



*"Four Things You Can't Get Back: The stone after it's thrown; The word after it's said; The occasion after it's missed; The time after it's gone!"*

**FRIDAY, APRIL 28, 2017**

**Morning Summary:** Investors are eager to see if Democrats and Republicans can agree to a short-term funding extension as current government funding runs out at midnight tonight. If lawmakers can't agree to pass a one-week extension, it could lead to a partial shutdown of the federal government. Investors today are also anxious to see results for first-quarter GDP, which is expected to have expanded at just +1.0%. That would be the weakest pace in a year and is seen largely stemming from sluggish consumer spending. In fact, consumer spending is thought to be moving at its slowest pace in 5-years. Today also brings the Employment Cost Index, Chicago PMI and Consumer Sentiment. Corporate earnings continue to impress and have been providing a nice tailwind in the market. The Nasdaq, which closed at a new record high yesterday, was up even more after hours following strong earnings from Alphabet (Google) and Amazon. I was personally very excited about the gains in my stock portfolio, primarily on the big uptick in Amazon and Google. Then I heard Jeff Bezos, founder of Amazon, added +\$3.3 billion yesterday to his net worth on the huge rally and I had to chuckle. Bezos is now thought to be within sniffing distance of overtaking Bill Gates as the richest person in the world. Earnings releases due out today include Barclay, Cabot Oil, Chevron, Colgate Palmolive, Exxon Mobil, General Motors, Phillips 66, UBS and Volkswagen. Apple and Facebook will be reporting next week. Keep in mind today is the last trading day of the month and Monday is the first day of May. That means money could be in circulation and a new round of fresh economic data will start flowing, including the April Employment Report on Friday. Next week also brings Personal Income and Outlays, PMI and ISM Manufacturing and Construction Spending on Monday; Motor Vehicle Sales on Tuesday; ADP Employment and ISM Non-Manufacturing on Wednesday; International Trade and Productivity and Costs on Thursday. Next week the Federal Reserve will be gathering for a two-day meeting on Tuesday and Wednesday, with their policy decision due out Wednesday afternoon. Insiders and traders currently see little to no chance that the Fed will make an interest rate move, but as always it must remain on our radar. There are also four Fed officials scheduled to speak next Friday, including Vice Chairman Stanley Fischer. Internationally, China releases Manufacturing PMI over the weekend and will follow with Services PMI later next week.

**Inventory Issues Continue To Hamper Home Sales:** *U.S. pending home sales declined -0.8% for March compared with expectations of a -0.1% monthly retreat. There was still a +0.8% annual increase in sales following the +5.5% gain seen for January. The March reading was also the third-best for the past 12 months. According to National Association of Realtors (NAR) chief economist Yun, 'Home buyers are coming out in droves this Spring and competing with each other for the meager amount of listings in the affordable price range'. He added that 'in most areas, the lower the price*

of a home, the more competition there is for it'. The housing data has remained mixed over the past few weeks, although the overall trend has been robust with stronger than expected readings for both existing and new home sales for March amid evidence of strong demand. There has also been sustained evidence of rising prices and an on-going lack of supply will tend to put further upward pressure on prices.

**Bitcoin Is At A New All-Time High, Rising More Than +20% For The Month:** Bitcoin hit a new all-time closing high yesterday, with speculation growing that a new ETF based on the electronic currency could be back on the table. Bitcoin rose as much as 3 percent to a record high of \$1,331.31, according to the CoinDesk Bitcoin Price Index. The previous high was \$1,325.81, reached on March 10 just before the SEC rejected a bitcoin exchange-traded fund application, which sent the digital currency reeling. The SEC announced this week that it is reviewing its decision to reject the Winklevoss Bitcoin Trust. The digital currency, which was \$1,079.75 at the end of March, is up +23% in April through Thursday. It is also up more than +30% this year and has doubled in value over the last six months. Some bitcoin traders advise caution though, as the last few times bitcoin has tested these levels it led to sharp sell-offs. On March 10, bitcoin fell to \$1,085. Later in March, the digital currency dropped from around \$1,260 to \$950 over the course of a few days. (Sources: MarketWatch, CNBC)

**Are We Facing A Looming Oil Shortage?** The International Energy Agency says global oil discoveries fell to a record low in 2016, which raises concerns about the potential for an oil-supply shortage as soon as 2020. The IEA is stepping up its warnings about historically low oil-industry investment during the latest price downturn. Oil companies and producing nations curtailed spending by hundreds of billions of dollars during the price rout, resulting in the fewest new conventional oil projects being sanctioned in 2016 since the 1940s. The group shared its assessment with the Wall Street Journal ahead of a full investment report to be released in July. The IEA doesn't forecast oil prices, but any shortage would likely cause significant crude-price increases. The group warns not to expect U.S. shale producers to fill the void, either. American shale production is expected to grow by 2.3 million barrels a day or more over the next five years, but that isn't enough to make up for declining output elsewhere. In 2016, oil discoveries amounted to just 2.4 billion barrels of potential oil, the lowest since the IEA's records began in 1950. (Source: The Wall Street Journal)

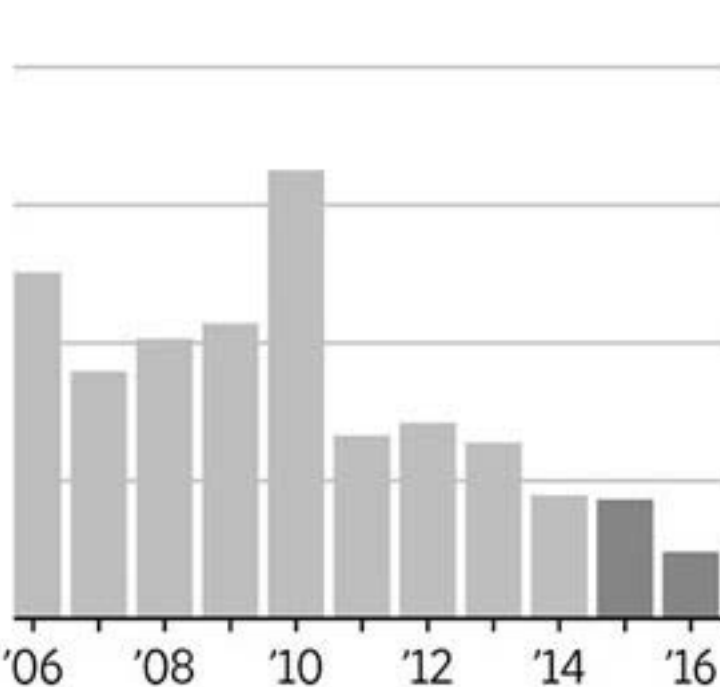
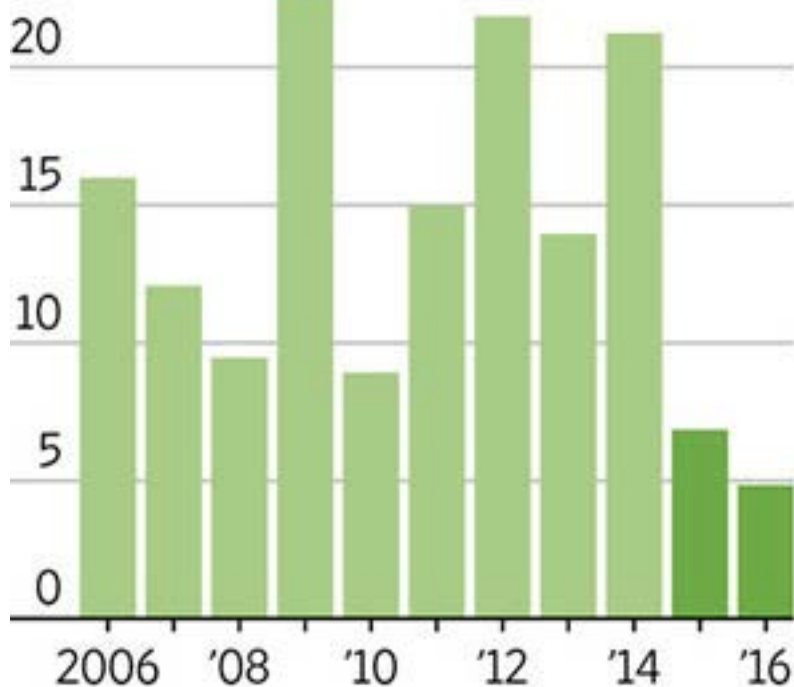
# Coming Up Short

Less oil was found and developed after prices fell in 2014.

Approved projects ■

Discovered oil ■

25 billion barrels



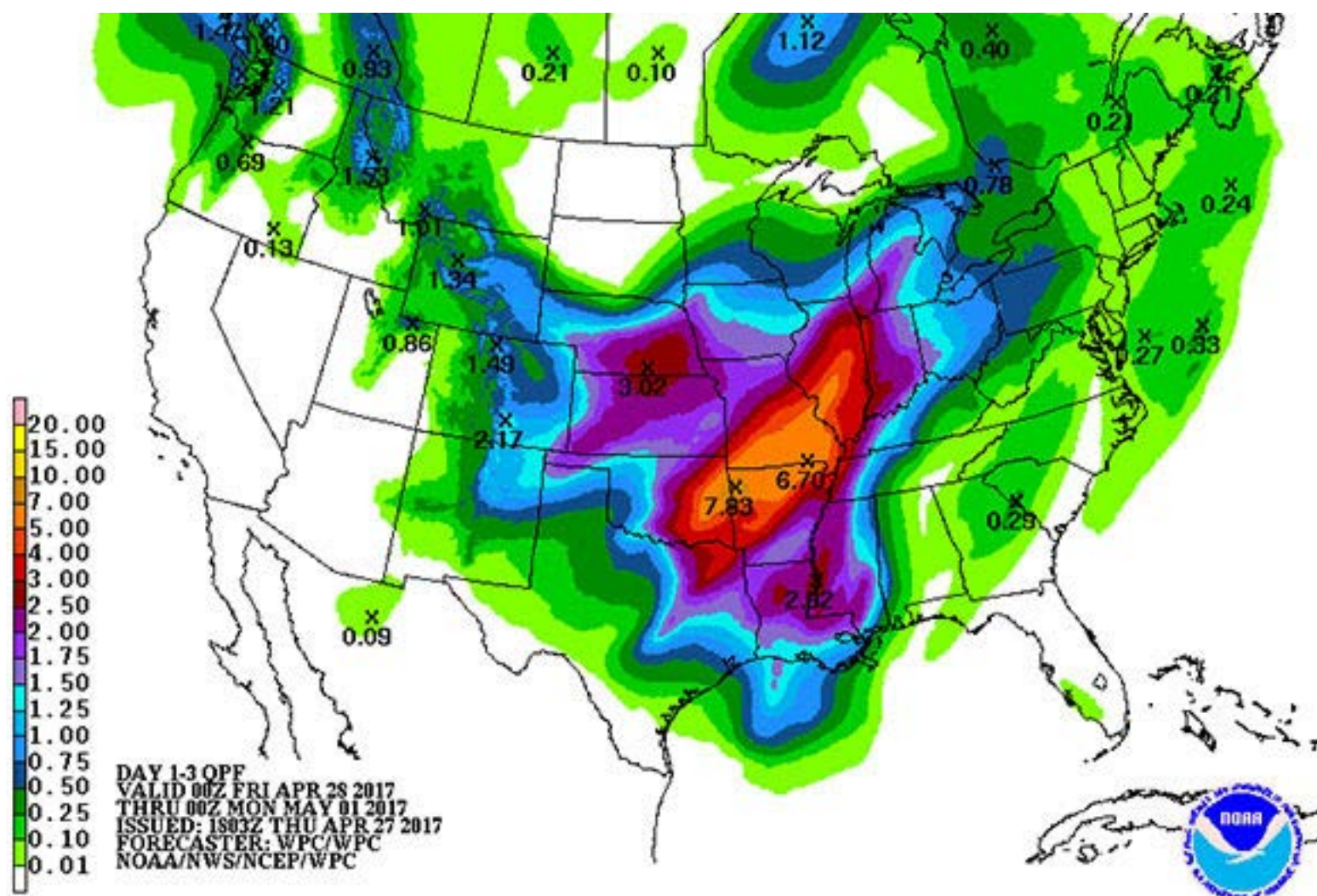
Source: The International Energy Agency

THE WALL STREET JOURNAL.

**Weather** is focused on an impressive spring cold snap that is and will continue to affect much of the western and central U.S. during the next few days. On the Plains, cool, mostly dry weather is slowing emergence of spring-sown crops. However, a few rain and snow showers have overspread Montana's high plains. Light freezes occurred this morning as far south as central Kansas, while lows near 20 degrees F were again reported in parts of the Dakotas. Again, cold weather for the next few days in the southern Plains bear close attention for possible damage to heading wheat. Low temps along with periods of rain will also cause delays to row crop plantings. However, there is good news as longer-range forecast offers warmer and drier conditions. In the Corn belt, rain and wet snow has fallen across portions of the Upper Midwest. Unusually cold, breezy weather covers the western Corn Belt, where widespread freezes occurred early today northwest of a line from eastern Nebraska to central Minnesota. Although a chilly air is already in place from the Pacific Coast to the Mississippi Valley, even colder air will surge across the nation's mid-section in the wake of a departing storm system. That storm, which will arrive on the southern Plains by Saturday and reach the Great Lakes region on Monday, could lead to heavy rain and flooding from the southeastern Plains into the mid-Mississippi Valley; severe thunderstorms from the southern Plains and mid-South into the Ohio Valley; and snow in the central and southern Rockies and adjacent High Plains. Following the storm's departure, freezes as far south as northern Texas could threaten heading winter wheat on the Plains.



**Dangerous Flood Potential Looms This Weekend:** *The coming storm forecasted to bring potentially dangerous flooding to parts of the South and Mississippi Valley this weekend seems to keep getting worse. Another round of heavy rain targets the already rain-weary region. Before this coming weekend's deluge, much of a swath from Oklahoma and southeast Kansas into the Carolinas and Virginia was soaked one or more times since the middle of last week. Given the saturated ground from heavy rains, the threat of more flooding is very high. Flood watches have already been posted in parts of seven states the eastern half of Oklahoma to southern Illinois. Below is a precipitation map, showing rainfall totals valid Friday, Apr. 28 through Monday May 1.*



**Corn** bulls continue to talk about less than ideal planting conditions here in the U.S.. Bulls are also talking about strong demand and a more optimistic view by President Trump regarding NAFTA, something that takes a bit of risk away from a possible trade war or temporary blip in exports during a replacement or renegotiation of the trade deal. Remember, U.S./Canada/Mexico trade is valued at over \$1.5 Trillion annually, so how it is handled is extremely important to many markets. I should note however President Trump is talking about renegotiate another trade deal, this time with South Korea. As for global production, there's some talk of less than ideal weather conditions creating some small concerns in parts of northern China. As for Brazil, the second-crop corn conditions look good to this point and are offering up very little worry. In fact the International Grains Council came

out yesterday and bumped their global production number higher by +2 MMTs. Here at home traders will be keeping a close eye on the weekend rains as some areas might see extreme flooding and abnormally cool temperatures. How that delays corn planting or ultimately impacts yield is the million dollar question? I suspect we will all be much smarter when we return Monday and have a chance to see what the weather has delivered. Also keep in mind the USDA will be updating their planting progress numbers on Monday. After last weeks surprise bump in the pace it's hard for me to argue we won't see a similar play this next week. Be careful betting on a big delay or a bullish tone by the USDA. As I pointed out yesterday, with Illinois, Iowa and a few other big production states not far behind in planting it will be tough for the USDA to reduce their current yield forecast in the upcoming May report. Back in 2013 they cut the yield by a whopping -5.6 bushels per acre in the May report, but the bigger production states were much further behind. I'm not saying we won't get a bullish run during the growing season, I just want to be cautious and not get out ahead of myself too early. I've learned when weather at home starts to become more extreme, I tend to start trying to forecast market price and direction rather than focusing on proper risk management practices. Therefore I continue to keep all hedges in place and sticking with a longer-term mindset. I included below the most current drought conditions map. As you can see there's basically nothing on the map in comparison to previous years.



**April 25, 2017**  
(Released Thursday, Apr. 27, 2017)  
Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	76.36	23.62	0.16	0.92	0.03	0.00
Last Week 04-18-2017	71.04	28.04	0.01	1.24	0.07	0.00
3 Months Ago 01-24-2017	71.05	28.95	13.47	3.72	0.37	0.00
Start of Calendar Year 01-01-2017	59.70	40.30	18.83	7.21	2.63	0.60
Start of Water Year 09-27-2016	61.21	38.79	15.85	6.77	2.67	0.97
One Year Ago 04-26-2016	63.03	36.97	12.09	5.00	2.88	0.92

Intensity:

D0 Abnormally Dry      D3 Extreme Drought  
D1 Moderate Drought      D4 Exceptional Drought  
D2 Severe Drought

**April 26, 2016**

(Released Thursday, Apr. 28, 2016)



**April 23, 2013**

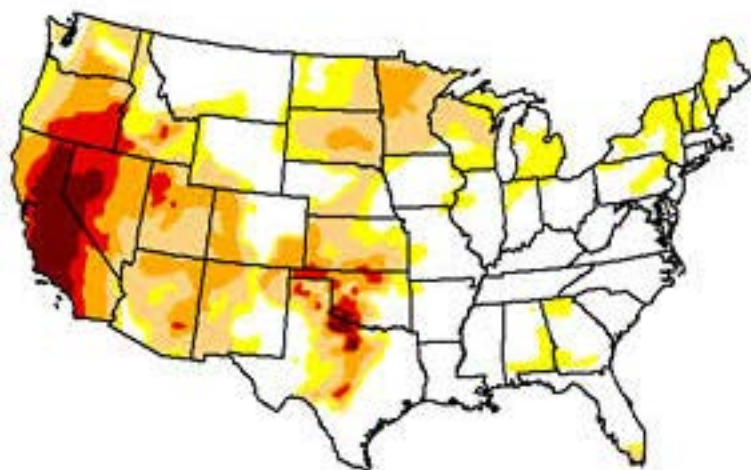
(Released Thursday, Apr. 25, 2013)





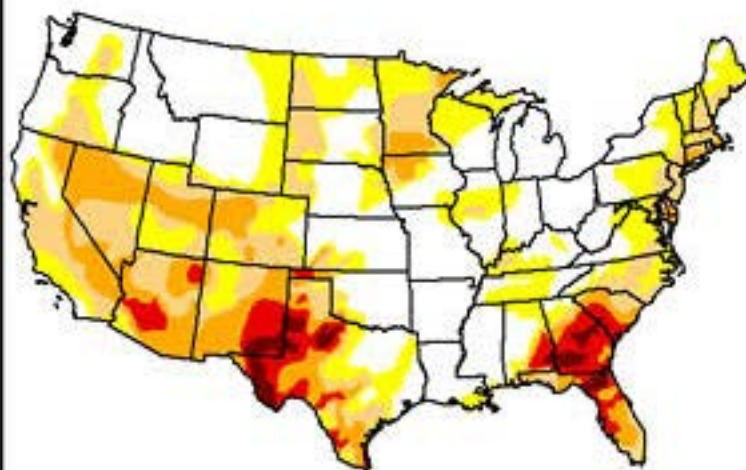
**April 28, 2015**

*(Released Thursday, Apr. 30, 2015)*



**April 24, 2012**

*(Released Thursday, Apr. 26, 2012)*



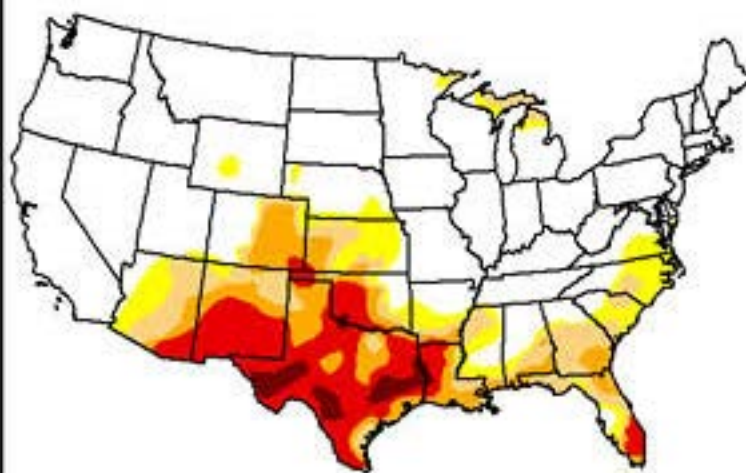
**April 29, 2014**

*(Released Thursday, May. 1, 2014)*



**April 26, 2011**

*(Released Thursday, Apr. 28, 2011)*



**Soybeans** bears continue to talk about record U.S. acres and the fact they could grow even larger, pushing closer to 90 million. There is also talk of Brazil exporting a record number of soybeans the past few weeks and the International Grains Council bumping their global production estimate higher by another +1 MMTs. These headlines are tough for the bulls to digest with the USDA already forecasting a more burdensome domestic and global balance sheet. Remember, there are several insiders already talking about new-crop ending stocks here in the U.S. pushing well north of +600 million bushels if weather ends up being at all cooperative. On the flip side the bulls are talking about renewed strength in U.S. exports, an entire season of U.S. weather risk ahead and also some late inning weather complications in several areas of Argentina, which might be creating more complications than the trade is currently willing to acknowledge. The trade is also thinking the USDA will need to bump their U.S. export estimate higher. This weeks old-crop soybean sales of 808,000 tons is the biggest total we've seen in the past couple of months. There's

also the continued talk of renewed global growth and perhaps a more bullish attitude towards commodities by some of the larger investment banks. Economic data out of China, Europe and some emerging markets have been showing some improvements and may be starting to swing some of the bigger investment mindset. Ultimately I suspect this helps to keep the bottom from falling out of the market. Many traditional fundamentalists believe we should currently be a -\$1.00 or more lower, and would be if it weren't for optimism about global growth and a slight rotation of money by some of the larger players. As both a producer and a spec I still believe we could see more downside risk before the market encounters a possible U.S. weather hiccup. Staying extremely patient and looking to bank another round of hedging profits on the next leg lower.

**Wheat** traders will have all eyes on U.S. weather over the weekend and into Monday as another round of abnormally cold temps and rainfall is forecast in many regions. Crop tours will start becoming more prevalent in the next few weeks, so I suspect we might start to see more headlines about "quality" concerns and disease complications. The trade will also be eager to hear if there has been much damage from freezing temps. Keep in mind several areas are going to see low temps some -20 degrees Fahrenheit below normal. Globally there's better rains in the forecast for some of the dry areas in Europe and perhaps a little less concern as they receive a small drink. There's not a lot of new headlines coming out of Russia. But there is talk that Ukraine is now sitting on its lowest wheat stocks in a decade. That really doesn't carry much weight with trade as global and domestic U.S. supplies still remain near record large. There's just not a lot of fresh global news in the headlines. The trade seems most highly focused, at least nearby, on U.S. weather and the complications that could arise on cold temps and extreme rainfall... Stay tuned!



**> World Grain Stocks Lifted By IGC:** *The International Grains Council says world grain stocks will fall by less than had been expected through next season. In its second estimate for 2017-18 world grains, IGC raised its estimate for inventories at the close of the season by +7 million metric tons to 491 million metric tons. The upgrade, which reduced to 25 million metric tons the estimate for the drop in global stocks expected over the season, reflected in part a higher expectation for inventories carried into the period. The estimate for corn output in 2017-18 was edged higher by +2 million metric tons to 1.026 billion metric tons, while that for wheat was raised by 1 million metric tons to 736 million metric tons. For wheat, the council now saw global inventories dropping only -1 million metric tons year on year next season, compared with a previous expectation of a -5 million metric tons fall. Corn inventories were seen ending next season at 207 million metric tons, an upgrade of +2 million metric tons on last month's forecast but a drop of -20 million metric tons year on year nonetheless. The expectations of a drop in corn inventories to a three-year low was "partly linked to ongoing efforts to reduce inventories in China."* (Source: Agrimoney)

**> Argentine Corn Production, Exports Lifted To Higher Record Level:** *USDA's Ar-*

gentine bureau is forecasting the country will have record corn exports of 28 million metric tons this year. They project total production at 39 million metric tons, also a record high and compared to USDA's official estimate of 35.5 million metric tons. The gains partially reflect reforms implemented by President Maricio Macri that eliminated the export tax on corn. In 2016-17, following the levy cuts, "corn planted area increased roughly 1.0 million hectares," largely at the expense of soybeans. And it forecast corn area rising by a further 494,000 acres in 2017-18, to an all-time high of 12.53 million acres. For wheat, the bureau gave its first estimate for the country's 2017-18 wheat crop, forecasting acreage will increase around +1.24 million acres to a nine-year high of 12.85 million acres. The increase is also seen as a response to President Macri's export reforms. Agronomic reasons are prompting the move away from soybeans, too. Argentine farmers continue to face a very serious problem with weeds which are showing resistance to glyphosate, the herbicide used extensively during the past two decades. During this same period, soybeans were the main crop planted in Argentina, with a small area devoted to corn and sorghum. The lack of rotation and the use of the same weed killer year after year now have producers spending more money to control weeds.

**> Brazilian Government Supports Ethanol Import Tariff:** Northeast Brazil sugarcane producers have gained the support of the country's Ministry of Foreign Affairs concerning the return of a 20% ethanol imports tariff, industry association Sindacucar Pernambuco said. Having gained the government's support, Sindacucar said the Ministry of Agriculture will send a technical note on the subject to the Foreign Trade Chamber (Camex) in May. President of Sindacucar Pernambuco, Renato Cunha, along with producers in the Northeast and some lawmakers, has been pressing for the tariff. Cunha also said import figures for the quarter point to higher imports than the market needs. The import tax was suspended in October 2011 because Brazil was undergoing an ethanol shortage due to crop problems. Brazilian imports of ethanol in 2016 totaled 834.6 million liters, a 63% year-on-year rise. The country's January-March 2017 imports totaled 721 million liters, compared with 143 million liters a year earlier. In the last five months, Brazil imported 1 billion liters of ethanol, a record for the period. (Source: Platts)

**> Ukraine Wheat Reserves Seen Falling To 10-Year Low:** Ukraine's wheat inventories are heading for their lowest level in 10 years, reducing the Black Sea nation's export potential for next season when the crop is also set to decline. Ukraine, the fifth-biggest wheat shipper, will end the season in June with stockpiles of 1.08 million metric tons, according to consultant ProAgro in Kiev. That would be down 18 percent from last year and the lowest level since 2007, ProAgro data show. (Source: Bloomberg)

**> Senators Push For More Money For Biodiesel:** A bipartisan group of 16 senators have introduced a bill to convert a biodiesel blenders' tax credit to a producers' credit. The bill would create a \$1-per-gallon credit for three years, and add an extra 10 cents per gallon for small producers. The new legislation would provide tax credits to U.S. producers, which the National Biodiesel Board (NBB) said would prevent subsidization of foreign manufacturers, instead of to blenders. Changing the structure of the tax credit also would save taxpayers millions of dollars, the NBB said. Biodiesel imports to the United States have grown sharply in recent years, largely as a result of the tax credit. The bill was introduced by Sens. Chuck Grassley (R-Iowa) and Maria Cantwell (D-Wash.). (Sources: World Grain, Politico)



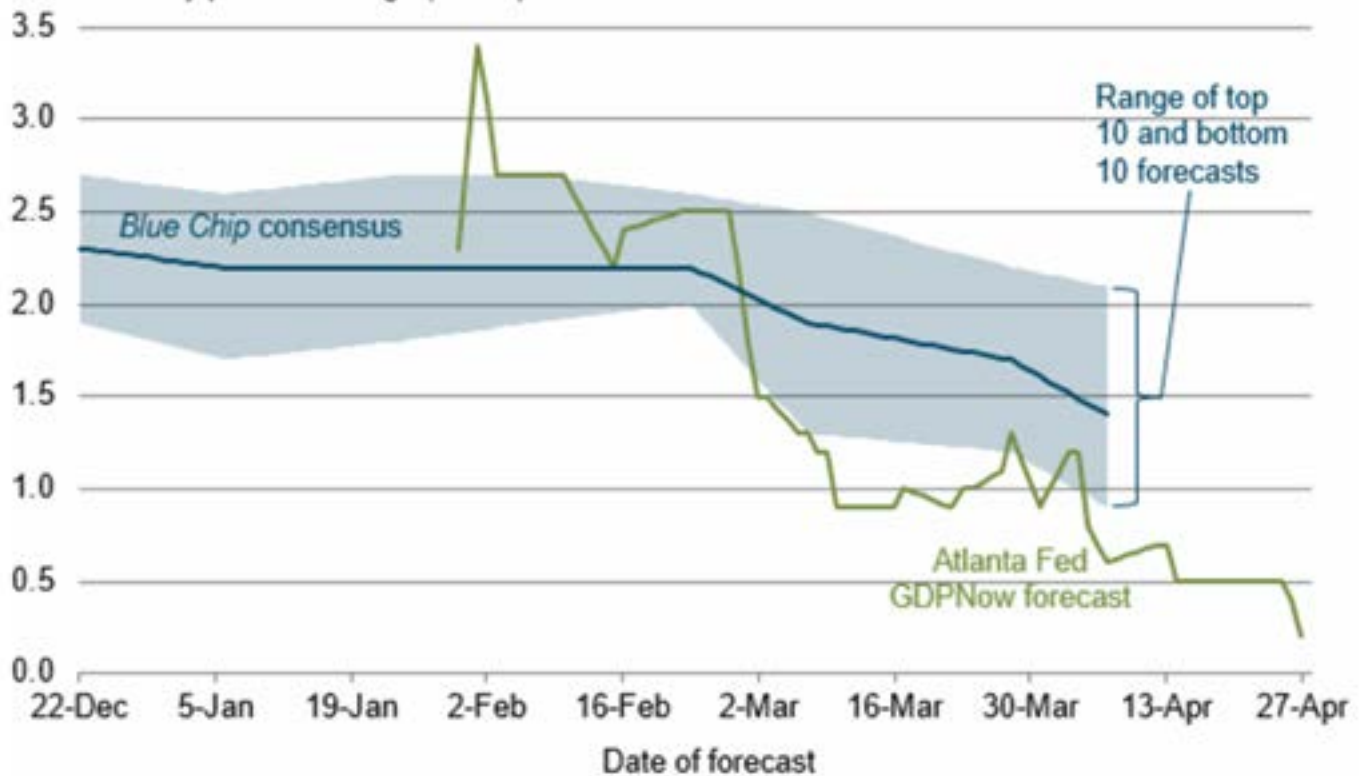
**> South Africa Mulls Strategic Grain Reserve Amid Possible El Nino:** *South Africa, the continent's biggest maize producer and hard hit by an El Nino-triggered drought last year, is considering a strategic grain reserve as a buffer against future shortages, its agriculture minister told Reuters. Neighbouring countries such as Zimbabwe and Zambia have such reserves, but it would entail a significant policy shift in South Africa, where commercial agriculture is market driven and the state does not act as a buyer and holder of crops. (Source: Reuters)*

**> Bayer Raises Full-Year Outlook:** *Bayer AG raised its outlook for the year, citing a rebound in chemicals and crop products, as management works to sew up its \$66 billion takeover of agriculture giant Monsanto Co. Earnings before special items will likely rise by a percentage in the low teens and sales will grow to a record 51 billion euros (\$55.6 billion) this year, the company said in a statement. Covestro, the chemicals unit, is now able to raise prices, and demand for crop protection products has rebounded in North America, Bayer said. Chief Executive Officer Werner Baumann aims to close the Monsanto transaction this year, even as a cascade of industry deals sparks intense regulatory scrutiny, and said discussions with U.S. regulators are proceeding on track. Bayer's earnings before interest, taxes, depreciation and amortization, and excluding some costs, climbed 15 percent to 3.89 billion euros in the first quarter. Besides crops and chemicals, the company also got a boost from prescription drugs.*

**> Did The U.S. Economy Just Grind To A Halt?** *The Department of Commerce will publish its first estimate of US economic growth in the first quarter of 2017 tomorrow, and it may show that the economy barely grew at all. The Atlanta Fed's widely followed GDP-Now tracker, which aggregates model forecasts for several subcomponents of GDP like exports and homebuilding, fell to an all-time low of 0.2% for the first quarter. Economists surveyed by Bloomberg are more optimistic, forecasting that gross domestic product increased at an annual rate of 1%. In a post on Thursday, the Atlanta Fed said its model fell from 0.5% after Wednesday's annual retail trade revision dimmed the outlook for consumer spending in the first quarter. Spending is the biggest contributor to economic growth. Also, a delay in tax filings, as well as new measures to combat fraud, meant that many Americans received their tax refunds later than usual. Economists expect that some of the spending with tax-refund money is likely to be pushed out into the second quarter. (Source: Business Insider)*

**Evolution of Atlanta Fed GDPNow real  
GDP forecast for 2017: Q1**  
Quarterly percent change (SAAR)

GDPNow™



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

SOURCE: Atlanta Fed

BUSINESS INSIDER



**Southwest Kansas** - We are planting corn today before the rains hit this afternoon. We have very sandy soils which allow us to dry out fast and get back in the field. We have finally hit high gear for planting knocking out 300 to 400 acres a day. It has been a couple steps forward then back as we have had over 8" of rain in the last 30 days. Even with that the seed is going in the ground great. I think that the ground maybe working as good as I have seen for a long time. I will normally have a rotation 75/25 corn to beans but this year will be only 40% corn and 60% beans. It will be a big change for our operation. We are all irrigated which makes us pretty consistent on yields but we do get hailed on here a lot. Last year the hail didn't hit us until very late in the season but corn yields came in at 205bpa. In 2012, during the drought we made 200bpa which worked out great with prices where they were. Our rotation shift has been solely market driven and I do have much of

the downside protected.

**North central Illinois** - We actually finished our corn planting for this year late last night. We pushed pretty hard to get things done before rains that are supposed to come in tonight. The dirt worked great and I have mentioned to a few people that it was garden like putting seed in the ground. I think that there has been a lot of corn planted this week and that we will see a big jump on Mondays USDA report. There is a chance of rain starting tonight and some models are calling for up to 4" which we do not need right now. In the last two weeks, with being as wet as we were, I would have told you there is no way we be planting let alone completely done. Things were just too wet and sloppy but things firmed up quickly. We have had five days of 70 degree to 80 degree temps with decent winds. Some guys have gotten their beans in but I have not pushed those yet. The calendar says we are doing fine with the timeline. We have been spraying like crazy. I am normally not a big plant in April guy but things just looked to good to pass up. I know that last year we got a lot of corn in by April 24th, but had some issues on the earliest planted fields. We will hopefully miss any late freezes that push through this area.

**Central Nebraska** - We have been burning the candle at both ends to get as much as we could planted before the rain got here this morning. I still don't know if it was the right thing to do, now what the cold rain has hit. We woke up this morning very cold with temps in the low 30's. It did get to 28 degrees air temp last night and I checked the temp at seed depth, which was still right at 50 degrees. I would imagine if we have four days like this, the soil temps will be in the 40's real quick. This will not be good for the corn seed but hopefully we see the sun come out to at least warm the soils up. Guys will probably roll with the same rotation, unless the rains hang around another 2 weeks. We have been aggressive marketing last years crop that had overage bushels for both corn and beans.



**Loan Trouble Growing For Midwest Farmers:** The latest blog from David Widmar, an agriculture economist at Purdue University, says farmers in Kansas, Oklahoma, Nebraska and other Midwestern states are having a harder time paying back their loans, according to a study by Widmar using data provided by the Kansas City Federal Reserve Bank. As many as 1.78 percent of all real estate farm loans and 1.4 percent of all non-real estate farm loans were delinquent in the fourth quarter of 2016 in the K.C. bank's region, which also includes Colorado, Wyoming and portions of western Missouri and northern New Mexico. Those numbers are up from the fourth quarter of 2014 when 1.25 percent of all real estate farm loans and 0.72 percent of all non-real estate farm loans were in trouble. On the other hand, current delinquencies remain below the long-run average (2.29%) and are lower than the previous uptick in delinquencies (3.08% in 2010). Importantly, the unfavorable trend of higher loan delinquencies has been from historically low-levels. Read more [HERE](#).



**It is Being Called the Worst Day Ever at Sports Network ESPN:** *Sports Illustrated* reported on Wednesday morning that the number of ESPN on-air and online staffers losing jobs was around 100, though it was impossible to confirm an exact number. Over the course of the day on Wednesday, a number of staffers announced via social media that they had been let go. The worst Wednesday in the history of ESPN began early in the morning East Coast time when staffers were informed via telephone by management that they were losing their jobs. ESPN issued two statements early on Wednesday, including one from President John Skipper and a second from his deputies. See if your favorite analyst made the cut [HERE](#).

**How A Genius Is Made:** Some minds are so exceptional they change the world. We don't know exactly why these people soar above the rest of us, but science offers us clues. The Mütter Museum in Philadelphia houses an array of singular medical specimens. On the lower level the fused livers of 19th-century conjoined twins Chang and Eng float in a glass vessel. Nearby, visitors can gawk at hands swollen with gout, the bladder stones of Chief Justice John Marshall, the cancerous tumor extracted from President Grover Cleveland's jaw, and a thighbone from a Civil War soldier with the wounding bullet still in place. But there's one exhibit near the entrance that elicits unmatched awe. Look closely at the display, and you can see smudge marks left by museum goers pressing their foreheads against the glass. The object that fascinates them is a small wooden box containing 46 microscope slides, each displaying a slice of Albert Einstein's brain. Read more [HERE](#).

**Doritos Bag Gives Fans of Guardians of Galaxy the Entire Soundtrack:** Starting tomorrow and only through Amazon the purchase of certain Doritos will give you a movie soundtrack. If you are a Doritos, Guardians of the Galaxy or just a tech fan you may love the latest marketing wizardry that may be the future in advertising. Guardians of the Galaxy Vol. 2 has joined forces with Doritos to create a crisp bag that you can plug your headphones into and listen to the film's soundtrack, all so you can avoid the austere silence of casually chewing through about 1,000 calories in one sitting. The bags will feature a headphone jack so you can get connected, alongside a cassette deck-like control panel that lets you sift through the entire tracklist with ease (via Stereogum). Take a listen and see how it works [HERE](#).

**We're Getting Closer to Mass Production of Bones, Organs, and Implants:** The hip bone's connected to the thigh bone, and they'll both be made by 3D printers. Medical researchers have been able to create certain kinds of living cells with 3D printers for more than a decade. Now a few companies are getting closer to mass production of higher-order tissues (bone, cartilage, organs) and other individually tailored items, including implants. This kind of precision medicine, treating patients based on their genes, environment, and lifestyle, could herald the end of long organ donor lists and solve other problems, too. Read more at [Bloomberg](#)

**Possibly The Most Watched Ever Commencement Speech:** With graduation right around the corner for many high schoolers and college seniors I thought it fitting to pass along one of the most watched commencement speeches ever. It was the speech Steve Jobs delivered in front of the 2005 graduating class at Stanford. Even if you've seen it in the past it's certainly worthy of another look. Click [HERE](#).



### **The Next Big Demand Story For Corn Could Come Out of Saudi Arabia**

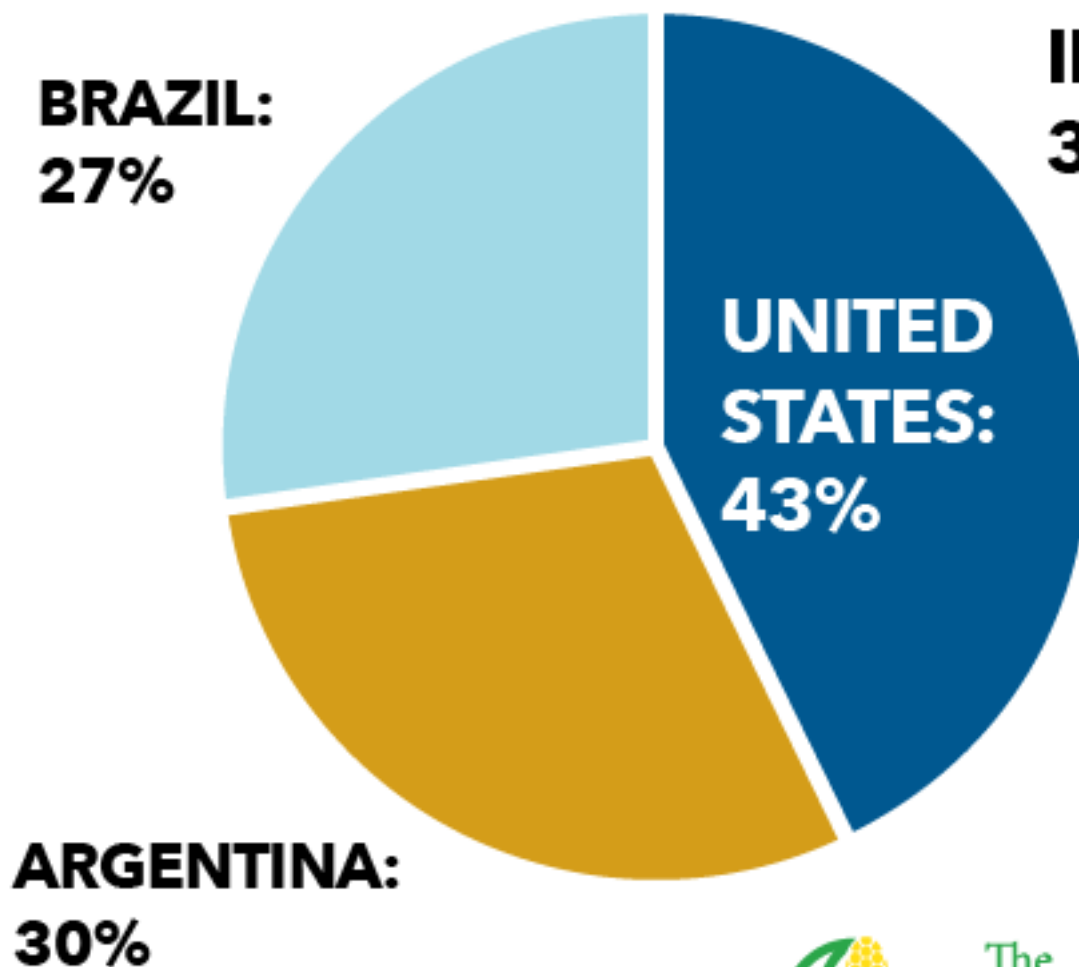
One of the latest reports out of the USDA shows Saudi Arabia is set to become a major player in the corn market. In its first forecasts for Saudi Arabian grains supply and demand in 2017-18 corn imports are pegged at a record 4.3 million metric tons, a rise of 400,000 million metric tons. This due in part to a switch away from barley in animal feed which will spur a rise in corn as well as wheat imports. Barley's declining popularity comes at a time when green forage is also being phased out. The consumption of substitutes, including corn and feed wheat looks as if it will be a benefit to U.S. demand. According to the report, as their domestic feed processing is expected to drastically increase in the next few years, Saudi Arabia's demand for corn will grow exponentially. Corn is particularly popular with the country's growing broiler industry, which makes up some 60% of the poultry being fed domestically. Understand, since they don't produce a lot of corn domestically, the Saudi Arabian government encourages corn imports by providing an import subsidy of +\$82.40 per metric tons to importers. It is their goal to reduce production costs of poultry meat, table eggs, dairy and other livestock products, so they like the thought of cheap feed. DDG S and CGF (corn gluten feed) imports are also animal feed ingredients that are eligible to receive Saudi government import subsidies. According to U.S. Customs data, a total of 8,387 metric tons of DDGS was imported from October 2016 to January 2017. The U.S. Grain Council has been very active in the Saudi market conducting activities to educate

Saudi poultry farms, dairy producers and feed millers about the benefits of using DDGS and CGF in their animal feed formulations. Ultimately, Saudi Arabia remains a bright spot in an otherwise fairly gloomy U.S. corn demand outlook. Graph below shows the United States' dominance of the Saudi corn market in the 2015/16 marketing year where the U.S. controlled approximately 41% of Saudi corn imports. That piece of the pie only looks to get bigger in the coming years. (Source: USDA, [GAIN Report](#) - Saudi Arabia Grain and Feed Annual)

# Saudi Corn Imports

OCTOBER 2015 - SEPTEMBER 2016

**TOTAL  
IMPORTS:  
3,582,519**



Source: USDA, Global Trade Atlas





## **Was It One Of The Biggest Marketing Mistakes In History?**

It was back in late-April of 1985 that Coca-Cola announced it was replacing its beloved soda formula. The concoction was dubbed "New Coke" by consumers, although Coca-Cola officially just called it "Coke". No matter how one referred to it, the formula quickly became a marketing disaster - or was it sheer genius? Some argue to this day that Coca-Cola devised the scheme to steal attention from an extremely successful campaign launched by Pepsi, which urged consumers to take a "taste test challenge" and resulted in surging sales. Others claim it was simply an irrational and knee-jerk reaction aimed at competing against Pepsi. In fact, Coca-Cola told the media it had adjusted the recipe to better suit "modern tastebuds" and that New Coke consistently beat Pepsi in the slew of tests they conducted before the official release. According to a group of chemists that worked for Pepsi, however, the New Coke formula cut out some of the drink's most costly ingredients and would subsequently save the company around \$50 million per year. No matter the real reason, it caused a furor among Coke fans. The real disaster may have stemmed from the fact the company severely underestimated how attached consumers were to the 99 year old drink. Once New Coke was introduced production of the original formulation ended that same week. In turn millions of Americans were outraged. The company was flooded with angry letters and thousands of phone calls. Supposedly, a psychiatrist Coke hired to listen in on calls told executives some people sounded as if they were discussing the death of a family member. It didn't take long for Coca-Cola executives to get the message and the



company announced the return of "Coke Classic" just three months later in July. As crazy as it may sound, it was such a big deal that ABC News anchor Peter Jennings interrupted General Hospital to announce the news to America. New Coke stuck around for a while, but it eventually faded away into American business history. Coke Classic on the other hand witnessed a revival in popularity that eventually propelled it past Pepsi and back to the top of the soda market. According to industry statistics compiled by Beverage Digest, Coke owns about 17% of the American market for carbonated soft drinks. The next most popular choice is Diet Coke with 9.4%. Pepsi languishes in third place at 8.9%. Coca-Cola was launched in 1886 by an Atlanta chemist. Seven years later, Pepsi was created as a direct competitor. The cola war waged on for decades with the edge moving back and forth between the two competing firms. (Sources: Snopes, Time, Slate)

## **Interesting View On "Happiness"**

My wife and I have come across several friends and acquaintances in our journey that we deem to be people who are happy being unhappy or ones that simply gravitate towards drama. I know this might sound a bit odd at first, but take some time and think about it.

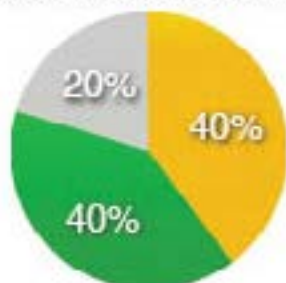
I'm willing to bet you have several people in your lives who would qualify as being grouchy all the time or constantly having drama swirling around their life. I believe many of these individuals are caught in some type of negative processing loop. One in which they become happy being unhappy or in many cases when one drama related hurdle is cleared they immediately search to find the next. In other words they can't stop looking for the next problem or reason to stress. Putting their oars in the canoe, relaxing and floating comfortably down the river is simply not an option. Unfortunately for many they spend their entire life in this negative loop. They look for the next project, the next new car, new investments, new employee, new farm, new equipment, new vacations, etc, in an effort to bring enjoyment. The problem is the enjoyment is fleeting at best and ultimately adds even more to the pile of complications, drama and headaches. Hence the negative loop not only continues but often escalates in size as more and more balls are thrown in the air. Many great thinkers say it's not what we add to the mix that becomes the most important in life but rather what we are able to remove. The experts also say if we were raised in a somewhat chaotic environment, we will subconsciously strive to recreate chaos. Trust me when I tell you "slowing down" is harder than you might think. My wife and I have been consciously trying to say "no", not take on new projects, and or new commitments. We are trying to learn how to enjoy the moment one-day to the next. Our entire life we've been pushed to reach the next big set of goals or to overcome the next set of hurdles, I suspect that's why many of us look in those directions. The problem is we miss a lot of the good stuff along the way. Make sure your not caught in a negative loop, try putting your oars in the water for six-months or perhaps a year. Remember choosing to do "nothing" is considered a decision, often times one of the best you can make. Below is an interesting interview with Mo Gawdat, the Chief Business Officer at Google. He was desperately unhappy after losing his son during a recent holiday. So he decided to find the equation for "happiness"! Click [HERE](#) to hear his thoughts.



# CASH SALES & HEDGING TOTALS

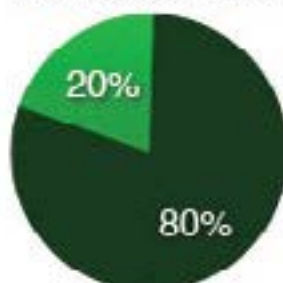
## CORN 2016 CROP

40% SOLD  
40% HEDGED  
20% UNPROTECTED



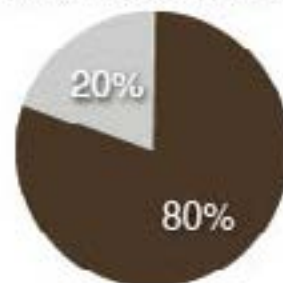
## SOYBEANS 2016 CROP

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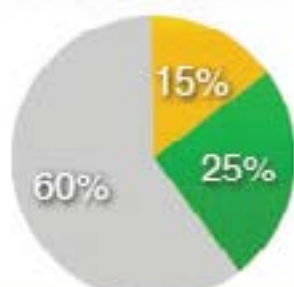
## WHEAT 2016 CROP

80% SOLD  
0% HEDGED  
20% UNPROTECTED



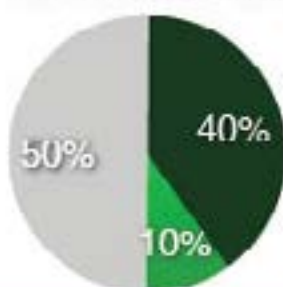
## CORN 2017 CROP

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60% UNPROTECTED



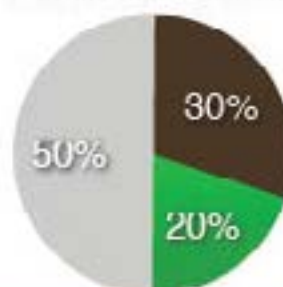
## SOYBEANS 2017 CROP

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

