



*"Just remember, once you're over the hill you begin to pick up speed."* - **Arthur Schopenhauer**

**TUESDAY, JANUARY 10, 2017**

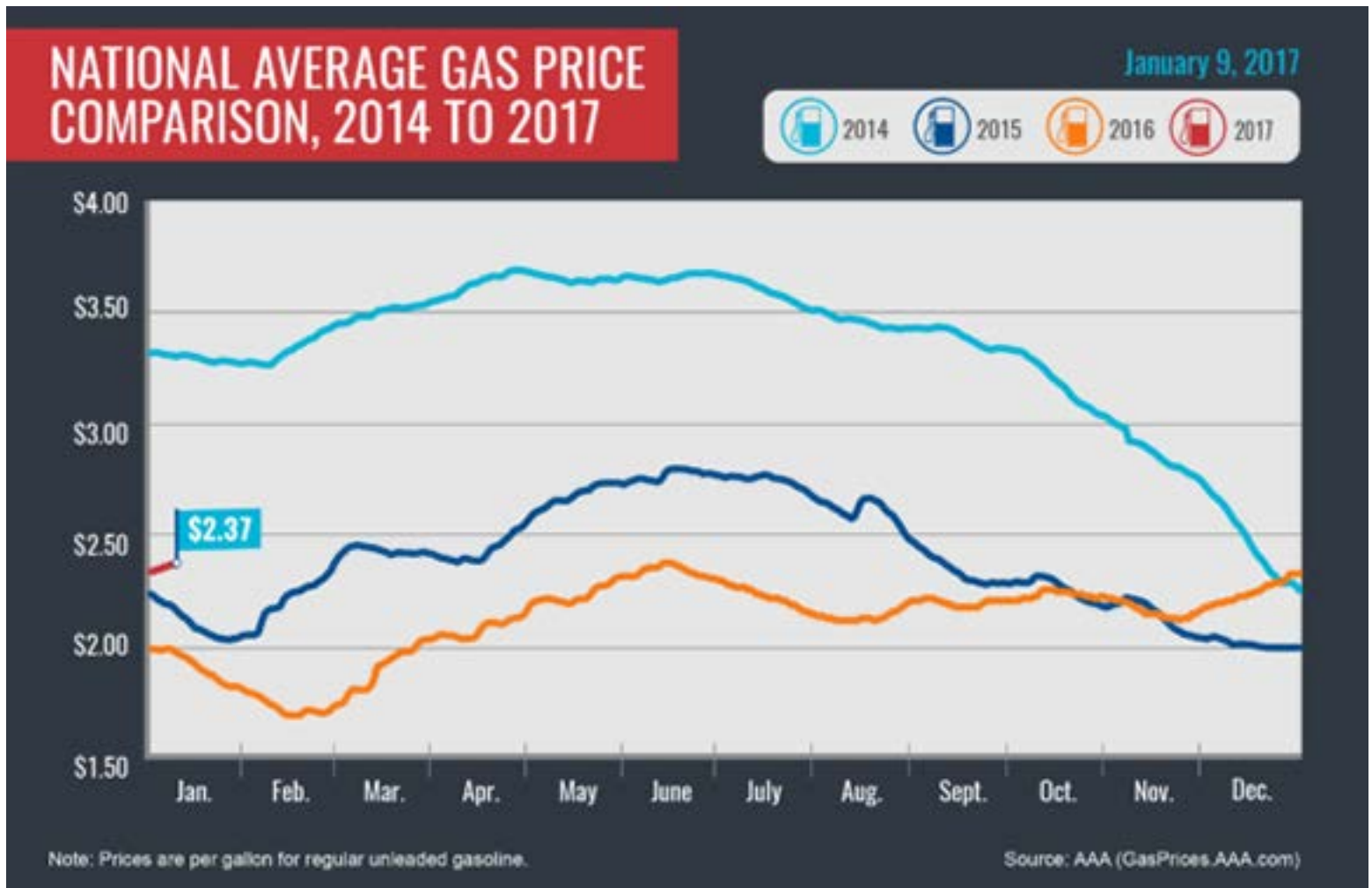
**Morning Summary:** U.S. stocks, the dollar and crude oil are all steady to start the morning. Stocks remain up near their all-time highs, while the dollar and crude oil prices have pulled back a bit the past few sessions. Crude bulls have backpedaled on talk of increased shale production here in the U.S. as more rigs continue to come back online. There's also more talk of increased oil exports coming out of both Iraq and Iran. Iraq's oil ministry showed that the country's southern ports shipped a record amount of crude in December, while Iran's shipments of oil held in tankers has been surging. Headlines out of Washington will really start to pick up this week as confirmation hearings for President-elect Donald Trump's cabinet nominees begin today, starting with Trump's selection for attorney general, Senator Jeff Sessions, and Trump's choice for Homeland Security secretary, Gen. John F. Kelly. There could be as many as seven more hearings this week, some of which are drawing early criticism, so look for things to get interesting. I should also note that President-elect Trump has named his son-in-law Jared Kushner as a senior adviser, who will work with incoming Chief of staff Reince Priebus and chief strategist Stephen Bannon on Middle East issues and trade negotiations. Kushner said he will not receive a salary while serving in the Trump administration. Today's economic data is fairly light with the key release being the JOLTS report. Economists expect this report to show there were 5.5 million jobs available in November, compared to 5.543 million in October. Congratulations go out to the Clemson Tigers on winning the college football National Championship. I really like their head coach Dabo Swinney and am happy for him and his family. Interestingly Swinney joins an elite group having won national championship as both a player and coach. Swinney was a wide receiver on the 1992 Alabama team that won the national championship. He now joins... legendary coach Bear Bryant who played at Alabama and went on to coach the Crimson tide to six national championships; Frank Leahy who won two national championships while playing under coach Knute Rockne at Notre Dame and who later went on to coach the Irish to four national championships in the late-40's; Former Oklahoma Sooner coach Bud Wilkinson, who played on Minnesota's title-winning team in the 1930s and later coached the Sooners to three national titles in the 1950s. Wilkinson's Oklahoma squads won 47 straight games, a record that still stands today; Jimmy Johnson who won a national championship while playing at Arkansas in 1964, then coaching the Miami Hurricanes to championship in 1987, and also winning two back-to-back Super Bowls in 1992 and 1993 as head coach of the Dallas Cowboys. Click [HERE](#) to see Clemson Coach Dabo Swinney's emotional post game interview. Great game!

**Policy Adjustments Are Necessary Says Fed Official:** *In a speech on Monday to the Connecticut Business and Industry Association, Boston Federal Reserve President Eric Rosengren maintained his stance that the Fed is likely to gradually normalize policy. He stated that unemployment is at its long-run sustainable level and that inflation is nearing the 2% goal with both targets likely to be reached by the end of 2017. According to Rosengren, the stance of monetary policy now needs to adjust to prevent the economy from dramatically overshooting. He says with labor market conditions continuing to tighten, if the Fed does not raise interest rates, then unemployment could drift below its long-term sustainable rate and the risks of excessive inflation would then increase. Overall, Rosengren stated that three rate hikes were reasonable during 2017 if economic growth continues to outpace potential. Yesterday also brought comments from Atlanta Fed President Dennis Lockhart, who said recovery from the financial crisis is "largely done", echoing Rosengren's views on the employment and inflation fronts. He did not give any details on how many rate hikes he expects the Fed to implement this year, stating only that he expects gradual interest rate increases to continue while the central bank should take more of a background role moving forward.*

**U.S. Deal Making Off To The Strongest Start In 10 Years:** *Just nine days into 2017, U.S. corporate deal announcements are off to their quickest pace by value since 2010, according to S&P Global Market Intelligence. More than \$18 billion in U.S. mergers and acquisitions were announced Monday, bringing the year-to-date value of deals to \$35.7 billion, said Richard Peterson, senior director at S&P. That's more than twice the \$16.1 billion in U.S. deals in the same period last year. Peterson says the increased activity is probably a continuation of the broader trend that's been going on, not only for last year but for the last couple years — "four consecutive years of more than \$1 trillion in M&A (mergers and acquisitions)." Dealmaking did manage to recover significantly in 2016, with \$1.7 trillion corporate deals announced, the third biggest year ever by value. Analysts then generally attributed the surge in corporate deals to the rise in interest rates, as companies tried to lock in lower financing costs ahead of further increases in borrowing costs. To be sure, not all announced deals are guaranteed to close, as regulators and politicians have increased scrutiny following the latest wave of consolidation. The value of withdrawn M&A deals worldwide in 2016 stands at \$804 billion, as more companies came up against such obstacles. (Sources: CNBC, Reuters)*

**Gas Prices At Their Highest Level Since Early Last Summer:** *According to AAA, the national average price of gas continues to increase, reaching an average of \$2.37 per gallon, the most expensive average since June 2016. Prices have moved higher by three cents per gallon on the week and 17 cents per gallon on the month. Retail prices have increased for 40 of the past 42 days as a result of market reactions to the OPEC oil cut agreement. AAA says gas prices have been rising in recent weeks largely in reaction to an OPEC agreement to cut production this year. 2016 was the cheapest year for gas prices since 2012, but that is expected to largely change in 2017. GasBuddy predicts prices could increase by as much as 50 cents per gallon in 2017. Their 2017 Fuel Price Outlook projects national prices to average \$2.49 per gallon, which means U.S. drivers would pay a combined \$52 billion more compared to 2016. Low gas prices saved motorists saved \$39 billion on gas in 2016 versus 2015. Gregg Laskoski, a senior petroleum analyst at GasBuddy, says 2017's price trends will be pushed by a shift away from market fundamentals to "the promise of rebalancing and a rise in*

prices supported precariously by the notion that the production cut OPEC is successfully selling now will materialize and remain verifiable and sustainable.” (Source: AAA, GasBuddy)



**Weather** is marked by much warmer conditions quickly spreading through the South, East and Midwest. However, a new surge of Arctic air will reach the northern Plains and Northwest by mid-week. On the Plains, increasing winds accompany a rapid warming trend. Frigid conditions linger, however, across Montana and the Dakotas, accompanied by some light snow. At the height of the weekend cold wave, much of the Plains' winter wheat belt had a variable protective snow cover as temperatures dipped to 0 degrees F or below as far south as Oklahoma and the northern panhandle of Texas. However, in the southern Plains, dryness and episodes of cold during this winter has increased concerns for wheat, especially through western growing areas. In the Corn Belt, temperatures are rebounding, following a frigid weekend and will be above-average once we hit mid-week. By late in the week, cold air will once again dominate all of the country except the South and East. Brazil continues to see favorable conditions for developing soybeans except in the far northeast where hot and dry conditions will affect production. Early harvest in Mato Grosso again has favorable conditions. In central Argentina, episodes of scattered rains and only brief hot spells will favor development of corn and soybeans.

**A Potential Ice Storm Is Coming:** *Just enough cold air may return with moisture to*

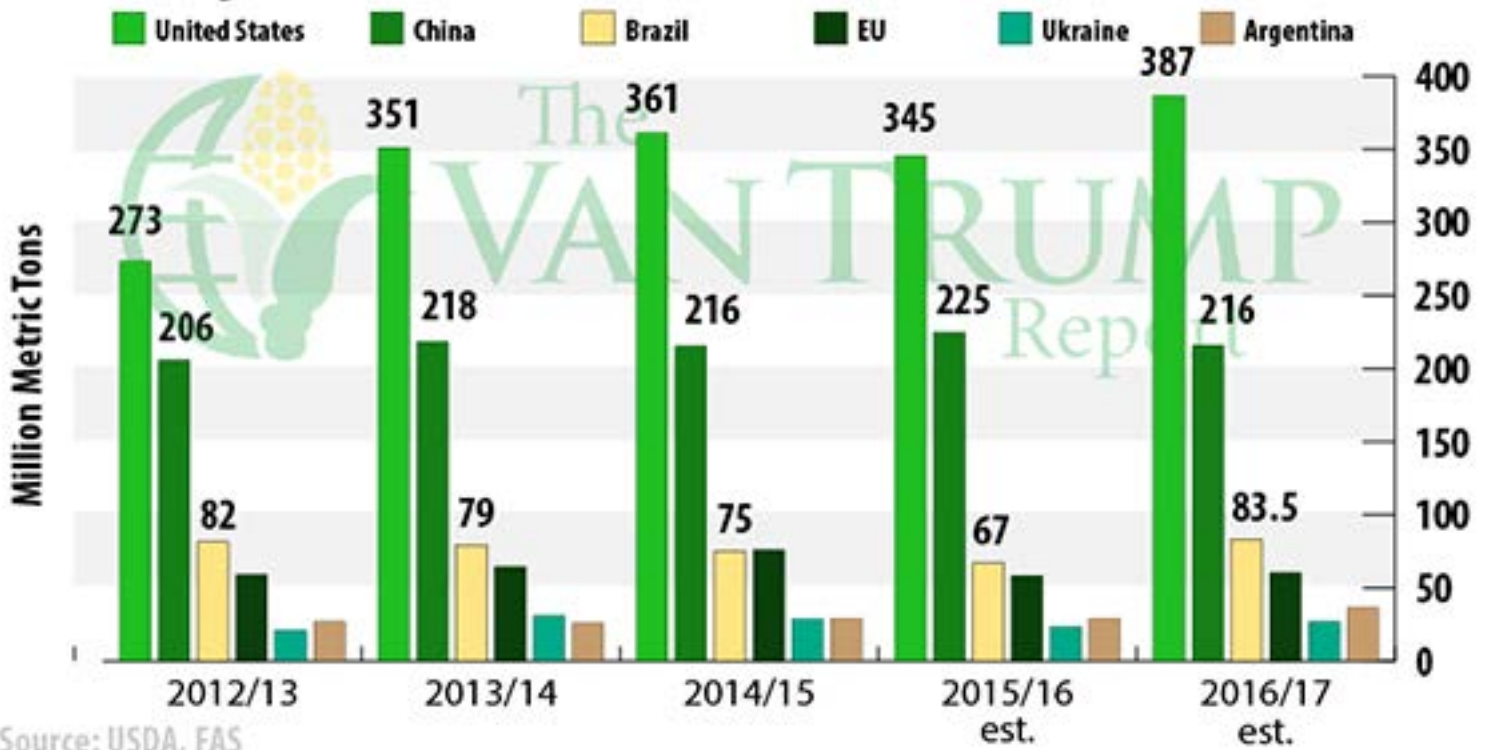
*bring the risk of ice along a 500 - 1,000 mile swath of the central U.S. from Friday to Saturday. While we are expecting a surge of mild air early to mid-week, cold air will quickly move in late this week. While the scope of the storm may vary, conditions will be favorable for a swath of freezing rain spreading from the southern Plains to part of the Midwest as the week draws to a close. Greatest potential for ice extends from parts of the Texas Panhandle through central Missouri. In this zone, there is potential for 0.25 to 0.75 of an inch of ice. I think it's pretty clear that areas throughout northern Texas, Oklahoma and even parts of Kansas that are struggling under dry conditions, may see some damaging ice fall on vulnerable and unprotected winter wheat stands. We will watch this situation carefully the closer we get to the end of the week.*



**Corn** demand here in the U.S. continues to remain robust. The USDA yesterday announced another corn sale to an “unknown” destination. Total corn inspections seem to be running well ahead of what the USDA currently has forecast. But the bears argue the strength of the U.S. dollar and probability of South America seeing a massive rebound in 2017 corn production makes it difficult to wildly increase export estimates. Ethanol demand certainly remains strong and warrants upward consideration. As usual, I suspect feed and residual demand will be the “wild-card”. Nobody seems to really be looking for any type of major surprise in the overall data. There seems to be a slight consensus that the current yield of 175.3 might be trimmed just a touch as producers in some areas were a bit disappointed by yields late in the harvest. Throw on top more talk of improved demand estimates, and we have the trade looking for slight reduction in domestic ending stocks. Unfortunately I suspect the overall data will continue to show we’re still swimming in supply, with ending stocks still well north of +2.3 billion bushels. We also have to keep in mind that quarterly

stocks will probably be +1.0 billion bushels higher than last year and the fact global supply will more than likely remain extremely burdensome. South American production will also be in play, where I suspect we see the Argentine crop trimmed and the Brazilian crop left somewhat "unchanged". I don't see the report being a major game changer, but then again who ever does. The USDA has certainly been known to throw a few wild pitches late in the game as they make final adjustments and work to square data, so I'm staying extremely alert and preparing for a major move even though I don't personally see it in the forecast. Like my grandfather always preached, "plan for the worst, hope for the best".

# Major Global Corn Producers



**Soybean** bulls continue to point towards problems with the Argentine crop, particular "wet feet" in the areas that have been experiencing heavy rainfall and flooding. From what I can see the forecast seems less threatening to the crop in the days ahead, but there's still a ton of "what ifs" in regard to eventual setbacks and overall yield-drag. As for Brazil, the weather seems much more cooperative and offering up little in the way of new bullish headlines. There's still the continued talk about pockets of problems in central Brazil and areas to the northeast that are struggling with dry conditions. But it doesn't seem to be enough currently to prompt the bears out or to cause the bulls to add to their current length. From what I understand the funds are still net-long somewhere between 90,000 and 100,000 contracts of soybeans. It will be interesting to see how this weeks big USDA data will be digested and how the funds will reposition once South American weather uncertainties are behind us. From what I can gather most insiders are thinking the USDA data will show another slight increase in last years already record setting soybean yield.

As if the whopping 52.5 bushel per acre average yield estimate wasn't already enough to digest. The good news is heavy demand might prompt the USDA to slightly reduce their current U.S. ending stock estimate. Not that we are going to drift to sub-450 million bushels, but perhaps we trim a small portion off the current 480 million estimate. There also seems to be more talk that the global soybean carryout will also be slightly lower. From my perspective still burdensome but perhaps reason to make the bears pause. The other data that will be heavily monitored will be any adjustment made to the Argentine or Brazilian production estimates. Most sources seem to be thinking the Argentine estimate will be lowered only fractionally in this report as the USDA will be waiting for more detailed and reliable information before making a more serious reduction. There's also some talk that the USDA's estimate for Brazil might push a hair higher. Net-net meaning there might not be much change at all for South America, and the bulls could be a bit disappointed. As a producer I continue to keep all hedges in place. As a spec I'm more inclined to build a bearish position on a major rally than buying into any strength.

**Wheat** bears argue that weak inspection data is sending signals that the current USDA export estimate could be a bit overstated. The bulls would like to believe U.S. exports have become more competitive the past few months, but we still aren't seeing that turn into a surge of new global buying activity. Low-cost suppliers in Argentina, Romanian, Russia and parts of Europe continue to win business. Net-net, exports might feel a bit better, but they are certainly nothing to write home about. I suspect we could argue a slight uptick in wheat feeding, but the overall theme remains the burdensome supply glut both domestically and globally. Most insiders seem to believe the upcoming round of USDA data could provide some additional insight that backs up similar arguments. In other words the U.S. carryout could push a hair higher to perhaps 1.15 billion bushels. December stocks look to be above +2.0 billion bushels compared to last year's reading which was closer to 1.75 billion bushels. Global stocks also look as if they will remain extremely over-supplied. From my perspective none of this is considered shocking or a surprise, so I don't feel like it offers up much new or exciting to the bearish side of the trade. So hopefully no harm - no foul. The bullish data of the day I hope comes from less than forecast winter wheat acres being planted in the U.S. Yes, most insiders are already looking for a cut in planted acres to near 100 year lows, but I think it could be perhaps an even bigger surprise than the trade has been preparing for. Again I'm probably talking my own position of being conservative bullish, but despite the obvious bearish fundamentals and strength of the dollar, I still believe there's room to move higher. At best guess the funds are still short some 90,000 to 100,000 contracts, so there's still potential for a short-covering rally if the headlines talk about something not widely accepted. I just feel like there's more "wild-card" chances in being bullish this environment than joining the crowd and laying down the traditional fundamental bearish bet. Staying patiently optimistic ...

**USDA's final production estimates for 2016 released January 12 @ 11:00 CST****U.S. Corn & Soybean Production**

	Jan. #	Previous USDA	Avg. Guess	Range of Guesses	USDA 2015
<b>Corn Crop Total</b>	???	15.226	15.196	14.999 - 15.320	13.601
<b>Corn Yield Avg.</b>	???	175.3	175.1	172.3 - 176.5	168.40
<b>Corn Harvested Acres</b>	???	86.836	86.747	85.514 - 88.231	80.70
<b>Soybean Crop Total</b>	???	4.361	4.374	4.262 - 4.440	3.926
<b>Soybean Yield Avg.</b>	???	52.5	52.7	51.6 - 53.5	48.0
<b>Soybean Harvested Acres</b>	???	83.047	83.013	82.500 - 83.400	81.80

**December 1 Quarterly Stocks**

	Jan. #	Dec. 1 2015	Avg. Guess	Range of Guesses
<b>Corn</b>	???	11.238	12.300	11.600 - 12.700
<b>Soybeans</b>	???	2.715	2.935	2.745 - 3.119
<b>Wheat</b>	???	1.746	2.056	1.828 - 2.158

**2016/17 U.S. Ending Stocks**

	Jan. #	Previous USDA	Avg. Guess	Range of Guesses
<b>Corn</b>	???	2.403	2.385	2.206 - 2.800
<b>Soybeans</b>	???	0.480	0.468	0.407 - 0.510
<b>Wheat</b>	???	1.143	1.148	1.113 - 1.340

**2016/17 World Ending Stocks**

	<b>Jan. #</b>	<b>Previous USDA</b>	<b>Avg. Guess</b>	<b>Range of Guesses</b>
<b>Corn</b>	???	222.25	221.94	218.00 - 225.00
<b>Soybeans</b>	???	82.85	82.58	79.60 - 84.20
<b>Wheat</b>	???	252.14	252.01	250.23 - 254.00

**Winter Wheat Acreage**

	<b>Jan. #</b>	<b>USDA 2016 Seedings</b>	<b>Avg. Guess</b>	<b>Range of Guesses</b>
<b>Hard Red Winter</b>	???	26.586	24.954	22.600 - 26.664
<b>Soft Red Winter</b>	???	6.020	5.662	4.800 - 6.600
<b>White Winter</b>	???	3.531	3.473	3.200 - 4.300
<b>Total Winter</b>	???	36.137	34.139	31.700 - 36.381

**South American Crop Production**

	<b>Jan. #</b>	<b>Previous USDA</b>	<b>Avg. Guess</b>	<b>Range of Guesses</b>
<b>Argentina Corn</b>	???	36.50	36.30	34.00 - 37.50
<b>Argentina Soybeans</b>	???	57.00	56.48	54.00 - 58.00
<b>Brazil Corn</b>	???	86.50	87.24	86.50 - 91.10
<b>Brazil Soybeans</b>	???	102.00	102.40	101.70 - 104.50





**> Bird Flu Confirmed In Montana Wild Duck:** *The USDA said bird flu has been confirmed in a wild duck in Montana that appears to be the same H5N2 strain that occurred in 2014 and 2015 outbreaks that led to the culling of nearly 50 million U.S. birds, most of which were egg laying hens. The USDA said the infected mallard duck was found during its routine surveillance for bird flu, which the agency says it is actively monitoring in migratory birds as well as commercial poultry operations.*

**> Mato Grosso's First Corn-Based Ethanol Facility To Open In June:** *FS Bioenergia will open the first corn-based ethanol plant in Mato Grosso this June, something farmers in the region are hoping will provide them an alternative to market their grain locally rather than shipping it to distant ports at high transportation costs. They started to contract corn in central Mato Grosso last August and they have already contracted 20% of the 560,000 tons of corn the facility will process during the second half of 2017. The plant is expected to produce 220 million liters of ethanol during the first six months of operation. This is just the first of what is expected to be numerous corn-based ethanol plants in the center-west region of Brazil. There is always a surplus of corn in the region and the production of ethanol is seen as a viable alternative to corn exports. It is estimated that Mato Grosso will produce 25 million tons of corn or more in 2016/17 and that the domestic consumption in the state will be approximately 4 million tons. (Source: [Soybean & Corn Advisor](#))*

**> Farm Groups Urge Trump To Protect U.S. Trade Interests:** *Sixteen major farm groups, including the American Farm Bureau Federation, American Soybean Association and the National Farmers Union, are urging Trump to maintain and expand trading relationships, warning that the loss of access to key export markets would be detrimental to the slumping farm economy. The Trans-Pacific Partnership may be off the table, but the groups say the new administration should still look to "expand access to new markets, particularly in the fast-growing Asia-Pacific region, beginning with Japan. New fair trade agreements are needed to enable U.S. farmers, ranchers and agricultural exporters to compete - and win - in some of the fastest-growing markets in the world." (Source: [Politico](#))*

**> Brazil Anticipates \$20 Billion Fund With China To Begin Funding Projects By March:** *Brazil and China expect a joint fund of \$20 billion to begin financing infrastructure projects in the South American country by around March, including bidding for auctions of government-sponsored road, port, airport and logistics operating licenses. Planning Ministry's foreign affairs secretary, Jorge Arbach, said the countries want the fund, agreed to last year, to finance the construction of railroads linking Brazilian soy- and corn-producing belts to ports. The fund could help Brazilian President Michel Temer bolster infrastructure*

investment to pull Brazil out of its worst recession on record that threatens to stretch into a third year. Facing a massive budget deficit, the joint fund could help the government diversify financing options for companies struggling to find fresh capital amid the crippling recession and ongoing corruption investigation that has targeted Brazil's largest construction companies. Arbache said he expects the fund to be fully operational by March. Once it begins operations, it will be able to analyze financing requests that could also encompass mining, oil and agricultural projects. (Source: Reuters)

**> USDA Wants Pork Lawsuit Dismissed:** The USDA has filed a motion to dismiss a lawsuit brought against it over the sale of "Pork. The Other White Meat" trademark. The National Pork Producers Council (NPCC) sold the trademark to the National Pork Board in 2006 for \$35 million. That in turn prompted a lawsuit brought by a farmer, along with the Humane Society of the United States (HSUS) and the Iowa Citizens for Community Improvement, which charged the trademark was overvalued. In its dismissal filing, the USDA is arguing that the HSUS lawsuit lacks merit, is barred by the six-year statute of limitations, that the plaintiffs failed to establish standing to file the lawsuit or show that they were harmed by the sale of the "Pork. The Other White Meat" trademarks and that the agency's evaluation of the sale of the trademarks showed they provided significant value to the pork industry. (Source: Meatingplace)

**> Chinese City Will Suspend Trade Of Poultry:** For three days each month in January, February and March, the Chinese city of Guangzhou will suspend poultry trading - live and slaughtered - in an effort to prevent the spread of bird flu in humans. Right now is the peak season for outbreaks. Human bird flu infections have been reported in Guangdong, Jiangsu and Fujian so far this winter. The ban, effective from 16th to 18th of each of those months, will exclude frozen poultry products, according to a statement on the website of Guangzhou government.

**> Dow-DuPont EU Merger "Still Very Open":** Dow Chemical Co. and DuPont Co. face a "still very open" outcome from a European Union antitrust review of their \$60 billion merger, EU Competition Commissioner Margrethe Vestager said as the companies met with regulators to defend the deal. Regulators are concerned that the agrochemical industry is already "a very concentrated sector" and that farmers need to have a choice of seeds and crop-protection products, Vestager told Bloomberg TV in an interview Monday. Dow and DuPont defended themselves against EU objections at a closed-door hearing in Brussels attended by BASF SE representatives and trade groups for farmers and the biotechnology industry. Regulators will now give feedback on any remaining concerns, and then the companies can offer concessions to allay any issues. (Source: Bloomberg)

**> Alibaba Has A Plan To Create 1 Million U.S. Jobs:** Alibaba head Jack Ma met with President-elect Donald Trump yesterday to discuss Ma's plans to create 1 million U.S. jobs. Alibaba wants to create the jobs by expanding in the U.S., especially the Midwest, and growing trade between U.S. small businesses and Chinese consumers. Ma specifically mentioned agricultural products such as wine and fruit that could be sold through Alibaba to consumers in China and Asia. Alibaba controls about 80% of China's online shopping market with marketplaces such as Taobao and T-Mall.

**> U.S. Consumers Were In A Spending Mood In November:** Consumer Credit rose

+\$24.5 billion in November, well above expectations for a rise of +\$18.5 billion. The highlight of the data came from revolving credit which jumped +\$11.0 billion, which is seen as a positive indicator for the holiday shopping season. We will see more details on that when Retail Sales are released on Friday. Non-revolving debt, which includes vehicle financing and student loans, rose +\$13.5 billion, the most since March 2016. The student loan portion of that saw an increase of +\$5.9 billion.

**> Millennials Are The Generation Most Pessimistic About The Economy:** *While the new year marks a fresh start for many, millennials aren't so optimistic. In fact, this generation is the only one to say they're feeling worse, financially, about 2017 than 2016. Generation X wasn't too optimistic, with 34 percent of those polled saying this year would be better than the last, compared to 31 who felt the opposite. Boomers and the Silent Generation felt most strongly that 2017 would be better for the American economy than 2016. The feeling of impending doom wasn't exclusively reserved for 2017: about a third of millennials surveyed said they don't think they'll have enough money to comfortably retire at all. About half of millennials said they hadn't set any money aside, be that in investments or savings accounts, and 29 percent of this generation felt unsure about being able to pay off their debts. Given that the poll was conducted in the days following the election and millennials overwhelmingly supported the losing candidate, these survey results might be swayed by some election-related depression. (Source: Bloomberg)*



**Northeast Arkansas** - *We operate 4500 acres of cotton and 300 of watermelon. Cotton acres have shrunk considerably down here over the last few years as cotton has no subsidies but peanuts do. Peanut acres have exploded in the south during the same time as it was the chosen replacement for many. Also seeing a lot of more cotton guys farther south of us turning to corn and beans - they will not grow in our area with our sandy light soil and the bountiful water supplies 40 feet down. Our cotton yields were good despite the northward move from Mississippi of a disease known as Target Spot. Marketing our cotton is easy - except price - as my landlord owns the cotton gin.*

**South central Iowa** - *On the precision ag front, adding row shut offs paid for them selves in the first year, in seed savings. As for variable rate, the jury is still out. We have as high as 16 different soil types in one field, and we are still working on the best rates. We thought the really poor CSR soils could be dropped to 26K, from our standard 34K and higher CSR soils raised to 36K, with the mid-ranged soils staying the same. We test this with passes straight rate at 32,33 and 34K mixed in, as a plot type deal. Year one: our low rates were too low, as were our high rates. Last year, we went to 30.5 through 36.5 and will stay there this year. Are these population rates right for every one and every where? No, and the only way to know what is right for you and your soils is to test it. Any precision tech/CCA/seedsman who says they know what is the right population for every acre*

*you farm is just blowing smoke.*

**Southern Illinois** - *Here in Southern Illinois we have been really cold last several days, high temps less than 20, with 1-2" of snow. Today we are gradually warming up with rain starting tonight and forecast calls for rain, some heavy at times, with temps reaching up to 50 degrees for the rest of this week. Looks like a bad setup for some serious erosion along with possible jump in river levels. I have cover crops planted on 100% of my acres, cereal rye, and am hoping this helps hold my soils in place. Last time this happened I didn't have covers planted and know what the results were - not pretty. Hoping covers help a bunch.*



**Very Interesting Read Regarding "GMO vs. Non-GMO":** *Scotts Miracle Grow hoped gene modification would help it revolutionize the front yard. It invested \$100 million to develop a better, more sustainable grass in the 1990s and 2000s largely through the new technology. In partnership with Monsanto, it created a type of creeping bentgrass unaffected by Roundup. From what I understand the initial target market was the golf course industry. Creeping bentgrass is commonly used on greens and tees because it can survive being mowed down practically to the dirt. "It was incredibly attractive to the golf industry," King said. "Creeping bentgrass is probably as good a playing surface as you'll ever find in the northern U.S. But it's also really subject to infestation from other grasses." The allure of the new grass was simple: Golf course greens keepers could use a single herbicide -- Roundup -- to kill everything but the desired bent grass. The problem is the grass somehow got away from the testing plot, while in the process the U.S. Fish and Wildlife determined that commercialization of the modified grass could actually "jeopardize the continued existence" of two endangered plant species and would "adversely modify" critical habitat of other endangered species found only in the Willamette Valley. There were also other unexpected developments. Scientists from Oregon State University and the Environmental Protection Agency found that the modified grass had crossed with feral grasses, passing along its Roundup resistance. The grass has now supposedly jumped the Snake River and creating more headlines. Read at ["GMO grass that 'escaped' defies eradication, divides grass seed industry"](#).*

**Urbanization To Cost China 9% Of Its Crop Output:** *The world will in the first 30 years of this century lose some 30m square kilometres of arable land to urbanisation, an area equivalent to the size of Italy, or to that of the key US Corn Belt states of Illinois and Iowa combined, an academic paper said. China's urbanisation drive this century will cost it nearly 9% of its crop output by 2030, while the loss in Egypt will amount to more than one-third. "In most parts of the world, urban land is expanding faster than urban populations," the paper, from nine researchers in institutions ranging from US-based Texas A&M University to New Zealand's Canterbury University. While that loss - which excludes 16m hectares of urban land viewed as being kept on in agriculture - is equivalent to 1.8-2.4%*

of world arable land, its impact on harvests will be greater, given that the city growth will occur predominantly on higher-yielding land. Read more from [Agrimoney](#).

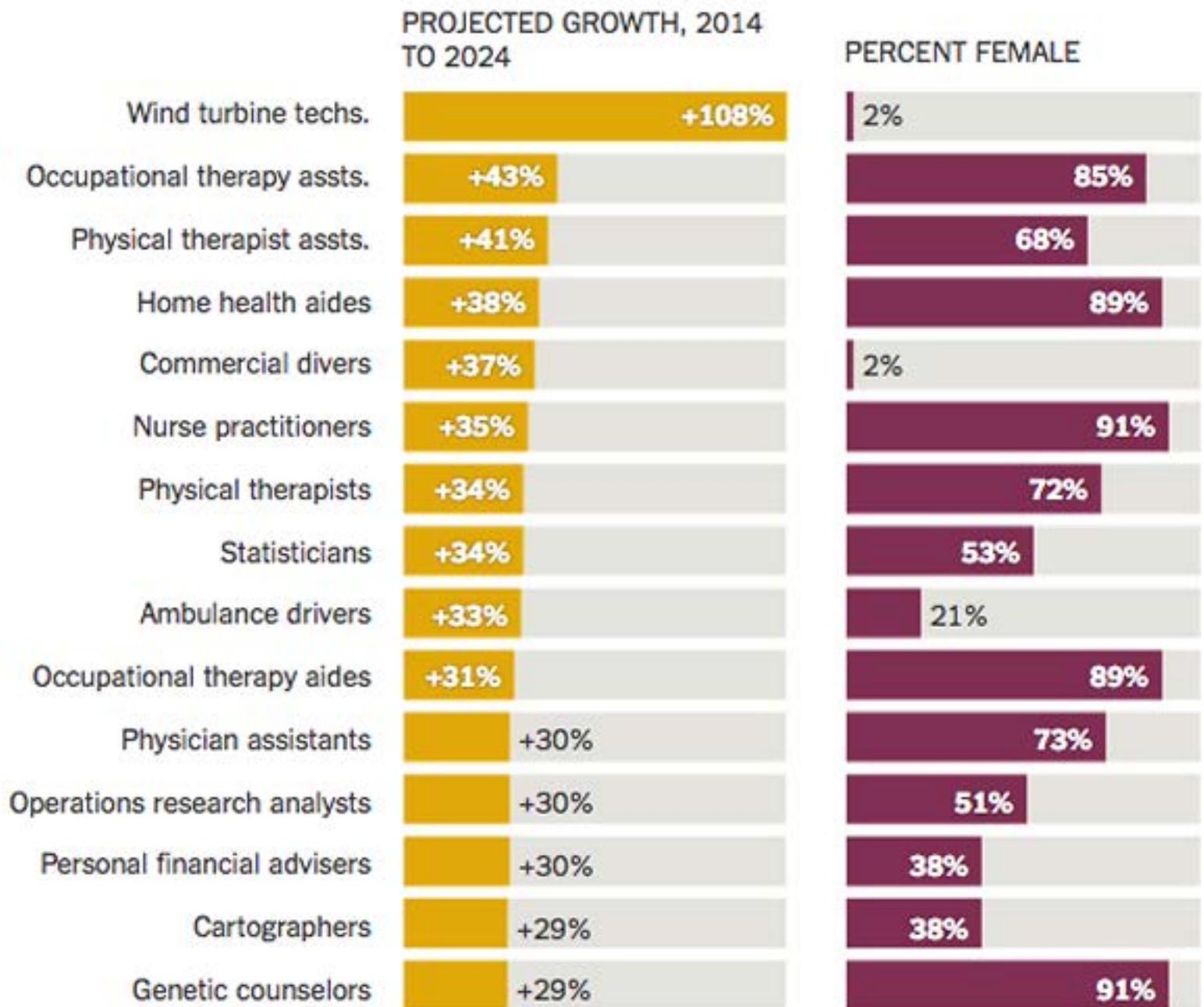
**Best Military Photos of 2016:** Operating on hundreds of bases in scores of countries around the world, it's safe to say that the sun never sets on the US military. With all those daylight hours, there's never a lack of things to do. The U.S. Defense Department compiled some of the best photos taken by military personnel last year, documenting the day-to-day activities carried out at bases and duty stations around the world — from mundane surroundings to exotic locales. Check them out [HERE](#).

**The Wrong Eating Habits Can Hurt Your Brain, Not Just Your Waistline:** Being overweight can raise your blood pressure, cholesterol and risk for developing diabetes. It could be bad for your brain, too. A diet high in saturated fats and sugars, the so-called Western diet, actually affects the parts of the brain that are important to memory and make people more likely to crave the unhealthy food, says psychologist Terry Davidson, director of the Center for Behavioral Neuroscience at American University in Washington, D.C. He didn't start out studying what people ate. Instead, he was interested in learning more about the hippocampus, a part of the brain that's heavily involved in memory. In the process, Davidson noticed something strange. Read more about his findings from [NPR](#).

**Men Don't Want the Jobs Done Mostly by Women:** It hasn't been a great time to be a man without a job. The jobs that have been disappearing, like machine operator, are predominantly those that men do. The occupations that are growing, like health aide, employ mostly women. One solution is for the men who have lost jobs in factories to become health aides. But while more than a fifth of American men aren't working, they aren't running to these new service-sector jobs. Why? They require very different skills, and pay a lot less. They're also seen as women's work, which has always been devalued in the American labor market. Of the fastest-growing jobs, many are various types of health aides, which are about 90 percent female. When men take these so-called pink-collar jobs, they have more job security and wage growth than in blue-collar work, according to recent research. But they are paid less and feel stigmatized. Read more from [The Upshot](#).

# Women Are Gaining Jobs; Men Are Losing Them

With a few exceptions, the fastest-growing jobs are predominantly female, while the fastest-declining ones are mostly male.

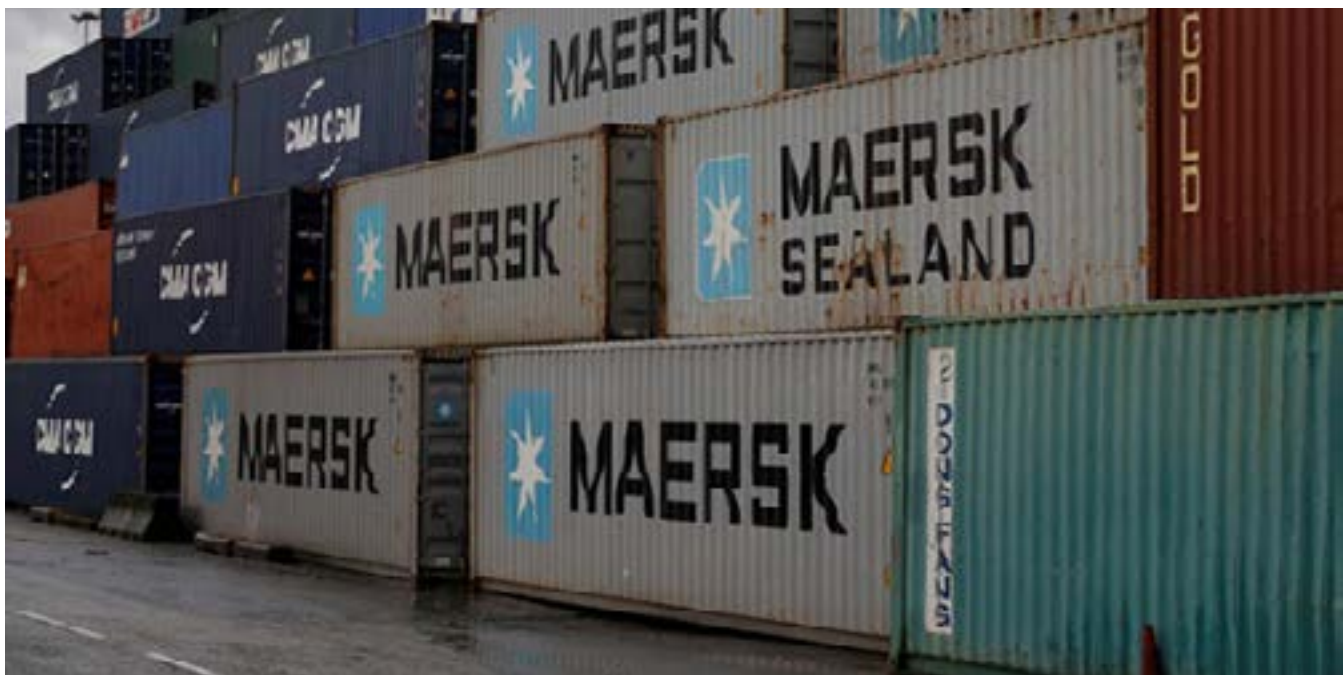


Source: Bureau of Labor Statistics, PayScale.



## **Possibly “Game Changing”... Container Shippers Can Now Book Space Through Alibaba**

Maersk has teamed up with Alibaba to allow customers to reserve container space on its ships, eliminating the need and added costs for a freight forwarder. The partnership involves two giants of their respective industries - Maersk is the world's largest container shipping line and Alibaba is China's (and by some measures, the world's) largest online commerce company. The service is initially being offered on routes from eight Chinese ports, including Shanghai and Ningbo, to locations in Europe and Asia. It will be made available to Alibaba's business customers through their "OneTouch" platform, which offers a full spectrum of export services to merchants, including financing and dealing with customs. OneTouch is actually Alibaba's fastest growing business-to-business division right now. The deal with Maersk will be particularly beneficial for small and mid-sized exporters who can often find it difficult and expensive to ship goods overseas. It's also part of a growing trend of product providers taking more direct control of the logistics side of their transactions. Alibaba has all kinds of partnerships with businesses like the U.S. and Singapore Postal Services, and has been taking stakes in delivery and distribution services as well as buying up warehouses. Amazon has also been looking to handle more of its own logistics, investing in its own fleet of planes and trucks, and recently announcing plans to launch an app that would directly connect truckers with shippers. Carriers themselves are also seeking more direct control over their sales to smaller shippers, which has traditionally been handled by resellers and service providers. In fact most are looking to automate the entire process as much as possible. At the same time, these new trends are putting a lot of pressure on freight forwarders and other logistics service providers to justify their value. This is just another example of how technology is drastically changing "business as usual"!



## **2018 Detroit Auto Show Reveals the Best of the Future**

The 2017 North American International Auto Show has gotten underway in downtown Detroit and is set to not only show off the big ideas of the future, but also give us a glimpse at the real, connected cars of today. NAIAS is the biggest car show in the world and represents the midpoint of the global auto-show circuit, which will wrap up in New York in a few months. The Detroit Auto Show runs until January 22. On the agenda for this year's show is a lot of talk about the future, particularly surrounding self-driving cars. At CES (Consumer Electronics Show) last week, a dozen automakers presented a dreamy view of how revolutionary the autonomous car could be, positioning the car as the next wave of technological reinvention. One of the big reveals came Sunday when Waymo, Alphabet's self-driving car unit, announced they had created their own sensor package - known as LiDAR sensors - and is ready to offer the technology in millions of vehicles. The really exciting part is how far they've driven down the costs. CEO John Krafcik said when they started back in 2009, a top-of-the-range LiDAR cost upwards of \$75,000. That price tag has since come down by about 90%, which Krafcik says puts them at an inflection point where they can begin to fully realize the potential of the technology. While new technology is always exciting, the main focus in Detroit this week is about the business of now: showing off the cars automakers think people will want to buy from the car dealers, and the connected technology that's loaded inside of them. Enough talk, let's check out some of the hottest cars being previewed! (Sources: Business Insider, AutoWorld)

**Kia Stinger GT:** *One of the more interesting -- and surprising -- cars released this year is from Kia. The Kia Stinger GT is a 365 horsepower, rear-wheel drive sedan that looks like a mix of many of my favorite cars. Looks fantastic.*

**Ford F-150, Bronco and Ranger:** *Ford Motor will give the 2018 model of the best-selling vehicle in the U.S. some modest appearance changes, and more significantly, new technology to reduce fuel consumption. For the first time, Ford will offer a diesel engine option in the F-150. The company is not releasing fuel economy estimates for that engine. A new 3.3 liter six cylinder engine will also be offered and fuel-saving technology that shuts down engines at a stop light will be available. Ford also had a "surprise" announcement, revealing that they plan to revive the Ford Bronco sport-utility vehicle and Ford Ranger mid-size pickup truck in a strategic bet on a surge of American nostalgia, hefty vehicles and low gasoline prices. The Ranger, which is currently only available in some foreign markets, will hit U.S. showrooms and have new styling and powertrain options in 2019. The Bronco will return to dealerships in 2020.*

**Toyota Camry:** *The best-selling passenger car in the U.S. for the past 15 years is getting a major makeover. Camry sales fell -9.5% in 2016 from the year before, reflecting pressure from the shift to SUVs. Overall, mid-sized sedan sales in the U.S. fell -10%. Toyota has been giving its mainstream models more expressive styling and advanced technology to counter a long-held image for dull reliability. The 2018 Camry is expected to reflect that direction.*

**Chevrolet Traverse:** *GM is highlighting two redesigned sport utility vehicles in Detroit, including a new generation of the Chevrolet Traverse, a family hauling SUV that will compete with the likes of the Ford Explorer, Honda Pilot, Toyota Highlander and Jeep Grand Cherokee.*

**Honda Odyssey:** *Just in time for millennials starting to have the baby boom genera-*



tion's grandchildren, Honda Motor is expected to debut a new generation of its Odyssey minivan. The minivan segment has shrunk since the 1980s when Chrysler pioneered the concept of a boxy family hauler, but sales in the segment rose +8% last year.

**Lexus LS:** Toyota Motor debuted the first Lexus LS 400 sedan in Detroit at the 1989 auto show. Yesterday, the brand unveiled the fifth generation of its big sedan. It rides on the same platform as the LC500 sports car, making it longer, lower and wider than the outgoing model. It also dropped 200 pounds through the use of high-strength steel and aluminum. The feature most enthusiasts are citing however is the new V6 that makes 415 hp and 442 lb-ft of torque.

**Fiat Chrysler and Waymo:** Fiat Chrysler and Waymo, the self-driving car unit of Silicon Valley's Alphabet (Google) unveiled one of the self-driving Chrysler Pacifica minivans developed under an alliance. The addition of the 100 minivans will more than double Waymo's self-driving vehicle fleet, which has driven more than 2.3 million miles since the project started in 2009. Its current fleet of vehicles test in Mountain View, California; Austin, Texas; Kirkland, Washington; and Phoenix. Fiat Chrysler of America also stole some early headlines, announcing a \$1 billion investment in Ohio and Michigan to build Jeep SUVs. The company says the move will create 2,000 jobs.

**Volkswagen Bus:** Volkswagen is displaying a prototype for an eight-passenger, electric microbus, called the I.D. Buzz. It is a 21st Century version of the classic VW bus that helped to propel the VW brand's growth in the U.S. during the 1960s.

**The Corvette ZR1:** Speculation is rampant that Chevy will pull the cover off a more super version of the already superlative 650 horsepower Corvette Z06. Speculation is also rampant that the C7 generation Vette could be the last to have the engine up front -- a mid-engine Vette is rumored to be in the works as the C8 car. That would be a huge change over the traditional front-engine rear-wheel drive configuration that has been under the Vette since it debuted in the 1950s.



## **Why People Without Kids Should Have To Pay More**

I'm sure I'm going to catch some backlash and negative comments from the crowd, but I really have a few economic and demographic concerns surrounding the rising number of married couples, including gay and lesbian couples, who do not have children. Lets also clarify upfront that I certainly understand there are many couples that would give anything to have children but struggle to get pregnant. My complaint and concern stems from the fact that many Americans spend a small fortune and countless hours trying to raise a child that will become a contributing tax-paying member of our society. In fact the USDA just released their latest Expenditures on Children by Families report, also known as "The Cost of Raising a Child." The report estimates that for a child born in 2015, a middle-income, married-couple family will spend between \$12,350 and \$13,900 annually (in 2015 dollars) – or \$233,610 from birth through age 17 – on child-rearing expenses. Families with higher incomes are expected to spend \$372,210 from birth through age 17. Keep in mind this figure probably doesn't take into account all the extra money spent on dance lessons, guitar, baseball, etc... It also doesn't take into account college or additional educational expenses we spend in trying to make our children smarter or more productive. The other kicker is the fact none of this takes into account the thousands of hours we as parents spend teaching our children good manners, respect, work ethic, etc... These are obvious hours we could have spent building or creating more financial wealth or traveling the world like many of the couples who elect not to have children. We then release our children into the workplace, where those who are more skilled or more well educated because of parental investments of both time and money are forced to pay more in taxes. Then once they are in the workforce and paying taxes on their own, we parents receive no financial gain, credit or even an attaboy for financing and bringing yet another tax-paying member to our society. Once our children are on their own we receive no tax break or credit. Instead we receive exactly the same treatment as a married couple who has added no one to the pool of tax-payers. Then if we are lucky enough to have done financially well in our lifetime, while at the same time raising children, they unfortunately could get hit with a healthy inheritance tax should we pass away. It just doesn't make much sense to me. We all understand that a great nation is built on the strength of its youth. From my perspective that all starts at home with the investments we as parents make in our children. My wife and I are proud of the fact we've been able to "pay-it-forward" and spend our time and money raising a few children that will continue to contribute to this great nation. I'm personally not looking for anything in return, the experience itself has been worth its weight in gold. I'm just simply trying to point out and say I'm tired of hearing people complain that don't have nearly as much skin in the game. We parents make a ton of sacrifices that benefit this nation... The recent USDA report showing that parents spend well over a quarter million dollars and countless hours simply sparked a little fire in my belly. For those parents who don't complain and have spent small fortunes adding yet another contributing members to our society, I commend you and thank you for "paying-it-forward". I just wish more could be done or to recognize those who give nearly all they have to raise a child. Click [HERE](#) to read the full report. Click picture below to view larger version.

# The Cost of Raising a Child: \$233,610



Not including the annual cost of college!

\$45,370 Private  
\$20,090 Public

\*Includes room and board.



Where does the money go?



### Annual Housing Cost per Child



VS



### Annual Food Costs by Age



### Cost by Region



\*U.S. average for middle-income, married-couple families. Total costs are from birth through age 17. Source: Expenditures on Children by Families, 2015. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion, Misc. Pub. No. 1528-2015.

# CASH SALES & HEDGING TOTALS

## CORN 2015 CROP

100% SOLD  
0% HEDGED  
0% Cash Remaining



## SOYBEANS 2015 CROP

100% SOLD  
0% HEDGED  
0% Cash Remaining



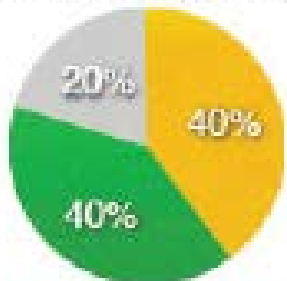
## WHEAT 2015 CROP

100% SOLD  
0% HEDGED  
0% Cash Remaining



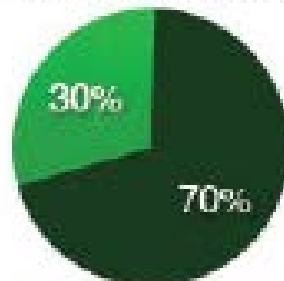
## CORN 2016 CROP

40% SOLD  
40% HEDGED  
20% UNPROTECTED



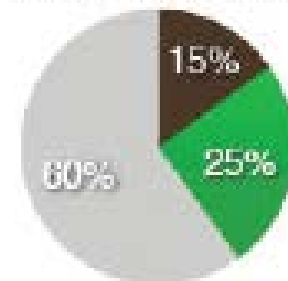
## SOYBEANS 2016 CROP

70% SOLD  
30% HEDGED  
0% UNPROTECTED



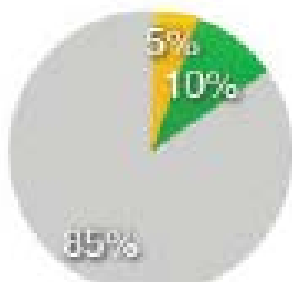
## WHEAT 2016 CROP

15% SOLD  
25% HEDGED  
60% UNPROTECTED



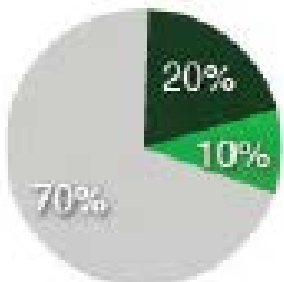
## CORN 2017 CROP

5% SOLD  
10% HEDGED  
85% UNPROTECTED



## SOYBEANS 2017 CROP

20% SOLD  
10% HEDGED  
70% UNPROTECTED



## WHEAT 2017 CROP

0% SOLD  
10% HEDGED  
90% UNPROTECTED

