



"One Day or Day One...You Decide" – Unknown

FRIDAY, MARCH 03, 2017

Morning Summary: Stock markets take a small step back following their impressive rally earlier in the week. While investors still remain overall very optimistic, some insiders are a little nervous about how far "valuations" have climbed post-election as the Trump administration is still in the early stages of setting the agenda. What's more, it may take longer than anticipated for some of the President's most popular policies to get implemented. Many have been warning over the last few weeks that the market rally may not be reflecting a realistic timeframe for Washington, and once more solid dates are established, it could suck some steam out of U.S. stock markets. Today's highlight will be a speech delivered at noon by Fed Chair Janet Yellen, where investors will be closely listening for any hints as to whether the central bank feels their meeting later this month would be appropriate for raising interest rates. We will also hear from Fed Vice Chair Stanley Fischer, Fed Governor Jerome Powell, Chicago Fed President Charles Evans and Richmond Fed President Jeffrey Lacker. Expectations for higher U.S. interest rates rose even further following comments from Fed Governor Lael Brainard, who has generally been viewed as one of the more 'dovish' Fed officials. She told a crowd late Wednesday night, "We are closing in on full employment, inflation is moving gradually toward our target, foreign growth is on more solid footing, and risks to the outlook are as close to balanced as they have been in some time." Additionally, Fed Governor Jerome Powell was interviewed on CNBC yesterday, where he said the case for a March rate hike has come together, adding that he does "think it's on the table for discussion." With the Fed's next meeting scheduled for March 13-14, their 'blackout' period begins next week, so the only central banker we'll hear from will be Minneapolis Fed President Neel Kashkari speaking on Monday. The key economic report today will be ISM Non-Manufacturing. Turning to next week, the main event is the February Employment Report set to be released on Friday. Estimates are calling for a gain of 175,000 jobs with the Unemployment Rate slipping to 4.7% from the current level of 4.8%. Other reports due out include Factory Orders on Monday; International Trade on Tuesday; the ADP Employment Report and Productivity & Costs on Wednesday; and Import/Export Prices on Thursday. Next week also brings the European Central Bank's policy meeting. E.U. inflation in February hit the ECB's 2% target rate, so there is some growing pressure for them to hike interest rates, but most central bank officials have stated they want to wait and see if rising inflation is a definitive trend or just a one month fluke. I should note that data released overnight showed eurozone economic output has accelerated to its highest level in six years. Data is also showing that Global manufactures posted their best month in six years during February

Trump Promises "Aggressive" Action On Trade: *President Donald Trump's administration has signaled a new and "aggressive" approach to international trade. In a new report to Congress, the administration promises to use "all possible leverage" to encourage other countries to give U.S. producers fair reciprocal access to their markets. The document says the U.S. will rely on strict enforcement of American trade laws and won't be bound by international settlement mechanisms like the WTO. "In too many instances, Americans have been put in an unfair disadvantage in global markets," the agenda says. "It's time for a more aggressive approach." The document reflects Trump's skepticism of multilateral organizations and his focus on defending what he sees as America's self-interest. For more than 20 years, the U.S. has relied on the WTO to settle disputes, a system the U.S. helped build. But the Trump administration says the international body is ill-equipped to deal with competitors like China that it says are neither market-oriented nor transparent. There are also hints that the US might be willing to by-pass the rules, "when the WTO adopts interpretations... that undermine the ability of the U.S and other WTO members to respond effectively to these real world unfair trade practices". There's a list of the types of behavior being targeted including: dumping – when a foreign exporter sells goods abroad more cheaply than at home, government subsidies, theft of intellectual property – such as patents, copyright and trademarks and currency manipulation – which can make exporters more competitive.*

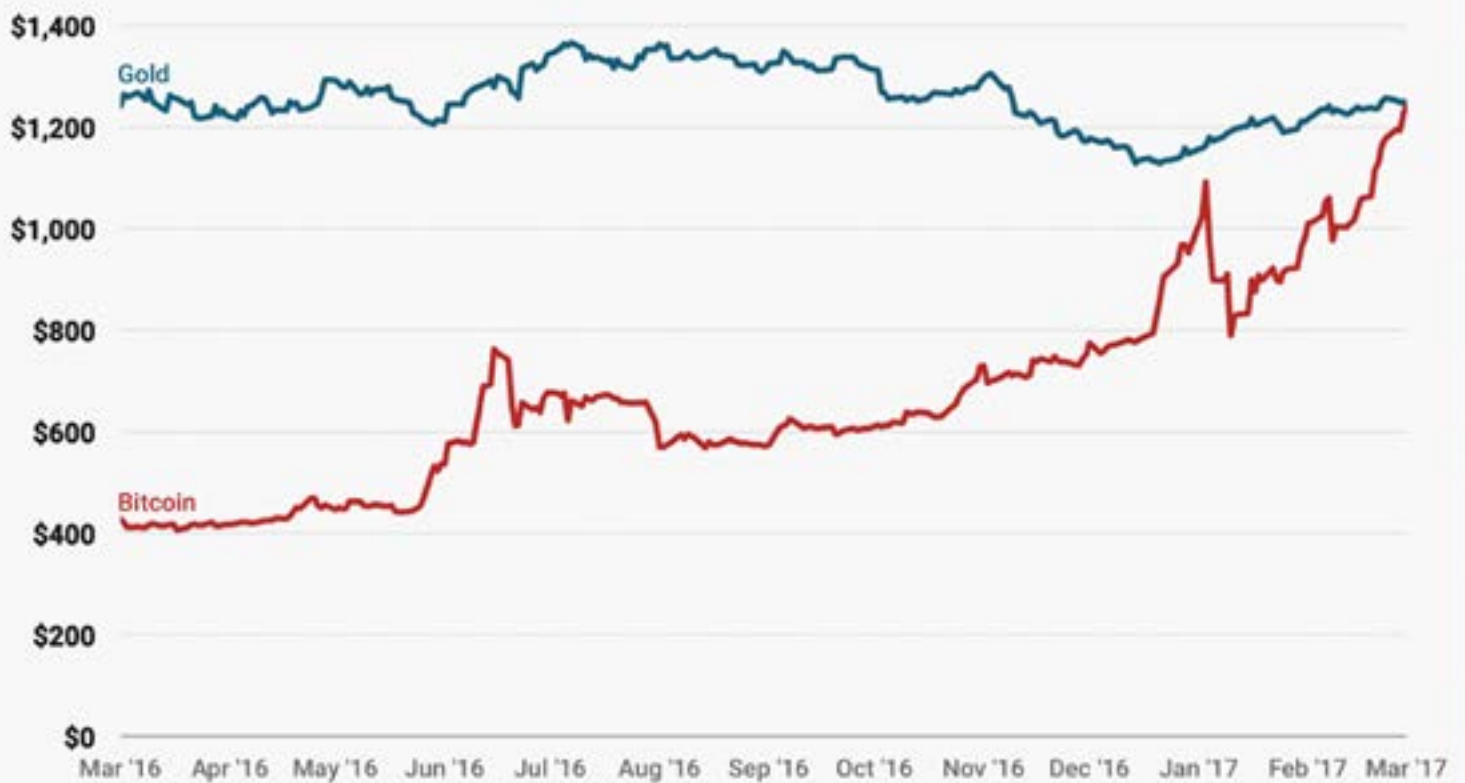
Libya's PM Visits Moscow, Brings Middle-East Agenda Into Question: *The head of Libya's UN-backed government, Fayez al-Sarraj, held talks with top Russian officials in Moscow yesterday, raising concerns about Russia's ambitions in the Middle East. The Kremlin said Moscow's increasing involvement in Libya was intended to repair the damage it said had been done by western interference in the country — a reference to US and European military intervention during the uprising that toppled dictator Muammer Gaddafi in 2011. Russia's Sergei Lavrov described Moscow as an "old friend" of Libya and insisted it would "strongly advocate the need to create conditions for the Libyans themselves to resolve their problems". Sarraj's Moscow trip comes as Libya remains in chaos, six years after the ouster and killing of Gaddafi in the midst of a NATO-backed armed uprising. Sarraj's fragile Government of National Accord (GNA), formed under a United Nations-backed deal signed in late 2015, has struggled to impose its authority, particularly in eastern Libya where a rival administration holds sway. Military strongman Khalifa Haftar is aligned with the rival administration and commands the self-proclaimed Libyan National Army which is battling jihadists and controls key oil export terminals. Analysts believe Russia, emboldened by its military success in Syria, is seeking a foothold in oil-rich Libya with support for Haftar. On February 14 Russia tried to mediate a meeting between Sarraj and Haftar in Cairo, but the talks fell through. Sarraj's visit also comes after Russian oil giant Rosneft and Libya's National Oil Corporation last week signed a deal to explore possible cooperation in various fields, including exploration and production.*

For The First Time Ever Bitcoin Is Now Worth More Than Gold! *For the first time in history, the price of one bitcoin has surpassed the price of one ounce of gold. While yesterday's swap can be attributed to a good day for bitcoin (up +3%) and a bad day for gold (down -1.3%), the big picture is that bitcoin has more than doubled in the last year (up +185% from a year ago) while gold is essentially trading exactly at the price it was a year ago. Even though bitcoin and gold are both thought of as alternative as-*

sets, they don't usually trade in correlation. Still, it's notable that bitcoin has (at least temporarily) surpassed the price of gold. Gold is quite literally the "gold standard" of alternative assets, often used by investors to hedge against potential losses in more traditional assets like real estate and the stock market. When it was first launched, many said bitcoin would eventually replace gold as the preferred alternative asset and store of value for investors. This hasn't happened yet for many reasons, including the fact that it's still complicated to invest in bitcoin, as well as its volatile price history. However, it may become much easier to invest in bitcoin very soon, as the SEC is about to announce whether they will approve the Winklevoss bitcoin ETF, which would be the first bitcoin ETF in a U.S market, and make it much easier for both Wall Street and regular investors to buy the digital currency. For what it's worth, the cryptocurrency is trading up another +2% this morning at \$1,281 a coin while the precious metal is down -0.5% at \$1,228 an ounce. (Source: TechCrunch, Business Insider)

Markets  Chart of the Day

GOLD VS BITCOIN



SOURCE: Bloomberg

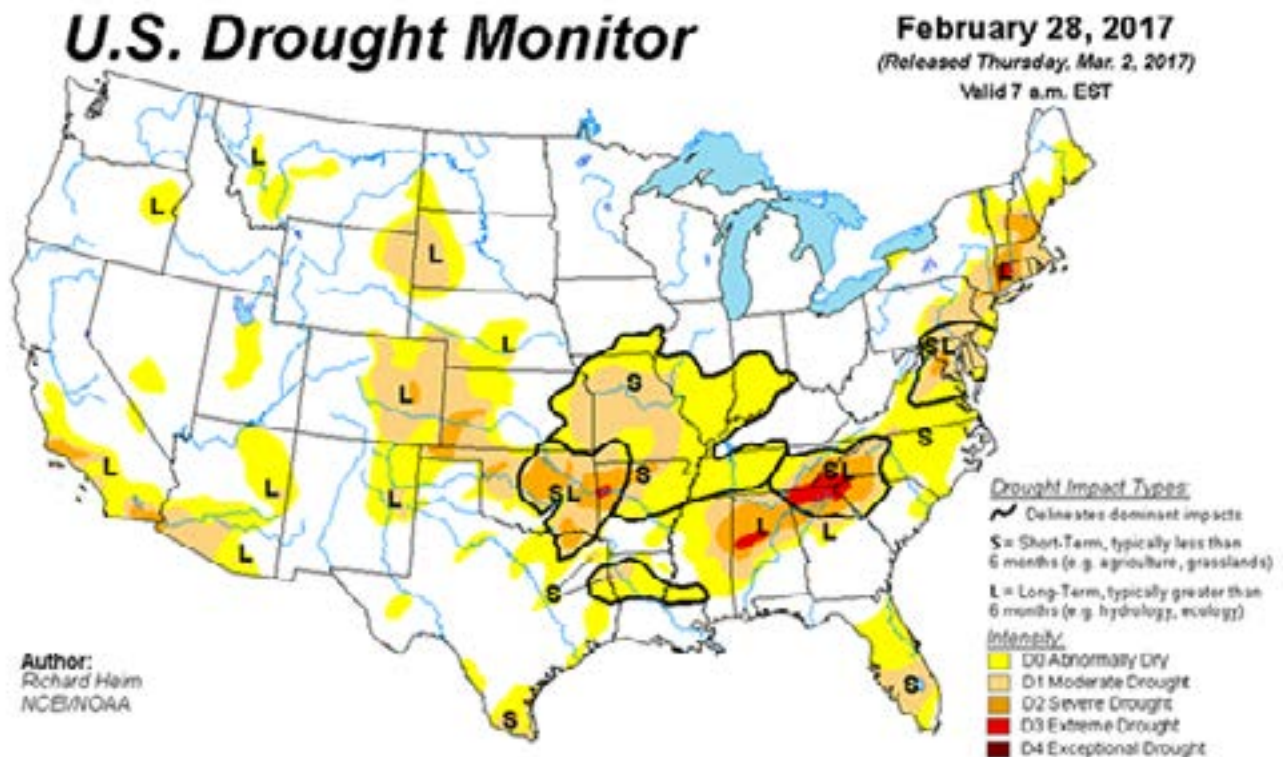
BUSINESS INSIDER

BUSINESS INSIDER

Weather On the Corn Belt, was chilly and breezy yesterday. Portions of the Great Lakes States received fresh snow on Wednesday, with a 3 inch depth reported this morning in Madison, Wisconsin, while recovery efforts from Tuesday's severe thunderstorms and iso-

lated tornadoes continue in parts of the central and eastern Corn Belt. Above normal precipitation is seen in the 10 day outlook for the eastern Corn Belt. On the Plains, dry weather accompanies a gradual warming trend. Exceptions include eastern North Dakota, where frigid, sub-zero temperatures were noted yesterday. In the southern Plains, mostly dry conditions are expected from today through Saturday. The six to 10 day outlook sees near to mostly below normal precipitation. A sharp weekend cold snap could threaten some fruit, ornamental, and nursery crops across portions of the Mid-Atlantic and Southeastern States. Weekend temperatures could fall below 20 degrees F as far south as the Mid-Atlantic region, and should dip to 32 degrees F or below as far south as northern sections of Mississippi, Alabama, and Georgia. In contrast, warmth will return during the weekend to the nation's mid-section. Meanwhile, much of the country will receive little or no precipitation during the next 5 days. Completely dry weather should prevail from southern California to the central and southern Plains. In Brazil, wet weather continues to raise concerns about quality of the soybeans being harvested in Mato Grosso. We are continuing to hear about soybean trucks being diverted to southern ports as the heavy rains are causing huge problems for trucking routes. This pattern of above normal rainfall looks to continue so we will have to keep our eye on this. In Argentina, favorable conditions continue for developing and filling corn and soybeans in the major central growing areas of the country.

Drought Is Expanding in Corn Belt: *According to the latest U.S. Drought Monitor, drought expanded for the week ended Feb.28 across the southern sections of Illinois and Indiana, with an increase in drought intensity in Missouri. Drought now covers 51.1% of Illinois and 52.5% of Indiana. Drought covers 98.5% of Missouri, with 64.4% now covered by moderate D1 drought compared to 49.6% last week. Across the Plains, there was no change from the previous week to drought areas in Kansas, but a slight increase in drought intensity was seen. Drought covers 65.8% of the state, with 37.3% now covered by moderate D1 drought compared to 26.2% last week. Oklahoma saw a slight improvement in drought, with 87.4% covered by some form of drought compared to 88.5% last week. However, Texas now has 24.5% of its area covered by drought compared to 8.4% last week.*



Corn bulls backpedal a bit on larger production numbers out of South America. Informa yesterday raised their Brazilian corn estimate by +2.0 MMTs to 91.0 MMTs, which is well above the USDA's current estimate of 86.5 MMTs and massively above last years production total of just 67.0 MMTs. There's also talk in the trade that Argentina's production could be a touch higher than the current USDA estimate of 36.5 MMTs, which is also well ahead of last years production of just 29.0 MMTs. Bottom-line, if weather continues to cooperate for the final leg of production in South America, the crop could end up being record large and +30 MMTs larger than last year. I should also note that Informa raised their South African corn estimate higher by +0.9 MMTs to 13.0 MMTs, which is also well ahead of last years production of just 7.90 MMTs. Fundamentally it remains though to argue a bullish case. You've got a glut of corn inside China, a drastic rebound in South American production, a recent U.S. record harvest here in the U.S., cheap global feed wheat readily and easily available, a strong U.S. dollar, stiff export competition around the next corner, uncertainty in the ethanol space, over 2.0 billion in domestic ending stocks, and a bird flu epidemic spreading across Asia. Technically the market doesn't look nearly as burdensome or as bearish, but perhaps more range-bound in the coming weeks. As a producer I'm closely monitoring the market and will look to use any nearby rally as an opportunity to reduce a bit more longer-term risk. I'm a bit concerned that the lack of nearby headlines, until we get deeper into a U.S. weather market, might cause the bulls to get a bit impatient and be reason enough for a pullback. Ideally in this environment I would like to have 50% of my new-crop price risk removed prior to planting. From a short-term spec perspective I will be looking to short the next rally with the thought of exiting prior to the March 31st USDA planting intentions report. I just don't want to be short going into that report, at least not from where I sit today.

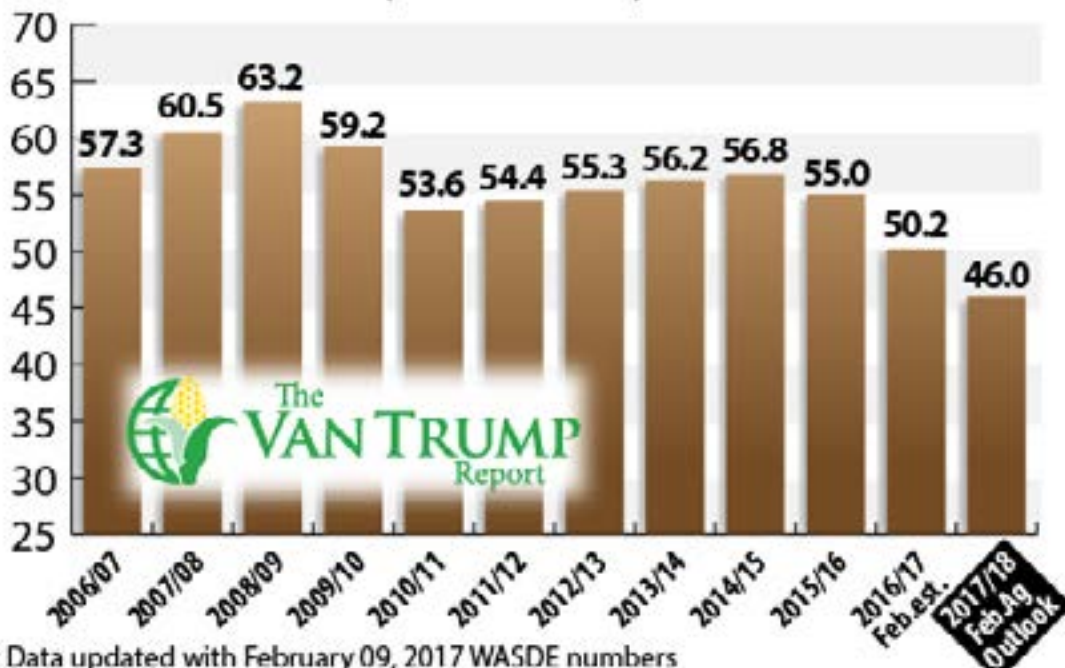
Soybean bears continue to talk about the obvious negative fundamentals. Informa raised their Brazilian soybean crop estimate by +1.5 MMTs to 108.0 MMTs, well above the USDA's current estimate of 104.0 MMTs, and well above last years production estimate of just 96.5 MMTs. The Paraguay soybean crop estimate was bumped higher by +0.580 MMTs to 9.75 MMTs, which is also ahead of last years production estimate of 9.17 MMT. The Argentine crop is thought to be somewhere around the USDA's current estimate of 55.5 MMTs. Bottom-line, this years South America crop could end up being +10 MMTs larger than last year. The good news is logistical problems in both Brazil and Argentina have already created some complications and may create more. Even though there's a big crop coming out of the fields, getting it quickly expedited and available to global buyers could be a bird of an entirely different color? Here at home all of the debate continues to circulate around higher soybean acres and if we could actually see more soybean than corn acres go in the ground in 2017? The USDA is currently forecasting 88 million soybean acres and 90 million corn acres will be planted. I'm personally thinking those two numbers could flip-flop, with soybean acres reaching 90 million and corn acres falling to 88 million. Keep in mind spring insurance guarantees for soybeans this year are \$10.19 vs. just \$8.85 last year. Despite the obvious bearish fundamentals associated with a record crop being harvested in South America and record acres about to be planted here at home, as both a spec and a producer I've become a longer-term bull. Unfortunately, I'm still of the belief we could take several steps backwards before we make another aggressive run higher. In fact from a technical perspective, it wouldn't surprise me to see the new-crop NOV17 contract trade down through heavy support in the \$9.70 to \$9.80 range, in an attempt to flush out some of the weaker longs before making a run during the U.S. growing season and retesting the recent

high north of \$10.40 per bushel. Therefore as a producer, I like the thought of eliminating enough new-crop risk that I can comfortably and mentally withstand the next downside break. I know if I don't have enough sold or some type of floor in place I will mentally beat myself up when prices pullback, especially if they aggressively pullback. Hence the reason I now have 60% of my new-crop price risk reduced and feeling extremely comfortable. Remember, this business isn't so much about predicting "price", because prices and opportunities are going to present themselves. This business is more about understanding ourselves and trying to predict our own emotions and how we will respond when the market moves aggressively in one direction or the other. It's not about if we are going to get a rally or a break in price, because that's going to happen. It's clearly about how we will execute when it occurs... Be smart and spend more time trying to forecast your next set of emotions rather than price direction. A wise man in the investment world once told me, "a monkey can play a hand with four aces, more importantly it's how we play our hands when the cards are against us..."

Wheat has given back a portion of its recent gains but continues to trade near the upper end of the range. The bears continue to point towards record global production and just very few weather hiccups in the headlines. Throw on top a glut of domestic and global supply and the traditional fundamentals continue to keep the upside somewhat limited. For specifics, the bears are thinking the USDA could be overly optimistic in regard to U.S. exports and bit too conservative in regard to Argentine, Australian and Indian production. The USDA could also be a bit too conservative in regard to global exports by the low-cost providers. On the flip-side the bulls continue to point to record low U.S. planted acreage, with some thinking acres could ultimately move even lower. There's also talk that upcoming weather complications here in the U.S. could create a few exciting headlines and give the wheat market reason to add additional "risk-premium". I also personally believe there's upside geopolitical and macro headline opportunities in the wheat market in the weeks ahead. Staying patiently bullish.

U.S. Wheat Planted Acres

(in Million Acres)



Source: Data updated with February 09, 2017 WASDE numbers



> World Wheat Production Forecast To Drop For First Time Since 2012-13: *World food prices rose slightly in February, boosted in particular by cereals, the United Nations food agency said on Thursday. The Food and Agriculture Organization's (FAO) food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 175.5 points in February, up +0.5% on January levels. The increase pushed food prices on international markets to their highest level since February 2015. They were some +17.2% above their levels in the same month last year. Global cereals output is now expected to reach 2.6 billion tonnes in the 2016 season, up +0.3% on previous forecasts. In its first forecast for 2017-18 global wheat production, the agency pegs total output at 744.5 million metric tons, a -1.8% decline from the 2016 record and marking the first decline in global production since 2012-13. (Source: Reuters)*

> Argentina's Soybean Production Estimate Lifted: *The Buenos Aires Cereal Exchange has increased its estimate for soybean production in Argentina to 54.8 million metric tons. The forecast is +1.2 million metric tons higher than the previous one. The rains have returned to the southwest of the Buenos Aires province, where fires have been reported due to dry weather in December and January. In the northwest of that same province, south of Córdoba and Santa Fe, there has been a recovery from the floods and now precipitation levels are adequate. If the estimate is confirmed, it will be a -2.1 percent production fall compared to last year.*

> Brazil Truck Logjam Slow To Clear: *About 3,000 trucks carrying soy beans are backed up on a major road to port through the Amazon region that has become impassible due to swamps caused by heavy rainfall, the highway police are reporting. Some vehicles have been pulled through with the help of heavy earthmoving equipment, but the bulk of the trucks cannot advance, according to the highway police in Santarém in Pará. "Things are still critical. Work on the road has improved the situation somewhat, but the rain really complicates the work," highway police officer Bruno Bittencourt told Reuters. Weather permitting, the national highway department DNIT expects to free the traffic flow of loaded trucks heading north on BR-163 by Friday with the help of Army engineers. Thomson Reuters' Agriculture Weather Dashboard, however, forecast continued heavy rainfall in the area for the next two weeks.*

> South America Adds Two New Corn-Based Ethanol Facilities: *New corn-based ethanol producing facilities will be inaugurated this year in both Paraguay and Brazil and companies are scouting new locations for additional facilities. The Paraguay facility will be the larger of the two and will be an expansion of an existing plant. The existing facility utilizes both corn and sugarcane to produce 14 million liters of ethanol per day. The*

expansion will utilize only corn and when operational, the expanded facility will produce 35 million liters per month. The new expansion alone, which uses only corn, will produce 720,000 liters of ethanol per day. According to the Poultry Producers and Exporters Association of Paraguay (APPEP), only about 20% of the corn produced in Paraguay is consumed domestically, so there is a surplus of corn that could be utilized to produce ethanol. In Brazil, the first corn-based ethanol facility will come on-line later this year. The facility is being built by FS Bioenergia. The company is also scouting out new locations for a second facility in the city of Sinop in northern Mato Grosso. (Source: [Soybean & Corn Advisor](#))

> Tyson, Hillshire Farms Roll Out 'Natural' Product Line: Tyson Foodservice and Hillshire Farm have launched Authentically Crafted Exceptional Meats, a "multi-protein portfolio" of meat ingredients for restaurants and institutions. The line aims at "versatility in usage across the menu and day parts," the company said in a news release. "The size and flavor profile are perfectly versatile and can be used for breakfast dishes, lunch and dinner pasta and tacos, to premium pizza toppings. The Authentically Crafted meats line is "natural roasted" and also has no artificial ingredients or preservatives.

> Caterpillar Headquarters Raided By Fed Authorities: The headquarters of machinery giant Caterpillar have been raided by federal law enforcement. The U.S. Attorney's Office in the Central District of Illinois conducted the raid in concert with three other federal agencies: The Federal Deposit Insurance Corporation office of inspector general, the Internal Revenue Service criminal investigation division and the Department of Commerce office of export enforcement. DoJ spokesperson Sharon Paul confirmed the investigation to Forbes by telephone. Forbes couldn't immediately confirm details of the investigation, or where authorities are targeting their search. According to Caterpillar's most recent annual 10-K filing with the Securities and Exchange Commission, it received a grand jury subpoena in Jan. 2015 from the U.S. Attorney in Central Illinois requesting documents and information pertaining to its movement of cash between its U.S. and foreign subsidiaries. The company furthermore received subpoenas requesting information on its purchases and resale of replacement parts, and its dividend payments made between various foreign subsidiaries, including Switzerland-based Caterpillar SARL. For years, Caterpillar's tax rate and its treatment of replacement parts sales has been the subject of scrutiny in Washington. The machinery company has been dogged by accusations of using sham transactions to shift profits to low tax jurisdictions like Switzerland, and allegedly saving billions in taxes.

> Bayer Wins \$456 Million Award In Dow Patent Suit: Dow Chemical's agricultural subsidiary, Dow AgroSciences, was ordered by a U.S. federal appeals court to pay Bayer \$456 million for violating a patent licensing agreement. The U.S. Court of Appeals for the Federal Circuit ruled on Wednesday that there was no basis for setting aside the award, which was rendered by a panel of International Chamber of Commerce (ICC) arbitrators. Dow AgroSciences had argued the decision was based on a flawed understanding of U.S. patent law. (Source: Reuters)

> SnapChat Shares Climb More Than +40%: Snap shares surged during their stock market debut yesterday, closing above \$24, compared to the pre-trading price it had set of \$17 that would have valued the company at just under \$24 billion. The opening price of \$24 puts the company's market capitalization at about \$33 billion, which makes Snap now

bigger than Macy's (\$10 billion), Twitter (\$11.3 billion), American Airlines (\$23.6 billion), and Target (\$32.9 billion). When they first raised capital in 2011, they were valued at just \$4 million. More than 200 million shares — the entire size of the offering — changed hands over the course of the day, accounting for roughly 10 percent of the total volume of trading on the New York Stock Exchange on Thursday. The offering makes it the largest U.S. tech IPO since Alibaba raised \$25 billion in 2014, and the largest for a U.S.-based tech company since Facebook's \$16 billion offering in 2012, according to Dealogic. The Venice, California-based company, which serves augmented reality and cinematic advertisements to its young adult audience, could be a bellwether as other start-up giants, such as Airbnb and Uber, mull a public offering. (Sources: USA Today, CNBC)

AMONG MOST VALUABLE TECH DEALS

Snap's increased value will rival leading tech companies following its IPO.

Post-deal market value (billions):

Alibaba
Sept. 2014  **\$170**

Facebook
May 2012  **\$81.2**

JD.com
May 2014  **\$26.2**

Google
Aug. 2004  **\$23.1**

Snap
March 2017  **\$23.0**

SOURCE Dealogic; company reports, USA TODAY research; GRAPHIC George Petras, USA TODAY



Southwest Illinois - *The discussions seem to be more frequent around here about non-GMO vs GMO soybeans. We planted about 300 acres of them last year. They yielded right up there with the GMO's. They didn't have any more weed problem than any roundup beans. We sprayed some with fungicide, should have sprayed every acre. About a 10 bushel yield bump, but that was last year, this year could be different. Ended up finding a market for them, so now there will be a premium attached to them along with a little bit of seed savings, but not a lot.*

Northwest Iowa - *My father used to say to figure, on average, out of every 5 years of farming, expect to have 2 excellent years, 2 average years, and 1 poor year. I started fooling around with the corn yields over the 29 years which I have farmed. Decided to call 160 and greater excellent yields, 120-159 average, and 80-119 poor. Then split it into first half and second half of 29 years of farming, give or take a year. First half: 1988-2001: 4 excellent, 5 average, and 5 poor years. Second half: 2002-2016: 11 excellent, 4 average, and 0 poor years. Another interesting thing showed up: that the time period 1991-2001 was quite variable at our place. 4 years were excellent, and 5 years were bad. My 5 bad years, and their causes, were: 1993-that cool, cloudy summer due to the volcano somewhere. 1995 and 1997 due to greensnap episodes. 2000- a very localized drought, and 2001-drought and western bean cutworm disaster. So how much of this good luck run since 2002 has been due to GMO corn hybrids, which have taken care of corn borers and western bean cutworms and what else? More drought tolerance? Eliminated row crop cultivation blight? Spraying with fungicides? What else? So the take home message for me from all this, as my next project is to sit down and look at what crop insurance level to be at for 2017, is that I have been very, very blessed and very, very lucky the last 15 years, and that statistically, I am long over due for "The Big One" to hit.*

Southwest Minnesota - *We are loving the warm weather but are very tired of fighting the mud. It has been wet, with snow melt and no frost left in the ground to firm things up. We are like most up here farming corn and beans but we do have a few head of cattle. We will feed a lot of the corn that we do raise. Last years crop were good but not as good as 2015, when we had record yields for both corn and beans. We had too many areas that got drowned out last year and a few acres with disease from too much moisture. We will have a few more corn acres this year making us in the 60/40 range corn to beans. The mud has made feeding the cows a mess. We have played down numerous truck loads of stalks to give them something to lay on but we are barely keeping up. We have two issues right with any moisture its in any holes in the feed lot and the weather has turned off cool and grey with little or no drying during the day.*



CROSSING WIRES

A place to share intelligent thoughts...

Conway Makes His Pro-Ag Case To Budget Committee: *House Agriculture Committee Chairman Mike Conway on Wednesday previewed his thinking on the 2018 farm bill. In a five-page letter to House Budget Committee Chairman Diane Black, the Texas Republican noted the struggling farm economy and the \$23 billion in savings (including sequestration) achieved by the 2014 farm bill over 10 years. Those savings are expected to be billions more, largely due to declining participation in the Supplemental Nutrition Assistance Program. "The committee believes it is imperative that Congress pass a good farm bill, on time, as the president has called for," he wrote. "Toward this end, we respectfully urge the Committee on the Budget to require no further budget reductions from within the jurisdiction of the Committee on Agriculture but, rather, that the fiscal year 2018 budget resolution fully respect the commitments made under the 2014 farm bill while providing the committee the budget flexibility necessary to develop and enact an effective new farm bill before the current law expires." Looking toward the 2018 installment, Conway cited "very serious and growing concerns over the adequacy of current cotton and dairy policies and the Agriculture Risk Coverage option." He also defended the need for farm bill subsidies by pointing to several examples of other countries that regularly subsidize their producers, which put U.S. producers on an uneven playing field. As for conservation programs, he said House Ag "continues to believe that the focus should remain on enhancing voluntary, incentive-based [approaches rather than] burdensome regulations that stifle the rural economy." Read his full letter [HERE](#).*

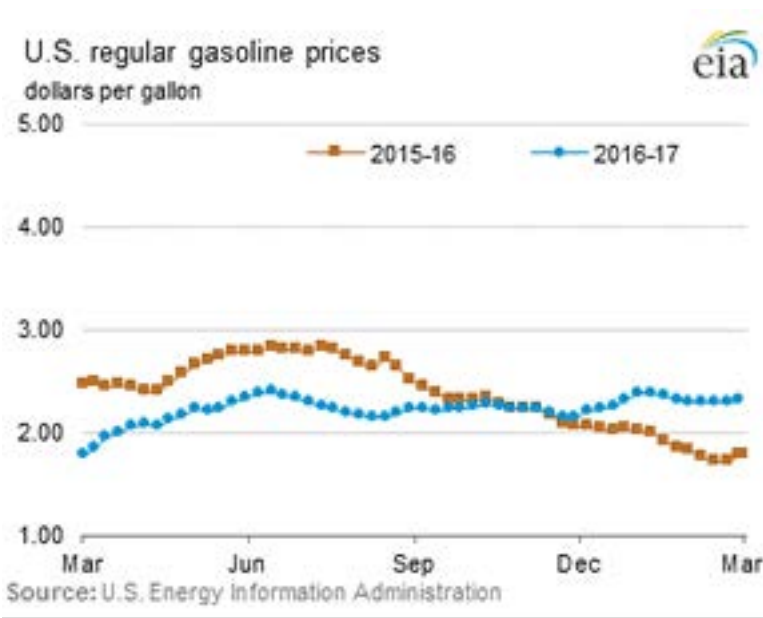
Washington State Readies Hemp Rules, But Needs Federal OK: *The Washington State Department of Agriculture has prepared rules for licensing hemp farmers, but growers who want to plant this spring still lack an essential input — seeds. WSDA hopes to someday have an in-state supply of certified hemp seeds. But for now, seeds must be imported from Canada and elsewhere. Since hemp seeds are a federally controlled substance, WSDA needs an import permit from the Drug Enforcement Administration. The state applied for a permit Aug. 23. Regional DEA officials have inspected where WSDA would secure the seeds in Yakima and sent a report to Washington, D.C. DEA has not given the state any indication when it will make a decision, the head of WSDA's hemp program, Emily Febles, said Wednesday. "I'm very hopeful, but obviously, it's another agency. It's hard to say what it's going to do," she said. "We've been operating under the assumption that everything will work out." A handful of states have received DEA permission to import hemp seeds. Oregon authorized hemp farming without such a permit. In contrast, Washington has painstakingly followed the 2014 Farm Bill, which authorized state-supervised hemp farming. Just this week, the Washington state House unanimously voted to take hemp off the state's list of controlled substances. Read more [HERE](#).*

These Are The Habits That Mentally Strong People Rely On: *Despite West Point Military Academy's rigorous selection process, one in five students drop out by graduation day. A sizeable number leave the summer before freshman year, when cadets go through a rigorous program called "Beast." Beast consists of extreme physical, mental, and social challenges that are designed to test candidates' perseverance. University of Pennsylvania psychologist Angela Duckworth conducted a study in which she sought to determine which cadets would make it through the Beast program. The rigorous interviews and testing that cadets went through to get into West Point in the first place told Angela that IQ and talent weren't the deciding factors. Angela developed her own test to determine which cadets had the mental strength to conquer the Beast. She called it the "Grit Scale," and it was a highly accurate predictor of cadet success. The Grit Scale measures mental strength, which is that unique combination of passion, tenacity, and stamina that enables you to stick with your goals until they become a reality. To increase your mental strength, you simply need to change your outlook. When hard times hit, people with mental strength suffer just as much as everyone else. The difference is that they understand that life's challenging moments offer valuable lessons. In the end, it's these tough lessons that build the strength you need to succeed. Developing mental strength is all about habitually doing the things that no one else is willing to do. Read more [HERE](#).*

Financiers Fight Over The American Dream: *In a pyramid scheme, according to the definition most commonly used by courts and by the Federal Trade Commission, participants derive most of their compensation from recruiting other people into the network as salespeople, rather than from selling products to actual consumers. If recruiting is a company's main purpose, its survival depends on constantly bringing new people in, and those at the top of the pyramid make money largely from those coming in at the bottom. Still, it can be hard to distinguish between enterprises that are legally considered fraudulent and those which aren't, and no specific statute outlaws pyramid schemes. A series of settlements with the F.T.C. dating back to the nineteen-seventies have shown companies how to adjust their business models in order to remain in the zone of legality. Christine Richard was doubtful that Herbalife had done so. From her research, she had concluded that the company's real business was recruiting people to recruit more people to recruit more people...Sheelah Kolhatkar has the rest of the story of over at [The New Yorker](#).*

Planned Refinery Outages Not Expected To Constrain Fuel Availability: *The U.S. Energy Information Administration's (EIA) latest analysis of planned refinery outages during the first half of 2017 finds that such outages are not expected to cause a shortfall in the supply of petroleum products including gasoline, jet fuel, and distillate fuel, relative to expected demand, either nationally or within any U.S. region. This result occurs despite the current high level of U.S. gasoline demand, which in 2016 was as high as or higher than in any past year. National supply and demand balances have limited implications regionally because pipeline infrastructure, geography, and marine shipping regulations constrain the amount of product that can flow between regions in the United States. Likely supply available despite planned refinery outages appears to be adequate in all regions. Planned outages in the Gulf Coast region for the first half of 2017 are higher than average, but regional inventories appear to be sufficient to offset lost production from those planned outages. The Gulf Coast region contains more than half of the U.S. refining capacity, and as a result produces far more petroleum products than it consumes. The region's surplus production supplies other U.S. regions, most notably the East Coast and the Midwest, as*

well as international markets. Planned outages in the Midwest region for the first half of 2017 are lower than average levels for all types of refinery units, so supply of petroleum products is likely to be adequate to meet domestic demand in the Midwest during the first half of 2017. Production losses from planned outages in the Midwest are expected to reach their highest level in April, with slightly lower losses in May. Read more from the [EIA](#).



Farm to Pizza... An Interesting Idea

The U.S. pizza market is a \$46 billion dollar industry and Zume Pizza believes that bringing innovation to the game will allow it to garner some of that pie. Originating in Silicon Valley, Zume is the brainchild of Zynga and Microsoft alum Alex Garden and Danny Meyer. Their goal is to solve the familiar problem: It's game night and you order pizza for you and your buddies. It arrives later than you'd hoped, aaaand it's cold. "Pizza is not meant to sit in a cardboard box, ever," Zume co-founder Julia Collins says. "The best pizza you ever had came right out of the oven. This is the great paradox: Pizza is a delivery food that doesn't taste as good delivered when it's room temperature and soggy". Zume offers delivered, freshly baked pizza straight out of the oven made with robotic assistance. Every Zume delivery truck contains 56 ovens which coordinate with machine learning algorithms and GPS. This allows Zume to start their par-baked pizzas exactly 4 minutes from hitting your driveway. Par-baked means partially baked which is how each pre-prepared pizza begins it's life. When Zume opens for business at 11 a.m. each day, an algorithm has already predicted what pizza orders should be pre-prepared. Pizza customers are incredibly habitual, often ordering the same toppings every week, but Zume pushes its predictive model further by designing a menu that eliminates the specificity of those predictions. "There are so many creative endeavors that are human-led and always will be. But there

are other things we do that are perfect for robots. "Instead of building a pizza by toppings, customers choose prebuilt combinations from the menu. And that allows the algorithm to guess correctly more often. "Our technology is not designed for a full-scale customization of pizza," admits Collins. "We try to approach it by having a very well-curated menu." The trucks then leave the factory to await orders placed by hungry customers. Once an order is received, a driver is guided to each location by GPS while the final bake happens automatically, beginning when the truck is just four minutes away. Currently, Zume is selling 250 pizzas a day but expects sales to multiply 10 fold by the end of 2017.



Merriam-Webster Just Added A Record Number Of Words To Their Dictionary

Recently, Merriam-Webster announced they added more than 1,000 new words and definitions to its online edition making it the largest-ever dictionary edition. It added words and definitions from all corners of the English language to the online dictionary — including tech, sports, conversational and slang phrases, medical and scientific terminology, and political and food vocabulary. Typically, Merriam-Webster.com adds fewer than 50 new words each year. And this year's additions are significant not only because of the quantity of words, but also because they reflect the breadth of English vocabulary and the speed with which we seek information. If you are wondering how a word gets added to the dictionary, lexicographers track and observe words using many, many spreadsheets. Basically, a word must hit three benchmarks: frequent use, widespread use, and meaningful use.

You can read more about the process [HERE](#). A great example of this process is the addition of the word “prosopagnosia” or “face blindness” which is a term popularized by the neuroscientist and writer Oliver Sacks. Sack’s use of the word gave it more frequent and widespread use. The word went from the neurological journals to The New Yorker. There are also words that have been in the pipeline for a long time but have only recently been added as they’ve become more and more relevant — especially in today’s political climate. “SCOTUS,” “truther,” and “microaggression” are just some examples. “Ghost” as a verb and “face palm” were also new terms that the Merriam-Webster team have been monitoring that have grown beyond social media and into common usage. Ultimately, the decision to add this many new words is a big deal and it shows that the folks at Merriam-Webster are still following their core mission, which is to describe language as it’s used. While Merriam-Webster does not usually release its full list of new entries -- as it’s an ever-changing and evolving list -- you can read more about the new additions and see what other words made the cut [HERE](#). Below are just a few of the many words added to the dictionary.

- *Arancini*
- *Binge-watch*
- *Botnet*
- *CRISPR*
- *Face-Palm*
- *First world problem*
- *Food insecure*
- *Geek out*
- *Ghost*
- *Listicle*
- *Microbiome*
- *Net neutrality*
- *Photobomb*
- *Ride shotgun*
- *Seussian*
- *Supercentenarian*
- *Truther*
- *Up-fake*
- *Weak sauce*
- *Yowza*



ghost

verb | \ ˈɡɒst \

to abruptly cut off all contact with (someone, such as a former romantic partner) by no longer accepting or responding to phone calls, instant messages, etc.



face-palm

verb | fās-pä(l)m, -pɒ(l)m

to cover one's face with the hand as an expression of embarrassment, dismay, or exasperation

How Losing Everything Ended Up Being A 'Stroke Of Insight'

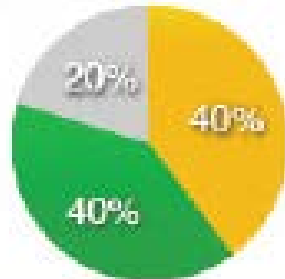
Harvard-trained brain specialist Jill Bolte Taylor had a promising career, until one fateful morning, at the young age of 37, a blood vessel detonated in the left hemisphere of her brain. With the dispassionate curiosity of a true scientist she bore incredible witness to the breakdown of her brain functions. Her vivid description of the experience and what followed is now [the second-most watched TED talk of all time](#) and something I encourage you to watch in full. The stroke left Taylor initially unable to talk, walk, read, write or recall her past. In her own words, "I didn't even know what a mother was, much less who my mother was." As her left-brain shut down she lost her processing capacity and all acquired language. Her mind was suspended in a newfound silence, and she experienced a simultaneous sense of deep peace along with an inability to distinguish edges and boundaries between her, and the rest of the world. It took eight dedicated years for Taylor to completely reclaim the normal functions of her mind and body. In the process she would become her own experimental subject, and arrive at many profound realizations. One of her first, was the realization that every emotion has a physical component that we can learn to consciously feel. "Joy was a feeling in my body. Peace was a feeling in my body. I thought it was interesting that I could feel when a new emotion was triggered. I could feel new emotions flood through me and then release me," says Taylor, "I had to learn new words to label these "feeling" experiences, and most remarkably, I learned that I had the power to choose whether to hook into a feeling and prolong its presence in my body, or just let it quickly flow right out of me." Imagine the freedom that accompanies the visceral (not merely intellectual) realization that you have the ability to choose your response to the onslaught of emotion. "I made my decisions based upon how things felt inside. There were certain emotions like anger, frustration, or fear that felt uncomfortable when they surged through my body. So I told my brain that I didn't like that feeling and didn't want to hook into those neural loops. I learned that I could use my left mind, through language, to talk directly to my brain and tell it what I wanted and what I didn't want. Upon this realization, I knew I would never return to the personality I had been before. I suddenly had much more to say about how I felt and for how long, and I was adamantly opposed to reactivating old painful emotional circuits," writes Taylor in her best-selling book, *My Stroke of Insight*. Her story demonstrates how loss can give us an opportunity to practice being present to the physical component of our emotions. And in practicing this, we can increasingly choose through the power of our awareness, to either strengthen an emotion's hold on us - or gradually weaken it. (Sources: Wiki; Daily Good)



CASH SALES & HEDGING TOTALS

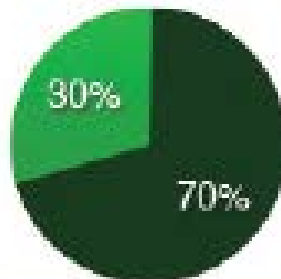
CORN 2016 CROP

40% SOLD
40% HEDGED
20% Cash Remaining



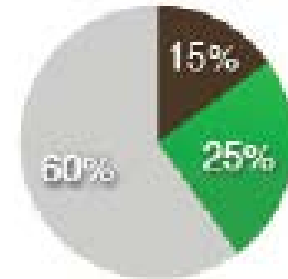
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% Cash Remaining



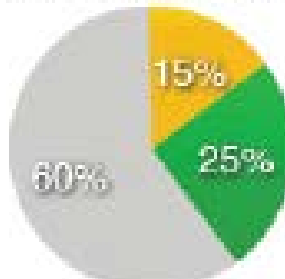
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% Cash Remaining



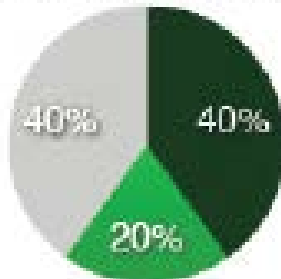
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



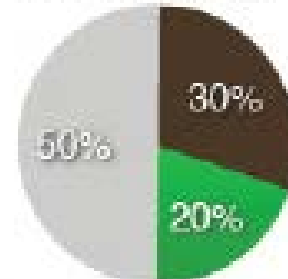
SOYBEANS 2017 CROP

40% SOLD
20% HEDGED
40% UNPROTECTED



WHEAT 2017 CROP

30% SOLD
20% HEDGED
50% UNPROTECTED



CORN 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



SOYBEANS 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



WHEAT 2018 CROP

0% SOLD
10% HEDGED
100% UNPROTECTED

