



*"Success usually comes to those who are too busy to be looking for it." – Thoreau*

**TUESDAY, APRIL 18, 2017**

**Morning Summary:** Macro traders seem a bit less nervous about geopolitical uncertainties as there have been no reported escalations from last week. North Korea remains a thorn in America's side, but the Trump Administration's firm warnings have proven to be reassuring, as more ideas circulate that China has become more inclined to help the U.S. temper North Korea's military goals. Military experts doubt North Korea will go too far in defying China's wishes as it's their only ally. Most also agree that North Korea is also not completely out of touch with reality, therefore fully realizes a first strike against the U.S., Japan or South Korea would be "suicidal." Of course the fact the country still insists on demonstrating their military might leaves open the possibility of an "accidental" strike, in which some miscalculation mistakenly leads to a missile striking a neighboring nation and the tensions turn into a full blown military clash. At the same time, plans for Russian-U.S.-United Nation talks have been proposed for April 24. The U.S. has yet to confirm. One new development to keep an eye on might be Turkey, where a contentious fight is setting up over a vote held this past weekend that some observers claim was riddled with "irregularities." Turkey has been an important ally in helping stop ISIS from advancing in Northern Iraq. Remember, the U.S. Congress is still out on vacation this week, so no major U.S. political events are expected out of Washington. Instead, investors are much more focused on fundamentals, especially corporate earnings. Key releases today are due from Bank of America, Goldman Sachs, Harley Davidson, IBM, Johnson & Johnson, Schwab, United Health and Yahoo. Interestingly the folks over at Convergenx recently pointed out how narrow this rally has become and how the big caps are leading the way. Essentially five companies – Apple, Amazon, Facebook, Google and Phillip Morris – make up 32% of the S&P 500's move year to date. All but Google are up over +20% on the year and each has at least a 0.9% weighting in the index. Therefore trying to guess if the big money-mangers will stay "over" or "underweight" these names is of great importance. Economic data for today is fairly light and will include U.S. Housing Starts and Building Permits along with Industrial Production. Investors will also hear from Kansas City Fed President Esther George who is speaking at a conference in New York. As of this morning the U.S. dollar, gold, crude oil and the stock market are all a bit lower... stay tuned!

**Tax Reform Deadline Of August "Unlikely" To Be Met:** *The Trump administration is unlikely to meet its self-declared August deadline for enacting tax reform, Treasury Secretary Steven T. Mnuchin said Monday. Mnuchin says the failed effort to repeal and replace the Affordable Care Act had thrown off the original timetable, as he also admitted that August was an "aggressive timeline" to begin with. The Trump administration had wanted to pass major tax legislation by the time Congress left for its August recess, as lawmakers have a better track record on pushing legislation through when they are up against a recess deadline. Failure to enact anything by August means it will be delayed till Fall at the very earliest, if it happens at all. At the very least, an overhaul*

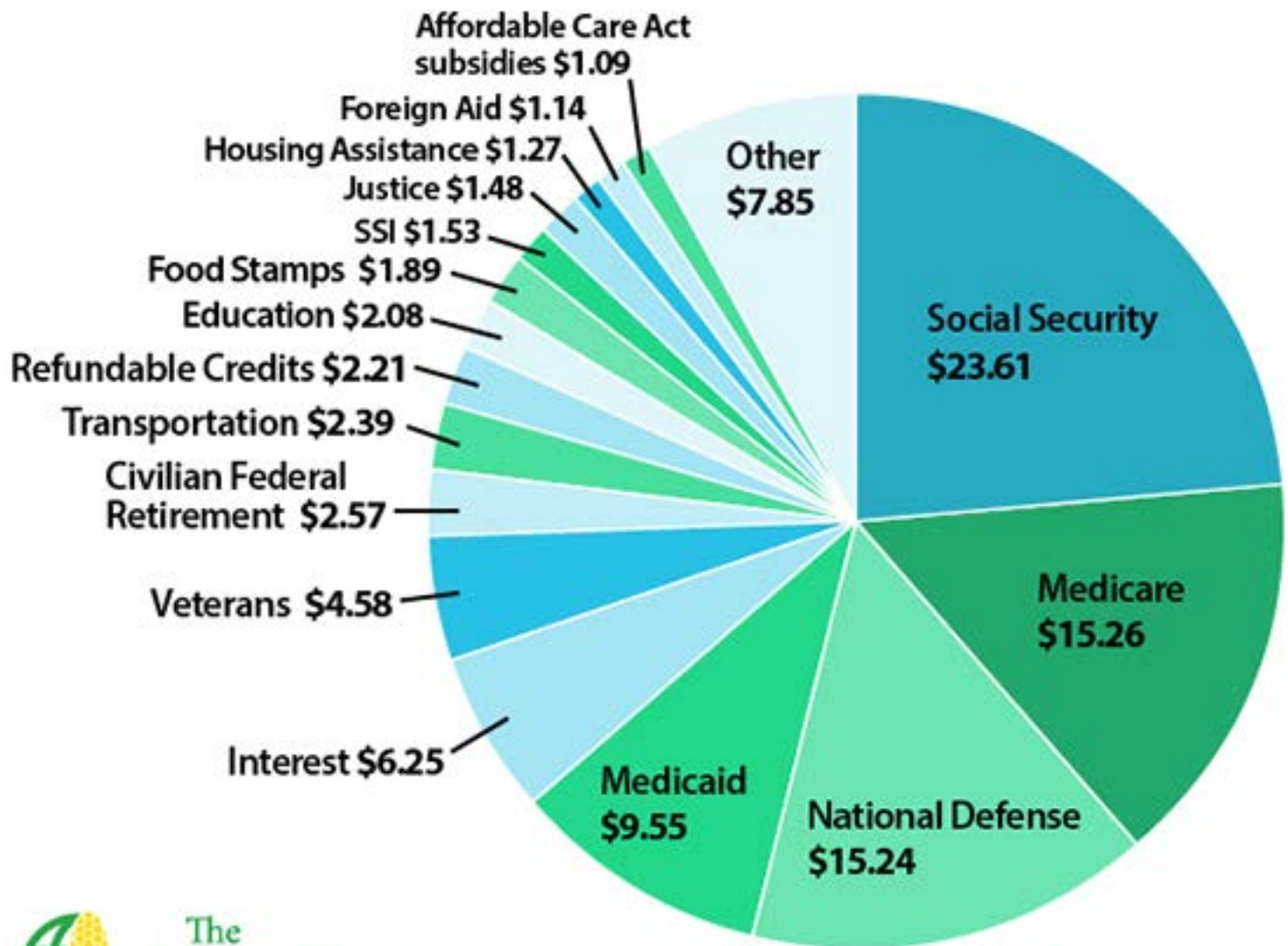
of the tax system could still take much, much longer than anticipated. Remember, the last major tax changes, in the 1980s, took more than two years to enact. Overall, delays will make it more difficult for companies to factor any changes into their spending decisions for next year. Enacting tax reform, including a cut in the corporate tax rate, by August would have allowed businesses to take the changes — particularly expected lower tax rates — into account as they planned for 2018. (Sources: Financial Times, LA Times)

**What Is Going On With Turkey?** Turkey's main opposition party on Monday urged the country's electoral board to cancel the results of a landmark referendum that granted sweeping new powers to the nation's president, citing what it called substantial voting irregularities. An unprecedented electoral board decision to accept ballots that didn't bear an official stamp has led to outrage. International observers say the move violated Turkish law and was only one of several alleged voting irregularities prompting domestic challenges and foreign criticism. The final vote tally gave the "yes" side 51.2% and the "no" side 48.8%. The vote enacts some of the most radical constitutional changes that Turkey has witnessed in some ninety years. Those changes would allow current President Tayyip Erdogan until 2029, a post that would give him sole power as the Prime Minister position would be abolished. The President also has sole power to appoint a Vice President, dismiss cabinet ministers, select judges on high courts and even the power to completely dissolve parliament on any grounds. The President is also the commander in chief. Opponents are very concerned the constitutional changes give too much power to a man they say has shown increasingly autocratic tendencies. Erdogan rejects the irregular election claims and has told critics to "Know your place. We won't see, hear, or know the politically motivated reports you prepare. We will continue on our path." Opposition groups plan to exhaust every avenue they have in pushing for the results to be annulled, but considering Erdogan had dismissed about one-third of the judges in the country before the election, they aren't likely to have much luck. That opens the path to one more country in the regions that is in a state of political upheaval. (Sources: Wall Street Journal, The Economist)

**Where Your Tax Dollars Are Going:** With today being the day we write the big check to Uncle Sam, I thought I would pass along a bit of information regarding where our taxes dollars are spent. In the last five years, the shares of spending for Social Security, Medicare and Medicaid have each risen more than +15%. Social Security and Medicare increased largely due to the aging of the population, while the increase in Medicaid comes from aging, growth in health-care costs and expanded eligibility under the Affordable Care Act, also known as Obamacare. Over the same period, the share devoted to national defense dropped -22%, in part because Congress reduced war spending and capped other military spending in 2011, according to CRFB senior staffer Marc Goldwein. The good news is we've seen double digit reductions in spending on Food Stamps, Housing Assistance and Unemployment Insurance. Read more at [The Wall Street Journal](#).

# Where Your Dollars Go

Allocation of \$100 paid in federal taxes for 2016



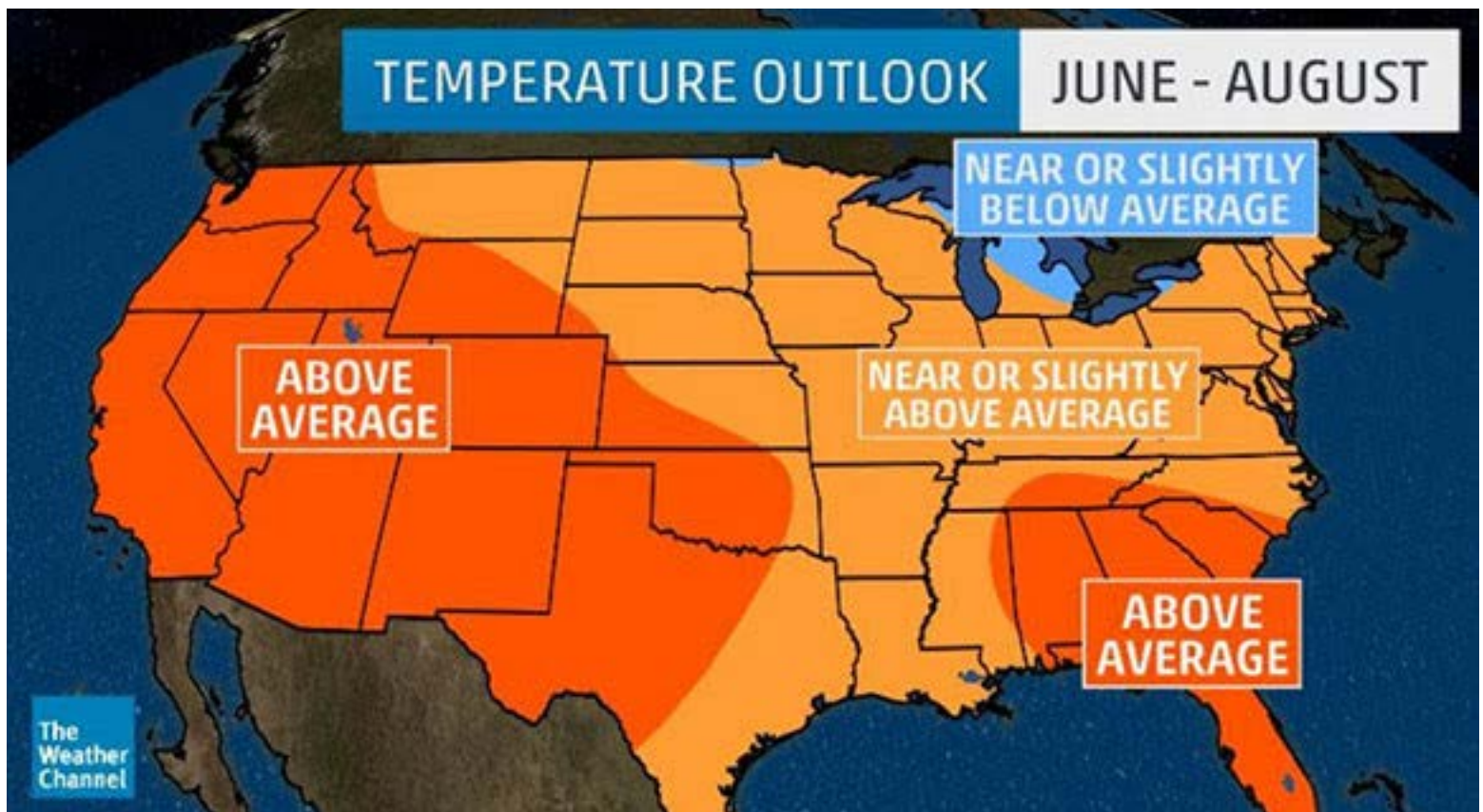
Source: Committee for a Responsible Federal Budget

**Weather** will see persistent rainfall this week across eastern portions of the Midwest as well as favorable conditions across much of South America for this week. Fieldwork remains on hold in many parts of the Midwest due to weekend rains. In eastern and southern portions of the Corn Belt, forecast calls for continued showers and thunderstorms this week. Moisture favors early-planted corn and winter wheat. However, rainfall will continue to impede overall planting progress. Northern areas will see lighter precipitation, but will have lower temperatures affecting fieldwork progress. In the southern Plains, recent and forecasted rains improve and maintain soil moisture for winter wheat. Recent warm weather will promote more rapid development of the crop. Meanwhile, chilly weather covers the



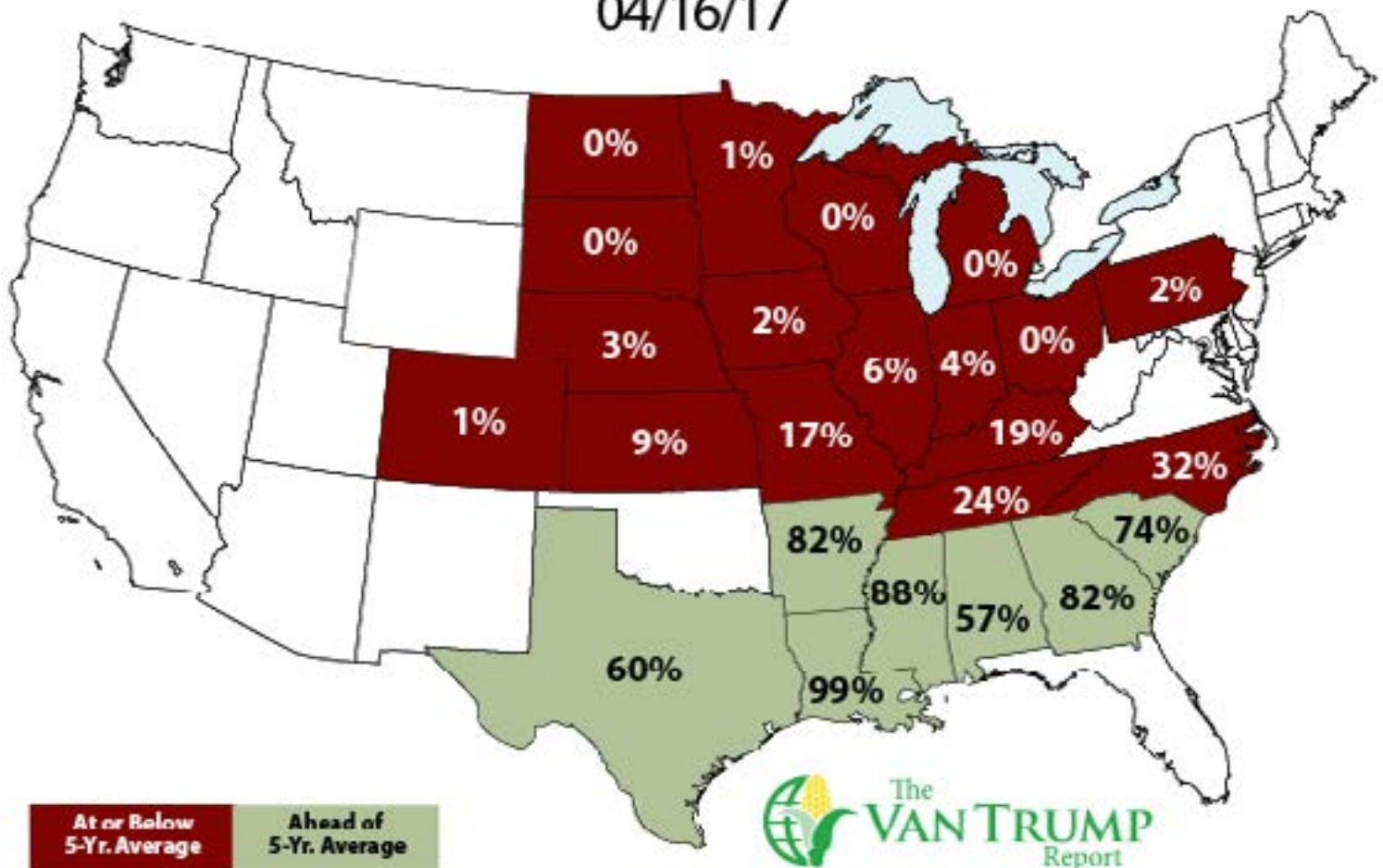
northern Plains; this morning's low temperatures dipped below 20 degrees F in parts of western North Dakota and environs. In the northern Plains crop areas have a slower outlook for spring fieldwork and planting, due to wet fields following late-winter and spring snow and rain. An active weather pattern will continue for the remainder of this week, with each storm system generally moving from west to east but taking a slightly more southerly track across the U.S. During the mid-to-late week timeframe, a strong system will traverse the central Plains, lower Midwest and Northeast. As the storm track shifts, cool air will gradually settle southward. Warmth will linger, however across the South. Five-day rainfall totals could reach 1 to 3 inches across large sections of the central and eastern U.S., except for mostly dry weather in the lower Southeast. Elsewhere, dry weather in the Southwest will contrast with occasional showers in northern California and the Northwest.

**Early Peek at Summer Temperatures:** *Warm temperatures are expected across much of the U.S. this summer, especially in portions of the South and West. The recent trend of above-average temperatures is also expected to prevail in the Southeast. Areas near the Great Lakes may see overall cooler-than-average conditions during the June through August period. It is important to remember that this is an overall trend for the three-month period June-August. An individual southward dip in the jet stream or an upper-level ridge of high pressure could lead to a brief period of colder or warm weather, respectively. If this forecast is correct this could mean near perfect weather this summer for several crops across the Midwest. Near or slightly above average temperatures would be favorable after what's turning out to be a fairly wet spring.*



**Corn** bulls are talking about U.S. planting conditions in key locations being less than ideal. The bears are giving little thought to a “yield drag” and or complications that can arise when fields are too wet and struggle with oxygen. In fact many sources inside the trade still refer back to the thought that the market doesn’t get overly worried until the second or third week of May, when the trade likes to see about 80% of the U.S. corn acres planted. Keep in mind back in 2013 we only had 12% of the crop planted by May 5th; 28% of the crop planted by May 12th; then jumped to a whopping 71% planted on May 19th. In other words the market has seen the U.S. producer plant a massive amount of corn in a short period of time and many professional traders still see a ton of time left on the clock and soil moisture levels being dramatically recharged. As a producer however we know the difficulties too much moisture can bring to the crop and it’s certainly creating a buzz out in the rural communities in regard to possible longer-term complications. The forward looking weather forecast is also causing some farmers concern as U.S. weather still looks wet for many parts of the Midwest during the next couple of weeks. Yesterday afternoon the USDA reported 6% of the U.S. corn crop is now planted which is up from 3% last week but still lags our 9% historical average. As you will see in the data and graphic below, many of our key corn producing states are now running well behind last years planting pace. The state showing the largest percentage planted is Texas with 60% complete vs. 49% last year; North Carolina 32% vs. 42% last year; Tennessee 24% vs. 32% last year; Kentucky 19% vs. 21% last year; Missouri 17% vs. 53% last year; Kansas 9% vs. 32% last year; Illinois 6% vs. 11% last year; Indiana 4% vs. 1% last year; Pennsylvania 2% vs. 4% last year; Iowa 2% vs. 11% last year; Colorado 1% vs. 0% last year; Minnesota 1% vs. 11% last year.

## Corn Planted 04/16/17



Source: USDA, NASS Crop Progress

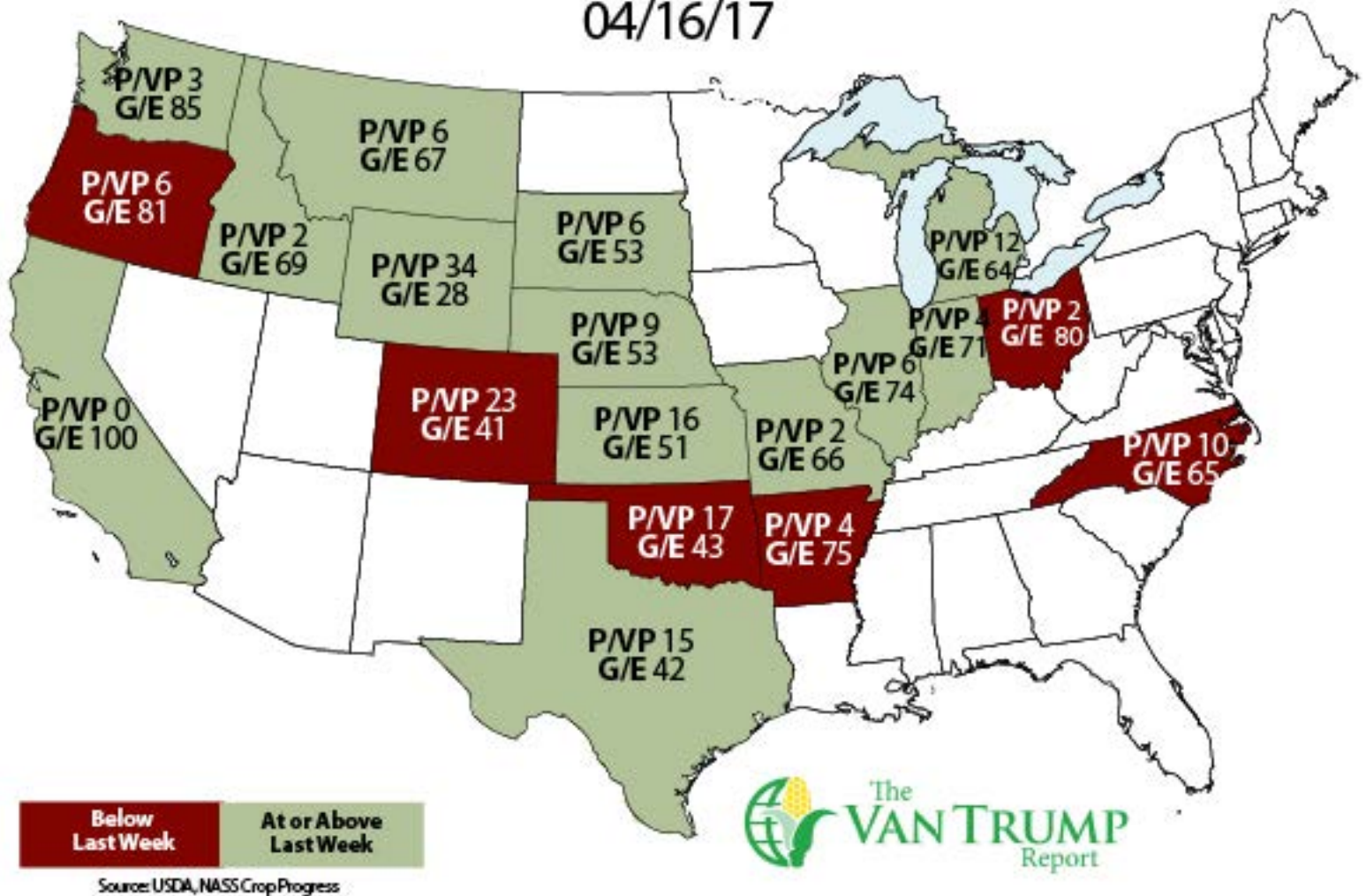
**Soybean** bears are talking about weak export inspections and a somewhat disappointing monthly NOPA crush report. The data showed just over 153 million bushels crushed during March which compares to 156.69 million bushels crushed in March of 2016. Soybean stocks were slightly higher than the trade was expecting at 1.815 billion pounds, this is the fourth month in a row soybean stocks have moved high, but we're still lower than last year's 1.858 billion pounds. A positive out of the NOPA data was meal exports being over +1.0 million tons and the largest monthly total since 2013. Bottom-line however is "demand" seems to be non-event. The trade seems much more focused on the record crop being harvested in South America and the record acres set to be planted here in the U.S. The bulls want to point towards weather complications and uncertainties surrounding too much moisture, but the bears say it's way too early to worry about soybean acres and early moisture may help to push more corn acres to soy. I should also point out the US Department of Commerce has announced they will be investigating dumping allegations towards Argentine and Indonesian biodiesel with a decision if the imports are hurting U.S. producers on May 8th. Remember Argentina is the world's #1 exporter of soybean, used to make biodiesel. Indonesia is the world's #1 producer of palm oil. Technically the MAY17 contract continues to trade around \$9.50 with nearby downside support thought to remain just below \$9.30 per bushel. The new-crop NOV17 contract is looking at nearby resistance in the \$9.75 to \$9.80 range with downside support at or just below \$9.50 per bushel.

**Wheat** continues to struggle and is trading near the low-end of its recent range. Technically the MAY17 SRW contract is approaching major support in the \$4.06 to \$4.16 range. The JUL17 contract is looking at nearby support in the \$4.20 to \$4.30 range, which appears to be right around the next corner. Globally traders are keeping an eye on weather in Europe, where some producers continue to report an overall lack of moisture, while others in the EU are worried about temps being too cold. The trade is also digesting more talk of potential weather complications and hiccups in parts of Canada. There has also been some concern about conditions in parts of southern Russia and Ukraine but it seems like the forecast there has turned a bit more promising and calling for more widespread moisture. Here at home the weather guru's are calling for mild temps and good moisture across a large portion of the HRW wheat producing areas. This keeping obvious pressure on the downside as the balance sheet remains extremely burdensome. The USDA weekly winter wheat conditions were again bumped higher. This time jumping from 53% to 54% now rated "Good-to-Excellent" compared to 57% last year. Winter wheat is also reported at 19% "headed" vs. 11% last year vs. 13% on average. Spring wheat planting was reported at 13% complete vs. 21% on average. Washington has just 20% planted this year vs. 60% planted last year at this stage; Montana just 8% planted vs. 32% last year; Minnesota 9% vs. 20% last year; Idaho 28% vs. 44% last year; North Dakota 6% vs. 13% last year; South Dakota 52% vs. 56% last year. The geopolitical headlines haven't proved to be enough to shake the bears and the traditional fundamentals continue to show an over-supplied market on little if any major weather hiccups. As they like to say... "an object in motion tends to remain in motion until acted upon by an outside force". Staying patient!



# Winter Wheat Conditions

04/16/17



**> China Cuts Planned Corn Area, Ups Soybean Acreage:** China's planned corn acreage will fall -4% this year, its second straight annual drop, as Beijing tries to whittle down its huge corn glut and boost planting of soybeans. According to survey results from the National Bureau of Statistics published on Monday, the shrinking corn acreage will be accompanied by an +8.1% jump in land dedicated to soybean crops this year. The estimates are in line with market expectations, according to analysts. Meanwhile, the nation's planned acreage dedicated to wheat will fall -0.8% in 2017, while that for rice and cotton will go down -0.3% and -0.7% respectively, the survey showed. NBS also reported that Chinese Pork output increased by +0.2% in the first quarter. (Source: Reuters)

**> EU Wheat Ending Stocks Seen Falling -37%:** Inventories of wheat held in the European Union will probably plunge -37% to 10.1 million metric tons at the end of June,

according to Strategie rains. The combination of a poor harvest, strong consumption and higher-than-expected exports is draining stockpiles, which will probably stay low next season, the researcher said. "The fact that the EU situation will be in tight balance and stocks around the world are expected to decrease, especially by main exporting countries, could impact prices," says the consultancy. EU wheat exports for this season were boosted by +300,000 tons to 23.5 million tons. The EU's total grains production is poised to rise 3 percent to 305.2 million tons in the new season that starts in July, rebounding from a drop this season.

**> Brazil Soybean Harvest Reaches 65% in Southernmost State:** Soybean harvest in the southernmost state of Brazil, Rio Grande do Sul, has advanced 15 percentage points to 65% of the surface. This is 10 percent ahead of the same period of last year and nine percentage ahead of the five-year-average. Yields are also said to be higher than in 2016.

**> Reduced U.S. Corn Acres Could Impact Livestock Operations:** USDA's recently released 2017 crop planting intentions have implications for livestock producers, according to Oklahoma State University Extension Livestock Marketing Specialist Derrell Peel. Early planting intentions for corn were down 4.3 percent from last year at 90.0 million acres. Soybean planting intentions were up 7.3 percent at 89.5 million acres. "From a feed perspective, decreased corn (and grain sorghum) acreage raises the chances for a slightly higher 2017 crop year corn price and, perhaps more importantly, increases the risk of higher feed grain prices should adverse weather conditions develop during the 2017 growing season," Peel wrote in a recent report in the Cow/Calf Corner newsletter. He noted, however, that higher than expected grain stocks remain from the record 2016 corn crop, which should keep feed grain prices favorable for the remainder of the 2016 crop year.

**> Ukraine Close To Completing Early Grain Planting:** Ukraine's Ag Ministry reports that the country's farmers have planted 5.43 million acres of early grains out of the planned area of 5.93 million acres. Spring wheat planting has reached 85% of the planned area while barley at 91% of projected area. Meanwhile, corn planting is progressing with 583,168 acres of a planned 11.12 million planted.

**> U.S. Investigating Biodiesel Dumping Claims Against Argentina, Indonesia:** In case you missed it, U.S. officials announced late last week that they have launched an investigation into imports of biodiesel from Argentina and Indonesia for possible dumping and subsidization. The U.S. International Trade Commission is scheduled to make a preliminary decision by May 8 on whether such imports hurt U.S. producers.

**> USDEC Begins Trade Trip To China:** The U.S. Dairy Export Council begins a week-long trade mission in Singapore and China this week. Council President Tom Vilsack tells Brownfield the Trump administration's change in trade policy makes trips like this important. "With the decision to remove the U.S. from TPP, the Trans-Pacific Partnership, we think it's incredibly important for us to look for creative ways to maintain presence, to build up a presence, and to make sure that people understand that there's a quality product that can be purchased at a reasonable price." Vilsack is traveling with an undisclosed Dairy Export Council member company. He tells Brownfield they are looking for more market opportunities. Vilsack says the council's goal is to expand overall dairy exports from 15% to 20%. (Source: Brownfield)

**> New Glyphosate Study Is In The Works:** A study being done with the help of a con-



controversial lab in Italy is preparing to look at the risks of long-term exposure to glyphosate - though the results are unlikely to influence the EPA's risk assessment for the herbicide. Reuters reports the European Union, which is set to decide whether to keep the chemical on the market by the end of 2017, is watching the study closely, Reuters reports. But the study will likely be published after the EPA releases its draft risk assessment that's expected later this spring. Once that's out, the agency will be reluctant to update the long-overdue assessment, especially given questions over the Ramazzini Institute, the Italian lab conducting the study. EPA officials have raised questions about the institute in the past because of its very conservative reading of research findings.

**> American Families And Their Changing Relationship To Weed:** Over the last four and a half years, eight states and Washington, D.C., have legalized pot for recreational use; medical marijuana is legal in 28 states plus D.C. Strictly speaking, selling or possessing marijuana is still a federal crime, although rarely enforced except against large-scale growers or dealers; the new administration may be rethinking that policy. But how is this massive shift in society affecting our most important relationships? To find out, Yahoo partnered with the Marist Poll to produce an exclusive, in-depth look at weed and the American family. Marijuana use has become surprisingly open and acceptable in families where adults use marijuana — and, in fact, the majority of Americans who say they use marijuana are parents (54 percent). What's more, pot is now a bigger part of family life than ever before. Kids aren't hiding it from their parents as much as they used to. Many parents aren't even hiding it from their kids. Already nearly half — 47 percent — of user parents (people who use the drug at least once or twice a year) say they have consumed marijuana in front of their (usually adult) children, shared it with them or done both. And more than one in four users say they've consumed marijuana in front of or with their own parents. (Source: Yahoo Health)

## Openness

Parents who use marijuana and have told their children



Adults who use marijuana and have told their parents





**Central Illinois** - We were able to sneak one bonus day in on Saturday before Easter then it rained 3/4" on Easter. Winter overall was dry and the 5" of rain since March has been a blessing. We are in near perfect condition but there is room for a bit more moisture should we get it. We were able to save about \$20 an acre on fertilizer and we also went with a little corn that is minus the rootworm protection. We feel comfortable with the move considering our lack of history with it. Other than that we have run as lean as we could the last three years and will not be cutting back further. All the old crop beans are sold and we have 40% of the corn still to market. We are fired up and ready to go as soon as it dries up.

**Eastcentral North Dakota** - It's cool up here again and the soil temperatures keep dipping below 50 degrees at night. Not to mention we received more rain the other night so we are probably out of the field for another week. We still have field work to do before we plant but there is plenty of time as we can wait until the end of the month without concern. 2016 was a record yield with both crops and we have sold all the beans and have 40% of corn sold. We have already sold more new crop bean and corn than at this point last year and glad we have done so. We swapped a few tractors out with other used one this winter. We are not interested in new iron and the financial chain that it carries. We are seeing a lot of wheat and sugar beets being planted already. It seems a little early to me but I have never worked with those crops before. We have seen the banks tighten up here and cause a few auctions as guys have subsequently retired.

**Southeast Kansas** - We have been very wet here over the past two weeks and we are supposed to get another shot of rain this week. There is plenty of moisture in the ground which is a little unusual around here. We are all dry land and when we start out with a moisture deficit things can get ugly in a hurry. Most of the corn around here is in the ground and a lot has already emerged. Around the 11th of April is when guys will get going. We just have a couple days of corn planting left. Our neighbor is planting our corn this year because like many guys in the area they are going all beans. His planter was sitting so he said he could plant ours, while he waits to plant his beans. We will have commercial corn and a few fields of silage. We will feed the majority of our corn. I am hoping with the big change to beans we will see a pop in the corn basis. The guys I have talked to say the beans just pencil better than corn for this year, especially in our area where corn yields can get hit hard if the weather does not cooperate. Normally guys will be a little heavier beans, maybe 60/40 but there will be many guys that are above 90% beans this year. I know that we don't matter much in the scheme of things but guys may be in trouble if they don't market their beans early.

# CROSSING WIRES

A place to share intelligent thoughts...

**U.S. Leads World In Beef Consumption:** *When it comes to beef consumption, the U.S. is the lead cow. In 2016, U.S. beef consumption accounted for 20% of global beef consumption. In fact, U.S. beef consumption is well ahead of other top consumers; the European Union, China, and Brazil each account for 13% of global consumption. Overall, the top-ten countries account for 79% of global consumption. Since 1990 global beef consumption increased a total of +19%, or at an average annualized rate of 0.7%. For context, corn consumption expanded at +3% annually over the same period. While both numbers are small, the difference is huge. For instance, the Rule of 72 would suggest that total corn consumption – given 3% annual growth- would double in 24 years while it would take more than 100 years for total beef consumption to double (at 0.7% annual growth). To read more interesting data and numbers on beef visit the Agricultural Economic Insights blog and read the recent post by David Widmar titled, ["Global Beef Trends"](#).*

**Too Many "Tribes" and Not Enough "Networks":** *Thinking outside the box has always helped me stay one step ahead of the crowd. A recent interview of Anne-Marie Slaughter regarding her new book "The ChessBoard & The Web", published by Wharton made me stop and think... " Yes, we have way too many tribes and not enough networks. In other words, we've got plenty of people who are deeply and closely connected to people who think alike. It is well documented that as we are more segregated into red and blue communities and more segregated by class, we are less likely to come into contact with people who think differently than we do. Some of these more old-fashioned civic networks– Little League, the United Way — brought us together in ways that we were connected to others who were different. We need to rebuild a lot of that. It's harder now. Again, lots of people will say, "I know I need a network." But my point is, not just a network — we need different networks for different purposes. You need to think strategically: "If I want to do this, then I need this kind of network." You should have one center and lots of people around it. There are ways of thinking very strategically about building a network, just like you would think strategically about a chess game. Read more [HERE](#).*

**Millions Of U.S. Dollars Found In Nigerian Apartment:** *The Nigerian anti-corruption unit discovered more than \$43 million in US dollars at an upscale apartment in Lagos. The agency said in a statement it raided the apartment Tuesday after a tipoff about a woman in "dirty clothes" taking bags of it in and out of the apartment. These crackdown in crime has been credited to a whistleblowing policy launched in December by Nigeria's finance minister. Whistleblowers can now anonymously provide information through a secure portal, if the information leads to the recovery of stolen public funds, the whistleblower is entitled to between 2.5%-5% of the total money recovered. Read the full story and see some of the pictures [HERE](#).*

**Selling Mark Zuckerberg:** *Until recently, Mark Zuckerberg's most iconic public appear-*



ance may have been the image of the young startup founder sweating through his hoodie onstage while journalist Kara Swisher grilled him at a tech conference in 2010. Zuckerberg, now a 32-year-old dad with one daughter and another on the way, has evolved considerably. He hired speechwriters. He spruced up his uniform from Valley schlub to monochrome minimalism. He took on a series of annual self-improvement challenges that made him into a "lifestyle guru" for some male tech workers. Now, Zuckerberg is even leading the charge for Silicon Valley tech CEOs who, post-election, have committed to leaving their bubble and interacting with the American public. He's actively inserting himself into unfamiliar situations. This time around, however, Zuckerberg has cut out the media middleman. He's communicating with people through his own platform, where he has amassed 88 million Facebook followers. His personal challenge in 2017 to visit all 50 states and he's making good time. He's already visited an oil rig in the Gulf of Mexico, sampled BBQ in Baton Rouge, and petted a baby longhorn at a rodeo in Ft. Worth. And if all of this sounds like a listening tour designed to test a run for office to you, you're not alone. Read more [HERE](#).

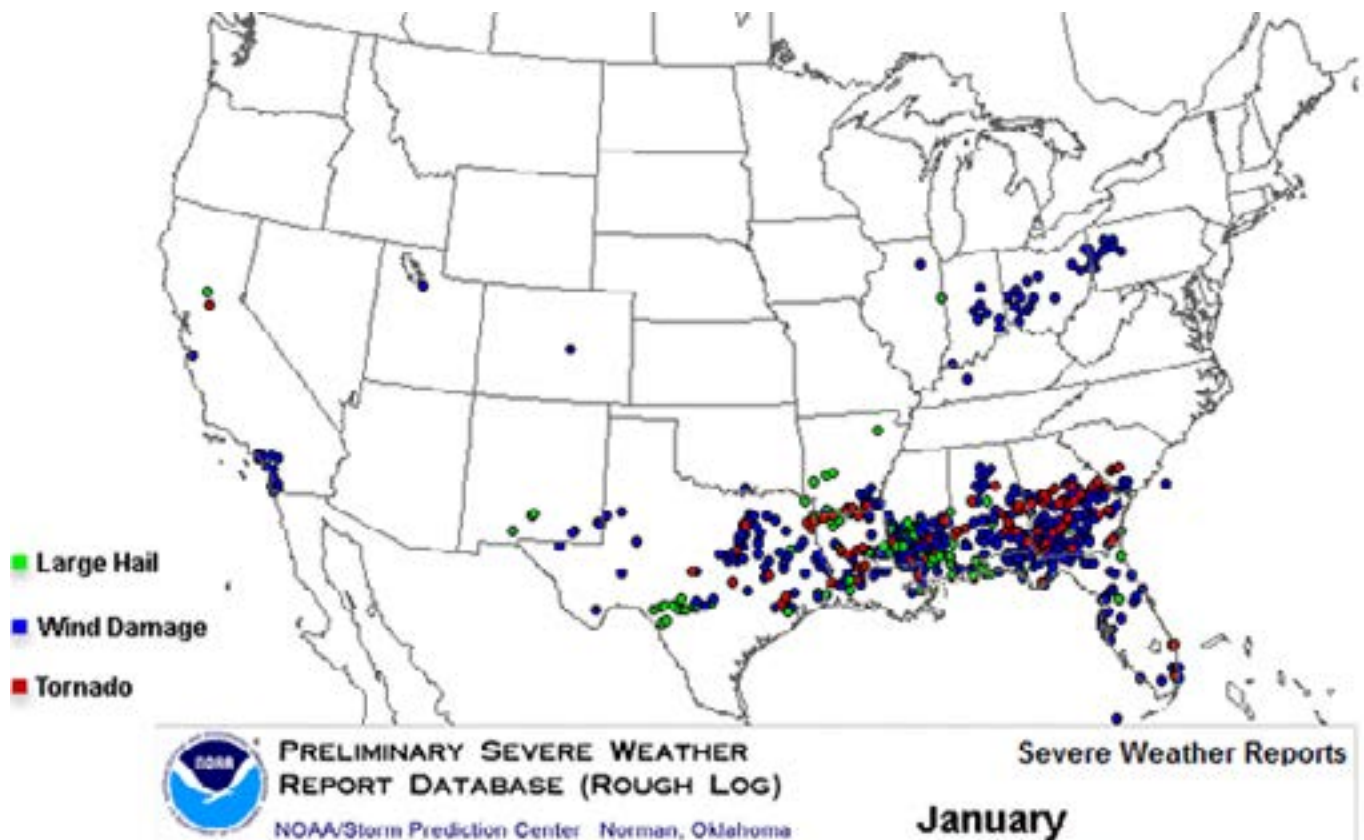
**Why Do Shoelaces Come Undone?** Researchers at the University of California, Berkeley, have unraveled one of life's enduring mysteries: Why do shoelaces come undone? When running, the foot hits the ground at about seven times the force of gravity. That impact is transmitted to the knot, which stretches and relaxes in response. As the knot loosens, swinging legs apply an inertial force on the free ends of the laces and — voilà! — pretty soon your laces are flopping around, looking like overcooked spaghetti. The researchers identified "strong" knots, those commonly associated with square knots, and "weak" ones tied in the style of a "granny" knot. For a quick lesson on the best knot to use Click [HERE](#)





## Weather In 2017 Off To A Destructive Start... Will The Trend Continue?

The U.S. has endured a destructive start to 2017 as multiple severe weather outbreaks have spread across the nation. Data shows there has been 5,372 reports of severe weather across the nation through April 8, according to NOAA's Storm Prediction Center. That figure includes reports of tornadoes, large hail and wind damage. Interestingly this more than doubles the average of 2,274 for the same period of time during the past 10-years. During that decade, only 2008, had close to the same number of severe weather reports by this juncture. The animation below shows where severe weather has piled up month-by-month. As you can see portions of the South have been hit the hardest, but the Midwest has also seen a high concentration of severe weather. Breaking down the numbers further, you see wind damage has accounted for about 61% of the 5,372 severe weather reports, followed by large hail with 29% and tornadoes at 10%. These severe thunderstorms are largely responsible for the record number of U.S. billion-dollar weather-related disasters in [the first three months of 2017](#). In fact three separate severe weather outbreaks have caused damage of a billion dollars or more. On an unusual note this year has also seen severe weather including tornadoes push farther north than normal and earlier in the year. Massachusetts was hit by two EF1 tornadoes Feb. 25. No other February tornadoes are known to have struck the state during that month in the historical record. Just over a week later, Minnesota experienced a similar rare early-season event when severe thunderstorms spawned three EF1 tornadoes March 6. Obviously, if this furious pace of weather persist, we could see a delayed and disrupted harvest in the coming weeks. (Source: NOAA, [SPC](#))





## **What You Need To Know About Last Weeks "Mother of All Bombs"**

Military sources reported last week that the U.S. dropped a bomb officially named the GBU-43/B "Massive Ordnance Air Blast" or for short "MOAB". Interestingly the acronym took on another name, being called the "Mother Of All Bombs" after officials witnessed it in its testing stage. From what I understand it's a 30 foot bomb with a blast yield equivalent of about 22,000 pounds of TNT. In fact it's the closest thing the U.S. military has to a nuclear bomb in its arsenal. As many know, the target of last weeks heat was ISIS forces in Afghanistan. Details of the attack remain sparse, but according to CNN, the bombing aimed to take out ISIS tunnels in the Achin district of Afghanistan's Nangarhar province. What we do know is that the MOAB is an extremely powerful weapon. First developed in the lead up to the 2003 Iraq invasion. Interestingly the bomb had only been detonated in testing before the recent attack in Afghanistan. However, MOAB served as a weapon of psychological warfare after it was moved into the theater of war back in 2003. The U.S. military also distributed videos of test drops that show how the 21,600 pound GPS-guided bomb can level entire armies. The main attribute of the MOAB is that it causes overpressure. This "overpressure" is caused when the bomb detonates at a low altitude over its target, which provides the ability to crush underground tunnels and bunkers like the ones often used by ISIS. According to a study from the global Research Center for Research on Globalization such bombs are able to drill through 200 feet of reinforced concrete. While the attack was the first of its kind, military officials have been quick to reassure that this bomb is not even close to being a nuclear weapon. For comparison, the nuclear bombs dropped on Hiroshima and Nagasaki during World War II had explosive yields of about 15 to 20 kilotons, equal to that of 30,000,000 to 40,000,000 pounds of TNT. Check out a video on the MOAB [HERE](#). It's worth a look! (Source: [CNN](#))





## **You Better Keep What Grandma Gives You... It Might Be Worth A Small Fortune**

I don't watch much t.v. outside of the occasional sporting events, but as I get older I have caught myself watching more episodes of the Antiques Roadshow and American Pickers. I love watching folks make flea market finds or bring in something that has been passed down from generation to generation. Obviously, both shows tend to present the "big finds" for the viewing audience and share their associated history. In fact most often it's the "story" I love more than the actual item itself. What is it about uncovering an unknown or "hidden" treasure that intrigues us so much? A few weekends back I was traveling to an auction to bid on a very rare Civil War clock. I had Michelle doing some research in the truck on the item and she ran across the Antiques Roadshow's 20th anniversary season's Top-10 items. I thought I would share, hope you enjoy the stories. If you have a family heirloom or item you have found and want to take it to the Antique Road Show be sure and visit their site early. I believe tickets for their summer events in Missouri, Oregon, Pennsylvania, Wisconsin are already sold out. Visit their site [HERE](#) (Source: [Antique Road Show & Entertainment](#))

**Joseph Kleitsch Oil Painting:** *Appraised in New York in 2014, this oil painting by Joseph Kleitsch was dated around 1925 and originally purchased for approximately \$100. Fine art appraiser Debra Force gave the owner quite the surprise when she offered an estimated gallery price of \$500,000.*

**1907 Robert Henri Oil Painting:** *A woman brought a classic oil painting by American artist Robert Henri to the show's stop in San Diego in 2010. She explained that it was given to her by her father and that the woman in the painting is her grandmother. Appraiser Peter M. Fairbanks told her that the family treasure should be insured for \$250,000-\$300,000, a total that was later raised to \$500,000-\$700,000 in 2016.*

**1896 Frederic Remington Portrait with Letter:** *A man was in for a surprise when he brought a painting of his great-grandfather, Lea Febiger, to Antiques Roadshow's 2014 stop in Birmingham. The piece was done by a friend of Febiger's, artist Frederic Remington, and included a letter from the painter to the subject. Appraiser Colleene Fesko told the owner his piece would likely sell for between \$600,000 and \$800,000 at auction.*

**Alexander Calder Mobile:** *A participant in Antiques Roadshow's 2010 show in Miami Beach brought in a mid-20th century mobile by American sculptor Alexander Calder. Appraiser Chris Kennedy told the owner that her family heirloom could auction between \$400,000 and \$600,000 and even retail when Calder is trendy for \$1 million.*

**Navajo Ute First Phase Blanket:** *A man brought in a piece of history to Antiques Roadshow when the show stopped in Tucson in 2001. "I don't know an awful lot about it, except that it was given by Kit Carson, who every... I'm sure everybody knows in his history. Given to the foster father of my grandmother," he said of the 19th century Navajo blanket in his possession. Appraiser Donald Ellis gave the owner a shock when he informed him that the item was valued at \$350,000-\$500,000 — a total that was raised to \$750,000-\$1 million in 2016.*

**18th-Century Qianlong Jade Collection from Qing Dynasty:** *In Raleigh in 2009,*

a woman brought in a stunning collection of Qianlong Jade, dating back to the 18th century. Appraiser James Callahan gave the owner her first idea of just how much the items were worth, offering an appraisal of \$710,000-\$1,070,000 at auction.

**1904 Diego Rivera 'El Albañil' Oil Painting:** In Corpus Christi, Texas in 2012, a man brought in a painting by Diego Rivera, which had been hanging behind a door in a family home. Dated to 1904, the 'El Albañil' work was authenticated and appraised by Colleene Fesko, who put the value at \$800,000-\$1 million.

**1871-1872 Boston Red Stockings Archive:** A woman brought some very special sports memorabilia to the Antiques Roadshow in New York in 2014. She explained to appraiser Leila Dunbar that her great-great-grandmother had a boarding house in Boston, where the Boston baseball team stayed in 1871. That relationship resulted in a family heirloom of original Boston Red Stockings baseball cards and a letter from the first lineup, a collection appraised at \$1 million.

**Chinese Rhinoceros Horn Cups:** Antiques Roadshow saw one of its most valuable lots in Tulsa in 2011. A man said that he had been collecting rhinoceros horn carvings for decades and had a particular affinity for a certain cup, going on to purchase its full set. Made around 1700, the ornate collection was originally purchased by the owner for approximately \$5,000. Appraiser Lark E. Mason gave the owner a significant margin when he appraised the set at \$1 million-\$1.5 million.

**Patek Philippe Pocket Watch:** A modern pocket watch from Swiss watchmaker Patek Philippe can already fetch quite a pretty penny. But a pristine timepiece from the brand dating back to 1914? That's Antiques Roadshow gold. The owner brought the treasure, which was handed down from his great-grandfather, to the show's stop in St. Paul, Minn. in 2004. Appraiser Paul Hartquist estimated the auction value at \$250,000, a total that was increased in 2016 to \$1.5 million.





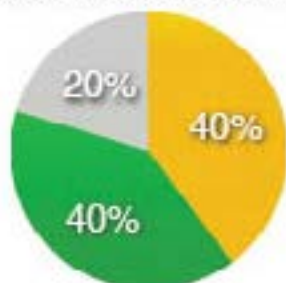




# CASH SALES & HEDGING TOTALS

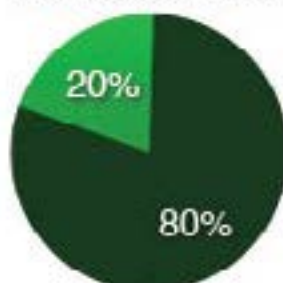
## CORN 2016 CROP

40% SOLD  
40% HEDGED  
20% UNPROTECTED



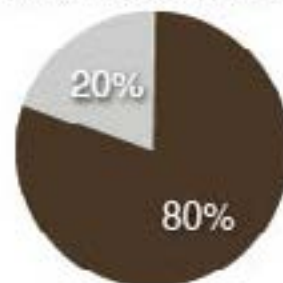
## SOYBEANS 2016 CROP

80% SOLD  
20% HEDGED  
0% UNPROTECTED



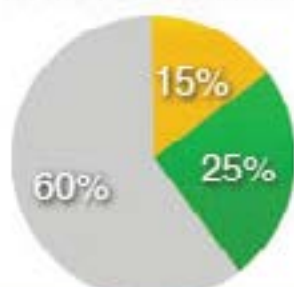
## WHEAT 2016 CROP

80% SOLD  
0% HEDGED  
20% UNPROTECTED



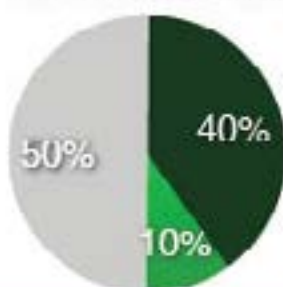
## CORN 2017 CROP

15% SOLD  
25% HEDGED  
60% UNPROTECTED



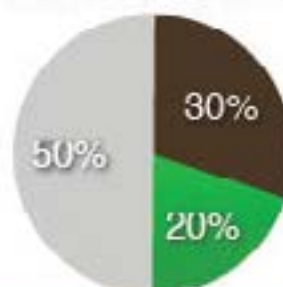
## SOYBEANS 2017 CROP

40% SOLD  
10% HEDGED  
50% 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

