



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

**GOOD MORNING: The Van Trump Report 7-20-20**

1 message

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

Mon, Jul 20, 2020 at 5:30 AM

Reply-To: Jordan &lt;reply-fec91272756d067e-1180\_HTML-40325470-100003450-9@vantrumpreport-email.com&gt;

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*"The people God put in your life are not there by accident. Don't get so busy that you just give them your leftover time." - Joel Osteen*

**Monday, July 20, 2020**[Printable Copy](#) or [Audio Version](#)

**Morning Summary:** Stock bulls and bears could end up throwing some big punches this week so be prepared. Bulls are betting big on more Fed stimulus and continued bullish news about a vaccine. Bears are pointing to more coronavirus cases, more deaths, more states closing back down, and consumers once again pausing. The U.S. military medics are now being deployed in parts of Texas and California as each state reports more than +10,000 new daily cases. TSA checks at the airports remain low and reported at only 26% of last year's level. The cruise ship ban has now been extended until October 1st. Many more U.S. school districts are talking about going online only in the fall or perhaps at least for the first eight weeks. The economic fear is that the kids not going back to school could really put a pinch on the middle and lower-class parents. Keep in mind, at the same time the government is more than likely going to be trimming that extra +\$600 a week that was going to an estimated 25 million unemployed Americans. Obviously, everyone

was hoping the coronavirus complications, fears and fallout would be behind us by now and we would be fully focused on rebuilding. That doesn't seem to be the case in many parts of America. In fact, it seems like more government leaders are starting to wave the solid red flag, which NASCAR fans know is displayed when conditions are too dangerous to continue the race. I'm of the belief we need to be racing under the yellow flag, which universally requires drivers to slow down due to a hazard on the track. Not stopping the race! Second-quarter earnings season will also be a primary focus this week with companies in the S&P 500 on track to see the largest profit declines since the financial crisis when earnings declined nearly -70% year-over-year in the fourth quarter of 2008. IBM is the main highlight today. There is more talk about money rotating out of the tech sector, particularly the so-called FAANG stocks - Facebook, Amazon, Apple, Netflix, and Alphabet (Google) - that some analysts see at the heart of the market's rally, particularly the Nasdaq which has outperformed the rest of the market by a wide margin. Upward momentum in the tech-heavy index was slipping toward the end of last week, though it is still up double-digits for the year. Results from other big tech stocks this week include Snap on Tuesday. Microsoft and Tesla on Wednesday, followed by Amazon, Intel, and Twitter on Thursday. Other big names reporting this week include American Express, AT&T, Biogen, Chipotle, Discover, Honeywell, Southwest Airlines; Tractor Supply, United, Verizon. Bottom-line, most companies are going to get a "free-pass" on this quarterly report. The trade is extremely interested however in consumer confidence and spending moving forward. The latest read on Consumer Sentiment shows Americans' view of the five-year-economic outlook actually fell to the lowest level since 2014 which bears say indicates problems for consumer spending ahead. Look for a volatile week with both extremes being able to throw some big punches with a wave of headlines.

**Keeping an Eye on U.S Housing:** *Something else to keep an eye on this week will be the U.S. housing market, which has consistently been one of the brightest spots. That has investors anxious to see Existing Home Sales for June on Wednesday followed by New Home Sales on Friday. Data last week showed Housing Starts for new construction jumped more than +17% in June with Permits rising just over +2%. Analysts say the increase is being driven by demand for homes in suburban and rural areas thanks in part to companies allowing more people to work from home as the pandemic endures. The South and the West accounted for about 75% of housing starts in June. A -13.4% decline in multi-family building permits is drawing some attention as well, with analysts wondering if a rush to the suburbs will reverse what had been an upward trend in multi-family construction in more urban regions.*

**Searching for a Vaccine:** *Stock bulls continue to pin hopes on a vaccine sooner rather than later. Traders are anxious to hear the Astra/Oxford data due out today. Also, keep in mind, major vaccine company CEOs are scheduled to testify before Congress tomorrow. I'm thinking they will deliver more positive and upbeat news.*

**Face Masks Mandatory!** *From what I understand, starting this week, shoppers will have to wear face coverings at stores including Walmart, Kroger, and CVS after the companies sided with others calling*

for wider use of masks to fight the coronavirus.

**Huge Jump in Retail Trading Accounts...** *The Charles Schwab Corp.'s zero-fee trading helped reel in more than half a million new clients amid stock-market volatility caused by the COVID-19 pandemic in the three months through June. The San Francisco-based online broker opened 552,000 brokerage accounts in the period. Overall, the firm has 14.1 million active brokerage accounts, up +18% from last year. The influx of new clients propelled daily trading activity to 1.62 million transactions, a +126% increase from the prior year. More accounts and the S&P 500's 39 percent surge from its March 23 low through the end of June helped drive total client assets up 11 percent to a record \$4.11 trillion. Don't forget, Schwab announced in November an all-stock deal to acquire TD Ameritrade for \$26 billion. The transaction is expected to close before the end of this year. (Source: CNBC)*

**'GoPro' for Beetles?** *Engineers from the University of Washington have created the first wireless, steerable camera small enough to ride aboard a live insect. The camera can stream video to a smartphone at 1 to 5 frames per second and can record images for six hours or more. The system, which weighs about one-tenth the weight of a playing card, allows for new applications, such as precision agriculture and industrial IoT. The entire system weighs about 250mg — about one-tenth the weight of a playing card, and has enough battery power to record images for around six hours. In 2018 the UW engineers created a sensor small enough to ride aboard a bumblebee. Although it did not contain a camera, it could monitor temperature, humidity and crop health for seven hours at a stretch. Wow! Click [HERE](#)*





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**NYC Landlords are Cutting Rents Close to Offices:** *The best apartment deals in New York City are closest to the offices that people no longer go to. Manhattan had the biggest share of rental listings discounted from their original asking price in the second quarter, according to data from StreetEasy. The Flatiron area had the borough's largest portion of reductions,*

*with -45%. In Midtown West and the Financial District, -40% and -42% of apartments got price cuts, respectively. The bargains are concentrated in neighborhoods close to Manhattan's prime office towers, which aren't as appealing to renters now as more people work from home and no longer worry about commute times, said Nancy Wu, an economist with StreetEasy. (Source: Bloomberg)*

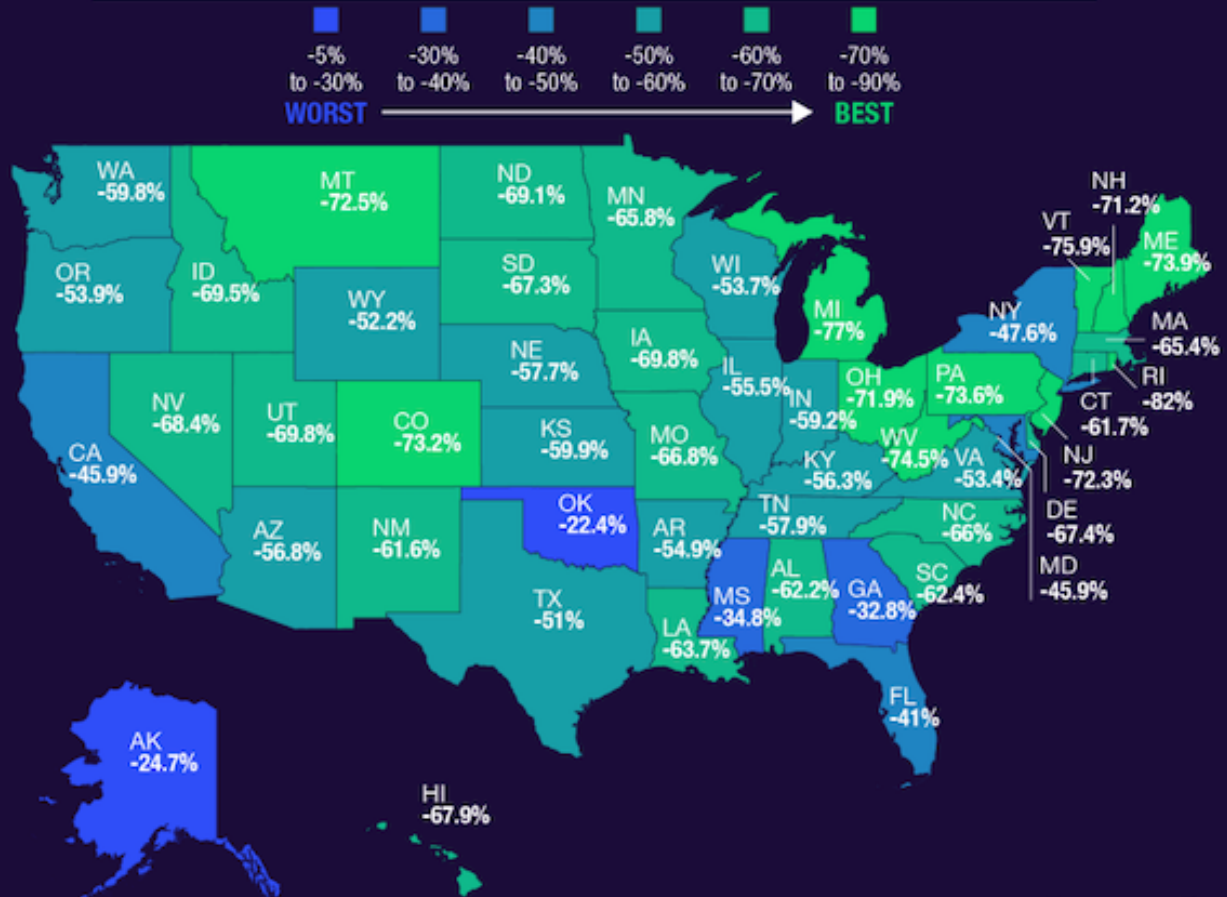
**Auto Loan Industry Holding Up:** *At Ally Financial, with more than \$70 billion in retail auto loans, key credit measures for car borrowers moved in positive directions in the second quarter. Net charge-offs of retail auto loans improved from an annualized rate of 1.44% of loans in the first quarter to 0.76%. Borrowers who were at least 60 days late on auto loans dipped, too, from a 0.66% rate to 0.47%. In June, 24% of people in Ally's deferral programs made a payment before their terms expired. Ally also noted that the "vast majority" of the "more-stressed population" of borrowers expiring from deferral were then current on their loans. Based on what it is seeing so far, Ally reiterated its first-quarter view that retail auto net charge-offs for the year will be about 1.8% to 2.1%. The bank said its macro scenario, which predicts unemployment to remain at about 10% by year-end before heading to 6% in late 2021, doesn't assume any additional stimulus measures. (Source: Wall Street Journal)*

**Job Market Recovery Uneven Across States:** *While some states have seen unemployment applications plummet from record highs after the coronavirus pandemic roiled America's employment picture, some have suffered stubbornly high job losses months into the recovery. A Yahoo Finance review of jobless claims data from the U.S. Department of Labor shows that Oklahoma, Alaska, Georgia, Mississippi, and Florida have seen the weakest signs of return to normal and a bottoming out in job losses. Contrasting those first nine weeks of pain to the latest nine-week period shows that the five weakest states have only seen average weekly initial unemployment claims fall by less than 45%. On the complete opposite side of the spectrum, Rhode Island has seen weekly initial jobless claims fall roughly 82% over the same period. Rounding out the 10 states showing the softest recoveries over the period observed were Maryland, California, New York, Texas, and Wyoming. More details are available [HERE](#).*



# U.S. STATES SHOWING EARLY SIGNS OF JOB MARKET RECOVERY

% DECLINE IN AVG INITIAL JOBLESS CLAIMS (LAST 9 WEEKS OF PANDEMIC V. FIRST 9 WEEKS\*)



BASED ON TOTAL CLAIMS FOR WEEK ENDING JULY 11

\*FIRST 9 WEEKS (WK END 3/14 - WK END 5/9), LAST 9 WEEKS (WK END 7/11 - WK END 5/16)

SOURCE: U.S. DEPARTMENT OF LABOR

**yahoo!**  
finance

# FARM TANK

## Tweets of the Day

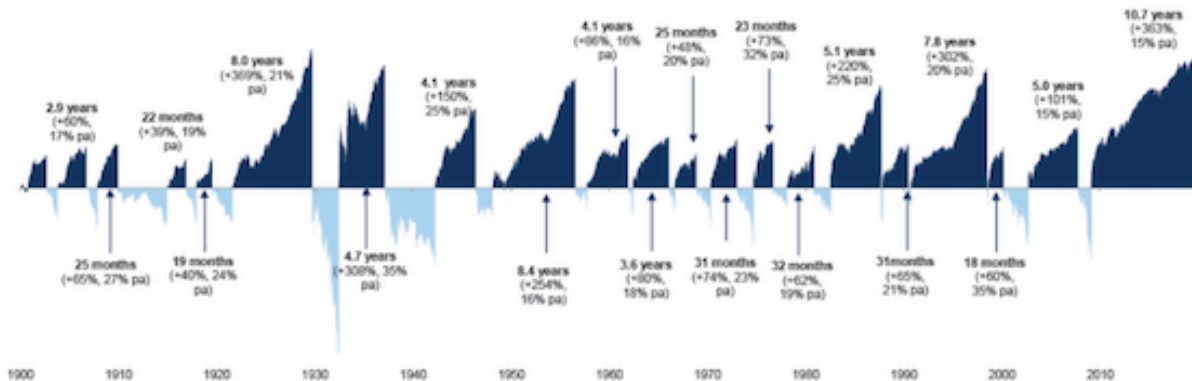


**Steve Burns**  
@SJosephBurns



### Bull markets versus bear markets:

**Exhibit 2: We are in the longest equity bull market without a 20% drawdown**  
S&P 500



Source: GFD, Datastream, Goldman Sachs Global Investment Research



**Metal Mama Michele**  
@MetalMamaLady



Yep.

Now days Social Services gets called into investigate parents.

**Kids getting thrown off right and left. Total carnage. Wails of anguish. Not one adult gave a single shit about it.**



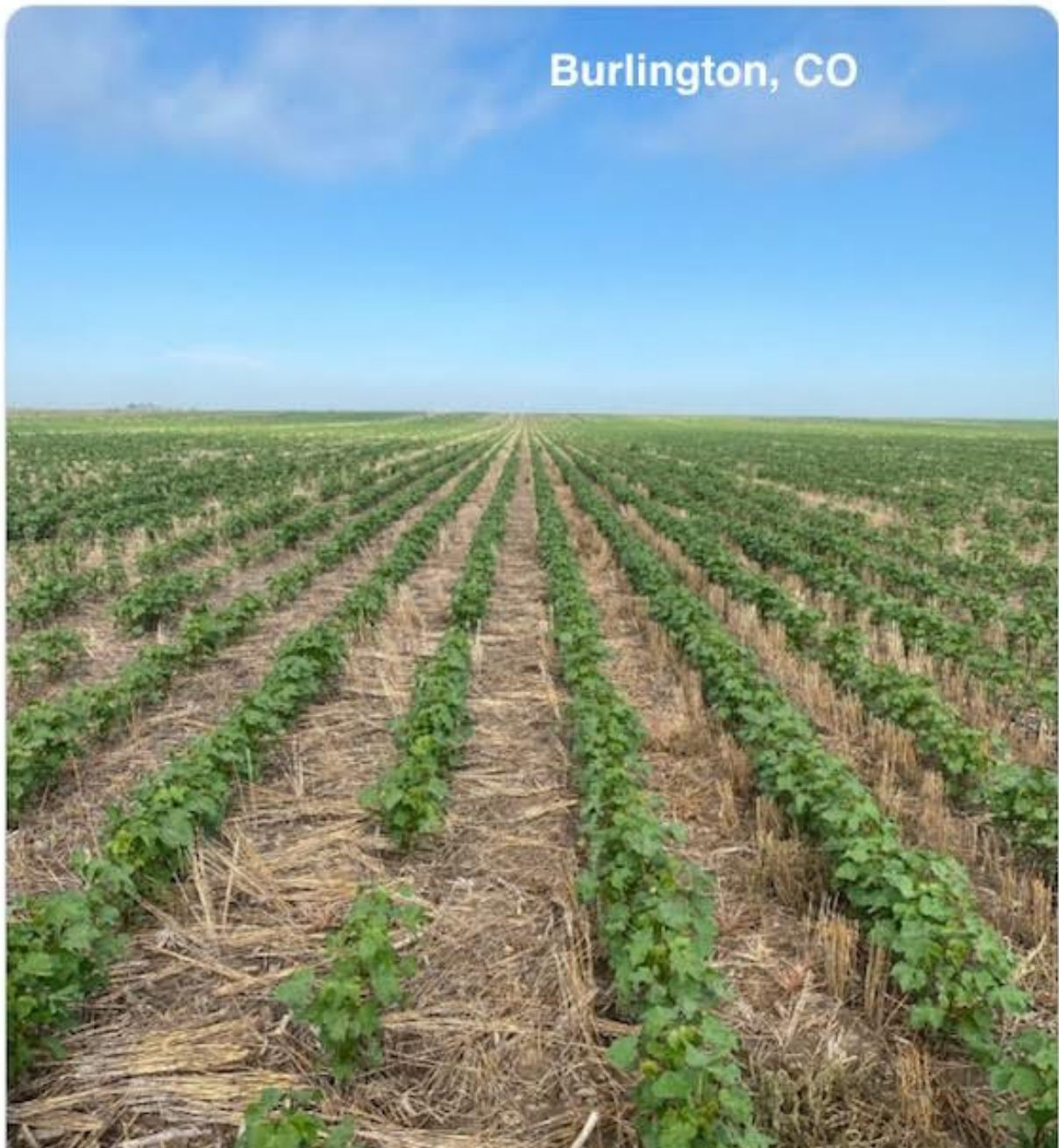




**A.J. Worden**  
@ajw545



We as a family farm have 3 uninsured crops this year. Can't really count the acre of pumpkins. Why is it the rma has a problem with people trying something different? Who are they protecting? I'll die on this hill.  
[#coloradocotton](#)





**Kevin Duling**  
@kdinvestors



I've brought a combine through here 32 years and counting. If the day comes when I no longer experience a few degrees of pucker-factor it will be because I'm probably dead...

Rimrock > Combines [#wheat](#)







**FarmFitMomma**  
@ANigg1910



Happy 7th birthday to this tractor loving little dude ❤️



Help us wish him happy birthday! [#farmwife](#)

[#AgTwitter](#)

**South Dakota**





**Shaun Tyson™**  
@ShaunPTyson



This is the face of a dog that has eaten over \$1500 worth of shoes, glasses, trees, plants, clothes and hammers.







Tim Fargo 🍌🔵  
@tim\_fargo



I think we should follow a simple rule: if we can take the worst, take the risk. - Joyce Brothers #quote #WeekendWisdom

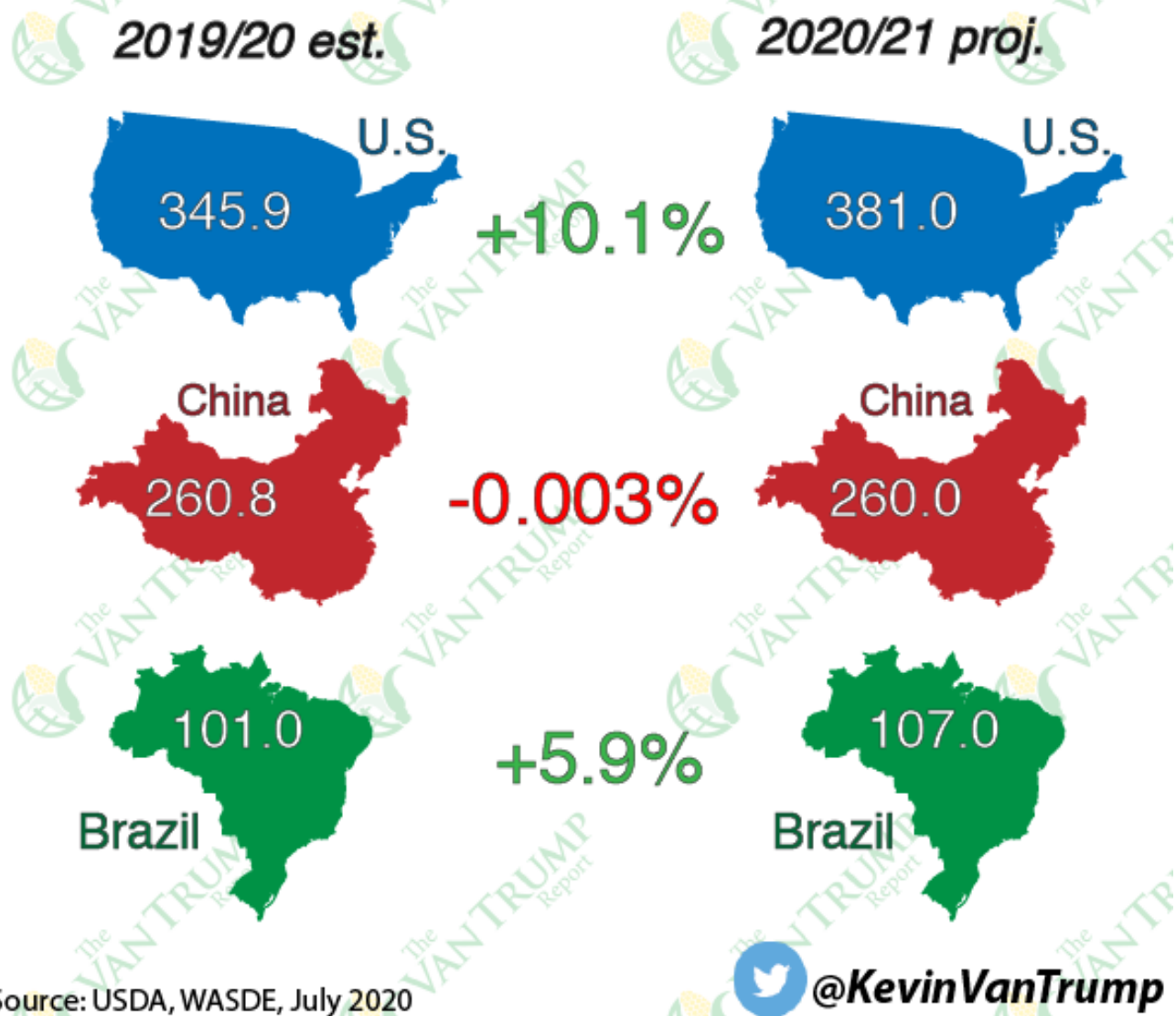


**CORN** traders will again be debating U.S. yield and demand from the Chinese. Bears want to believe the U.S. crop could push towards an average yield of 180 bushels per acre. Bulls believe we are much closer to 175 bushels per acre. I understand, 5 bushels per acre doesn't sound like a big deal to debate, but with an estimated 84 million harvested acres in the mix, it could be a difference of 420 million bushels. The bull argument is that Illinois and some other key areas struggle late and the yield comes in 175 or perhaps a bit lower. At the same time, the Chinese continue to purchase U.S. corn to the tune of 6 to 10 MMTs. All of a sudden the trade could start getting out a pencil and lowering the USDA current new-crop ending stock estimate from +2.6 billion bushels perhaps eventually down to sub-2.0 billion bushels, and all of a sudden we have a much more interesting story. Keep in mind, this is the view and perspective from the most bullish. The bears are thinking the weather cooperates and the U.S. yield comes in closer to 180 bushels per acre. The Chinese have reached their quota of U.S. corn and will soon end the buying. At the same time, the USDA will eventually need to make another reduction in its corn used for ethanol estimate and perhaps even a slight reduction in exports. In the end, many bears see the current USDA ending stock estimate of +2.6 billion bushels working itself back towards +3.0 billion

bushels and prices being too high. Like everything in life, it's all about perspective. As a spec, I find myself leaning over the bullish side of the fence. I think the Chinese could keep buying U.S. corn. I'm not sold on the 10 MMTs, but I think we could keep seeing some Chinese purchases. At the same time, the USDA's current yield forecast at 178.5 bushels per acre seems a bit optimistic and might need to be trimmed a bit. But as a producer, I worry that I could be talking myself into it because I desperately want to see higher prices? I'm staying optimistic for the moment hoping overall demand improves a bit and U.S. production is slightly trimmed. Most in the trade are thinking the USDA will make another slight reduction in today's weekly crop rating. Technically, the DEC20 contract seems to have solid support in the \$3.20 to \$3.30 range. Keep in mind, the contract low was posted at \$3.22 per bushel back on June 26th just ahead of the USDA acreage and quarterly stocks report. To the upside, the \$3.50 to \$3.60 range looks to be heavier resistance. I'm thinking we could chop around in this 40 cent range between \$3.20 and \$3.60 until more is known about Chinese demand and U.S. crop tours start to provide more in-field data. We've got some hot temperatures in the forecast ahead. If the rains don't deliver, I think prices could creep higher...

# Top 3 Corn Producers

(in million metric tons)



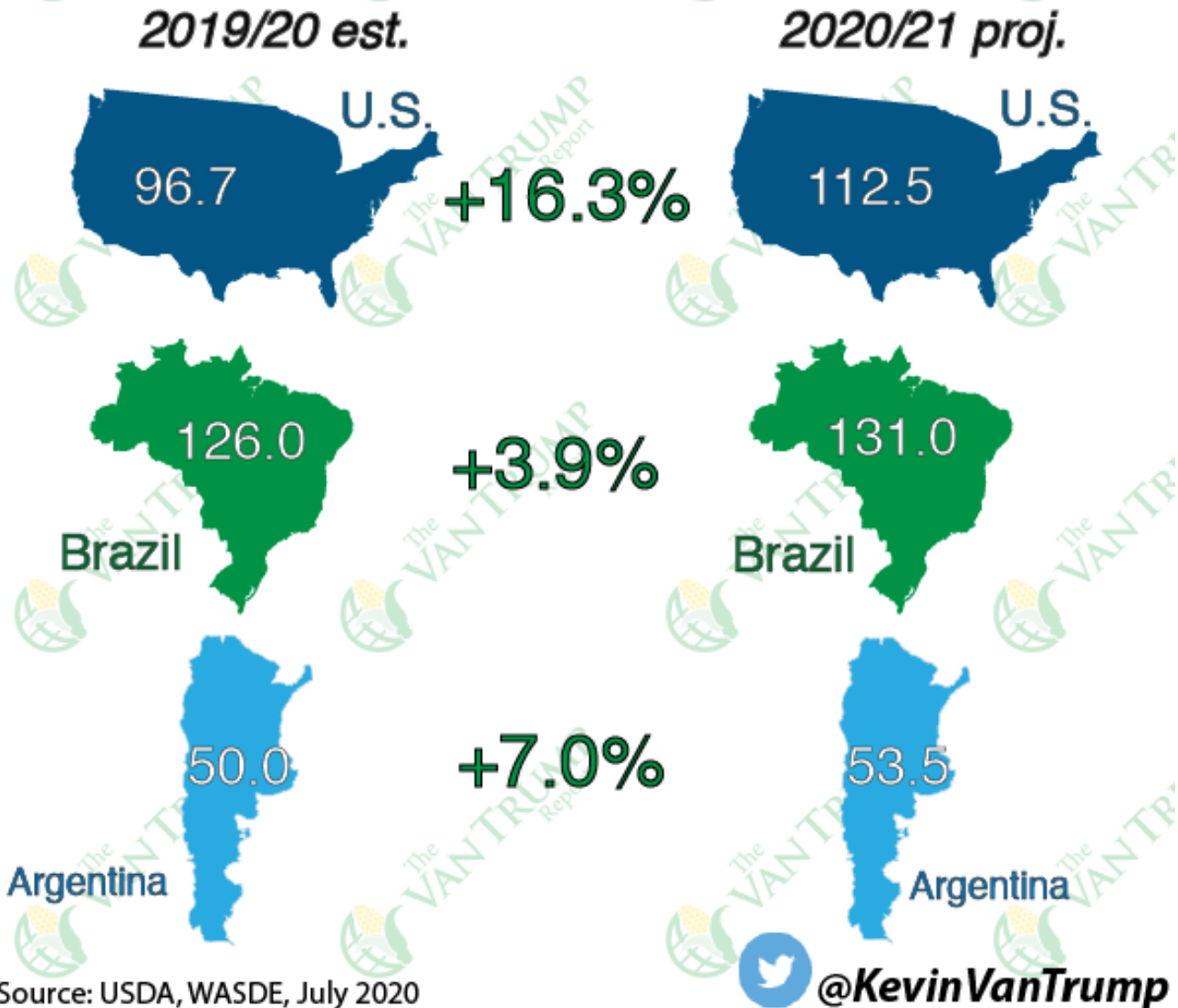
**SOYBEAN** bulls are hoping to see the USDA make another slight reduction in overall U.S. crop-conditions this afternoon. It was estimated last week that 68% of the U.S. crop was rated GD/EX vs. 71% the week before. The previous year 54% of the U.S. crop was rated GD/EX at this stage and ended up with an average yield of 47.4 bushels per acre. The year before that, mid-July 2018, the U.S. crop was rated 69% GD/EX and the final yield was estimated at 50.6 bushels per acre. Bears are quick to point out the USDA current yield estimate is 49.8 bushels per acre and might eventually need to be bumped higher. Obviously, a lot will depend on August weather, but I get a feeling from some of the old veterans that the soybean yield could be a bit low. let's also not forget, that 50.6 bushel per acre average yield was on 87.6 million harvested U.S. acres, this year the USDA is

forecasting 83 million harvested. On the demand side of the equation, I give the edge to the bulls. I think the Chinese are going to keep buying U.S. supply in some capacity and I think domestic demand is going to remain strong. Unfortunately, if the bears are going to win the supply-side production debate and the bulls are going to win the demand debate we may find ourselves stuck for a period of time. As both a spec and producer, I believe it takes controlling and winning both sides of the argument to significantly move price. If the bulls can keep control of the demand story and catch some weather worries we work higher. On the flip side, if the weather continues to cooperate for the bears and Chinese demand tapers off price will work lower. Technically, the NOV20 contract is +60 cents off its contract low posted back in mid-April and now orbiting around the \$9.00 level. The \$9.20 to \$9.30 range continues to look like very strong resistance, with the \$8.40 to \$8.60 range looking like very strong support, somewhere in the middle is what we need to consider the battleground. I continue to give an edge to the bulls because they control the demand story and the weather is somewhat a wild-card at the moment.



# Top 3 Soybean Producers

(in million metric tons)

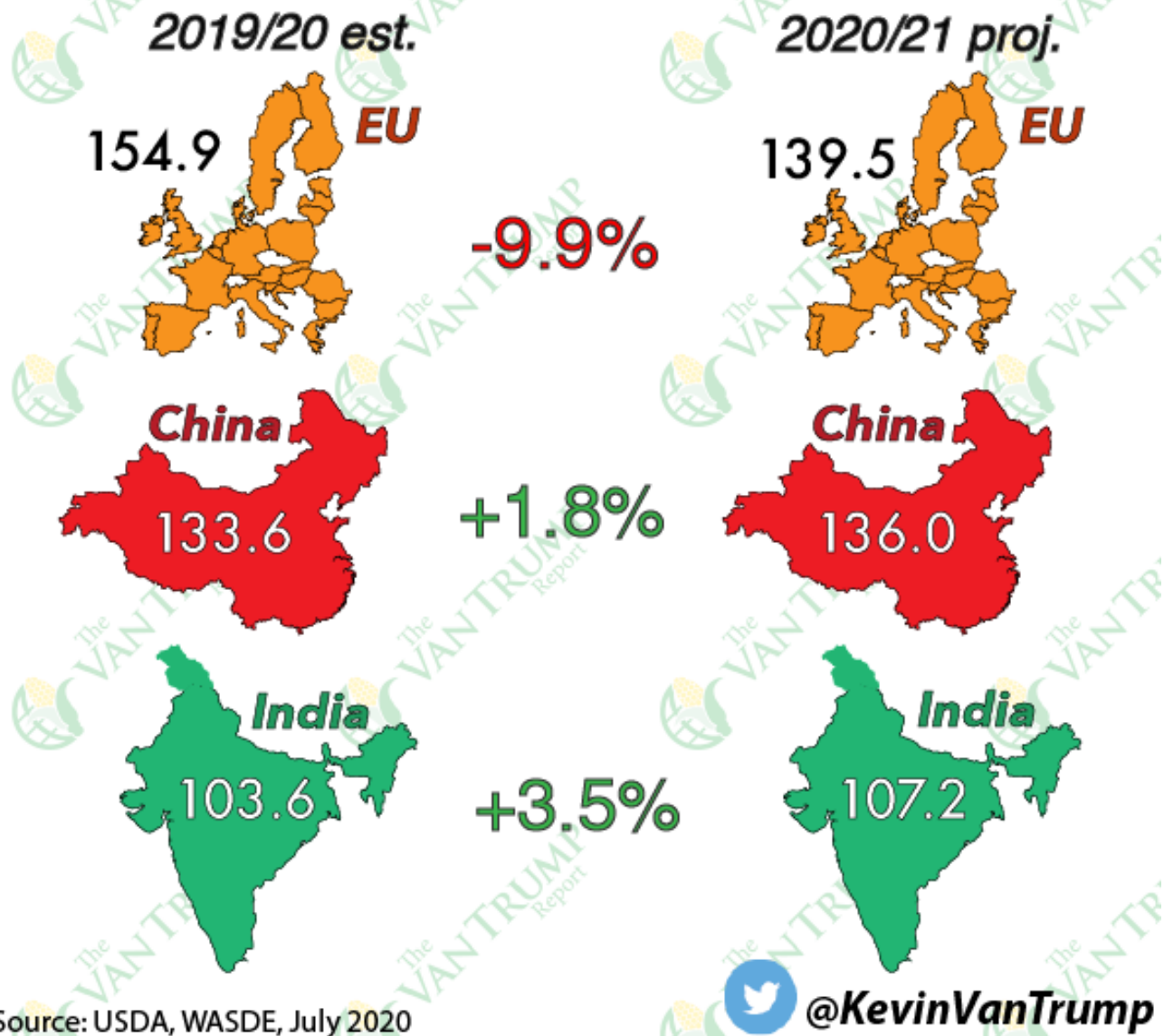


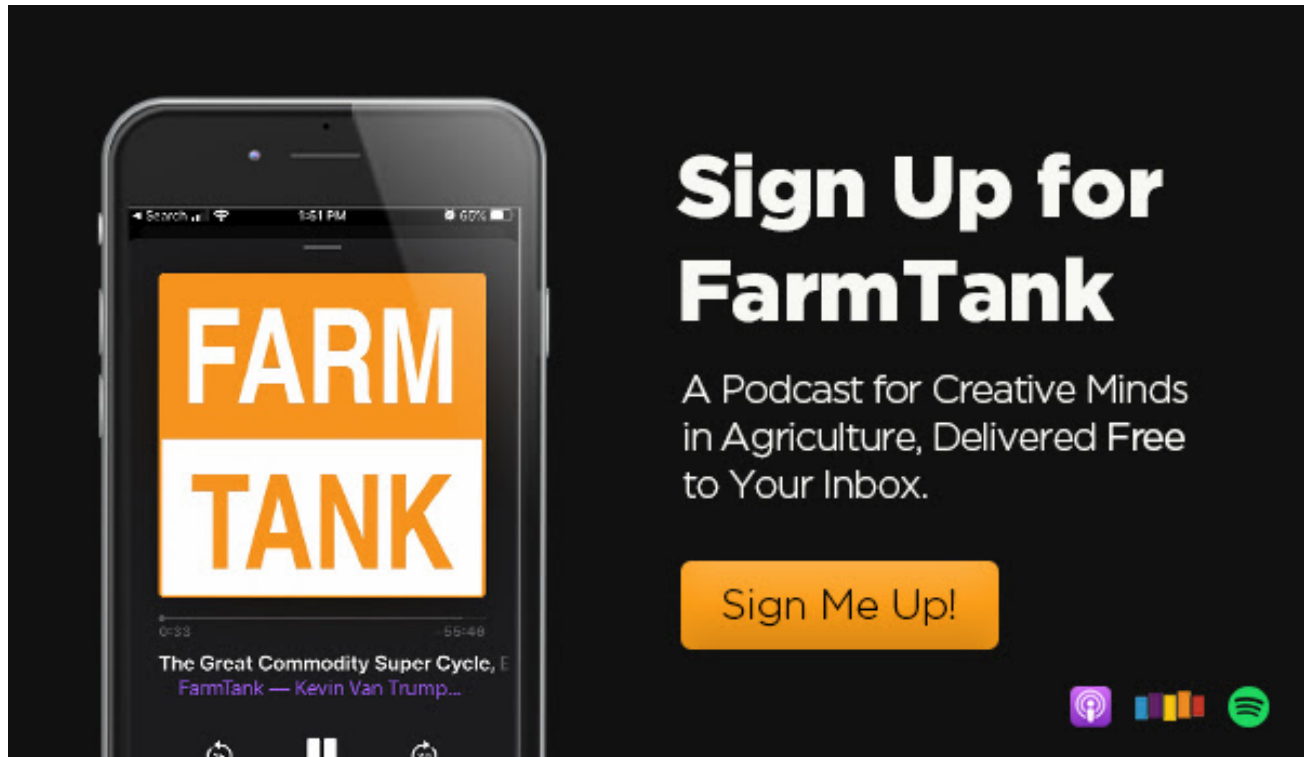
**WHEAT** bulls are pointing to improved U.S. export demand and perhaps more Chinese buying in the days ahead. Bears are pointing to adequate domestic and global supply and higher prices eventually curbing higher prices. In other words, if U.S. prices push higher it will just make us less competitive in the global marketplace. Bears are also pointing to what they see as improved weather both here at home and globally. Here at home, there are some showers in the forecast that could benefit the spring wheat crop. It also seems like some of the dryness in parts of Russia could ease a bit. The western portions of Europe, however, could still produce enough concern to keep the bulls' attention. Let's also not forget the weaker U.S. dollar, which could soon retest the recent lows, could also become a

longer-term tailwind. As a producer, I priced a bit more 2021 production last week with the JUL21 SRW wheat contract back north of \$5.50 per bushel. I'm still waiting to price HRW and Spring. I continue to hold a small portion of this year's production but like the thought of using marketing programs and tools to limit downside. In other words, building a floor of some sort via min-max contracts, etc. I also like the thought of this for some of next year's new-crop bushels. I heard some producers last week buying the JUL20 SRW \$5.00 puts and selling the \$6.00 calls for a slight premium. Makes sense to me, it provides a no-cost protective floor at \$5.00 but does knock you out of the game at \$6.00 should we be trading higher than at expiration next June. I don't mind the trad-off on a portion of next year's production.

# Top 3 Wheat Producers

(in million metric tons)



An advertisement for the FarmTank podcast. On the left, a smartphone displays the FarmTank logo (an orange square with 'FARM' in white and 'TANK' in orange) and a podcast player interface showing the title 'The Great Commodity Super Cycle, E' and the host 'FarmTank — Kevin Van Trump...'. On the right, the text 'Sign Up for FarmTank' is prominently displayed in white. Below it, a subtitle reads 'A Podcast for Creative Minds in Agriculture, Delivered Free to Your Inbox.' An orange button with the text 'Sign Me Up!' is positioned below the subtitle. At the bottom right, there are icons for Apple Podcasts, a multi-colored podcast icon, and Spotify.

# Sign Up for FarmTank

A Podcast for Creative Minds in Agriculture, Delivered Free to Your Inbox.

Sign Me Up!

A meme featuring a close-up of a goat's head wearing a red life preserver with black straps. The background is a bright blue sky. In the top right corner, the text 'AgSwag' is written in a black, slightly stylized font, accompanied by a small cartoon goat icon. At the bottom, the text 'WHATEVER FLOATS YOUR GOAT' is written in large, bold, white capital letters with a black outline. Below this, the text 'A Section for Creative Minds' is written in a similar but smaller font.

AgSwag

# WHATEVER FLOATS YOUR GOAT

A Section for Creative Minds

**> June Tractor Sales Rise +33% from Last Year:** *Overall unit sales of agricultural tractors and self-propelled combines in June 2020 rose in the U.S. and, for the first time this year, grew in Canada as well, according to the latest*



*data from the Association of Equipment Manufacturers (AEM). Total U.S. farm tractor sales rose +32.7% in June compared to 2019, while self-propelled combine sales grew +36.6%. Only four-wheel-drive tractors declined in unit sales in the U.S. in June. Total year-to-date sales of all farm tractor are up +10.5% in 2020, while combines cut year-to-date losses to only -1.7% in the same period. For Canada, June tractor sales grew across almost all segments, leading to an overall gain of +32.5%, with 100 hp-plus tractors the only segment in the red, falling -20.2% to 202 units sold. That put year-to-date unit sales for farm tractors statistically flat with 2019, while combines are down -30.8% for the year despite +14.4% growth in the month of June. (Source: Feedstuffs)*

**> Iowa Senators Push for Biofuels Aid:** *U.S. lawmakers from Iowa are trying to add aid for the biofuels industry into a pending coronavirus relief package in the Senate, U.S. Senator Chuck Grassley said on Friday. Grassley and his Iowa colleague, Senator Joni Ernst, hope to include a subsidy for feedstock for the ethanol industry in the bill. "The long-term hope for ethanol though is directly related to the extent to which the economy picks up and people start driving," Grassley said in a call with reporters. Grassley could not say when a final bill would be ready in the Senate. (Source: Reuters)*

**> Farm Lending Slows in Q2:** *The Kansas City Fed's latest Ag Lending survey shows farm lending slowed in the second quarter alongside the initial effects of the pandemic and a more pessimistic outlook for agricultural economic conditions. The volume of total non-real estate farm loans continued into a yearlong trend of declines during the second quarter of 2020. The slowdown in lending generally was consistent across all types of loans. Delinquency rates on farm loans increased at a steady pace through the first quarter and agricultural credit conditions remained weak. Recently implemented government lending programs (Paycheck Protection Program (PPP) and Economic Injury Disaster Loans) likely supplemented the financing needs of some producers while direct aid payments may help offset declines in farm revenues in 2020. Despite a more pessimistic environment for farm income and credit conditions, farmland values remained relatively steady in the first quarter. Compared with the previous year, the value of nonirrigated cropland changed by less than 5% in all reporting states except Texas, which rose +9%. In states where values were lower than a year ago, the average decline was about -2%. Across all other states, values increased about +4% on average. The full report is available [HERE](#).*

**> German Meat Plants Retrofitting Cooling Systems:** *A COVID-19 outbreak in Germany is forcing meatpacking plants to review infection risks posed by their cooling systems, placing the industry at the sharp end of growing global concerns over airborne transmission of the coronavirus. Toennies, a slaughterhouse and meat producer, shut down one of its plants in western Germany in June after more than 1,500 workers were found to be infected with the virus. It had to install high-*

*efficiency HEPA filters typically used in hospitals and on airplanes before being allowed to reopen on Friday. It now plans to retrofit its other sites. "We anticipate that the authorities will issue this as a requirement for the entire industry," a spokesman said. The EU's public health body is assessing risks posed by workplace ventilation systems, while Germany's Agriculture Minister has also asked other industries that operate in low temperatures, like dairies and fish processing, to carry out assessments. Read more from [Reuters](#).*

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**> Speculation About Ag Drone Company and Amazon:** *AgEagle Aerial Systems Inc., which started the year trading for less than 50 cents a share, has attracted tens of thousands of retail investors in the past three months with its plans to expand into package-delivery drones, citing early orders from a "major" e-commerce company it hasn't named. AgEagle shares have nearly doubled so far this month after the Neodesha, Kansas-based company announced it was expanding to Wichita for drone-related manufacturing operations. The combination of package delivery and the Wichita expansion has prompted speculation on message boards and in local Kansas media that AgEagle and Amazon, with its Prime Air drone ambitions, could be working together. The Wichita Eagle has reported that the e-commerce giant is due to open a distribution site near the city's Jbara Airport. Read more [HERE](#).*

**> Amazon's New Smart Grocery Cart:** *Amazon has announced a new smart shopping cart for the grocery store it plans to open in Woodland Hills, California, later this year. The Dash Cart is designed for handling one or two bags of groceries, and customers using the cart will be able to skip the checkout line. The cart uses machine learning to identify items placed in the cart and comes equipped with a touch screen. When leaving the store, sensors identify the shopper's cart and automatically charge the associated Amazon account. Amazon's grocery store will have a specific checkout lane for shoppers using Dash Carts that allows them to bypass the checkout line. Amazon has reportedly been considering combining*

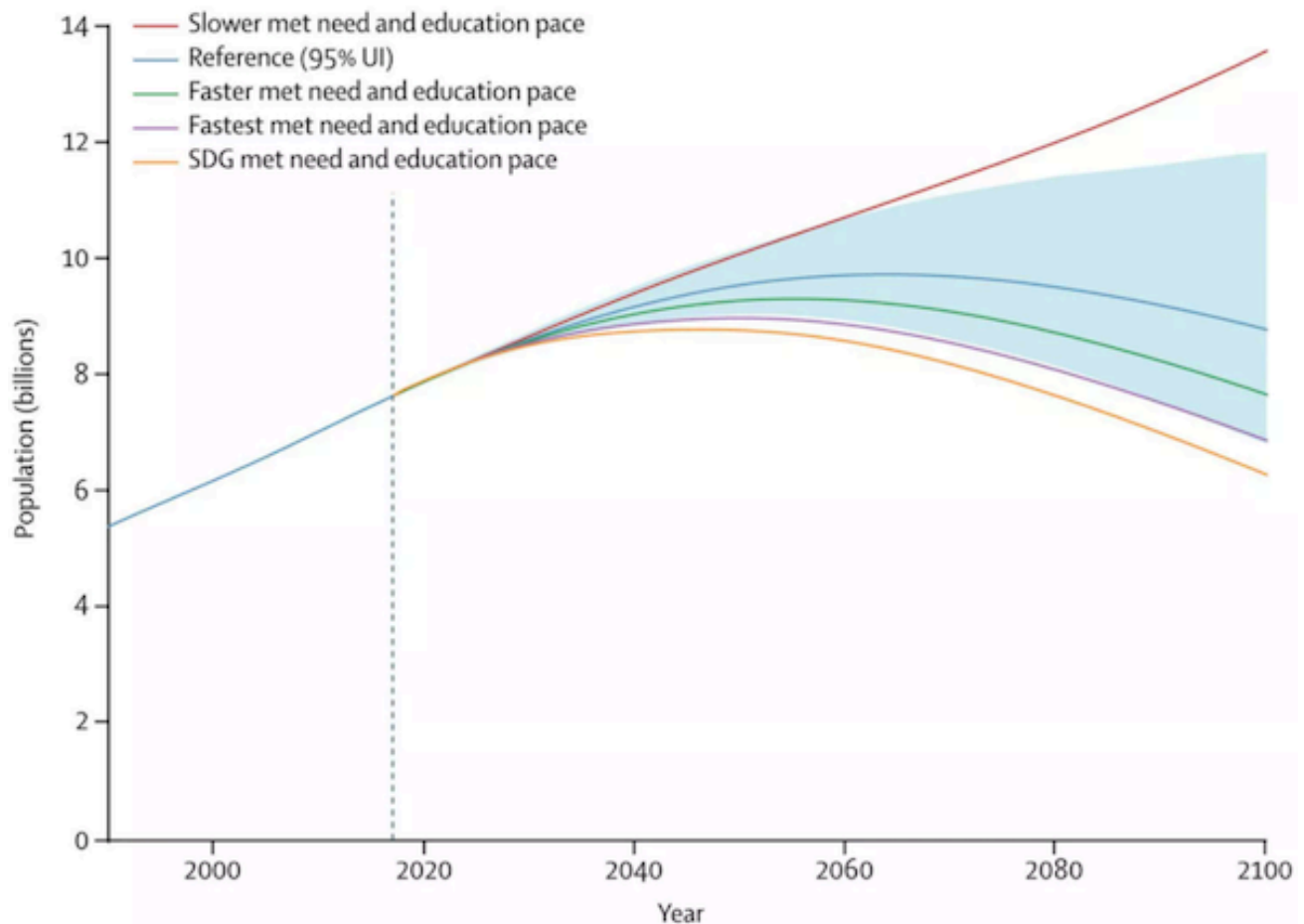
*the aspects of traditional in-store shopping with online pickup for its grocery stores. Read more [HERE](#).*

**> Jamie Dimon's Warning for Economy:** *Attempting to forecast the path of the American economy right now is like peering into a dark well — nobody knows how deep the hole goes. Even Jamie Dimon, CEO of JPMorgan Chase and veteran prognosticator of all things financial, is flummoxed. As head of the financial system's bellwether, a bank with \$3.2 trillion in assets that serves almost half of U.S. households and a wide swath of its businesses, Dimon has a unique vantage on the world's largest economy. The range of outcomes for the economy in the second half is incredibly wide: JPMorgan Chase sees no fewer than five different paths it can take. The bank has gotten more pessimistic, seeing unemployment in its default "base" scenario hitting nearly 11% by the end of this year, 4.3% worse than when it made the same forecast in April. In a worst-case scenario where the virus surges further in the fall, forcing another round of widespread shutdowns, unemployment could peak at roughly 23%, the bank said. "The word unprecedented is rarely used properly," Dimon said this week. "This time, it's being used properly. It's unprecedented what's going on around the world, and obviously Covid itself is a main attribute." Read more [HERE](#).*

**> A New Ocean is Being Born:** *In one of the hottest places on Earth, along an arid stretch of East Africa's Afar region, it's possible to stand on the exact spot where, deep underground, the continent is splitting apart. This desolate expanse sits atop the juncture of three tectonic plates that are very slowly peeling away from each other, a complex geological process that scientists say will eventually cleave Africa in two and create a new ocean basin millions of years from now. For now, the most obvious evidence is a 35-mile-long crack in the Ethiopian desert. It's thought that Africa's new ocean will take at least 5 million to 10 million years to form, but the Afar region's fortuitous location at the boundaries of the Nubian, Somali and Arabian plates makes it a unique laboratory to study elaborate tectonic processes. Learn more [HERE](#).*

**> Global Population Projected to Decline by 2100:** *New projections suggest the human population will be smaller and significantly older by the end of the century. As fertility rates continue to drop around the world, economic and political power among nations will shift rapidly, creating an international landscape radically different than it is in 2020. A new report in the Lancet by researchers at the Institute for Health Metrics and Evaluation at the University of Washington forecasts the global population will peak in 2064 at around 9.7 billion before declining to 8.8 billion by the end of the century. That slowed growth in the decades ahead followed by outright decline is chiefly caused by drastically falling total fertility rates, from 2.37 women per child globally today to 1.66 in 2100. The fertility rate required to keep population stable is 2.1. Not only will humanity shrink — especially in countries like Japan where fertility has long been below*

replacement level — it will become much older. By 2100 projections suggest there will be twice as many adults over 80 as there are children under five. More details are available [HERE](#).



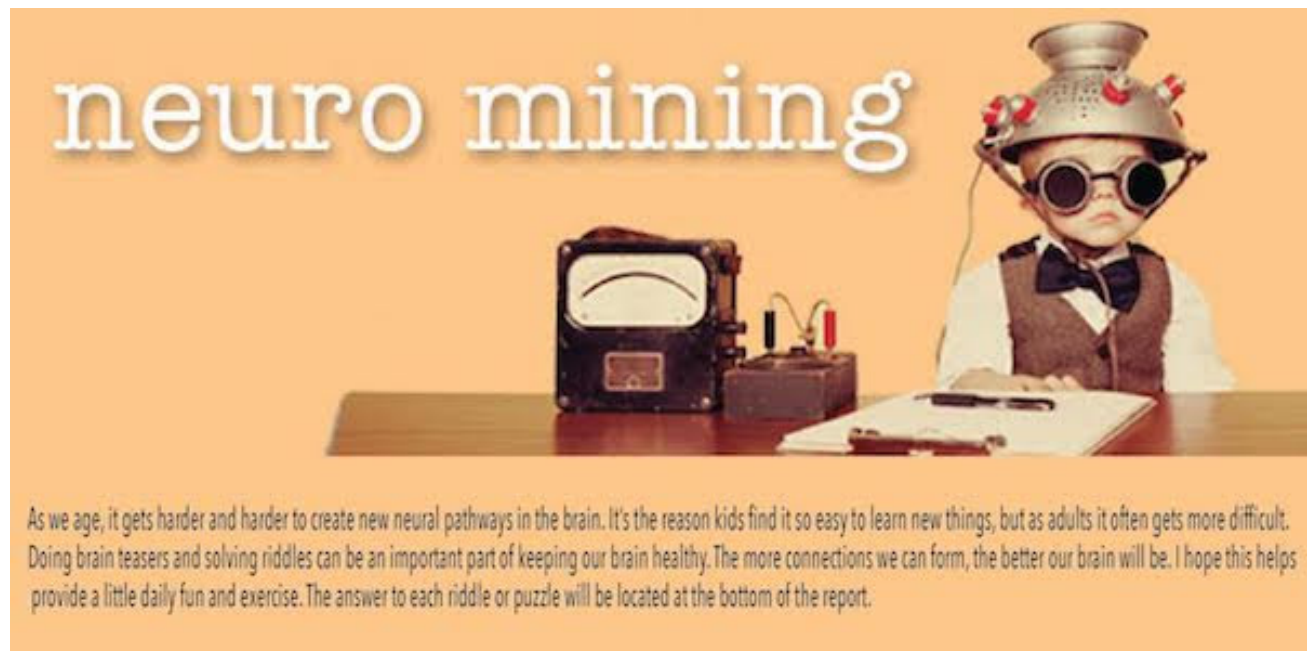
**Northeast Colorado** - It has been the driest January - March ever in our area with severe drought conditions for many producers up here. I've been talking to buddies from here into western Nebraska and it's either 300 bpa for the guys who are irrigated or 60 for the ones who are not. There is nothing in between, and our dryland acres are a joke this year. We are very well diversified with our dairy operation, five feed yards, and our crops, and very fortunate to be sitting on top of the aquifer. All of our corn goes to silage and we get the rest of the six million bushels we need locally. Things are so tight up here you can't get any offers on



*corn. Basis has hit 50 over in some places but no one has any or isn't letting loose. If the gang in the "I" states could take on some of our drought, I believe we could move the market!*

**Central Missouri** - *The heat of the weekend seemed to really pull the conditions backward. The heat index was well over 100 and the true temperatures were 99 degrees on Saturday and a little cooler, but not much, on Sunday. We have rain coming several days next week but the rains are about 60% or less. I'm starting to see a few yellow leaves on the bottom of the soybeans and the corn is firing partway up the plant on many areas of the field. If we miss all our rain chances this next week, I would predict that we shave the top end off the yield.*

**Central Indiana** - *The big rain that was supposed to hit last week was a huge miss. The only positive that we pull from it was a slightly cooler temperature for a few hours. The wheat has all been harvested and if it's any indication of corn and soybean yields, this crop will be poor. The wheat is usually about 80+ bushels per acre but we averaged about 40 bushels across the farm. We don't farm much wheat anymore outside of just a rotation type crop so it's not a huge deal. We need rain and we need a big rain to hit this area in the very near future.*



**TODAY'S RIDDLE:** What does man love more than life? Fear more than death or mortal strife? What do the poor have, what the rich require, and what contented men desire? What does the miser spend, the spendthrift save, and all men carry to their graves?



## **NOAA Says Watch for La Niña Weather Pattern**

Meteorologists at the National Oceanic and Atmospheric Administration have issued a La Niña watch, which could have significant impacts on weather across the globe this fall.

The La Niña weather pattern, as well as its counterpart El Niño, are the "cold" (La Niña) and "warm" (El Niño) phases of one of the most significant climate phenomenon on the planet, the El Niño Southern Oscillation (ENSO). Currently, it is in a neutral state but NOAA warns conditions could be setting up for a La Niña in the next six months, giving it a 50% to 55% chance of happening. That's not a terribly strong probability but early warnings can help those that might be affected plan for challenging or even dangerous conditions. Below is more information about what La Niña is and how it could impact agriculture and other areas:

**What Is La Niña:** *La Niña ("little girl" in Spanish), like El Niño ("little boy" in Spanish), is a weather pattern that can occur in the Pacific Ocean every few years. La Niña is characterized by unusually cold ocean temperatures in the Equatorial Pacific, compared to El Niño, which is characterized by unusually warm ocean temperatures in the Equatorial Pacific. In a normal year, winds along the equator push warm water westward. Warm water at the surface of the ocean blows from South America to Indonesia. As the warm water moves west, cold water from the deep rises up to the surface. This cold water ends up on the coast of South America. In the winter of a La Niña year, these winds are much stronger than usual. This makes the water in the Pacific Ocean near the equator a few degrees colder than it usually is. Even this small change in the ocean's temperature can affect weather all over the world. La Niña events may last between one and three years, unlike El Niño, which usually lasts no more than a year. Both phenomena tend to peak during the Northern Hemisphere winter.*

**La Niña Impact on the Global Climate:** *Global climate La Niña impacts tend to be opposite those of El Niño impacts. In the continental U.S., during a La Niña year, winter temperatures are warmer than normal in the Southeast and cooler than normal in the Northwest. In South America, La Niña usually leads to increased rainfall in North Eastern Brazil, Colombia and other northern parts of South America and is associated with rainfall*

*deficiency in Uruguay and parts of Argentina. La Niña has less of an effect in Europe but it does tend to lead to milder winters in Northern Europe (the United Kingdom especially) and colder winters in southern/western Europe.*

**U.S. Impact:** *In general, the stronger the La Niña, the more reliable the impacts on the United States. The typical U.S. impacts are warmer- and drier-than-average conditions across the southern tier of the United States, colder-than-average conditions across the north-central Plains, and wetter-than-average conditions in the Ohio Valley and Pacific Northwest/northern California. However, there is a great deal of variability even among strong La Niña events. And some impacts are more reliable than others.*

**Increased U.S. Drought Risks:** *In the U.S., the southern tier tends to be dry during La Niña episodes. Such an outcome could intensify and spread drought already afflicting New Mexico, Texas, southern Colorado, and other areas nearby. At the same time, it tends to bring increased outbreaks of particularly cold weather from Alaska through much of Canada, and into the U.S. northern tier. It tends to bring more storminess to the Pacific Northwest and parts of the U.S. Midwest. However, it can bring warmer and drier winters and smaller snowpacks in the Northwest. The so-called "snowpack drought" in 2015 was during a strong El Nino.*

**Increased Hurricane Activity:** *For those in hurricane territory, a La Niña weather pattern is definitely not good news. A greater number of hurricanes and tropical storms are typically generated during the Atlantic Hurricane season when La Niña is present. By contrast, hurricane activity tends to be lower during El Niño. Atlantic Hurricane season runs from June 1 - November 30 so hopefully, El Niño comes later rather than sooner.*

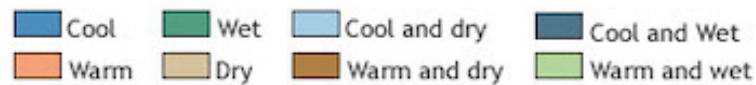
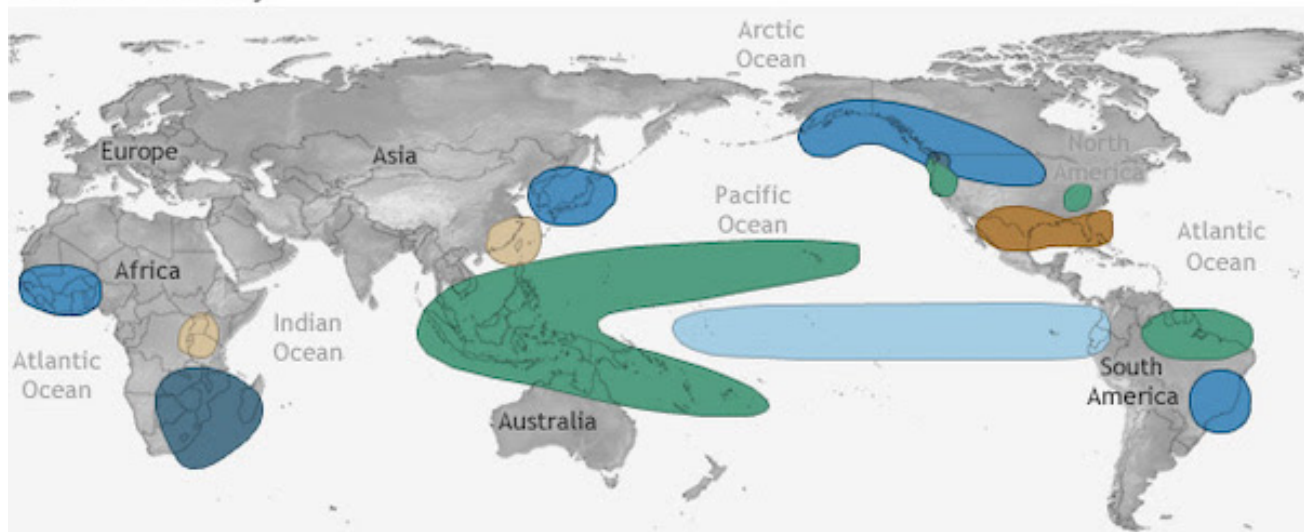
**Historical Events:** *La Niña was last observed in 2017-18. Argentina harvested its worst soybean crop in nine years in 2018, and Brazilian corn output also came in below initial expectations. U.S. HRW wheat yields were poor that year and dryness in that area carried into the corn and soybean growing season. In contrast, during a La Nina in 2016-17, crops in those same regions were largely unaffected. The major difference was timing - the cold anomalies of the 2016-17 La Nina occurred almost entirely in 2016, giving way to warmer ones by January. But in 2017-18, a much stronger cold anomaly held from November through March.*

*The 2010-12 La Niña event was one of the strongest on record. The Midwest, Southeastern, and Northeastern United States experienced an extremely wet 2011, leading to flooding across the Mississippi River, Missouri River, and the Ohio River. Texas fell into major drought with 2010-12 being some of the driest years ever for the state, starting the 2010-13 Southern U.S. and*

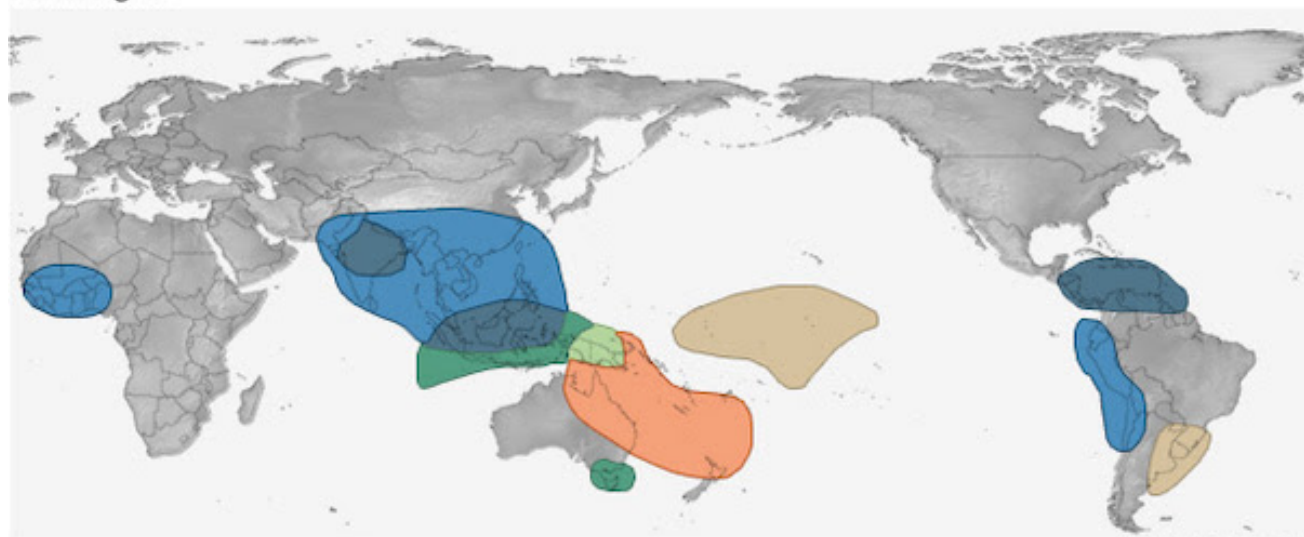
*Mexico drought. 2011 was also one of the hottest years in Texas history. It also caused Australia to experience its wettest September on record in 2010, and its second-wettest year on record in 2010.*

## LA NIÑA CLIMATE IMPACTS

December-February

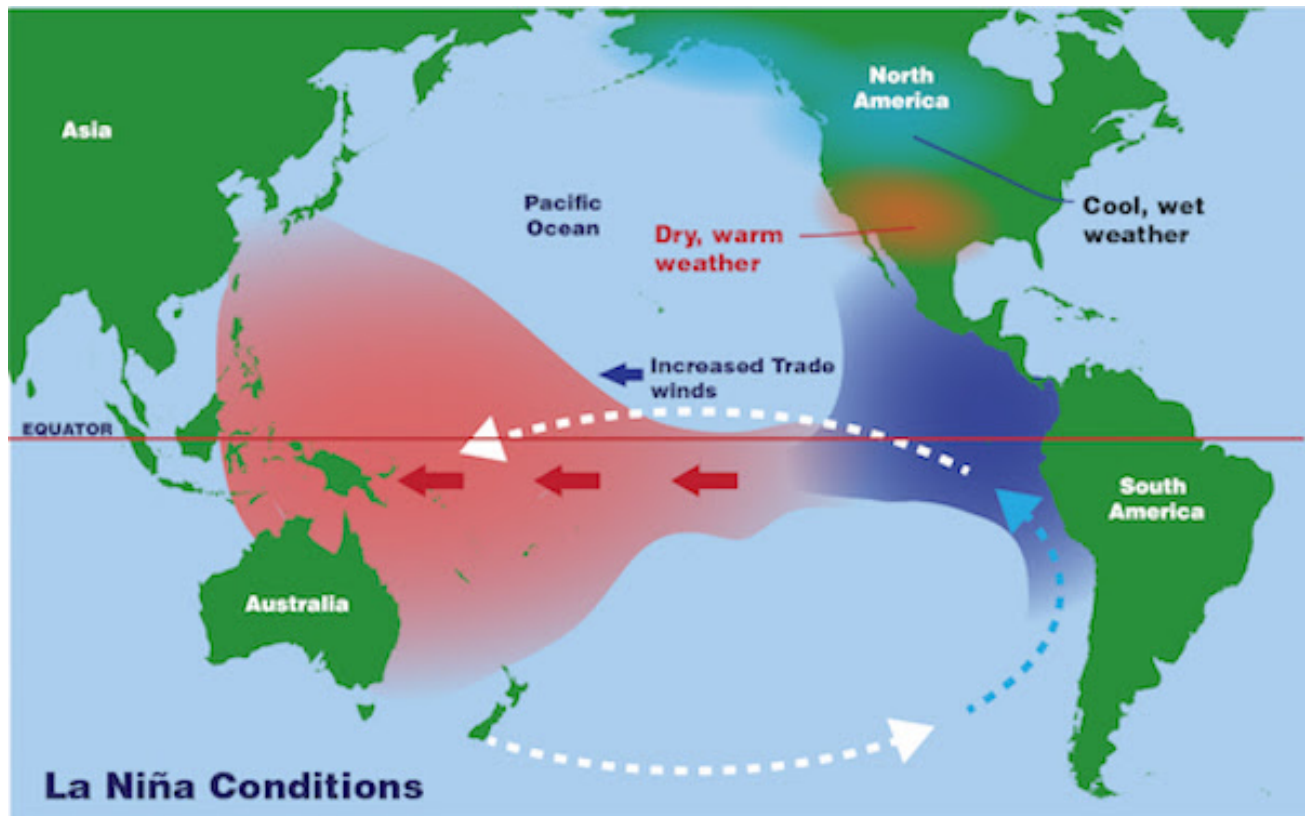
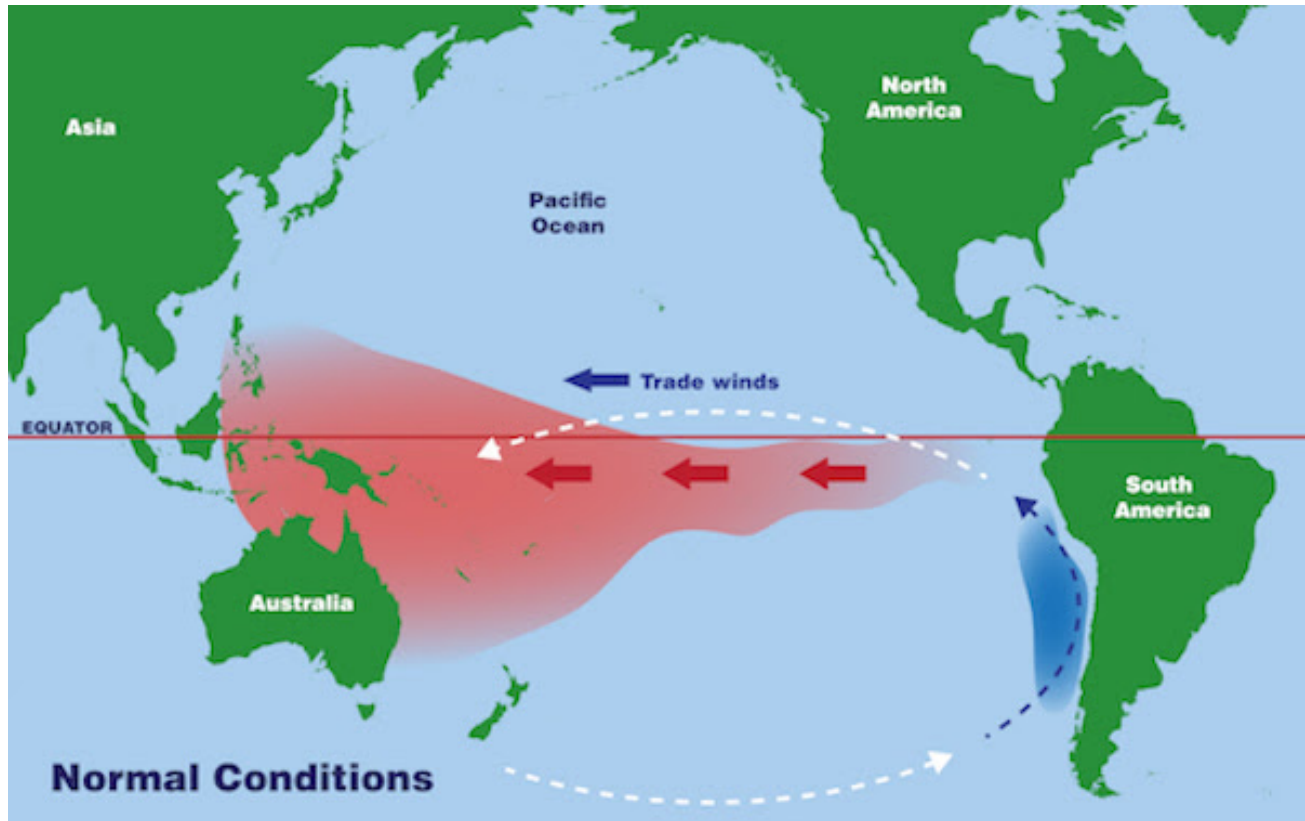


June-August

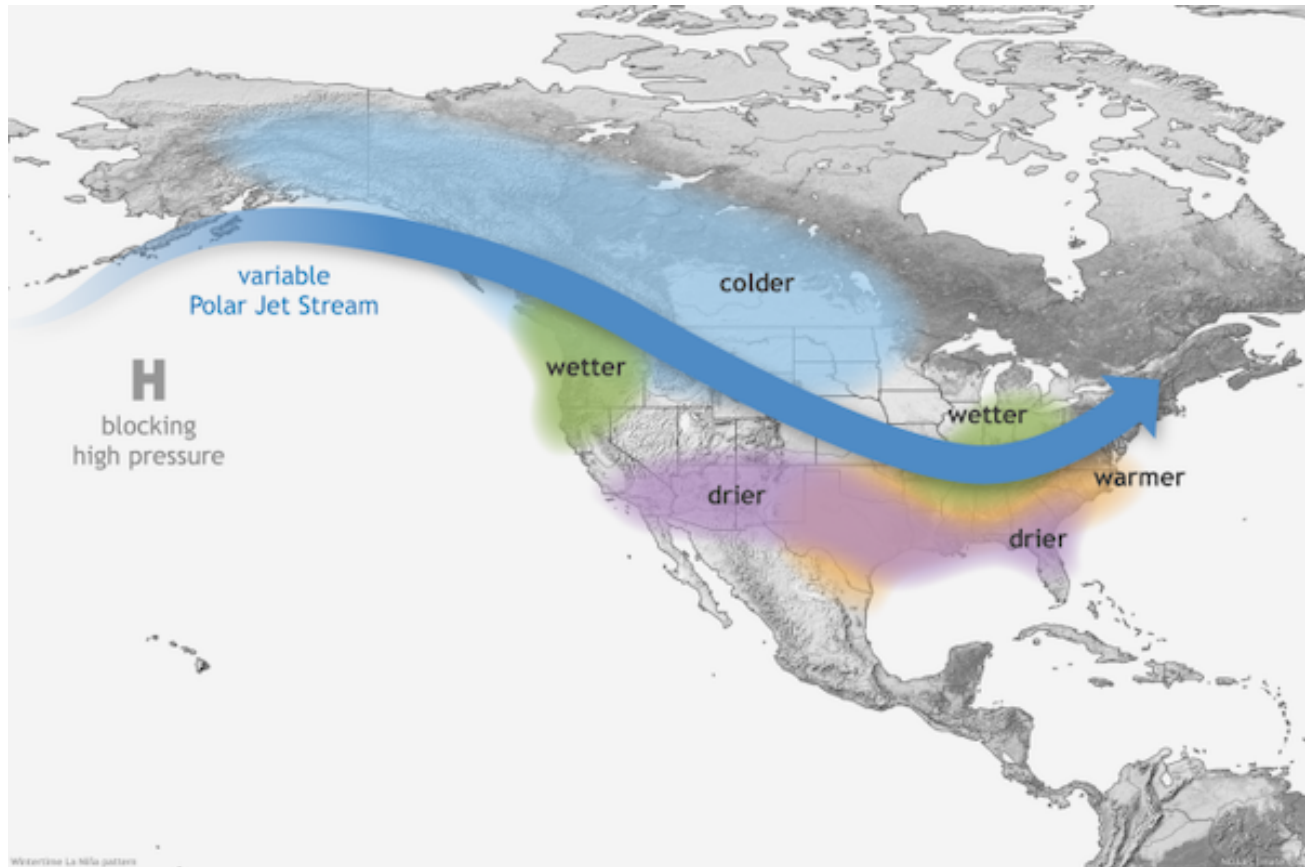


NOAA Climate.gov









## How to Tell if Chicken and Other Meat is Really Done

People are cooking a lot more these days and this is apparently raising concerns about an increase in food poisoning. Basically, food safety experts are worried that people new to the kitchen might be less aware of the basics, particularly how to tell if poultry is thoroughly cooked. This is one you definitely don't want to get wrong, as anyone that's ever gotten sick from undercooked chicken can tell you. At the other end of the spectrum, no one enjoys overcooked chicken either, and that's an easy mistake to make especially on the grill. Chicken is definitely one of the hardest meats to judge on doneness, even with a meat thermometer, but below are some simple rules that will help it turn out perfectly every time, no matter how it's prepared (Sources: Chew the World, La Times)

**Using a Meat Thermometer** - *One of the simplest way to approach the problem of doneness a meat thermometer, which is also going to be the most accurate gauge. It's a specific type of probe that's designed to be pushed into the meat in order to check the temperature. There are two common types of meat thermometers on the market today. There's the single-piece design that has a gauge on one end, and there's also a digital design that has a probe connected to a readout panel. Both work basically the same way - you jab the probe into the meat and wait for the temp to register. But there is a proper way to do it:*

- Insert the probe into the thickest part of the meat (for a whole chicken, that would be the breast).
- Avoid placing next to the bones as it may leads to the false result.
- Look for a target temperature between 160 and 165 degrees Fahrenheit for chicken cuts, or 180 degrees Fahrenheit for a whole chicken.

# Is it done?

How to tell if your meat is safe to eat

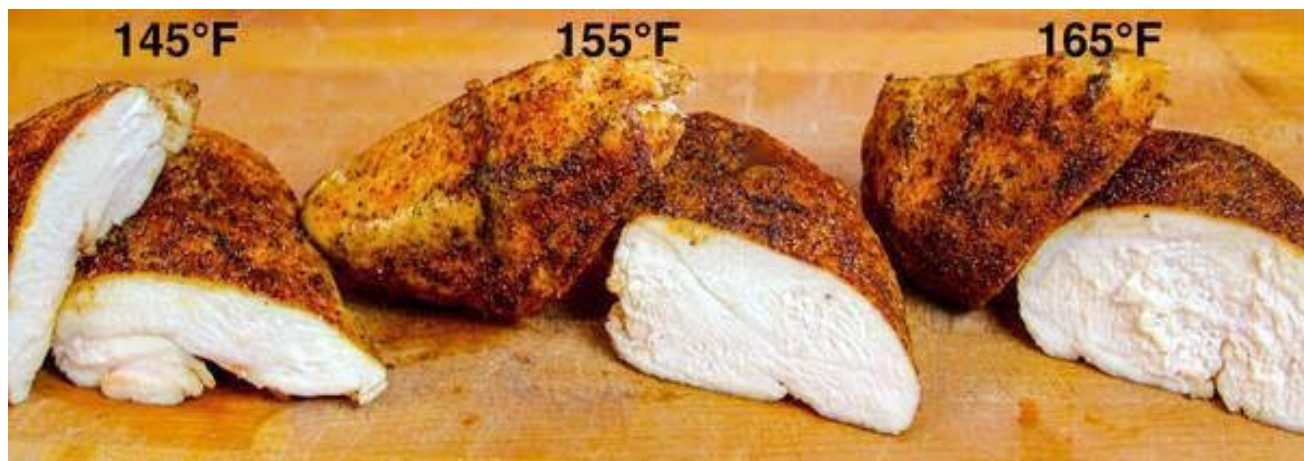
The infographic is divided into four color-coded sections, each featuring a photograph of the meat on the left and the recommended cooking temperature and doneness level on the right. The sections are: Beef (red background), Chicken and Turkey (blue background), Pork and Lamb (green background), and Fish (light green background). Each section includes a thermometer icon with the target temperature and a note about a 3-minute rest time for meats.

Meat Type	Target Temperature (°F)	Doneness Level	Additional Note
Beef	125°	Rare	(plus a 3-minute rest time before eating)
Beef	145°	Medium	
Beef	165°	Well-done	
Chicken and Turkey	165°		(plus a 3-minute rest time)
Pork and Lamb	145°		(plus a 3-minute rest time)
Fish	145°		(or until the flesh is flaky and opaque)

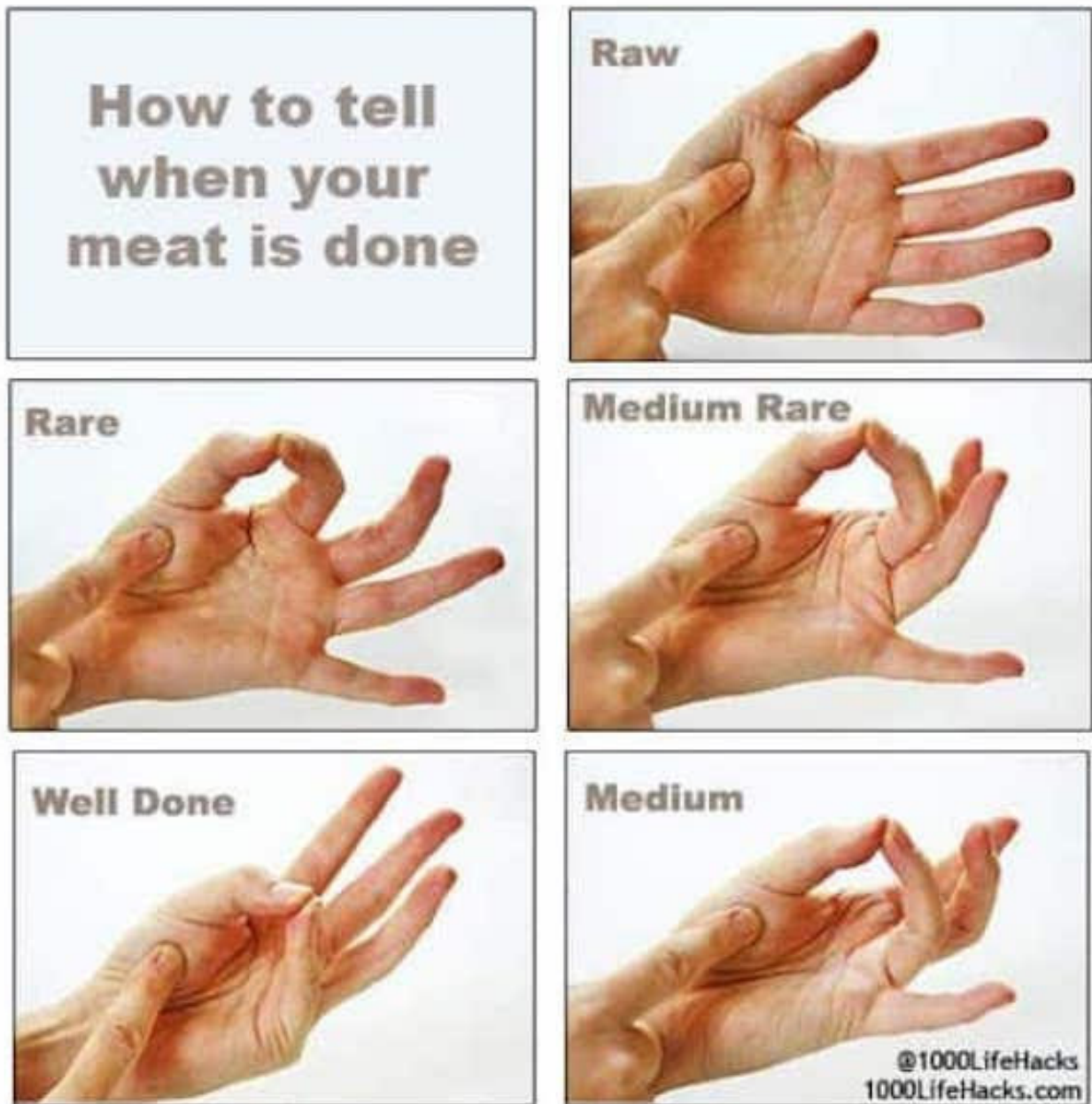





**Checking the Juices** - Properly cooked chicken should be juicy, not dry! And you can look at the juices to tell if it's done. If they are running clear, the meat is likely done. If they are still a little pink, the chicken probably isn't done yet. In order to obtain the most accurate measure of doneness, you can use a knife to slice open the area between the skin and the meat. This will release some of the juices for you to check without encouraging the meat to dry out. You can also just stick it with the knife but avoid doing this in multiple places as it could allow too much juice to flow out and leave you with a piece of shoe leather.



**Press the Meat** - Meat is a muscle, and that means that as it loses moisture during the cooking process, its fibers will tighten up. By pushing down on the meat, you can see how much it springs back. A good basic reference is to press your middle finger to your thumb while keeping your hand relaxed. This represents the approximate amount of firmness you should expect from a piece of chicken when it is done. Pressing the meat to check for firmness works best with smaller cuts of chicken. It's also a useful technique if there's no skin on the cut, which can make checking juices difficult. With smaller cuts, you also have to be careful about using a thermometer because it's easy to pierce through the meat and cause it to start drying through two holes.







**CaveTools.com** | **Meat Smoking Guide**

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Meat Type	Smoking Temp.	Target Internal Temp	USDA Min.	Suggestions
Pork Butt/Shoulder	225-275°F (107-135°C)	195-205°F (90-96°C)	145°F (63°C)	Cook until tender when probed. Approximately 1.5 hours per pound
Pork Tenderloin	225-325°F (107-163°C)	145-150°F (63-66°C)	145°F (63°C)	Wrap in a bacon weave to help keep it from drying out
Pork Ribs	225-275°F (107-135°C)	195-205°F (90-96°C)	145°F (63°C)	Remember to remove the thick membrane on the bone side first
Beef Brisket	225-275°F (107-135°C)	195-210°F (90-99°C)	145°F (63°C)	Estimate 1.5 hours per pound for smoking time
Chicken	250-300°F (121-149°C)	165°F (74°C)	165°F (74°C)	Finish off over high heat 325°F for 20 minutes to crisp the skin
Turkey	250-300°F (121-149°C)	165°F (74°C)	165°F (74°C)	Try brining for 24 hours prior to smoking for maximum moisture
Fish	225-250°F (107-121°C)	145°F (63°C)	145°F (63°C)	Fatter fish like salmon & trout absorb smoke faster

Wood Type	Flavor Strength	Flavor Profile	Pork	Ribs	Beef	Chicken	Turkey	Fish	Symbol Key
Alder	Mild	Sweet and musky smoke				*	*	✓	✓ Highly Recommended * Tasted and Approved
Almond	Medium	Nutty and sweet flavor, little ash	*	*	*	*	*	*	
Apple	Mild	Sweet, fruity taste	✓	✓	*	✓	*	*	<b>FIVE STEPS</b> to <b>PERFECT BBQ</b>  <div style="text-align: center;"> <div style="background-color: #ff0000; color: white; padding: 5px; margin: 2px;">Marinate</div> <div style="font-size: 10px;">↓</div> <div style="background-color: #ff0000; color: white; padding: 5px; margin: 2px;">Inject</div> <div style="font-size: 10px;">↓</div> <div style="background-color: #ff0000; color: white; padding: 5px; margin: 2px;">Rub</div> <div style="font-size: 10px;">↓</div> <div style="background-color: #ff0000; color: white; padding: 5px; margin: 2px;">Smoke</div> <div style="font-size: 10px;">↓</div> <div style="background-color: #ff0000; color: white; padding: 5px; margin: 2px;">Sauce</div> </div>
Apricot	Mild	Hint of sweetness and fruitiness	*	*	*	*	*	*	
Cherry	Mild	Fairly sweet and fruity	✓	✓	*	✓	*	*	
Chestnut	Mild	Slightly sweet and nutty smoke flavor	*	*	*	*	*	*	
Hickory	Strong	Sweet to Strong with heavy bacon flavor	✓	✓	✓	*	*	*	
Jack Daniel's	Strong	Made from Jack Daniel's barrels. Strong	✓	*	*	*	*	*	
Lemon	Medium	Tangy, citrus smoke with hint of fruitiness	*	*	*	*	*	*	
Maple	Mild	Somewhat sweet subtle flavor	*	*	*	*	*	*	
Mesquite	strong	Earthy smoke flavor	*	*	✓	*	*	*	
Mulberry	Mild	Sweet, tangy, blackberry-like flavor	*	*	*	*	*	*	
Nectarine	Mild	Mild and sweet smoke	*	*	*	*	*	*	
Oak	Medium	Traditional smoke flavor	*	*	✓	*	*	*	
Orange	Medium	Tangy, citrus smoke with hint of fruitiness	*	*	*	*	*	*	
Peach	Medium	Slightly sweet and woody flavor	✓	✓	*	✓	*	*	
Pear	Mild	Earthy flavor with a hint of fruitiness	*	*	*	*	*	*	
Pecan	Mild	Sweet and mild. Similar to hickory	✓	✓	✓	✓	✓	*	
Plumb	Mild	Mild and sweet smoke	*	*	*	*	*	*	
Walnut	Strong	Bitter; commonly mixed with other woods	*	*	*	*	*	*	

**CAUTION:** Do not smoke meat with Cedar, Cypress, Elm, Eucalyptus, Fir, Liquid Amber, Pine, Redwood, Sassafras, Spruce or Sycamore

## We all Need a Trouble Tree!

I was sent this e-mail the other day and thought I should pass it along:

Hi Kevin,

I am xxxxx's mom and I get your daily newsletter. I always enjoy your extra little bits and pieces that you add and thought of you when I got this email. It actually came from my brother who has recently battled cancer twice and many other major problems... all while keeping a very positive outlook. I hope this helps inspire a few others.

*I hired a plumber to help me restore an old farmhouse, and after he had just finished a rough first day on the job: a flat tire made him lose an hour of work, his electric drill quit and his ancient one-ton truck refused to start.*

*While I drove him home, he sat in stony silence. On arriving, he invited me in to meet his family. As we walked toward the front door, he paused briefly at a small tree, touching the tips of the branches with*



*both hands.*

*When opening the door he underwent an amazing transformation. His face was wreathed in smiles and he hugged his two small children and gave his wife a kiss. Afterward, he walked me to the car. We passed the tree and my curiosity got the better of me. I asked him about what I had seen him do earlier.*

*'Oh, that's my trouble tree,' he replied 'I know I can't help having troubles on the job, but one thing's for sure, those troubles don't belong in the house with my wife and the children. So I just hang them up on the tree every night when I come home and ask God to take care of them. Then in the morning, I pick them up again.'*

*'Funny thing is,' he smiled, 'when I come out in the morning to pick 'em up, there aren't nearly as many as I remember hanging up the night before.'*

Life may not be the party we always hoped for, but while we are here we might as well dance. We all need a Tree!

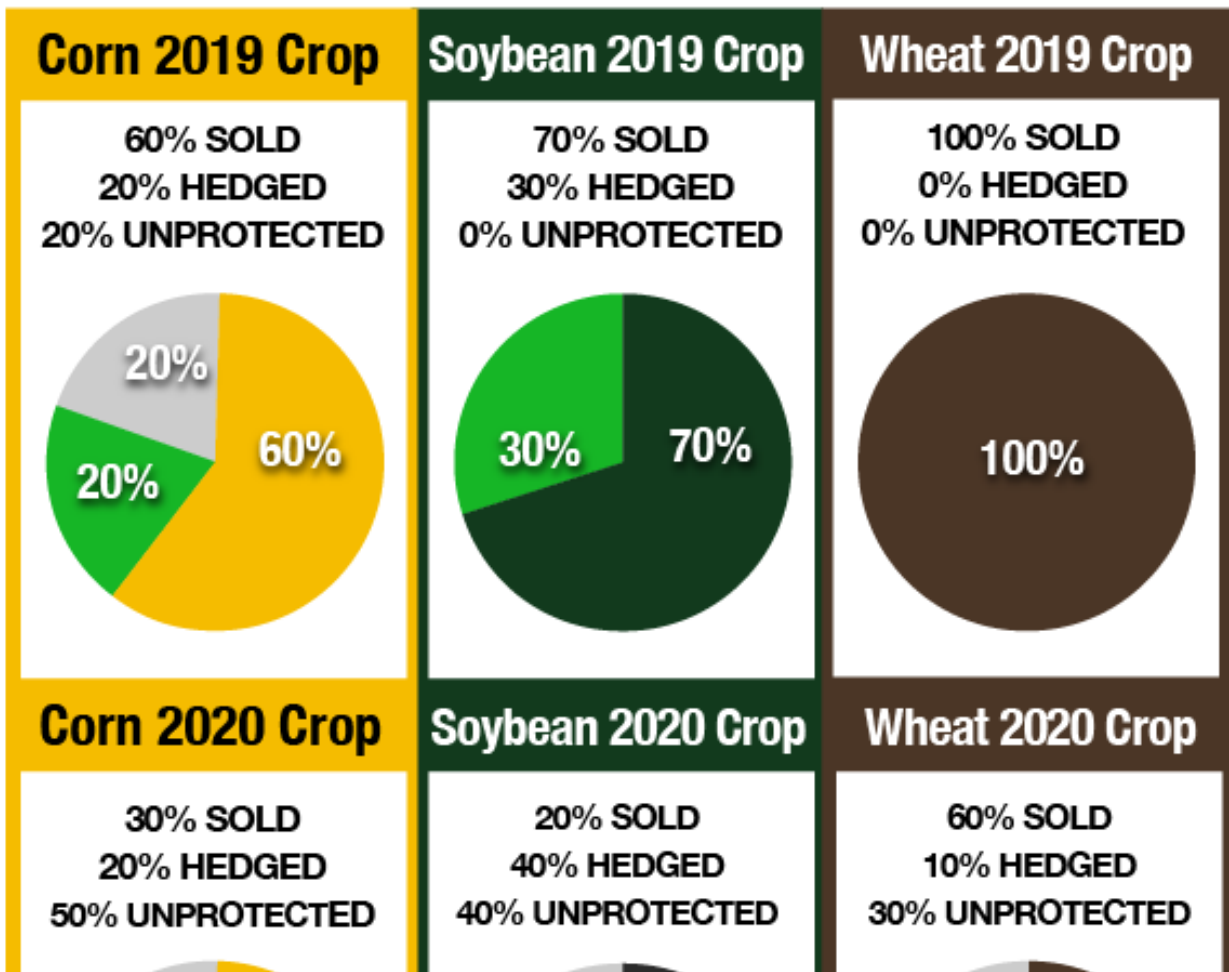
Hope you have a great week!

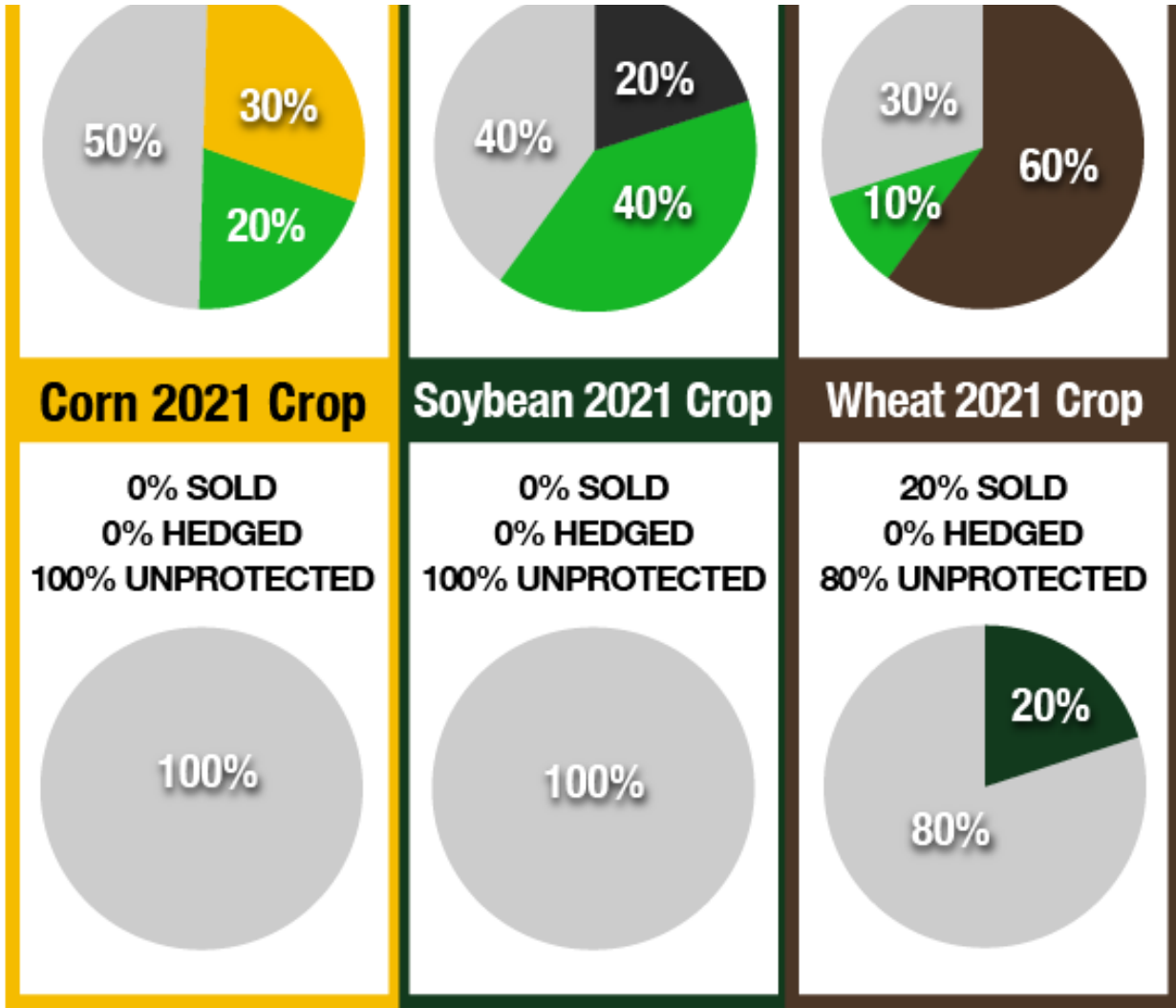


**ANSWER to riddle:** Nothing.

## CASH SALES & HEDGING TOTALS

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