



"To hell with circumstances; I create opportunities." - **Bruce Lee**

WEDNESDAY, JANUARY 18, 2017

Morning Summary: U.S. stocks are steady to start the day, as many wonder if the post-election Trump rally has begun to stall out. Interestingly, the S&P financials sector fell more than -2% yesterday in spite of Morgan Stanley posting its best fourth-quarter results since the financial crisis. Keep in mind, even though stocks historically tend to strengthen in the two weeks following the Presidential Inauguration, the one-month returns are usually negative. The U.S. dollar is a bit stronger this morning, following a warning shot yesterday from President-elect Donald Trump that the greenback is "too strong", which is setting the U.S. up for disappointing exports. Lets also keep in mind that dollar traders could find more interesting headlines as Fed Chair Janet Yellen has two speeches scheduled for this week, the first of which will occur today, followed by another tomorrow. Both are thought to be covering the topic of "monetary policy" and the role of the Federal Reserve. A topic that could defiantly invoke market moment and asset rotation. Additionally, Minneapolis Fed President Neel Kashkari also speaks today. Yesterday, Federal Reserve Governor Lael Brainard said the U.S. central bank might hike interest rates more aggressively if deficit spending and tax cuts under the Trump administration leads to a quick economic boost. She joins a growing number of Fed officials that have offered the same conclusion, warning that sustained wider deficits could fuel inflation with the U.S. economy already near full strength. Data wise, today's releases include the Consumer Price Index, Industrial Production, the Housing Market Index and the Fed's Beige Book. Corporate earnings for today will include Canadian Pacific Railway, Citigroup, Goldman Sachs, Kinder Morgan, Netflix, Northern Trust, TD Ameritrade and U.S. Bancorp.

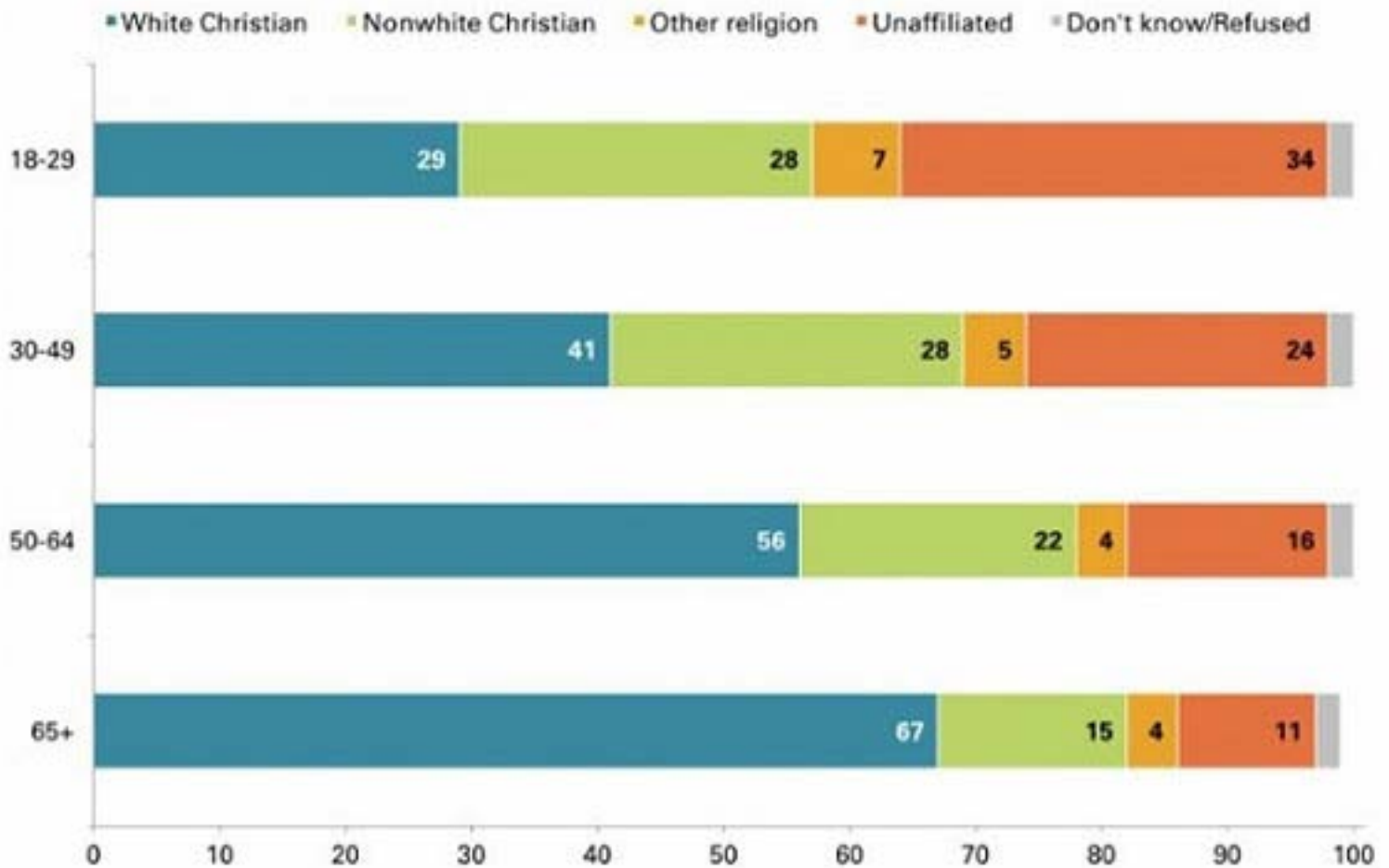
Early End To OPEC Pact Could Leave Inventories Near Record Highs: *Saudi Arabia says OPEC is on track to wrap up its production cuts by the middle of the year. That would leave its aim of clearing the global oil glut unfinished. OPEC and Russia won't need to prolong output cuts beyond June because the agreed reductions will have already ended the oversupply in world crude markets, Saudi Minister of Energy and Industry Khalid Al-Falih said. However, many analyst believe ending the deal by mid-year and restoring production would mean the surplus just starts building again, thwarting OPEC's ambition of whittling down bloated oil inventories. The Organization of Petroleum Exporting Countries said that draining off a stockpile "overhang" of more than 300 million barrels -- enough to supply China for almost a month -- was the main aim of supply curbs agreed with Russia and other producers. If they extend the deal for six months beyond its scheduled expiry in June, that surplus will be entirely eliminated*

by the end of the year, according to Bloomberg calculations based on data from the International Energy Agency. If they don't prolong the cuts and instead restore output to previous levels, about two-thirds of that glut will remain in place. When OPEC announced its original deal in Vienna, the group said it could be extended for another six months to "take into account prevailing market conditions and prospects." Al-Falih said producers will reassess the situation when they meet again and have said they're willing to extend the pact if necessary. (Source: Bloomberg)

Trump Tweets Activate Thousands Of Algorithms: Every Donald Trump tweet is shaping up to be a seismic event. Like it or not, whether the posts offer insight or incitement, these social-media musings set off cascades of activity: Teams of Trump Tower experts attempt to decode the meaning of each of the 140 characters. But that only covers the human response to the president-elect's posts. Each Trump tweet is also activating thousands of computer algorithms. Stocks are instantly bought and sold and emails fired off — even electrical currents are affected. Though it's impossible to know just how many high-frequency-trading algorithms are moving shares on the basis of @realdonaldtrump, one measure of the magnitude of his Twitter feed's algorithmic influence is the Internet service IFTTT, which stands for "if this, then that", a service that allows users who know nothing about coding to create cause-and-effect algorithms. IFTTT says they now have around 1,000 coders using the service to keep up with Trump's tweets. The most popular Trump algorithms automatically email his tweets to users, or post them in intracompany message boards like Slack. Some IFTTT users have set their lights to blink whenever Trump tweets. Others link IFTTT to banking services like Qapital to have small sums of money move into their savings accounts every time Trump fires off a new tweet. According to MarketWatch, more IFTTT algorithms are activated by Trump tweets than those of Kim Kardashian, Kanye West, Justin Bieber, Taylor Swift, Barack Obama or the other major market feeds. The big question in the market right now is if Trump's Twitter habits will change once he takes office?

The Aging Of White Christian America: White Christians no longer represent a majority of the U.S. population. This new reality is the crux of PRRI CEO Robert P. Jones' new book "The End of White Christian America," and one of the factors behind this shift can be seen in the chart below. White Christians' median age is among the highest for religious groups in the country, while non-Christian groups, such as Muslims, Buddhists, Hindus, and the religiously unaffiliated have the lowest median ages. For most of the country's history, White Christian America — the cultural and political edifice built primarily by white Protestant Christians — set the tone for our national policy and shaped American ideals. But in recent decades new immigration patterns, changing birth rates, and religious disaffiliation have transformed the U.S. The year 1993 was the last in which white Protestants constituted a majority of the population. Today, even when Catholics are included, white Christians comprise less than half the country. It's extremely interesting to see the demographic and social shifts that are taking place in our nation. It clearly solidifies the fact times are changing, perhaps faster than many of us care to recognize. (Source: PRRI)

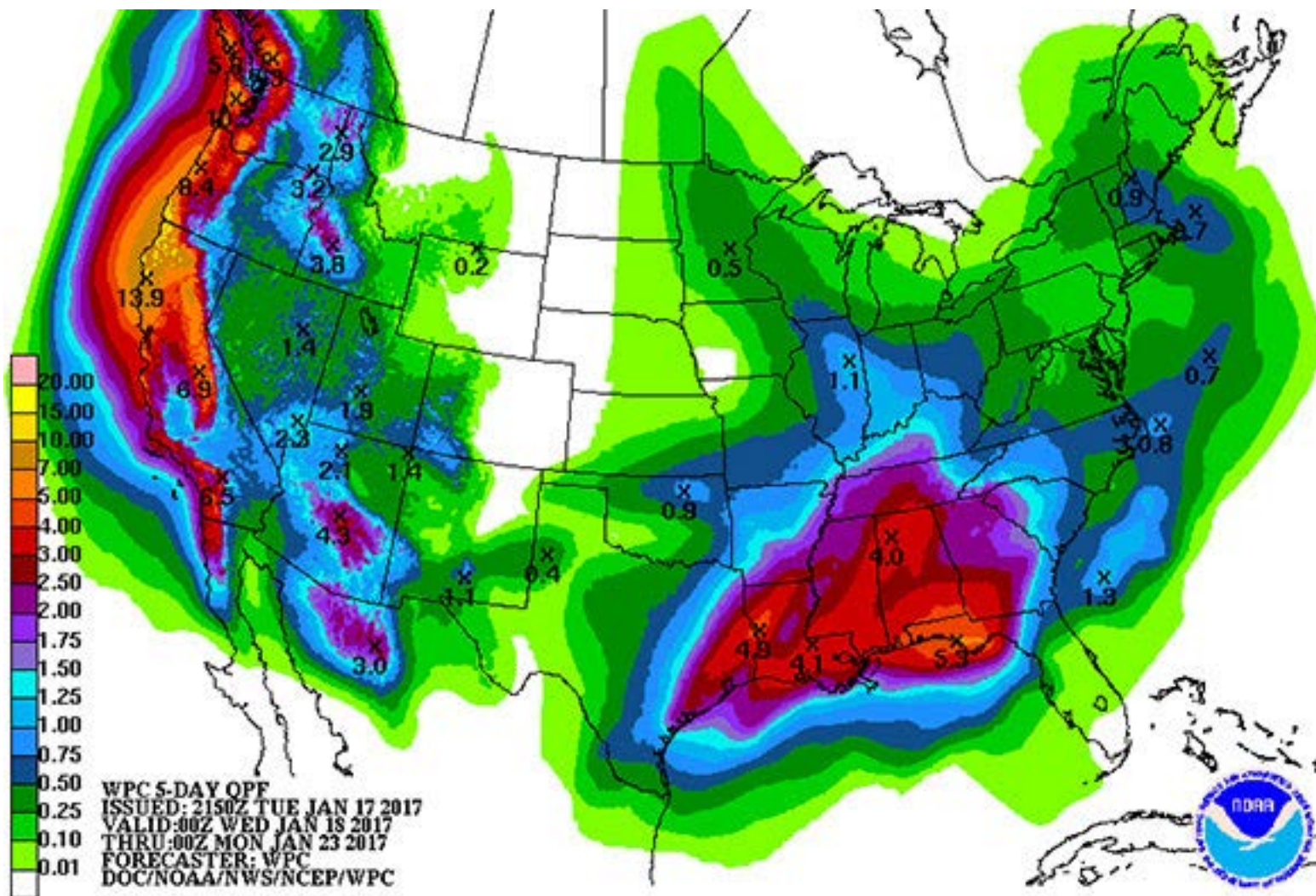
Religious Affiliation by Age



Weather for this morning sees ice storm recovery efforts continue in parts of Kansas, Oklahoma, and environs. Despite the inconvenience of the freezing rain, moisture was highly beneficial for rangeland, pastures, and winter wheat. Currently, generally mild, dry weather prevails in the wake of weekend storminess. In the Corn Belt, rain lingers across the Ohio Valley and the lower Great Lakes region. Elsewhere, colder air is overspreading the upper Midwest, where some locations reported low temperatures near 0 degrees F this morning. Forecasts are calling for generally favorable conditions in the Midwest following a rain and ice storm this past weekend. The moisture was favorable for soft red winter wheat. However, transportation delays and livestock stress occurred due to icing. In the Deep South, unusually warm weather covers much of the region where high temperatures should again approach or exceed 80 degrees F. Looking forward, heavy precipitation is returning to the Pacific Coast States, starting today in the Northwest and gradually spreading southward through California. Significant rain and high-elevation snow will also spread inland across the Intermountain West and Southwest. In contrast, little or no precipitation will occur through week's end across the Great Plains and the upper Midwest. By mid-week, however, locally heavy rain will develop in the western Gulf Coast region and spread northeastward. Five-day totals of 2 to 4 inches can be expected across much of the south, while as much as an inch of precipitation could fall in the Northeast. The 6 to 10 day outlook for January 22 - 26 calls for the likelihood of above normal temperatures across the eastern half of the U.S., while colder than normal conditions will cover the West. Meanwhile, wetter than normal weather across the majority of the country will contrast

with below normal precipitation in much of Texas and northern portions of Montana and New England. Looking to Argentina, over this past weekend, heavy rains of 2 to 4 inches occurred in north-central growing areas. The rain caused more flooding and threatens to reduce planted area by several million acres. Meanwhile, continued dryness in southern crop areas will reduce production due to some acreage likely not getting planted.

5-Day Precipitation Outlook: Valid Wed. Jan. 18 - Mon. Jan. 23



Corn traders continue to battle it out as the bulls push the MAR17 contract to the high-end of the recent six-month trading range between \$3.20 and \$3.70 per bushel. Rember old-crop hasn't traded north of \$3.69 per bushel since mid-July. New-crop price are also pushing up against stiff resistance between \$3.95 and \$4.00 per bushel, a level the DEC17 contract hasn't traded north of since late-June. The bulls argue that Argentine production could be in greater jeopardy than previously forecast and that somewhere between 5% to 7% of their final corn planting could be in harms way. In other words the USDA could be greatly overestimating Argentine production. On the flip side the bears are quick to argue that the USDA is currently underestimating the Brazilian corn crop, perhaps by much more than the downward adjustment that will ultimately be made to the Argentine crop. From what I'm hearing form insiders, if the weather continues to cooperate the USDA could be

+5 to +8 MMTs too conservative with their current Brazilian production estimate. Bottom-line, there's still a ton of moving parts and pieces in regard to South American production and many more headlines to come. I should also point out the bears are keeping a close eye on Chinese policy, as the latest rumors indicate 5 to 10 cargoes of U.S. ethanol imports have been canceled on thoughts the Chinese are hiking import tariffs from 5% to 30%. I would like to say I've jumped on the recent bullish bandwagon, but I feel we might simply be pushing to retest the high-end of the range and perhaps expand it a bit. However I just can't see a significant extended rally until we get actual confirmation of more extreme crop failures in South America and actual conformation of drastically fewer U.S. corn acres in 2017. As a producer I'm currently staying patient, but am starting to get an extremely itchy trigger finger. I would like to reduce another 10-15% of my longer-term new-crop price risk within the next 30 to 45-days, so I'm staying fully engaged and carefully considering all of my options.

How Many Gallons of Ethanol are Produced From One Bushel of Corn? *By taking the monthly corn consumption data on fuel ethanol production from the USDA-NASS and also using monthly fuel ethanol production data from the U.S. Bioenergy Statistics, we can find a satisfactory answer. Since corn grind makes up 99.98% of feedstock for fuel ethanol, we can directly calculate the ethanol yield by dividing fuel ethanol production by corn grind. As you can see from the chart, ethanol yield set a record high of 3.0 gallons per bushel of corn crush in March 2016 and has slipped back to 2.84 gallons per bushel by October 2016. It will be interesting to see if the high ethanol yields seen in the April-July 2016 period can be reproduced in 2017.*

Monthly Average Ethanol Yield per Bushel of Corn

October 2014 - October 2016



Source: USDA-NASS and USDA-ERS

Soybean bulls are excited to see prices on the front-end push north of the late-November highs and to levels not seen since late-July. Keep in mind soybeans are up close to +20% in the past 12-months and many traders are now wondering if we can test and push through nearby psychological resistance up at \$11.00 per bushel. It seems that extreme weather uncertainties in Argentina are the main driving force, followed by logistical complications brewing inside Brazil and Trump seeming as if he wants to talk down or weaken the U.S. dollar, something that certainly piques the interest of the larger funds and could send more money into rotation. If you are managing a large fund, feel you might be underweight the entire asset class and are looking for a place to put money to work in agriculture commodities, soybeans seem to be offering up the best bullish story. This type of move also keeps you in the race with your peers and long money-flow as the funds seem most interested in soybeans. I could make the argument that managed money is also actively looking at the wheat market as it has been the "dog" in the space the past couple of years and may appear to offer some of the best risk-to-reward. If you are a money manager and forced to put money into play in this sector these are all things that are often considered. The bears like to point towards more traditional fundamentals such as ample domestic and global surplus, along with the fact U.S. producers are talking about planting a lot more soybean acres in 2017. In fact the bears also continue to question nearby demand. Yesterdays NOPA crush data was seen as a bit of a disappointment as the monthly numbers came in under what most in the trade were anticipating. Keep in mind however the December crush number was still higher than it was last year. I should also note that many inside Argentina are starting to talk about the very real possibility of their soybean crop falling to sub-50 MMTs, which would be well below the 57 MMTs estimate the USDA recently elected to leave "unchanged". As both a producer and a spec I think there's still more room to the upside. I said a few days back that I would be careful getting short this market and I still feel the same way. As a producer I'm closely monitoring the trade and may look to make another small cash sale to reduce longer-term risk should we continue to push higher. As a spec I'm staying on the sideline, patiently gauging the momentum of the waves and looking for an eventual opportunity to build a bearish position. I still see no need to get in any hurry... I will continue to closely monitor South American weather, macro changes or shifts in attitude regarding an extremely overcrowded long U.S. dollar trade and overall Chinese demand which continues to remain surprisingly strong.

Wheat prices have rallied by +50 cents since the Christmas lows and the funds are now thought to be net long the KC HRW wheat market. It's also worth noting that the KC/Chicago spread has widened itself out to its highest level since early-Spring. The wheat/corn spread has also pushed back to levels not seen since this past Fall. In return many traditional traders are arguing the recent rally may be close to running its course and is about to stall out. I wish I could make a strong rebuttal, but their arguments are somewhat convincing and certainly worth taking notice. Especially if the next wave of fresh bullish headlines don't show up soon. As a bull I can argue a somewhat weakening dollar and Trump's recent comments about the greenback being "too strong" could prompt more nearby short-covering and eventually boost more widespread investor interest in commodities as an overall asset class, but the recent run up in price has made U.S. wheat exports even less competitive than we were a few weeks back. Technically traders are closely monitoring the MAR17 SRW wheat contract, thinking a close back in the \$4.40 to \$4.50 range could provide more momentum buying and more upside potential, if that level can't be penetrated then the pullback begins. Also keep in mind the new-crop JUL17

SRW contract traded back above \$4.60 per bushel, while the JUL17 HRW wheat contract recently traded back above \$4.80 per bushel. The JUL18 contract is back above \$5.20 and the JUL19 contract trading near \$5.50 per bushel. Moral of the story, there might be some opportunities for some producers to reduce a bit of long-term risk. It's certainly worth taking a closer look... As a spec I'm sticking with my conservative bullish position while keeping an extremely close eye on the overcrowded long dollar bets. I just think there's still more headline and event driven risk further out on the horizon.



> Argentine Soy and Corn Crop Output Downgraded By Cordonnier: *Argentina's Soybean-production estimate was lowered by 4 million metric tons to 51 million, Michael Cordonnier, president of Soybean & Corn Advisor said in an emailed report. "Even if a part of the field is not under water, the soil is saturated, which could lead to a lack of oxygen in the root zone causing the plant to eventually die." The overly wet conditions could also lead to more diseases. The corn production estimate was reduced just slightly to 34 million metric tons, down 500,000 from the previous forecast. Cordonnier also notes that wet weather could delay the start of the early corn harvest. In flooded areas, the crop will be ready for harvest at anytime now. (Source: Soybean & Corn Advisor, Bloomberg)*

> Brazil Will Boost New Crop Financing: *Brazil will increase a subsidized credit line available to farmers to prepare for the 2017-2018 crop by about one-fifth to 12 billion reais (\$3.72 billion), President Michel Temer told Reuters. The new crop financing will allow Brazilian producers to purchase agricultural inputs such as seeds, fertilizers and pesticides at reduced interest rates to better plan future production. Last year, the government made 10 billion reais available to prepare for the 2016-2017 crop, which is on track to break records. Temer, who took over from former president Dilma Rousseff after her impeachment last year, also said in the interview that government agency Sebrae would announce a further 1.2 billion reais in cheap financing for small- and medium-sized businesses. (Source: Reuters)*

> U.S. Ethanol Exports Up 85% During First Quarter: *Exports of U.S. ethanol are off to a strong start for the first quarter of the 2016-17 marketing year and are at their highest levels during that time frame over the past five years, according to data recently released by the U.S. Department of Agriculture's Global Agricultural Trade System (GATS). Exports totaled 353.2 million gal. for the months of September, October and November 2016, the first quarter of the 2016-17 marketing year. Brazil, Canada and China were the top three customers for U.S. ethanol, respectively. India, Peru, South Korea and Mexico were the next largest markets for U.S. ethanol exports, totaling 62.4 million gal. over the same time period. According to the U.S. Grains Council (USGC), these top seven markets accounted for 88% of U.S. ethanol exports in the first quarter. As such, USGC said it, as*

well as industry partners, are currently or will be working these countries to further develop demand for U.S. ethanol. Exports of U.S. ethanol to Brazil increased substantially to 111.6 million gal. in the first three months of the current marketing year, representing nearly a third of total U.S. ethanol exports -- the second highest volume of U.S. ethanol exports to that country over the last decade.

> Comment Period On Chlorpyrifos Ends: The comment period on EPA's proposal to revoke tolerance levels for chlorpyrifos, which would effectively ban the chemical, closed yesterday. The agency has until March 31 under a court order to make a final decision. Tuesday. The agency has to make a final decision by March 31 under a court order, so it's going to be a quick turnaround. Farmers say they need the pesticide to control a wide range of bugs on fruits, vegetables and row crops, while environmental groups argue the chemical poses risks to humans when it is present in drinking water. While the agency is proposing to pull the tolerances, it has long said there could be room for exceptions if farmers and companies can show situations where there is limited exposure to drinking water. (Source: Politico)

> South Korea Has Culled 17.5% Of Its Chicken Flock: South Korean authorities have now culled 27.12 million chickens, 2.45 million ducks and 2.45 million other birds as of Jan. 16, agriculture ministry. Cullings represent 17.5% of national flock of chickens, 28% of ducks and 16.4% of other birds, including quail, at 331 poultry farms. An outbreak of highly pathogenic H5N6 avian influenza virus began in November. It has also led to an egg shortage. The country just received its first delivery of U.S. eggs last week. In total, the country is expected to import 1,500 metric tons of fresh eggs before the start of the Lunar New Year holiday season in an effort to prevent prices from spiraling higher. In addition to the fresh egg imports, 695 tonnes of egg products such as dried whole eggs and frozen egg yolks, are also set to be imported before and after the holiday season. (Source: Reuters)

> Trump Threatens BMW With 35% Tariff: Donald Trump has threatened German carmaker BMW with a 35% tariff on imports to the US from a new facility in Mexico as he escalated tensions with Europe ahead of his inauguration as US president on Friday - Mr Trump's warning, made in an interview with German newspaper Bild, is the latest in a string of attacks on carmakers that manufacture in Mexico, including General Motors and Toyota. BMW said that its new plant will cater "for the world market", adding that the company "feels right at home in the US", where it supports more than 70,000 jobs. Only a few days earlier, BMW board member Ian Robertson said its facility in San Luis Potosi was for global production, and would not need to sell to the US. He added that the US car market would be worse, weaker and more expensive if tariffs were imposed. BMW's insistence that it would not need to sell models in the US is highly unusual, with almost all Mexican plants heavily dependent on US sales. (Source: Financial Times)

> Trucker Strike In Brazil: A trucker strike in Brazil that was started on Friday has come to an end...for now, at least. The strike partially blocked "soybean hiway", aka BR-364, which is a major transport route in Mato Grosso, used to move grain to southern ports. As for now, the strike has officially ended, but there is the possibility that it could reignite and expand if the truckers' demands for higher pay are not met.

> Oil Could Rise Higher On Stronger Asian Crude Demand: *Trading activity and prices in crude oil are expected to ramp up this week, with OPEC's monthly oil report out today, swiftly followed by the IEA's monthly oil market report on Thursday - along with the delayed EIA weekly report. Asia Pacific oil demand is expected to grow by 800,000 - 900,000 barrels per day this year and next, while production from the region could shrink by as much as 330,000 bpd over the same period. ClipperData shows that flows into the Asia Pacific region have risen versus year-ago levels for eleven of the last twelve months, rising by an average of 1.33 million bpd over the period. With the oil market entering 2017 with prices above \$50/bbl, having virtually doubled from the February lows of last year, optimism is creeping back into the industry, manifesting itself in higher capital expenditure. According to Wood Mackenzie, upstream capex will increase in 2017 for the first time in three years. Approvals this year are expected for the development of more than 20 oil and gas fields, which is more than double the number seen last year. A third of these fields are expected to be deepwater projects, while the U.S. is expected to invest \$61 billion into onshore projects. (Source: Oil Price)*

> Venezuela Has The World's Most Expensive iPhones: *Thanks to hyperinflation, iPhones in Venezuela cost nearly \$100,000, up from about \$47,000 just two years ago. Import restrictions over the last few years have also taken a toll on consumer access to the market. Only two or three stores in the country's capital city stock new iPhones, since vendors must go through government channels to acquire their stock. Given its economic woes, Venezuela is expected to be in recession till 2019, meaning iPhones probably aren't going to get much cheaper in these coming years. According to a report from Bloomberg, one of the most common crimes in the area is mobile phone theft, with hundreds of robberies reported last year as thieves regularly prey on people out walking or stuck in traffic. (Source: Quartz, MacWorld)*

The craziest side-effect of Venezuela's hyperinflation

iPhones in Venezuela cost \$100,000



Source: Quartz



East central Iowa - *In 2015 several of my hybrids looked very clean still through pollination time and I didn't spray a couple fields. That ended up costing me around 25 bpa. So I tend to lean more towards spraying then not. I almost always spray all of my corn on corn acres, and then evaluate weaker rated hybrids. I also have a higher chance of spraying my full season hybrids as I figure they will need to stand longer. Most years it takes 6-8bpa to pay but I also put some value on increased standability as well.*

South central Kansas - *I'm always looking and researching alternative farming ideas. The reasons I do this to maximize income is of course important, but not my main goal. We farm ground that floods. With weed control like it is I look for cropping systems that can reduce my risks in areas where the best laid plans can go to hell fast. Maybe not gross as much but net more or the same. The other main change I want is to try and become more of a price setter, not a taker. As a farmer I can pay for all the marketing advice, have a great understanding of economics, best luck, and still be subject to the world's changing landscapes.*

Northeast Colorado - *I'm in the 12" of rain in the Northeastern Colorado category. A few years ago I had a really really really wet year (maybe 16-19 inch of rain) and a lot of it in the fall, so I decided to plant winter wheat into millet stubble at the same time I planted into fallow and side by side. Here, winter wheat doesn't get fertilizer but my millet does and usually a bit extra since it is manure. So, I feel it had as good of fertility if not better then fallowed ground. Two things happened - first the wheat ended up yielding about 1/2 compared to the fallowed ground. Second, Feral rye is is our largest weed problem that follows wheat rotation. By double cropping and not keeping my rotation I effectively let it go for two years. This year, 2016, was the first year I had winter wheat back on that ground. It went from being less then 1-2% rye in the past to well over 15%. So, that was a REALLY steep lesson since I'll be fighting that for the next 5 years. The field right next to it that was fallow in the "test year" had less then 1% rye.*



American Beef Is The Top Choice In South Korea: *For the first time in 13 years, the U.S. in November surpassed Australia in beef imports that have cleared customs into South Korea, according to the National Cattlemen's Beef Assn. (NCBA). The Korea Customs Service reported that 13,921 tons of American beef were brought into the country in November versus only 10,310 tons from Australia. That's up 20% from November 2015, and export value is up 21% to \$619 million - the highest it has been since July 2013, NCBA noted. "Even better news for American beef producers is the fact that even before December's numbers are in, 2016's exports to South Korea have already shattered 2015's final tally of \$847.4 million," the group added. From January through November 2016, U.S. producers exported \$929.3 million to South Korea - a whopping 25% increase. Read more from [Feedstuffs](#).*

Why Dicamba Drifted Last Year: *Pam Smith, Crops Technology Editor for DTN's The Progressive Farmer penned an article titled ["Dicamba Details"](#) that is worth the read. Kevin Bradley, a University of Missouri weed scientist, walked a lot of fields connected with the 124 dicamba-related complaints filed with the Missouri Department of Agriculture in 2016. His job isn't to investigate drift complaints, but it is to advise farmers on weed control best management practices. "Growers that sprayed weren't anxious to tell us what they did, so we are still sorting some of this out. But seeing it firsthand allowed me to draw some general conclusions about the situation," he added.*

Where's The New Secretary of Ag? *The usually low-profile post remains the only Cabinet-level job without a Trump choice in the final days before he is inaugurated. The folks at Politico ran a recent story titled, ["Trump's Missing Cabinet Secretary"](#). It starts off by saying, "A behind-the-scenes fight between agribusiness tycoons and members of Donald Trump's camp who want more diversity in the Cabinet has turned the selection process for Agriculture secretary into a months-long battle. They story also goes on to explain their behind the scenes view of all the moving parts.*

Israeli Technology Is Helping Giants Like Monsanto Feed The World: *Genomic big-data technology developed by Israel's NRGene is accelerating efforts to eliminate world hunger. NRGene is working with Syngenta Ag and Monsanto Co. to detect plant traits that can produce higher-yielding crops, and with gene-sequencer Illumina Inc. to improve cattle herds. It says its cloud-based software speeds up development of crops and breeding by as much as 30 percent. Its program, which focuses on big data instead of biology, was devised mostly by algorithm designers and software engineers who served in Israeli military intelligence units and "never saw a DNA database in their life," Chief Executive Officer Gil Ronen said in a phone interview. According to the World Food Programme, 795 million people lack access to enough food to lead healthy, active lives. At Kansas State University, NRGene's technology streamlines mapping of complicated wheat genomes. That drives prediction models that make it easier and cheaper to test for higher-yielding,*

better quality wheat, said Jesse Poland, assistant professor at the school's department of plant pathology. "NRGene is the critical piece for putting all the data together," he said. Read more [HERE](#).

Southeast Asia Air Pollution Deaths Could Triple: Coal emissions in Southeast Asia are projected to triple by 2030, resulting in an increase in pollution-related deaths, according to a new Harvard-backed report. Researchers at Harvard and Greenpeace say the demand for electricity in Southeast Asia is projected to increase by a staggering 83% between 2011 and 2035 -- twice the global average. The peer-reviewed study cites economic development, population growth and urban migration as reasons for the huge leap in energy demand, and says that in Southeast Asia -- unlike in the US, Europe, China or India -- these demands are still likely to be met by coal-fired power plants rather than renewable energy. It states the public health consequences could be "severe." The report estimates that approximately 20,000 people in the region die every year from coal-fired power station emissions, and it projects this number will increase to 70,000 by 2030 if all the proposed power plant projects in the region go ahead. Read more from [CNN](#).

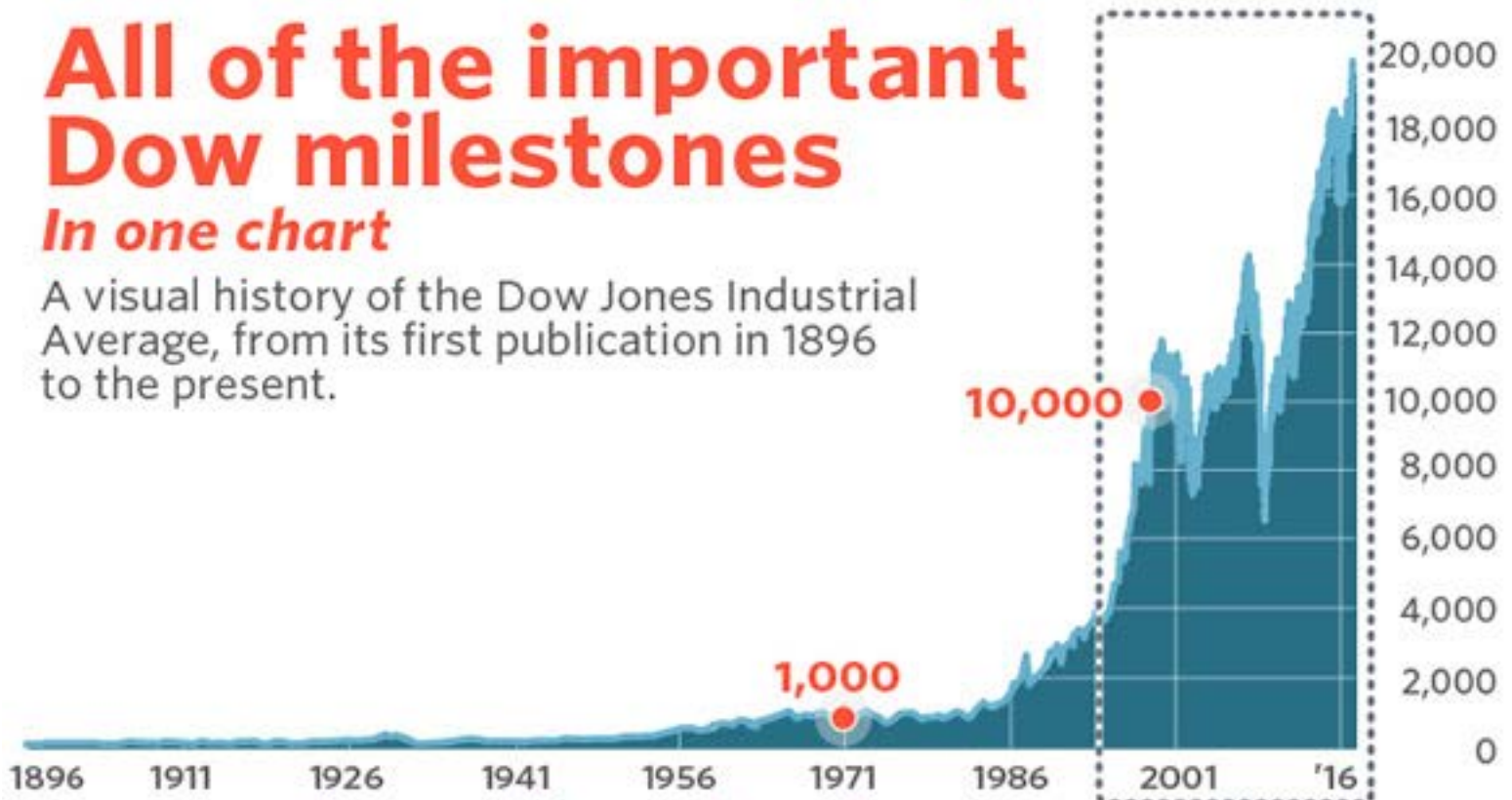
Do Anti-Snoring Gadgets Really Work? Dozens of anti-snoring devices crowd the market, ranging from slightly absurd to moderately torturous. "Some of them are more medieval than others," says Dr. Kim Hutchison, associate professor of sleep medicine in the department of neurology at Oregon Health and Science University in Portland, Oregon. And some of the devices, she says, even have some basis in fact. "When you sleep, the back of your throat relaxes. That narrows your airway and, as you're breathing in, it causes it to vibrate," explains Hutchison. So, many anti-snoring products are aimed at opening up that airway, or the tunnels that lead to it. For example, you can buy hollow nose plugs that, instead of closing the nostrils, prop them open. Other devices are designed to force sleepers to turn on their sides. Read more over at [NPR](#).

All Of The Important Dow Milestones In One Chart: We're still waiting, Dow 20,000. Yes, 20,000 is just a number — a big, round number — but approaching major milestones such as this one provides an opportunity to reflect, take stock and consider history. To that end, below is a visual history of the Dow and its important milestones, in one chart. Investors may feel as though they've been waiting forever for the Dow to at last reach 20,000. But if history is any indication, this could take some time. In the past, the index has struggled with major milestones for years. It first touched 1,000 in 1966 but didn't close above that mark until November 1972. And the Dow first crossed 10,000 in 1999 but only really took up residence above that milestone in 2010. The rally from 19,000 to 20,000 had threatened to become the Dow's fastest-ever 1,000-point advance to a milestone level -- but failed to cross the threshold in time. The fastest 1,000-point rally remains the jump from 10,000 to 11,000 in early 1999 over 24 trading sessions. Read more from [MarketWatch](#).

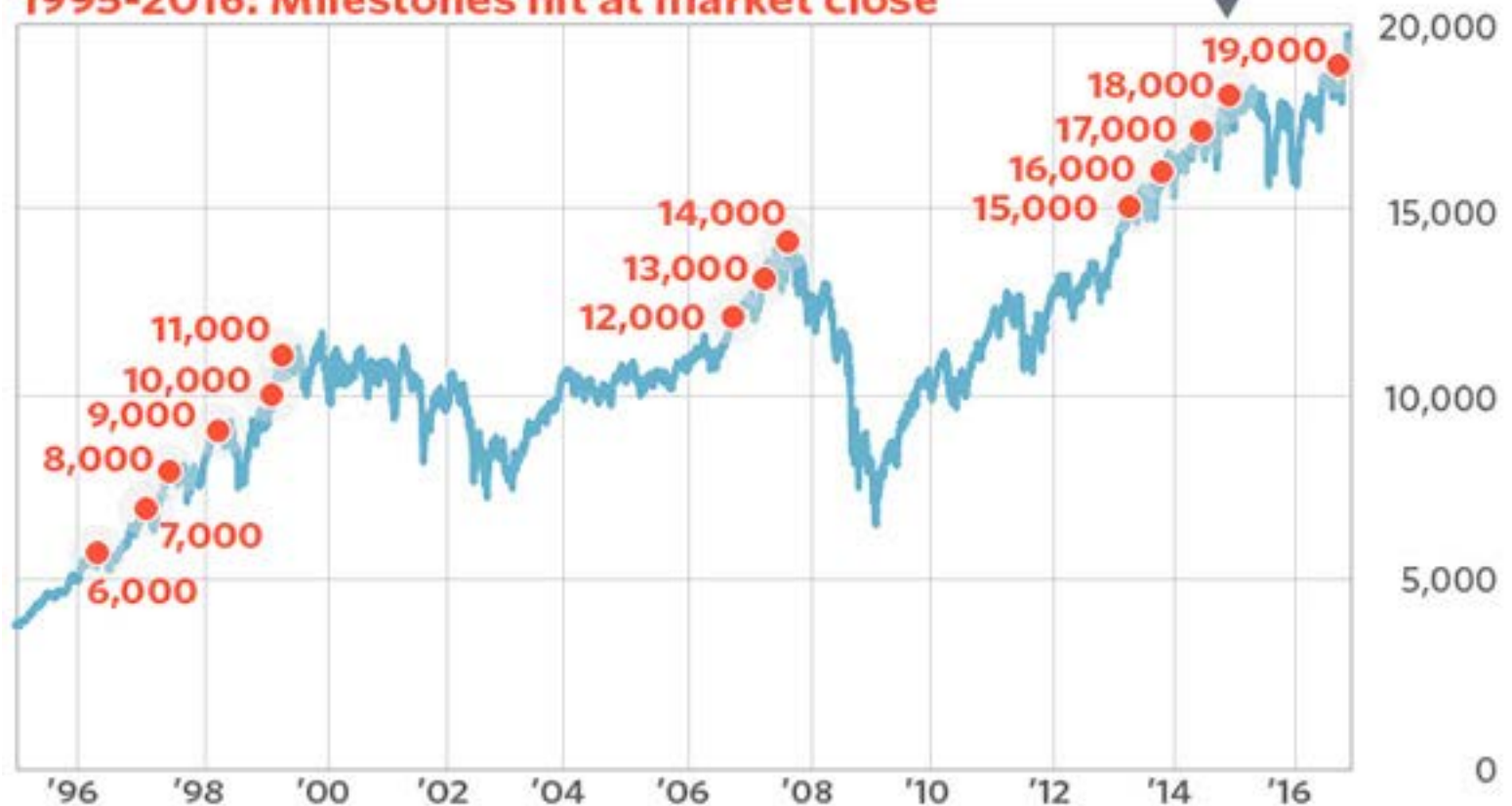
All of the important Dow milestones

In one chart

A visual history of the Dow Jones Industrial Average, from its first publication in 1896 to the present.



1995-2016: Milestones hit at market close



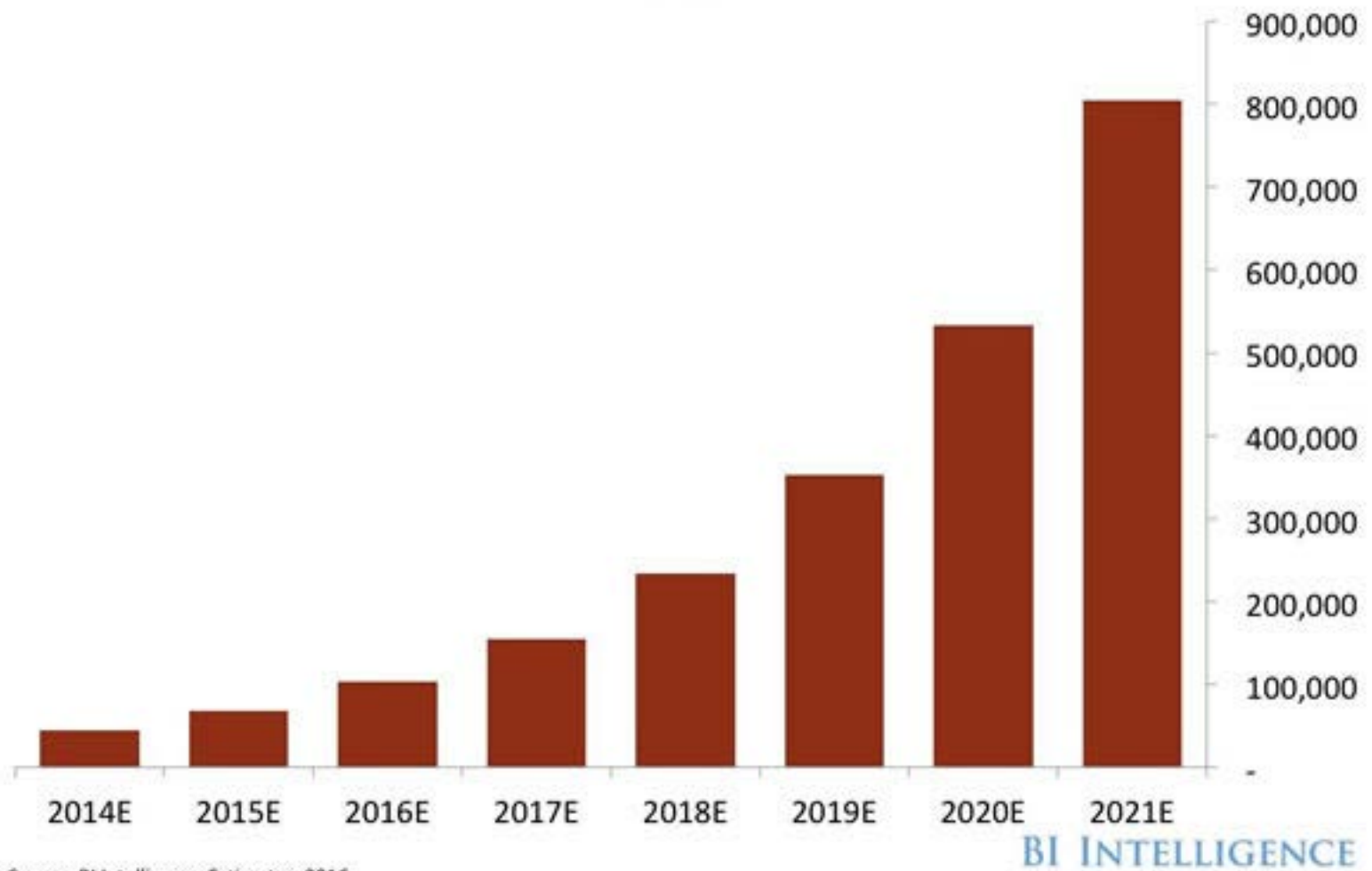


New Tech Allows Drones To 'Learn' As They Fly

Qualcomm showed off one of the most exciting things in advanced drone technology recently at the Consumer Electronics show. The chipmaker has a newly upgraded Snapdragon Flight Drone Platform, which incorporates a real time "learning" capabilities. Qualcomm is the first to enable a drone to learn from its environment while it is actually in the air. Other platforms have incorporated AI technology, but it only allows for extremely simple tasks such as following a moving object, or conversely avoid flying into an object. Snapdragon is more advanced in that not only does it enable the drone to avoid a collision, but it can also develop an alternative flight path without any additional input from a human operator. This raises the possibility of uses for drones substantially. For instance, they could be used in search and rescue operations in remote areas, flying through trees easily without the need for pre-mapped data or constant navigation instructions from a remote pilot. At the CES show, Qualcomm put together a set at its booth that resembled the inside of a cluttered warehouse, showing how its drone processing and decision-making technology is nimble enough to allow drones to operate indoors and in unpredictable settings without using any GPS. That is particularly important because GPS is nearly useless indoors, but drones could be very useful inside buildings. For example, conducting inspections after a fire or natural disaster. All of the drone's computing, including machine learning and flight control, happens via the on-board processor. And remarkably, that on-board processor only weighs 12 grams, or less than a standard AAA battery! Keep in mind that Qualcomm only develops the chip technology, so it's up to a drone manufacturer or service provider to now incorporate it into an actual UAV. Under FAA's current guidelines, the tech may not be very practical as drones aren't allowed to be flown outside an operators line of sight. However, that could change if the rule proves to be unnecessary in light of this type of advanced technology. It also is a major building block that's been needed to advance truly autonomous drones that actually could zip through a crowded city. (Source: ReCode, Business Insider)

Enterprise Drone Shipments

Global



Study Shows That Money Really Isn't The Key To Happiness

Human happiness is influenced by relationships and mental and physical health, not so much economic factors. New research by the London School of Economics found that eliminating depression and anxiety would reduce human misery by 20% while eliminating poverty would reduce it by just 5%. The study examined responses from 200,000 people on how different factors impacted their wellbeing and found that suffering from depression or anxiety had the biggest negative impact, while being in a relationship saw the biggest increase in their happiness. Interestingly, on a scale of one to 10, the doubling of someone's income increased their happiness by less than 0.20. Report co-author Professor Richard Layard said the evidence shows that the things that matter most for our happiness and for our misery are our social relationships and our mental and physical health. Among the key determinants of people's life satisfaction, here are a few other interesting things they found (Source: LSE, BBC):

- **Having A Good Partner:** *Income inequality explains only 1% of the variation in happiness in the community, while mental health differences explain over 4%. Education has a very small effect on life satisfaction, compared with, for example, the importance of having a great partner. Facebook CEO Sheryl Sandberg recently said, "The most important financial decision you will ever make will be your choice of a partner."*
- **The Importance of Emotional Health:** *The strongest factor predicting a happy adult life is not children's qualifications but their emotional health. There is also powerful*

evidence that schools have a big impact on children's emotional health, and which school a child goes to will affect their emotional wellbeing as much as it affects their school performance. Remember, it's strong emotional and mental health that affects our ability to cope with stress, overcome challenges, build relationships, and recover from life's setbacks and hardships. People with good emotional health are better able to bounce back from adversity, trauma, and stress. This ability is often referred to as strong emotional resilience. People who are emotionally and mentally resilient have the tools for coping with difficult situations and maintaining a positive outlook. They remain focused, flexible, and productive in bad times as well as good. Their resilience also makes them less afraid of new things or an uncertain future. Even when they don't immediately know how a problem will get resolved, they feel hope that a solution will eventually be found.



The Tale of Two Brothers

This was sent my direction the other day and I felt a duty to pass it along. I hope it helps provide some with a different perspective.

Once upon a time, two brothers who lived on adjoining farms fell into conflict. It was the first serious rift in 40 years of farming side by side, sharing machinery, and trading labor and goods as needed without a hitch. Then the long collaboration fell apart. It began with a small misunderstanding and it grew into a major difference, and finally it exploded into an exchange of bitter words followed by weeks of silence.

One morning there was a knock on John's door. He opened it to find a man with a carpenter's toolbox. "I'm looking for a few days work," he said. "Perhaps you would have a few small jobs here and there. Could I help you?" "Yes," said the older brother. "I do have a job for you. Look across the creek at that farm. That's my neighbor. In fact, it's my younger brother. Last week there was a meadow between us and he took his bulldozer to the river levee and now there is a creek between us. Well, he may have done this to spite me, but I'll go him one better. See that pile of lumber curing by the barn? I want you to build me a fence - an 8-foot fence - so I won't need to see his place anymore."



The carpenter said, "I think I understand the situation. Show me the nails and the post hole digger and I'll be able to do a job that pleases you." The older brother had to go to town for supplies, so he helped the carpenter get the materials ready and then he was off for the day.

The carpenter worked hard all that day measuring, sawing, and nailing. About sunset when the farmer returned, the carpenter had just finished his job. The farmer's eyes opened wide, his jaw dropped. There was no fence there at all. It was a bridge - a bridge stretching from one side of the creek to the other! A fine piece of work - hand-rails and all - and the neighbor, his younger brother, was coming across, his hand outstretched. "You are quite a fellow to build this bridge after all I've said and done." The two brothers stood at each end of the bridge, and then they met in the middle, taking each other's hand.

They turned to see the carpenter hoist his toolbox on his shoulder. "No, wait! Stay a few days. I've a lot of other projects for you," said the older brother. "I'd love to stay," the carpenter said, " but I have many more bridges to build."

Everyday we have the choice of building fences or bridges. One leads to isolation and the other to openness. Choose wisely, there are no redo's or ways to recapture lost time. You may not get the "time" back, but you can however elect to tear down any fences you may have built and replace them with bridges. Take action today to make it happen!

CASH SALES & HEDGING TOTALS

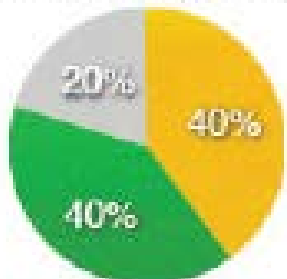
CORN 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



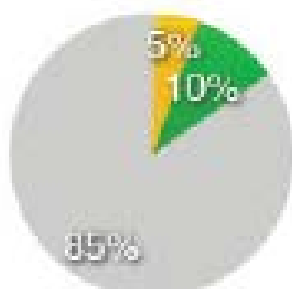
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



CORN 2017 CROP

5% SOLD
10% HEDGED
85% UNPROTECTED



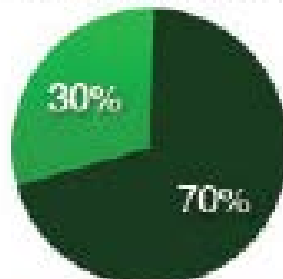
SOYBEANS 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



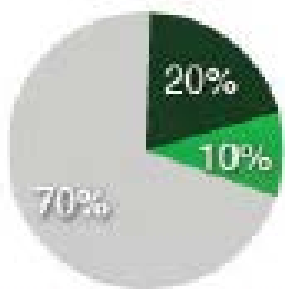
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% UNPROTECTED



SOYBEANS 2017 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



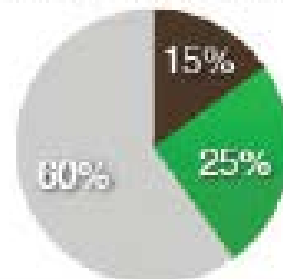
WHEAT 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



WHEAT 2017 CROP

0% SOLD
10% HEDGED
90% UNPROTECTED

