

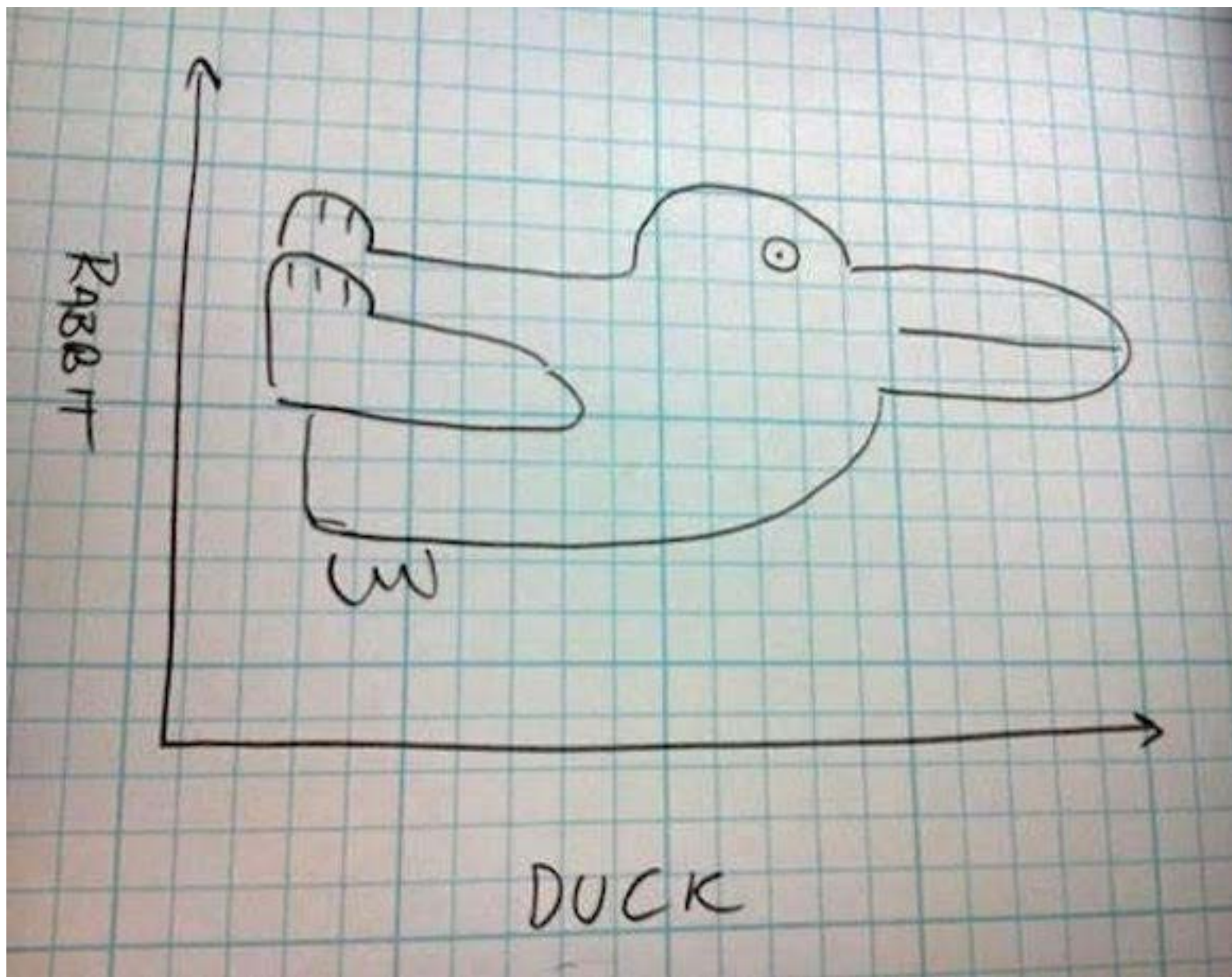


*"Investments often fall into one of two categories: a good deal or a good story. Be extremely cautious of the later..."*

**THURSDAY, MARCH 16, 2017**

**Morning Summary:** Investors see little surprise in the Federal Reserve's decision to raise U.S. interest rates by 25 basis points. The move was largely expected and most insiders view it as a positive sign that the U.S. economy continues to strengthen. On a more "dovish" note, the Fed's dot plot still indicates a total of three interest rate increases for 2017, which would include the one implemented most recently. There have been some concerns that central bankers might be inclined to bump that number to four rate hikes in 2017, but that hasn't been announced as of yet. In return the U.S. dollar is lower this morning and the "reflation" trade appears to be back in style as gold, silver, crude oil and other commodities are higher. In a follow-up press conference, Fed Chair Janet Yellen noted that the Fed's economic outlook had not changed substantially from December, when they last raised the interest rate. Yellen also said Fed officials were avoiding rushing to judgment about how Trump's proposed policies on tax reform and infrastructure spending may impact the economy. When asked what message the Fed was trying to send to consumers, Yellen said, "The simple message is the economy is doing well." She highlighted the strong U.S. job market, in particular the so called "quits rate," which shows more people are quitting their jobs and seeking better opportunities. Yesterday saw several economic reports released that definitively support Yellen's optimism. Data showed that Consumer Prices, Retail Sales and Home Builder sentiment all ticked higher. Keep in mind this is just the third increase in rates since the Great Recession, 11-years ago. The benchmark federal funds rate now stands in a range of just 0.75% to 1.0%. The Fed is projecting that during the next three years they can get the rate back to around 3%. One can argue that this hike will eventually trickle down to increase borrowing costs for short-term loans and credit cards. Unlike the first two rate hikes where there were 12-months in between, here we are just three months later, and the Fed's raising rates again," said Greg McBride, the chief financial analyst at Bankrate.com. Credit-card owners and people with home-equity lines of credit can expect to see an increase in rates within 60-days, he told reporters. As for today, traders will be looking to digest data that will include Housing Starts, Philadelphia Fed Business Outlook and JOLTS employment data. On the political front, the Senate yesterday confirmed Senator Dan Coats to serve as President Trump's director of national intelligence. He will be responsible for overseeing the intelligence community's 16 agencies. Don't forget, President Trump will be meeting with the Deputy Crown Prince of Saudi Arabia today and German Prime Minister Angela Merkel tomorrow. We also have the trade this morning digesting the latest monetary decision from the Bank of Japan as well as the Bank of England.

**Best Chart You Will See Today...** *It's all about perception, rabbit or duck!*



**Here's How the Fed Raises Interest Rates:** *In 1977, Congress gave the Federal Reserve two main tasks: Keep the prices of things Americans buy stable and create labor-market conditions that provide jobs for all the people who want them. The Fed has developed a toolkit to achieve these goals of inflation and maximum employment. But interest-rate changes make the most headlines, perhaps because they have a swift effect on how much we pay for credit cards and other short-term loans. From Washington, the Fed adjusts interest rates to spur all sorts of other changes in the economy. If it wants to encourage consumers to borrow so spending can increase, which should help the economy, it cuts rates and makes borrowing cheap. When people are spending like crazy, it raises rates so that an extra credit card suddenly doesn't seem very desirable. Most of the time, the Fed adjusts rates to respond to inflation — the increase in prices that happens when people borrow so much that they have more to spend than what's available to buy. However, what the Fed is doing right now is a bit unusual... Read more [HERE](#)*

## EFFECTIVE FEDERAL FUNDS RATE

Percent rate



SOURCE: Federal Reserve Board of Governors via FRED

BUSINESS INSIDER

**Congressional Panels Begin Russian Interference Probes:** *FBI Director James B. Comey and National Security Agency Head Admiral Michael Rogers will testify publicly in the House Intelligence Committee's investigation into Russian interference in the U.S. election, Chairman Devin Nunes (R-Calif.) said yesterday morning. The panel is holding its first public hearing into the matter March 20, the same day the Senate is set to begin considering the nomination of Neil Gorsuch to fill the empty seat on the Supreme Court. Trump has asked both the House and Senate Intelligence Committees to also investigate his claims that President Barack Obama wiretapped Trump Tower during the election. Yesterday, the Senate Judiciary Subcommittee on Crime and Terrorism held a public hearing on Russian interference. Senator Lindsey Graham (R-S.C.) and his Democratic partner, Sen. Sheldon Whitehouse of Rhode Island, are seeking the FBI's help in clearing up the wiretap claims. They sent a letter last week to the Justice Department asking it to turn over information that would confirm or refute Trump's accusation. The Justice Department - which houses the FBI - on Monday requested more time to comply with a similar House Intelligence Committee request for evidence substantiating the claims. So far, neither panel has received the requested information. Nunes and Graham are now both threatening to subpoena the information. Graham is also warning that the Senate will stall on confirming President Trump's deputy attorney general pick, Rod Rosenstein, if the FBI refuses to provide evidence of wiretaps against Trump. "We'll hold up the deputy attorney general's nomination until Congress is provided with information to finally clear the air as to whether or not*



there was ever a warrant issued against the Trump campaign.” Graham did note that the FBI is planning to brief the subcommittee’s leaders behind closed doors, though it is not clear when that will happen. In other Russia-related news, Justice Department on Wednesday charged two Russian FSB officers, as well as two outside hackers, with directing a criminal conspiracy that broke into 500 million Yahoo accounts in 2014. (Sources: The Hill, Politico)


**OPEC’s Reported Production Compliance Called Into Question:** The International Energy Agency (IEA) yesterday published its monthly crude oil production report, which has made the OPEC monthly report released the day before look exaggerated. According to the data compiled by the IEA, in February, the member-states of the Organization of Petroleum Exporting Countries have increased their crude oil production by 170,000 barrels per day to 32 million barrels per day. This figure points to 91% compliance with the OPEC deal to reduce outstanding oil production volumes. At the same time, the cartel’s monthly report published on Tuesday March 14, indicated that OPEC members have not just met the agreed cutbacks but have exceeded them by no less than 10%. Russia, not a member of OPEC but currently the world’s largest crude oil producer as well as a major participant in the deal to reduce output, has lowered its production by 120,000 bpd compared to levels of October 2016, when the country set a post-Soviet record of 11.2 million bpd. As such, Russia has delivered only 40 percent of the promised cut of 300,000 bpd, although it was never said that Russia will reduce its production volume at once. They instead have vowed gradually reduce production over the first half of this year. Despite a less impressive compliance figure, the IEA is still confident that the oil market would move to a deficit of 0.5 million bpd within the first half of 2017 as long as OPEC maintains its current compliance level until the end of the agreement’s term. However, a longer-term outlook by the Agency’s Executive Director Fatih Birol is that the global oil market will be flooded by an excessive supply of shale oil from the United States, which would pressure the market for the next 5 years. (Source: Economic Calendar)

**U.S. Central Bank The Only One In The Developed World Hiking Rates:** Pension Partners posted this chart yesterday to illustrate how the U.S. Federal Reserve is the only central bank in the developed world whose last move was a rate hike. In fact, this was the third time since December 2015. In stark contrast, the Bank of Japan (BOJ), Bank of England (BOE), and European Central Bank (ECB) have all cut rates since December 2015. Pension Partners’ Charlie Bilello contends that this divergence in policy is a big reason the Fed has been slow to increase rates, in particular fearing another run higher in the U.S. Dollar. “Assuming the U.S. expansion continues this year at a moderate pace and global growth and inflation improve, it would be hard to believe that the ECB/BOE/BOJ will not be pressured to move closer to U.S. policy,” says Bilello. “That move may only be back to positive or zero interest rates, but even such a move would likely be enough to give the Fed comfort to continue normalization.”

## Global Central Bank Policy Rates (Developed Economies)

Country	Rate	Central Bank Rate (Today)	Last Move	Last Move Date
Switzerland	Target Rate	-0.75	Cut	Jan-15
Sweden	Repo Rate	-0.50	Cut	Feb-16
Eurozone	Deposit Rate	-0.40	Cut	Mar-16
Japan	Policy Rate Bal	-0.10	Cut	Jan-16
Denmark	Discount Rate	0.00	Cut	Jan-15
UK	Bank Rate	0.25	Cut	Aug-16
Canada	Overnight	0.50	Cut	Jul-15
Norway	Deposit Rate	0.50	Cut	Mar-16
Poland	Repo Rate	1.50	Cut	Oct-14
Australia	Cash Rate	1.50	Cut	Aug-16
US	Fed Funds Target (Lower Bound)	0.75	Hike	Mar-17

**Pension Partners**  
THE ATAC ROTATION MANAGER

 @CharlieBilello

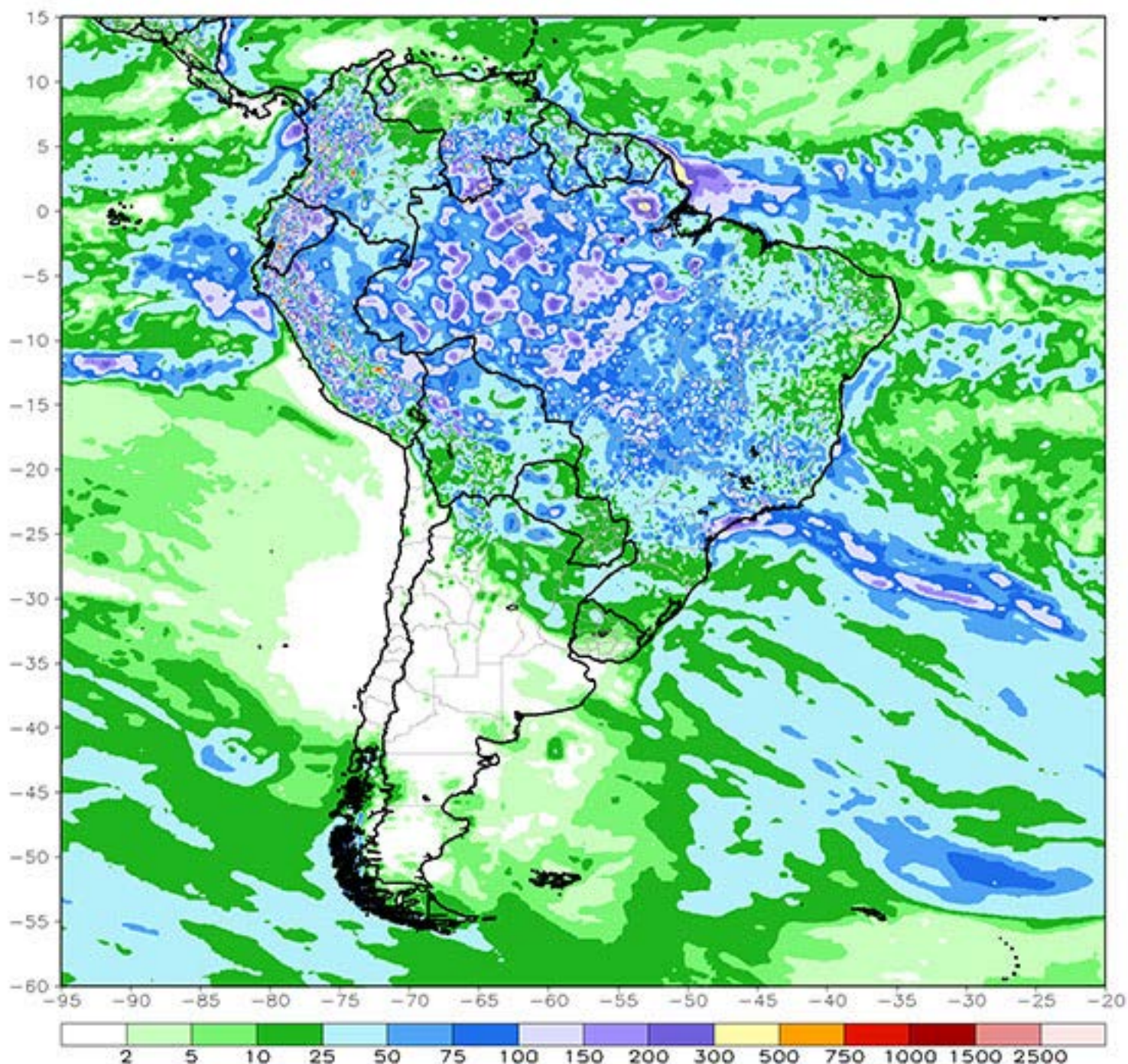
**Weather** in the Corn Belt, continues to see very cold temperatures prevail. Just South of the Great Lakes, windy conditions and snow showers persist. A variable Midwestern snow cover is providing winter grains with some insulation. Looking broadly at the Midwest, the next 10 days will see variable temperatures which should curtail soil warming and field work. However, after this period, another round of mild conditions and warmer temperatures will offer opportunities for field work. On the Plains, warmer air continues to overspread the western areas, accompanied by gusty winds. Today's high temperatures should range from near 35 degrees F in the Red River Valley to 80 degrees F or higher on the central High Plains. Kansas winter wheat is currently rated 23% poor to very poor, in large part due to drought. This continues to add stress to wheat and pastures. Chances for rain in the region are rather limited during the next week. Effects of a potent, late-winter storm will gradually subside across the Northeast, although cold, windy weather and snow showers will linger into Thursday. Meanwhile, the threat of freeze damage to Southeastern fruit and nut crops, as well as winter wheat and ornamentals, will persist through at least this morning, with some risk of additional frost on Friday morning. Farther north, a fast moving disturbance should produce some late week rain and snow showers from the Midwest into the Northeast. In contrast, dry weather will prevail through the weekend from central and southern California to the central and southern Plains, accompanied by very warm conditions. In Brazil, moderate to heavy rain continues in the forecast through the balance of the week. The rain will focus on central Brazil, and will be mostly favorable for soil moisture in second crop corn areas. Soybean harvest impact is expected to be minimal due to excellent progress. In Argentina, central crop areas have mild temperatures favorable for filling row crops. Early analysis indicate larger crop size than earlier season projections.



**Rainfall Central Brazil:** As you can see the map below shows ample rainfall totals for the week ending March 22 across a majority of Brazil. this rainfall should be deemed as beneficial to second-crop corn production.

### GFS week1 Total Rainfall (mm)

Ending: 12z22Mar2017



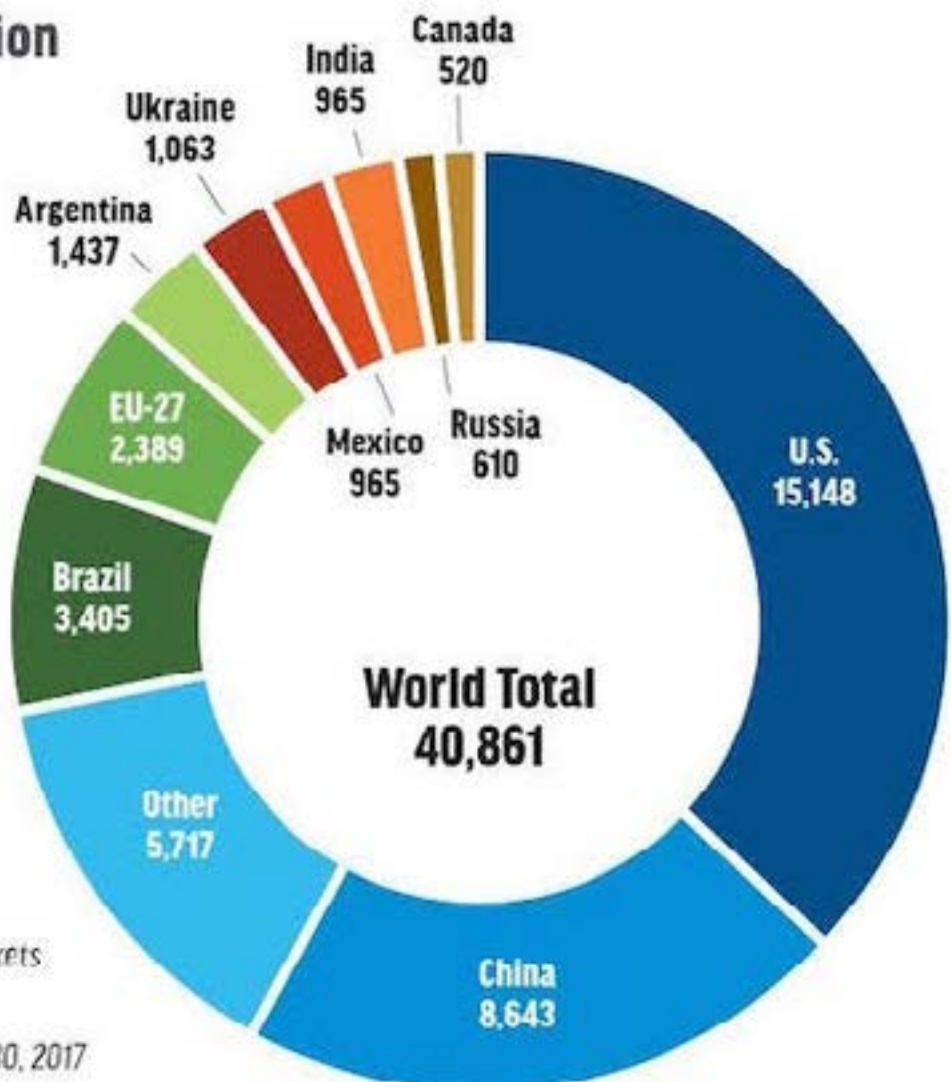
**Corn** bulls are talking about some possible weather complications with a portion of the early planted corn down in the southern parts of the U.S.. Talk is that extremely cold overnight temperatures and too much rain may have created a hiccup. In and of itself I don't

see these headlines as being large enough to influence the trade longer-term. I suspect if we combine these headlines with more weather concerns out on the horizon we may have enough to temporarily feed the bulls. As of right now overall "weather" seems to be somewhat of a non-event. The rainfall totals in Brazil seem good enough to be helping second-crop corn. While overly wet conditions in Argentina seem to be drying out a bit and helping their harvest progress. Here at home it's just too early to make much of an educated guess in regard to "weather". I have heard some bulls whispering about the extended forecast possibly showing some hiccups across the lower Midwest in the next few weeks. I don't know if the complications will be "game-changing" but they are worth closely monitoring. Domestic demand seem to remain fairly strong as weekly corn used for ethanol numbers surprise to the upside. Weekly ethanol output was reported at 1.045 million barrels per day, which was up from 1.022 million the prior week, and up almost +5% in the recent four week period compared to last year. In addition stockpiles are actually down slightly in comparison to last year. We are seeing a bit more fund interest this morning in commodities across the board, so this is creating a bit of a temporary tailwind. As both a producer and a spec I see very little new in the headlines. There are still some whispers about the Chinese buying a few U.S. cargoes earlier this week, but again, I don't see that as a game changer or longer-term trend, at least at this point. I continue to keep all hedges in place and patiently waiting on the market to transition more towards U.S. weather uncertainties.

## World Corn Production

2016 – 2017\*

(million bushels)



Source: USDA, FAS Grain: World Markets and Trade, Jan. 12, 2017

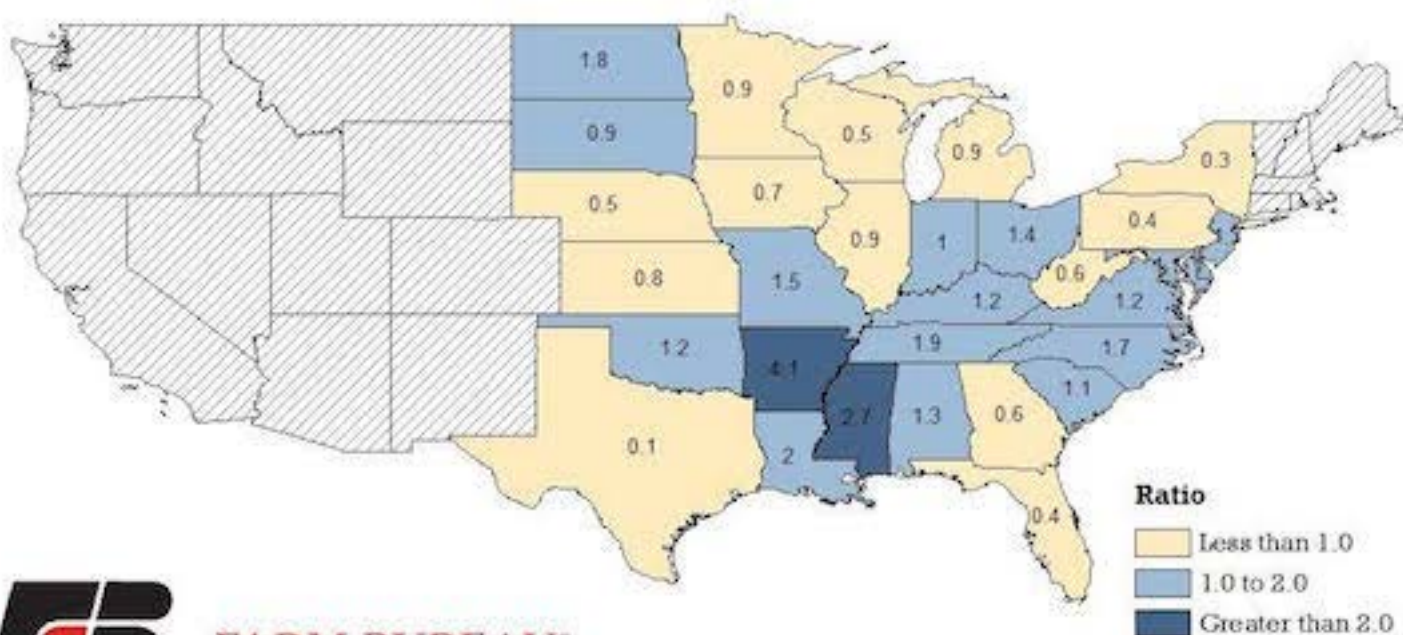
\*Marketing Year Oct. 1, 2016 – Sept. 30, 2017



**Soybean** bulls are trying to desperately stop the bleeding. We are a bit higher this morning on an overall "relation" trade attitude by the macro players, which has commodities across the board higher. Unfortunately the bears have done some significant technical damage the past couple of weeks as they continue to point to improved conditions in most of South America and a record number of acres about to be planted here in the U.S. in the coming weeks. Somewhat surprisingly, February's monthly NOPA crush data released yesterday was somewhat bearish, coming in at just 142.792 million bushels, at the low end of most inside guesses and well below the prior month's total of 160.621 million, and actually well below last years February crush of 146.181 million. Interestingly this has started to bring about more talk that the USDA's current domestic crush estimate is now overly optimistic and may eventually need to be trimmed. Unfortunately this would push ending stocks higher and give the bears more fundamental reason to be short longer-term. I continue to see the traditional fundamentals as bearish, but with the larger macro players remaining interested in gaining commodity exposure I see the upside as dangerous. Meaning any type of U.S. weather story during the next few months and soybean prices are off to the races, regardless of what many in the trade may currently deem as bearish fundamentals.

**Will We See More Soybean Acres Than Corn Acres:** *Below is a graphic from our friend John Newton @New10\_AgEcon over at Farm Bureau. The graphic shows that one-half of soybean states planted more beans than corn in 2016. Could bean acres exceed corn in 2017? I personally thing the answer is yes!*

### Ratio of Soybean Plantings to Corn Plantings in 2016 U.S. Average 0.89



**FARM BUREAU®**

Prepared by @New10\_AgEcon, Director, Market Intelligence  
American Farm Bureau Federation



**Wheat** bulls are talking about U.S. exports being much more competitive against Russian, Romania, Ukraine and French supplies. In fact it was reported that the U.S. was actually the low-cost flat-price supplier for Egypt's latest wheat tender. Obviously when you factor in shipping and freight charges Russian wheat is still considered the least expensive, but it's exciting to see we've become more competitive. The bulls are also talking about the fact some of the driest areas in Plains might continue to go without widespread rainfall in the extended forecast and at the same time may have to endure strong winds and abnormally warmer temps. I should also point out that some recent freezing overnight temps down south may be causing some concern for SRW wheat producers. Let's not forget U.S. winter wheat plantings are down close to -10% and the lowest we've seen in over 100 years. The HRW crop has shown close to a -12% reduction in planted acres, followed by a -3% reduction in Spring wheat acres, as well as a setback in SRW wheat acres. In other words, with planted acreage so low, any weather uncertainty or headlines in the U.S. might generate more concern than normal.



**> U.S. Soft Red Winter Wheat Crop Forecast At 7-Year Low:** A panel of milling company executives addressing the North American Millers' Association (NAMA) spring conference in Florida forecast the U.S. 2017 soft red winter wheat production at 314.325 million bushels, down -9% from 345.230 million bushels in 2016. If the millers' forecast is realized, the 2017 soft red winter wheat crop would be the smallest since 2010, when 219.209 million bushels were harvested. The five-year average soft red winter wheat output is 428 million bushels. Production was forecast to be lower in most U.S. states. There were exceptions. Larger crops were forecast for Pennsylvania, North Carolina, South Carolina, Georgia, Louisiana, Mississippi and Texas. Production declines were forecast to be the widest in the U.S. central states. Soft wheat millers forecast 2017 production of soft white winter wheat at 156.080 million bushels, down -29% from 2016. (Source: World Grain)

**> Brazil Returns As Top Soybean Shipper:** Oil World says Brazil will become the world's largest soybean exporter in March, with shipments in the first 12 days reported at more than 3.0 million metric tons, up from 2.76 million last year. In February, The U.S. was still the top exporter at 4.4 million metric tons, though that was roughly 1.1-1.2 million less than last year's volume.

**> Germany Expects Grain, Rapeseed Harvests To Rebound:** The DRV, a farm co-operatives group, in its first forecast for German production this year, pegged cereals output at 46.4 million metric tons. The group expects the country's 2017 wheat production of 25.13 million metric tons, a rise of some 540,000 metric tons on the 2016 result, which was impaired somewhat by the wet summer weather which devastated last year's crop in neighboring France. Winter rapeseed output is seen up +5.6% year-on-year to 4.86 mil-

lion metric tons. This year's corn production is expected to rise a very sharp +22% to 4.46 million metric tons for 2017. While the DRV forecast "a significantly better result than in the previous year, when this crop was significantly affected by the wet and cool weather", the projection is less than what the government has forecast. (Source: Agrimoney)

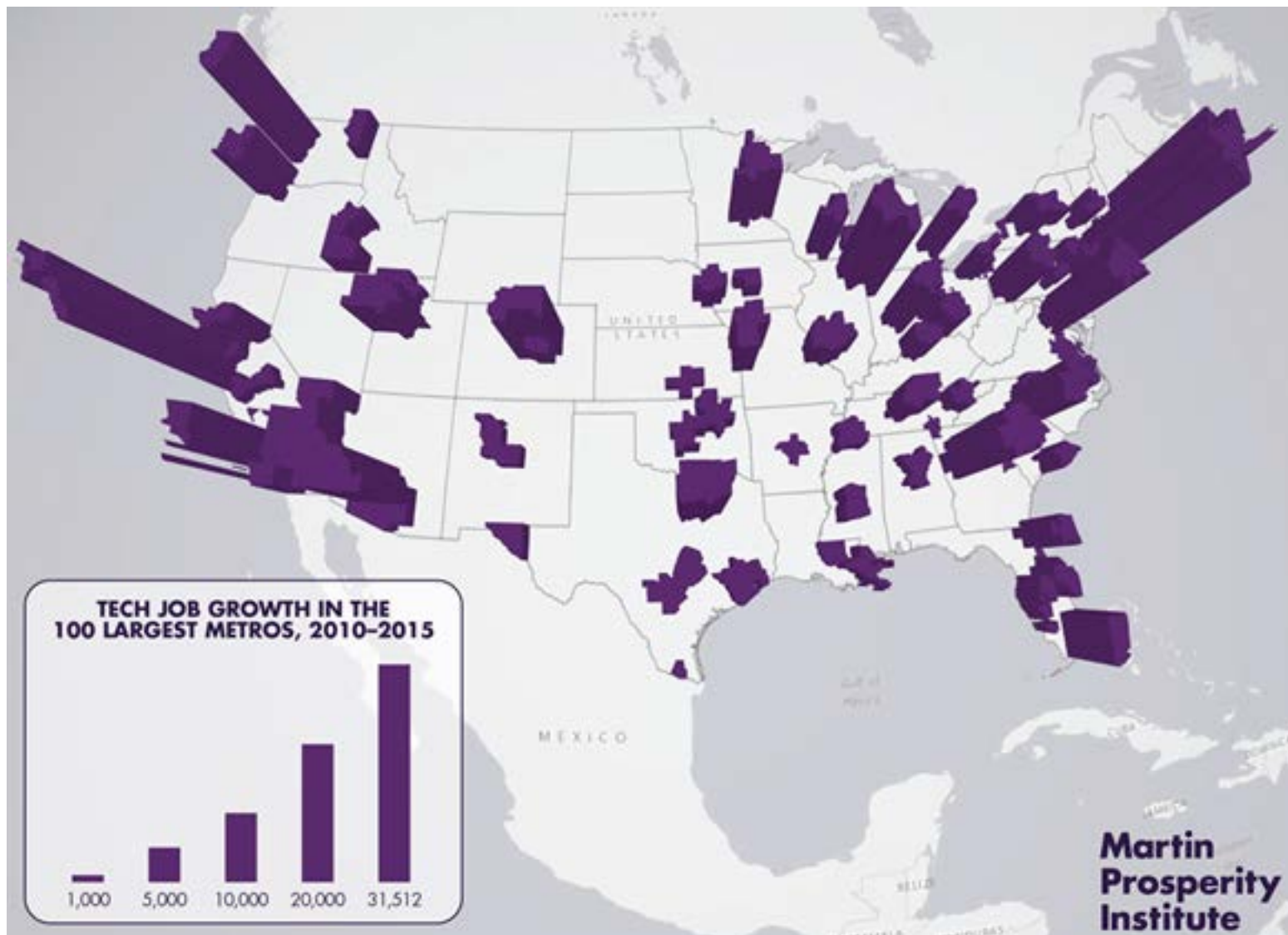
**> Alabama Issues Stop Movement Order Amid Bird Flu Investigation:** Three poultry flocks at three separate locations in north Alabama are under investigation for avian influenza nine days after a highly pathogenic virus sickened a commercial breeder flock in Lincoln County, Tenn., which borders Alabama. Alabama State Veterinarian Dr. Tony Frazier issued a stop movement order for certain poultry in Alabama, saying it was the most effective way to implement biosecurity for all poultry in the state. Aviagen, the world's leading poultry breeding company, has confirmed that it has already euthanized chickens over disease concerns, according to Reuters. Alabama is the second largest poultry producer in the country.

**> EPA Cut Could Be More Than 25%:** The Environmental Protection Agency could be in for an even bigger budget whacking than previously expected, according to Politico. A senior administration official confirmed the administration is considering the cuts, and a Republican briefed on the issue said the budget could be slashed by "a little bit north of 25 percent." Politico previously reported that Trump administration officials proposed cutting EPA's budget by nearly 25 percent - from its current level of \$8.1 billion to \$6.1 billion, and shrinking the agency's workforce by 3,000 people. EPA's climate change work would likely take a big hit under such reductions.

**> China Makes First-Ever U.S. SPR Crude Oil Purchase:** PetroChina International has bought crude oil from the US Strategic Petroleum Reserve -- the first such purchase by a Chinese company -- in a move that further underscores growing Chinese interest in US crude. PetroChina International, the overseas trading arm of state-owned oil giant PetroChina, bought 550,000 barrels from the SPR in the US Department of Energy's latest sale for a total of \$28.8 million (\$52.36/barrel). A Beijing-based senior crude trader with PetroChina International said that the deal was not yet completed and they have not decided whether to bring the barrels back to China or send them elsewhere as the volume is small. PetroChina's Houston office would not comment. The volume and price of the deal prompted a Shanghai-based analyst to call it a profile-building exercise by PetroChina. "It will be a milestone and a good headline for a Chinese company to buy [crude oil from] the US SPR," he said. The price PetroChina paid for the oil is higher than the average \$51.70/b the DOE received for the sale of 10 million barrels, and is the highest among all the winners, the DOE's data showed. (Source: Platts)

**> Tech Hasn't Been A Boom For Most U.S. Cities:** High-tech jobs remain distinctly concentrated in a few American metro areas. That's the takeaway of a new analysis from Mark Muro and Sifan Liu of the Brookings Institution's Metropolitan Policy Program. The map below by Taylor Blake of the Martin Prosperity Institute (MPI), based on the Brookings data, shows just how spiky high-tech job growth has been across metros in the United States. The Brookings analysis defines high-tech jobs as four key digital services industries—software publishing, data processing and hosting, computer systems design, and web publishing/search. Nearly half of all high-tech digital service jobs in the U.S. (46 percent) cluster in just 10 of its largest metros, which mainly span the San Francisco Bay

Area and the Boston-New York-Washington Corridor. San Francisco topped the list in high-tech job growth—adding some 31,500 jobs from 2013 to 2015. Nearby San Jose—home to Silicon Valley—added 27,500 jobs, followed by New York with 24,200 jobs. Dallas-Fort Worth added about another 15,400 jobs; and Boston, Austin, Seattle, Los Angeles, and Chicago each added about 10,000 tech jobs or more over those three years. Conversely, Pittsburgh, typically cited as an example of the “rise of the rest,” added just 3,200 tech jobs, a tenth of San Francisco’s total. (Source: CityLab)







**Northern Illinois** - We have had an extremely mild February and a winter without much snow, although we did see a few inches this past weekend. We top dressed some of our wheat last week and there was plenty of dust flying. We are not terribly dry here but could use some moisture to avoid starting down the dryer trend. The wheat looks decent with just a few bare spots. It will probably be a coin toss on what we do with it. I think that most guys around here will not add many bean acres this year. Depending on what we do with our wheat I may end up with more corn acres. The bean on bean acres for our soils seems to have a noticeable yield drag. Our beans last year were the best that we ever had. If we can make mid 60bpa I think it pencils better than chasing the corn yields. We will make 200+bpa corn but with the flat price where it is and basis wider, I like beans. We can start planting in April but I prefer to plant in May. We are all no till, with heavier type soils that can take some time to get fit, with the lake effect that keeps things cool and wet.

**Western Indiana** - We have spent most of the winter clearing trees and putting in more tile. There has been a little ammonia go down over the past week and I heard that the dirt was near perfect. Everybody is just really gearing up to get the planters going. We are not dry by any means but a lot of guys are talking about the drought pattern creeping in. From the marketing part, I think many guys will play the drought card so they can drag their feet on selling anything. Our rotation will more than likely stay around 50/50 but the margins favor corn on corn over beans for us. I feel we can grow some great corn yields but the bean yields have plateaued, being stuck in the high 50bpa to low 60bpa area. Not far from us guys are consistently making 70bpa which would really help our bottom line. The corn yields can push north of 200bpa which will net out higher. We have seen a little break on inputs across the board except on seed. I think that there is a lot of unpriced grain, in storage on farm in this part of the country.

**Central Iowa** - I am down in Florida spending my last couple weeks before heading back north. I am hoping the seasonal high has not been put in yet because I have some unpriced old crop corn to market. We have gone back to a straight 50/50 rotation after being heavy corn on corn for about 10 years. We are doing non-gmo beans that have been a direct positive for our bottom line. We have seen premiums from a dollar or two above the local market. When we started that program we thought that we might see some yield drag but it really hasn't happened at all. We had a lot of mid 70bpa beans in our heavy dark soils. The whole farm average was right at 68bpa. We will grow conventional and seed corn. Many seed companies like the ground in the area that a few of our farms are on to grow and develop seed. On a normal year we will make 200bpa and maybe see a 20bpa pop with some great weather during pollination and timely rains. Our ground across all farms has been very consisted over the years with not a lot of variability.



**FAPRI Not Projecting Further Declines In Farm Income:** *Net farm income could fall for the fourth straight year in 2017, and the farm debt-to-asset ratio is rising. Even with a modest recovery in farm income in 2018 and beyond, pressure on farm finances is expected to continue, according to the latest baseline outlook the University of Missouri's Food & Agricultural Policy Research Institute (FAPRI) presented to the House and Senate agriculture committees Monday and Tuesday. FAPRI director Pat Westhoff said widespread concern about the state of the farm economy remains. "On the negative side, we're looking at a continuation of price levels from farm income that are far below recent peaks, with projected declines in farm asset values and a corresponding increase in debt-to-asset ratios for the farm sector as a whole," he said. "On a slightly more positive note, we are not projecting further declines in farm income, and there is at least a modest projected increase in grain prices and some other indicators." Read more from [Feedstuffs](#).*

**E.U. Cereal Production Drops -5.5%:** *E.U. cereal production fell 5.5% in 2016-17 due to smaller-than-average soft wheat and corn harvests, the E.U. said in its Short-Term Outlook for E.U. Agricultural Markets in 2017 and 2018. This will likely mean a slowdown in exports due to the abundant world supply and low prices, the report said. Projections for E.U. total exports in 2016-17 are 35.2 million metric tons, below the three previous marketing years. Total E.U. wheat exports are projected at 24 million metric tons. The E.U. corn harvest declined for the second year in a row, reaching 60.4 million tonnes, 8% below the last five-year average, with low levels in north-western, southeastern and south-western Europe due to heat and/or drought in these regions. Production was 17%-25% below the last five-year average in major producing countries such as Romania, France, Spain, Italy and Germany. This was partly compensated for by an excellent harvest in central Europe (Hungary and Poland in particular). More details from the report are available [HERE](#).*

**Startup to Serve Up Chicken Strips Cultivated From Cells in Lab:** *A Bay Area food-technology startup says it has successfully developed the world's first chicken strip grown from self-reproducing cells without so much as ruffling a feather. Scientists, startups and animal-welfare activists believe the new product could help to revolutionize the roughly \$200 billion U.S. meat industry. Their goal: Replace billions of cattle, hogs and chickens with animal meat they say can be grown more efficiently and humanely in stainless steel bioreactor tanks. Startups including Memphis Meats and Mosa Meat, based in the Netherlands, have been pursuing the concept. They call it "clean meat," a spin on "clean energy," and they argue the technique would help the food industry avoid the costs of grain, water and waste-disposal associated with livestock. Scientists from those companies have already produced beef, grown from bovine cells and made into a burger and a meatball.*

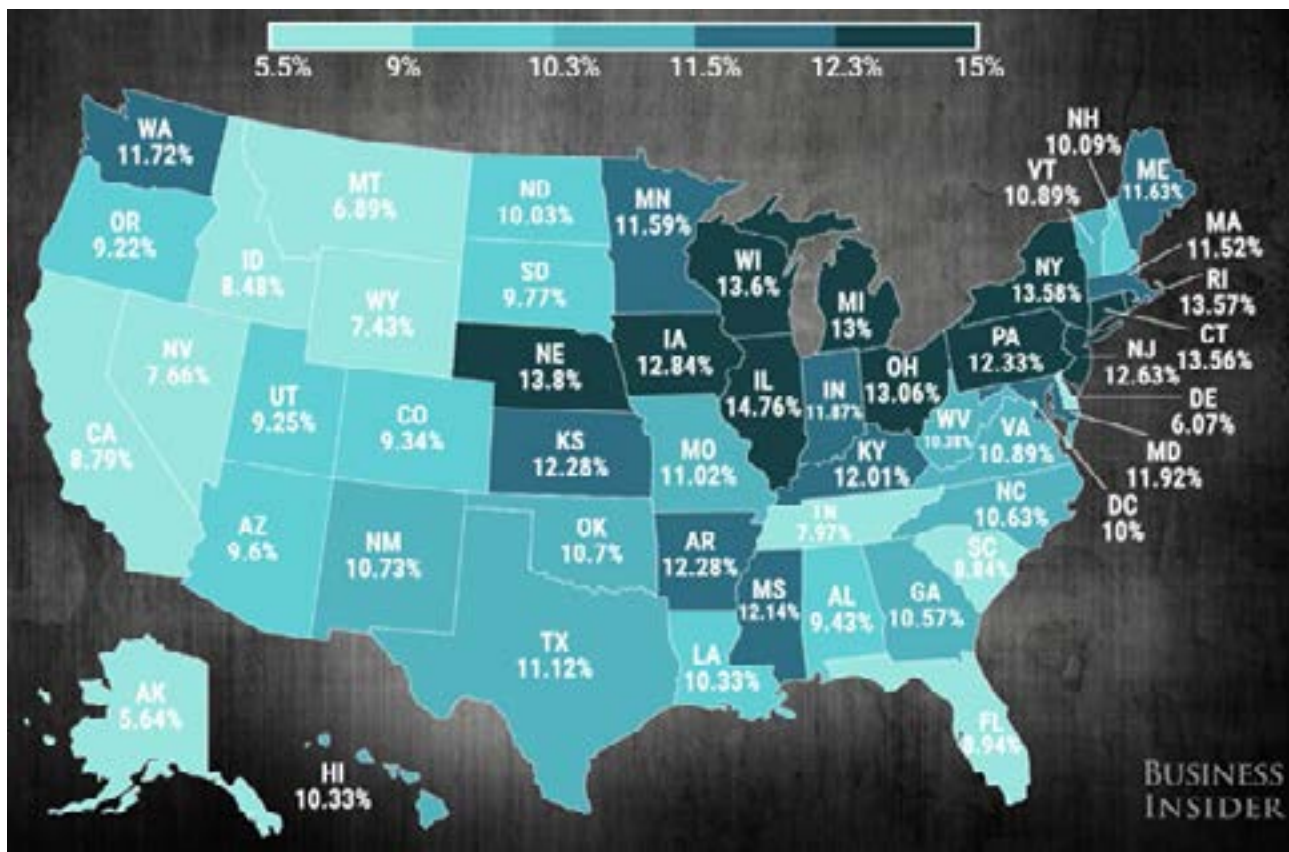


Until now, chicken hasn't been produced using the method. Read more from [The Wall Street Journal](#).

**Wall Street Has Found Its Next Big Short in U.S. Credit Market:** Wall Street speculators are zeroing in on the next U.S. credit crisis: the mall. It's no secret many mall complexes have been struggling for years as Americans do more of their shopping online. But now, they're catching the eye of hedge-fund types who think some may soon buckle under their debts, much the way many homeowners did nearly a decade ago. Like the run-up to the housing debacle, a small but growing group of firms are positioning to profit from a collapse that could spur a wave of defaults. Their target: securities backed not by sub-prime mortgages, but by loans taken out by beleaguered mall and shopping center operators. With bad news piling up for anchor chains like Macy's and J.C. Penney, bearish bets against commercial mortgage-backed securities are growing. Read more from [Bloomberg](#).

**Plowz & Mowz Wants To Be Uber For Snowstorms:** Here's a company that offers an on-demand app for snowplows. Plowz and Mowz, the Science-backed company that has around 1,500 plows on hand today in blizzard-affected areas. The company said last month that it was approaching 100,000 paid transactions, and that it has raised \$1.5 million in VC funding. Read more [HERE](#)

**States With The Lowest Taxes:** Every year, the average U.S. household pays more than \$5,700 in federal income taxes, according to the Bureau of Labor Statistics. And while we're all faced with that same obligation, there is significant disparity when it comes to state and local taxes. Taxpayers in the most tax-expensive states, for instance, pay three times more than those in the cheapest states to meet their civic burden. WalletHub's analysts compared state and local tax rates in the 50 states and the District of Columbia against national medians. They calculated relative income-tax obligations by applying the effective income-tax rates in each state and locality to the average American's income. See their full findings [HERE](#).







### **Could This Be A Breakthrough Discovery For Soybeans?**

Cyst nematode, like the one pictured below, are one of the most economically devastating groups of plant-parasitic nematodes worldwide. Soybean Cyst Nematodes have threatened the U.S. crop since the 1950s, reducing returns to soybean producers by \$500 million each year and reducing yields by as much as 75 percent. It is also a significant problem in the soybean growing areas of South America and Asia. Recently, researchers at the University of Missouri discovered that the parasites are mimicking the peptides created by the soybean plant and essentially hi-jacking the plants signaling system. These parasites damage root systems by creating a unique feeding cell within the roots of their hosts and leeching nutrients out of the soybean plant. This leads to stunting, wilting and yield loss for the plant. Using next-generation sequencing technologies, the team from MU made a remarkable new discovery -- nematodes possess the ability to produce a second type of peptide that can effectively "take over" plant stem cells that are used to create vital pathways for the delivery of nutrients throughout the plants. Comparing these peptides with those produced by plants they found that they were identical to the ones the plants use to maintain vascular stem cells. Through synthesizing the nematode peptide, the team at MU were able to apply it to vascular cells within research plants and determined how to shut down the cysts ability to communicate with the plant. By knocking out a nematodes ability to attack along the plants' roots, they reduced the size of the feeding site that nematodes use to control the plant. It's the first time anyone has been able to show that the nematode is modulating or controlling the vascular plant pathway. Understanding how plant-parasitic nematodes control plants is a crucial step in helping to create pest-resistant plants. This is a significant find as soybeans are a major component for two-thirds of the world's animal feed and more than half the edible oil consumed in the U.S. Click on link to read more

[PLSO Pathogens](#)



### **"The Father Of The Constitution"... Interesting Historical Read**

James Madison was born 266 years ago on March 16, 1751, in Port Conway, Virginia. He served as the fourth President of the United States, but his overall legacy in the establishment of America is one of the most significant and pivotal of all the Founding Fathers. In fact he is known as "Father of the Constitution" and regarded by many historians as a true genius of our early nation. The Constitution, in particularly the Bill of Rights, was largely based on his political philosophy. He was married to the equally infamous Dolly Madison and was one of Thomas Jefferson's closest friends and allies. Madison's political journey commenced after graduating from the College of New Jersey - now Princeton University - in 1771, growing increasingly interested in the deteriorating relationship between the colonies and England. He got involved with the local militia and at the age of 25 was elected to serve as one of two delegates from Orange County to attend the Virginia Constitutional Convention of 1776 in Williamsburg. During the American Revolutionary War, Madison served in the Virginia state legislature (1776-1779), and became a protégé of fellow delegate and later Virginia Governor, Thomas Jefferson. Madison would serve in Virginia House until 1786 before turning his attentions to the nation at large. With the Peace of Paris of 1783, the independence of the United States of America was recognized by Great Britain and the other "powers of the earth." But it was not clear what those powers were, for Congress under the Articles of Confederation had very limited powers and little capacity to govern. It was clear the loose union of states required constitutional reform

if it was to survive. In hard bargaining over contentious issues, the reformers met at the Constitutional Convention in Philadelphia in the summer of 1787, which was largely due to Madison's urging. Years earlier Madison had pored over crates of books that Jefferson sent him from France on various forms of government. The historian Douglas Adair called Madison's work "probably the most fruitful piece of scholarly research ever carried out by an American." Madison wrote what would become known as the Virginia Plan, and the goal of the convention became to amend that plan and fill in the gaps. Though the Virginia Plan was an outline rather than a draft of a possible constitution, and though it was extensively changed during the debate, its use at the convention led many to call Madison the "Father of the Constitution". Madison then went on to become a leader in the Constitution's ratification process. He, Alexander Hamilton, and John Jay wrote *The Federalist Papers*, a series of 85 newspaper articles published in New York to explain how the proposed Constitution would work. As the states were leery of creating a powerful central government, a resolution was proposed that a declaration of rights be ratified prior to ratification of the Constitution. In 1789, while serving as a Representative in the new government, he submitted nine amendments to the constitution, seven of which would ultimately become the ten ratified Bill of Rights amendments. James Madison served two terms as President of the United States, in which he led the U.S. into the war of 1812, its first war as a newly established nation. Madison retired to his tobacco plantation, Montpelier, in 1817 when he left office. In his lifetime, he refused to allow the publication of his notes on the Constitutional Convention, or its official records in his possession. Historians believe this was due to his mounting debt - he knew full well what the value of his notes were and wanted them to bring money to his estate for his wife Dolley's use as his plantation failed. The historian George F. Will wrote that if we truly believed that the pen is mightier than the sword, our nation's capital would have been called "Madison, D.C.", instead of Washington, D.C. Madison died at Montpelier on June 28, 1836. (Source: Gilder Lehrman Institute, Wikipedia)



"The belief in a God All Powerful wise and good, is so essential to the moral order of the world and to the happiness of man, that arguments which enforce it cannot be drawn from too many sources nor adapted with too much solicitude to the different characters and capacities to be impressed with it." James Madison (Father Of Bill of Rights)  
letter to Frederick Beasley, Nov. 20, 1825



## **Duck Dynasty's Missy Robertson to Son: "You Can't Come Home"**

This article was sent my direction the other day and it made me stop and think about "relationships". For Michelle and I, we left home immediately after getting married and moved to Chicago. We quickly realized we had no one but each other and it truly helped us build and develop an incredibly strong relationship and deep form of communication. This made me think twice about the advise being offered up by the this Duck Dynasty mom, who has some serious words for her son Reed and his fiancée... The article below was written by Jenny Rapson, who is a follower of Christ, a wife and mom of three from Ohio and the editor of [For Every Mom](#).

Duck Dynasty's Missy Robertson has been married to her husband Jase for over 25 years—and in that time, she says, she's learned a LOT about marriage. The mom of three recently posted to her blog, [MissyRobertson.com](#), reflecting on when she was a new bride. Now that her son Reed is engaged to be married, she shared with him a conversation her loving father had with her the week of her own wedding, back in 1990. She says:

*...he [my dad] stopped me in the hallway of our house one day during that festive week, took me by the shoulders, faced me head on and stated, "Missy, I need to tell you something very important", it definitely got my attention. He looked me dead in the eyes and said, "When you get married on Friday, you can't come home."*

*What? Where in the world did this come from? Maybe I didn't hear him correctly. So, I asked him to clarify.*

*Again, he said, "You are not welcome to come back to this house to live after Friday night."*

At first Missy thought that seemed awfully harsh, but as she and Jase worked through the predictable problems and adjustments of early married life, she became thankful for her dad's words. She says as a newlywed there were times that she laid in bed crying, wishing she could run back to her parents' home and away from the responsibilities and struggles of married life, but then: "I would remember what my dad told me, and I knew I had to go talk to Jase about it."

She says her dad's words helped solidify her commitment to her marriage as a young bride, and that's why she recently shared them with her son Reed and his fiancée, Brighton.

She says she told them this story of her dad's pre-marital verbal smackdown because she wants them to understand, too, that God's design for marriage means sticking together and working out problems with God's help, not running home to mom and dad to fix things or escape. She cites Genesis 2:24 "For this reason a man will leave his father and mother and be united to his wife, and they will become one flesh."

Learning from her own loving father, this loving mom says of her son and his bride-to-be:

So, not only did I tell them my memory of that awkward conversation I had with my dad all those years ago, I also took the opportunity to pass down the same information to Reed. I left them with these endearing words:

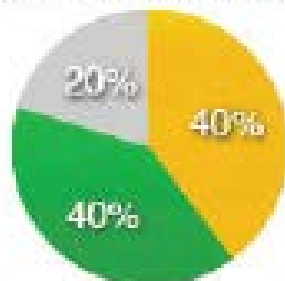
"Reed, I love you with all my heart, but once you say 'I do' this fall, you can't come home. And Brighton, you're stuck with him."



# CASH SALES & HEDGING TOTALS

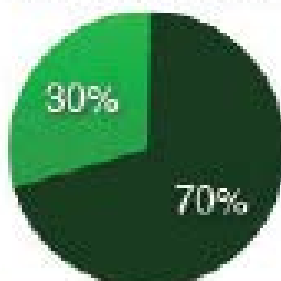
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40% SOLD  
40% HEDGED  
20% Cash Remaining



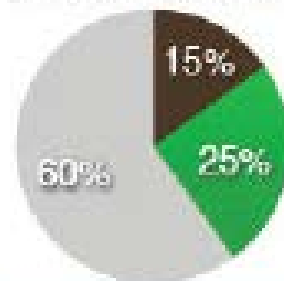
## SOYBEANS 2016 CROP

70% SOLD  
30% HEDGED  
0% Cash Remaining



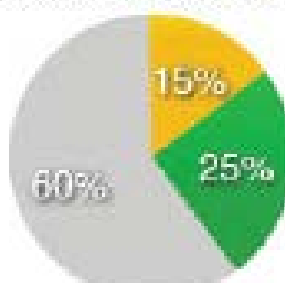
## WHEAT 2016 CROP

15% SOLD  
25% HEDGED  
60% Cash Remaining



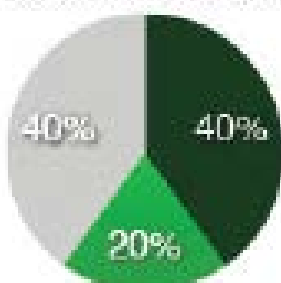
## CORN 2017 CROP

15% SOLD  
25% HEDGED  
60% UNPROTECTED



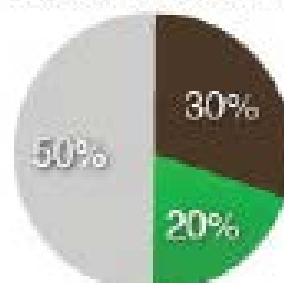
## SOYBEANS 2017 CROP

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

