



"Nearly all successful people begin with two beliefs: #1. The future can be better than the present. #2. I have the power to make it so."

TUESDAY, MARCH 21, 2017

Morning Summary: Stocks remain stuck in a narrow trading range near all-time highs with little in the way of fresh headlines to influence investor direction. Oil prices are slightly higher on rumors that OPEC production cuts could now be extended beyond June. The U.S. dollar is trading lower for the fifth day in a row. There are no U.S. economic reports on the calendar today, though we will hear from several Federal Reserve officials, including New York Fed President William Dudley, Kansas City Fed President Esther George, Cleveland Fed President Loretta Mester and Boston Fed President Eric Rosengren. Later this evening - after markets close - Japan's central bank will release "minutes" from their last policy meeting. The BOJ ended up leaving policy unchanged, earlier this month, but investors will be interested to see if officials are starting to lean a little more hawkish in light of improving economic data. The lack of fresh headlines will again leave investors turning most of their attention to Washington where there is no shortage of headlines. Yesterday, the House Intelligence Committee heard testimony from FBI Director James Comey and National Security Agency Chief Mike Rogers. The probe is three-fold, with Representatives seeking information and clarification on Russia's actions during the U.S. election, the President's claims that Trump Tower was wiretapped by the Obama administration and national security leaks. Comey officially confirmed, with the permission of the Justice Department, that the FBI is engaged in an investigation into Russia's activities during the campaign and whether anyone in the Trump camp might have improperly colluded with Moscow. So far, there reportedly is no evidence that Trump officials acted inappropriately. There is also no evidence thus far that Russia "hacked the election." The probe began in June and is still ongoing. Comey would not comment on the existence of an investigation into the national security leaks that have plagued the White House in recent months. He and Rogers did, however, condemn the leaks as illegal and a risk to national security. The House's public hearings are now complete, but the Senate Intelligence Committee is also looking into possible election interference by Russia, though it's not clear when or if they'll conduct a public hearing. Internationally, it's worth noting that Greece missed yet another deadline for unlocking bailout funds, pushing the country closer to a repeat of the previous drama a few years back that almost resulted in economic collapse. Euro-area finance ministers, who met in Brussels on Monday, reiterated that the Greek government has yet to comply with the terms attached to the emergency loans that have kept the country afloat since 2010. I should also note the top five contenders for the French presidency faced off in their first debate last night. The spotlight remains on former Economy Minister Emmanuel Macron, a centrist, and far-right leader Marine Le Pen, who are tied in the polls ahead of the

election's first round which takes place next month, April 23rd. Should no candidate win a clear majority, a run-off election between the top two candidates will be held on May, 7th. Remember, it's Le Pen who has a controversial proposal to hold a referendum on EU membership if she wins the election. Stay tuned!

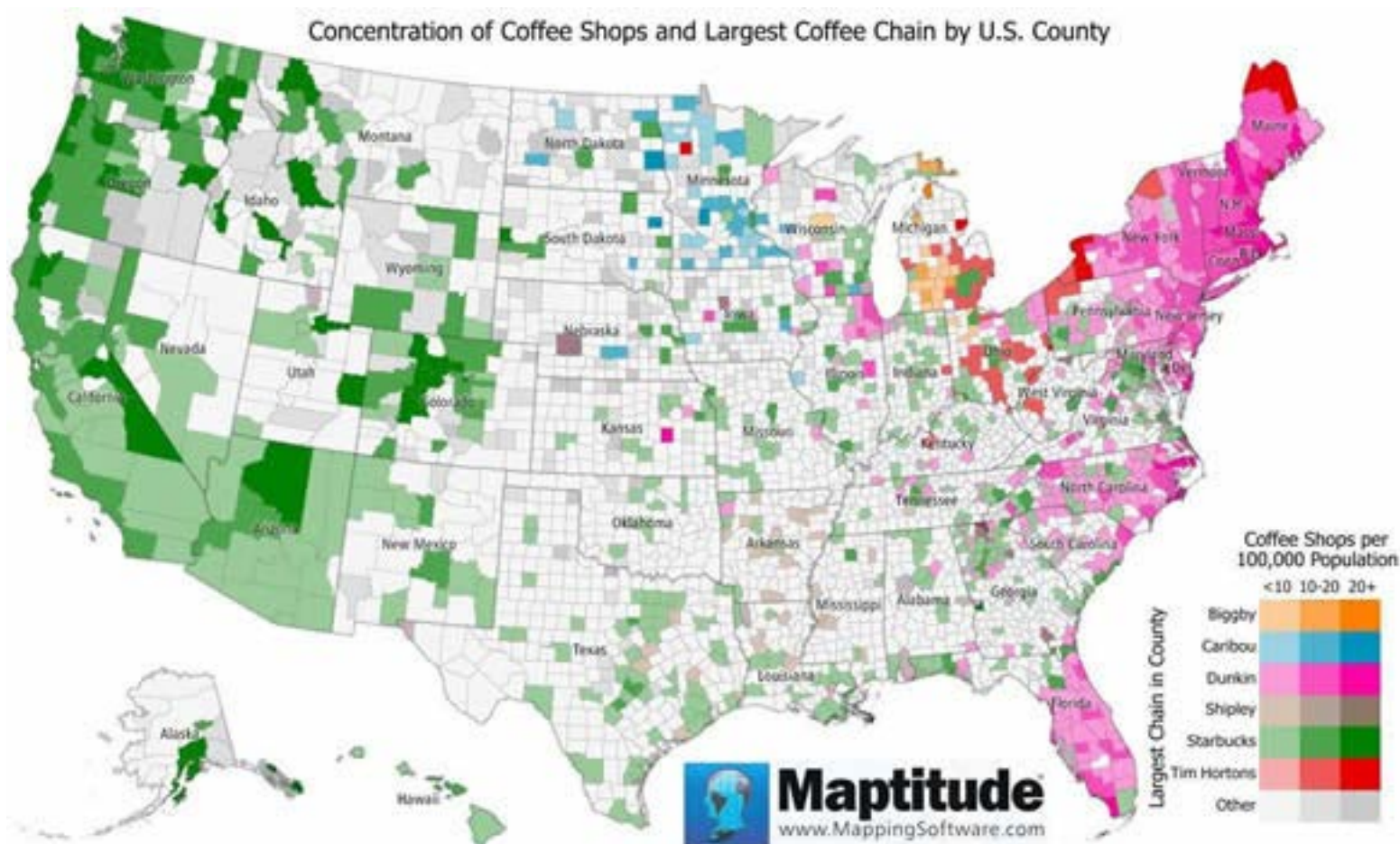
Britain Will Begin EU Divorce March 29: *U.K. Prime Minister Theresa May will invoke Article 50 on Wednesday, March 29, launching two years of what is sure to be difficult negotiations. More than 40 years after the U.K. joined the EU and nine months since it voted to leave, Britain's envoy to the bloc, Tim Barrow, informed EU President Donald Tusk on Monday of May's plan to invoke Article 50 of the Lisbon Treaty, the mechanism for quitting that has never been used. At stake in the looming talks is whether Britain -- the world's sixth biggest economy -- can regain powers over immigration and lawmaking without derailing trade with its largest market or threatening London's status as the region's leading financial center. England's 310-year-old union with Scotland is also in jeopardy as they want another referendum to separate from the U.K. due to their disapproval of leaving the E.U. The EU is "ready to begin negotiations," European Commission spokesman Margaritis Schinas told reporters in Brussels. Most insiders believe the E.U.'s primary goal will be to make the separation as difficult and unfavorable to Britain as possible in an effort to discourage the other 27 member states from trying to leave. May will soon be working against the clock. Realistically, she has until the end of 2018 to agree the terms of the breakup and try to win the trade deal she wants. If she can't secure an agreement, Britain will crash out of the EU and over what businesses call a "cliff edge" of uncertainty and higher trade tariffs. (Source: Bloomberg)*

Libya Set To Resume Shipping Oil: *Production at Libya's Waha oil field has restarted and oil is being pumped to Es Sider port after a stoppage of about 10 days caused by clashes. Production by Waha Oil Co, which operates the field, was shut down completely earlier this month when the eastern-based Libyan National Army (LNA) lost control of Es Sider and the neighboring port of Ras Lanuf to a rival faction. The LNA recaptured the ports on Tuesday. There were no details on the output of the field as production resumed. Waha Oil Co had been producing about 75,000 barrels per day (bpd) at the start of March. It is understood the two export terminals suffered no serious damage in the latest fighting though the BDB claimed the LNA warplanes had been deliberately targeting the oil facilities. It appears that the BDB did not put any men into the terminals themselves. Before the attack Libya's total output was hovering around 700,000 barrels per day but is currently some 611,000 barrels per day. National Oil Corporation chief Mustafa Sanalla said that he hoped to bring output up to 800,000 bps by the end of next month. (Source: Libya Herald)*

"Buy Stock" Searches At Record Levels: *Nicholas Colas, Chief Market Strategist at Convergenx, tackles the current sentiment situation among retail (individual) investors and finds interest in the market rising along with prices, as you might expect. Searches for "Buy Stock" are at record levels for the period of 2010 – present among US users. Funny enough, so is the search term "Sell stocks", but the interest in buying outpaces that for selling by almost 9:1. Searches for "ETFs" are not quite at record highs for the current decade, but they are higher than all but 3 months since 2010. Searches for "Mutual fund" are at highs not seen since 2011, and actually outnumber ETFs by 2*

½ to 1. Still, by most accounts, retail investors are still not flocking to stocks in large numbers. Households were net sellers of stocks in 2016 and even exited stocks during the fourth quarter, when Donald Trump's upset presidential victory sent the market surging. Goldman Sachs's chief equity strategist David Kostin expects investors will continue to sit things out this year. In a note to clients, Kostin said "Corporations and (exchange-traded funds) will continue to drive equity demand while mutual funds, households, and pension funds will remain net sellers of equities." (Source: Reformed Broker)

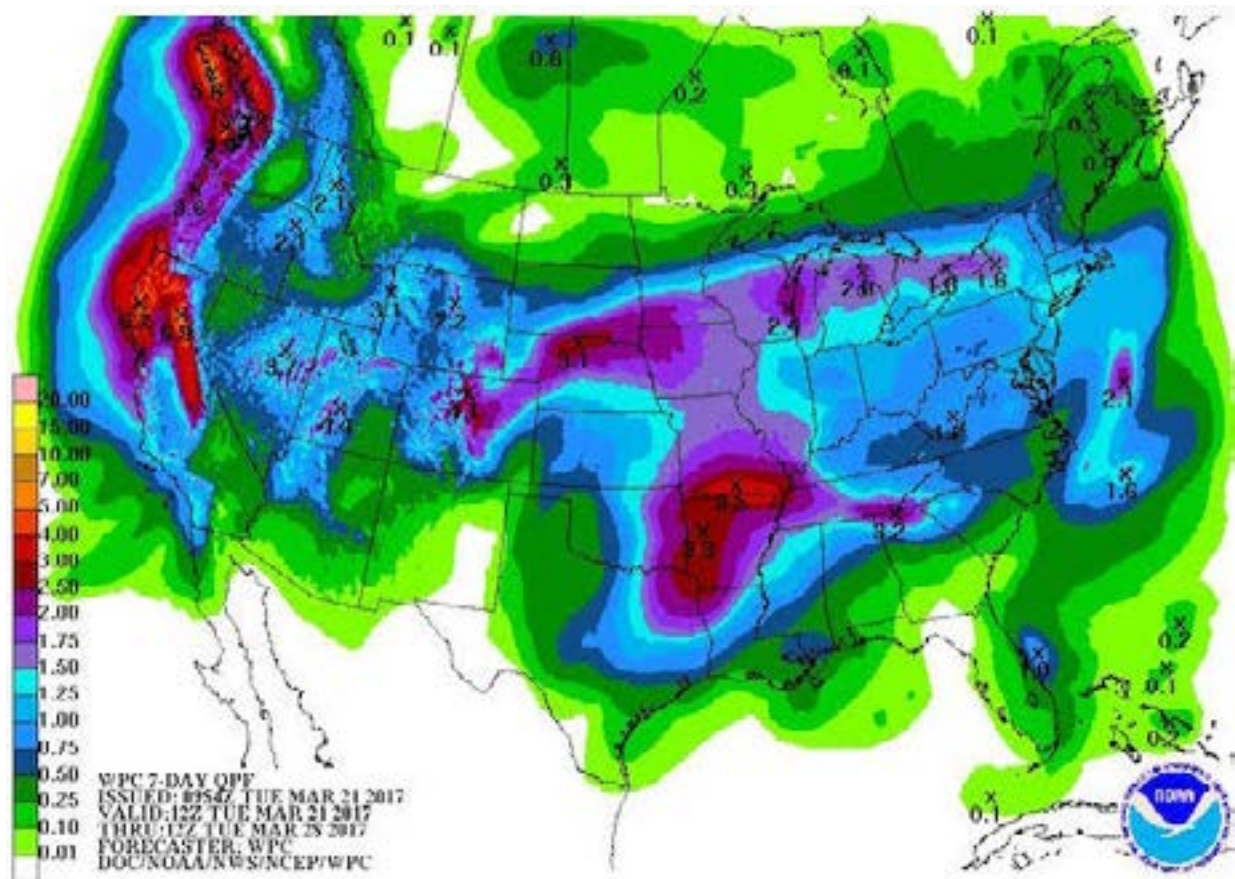
Concentration Of Coffee Shops: The map below shows the concentration of coffee shops by county and what the most common chain is in each county. The two largest chains by far are Starbucks and Dunkin Donuts, followed by Tim Hortons, Caribou, and The Coffee Bean and Tea Leaf. Starbucks is predominant in 574 counties and Dunkin Donuts is predominant in 399 counties. Caribou is predominant in its home state of Minnesota and Biggby is predominant around its home city of East Lansing, Michigan. Canadian coffee brewer Tim Hortons is also making some inroads in the Northern United States, especially in border counties. Source: Maptitude)



Weather to begin the week saw record setting warmth prevail across the southern half of the Plains, maintaining stress on drought-affected rangeland, pastures, and winter wheat, and further reducing soil moisture. Today's high temperatures should range from 90 to 100 degrees F across a broad area of the southern Plains. Meanwhile, near-normal temperatures are in place across the northern Plains. In the Corn Belt, yesterday saw a cluster of showers and thunderstorms produce locally heavy rain from Illinois into Ohio. Meanwhile,

warm air spread across the western half of the Corn Belt, with high temperatures topping 80 degrees F as far north as the lower Missouri Valley. In the South, cool conditions linger in the Atlantic Coast States where frost and freeze warnings were in effect yesterday in parts of the Carolinas. Southeastern producers continue to monitor the impact of the significant March 15 - 17 freezes on a variety of crops including fruits and winter wheat. Warm air is overspreading the remainder of the region, especially the mid-South. Rather unsettled weather can be expected across the U.S., with 5 day precipitation totals forecast to range from 2 to 8 inches in northern and central California; 2 to 4 inches in the Pacific Northwest; and 1 to 2 inches in a broad area stretching from the northern Rockies and Intermountain West to the central Plains, mid-South, and Midwest. In fact, mostly dry weather will be limited to portions of the Deep South and the Atlantic Coast States. Meanwhile, a mid-week cold snap will bring another round of below-normal temperatures to the Midwest and East. Although the Southeast should escape additional sub-freezing temperatures, widespread readings below 20 degrees F should occur from the Great Lakes region into the Northeast. Toward week's end, however, warm weather should return to many parts of the country. In Brazil, central growing regions have a new round of moderate to heavy rain in store this week. This will bring soil moisture to the second crop corn, but will also delay the final portion of soybean harvest. Soybean harvest is pegged at right around 70% complete as of this past weekend. In Argentina, the outlook is generally dry and mild this week which favors additional corn harvest progress, which is estimated to be around 15% completed.

Active Weather Pattern 7-Day Precipitation: *As you can see from the 7-day Rain-fall map, we are looking at some unsettled weather this week across the central Plains, and Midwest this week. Dry areas of the central and southern Midwest, especially in the mid-Mississippi Valley will benefit greatly from this moisture; however, heavy precipitation may also cause some delays in spring field work progress.*



Corn traders continue to talk about the large mass exodus of fund money from the market. In case you missed the headlines, the CFTC reported last Friday that the hedge funds and money managers cut their net bullish bets in corn by almost -104,000 contracts, essentially one of the largest weekly reductions I've seen in this market, and a move that took them from being overall net-long to a net-short of between 20,000 and 30,000 contracts. The bulls argue this now gives them plenty of room to add length if U.S. weather provides the opportunity. The current weather here in the U.S. is fueling a lot of recent talk about early filed work and planters rolling in several locations as soil moisture and temps are clearly moving into a more ideal range. The bulls however wonder if more widespread rains that are now in the forecast are going to ultimately create more worry and headlines about longer-term planting delays? The bears are saying the forecast is clearly pointing to good "growing degree days" between now and mid-April, meaning early-planting is almost all but guaranteed. The fear is early emerging corn could certainly find itself in harms way should a freeze enter into the forecast during late-April. Bottom-line, there's a ton of speculation and debate in the market surrounding U.S. planted corn acres in 2017. The trade will obviously be paying extremely close attention to U.S. weather forecasts in the days and weeks ahead. As a producer I will be looking to use bullish weather headlines and or any extended rallies as an opportunity to reduce more new-crop price risk. As for South America, heavier more wide-spread rainfall amounts might delay the soybean harvest, but it seems to be helping second-crop corn production and pushing production estimates higher. There are some talks amongst the bulls that delays in soybean exports from both Argentina and Brazil might back things up bit for corn in the weeks ahead, especially in light of record setting production being harvested out of the fields. In other words both Argentina and Brazil could end up using all of their exporting bandwidth and logistics in an effort to most efficiently move a record setting soybean crop. Any struggles, hiccups or delays in exporting the record soybean crop could lead to delays in getting corn out of the country. In return we could theoretically see more demand for U.S. corn than most have been forecasting. On the flip side, there's some talk and rumors flying around that Brazil's government might soon implement a 20% tax on ethanol imports. Which if true would obviously be digested as somewhat bearish and bring into question total U.S. ethanol production. As a producer I'm worried that some of our bullish arguments are starting to become a bit more diluted. We are going to need to see renewed bullish interest by the funds, confirmation that strong demand is going to continue, and some type of weather headlines if we want to re-test the previous nearby highs. I'm starting to think the bears may stay up to bat for a period of time. As a spec I am patiently waiting for a deeper break in price, perhaps through most all technical support, sub-\$3.50 in the MAY17 contract and sub-\$3.75 in the DEC17 contract, before dipping a toe in the bullish waters.

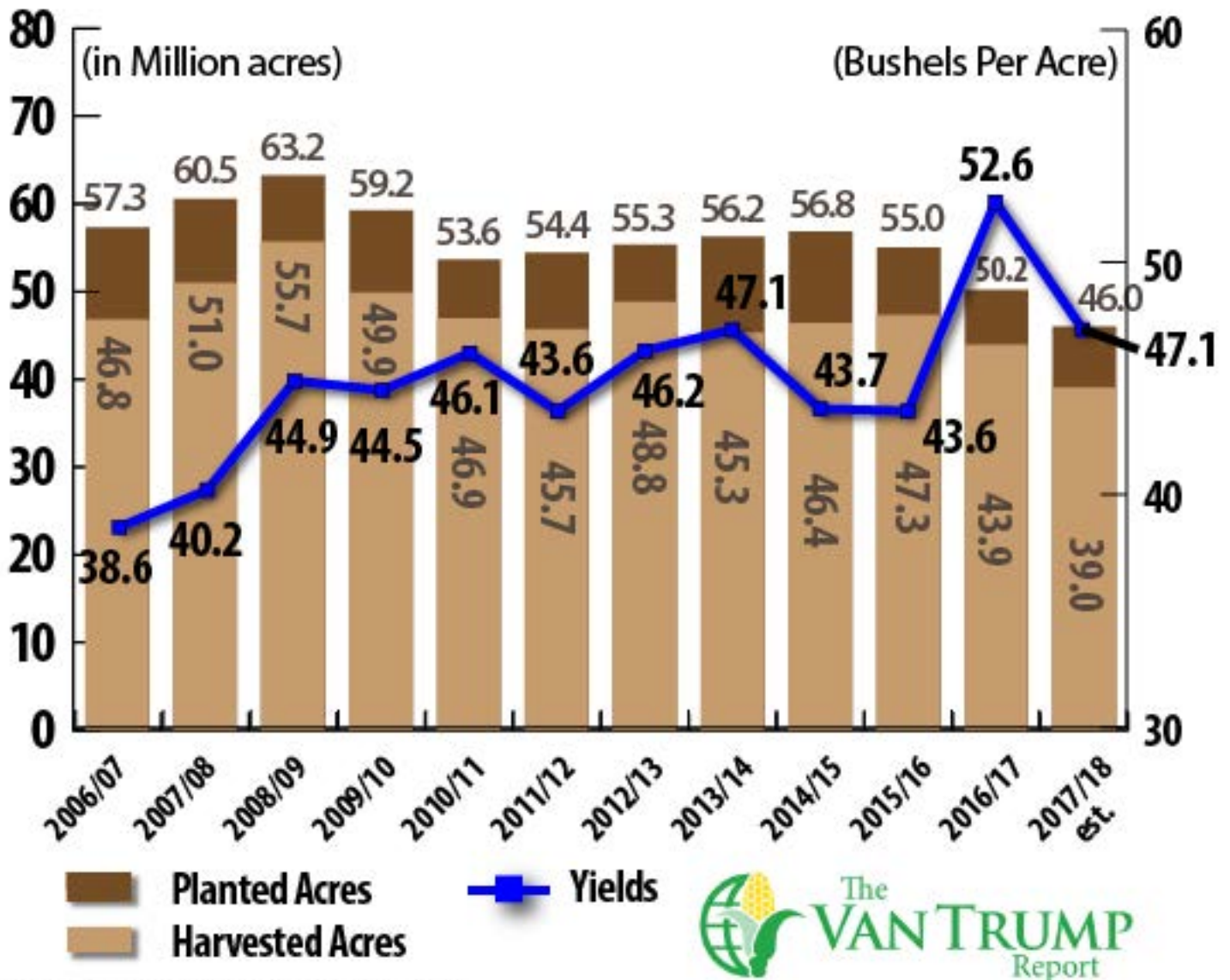
An eBay for Grain Trading, FarmLead, Raises \$6.5 Million Series A - *Farmers work to feed the world. Yet somehow, corn, wheat and rice sales are still happening at a local level through antiquated paperwork and phone negotiations. Now, a startup called [FarmLead](#) has raised \$6.5 million in venture funding to connect grain producers and buyers automatically online, and help farmers get fair prices for what they grow. The platform is something like an eBay for grains. Monsanto Growth Ventures led the Series A deal, and was joined by Avrio Ventures, the MaRS Innovation Accelerator Fund and Serra Ventures. You can read more in the [TechCrunch](#) article. There's no doubt in my mind technology, particularly the "transparency" it brings along with it, is*

about to rapidly change the face of agriculture. Make certain you are paying very close attention!

Soybean traders are starting to transition more heavily from South American crop fundamentals to the upcoming U.S. crop. The big debate is obviously planted acres and specifically how big of a record soybean crop U.S. producers are going to plant. Most inside the industry agree that soybeans make more financial sense for many producers this year than compared to previous years as insurance revenue guarantees pencil in an advantage. So it's not really a matter of if we will see record soybean acres planted in 2017, but rather how big of a record will be set? Most sources I speak with seem to be looking for an additional +4.5 to +6.5 million more soybean acres in 2017. I'm personally leaning towards the high side of those estimates and looking for a planted soybean number somewhere between 89 and 90 million acres. As for South American production, there continues to be more buzz about traders and analyst bumping their estimates even higher. From what I can gather, most sources are talking about South American production being record setting and some +12 to +16 MMTs larger than last year. Previously the trade was thinking production could exceed last year by +10 MMTs. The only real bullish South American headlines I've heard traders talking about the past couple of days are potential heavy rains moving into the Argentine forecast in the coming weeks. This could obviously delay and create hiccups in logistics. There's also some talk about a dockworker strike at their largest port of Rosario scheduled for March 30th. There's also a labor union strike scheduled for April 6th. The bulls argue just because record crops are being harvested, it doesn't mean Argentina or Brazil will be able to get the bushels out of their country in a timely and efficient manner. Perhaps leading to more U.S. demand than the trade is currently forecasting? From a technical perspective, traders continue to talk about stronger support in the \$9.40 to \$9.60 range in the old-crop MAY17 contract. As for the new-crop NOV17 contract most sources see heavy support in the \$9.60 to \$9.80 range. As both a producer and a spec I continue to remain extremely patient, believing there could be more nearby downside before entering a U.S. weather market.

Wheat bulls continue to keep a close eye on U.S. weather, especially some key HRW wheat growing regions in the western and southern Plains. Globally there is still very little if anything in the headlines to excite the fundamental bulls. There's increased talk that the Russian wheat crop could again be record large. The Ukraine spring crop seems to be going in the ground with very little difficulty. Both the Australian and Argentine wheat crop also look as if their estimates are moving higher and perhaps record large. Wheat out of Romania and France also remains highly competitive in the global space and continues to limit U.S. export business. I hate to sound like a broken record, but from a traditional fundamental perspective there remains very little if anything to get excited about. The funds are supposedly short over 100,000 contracts, which obviously makes some type of short-covering rally a compelling argument, especially as we head into a more uncertain U.S. weather market and increased geopolitical risk in the macro space. Unfortunately the fundamental facts and the numbers continue to point to an oversupplied market that needs to run into a major production hiccup for the bears to take any type of notice.

U.S. Wheat Planted Acres, Harvested Acres & Yields



> Brazilian Meat Imports Suspended By China, South Korea: *Fallout from a corruption scandal in Brazil's massive meat industry spread on Monday, with China and South Korea suspending some imports and the European Union considering similar action. China, which accounted for nearly one-third of the Brazilian industry's \$13.9 billion in exports last year, decided to suspend imports of all meat products from Brazil as a precautionary mea-*

sure after police on Friday accused companies of widespread bribery of health inspectors to hide unsanitary conditions. South Korea's agriculture ministry said in a statement that it would tighten inspections of imported Brazilian chicken meat and temporarily bar sales of chicken products by BRF, the world's largest poultry producer. More than 80 percent of the 107,400 tonnes of chicken that South Korea imported last year came from Brazil, and BRF supplied almost half of that. Chile is also temporarily banning imports of beef from Brazil, the agriculture ministry said on Monday.

> Mexico Dependent On U.S. Corn Imports: The Mexican government's drive to pivot away from U.S. corn imports will fall flat, at least for next season, USDA's Mexico City bureau said. They forecast total Mexican imports of corn in 2017-18 will be flat at 13.4 million metric tons, with the U.S. share unchanged. They see all but 200,000 metric tons coming from the U.S. This forecast raises questions over ideas that Mexico will be able, short term, to reduce its huge reliance on imports from the U.S. "Private sources indicated that as Mexico becomes a more attractive and sophisticated importer, some other countries that produce yellow corn, such as Brazil and Argentina, have shown interest in exporting to Mexico," the bureau said. And the bureau noted a recent statement from the Mexican government "indicating that it has a strategic objective to increase diversification of its agricultural import suppliers" "In the longer term, this could mean that Mexico would not rely only on U.S. corn imports, as is currently the case," the bureau said. (Source: Agrimoney)

> Brazil To Weigh Request To Tax Ethanol: The Brazilian government is evaluating a request by the country's sugar and ethanol industry to reinstate a 20 percent import tax on ethanol, the Agriculture Ministry said. Some ethanol producers in the Northeast region in Brazil complained to Agriculture Minister Blairo Maggi about rising imports of ethanol from the United States. (Source: Reuters)

> Russian Wheat Exports Up +2.9%: Russian wheat exports in the 2016-17 marketing year from July 1 to March 15 were up +2.9% year-on-year at 20.209 million metric tons, Ministry of Agriculture data shows. Wheat exports from Russia have been slower than expected in the 2016-17 marketing year as farmers have been slow to let go of their stocks on the domestic market due to low export prices. However, March exports started to compensate for the slower pace in the marketing year, due to higher demand from eastern Mediterranean destinations and reported exports from winter months due to logistical constraints during unfavorable weather. The USDA currently has Russia's full season wheat exports pegged at 28.5 million metric tons, which is +12% higher than in 2015-16. Russian exporters have now also shipped 3.6 million metric tons of corn in the current marketing year, +16.5% higher year-on-year. Barley exports are at 2.203 million metric tons, down -40.9% from the same point last year. (Source: Platts)

> Turkey Puts Russian Wheat Deals On Hold: Turkish buyers have put purchases of Russian agricultural products - mainly wheat, corn and sunflower oil - on hold, despite denials from Turkey that it has effectively banned imports from Moscow, trade and industry sources said on Monday. Last week, import licences issued by the Turkish government no longer included Russia in a list of accepted tax-free origins, the sources said, suggesting an import tariff of 130 percent could be applied to supplies from Russia. Turkey's Economy Ministry said on Friday media reports it had banned imports of certain products from Rus-

sia were wrong. However, one trader, speaking on condition of anonymity due to the sensitivity of the matter, told Reuters: "The exports from Russia to Turkey remain suspended. My understanding is that Turkish customs have instructions not to allow the discharge of vessels with Russian wheat, corn, sunflower oil and other grain and agricultural products." Turkey is the second largest Russian wheat importer after Egypt and one of the largest markets for Russian corn and sunflower oil. For Turkey's flour millers, Russian wheat is one of the most important sources of supply.

> Ukraine's Winter Crops Resumed Growth A Month Early: This year the spring weather processes influencing the plant development started almost a month ahead of the multi-year average. According to meteorologists, the meteorological and actual resumption of winter crops growth happened between March 1-5 against the multi-year average of April 1-4. Last year their growth started on April 1. In general, winter crops have survived the winter well, no loss of plants was revealed in most areas. Winter wheat plants are at the second stage of organogenesis (tillering), reports UkrAgroConsult.

> JBS Says Media Is Exaggerating It's Role In Brazil Meatpacking Scandal: The meatpacking giant JBS says the media is overplaying its part in a Brazilian meat safety scandal. As Reuters reports, Brazilian police on Friday raided JBS SA, BRF SA and dozens of other smaller rivals as part of a sting to catch meatpackers bribing inspectors and politicians to overlook unsanitary practices. They reportedly found evidence that some companies were manipulating certificates for meat exports to European markets. However, Cameron Bruett, a JBS spokesperson, asserts that JBS's part in the story should be minor. "There are no allegations in the judge's order that JBS or its executive management violated food safety or product quality standards or engaged in any wrongdoing," Bruett says. "The investigation is focused on the actions of Brazilian federal meat inspectors. JBS has been inappropriately connected to this story. "JBS is not accused of selling tainted or rotten meat, no JBS-branded products were associated with the product tampering reported by the media and no actions have been taken against JBS or any of its executives or managers," Bruett says. (Source: Politico)

> Iowa Water Suit Thrown Out: Federal Judge Leonard Strand threw out the Des Moines Water Works' water quality lawsuit against drainage districts in three northern Iowa counties. The basis of the suit was that nitrates enter the water at increased rates due to tiled drainage systems, which impacts the drinking water for the Des Moines metro area. The judge ruled that the state's water quality problems are best addressed by the Iowa legislature.

> NAWG Says Proposed Budget Will Have Negative Impact On Wheat Farmers: The National Association of Wheat Growers (NAWG) says that it is concerned what impact the "deep discretionary cuts" in U.S. President Donald Trump's first budget proposal will have on U.S. wheat farmers. "Many of the proposals in the budget blueprint would have an outsized impact on rural America, particularly the possible cuts to agricultural research and to U.S. Department of Agriculture (USDA) county offices," said NAWG President David Schemm, a wheat grower from Sharon Springs, Kansas, U.S. "Given the rough economic conditions and perpetual low prices, now is not the time to make such drastic cuts." NAWG is concerned about what these cuts could mean for wheat research, the functionality of farm programs resulting from cuts to National Agricultural Statistics Service (NASS) and

USDA county offices, rural infrastructure programs, and anti-hunger programs like the McGovern-Dole International Food for Education Program. (Source: World Grain)

> **Happy National Ag Day! 'Agriculture: Food for Life'** is the theme for this year's National Ag Day, which is sponsored by the Agriculture Council of America (ACA). ACA conducts the program in an effort to promote awareness about the important role agriculture plays in our economy, and help increase consumer understanding of how food and fiber products are produced. There are over seven billion people in the world today – meaning over seven billion mouths to feed every day. Agriculture is what makes that possible. The ACA will host major events in the nation's capital today, including a breakfast event at the National Press Club as well as a Taste of Agriculture Celebration on the Hill. Additionally, the ACA will bring approximately 100 college students to Washington to deliver the message of Ag Day. These events mark a nationwide effort to tell the true story of American agriculture and remind citizens that agriculture is a part of all of us and essential to our very existence. You can find out more information, including Ag Day events being held in your own community, at the [Ag Day website](#).





Northwest Iowa - We are corn and bean farmers and really the last two years have seen yields that are off the charts. I am thinking that the beans will have a reality check this year, not being able to go higher a third year in a row. I think that mother nature has been most advantageous for the beans over the corn, the past two years. We all know seed improvements, precision ag and other new technology have helped push yields higher but I think mother nature may be the biggest reason. When the pods were filling we had very timely rains in late August and the temps were fairly moderate all year. We had good bean yields last year, 66bpa but 2015 still was the best year at 68bpa. The corn yields have been very consistent from field to field across all farms. We made 218bpa in 2015 and yielded 219bpa in 2016 for a whole farm average. We do have heavier, black soils with clay, that do not take well to spring tillage and compaction. All of our tillage is done in the fall allowing things to break down during the winter. We will be rolling the planters in the next few weeks. Our early insurance date is April 11, but we like to wait a week or two later to start. Last year we got started planting on April 16th. I am hoping that we are not into a dry weather pattern heading into spring. There has been no frost in the ground for a month and not much moisture the last half of winter.

Northern North Dakota - We grow a lot of wheat up here which looks to be a real problem with where prices are. We are all spring wheat because the winters are just too harsh to grow winter wheat. We do grow quite a few bean acres but have not planted many corn acres. With some of the new seed varieties we will probably add more corn acres in the years to come. The corn that we do plant are shorter day varieties normally in the 75 day to 80 day. There are a few guys that will plant up to a 90 day variety but you better have some big dryers to dry things down, that late in the year. The days get very short here real quick making it hard to dry things down in the field in the fall. Most guys are full tillage needing the ground to be turned to get things to dry out. We usually try to plant the spring wheat by May 1st but it depends on how the weather is. We will plant the corn shortly after that depending on the soils temps. The last couple of years we planted when the soil temps have been in the high 30's to mid 40's, with the agronomist wanting to see the high 40 degrees for better germination and emergence. The corn yields have improved to between 140bpa to 150bpa which we can make money at but the basis has killed us being -.50 to -.80 per bushel. The wheat quality has been good but we still have gotten docked a little at the elevator. I will use a variety of sales contracts to hopefully offset the low prices.

Western Tennessee - We were hit last week with some low temps that will probably knock our wheat yields down a little. We got all the way down to 15 degrees on wheat that is at the early boot stage, being about a foot tall. I think that most of the damage was

done on our bottom ground. I think that we will still make 60bpa to 70bpa but we were hoping for a 80bpa to 85bpa over the whole farm. I am sure we will see some fields make 80bpa but it will not be across all fields. We have been putting down P and K over the past 2 weeks. Depending what the weather does over the next few days, we may start planting corn on Friday. The warm temps have gotten us excited to get the planters out. We are decent on the sub surface moisture levels but could use a shot of rain to get the topsoil a little more fit. There are a lot of guys talking about a warm dry spring bringing a hot dry summer, which we don't need. I think it is just wishful thinking for higher prices. I thought that you would see more land change hands this spring but it has not. I am afraid that many will need a bumper crop, with extra bushels, to make things work.



The Impact Of Interest Rate Increases On Agriculture: *With the U.S. Federal Reserve raising its base interest rate to 1% last week, borrowing money on long-term agricultural investments got a little more expensive. But, Dennis Badger, vice president of collateral risk management for Farm Credit of Mid-America (which covers Indiana, Ohio, Kentucky, and Tennessee) says the situation for agriculture is still favorable overall. "Based on reports from the Federal Reserve Open Market Committee, I don't think there are any drastic changes that are projected," he says. "I think they're taking this at a good, stable pace." Badger says the market is expecting a few more increases to interest rates this year and is starting to build in its reaction. "Provided that there are no significant surprises, than I think it is more or less going to be a natural, healthy progression," he says. And he tells Brownfield – that gives farmers who are positioned well room to grow and expand their operations. Listen to the full interview [HERE](#).*

2017 Soybean Acre Madness: When you think of March, two big events come to mind: *the NCAA's March Madness and the USDA's Planting Intentions report. In both cases, speculation and anticipation is in full force on how the brackets and balance sheets will sort out. Furthermore, both the NCAA tournament and U.S. spring crop plantings will likely have a few surprises. This week's blog post from [Ag Economist](#) takes a look at the latest crop insurance and commodity price data to provide some insights on what 2017 planting might have in store.*

Can Brazil's Infrastructure Handle Record Large Amounts of Soybeans and Corn: *Brazil will be exporting a record large soybean crop in 2017 which has led to a lot of speculation if the infrastructure and ports will be able to handle the large volume of exports in a timely manner. The USDA is estimating that Brazil will export 61.0 million tons of soybeans and 31.0 million tons of corn in 2017. [Soybean & Corn Advisor](#) doesn't foresee any logistical problems with Brazilian soybean exports during the first half of the export season, but says there may be some problems during the second half. They add there*

is going to be a long tail to Brazil's soybean exports due to the slow farmer selling and a larger volume of soybean exports.

The Most Common Attitudes That Lead To Bad Decisions: When we're facing a problem, we often start running down a checklist for potential solutions. Checklists serve an important purpose: they help us make sure that we understand the basics of a situation, especially in the face of complexity, and avoid obvious sources of error. Pilots and doctors, for example, use checklists to great effect. But as Warren Buffett has said, "A checklist is no substitute for thinking." In a complex domain, checklists can also encourage us to overestimate our competence. Knowing your "circle of competence"—the areas in which you are a true expert—is thus incredibly important. You also have to know to what extent you understand the variables that govern the problem. And you have to be able to understand the predictability of those variables. [Shane Parrish over at Quartz](#) recently spoke to Swedish investor Peter Bevelin the problem of overconfidence—and how to prevent ourselves from falling into the trap. He explained that there are four scenarios that you might confront.

Self-Made Female Billionaires Are On The Rise: A crop of 15 self-made women debuted on Forbes's annual billionaires list this year. While Forbes notes the majority of female billionaires—like Walmart heiress Alice Walton, the world's second richest woman—inherited their wealth, a growing faction of women are now earning their way into the top spots. The magazine says the percentage of self-made women on the worldwide billionaires list has blossomed from 1% to 2.7% in the last 10 years. Here's a more optimistic statistic: One in four women on the billionaires list created their own wealth. Among the new billionaires are Yoshiko Shinohara, who introduced temporary workers to Japan's economy in the 1970s, and Nguyen Thi Phuong Thao (pictured), who owns VietJet, the only private airline in Vietnam. Learn more [HERE](#).

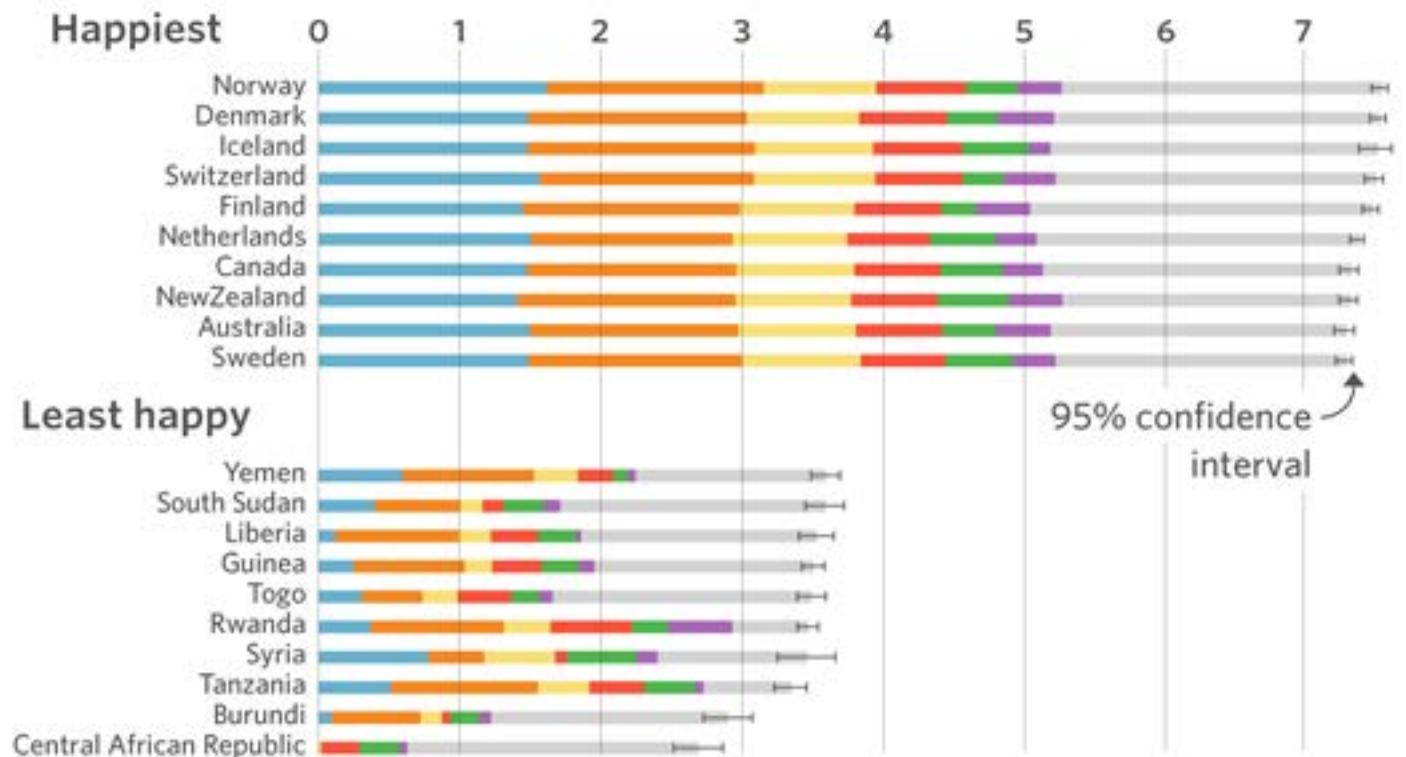
6 Investing Lessons From March Madness: From [Peter Lazaroff](#), a look at how filling out a bracket for the NCAA basketball tournament is reminiscent of investing "because it balances expertise, future expectations, risk, and reward. Winning also requires a healthy dose of luck along the way." He offers six lessons from March Madness that can be applied to the world of investing.

The World's Most and Least Happy Countries: Norway was No. 1 out of 155 countries on the World Happiness Report, up from No. 4 last year, followed by Denmark (last year's No. 1), Iceland and Switzerland. These four countries rank highly on all the main factors found to support happiness: caring, freedom, generosity, honesty, health, income and good governance. "Their averages are so close that small changes can re-order the rankings from year to year," the report said. The U.S. has seen its happiness slide over the last decade. In 2007, it ranked No. 3 among the Organization for Economic Cooperation and Development countries. Last year, it was 19th, down from 13th the year before. This year's report also contains a chapter titled "restoring American happiness", which examines why happiness levels in the United States are falling, despite constantly-increasing economic improvement. The full report is available [HERE](#).

The most and least happy countries

Ranking is based on different social and political factors (2014-2016)

■ GDP ■ Social support ■ Life expectancy ■ Freedom ■ Generosity ■ Corruption ■ Benchmark



Note: The benchmark is equal to the lowest national averages and the average residual for each country.
Source: World Happiness Report 2017



Are Florida's Oranges In A State Of Emergency?

Florida orange growers were recently granted some much needed help by the U.S. Environmental Protection Agency, which cleared the antibiotic streptomycin for use in combating citrus greening. Florida's Department of Agriculture submitted the request, describing the disease outbreak as an emergency situation. Last week, the USDA dropped their 2017-18 orange production estimate for the state by -3 million boxes from their previous forecast. Florida growers are expected to produce 67 million 90-pound boxes of oranges, down -17% from the 81.5 million boxes harvested last season and a more than -70% decline from peak production during the 1997-98 season. If the USDA estimate is realized, this season's output will mark a record low. Citrus greening was first confirmed in a Miami-Dade county grove in 2005 and has since spread to every citrus producing county in Florida. Citrus Greening is one of the most serious citrus plant diseases in the world. It is also known as Huanglongbing (HLB) or yellow dragon disease. Once a tree is infected,

there is no cure. The symptoms include yellow shoots, mottled leaves, twig death, tree decline and reduced fruit size and quality. Infected trees produce fruits that are green, misshapen and bitter, and unsuitable for sale as fresh fruit or for juice. Most infected trees die within a few years. It is spread by a tiny insect, the Asian citrus psyllid, which feed on the trees. The EPA's emergency exemption for streptomycin to be used as a pesticide has been applauded by the state's citrus industry, but it is a highly controversial issue as streptomycin is an important human antibiotic. Florida's ag department applied for permission to use 2.23 million pounds of the drug on orange groves. Campaigners against the request are concerned about the spread of antibiotic resistance. The treatment won't actually cure the disease though - it only allows infected trees to live longer. One set of comments to the EPA, made by the nonprofit coalition Keep Antibiotics Working, estimates the state is asking to use 36 times as much streptomycin as is used in U.S. patients each year. Advocates worry that such high doses may increase the risk that the drugs will stop working in humans. The state of Florida and other supporters of the move believe that the state's entire citrus industry is at stake though. It's also costing Florida millions of dollars, not only in lost tax revenue, but also in dealing with some of the unexpected problems the disease has created. It's estimated that about 125,000 acres of orange groves in the state are abandoned. Some growers have literally just given up and walked away, unable to afford to destroy or re-purpose their land. In turn, the abandoned groves become feeding and breeding grounds for the psyllid insects. The state expects to spend at least \$4 million this year removing the "grove graveyards". Over the last twelve years over 14,000 jobs have been lost and it's estimated that overall it could cost Florida as much \$500 billion this year. Keep your eye on the price of oranges perhaps moving higher??? (Source: Southeast Farm Press, NPR, Growing Produce)



Bentley Jumping Into The Electric Car Market

Bentley recently made their first jump into the electric car market at the 2017 International Motor Show in Geneva. Bentley is saying in a recent [press release](#), "The 6e represents a first step on a journey that will change the way today's drivers think about mobility and what it can be". Most believe this is Bentley's attempt to challenge Tesla in the luxury electric category. Tesla's sporty electrics do push into the luxury tier, but Bentley believes there's an extra luxury stratum that is above anything its Californian rival can produce. The 6e is a car intended to challenge what we can expect from an electric car as it brings Bentley's limousine-like qualities of luxury and opulence to a distinctly more compact form than its established Continental and Flying Spur models. Wolfgang Dürheimer, the chairman and chief executive officer of Bentley Motors, said during an interview in Geneva, "electric vehicles don't necessarily need to look like a refrigerator. They can be appealing. They can be sexy. They can be emotional." Of course this Bentley lives up to the name as the 6e delivers with its' inside luxury and the outside appearance - see pictures below. Of note, are the rear-view cameras that replace mirrors and the "lopped off" crescent shaped steering wheel with two glass topped buttons - one for an extra boost and the other for adverse driving conditions and of course you are surrounded by a rich luxurious leather interior. From what I understand the 6e can currently travel 190 miles on a single charge. Unfortunately since it's still in the concept process Bentley has not provided a final list price. Generally, you will not pick up a Bentley for less than \$180,000, so I expect prices to start in that neighborhood when the 6e is actually released. Industry analyst believe they will most likely release the 6e in Chinese and European cities first, saying those countries are a bit more concerned about air pollution and appear more receptive to the technology. Bottom-line, Bentley believes they need to have options for their current customers should environmental demands dictate. The "electric vehicle" is clearly going to start taking more market share. (Source: Bloomberg, The Verge)





Duke May Have Been Upset, But It's Tough To Argue "Coach K's" Valuable Lessons

I've never personally been a Duke fan, in fact most often I find myself cheering against them. But it's tough to argue the success and leadership that's been displayed through the years by Mike Krzyzewski or Coach "K" as he is known. He has led the Duke Blue Devils to five National Championships during his 36-year career with the ACC powerhouse. He also has over 1,000 wins and three gold medals as the coach of the U.S. National Men's Team. As his successes accumulated the coach was offered on many occasions to move up to the NBA. "I've been fortunate enough to be asked several times. The toughest ones to decline were the Celtics in 1990 and the Lakers in 2004. But at the end of the day, I love college basketball more. I really love Duke, and I'm really happy I've stayed. The coach recently turned 70 and during an interview with Harvard Business Review he offered up his thoughts as he looked back over 40 years of coaching. There was definitely some relevant and useful advice for all of us. Coach K learned early in his career, the importance of relating and connecting in order to get the collective maximum out of any team. After being raised in a male-dominated society - all boys schooling through college then a stint in the male-dominated U.S. Army, the coach had an epiphany one evening at the dinner table that would lead to a dramatic change in the way he operated and who would help him do it. At home the coach was now surrounded by four women and would gain a new perspective. Every night at dinner he observed how Mickie and the girls reconnected by sharing the details of their day, including how they felt about it. Whereas guys cut to the

chase in conversations, Mickie and the girls invested time each day connecting through their conversations. Coach K's "ah-ha" moment, his epiphany about the importance of connection and relationships, transformed his coaching style. He began involving Mickie and his daughters in the Duke men's basketball program. The Krzyzewski women became, in military terms, a reconnaissance team to sense the state of relationships and emotions, and the sense of connection, community and unity among the team. They thought of the boys as extended members of their family. As Coach K became more intentional about developing the feeling of connection among the team, it helped produce superior results. Unfortunately, most coaches and leaders in general are not intentional about developing relationships and a sense of connection, community and unity among the people they lead. Coach K is an exception. Consider a few of Coach K's quotes that I included below:

- *"Almost everything in leadership comes back to relationships"*
- *"When he recruits a player, Krzyzewski tells him, 'We're developing a relationship here, and if you are not interested, tell me sooner rather than later.' That word — relationship — is one he uses frequently. [He tells players] 'If you come here, for however long, you're going to unpack your suitcase. We're going to form a bond, and you're going to be part of this family.'"*
- *"Game day is not a day for long, drawn-out speeches. It is a time for interaction."*
- *"Know their names. You know what? Please and thank you go a long way. You can be damn sure that every guy on my team says that. The best way to get better as a team is if everyone has ownership, and if you do these things they will."*

One would think there would be significant challenges for a man 50 years older than his players to get them motivated everyday, but simply leading by example and understanding where each player is at in their life has proven critical for the coach. Krzyzewski says, "you have to show motivation yourself. They have to see it in you on a day-to-day basis. The older professionals understand that you have to show up every day, no matter what, no excuses. With 18 to 23-year-olds, consistency is even more important. You also have to hold them highly accountable and ask questions: "Why didn't you show up today? Do you have a strong enough desire to improve? Are you afraid of something? Is it your sleeping habits or your diet?" Eventually you get to a point where they're motivating themselves. One thing Coach K has done to better relate and communicate with his millennials was to take advantage of a popular app known as Bitmoji, which allows users to create their own personal emoji character, for use on social media and text messages. Coach K texts players his Bitmoji, along with short, encouraging messages to let them know he's thinking about them. For example, in preparing for a recent big tournament game, Coach K sent a Bitmoji replicating a famous wartime poster, with the coach flexing his arm and declaring confidently: "You Can Do It!" "It's called communication," said Krzyzewski, simply. Duke's players say it works. I wanted to add what I believe is one of the coaches best pieces of advice - relating to failure and how it is a part of life: when asked about how his military background affected his leadership he stated, "Immensely. I believe West Point is the best leadership school in the world. I learned there that in order to change limits, you will look bad at times. You will fail. But that's not where you stay. You figure out how to get better and how to make sure it doesn't happen again. Failure is not a destination. Weakness becomes strength. You need to be a lifelong learner and believe that you can improve. Also, it takes teamwork. You're not going to do it alone." This is the advice I consistently hear from all successful individuals and believe we must continue to pass it along to our kids.

THE NEW YORK TIMES, WALL STREET JOURNAL,
BUSINESS WEEK, AND USA TODAY BUSINESS BESTSELLER

LEADING ^{WITH} THE HEART



COACH K'S
Successful Strategies for Basketball,
Business, and Life

MIKE KRZYZEWSKI
WITH DONALD T. PHILLIPS
FOREWORD BY GRANT HILL

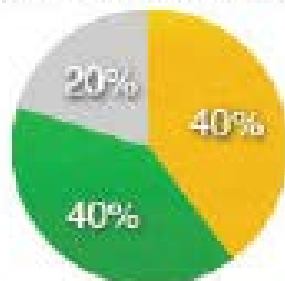
WARNER BOOKS D-416-47678-0



CASH SALES & HEDGING TOTALS

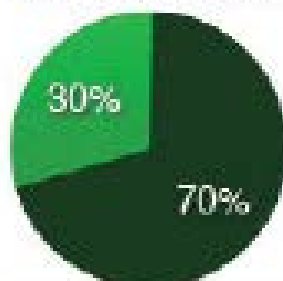
CORN 2016 CROP

40% SOLD
40% HEDGED
20% Cash Remaining



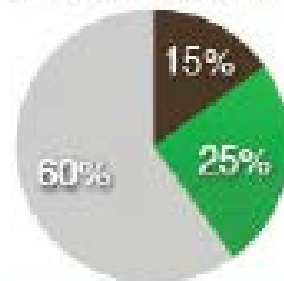
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% Cash Remaining



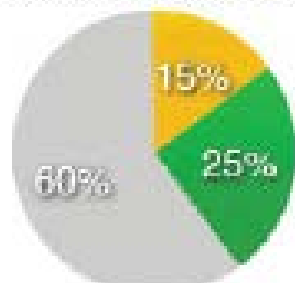
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% Cash Remaining



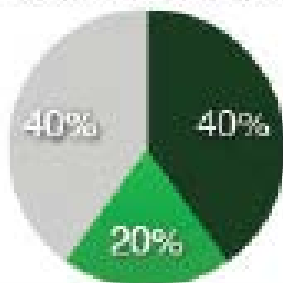
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



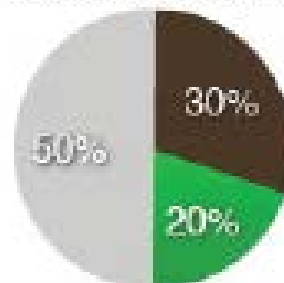
SOYBEANS 2017 CROP

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

