



*"When you're good at something, you'll tell everyone. When you're great at something, they'll tell you."* - **Walter Payton**

**TUESDAY, JANUARY 24, 2017**

**Morning Summary:** Stocks continue to consolidate and trade near their recent all-time record highs, despite the negative press President Donald Trump continues to receive in Washington. In case you missed the headlines, Trump signed executive orders to: An order to reinstate the so-called "Mexico City Policy" – a ban on federal funds to international groups that perform abortions or lobby to legalize or promote abortion. The policy was instituted in 1984 by President Reagan, but has gone into and out of effect depending on the party in power in the White House Trump also instituted a hiring freeze for some federal government workers as a way to shrink the size of government. This order however excludes the military. And Trump also signed another that essentially pulls the U.S. out of the Trans-Pacific Partnership (TPP). Trump was expected to sign an executive order calling for a renegotiation of the North American Free Trade Agreement (NAFTA) as well, but told reporters that he would tackle that "at the appropriate time." Another interesting POTUS development was a meeting held with U.S. business leaders, where he pledged to cut regulations by 75% but also vowed to impose a major "border tax" on goods manufactured abroad and sold inside the United States. The media is paying it up that tough trade talk are causing some serious market jitters among investors, but the U.S. stock market is still up over +20% in the past twelve months and positive for the month of January. In other political happenings, a Senate committee late yesterday voted to advance the nomination of former Exxon Mobil CEO Rex Tillerson for Secretary of State, though a full Senate vote has not yet been scheduled this almost all but assures Senate confirmation. Senate panels today will vote on advancing Representative Ryan Zinke's nomination to be Interior Secretary and former Texas Governor Rick Perry's nomination to lead the Department of Energy. It's unlikely that final confirmation votes for the three will be held this week as both parties in the Senate will be leaving Washington on Wednesday to attend "policy retreats". Economic data on the calendar today includes Flash PMI Manufacturing, Existing Home Sales and Richmond Fed Manufacturing. Corporate earnings will be extremely heavy today with releases scheduled for 3M, Alcoa, Alibaba, Capital One, Canadian National Railway, Corning, Discover, DuPont, Johnson & Johnson, Kimberly Clark, Lockheed Martin, Texas Instruments, Travelers and Verizon to name a few.

**Trump Pulls U.S. Out Of TPP:** *President Trump signed an executive order yesterday for the U.S. to withdraw from the Trans-Pacific Partnership (TPP), essentially pulling America's participation in 12-country deal. From my perspective, TPP was arguably already dead since the U.S. Congress had never ratified the agreement, but Trump's action fulfilled a campaign promise to officially take TPP off the table, just like he said he would in his November 23rd speech. If you recall TPP was one of Obama's key economic strategies to make a "pivot" toward Asia. The Obama administration was trying hard to seek US congressional ratification this year but it abandoned efforts after the victory of Trump. The TPP faced stiff political opposition cutting across party lines and ideologies. Both the major presidential candidates expressed their opposition to TPP and avowed to reject it once elected. Trump was very vocal in his opposition to TPP as well as NAFTA throughout his campaign. Whereas Hillary Clinton flip-flopped on the TPP pact. While serving as Secretary of State, she had praised TPP as setting the "gold standard in trade agreements" but reversed her position during the presidential campaign due to tough primary challenge from TPP critic Bernie Sanders. Japan is the only member-country which voted to ratify the TPP deal early this month. As per the rules laid out in the TPP, the agreement allows a two-year ratification period in which at least six original member-countries, representing 85 percent of the combined GDP of the grouping, should approve the text for the agreement to be implemented. The US accounts for nearly 60 percent of the grouping's GDP. With the US announcing its withdrawal, the TPP agreement simply cannot enter into force even if all the remaining 11 member-countries ratify it. The countries in the agreement were: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. China, Russia and the European Union were never included in the deal. The countries in the agreement were: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. China, Russia and the European Union were never included in the deal. Union leaders, including AFL-CIP President Richard Trumka praised the move. While many farm groups offered up harsh criticism. Trumka in a statement called it "just the first in a series of necessary policy changes required to build a fair and just global economy." If you recall, the treaty was signed in February 2016 by the U.S. and 11 countries that border the Pacific Ocean which represent roughly 40% of the world's economic output. The agreement was designed so that it could eventually create a new single market, something like that of the EU, slashing tariffs and fostering trade to boost growth. U.S. opponents of TPP have characterized it as a secretive deal that favored big business and other countries at the expense of American jobs and national sovereignty. Supporters of the deal maintained it would have bolstered America's position in the Asia-Pacific region, where China is growing in influence. To take effect, the deal would have had to be ratified by February 2018 by at least six countries that account for 85% of the group's economic output. The U.S. would need to be on board to meet that last condition. By World Bank estimates, the TPP would have little impact on overall U.S. GDP because the two largest U.S. trading partners — Canada and Mexico — had already cut tariffs (Sources: Reuters; BBC; Global Research)*

**Palestine Warns Over Potential Move Of U.S. Israeli Embassy:** *Donald Trump's campaign pledge to move the U.S. embassy in Israel to Jerusalem is causing an uproar in the Middle East, with some warn it could inflame the Israeli-Palestinian conflict.*

*Both Israelis and Palestinians claim the city, or part of it, as their capital, and U.S. governments until now have refrained from recognizing Jerusalem as Israel's capital, which is what putting the embassy there would do, until the issue is resolved in peace talks. Having an embassy in Jerusalem — something no other country currently has — could set off a wave of violent responses across not only Palestine, but the whole of the Arab world. Palestinian officials say they are already weighing legal and diplomatic responses if Mr. Trump acts, and President Mahmoud Abbas has warned any attempts to "legitimize Israel's illegal annexation" of the city would destroy the prospects of a peaceful political solution. The US Congress passed a law in 1995 mandating the embassy's move. However, successive presidents have held off implementing it on national security grounds. In a press conference yesterday, White House Press Secretary Sean Spicer said discussions involving transfer of the embassy were in the early stages and refused to put a timetable on the plan. Trump spoke by telephone with Israeli Prime Minister Benjamin Netanyahu, who has cheered a Trump presidency, over the weekend. Neither government acknowledged discussing the embassy.*

**Gas Prices Falling On Increasing U.S. Crude Output:** *The national average price of gas continues to decline as U.S. oil production increases. Yesterday's average price of \$2.31 per gallon represents a decrease of three cents per gallon on the week, four cents per gallon on the month, and prices have moved lower for 14 of the past 15 days. The drop is likely a result of an increase in U.S. oil production as evidenced by the 29 additional oil rigs reported by Baker Hughes last week. The introduction of these new rigs brings the total U.S. rig count to 551, which represents a significant increase in output counteracting OPEC's production cut. Traders will keep a close eye on how OPEC output cuts and increased U.S. production impact the market moving forward. Drivers in the Great Lakes region continue to see impressive discounts with four states in the region topping the list of largest weekly declines. Most Central States, with the exception of Missouri, saw declines on the week. The most recent Energy Information Administration (EIA) report shows that Midwest storage levels increased by 1 million-bbl over the past week, to a total of 53 million bbl. Storage increases paired with a drop in demand this month likely attributed to regional and national price declines. Gas prices in the South and Southeast continue to top the list for lowest prices, with six out of ten of the nation's cheapest retail markets located in this region. Multiple refineries in the Texas area have reported issues over the past few weeks. LyondellBasell's 302,300-b/d Houston refinery reported a power outage on Friday, while Western Refining's refinery in El Paso, Texas, is back online after a fire on January 13. (Source: AAA)*

# NATIONAL AVERAGE GAS PRICE COMPARISON, 2014 TO 2017

January 23, 2017



Note: Prices are per gallon for regular unleaded gasoline.

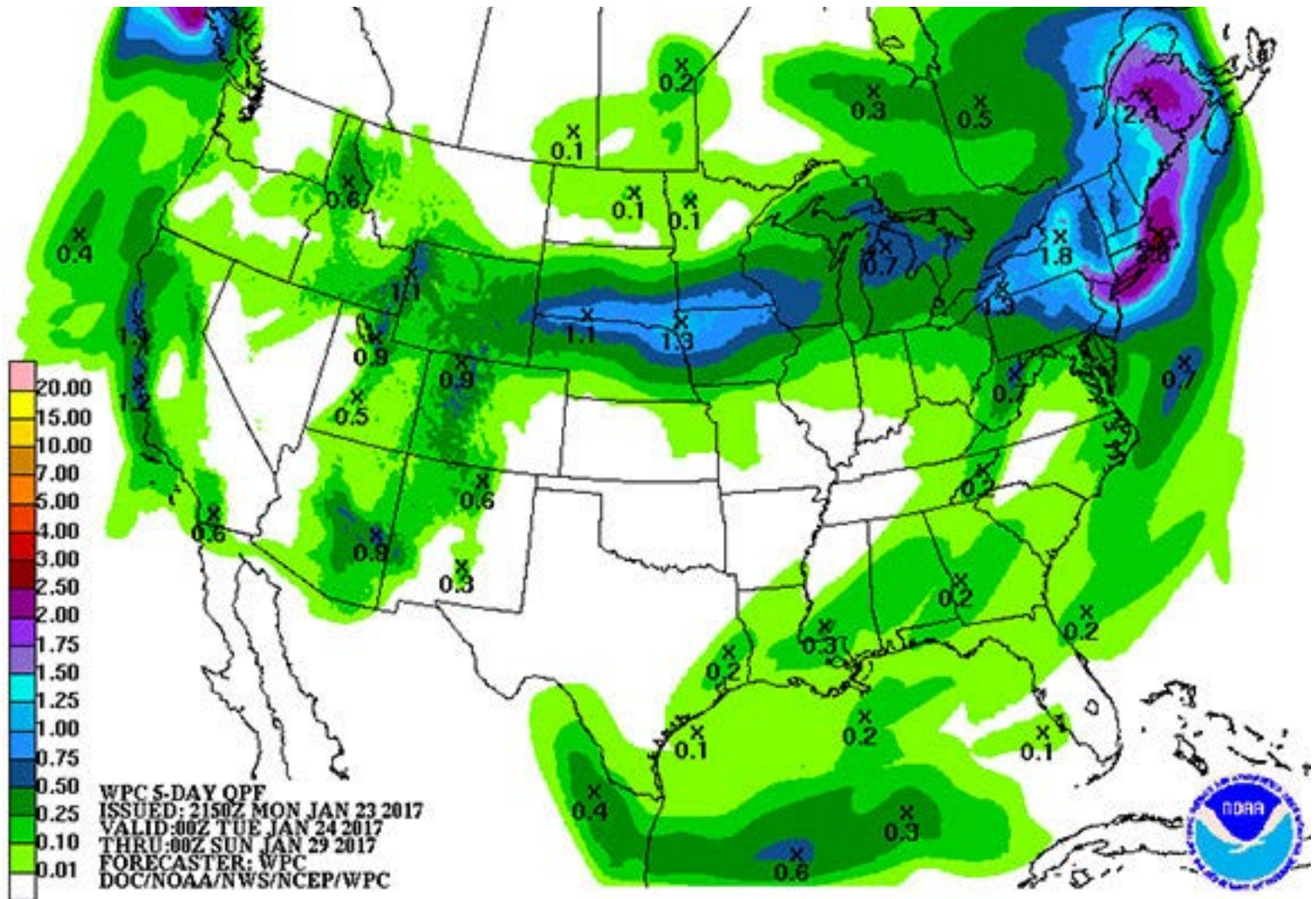
Source: AAA (GasPrices.AAA.com)

**Weather** continues to focus on hot weather and dry conditions in Argentina, as well as rain across central Brazil, more on this below. First, let's look at the forecasts for the western Midwest which are calling for a round of snow with freezing precipitation in the first half of this week. The focus on this wintry precipitation will be in northern Iowa through Minnesota. Beyond this, it looks as if there are no significant issues through this last full week of January. On the Plains, generally mild, dry weather prevails. However, colder air is overspreading the northern High Plains. In the wake recent and ongoing mild weather, substantial snow cover is mostly confined to eastern Montana and the Dakotas. In the southern Plains, recent heavy precipitation has recharged soil moisture for wheat. There are indications that wheat in some areas is already breaking dormancy early, which could put the crop in a vulnerable situation in the event of a harsh cold wave. In the South, dangerous thunderstorms have subsided, but recovery efforts from the weekend tornado outbreak continue from the central Gulf Coast region to the southern Atlantic Coast. Currently, a low pressure system centered over the southern Appalachians is producing windy, showery weather in parts of the Southeast. Looking ahead, the storm that has been affecting California will move generally eastward, reaching the Great Lakes region by mid-week before weakening. Widespread mountain snow will continue today in parts of the West. Snow can be expected today across parts of the northern Plains and upper Midwest. The latter half of the week should feature more tranquil weather, although colder air will begin to overspread the central and eastern U.S. In Argentina, a pattern of dry conditions and high temperatures is forecast over the primary corn and soybeans areas over the next week. This will favor developing corn and soybeans in Cordoba, Santa Fe and northern Buenos Aires after recent heavy rains and flooding, at least for a while. Extreme heat that



occurred in southern Buenos Aires and La Pampa early this weekend ended with a few strong storms later in the weekend. More heat and dryness is expected this week. This will maintain high stress and reduce crop yield prospects for La Pampa, west and south Buenos Aires. In Brazil, rain in central Brazil may improve the outlook for second crop corn but the rain will also delay the harvest of early soybeans and early corn.

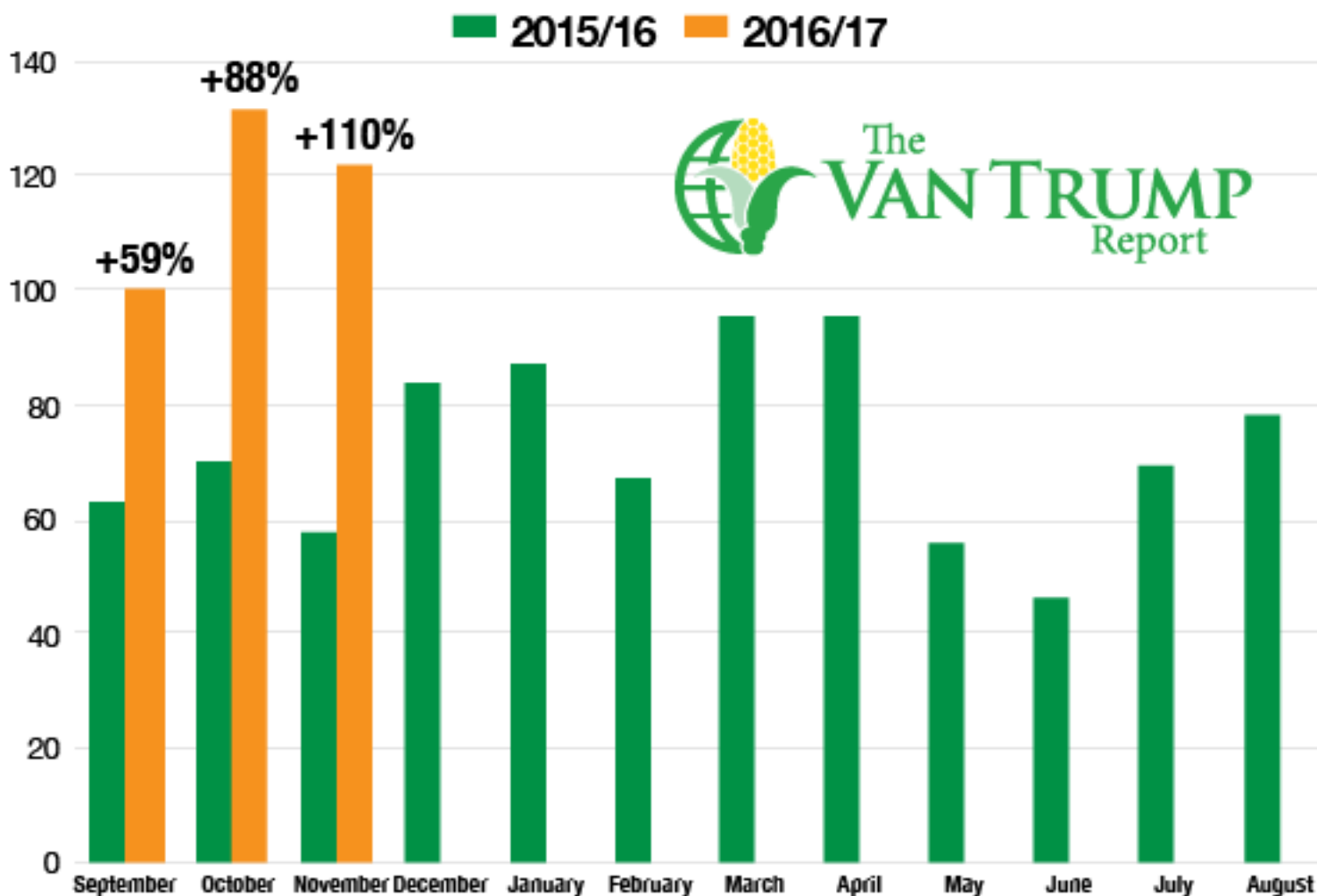
### 5-Day Rainfall Totals: Valid Tuesday, Jan. 24 - Sunday Jan. 29



**Corn** trades in a tight range on very little fresh news or headlines. Technically the old-crop MAR17 contract continues to trade right around the 200-Day Moving Average. It still feels like there is heavy nearby resistance in \$3.80 to \$4.00 range. More stiff new-crop DEC17 resistance still seems to be in the \$3.95 to \$4.05 range. Keep in mind, corn prices have now pushed to fresh six-month highs. From a fundamental perspective most all talk and debate seems to be circulating around weather forecasts and production estimates for South America. Flooding, unplanted areas and drought drag is the concern for Argentina, while parts of southern Brazil are also gaining some attention. As both a producer and a spec I'm staying patient, thinking the market has very little room nearby to work itself aggressively higher or lower. In other words I'm simply looking to let a bit of time tick off the clock before I make my next move.

**U.S. Ethanol Export Off To A Strong Start in '17:** 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. Brazil, Canada and China were the top customers for U.S. ethanol, respectively. The real story to this strong export pace is due in large part to Brazil who has increased imports of U.S. ethanol substantially to 111.6 million gallons 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. The Brazilian government is enforcing mandates that are driving the increases in imports of U.S. ethanol, as Brazilian sugarcane has been diverted to sugar production. To enforce the mandate, Brazil ramped up imports of price competitive U.S. ethanol. The question now becomes how big of a setback we will take with the hike in Chinese ethanol import tariffs?

## U.S. Ethanol Exports Up 85% in First Quarter of Marketing Year 2016/17 Versus 2015/16



Source: USDA/Global Agriculture Trade System (GATS)

**Soybean** prices bounce back a bit in the overnight session, with the MAR17 old-crop contract down just -15 cents from last weeks high of \$10.80 per bushel, while new-crop NOV17 prices are very near last weeks high of \$10.33 per bushel. Technically the trade suspects to see nearby new-crop NOV17 support in the \$10.00 to \$10.20 range. Old-crop contracts look to be much more volatile as the bulls hope to see heavy support in the \$10.20 to \$10.50 range. Keep in mind soybean prices are already up between +5% and +6%, depending on the contract, in this just the first month of the new year. On an annual basis soybean prices are up between +15% to +20%. From a fundamental perspective it remains all about South American weather and production forecasts. Most inside the trade are saying the bulls took a couple of steps back on improved forecasts for South America, particularly key parts of Argentina. Meaning perhaps world buyers won't be forced to come back in an aggressive fashion to the U.S. for old-crop supply. From what we are hearing out of Brazil, producers in the Mato Grosso area now have close to 15% of their crop harvested and overall production on those harvested acres is up close to +10% compared to last year. Despite what appears to be more bearish traditional fundamentals, I remain somewhat optimistic in believing that soybean prices may still have another leg higher. As a producer I've been fairly aggressive in pricing bushels and reducing risk on the rally, but now find myself taking a much more patient and observant approach. Lets just say I've become a bit more of a bullish believer in the past few weeks.

**Wheat** remains near the high-end of its most recent range on talk of perhaps a nearby weakening dollar. Similar to corn, there's just not a whole lot of fresh news in circulation. I could argue a lack of snow cover in Ukraine and parts of Russia could be a small concern or that dry conditions here in the U.S. might eventually present a problem, but I feel the bearish short covering has pushed this market up to a level that needs more bullish meat on the bone than the fundamental weather headlines I mentioned above. As most know I've been conservatively bullish this market from the early-December lows, but I'm just wondering if we haven't run our course nearby? There appears to be stiff technical resistance on the charts in the \$4.40 to \$4.50 range vs. the DEC17 new-crop SRW contract and I'm concerned that we might not have the bullish headlines on the fundamental side to keeping the buying momentum alive in the marketplace. Talk of massive acreage reduction here in the U.S. has been well publicized and digested by most everyone inside the trade. The bulls desperately need a fresh new storyline if prices are to continue higher. I still remain conservatively bullish longer-term, but believe we could see some nearby pressure to the downside in the days ahead.





**> Chinese DDGs and Ethanol Imports Slump Even Before Tariffs Hit:** *Chinese imports of ethanol and dried distiller's grains plummeted in December, and incentives to import are only going to weaken as import tariffs bite further. Customs data showed Chinese ethanol imports in December down -31% year-on-year, to 124,823 cubic meters, as domestic production increased in response to falling corn prices. Imports over the full year were up +29.6%, at 890,140 cubic meters. Imports of dried distiller's grains (DDGs) fell -83.3% year-on-year in December, thanks to competition from more affordable domestic corn, as well as domestically produced DDGs. Full-year DDGS imports were down -55.0% on the year, at 3.07 million metric tons. Chinese ethanol import demand is likely to drop even further, if it turns out that import duties will rise this year. The Chinese government did not list ethanol among the agricultural commodities to qualify for a 5% tariff in 2017. This means that barring further clarification from the government, it appears that ethanol import tariffs will rise back up to the normal 30% rate. Further details are expected on 2017 import tariffs by the end of the month. And DDG imports will also face higher tariffs, at least from the US, the main supplier. Earlier this month, the Chinese government increased anti-dumping tariffs on US DDGs, to range between 42.2% to 53.7%, with additional anti-subsidy tariffs of between 11.2% to 12.0%. (Source: Agrimoney)*

**> Oil World Says Soybean Price Reaction To Argentine Flooding Is "Overdone":** *Analyst Oil World says the Argentine soybean area will decline more sharply than expected - to a five year low - and yields will be trimmed below average in many areas due to widespread flooding. However, they also say price reaction to the flood-related production losses in the country are probably overdone. "With still ample stocks of soybeans in the U.S. and record crops approaching in Brazil and Paraguay, there will be no shortage of soybeans or products even if several million metric tons are lost in Argentina." That said, a significant scaling-back of soybean and product exports from the country will mean demand will need to shift to the U.S. and Brazil in coming months.*

**> Russia Adjusts Grain Export Forecast:** *Russia's ag ministry lowered its forecast for grain exports in the 2016-17 season to 35-37 million metric tons, compared to a straight 35 million in their last estimate. The ministry notes that total exports will largely depend on prices in key crops on the global market, the strength of the Russian ruble against the U.S. dollar and logistics dynamics. According to the Russian minister, the country's export potential is about 40 million metric tons. "This is what we can sell on the global market not harming domestic supply and preserving a necessary volume of carryover reserves," he said. (Source: ITAR-TASS)*

**> Ukraine Conditions Worsened By Warm Spell:** *UkrAroConsult says weather conditions January 11-20 became somewhat more difficult for survival of winter crops. They say*



soil freezing depth remained with 14-29 centimeters (5.5-11.5 inches) while soil temps were at 2.5-6°□ (36.5-42.8°F) at tillering node depth. At the same time, the snow melted partially in some areas and completely in the South. Low field spots were flooded with melted water, which froze later on. As a result, a thick ice crust formed in these low spots in most of the country. In the rest of areas, snow cover has compacted, especially in the above-surface zone, but it is completely absent in some high spots.

**> U.S. Farmland Delivers Lowest Returns To Institutional Investors Since 1980:**

*The National Council of Real Estate Investment Fiduciaries (Ncreif) says returns for U.S. crop land has fallen to its lowest level since the 1980s. Investment in land planted with row crops like corn and wheat returned +4.7% last year. That figure - comprising income from growing crops as well as changes in land values - was the "weakest annual total return for the property type since inception" of the data series in 1990, said Ncreif. And the slowdown was underlined by a negative return of -4.6% on investment in land in the Corn Belt, including big corn and soybean producing states such as Illinois, Indiana and Iowa. Ncreif highlighted that not all types were seeing such as slowdown, with investors in permanent cropland, such as orchards and groves, seeing a positive return of +10.1% last year.*

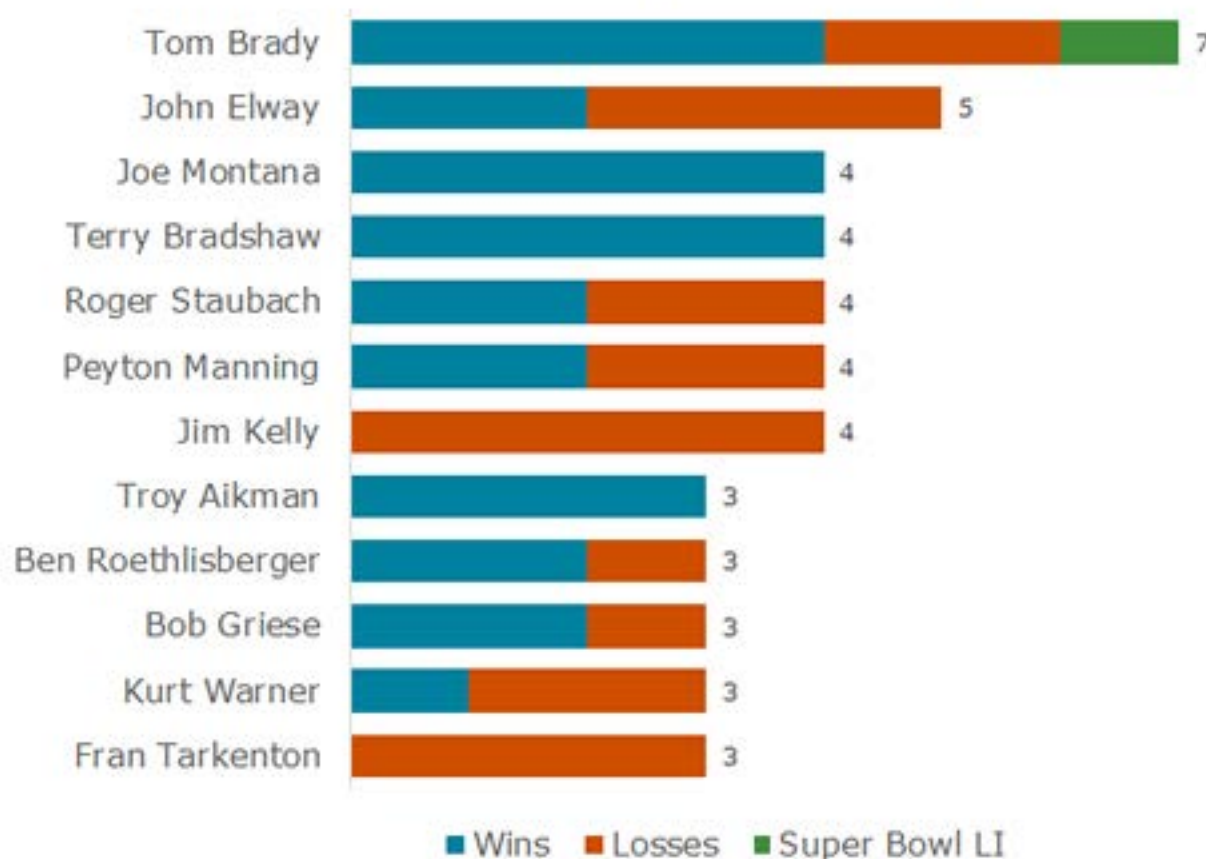
**> Commodities-Related Revenues Jump For Big Banks In Q4:** *Commodities-related revenue at the 12 biggest investment banks rebounded in the fourth quarter due to stronger activity in the energy sector, a report by financial industry analytics firm Coalition said on Monday. Revenue from commodity trading, selling derivatives to investors and other activities in the sector jumped by 20-25 percent in the final three months of 2016 compared with the same period the previous year, it said in a preliminary report, without giving a figure in dollars. The rise was largely due to "structured deal activity in U.S. natural gas and improved conditions in oil trading", it said. Commodity revenue in the first nine months of last year fell 22 percent to \$3.1 billion due to weak industrial metals trading and lackluster investor interest, Coalition said in November. (Source: Reuters)*

**> McDonald's All-Day Breakfast Boost Wearing Off?** *McDonald's on Monday reported earnings and revenue that outpaced analysts' estimates, but a drop in U.S. comparable restaurant sales — the first in six quarters — sparked some concerns. In the fourth quarter, the fast-food giant posted earnings excluding items of \$1.44 per share, up from the \$1.31 a share the company earned last year. Revenue fell 5 percent to \$6.03 billion, down from \$6.34 billion a year ago. However, revenue was down only 3 percent on a constant currency basis, and the decline in the latest period was narrower than some analysts expected. In the U.S., fourth-quarter comparable sales fell 1.3 percent, hurt by the comparison against last year's strong performance led by the start of its All-Day Breakfast program. Operating income fell 11 percent. Outside the U.S., things were more positive. Comparable sales in McDonald's international lead markets rose 2.8 percent in the latest period. (Source: CNBC)*

**> Tom Brady Is The Most Successful Quarterback In NFL History:** *On Sunday, Tom Brady led the New England Patriots past the Pittsburgh Steelers to clinch a spot in Super Bowl LI. Is Brady the greatest quarterback of all time? That is certainly debatable. But if winning is the best measure of success, it is hard to argue with the idea that Brady is the most successful quarterback of all time. Brady has already won four Super Bowls, tied*

with Joe Montana and Terry Bradshaw for the most all time. Now he is going to his seventh Super Bowl in 15 seasons as a starting quarterback. Nobody else has been a starting quarterback in more than five. (Source: Business Insider)

### Quarterbacks to Play in the Most Super Bowls



BUSINESS INSIDER



**Southern Texas** - I run soybeans and onions as well as other assorted vegetables down near the border of Mexico. We all are extremely anxious regarding possible trade wars that our new President may create for us with Mexico and China. Our onion crop will be one of the first produced in the U.S. and we are hoping for access to all our normal markets. It is imperative for many of us to maintain if not improve the status quo. I have been increasing the number of value added products for a few years now as it is apparent in order to survive, more than commodity crops are necessary for many of us down here.

**Central Illinois** - We have not been doing much the past few days as it has been raining, making things very muddy. We need things to freeze up hard so we can move some grain without putting deep ruts everywhere. We are getting some inputs priced, which we have seen some things lower for this year. We had excellent yields last year for both corn and beans. We had some great weather at critical times during pollination and during August for the beans. The beans went up to 85bpa in some of our good fields and we averaged 75bpa across the whole farm. The bean yields were the best that we have ever had. The corn yields were not better than 2014, which was our best ever. They were just under the record on corn yields by a couple bushels at 225bpa. We will stick with our normal rotation this year. Rents are not getting any cheaper here, with some going up for this year based on yields from 2016.

**Central Indiana** - We are corn and beans but we will go heavy on beans this year and that is what I am hearing from others in my conversations in Indiana and Illinois. All 2016 beans are marketed and 12% of 2017 booked. My message to the new administration is to get rid of the WOTUS and EPA regulations. I was in process of fixing 9/10ths of an acre that was tiled years ago and left unmaintained. Much to my surprise, someone reported me and I had to mitigate the land. With attorney fees included that little parcel cost me over \$600,000 to reestablish a wooly worm colony. It appears to me that the mitigation business has become lucrative for some. Yea, I'm looking forward to a new administration.



**Agricultural Wealth: Assessing The Dispersion Of Farmland Values In The 10th District:** Not all farmland is equal—especially in value. Understanding what makes one piece of farmland more valuable than another presents challenges and helps underscore the correlation between these values and farm wealth. In today's agricultural climate, where land values have declined for the first time since the 2007-09 recession, this correlation and its effect on agriculture's future have become more significant. In the Federal Reserve Bank of Kansas City's Tenth District, the price of irrigated farmland in the second quarter of 2016 slid 5 percent from a year ago. At the same time, nonirrigated land fell 3 percent and ranchland declined 3 percent, according to Kansas City Fed data released in August. Although the average value of farmland has declined modestly in recent years, the value of farmland in some parts of the Tenth District—comprised of Colorado, Kansas, western Missouri, Nebraska, northern New Mexico, Oklahoma and Wyoming—has fallen sharply while farmland values in other areas have risen, and the distribution of that value has widened over time, says Cortney Cowley, an economist with the Kansas City Fed, in her recent research. Read more from the [KC Fed](#).

**Increasing Temperatures Lowers Yields:** Computer simulations run by an international team of scientists showed that climate change will likely impact U.S. yields of wheat, maize (corn) and soybeans, according to a new study from the Potsdam Institute for Cli-

mate Impact Research. The simulations were shown to reproduce the observed strong reduction in past crop yields induced by high temperatures. The scientists found that increased irrigation can help reduce the negative effects of global warming on crops, but is obviously only possible in regions where sufficient water is available. For every single day above 30 degrees C (86 degrees F), maize and soybean plants can lose about 5% of their harvest. The simulations have shown that the models capture how rather small heat increases beyond this threshold can result in abrupt and substantial yield losses. Such temperatures will be more frequent under unabated climate change and can severely harm agricultural productivity, researchers said. Read more from [World Grain](#).

**Obama Considered Minting A \$1 Trillion Coin:** On "Pod Save America," a podcast from Crooked Media, the new media startup featuring former Obama staffers and speechwriters, Obama was asked what the "scariest moment" of his presidency was. "I think it was the moment when it seemed that John Boehner didn't seem to generate the votes to make sure the US didn't default on our debt," Obama said, referring to the former House speaker. "We had to start drafting a speech." Obama told the podcast that, amid the possibility of a government shutdown and default that would most likely have lowered the US's credit rating, the administration was considering numerous options, including minting a coin worth \$1 trillion to pay off a good portion of the debt. Sounds crazy, right! Read more from [Business Insider](#).

**When Giving Critical Feedback, Focus on Your Nonverbal Cues:** Giving feedback may be one of the most difficult challenges a manager faces. On the one hand, you have to be honest; on the other hand, you don't want to alienate your employee. You tread a fine line between maintaining cordiality and successfully getting your point across. A positive workplace culture is essential for employee engagement and productivity. Empathy at work creates psychological safety, which research by Amy Edmondson of Harvard demonstrates is created when managers are inclusive and humble and encourage their staff to speak up or ask for help. More important, feeling safe in the workplace helps encourage the spirit of experimentation that's so critical for innovation. Despite this need for a positive workplace culture, there is no doubt that giving critical feedback is essential. The question is how to deliver it. The question is how to deliver it. Most advice in this area focuses on what to say — for example, give more praise than criticism, and listen more than you talk. Those are important, but our nonverbal communication is just as important as the words we use. Emma Seppala details some important nonverbal signals to be aware of over at [Harvard Business Review](#).

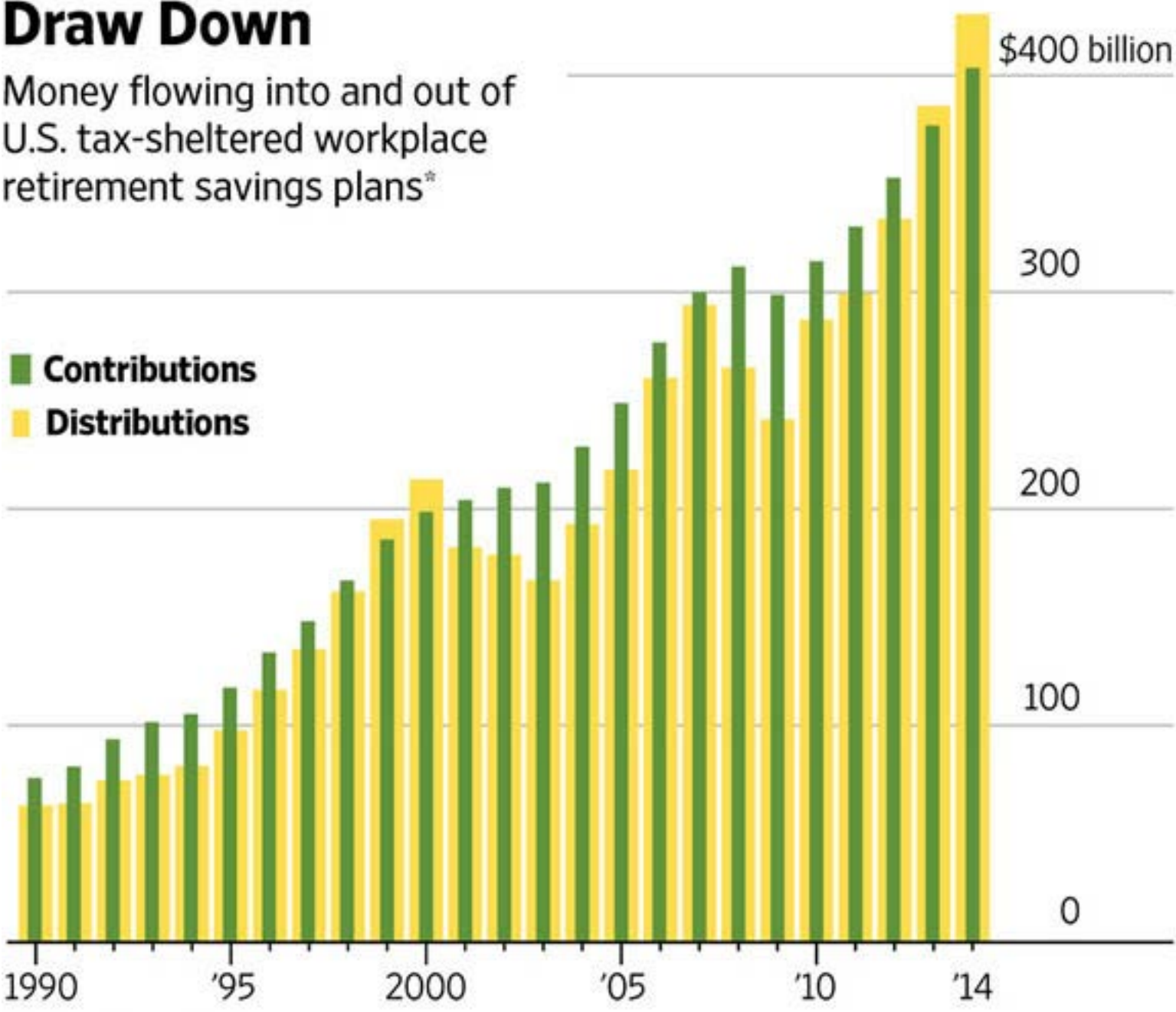
**Pulling Retirement Cash, But Not By Choice:** The largest generation in U.S. history has to start pulling its retirement money this year, kicking off a mandatory movement of cash that could total hundreds of billions in the coming decades. U.S. law generally requires anyone age 70½ or older to begin annual withdrawals from their tax-sheltered retirement accounts and pay taxes on those distributions. The oldest of the nation's 75 million baby boomers cross that threshold for the first time this month, according to a U.S. Census Bureau. The obligatory outflows from 401(k)s and IRAs are expected to ripple through the U.S. economy, stock market and a money-management industry that relies heavily on fees from boomers' tax-sheltered savings plans and assets. Boomers hold roughly \$10 trillion in tax-deferred savings accounts. Over the next two decades, the number of people age 70 or older is expected to nearly double to 60 million—roughly the population of Italy. Contributions to tax-deferred retirement plans outnumbered withdrawals through much of the 1990s and 2000s. That flow began to reverse as boomers entered their retirement



years earlier this decade. Investors pulled a net \$9 billion from workplace retirement-savings plans in 2013, according to the Labor Department. In 2014, the withdrawals jumped to a net \$24.9 billion. Full-year information for 2015 from the Labor Department isn't yet available, but large mutual-fund companies that manage the bulk of U.S. retirement assets say outflows continue to rise. Fidelity Investments expects 100,000 customers to take their first required distributions in 2017, up from 91,000 in 2016. The full article is available at [The Wall Street Journal](#).

# Draw Down

Money flowing into and out of U.S. tax-sheltered workplace retirement savings plans\*



\*Defined-contribution plans  
Source: Labor Department



## **Who Do We Believe In Regard To Climate Change**

In the famous words of Vinnie Barbarino...“I’m so confused”. For the third year in a row all kinds of data is circulating that shows the Earth has set a record for warmth. From what I’ve read in several recent documents the planet’s mean surface temperature in 2016 was 0.99 degrees C above the late 20th century average, topping the previous record set in 2015 of 0.87 degrees above average, according to NASA’s Goddard Institute for Space Studies. In fact data shows eight of the past twelve months in 2016 either tied or broke the previous record respective heat readings in NASA’s database. The other four months ranked no lower than third in terms of the warmest months. The NOAA also says the globe hasn’t had a cooler than average year since 1976, a stretch of 40 consecutive warm years. Furthermore, every year this century (since 2000) ranks among the top 17 warmest years, with only 1998 occupying the other slot on that list. Earlier in 2016, the globe set a record warm mean temperature for 16 straight months that ended in August, the longest such stretch of months a new record high temperature was set for each respective month in NOAA’s 137 year record. Understand, data from the Japanese Meteorological Agency also found 2016 was a record warm year, dating to 1891. JMA and NOAA each found that 2013 through 2016 now occupy four of the five warmest years on record. As for December, despite persistent pockets of cold in some areas, the final month in 2016 was still one of the globe’s warmest overall. NOAA found it to be the planet’s third-warmest, while the JMA concluded it was the second warmest December dating to the late 19th century. I don’t see any reason to split hairs about one month being a fractional amount higher or lower than another, I’m just a bit confused about our overall stance on climate change and global warming. There arguably seems to be a trend of warmer global temps since the late 1970s. We also have many of the top global leaders continuing to point towards concerns on the horizon. In fact it remained one of the major talking points at Davos this past week. I personally continue to find it a very controversial and somewhat difficult subject to find a soiled answer. It feels like President Trump and some on his team have also been very skeptical of “global warming” and some of the overall climate change policy that has been in place. I’ve had the opportunity to meet with several very well respected sources on the opposite side of the climate change argument, many who say we are simply in a longer-term period of warming that will more than likely be followed by a longer-term trend of dramatic cooling. Many sources point to the fact the Earth’s climate is believed to have changed several times throughout history. Many say in the past 650,000 years there have been seven cycles of glacial advance and retreat, with the abrupt end of the last ice age about 7,000 years ago marking the beginning of the modern climate era — and of human civilization as we know it. These same sources also argue that most of these climate changes are attributed to very small variations in Earth’s orbit that change the amount of solar energy our planet receives. I’m just confused on what or who to believe. The data is definitely pointing to warmer trends in temperatures and it certainly makes some sense that humans could have some hand in that change. To what extent I’m completely uncertain. I also understand the argument surrounding the fact we may simply be in the midst

of a much longer-term cycle. It will definitely be interesting to see what types of new arguments and new scientific data will be made available under new leadership? (Source: NOAA)



### **Introducing Miss NiNi's Desserterie**

A long time subscriber of The Van Trump Report recently told us about his wife's new endeavor - a bakery she calls "Miss Nini's Desserterie" located in West Des Moines, Iowa. Janine Knop started creating her baked goods in her commercial kitchen in her Atlantic, Iowa home and selling online and around town to area coffee shops. Opening the Desserterie has been a project three years in the making. Part of the long time spent getting the bakery up and running had to do with waiting for the perfect location to come available. She acquired her love of baking as a young girl, hanging out with her mother in the kitchen of their family farm. The skills she learned led to her going on to participate in - and win - several 4-H baking contests while she was a teen. Knop went on to earn a Bachelor of Science degree in Home Economics Education with a minor in Food and Nutri-



tion. As a professional baker, she's developed award-winning recipes and won competitive dessert baking contests, including several ribbons for her baked goods at the Iowa State Fair. Miss Nini's Desserterie is selling not only delicious cheesecakes, layer cakes, cookies and other baked delights, but they offer some breakfast and lunch items as well. There is of course coffee available to accompany the goodies, along with wine and a selection of craft beers. If you're in the Des Moines area, stop into the Desserterie in the Hawthorne Centre at 9500 University Ave., or check out their [Facebook](#) page for information on how to place an online order for your next special event! I always like to help those families who have helped support ours through the years, so here's to wishing you all the best in your new endeavor.

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### **The Unlikely Route of Patriot Playoff Standout Wide Receiver**

I have to imagine New England wide receiver Chris Hogan will be one of the big story lines at the upcoming Super Bowl in Houston on Sunday, February 5th. In case you missed this past weekend's playoff victory by the Patriots over the Steelers, Chris Hogan was a major part of the win. In fact Hogan set a Patriot playoff record by catching nine passes for 180 yards and scoring two touchdowns. It's not that Hogan is seeing success in the Patriots program, but rather the story of how Hogan made it to the Patriots that is so interesting. Hogan initially entered the NFL as an unrestricted free agent, having played four years of Lacrosse at Penn State and just one year of football at Monmouth University. I should also not that Hogan was cut by several NFL teams...49ers, Giants, Dolphins before making it into the spotlight. I guess the fact he had to fight and claw for everything makes him a prime target for fitting into the Patriot program. I also find it extremely ironic how things often play out. As a sophomore on the Penn State lacrosse team, Hogan sustained a high ankle sprain, and after attempting to play a couple of games on it, he was forced to sadly shut it down for the season. It was that period of sadness and injury that gave Hogan a redshirt year and the opening to pursue one season of college football after his lacrosse playing days were over. Proof again that in what we often deem as our most darkest times are all part of God's master plan. To change the subject a bit, I also wanted to point out that no player in NFL history has played or coached in seven Super Bowls. That's exactly what is going to happen on February 5th when Tom Brady and Patriot coach Bill Belichick take the field. They will both be setting a new NFL record. Brady is currently tied with former Bills and Broncos defensive lineman Mike Lodish for the most Super Bowls played, with six. Belichick is currently tied with former Colts and Dolphins coach Don Shula for the most Super Bowls coached, with six. Also keep in mind if the Patriots win, Belichick also becomes the first head coach ever to win five Super Bowls. Belichick is currently tied with former Steelers coach Chuck Noll, with four Super Bowls won. And Brady, with a win, would join former 49ers and Cowboys outside linebacker Charles Haley as the only players to earn five Super Bowl rings.





## THE CHRIS HOGAN JOURNEY



**4 YEARS OF LACROSSE  
AT PENN STATE**

(VIA MARK SELDERS/PENN STATE UNIVERSITY)



**ONE YEAR OF FOOTBALL  
AT MONMOUTH**

(VIA MONMOUTH UNIVERSITY)



**UNDRAFTED:  
CUT BY 4 NFL TEAMS**



**SETS PATRIOTS RECORD FOR  
MOST REC YDS IN PLAYOFF GAME**

# CASH SALES & HEDGING TOTALS

## CORN 2015 CROP

100% SOLD  
0% HEDGED  
0% Cash Remaining



## SOYBEANS 2015 CROP

100% SOLD  
0% HEDGED  
0% Cash Remaining



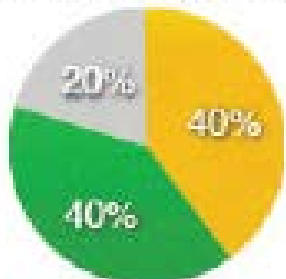
## WHEAT 2015 CROP

100% SOLD  
0% HEDGED  
0% Cash Remaining



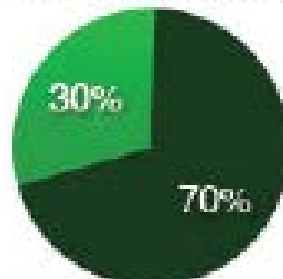
## CORN 2016 CROP

40% SOLD  
40% HEDGED  
20% UNPROTECTED



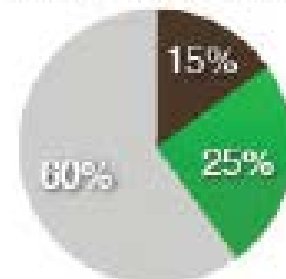
## SOYBEANS 2016 CROP

70% SOLD  
30% HEDGED  
0% UNPROTECTED



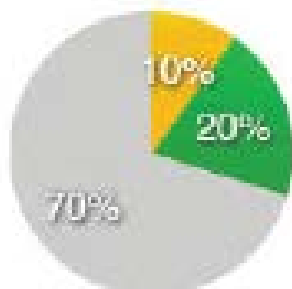
## WHEAT 2016 CROP

15% SOLD  
25% HEDGED  
60% UNPROTECTED



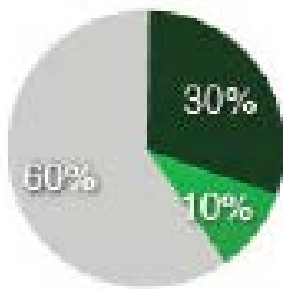
## CORN 2017 CROP

10% SOLD  
20% HEDGED  
70% UNPROTECTED



## SOYBEANS 2017 CROP

30% SOLD  
10% HEDGED  
60% UNPROTECTED



## WHEAT 2017 CROP

0% SOLD  
10% HEDGED  
90% UNPROTECTED

