



"You have no right to complain about your situation in life if you watch tv more than one hour a day. If you have a problem go fix it!"

FRIDAY, MARCH 24, 2017

Morning Summary: Stock markets are in a sideways pattern as investors continue to wait for the House to vote on the new healthcare legislation. Republicans have reportedly delayed the vote scheduled for yesterday, telling the media that they would continue negotiations in an effort to gain still needed support. President Trump has delivered somewhat of an ultimatum to House Republicans by saying, "if the American Health Care Act doesn't pass today, we're moving on." Washington insiders are saying that means Obamacare would stay in place if enough conservative lawmakers don't get behind the new healthcare legislation. Wall Street is paying extremely close attention and are judging this vote as the first hurdle for the Trump administration. Will they clear it, knock it over, or go around it? Many believe this will set the tone in regard to the Trump Administration pushing through other parts of its economic agenda including taxes, deregulation and infrastructure spending. Failure to pass the healthcare legislation not only threatens to delay these other popular items on Trump's agenda, it also makes traders nervous regarding whether the GOP can be united and deliver on those priorities. Today's data calendar is very light with just Durable Goods Orders and Flash PMI. We will however hear from four separate Fed speakers, including St. Louis Fed President James Bullard, Chicago Fed President Charles Evans, San Francisco Fed President John Williams and New York Fed President William Dudley. Eight Fed officials are scheduled to speak in the week ahead. Next week will also see economic data pick back up, with Dallas Fed Manufacturing on Monday; International Trade In Goods, the S&P Corelogic Case-Shiller Home Price Index, Consumer Confidence and Richmond Fed Manufacturing on Tuesday; Pending Home Sales on Wednesday; the final estimate of fourth-quarter GDP and fourth-quarter Corporate Profits on Thursday; and finally Personal Income and Outlays, Consumer Sentiment and Chicago PMI on Friday. Internationally, China will update Manufacturing PMI while Japan releases fresh consumer spending and inflation data. In the U.K., Prime Minister Theresa May is expected to invoke "Article 50" next week, which will start the two-year process through which Britain will leave the European Union. It's worth noting that European leaders will meet this weekend in Rome where they hope to iron out some solutions to several ongoing disputes that are further straining eurozone unity. Meaning there could be some interesting headlines coming out of Europe Monday morning.

#11 Seed Xavier Upsets #2 Arizona: *In case you missed last night game between Xavier and Arizona, it rocked a lot of brackets. The No. 11 Xavier Musketeers beat No. 2 Arizona in the Sweet 16 game, 73-71. It was an incredible series of pendulum swings*

at the finish. Arizona mounted a 12-0 run to go up by eight points, but with 2:40 left to play Xavier finished on a 9-0 counter-run and sealed its win in dramatic fashion. Xavier now plays Gonzaga, the winner moves onto the Final Four. Neither of these programs has ever played in a Final Four. One of them is guaranteed to break that drought this year, and whoever does will deserve every ounce. Fun to watch!

Crude Oil Continues To Trade Near Four-Month Lows: *Despite OPEC and others agreeing back in December to cut output by -1.8 million barrels a day, oil prices are still not rising. U.S. shale-oil production has climbed nearly 5% since the first week of December, data from the U.S. Energy Information Administration showed, and total output has stayed above the 9-million-barrel-a-day threshold for the past four weeks. Meanwhile U.S. crude stocks rose more sharply than expected to a fresh all-time high in the week ended March 17. Traders will be keeping their eye on today's latest Baker Hughes data, which last week showed U.S. drillers activated +14 more rigs, the ninth straight week of additions.*

Dalio Says "Populism" New Phenomenon Shaping Global Economy: *In recent years Ray Dalio, head of the Bridgewater hedge fund, has penned many high-minded, and hefty, reports on monetary policy, markets and macro economics. This week, however, he swerved and published a 61-page report about political populism on the Bridgewater website. While it marks a novel departure for the \$100 billion fund, Mr Dalio clearly considers the shift in focus to be overdue. "Over the next year... populism's role in shaping economic conditions will probably be more powerful than classic monetary and fiscal policies," he declared, warning that "populism is not well understood because over the past several decades it has been infrequent in emerging countries, and virtually non-existent in developed countries." Mr Dalio's note highlights a bigger trend: financiers of all stripes are belatedly (re) discovering that economic and quantitative analysis alone cannot explain the world. To determine the level of populism around the globe, he tallied the share of votes received by populist candidates in developed countries around the world to create an index. His results show a definite spike in populism recently – the highest since the 1930's. Dalio's analysis of history suggests that political systems can sometimes bend in the face of populism to accommodate and soften it, since on occasion "opposing forces can coexist to make progress". This happened with President Franklin D Roosevelt in America. But in other cases, populism sparks all-out conflict, leading to an authoritarian and aggressive trajectory, such as that seen in 1930s Italy, Germany and Japan. Bridgewater refrains from making any hard prediction about what will happen to the developed world now, though it does point out that today's populism is less extreme than the 1930s variety. Dalio's full report is available [HERE](#).*

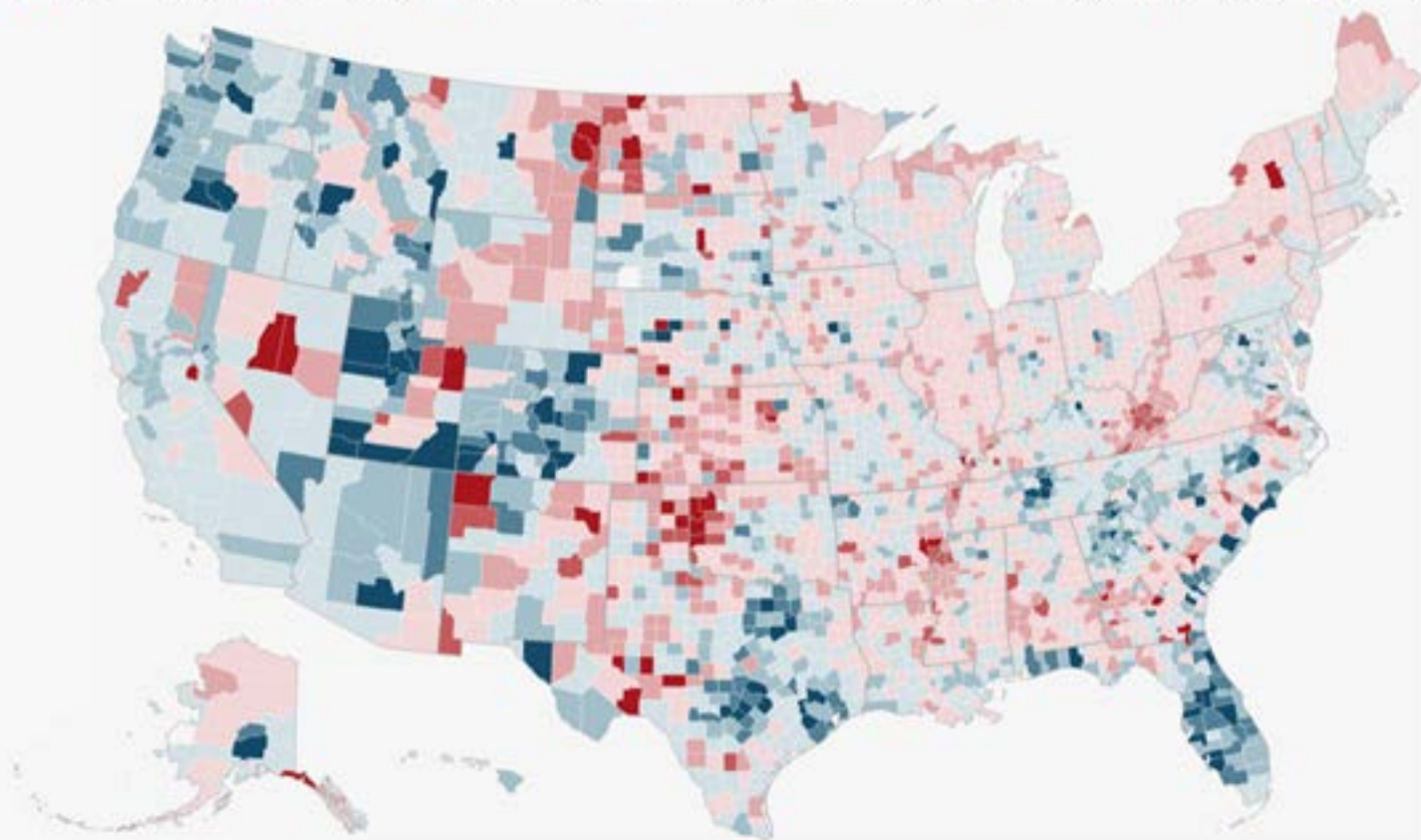
Fastest Growing And Shrinking Counties In America: *Florida and Utah are growing quickly, while shale country lost people last year, according to U.S. Census Bureau data. Continuing a trend that has been ongoing for decades, the South and West are growing rapidly. Most counties in the Northeast and Midwest saw little population change last year. Meanwhile oil-rich counties in North Dakota and Oklahoma saw significant drops in population. The map below shows each county's total population change. Red indicates a decline in population, while blue indicates an increase. Four of the ten fastest-growing counties were in Texas, with tiny Hudspeth County seeing an*

incredible 18% increase from 3,425 residents in 2015 to 4,053 in 2016. That was followed by San Juan, UT, Kendall, TX and Hays, TX. Despite the overall trend of southern and western counties growing, most of the ten fastest shrinking counties also fall in those regions, including Eureka, NV and Terrell, TX. Click the map for a larger view. (Source: Business Insider)

COUNTY POPULATION CHANGE

Percent change in population, July 1, 2015-July 1, 2016

■ -5.4 - -3% ■ -3 - -2% ■ -2 - -1% ■ -1 - 0% ■ 0 - 1% ■ 1 - 2% ■ 2 - 3% ■ 3 - 18.3%



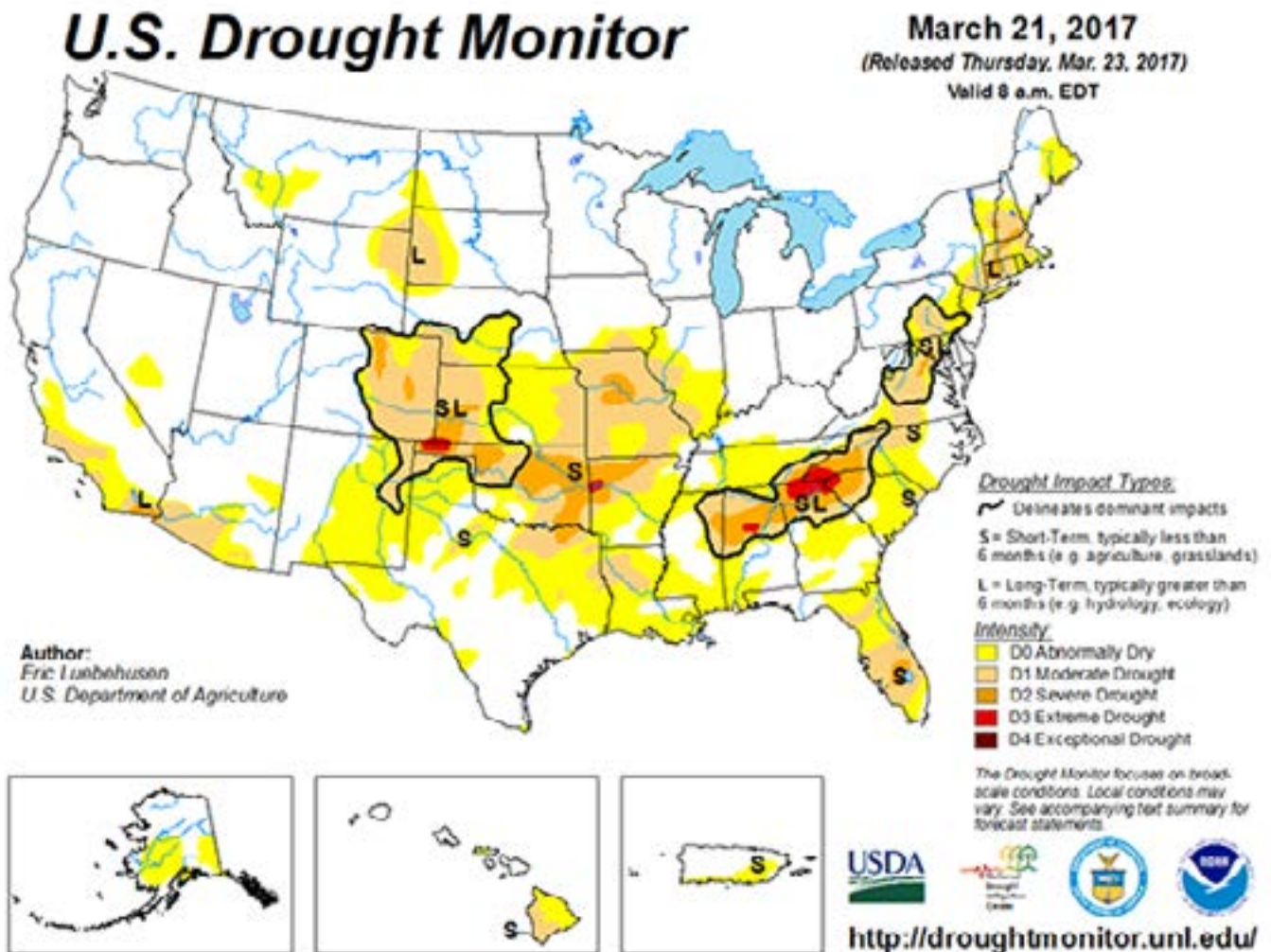
SOURCE: US Census Bureau

BUSINESS INSIDER

Weather continues to see a weather pattern set up across the U.S. which will remain in play for the next several days. On the Plains yesterday, a low pressure system centered near the Colorado-Nebraska-Wyoming triple point resulted in very high winds. As a result, there was an elevated wildfire threat on the central and southern High Plains where high temperatures approached 90 degrees F. We continue to hold out hope for significant rainfall for parts of the southern Plains wheat belt during the next few days. In the Corn Belt, mild air is overspread the western Corn Belt. Meanwhile, chilly conditions linger from the Ohio Valley into the lower Great Lakes region. Forecasts continue to call for light to moderate rain to cover most of the Midwest through the next week. Coverage areas include very dry and drought parched regions of Missouri and the southern half of Illinois. Over the weekend, two storms moving across the nation's mid-section will have a trailing

cold front capable of producing gusty winds and locally severe thunderstorms from the southern Plains into the mid-South. In addition, the southern High Plains may not receive enough rain to significantly reduce the threat of wildfires. Much of the nation will experience warm weather, with chilly conditions mostly restricted to the Northeast and the Far West. In Brazil, conditions haven't changed much as scattered rain and mild temperatures are favorable for second crop corn in central growing areas. Favorable conditions for developing and filling corn and soybeans remain in effect in the major growing areas of central Argentina. Some improvement in rainfall in the double-crop soybean areas in the south is also noted.

Drought Continues To Expand In Plains, Midwest: *The latest U.S. Drought Monitor released March 23 shows that key grain production areas in the Plains and Midwest continue to see drought conditions emerge and expand. About 36% of the contiguous U.S. is experiencing conditions range from abnormally dry to extreme drought. Hot temperatures, high winds and low humidity in the central and southern Plains has depleted soil moisture, and precipitation is needed soon in much of the area. In fact, rain will be needed everywhere east of the rockies to prevent a rapid intensification of drought as winter wheat continues to break dormancy. This week's drought footprint is largely unchanged in the Midwest from last week's report but will need rain in coming weeks to prevent a rapid increase in drought coverage and intensity. Luckily, as we reported above, there are numerous opportunities for rain in the coming days which should help improve soil moisture across the central and southern Plains and the dry sections of the southern Midwest.*



Corn bulls continue to talk about strong demand as weekly exports remain impressive. We also have talk of U.S. meat exports picking up dramatically in the coming weeks to offset bans being placed on Brazilian providers, which in the end could eventually lead to increased feed demand here at home. Or at least keep the USDA from lowering their current "feed and residual" estimate, which many inside the trade thought would be one of their next moves. In other words we might actually see a tightening in the balance sheet as export estimates are raised higher and feed and residual reconsidered. Unfortunately, I don't see the bullish adjustment to the U.S. balance sheet as "game-changing" in any manner, as the bears can argue better than expected record production out of South America keeps the global balance sheet burdensome. Most specs inside the trade are eager to see next Friday's USDA acreage estimate. The debate seems to be brewing somewhere between 90 and 92 million acres. I'm personally taking the low-end of the bet. But with highly cooperative weather the past few weeks I can certainly understand the arguments being made by those who think the number will surprise to the upside. Weather both here in the U.S. and Brazil is also being more heavily monitored, as it may not only delay and impact total U.S. planted corn acres, but could also have some type of impact on Brazil's second-crop corn. As both a producer and a spec I'm bracing for lower prices nearby, but believe there is still a good opportunity for a significant rally during the next 90 to 120-days. From a producers perspective I have 40% of my new-crop priced, but will be looking to start peeling back some hedges on the next leg-lower. As a spec I'm looking to be a longer-term "value shopper" and will become much more interested if prices drop another -15 to -20 cents.

ZCK17 - Corn - Daily OHLC Chart



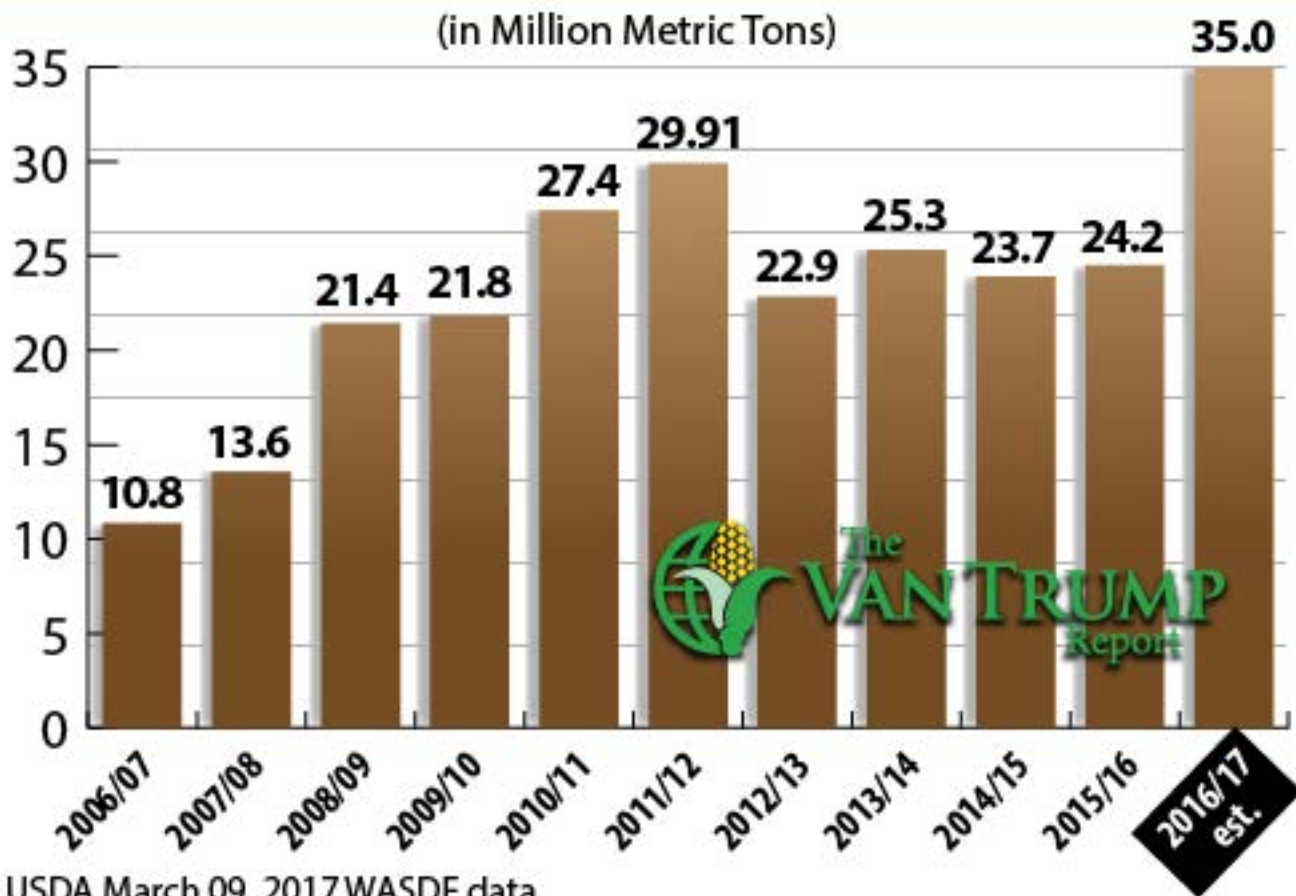
Soybean traders continue to battle it out over traditional bearish fundamentals and bullish macro thoughts regarding a pick-up in global growth. As of late the bears are clearly winning the battle as the old-crop MAY17 contract has fallen by almost -\$1.00 per bushel from its mid-January high. While the new-crop NOV17 contract has fallen by just over -40 cents from its late-February highs. Weather in South America, similar to what we received here at home last year, continues to help boost production and surprise many once the combine is actually in the field. Hence record soybean production here in the U.S. is gain being followed up by record setting production out of South America. Lets also not forget the USDA, next Friday, will announce that U.S. producers are going to follow-up the record crop by planting yet another record setting number of soybean acres in 2017. I still think the USDA and many inside the trade are a bit too conservative with their early U.S. planted soybean acreage estimates and will not be surprised by a number that's higher than current trade expectations. As for Chinese demand, I continue to hear talk of weaker margins and slight pullback in import interest. Lets also keep in mind bird flu continues to rapidly advance across Asia and is causing more serious concern. I'm certainly not saying Chinese demand is going away, I'm just saying their robust growth and aggressive buying might be tapering back a touch as some wrinkles in the sheets need to be ironed out. We also have to acknowledge, even though South American exporters might be having some early logistical issues getting their record crop out of the country, the glut of supplies will eventually weigh on the global marketplace and work to keep somewhat of a lid on nearby fundamental rallies. From my perspective we are still a long ways from the U.S. weather becoming a major market moving force. Meaning without new bullish macro interest in commodities by the funds, without growth in Chinese demand, without a nearby U.S. weather story, and a glut of South American supply coming online, it's tough to suggest a major nearby rally. Longer-term however things could quickly become much more exciting for the bulls. If Washington can overcome the healthcare issues and move on to tax reform, I suspect a portion of the macro interest will return to the trade. At about the same time I could also see demand from the Chinese picking up momentum, as well as a U.S. weather story potentially brewing. As a spec I continue to like the thought of building a bullish position on a deeper break in price. Waiting for next weeks USDA acreage estimate, longer-term weather forecasts, and keeping a close eye on the global bird flu headlines.

ZSK17 - Soybeans - Daily OHLC Chart



Wheat bears are talking about weak U.S. new-crop export sales and thoughts that total demand could ultimately be less than currently forecast. That's obviously being digested as bearish with domestic stocks already at a burdensome +1.2 billion bushels and record global supply. The bears are also talking about improved weather conditions here in the U.S. as areas experiencing extremely dry conditions are in line to receive more ample and widespread rainfall during the next 7 to 10-days. We are clearly moving towards a U.S. centric weather market. If the upcoming rains disappoint, look for some "risk-premium" to be added back into the equation. Very little fresh or new to report, most all eyes shifting and focused on U.S. weather and global macros. With wheat's "open interest" rising every single session since the end of February I have to imagine the managed-money funds are approaching a fresh new record setting short position.

Australia Wheat Production



Source: USDA March 09, 2017 WASDE data



> **U.S. Bird Flu Outbreak The Worst Since 2015:** A bird flu outbreak that has led officials to euthanize more than 200,000 animals in three Southern states already is the nation's worst since 2015 and new cases are still popping up, an expert said. Agriculture officials are trying to limit the damage, but it's unclear whether quarantines, transportation bans and mass killings will stop the spread, said Joseph Hess, a poultry science professor at Auburn University in Alabama. The disease was first confirmed in southern Tennessee earlier this month and has since been detected in northern Alabama and western Kentucky "We're at the point where it's a little here and a little there. It could fade away, but it could blow up into something bigger," said Hess, who also works with the Alabama Cooperative Extension System. The current outbreak has affected large commercial poultry houses and smaller, backyard operations. The viruses in the current outbreaks are different from the high-pathogenic virus that resulted in the loss of nearly 50 million birds in the Midwest

chicken egg and turkey industry in 2015.

> Rabobank Upbeat Soybeans, But Not Corn: Rabobank forecast recoveries in soybean and sugar futures, even while cutting its price forecasts for both commodities – while seeing declines ahead for corn and cotton values. The bank reduced its forecast for Chicago soybean prices by up to \$0.50 a bushel, but to levels above the futures curve, with values seen, for instance, averaging \$10.50 a bushel in the July-to-September quarter. The forecast reflected an expectation that U.S. sowings of the oilseed will rise by 3m acres this year, to 86.4 million acres – a record high, but well below the 88 million acres or so Rabobank said that the market was pricing in. By contrast the bank forecast US seedings of corn falling by less than the market is factoring in. “Despite it being a more expensive crop to plant, we believe crop rotation, agronomics and yield potential will provide enough incentive to limit the reduction of corn acres shifting to soybeans in some areas.” Corn sowings were pegged at 91.5m acres, a drop of 2.5m acres year on year, but above a market consensus viewed at 90m acres – although the bank cautioned that the bigger-than-expected area might only become apparent later in the season, rather than in a key US Department of Agriculture plantings report due on March 31. Corn futures were foreseen averaging \$3.65 a bushel in the last three months of this year, below the \$3.81 ¼ a bushel being priced into December futures. (Source: Agrimoney)

> Egypt To Keep Higher Wheat Moisture Limit Until November: Egypt’s state grain buyer will maintain an increased limit for moisture in imported wheat until at least November in order to boost competition between different origins, a French export group said. GASC had said in mid-February it would apply a tolerance for moisture content of up to 13.5 percent, above its standard 13 percent limit, without indicating the duration of the change. “It was a request that came from the French side ... and which met with a favorable response from GASC with the aim of increasing competition in its tenders,” Roland Guiragossian, Middle East head at France Export Cereales, told Reuters. The higher moisture limit applies to all origins but favors French wheat in particular as it can struggle to meet the 13 percent ceiling. The switch to the higher moisture limit, a tolerance Egypt has applied on and off in recent years, along with relatively competitive French prices had prompted exporters to start offering wheat from France in GASCs’ tender. Three cargoes of French wheat have been bought by GASC in the past month, the first in a year. (Source: UkrAgroConsult)

> Lawmakers Asked To Implement Duties On Biodiesel From Argentina, Indonesia: The trade group for U.S. biodiesel producers on Thursday petitioned the U.S. government to impose antidumping and countervailing duties on imports of biodiesel from Argentina and Indonesia that it says have that flooded the U.S. market and violated trade agreements. The National Biodiesel Board trade group filed the request with the U.S. Department of Commerce and U.S. International Trade Commission on behalf of U.S. biodiesel producers, who have been hurt by soaring imports of the biofuel in recent years, the group said in a statement. Biodiesel imports from Argentina and Indonesia rose 464 percent from 2014 to 2016 due to “illegal trade activities,” taking about 18 percent of market share, the biodiesel group said. Total U.S. imports rose to a record 916 million gallons (3.5 billion liters) in 2016, according to a U.S. government report published this week, representing an increasing portion of 2 billion gallons of U.S. demand for the fuel. (Source: Reuters)

> No Hitches In Perdue Committee Meeting: *USDA Secretary nominee George Ervin "Sonny" Perdue III spent a congenial couple of hours on Thursday before the Senate Ag Committee in the first hearing in his quest to join President Trump's cabinet. He promised to establish a system of communications between USDA and other agencies to get ahead of proposed regulations and make sure that the effects on agriculture businesses and rural residents is understood. He also expressed his commitment to keeping the Renewable Fuel Standard. Perdue also told the committee that "trade is really the answer" for bolstering the ag economy overall, and that he would "fight" for the interests of farmers and rural communities, and seek bipartisan support for his efforts whenever possible. The committee will take additional questions from its members for the next day or so, and then will schedule a vote on whether to recommend Perdue for confirmation by the Senate as a whole. (Source: MeatingPlace)*

> NAFTA Notice Being Prepped: *It's a formality, but also an important point on the NAFTA renegotiation timeline. The administration has drafted its formal notification to Congress that it intends to renegotiate the Clinton-era trade pact, a sign Trump is moving closer to fulfilling his pledge to bring Canada and Mexico to the bargaining table, two House aides told our colleagues at Morning Trade. The White House is required to provide such notification before a statutorily mandated 90-day consultation period with Congress can begin. Commerce Secretary Wilbur Ross and other senior-level members of the administration also met this week with members of the House Advisory Group on Negotiations, which was created under Trade Promotion Authority to consult with the administration on, among other things, negotiating strategies and specific objectives to pursue in pending and future talks. (Source: Politico)*

> U.S. Commercial Drone Use To Increase Tenfold: *The U.S. Federal Aviation Administration says the number of unmanned aircraft, or drones, in the United States will jump dramatically over the next five years. They estimate the number of small hobbyist drones will more than triple from an estimated 1.1 million vehicles in 2016 to more than 3.5 million by 2021. The agency also estimates the commercial drone fleet will grow from 42,000 at the end of 2016 to about 442,000 aircraft by 2021. The FAA said there could be as many as 1.6 million commercial drones in use by 2021. The agency also predicted the number of pilots of drones is expected to increase from 20,000 in 2016 to a range of 10 to 20 times as many by 2021. Since August, the FAA has approved more than 300 waivers for drone use without some restrictions, including Union Pacific Railroad, BNSF Railway Co owned by Berkshire Hathaway, Intel Corp, Walt Disney Parks and Resorts, Time Warner's HBO and CNN units. The White House said last year unmanned aircraft could lead to \$82 billion in economic growth by 2025 and support up to 100,000 jobs. (Source: Reuters)*

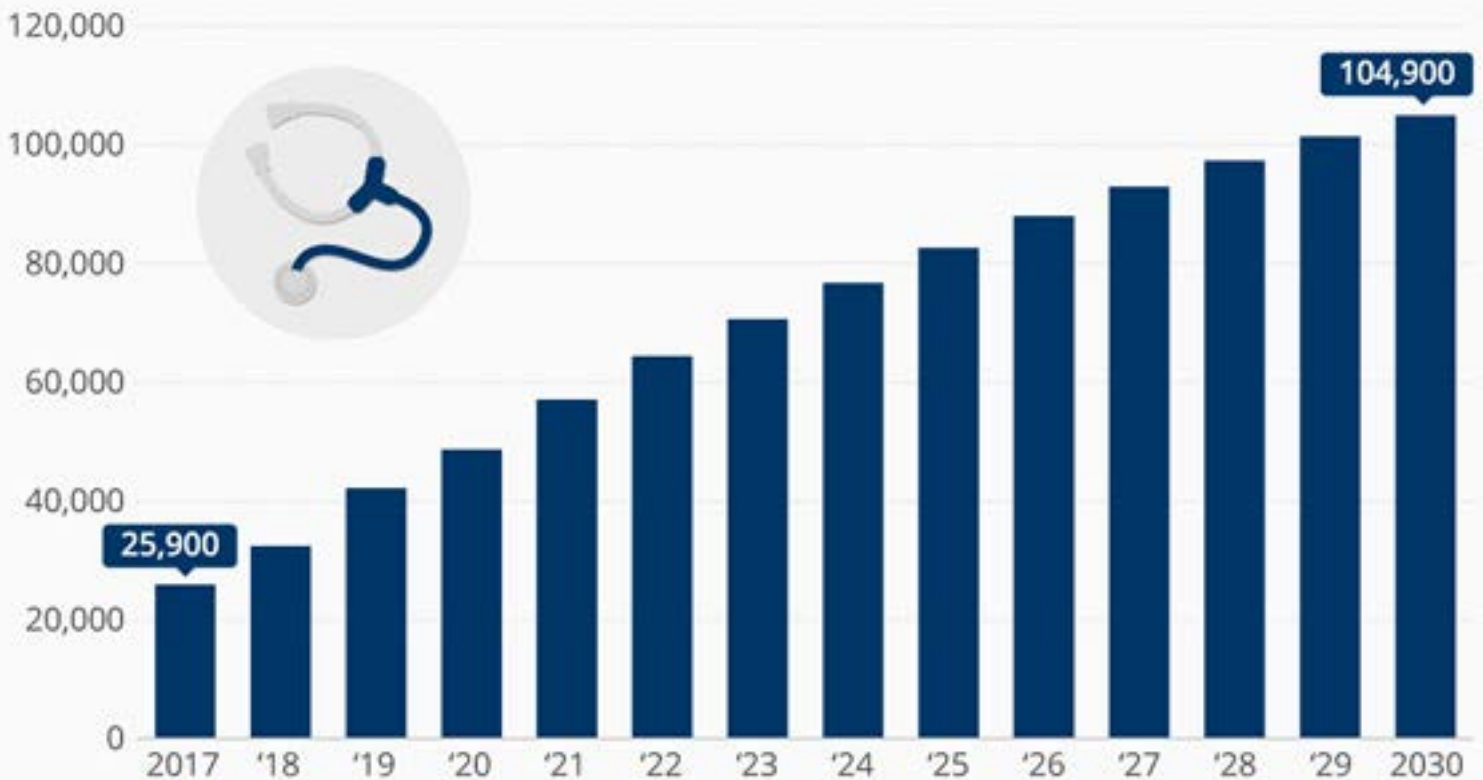
> Saudi Shipments To U.S. Will Fall By -300,000 Barrels Per Day: *Saudi Arabia's crude exports to the United States in March will fall by around -300,000 barrels per day from February, in line with OPEC's agreement to reduce supply, according to a Saudi energy ministry official. The U.S. Energy Information Administration shows the U.S. imported about 1.3 million barrels per day from the Saudis in February. "Exports may fluctuate week on week, but on average in March exports will be down," the official said, responding to a Reuters request to comment on the EIA data. Saudi exports are then expected to remain around March's level for the next few months, the official said. The*

official noted that export data showed higher Saudi oil exports in January and February, but these shipments were the result of cargo loaded in November and December. An EIA report released Wednesday showed total U.S. crude imports rose +902,000 barrels per day last week to 8.307 million. Imports have averaged 8.194 million barrels per day so far in 2017, compared with 7.918 million barrels per day over the same period in 2016. Saudi Arabia's share of this year's imports have averaged 1.284 million barrels per day, which includes last week's volumes. Crude stocks in the United States as of last week were reported at a record 533 million barrels. The Saudi official said lower Saudi exports to the U.S. is likely to affect stockpiling in the U.S. The official also said he believed other Gulf oil exporters will follow suit and their crude exports will be lower in March and will continue to decline. Imports from Iraq and Kuwait dropped sharply for the week to March 10 but then rebounded in the most recent week of data. (Sources: Reuters, Platts)

> America Is Facing A Severe Doctor Shortage: A decade from now, Americans might find themselves waiting longer for medical care including doctor's appointments, surgery and other procedures. The Association of American Medical Colleges (AAMC) has projected that between now and 2030, the US is going to face a shortage of tens of thousands of doctors. The expanding healthcare needs of the country's aging population is going to be the primary reason for the shortfall. The number of Americans aged 65 and older is going to expand by 55 percent up to 2030, creating a pressing need for more doctors. According to the AAMC's upper estimate, 82,600 new doctors will need to be trained to close the treatment gap by 2025. By 2030, that's expected to increase even further, surpassing 100,000. Due to rapid advancements in medical technology and the ever-changing nature of the profession, the direct impact of the shortfall is difficult to predict, according to a recent CBS News report. However, with another study finding that nearly half of all American nurses want to leave their jobs, U.S. medical care faces some tough challenges over the coming decade. (Source: [Statista](#))

American Doctors: The Prognosis Isn't Good

Projected supply gap in U.S. physicians from 2017 to 2030 (upper estimate)



@StatistaCharts Source: Association of American Medical Colleges

statista



Southeast Iowa - *I planted corn into cereal rye as a cover-crop this past fall. I plan to terminate the rye about two weeks ahead of planting this year. When the rye is alive, it is taking up essentially all available N in the soil. When it dies, the soil microbes go to work breaking down the root system. The microbes need to scavenge enough N from the soil to lower the C:N ratio of rye roots. So your microbes are going to be taking up all of your mineralized N until they get the right balance. This is where an additional N application comes in handy...giving the microbes a boost. We will broadcast the N as the roots of both the rye and future are scattered across the entire row width. I know that application goes against the rules of typical non-cover/rye farming, but the cover/rye is a different ball-game and needs to be treated accordingly. Since the microbes get first dibs on the N, if they aren't satisfied by the time your corn is looking for N, you're going to have problems. I think this is where a lot of the ugly/uneven corn comes from early in the season following*

cereal rye...and then we blame it on aleopathy because that is a good scapegoat that we don't know much about...but in reality, we have N deficiency problems.

Northeast Indiana - *We have found that the same varieties of corn can dry differently each year. We can have the same hybrid planted 2 years in a row and get different results. First year we might harvest it at 20% and it dries just like it's 20%. Next year we could harvest that same hybrid again at 20% and it might dry like it's 22-23%. Heat and rainfall amounts at different growth stages through the growing seasons make a big difference on how grain dries. I used to see my dad get frustrated drying corn and wonder why. Now that we both share that responsibility I can't see how he didn't get more frustrated. Even with a new dryer with advanced metering/moisture system it still takes fine tuning for each hybrid. This has been our experience at least. Some hybrids naturally dry down better than others in the same maturity. But we haven't found the hybrid yet that runs through the dryer the same every year.*

Southern Illinois - *We are planting white corn again this year as we found it competitive with yellow. I will say that we plant ours on the most productive soils. One of the issues with it can be that storms with wind seem to affect white corn in the growth stage. Last year we could tell white from yellow after those bad storms. Yields were ok, but lost some plants to snapping off. Average soils with P I of 105 to 110 were making 150-160, planted the end of May at 32000. The main thing we watch is staying away from our stress soils due to yellow corn yielding higher. The cob is softer and corn is somewhat harder to get off. Some years worse than others. We usually try to shell it at 18- 19 percent because of standability issues of some sort. Dry years like 2012 we had 0 kernels on the cob. It makes it all worth it when you can find the good premiums out there.*



Rainy End To March Cheered By Most U.S. Farmers, But Not All: *The United States will close out March under a particularly active weather pattern, and the associated rainfall will be welcomed by many farmers across the country. But not everyone is cheering the downpours. Over the next two weeks, almost the whole country is likely to experience above-average precipitation, according to forecast models this week. This comes on the heels of an extremely dry February and early March for many of the grain and oilseed producing states. Strong, dominant flow in the upper atmosphere will help spin up and transport several rounds of low-pressure systems across the United States. These storms could be associated with high daily rainfall amounts that could regulate the soil moisture in several spots where it is lacking, particularly in the Southern Plains. However, soils in the Upper Midwest have been wet ever since the end of last year's corn and soybean harvest, so the forecast for even more rain with just about a month to go until this year's planting begins is not the most ideal. Read more from [Reuters' Karen Braun](#).*

Online Grain Marketplace Expanding Into U.S.: *FarmLead, an online grain marketplace that allows buyers and sellers to list, negotiate and finalize grain deals, has raised \$6.5 million to support the company's expansion into U.S. markets and the opening of headquarters in Chicago. Founded in 2013, FarmLead has grown to serve more than 4,000 farms across North America and has seen levels of tonnage traded via the platform rise 200% to 300% year-over-year. Key additions to FarmLead's product line include a forward contracting service that will allow growers to sell to interested buyers based on forecasted grain yields, a service that should enable better financial management of farm operations. Read more about the marketplace [HERE](#).*

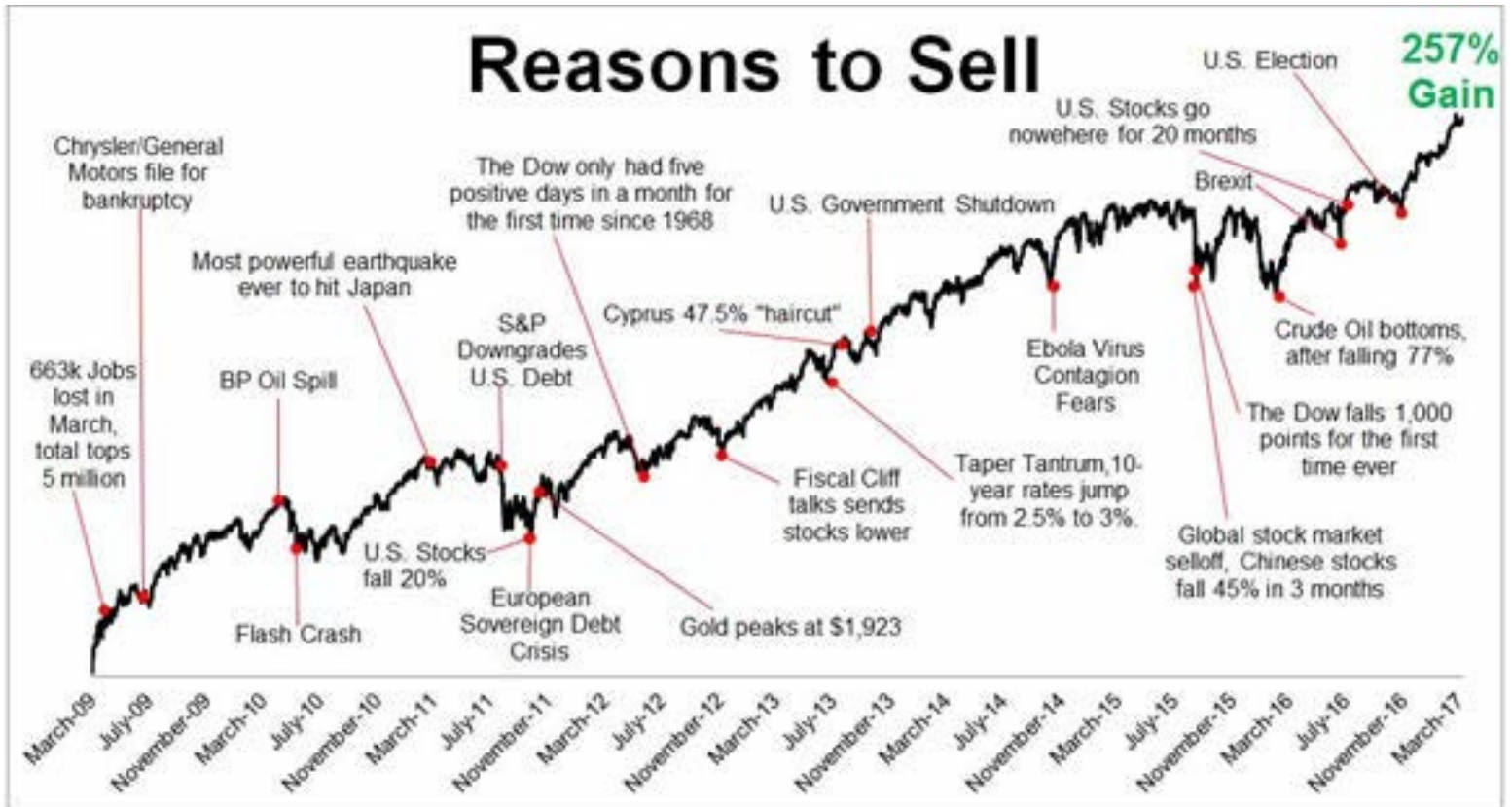
How Chip Designers Are Breaking Moore's Law: *Two of the biggest semiconductor companies made announcements last week that might seem unrelated, but are linked. Intel announced its acquisition of Israeli startup Mobileye, which makes chips and software for self-driving cars. Nvidia announced the latest generation of a system intended to speed up machine learning, which is necessary for artificial intelligence. Both were driven by "specialized computing," that is, the transforming of specific software tasks into physical silicon chips instead of depending on an ever-faster do-it-all CPU, or central processing unit. It has existed in some form or another for decades, but it has lately become the driving force behind pretty much everything cool in technology, from artificial intelligence to self-driving cars. Why? Because those CPUs aren't getting faster at the pace they once were. Moore's Law is dying. Read more from [The Wall Street Journal](#).*

Why Do Billions Of People Have The Same Favorite Color And Number: *Study after study since the 1970s has shown that people across cultures and time tend to disproportionately prefer the same color and same number when asked to pick at random. There isn't a good universal explanation for why exactly people tend to choose these, but researchers do have some guesses. Read more [HERE](#).*

What Silicon Valley's New Congressman Learned On Trip To Coal Country: *The disconnect between Silicon Valley and the American heartland was one of the issues highlighted by Donald Trump's surprise victory, which was largely attributed to working-class voters who felt ignored by business elites and left behind by the forces of globalization. After all, when you're a 50-year-old in Kentucky who was just laid off at the coal mine, the tech giants aren't likely to help you find a new job, and the digital economy must not seem like it's improving your life beyond offering you expensive new smartphones. Ro Khanna wants to do something about that, to spur the tech sector to harness the energy and initiative of workers in coal country and the Rust Belt. He's the 40-year-old freshman congressman from the Silicon Valley region in Northern California—representing tech-centric cities such as Cupertino, Sunnyvale, and San Jose—who is intent on bridging that divide. So when longtime Kentucky congressman Hal Rogers called him up and invited him to visit his district—one of the poorest in the country, ranked 432nd out of 435 districts in median per capita income, per Politico Pro—he jumped at the chance. Read Fast Company's interview with Khanna [HERE](#).*

Gradual Improvements Go Unnoticed: *From The Irrelevant Investor, a look at how tough it can be to fully recognize positive developments. He set out to create a positive version of the "Wall of Worry" chart you see below, but quickly realized that coming up*

with a list was much harder than he thought it would be. He quotes Bill Gates - "Headlines, in a way, are what mislead you, because bad news is a headline, and gradual improvement is not." Over the last nine years, it's impossible to deny that things have gotten better; Better for the economy and better for the consumer. The thing is, better doesn't go on a chart, because gradual improvements go unnoticed. The fact that bad news is disseminated ten times as fast as positive news is one of the biggest reasons why it's so difficult to just capture market returns. Check out his "Wall of Improvements" chart and read more [HERE](#).



NASA Images Show Show Incredible Changes To Drought-Stricken California

Photo have been circulating that are making farmers in the Golden State much happier. Satellite photographs from the NASA Earth Observatory show the drastic change this winter's endless rains and snow have had on the California landscape from 2014 when the state was suffering through a devastating drought. A series of storms this winter have drenched much of the state's fertile inland empire and brought record breaking snow storms throughout the Sierra Nevada mountains. These weather systems known as a "Pineapple Express" which originate in the Pacific and collect tropical moisture as they travel across the ocean, have acted like a giant sprinkler system over California and turned much of the parched land green. Late last month the California Drought Monitor indicated

that the state is 83% drought free, compared with just 6% a year ago. However, the storms have not all been good news for the country's most populous state. California faces an estimated \$50 billion price tag for roads, dams and other infrastructure threatened by floods such as the one that severely damaged Oroville Dam last month. Despite the massive storms this past winter, hydrologists are warning that California may always be short on water given the state's huge agricultural industry - California's major economic driver. On top of that, the states residents will need to have access to fresh water as well. Food production requires an almost unfathomable amount of water, and has resulted in the long-term decline of the total available fresh water in California. Eighty percent of California's water is use for Agriculture, leaving 20% for residents, businesses and government. Officials believe that the great thirst of their highly productive agricultural sector has never been and will never be satisfied by the annual winter storms that feed the state's rivers and reservoirs. The shortfall is met by pumping groundwater at rates that exceed those of replenishment. As a result, groundwater levels in much of the state have been declining for nearly a century. This action has led to land subsidence - the settling or sinking of many square miles of land due to the water pressure dropping from these drained aquifers. This in itself is becoming a serious issue that all Californians are having to deal with. Consequently, agriculture in California has to adapt to a dwindling supply of water. Farmers and ranchers are facing more of the kinds of difficult decisions the drought has already forced, such as fallowing fields as groundwater levels drop, or worse, taking land out of production. Ultimately, while the state is in much better standing drought-wise and may even be officially declared drought free soon, they are not completely out of the woods. Water scarcity is California's current and future reality. Embracing this, understanding its causes, working to change them and monitoring water use will be essential in the new, post-drought era of California. (Source: [LA Times](#))



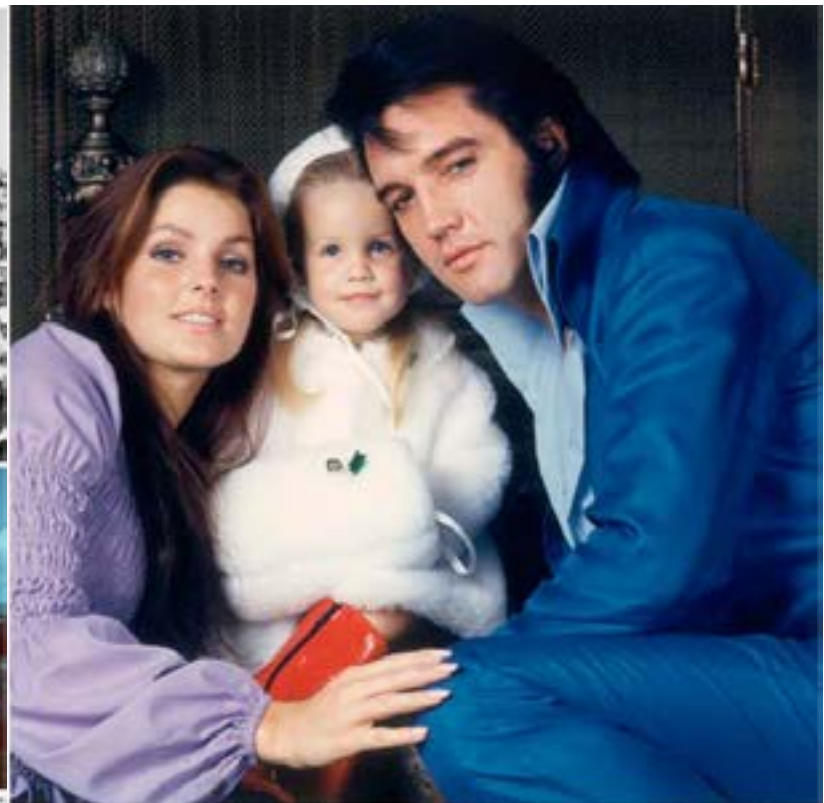
Are We About To See A Bad Lyme Disease Season?

A plague of mice that infested New York's Hudson River Valley last summer is pointing to a high-risk season for Lyme disease this year. Ecologists Felicia Keesing and Rick Ostfeld have been studying Lyme for over 20 years and they have found one key measurement predicts how many cases there will be - the mouse population the year before. It's a pretty straight forward correlation. Mice are highly effective transmitters of Lyme disease, infecting approximately 95% of ticks that feed on them. As we've learned, mice are covered in them, with just one individual mouse having as many as 50 to 100 ticks on it at any given time. Those ticks go on to bite humans, in turn transmitting the disease. While Keesing and Ostfeld are only predicting a bad season for the Northeast, the Centers for Disease Control says that people in any part of the country that has a tick population need to be vigilant. They say that no matter what, there's going to be a lot of human cases of tick-borne diseases as the blood-sucking parasites are spreading to new areas of the U.S.. Since 2001, the number of confirmed Lyme disease cases in the U.S. has more than doubled. As recently as the 1980s, the disease was actually only found in western Wisconsin and the area from Connecticut to New Jersey. In 2015, 95% of Lyme disease cases were reported from 14 states, but it is present in every area of the country. The CDC says the number of reported cases now averages about 30,000 each year. However, they believe that the actual number of cases is probably closer to 300,000. Keep in mind, you don't have to venture into a thick patch of forest to get bitten by a tick. The CDC says most people catch Lyme while doing routine things around their home, like mowing the yard or gardening. That means anyone who lives in an area where there are ticks should add a tick check to their daily routine. If you do find a tick, get it off as quickly as possible. The longer an infected tick stays on your skin, the greater the chance it will pass the Lyme bacteria on to you. Generally, it takes about 24-hours for the tick to infect a person after it begins to bite. Then be alert for Lyme symptoms, the most common of which are a red rash and fever. LymeDisease.org has developed a Lyme disease symptom [checklist](#) that can help you determine whether you might be infected. The earlier the infection is treated, the greater your chances are of a full recovery. It can become a very serious disease, even resulting in kidney failure or possibly death, so be sure not to brush off any potential symptoms! (Sources: CDC, NPR)



A Little "Elvis" History

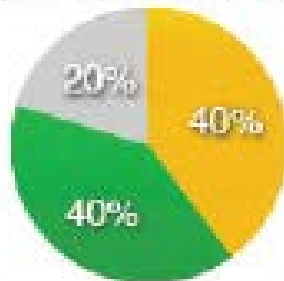
Elvis Presley is of course infamous for his music and movies that turned him into one of America's biggest pop culture icons. Dubbed the "King of Rock 'n Roll", Presley's career was briefly interrupted in 1958 when he was drafted into the U.S. Army. He received the notice at Christmas time, which did not necessarily come as a shock. He'd been eligible for the draft for five years at that point. Military conscription was part of the Universal Military Training and Service Act of 1951. Originally Congress passed the measure to supply the manpower needed to fight the Korean War, but it remained in effect after the war ended in 1953 due to U.S. concerns about its Cold War enemies. Under the act, all men between the ages of 18 and 26 were required to register. The minimum age for induction was 18 ½. For those drafted, the length of service was set at 24 months. Presley's name was added to the eligibility registry on January 19, 1953. In the meantime, he graduated from high school, got his start with Sun Records and RCA, released numerous number one records, made his first movie and became a sensation on network television. He was one of the most popular entertainers in America when he was summoned to Kennedy Veterans Hospital in Memphis for a pre-induction physical on January 4, 1957. These examinations were critical in determining a young man's physical and mental fitness for military service. Presley's results classified him as 1-A, ready for immediate call-up. News soon leaked to the press and a nationwide debate ensued as to whether Elvis should be granted special treatment. Some argued that he be made part of the Special Services and spend his military stint traveling around entertaining troops. That plan was panned by critics as unfair special treatment. It turned out that the Special Services weren't interested in Presley joining them anyway, unless it would help in their recruiting efforts. The military's research showed that Presley's basic appeal was to young girls, however, which the Army said was "outside our interest." Presley's official draft notice turned that Christmas into a very bittersweet event. This was the first holiday season he and his family were spending at Graceland, the mansion Presley had purchased just nine months before. He purchased Graceland on March 19, 1957 for \$102,500. That's pretty remarkable considering that Graceland is one of the most famous houses in the world and the second most visited house in all America, behind only the White House. At the time, it was a pretty isolated estate located miles outside the main urban area of Memphis. Its remoteness was welcome, as by that time, the Presley home in Memphis proper was drawing huge crowds of fans and journalists, which Elvis and his family found intrusive, and the neighbors found to be a nuisance. Officially, Graceland was where Elvis, his parents Vernon and Gladys, and his grandmother Minnie Mae lived, but unofficially, it was also the home/hotel/clubhouse for the entire "Memphis Mafia"—the ever-changing cast of childhood and newfound friends who surrounded Elvis. Obviously, the draft news put a damper on everyone's holiday spirits and particularly Elvis' feelings of pride and accomplishment. At the height of his popularity and with Hollywood contracts for eight more movies, Elvis naturally felt all of it might be lost when the army took him away for two years. Nevertheless, Presley reported for his induction on March 24, 1958, a day dubbed "black Monday" for his fans by the press. RCA producer Steve Sholes and Freddy Bienstock of Hill and Range had carefully prepared for his two-year hiatus. Armed with a substantial amount of unreleased material, they kept up a regular stream of successful releases. Presley returned to civilian life on March 2, 1960, and was honorably discharged with the rank of sergeant on March 5. Between his induction and discharge, Presley had ten top-40 hits. RCA also generated four albums compiling old material during this period, most successfully Elvis' Golden Records (1958), which hit number three on the LP chart. (Source: ElvisHistory, Wikipedia, Graceland.com)



CASH SALES & HEDGING TOTALS

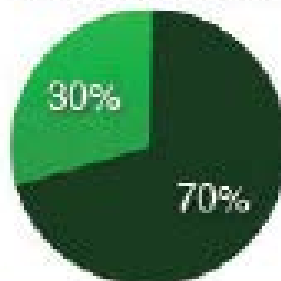
CORN 2016 CROP

40% SOLD
40% HEDGED
20% Cash Remaining



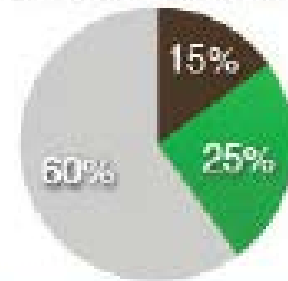
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% Cash Remaining



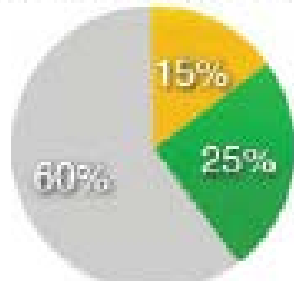
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% Cash Remaining



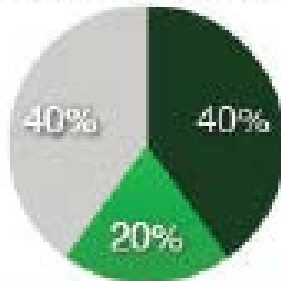
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



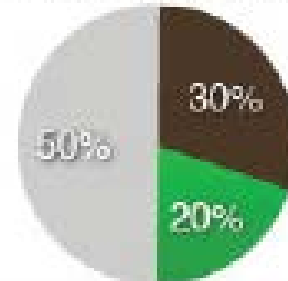
SOYBEANS 2017 CROP

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

