



*"It is not what you do for your children, but what you have taught them to do for themselves, that will make them successful human beings." – Ann Landers*

**MONDAY, MARCH 13, 2017**

**Morning Summary:** Stock markets around the globe are steady to mixed to start the morning. Unfortunately last week marked the first losing week in the past seven as traders prepare and make portfolio adjustments for a more aggressive Fed. Crude Oil bulls have reduced long exposure and prices are now trading down at levels not seen since late-November. Those who need to lock in fuel needs may want to start checking prices and paying more attention during the next couple of weeks. The "big buzz" of the week will obviously be the two-day Fed meeting, which begins tomorrow, and is followed by a Yellen press conference. The U.S. labor market is starting to run "hot" and many traders are fearful the Fed could start to get much more hawkish than previously forecast. The Labor Department on Friday reported the U.S. economy added +235,000 jobs in February while the unemployment rate ticked down to just 4.7%, suggesting a tight market for labor. Job gains for January and December were also revised slightly higher for an additional +9,000 more jobs than previously reported, for a total of 393,000 jobs added during the two months. The Friday report also showed wages increased +0.2% in February, raising the annual pace to 2.8% after last month's weakness. There are now some concerns that tightness in the labor market could lead to a spike in inflation if economic growth really starts to accelerate, which is a distinct possibility if Trump successfully gets his infrastructure and tax reduction plans in place. Construction, manufacturing and mining added close to a total of +100,000 jobs. the construction job gains of +58,000 is the best monthly showing in over a decade and could allow for increased homebuilding in upcoming months. Most will argue since the recession companies have been leery of aggressively spending their cash, meaning they've been slow to add new technologies that could boost productivity while saving on labor costs. If this mood to spend capital in this area changes, which many suspect it will, it more than likely takes some time to implement. During that period businesses will need to hire new employees to keep up with rising demand to ramp up for additional infrastructure. With such a small available labor pool, that could likely mean a significant increase in wages and growing inflation. Not only does all of the above greatly increase the odds of a Fed interest rate hike this week, which seems to be a done deal, but also makes the trade more nervous about a more rapid increase in rate hikes during the months ahead. Most traders and money-managers I know seem comfortable with three hikes this year but any suggestion of four is probably cause for concern. Turning to today, there are no major economic reports due out. Most of the key data comes later this week, which includes the Federal Reserve's latest policy decision, due out Wednesday at 1 p.m.

CST. That will be accompanied by fresh economic projections and an updated 'dot plot'. Shortly afterward, Fed Chair Janet Yellen will hold a press conference that will hopefully give further insight into whatever action the central bankers decide upon. Other data of interest this week will focus on inflation and the housing market. In Washington this week, Congress will still be busy trying to repeal and replace the Affordable Care Act. As early as Monday, the Congressional Budget Office could give its assessment on the GOP's replacement plan, which will estimate not only costs but the number of people that could lose insurance coverage. The House Budget Committee is expected to take up the legislation on Wednesday and pass it to the full House. The Senate has yet to announce any plans to tackle the issue. Keep your eye on the headlines surrounding the Fed and Washington!

**Transportation Sector Adds Most Jobs In Five Years:** *Trucking fleets stepped up hiring at the fastest pace in five years in February, adding 10,600 jobs in a display of confidence as companies across U.S. industries ramped up payrolls. Goods-producing private companies added 95,000 jobs last month, fueled by strong growth in construction and manufacturing. The hiring at trucking companies, which came after the industry cut payrolls by 5,100 jobs in January, was the strongest monthly gain in the monthly employment report since February 2012. The growth comes as several measures for freight shipments and equipment orders suggest companies are more assured about demand growth in coming months. Friday's jobs report pointed to stronger shipping in coming months, with manufacturing companies adding 28,000 jobs, hiring expanding sharply in the mining sector and construction growing amid mild winter weather. There were 10,600 for-hire trucking jobs added last month, while the wider transportation and warehousing sector posted a gain of 8,800. Job losses in warehousing and storage brought down that number. Swift Transportation Co., the largest North American truckload carrier, this week cited driver-recruitment as a problem as well as "intensely competitive pricing". Transportation overall is seen as a leading indicator of economic activity, as virtually every other good or service in the economy must be moved to market. When the economy is on the decline, the transportation sector is one of the first things to go. According to a report by the U.S. Bureau of Transportation Statistics, shifts in its index that tracks train, truck, boat and plane activity occur before changes in economic growth, leading the wider economy by about four months. (Source: American Shipper)*

**Trump Administration To Tackle Tax Reform Next:** *White House National Economic Council Director Gary Cohn told CNBC on Friday the Trump administration is going to tackle tax cuts after repealing and replacing Obamacare. "We're absolutely going to do taxes under reconciliation," a budget process that requires only a simple majority of votes in the Senate, Cohn said on Squawk on the Street. "We care about the deficit. We care about revenue," said Cohn, who left Goldman Sachs as the number two executive to join the Trump White House. Cohn adds that they are working on a "bunch of interesting ideas" and aim to be revenue neutral over a 10-year period. Cohn also commented on the impressive February Employment report, noting that the strong pace of job growth in February doesn't include hiring that CEOs of U.S. companies have promised President Donald Trump. "All the CEOs that we've brought in, whether it be Exxon or Sprint or Intel, they've promised an enormous amount of jobs and job creation in the United States. Those hirings have not been done yet." Cohn expects them to show up 3-12 months from now. Separately, Cohn backed a proposal*

for the government to offer 50-year Treasury bonds and 100-year maturities to pay for infrastructure.

**Bitcoin Exchange Application Denied By SEC:** Bitcoin began crashing after the U.S. Securities and Exchange Commission on Friday rejected the Winklevoss twins' exchange traded fund (ETF). The cryptocurrency plunged more than -16% in the moments after the decision was released. Cameron and Tyler Winklevoss first applied for approval of the product nearly four years ago and the rejection is a big blow to them and others that were betting on a Bitcoin 'boom'. Bitcoin prices traded as high as \$1,326 on Friday in anticipation of an approval, then plummeted to around \$1,069 after the SEC decision. The decision also dashing industry hopes that establishing an exchange traded fund would make the digital currency attractive to Wall Street and retail investors. The shares would have traded on the Bats BZX Exchange operated by CBOE Holdings Inc. Bats and CBOE could still appeal the denial, and they also could rewrite the proposal based upon SEC feedback that could make the product more acceptable to regulators. Another option: any one of the SEC's two commissioners could move to review the staff's decision, which would allow them to vote on the application. The decision by the SEC was made by the Trading and Markets Division staff, according to the filing. Agency staff has so-called delegated authority to effectively approve new ETFs without a vote by commissioners. Beyond the Winklevoss proposal, there are two other applications for bitcoin ETFs on the SEC's desk, from Grayscale Investments LLC and SolidX Management LLC. The deadline on the latter, March 30, is fast approaching. (Source: The Wall Street Journal, Business Insider)



**How Times Have Changed!** 60 years ago, we needed a dozen men to move IBM's 5MB hard drive. (Source: @ValaAfshar)



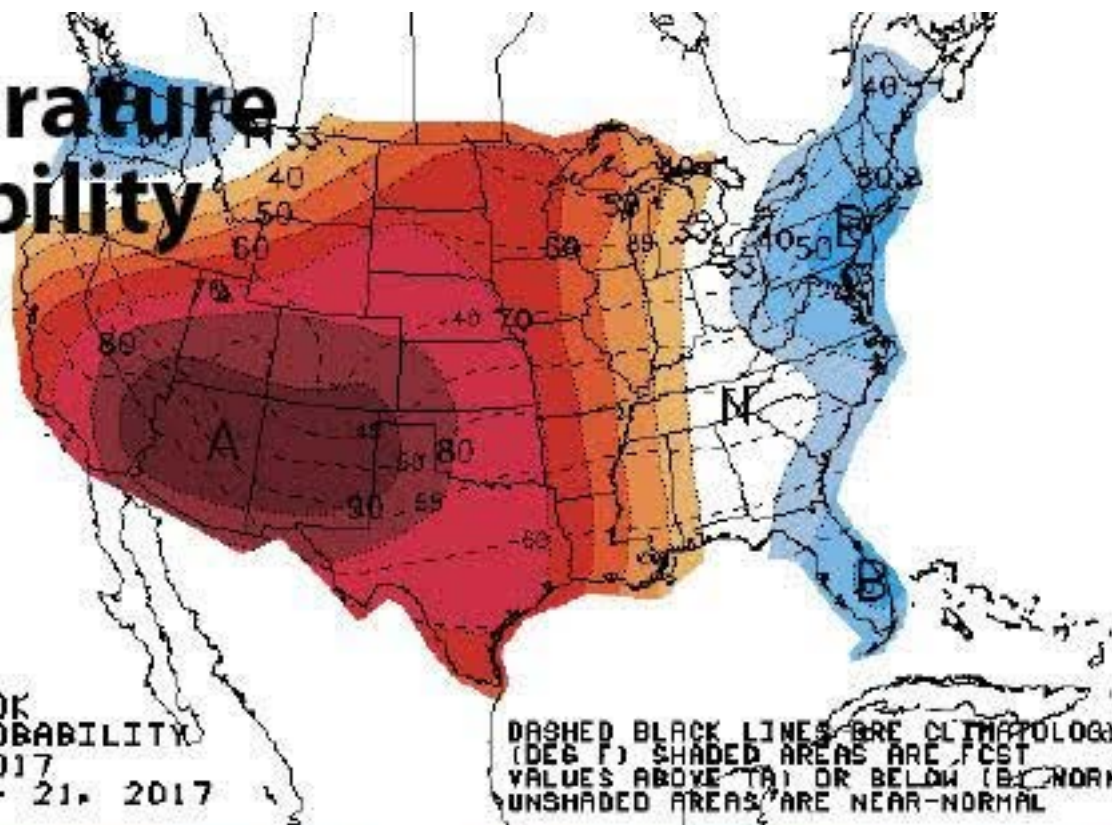
**Weather** is focused on the cold and snowy weekend experienced those in the northern Plains and Midwest. Cold air spread across the Midwest late last week with temperature ranging between 10 and 20 degrees below normal. The cold temps weren't expected to damage crops, but they have curtailed thoughts of spring fieldwork. Light to moderate snow did occur in a swath from the Dakotas to the Great Lakes. Chicago saw its first inch of snow on the ground since Christmas Day. This storm also brought snow to the South yesterday. From what I understand snow fell as far south as Columbia, South Carolina Sunday morning, making it only the 17th time it's snowed there in March since 1888. Soil moisture continues to decline in the southern Plains. Strong to very strong winds and very low humidity last week have pulled moisture from the ground and emerged wheat at an even faster rate than normal. There is little significant precipitation indicated in the fore-



cast for this week. In central Brazil, a drier and warmer trend is setting in which should help improve conditions for maturing crops and harvesting. Mostly favorable conditions for second crop corn in central Brazil remains in effect also. We are hearing about new concerns that crop growing areas in Rio Grande do Sul may becoming too wet. In Argentina, mild weather is in place which is seen as quite favorable for filling corn and soybeans. I should also note a blizzard warning is now in effect for the northeastern areas of the U.S.

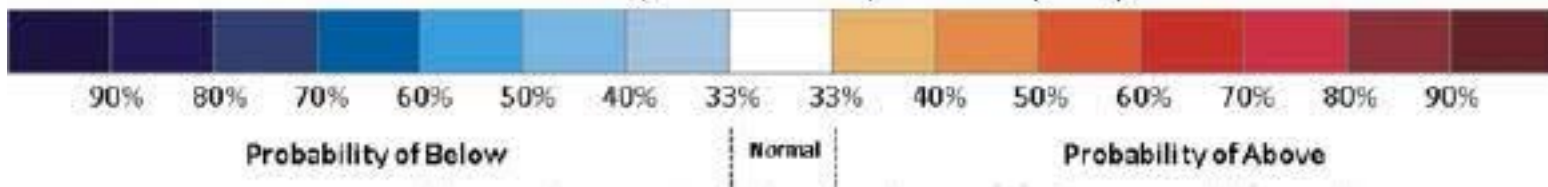
**6 to 10 Day Outlook:** Warmth returns as the NWS 6 to 10 day outlook for March 17-21 is calling for the likelihood of above normal temperatures across the western two-thirds of the U.S., while colder than normal conditions can be expected in the East. Meanwhile, near to below normal precipitation across the majority of the U.S. will contrast with wetter than normal weather in the Northwest, along the northern Atlantic Coast, and from the northern Plains into the lower Ohio Valley.

# Temperature Probability

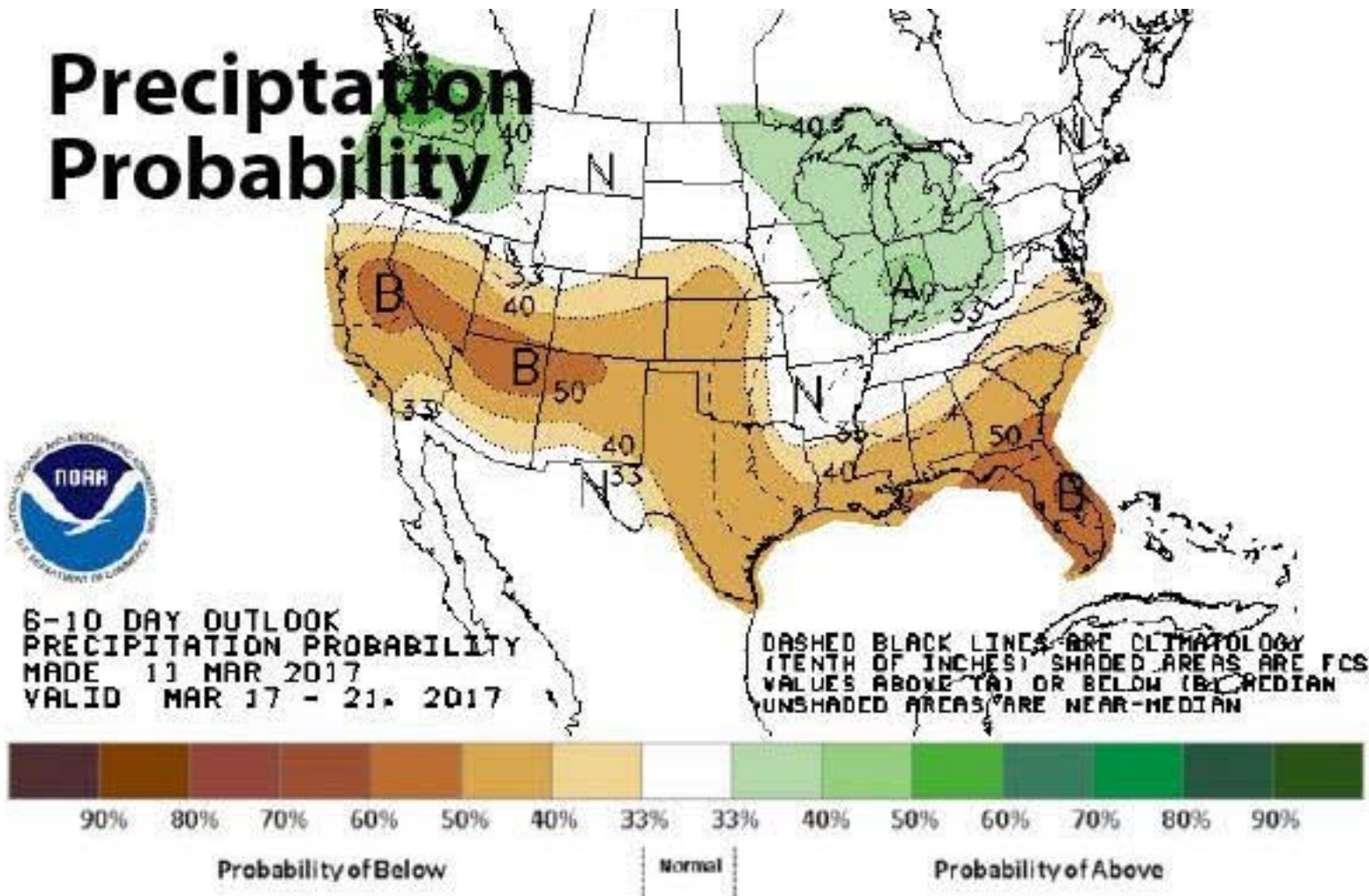


6-10 DAY OUTLOOK  
TEMPERATURE PROBABILITY  
MADE 11 MAR 2017  
VALID MAR 17 - 21, 2017

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST  
VALUES ABOVE (A) OR BELOW (B) NORMAL  
UNSHADED AREAS ARE NEAR-NORMAL



# Precipitation Probability



**Corn** prices have given back roughly -20 cents from its recent highs set in mid to late-February. The trade is obviously digesting the bearish fundamentals associated with a South American crop that is now forecast +30 MMTs larger than last year, meaning a substantial jump in available exports. The biggest blow to the bulls was the USDA raising their Brazilian corn estimate from 86.5 MMTs to a whopping 91.5 MMTs. The Argentine crop was also raised higher from 36.5 to 37.5 MMTs. In addition South Africa and Indian corn production were also raised higher, pushing global ending stocks north of +220 MMTs. The bears are also pointing to the fact the USDA recently lowered their feed and residual estimate for U.S. corn by a whopping -50 million bushels. Which left our domestic ending stocks "unchanged" at a burdensome 2.320 billion bushels. Throw on top recent headlines of cooperating U.S. weather and a wave of early-filed work spreading across our nation, leaves the bears talking about the potential for adding some last minute corn acres. The USDA is currently forecasting 90 million U.S. corn acres will be planted, a number I personally believe will end up a bit lower not higher, like some are forecasting. Keep in mind early-planting dates will come into play this week for Oklahoma, parts of southern Missouri, and southeastern Kansas, while corn down south is already beginning to emerge. It's crazy to believe, but the official first day of Spring is next Monday. It feels like this winter has flown by, but planting season is now upon our doorstep. Outside of the early U.S. planting headlines and debates surrounding second-crop corn in Brazil, the trade will be eager to hear new trade headlines out of Washington and any possible changes to the RFS or "point of obligation" in regard to ethanol. As fundamentalist, you have to believe without a significant weather complication in the U.S. during the next six-months, prices are perhaps +30 to +50 cents overvalued. Especially if the USDA were to forecast an additional +2 million

corn acres get planted, rather 92 million instead of 90 million planted. That type of number could push ending stock estimates well north of 2.5 billion bushels and perhaps closer to 3.0 billion bushels. For what it's worth the USDA will complete its "producer survey" this week for the release of the Prospective Planting report on March 31st. On the flip-side, any talk of a reduction in planted acres and perhaps a -10% to -15% reduction from last years U.S. record average yield, we could see a running of the bulls, as the 2017 crop production estimate could fall to sub-13 billion bushels. As a producer I'm staying patient. I already have 40% of my new-crop price risk removed at profitable levels averaged north of \$4.00 per bushel. For the moment this makes me feel like time is on my side and provides me the ability to see several more U.S. weather related cards. As a spec I would like to be a longer-term buyer of "value" on a deeper break in price.

**Soybean** prices tumbled -30 cents this past week, while the old-crop MAY17 contract has now given back over -80 cents from its most recent mid-January highs. The new-crop NOV17 contract is down over -40 cents from its late November high of \$10.43 per bushel. The market is digesting additional confirmation that the South American crop is going to be record setting and that U.S. producers are going to plant record soybean acres. The USDA helped reconfirm the bearish fundamentals by lowering exports by -25 million bushels and raising U.S. domestic ending stocks by +15 million bushels from 420 to 435 million bushels. The Brazilian crop estimate was raised aggressively higher from an already record 104 MMTs to 108 MMTs. In return global oilseed supplies have been raised +3.2 million tons to 646.9 million. The bears are also keeping a close eye on Chinese margins, which have slipped a bit as of late, bringing into question a possible pullback in Chinese demand growth. I should also point out there's been some backpedaling amongst the macro bulls the past few weeks. It seems like the entire investment world has taken a couple of steps backwards as the Fed appears to be getting much more hawkish in their rhetoric and tone. In return some of the larger macro bulls have reduced a bit of their bullish commodity exposure not knowing for certain how aggressive the Fed action and statement will be when it's released on Wednesday. Personally I see the Fed action as a temporary nearby headwind. As a producer and a spec we have to respect the power of "money-flow", but longer-term I feel we're only at the beginning of a move back into commodities. I remain extremely patient and unwilling to play the short side based on the traditional fundamentals. Yes, I fully understand a U.S. crop that averages anywhere near 50 bushels per acre in 2017 and we will be swimming in soybeans, perhaps a +700 million bushel carry could be forecast. But I also believe any type of more serious weather headlines could allow the funds to easily push prices past their recent highs. I continue to keep all of my hedges in place. I'm worried there could be a nearby lack of bullish headlines as the market slowly transitions into a U.S. weather market. As a spec I like the thought of building a bullish position on a deeper break in price...perhaps in the \$9.50 to \$9.60 range in the NOV17 contract. Technical traders believe there could be heavy support in the \$9.80 area, which might ultimately make my \$9.50 to \$9.60 pullback a bit unrealistic, especially if we get any early-Spring weather headlines. I still see no need to get in a hurry in either direction!



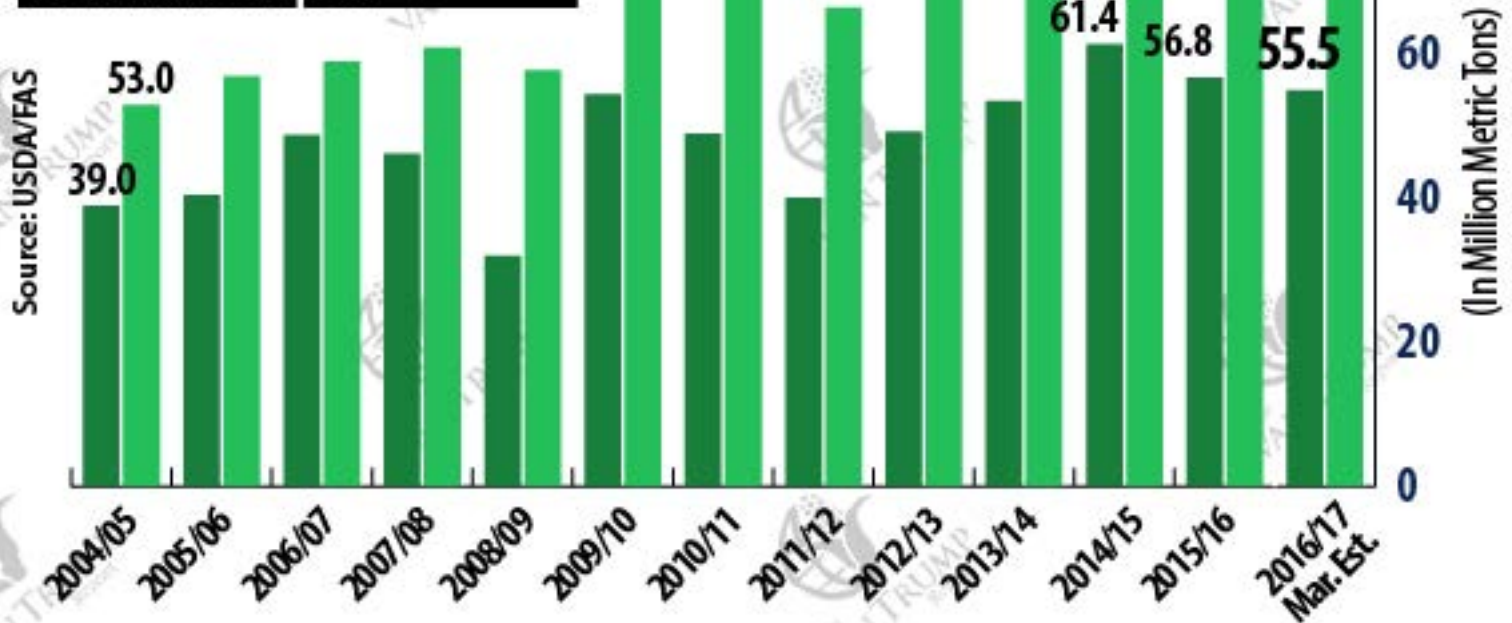
# South American SOYBEAN Production

## SOYBEANS

■ Brazil ■ Argentina

(In Million Metric Tons)

Updated from March 09,  
2017 WASDE report



**Wheat** bears continue to point to the traditional fundamentals as U.S. and global supplies remain at extremely burdensome levels. The USDA recently confirmed that global production has increased by another +2.8 million tons to 751.1 million and global ending stocks are increased by +1.3 million tons to 249.9 million, primarily due to record crops now being forecast for both Argentina and Australia. Bulls continue to talk about weather complications brewing in some key wheat regions here in the U.S., with high winds this past week drying out areas at a much quicker pace than many had forecast, and now some freezing overnight temps have been thrown in the mix. As wheat has broken dormancy early this year in many locations, a late severe freeze could lead to some more serious "winter kill" headlines. We all understand wheat tends to have nine-lives, so I'm certainly not getting excited this early in the game and am not yet penciling in any major reduction in yield. Keep in mind though, this is the smallest U.S. wheat crop we've seen planted in over 100-years. Meaning any type of talk regarding a significant setback in the average yield could certainly give the short-sided funds reason to move to the sideline. With the market acting like it has grown tired or callused of the same old over-supplied headlines and tradition fundamentals, I'm comfortable looking in another direction for what will move the trade. As both a spec and a producer I remain a longer-term bull.





**> El Nino Could Still Return This Spring:** *A U.S. government weather forecaster said on Thursday that La Niña conditions had disappeared and projected the possibility of El Niño developing later this year, returning after the weather phenomenon wreaked havoc on global crops last year. The National Weather Service's Climate Prediction Center said in a monthly forecast that neutral conditions were present in February and were likely to continue through at least the spring. However, the forecaster said it saw increasing chances of El Niño developing later this year and cited some possibility that it could arrive as soon as this spring. (Source: Reuters)*

**> Second Bird Flu Case Confirmed In Tennessee:** *Tennessee's state veterinarian said a chicken flock at a commercial breeding operation tested positive for avian influenza, but the low pathogenic strain differs from the recent finding of highly pathogenic avian influenza (HPAI) in an adjacent county. Officials do not believe one facility sickened the other, the state's department of agriculture said. The Giles County flock was depopulated as a precaution and the facility is under quarantine, along with all domesticated poultry within a 6.2-mile radius, and no affected animals entered the food supply. Both the LPAI and HPAI viruses found in Tennessee are an H7N9 strain. USDA's National Veterinary Services Laboratories (NVSL) has said the H7N9 virus found in Lincoln County is of North American wild bird lineage and genetically different from the H7N9 virus affecting Asia. (Source: MeatingPlace)*

**> Spain Confirms Atypical Mad Cow Case:** *Spain has confirmed a case of bovine spongiform encephalopathy (BSE), commonly known as mad cow disease, in a northwestern province, the World Organization for Animal Health (OIE) said on Friday. Routine testing showed a positive result for atypical BSE type L disease in tissue from an animal on a cattle farm. Classic mad cow disease was detected in Britain in the late 1980s, spreading from there to other parts of Europe. It ravaged cattle herds until the early 2000s and was linked to the brain-wasting Creutzfeldt-Jakob disease in humans. Atypical cases have occasionally been detected in recent years, with Ireland reporting a case last month. A spokesman at Spain's agriculture ministry said the case it detected would not lead to any restrictions on trade or affect consumers. However, an atypical case in Brazil, one of the largest exporters of beef, in 2012 led some importers to suspend trade.*

**> Ukraine Begins 2017 Grain Sowing:** *Farmers in southern Ukrainian regions have started spring grain sowing, seeding the first 1,400 acres, the agriculture ministry said on Thursday. Farmers plan to sow a total of 17.8 million hectares of spring grains this year, including 5.93 million hectares of early spring grains - barley, spring wheat, oats and peas.*

**> ASA Goals For Farmbill 2018:** *The American Soybean Association has affirmed its support for both the Agriculture Risk Coverage and Price Loss Coverage commodity support programs in the next farm bill, and continuing the practice of linking subsidies to historically planted acres, as opposed to those actually planted in any given year, in order to avoid distorting farmers' decisions over which crops to grow. ASA's voting delegates, which represent 26 states, adopted a wide range of policy priorities during the Commodity Classic in San Antonio, Texas, which wrapped up this past weekend. Other positions include doubling funding for foreign market development and market access programs to \$69 million and \$400 million, respectively, along with raising the acreage cap for the Conservation Reserve Program and supporting efforts to protect the monarch butterfly population. The organization isn't a fan of the dairy industry's push to ban manufacturers of plant-based products from marketing them as "milk," and has adopted a resolution defending the growing soy milk market.*

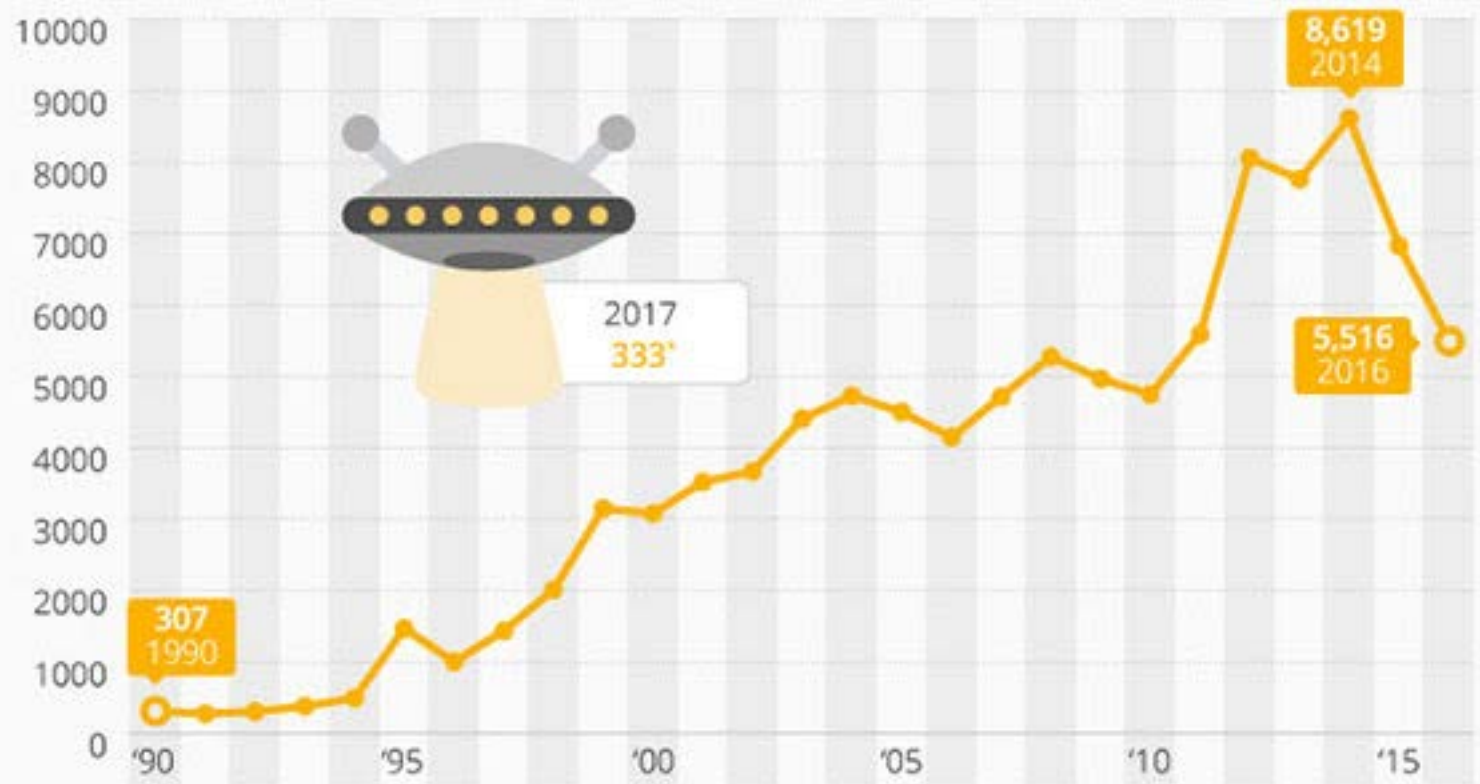
**> University Of Illinois Researchers Find Resistance Gene In Waterhemp:** *University of Illinois researchers have found the gene responsible for metabolic resistance to the widely used herbicide atrazine in the broadleaf weed waterhemp. Atrazine is sprayed on about 80-percent of corn acreage in the U.S. even though resistance is increasing. The research team had developed a quick test for metabolic resistance but until this latest research did not know which enzyme was responsible. The researchers say they will develop a second test for resistance and their findings could lead to a new chemical to control waterhemp. (Source: Brownfield Ag)*

**> Land O'Lakes Reports Record Net Earnings:** *Land O'Lakes, Inc. reported record net earnings for the year ending Dec. 31, 2016. The company reported a record \$320 million in net earnings on \$13.2 billion in sales and returned a record \$187 million in cash to its member-owners. This compares to net earnings of \$304 million and cash to its member-owners of \$161 million in 2015. Land O'Lakes, Inc. touches 50% of the harvested acres and 25% of the producers in the nation through its independent retail-owner network. For the fourth quarter ending Dec. 31, 2016, the company reported \$3.3 billion in sales, which were even with 2015, and \$73 million in net earnings, compared to a record \$116 million in the fourth quarter of 2015. Coming off a record year in 2015, the company also achieved record performance in 2016 with growth in each of its core businesses despite what it called challenging market conditions.*

**> UFO Sightings Are At Record Heights:** *Have you seen a strange bright light criss-crossing it's way across the night sky or a mysterious orange disk hovering over the trees in the distance? If you have, then you're not alone! According to the National UFO Reporting Center in the US, sightings of UFOs are reaching record heights. Back in 1990, the organization only recorded 307 sightings (most are in the US but their records include global sightings) and that has skyrocketed in the years since. They reached a peak of 8,619 in 2014 before falling slightly to 5,516 in 2016. (Source: Statista)*

# UFO Sightings Are At Record-Heights

Global UFO sightings recorded from 1990 to 2017



CC BY ND  
@Statista\_com

\* Up to Feb 22, 2017

Source: National UFO Reporting Center

statista



**Northwest Washington** - We had another 3" of snow yesterday as we continue to work on equipment. The snow cover has been perfect for the wheat.....until now as we hit the 100-day snow mold concern. We have had close to 18" covering the wheat - constant cover up here since early Devember. We are getting ready to warm up above the current 40's, so hopefully we will escape the winter with no damage. Going forward we are cutting out wheat acres and will replace with an assortment of DNS, food barley, chick peas and canola. Some guys are even considering sunflowers for 17'. We have no-tilled for 15 years now and plan to continue the process.

**Eastcentral North Dakota** - We are running corn, beans and wheat. We take a little different approach to our decisions as we will plant more wheat this year. Doing so, spreads out the harvest for us as well as it costs less than corn to plant. Quite frankly, I just as



soon stay away from the funky "wet" years that make corn harvest and potential disease a thorn in the side. Last year we shattered state averages with 180bpa corn and did very well with 42bpa beans. Many think that because break-evens are done at state averages and we were so far above that - that things are pretty great. They are not totally wrong but many fail to consider the crappy basis we generally deal with. Even with 5 terminals within 30 miles, my options don't vary much as they all seem to carry the same number. Only the new ethanol plant occasionally comes down below them when they need grain. Currently, elevators are full and no train cars coming so we are sitting on stock with basis -\$1.30 beans and -.50.

**Southeast Indiana** - We have been extremely wet over the past few weeks, with 4" to 8" in the last week. We have a lot of rolling ground that has limited moisture holding capacity. With that we will stay 50/50 crop rotation corn to beans even though I think the beans pencil much better than corn. Some guys have sold 70% of their beans which would be 45bpa. The last few years we have had yields that are real close to 70bpa. The corn up here was good last year but there was some vomatoxin in fields that brought yields down. Our corn was 20bpa off of the record but still made 190+bpa, which was still above average. The corn last year saw smaller kernel size and I estimate it took 150 more kernels to make a pound in 2015 than it did the previous year. I think the beans were the opposite making better yields. Our basis has remained strong with two ethanol plants close to market to.



**University of Arizona Researcher Turns Off a Potent Corn Toxin that Stunts Childhood Growth, Causes Liver Disease:** Monica Schmidt, a plant geneticist at the University of Arizona, has engineered a strain of corn that shuts off the ability of a plant fungus to produce aflatoxin. Schmidt said this particular genetic modification has the potential to improve public health and save lives in places like Africa. It can also prevent the waste of tens of millions of tons of grain that have to be destroyed each year because of the toxin's presence. Read more by Clicking [HERE](#)

**Study Suggests Agencies Not Prepared for Future Biotech Products:** New biotechnology products may attempt to enter the market in the next decade at a breakneck pace, but federal regulatory agencies may not be ready to keep up, according to a National Academies of Sciences (NAS) report released on Thursday. The NAS committee that authored the report spent the past year or so reviewing new biotech techniques, such as gene editing and gene drives (a technique to make a desired genetic trait become dominant within a population). "The scale, scope, complexity, and tempo of biotechnology products are likely to increase in the next five to 10 years," the NAS report concluded. "Many products will be similar to existing biotechnology products, but they may be created through new



processes, and some products may be wholly unlike products that exist today." Todd Neeley over at DTN has a good overview [HERE](#).

**Is A Market Crash Coming As Baby Boomers Start Pulling Out Money?** In 2002, Kiyosaki wrote that the stock market would crash in 2016 as the first wave of baby boomers began to hit 70 1/2 in 2016 and started taking required-by-law distributions from traditional individual retirement accounts. He still believes that: "Demography is destiny," he said in the interview. According to U.S. Census Bureau data, more than 76 million individuals were born between 1946 and 1964; researchers at the Population Reference Bureau determined in 2014 that 65 million of them were still living. After immigrants are added in, according to that 2014 report, the number of living U.S. baby boomers was back above 76 million. Whatever burden millions of boomers might put on the market, he said, the situation is being made worse by events overseas, where one big country is wielding the monkey wrench. "China has been in a bubble for 20-something years," said Kiyosaki. "It has propped up the U.S. economy falsely. When [China] stops importing, the world crashes with them." Read the entire MarketWatch article titled, ["Rich Dad' author says the market collapse he foresaw in 2002 is coming."](#)

**China's Updated Supply And Demand Estimates:** China Ministry of Agriculture's supply and demand estimates (CASDE) for March 2017 were unchanged from the previous month except for a small reduction in the 2016/17 sugar production estimate. Corn has been major agricultural talking point for officials this week at the National Peoples Congress in Beijing: the necessity of allowing corn prices to fall, the need to get supply aligned with demand, and the monumental task of whittling away the corn reserves. The CASDE led off with a similar review of this year's corn supply and demand numbers, noting that the reduction in corn production in 2016/17 and the rebound in feed and industrial use will close the gap between corn supply and demand. The CASDE estimates would result in a further increase in corn reserves of 4.4 million metric tons during 2016/17. The CASDE authors observed that feed consumption is currently restrained by effects of avian influenza and low swine inventories, but they did not change their feed consumption estimate for 2016/17. The 2016/17 corn import estimate is unchanged from last month at 800,000 metric tons, down from 3.2 million metric tons in 2015/16. Read more from [Dim Sums](#).

**How A 24-Year-Old Made \$345,000 In 2 Months By Beating Kickstarters:** After graduating from college in Canada, 'Jack' found himself bored of working on behalf of yet another social app hoping to one day garner a billion-dollar valuation. "I started realizing I wanted to run a company that actually sold something," he recalls. Around the same time he noticed a start-up that appeared poised to do that faster than anyone. It was an Indiegogo campaign for KAISR, an inflatable lounge chair made of parachute material that had surpassed its goal by raising \$18,500 in 12 hours last March (and eventually over \$4 million). As the Indiegogo gained in popularity, Jack's research led him to realize that the idea was far from unique. The only thing that was new about this chair was the buzz from the crowdfunding campaign. Jack wondered if he might be able to produce his own successful knockoff. Read the rest of the story [HERE](#).

**Learning Deeply And Well:** From Adam Grimes, his take on what he feels is the most important life skill. "Let's face it—we need a lot of skills to get through life. Even the basic day to day requirements can be daunting, and most people have specialized skills in cer-

tain field. To make things even more complicated, the world changes, sometimes it seems at an ever-faster pace, and we may need very different skills tomorrow than we do today. I think it's safe to say that the ability to learn—to be a lifetime learner—is the most important skill of all.” Check out the full post [HERE](#).

**Large Percentage Of Americans Still Don't Have Broadband Access:** Courts and regulators have increasingly seen high-speed internet as a public utility that is as essential to Americans as electricity and water. But many Americans still do not have broadband at home, and some Americans have turned to mobile devices as their primary gateway to the internet, according to Pew Research Center surveys. But whether smartphones are an adequate substitute is open to question. Those who depend on their smartphones to go online encounter constraints with data caps and small screens, and the device is not their “go to” tool for personal learning at home. Some 13% of U.S. adults are “smartphone only” internet users – meaning they own a smartphone but do not have a home broadband subscription. There are other challenges. For example, 28% of adults have used a smartphone as part of their employment search, and half of those have filled out a job application using a smartphone. But mobile job seekers often encounter difficulties like accessing and reading content, as well as trouble submitting files and documents. Read more from [Pew Research](#).

## 13% of Americans are smartphone-only internet users

% of each group who have ...

	Broadband at home			Smartphone, but no broadband at home		
	2013	2015	CHANGE	2013	2015	CHANGE
All adults	70%	67%	-3%	8%	13%	+5%
African Americans	62	54	-8	10	19	+9
Rural residents	60	55	-5	9	15	+6
Household income < \$20K	46	41	-5	13	21	+8
\$20K-\$50K	67	63	-4	10	16	+6
\$50K-\$75K	85	80	-5	5	10	+5
Parents	77	73	-4	10	17	+7
High school degree or less	50	47	-3	11	18	+7

Source: Survey conducted June 10-July 12, 2015.



## **Will Yellow Fever Make It's Way To The U. S.?**

Yellow Fever may soon be in the headlines more frequently as an outbreak in rural Brazil has officials from the World Health Organization, Center for Disease Control and the Pan American Health Organization concerned. Yellow fever is a serious viral infection that's spread by certain types of mosquito. It's mainly found in sub-Saharan Africa, South America and parts of the Caribbean. The symptoms will occur in two stages. The initial symptoms develop three to six days after infection and can include: high temperature, vomiting and muscle pain. Most people make a full recovery with a few days, but 15% will go on to develop more serious problems, including jaundice, kidney failure and bleeding from the mouth. Up to half of those people will die from the illness. A vaccination for Yellow Fever provides the recipient a 99% lifetime immunity. The issue is the low supply of the vaccination - after a fever outbreak in Angola and the Democratic Republic of Congo exhausted the world's emergency supply in 2016. To this point, the Brazilian Health Ministry has vaccinated nearly 12 million in residents in urban areas in an attempt to keep the outbreak from turning into an epidemic. The outbreak in Brazil has been underway since December, mostly in rural areas in the southeastern part of the country. It's taking place primarily in jungle areas, where forest-dwelling mosquitoes are spreading the virus. Writing in the New England Journal of Medicine, Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases (NIAID), said "experts are concerned because the number of yellow fever cases is much higher than what's reported in a typical year in this part of Brazil. Officials are also worried because these areas are also close to major urban centers such as Rio de Janeiro and Sao Paulo, where tens of millions of people live and where city-dwelling *Aedes aegypti* mosquitoes could start spreading the disease in a human-to-human cycle." Out of a total 1,500 suspected yellow fever cases, 371 have been confirmed, 966 are still being examined and the rest ruled out. 125 confirmed deaths have been reported from the affected areas. Worryingly, the number of suspected and confirmed cases is Brazil's highest since 2000. While the likelihood of yellow fever outbreaks in the US is low, "travel-related cases of yellow fever could occur, with brief periods of local transmission in warmer regions such as the Gulf Coast states," wrote Dr. Fauci, and colleague Dr. Catharine Paules. "In an era of frequent international travel,





any marked increase in domestic cases in Brazil raises the possibility of travel-related cases,” they wrote.(Source:Daily Mail, CNN)

### **Record Number Of Travelers Expected Over Spring Break**

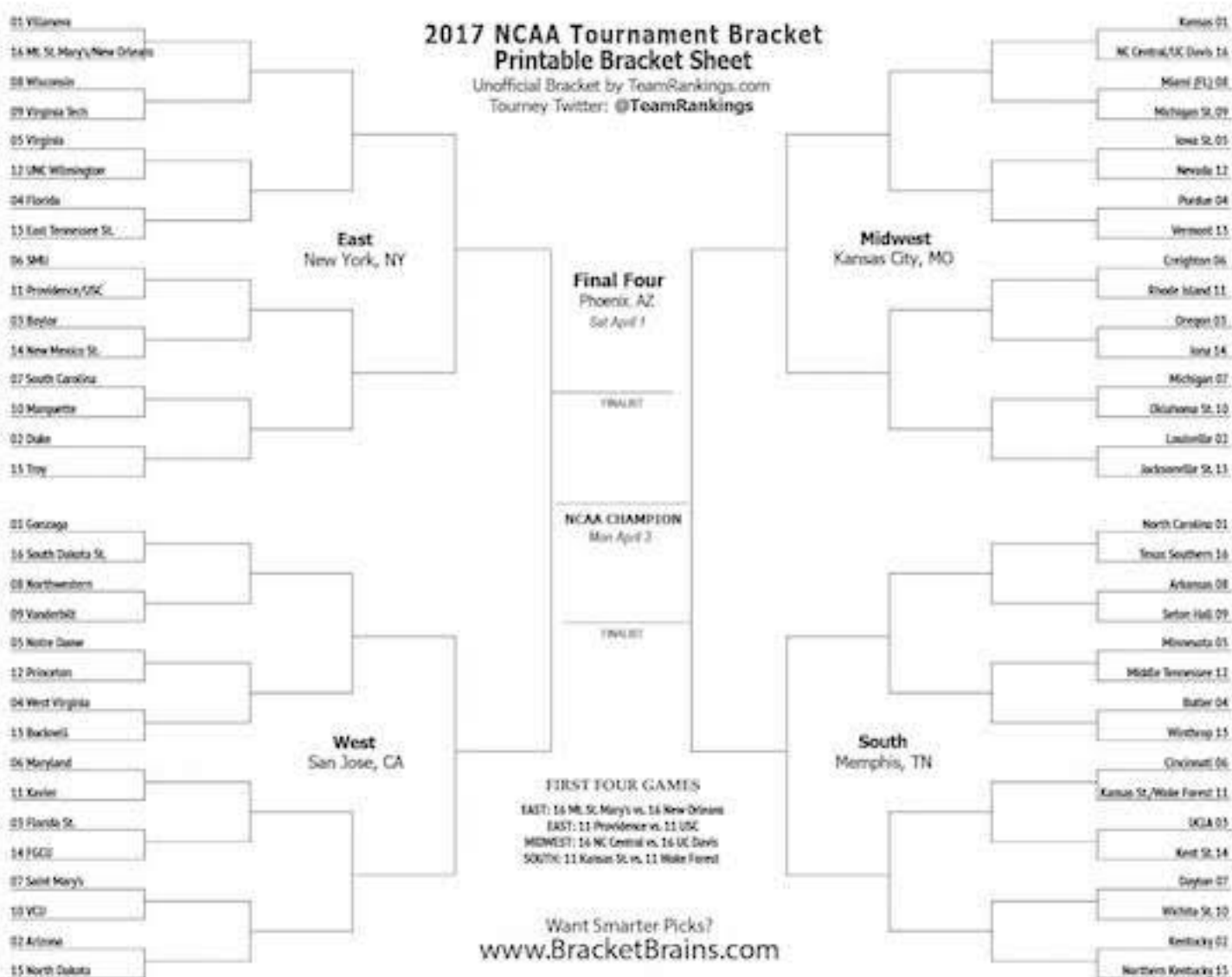
We are smack in the middle of Spring Break season, which this year is expected to set a new travel volume record. The Transportation Security Administration anticipates 62 million travelers will pass through U.S. airports in March alone (the season typically runs from late February into early April). March 11 is actually predicted to be the busiest travel day for Americans choosing to partake in the break period. Mexico dominates the top-10 international destination list, with Cancun the #1 choice among college kids. The town set a tourism record in 2016 with over 5 million visitors. The Mexican resort towns of Cabo San Lucas and Puerto Vallarta rank 2nd and 5th, respectively. Other popular spots include San Juan, London, Nassau, St. Thomas and Aruba Island. In the U.S., Florida has the most popular vacation destinations, including number one Orlando, followed by Fort Lauderdale, Fort Meyers and Tampa. Young adults are also heading to Las Vegas, Los Angeles, Denver and San Francisco this year. Anyone taking a road trip this season can expect higher gasoline prices, which begin to seasonally creep up this time of year as temperatures warm and people start driving more. It's also important for travelers to keep in mind that there are additional road hazards this time of year. It's a particularly dangerous and deadly time on the roads of popular destination states like Florida and Texas as DUI-alcohol crashes involving young drivers tend to spike. Driver exhaustion is another major cause of accidents and a common factor among long-distance drivers who underestimate how tired they are or want to avoid hotel costs. Spring break dates of course differ widely from school to school, but most in the same region generally share the same schedule. For instance, East Coast schools mostly run the break from March 4 to March 12, while Midwest schools will more often be March 11 to March 19. West Coast schools tend to opt for the last half of March into early April to give the kids a break. You can find a comprehensive list of dates by college [HERE](#) or by specific date [HERE](#). (Source: TSA, LA Times)





## Are You Ready for March Madness???

March Madness is here again!! Sit back and relax as we give you a quick run down on the key teams and players chasing the title. If you haven't followed Men's NCAA Basketball throughout the season this is your "quick look," so you can fit in at any watch party. The very first game of the tournament tips off Tuesday, March 14. The Championship game will be played on April 3rd. Too bad we don't work at Berkshire Hathaway. From what I understand Warren Buffett is continuing the tradition he started last year, by offering any Berkshire Hathaway employee that can pick the "Sweet 16" correctly \$1 million a year for the rest of their life. Getting the 16 teams right after two rounds of the NCAA Tournament is tough, but not impossible. Fourteen out of 11.57 million pulled it off on ESPN.com in 2014. Essentially you have to pick who will win their games during the first two rounds. Interestingly Buffett provides a consolation prize and awards \$100,000 to the person who goes the furthest even if they can't get all 16 correct. "Last year we had two fellows that tied. One of them knew a lot about basketball, the other didn't know anything about basketball, but they each got \$50,000 out of it," said Buffett. Keep in mind Berkshire Hathaway is a massive conglomerate with 367,000 employees (only 25 at its headquarters in Omaha, Neb.), but it's made of nearly 90 companies, including Benjamin Moore, Fruit of the Loom, Geico, NetJets, etc. You can get print your own bracket or see a larger version by Clicking [HERE](#)



**Teams favored to Win:** It would be hard not to believe that at least two or three of these teams will make it to the "Final Four".

**Villanova Wildcats:** *The defending National Champions have put together a sensational season going 28-3 overall, 15-3 in the Big East conference. Head coach Jay Wright has kept his foot on the gas pedal, and the Wildcats have continued to produce fantastic results. The Wildcats have a pair of seniors that Wright can count on in nearly any situation. Guard Josh Hart leads the team with an average of 18.7 points per game and is shooting 50.7% from the field. Forward Kris Jenkins is averaging 13.4 points per game and is connecting on 88.2% of his free throws.*

**Kansas Jayhawks:** *This team is one of the sport's giants, and head coach Bill Self once again has a powerful team capable of making it to the Final Four. The Jayhawks yet again bullied their way through the Big 12 regular season, bringing the 13th consecutive regular season Big 12 title. The streak ties the mark that John Wooden's UCLA teams set from 1967-1979. The cornerstone of the team is Senior Frank Mason who is scoring 20.5 points per game and is positioned to win the Wooden Award and Player of the Year. Josh Jackson, a freshman averaging 16.4 points per game and connecting on 37.7% of his 3-point attempts, has also played fantastic basketball the second half of the season. Together, there's a chance they can take Kansas to another Championship. This would give coach Bill Self his second National title.*

**Gonzaga Bulldogs:** *Yes, this small, private Jesuit school in Spokane, Washington, could reach the Final Four. Head coach Mark Few has led the team to a 29-1 mark in the regular season and manufacturing a strong case for a No. 1 seed. Nigel Williams-Goss (16.4 PPG, 5.6 rebound per game, 4.7 assist per game) leads a team with the depth and talent to secure the program's first trip to the national semifinals.*

**North Carolina Tar Heels:** *Head coach Roy Williams and his team have been playing with the motivation that comes from losing the NCAA title game, especially in the heartbreaking manner that took place a year ago. The Tar Heels forward Justin Jackson is the player that Williams knows he can depend on and is averaging a team-best 18.3 points per game. He gets plenty of support from junior guard Joel Berry II, who is scoring 15.1 points per game and connecting on 83.2% from the free-throw line. Roy's boys ended its regular season in satisfying fashion taking out chief rival Duke 90 - 83. Despite having six losses this year, they are playing well at the right time and look to be one of the favorites to win it all.*

**Kentucky Wildcats:** *This is not the uncanny crew of super-athletes from years past who will just rumble through the entire field. Just a week ago, these Wildcats had to overcome a 19 point deficit to steal one from Vanderbilt at home. Yet John Calipari's squad, which has now won eight games in a row still has incredible athleticism, defensive strength and star power -- i.e. Malik Monk and De'Aaron Fox -- to win another national title. Calipari has coached Kentucky since 2009 and led the Wildcats to its eighth NCAA Championship in 2012, the only title of his career.*

**UCLA Bruins:** *Steve Alford's squad is led by lead guard Lonzo Ball, potentially this year's No. 1 pick in the NBA draft, who commands a team averaging 14.5 points per game and connecting on 41.5% of 3 pointers, second in the nation. With the Bruins' defense now serviceable, this team could make a deep run on the shoulders of the standout Lonzo Ball.*

**Duke Blue Devils:** *In a season marred by injuries, Duke encountered more obstacles in its 2016-17 campaign than any contender in the country. It's not a surprise that Duke has yet again the 'most hated player in college basketball' in Grayson Allen. Despite Grayson's numerous tripping incidences and subsequent suspension, the team has demonstrated its renewed promise in a recent seven game winning streak near the end of the regular season. The team has very talented players and one of the best coaches to ever step onto the court. Duke is always dangerous and will always be a team to watch. Just watch out for the hot-headed Grayson Allen that he doesn't derail their chances.*

**Louisville Cardinals:** *Rick Pitino didn't become the only college basketball coach in NCAA history to win national championships at two different schools (Louisville and Kentucky) without knowing how to motivate his players after both victory and defeat. Typically, the Cards are ahead of everyone they play defensively, famously playing Pitino's "mother-in-law" defense, which he once said was labeled that because it brought constant harassment. Regardless of which Cardinal does the most to move his teammates through March, the strength of this team is its length — U of L can count on a 7-footer Anas Mahmoud, two 6-foot-10 players, Mangok Mathiang and Ray Spalding and 6-9 Jaylen Johnson among its first eight. With strong defense and a big frontline this team could be tough to beat.*

**Arizona Wildcats:** *Arizona's coach Sean Miller hasn't been to the Final Four, and Arizona itself hasn't been since 2001, but this team might have a chance. Arizona only recently started playing its best basketball and enters the tournament riding Allonzo Trier at the top of his game and one of the most best-shooting big men in the country in Lauri Markkanen. Miller thinks they can ride this momentum and see something special in March. Lets also not forget the University of Phoenix Stadium is hosting the semifinals on April 1st and the finals on April 3rd, they are expecting a crowd of over 72,000.*

**Picking The Long-Shot:** March Madness is famous for just that – madness – so it's tempting to make bold upset picks in your bracket. For most, the goal of filling out a bracket is to have fun. And choosing a No. 10 seed to make it to the Final Four (and watching it come to fruition) is a blast. But the data shows that it's not the best course of action. Below you'll see A) the percentage of people who pick certain seeds to advance to the Final Four, and B) how often those seeds have reached the Final Four since 1985, when the tournament expanded to 64 teams. There are exceptions. You can gain some real ground by, say, picking a No. 3 seed. Those teams have advanced to the Final Four more often than the public predicts it will happen. Best of Luck...

**Sleeper Teams to Watch:** Vermont is carrying the nation's longest winning streak and should absolutely make Purdue fans nervous. Florida Gulf Coast put on a Dunk City-worthy

show in the Atlantic Sun Tournament and should be considered a threat to in-state foe Florida State in the West Region. Middle Tennessee State not only knocked off Michigan State as a 15 a year ago but took care of business in conference play to return as a 12. The Blue Raiders are capable of getting to the Sweet 16, which would be right down the road in Memphis, and could bring local flavor to a blue-blood soaked region.

How the public picks the Final Four

SEED	PERCENTAGE PUBLIC PICKS IT (SINCE 2011)	PERCENTAGE IT HAPPENS (SINCE 1985)
1	56.02	41.1
2	21.21	20.2
3	6.03	10.5
4	9.74	10.5
5	1.49	4.8
6	1.25	2.4
7	0.92	1.6
8	0.75	4.0
9	0.65	0.8
10	0.39	0.8
11	0.47	2.4
12	0.23	0.0
13	0.15	0.0
14	0.15	0.0
15	0.11	0.0
16	0.41	0.0



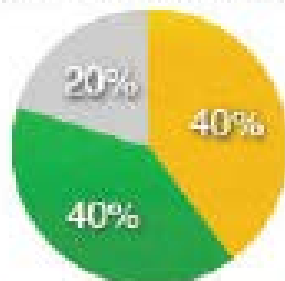


NCAA **MARCH MADNESS**

# CASH SALES & HEDGING TOTALS

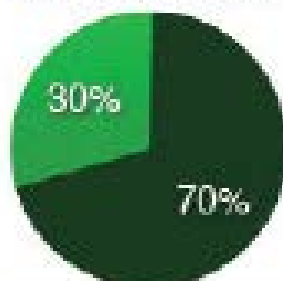
## CORN 2016 CROP

40% SOLD  
40% HEDGED  
20% Cash Remaining



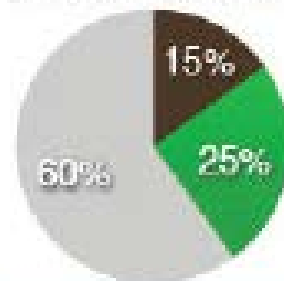
## SOYBEANS 2016 CROP

70% SOLD  
30% HEDGED  
0% Cash Remaining



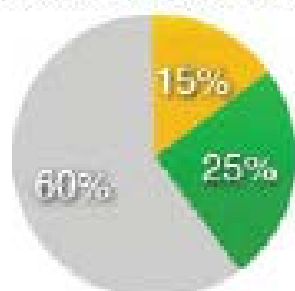
## WHEAT 2016 CROP

15% SOLD  
25% HEDGED  
60% Cash Remaining



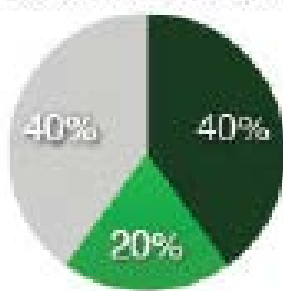
## CORN 2017 CROP

15% SOLD  
25% HEDGED  
60% UNPROTECTED



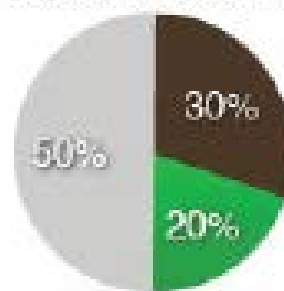
## SOYBEANS 2017 CROP

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  
90% UNPROTECTED

