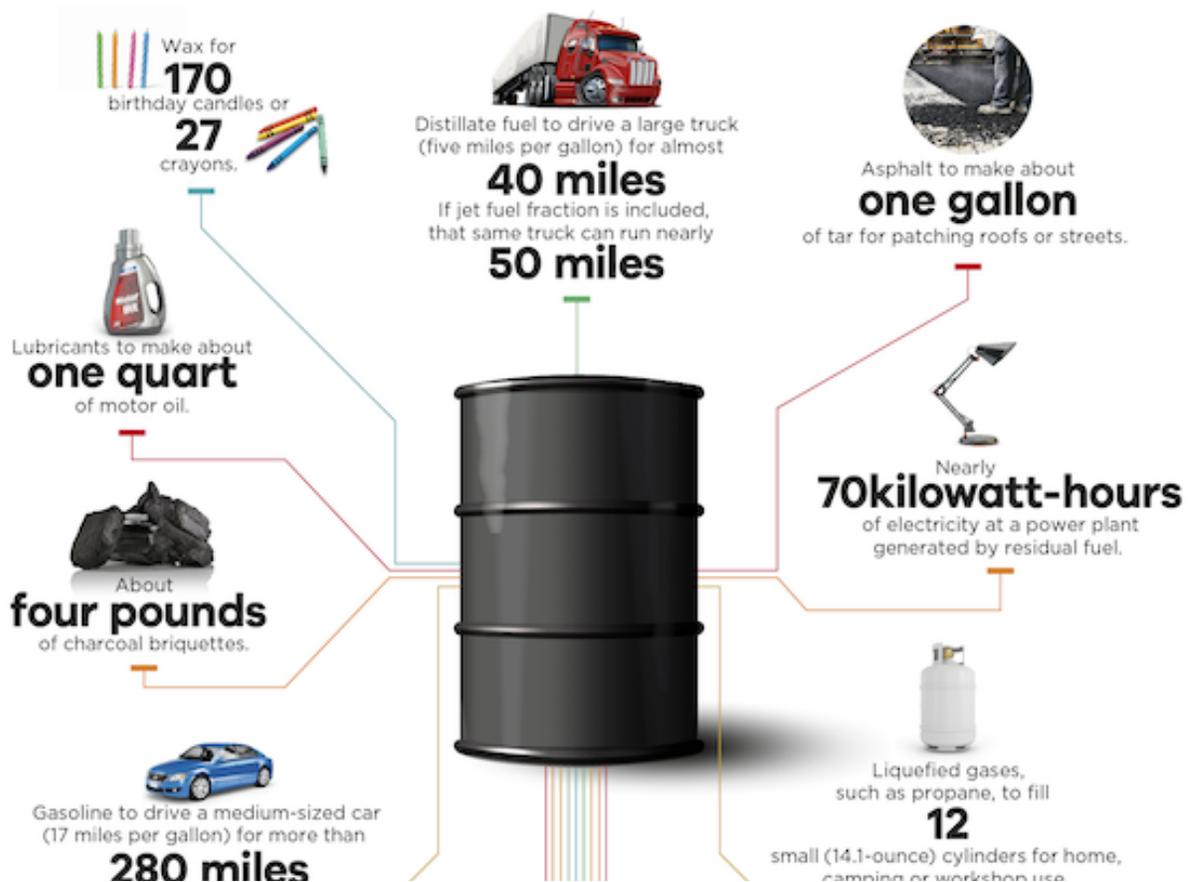
- 540 toothbrushes
- 65 plastic dustpans
- 23 hula hoops
- 65 plastic drinking cups
- 195 one-cup measuring cups
- 11 plastic telephone housings
- 135 four-inch rubber balls

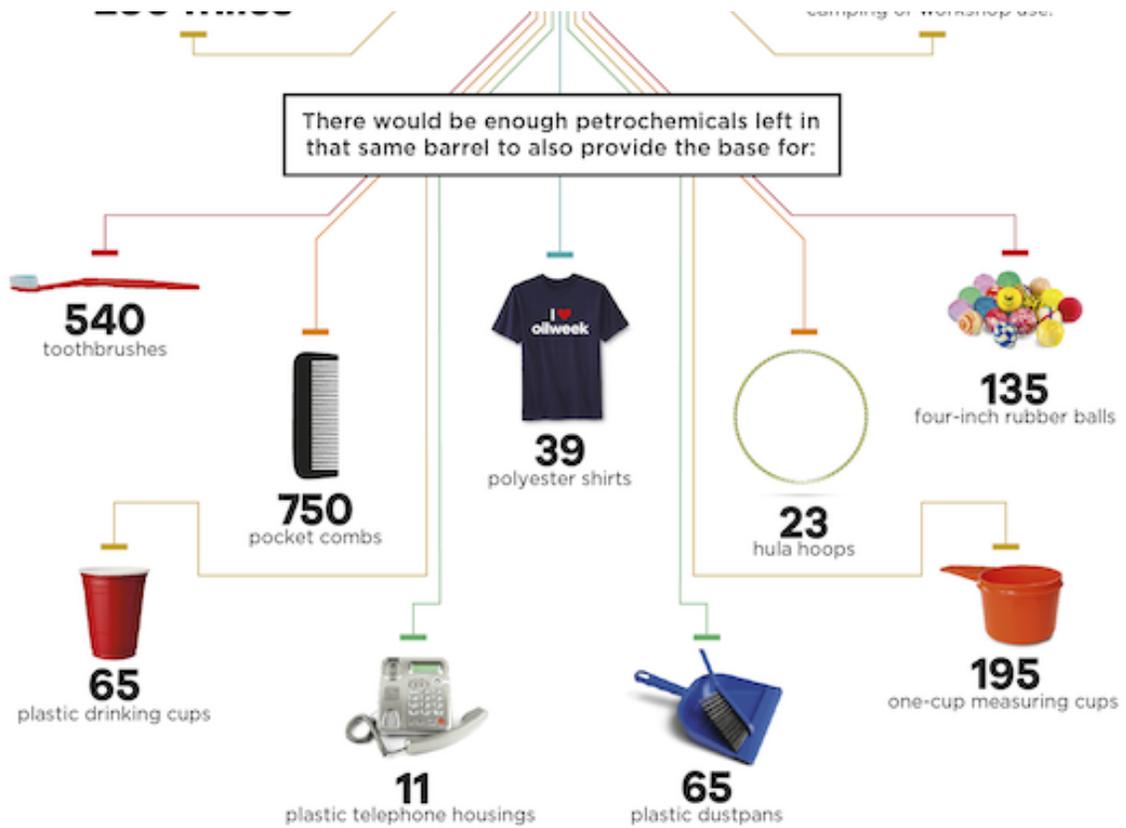
Oil is not a one-trick pony, and the gooey black liquid actually has thousands of applications. The above serves as one example of how a barrel could be used, but here's [a list of many other oil applications](#). It includes everything from guitar strings to antihistamines.

Whatever your opinion is of fossil fuels, it's still pretty astonishing what can be produced out of each barrel of oil.

## What can you make from one barrel of oil?

Researchers broke down a typical barrel of domestic crude oil into what could be produced from it. The average domestic crude oil has a gravity of **32 degrees** and weighs **7.21 pounds per gallon**. Here's what just one barrel of crude oil can produce:





The lighter materials in a barrel are used mainly for paint thinners and dry-cleaning solvents, and they can make nearly a quart of one of these products. The miscellaneous fraction of what is left still contains enough byproducts to be used in medicinal oils, still gas, road oil and plant condensates.

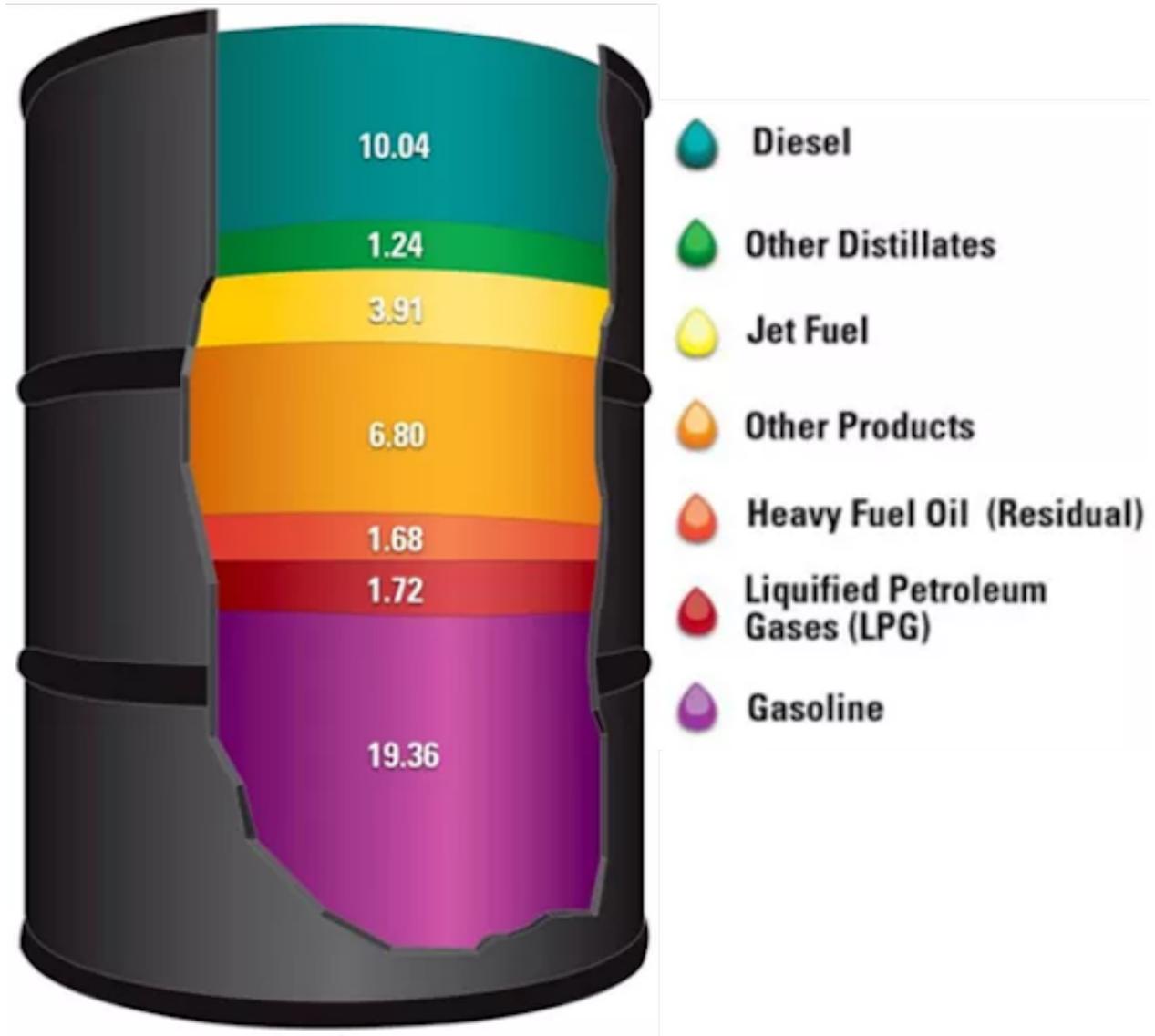
**It's a real industrial horn of plenty.**

IMAGES: SHUTTERSTOCK.COM

SOURCE: CHEMTRON

# Products Made from a Barrel of Crude Oil (Gallons)

(2009)





### **17 Inches... One of My All-Time Favorite Life Lessons!**

This was sent my direction by my friend a few years back and it really caught my attention. I received it again this past weekend and thought I should share, especially with all we are dealing with and trying to overcome. If you've read it before, I promise it's worth another look!

*Over twenty-one years ago, in Nashville, Tennessee, during the first week of January 1996, more than 4,000 baseball coaches descended upon the Opryland Hotel for the 52nd annual ABCA's convention.*

*While I waited in line to register with the hotel staff, I heard other more veteran coaches rumbling about the lineup of speakers scheduled to present during the weekend.*

*One name, in particular, kept resurfacing, always with the same sentiment — "John Scolinos is here? Oh, man, worth every penny of my airfare."*

*Who is John Scolinos, I wondered? No matter; I was just happy to be there.*

*In 1996, Coach Scolinos was 78 years old and five years retired from a college coaching career that began in 1948. He shuffled to the stage to an impressive standing ovation, wearing dark polyester pants, a light blue shirt, and a string around his neck from which home plate hung — a full-sized,*

*stark-white home plate.*

*Seriously, I wondered, who is this guy?*

*After speaking for twenty-five minutes, not once mentioning the prop hanging around his neck, Coach Scolinos appeared to notice the snickering among some of the coaches. Even those who knew Coach Scolinos had to wonder exactly where he was going with this, or if he had simply forgotten about home plate since he'd gotten on stage. Then, finally...*

*"You're probably all wondering why I'm wearing home plate around my neck," he said, his voice growing irascible. I laughed along with the others, acknowledging the possibility. "I may be old, but I'm not crazy. The reason I stand before you today is to share with you baseball people what I've learned in my life, what I've learned about home plate in my 78 years."*

*Several hands went up when Scolinos asked how many Little League coaches were in the room. "Do you know how wide home plate is in Little League?"*

*After a pause, someone offered, "Seventeen inches?," more of a question than answer.*

*"That's right," he said. "How about in Babe Ruth's day? Any Babe Ruth coaches in the house?"*

*Another long pause.*

*"Seventeen inches?" a guess from another reluctant coach.*

*"That's right," said Scolinos. "Now, how many high school coaches do we have in the room?" Hundreds of hands shot up, as the pattern began to appear. "How wide is home plate in high school baseball?"*

*"Seventeen inches," they said, sounding more confident.*

*"You're right!" Scolinos barked. "And you college coaches, how wide is home plate in college?"*

*"Seventeen inches!" we said, in unison.*

*"Any Minor League coaches here? How wide is home plate in pro ball?"....."Seventeen inches!"*

*"RIGHT! And in the Major Leagues, how wide home plate is in the Major Leagues? "Seventeen inches!"*

*"SEV-EN-TEEN INCHES!" he confirmed, his voice bellowing off the walls. "And what do they do with a Big League pitcher who can't throw the ball over seventeen inches?" Pause. "They send him to Pocatello!" he hollered, drawing raucous laughter. "What they don't do is this: they don't say, 'Ah, that's okay, Jimmy. If you can't hit a seventeen-inch target? We'll make it eighteen inches or nineteen inches. We'll make it twenty inches so you have a better chance of hitting it. If you can't hit that, let us know so we can make it wider still, say twenty-five inches.'"*

*Pause. "Coaches... what do we do when your best player shows up late to practice? or when our team rules forbid facial hair and a guy shows up unshaven? What if he gets caught drinking? Do we hold him accountable? Or do we change the rules to fit him? Do we widen home plate?"*

*The chuckles gradually faded as four thousand coaches grew quiet, the fog lifting as the old coach's message began to unfold. He turned the plate toward himself and, using a Sharpie, began to draw something. When he turned it toward the crowd, point up, a house was revealed, complete with a freshly drawn door and two windows. "This is the problem in our homes today. With our marriages, with the way we parent our kids. With our discipline.*

*We don't teach "accountability" to our kids, and there is no consequence for failing to meet standards. We just widen the plate!"*

*Pause. Then, to the point at the top of the house, he added a small American flag. "This is a problem in our schools today. The quality of our education is going downhill fast and teachers have been stripped of the tools they need to be successful, and to educate and discipline our young people. We are allowing others to widen home plate! Where is that getting us?"*

*Silence. He replaced the flag with a Cross. "And this is the problem in the Church, where powerful people in positions of authority have taken advantage of young children, only to have such an atrocity swept under the rug for years. Our church leaders are widening home plate for themselves! And we allow it."*

*"And the same is true with our government. Our so-called representatives make rules for us that don't apply to themselves. They take bribes from lobbyists and foreign countries. They no longer serve us. And we allow them to widen home plate! We see our country falling into a dark abyss while we just watch."*

*I was amazed. At a baseball convention where I expected to learn something about curveballs and bunting and how to run better practices, I had learned something far more valuable.*

*From an old man with a home plate strung around his neck, I had learned something about life, about myself, about my own weaknesses, and about my responsibilities as a leader. I had to hold myself and others accountable to that which I knew to be right, lest our families, our faith, and our society continue down an undesirable path.*

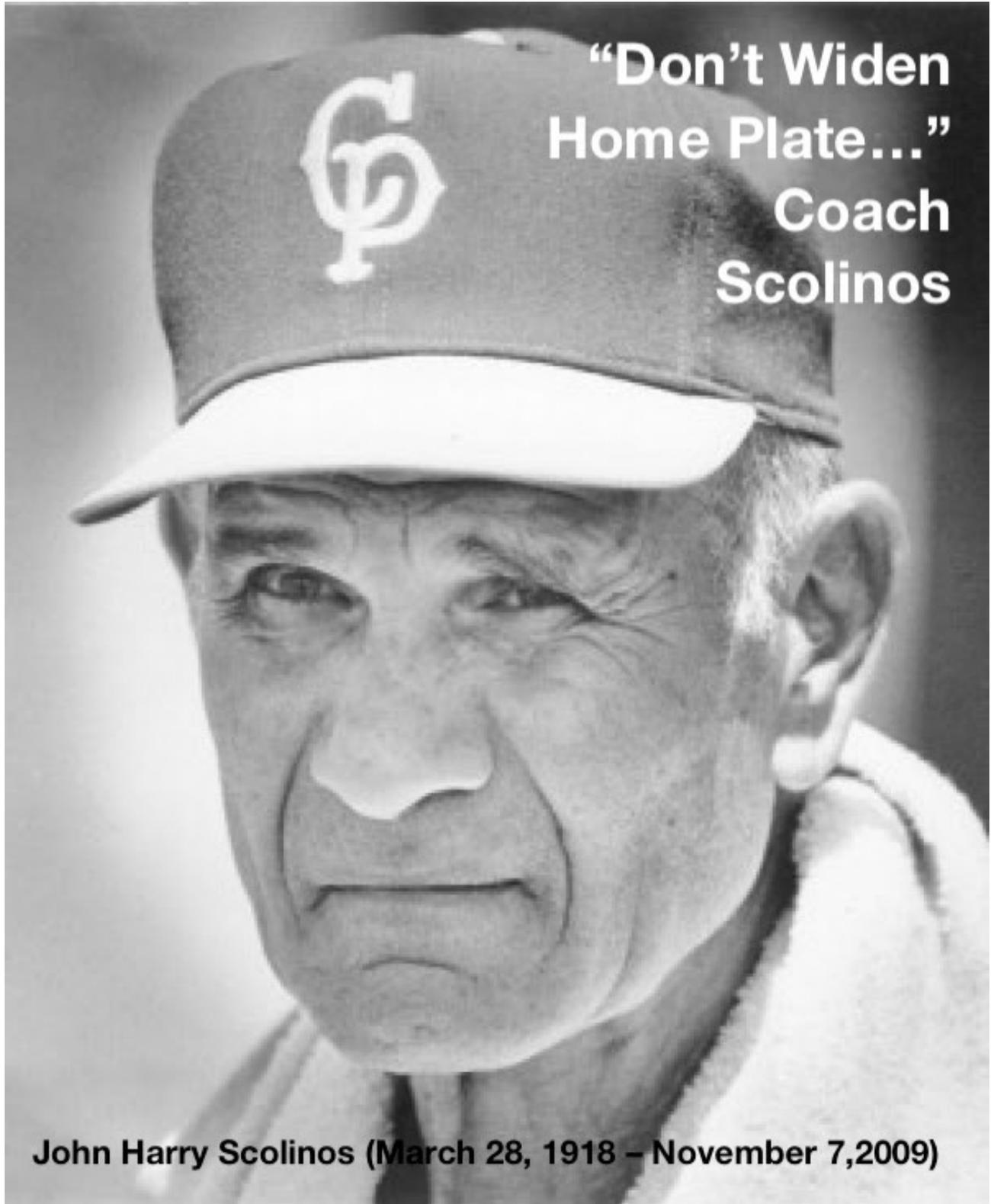
*"If I am lucky," Coach Scolinos concluded, "you will remember one thing from this old coach today.*

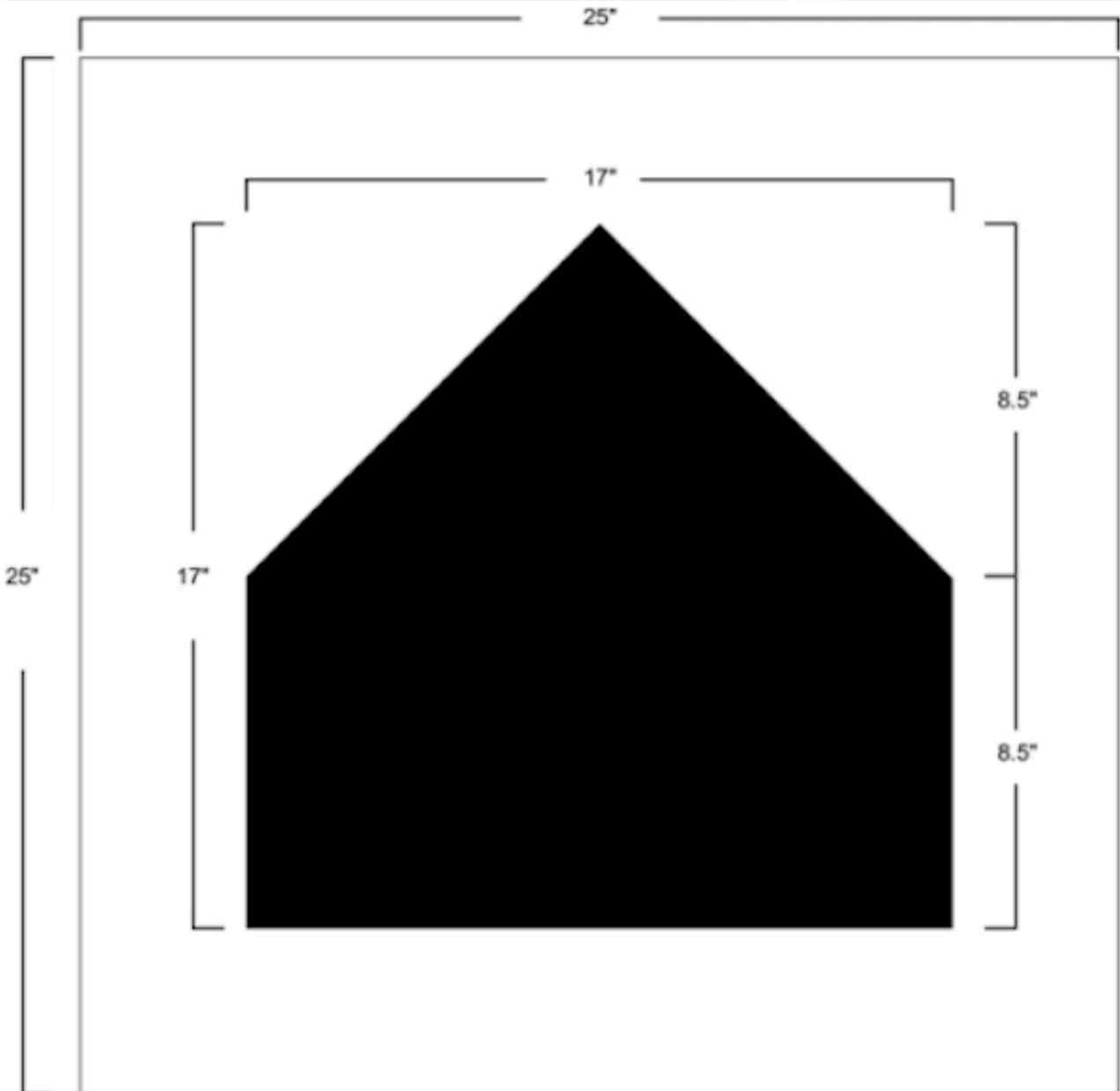
*It is this: "If we fail to hold ourselves to a higher standard, a standard of what we know to be right; if we fail to hold our spouses and our children to the same standards if we are unwilling or unable to provide a consequence when they do not meet the standard; and if our schools & churches & our government fail to hold themselves accountable to those they serve, there is but one thing to look forward to ..."*

*With that, he held home plate in front of his chest, turned it around, and revealed its dark black backside, "...We have dark days ahead!."*

*Note: Coach Scolinos died in Nov 2009 at the age of 91, but not before touching the lives of hundreds of players and coaches, including mine. Meeting him at my first ABCA convention kept me returning year after year, looking for similar wisdom and inspiration from other coaches. He is the best clinic speaker the ABCA has ever known because he was so much more than a baseball coach. His message was clear: "Coaches, keep your players—no matter how good they are—your own children, your churches, your government, and most of all, keep yourself at seventeen inches."*

*And this my friends is what our country has become and what is wrong with it today, and now go out there and fix it... "Don't widen the plate!"*







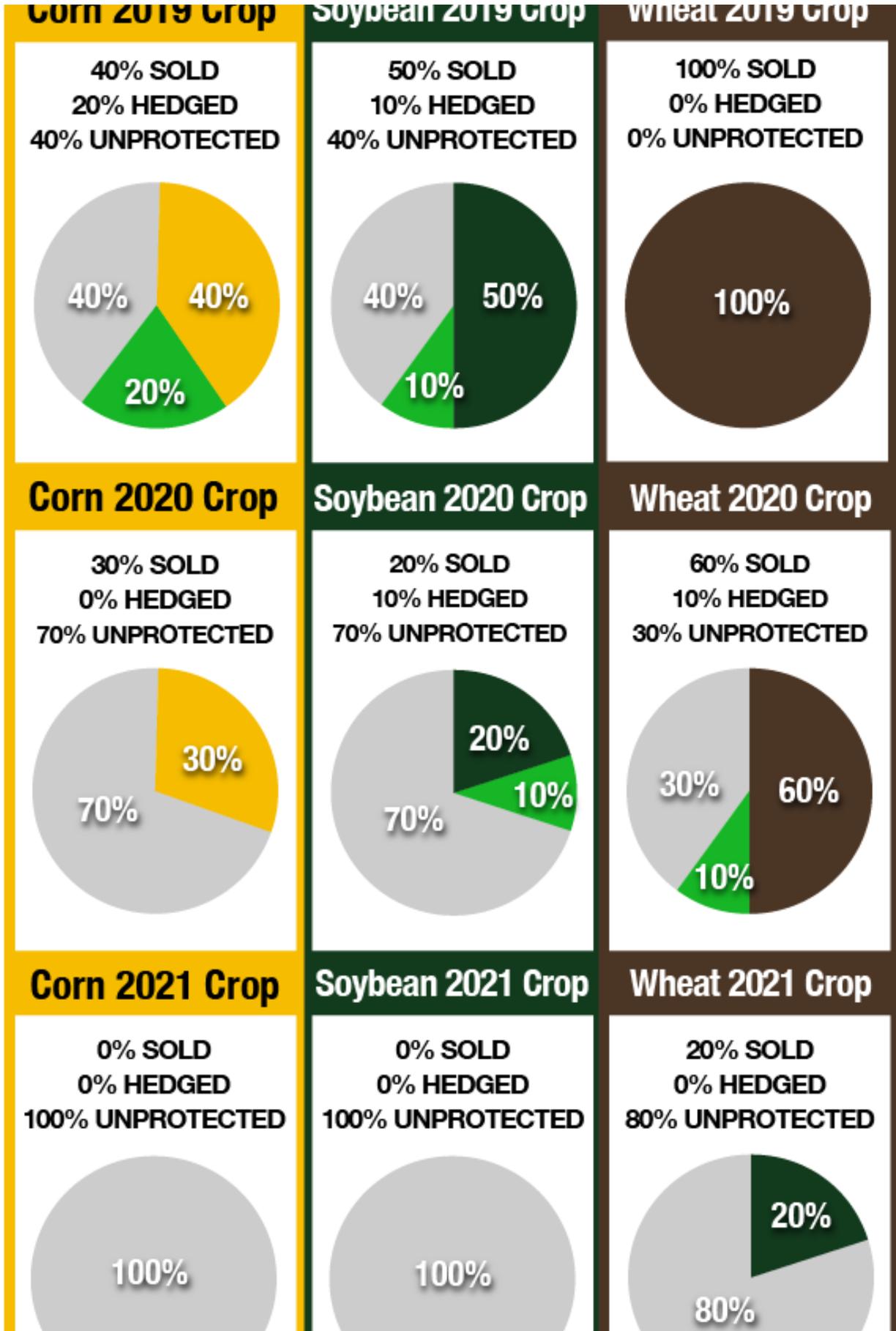


**ANSWER to riddle:** A towel.

## CASH SALES & HEDGING TOTALS

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*Happiness isn't about making more money, but rather freedom. The freedom to say no to things you don't want to do. The freedom to say no to people you don't like. The freedom to not feel like you are obligated to say "yes."* - **Shane Parrish**

**Monday, June 29, 2020**

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**REMINDER:** Each year I give myself and the others in the office two weeks off per year to spend time with friends and family. One week is between Christmas and New Years, the other is the week of July 4th. With that in mind, the last report we will issue this week will be on Wednesday morning July 1st. We will then re-start our regular schedule with a morning report released the following Thursday. I will personally be monitoring the markets between now and then and if anything significant happens I will jump on and do a brief podcast sharing my thoughts and opinions. From my family to yours, have a safe and happy July 4th. Remember, most markets close early this Friday, July 3rd.

**Morning Summary:** Investors will be tasked this week with weighing an economy that is both expanding and contracting as reopening efforts continue in some parts of the country, while others are looking to reverse course or perhaps pause reopening plans. Texas and Florida have both scaled back reopening efforts

and other states with climbing cases, like Arizona and California, also are rethinking their plans. It's certainly dashing plans that many had for Fourth of July celebrations, meaning another holiday weekend of lost revenue for scores of places. Texas has closed the bars and Florida has banned the bars from selling alcohol. It's become very clear that thousands of stores, restaurants, and hotels will never get reopened, which might have wider implications for the job market as well as commercial property. The EU is set to reopen borders on Wednesday, but travelers from the U.S. as well as Russia will remain restricted due to what they deem are elevated coronavirus outbreaks. The decision highlights an uneven recovery across the entire globe that will continue to weigh on growth and complicate the outlook for several vulnerable sectors. Oil traders are closely watching the resurgence in the U.S. which some worry could again weigh on overall gasoline demand. Interestingly, gasoline demand in Texas on Wednesday, June 24 was -17.8% lower than on Wednesday, June 17, a drop that came as coronavirus cases began rising dramatically. The fear is that U.S. consumers could pause as and perhaps even pullback a bit as case counts spike. Personally, I think this re-opening dance of three-steps forward and two-steps back will continue as we bring more businesses and consumers back online. But I see this as the necessary steps to recovery. The more people we get out and about and more businesses reopened along with more testing the higher the numbers. Consumers and government officials might pull back a moment trying to protect the masses, the counts will drop a bit, and we will make another run at it i.e. three or four-steps forward followed by one or two-steps back. The tech sector this week may come under additional pressure from an advertiser boycott against Facebook that's grown quite large and weighing on the company's stock price as of late. Hershey, and Honda are among some of the 120 advertisers that have decided to temporarily halt ad spending with Facebook. Unilever on Friday announced it was halting advertising on both Facebook and Twitter through the end of the year. Coca-Cola and Starbucks have gone one step further and paused advertising on all social media platforms. The bigger worry among some analysts is that this might just be the start of deeper social media advertising cuts across the board amid wider belt-tightening as the pandemic wears on and social unrest widens. Keep in mind, the biggest and most heavily traded tech stocks, the so-called FAANG stocks (Facebook, Amazon, Apple, Netflix, Google), make up around 20% of the S&P 500 and their performance has a substantial impact on the broader market. Bears warn that if investors lose faith in these companies, support for stocks in general could start to weaken. This latest development also comes as fund managers are looking at quarter-end and month-end rebalancing of portfolios. Today brings fresh economic data with May Pending Home Sales and the latest Dallas Fed Manufacturing Index. The other key reports this week include tomorrow's Consumer Confidence, ISM Manufacturing released on Wednesday, and the highly anticipated June jobs report on Thursday.

**Fracking Giant Chesapeake Energy Files for Bankruptcy:** *Chesapeake Energy Corp. filed for bankruptcy protection Sunday as an oil- and gas-price rout stoked by the coronavirus pandemic proved to be the final blow for a shale-drilling pioneer. Co-founded in 1989 by the late wildcatter Aubrey McClendon, the company was early to recognize that horizontal drilling and hydraulic fracturing could unlock vast troves of natural gas, a trend that led to a rebirth of American fossil-fuel output and eventually made the U.S. the top oil producer in the world. By the end of 2008, the Oklahoma City-based company had drilling rights to nearly 15 million acres, according to a securities filing, an empire roughly the size of West Virginia. That vast footprint once helped Chesapeake earn the title of second-largest U.S. gas producer. More than 200 shale companies may file for bankruptcy over the next two years if oil and gas prices stay around current levels, analysts say. (Source: [The Wall Street Journal](#))*

**How Does a Civil War Start?** *Two or more sides disagree on who runs the country. And they can't settle the question through elections because they don't even agree that elections are how you decide who's in charge. That's the basic issue here Who decides who runs the country? When you hate each other but accept the election results, you have a country. When you stop accepting election results, you have a countdown to a civil war.*

**This Might Explain a Few Things...** *I always loved it when my Mom said, "I'll pull this car over right now." I also remember a lot more talk of physical violence involved in our conversations when I was being overly ornery or disrespectful.) I also remember that we always had a dog, but it was just a "dog". I think Dad would have lost it if Mom would have agreed to let us kids spend money on some cool dog toys, awesome dog bedding or some high-priced organic dog food. Crazy to think about how everything has changed but so many of us think everything should stay the same! I know a lot of parents across this country that raised their kids much differently than we were raised. And now those kids are adults and many are asking for change... can't imagine why?*

<b>MOMS NOW vs. MOMS THEN:</b>	
"That word is inappropriate."	"Say that again and I'll wash your mouth out with soap."
"Good job trying one bite of the dinner I made. Now you can	"You'll eat what I make, whether you like it or not. There are starving

have Mac & Cheese."	children in the world."
"I can see you're upset. Take a deep breath and use your words."	"You better stop crying or I'll REALLY give you something to cry about."
"You can't walk around the block by yourself. I'll drive you. Text me when you need a ride back."	"You want to go out? Take your bike. Be home before dark."
"I packed your bento box with almond butter on whole grain, kale chips, and an organic smoothie."	"Take a brown bag with a bologna sandwich on Wonder Bread. Grab a Twinkie and a Hawaiian Punch too."

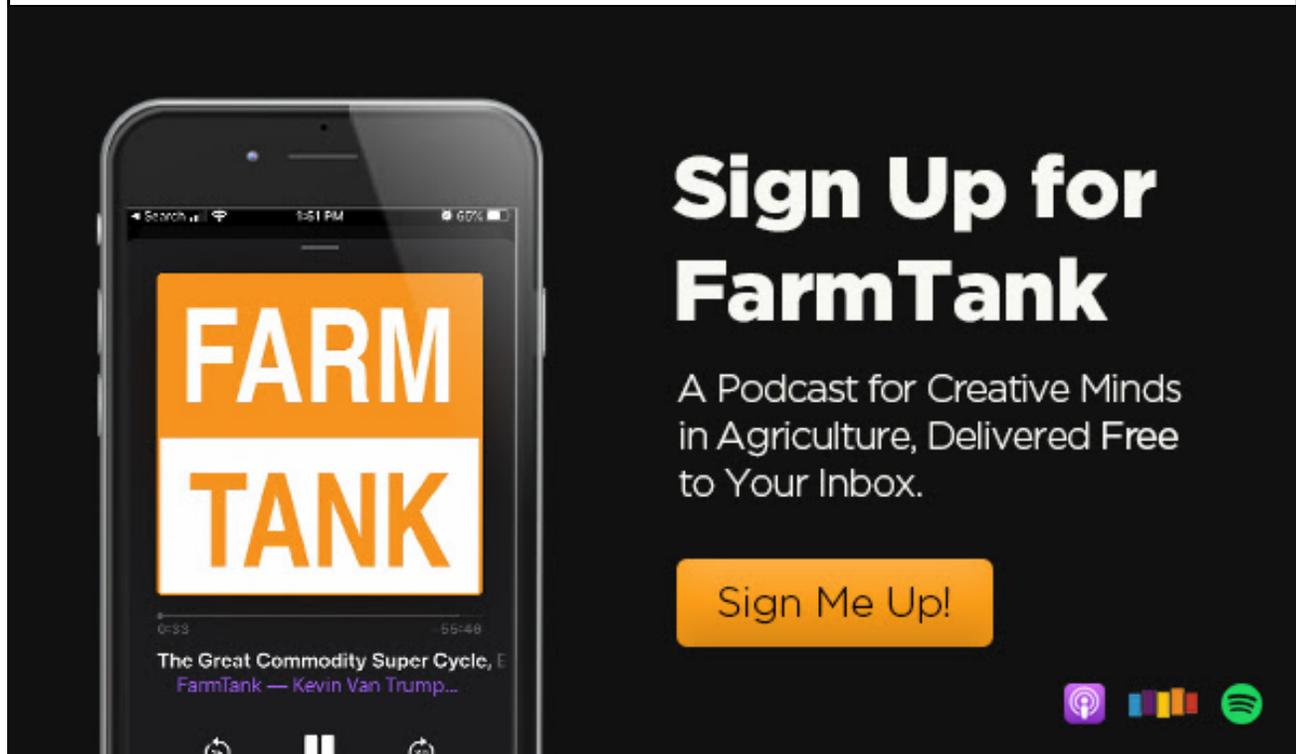
**Andy and I recorded a NEW podcast...** All FarmTank and Van Trump Report subscribers should receive the link this morning. Look for it in your inbox! If you are not signed-up you can do so for FREE by clicking the FarmTank button below.

w/ Kevin Van Trump & Andy Daniels  
**UNFILTERED TALK**  
 Amongst Professional Traders,  
 Investors & Top Executives

**NEW Highly Volatile Podcast... Stocks, Row Crops, and Barbeque"** Andy Daniels and Kevin Van Trump talk about how they will be trying to position themselves in the markets ahead of the harvest and highly anticipated November U.S. presidential election. Hear thoughts regarding stocks, crude oil, gold, corn, soybeans, rice, etc... There are also some good BBQ tips and talk. For those who might not know,

Andy's BBQ team has had some high competition finishes, so it's interesting to hear from a seasoned pro as we all kick the grills into high gear this summer.

If you haven't yet signed up for the podcast series, you can do so for FREE by [Clicking HERE](#), the podcast will come direct to your inbox from our FarmTank team. Look for the NEW podcast in your inbox around 7:30 AM CST!



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**Fed Reveals Corporate Bond Purchases:** *On June 16, the U.S. central bank began purchasing securities of individual issuers as part of a broad index it created to include companies that were eligible for the program. New disclosures show the Federal Reserve bought bonds issued by companies including AT&T, UnitedHealth Group, and Walmart, as part of its emergency lending program set up in response to the pandemic,. The disclosures, posted Sunday, showed that of the \$207 million of purchases made on the first day of buying, about 21% were of debt issued by firms in the consumer non-cyclical sector, while 15% were of consumer cyclical debt and 10% were of technology debt. Fed officials have said the goal of the buying is to maintain liquidity in the market for corporate debt, so that issuers are able to access capital. As of Tuesday, the Fed had amassed \$8.71 billion of assets including ETFs and individual securities through the program. Read more from [Bloomberg](#).*

**Credit Card Industry Reins in Balance-Transfer Offers:** *Balance transfer offers, which typically entice borrowers to move their debt to a new lender in exchange for a temporary 0% interest rate, have been sharply reduced at*

*banks including JPMorgan Chase, Citigroup, Bank of America, Barclays and Capital One, according to people with knowledge of the matter at each firm. American Express took the most drastic step, dropping the product altogether, according to a company spokesperson. Banks were burned in the 2008 recession when users of balance transfers defaulted at among the highest rates in the industry, according to the sources. Now, lenders are being more selective about who they make no-interest offers to, favoring customers with higher credit scores and other advantages, said the people. At the same time, the industry has offered many borrowers forbearance during the pandemic, waiving late fees and interest for months. For many customers, those programs are ending soon, and it's an open question as to whether they will resume making payments. (Source: CNBC)*

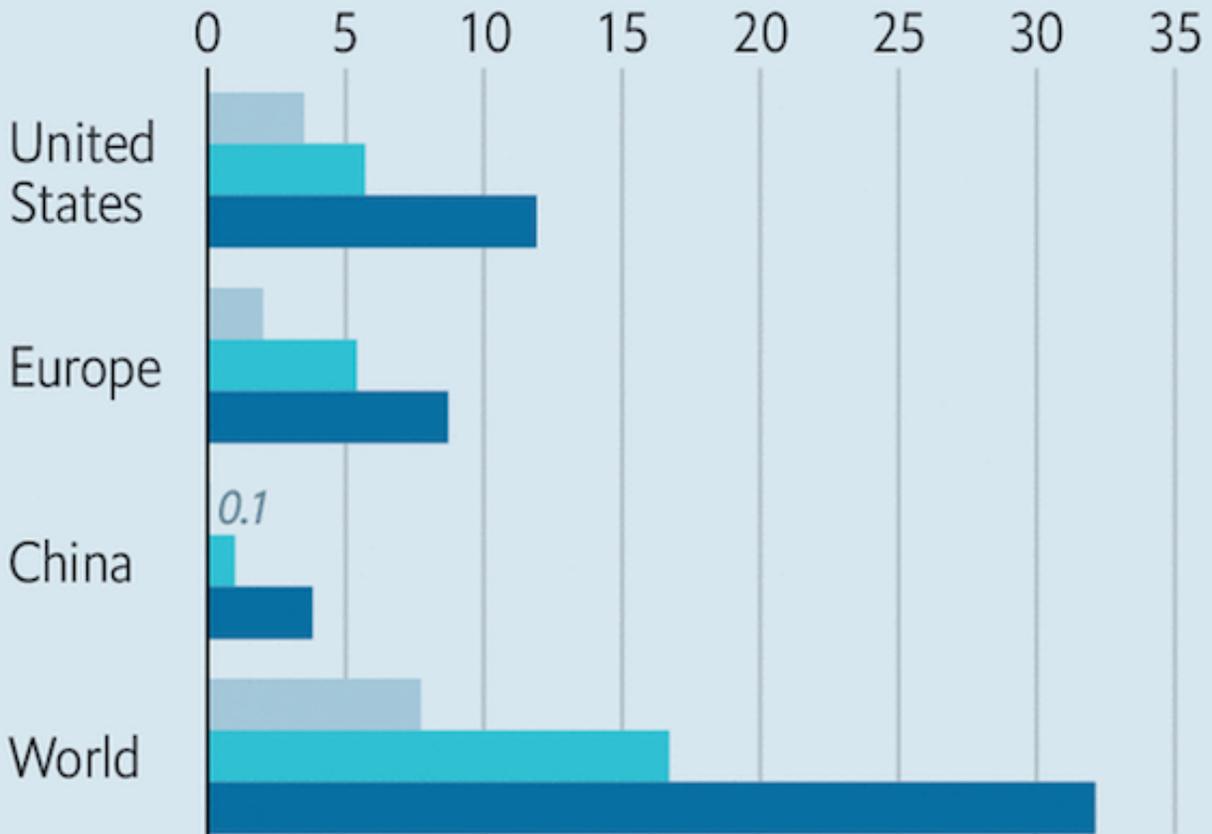
**Investor Infatuation with Commercial Property Fading:** *The global stock of investible commercial property—hotels, shops, offices and warehouses—has quadrupled since 2000, to \$32 trillion. More than a third is owned by institutional investors, which piled in, lured by lucrative, solid returns. Worldwide, offices and shops account for 61% of assets. But by the start of this year, there were already signs of froth, with both offices and industrial property prices reaching new record prices. Retail property prices peaked in 2018. Now, swarms of tenants have simply stopped paying rent as the economy has reeled. Collection rates have fallen below 50% on both sides of the Atlantic and the resulting lost rental income is likely to have passed through to missed mortgage payments. Many banks report losses with a lag and with limited detail, but delinquency rates on commercial-mortgage-backed securities (cmbs)—bundles of loans sold on capital markets—provide a barometer. In America this month they exceeded levels seen during the financial crisis. A fifth of debt payments on shopping properties are late; a quarter of those due on "lodgings"—including student housing, vacant since universities closed—have also been skipped. Read more from [The Economist](#).*

# Climbing the ladder

1

## Investible stock of commercial property, \$trn

2000 2010 2020\*



Source: CBRE Research, Oxford Economics

\*Estimate

The Economist

# On rent strike

4

United States, commercial-mortgage-backed securities, delinquency rate\* by property type, %



Source: Trepp

\*Loans 30 days or more past due

The Economist

# Summer Special

**UNDER ARMOUR TIDE CHASER  
& COLUMBIA PFG**

**\$39.99**  
MINIMUM ORDER 12

**YOUR LOGO**

**YOUR LOGO**

**AgSwag**

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# FARM TANK

Tweets of the Day





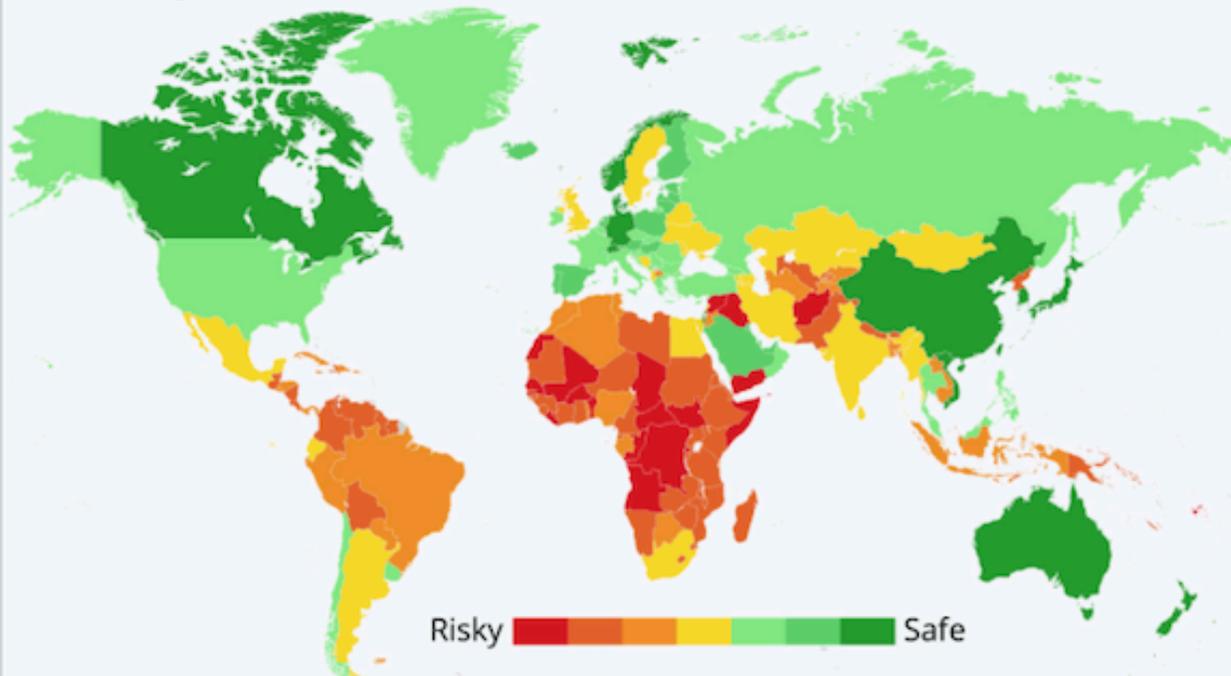
**Statista**  
@StatistaCharts



Data Journalist [@uisceglas](#) takes a look at where the [#covid19](#) risk is lowest & highest. The [@Deep\\_Tech\\_VC](#) put together a report based on 11,400 data points that can be accessed through the article. [statista.com/chart/22098/co...](https://www.statista.com/chart/22098/covid-19-risk-levels)

# Where The COVID-19 Risk Is Lowest And Highest

Countries and territories scored on COVID-19 safety levels (June 03, 2020)\*



\* Based on 11,400 data points regarding the economic, social and health stability.  
Source: Deep Knowledge Group





**Charlie Bilello** ✓  
@charliebilello



## The top performing stocks in the S&P 500 over the last 20 years...

Data via @ycharts

Top Performing Stocks in the S&P 500 over the last 20 Years						
Rank	Symbol	Name	Industry	20-Yr Total Return	20-Yr Ann. Ret	Growth of \$10k
1	MNST	Monster Beverage Corp	Beverages - Non-Alcoholic	98664%	41.2%	\$ 9,876,364
2	TSCO	Tractor Supply Co	Specialty Retail	67966%	38.6%	\$ 6,806,578
3	ODFL	Old Dominion Freight Lines Inc	Trucking	18949%	30.0%	\$ 1,904,937
4	ATVI	Activision Blizzard Inc	Electronic Gaming & Multimedia	16643%	29.2%	\$ 1,674,288
5	TYL	Tyler Technologies Inc	Software - Application	10591%	26.3%	\$ 1,069,145
6	AAPL	Apple Inc	Consumer Electronics	10467%	26.2%	\$ 1,056,691
7	ANSS	Ansys Inc	Software - Application	9435%	25.6%	\$ 953,533
8	ISRG	Intuitive Surgical Inc	Medical Instruments & Supplies	8148%	24.7%	\$ 824,775
9	AMZN	Amazon.com Inc	Internet Retail	7835%	24.4%	\$ 793,479
10	HUM	Humana Inc	Healthcare Plans	7724%	24.4%	\$ 782,381
11	HFC	HollyFrontier Corp	Oil & Gas Refining & Marketing	6812%	23.6%	\$ 691,174
12	ORLY	O'Reilly Automotive Inc	Specialty Retail	6581%	23.4%	\$ 668,092
13	FLIR	FLIR Systems Inc	Scientific & Technical Instruments	5865%	22.7%	\$ 596,528
14	WST	West Pharmaceutical Services Inc	Medical Instruments & Supplies	5704%	22.5%	\$ 580,369
15	NVR	NVR Inc	Residential Construction	5633%	22.4%	\$ 573,329
16	IDXX	IDEXX Laboratories Inc	Diagnostics & Research	5519%	22.3%	\$ 561,920
17	KMX	CarMax Inc	Auto & Truck Dealerships	5441%	22.2%	\$ 554,112
18	VTR	Ventas Inc	REIT - Healthcare Facilities	5430%	22.2%	\$ 552,984
19	MO	Altria Group Inc	Tobacco	5379%	22.2%	\$ 547,851
20	ROST	Ross Stores Inc	Apparel Retail	4584%	21.2%	\$ 468,426
	SPX	S&P 500 Index	N/A	206%	3.8%	\$ 30,611



Data Source: YCharts

@CharlieBilello



**Martin buoy**  
@mbuoy97



I think the option of using the boys dirt bike to work on pivots is about to come to an end.

[#worksmarternotharder](#)



**jim bob**  
@PukwanaU



Just call me Snoop DO Double G. Smoke weeds everyday [#supersprayer](#)



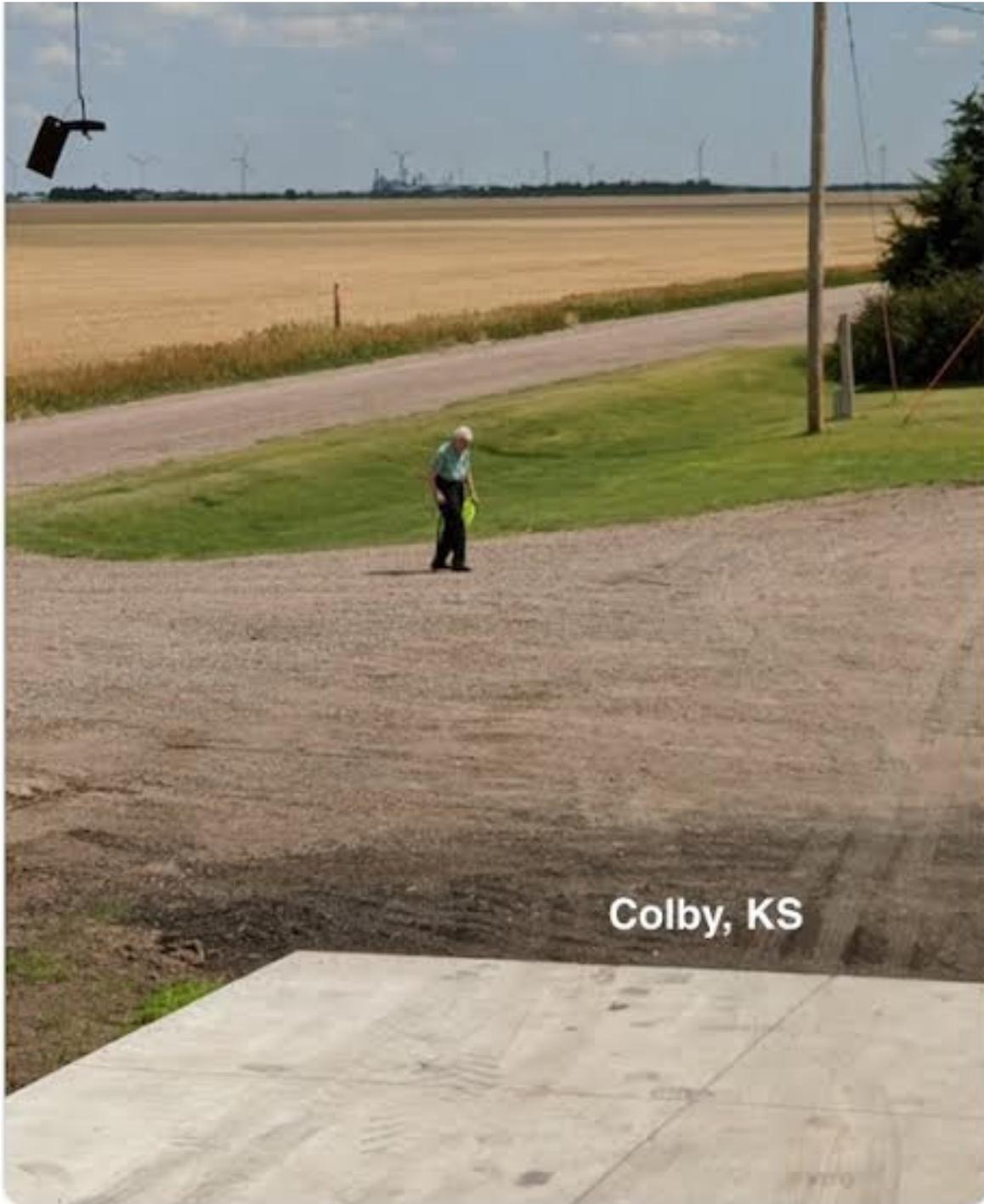


**Aaron Horinek**  
@ahorinek



You know it's a beautiful day to spray if Grandma is out without her perm covered.





**Jeff Theis**  
@TheisAg

She says this is the final sign of her career. Moving to the city to prepare for [#volleyballseason](#) and [#college](#) next week. It has been an awesome ride @halletheis [@PioneerSeeds](#)





**Ag of The World**  
@AGofTheWorld



I asked grandpa if those were the good old days. He said "hell no, everything was ten times as hard as it is now, I would never want to go back to the way we did things then".



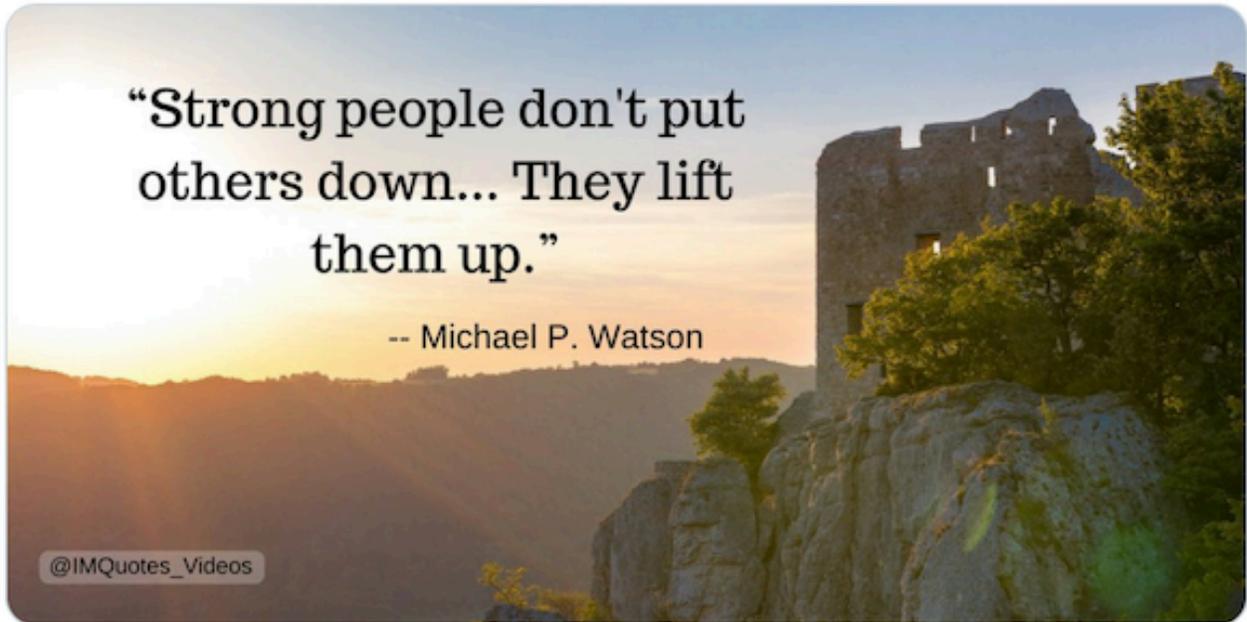


Inspired Motivation Quotes

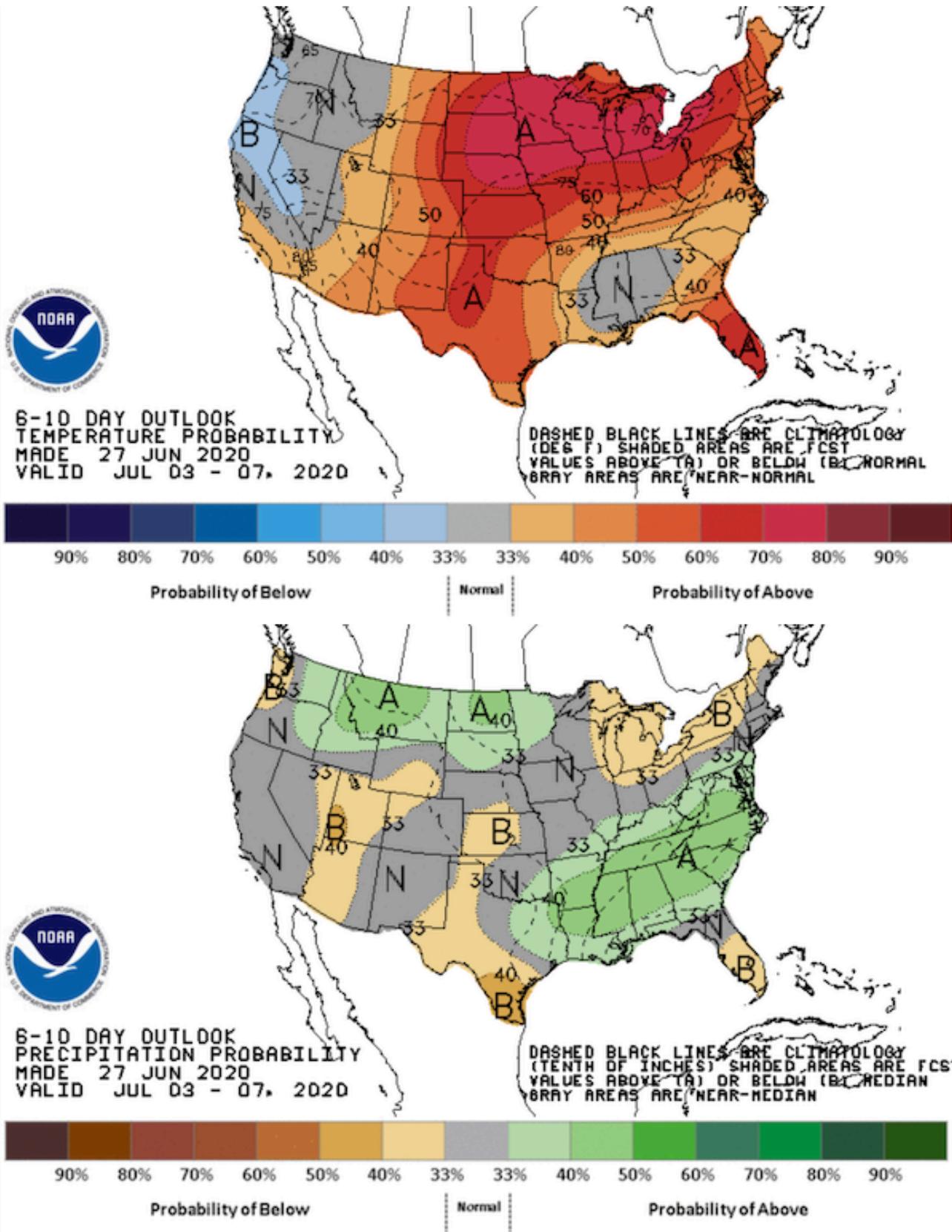
@IMQuotes\_Videos



Be the person who is always encouraging and positive toward others. [#positive](#) [#inspirational](#) [#motivate](#) [#quote](#) [#wordstoliveby](#) [#positivevibes](#) [#strength](#) [#encourage](#)



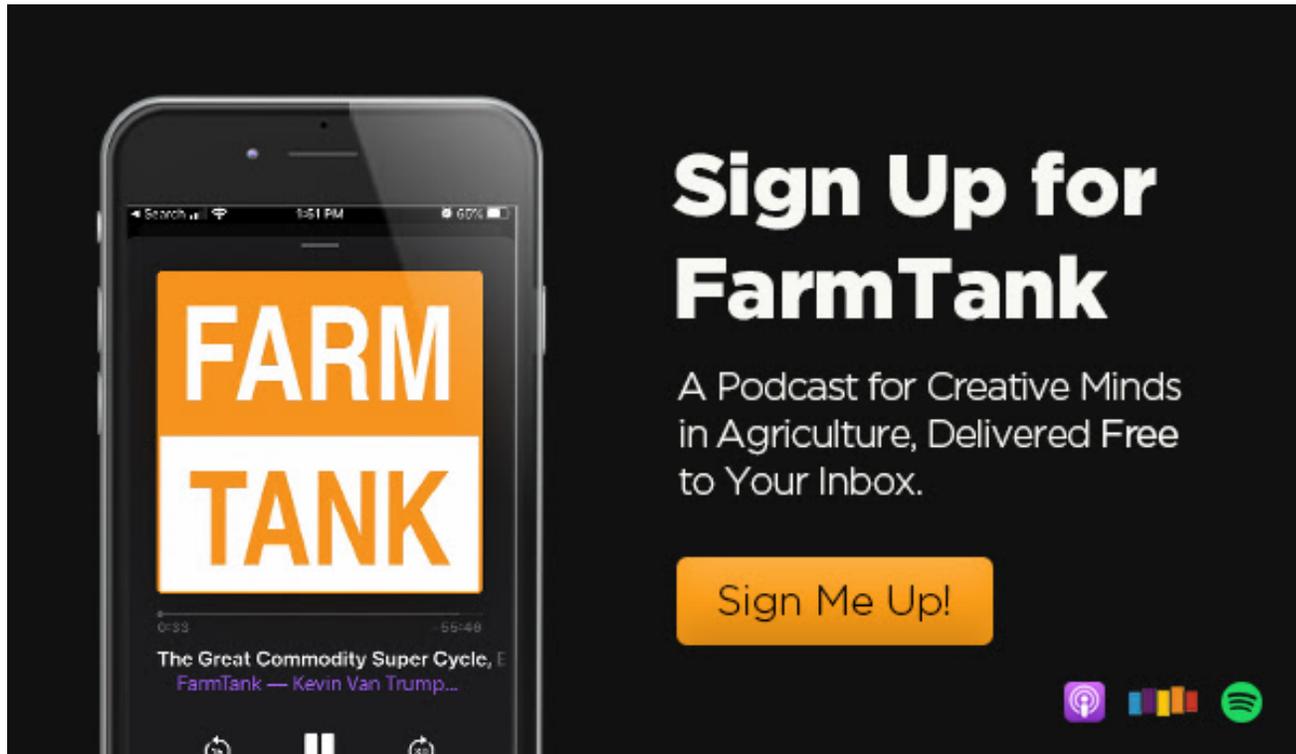
### 6-10 Day Forecast



**CORN** traders have all eyes on the USDA's June 1 Quarterly Stocks and June Acreage Report, which are scheduled for release tomorrow. I had been worried about corn retesting the lows heading into these reports

and that's just what has happened. I'd like to believe the heavily short-sided funds now have enough of the trade convinced of their bearish argument that they will pass the baton and attempt to exit stage-left as the cards are turned over and evidence revealed. Even if the USDA shows a -1 to -3 million reduction in planted acres, bears can point to mostly cooperative weather and a realistic chance at record-setting yield +180 bushels per acre. Meaning we will still be talking about ending stocks up around 3.0 billion bushels. What we need is some type of bullish surprise on the "demand" side of the balance sheet but at the moment there's just not a lot to chew on. I could argue that ethanol demand is improving but most inside the trade believe the USDA will eventually need to trim more of their corn used for ethanol forecast by another -50 to -200 million bushels. At the same time, South American exporters appear to be getting more competitive with their prices, so there's not a great deal of optimism around export demand, especially with such large political uncertainty involving China. Feed and Residual demand is looking like the big "wild-card" as it's extremely uncertain as to how the USDA will be playing coronavirus complications. I suspect we could see a little surprise considering the massive backup and logistical disruptions in livestock associated with corona. Did we feed less corn as the animals backed up and major uncertainty brewed regarding where the animals were going to go? Or did we feed more corn with what is said to be low-test-weight supply and strong animal herd numbers? While most of the arguments and data is being construed as bearish, I contended that's what has gotten us here but not necessarily indicative of where we are headed. In other words, you have to decide how much of this bearish news is already cooked into the price and with the funds already holding a very large short-position, how much meat is left on the bone to the downside? As a producer, I've started to lift some of puts and downside protection. My plan all along was to start lifting if prices were pressured down to between \$2.80 and \$3.20 per bushel. In fact, my goal is to have all downside protection lifted and hedging profits banked between now and \$2.80. Any cash corn in elevator storage or with basis contracts, I am not rolling but rather pricing and reowning with some more risk-averse strategies on the board. I am not looking to sell any on-farm or quality corn that is in storage, I still believe cash corn could have some strength in the coming weeks. As a spec, I'm taking small bites on the breaks and trying to build a longer-term bullish position. I believe the risk-to-reward ratio now favors the upside. I fully understand the current bearish fundamentals and the historical tendency for corn prices to deteriorate but I'm hoping to use that pressure to build a position. I would like to have a full-position on if prices were to eventually tumble to \$2.80, in other words, scaling into a larger bullish position between now and then.





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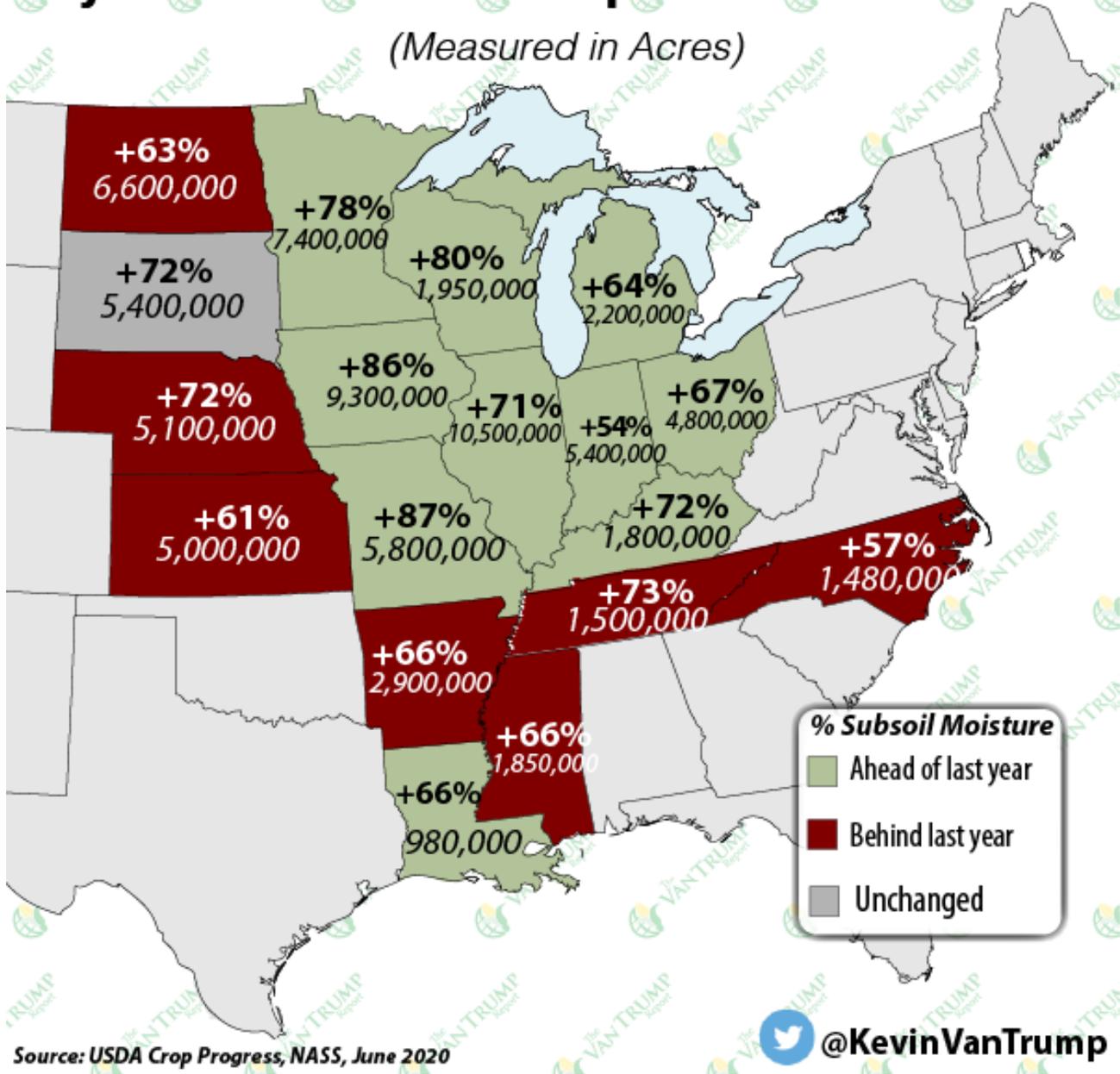
The Great Commodity Super Cycle, E  
FarmTank — Kevin Van Trump...

Podcast icons: Apple Podcasts, Google Play, Spotify

**SOYBEAN** traders continue to debate U.S. and Chinese relations and ongoing political uncertainties. In my opinion, "demand" remains a big unknown. The trade seems to be mostly in agreement that U.S. planted acres are moving higher and mostly cooperative weather to this point is adding to a higher yield forecast. Meaning, the trade has come to the conclusion that total U.S. production is on track and looking good. Now it becomes all about China. Who knows how the Chinese are ultimately wanting to play their hand going into the U.S. Presidential Election. The fear is the Chinese don't make any large U.S. purchases until after the election, which could weigh on the balance sheet and keep a lid on prices between now and then. It's hard for me to imagine why the Chinese would want to try and help President Trump when he has been one of the few to step-up and call them out on trade and other misgivings. I suspect the Chinese may purchase enough to keep President Trump somewhat happy, or should I say, hedging their bet in case he wins another four years? I just see a lot of political gamesmanship coming in the next 120-days, between July 4th and the November 3rd U.S. election. As a producer, I want to believe there's still a ton of upside potential, but I still have to play the game somewhat defensively and protect the \$8.50 level

# Soybean Acres vs. % Adequate Subsoil Moisture

(Measured in Acres)

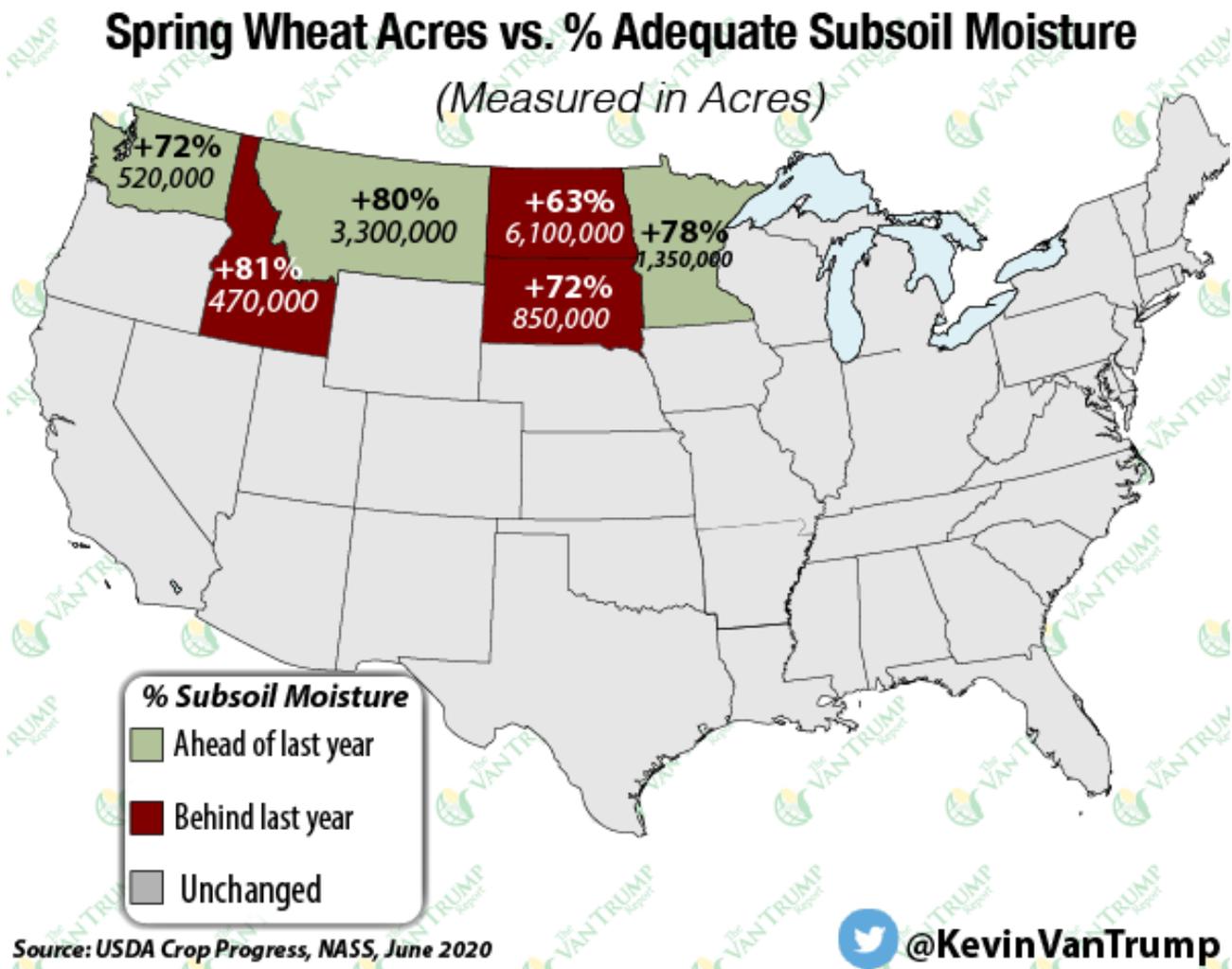


Source: USDA Crop Progress, NASS, June 2020

@KevinVanTrump

**WHEAT** bears remain in control as wheat prices have tumbled to multi-month lows on little if any fresh supply-side or new demand-driven headlines. Bears continue to point towards record global ending stocks and lack of any fresh news for the bulls to chew on. Outside macro uncertainty surrounding global growth is also providing a headwind and keeping a lid on most rallies. As both a spec and producer, I continue to keep an eye on the weather in parts of the European Union, parts of Black Sea region, and some dry regions in parts of North America. Most inside the trade are looking for the USDA to show spring wheat conditions holding steady at around 75% rated GD/EX and the U.S. winter wheat harvest now pushing to +40% complete. As a producer, I'm feeling extremely good about

making those JUL21 sales (next years crop) when prices were up north of +\$5.50 now just wishing I would have done more. As a spec, I still remain on the sideline. Don't forget, we have the latest Stats Canada numbers out this morning and the biog USDA Quarterly Stocks and Acreage Report out tomorrow.



**U.S. Planted Acres**

(million acres)

	June #'s	Avg. Trade Estimate	Range of Estimates	2019 Acres	USDA March
Corn	???	95.207	93.00 - 97.10	89.70	96.99
Soybeans	???	84.716	83.50 - 85.60	76.10	83.51
All Wheat	???	44.718	44.20 - 45.10	45.16	44.655
Winter Wheat	???	30.849	30.40 - 31.60	31.159	30.775
Other Spring	???	12.551	12.15 - 12.81	12.66	12.59
Durum	???	1.313	1.20 - 1.44	1.339	1.29
Cotton	???	13.153	12.50 - 13.75	13.738	13.703
Sorghum	???	5.881	5.60 - 6.15	5.265	5.82
Barley	???	2.835	2.50 - 3.00	2.721	2.921
Oats	???	2.954	2.70 - 3.30	2.81	3.012
Rice	???	2.828	2.60 - 3.00	2.54	2.847

**U.S. Grain Ending Stocks as of June 1**

(million bushels)

	June #'s	Avg. Trade Estimate	Range of Estimates	Last Year
Corn	???	4,951	4,795 - 5,150	5,202
Soybeans	???	1,392	1,275 - 1,490	1,783
Wheat	???	980	925 - 996	1,080



**> U.S. Food Suppliers Sign Virus-Free Guarantees:** *U.S. food and feed exporters are shipping goods to China with letters assuring the safety of their cargo in lieu of official declarations requested by Chinese authorities that guarantee coronavirus-free shipments, a U.S. agricultural export group said on Friday. The commitment statements, drafted by the Agriculture Transportation Coalition (AgTC), are meant only to assure importers that shipments have been harvested, processed and handled consistent with industry safety standards and guidelines from medical experts. The move comes after China's customs authority last week asked food exporters to the country to sign official declarations their produce is not contaminated by the novel coronavirus. Peter Friedmann, executive director of AgTC, which represents mostly exporters of U.S. agricultural products in shipping containers, says it's not possible for exporters to guarantee a cargo will remain virus free once it leaves their facilities. Read more [HERE](#).*

**> Hog Backlog Could Hit 2 Million:** *As many as 2 million hogs are backed up on U.S. farms because of coronavirus slowdowns and shutdowns at meatpacking plants, with the backlog expected to persist into the fall. Economist David Miller of Decision Innovation Solutions estimated a backlog of 1.2 million hogs. He also calculated that 2.1 million head had disappeared since March 1, either through direct sales and custom butchering or because of euthanasia by farmers. During a teleconference sponsored by the National Pork Board, Miller said that "as long as we're backing up hogs," market prices this fall could be 20% to 25% lower than a year ago. Read more [HERE](#).*

**> ADM Says Work Delayed on Key Export Terminal:** Archer-Daniels-Midland says one of its key U.S. grain-export terminals won't be back online until next year after work to repair the facility was delayed. Construction at the Reserve terminal in Louisiana, one of the three ADM owns in the Gulf of Mexico region, will be completed in early 2021, the company said in response to questions. Repairs were needed after a third party vessel collision damaged the facility last year. The delay means ADM's Reserve terminal will miss some key months for the American crop-cargo season, with most U.S. soybeans exported from November through January. Gulf ports usually ship about 2 billion bushels a year, according to the U.S. Department of Agriculture. ADM has two other export elevators in the Gulf region as well as facilities in Texas and the Pacific Northwest "to help us manage export volumes," the company said. (Source: Bloomberg)

**> Argentina, Brazil Monitor Massive Locust Swarm:** Argentina and Brazil are monitoring the movement of a nearly 9.5 square mile locust swarm in Argentina's northeast, though authorities and specialists said so far it had not caused significant damage to crops in the South American countries. Argentine food safety body SENASA said the swarm, which initially entered Argentina from Paraguay in late May, contained about 40 million insects. It is in the province of Corrientes, near borders with Brazil, Uruguay and Paraguay. Due to the arrival of a cold weather front from the south, the movement of the locusts would be limited in the coming days, according to Héctor Medina, a coordinator at Argentine food safety body SENASA. The low temperatures "will prevent them from moving and reproducing. The lethargy makes them stay still," Medina said. Winds could eventually push the cloud of locusts into a neighboring country, he added. Brazil's agriculture ministry is also monitoring the swarm and has asked farmers in the south of the country to be on alert, although it has concluded that the locust cloud is unlikely to move into Brazilian territory for now. Read more from [Reuters](#).

**> Locust Swarm Enters India's Sugar Cane Region:** A fresh swarm of desert locusts has entered Uttar Pradesh, India's biggest sugar cane grower, via capital city Delhi and the northern state of Haryana, according to the federal farm ministry. The hoppers, which normally settle on trees during the night and fly during the day, have been controlled in about 314,379 acres of area across the country between April 11 and June 26, the ministry said. In January, the biggest locust swarm to hit India's western state of Gujarat over a quarter of a century resulted in almost 62,000 acres of wheat, rapeseed, cumin, and potatoes being attacked, with at least a third of the crops damaged in 75% of the affected areas. Farmers grow mainly rice, pulses, cotton, sugar cane and soybeans on about almost 260 million acres during the monsoon season between June and September. (Source: Reuters)

**> Cancel Culture Comes for Facebook:** Mark Zuckerberg's promise to add

*labels to rule-breaking posts from politicians hasn't stopped more big-name advertisers from joining an advertising boycott of the social network. Coca-Cola, Hershey and Honda are among the latest high-profile companies to say they will temporarily stop advertising with Facebook. Unilever, the company behind brands like Dove and Lipton, and Verizon (which owns Engadget but has no editorial control over us) had announced earlier they would join the boycott organized by civil rights groups. There are now more than 120 companies participating in the boycott. Some companies, like Coca-Cola, are opting to pause their Facebook ads, but are not explicitly joining the boycott. Just how much impact the boycott will ultimately have is unclear. Facebook brings in billions of dollars in ad revenue — much of it from small businesses — and a month-long pullback in advertising seems unlikely to significantly affect that. Read more from [Engadget](#).*

**> Gunmaker Remington Preps for Bankruptcy:** *Firearms manufacturer Remington Arms Co. is preparing to file for chapter 11 protection for the second time since 2018 and is in advanced talks for a potential bankruptcy sale to the Navajo Nation, people familiar with the matter said. Despite cutting some \$775 million in debt through the 2018 bankruptcy, Remington has continued to face high interest costs and operational issues, according to people familiar with the matter, and expensive litigation surrounding the 2012 Sandy Hook Elementary School shooting. The industry's fortunes also tend to rise and fall based on the country's political climate. Demand has generally fallen since President Trump took office, though the number of gun background checks—a proxy for sales—rose in recent months as fearful Americans rushed to stock up on firearms and ammunition during the coronavirus pandemic. Read more from [The Wall Street Journal](#).*

**> Microchip Tech Helps Beat Glass Shortage:** *As scientists work to create a vaccine against the coronavirus, they've also had to consider how it will eventually be dispersed. Vaccinating everyone on the planet means making somewhere between 7 and 15 billion doses. As the historic efforts ramp up, vaccine makers say the biggest bottleneck they're encountering is a cruelly literal one. "The challenge is not making the vaccine itself, it's filling vials. There just aren't enough vials in the world," Pascal Soriot, the executive director and CEO of AstraZeneca says. To hedge against a more immediate shortfall, BARDA is betting on a company that has developed vial-making technology that doesn't rely on the traditional sand-to-glass supply chain. Instead, it uses manufacturing processes honed in Silicon Valley's semiconductor industry to make an end-run around traditional forms of glass. Read more from [Wired](#).*

**> Business Lessons from the U.S. Postal Service:** *The next time you hear "snail mail," think about this: every day, the United States Postal Service (USPS) processes and delivers 181.9 million pieces of mail (5,464 a second) and manages an army of 82,000 mail carriers while processing about 118,000 address changes.*

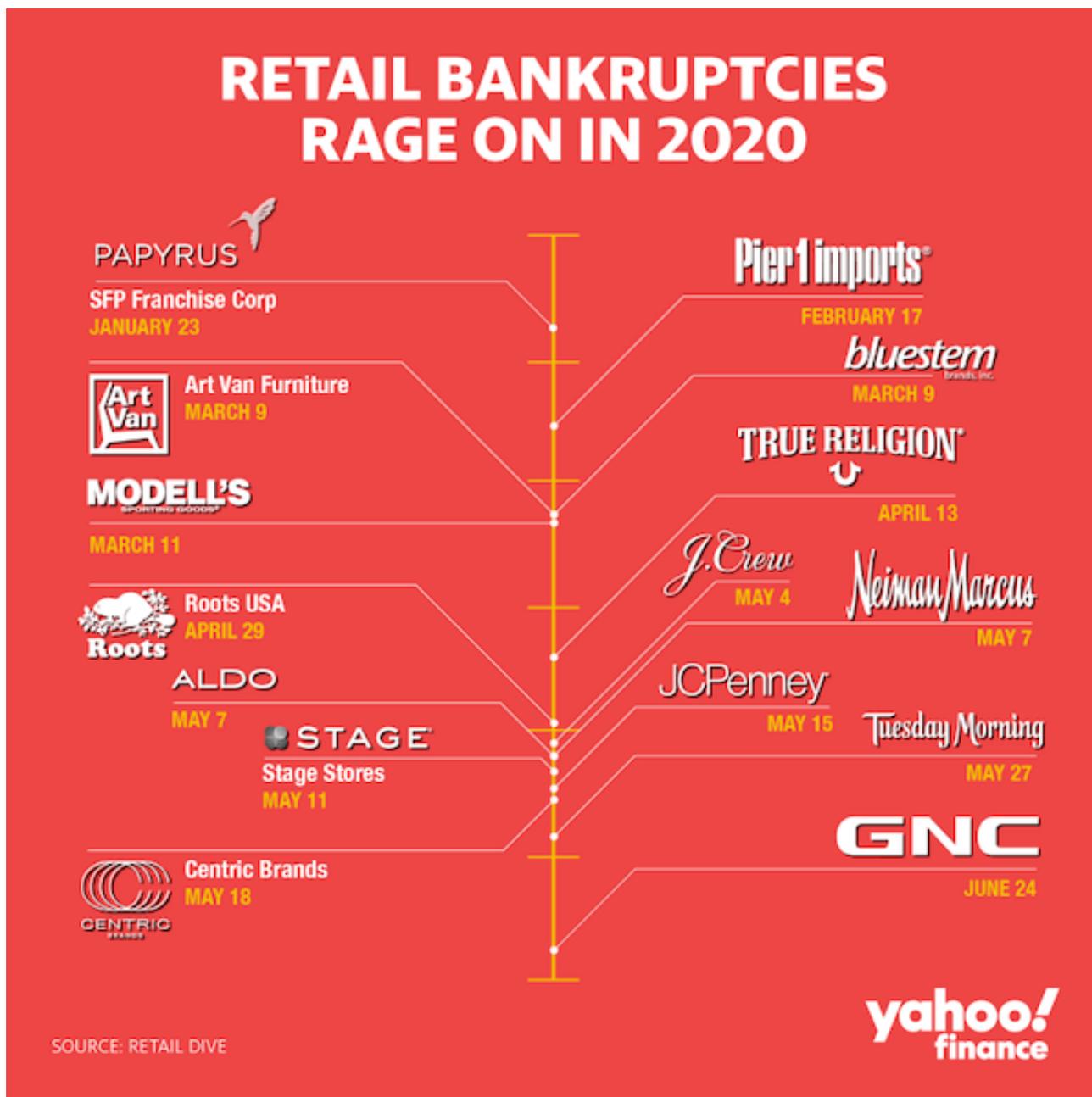
*Though it's come under fire from our government's highest offices and had its long-term viability called into question, the USPS is actually an undercover tech leader, managing colossal digital and physical infrastructure and reliably serving a populace with ever-increasing expectations for convenience. One tech startup founder that's worked closely with the USPS for years says he's seen first hand that tech and legacy companies could learn some valuable lessons from the agency. Read more from [Fast Company](#).*

**> Ride a Balloon Into the Stratosphere:** *If you've ever dreamed of snapping a selfie, sipping a cocktail or even getting hitched while soaring through Earth's stratosphere, you might be in luck. This week, a new company, Space Perspective announced plans to test out its commercial spaceship, "Spaceship Neptune," beginning in early 2021. The company hopes to begin taking passengers into space in the next three years or so, reports William Hardwood for CBS News. The ship, an enormous hydrogen-filled balloon with a small pressurized cabin hanging underneath, will carry research payloads, a pilot and up to eight paying civilian passengers into the stratosphere at a time, according to a statement. The 650-foot-tall balloon will lift off from leased facilities at NASA's Kennedy Space Center and gently rise to the stratosphere, about 19 miles above Earth's surface—not technically outer space, but high enough to see the curvature of the Earth and the darkness of space stretching out beyond, all for the lofty price of \$125,000. Read all about it [HERE](#).*

**> Why Grocery Items are Still out of Stock:** *Several months into our pandemic-era reality, the panic-buying phase has passed, and shoppers are reporting some improvement in what they've been able to find at stores from those early days. NPD Group found in recent surveys that 37% of shoppers had experienced out-of-stocks when shopping for food in the month of May, down from 48% who said the same for the month of April. But you need only take a trip to your local supermarket or try to fill your digital grocery cart to see that the out-of-stock situation hasn't returned to pre-pandemic patterns. So what is going on? It varies from item to item, but Bloomberg provides some reasons you might still be having to substitute – or do without – some of your go-to groceries that includes supply chain issues but also new consumer habits. Check it out [HERE](#).*

**> Scary Number of Retailers Face Bankruptcy:** *GNC has walked through death's door after knocking on it for years. And it's likely others will follow suit this year as the COVID-19 pandemic continues its devastation of America's retail sector. The 85-year-old vitamin seller filed for bankruptcy on Wednesday after years of battling waning sales and a debt load north of \$1 billion. Meantime, fellow debt-laden mall dweller J.C. Penney said on Tuesday it will close another 13 stores as part of its recent bankruptcy filing. The company told the courts in May it would shutter a total of 250 stores by the end of summer 2021, leaving it with a shade under 600 locations. To be sure, 2020 is shaping up to be one of the deadliest*

ever for the former icons of the mall and various shopping centers. While GNC's bankruptcy is a headline maker, the fact is we haven't seen a strong uptick in bankruptcies just yet for several reasons, experts explain. First, preparing for a structured entry into bankruptcy typically takes two to three weeks. Retailers were only thrust into mass social distancing driven store closures in mid- to late-March. Secondly, even the worst positioned big name retailers still had enough cash on hand to move through April and May. And lastly, one of the benefits of a retailer filing for bankruptcy is to raise cash for creditors by holding store closing sales. That couldn't happen with state mandated store closings. Read more [HERE](#).



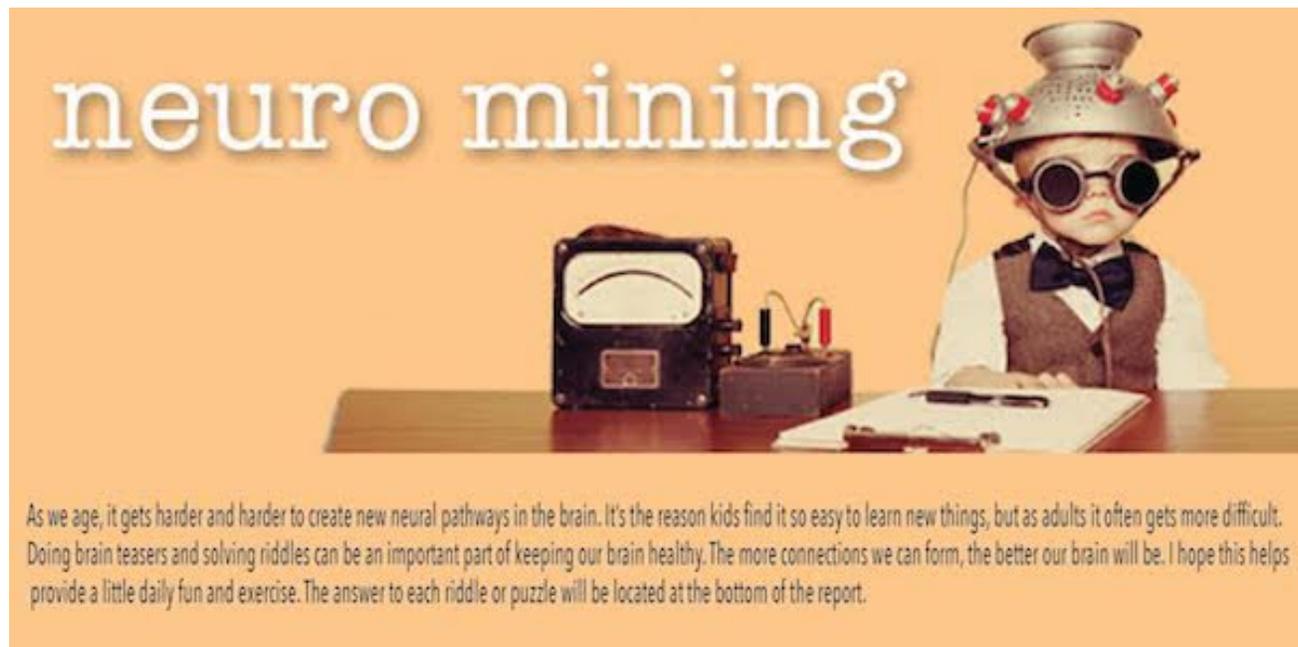


**East central Nebraska** - *Before everyone assumes it's Dicamba drift, we have beans in my area that I know for a fact that are Dicamba beans and they are cupped. Driving by them they have really changed the last few days so something else is going on. We have been dry and hot in this area also. Dicamba has had issues but everyone in my area has been communicating with each other asking what is planted and watching for gardens and being patient waiting for the right winds. Not sure why the soybeans are cupping besides stress. I sprayed some beans within a few hundred feet of some tomato plants, never fazed them but I took the time to talk to the owner and we covered them for a few days at night after application.*

**Northwest Illinois** - *We mostly strip-till here and have found the transition to no-till from conventional tillage has been easier in heavy soils to push through or eliminate the hardpan. I have some really sandy fields and when I push the penetrometer in, I find a hardpan under my strip or in between the rows. A few neighbors were having a discussion about this because we all have this hardpan no matter the form of tillage and no-till in this particular sand. I'm wondering about making an in-line ripper go fairly deep, but questioning whether mechanical tillage is the answer. It has to help because I hit it now at around 12 inches deep. I have an old cattle lot at the home farm that was cattle for as long as I have aerial photos for. It hasn't been cattle for 20 years and I can push the penetrometer down with very little effort. It'll go as deep as I want. No different tillage but the soil samples are a little different in organic material and P and K. The Ca/mg ratio is fairly similar. It's also been corn on corn as long as I can remember. It's usually the field I harvest first so thinking of doing a cover crop.*

**Northeast Kansas** - *We farm corn and soybeans with some bottom ground that we like to run heavier with our corn sometimes. Dad is running more corn acres this year and we have slightly more bean acres. All the crops look good and I think some of the stress the beans were put under prior to getting some rain actually helped them out. We are debating putting up more storage and a grain dryer. I told my dad we could cut three weeks earlier and get the anhydrous down sooner as well in the fall, but the number of dollar signs are winning out at the moment. Our 40-foot augur is just going to have keep getting the job done for now. We have been able to increase our acres over the last few years and are trying to farm them smarter and not harder, as we look to the future and are trying to figure out*

*where the premiums might be found.*



**TODAY'S RIDDLE:** What gets wetter and wetter the more it dries?



### **What You Need to know...Carbon Sequestration Gaining Momentum Across the Ag Industry**

Carbon sequestration seems to be getting more attention lately with the U.S. Senate Ag Committee even holding a hearing on the subject. The lawmakers are exploring how to create a carbon capture program for interested farmers and landowners as part of the Growing Climate Solutions Act. It focuses on removing technical barriers and assisting with upfront development costs, as well as establishes standards and protocols.

The idea has gained traction across the agricultural industry. Ag startup [Indigo Ag](#) has said thousands of farmers working more than 18 million acres of farmland, nearly all in the United States, have expressed interest in enrolling in its carbon-sequestration program. A consortium of food giants and non-profits has raised

more than \$20 million to build a marketplace to sell soil carbon credits. The [Ecosystem Services Market Consortium](#) counts among its members agri-business giants Bunge and Cargill, food companies General Mills and Land O'Lakes, and agriculture groups such as the National Farmers Union, American Farm Bureau Federation and the National Cattlemen's Beef Association. The marketplace is piloting its program on 50,000 acres of farmland and has announced a nationwide target launch date of 2022.

With the idea of providing farmers incentives finally gaining what looks like real momentum in Congress, it seems like a good time to take a look at what carbon sequestration actually is. For some producers, it could mean getting paid for things they already practice, including those in the "regenerative agriculture" movement. At the same time, it opens up possible economic incentives for others that might have been considering changes. A very good breakdown of the Growing Climate Solutions Act can be found [HERE](#). Below is more information on carbon sequestration and what it could mean for farmers. (Sources: USGS, Beveridge&Diamond PC, GreenBiz, UC Davis)

### **What is carbon sequestration?**

*Carbon sequestration is the process of capturing and storing carbon dioxide to prevent it from entering the atmosphere. The ultimate goal is to reduce and/or slow global climate change, which some scientists argue can not be done to a meaningful degree by simply reducing carbon emissions. For example, in 2018, the National Academies of Sciences, Engineering and Medicine reported that "negative emissions technologies" — techniques for removing carbon from the atmosphere, rather than simply reducing new emissions of carbon — are needed to stabilize global warming below 2 degrees Celsius, the level scientists believe could be catastrophic.*

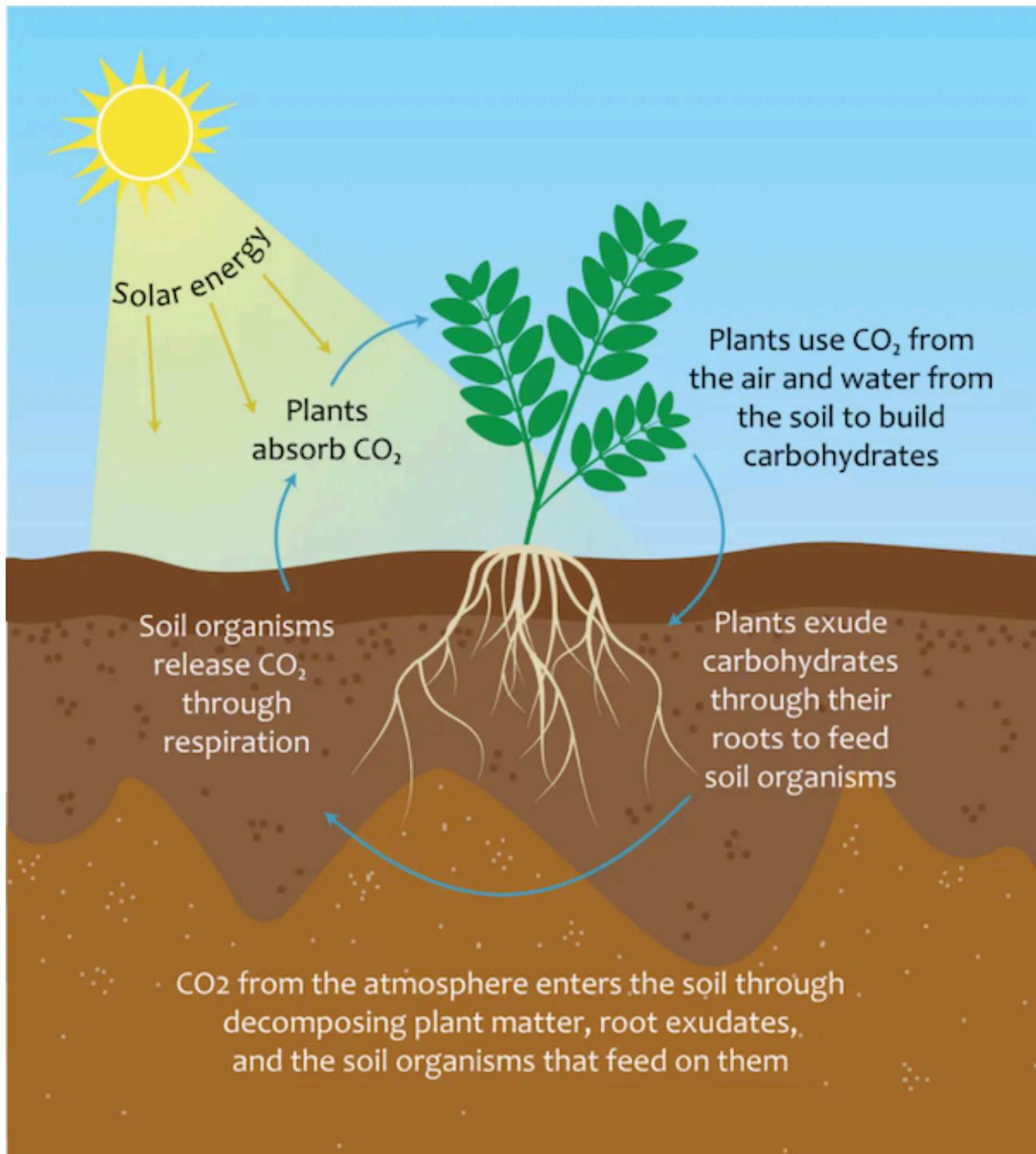
### **What are the different types of carbon sequestration?**

*There are two main types of carbon sequestration. The first, geological sequestration, is the process of storing it in underground geologic formations. For agriculture, we are talking about biological sequestration, which is the storage of atmospheric carbon in vegetation, soils, woody products, and aquatic environments. Soil sequestration was identified in the academy's study as a cost-effective solution with the potential to remove as much as 5% of the U.S.'s annual CO2 emissions, which totaled 5.4 billion tons in 2018.*

### **What is the process of soil carbon sequestration?**

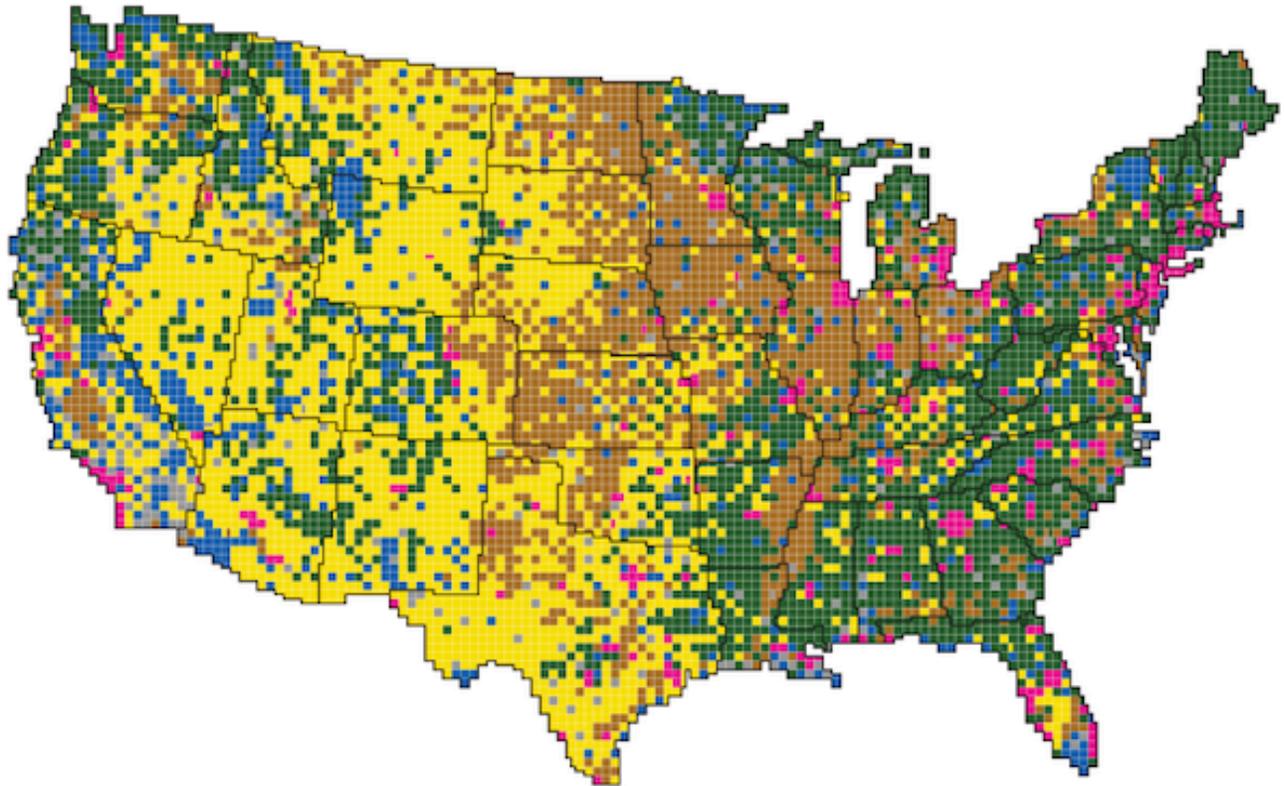
*Soil sequesters carbon through a complex process that starts with photosynthesis. A plant draws carbon out of the atmosphere and returns to the soil what isn't harvested in the form of residue and root secretions. This feeds microbes in the soil. The microbes transform it into the building blocks*

of soil organic matter and help stabilize the carbon, sequestering it. Based on the same National Academy of Sciences study, global farmland could capture and store as much as 3 billion tons of additional carbon dioxide if farmers adopted a number of practices. Those include the use of cover crops and no-till, practices a large number of farmers already employ.





■ Pasture/range ■ Forest ■ Cropland ■ Special Use ■ Miscellaneous ■ Urban  
■ = 1 million acres



## **What Can Be Made from One Barrel of Oil?**

The Visual Capitalist released a white-paper a few years back detailing what is made from one barrel of crude oil. A portion of the research was written by Jeff Desjardins, the Editor-in-Chief of Visual Capitalist, a media site that creates and curates visuals on business and investing. The article was circulating inside the trade again this past week and I thought I would share. It's somewhat sad how bad of a rap crude oil has gotten with the media and Millennials these days. I find it fascinating what our ancestors were able to do with crude oil. I understand it might be time to turn the page and move ahead more rapidly with "clean energy", but it's still amazing what they were able to accomplish with so little technology and tools available. Enjoy [The Visual Capitalist](#) comments below:

*Many people think of crude oil as a thick, black liquid that is used to source our unquenchable thirst for gasoline. However, the reality is that each barrel of oil is refined to be used in a variety of applications that includes fuel, cosmetics, plastics, rubber, and candle wax.*

### **What's in one barrel of oil?**

*Today's infographic comes from [JWN Energy](#), an oil and gas news site. Using Chevron as a source, it shows 17 different things that can be made from each barrel of oil.*

*Here is everything that can be made from just one barrel of oil:*

- *Enough gasoline to drive a medium-sized car over 450km (280 miles).*
- *Enough distillate fuel to drive a large truck for almost 65km (40 miles). If jet fuel fraction is included, that same truck can run nearly 80km (50 miles).*
- *Nearly 70 kWh of electricity at a power plant generated by residual fuel.*
- *About 1.8 kg (4 lbs) of charcoal briquettes.*
- *Enough propane to fill 12 small (14.1 ounce) cylinders for home, camping or workshop use.*
- *Asphalt to make about 3.8 L (one gallon) of tar for patching roofs or streets.*
- *Lubricants to make about a 0.95 L (one quart) of motor oil.*
- *Wax for 170 birthday candles or 27 wax crayons.*

*But that's not all. After producing all of the above products, there's also enough petrochemicals leftover to be used as a base for one of the following:*

- *39 polyester shirts*
- *750 pocket combs*

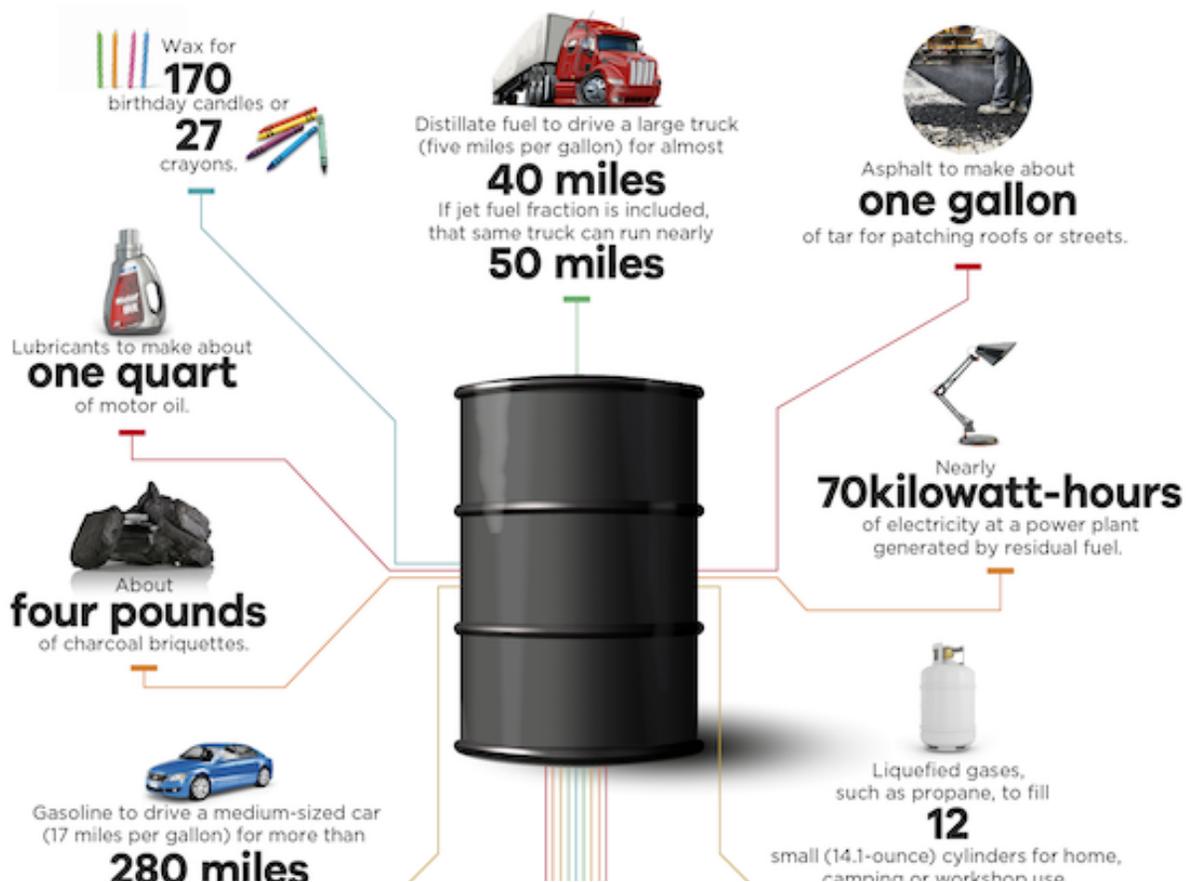
- 540 toothbrushes
- 65 plastic dustpans
- 23 hula hoops
- 65 plastic drinking cups
- 195 one-cup measuring cups
- 11 plastic telephone housings
- 135 four-inch rubber balls

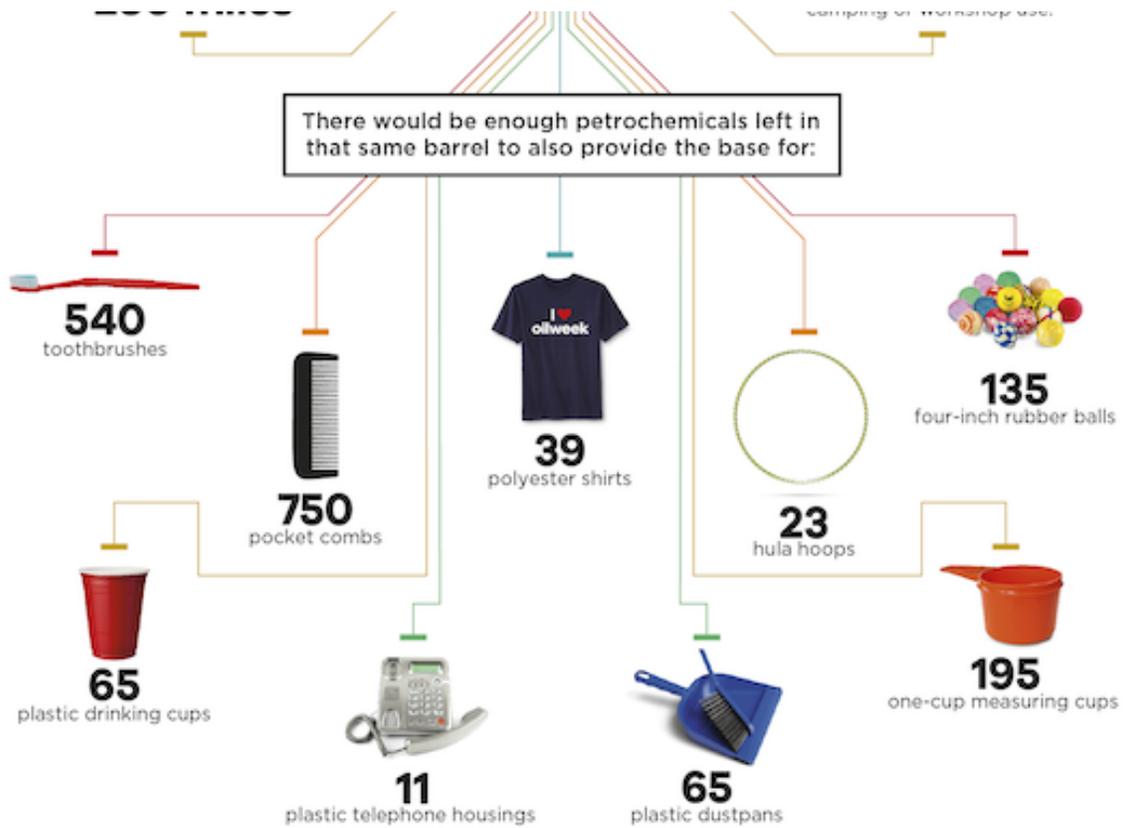
Oil is not a one-trick pony, and the gooey black liquid actually has thousands of applications. The above serves as one example of how a barrel could be used, but here's [a list of many other oil applications](#). It includes everything from guitar strings to antihistamines.

Whatever your opinion is of fossil fuels, it's still pretty astonishing what can be produced out of each barrel of oil.

## What can you make from one barrel of oil?

Researchers broke down a typical barrel of domestic crude oil into what could be produced from it. The average domestic crude oil has a gravity of **32 degrees** and weighs **7.21 pounds per gallon**. Here's what just one barrel of crude oil can produce:





The lighter materials in a barrel are used mainly for paint thinners and dry-cleaning solvents, and they can make nearly a quart of one of these products. The miscellaneous fraction of what is left still contains enough byproducts to be used in medicinal oils, still gas, road oil and plant condensates.

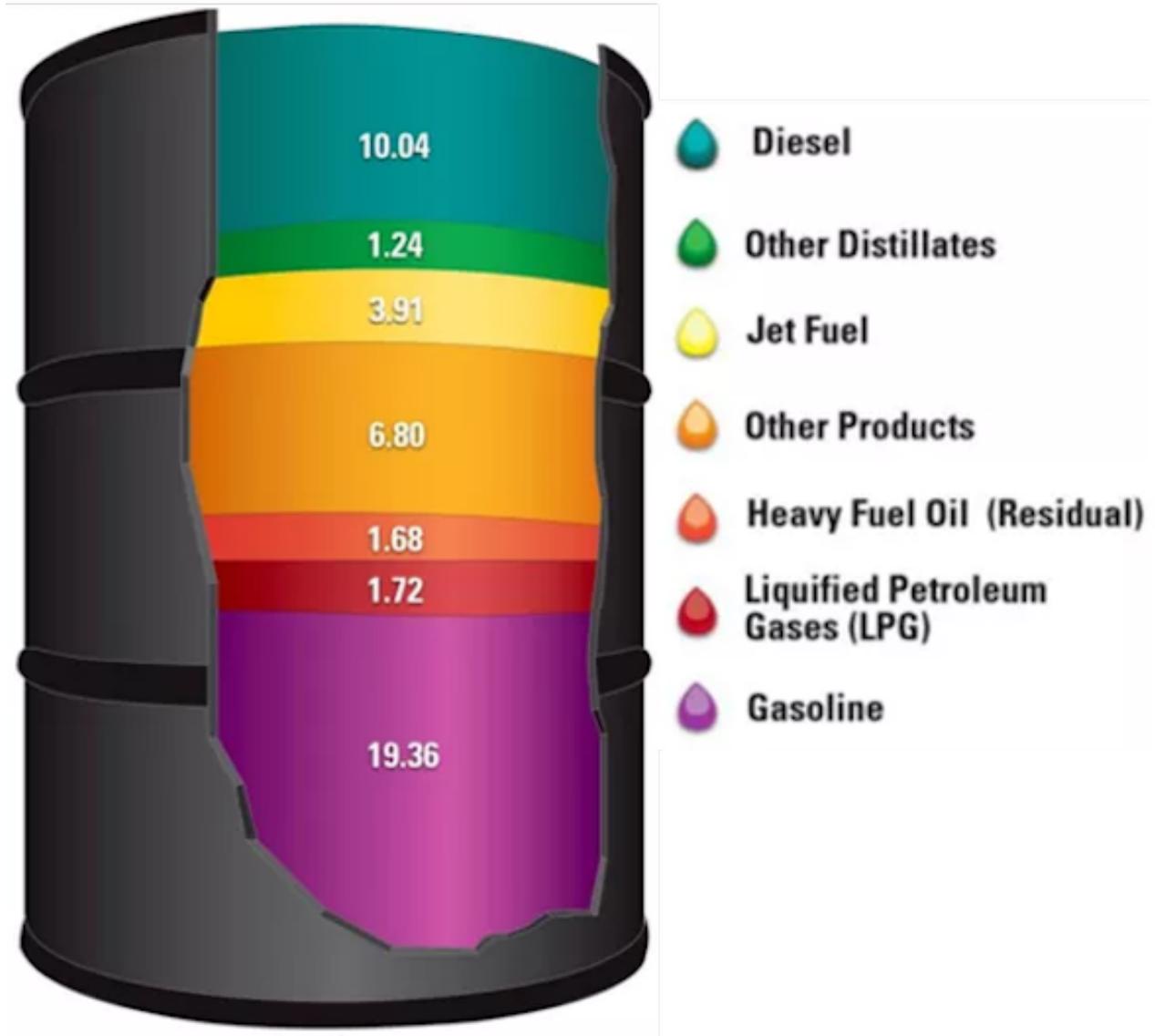
**It's a real industrial horn of plenty.**

IMAGES: SHUTTERSTOCK.COM

SOURCE: CHEMTRON

# Products Made from a Barrel of Crude Oil (Gallons)

(2009)





### **17 Inches... One of My All-Time Favorite Life Lessons!**

This was sent my direction by my friend a few years back and it really caught my attention. I received it again this past weekend and thought I should share, especially with all we are dealing with and trying to overcome. If you've read it before, I promise it's worth another look!

*Over twenty-one years ago, in Nashville, Tennessee, during the first week of January 1996, more than 4,000 baseball coaches descended upon the Opryland Hotel for the 52nd annual ABCA's convention.*

*While I waited in line to register with the hotel staff, I heard other more veteran coaches rumbling about the lineup of speakers scheduled to present during the weekend.*

*One name, in particular, kept resurfacing, always with the same sentiment — "John Scolinos is here? Oh, man, worth every penny of my airfare."*

*Who is John Scolinos, I wondered? No matter; I was just happy to be there.*

*In 1996, Coach Scolinos was 78 years old and five years retired from a college coaching career that began in 1948. He shuffled to the stage to an impressive standing ovation, wearing dark polyester pants, a light blue shirt, and a string around his neck from which home plate hung — a full-sized,*

*stark-white home plate.*

*Seriously, I wondered, who is this guy?*

*After speaking for twenty-five minutes, not once mentioning the prop hanging around his neck, Coach Scolinos appeared to notice the snickering among some of the coaches. Even those who knew Coach Scolinos had to wonder exactly where he was going with this, or if he had simply forgotten about home plate since he'd gotten on stage. Then, finally...*

*"You're probably all wondering why I'm wearing home plate around my neck," he said, his voice growing irascible. I laughed along with the others, acknowledging the possibility. "I may be old, but I'm not crazy. The reason I stand before you today is to share with you baseball people what I've learned in my life, what I've learned about home plate in my 78 years."*

*Several hands went up when Scolinos asked how many Little League coaches were in the room. "Do you know how wide home plate is in Little League?"*

*After a pause, someone offered, "Seventeen inches?," more of a question than answer.*

*"That's right," he said. "How about in Babe Ruth's day? Any Babe Ruth coaches in the house?"*

*Another long pause.*

*"Seventeen inches?" a guess from another reluctant coach.*

*"That's right," said Scolinos. "Now, how many high school coaches do we have in the room?" Hundreds of hands shot up, as the pattern began to appear. "How wide is home plate in high school baseball?"*

*"Seventeen inches," they said, sounding more confident.*

*"You're right!" Scolinos barked. "And you college coaches, how wide is home plate in college?"*

*"Seventeen inches!" we said, in unison.*

*"Any Minor League coaches here? How wide is home plate in pro ball?"....."Seventeen inches!"*

*"RIGHT! And in the Major Leagues, how wide home plate is in the Major Leagues? "Seventeen inches!"*

*"SEV-EN-TEEN INCHES!" he confirmed, his voice bellowing off the walls. "And what do they do with a Big League pitcher who can't throw the ball over seventeen inches?" Pause. "They send him to Pocatello!" he hollered, drawing raucous laughter. "What they don't do is this: they don't say, 'Ah, that's okay, Jimmy. If you can't hit a seventeen-inch target? We'll make it eighteen inches or nineteen inches. We'll make it twenty inches so you have a better chance of hitting it. If you can't hit that, let us know so we can make it wider still, say twenty-five inches.'"*

*Pause. "Coaches... what do we do when your best player shows up late to practice? or when our team rules forbid facial hair and a guy shows up unshaven? What if he gets caught drinking? Do we hold him accountable? Or do we change the rules to fit him? Do we widen home plate?"*

*The chuckles gradually faded as four thousand coaches grew quiet, the fog lifting as the old coach's message began to unfold. He turned the plate toward himself and, using a Sharpie, began to draw something. When he turned it toward the crowd, point up, a house was revealed, complete with a freshly drawn door and two windows. "This is the problem in our homes today. With our marriages, with the way we parent our kids. With our discipline.*

*We don't teach "accountability" to our kids, and there is no consequence for failing to meet standards. We just widen the plate!"*

*Pause. Then, to the point at the top of the house, he added a small American flag. "This is a problem in our schools today. The quality of our education is going downhill fast and teachers have been stripped of the tools they need to be successful, and to educate and discipline our young people. We are allowing others to widen home plate! Where is that getting us?"*

*Silence. He replaced the flag with a Cross. "And this is the problem in the Church, where powerful people in positions of authority have taken advantage of young children, only to have such an atrocity swept under the rug for years. Our church leaders are widening home plate for themselves! And we allow it."*

*"And the same is true with our government. Our so-called representatives make rules for us that don't apply to themselves. They take bribes from lobbyists and foreign countries. They no longer serve us. And we allow them to widen home plate! We see our country falling into a dark abyss while we just watch."*

*I was amazed. At a baseball convention where I expected to learn something about curveballs and bunting and how to run better practices, I had learned something far more valuable.*

*From an old man with a home plate strung around his neck, I had learned something about life, about myself, about my own weaknesses, and about my responsibilities as a leader. I had to hold myself and others accountable to that which I knew to be right, lest our families, our faith, and our society continue down an undesirable path.*

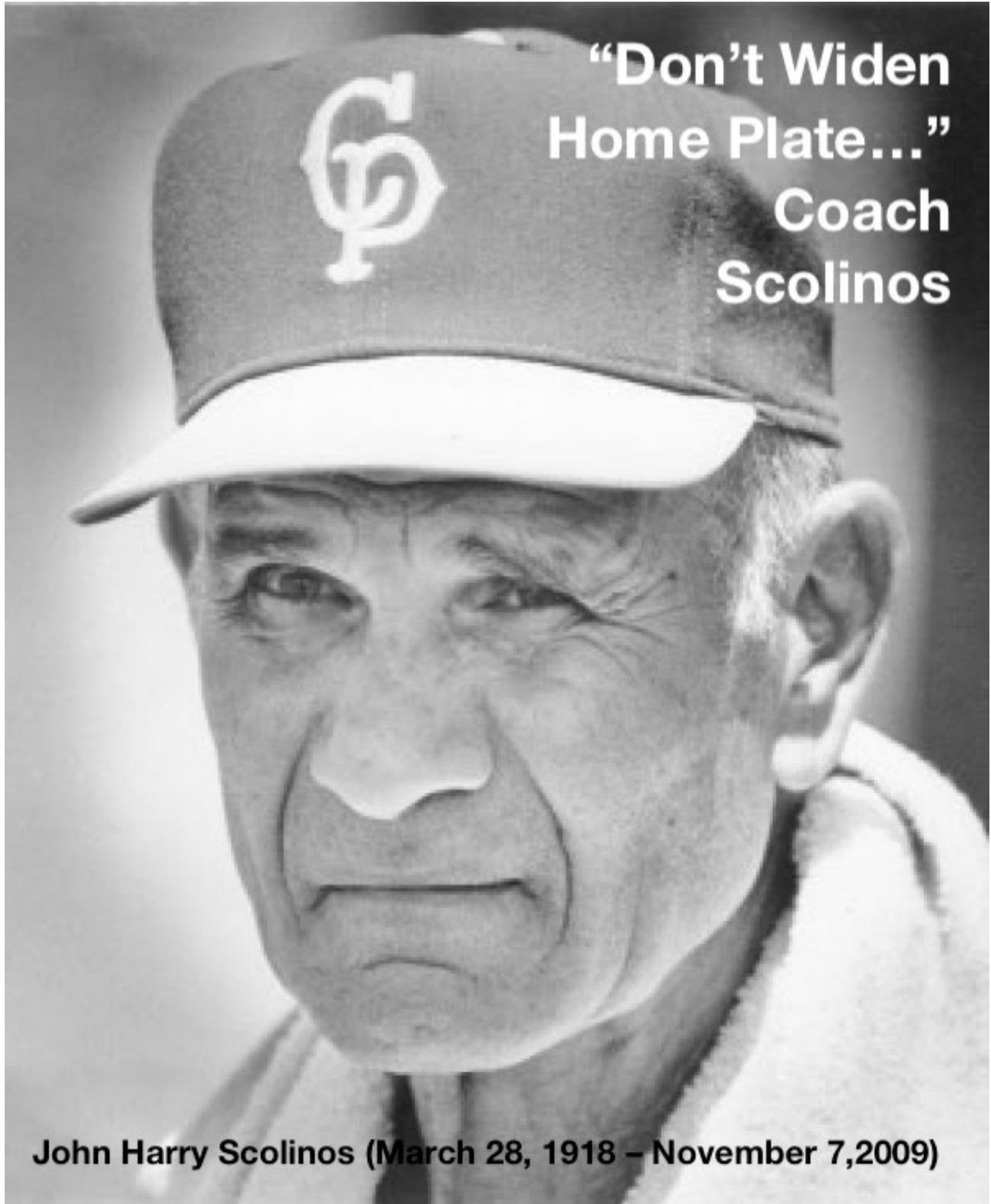
*"If I am lucky," Coach Scolinos concluded, "you will remember one thing from this old coach today.*

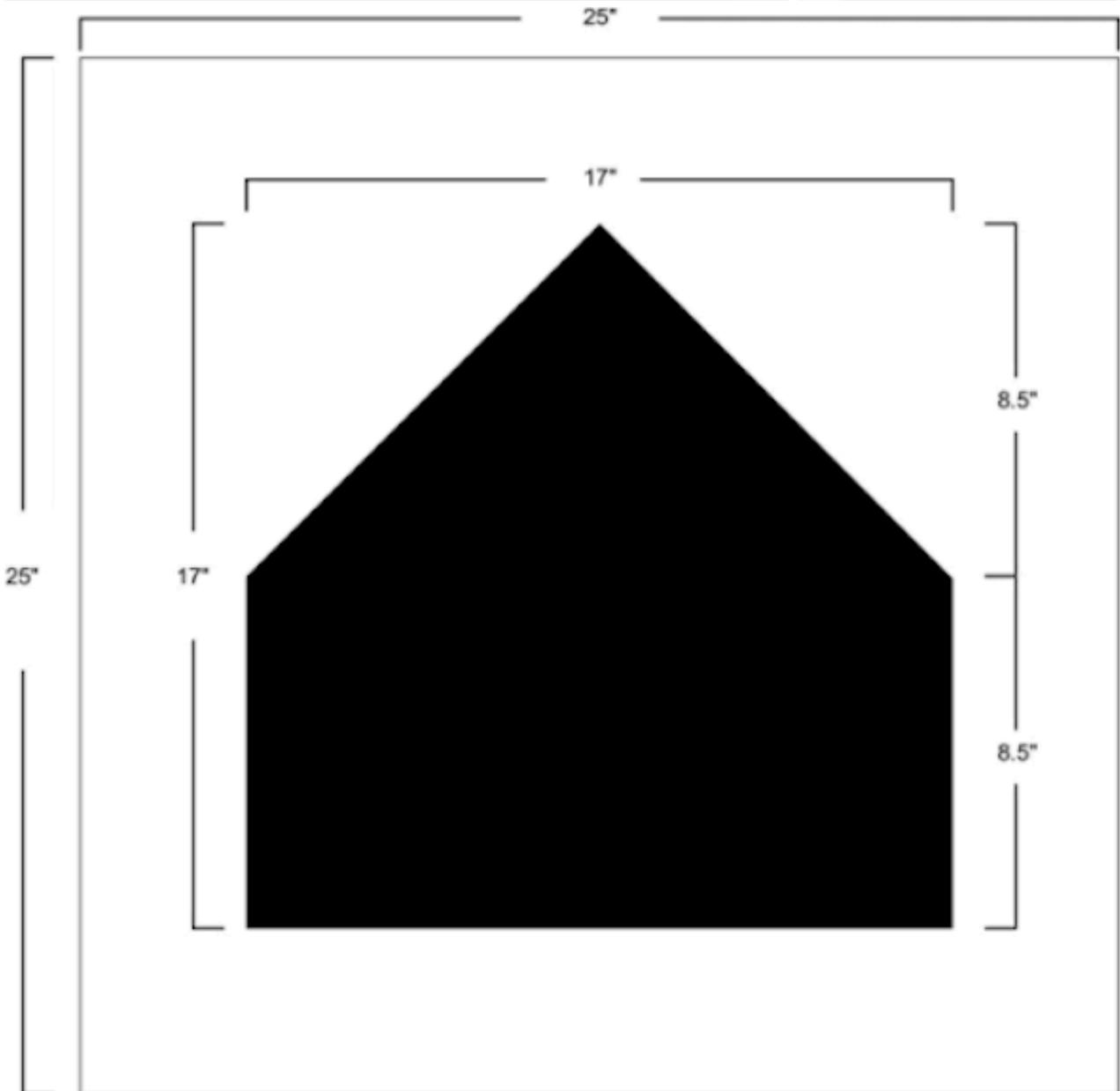
*It is this: "If we fail to hold ourselves to a higher standard, a standard of what we know to be right; if we fail to hold our spouses and our children to the same standards if we are unwilling or unable to provide a consequence when they do not meet the standard; and if our schools & churches & our government fail to hold themselves accountable to those they serve, there is but one thing to look forward to ..."*

*With that, he held home plate in front of his chest, turned it around, and revealed its dark black backside, "...We have dark days ahead!."*

*Note: Coach Scolinos died in Nov 2009 at the age of 91, but not before touching the lives of hundreds of players and coaches, including mine. Meeting him at my first ABCA convention kept me returning year after year, looking for similar wisdom and inspiration from other coaches. He is the best clinic speaker the ABCA has ever known because he was so much more than a baseball coach. His message was clear: "Coaches, keep your players—no matter how good they are—your own children, your churches, your government, and most of all, keep yourself at seventeen inches."*

*And this my friends is what our country has become and what is wrong with it today, and now go out there and fix it... "Don't widen the plate!"*







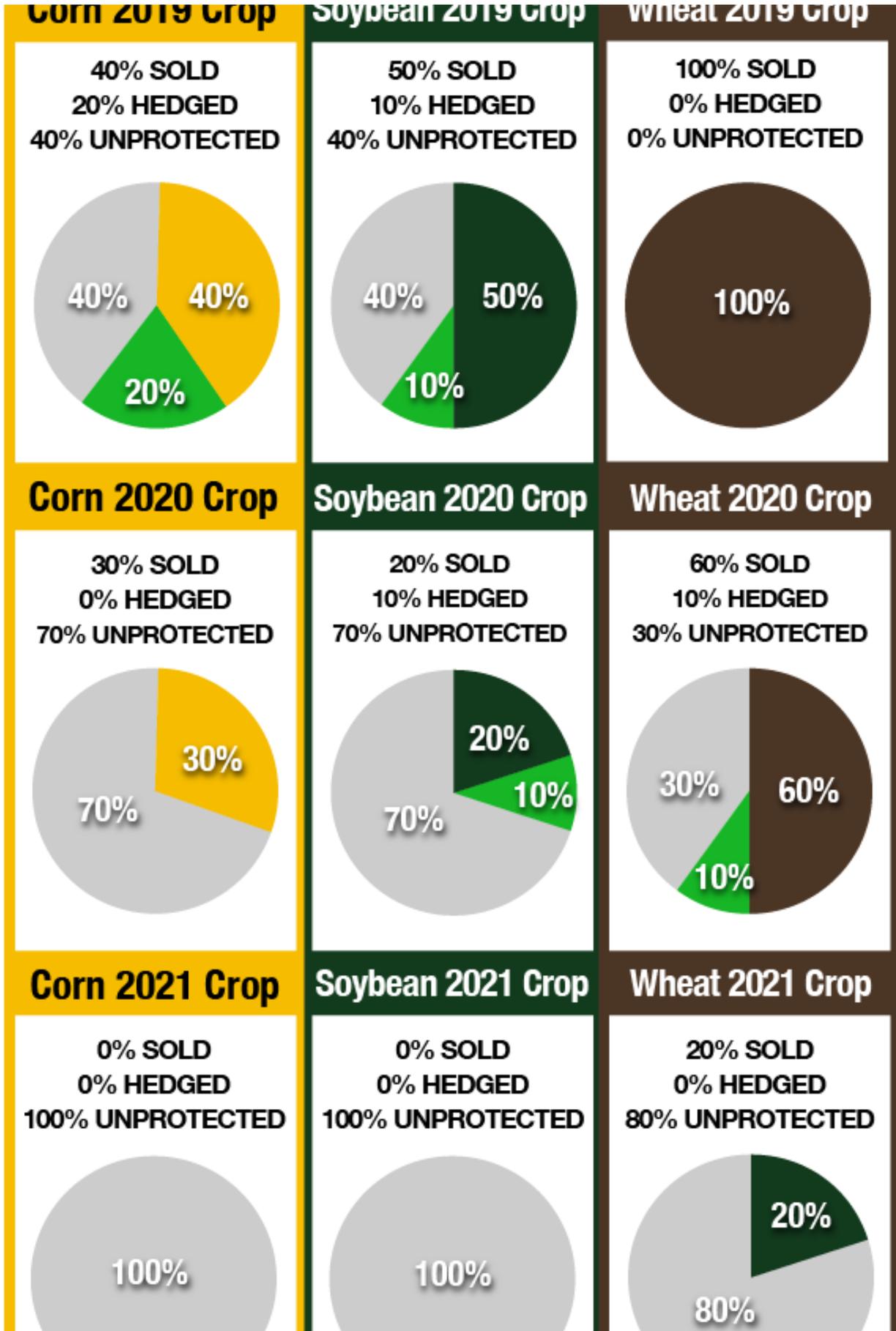


**ANSWER to riddle:** A towel.

## CASH SALES & HEDGING TOTALS

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Respectfully,

Jordan Van Trump

-“We are what we repeatedly do. Excellence, then, is not an act, but a habit” – Aristotle

