



"I always try to believe the best of everybody -- it saves so much trouble." - **Rudyard Kipling**

THURSDAY, JANUARY 26, 2017

Morning Summary: Stocks soar to record highs! The Dow closed above 20,000 yesterday for the first time in history as investors remain upbeat on President Donald Trump's quick authorization of U.S. infrastructure projects, while at the same time digesting U.S. corporate earnings data that is mostly topping expectations. According to FactSet, it took the Dow just 42 trading sessions to amass 1,000 points and close above 20,000 - the second-shortest thousand point move in the index's history. Of the 104 S&P 500 companies that had so far reported results, nearly 70% have beaten expectations. Earnings are currently expected to show growth of +6.8 percent for the quarter. In Washington, President Trump signed an executive order authorizing the building of a border wall between the U.S. and Mexico. House Speaker Paul Ryan said funding to begin construction of the wall will hopefully be provided by August. Ryan also laid out a timetable for two other major GOP initiatives - repeal and replace Obamacare by March or April and approve a sweeping tax reform package by August. Trump today is still expected to sign an executive order that would block the entry of refugees from Syria and suspend the entry of any immigrants from Muslim-majority Middle Eastern and African countries, including Sudan, Somalia, Iraq, Iran, Libya and Yemen, while more permanent rules are being studied. Even though the market seems extremely excited about the fact campaign promises are swiftly being checked off the list, I remain apprehensive in adding to my current stock market length. In fact I banked a few additional profits on this last leg higher. Yes, the VIX volatility index is the lowest we've seen since July 2014 and market breadth during the recent rally seems fairly well diverse, but I suspect we eventually run into a bit of increased market uncertainty once the pre-game drills and layups are taken away. It seems like Germany is starting to get a bit more irritated concerned about Draghi and additional ECB quantitative easing. Here at home the next hurdle for the market could be the upcoming Fed meeting. There's some worry and speculation by the bears that the Fed could start to get much more aggressive as Trump's policies start being put in place, bringing about the very real possibility that the economy and the market could start to overheat. Meaning a much greater possibility for rising inflation, something the Fed will now be trying to stay ahead of... Today's economic releases include International Trade, the Chicago Fed National Activity Index, New Home Sales and the Kansas City Fed Manufacturing Index. Earnings will likely be the bigger focus for investors with key results scheduled from Alphabet (Google), Baker-Hughes, Biogen, Bristol-Myers, Caterpillar, Celgene, Comcast, Dow Chemical, Fiat Chrysler, Ford, Intel, Microsoft, PayPal, Raytheon, Southwest Airlines,

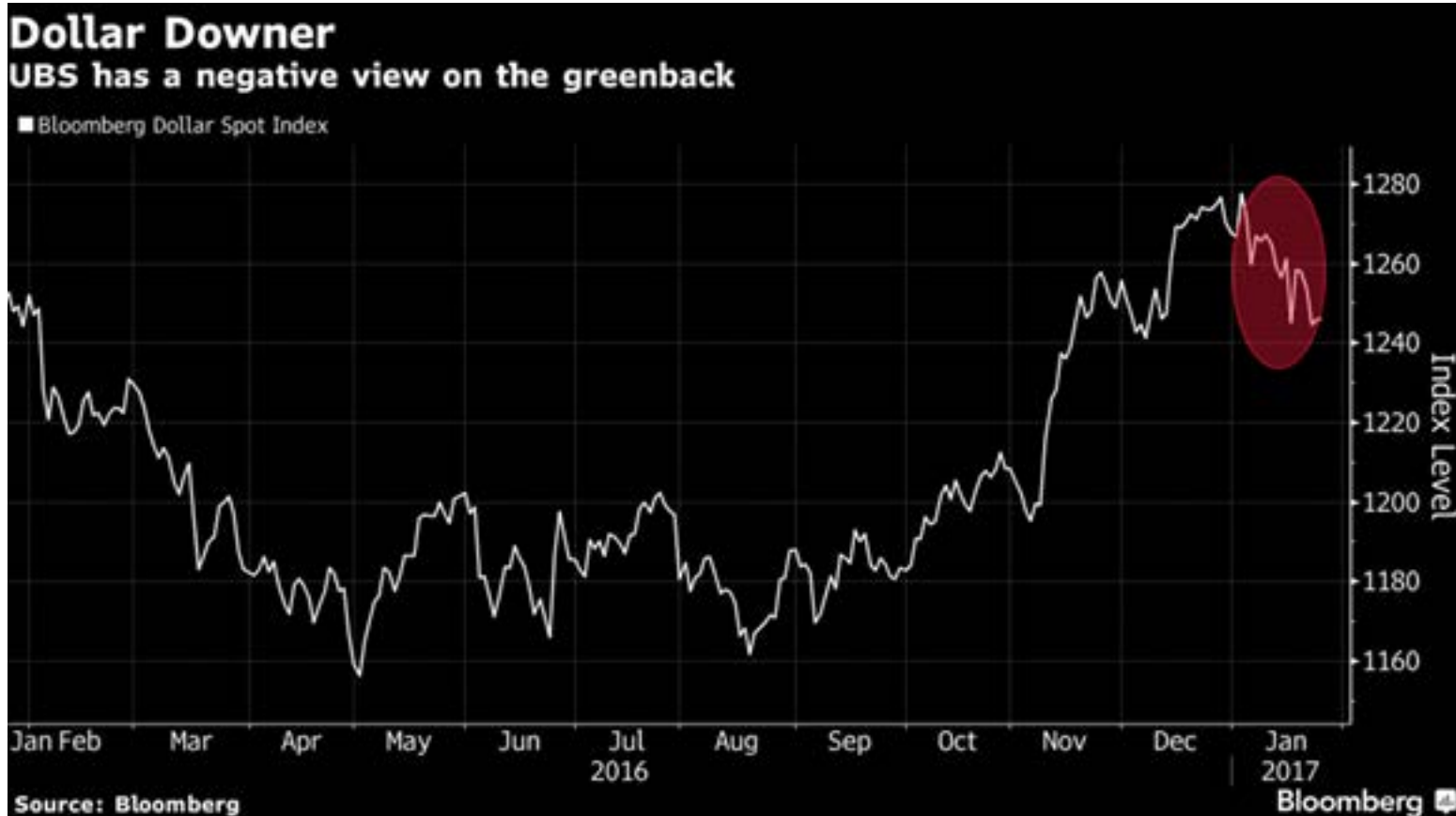
Starbucks, T Rowe Price and Unilever. Also keep in mind, the Chinese Lunar New Year is this Saturday, January 28th, but the week long public holiday begins this Friday. Most businesses and government agencies will be closed or operating in a limited capacity through next Thursday, February 2. The holiday can obviously be expected to have some impact on trade and Chinese financial markets.

Trump Says Border Wall Construction Will Begin "In Months": *Two of the most fundamental elements of Donald Trump's successful Presidential campaign were put into motion yesterday - the Mexican border wall and tighter restrictions on immigration. Trump signed an executive order Wednesday directing federal agencies to begin construction of a physical wall along the U.S.-Mexico border. He said in an ABC interview that construction could begin "in months" and maintained that Mexico will pay for the costs. Various estimates have put the cost at anywhere between \$8 billion and \$25 billion and Trump has acknowledged that U.S. funds will be needed to begin the construction. Trump said the federal government will be "reimbursed at a later date," I suspect through renegotiated trade deals and business dealings with Mexico. The second order signed by Trump would end the "catch and release" policy that quickly returned border-crossers to Mexico instead of arresting and processing them for deportation. The immigration actions also seek to withhold visas from countries to make sure they take back people in the U.S. illegally who are found to have broken U.S. laws. It would also strip federal grants from "sanctuary" cities and states that do not enforce federal immigration laws. Republicans hailed the moves as a welcome change after years of what they considered negligence on the part of Obama's DHS to enforce the nation's immigration laws. . (Sources: The Hill, Reuters)*

What To Expect After Dow 20,000: *Using history as a guide, several CNBC analysts say that with the Dow crossing the psychological multizero barrier of 20,000 suggests more gains are to come. Looking at market data from the past 30 years and zeroing in on the the times when the Dow has crossed levels like 2,000, 3,000...all the way up to the 19,000 level it hit in November, investors can typically expect traders to push it up even a bit higher before a pull-back. Not only does the Dow go up, but it tends to outperform the S&P 500 index along the way. The trend is true not just for quick one-week returns, but also for one-month and one-quarter. Going back to January 1987, when the Dow closed above 2,000 for the first time, the Dow has outperformed the S&P 500 index 14 of those 18 times. Those -000 multiples get extra attention in the media, encouraging more people to jump on board. Such mental and optical effects also play a part in technical trading. A market move through a -000 level also suggests a shift on the chart. Levels that had been considered resistance (psychological barriers against going higher) tend to turn into levels of support. (Source: CNBC)*

UBS Sees Dollar Moving Lower This Year: *UBS Group AG's wealth-management unit believes the U.S. dollar has peaked and will probably decline this year under President Trump. "The more debt that Donald Trump promises through higher infrastructure and lower tax and tax cuts tends to lead itself to a twin deficit situation in the U.S., which clearly is negative for the currency," Wayne Gordon, executive director for commodities and forex at the unit, said in a Bloomberg TV interview. The outlook for the currency is also being shaped by the Federal Reserve, which has signaled it plans further interest rate increases this year with inflation coming closer to its goal and*

near-full employment. Trump has said his plans to slash taxes and push up spending won't add to the deficit, and will instead deliver growth to levels not seen since before the financial crisis and create jobs. (Source: Bloomberg)



Just A Little Reminder... *This came my way the other day and it certainly made me stop and think. It also made me want to take this moment to acknowledge my beautiful wife and say, "I couldn't have done any of this without you!" I suspect many of my farming and trading friends would have to say the same about their wives. Best to take the time to let them know! Click [HERE](#)*

THIS IS HOW YOU



one person properly and say that while I was

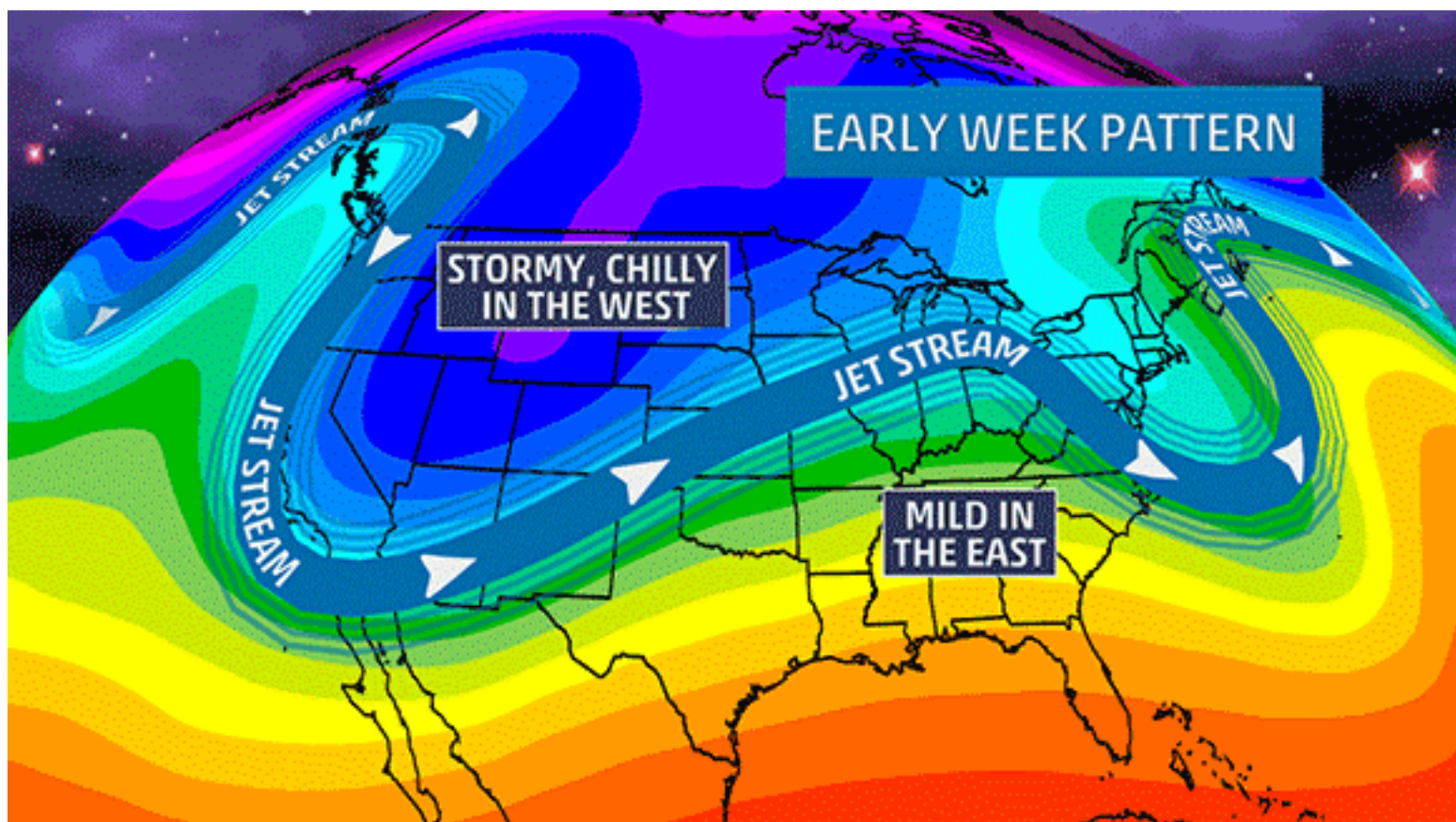
SHOW GRATITUDE



Weather over the past day saw snow and ice fall across the north-central Midwest region. The heaviest snow fell in parts of Nebraska and South Dakota and ended yesterday. For today, cool air in the wake of the cold front's passage is overspreading the central and southern High Plains. South of the snow, mild weather prevails across the southern Corn Belt. Fields and feedlots remain muddy in parts of the Midwest due to mild weather, unfrozen soils and recent precipitation. In the South, warm weather is prevailing in advance of a cold front. A low-pressure system currently crossing the upper Mississippi Valley will drift east-northeastward, reaching the New England coast later today. Snow will fall north of the storm's track, while rain showers will develop across the eastern U.S. Cooler temps in the storm's wake will result in snow continuing through the weekend downwind of the Great Lakes. Much of the remainder of the U.S. will experience tranquil wether for the remainder of the week. However, very cold conditions will persist in the western U.S., where freezes could reach deep into the Southwest.

Big Pattern Change Brings Winter Back to Midwest: *A pattern change is under-*

way for the U.S., which will bring a well-deserved break from the recent stormy siege in the West and temperatures closer to late January averages to parts of the Midwest and East. The recent set up has featured a persistent jet-stream dip southward over the West with a northward jet stream bulge over the eastern half of the nation. This has trapped stormy, chilly weather in the West and allowed mild temperatures to engulf the East. Late this week, that pattern essentially flips, allowing warmer, drier air to build into the West and cold air to drift southward out of Canada into the East. By Friday, most areas in the Midwest and South will see temperatures 15 to 25 degrees colder than midweek.



Corn bears continue to talk about the possibility of trade complications as leaders in Washington renegotiate deals with global buyers. That in turn leads to debates about overall U.S. demand. There's also the continued talk of weather conditions in both Argentina and southern Brazil starting to improve. The bulls on the other hand are pointing to the recent weakness in the U.S. dollar and the fact we've fallen to fresh new multi-week lows, meaning perhaps the dollar headwinds are behind us and that demand may remain stronger than many have been forecasting. Despite the recent hike in Chinese ethanol and DDG tariffs, weekly U.S. ethanol production was still reported at near record high levels last week. I wish I could say with confidence ethanol production will stay that strong, but unfortunately I have to imagine the weakening margins at the plants and bulging of supply will eventually create more of a drag on production. From both a producer and spec perspective I still don't see this market doing a lot in the next few days. The upside seems fairly limited by a glut of global supply, a somewhat improving weather scenario in South America, and uncertainty with policy and trade in Washington. The downside seems sup-

ported by the fact the funds have taken perhaps a more bullish approach towards “commodities” as a whole on what appears to be improving economic conditions both here at home and globally. There’s also a lot of uncertainty still surrounding the logistical complications in Argentina and the weather risk that still remains in play for second-crop corn in Brazil. We also have the lingering questions and debates surrounding just how many U.S. corn acres are going to be cut in 2017? From my perspective there’s just a ton of “what if’s” and I don’t think the market is prepared to move a whole lot until it knows a few more details. I’m staying extremely patient...

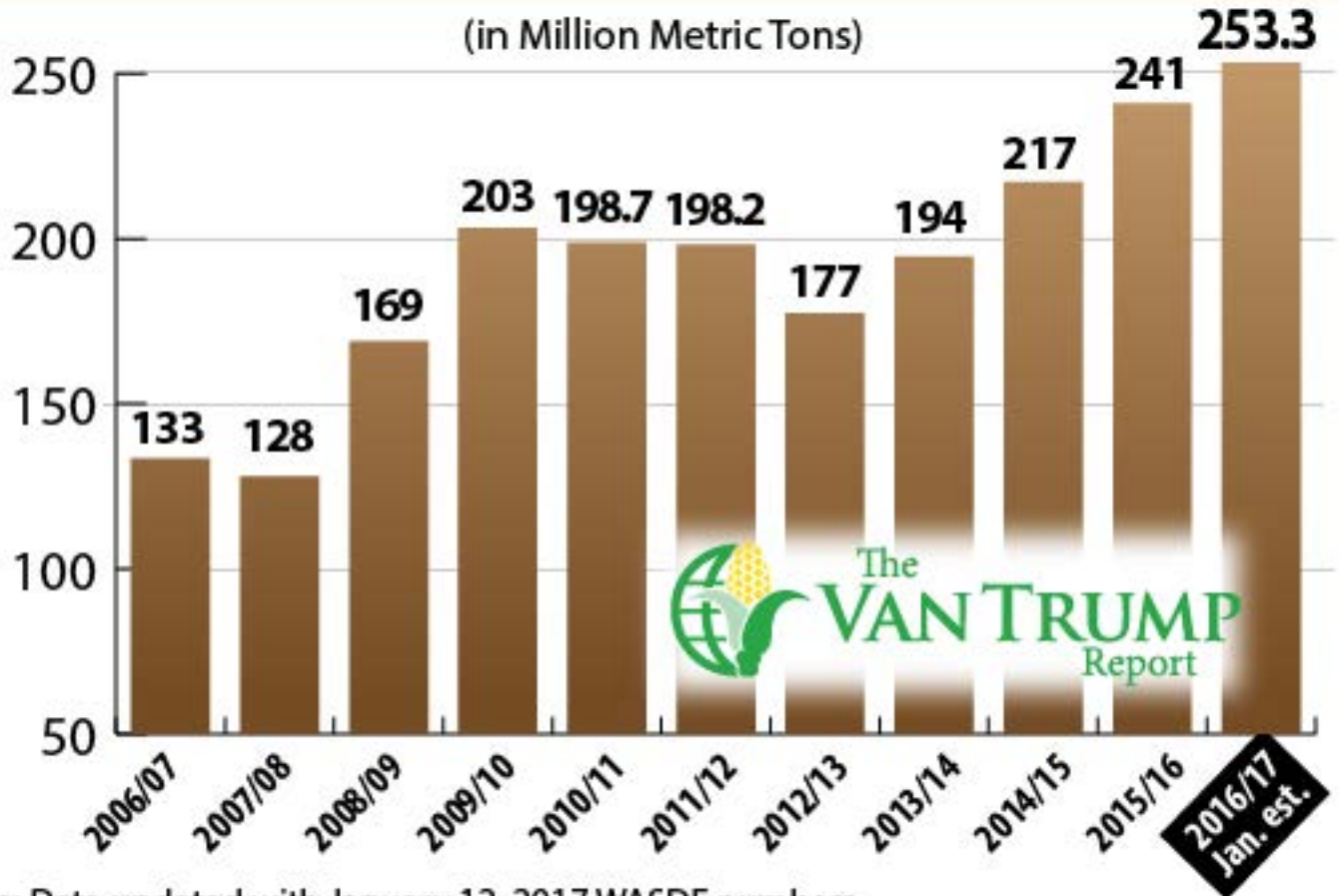
Soybean bulls are hoping that a resurgent U.S. and Chinese economy will provide some additional bullish interest for the funds. Goldman recently reiterated their overall positive stance towards “commodities” by saying they will more than likely be supported in the next few months by a global rebound spanning the U.S., Europe and China. Don’t forget back in December it was the team at Citigroup saying something very similar, to the fact the oversupply that’s weighed on the market the past few years may soon be overlooked in regard to the larger macro’s. I recently heard a trader who’s managing an extremely large sum of money say that “commodities” as an overall asset class has become much more attractive in the current environment, especially as we start to see more stimulus spending by the Chinese and perhaps even more robust strength in the U.S. economy. My thoughts remain the same, despite what can be argued as traditional bearish fundamentals, if fund managers are having to put money to work in the commodity space, I could easily see more spill-over buying leading to more length in the soybean market. In other words, if I were being asked to put \$1 billion to work in a balanced manner in the commodity space, soybeans seem to have the sexiest story of the most heavily traded ag crops. I completely understand the traditional reasons to be holding a bearish tilt, but I’m wondering if the trade hasn’t tired of the same old over-supplied story and a macro type perspective is becoming more in vogue.

Wheat bears continue to talk about the traditional fundamentals, which include burdensome domestic and global stocks and very little if any worrisome weather headlines. The bulls are arguing that the recent warming trends will ultimately leave some key production areas without snow-cover and at risk of severe “winter-kill” if we should see major cold-snap in the days ahead. The bulls also continue to point to the fact U.S. winter wheat acres are the lowest they’ve been in more than 100-years. In other words we just don’t have the acres this year to lose to weather complications. There’s also a bit more bullish talk coming out of Russia, where wheat prices have pushed higher in the past several days on the heels of a strengthening dollar, as well as some severe cold weather in the forecast for both Russia and parts of Ukraine. As a spec I personally continue to hold a conservatively bullish approach exclusively betting on some type of “wild-card” to eventually be dealt from the deck. As a producer however I’m starting to look a bit more aggressively for ways to reduce some additional new-crop price risk. I’m just afraid we are starting to run into more heavy nearby resistance to the upside and without a weather or geopolitical “wild-card” hitting the table soon it’s going to be tough to build a more bullish hand.

Record World Wheat Supplies Outpacing Demand: *According to the latest WASDE data, global wheat supplies for 2016/17 were raised 11.3 million metric tons on a production increase that is only partially offset by lower beginning stocks. Global use for 2016/17 is raised a mere 0.1 million metric tons. With total global supplies increasing*

faster than use, ending stocks are increased 1.2 million metric tons to a new record of 253.3 million.

Wheat Global Ending Stocks



Source: Data updated with January 12, 2017 WASDE numbers



> Ethanol Production Week Ending January 20: *Weekly ethanol production for the week averaged 1.051 million barrels per day, down -0.28% from last week but up +9.37% compared to last year. Stocks rose to 21.728 million barrels, up +2.90% from last week and up +1.36% from last year. Total corn usage is estimated at 110.36 million bushels.*

> EPA Regulation Freeze Spooks RIN Market: *Renewable Identification Numbers traded at 14-month lows Wednesday following news that the Environmental Protection Agency will delay implementation of 30 regulations until March 21, despite industry groups saying 2017 blending mandates are unlikely to change. "When a market is heavily driven by regulation whose future is opaque, you will get craziness," one source familiar with the RINs market told Platts. Ethanol RINs for 2017 compliance traded as low as 47 cents/RIN Wednesday, 14 cents lower than the S&P Global Platts assessment of 61 cents/RIN Tuesday. The same RINs were at 69 cents/RIN on Monday. The previous low for ethanol RINs was November 25, 2015, when Platts assessed them at 41.75 cents/RIN.*

> Palm Oil Recovery Seen Bringing Downward Pressure To Soybeans: *Oil World says that uncertainty about the final size of this year's South American soybean crop is one of the key factors keeping the soybean complex supported right now. However, they warn there is no guarantee that prices for beans and meal will not come under "sizable pressure" in the coming weeks if the weather stays reasonably favorable and U.S. farmers expand soybean acreage this spring. Additionally, they expect a recovery of world palm oil production and export supplies in April-September 2017 to have a bearish impact on prices of most oil and vegetable seeds as well.*

> Rabobank Raises Corn Forecast On Argentine Flooding: *Rabobank raised its forecast for corn prices by \$0.20 a bushel across the board, citing the threats to Argentine output from floods, at a time of "strong" world demand, besides support from the rally in rival crop soybeans. "Corn prices remain tethered to soybean prices in the short term, which should provide some support for the next month due to increased production risks and weather volatility," the bank said. However, prices in the October-to-December quarter are only seen averaging \$3.75 a bushel. Chicago's December futures contract was on Wednesday trading at \$3.91 a bushel. "Prices remain somewhat capped by high stocks," Rabobank said, highlighting also the potential for a dent to values from strong production in Brazil including of the safrinha corn crop, the source of most of the country's exports. "We expect the area of safrinha corn to be up 4-5% year on year and, assuming normal weather, a production of 56 million metric tons is forecast, versus 41 million metric tons last year," on top of an increase of some 6-7% to 28 million metric tons in the summer corn crop too. (Source: Agrimoney)*

> Perdue's Confirmation Hearing May Be A Few Weeks Away: *The Senate Agricul-*

ture Committee isn't expected to hold a confirmation hearing on Sonny Perdue's nomination for Agriculture secretary until mid-February or perhaps even late in the month, a transition team source tells POLITICO. It will take several weeks for the nominee's financial disclosures to be thoroughly analyzed for potential conflicts of interest and for his FBI background check to be completed, the source said. Issues related to receipt and evaluation of ethics and financial disclosure paperwork has led to delays in the confirmation process for other Cabinet nominees, including Betsy DeVos, Trump's pick for Education secretary. (Source: Politico)

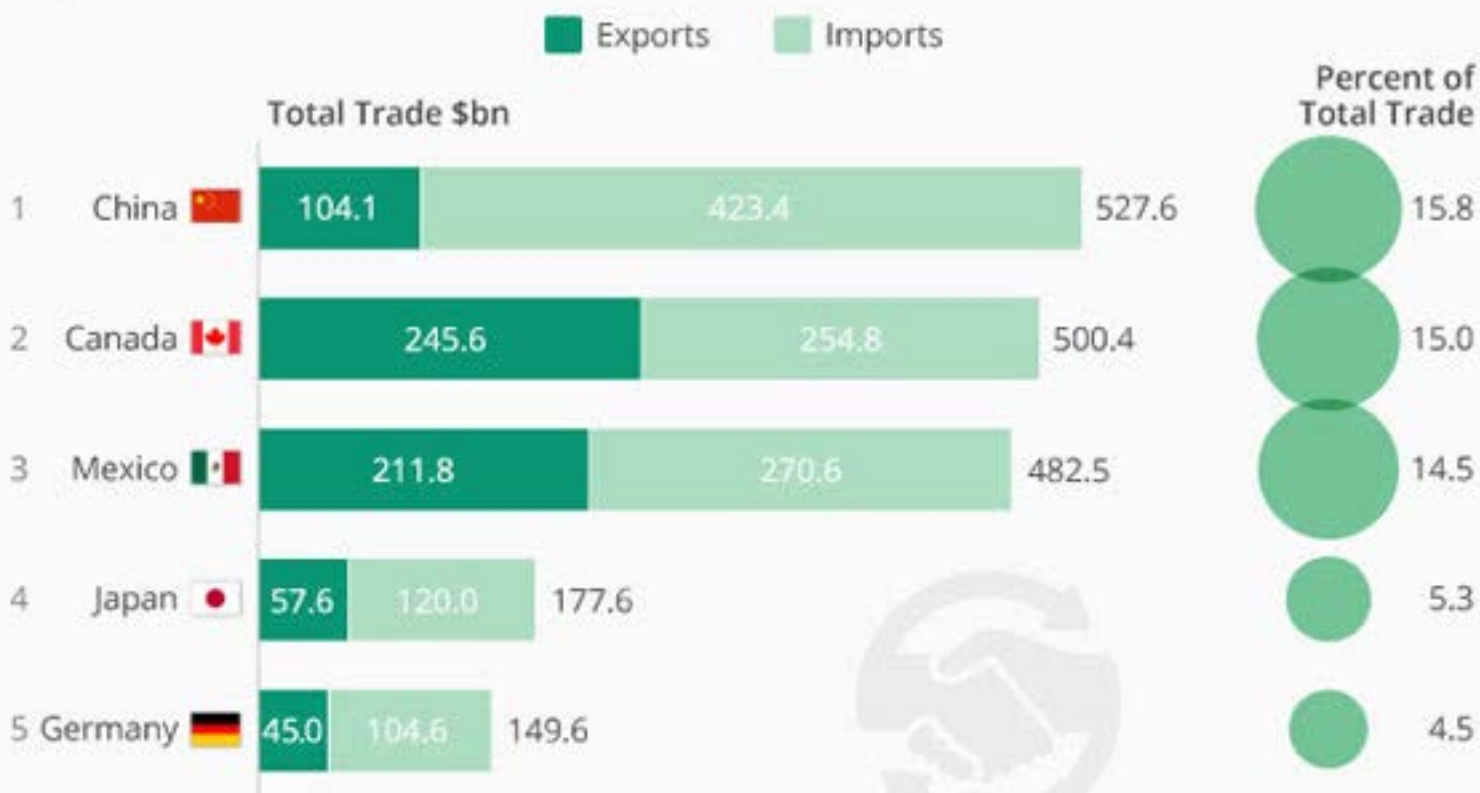
> Senate Announces First Farm Bill Field Hearing: *The Senate Agriculture Committee will host its first 2018 Farm Bill field on Thursday, February 23, in Manhattan, Kansas. Senate Agriculture Committee Chairman Pat Roberts says it's time to get to work on another Farm Bill and the Committee is going to the heartland to talk directly to producers. He says they need clear direction on what is working and what isn't working in farm country. Ranking member Debbie Stabenow says as discussions begin the Committee needs input from farmers and families all across the country to craft a bill that continues to strengthen American agriculture along with small towns and rural communities. (Source: Brownfield Ag)*

> EU Calls For China To Take "Concrete" Steps To Open Markets: *The European Union urged China on Wednesday to make "concrete progress" in opening its markets to global investment, after Chinese President Xi Jinping decried protectionism in a speech at the recent World Economic Forum in Davos, Switzerland. Xi called for "inclusive globalization" and for global unity, saying "self-isolation will benefit no-one", two days before the inauguration of U.S. President Donald Trump. During that week, China's cabinet issued measures to further open the economy to foreign investment, including easing limits on investment in banks and other financial institutions. No further details were provided, nor a timetable for their implementation. "A speech is a speech and actions are actions," said Hans Dietmar Schweisgut, EU Ambassador to China, adding that so far, the EU has not seen "sufficient signs that China will be willing to grant reciprocity of market access to European companies." Billionaire investor Wilbur Ross, Trump's choice for commerce secretary, has called China the "most protectionist" country in the world, and said China's officials "talk much more about free trade than they actually practice." (Source: Reuters)*

> America's Biggest Trading Partners: *The United States, as the biggest economy in the world, has traditionally been at the center of global trade flows. China has taken the front seat as the most traded with partner. Most of the total worth of trade stems from imports. With Canada, the second most important trade partner, trade flows are more balanced. This chart shows the top 5 U.S. trading partners for goods (\$billions & % of total trade), year-to-date November 2016. (Source: [Statista](#))*

The Countries America Loves to Trade With

Top 5 U.S. trading partners for goods 2016 (\$ billions & % of total trade)*



* Year-to-date November 2016
 Source: U.S. Census Bureau

statista



Northeast Illinois - *The weather is foggy and wet again today as we work on some equipment in the shed. There is quite a buzz about Trump removing America from the TPP agreement and I do not understand it. Trump stated all along that he would not be a participant in that program so why is the ag world surprised and upset? I certainly believe - am hoping - he will create other opportunities going forward. We are yet to decide on a crop plan for this year even though I have purchased 99% of my seed. We will most likely stay with our 65/35 rotation of corn/beans. 2016 yields of 230 - 260bpa allowed us to make a little money on the harvest. I have purchased all our inputs for this year and prices have come down from a year ago, so that is a good start.*

Southeast Iowa - *Attempting to help my neighbor who put cereal rye in bean ground that is going to corn. I told him to terminate the rye 10-14 days (or more if you are uneasy about it) before planting corn. This will help reduce the "green bridge" effect, which is*

where you provide a living habitat for potential insect pests. By terminating early you are giving them a chance to move out before planting your corn seeds...otherwise they can simply move from the living rye plant to the newly emerged corn plant. If you DO end up planting green, make sure you scout for armyworms early and often...they can clean you out in a hurry if they show up.

Western Nebraska - We are out here getting some real winter weather overnight of about 8" to 10" of snow. The amount of snow isn't bad but the wind blowing near 30mph has made it look worse than it is. I don't think that we will see many huge changes in the crop rotation here next year. We will have a couple hundred more bean acres next year just based off of our normal rotation. We are 80% irrigated but the dry land has had great yields the past few years. The dry land corn acres made 130bpa last year, which is 30bpa better than we have made in the past. If we had had one more rain late in the production year we would have been closer to 150bpa. It is just good to see the consistency from field to field. The beans are still profitable at the price levels so I think that selling them early may be the way to go. We do have a small cow/calf operation to keep us busy during the winter. We will get things ready to go for planting over the winter, then we see mostly late calving that happens in mid March to early April.



Consider Using ARP For Soybeans: From [Gary Schnitkey, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign](#) - This year, downside price risk on soybeans is a larger concern than usual. For those farmers who are particularly concerned about downside price risk, Area Risk Protection (ARP) at the 90% coverage level may be a good alternative. For most farmers, this would result in a shift from Revenue Protection (RP) to ARP. Using ARP allows moving to a higher coverage level than RP. However, ARP uses county yields in its indemnification process rather than farm yields.

AEI: Farm Supports Don't Lower Food Costs Or Help The Poor: A new report from the American Enterprise Institute says farm subsidy programs don't really help low-income consumers by lowering food costs. The conservative, Washington-based think tank's report, which rebuts those who argue farm supports help keep food affordable, is part of a broader effort to re-examine U.S. agricultural policy ahead of the next farm bill. The paper was authored by four leading economists: Joseph Glauber, who previously served as USDA's chief economist; Vincent Smith, of Montana State University; Daniel Sumner, of the University of California, Davis; and Parke Wilde of Tufts University. One of the reasons farm support programs don't translate into cheaper food and improved nutrition for Americans living in poverty, according to the authors, is that farmers receive only a small percentage of each dollar consumers spend on food. The report did not examine USDA's many other programs that support farming, including agricultural research. I'm not en-

dorsing the findings of this report, but I think it's important that anyone with a vested interest in the programs be aware of all sides of the argument. The summary and the full report are available [HERE](#).

Our 9,000-Year Love Affair With Booze: *Alcohol isn't just a mind-altering drink: It has been a prime mover of human culture from the beginning, fueling the development of arts, language, and religion. All over the world, in fact, evidence for alcohol production from all kinds of crops is showing up, dating to near the dawn of civilization. University of Pennsylvania biomolecular archaeologist Patrick McGovern believes that's not an accident. From the rituals of the Stone Age on, he argues, the mind-altering properties of booze have fired our creativity and fostered the development of language, the arts, and religion. Look closely at great transitions in human history, from the origin of farming to the origin of writing, and you'll find a possible link to alcohol. "There's good evidence from all over the world that alcoholic beverages are important to human culture," McGovern says. "Thirty years ago that fact wasn't as recognized as it is now." Drinking is such an integral part of our humanity, according to McGovern, that he only half jokingly suggests our species be called Homo imbibens. Read more from [National Geographic](#).*

Ralph Waldo Emerson's Life-Changing Advice On Trusting Your Instincts: *"Self-Reliance," considered Emerson's most influential piece, works its magic much like an inspiring song that can get you through the last stretch of a grueling run. His central point is that we should not ignore those inner whispers, which may be barely audible under the din of outside influences and self-doubt. They may contain sparks of genius. After all, the world's greatest thinkers and leaders had the courage to hear themselves and to follow their convictions, without concerning themselves overly about tradition and what others might think. They taught themselves to ignore the din and doubt, and their ideas resonated with the world because they reflected a truth that others had sensed privately as well. "In every work of genius we recognize our own rejected thoughts," Emerson writes. "They come back to us with a certain alienated majesty." In every book or painting or film that moves us, we respond because they speak to a truth we recognize—if only subconsciously. Read more [HERE](#).*

Half Of Americans Missed Out On Dow 20,000: *As you've probably heard by now, the Dow Jones Industrial Average traded above 20,000 for the first time yesterday. This barrier, which is more important psychologically than it is for actual investment decisions, had been in the market's sights for over a month after the post-election rally that followed Donald Trump's election sent stocks to new records. Unfortunately, however, many Americans missed out. Back in April 2016, Gallup conducted its latest annual poll showing that just 52% of American adults owned stocks, via either individual issues, mutual funds, or self-directed 401(k) plans. This matched the lowest ownership level in Gallup's 19-year tracking of this measure. In 2007, 65% of American adults reported owning stocks, and this number has declined steadily since the financial crisis-induced recession and the 38% decline the S&P 500 saw in 2008. Additionally, the Americans most likely to abandon the stock market are those in the middle class who likely need investment returns on their retirement savings to make retiring viable. And even more discouragingly, just 38% of Americans ages 18-34 are invested in the stock market, down from 52% in 2007. Yahoo Finance has more [HERE](#).*

Percentage of U.S. Adults Invested in the Stock Market

Do you, personally, or jointly with a spouse, have any money invested in the stock market right now -- either in an individual stock, a stock mutual fund or in a self-directed 401(k) or IRA?



Selected trends closest to April for each year, from Gallup's annual Economy and Personal Finance survey

GALLUP



Common Ground Between Cattle and Candy

The story circulating this past week about a truck spilling a bunch of unmarked skittles on the way to be used to feed cattle has sparked a lot of reader interest and commentary. Interestingly the use of sweets as an additive has grown since 2012 when corn prices were soaring, leading some livestock owners to seek alternatives, some of those alternatives happened to use one of America's favorite candies. The unmarked Skittles supposedly become available for use whenever manufacturing issues such as the trademark "S" happens to get left off the candy and can't be sold to the public. This well kept secret was exploited last week when a truck delivering a load of misfit candies happened to be traveling in a rainstorm on a county highway in Wisconsin and the boxes finally gave way to excess moisture. At first police were not sure of the foreign substance littering the road but quickly identified the mass of red pellets as Skittles by their distinctive smell. The first thought of many is to wonder whether or not candy is a suitable additive for the cattle. [According to John Waller](#), a professor of animal nutrition at the University of Tennessee, a candy-based diet for cattle is fine. It's also thought to kill two birds with one stone by keeping fat material from going out in the landfill and at the same time a good way to get increased nutrients into the bovine. According to Waller, "ruminant animals," which include goats, sheep, cattle and giraffes, take their name from the first of four compartments in their stomach, the rumen. In it, food is broken down into solids and liquids by

robust microbes. So long as a cow is getting the proper ratio of carbohydrates, protein, vitamins and minerals it shouldn't make any difference whether the rumen is churning candy or corn. An article from Maurice Eastridge, a professor in the department of animal sciences at Ohio State University, noted that having between 3% and 5% sugar in a cow's diet can help dramatically with proper digestion and be beneficial to the cow. One final note - the officials on the scene said the spill had actually proven useful due to icy road conditions as the Skittles provided extra traction. Perhaps the next time you are at your local grocery or convenience store and see a bag of Skittles you'll think about your next steak dinner or glass of milk:) (Source: [CNN](#))



The Next Hot Trends In Food

There was an interesting article on the latest trends in food that was recently penned by Annie Gasparro and Julie Jargon. The article ran on the MarketWatch blog site and I encourage you to read it in full by clicking [HERE](#). Below are a few of my more interesting takeaways:

Moringa, The Next Superfood: *The rising star in the leafy green world is the leaves from the moringa oleifera tree. Grown in Haiti and parts of Latin America and Africa, the leaves are packed with calcium, potassium, protein, and vitamins A, B, C, D and E. Fresh leaves are not readily available in the U.S. due to shipping times and spoilage risks, but the food world is devising alternative ways to consume the leaf. One of the beneficial traits of moringa is that it does not lose any of its nutritional value after being cooked or dried, so it's turning up in things like energy bars and teas.*

Regenerative Grazing: *The popularity of "grass fed" beef may soon be usurped with an even newer way of feeding animals. Regenerative grazing is part of a larger agricultural movement where different farming techniques are utilized to improve soil health. Instead of cows being put out to pasture to graze on grassland, they spend their time*

on land used for growing crops. Their manure and left-behind forage act as natural fertilizers.

Clean Ingredients: *The public has become more and more leery of some of the unpronounceable chemicals that food companies put in their products, including artificial sweeteners and colorings. The industry is moving toward substituting those mystery ingredients with natural products that customers can make sense of. They are also looking for new and different ingredients that can change a food's taste profile as they look to cut back on things like sugar and sodium. For example, one company is adding mushrooms to cacao beans to remove some of the bitterness, enabling them to use less sweetener.*

New Meat Alternatives: *Health officials continue to charge that Americans eat way too much meat, which is giving rise to some new and very unusual substitutes. They are now making "pulled pork" with shredded jackfruit, adding a molecule called "heme" to vegetables to make the taste and texture more like meat and even making "burgers" with protein from yellow peas. Researchers are particularly interested in jackfruit (shown in the pictures below) because its texture is naturally very similar to meat. It also absorbs the flavors of ingredients it is cooked with.*

Natural Food Color From Spirulina: *Parents have had concerns for many years now that artificial food coloring might be contributing to a growing problem with hyperactivity and allergic reactions in their children. There are plenty of natural ingredients that allow for a wide range of colors, but blue and green have always been tough to achieve. Food makers seem to have finally solved the issues though, with the use of the blue-green algae spirulina. It is already a popular ingredient in smoothies and as a stand-alone supplement, but its use as a food dye is seen helping raise the volume to about four times what it was just three years ago.*

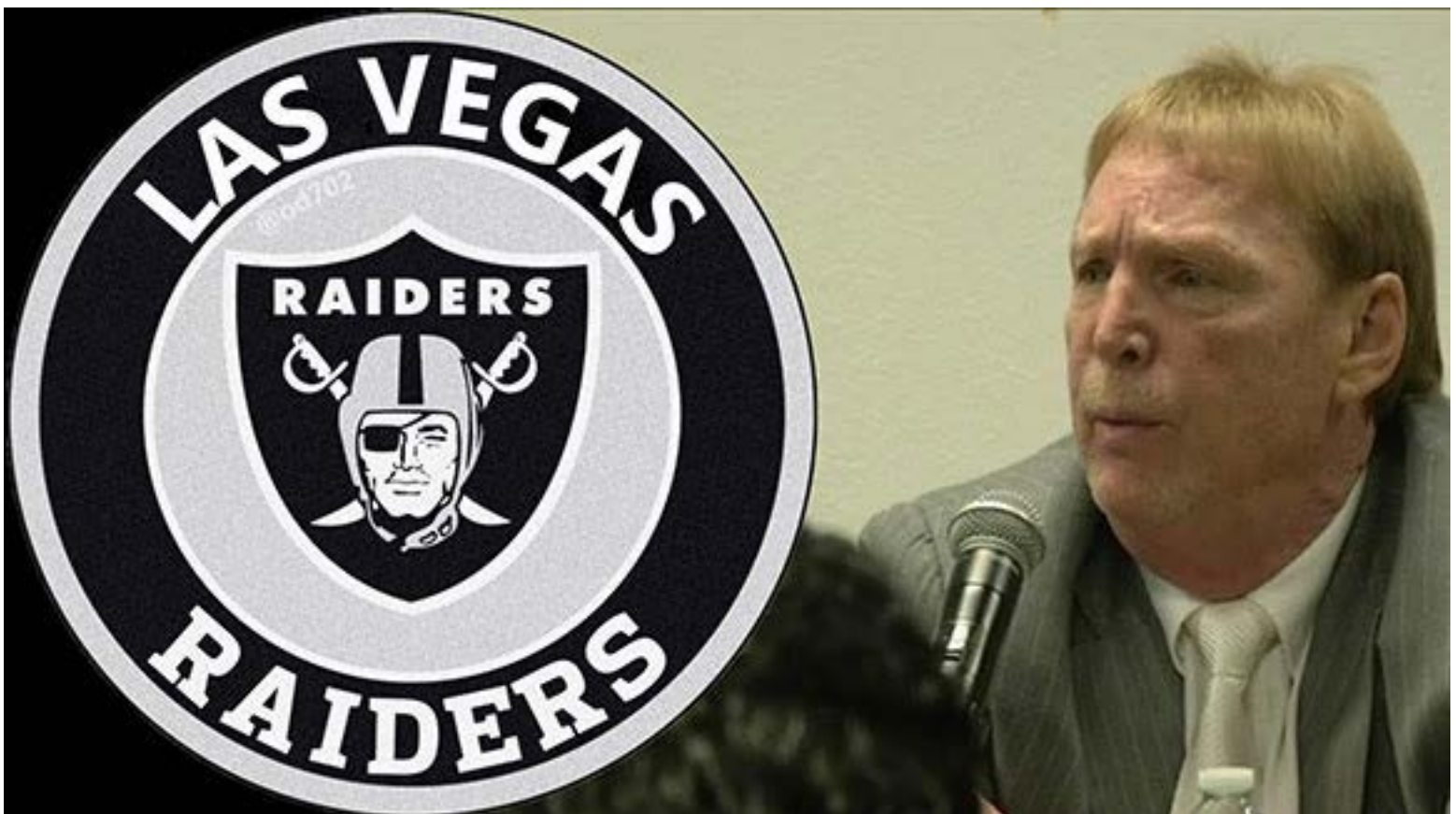




Raiders Going To Vegas?

In case you missed last week headlines, the Oakland Raiders officially filed relocation papers with the league to move the NFL team to Las Vegas. From what I understand the team has been looking for a new home for years, but negotiations for a new stadium in Oakland fell apart, and so did a potential move to LA. Instead, the St. Louis Rams and San Diego Chargers will share a new stadium there in 2019. The Raiders talks regarding Las Vegas began with a 2016 meeting involving Las Vegas Sands CEO Sheldon Adelson who offered up talks of a potential new domed stadium if they would make the move. Raiders owner Mark Davis soon took Adelson up on his offer and committed \$500 million (including a \$200 million NFL loan) to a new stadium project in Vegas. The rest of the \$1.9 billion budget was said to then come from Adelson, who would throw in \$650 million and form a hotel room tax increase in Clark County that would amount to around \$750 million. Approval by the county was seen as a the major obstacle, but in October the Nevada senate passed Senate Bill 1 to finance the stadium, and in November the Clark County Commission voted yes on the room tax hike. There was also a statement made by Raiders executives tthat Goldman Sachs has committed to funding the stadium even if the \$650 million from Adelson didn't not come through. The final obstacle now becomes the NFL owners, who need to approve the move by a 2/3rds majority. Many sources inside the NFL say it might be tough to get 24 of the leagues 32 owners to agree on the move. The good news is the fact New England Patriots owner Bob Kraft and Dallas Cowboys owner Jerry Jones, perhaps arguably the two most influential owners in the league, are both reportedly in support of the Raiders moving. There's also some talk that NFL commissioner Roger Godell

is also open to the idea and not staunchly opposed. The vote is expected to take place at the next owners' meeting, scheduled March 26-29 in Phoenix. If Davis gets the votes he needs, the Raiders will soon be moving to Vegas! The Raiders have lease options to continue playing at the Oakland Coliseum in 2017 and 2018 could theoretically be playing in Vegas soon there after.





CASH SALES & HEDGING TOTALS

CORN 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



SOYBEANS 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



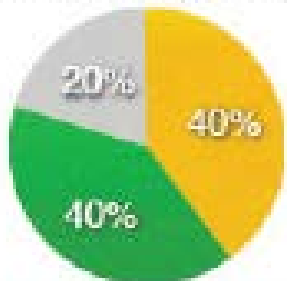
WHEAT 2015 CROP

100% SOLD
0% HEDGED
0% Cash Remaining



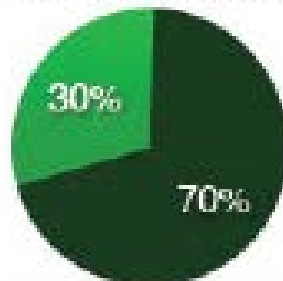
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



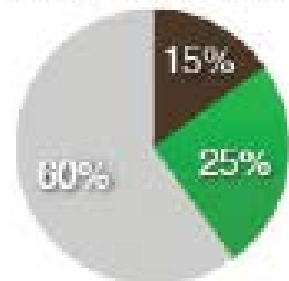
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% UNPROTECTED



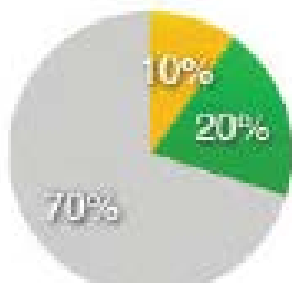
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



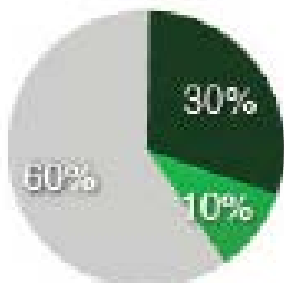
CORN 2017 CROP

10% SOLD
20% HEDGED
70% UNPROTECTED



SOYBEANS 2017 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2017 CROP

0% SOLD
10% HEDGED
90% UNPROTECTED

