



"It is the mark of a genius to explain a complex topic in a simple way." - **Albert Einstein**

WEDNESDAY, MARCH 29, 2017

Morning Summary: U.S. stocks have snapped their losing streak with investors seemingly reenergized on impressive economic data showing Consumer Confidence shot to a more than 16-year high, Richmond Fed Manufacturing expanded at the fastest rate since 2010, and the Home Price Index had its strongest monthly gain in nearly four years. The data underscores that not only is optimism high, but there are also solid fundamental factors that support the positive outlook. The only really new data due out today is the Pending Home Sales Index. Today also brings another round of Fed speeches, including Chicago Fed President Charles Evans, Boston Fed President Eric Rosengren and San Francisco Fed President John Williams. The trio is likely to reiterate the message that other central bankers have been delivering this week - namely that the economy is at or near meeting the Fed's goals and it will likely be appropriate to raise rates at least two more times before the end of the year. That is basically what we heard from Fed Vice Chairman Stanley Fischer yesterday. Fischer noted that the Fed is closely watching developments in Washington but said it was sensible for the Fed to take a "wait-and-see" approach toward tax-cuts and infrastructure spending plans. He also expressed concerns about President Trump overturning open-trade policies, which he said have "on average" worked very well for the U.S. and China. Despite the setbacks associated with healthcare, the trade is still feeling like President Trump is on track to fulfill some of his most popular campaign promises in regards to relaxing regulations and reforming taxes. Globally, UK Prime Minister Theresa May is set to deliver her letter requesting the triggering of "Article 50," Britain's two-year plan for exiting the European Union. Overall the headlines seem fairly light this morning, but Washington clearly remains in the spotlight and garnering most investor interest. Stay tuned...

Surge In Oil Hedging Could Worsen U.S. Supply Glut: *Wood Mackenzie's latest analysis of oil and gas hedging activity shows a recent surge in oil hedges. Those hoping that recent oil-price weakness will prompt US producers to pull back drilling activity and ease the glut of oil supply may need to keep waiting. Andy McConn, research analyst at the firm, explains that producers rushed to lock in oil prices above US\$50 a barrel after OPEC's November announcement about production cuts. Wood Mackenzie's analysis of companies, comprising a group of 33 of the largest upstream companies with active hedging programs, shows that companies added 648,000 barrels a day of new oil hedges since Q4 2016, which is an increase of 33% from Q3 2016. Most of the new oil derivatives were added at strike prices between US\$50 and US\$60*

a barrel. "Those producers – most of which are highly exposed to US tight oil – will use hedging gains to help plug any budget deficits caused by sub-US\$50 spot prices," says McConn. Meaning as hedgers attempt to keep oil prices elevated, U.S. producers will be encouraged to continue pumping higher volumes. He points out that at this early stage of the year, the group already has a higher proportion of its oil production hedged than the prior two years with 26% in 2017 versus 24% and 23% in 2016 and 2015, respectively. (Source: Woods MacKenzie)

Still Taking Bids On The Border Wall: Companies looking to build President Trump's border wall will now have until April 4 to submit offers after the DHS extended today's deadline. Almost 700 businesses have already placed bids, including U.S. Concrete, KBR, Martin Marietta and Fluor. The wall must be at least 18 feet high, can't be climbed, prevents digging below it for at least six feet and has a U.S.-facing side that is "aesthetically pleasing." ([SeekingAlpha](#))

Possible Westinghouse Bankruptcy Poses National Security Concern: The possible bankruptcy of U.S. nuclear developer Westinghouse Electric Co is a "concern" for President Donald Trump's administration and a potential national security issue, an administration official told Reuters yesterday. Washington was in touch with the Japanese government over the issue, given that Westinghouse's parent is the Japanese firm, Toshiba Corp, the official said, speaking on condition of anonymity. "We are going to express quietly at the working level the concern that if several different things happen in a bad way, there's a potential national security issue here," the official said. Pittsburgh-based Westinghouse plans to seek bankruptcy protection from creditors as it struggles to limit losses that have thrown Toshiba into crisis. As well as building civilian nuclear reactors, Westinghouse has been the leading supplier of reactors for nuclear-powered U.S. aircraft carriers, submarines and other warships. The administration official explains that any sale of Westinghouse would be overseen by the Japanese equivalent of the Committee on Foreign Investment in the United States, an inter-agency body of the U.S. government that reviews the national security implications of foreign investments in firms. Filing for Chapter 11 protection will trigger complex negotiations between the Japanese conglomerate, its American unit and creditors, and could embroil the U.S. and Japanese governments, given the scale of the collapse and U.S. government loan guarantees for new reactors. Among Westinghouse's biggest creditors are the U.S. utilities that commissioned two nuclear plants, neither of which has been completed. (Sources: Reuters, The Guardian)

Consumer Confidence Blowout: Yesterday's Consumer Confidence report blew away expectations. Insiders had forecast the index would ball slightly to 114.0, but instead it came in at 125.6, the best reading since December 2000. Both Present Situation and Expectations saw healthy increases, and confidence levels are also now comfortably above the highs we saw during the prior expansion from 2003 through 2007. If there was one concerning aspect of the report, though, it was the factors that drove confidence levels higher - while higher income Americans saw their confidence levels surge to the highest levels since late 2000, confidence among consumers with more modest incomes actually declined and has yet to exceed the peak levels seen during the last cycle. What other surveys have shown, in addition, is that feelings about the economy are split along party lines, with Republicans suddenly turning super-bullish and Demo-

crats becoming bearish after the presidential election. (Source: [Bespoke Investment](#))

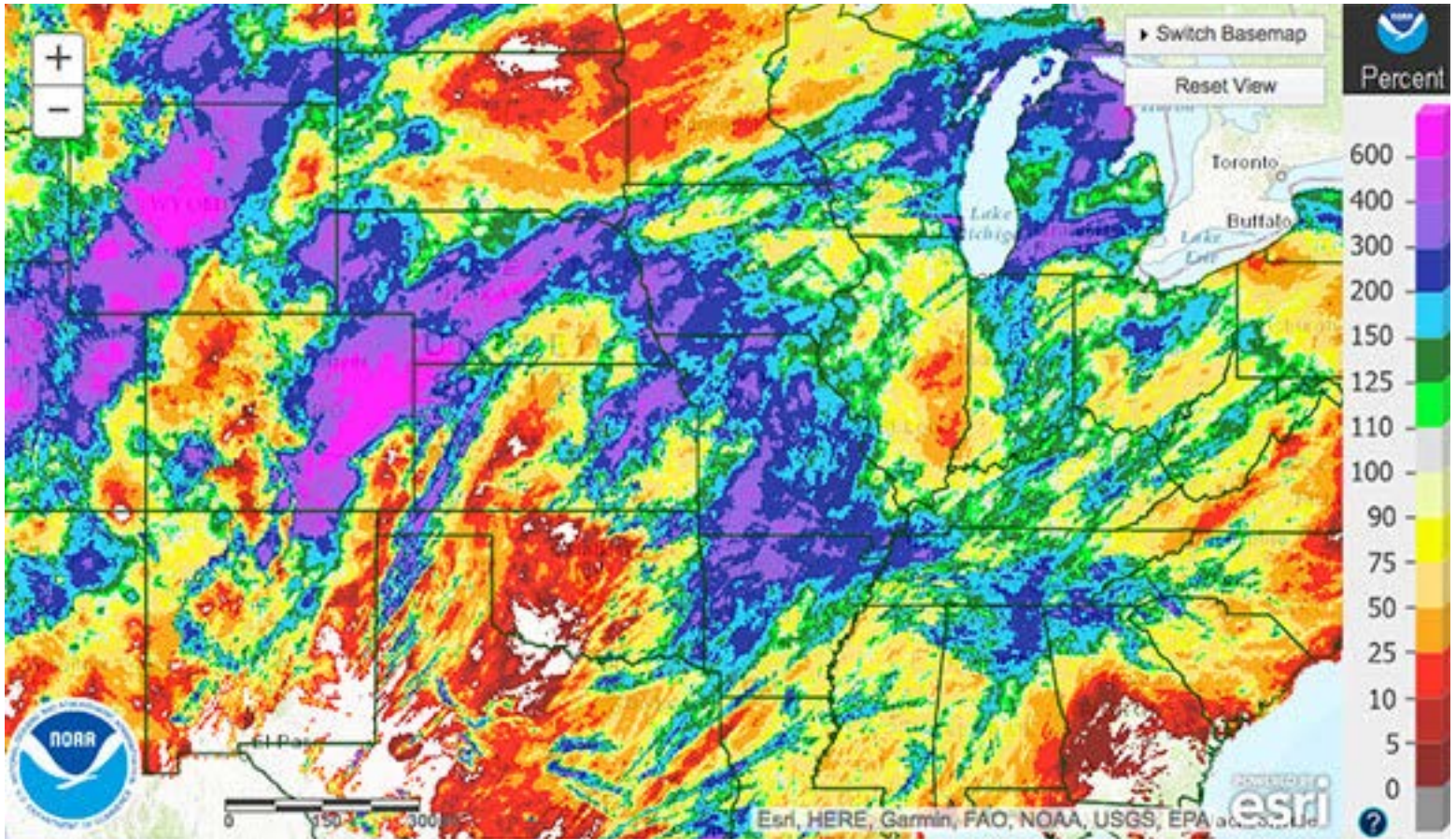
Consumer Confidence: 2000 - 2017



Weather will continue to parade across the nation, maintaining mild conditions and providing heavy showers and locally severe thunderstorms. On the Plains, cooler weather accompanied an increase in clouds and precipitation yesterday. Some of the most significant and beneficial rain developed across the High Plains. Rain is also developing across the southern Plains which will be beneficial as recent dry conditions have led to declines in wheat crop ratings and advanced stages of post-dormancy development. In the Corn Belt, dry weather accompanies near to above normal temperatures. Corn planting is reported as far north as southern Illinois ahead of the coming rain in the next few days. Five day rainfall totals could reach 2 to 4 inches across the central and southern Plains, and 1 to 3 inches from the Gulf Coast northward into the central and eastern Corn Belt and the Mid-Atlantic States. Despite overall storminess across the U.S. precipitation will largely bypass southern California, the Desert Southwest, southern Florida, and the upper Great Lakes region. In Brazil, rain is set for the remainder of the week. This trend will maintain favorable conditions for developing second crop corn. Soybean harvest is finished in central and northern Brazil, and is well into the final third of the total crop nationwide. Heavy rain with flooding potential is forecast in western Argentina over the next few days. The impact on grain production will be minor, however. Portions of the country with larger crop output will have much lighter precipitation and a minimal flood threat.

Beneficial Rains In Forecast For Plains: *The map shows Percent of Normal rainfall for the Plains, Midwest for the last 7 days. As you can see, a lot of 300 and 400% of rainfall throughout the Midwest. Should help pull back drought conditions throughout the region. Furthermore, rain is falling in Kansas, with more indicated for the balance of the week to the end of March and also into the first few days of April. There are two significant rain events for the southern Plains forecast during the next seven days. Total rainfall is quite likely to approach a full month's worth of normal rainfall in this part*

of the country. This should make for a positive impact on winter wheat ratings in the southern Plains.



Corn has traded within a very narrow nickel range since last Thursday. Prices have significantly pulled back in the past month as the funds have become much more skeptical about the ease of instituting new Trump policy in Washington. Hence domestic and global growth is a bit more uncertain and adding "risk" to the portfolio a bit more questionable in the current environment. In fact several inside the trade now suspect the funds have quickly gone from being net long over 100,000 contracts to now being net short over 100,000 contracts. We've also seen some of the South American weather risk-premium removed. The Argentine crop is yielding slightly better than last year and is thought to be about 10% harvested. I had been hearing some talk of extreme rains in the Argentine forecast, but it sounds like most of the damaging rainfall totals will miss the larger production areas. The crop estimate for Brazil seems to be in step with the current USDA estimate, but there's still some important weather risk on the table so the verdicts still out. In fact I'm hearing some talk that things might start to dry out in some important second-crop production areas, so we must continue to monitor the forecast. As for here at home, the trade is heavily debating U.S. planted corn acres and trying to determine what the USDA will delivery in their estimate on Friday. There's no debating that "Quarterly Stocks" will be record large and some +650 to +750 million bushels larger than last year on March 1st. I suspect the trade already knows and understands this data so I don't see it as game-changing. As for planted acres, I had been thinking for a long time that we would be sub-90 million, but with the mild winter in many locations perhaps I'm again a bit too conservative. If you remember I missed last years planted acreage estimate by a rather large amount, thinking

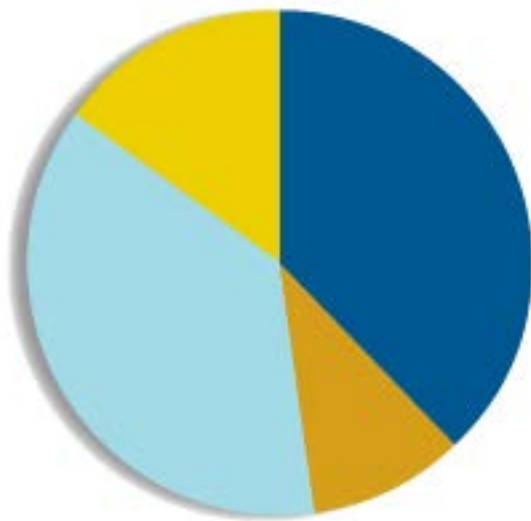
like many others that some of the peripheral areas would have planted fewer acres. For what it's worth, last years March 31st Planting Intentions estimate by the USDA was +3.6 million acres above the average trade guesstimate. In 2008 the USDA cam in 1.3 million acres below the average trade guesstimate. In other words there could definitely be a surprise or deviation form the current 90 million acre estimate. I will continue to monitor weather in Brazil, weather here at home and adjust to the latest USDA acreage estimate.



U.S. Domestic Corn Use

2016/17 Marketing Year
Sep - Aug²



(in Million Bushels)



	Feed & Residual	5,600	38%
	Food, Seed and Industrial	1,435	10%
	Ethanol	5,325	37%
	Exports	2,225	15%

Total: 14,585

Source: USDA, WASDE

2 - Preliminary or projected

Soybeans bears continue to tak about the crop in Brazil getting lager. The USDA's current estimate has already bumped in February from 104 to a record high of 108 MMTs in the past March report, but I'm hearing several estimates from insiders that are forecasting a crop closer to 110 to 112 MMTs. In return there's talk that Brazil's soybean exports could jump by +20% or end up being perhaps +10 to +12 MMTs more than last year. I should also note the Brazilian harvest is closing in on 75% complete with the current forecast showing very little in the way of nearby concern. In other words the trade is being forced to digest a Brazilian crop that is almost certain to be +12 to +15 MMTs larger than their previous record. Here at home the trade is bracing for the USDAs planted acreage report, expected to be released on Friday. Most all sources are looking for record soybean acres, somewhere between 88 and 90 million. Interestingly the USDA has had the tendency the

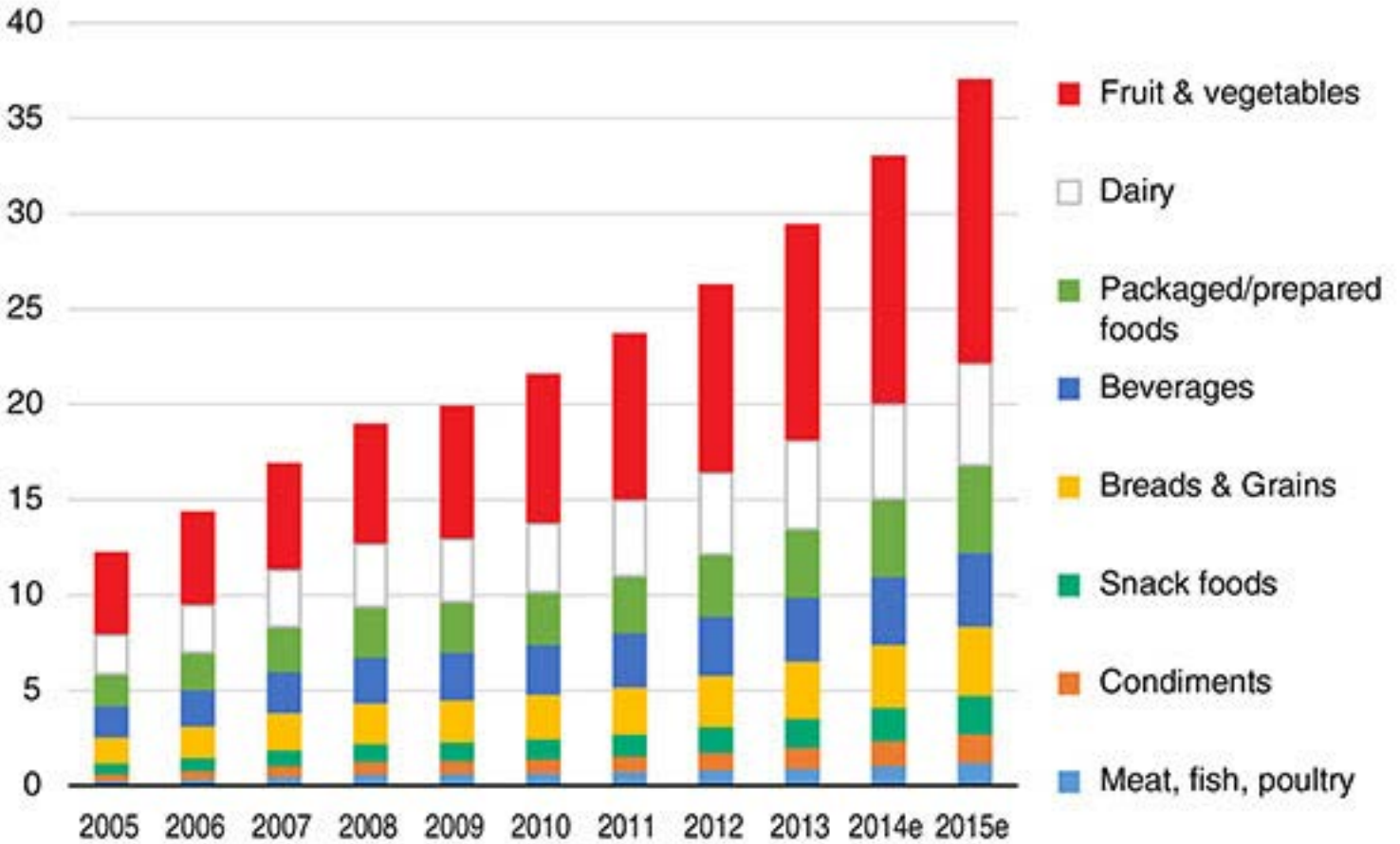
past decade to underestimate the total number of planted soybean acres in their March Intentions report. So even if we do see a surprise to the downside with less than expected acres, they knee-jerk could be merely short term as the trade suspect the acreage number work itself higher later in the year. Remember, in 2012 the USDA was -3.2 million acres too conservative with their March Planting Intentions guess. Meaning anything is possible! The trade doesn't seem to be looking for an major surprise to "Quarterly Stocks", with most suspecting around +150 million bushels more than last year and at record levels. The bulls are continuing to hold out hope that Washington passes legislation soon that will help limit bio-diesel imports. I'm not holding my breath, but from what I continue to hear I think some type of beneficial measure for bio-diesel will pass. It's a bit old in the headlines, but in case you missed the state of Georgia, our largest bird producer here in the U.S., recently reported it's first case of bird flu, now joining the ranks of Alabama, Kentucky and Tennessee. It will be interesting to see if we can keep the virus contained, Asia is having very little luck. I'm not looking for much extreme volatility between now and Friday's USDA report. This time around I will be looking to make my adjustments after the numbers... not ahead. Keeping powder dry!

Wheat traders are eager to see the USDA's latest acreage estimates, which I believe could be fewer than the trade is anticipating. Unfortunately we will still be digesting record "Quarterly Stocks" that are some +250 million above last year's level and what appears to be improving moisture in a few of the more important U.S. production areas. It will be interesting to see what the USDA has to offer next Monday in their first weekly crop-condition report. Most areas are clearly in worse shape than last year, but have been seeing better weather and widespread rains the past few days. Globally there's not much new in the headlines. India extended its tariffs on imported wheat but the number was lower than many in the trade had anticipated, meaning perhaps not as bearish and that India could be back in the market for wheat imports sooner than some have been forecasting. Unfortunately we are still seeing strong global competition in the export space from Russia, Romania, France, etc.. Bottom-line, I don't see a lot happening in the wheat market until it has a chance to digest the USDA acreage numbers on Friday and crop-condition estimates on Monday.

US Organic Food Sales Show Significant Growth Over The Past Decade:

U.S. organic food retail sales

Billion dollars



Note: e = estimated.

Source: USDA, Economic Research Service using data from the Nutrition Business Journal (NBJ), 2015.

USDA March 31, 2016 Quarterly Stocks & Prospective Plantings Worksheets**March Quarterly Grain Stocks**

	March #	Avg. Trade Est.	Trade Range	USDA March 1, 2016	USDA Dec. 1, 2016
Corn	???	8.534	8.205 - 8.900	7.822	12.384
Soybeans	???	1.684	1.627 - 1.885	1.531	2.895
Wheat	???	1.627	1.450 - 1.721	1.372	2.073

March Prospective Planting

	March #	Avg. Trade Est.	Trade Range	USDA 2016	USDA 2017 Outlook Forum
Corn	???	90.969	90.0 - 92.50	94.004	90.0
Soybeans	???	88.214	86.400 - 89.300	83.433	88.0
All Wheat	???	46.139	44.200 - 48.200	50.154	46.0
Winter Wheat	???	32.554	32.000 - 34.500	36.167	NA
Spring	???	11.358	9.900 - 12.200	11.605	NA
Durum	???	2.115	1.900 - 2.500	2.412	NA



> **Bird Flu Found In Georgia:** *A flock of chickens in a Chattooga County commercial farm has tested positive for a low-pathogenic strain of the avian flu, the state Department of Agriculture said. It is the first confirmation of bird flu in commercial poultry in Georgia, the largest broiler state in the nation. The low-pathogenic strain of the H7 avian flu is less worrisome than the high-pathogenic flu, which is "the one that is deadly to our poultry flock," Department of Agriculture spokeswoman Julie McPeake said. This particular strain, however, has the potential to mutate into the high-pathogenic, which is why the state is taking no risks. A similar strain of the virus was previously found in Alabama, Kentucky and Tennessee.*

> **Brazil Soybean Harvest Reaches 68%:** *Consultancy AgRural has released its most recent crop update for Brazil. According to the consultancy, the soybean harvest progressed nationwide to 68% of the total surface. The average of the previous years is 67 percent. The output estimate was kept at 107 million metric tons. The harvest has ended in Mato Grosso do Sul and are pretty close to finished in Mato Grosso and Goiás. The harvest is now slower in the states that form the Matopiba (Maranhão, Tocantins, Piauí and Bahia), but the yields tend to be high in the region. In the southernmost state of the country, Rio Grande do Sul, the crop also is not going so fast because of lower temperatures for the period. (Source: Agrosouth)*

> **Mexico "Far Advanced" In Corn Talks With South America:** *Mexico is "pretty far advanced" in corn import talks with Brazil, and "Argentina is a few steps behind," Juan Carlos Baker, Mexico's deputy economy minister, told the Financial Times. The move is in response to President Donald Trump's talk that Nafta is unfair to the U.S. and vowing to renegotiate the deal or walk away, a move that threatens to kick U.S. producers out of their biggest export market. Although importing grain from distant South America, rather than the US, might sound uneconomic, that was only because Nafta made it cost-efficient to rely almost exclusively on the U.S., Mr Baker said. Mexico imports 98 per cent of its corn from the U.S., accounting for \$17.7 billion in sales last year, the newspaper notes. (Source: Financial Times)*

> **India Reinstates Wheat Import Duty:** *India's Ministry of Finance has reinstated a 10% import duty on wheat. The government had removed the import duty on Dec. 8, 2016, to boost domestic availability and check retail prices, but made the decision this month to return to the import duty in an effort to protect farmers' interest in what is expected to be a record crop year.*

> **EU Farmers Rush To Plant Sugar Beets As Quotas End:** *EU farmers are ramping up production of sugar beet this year when they will be freed at last to grow as much as they*

want and sell it globally, after a decade of strict output quotas and export limits. Farmers have started drilling the first post-quota crop this month in several EU member states, including top EU producer France where planting is expected to increase by +20%, in line with an expected rise across the bloc. (Source: Reuters)

> U.K, EU May Avert Farm Tariffs: *The European Union's agriculture chief sounded an upbeat note about the imminent Brexit negotiations, predicting farm trade between the U.K. and the EU will remain tariff-free after Britain leaves the bloc in 2019. European Agriculture Commissioner Phil Hogan said both sides may agree on a transitional arrangement that would apply from the moment Brexit takes place and that would ensure the status quo prevails in farm commerce until they can work out a free-trade agreement. Speaking a day before U.K. Prime Minister Theresa May is due to trigger two years of Brexit negotiations, he said talks on future farm-trade relations between Britain and the EU won't begin until "at least 2019." That's because the initial focus of the Brexit deliberations will be on matters related to the EU budget, citizens' rights and borders, making a transitional arrangement for agriculture necessary to buy time for a free-trade accord, Hogan said. (Source: Bloomberg)*

> Trump Wants Cuts To USDA, FDA Funding: *The Trump administration has made a list of \$18 billion in cuts it wants to see Congress make this fiscal year, a move that puts foreign food aid, rural business loans and FDA funds on the chopping block. Politico obtained a copy of an extensive document shared with House and Senate appropriations committees last week, which provides the most detailed recommendations to date. The cuts President Donald Trump wants made are aimed at the last five months of the current fiscal year, and would compound the 21 percent proposed reduction for USDA that the administration included in its 2018 budget outline released earlier this month. Here's a quick look at the spending cuts listed in the document:*

- *\$40 million cut to the FDA, a reduction the administration says could be absorbed in part by slower than anticipated hiring.*
- *\$363 million from Food for Peace, a 60-year-old program housed at USAID that has helped feed billions in developing countries.*
- *\$136 million cut to essentially eliminate funding for the McGovern-Dole international food program, a bipartisan initiative that feeds millions of vulnerable schoolchildren throughout the world. "This program lacks evidence that it is being effectively implemented to reduce food insecurity," OMB says.*
- *\$49 million cut to Rural Business and Cooperative Grant Programs. "Despite decades of funding, RBS programs have failed to move the dial in rural areas," the document says. "GAO has repeatedly named RBS in its annual report on fragmentation, overlap, and duplication, and the Department's IG found two of the agency's largest loan and grant programs to be improperly managed." (Source: Politico)*

> The Samsung Galaxy S8 *is set to be unveiled in New York, with a press conference starting at 11 a.m. ET. What we know from leaks: There are two sizes (5.8 and 6.2 inch screens), no home button and a virtual assistant named Bixby. Samsung has to pretty much hit a home run with the device after its fiasco with the exploding Note 7. (Source: SeekingAlpha)*

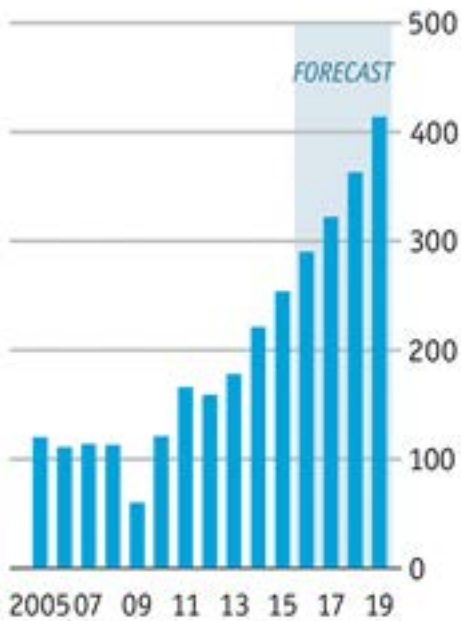
> **Growth Of Industrial Robots:** *The popular narrative about robots is that they are stealing human workers' jobs. A new paper published by the National Bureau of Economic Research broadly supports this belief, estimating that each additional robot in the American economy reduces employment by 5.6 workers. However, the relationship between automation and employment is not always straightforward. One big trend is the growth of "collaborative robots", smaller and more adaptable machines designed to work alongside humans. Barclays thinks that between 2016 and 2020 sales of these machines will increase more than tenfold. Moreover, by improving productivity, automation can sometimes create new jobs for humans, or at least relocate them. Adopting robots has made it economical for some manufacturers in high-wage countries to "re-shore" production from poorer countries. (Source: The Economist)*

The life robotic

Global industrial robots

Sales

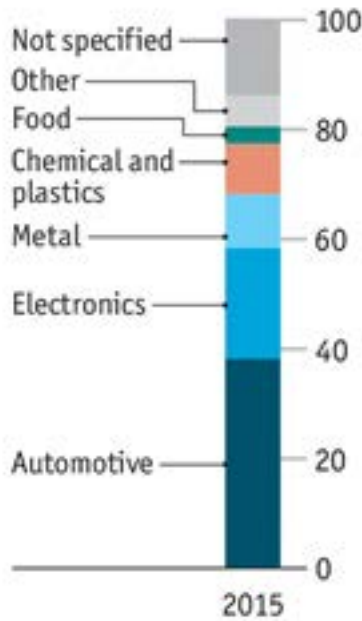
'000 units



Source: International Federation of Robotics

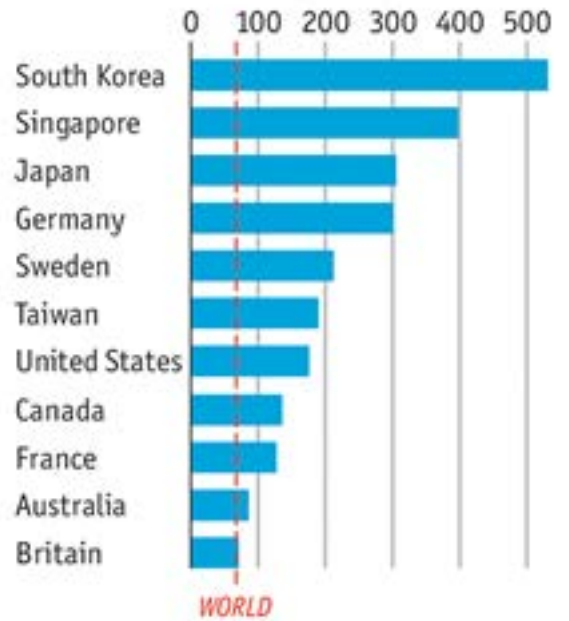
By industry

% of total



Number of robots

Per 10,000 manufacturing employees, 2015





Central Kansas - We have gotten some rain over the past few days but we have been very dry with little or no moisture in the last 8 weeks. The weather has allowed for strip tilling and putting on fertilizer. I can tell you doing any field work created lots of dust. We had severe fires in other parts of the state that have been very tough on a lot of people. Some guys have waited on the field work because it was just so dry. I have some late planted winter wheat that was looking really rough, that I hit with fertilizer that has turned around. It was only about 3" tall and I thought it may be a lost cause. The earlier planted wheat has jointed. We changed our rotation out last year from 100% corn on corn which we did for a lot of years. Going to beans after the corn on corn saw us make yields that were unbelievable and I told my son he would probably never see those type yields again. Our 10-year APH is 33bpa and last year we had fields go over 100bpa on the monitor and the whole farm average was 75bpa. I think maybe the seed variety was cause for a 10% yield increase but the remainder was all Mother Nature. We had perfectly timed rains in August, September, and October that would bring .5" to 1.0" about every two or three days. On the flip side the late rains hurt the corn, not letting it dry down in the field very good. We basically have no driers around here so when it's wet late in the year it can be a real problem. A lot of our corn was discolored but not sprouted but we still got docked big time at the elevator. My grandpa had our farm in 1939 and I am trying to figure out if the inflation-adjusted price of corn that I am getting now, is actually less than what he got way back then.

Eastern Indiana - We are very dry here and still a little cold. I would imagine that most guys are still two to three weeks away from getting in the field. I am little concerned about the weather that we had in January. I have had some old timers tell me the January weather will be indicative of what the summer will be like. Our January was very warm, very rainy and muddy, with not very much hard freeze temps to kill a lot of bugs and weeds. I guess this would correspond to trouble for our crops this summer being extremely hot. Indiana has been more of a bean state so the late rains are always welcome and can make or break yields. Our area has had a tough couple of years on the corn side. In 2015 we basically had no crop because of the weather issues that ended up being too dry to make a crop. Last year we had plenty of rain all year and had issues with vomitoxin and aflatoxin across most areas in the immediate area. It did keep the basis strong at the local ethanol plant but then they started bringing in corn from other areas to fill their needs. They say they need to get back to the local market so we will see how that works. On the beans we scrambled to make yields that were 10bpa above our normal yields. The weather will probably determine how the disease picture plays out but we are hoping for a normal production year with no stress to the crop. Once we get going with the planters we will roll with two and plant the corn and beans at the same time. It doesn't seem like guys do that in many areas of the country but we are doing that here.

Northwest Iowa - We are waiting for a couple weeks to plant on our ridge till areas. We have had very murky weather here for the last few days and are looking at more heading in the next couple days as well. Our fields hold moisture well so we are not too worried about getting started on time. Anyone who's driven through here this past winter saw all the corn on the ground. There are three ethanol plants in our county and they have been chewing through it pretty good lately. We still have nearly 50% of our corn in storage and hope the trend continues so we can move it to the plants soon. Cover crops don't fit for us as we choose not to plant after harvest for various reasons. We believe they are beneficial but right now can't justify adding costs to our operation.



ASA President Testifies Before House Ag Subcommittee: In testimony before the House Agriculture Subcommittee on General Farm Commodities and Risk Management Tuesday, American Soybean Association (ASA) President and Illinois soybean farmer Ron Moore spoke on the need for robust programs within the risk management framework of the nation's farm legislation. Moore contrasted the successful farm economic landscape in which the 2014 Farm Bill was written with the more troubling financial situation many farmers find themselves in today, and called on the committee to make the necessary investments in farm bill programs—including increases where appropriate—so that each can work to its full potential. Read more from [KCTI Radio](#).

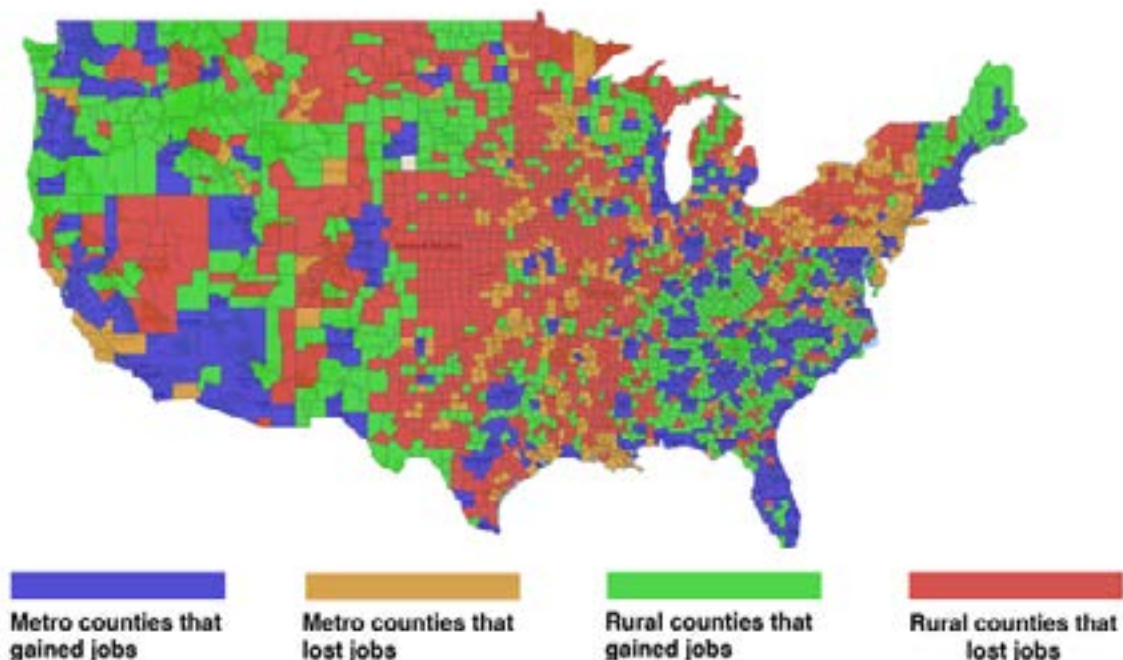
Cargill Chief Warns Against Protectionist Policies: The head of agricultural commodities trader Cargill - one of the biggest privately owned companies in the U.S. and one of the world's top grain traders - has warned that protectionist policies pose a direct threat to the world economy and risk provoking a trade war with China. Speaking at the FT Commodities Global Summit in Lausanne, David MacLennan, Cargill chairman and chief executive, described economic nationalism as a "jaundiced viewpoint". He added that "given the rhetoric, given the mentality and emotions in the United States, but also in the world" the risk of a trade conflict with China had "gone up". "We are a US-based company, but we know that one-third of US farmland is planted for exports; exports that nourish people in other parts of the world," said Mr MacLennan. Read more at [Financial Times](#).

Seven Ways You're Ruining Your Steak Dinner: Richard H. Turner is serious about meat. The chef behind the popular British steakhouse chain Hawksmoor doesn't mince his words. Turner is the go-to guy in London for matters of the flesh. He brought the Meatopia festival to the U.K. from the U.S. and founded Turner & George, a specialty butcher shop. And he just came out with his latest book, "Prime: The Beef Cookbook." So who better to ask about cooking steak at home? Turner tells [Bloomberg](#) the seven top mistakes people make that leave a bad taste in his mouth.

Want To Live Past 100? Centenarians Share Their Secrets: *Genetics and behaviors definitely play roles in determining why some people live to be 100 or older while others don't, but they aren't guarantees. And now, as increasing numbers are reaching triple digits, figuring out the mysteries of longevity has taken on new importance among researchers. Although those 100 and older make up a tiny segment of America's population, U.S. Census reports show that centenarian ranks are growing. Between 1980 and 2010, the numbers rose from 32,194 to 53,364, an increase of almost 66 percent. The latest population estimate, released in July 2015, reflects 76,974 centenarians. Among those who reach the 100-year-old milestone, research has found certain commonalities: few smoke, nearly all of the men are lean, and centenarians have high levels of the "good cholesterol." Studies show that whatever their stress level, they manage it well. And they're related to other centenarians or have a parent or grandparent who lived past 80. Read more, including advice from some centenarians themselves, over at [PBS](#).*

Rural America Enters 2017 With Fewer Jobs Than In 2016: *Rural America lost jobs in 2016, according to a Daily Yonder analysis of federal jobs data, as the growth in employment continued to concentrate in the nation's largest cities. Eight out of 10 jobs created in 2016 were in the 51 metropolitan areas of a million people or more. These giant urban areas gained 1.2 million jobs between January 2016 and January of this year, according to the Bureau of Labor Statistics. In rural counties, there are nearly 90,000 fewer jobs this January than in the same month a year ago. The map below shows the change in jobs at the county level between January 2016 and January 2017. The map shows a reverse in employment patterns in parts of rural America. Much of the rural South, including the Eastern Kentucky coalfields, showed job gains in 2016. For most of the last few years, some of these areas – especially the coalfields – reported job losses. Likewise, the booming shale gas regions of Pennsylvania, North Dakota and Texas now report job losses instead of their previous gains. Williams County, North Dakota, the epicenter of that state's shale gas industry, had nearly 5,000 fewer jobs in January 2017 than it did a year ago. Check out an interactive version of the map and more details [HERE](#).*

Jobs Gained and Lost, Jan. 2016 - Jan. 2017





Grocery Prices Down For First Time In Nearly 50 Years

It's no secret that farmers across the U.S. have been dealing with low prices. The declines have finally passed through to the grocery store shelves and the consumer. The latest Consumer Price Index (CPI) data for food at home reveals that last year marked the first time in nearly 50 years that retail grocery store prices were lower than prices the previous year. In 2016, retail food prices actually decreased by -1.3% with declining year-over-year prices in categories including beef and veal, pork, poultry, eggs and dairy. Annual price changes have varied over time. If you remember back to the high inflation of the 1970s, the "Oil Crisis" sent grocery prices surging by over +16%. The last year that retail food prices did not increase over the previous year was all the way back in 1967, when food-at-home prices fell -0.3% below 1966 levels. Many insiders argue the recent anomaly and downturn in food prices stem from a combination of cheaper commodity inputs, cheaper transportation, and cheaper food processing. Declining prices for retail meats, eggs, and dairy in 2016 are largely a story about rising commodity production, especially for eggs. Retail egg prices declined by over -20% in 2016 as the industry recovered from the outbreak of Highly Pathogenic Avian Influenza (HPAI) that killed 11% of egg-laying birds in 2015. As the number of egg-laying birds and production returned to pre-HPAI levels, prices began to drop both at the farm and retail levels. The cattle, hog, poultry, and dairy industries also saw large upticks in the available number of animals in 2016. We also have to take into account declining energy prices and a strong U.S. dollar weighing on food prices. Obviously, low oil prices translates into lower costs getting the food to the grocery stores. A strong U.S. dollar makes U.S. foods less attractive to other countries, leaving a larger supply of U.S. foods in the domestic market. Because of these factors, many suspect we could see another round of lower prices in 2017. The folks at the USDA are looking for a small increase of around +0.5%. Interestingly, forecasted prices for food away from home, like restaurants, saw an increase of +2.5% to 3.5% year-over-year. (Source: USDA, ERS - [Food Price Outlook](#))



How Some Players Make Up To \$50,000 A Month On A Video Game

A popular online social gaming platform for kids called Roblox just completed a new round of funding that will allow it to expand its platform, which some game developers are using to make as much as \$50,000 a month. The game is entirely user-generated, with players of all ages able to program and sell their own games and items within the game itself. When players buy items in a developer's game, the creator receives a cut of sales from Roblox. Those developers, some as young as 13, have built all the 22 million games within Roblox. Each one can be played on a phone, tablet, computer, Xbox or virtual reality headset from Facebook Inc.'s Oculus or HTC Corp. Roblox has around 48 million monthly players and is growing fast. To put that in perspective, Minecraft, the incredibly successful game that Microsoft invested \$2.5 billion in 2014, claims 55 million monthly players. However, while most people have likely heard of Minecraft, Roblox has largely flown under the radar, even though it's been around for 13 years now. The game allows its players to create their own virtual worlds, which is very similar to Minecraft. Roblox just completed a \$92 million funding round which will help them better position the game to compete with Minecraft, and will also be used to repurchase shares from employees who wish to cash out of some of their equity. Although Roblox declines to disclose the valuation at which their recent financing round was offered, an article that was published in Forbes last summer revealed that the company had realized more than \$50 million in gross revenues in 2015. According to a recent interview with CEO David Baszucki, the company grew three-

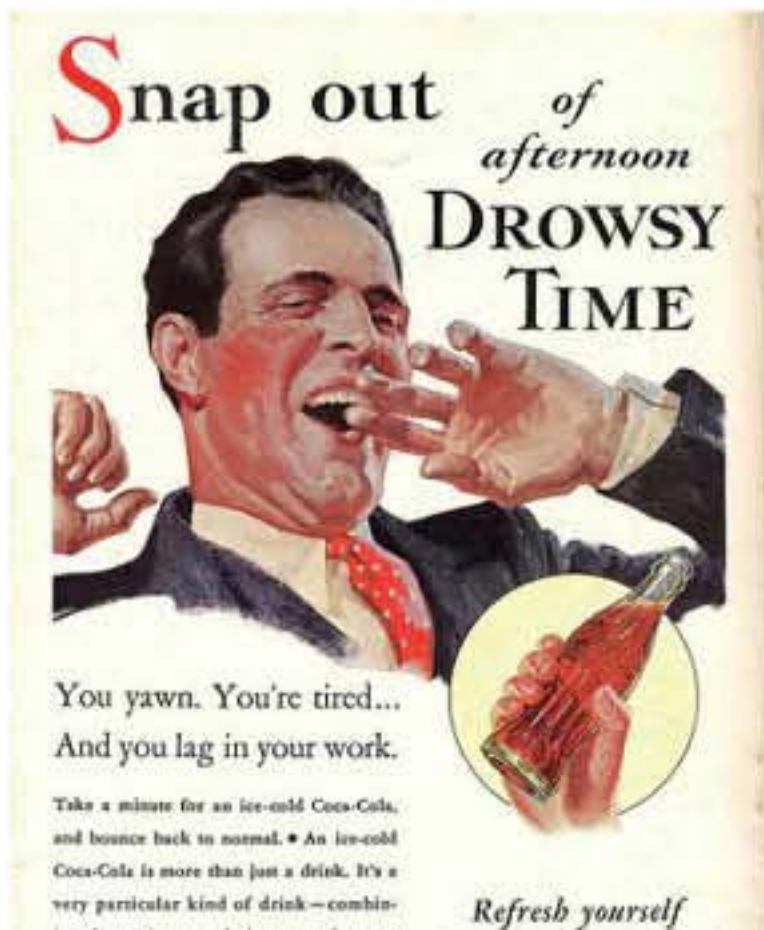
fold in 2016. Roblox primarily makes its money by selling a virtual currency to its players. They also charge a subscription fee to the 1.7 million developers who use the platform to create games, and takes a commission from purchases on games that were made by developers. The main age of users ranges from 6 years to 16 years, a notoriously fickle and easily bored demographic. Baszucki believes Roblox will continue to capture their attention though, largely due to the fact that players of the game are the ones creating the game. That means Roblox is continually evolving to meet its users changing tastes. Roblox also has plans to give developers more creative freedom, which the company believes will make them even more invested and interested in continuing to come up with new content. (Sources: Bloomberg, Business Insider)



From Brewing "Brain Tonic" To Billions...

A pharmacist named John Pemberton brewed the first batch of what he called a "brain tonic" on this day in 1886. Pemberton concocted the brew in his Atlanta, Georgia, backyard, using ingredients that he thought would help ease headaches and calm nerves. This carbonated syrupy soda was intended to replace Pemberton's first medicinal cocktail, which was a mixture of wine and coca leaves. Pemberton's "French Wine Coca" was recommended for use by "clergymen, lawyers, literary men, bankers, ladies, and all whose sedentary employment causes nervous prostration, irregularities of the stomach, bowels and kidneys who require a nerve tonic and a pure, delightful diffusible stimulant." Though the tonic was extremely popular, Pemberton was forced to create a new formula when

Atlanta banned alcohol. His bookkeeper suggested he name the new drink "Coca-Cola" after its two main ingredients—coca leaves, which was a source of cocaine, and kola nuts, which added caffeine. Pemberton called for five ounces of coca leaf per gallon of syrup, a significant dose. Aside from relieving headaches and frazzled nerves, Pemberton hoped his drink could help fight morphine addiction. Pemberton himself had become addicted to the drug after being injured during the Civil War, where he served as a Confederate Army officer. Coca-Cola was first sold at Jacob's Pharmacy, but was not nearly as popular as the wine-version. Through the balance of 1886, the soda only generated \$50 in sales. The next year, Pemberton sold the drink formula to an Atlanta businessman named Ada Candler for just over \$2,000. Candler was a marketing guru and plastered Coca-Cola's now famous logo on every surface he could buy space. Countless souvenir and novelty items depicting the trademark were distributed during his period as proprietor of the brand. Two years later in 1889, more 60,000 of the drinks sold. By 1895, Coca-Cola was being drunk in every state of the U.S. . Unfortunately, Pemberton didn't live to see how popular his concoction would become, dying about a year after selling to Candler. Candler also changed the formula, switching to using "spent" coca leaves after 1904, and since then using a cocaine-free coca leaf extract. Candler made million's on his Coca-Cola gamble, eventually selling "The Coca-Cola Company" to a group of investors for \$25 million in 1919. By the time of its 50th anniversary in 1936, the soft drink had reached the status of a national icon in the USA. The exact formula of Coca-Cola's natural flavorings (but not its other ingredients, which are listed on the side of the bottle or can) is a trade secret. The original copy of the formula was held in SunTrust Bank's main vault in Atlanta for 86 years. On December 8, 2011, the original secret formula was moved to a new vault, which is now on display at the World of Coca-Cola museum in downtown Atlanta. Since June of 2012, Coca-Cola has been officially available in every country in the world except Cuba and North Korea and it's estimated some 1.9 billion people around the globe drink the beverage every day. (Sources: SliceTheLife, EarlyCoke, Wikipedia)

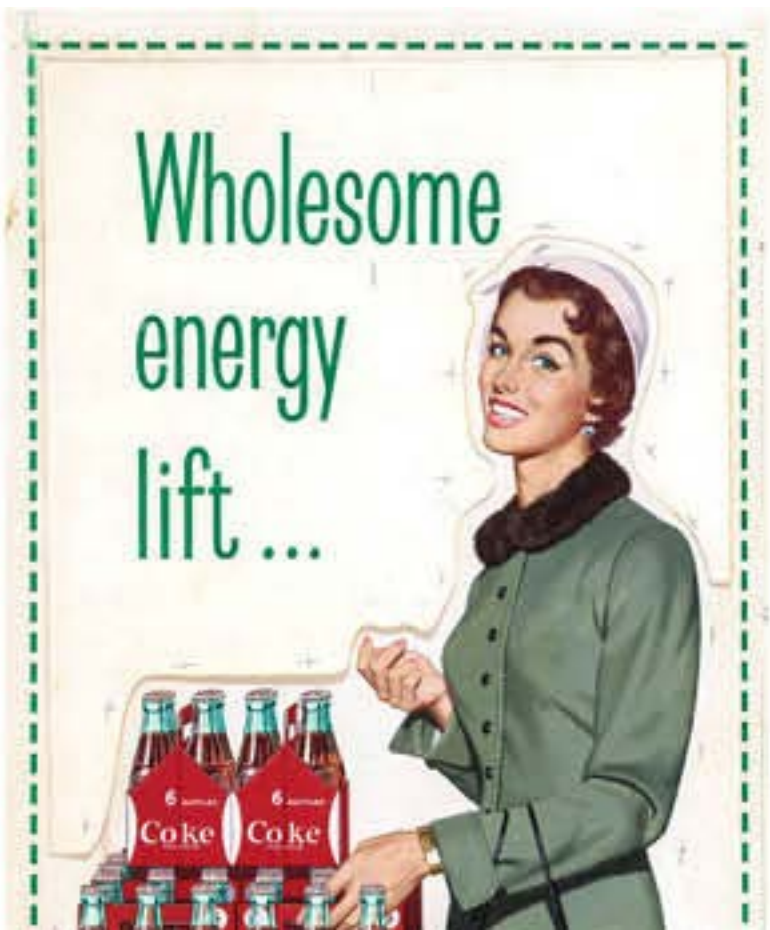


Snap out *of*
afternoon
**DROWSY
TIME**

You yawn. You're tired...
And you lag in your work.

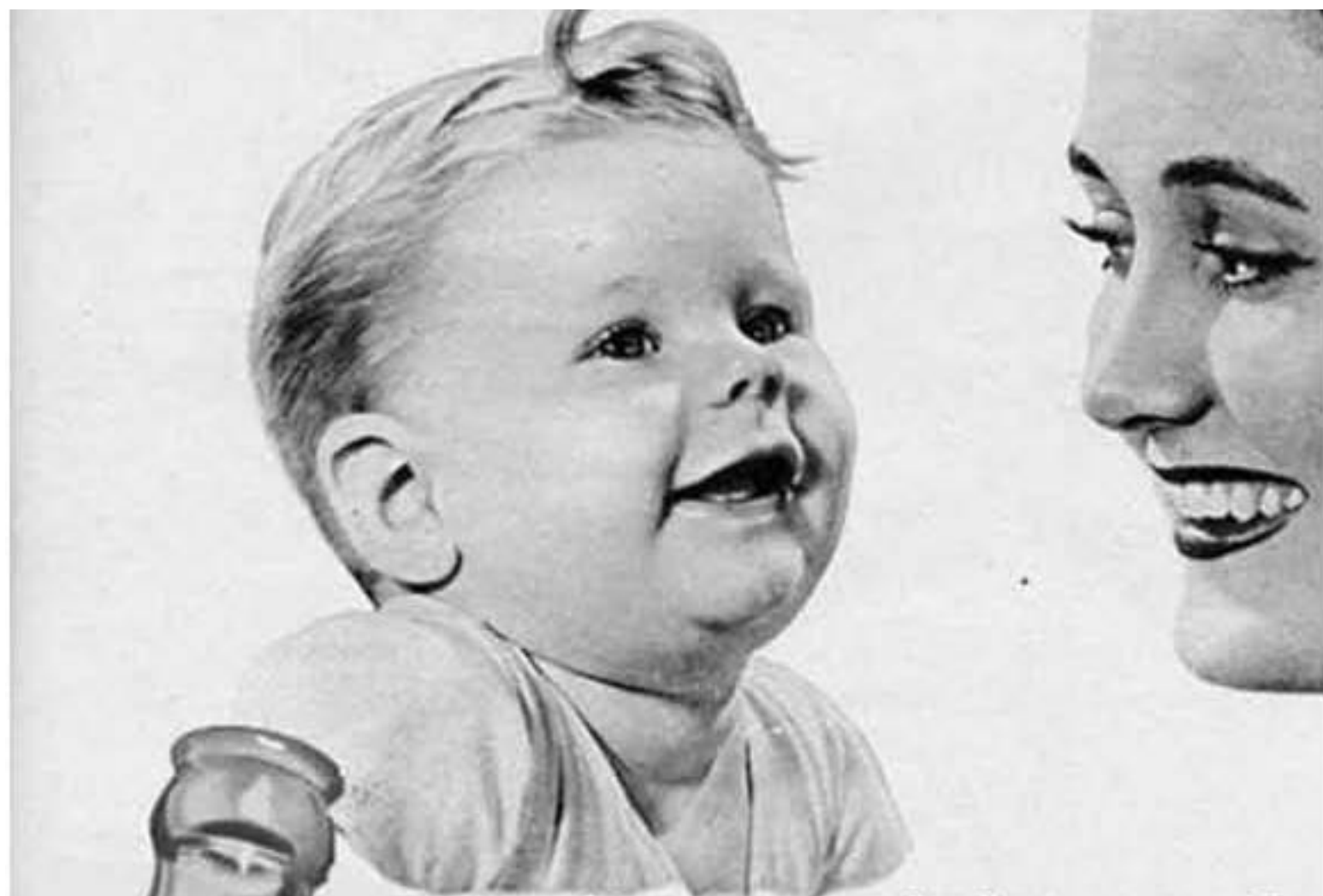
Take a minute for an ice-cold Coca-Cola,
and bounce back to normal. • An ice-cold
Coca-Cola is more than just a drink. It's a
very particular kind of drink—combin-

Refresh yourself



Wholesome
energy
lift ...

Coke Coke



- Promotes Active Lifestyle!
- Boosts Personality!
- Gives body essential sugars!

How soon is too soon?

Not soon enough. Laboratory tests over the last few years have proven that babies who start drinking soda during that early formative period have a much higher chance of gaining acceptance and "fitting in" during those awkward pre-teen and teen years. So, do yourself a favor. Do your child a favor. Start them on a strict regimen of sodas and other sugary carbonated beverages right now, for a lifetime of guaranteed happiness.

The Soda Pop Board of America

1515 W. Hart Ave. - Chicago, ILL.

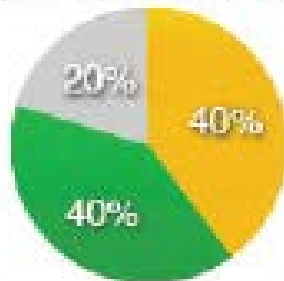


boredpanda.com

CASH SALES & HEDGING TOTALS

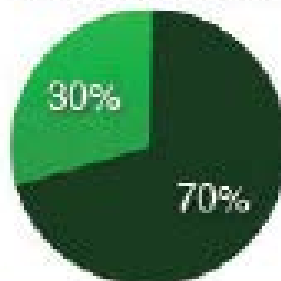
CORN 2016 CROP

40% SOLD
40% HEDGED
20% Cash Remaining



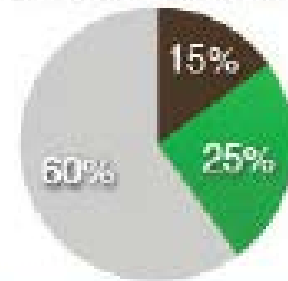
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% Cash Remaining



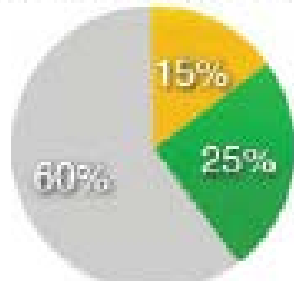
WHEAT 2016 CROP

15% SOLD
25% HEDGED
60% Cash Remaining



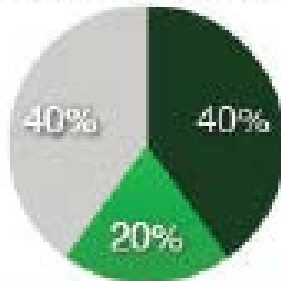
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



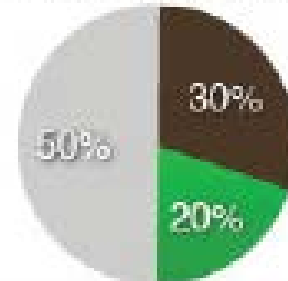
SOYBEANS 2017 CROP

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

