

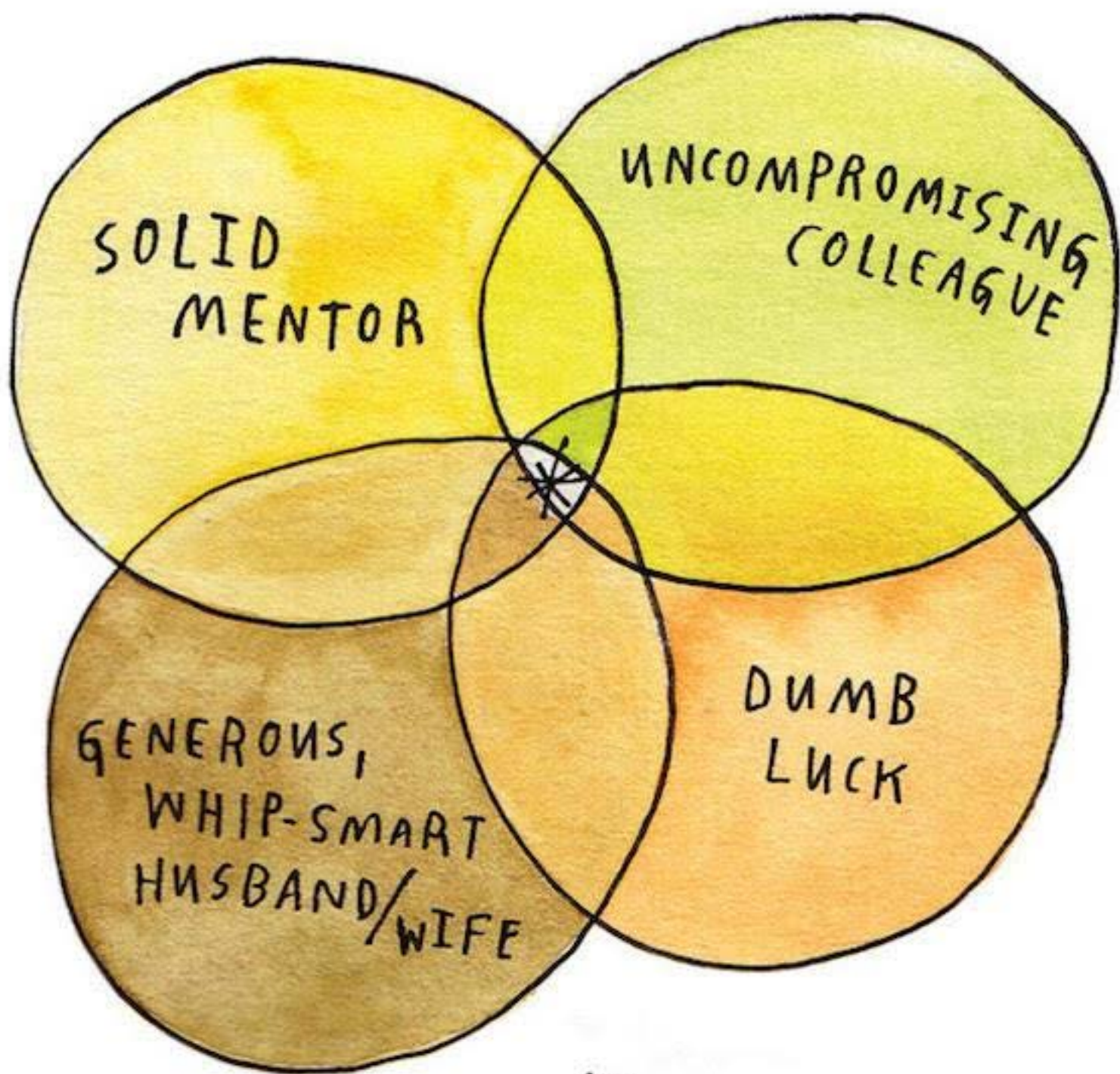


"Life is too short to waste time. Doing nothing is an expensive choice." - **Steve Jobs**

TUESDAY, APRIL 25, 2017

Morning Summary: Macro money managers appear to be moving past the anxiety surrounding the French presidential election with most suspecting a victory by centrist Emmanuel Macron is an "all clear" signal. My perspective is a bit different, believing even if Macron prevails in the second round, the country's political system will still have a ton of fresh new hurdles to overcome in the months ahead. Therefore I will continue to monitor the situation as it plays out deep into the summer. Here at home investors are turning their attention to headlines out of Washington and in particular Trump's ability to move forward with his highly promised deregulation, tax-reform and infrastructure spending programs. Lawmakers are continuing to negotiate a funding bill that would keep the government funded past the midnight deadline on Friday, April 28. Senate Majority Leader Mitch McConnell says the goal is to have talks wrapped up sooner rather than later, but he and other Democrats will strongly oppose any proposal tied to spending that funds building the Mexican border wall, for which to this point President Trump has been asking for \$1.5 billion. Also out of Washington, it was reported by anonymous sources that President Trump has ordered White House aides to speed up work on drafting a tax plan, prioritizing tax cuts that would include slashing the corporate rate to 15%. Apparently, Trump wants the plan ready to release by this week, as his 100th day in office happens this Saturday. As for today's economic data we will be digesting the latest in Consumer Confidence, New Home Sales and the Richmond Fed Manufacturing Data. Today we will also be digesting a wave of corporate earnings from some key bellwether corporations, including AT&T, Biogen, Capital One, Caterpillar, Chipotle, Coca Cola, Corning, Discover, DuPont, Eli Lilly, Lockheed Martin, McDonald's, Novartis, Stryker, Texas Instruments, T. Rowe Price, 3M and Valero. The trade is also keeping a closer eye on North Korea where tensions appear to be escalating. They have reportedly staged a massive live fire-drill to commemorate the 85th anniversary of the founding of its military following the docking of a U.S. submarine in the South. Over the past weekend, North Korea said its revolutionary forces are "combat-ready to sink a U.S. nuclear powered aircraft carrier with a single strike... an actual example to show our military's force." The statement came as two Japanese navy ships join a U.S. carrier group for exercises in the western Pacific. The Trump administration has now invited all 100 U.S. senators to a White House briefing tomorrow to discuss the situation, while the President calls for new U.N. sanctions against the nation. The situation is clearly escalating and I suspect gets worse before it gets better.

Always A Stronger Reminder: *This picture hangs on my wall and I like to pass it along from time to time. I think it does a great job of summing things up!*



*GREATNESS

Sonny Perdue Confirmed As U.S. Ag Secretary: *The Senate yesterday evening confirmed Sonny Perdue to serve as Agriculture Secretary. The former Georgia Governor was the last Trump cabinet post, announced just a day before the President's January 20 inauguration. Perdue takes office just as Trump is set to sign an executive order today that promotes agriculture and "rural prosperity," and will hold a roundtable discussion with some farmers at the White House.*

Production If OPEC Output Deal Lapses: *Russian oil output could climb to its highest rate in 30 years if OPEC and non-OPEC producers do not extend a supply reduction deal beyond June 30, according to comments by Russian officials and details of investment plans released by oil firms. The Organization of the Petroleum Exporting Countries, along with Russia and other non-OPEC producers, pledged to cut 1.8 million barrels per day (bpd) in output in the first half of 2017. With global inventories still bulging, Gulf and other producers have shown increasing willingness to extend the pact to the end of 2017. Saudi Arabia and Kuwait signalled last week they were ready to prolong cuts. Russia, whose contribution to the cuts was 300,000 bpd, has yet to state publicly whether it wants cuts to run beyond June and Russian officials have also indicated that local oil companies were ready to push up output once the pact runs out. Russia's biggest oil producer Rosneft has said it plans to boost output this year thanks to newly acquired oilfields, including Kondaneft group of fields in Western Siberia, the heartland of Russian production. In 2016, Russia produced about 547.5 million metric tons, or an average of 10.96 million barrels per day. Under the deal with OPEC, Russia was to cut production to 10.947 million barrels per day from 11.247 million barrels per day. (Source: Reuters)*

Gas Prices Continue To Rise On Anticipated Summer Demand: *Gas prices have continued their climb with the national average for a gallon of unleaded gasoline running \$2.42 as of yesterday, and increase of +13 cents over last month and +29 cents more than last year. As gas prices continue to reach new heights and hit an all-time high for the year, the summer demand has not kicked in, meaning consumers can expect the price at the pump to continue to rise for coming weeks. Based on recent American Petroleum Institute reports, U.S. gasoline deliveries in March were the second highest March deliveries ever recorded. Four states in the Northeast region landed on the top 10 list of biggest increases: Massachusetts (+4 cents), Connecticut (+4 cents), New Hampshire (+4 cents) and Rhode Island (+4 cents), while Pennsylvania (\$2.64), Washington, DC (\$2.55) and New York (\$2.52) held their spot on the list of top 10 most expensive markets. The West Coast continues to lead the country with the most expensive gas. The Rockies, Great Lakes and Central states all saw slight gains, while the South and Southeast remained mostly steady. (Source: AAA)*

NATIONAL AVERAGE GAS PRICE COMPARISON, 2014 TO 2017

April 24, 2017



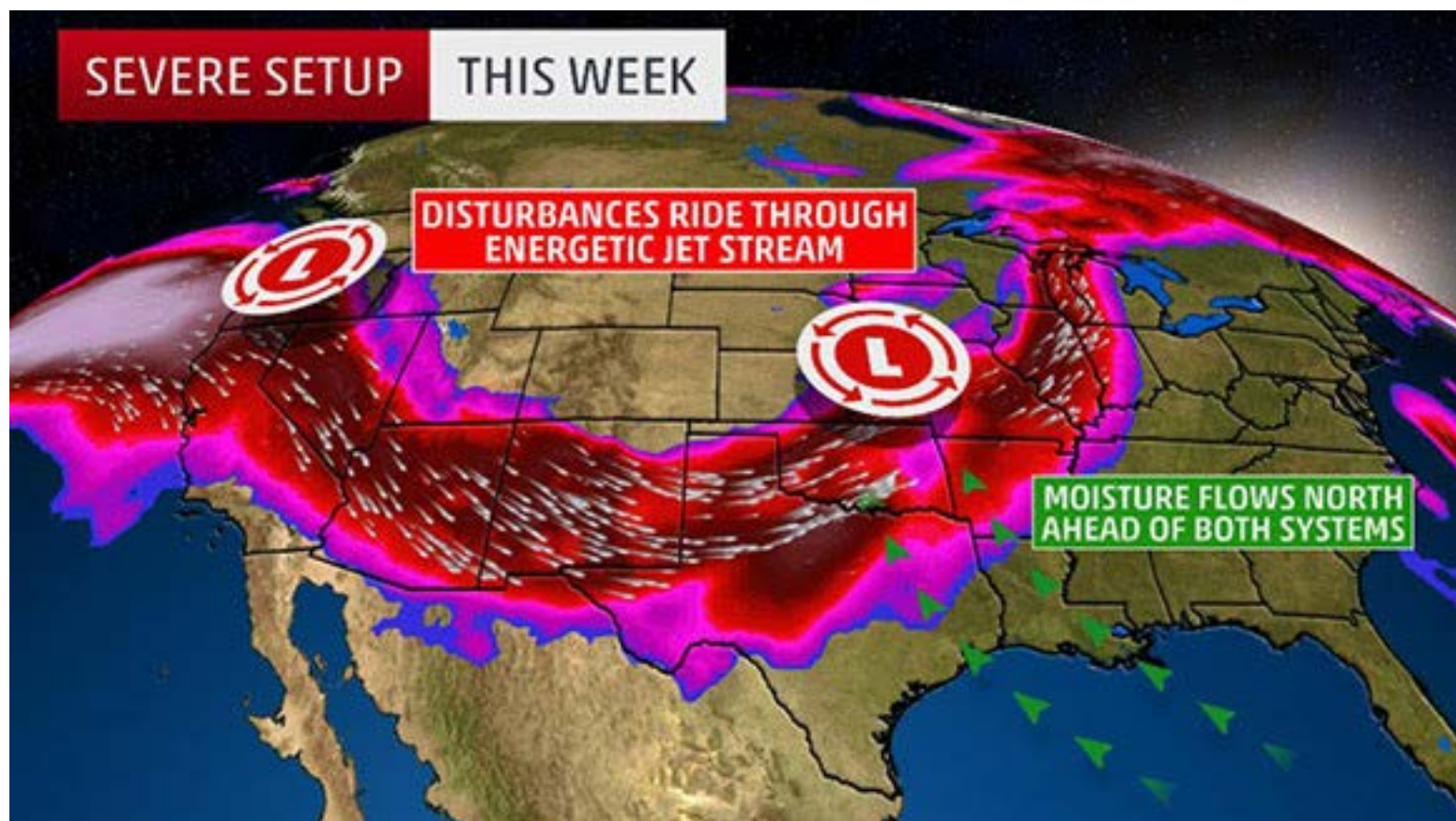
Note: Prices are per gallon for regular unleaded gasoline.

Source: AAA (GasPrices.AAA.com)

Weather is mainly focused on significant Midwest planting disruption due to heavy expected rain. A cold and wet pattern in northern crop areas is expected. There are some decent opportunities for fieldwork occurring in the southern Corn Belt, which has received only light rain in recent days. However, late in the week, heavy rains will push through. On the Plains, unusually cold weather will prevail across the northern tier of the region, accompanied by a few rain and snow showers. In contrast, warm, dry weather on the central and southern Plains is promoting winter wheat development and summer crop planting and emergence. Upcoming rains and a cooler trend will slow growth rates in the coming days. However, the moisture will benefit winter wheat maturation. A southeastern storm will remain the focus for heavy rain as it drifts along the Atlantic Seaboard through mid-week. Meanwhile, dry weather will prevail through week's end from southern California to the Mississippi Valley and from the Midwest into the Northeast. In contrast, five day amounts of two to five inches can be expected in the Pacific Northwest, with one to four inch totals possible in the northern and central Rockies. Active weather will also continue across the Plains and Midwest, with periodic showers and thunderstorms likely. Elsewhere, mid to late week surges of cool air will engulf much of the western and central U.S. In Brazil, recent rainfall will favor second crop corn in Mato Grosso do Sul and Parana. Rain in the first half of the week will be unfavorable for summer crops and harvest but it should dry up in the second half. In Argentina, conditions have been good for maturing summer crops and harvesting. Light to moderate showers may affect Cordoba and Santa Fe early this week but most of the time it will be drier.

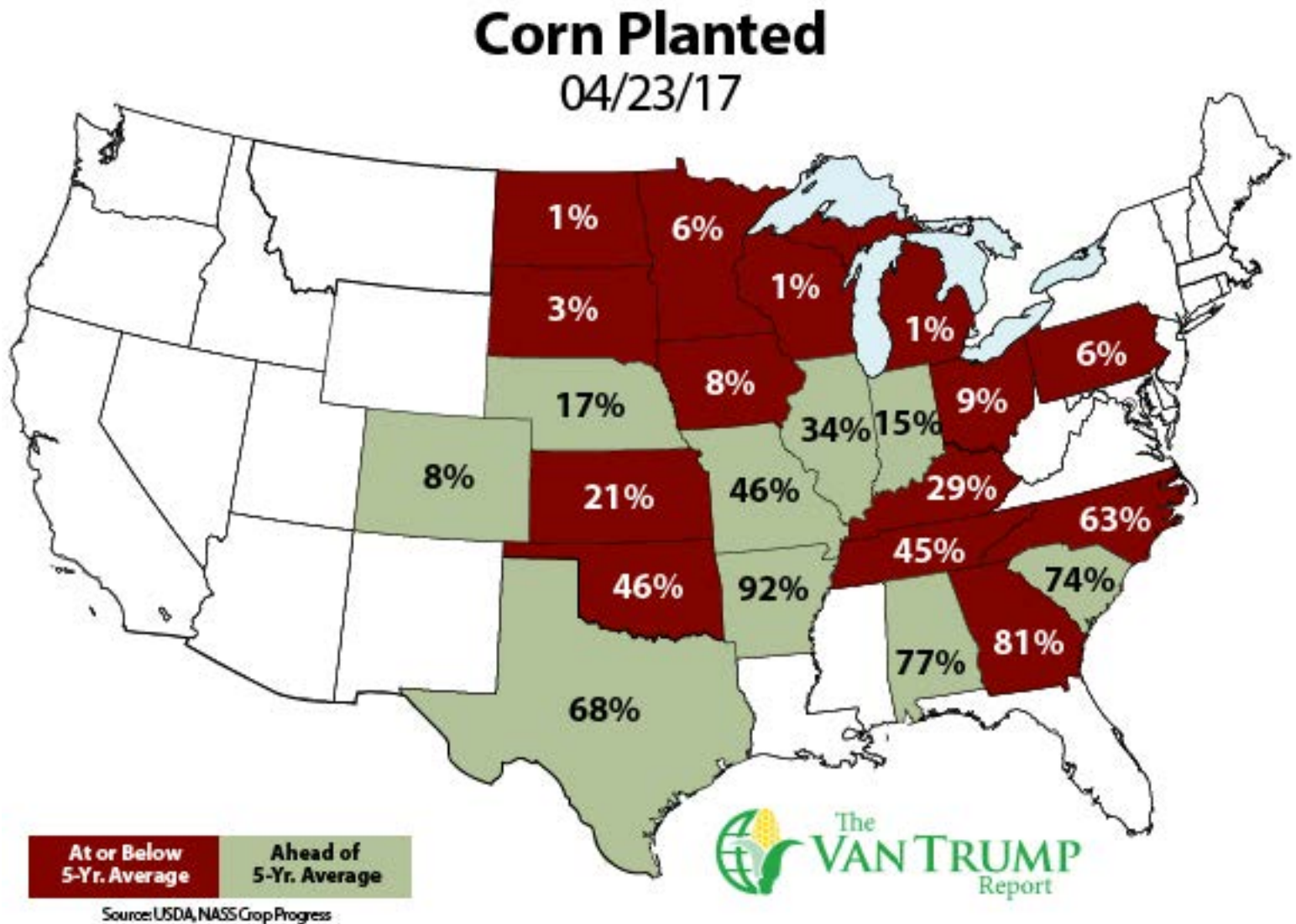
April To End With A Few Rounds of Severe Weather: *An active jet stream will help*

fuel multiple rounds of severe thunderstorms that could include tornadoes in April's final week. The first disturbance rippling through that jet stream will bring severe storms from the central Plains into the lower and middle Mississippi valleys midweek. Right after that, another potentially more robust weather system could fire off more severe weather in the southern Plains Friday, which may then shift farther east into next weekend.



Corn producers are a bit surprised by the USDA's big jump in planted corn acres. Most sources thought we might jump from 6% planted to perhaps 10% or 14% planted, but to push all the way to 17% seems to be a bit of a stretch. Keep in mind that places us just -1% behind our traditional 5-year average planting pace. It just seems like it has been too wet and too cool for what these numbers indicate. Interestingly Illinois jumped from 6% to 34% planted; Missouri jumped from 17% to 46%; Tennessee jumped from 24% to 45%; Kentucky 19% to 29%; Kansas jumped from 9% to 21%; Nebraska from 3% to 17%; Indian from 4% to 15%; Ohio from 0% to 9%; Iowa from 2% to 8%; Colorado from 1% to 8%; Minnesota from 1% to 6%; South Dakota from 0% to 3%; Michigan, North Dakota and Wisconsin now both on the board with 1% planted. As you can see from the graphic I included below, this now puts Arkansas, Colorado, Illinois, Indiana, Missouri, Nebraska and a few other states ahead of their traditional planting pace. The USDA also reported 4% of our corn crop as "emerged", which is right in line with our historical pace. Globally there is very little change in the headlines. The Argentine harvest is gaining some momentum but still remains behind its traditional pace. The second-crop corn in Brazil seems to be getting cooperative weather as the rains continue to fall. Unfortunately there's just nothing game-changing about any of the recent news or headlines. Therefore I continue to believe we are stuck in a sideways trading channel with the new-crop DEC17 contract

comfortably trading between \$3.75 and \$4.00 until something more exciting comes along. The old-crop JUL17 contract looks stuck between \$3.50 and \$3.80 per bushel. With more heavy rains in the forecast I still believe longer-term crop complications are on the horizon. As both a producer and a spec I like the intermediate upside potential more than the downside risk. It's just ought to overcome the burdensome balance sheet that is currently in play without more facts to support production setbacks.

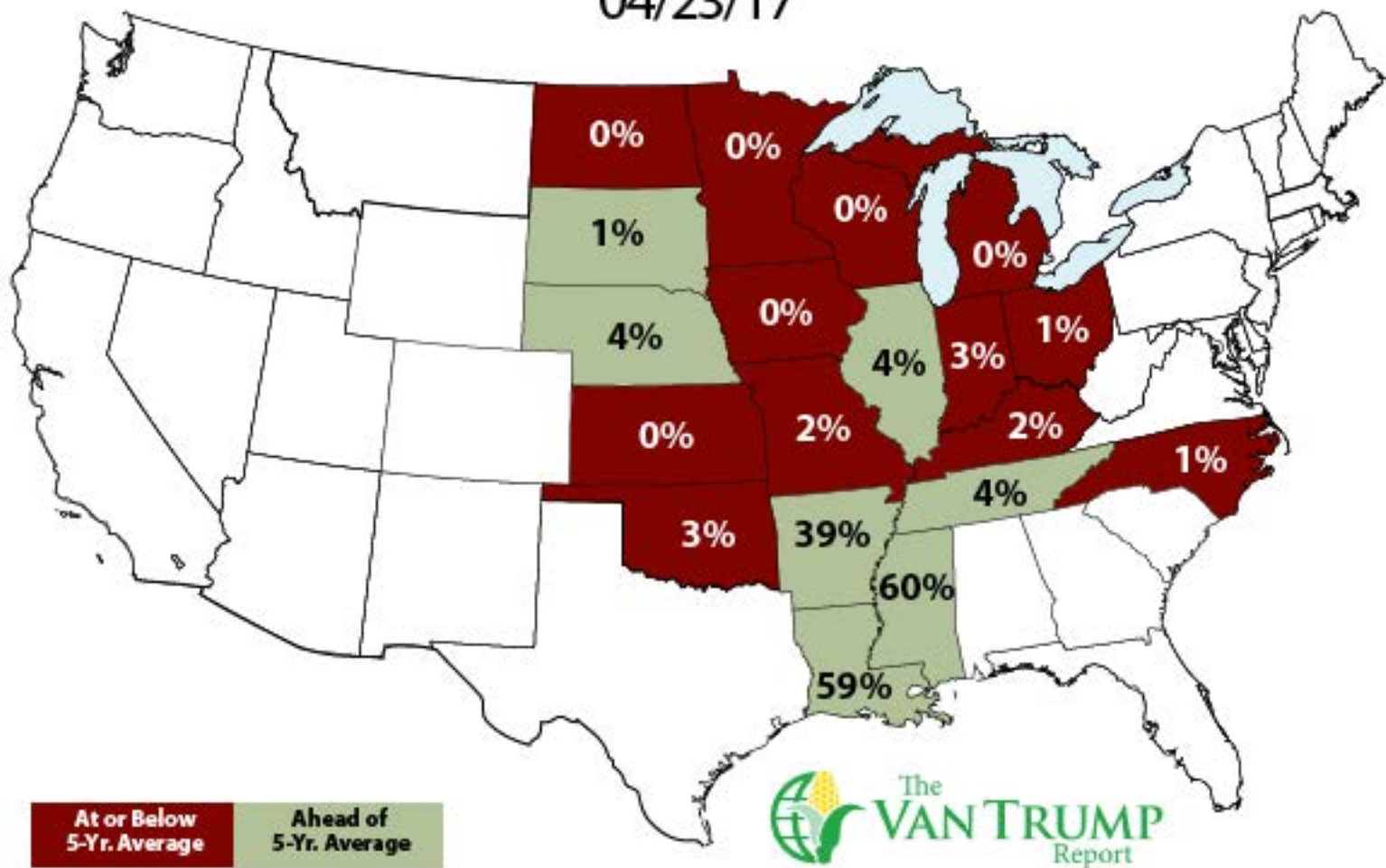


Soybeans traders, similar to corn, are a bit surprised by the USDA's brisk pace of planting. In fact it was very surprising to see 6% of the soybean crop reported as planted vs. our traditional pace of about 3% planted by this date. As you can see from the graphic I included below, most all the action has occurred down in the Delta. I was actually a bit surprised to see both Illinois and Nebraska with 4% planted. Globally there's very little new in the headlines. The investment world seems to have a more overall "risk-on" attitude following the French election and there seems to be more talk circulating in regard to the Chinese economy getting its feet back underneath itself, hence perhaps a more macro tailwind on the heels of a slightly weaker dollar. Unfortunately the bearish fundamentals remain in play with a record crop coming out of the fields in South America and the U.S. producer expected to plant a record of nearly 90 million acres. Until the burdensome supply side story has a few holes shot in it, I have to imagine the upside rallies will be fairly

fleeting and limited in size. As a producer I remain extremely patient. As a spec I would like to be a longer-term buyer but on a more substantial break in price. Technically the bulls are talking about the new-crop NOV17 contract finally trading back above its 20-Day Moving Average. Unfortunately we are still below the 100 and 200-Day averages and the contract seems comfortable trading between the \$9.50 and \$9.80 range. Staying patient...

Soybean Planted

04/23/17



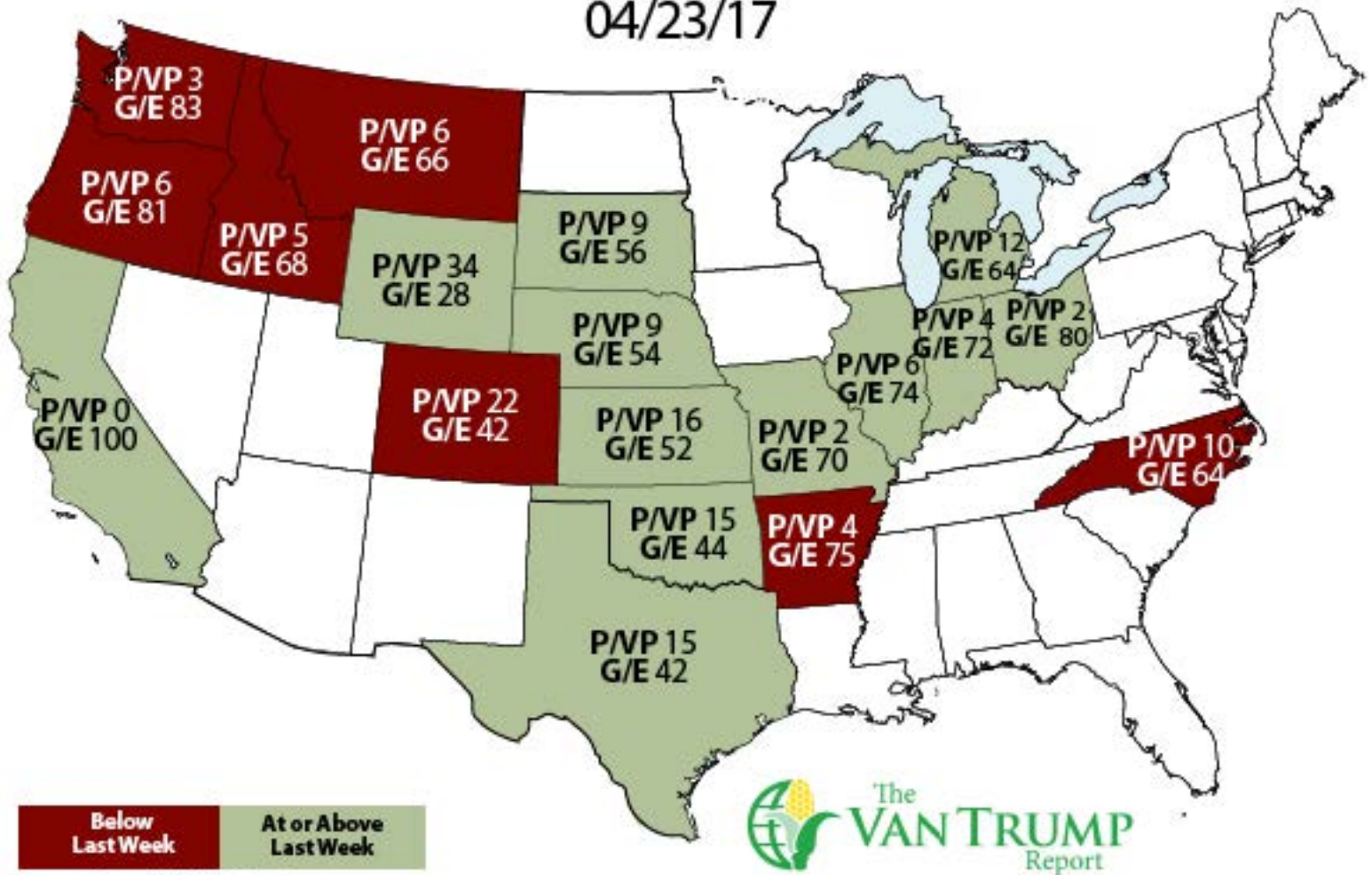
Source: USDA, NASS Crop Progress



Wheat bulls are happy to see the USDA's weekly crop-conditions level off and show "no-change" at 54% rated "Good-to-Excellent". The USDA also showed 32% of the winter wheat crop as "headed" which is well above our historical pace of 23%. Spring wheat was reported at 22% planted vs. 13% planted last week vs. our historical pace of 34%. States still significantly lagging are Minnesota, Montana, North Dakota and Washington. For what it's worth I still believe the spring wheat planted acre number is going to work itself lower. There's also some weather hiccups in Canada that might provide an eventual bullish tailwind. I hate sounding like a broken record, but I still have no interest in playing the short side of the wheat market. I fully understand the burdensome domestic and global fundamentals but I see the longer-term "risk-to-reward" starting to build in favor of the upside. Lets also keep in mind the weather in parts of Europe are less than ideal and geopolitical uncertainty is growing as we speak.

Winter Wheat Conditions

04/23/17



> Red Meat Supplies Fall -5% from Last Month: *USDA's Cold Storage shows total red meat supplies as of March 31, 2017, in freezers were down -5% from the previous month and down -7% from last year. Total pounds of beef in freezers were down -8% from the previous month and down -4% from last year. Frozen pork supplies were down -3% from the previous month and down -10% from last year. Stocks of pork bellies were up +27% from last month but down -68% from last year.*

> Monumental Weather Bill Signed Into Law To Bring Greater Forecasting Data: *The Trump administration recently signed the first major weather legislation enacted since the early 1990s. The new move is trying to improve forecasting for everything from Cat-*

egory-5 hurricanes to the next El Nino. The 97-page bill, called the "Weather Research and Forecasting Innovation Act of 2017," recently gained bipartisan support in Congress. From what I understand an entire section of the bill is devoted to improving weather forecasts between two-weeks and two-years into the future, which could prove tremendously valuable for farmers and utilities. Hopes are longer-term forecasting will give producers better information about what and when to plant, as well as the ability to make advanced preparations in other industries that may be impacted. Another worth-while portion of the bill focuses on stimulating the private sector to generate weather data that the government can use to improve forecasts. (Source: AccuWeather)

> Paraguay Expecting Record High Soybean Production: Paraguay could beat its historical record of soybean production this year. Paraguayan output is estimated at 10.1 million metric tons and consolidating its position as the fourth largest exporter of the oilseed in the world. The local Ministry of Agriculture says that the number of 11 million metric tons can be beat throughout the year with a harvested volume of 10.2 million metric tons already and a second crop. In a story for the Brazilian online newspaper Gazeta do Povo, some describe the crop as "perfect". Paraguayan soybean yields are higher than those of Brazil.

> French Grain Crops Threatened By Dryness: Dry weather in top European grain producer France is raising concern over this year's grain crops, with experts and analysts saying rainfall is needed soon to avoid damage. France harvested its worst wheat crop in three decades last year, mainly due to heavy rainfall in the spring, and fears are rising of a repeat this year for opposite reasons. "If it does not rain in the coming weeks, the consequences on yields will be major and the situation will then become very complicated for the whole chain, mainly producers," Michel Portier, head of consultancy Agritel said in a statement. Conditions have been dry in Britain too, although it is not yet a major concern for winter wheat and rapeseed. (Source: Reuters)

> Russian Wheat Exports Up +5.7% Year-On-Year: Russian wheat exports in the 2016-17 marketing year to April 19 were up +5.71% year-on-year to 23.003 million metric tons, ministry of agriculture data showed. Wheat exports from Russia had been slower than expected in the 2016-17 marketing year, which began last July 1, as farmers have been slow to let go of stocks in the domestic market due to continued low prices, sources said. But increased commitments in March and April have meant the current marketing year Russian exports have surpassed the previous year's volume. Exporters have also shipped 4.146 million metric tons of corn in the current marketing year, up +6.72% on the year, data showed. Barley exports are down -39.85% to 2.430 million metric tons.

> Ukraine Cold Spell May See Slight Development Delay Of Spring Grains: This past week saw poor weather conditions with a substantial swing in average daily air temperatures all over Ukraine. This spring's cold-spell coincided with the beginning of stem elongation in winter wheat. Therefore, following the temporary pause, winter crops will continue growing, hopefully with almost no losses, UkrAgroConsult notes. In South Ukraine, spring cereals sown in late March have 3-4 leaves per plant and are 8-11-cm tall. In this condition they can survive exposure to temperatures of down to -40C for 2-4 days. The edges of leaves may die back, but they are capable of rapid regeneration. The cold-spell will result in a 5-7-day delay in the normal plant development progress. (Source: UkrAgroConsult)

> Canada's Snow Spring Raising Worries: *A snowy spring on the Canadian Prairies is raising jitters from the farm to the futures market about double delays in harvesting and planting in the major wheat- and canola-exporting country. Many fields went unharvested last fall due to wet weather, and farmers hoped to salvage those crops before planting the next this spring. The province of Alberta alone has 1.2 million to 1.5 million acres (486,000 to 607,000 hectares) left to harvest, much of it canola and wheat, said government crop specialist Harry Brook. It is not unusual for central Alberta to have crop left over to harvest in spring, but the high amount this year stands out, Brook said. Most Canadian Prairie crop planting occurs in May, but this year it could extend into June, Brook said. Planting later raises the risk that cold nights in late summer may damage immature crops. Snow was possible for most Prairie crop-growing areas on Monday, according to the federal weather forecasting agency Environment Canada. Central Alberta's soil is already soaked, having collected over twice as much precipitation as normal in the 30-day period ending April 20, according to Agriculture and Agri-Food Canada. Drier weather ahead should enable most Prairie farmers to plant on time. But it may not be enough for central and western Alberta, which needs about six straight arid weeks to dry soggy soils, harvest last year's crop and plant the new one, said Drew Lerner, senior agricultural meteorologist at World Weather. (Source: Reuters)*

> NOSB Urges Trump To Let Standards Take Effect: *The Agriculture Department's organic advisers have urged the Trump administration to allow the organic animal welfare standards finalized by his predecessor to take effect without further delay. In a unanimous resolution passed on Friday, the National Organic Standards Board argued that the rules reflect consumer expectations about treatment of animals raised for organic meat, eggs and dairy and are necessary to maintain the integrity of the department's green-and-white organic seal. While the NOSB has been calling for animal welfare standards to be included in the organic rules for years - unanimously recommending the USDA take action in 2011 - it's rare for the board to call on the administration directly. The standards were made final the day before Trump took office. They were set to go into effect on March 20, but the Trump administration delayed them until mid-May to allow for further review. The regulations have come under fire from large organic egg producers for provisions requiring more indoor space and outdoor access for each hen. Producers argue that even with the years-long implementation called for in the rule, compliance costs could put them out of business. (Source: Politico)*

> Iran Reports Bird Flu Outbreak: *Iran has reported an outbreak of the highly contagious H5N1 bird flu virus in backyard ducks in the northern part of the country, the World Organisation for Animal Health (OIE) said on Monday, citing a report from the Iranian agriculture ministry. The outbreaks killed 10 birds out of a total of nearly 230 in a house in Mahmoodabad on the coast of the Caspian Sea. All other animals were destroyed.*

> Yahoo CEO Marissa Mayer is set to make some \$186M *as a result of the internet company's sale of its core business to Verizon. A special meeting to vote on the deal is scheduled for June 8, according to securities filings. Yahoo's hefty payout comes despite Mayer's inability to accomplish what she was hired to do five years ago: revitalize the fading internet icon. (Source: SeekingAlpha)*

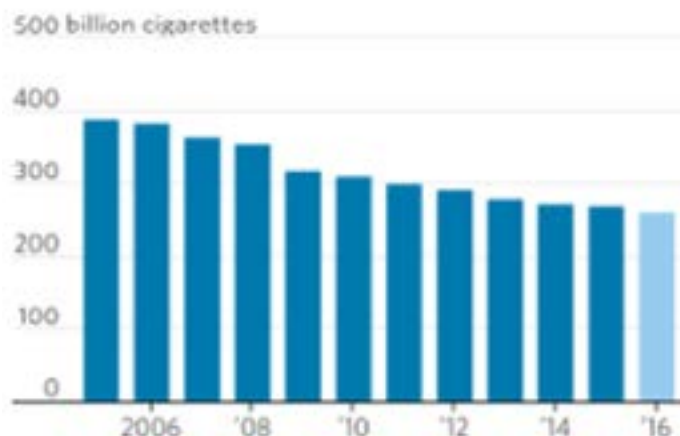
> Tobacco Companies Are Raking In High Profits: *Far fewer Americans are smoking, and yet U.S. tobacco revenue is soaring, thanks to years of steady price hikes. Americans spent more at retail stores on cigarettes in 2016 than they did on soda and beer com-*

bined, according to independent market-research firm Euromonitor International. Consolidation and cost cutting are boosting profit. The number of cigarettes sold in the U.S. fell by 37% from 2001 to 2016, according to Euromonitor. Over the same period, though, companies raised prices, boosting cigarette revenue by 32%, to an estimated \$93.4 billion last year. An average pack in the U.S. cost an estimated \$6.42 in 2016, up from \$3.73 in 2001, according to TMA, an industry trade group. The operating profits of U.S. tobacco manufacturers have grown 77% since 2006 to \$18.4 billion in 2016, according to Bank of America Merrill Lynch Global Research. Industry executives and analysts now figure the country generates more tobacco profits than any other market in the world outside China, where a state-run monopoly controls sales and prices. (Source: The Wall Street Journal)

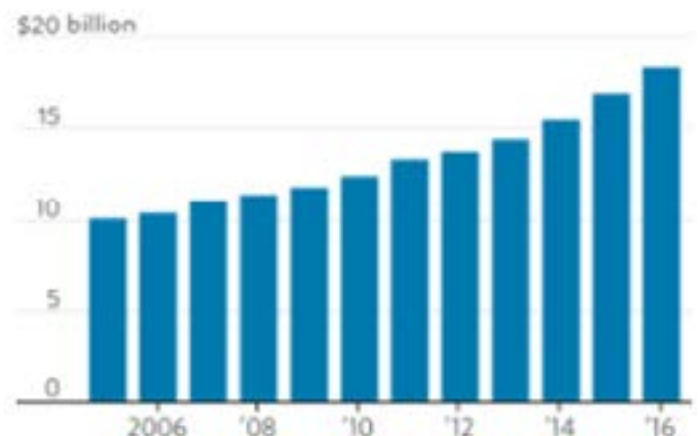
Smoking-Hot Returns

Although the number of cigarettes purchased each year has been dropping, tobacco companies have been making more money. The rising price of a pack is a big factor in the tobacco companies' growing profits, even though state and federal taxes eat a hefty portion of the sales price.

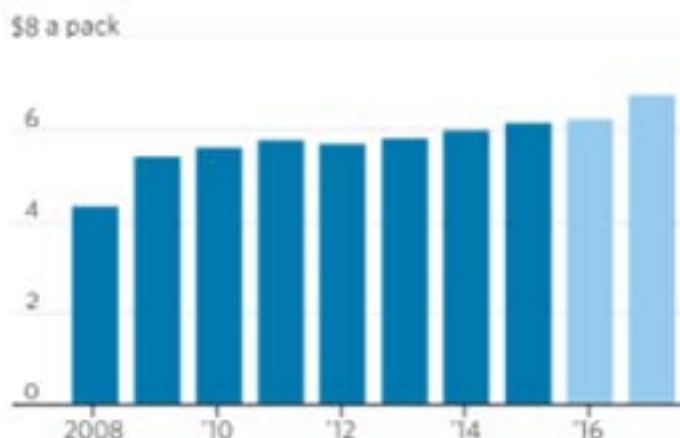
Cigarettes sold in the U.S.*



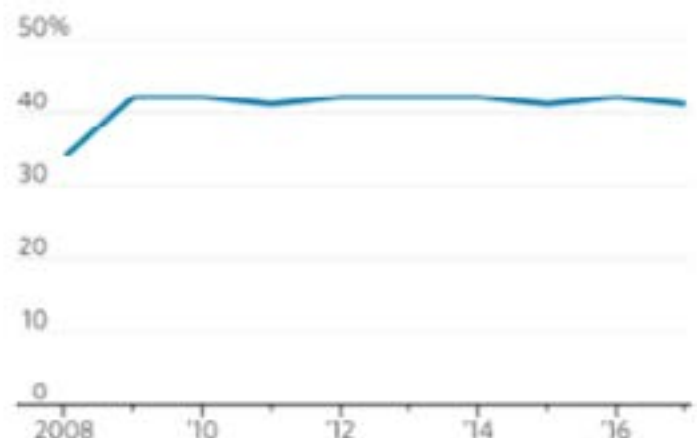
Total U.S. tobacco profit pool



Average price of a pack of Marlboros



Taxes as a percentage of retail price†



*2016 is an estimate †For a pack of Marlboros Note: 2016 and 2017 data are estimates for average price and taxes for a pack of Marlboros.

Sources: Euromonitor International (cigarettes sold); Company reports and Bank of America Merrill Lynch Global Research estimates (profit pool); Wells Fargo (price per pack, taxes)



Northern North Dakota - *It is a little unbelievable that we are getting snow right now and they are saying that we may get up to 6". To make matters worse is the fact that it is only going to be 20 to 30 degrees over the next few days. We have been working on the planters, thinking we were fairly close. but now it may be another couple weeks. A few guys have scratched around on some hilltops locally and that's it for planting up here so far. A normal plant date would be in mid May and its looking like we will be right there again this year. The rotation for us will be the same but there are a lot of guys changing things up. The wheat acres are drastically reduced up here with most being planted in beans. We have been a little luckier than some guys not being quite as wet as they are to the south. We may even beat them in the field. We still have a few hundred acres of corn to harvest from last year. We have planted corn up here about seven years and this was the second year that we had to leave some to harvest in the spring. The corn does come out of the field in good condition as its usually dried down very good. We have used a shorter variety of corn. The 82 day corn seems to work the best. The corn the last few years has made right at 150bpa with the first couple of years only making 120bpa. I think the seed technology has improved for this climate and we tend to stay with what is working. The beans will normally make between 40bpa to 50bpa and we can live with those yields. I have heard guys talking about going with more preventive plant acres versus planting a crop. We have always taken the opposite approach of doing anything we can to avoid any preventive plant acres.*

East Tennessee - *We have had a very wet spring which has been good for some and not good for others. We just lack a couple hundred acres of corn to plant before we have everything in the ground. There was an early planting window that we were able to get going in that has been good for us. That early planted corn is emerged with a great stand that is 6" to 8" tall. The guys that didn't get going early are having a hard time getting in the field. The weather has just given a few days here and there, then it rains again. We are too wet now and have had two good drying days but its supposed to rain Wednesday and be much cooler. After we did plant the early corn we had temps in the 70's and 80's with a couple of rains to boot. The way it looks right now it will be next week before we can get back in the field if the forecast is correct. I think if guys go into May and haven't got their corn planted you may see them switch to beans, especially if it is on marginal ground. Either way as we get further in to May you really are rolling the dice to get it on the calendar.*

Central Mississippi - *We finished all of our plantings on Good Friday, which made for a great Easter. This past week we were able to get started on getting things sprayed but got shut down on Saturday afternoon. We had some storms roll through that got things very wet. I think that we had a good quick seed germination and a lot of our fields are up. The crop that is up looks very good. I am not for sure how much we will get done this week with rains in the forecast for Wednesday, Thursday and Sunday. Most guys are 100%*

planted here so that is done but the rains will stop any spraying that was planned for this week. We are battling some major weed pressure here so spraying with the proper chemical, on each field is more important than it has ever been. There will be some dicamba sprayed down here but most are very reluctant to spray with it as the drift problems could be a big problem.



Vomitoxin Makes Nasty Appearance For U.S. Farm Sector: *A fungus that causes "vomitoxin" has been found in some U.S. corn harvested last year, forcing poultry and pork farmers to test their grain, and giving headaches to grain growers already wrestling with massive supplies and low prices. The appearance of vomitoxin and other toxins produced by fungi is affecting ethanol markets and prompting grain processors to seek alternative sources of feed supplies. The spread of vomitoxin is concentrated in Indiana, Wisconsin, Ohio, and parts of Iowa and Michigan, and its full impact is not yet known, according to state officials and data gathered by food testing firm Neogen Corp. Alltech Inc, a Kentucky-based feed supplement company, said 73 percent of feed samples it has tested this year have vomitoxin. The company analyzed samples sent by farmers whose animals have fallen ill. Read more [HERE](#).*

3 Takeaways From Facebook COO Sheryl Sandberg's New Book On Grief: *Facebook chief operating officer Sheryl Sandberg was on vacation in Mexico in 2015 with her husband and friends when her husband, tech executive Dave Goldberg, passed away unexpectedly of a cardiac arrhythmia. Sandberg, 47, was left as a single mother of her two children with Goldberg. She writes about recovering from the tragedy and working through the grief in her new book, "Option B: Facing Adversity, Building Resilience, and Finding Joy." The book -- which Sandberg co-wrote with her friend Adam Grant, a psychologist at the Wharton School of the University of Pennsylvania -- takes its name from a moment when Sandberg was grappling with not having Goldberg on hand to attend a father-child event with one of their children. A friend, Sandberg writes in the book, told her, "Option A is not available. So let's just kick the s--- out of option B." As Sandberg explains, "We all live some form of option B." Read three takeaways from the new book [HERE](#).*

NFL Players Can Now Monetize Their Health Data and MORE?? *It's the first deal for the union's OneTeam Collective, a venture group that uses members' collective cachet, not cash, as investment capital. Here's how it works: The entity trades rights to NFL players' images for equity in sports-oriented startups. While terms of the deal weren't disclosed, the players association made an investment in Whoop as part of the agreement, said Ahmad Nassar, president of the union's licensing and marketing arm. The Collective will offer companies access to NFLPA's brightest stars via licensing, marketing and content rights, research and development, funding and mentorship for product development and marketing support. See how this may change marketing for athletes [HERE](#).*

Kitty Hawk Redux: Google's Flying Car Makes Debut: *In a demonstration shared online Monday, the Kitty Hawk Flyer is shown lifting off over a lake with the help of small propellers under its base. The prototype looks less like a car than a jet ski with wings. The Flyer is expected to go on sale by the end of this year, according to the company's website. The price has yet to be announced. "We've all had dreams of flying effortlessly. I'm excited that one day very soon I'll be able to climb onto my Kitty Hawk Flyer for a quick and easy personal flight," Page said in a statement provided to The New York Times, which was first to report the news. See the flying footage [HERE](#).*

Sequel Or Original.....Where The Movie Industry Makes Its Money: *There are a lot of sequels coming in 2017, and many have already hit theaters. But to the chagrin of Hollywood executives, many are bombing at the box office. Analysts are crying sequel fatigue, but studios trying to bank on franchises isn't new. They're just doing it a lot more frequently, but with titles people care way less about seeing. In looking at Box Office Mojo's ranking of some of the highest-grossing franchises adjusted for inflation, it's clear that pursuing sequels has always been a roller-coaster ride. Read more [HERE](#).*

HOW MUCH MONEY MOVIE SEQUELS HAVE MADE

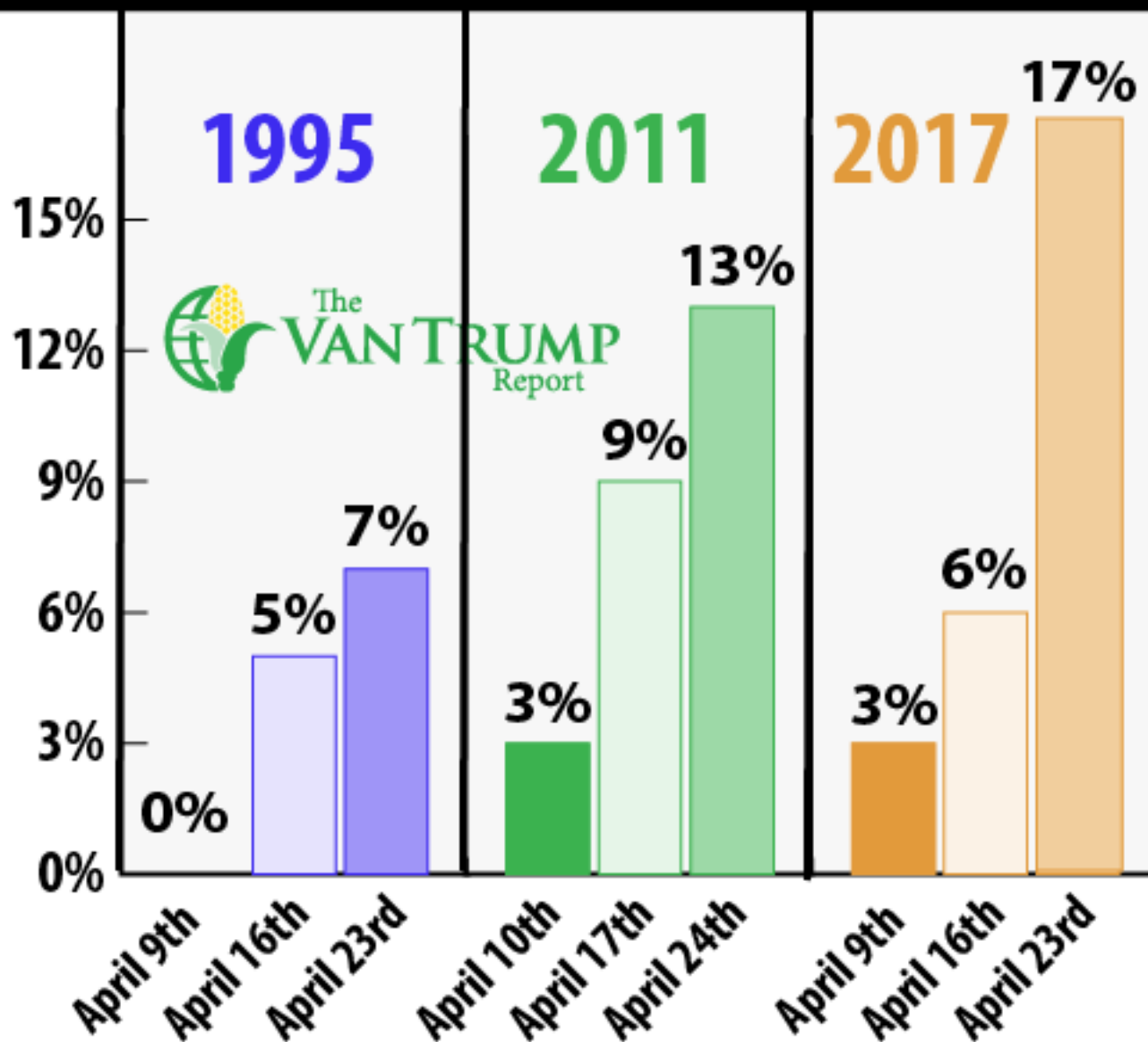
MOVIE	YEAR	DOMESTIC GROSS IN MILLIONS (ADJUSTED FOR INFLATION)
The Fate of the Furious	2017	\$107.30
Furious 7	2015	\$354.90
Fast & Furious 6	2013	\$246.40
Fast Five	2011	\$225.20
Fast and Furious	2009	\$179.80
The Fast and the Furious: Tokyo Drift	2006	\$82.60
2 Fast 2 Furious	2003	\$182.40
The Fast and the Furious	2001	\$220.90
Logan	2017	\$221.90
Deadpool	2016	\$365.80
X-Men: Apocalypse	2016	\$154.10
X-Men: Days of Future Past	2014	\$309.50
The Wolverine	2013	\$146.10
X-Men: First Class	2011	\$157.30
X-Men Origins: Wolverine	2009	\$208.60
X-Men: The Last Stand	2006	\$234.40
X2: X-Men United	2003	\$308.30
X-Men	2000	\$252.40



Could The California Rains Be A Predictor For Midwest Planting & Crops???

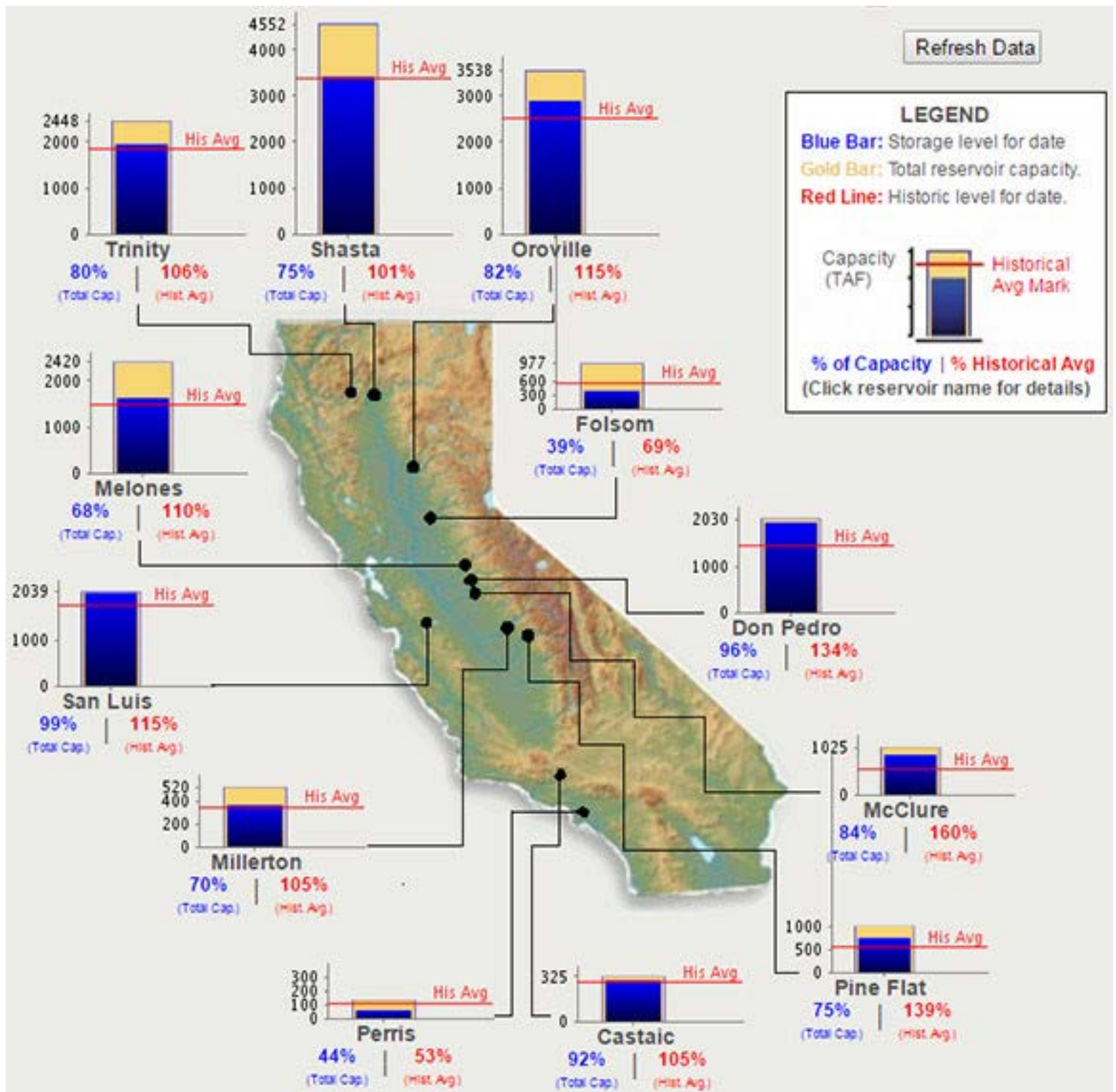
California water officials have headed into the Sierra Nevada for their annual snowpack reading, the most important of the year for planning summer water supplies. Every year, the Sierra snowpack accounts for roughly a third of California's water supplies. This vast frozen reservoir stretches 400 miles. As the snow steadily melts in the spring and summer, water flows down rivers and into reservoirs, replenishing depleted groundwater. The biggest blizzards are over, but California still has a huge amount of snow covering its highest mountain peaks. The statewide Sierra snowpack recently stood at 164% of its historic average, meaning there's a huge accumulation of new water. In fact it's the largest snowpack since 2011, when it was 171% of normal on April. At the height of the drought two years ago, the April 1 snowpack was 5% of its historic average, exposing a vast range of rock and dirt that normally would be covered with deep snow. Meteorologists point to the deterioration of the high-pressure ridge that had diverted so many storms during the height of the drought. The size of this winter's snow surplus has been exceeded only three times since 1970, which was 1982, 1995 and 2011. In its wake many it has left many reservoirs full or near full and this is making dam operators very nervous. Overall, the state's 46 largest reservoirs are +111% of their historic average. Every major city in California has seen large amounts of rainfall this winter, with San Francisco and Oakland at +144% of the historic average for the end of March, San Jose at +123%, Sacramento at +189%, Fresno at +143% and Los Angeles at +141%. Dam operators are playing a balancing act. While two years ago they were looking at dangerously low water levels, today they are emptying reservoirs to provide space to capture the billions of gallons of water from melting snow in the weeks and months ahead. Without the space, one or two warm rains could increase the melting rate, filling reservoirs to the top and causing uncontrolled releases and floods in cities and towns downstream. It's a critical situation, where timing is everything. Consequently, California Governor Jerry Brown has yet to rescind or amend the drought emergency order he signed back in January 2014. When asked for a time frame on when he'll lift it, he answered not until the end of the rainy season. Fact is, the state has gone through an incredible transition in just a few short months. As a producer I compared the most recent years of heavy rains in California (1995 and 2011) to our corn planting pace here in the Midwest. Interestingly there is some serious correlation to then slow pace. In other words back in 2011 we had just 13% of our corn planted by April 24th, 9% planted on April 17th, 3% planted on April 10th. In 1995, another heavy season for California rain we showed just 7% planted on April 23rd, 5% planted on April 16th, and nothing reported on April 9th. This year in 2017 we showed 3% planted on April 9th, 6% planted on April 16th, and 17% planted on April 23rd (which OI think is a anti high). Oh and for what its worth, the final U.S. yield in 2011 ended up at 147.2 bushel per acre, which was well below the 2009 record yield of 164.7 bushels per acre. (Source: [La Times](#) & [USDA](#))

U.S. Corn Planting Progress Comparison



Source: USDA, Crop Progress

>>> Map below shows Current Reservoir Conditions in California.



Rare Pieces Making Their Way To Christies Auction House

A friend of mine sent me information on an auction that's coming up at Christies in New York. He thought I would be interested because I've made some investments into there religious art market the past few years. Interestingly Christies has what's called "Classics Week" each year in April where they offer items from the following categories: Old Masters, Sculpture, Antiquities, Decorative Arts and Japanese and Korean Art. It's here that a Renaissance altar piece from famed Flemish artist Hugo van der Goes is being auctioned. The alter piece was produced in the late-1400's and caught my attention because there hasn't been one sold at auction for over 160 years. I've included the sale catalogue for "Old Masters Week" [HERE](#) I've shared a few other highlighted pieces from the auction.

Though not everyone appreciates Renaissance art, I believe we all can respect the passion and talent of the individuals who produced it. (Source: [Christie's](#))





Nicholas Lancret: "Autumn" - *Nicholas Lancret's Autumn has long been recognized as one of the artist's seminal achievements and one of the greatest early 18th-century French paintings still in private hands. A remarkably well-documented picture, the story of its commission, its private display, and its rapidly spreading fame and influence, tells us much about the development of the Rococo style and its wide dissemination in the early decades of the 18th century. According to Christies specialists, it's everything Lancret aimed to do and was one of his best works; a celebration of sex, drink, love and nature.*



The Lanain Brothers: "Four Figures At A Table" - As with many works by the Le Nain, the atmosphere of the painting is solemn, tender, even apprehensive and ambiguous. A key to interpreting the painting may be the nearly identical dress of the two seated women who frame the composition, as recently noted by Bell and Dickerson: "The combination of the simple white headdress, the white chemisette, and the bluish-gray apron and sleeves over a brown tunic matches what is known of the costume worn by members of the Filles de la Charité (Daughters of Charity), a lay sisterhood founded in Paris during the early 1630s.



Govaert Flinck: "Man In A Casement" - When this arresting portrait was presented to the art market at Christie's in 2011, it was recognized among the most significant and powerful paintings of Govaert Flinck, one of Rembrandt's most faithful and accomplished followers. Subsequent to its recent sale, the picture's dark, yellowed varnish – which had obscured its surface for generations – was removed so that the luminous setting, rich pal-

ette, and masterful handling of paint could be revealed.



U2s "The Joshua Tree" Hits #1

I can't believe it's been 30-years since the Irish rock band U2 released "The Joshua Tree." I was never a huge U2 fan and am certainly not a fan of Bono, but I have to tip my hat to one of the world's all-time best-selling albums. The album was released in March of 1987 and went to #1 shortly thereafter. Interestingly the album contains the group's only #1 singles 'With or Without You', 'I Still Haven't Found What I'm Looking For', and 'Where the Streets Have No Name'. The album also went on to win a Grammy Award for Album of the Year. That same year they became the fourth rock band to be featured on the cover of Time magazine, which called them "Rock's Hottest Ticket". Many publications, including Rolling Stone, have cited it as one of rock's greatest albums. Regardless of if I agree or not, it's clear this album propelled the group to superstardom. In fact The Joshua Tree Tour was the first tour on which the band played shows in stadiums alongside smaller arena shows. It is reported the band grossed \$40 million and drew over 3 million attendees. I should also point out their popularity has continued to grow. According to Billboard Boxscore, the band grossed \$1.67 billion in ticket sales from 1990 to 2016, second only to the Rolling Stones. Something I hadn't realized is that the band was formed back in the summer of 1976 when Larry Mullen Jr., then a 14-year-old student posted a note on the school's notice board in search of musicians for a new band—six people responded. Setting up in his kitchen, Mullen was on drums, with Paul Hewson ("Bono") on lead vocals; David Evans ("the Edge") and his older brother Dik Evans on guitar; Adam Clayton, a friend of the Evans brothers on bass guitar. Mullen at first described it as 'The Larry Mullen Band'... probably a great marketing move to instead go with the name U2. As I mentioned above, even though I'm not aligned or on the same page with Bono and his political activism and campaigning I respect the fact he and his group have become one of the best in the world selling close to 200 million records.

U2



T H E J O S H U A T R E E

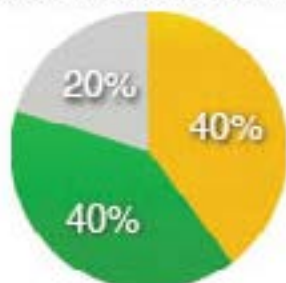
THE JOSHUA TREE

01. I Still Haven't Found What I'm Looking For
02. Where The Streets Have No Name
03. With Or Without You
04. Bullet The Blue Sky
05. Red Hill Mining Town
06. Running To Stand Still
07. In God's Country
08. Mothers Of The Disappeared
09. Exit
10. Trip Through Your Wires
11. One Tree Hill

CASH SALES & HEDGING TOTALS

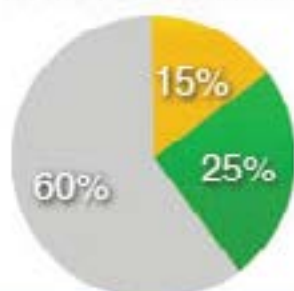
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



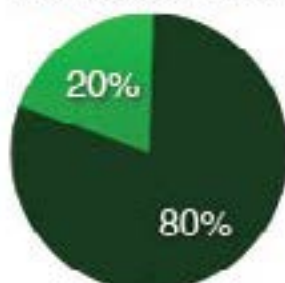
CORN 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



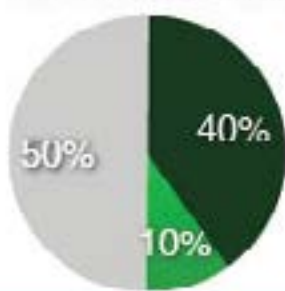
SOYBEANS 2016 CROP

80% SOLD
20% HEDGED
0% UNPROTECTED



SOYBEANS 2017 CROP

40% SOLD
10% HEDGED
50% UNPROTECTED



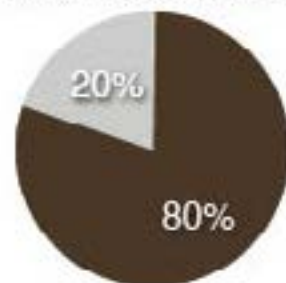
SOYBEANS 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



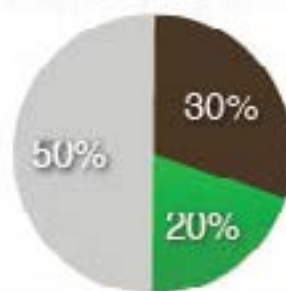
WHEAT 2016 CROP

80% SOLD
0% HEDGED
20% UNPROTECTED



WHEAT 2017 CROP

30% SOLD
20% HEDGED
50% UNPROTECTED



WHEAT 2018 CROP

0% SOLD
10% HEDGED
90% UNPROTECTED

