



"If you are not willing to risk the unusual, you will have to settle for the ordinary." - **Jim Rohn**

TUESDAY, MARCH 07, 2017

Morning Summary: Stocks are slightly lower for the third consecutive day as investors appear to be taking a little breather. New economic headlines are fairly light at the moment with more important releases not hitting until the latter half of the week, most notably the February Employment Report on Friday. Today investors will be digesting International Trade, which could spark more interest than usual as there is increasing rhetoric from the Trump administration about how trade deficits are harmful to the U.S. in a variety of ways. Peter Navarro, whom Trump has selected to serve as director of the newly created National Trade Council, said in a speech yesterday that U.S. "trade deficits" are a threat to national security that could cause the loss of American freedom and prosperity. Outlining an aggressive trade policy, Navarro also accused economists and the media of ignoring the risk posed by trade deficits and embracing an "antiquated view of the world." He singled out China and Germany in particular, saying that "in the real world of fixed exchange rates, managed floats and outright currency manipulation," the U.S. trade deficit cannot adjust as economists say it should in theory. Navarro explained that that leads to large and persistent trade deficits which leave the U.S. open to foreign takeover. President Trump himself has made it well known that he views shrinking trade gaps as key to creating new American jobs. Outside International Trade, the only other report on the calendar is January Consumer Credit, which is expected to rise +\$18.3 billion following December's moderate +\$14.5 billion gain. It's worth noting that the CERAWEEK energy conference is going on this week, which could provide a fresh round of oil and gas headlines. Panel discussions and presentations are held every day among top executives and policymakers from around the globe, including energy ministers from Saudi Arabia and Russia. Other key speakers include the secretary general of OPEC, the head of the International Energy Agency (IEA), and chief executives from Exxon Mobil, Chevron, BP and Total. The trade is also keeping a very close eye on "inflation" and the anticipated moves by the Fed. Up to this point, money has been in strong rotation believing President Trump's tax-cutting policies, infrastructure spending and deregulation may spur demand and thus increase the odds of inflation. The "re-flation" trade also theorizes that some of the new administration's protectionist policies may also push up domestic wages and make imported goods more expensive, hence the reason for the rotation. If things start to stall in Washington I suspect the trade will begin to reconsider some of their previous inflationary thoughts. Continue to monitor the headlines out of Washington. Recent headlines show President Trump signed a new executive order yesterday that bans immigration from six Muslim-majority countries, dropping Iraq from January's previous order. The new measures will

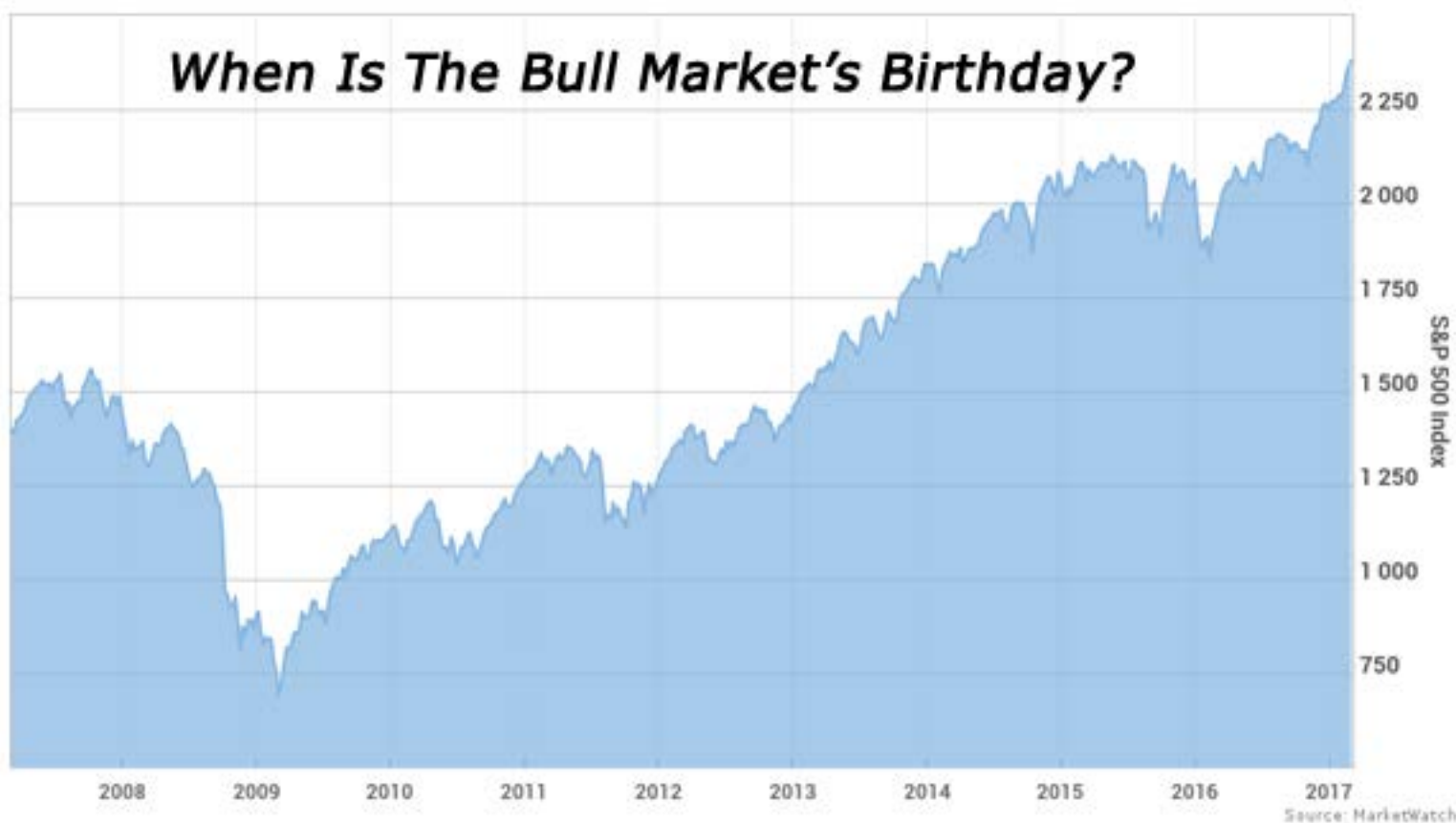
block citizens of Syria, Iran, Libya, Somalia, Sudan and Yemen from obtaining visas for at least 90 days. The order also suspends admission of refugees into the US for 120 days, directing US officials to improve vetting measure. We are also digesting fresh new headlines surrounding the House Republican's draft of replacing Obamacare. I have to imagine healthcare stocks will be in play the next few days.

Warm Winter Creates First-Ever Rise In Nat Gas Inventory For February: *For a second winter in a row, unusual warmth was the dominant theme across the U.S., leading to the first-ever recorded rise in U.S. natural gas inventories during the month of February. Normally utilities draw down stocks to fulfill heating demands. The unseasonably warm weather has led to demand for gas used in heating to average less than 38 billion cubic feet per day this winter, off by more than -1.5bn cu ft/d from the five-year average, according to Platts Analytics. The weather pattern followed an unusually warm 2015-16 winter that was believed to be a result of El Nino. With that phenomenon dissipating, weather forecasters had predicted this winter would be about 12% colder than last. However, this prime heating season has run about +3% warmer than last. In fact, over the past 30 days, more than 700 monthly high temperature records were set across the country, while only one low record was made. Residential and commercial heating customers form the biggest source of U.S. gas demand during the wintertime, eclipsing electric power plants. Thanks to the low demand, U.S. natural gas prices have tumbled by about -25% from the start of this year. Chris McGill, vice-president of energy analysis and standards at the American Gas Association, calls the temperature deviation from the norm is extraordinary. Over the past century, US winters have got warmer on average. Utilities plan fuel supplies and investments based on decades of historical data, understanding they need to serve customers during bouts of extreme cold, Mr McGill said. (Source: Financial Times)*

JPMorgan Is Predicting A Short-Term Pullback On Fed Rate Increase: *The massive rally in the stock market since the U.S. presidential election could soon hit a wall, according to strategists at JPMorgan. "In the near-term we see increasing risk of a sell-off due to more hawkish Fed rhetoric at a time when investor positioning is stretched and equity volatility is likely to rise from low levels," JPMorgan's U.S. equity strategist Dubravko Lakos-Bujas wrote in a note to clients Monday. Lakos-Bujas makes the case that most of the risk is derived from Hedge Funds reaching near historic levels of equity exposure. However, the analysts advise investors should stay the course, saying despite stocks reaching new peaks, extending the rally that began after the U.S. election, the trade remains supported by robust macroeconomic indicators. It's a sentiment echoed by their peers at Natixis SA, who said that equities remain the asset class to be in as the reflation theme continues and the Federal Reserve tightens monetary policy. An uptick in earnings momentum and a pickup in inflation that would boost top-line growth and corporate pricing power are among factors JPMorgan sees helping equities, saying the asset class remains underowned. The strategists also said with the prospects of a Fed rate hike in March almost entirely priced in, "the time might be approaching" to re-enter emerging markets. (Sources: CNBC, Bloomberg)*

How Long Has The Bull Market Been On This Run? *By some accounts, yesterday, March 6 marked the eighth anniversary of the U.S. stock market's current bull run - on an intraday basis, the benchmark S&P 500 bottomed out near 666 on that date in 2009.*

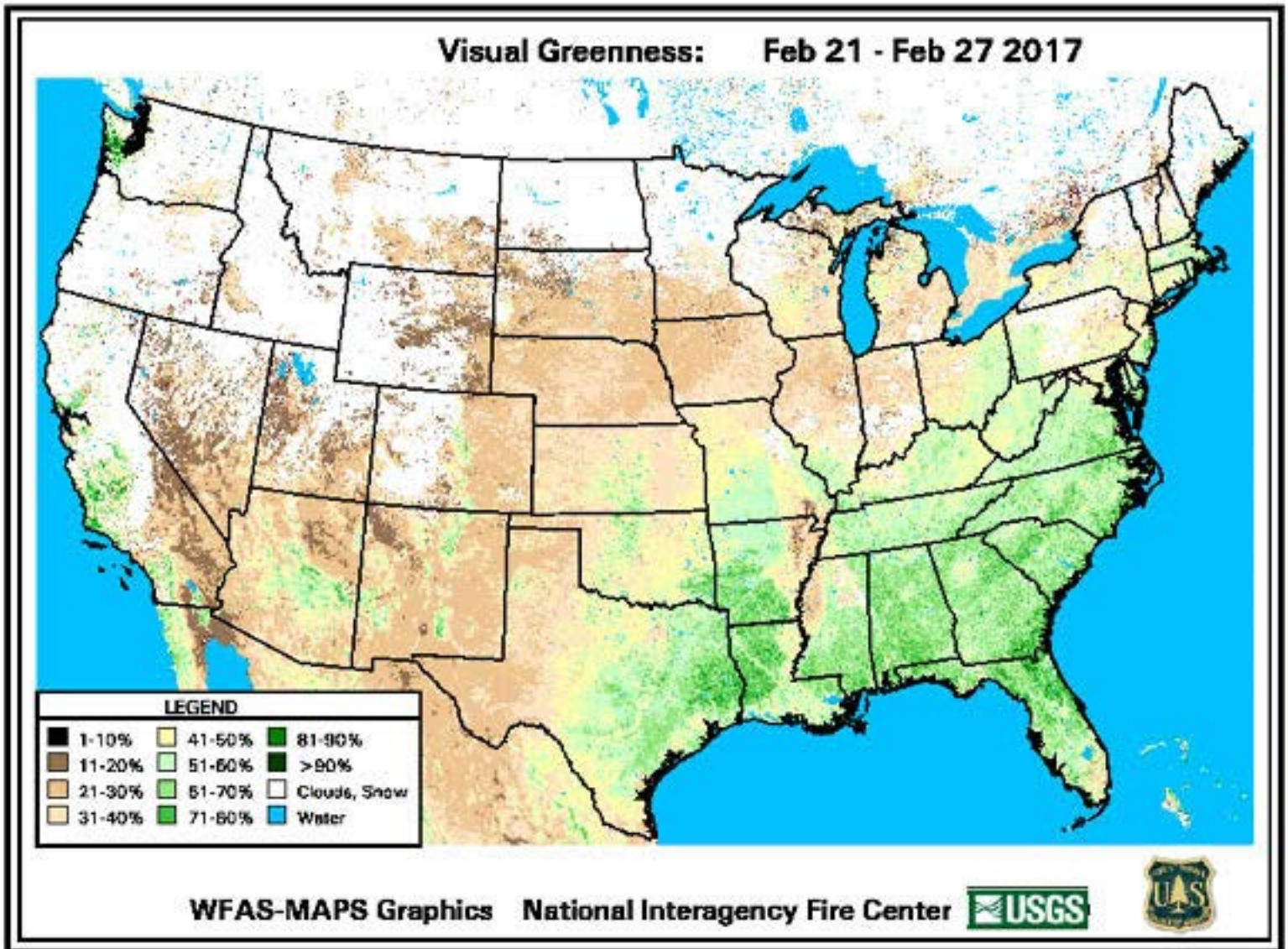
However, the index's closing low came on March 9, 2009, so many pundits have settled on that as the date to put on this bull market's birth certificate. That means waiting until this Thursday to light the candles on the cake. But it could be the run higher is only half as old as they think. Another view is that Sunday, March 5 marked the fourth anniversary of the current bull market. Ritholtz Wealth Management CEO Josh Brown made the case for that in a tweet on Sunday, highlighting that the Dow Jones Industrial Average jumped to a new all-time high on March 5, 2013. Brown has made this argument before. In October, he wrote that spring 2013 is "when we broke above the double-top record highs of 2000 and 2007," so that's when the bull run began. "Some investors and many people in the media tend not to understand the concept of secular bull markets, and so they date the start of this one to March of 2009," he said in a post at his Reformed Broker blog. "They tell you it's 'long in the tooth,' and they count other bull markets that haven't made it this many years in a row as evidence for why it should end soon." But "2009 was merely the cycle low of the prior bear, not the starting point of the current bull," he added. (Source: MarketWatch)



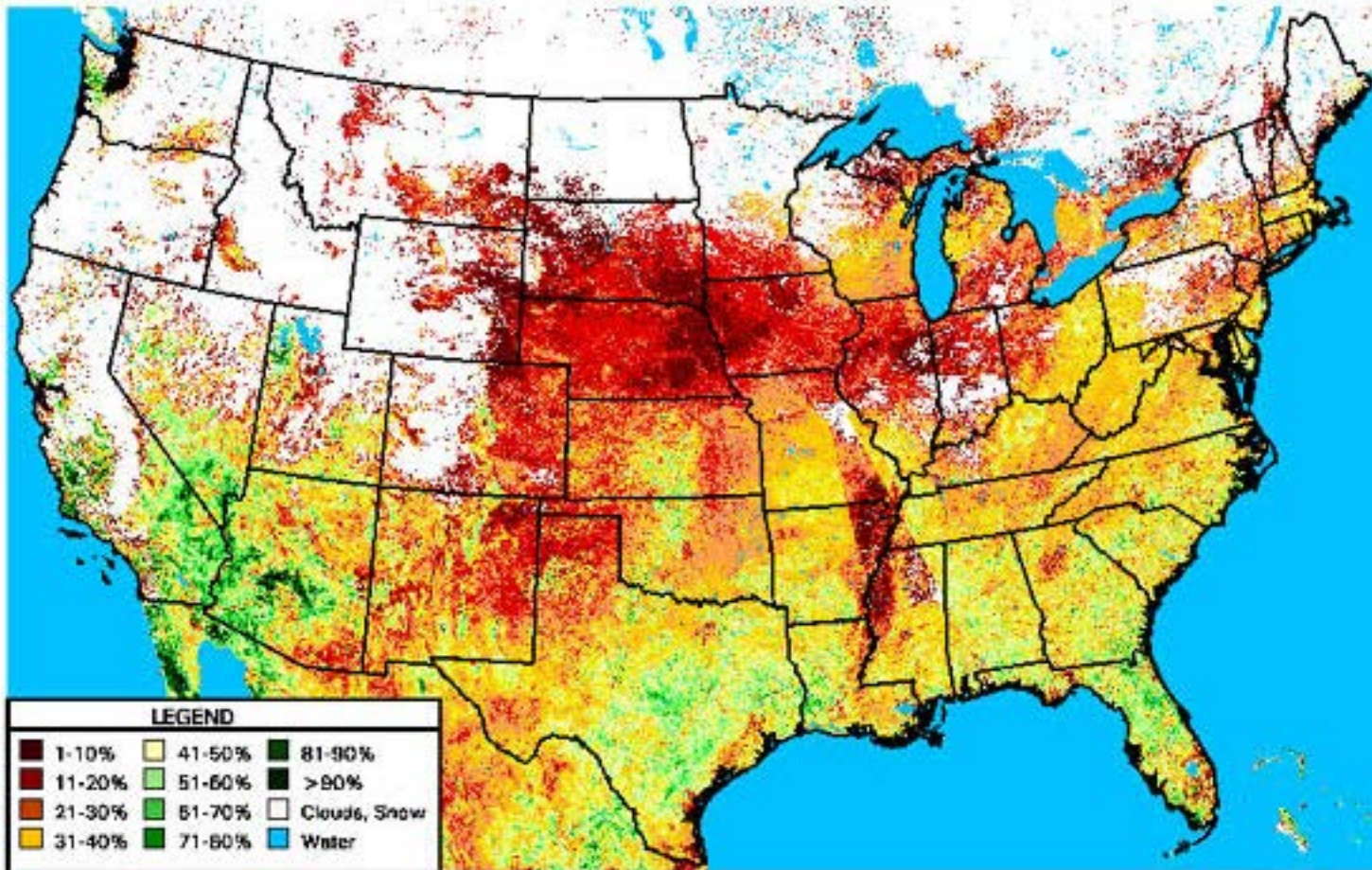
Weather for the first half of this week will see showers and thunderstorm cross the eastern and southern Midwest. Rain is expected to boost soil moisture for crops; however, some disruptions to early spring fieldwork is likely as well. Western Midwest areas will have a drier trend. Dry conditions again dominate the southern Plains 10 day forecast. Dryness is causing more concern due to winter wheat entering its post-dormancy phase almost a month ahead of normal. Temperatures will be well above normal also, adding to the soil moisture loss issues. Across parts of western Kansas Extreme Fire Weather Conditions are in place as a Red Flag Warning has been issued for today. With relative humidity values

of 10 - 15% and winds speeds of 20 to 40 mph with gusts near 50, fire danger is critical. In contrast, sharply colder has arrived across the northern Plains. West of the storm's center, wind-driven snow is developing across eastern Montana and environs. Significant, wind driven snowfall associated with the storm will be mostly limited to North Dakota and eastern Montana. Along the storm's trailing cold front, rainfall during the next 2 days could reach 1 to 2 inches from the middle and lower Mississippi Valley to the Appalachians. In Brazil, rainfall has turned light for central and northern areas this week. This will favor soybean harvest progress along with easing transportation disruption and allow for planting progress of second crop corn. In Argentina, light to moderate rainfall is expected in the central crop areas this week. The recent weather pattern have been overall favorable for developing and filling corn and soybeans in the central areas.

Greenness Index Shows Dry Vegetation Across Plains and Midwest: *I thought it would be interesting to include the latest vegetation greenness maps from the U.S. Geological Survey. The Visual Greenness Map portrays vegetation greenness compared to a very green reference such as an alfalfa field or a golf course. The resulting image is similar to what you would expect to see from the air. Relative Greenness portrays how green the vegetation is compared to how green it has been historically (1989 - 2003).*



Relative Greenness: Feb 21 - Feb 27 2017



WFAS-MAPS Graphics National Interagency Fire Center



Corn traders have very few fresh headlines to digest. Most inside the trade are patiently awaiting the latest USDA numbers scheduled for release on Thursday with little anticipated change. Ending stocks could tick back a touch on better than forecasted demand. Unfortunately, the bears are quick to point to the fact U.S. domestic ending stocks still more than likely remain north of a burdensome +2.3 billion bushels. Lets also keep in mind, despite some production hiccups in Argentina and parts of Brazil, South America will still more than likely harvest an additional +30 MMTs of corn this season compared to last. The bulls argue that there are still some weather uncertainties that could unfold for second-crop corn in Brazil, but the trade as a whole seems a bit apprehensive in adding additional weather "risk-premium" until more weather problems are verified in the fields. I personally don't see the Brazilian weather forecast providing much nearby bullish momentum, so I'm giving it very little premium. We all know weather can change in the blink of an eye, so the trade will continue to pay close attention and I may eventually need to change my current song and dance. Here at home "weather" has been very cooperative and allowing early field work. The bulls continue to argue that the abnormal warmth is reason for concern and that dry conditions in the western portion of the corn belt may eventually create market moving headlines during the U.S. growing season. I think as producers we have to be extremely carefully thinking because we've had a few back-to-back years of strong production that the odds of a major weather hiccup is increased. I've heard a lot of producers

using this reasoning as of late and it's a dangerous thought process. In the investment world a lot of folks use to call it the "Gamblers Fallacy" or the "Monte Carlo Fallacy". In a nutshell this is the mistaken belief that if something happens more frequently than normal during some period, it will happen less frequently in the future, or that, if something happens less frequently than normal during some period, it will happen more frequently in the future, presumably as a means of balancing nature and generally in situations where what is being observed is truly random. In other words, if for argument sake we believe that "weather" is somewhat like a "coin toss", having a 50/50 shot of being either good or bad, then we have to recognize that the odds do not necessarily change based on the previous few years. If someone tosses a coin and gets 99 consecutive tails, many want to argue that the odds increase dramatically for the next flip to be heads...wrong! The coin has no memory. The coin does not look back on its life and decide it needs to come up heads because it has come up tails too many times in a row. The coin cannot think. You have to remember the odds of the next flip are independent of the previous and are therefore still 50/50 on each future toss. If you want to get a bit more tricky walk yourself through the Monty Hall scenario that I've included below. It debunks the theory we've been told our entire lives, "to always stick with our first choice"... I just don't want folks thinking we are "due" for bad weather this year and in turn betting the farm!

Lets Make A Deal... Monty Hall

Scenario: *You're on a game show and there are three doors in front of you. The host, Monty Hall, says, "Behind one door is a brand new car. Behind the other two doors are goats. Pick a door!" You think, "Well, it doesn't matter which door I choose, every door has a 1/3 chance of having the car behind it." So, you choose door number 1. Now it gets interesting. Monty, the host, who knows where the car is, opens door number 2 and reveals a goat. The host always opens a door to reveal a goat. The host says, "If you want, you can switch to door number 3." What should you do? Stay with your original choice or switch to the other door? All right, so what are you going to do? Stay or switch? Well, it's a fifty-fifty chance of winning the car in either door. Right?... Wrong! You actually double your chances of winning the car by switching doors. And that is why the Monty Hall Problem is so evasive! (Source: [StayorSwitch](#))*

Choose an Explanation to the Monty Hall Problem

1/3 vs 2/3 – Solution #1 to the Monty Hall Problem - *There is a 1/3 chance of the car being behind door number 1 and a 2/3 chance that the car isn't behind door number 1. After Monty Hall opens door number 2 to reveal a goat, there's still a 1/3 chance that the car is behind door number 1 and a 2/3 chance that the car isn't behind door number 1. A 2/3 chance that the car isn't behind door number 1 is a 2/3 chance that the car is behind door number 3.*

100 Doors! – Solution #2 to the Monty Hall Problem - *Imagine that instead of 3 doors, there are 100. All of them have goats except one, which has the car. You choose a door, say, door number 23. At this point, Monty Hall opens all of the other doors except one and gives you the offer to switch to the other door. Would you switch? Now you may arrogantly think, "Well, maybe I actually picked the correct door on my first guess." But what's the probability that that happened? 1/100. There's a 99% chance*

that the car isn't behind the door that you picked. And if it's not behind the door that you picked, it must be behind the last door that Monty left for you. In other words, Monty has helped you by leaving one door for you to switch to, that has a 99% chance of having the car behind it. So in this case, if you were to switch, you would have a 99% chance of winning the car.

Pick a Goat – Solution #3 to the Monty Hall Problem - To win using the stay strategy, you need to choose the car on your first pick because you're planning to stay with your initial choice. The chance of picking the car on your first pick is clearly one out of three. But, in order to win using the switch strategy, you only need to pick a goat on your first pick because the host will reveal the other goat and you'll end up switching to the car. So you want to use the strategy that lets you win if you choose a goat initially because you're twice as likely to start by picking a goat.

Scenarios – Solution #4 to the Monty Hall Problem - To understand why it's better to switch doors, let's play out a few scenarios. Let's see what will happen if you were to always stay with your original choice. We'll play out three scenarios, one for each door that the car could be behind (door number 1, door number 2, or door number 3). And it doesn't matter which door you start out with, so, to keep it simple, we'll always start by choosing door number 1.

Stay strategy, scenario 1 - The car is behind door number 1. You choose door number 1, then the host reveals a goat behind door number 2 and because you always stay, you stay with door number 1. You win the car! Stay strategy, scenario 2: the car is behind door number 2. You start by picking door number 1, the host reveals a goat behind door number 3, and you're using the stay strategy so you stay with door number 1. You get a goat and don't win the car. Stay strategy, scenario 3: the car is behind door number 3. You pick door number 1, the host opens door number 2 to reveal a goat, you stay with door number 1, and you get a goat. So, using the stay strategy, you won the car one out of three times. That means that in any one instance of playing the game, your chance of winning the car if you choose to stay is $1/3$ or about 33%.

Now let's try switching doors. Again, we'll always start by picking door number 1. Switch strategy, scenario 1: the car is behind door number 1. You choose door number 1, the host opens door number 2 to reveal a goat, you are using the switch strategy so you switch to door number 3. You get a goat. Switch strategy, scenario 2: the car is behind door number 2. You start by picking door number 1, the host opens door number 3 to reveal a goat, you switch to door number 2 and win the car! Switch strategy, scenario 3: the car is behind door number 3. You pick door number 1, the host opens door number 2 to reveal a goat, you switch to door number 3 and win the car again! So, with the switch strategy you won the car 2 out of 3 times. That means, that in any one instance of the game, your chance of winning the car if you choose to switch doors is $2/3$ or about 67%.

Summary - Therefore, if you play the game three times and stay, on average you'll win the car once. But if you play the game three times and switch each time, on average you'll win the car twice. That's twice as many cars!

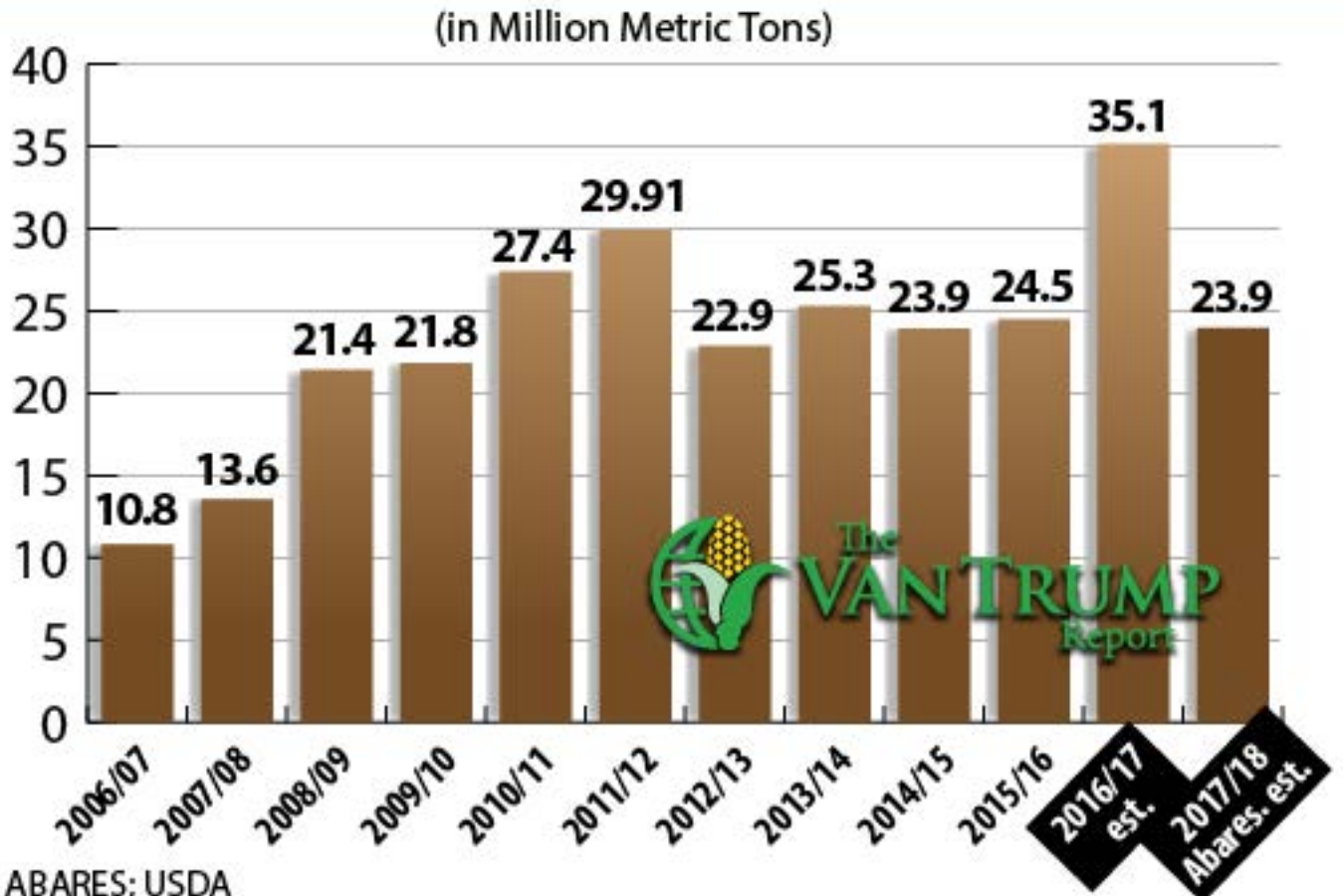


Soybean bulls are talking about a few harvest and logistical complications in parts of Argentina and Brazil. I personally don't see it as much of a game changer for the market at this point and rather just more "noise". The fundamental facts in South America remain fairly consistent in the fact Brazil is going to harvest a record crop and the USDA is perhaps a bit too conservative with their current estimate. Some areas of Argentine are again seeing heavy rains and consider too wet, but I don't see it dramatically impacting the current production estimate. Perhaps the Argentine estimate could pullback a touch, but I at the moment I would have to argue any additional losses in Argentina will more than likely be offset by gains in Brazil. Overall most insiders continue to see the South American crop +10 MMTs larger than last year. Don't forget CONAB will be out with their latest estimates on Thursday ahead of the March USDA numbers. A lack of fresh new headlines in the market and positioning ahead of Thursday's data dump could cause the market to take a couple of small steps backwards. As a producer I continue to keep all hedges in place while targeting another leg higher for our next round of cash sales. As a spec I prefer building or adding to bullish strategies on deeper pullbacks in price.

Wheat bulls seem to be a bit more concerned about U.S. weather and how it will impact

the smallest number of acres planted in over 100-years. The warm weather and dry-conditions, coupled with extremely high winds, low nighttime temps and a crop that is breaking dormancy early is reason enough for a bit more concern. We also have the latest state crop progress showing the Texas crop with 20% now rated "poor-to-very poor" and the largest producing state of Kansas with 22% of their crop rated "poor-to-very poor". Globally it's still tough to get excited as production estimates for Argentina and Australia appear to be record large. Most insiders are also forecasting that the crop in India will be record large and some +10 MMTs larger than last years. The bears are also talking about prices in Russia, Romania and Ukraine staying highly competitive and keeping a lid on most large rallies. As both a producer and a spec I'm sticking with my moderately bullish longer-term bias, believing eventual U.S. weather headlines, geopolitical uncertainties and a more bullish macro mindset could provide opportunity to the upside. Unfortunately these are "big ticket" type items and considered by many to be somewhat of a long-shot. This means between now and one actually coming to fruition the market may struggle to gain more upside momentum. Staying patient!

Australia Wheat Production



U.S. Ending Stocks 2016/17

	March Est.	Avg. Trade Guess	Trade Range	USDA Feb.	USDA 2015/16
Corn	???	2.321	2.245 - 2.440	2.320	1.737
Soybeans	???	0.415	0.395 - 0.444	0.420	0.197
Wheat	???	1.142	1.120 - 1.199	1.139	0.976

World Ending Stocks 2016/17

	March Est.	Avg. Trade Guess	Trade Range	USDA Feb.	USDA 2015/16
Corn	???	218.8	217.0 - 223.1	217.6	210.4
Soybeans	???	81.5	80.0 - 83.0	80.4	77.2
Wheat	???	249.1	246.0 - 255.0	248.6	240.8

South American Production

	March Est.	Avg. Trade Guess	Trade Range	USDA Feb.	USDA 2015/16
Brazil Corn	???	87.8	86.0 - 91.5	86.5	67.0
Brazil Soybeans	???	106.0	105.0 - 108.0	104.0	96.5
Argentina Corn	???	36.5	35.0 - 37.0	36.5	29.0
Argentina Soybeans	???	55.2	54.0 - 56.7	55.5	56.8



> Bird Flu Confirmed In Tennessee Prompts Import Ban: *A deadly form of bird flu has been confirmed in a southern Tennessee chicken flock, marking the first U.S. case at a commercial poultry farm this year. Highly-pathogenic H7 avian influenza was detected in a chicken breeder flock of 73,500 birds in Lincoln County, the U.S. Department of Agriculture's Animal and Plant Health Inspection Service said in a statement. The site has been placed under quarantine and the flock will be destroyed to prevent the disease's spread. South Korea banned poultry imports from the U.S. after the discovery, the agriculture ministry said Monday. The country has faced surging egg prices and has culled almost 34 million birds amid a domestic outbreak. The HPAI finding is the first ever in Tennessee, according to the state's agriculture department. The highly pathogenic form of the virus can be fatal to domesticated chickens and turkeys. About 30 nearby poultry farms are also under quarantine, while none have reported an increase in bird deaths, the department said. (Source: Bloomberg)*

> China Cuts Corn Imports By Half: *China National Grain and Oils information center (CNGOIC) says the country will import 1 million metric tons of corn in 2016/17, an official think-tank said on Monday, lower than the 2 million tonnes forecast last month. China's corn prices have fallen to levels that make imported corn uncompetitive, said the influential China. China is planning to cut grain stockpiles further this year, and expects total grain output to exceed 550 MMT in 2017.*

> Argentine Soybeans Said To Be In Good Shape: *Argentina's current soybean crop is in good shape in most of the country's key growing regions, according to the weekly report from the Buenos Aires Grains Exchange (BCBA). "The weather over the past week again supported humidity of the soybeans planted in the central and southern growing regions and greatly improving the affected region of southeastern Buenos Aires Province. As for progress, the bulk of first harvest soybeans are in the reproductive phase between R3 and R6, while the majority of second harvest beans are now between R2 and R4. The BCBA reiterated its forecast for average yields which would translate into total production of 54.8 million tons of soybeans in the 2016/17 campaign, or 2.1% below the 56 MT harvested in 2015/16. The BCBA is forecasting Argentina 2016/17 corn production will top 37 million tons, up 37% from last year's 30.0 MT.*

> Brazilian Soybean Exports Break Record: *Brazil soybean exports broke the record for the month of February, according to the Foreign Trade Secretariat (SECEX). Brazil exported 3.51 million tons of soybeans in February, a 72% increase over February 2016 and almost four times the total exported in January of this year. The 4.4 million tons of soybeans Brazil has exported year-to-date is the most recorded since 2006 when SECEX*

began tracking the data. The agency says exports have been boosted by greater availability of the oilseed at the beginning of the harvest period.

> Russia Considering Exporting Part Of State Grain Stockpile: *Russia, one of the world's largest wheat exporters, is considering exporting part of its 4 million metric ton state grain stockpile to free up storage space before the new crop arrives, industry sources said. Russia's storage capacity is buckling after the country harvested a record grain crop of 121 million metric tons in 2016, with prospects for this year also looking favorable. (Source: Reuters)*

> Truck Logjam In Brazil Finally Clearing, But Damage Can't Be Undone: *With the help of the Brazilian Army, the National Infrastructure and Transportation Department (Dnit), the Brazilian Airforce, and the Federal Highway Police, the impassable sections of highway BR-163 were improved enough this week to allow some truck traffic to start moving. After heavy rains in mid-February, several unpaved and impassable sections of the highway resulted in a traffic jam of up to 5000 trucks carrying soybeans north to ports on the Amazon River. Some drivers had been stranded for up to 20 days waiting for emergency repairs. According to SoNoticias, initially on Wednesday, trucks that were empty and heading south to Mato Grosso were allowed to start moving through the worst sections and then on Thursday, trucks loaded with soybeans heading north were allowed to start going through. In the recently opened sections, it is still only suitable for one-way traffic, so authorities alternate the flow of traffic. According to the president of the Soybean and Corn Producers Association of Mato Grosso (Aprosoja), the situation on BR-163 is a national embarrassment. This is the principal route for grain exports from northern Mato Grosso and the highway was scheduled to be paved years ago. The blocked highway has resulted in losses in the millions of reals for trucking companies, barging operations, exporters, ports, and farmers in northern Mato Grosso. Additionally, five municipalities along the highway have declared a state of emergency due to dwindling supplies of food and fuel. (Source: [Soybean & Corn Advisor](#))*

> Trump Appoints Acting USTR: *President Donald Trump has appointed Stephen Vaughn, a veteran trade litigator, to the key position of U.S. Trade Representative general counsel and asked him to serve as acting USTR. Vaughn had been widely expected to get the general counsel position. He was most recently at the law firm of King & Spalding, where he worked for a little more than a year. Before that, he worked at Skadden Arps with Trump's USTR nominee, Robert Lighthizer. Trump appointed Vaughn to be general counsel on Thursday, a move that does not require Senate confirmation. The move to install Vaughn comes as the Trump administration considers who to send to Chile next week for a meeting between the remaining Trans-Pacific Partnership countries as well as China and South Korea. As USTR general counsel, Vaughn inherits a heavy caseload of unresolved disputes against China, the European Union and other trading partners left over from the Obama administration. He'll have to manage those along with any new actions the Trump administration may take, which could utilize more exotic trade-remedy measures that have previously been kept on the shelf. Lighthizer's nomination remains stalled because of Democratic attempts - led by Sen. Joe Manchin (D-W.Va.) - to tie the nominee's need for a congressional waiver to serve as USTR to action on a miners' benefits bill. (Source: Politico)*

> Gas Prices Holding Mostly Steady Despite Climbing Inventories: Oil prices fell just fractions of a penny over the weekend, standing at a national average of \$2.31 a gallon. The price is two cents more than one week ago, four cents higher than last month and 50 cents above prices at this time last year. Retail prices continue to fluctuate but have remained between \$2.28-2.32 for more than a month as reports of increased U.S. production continues to counter OPEC rebalancing efforts. The Great Lakes and Central States saw some of the most dramatic price increases last week, attributed to issues at some regional refineries. Last week, Phillips 66 reported problems with an oil-processing unit at its 330,000-b/d Wood River refinery in Roxana, Illinois. OPIS reports that CITGO experienced power outages at its 185,200-b/d refinery in Lemont, Illinois, last week due to severe weather, while ExxonMobil also experienced weather related issues at its 260,000-b/d Joliet refinery in Channahon, Illinois. States in the south and southeast continue to top the list for lowest prices, with eight out of ten of the nation's cheapest retail markets located in the regions. (Source: AAA)

NATIONAL AVERAGE GAS PRICE COMPARISON, 2014 TO 2017

March 6, 2017



Note: Prices are per gallon for regular unleaded gasoline.

Source: AAA (GasPrices.AAA.com)



Northeast South Dakota - *I think that you will see more corn acres switch to beans around but I am staying with my normal rotation that is 50/50. I think that you will see even more changes out west and ground that is marginal. We have ground that is not the best that has made unbelievable yields. WE have plenty of rolling hills and highly variable soils. Our corn made yields between 195bpa to 200bpa, with the whole farm average in the 160bpa range. That was with a terribly dry June that had us thinking that we would make our normal average of 125bpa. We have never seen those type yields. The August rains will make our crop and we had them last year. The other thing that has been a game changer for us is using cover crops. We have planted radishes and turnips the past few years that has helped our soil quality. We saw nutrients stay in the ground and less compaction. The beans saw a great benefit from the late August rains. We will have fields that normally see yields between 20bpa to 50bpa and this past year was 30bpa to 60bpa and a lot of 50 bushel beans. This year we are starting with great moisture levels. There are a lot of guys that don't need any more rain or they will be too wet. The frost is coming out of the ground now and we will normally start planting near our insurance date.*

Central Kansas - *We have been extremely warm and windy, which is sucking a lot of moisture out of the dirt. Most guys are irrigated and heavy corn on corn acres. Even with the pivots the rain is welcomed as we may see some water restrictions in the future. We can normally yield 220bpa but last year it was closer to 240bpa across all acres. The beans were really good too last year but we are starting to see more and more weed pressure from uncontrollable pigweed. I am hoping that the dicamba will help with the pigweed. The beans are irrigated so we will normally be around the 70bpa number, with last year averaging closer to the 80bpa mark. The feedlots will usually keep the basis firm but it has been wider than usual over the past two years.*

Eastcentral Illinois - *The weather has been unbelievable in central Illinois and many guys are looking at the calendar, questioning the long term weather and planting dates. It sure feels like we could be rolling sooner than later, with the ground being about perfectly fit. We will not have any changes to our crops or the rotation, staying in the 60/40 corn to beans. Our corn still pencils better than the beans, if we can make 230bpa to 240bpa on a pretty consistent basis. I have tried to focus on the net income per acre and then break things down from there. Our beans will typically produce mid 60bpa yields but last year was over 70bpa. The heavier soils will keep the moisture around a little longer than our hilly lighter dirt, which helps beans late in the year as things start to dry out.*



Four Sector Themes Impacting North American Farmers and Inputs Providers: *As the crop cycle continues to bottom out, Rabobank continues to monitor the key themes that underpin the transformation of the farm inputs sector. Senior Farm Inputs Analyst Kenneth Zukerberg says growers and inputs providers in the US are currently finding it very difficult to operate profitably, due to low grain prices, potential changes to trade policies and changing consumer preferences favouring organic, non-GMO and locally produced food. The story is different for Canada, which has a different crop mix and benefits from higher export revenues associated with a strong US dollar. The US situation is further complicated by rising temperatures and pressure on freshwater supplies and availability. In our balanced view, the inputs sector is in the process of restructuring itself in order to drive value creation. Check out some key local themes Rabobank is monitoring and researching [HERE](#).*

Corn Reform Succeeds but Reserves Loom Over Market: *China's corn market reform has succeeded beyond expectations but a full year's supply of corn in reserves still looms over the market, according to the Ministry of Agriculture's lead corn market analyst. In an interview with China Times, Mr. Xi Gensheng of the Ag Ministry's Research Center for Rural Economy judged the cancellation of the country's corn floor price policy last year as a clear success by eliminating distortions in the market. Mr. Xi--the lead analyst who signs the Ministry of Agriculture's corn S&D estimates each month--pronounces the decline in corn planting last year as a breakthrough in "supply side reform." Below the optimistic headline, Mr. Xi noted that there is still a mismatch between corn supply and demand in China. Xi estimated that the temporary reserve of corn still holds 230 million metric tons, which he describes as about equal to a year's production of corn and a record high. Read more from [Dim Sums](#).*

The Practical Steps It Takes To Actually Become A Millionaire: *Thomas J. Stanley was a writer who spent 20 years studying American millionaires and patterns in their habits. The result of all his research was the bestselling book, The Millionaire Next Door. [Quartz](#) condensed his book into five basic principals that the millionaires he studied were found to have in common. They are all things that nearly everyone is capable of too, but they do without a doubt require discipline.*

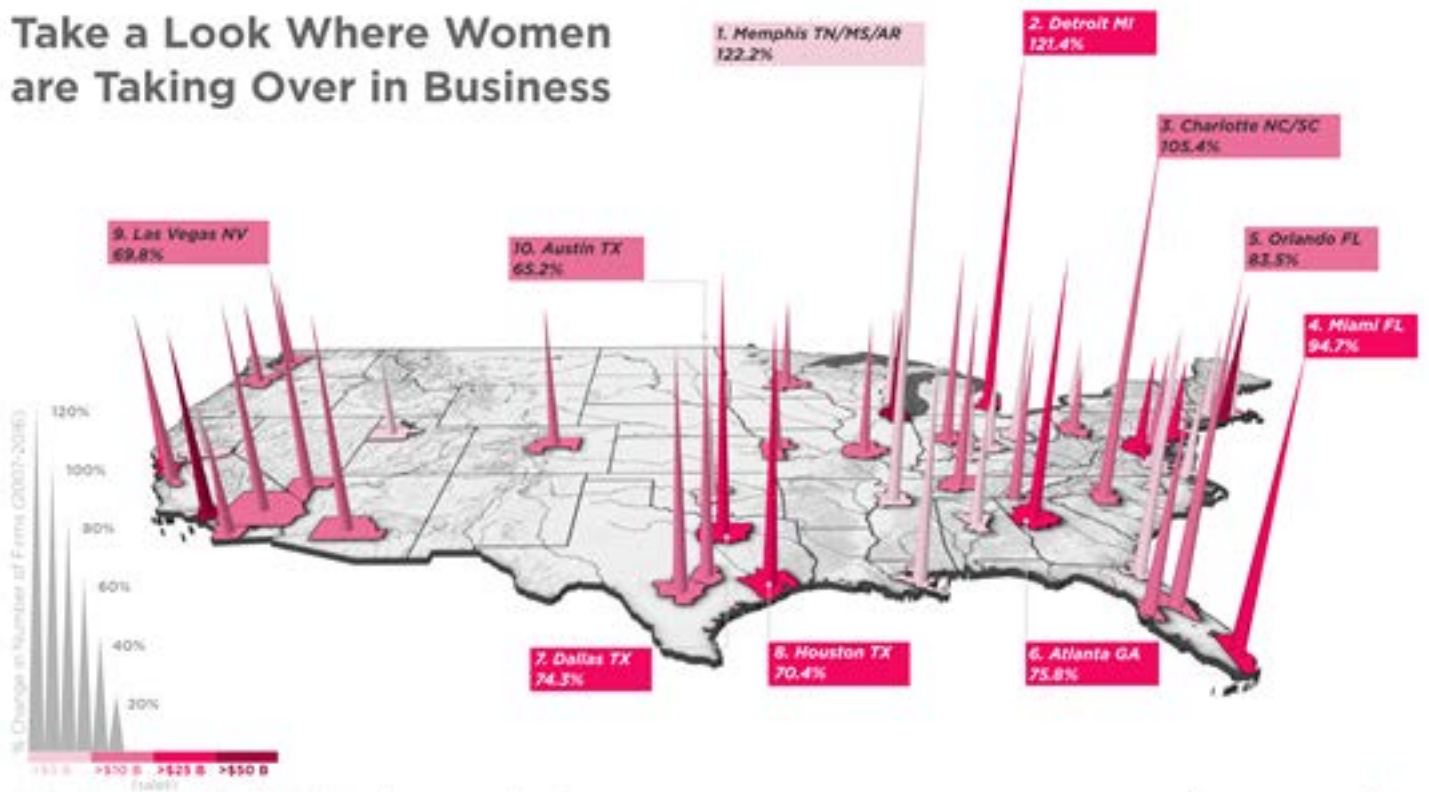
Odd Lots: The Incredible True Story of the Real Life 'Trading Places': *If you have any interest at all in finance, then it's mandatory to have seen the 1983 movie "Trading Places." Two wealthy Philadelphia commodity brokers bet on whether anyone -- even down-and-out Eddie Murphy -- can be trained to become a successful trader. What you might not realize is that something very similar happened in real life. This week's Odd Lots show examines the amazing tale of the Turtle Traders, a group of novices that successful*

commodities speculator Richard Dennis trained for just a couple of weeks - and ended up performing spectacularly well. Listen to the full story [HERE](#).

The Growth Of Women In Business: International Women's Day has been celebrated for over a century – back then, women were still fighting for their right to vote. As this year's celebration rolls around on March 8th, it is important to remember that much still needs to be achieved. But also that women are making great strides toward equality, on their own terms. Point in case: the business world. Take a look around any boardroom table, and you will see very few female faces. That is changing, and faster than many men – and women – realize. As this map shows, women are conquering the business world at a rapid pace. Memphis is America's number one boomtown for female entrepreneurs. Between 2007 and 2016, the number of women-owned businesses (WOBs) in Memphis rose from 31,454 to just under 70,000. That is a 122.2% increase, more than in any other metro area in the country. And Memphis is not the only city in which the number of WOBs more than doubled. Percentage-wise, Detroit just missed the top spot. But Motown's gain is far bigger in absolute terms: between 2007 and 2016, Detroit added twice as many WOBs as the Memphis total for last year. Charlotte came in third, adding more than 45,000 WOBs. These and other figures in the sixth annual State of the WOBs report by American Express point to a nationwide trend of booming female entrepreneurship. The nationwide average, by the way, is 45.2%. See more detailed stats over at cost information website [HowMuch](#).

The Growth of Women in Business

Take a Look Where Women are Taking Over in Business



Source: <https://howmuch.net/articles/state-of-women-owned-business>
<http://www.womenable.com/>

howmuch.net



New Broccoli Can Grow Year-Round, Doubling the Yields

Scientists are developing a new line of fast-growing broccoli that goes from seed to harvest in 8 - 10 weeks. Potentially, the new broccoli could deliver two full crops a year from the field. It can also be grown indoors. Growers would no longer be reliant on seasonal weather conditions thus allowing a steady supply of broccoli. The flowering portion of the plant - the part we eat - must currently experience a period of cold weather before they can flower. The process known as vernalization - which is necessary, also puts the plants at risk for damage due to fluctuating winter weather. The team at the John Innes Center, led by Dr. Judith Irwin and working collaboratively with Professor Dame Caroline Dean, have been working on a way to harness how plants regulate the flowering process. If they can remove the requirement for a period of cold temperature to affect the process - they can bring this new line of broccoli to harvest faster. This means growers could turn around two field-based crops in one season, or if the broccoli is grown in protected conditions, 4-5 crops in a year. Previous research has shown that flowering is suppressed by a gene called FLOWERING LOCUS C (FLC). During periods of cold temperature, proteins around which the gene is wrapped are progressively modified and this shuts off expression of the gene, eventually enabling the plant to make the switch from the 'growing' stage to the 'flowering' stage of development. While research had identified the regulators involved in shutting of the FLC gene, they had yet to work out how these regulators identify their correct target. This is where the new research from the folks at the John Innes Center come in. They studied a population of mutated plants and found an individual that failed to correctly respond to cold. From there, they tracked down where the mutation occurred in this individual. While research had identified the regulators involved in shutting of the FLC gene, they had yet to work out how these regulators identify their correct target. To be clear, in the plant which failed to correctly respond to cold, the mutation prevented that recognition, so FLC could not be shut off and the plant failed to flower. Again, this is a critical development in uncovering a previously unidentified step in the process of vernalization, which links an important gene responsible for flowering time to the proteins that regulate it. ([Science Daily](#), [Phys.org](#))



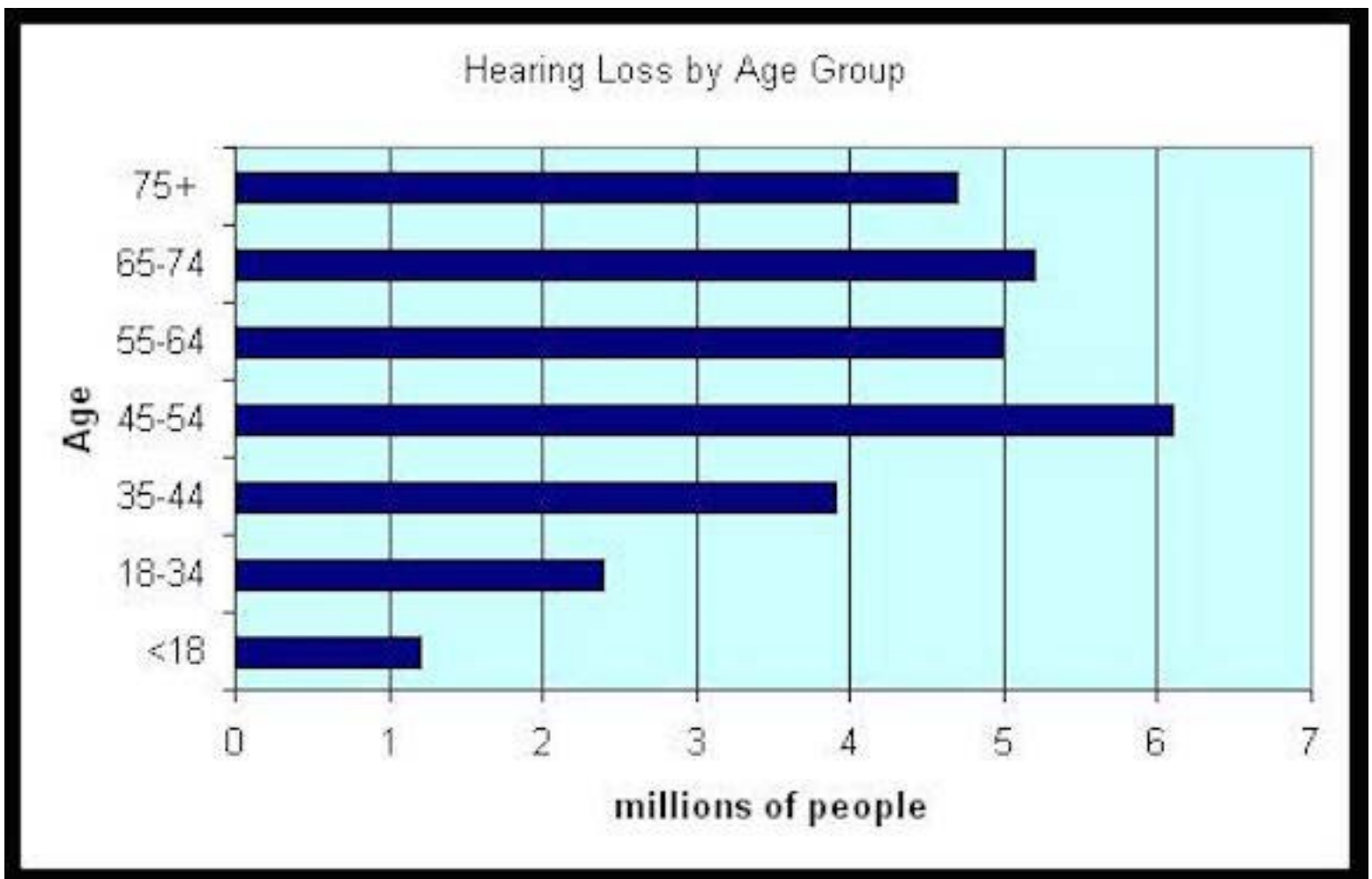


Your Hearing May Not Be As Good As You Think

If you find yourself wondering why everyone around you mumbles so much, you might need to rethink what the true problem is. A new study has found that a good chunk of Americans are suffering from some degree of hearing loss. What's more, about a quarter of them think their hearing is "excellent"! The Centers for Disease Control and Prevention's latest survey found that approximately 20 million American adults have hearing damage due to loud noise exposure. It's long been known that noisy work environments can damage our ears, but the CDC was surprised to find that 53% of adults with noise-induced hearing damage reported no exposure to loud sounds while on the job. Meaning the noise damage came from their everyday lives. An obvious culprit is headphones or earbuds, but other less obvious sounds in our surrounding communities are also harmful, including lawnmowers, sirens and sporting events. Loud noises cause hearing loss by damaging the hair cells in the inner ear that vibrate when exposed to sound waves. The ability to hear sounds and noise is based on the signals these hair cells send to the brain. The damage is not immediately recognizable in most cases, but builds up over time. It's because of that gradual build that most people are oblivious to the fact that their hearing is impaired in any way. The CDC study also found that the damage starts early in life - about 20% of Americans in their 20s have lost some ability to hear softer sounds. Still, people were more likely to develop hearing loss as they grew older, the CDC researchers found. About 27% of adults 50 to 59 had some degree of hearing loss. It's recommended that people have their hearing checked regularly, but the CDC found that less than half - 46% - of adults that reported trouble hearing had bothered to consult a doctor. Regardless of whether your hearing is perfect or you already have some damage, the important thing is to protect the hearing capability you have left. Remember, damage occurs at just

85 decibels. If you are consistently exposed to sounds above that level, you might want to consider wearing ear plugs or noise canceling-headphones while you are around them. For a point of reference, below are the decibel levels of some common sounds.

- *A normal conversation 60 decibels*
- *Traffic noise - 80 decibels*
- *Food blender - 88 decibels*
- *Tractor - 90 decibels*
- *Motorcycle - 95 decibels*
- *Electric drill - 95 decibels*
- *Factory machinery - 100 decibels*
- *Crying baby - 110 decibels*
- *Football game (at stadium) - 117 decibels*
- *Music concert - 120 decibels*
- *Thunder - 120 decibels*
- *Chain saw - 125 decibels*
- *Handgun - 166 decibels*



"Kiwanis International"... What I Had Never Realized

One of our readers recently brought to our attention an organization that has perhaps done more good over the course of their 100+ year history than any other, but somehow seems to still go without notice. Kiwanis International is active in 80 nations, where their

stated goal is a very simple, “improve the world, one child and one community at a time”. As each community has different needs, the work the various clubs do is different. Jointly, members organize nearly 150,000 service projects and raise close to \$100 million every year. On the international stage, the Kiwanis’ continuing service emphasis is called “Young Children: Priority One,” which focuses on the special needs of children from prenatal development to age five. The program focuses on four key areas - maternal and child health; child care and development; parent education and support; and safety and pediatric trauma. In 1994, Kiwanis launched its first Worldwide Service Project, a \$75 million campaign in partnership with UNICEF to eliminate iodine deficiency disorders (IDD) by the year 2000. Iodine deficiency is rare in areas where iodized salt is used, but in other parts of the world, IDD is the leading cause of preventable mental retardation. As many as 1.5 billion people are at risk, especially young children. Kiwanis’ IDD campaign has been heralded as one of the most successful health initiatives in the world, and the number of households consuming iodized salt has jumped from from an estimated 20 percent in 1990 to more than 70 percent. In 2010, Kiwanis International and UNICEF joined forces again to launch The Eliminate Project, which aims to eliminate maternal and neonatal tetanus. The effects of the disease are excruciating — tiny newborns suffer repeated, painful convulsions and extreme sensitivity to light and touch. The disease is typically contracted through unhygienic childbirth practices. In 1988, the World Health Organization estimated that 787,000 newborns died of neonatal tetanus (NT). WHO estimates that in 2015 (the latest year for which estimates are available), 34,019 newborns died from NT, a 96% reduction from the situation in the late 1980s. As of January 2017, NT remains a public health threat in 18 countries, down from 41 in the the late 90s. The Eliminate Project met their \$110 million fundraising goal and the project is now focused on continuing efforts to immunize mothers by supplying vaccines, syringes, safe storage, transportation, thousands of skilled staff and more. The Kiwanis organization originated in August 1914 in Detroit, Michigan from a conversation between Allen S. Browne and Joseph G. Prance. Browne’s idea was to solicit business and professional men, asking them if they would be interested in organizing a fraternal organization with a health benefit feature. Originally named the Supreme Lodge Benevolent Order Brothers, they changed that to Kiwanis a year later. Today, there over 700,000 adult and youth Kiwanis members that devote more than 18.5 million hours of service in their communities. If you’re interested in finding out more, visit the Kiwanis website [HERE](#). (Source: Kinwanis.org and Wiki)

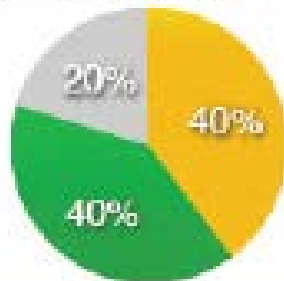




CASH SALES & HEDGING TOTALS

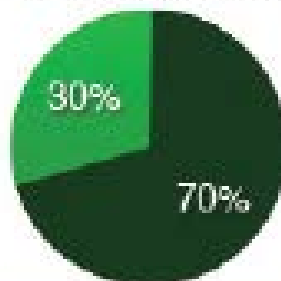
CORN 2016 CROP

40% SOLD
40% HEDGED
20% Cash Remaining



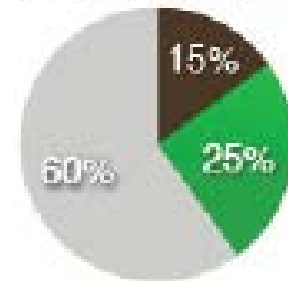
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% Cash Remaining



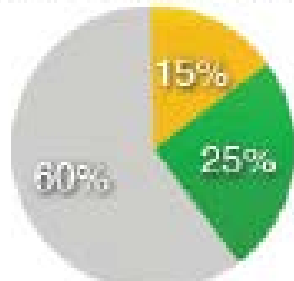
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% Cash Remaining



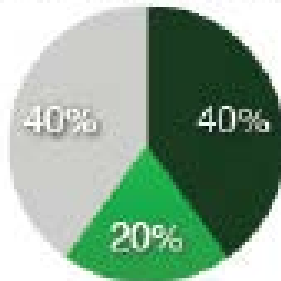
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



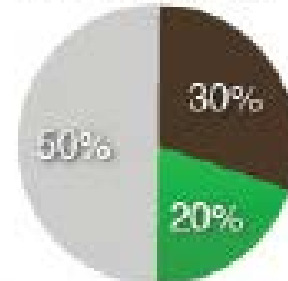
SOYBEANS 2017 CROP

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

