



"I will study and prepare myself and someday my chance will come." - **Abraham Lincoln**

TUESDAY, APRIL 04, 2017

Morning Summary: U.S. stocks start the new-month and new-quarter near all-time record highs, but the trade seems a bit nervous adding to its current length. Economic data out yesterday was a bit more disappointing than we've seen, with Motor Vehicle Sales falling -5.7% in March to an annualized rate of 16.53 million. The new rate actually marks a two-year low. The weaker than expected number has some insiders believing the car sale boom may have peaked and is now going to trend lower. This is creating worries about rising new car inventories, as well as shrinking profit margins as car companies offer an increasing amount of incentives. It's also worth noting that just last week, Moody's warned that falling auto sales pose a credit risk to lenders. Sales at Ford fell more than -7%, even though sales of the F-Series pickup truck rose +10% on the year. GM on the other hand saw a +2% growth in sales, with its Tahoe and Suburban SUV models seeing their best sales month since 2008. Investors were also disappointed by the ISM Manufacturing Index for March, which fell to 57.2 from a previous 57.7. The employment component of the report actually rose more than 5 points though, which bodes well for the March Employment Report due out Friday. Today brings International Trade and Factory Orders. We will also hear from Federal Reserve Governor Daniel Tarullo. Yesterday, New York Fed President William Dudley made some interesting comments, including an argument for free college tuition. Dudley said the rising burden of student debt is weighing on interest rates in the U.S. and is "obviously one headwind to economic activity." With that in mind, Dudley said it would be a "reasonable conversation for policy makers to explore providing free college in the U.S. Dudley also pointed out that overall student loan delinquency rates "remain stubbornly high" and repayments have slowed, even while the job market improved the last few years. I expect investors to continue keeping their eye on headlines out of Washington. The most important events are scheduled for later this week, including the meeting between President Trump and China's leader Xi Jinping on Thursday. Keep in mind that the Senate is also mulling over the confirmation of Supreme Court nominee Neil Gorsuch. The Senate Judiciary Committee yesterday voted 11-9 to recommend Gorsuch, which sends his nomination to the full-Senate for a vote, which is currently scheduled to begin on Friday. Senate Democrats have threatened to filibuster the vote. If Democrats manage to successfully block the nomination, Majority Leader Mitch McConnell of Kentucky is likely to change Senate rules to disallow using filibuster in Supreme Court nominations. While that would essentially be a "win" for Republicans, it also highlights the partisan disfunction in Washington and indicates there are probably more struggles ahead on other important issues, like tax reform, the debt ceiling and government funding. I suspect if Washington can't somehow get on a similar page, the "theory" of increased growth will be forced to

move to the backseat, while the market starts to look more seriously at the "reality" of Washington and the fact very little change is able to take place. Which then makes traders wonder if the additional premium that's been added the past few months is actually justified and necessary???

Congrats to North Carolina! *The Tar Heels made a late surge and defeated Gonzaga to win the NCAA Mens National Championship 71 to 65. The game was actually closer than the score appeared, but I didn't think either team played all that great. According to Nielsen Media and the NCAA coverage of the 2017 tournament overall is the second most watched March Madness in 23 years.*

Could Sub-\$30 Oil On The Horizon? *Former global macro fund manager Raoul Pal, who called the oil price collapse in late 2014, is beginning to sense a big trading opportunity in the oil market again. "I think something really big is brewing in oil and it's probably not ready yet as a trade, but I see the speculative long position in oil much beyond where it was in 2014," Pal told Yahoo Finance. "People are taking a huge bet." In the late fall of 2014, Pal correctly predicted that oil would fall to \$40 a barrel. He now thinks the price could fall to \$30. Over the last year, oil has traded between \$38 and \$58 per barrel. More recently, crude has been trading around \$50. One thing that's caught Pal's attention as he's been building his oil thesis has been the dollar versus the oil price. "There's also the fact the dollar been strengthening gradually and the price versus oil has diverged." Pal expects the U.S. dollar to rally again, based largely on the relative strength of economies and the fact the world has a shortage of dollars. One of the macro implications of a strong dollar is that the price of oil and commodities generally goes down. (Source: Yahoo Finance)*

China Just Had Its Worst Ever Start to a Year for Defaults: *China's deleveraging push has racked up the most defaults on corporate bonds ever for a first quarter, and the identity of the debtors is pretty revealing. Seven companies have defaulted on a total of nine bonds onshore so far in 2017, versus 29 for all of last year, according to data compiled by Bloomberg. In a sign of the struggles facing China's old economic model, most of them depend on heavy industry and construction. While it's still far from a crisis point, the defaults shows how policy makers' efforts to reduce the liquidity that had propelled the bond market until late last year is exacting casualties. "Weak companies can't sell bonds, which adds to the pressure on their cash flow," said Liu Dongliang, a senior analyst at China Merchants Bank Co. in Shenzhen. "The pace of defaults will continue. It will be even more difficult for weak companies to sell bonds because corporate bond yields may rise further -- the current yield premium doesn't provide enough protection against credit risks." China's central bank boosted rates on loans aimed at small- and medium-sized financial institutions Saturday. Smaller banks have also been caught in the cross hairs of deleveraging, with some said to have missed debt payments in March. Four of this year's nine defaulted bonds were issued by companies based in the northeast rust-belt province of Liaoning, which has been among the areas hit hardest by China's focus on reducing capacity in industries such as steel and coal. (Source: Bloomberg)*

Morgan Stanley Expects Used Vehicle Prices Will Plummet: *If you anticipate being in the market for a used car in the next few years, Morgan Stanley projects you will*

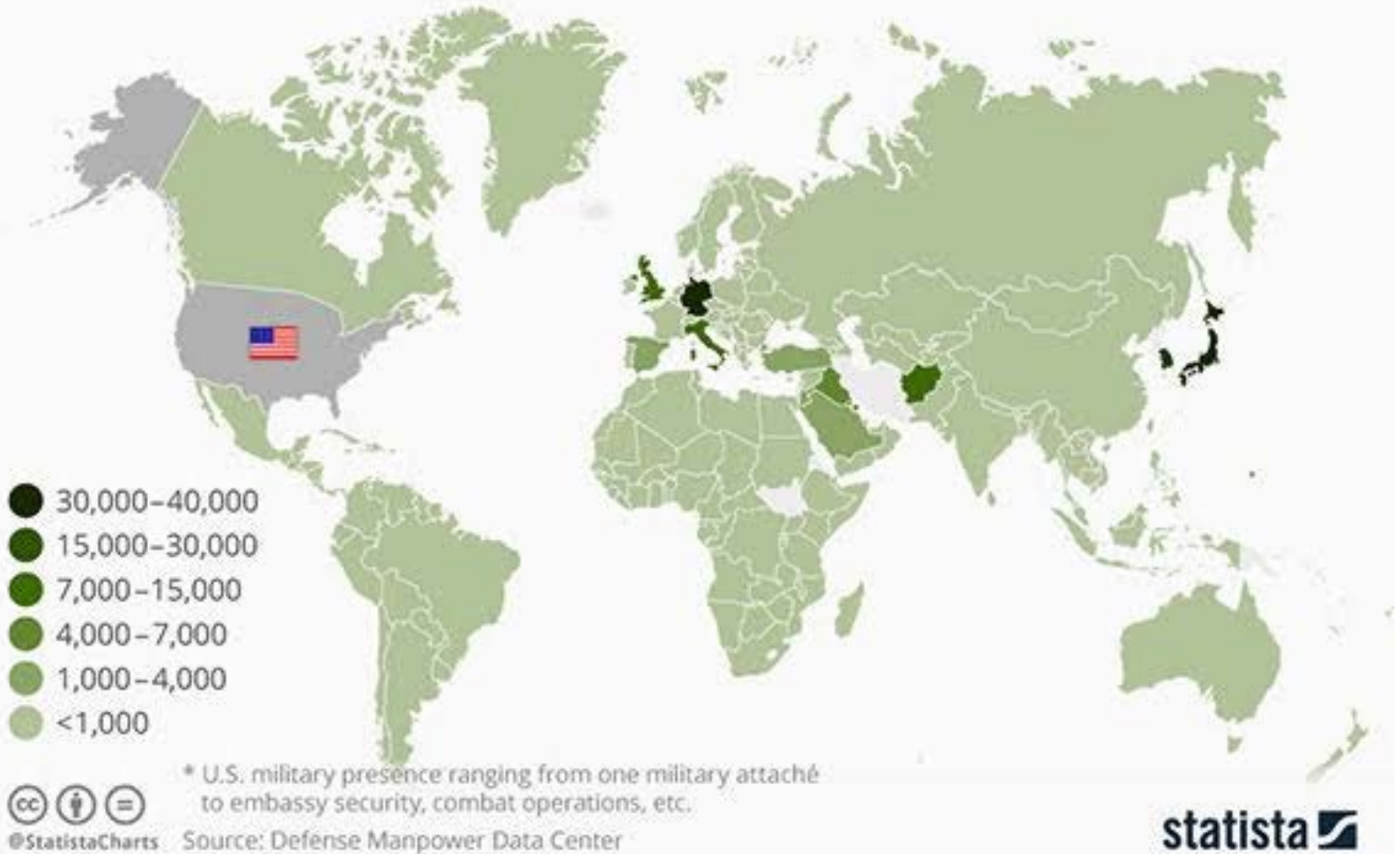
be in luck. Prices for previously owned vehicles could decline by -20% over the next four years, and they might plunge by as much as -50%, according to Morgan Stanley's projections. The big bank has put out the chart below, saying the -20% decline is the most likely scenario. Morgan Stanley's more pessimistic forecast has prices getting cut in half by 2021, and its optimistic scenario has prices merely staying about where they are. Why do used-car prices look headed for a drop after rising earlier during the U.S. economic recovery? For one, the supply of used vehicles is set to grow thanks to many leased cars that are due go "off lease," meaning they will reach the end of their contract and potentially end up at car dealerships. Morgan Stanley's predictions come as new vehicles are taking longer to sell, and as some analysts highlight that used-car price declines have accelerated recently. You also have to wonder with technology changing so quickly, a car a few years old may seem extinct in regards to functionality and working with the latest smart phone, GPS, audio and autonomous driving technology. (Source: MarketWatch)

Bitcoin Continues To Impress To The Upside: Bitcoin trades to over +\$1,130 per coin after Japan announced late last week that they would accept the cryptocurrency as a legal payment method beginning on April 1, 2017. Keep in mind the U.S. Securities and Exchange Commission rejected two bitcoin ETFs back in March, saying that it did not find the proposals "to be consistent with Section 6(b)(5) of the Exchange Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices and to protect investors and the public interest." For what it's worth Bitcoin has gained almost +20% so far in 2017. You can read more about Bitcoin in the "Crossing Wires" section of today's report.

Where U.S. Troops Are Based Around the World: The U.S. has the third largest number of active-duty troops (1.3 million) of any military worldwide, trailing China (2.2 million) and India (1.4 million). As well as substantially higher military spending, the U.S. military's unparalleled presence across the world also sets it apart from those nations. Earlier this year, it was reported that U.S. special forces alone deployed to 138 nations in 2016, an impressive 70% of the world. According to the Defense Manpower Data Center, the Army, Marine Corps, Navy, Air Force and Coastguard have about 200,000 active service members deployed to 170 countries worldwide. Japan hosts the most U.S. troops with 39,000 in total while Germany comes second with 34,800. South Korea has the third-highest number with 23,468. (Source: Statista)

Where U.S. Troops Are Based Around The World

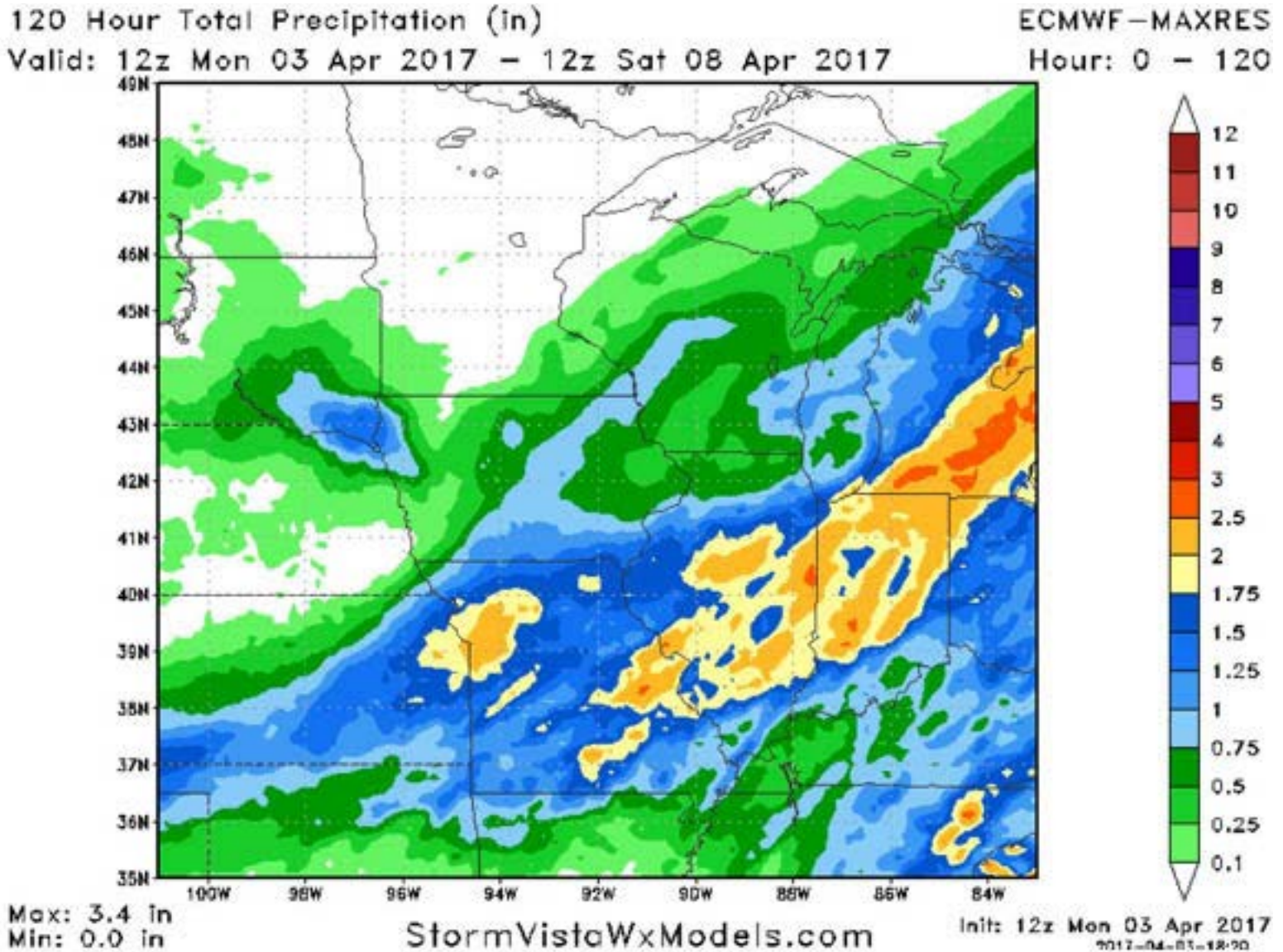
Active U.S. troops deployed outside the contiguous USA in 2017*



Weather forecasts continue to show wetness in the Plains and Midwest along with heavy rains and flooding in Argentina. Last week's major rain event in the southern Plains plus more rain the past several days continues to favor developing wheat, while arguably causing some delay to row crop fieldwork and planting. A drier, warmer period later this week will promote development of crops and improve field work conditions. Two-week rainfall amounts have averaged 1 to 4 inches over the southern half of the Plains, though pockets of dryness linger on the southern High Plains. In the Corn Belt, mild, showery weather prevails in advance of an approaching storm system. Recent rain has improved soil moisture supplies in previously dry portions of the Midwest, most notably Missouri and Illinois. In the South, heavy drought-easing rainfall in northern and western portions of the region contrast with intensifying dryness and drought in the lower Southeast. Two-week rainfall totals have averaged 2 to 4 inches in the interior Southeast, while amounts have topped 8 inches in the lower Delta. The wet weather will continue across much of the nation. A storm centered over Oklahoma this morning will lift northeastward, producing a large area of locally heavy rain from the Midwest and lower Mississippi Valley to the Atlantic Coast States, with snow expected over northern New England. A second storm will quickly develop and follow a similar path, producing rain and wet snow on southern High Plains, reaching the Great Plains and Northeast during the middle part of the week. Combined, these storms will produce two swaths of heavy rain. In southern Argentina, significant flooding is in effect. Very heavy rains, 5 to 15 inches, occurred in La Pampa last week and likely

caused severe flooding in minor growing areas. Farther north, moderate to heavy rain fell during the weekend, with more heavy rain likely this week. This will maintain adequate to surplus soil moisture; however, the wet pattern is unfavorable for maturing crops and will delay and disrupt early harvest.

Wet Weather Continues This Week Across the Midwest: *According to the latest forecasts, rainfall is expected to run +200% to +300% of the normal over the next 5-days in the heart of the Corn Belt.*

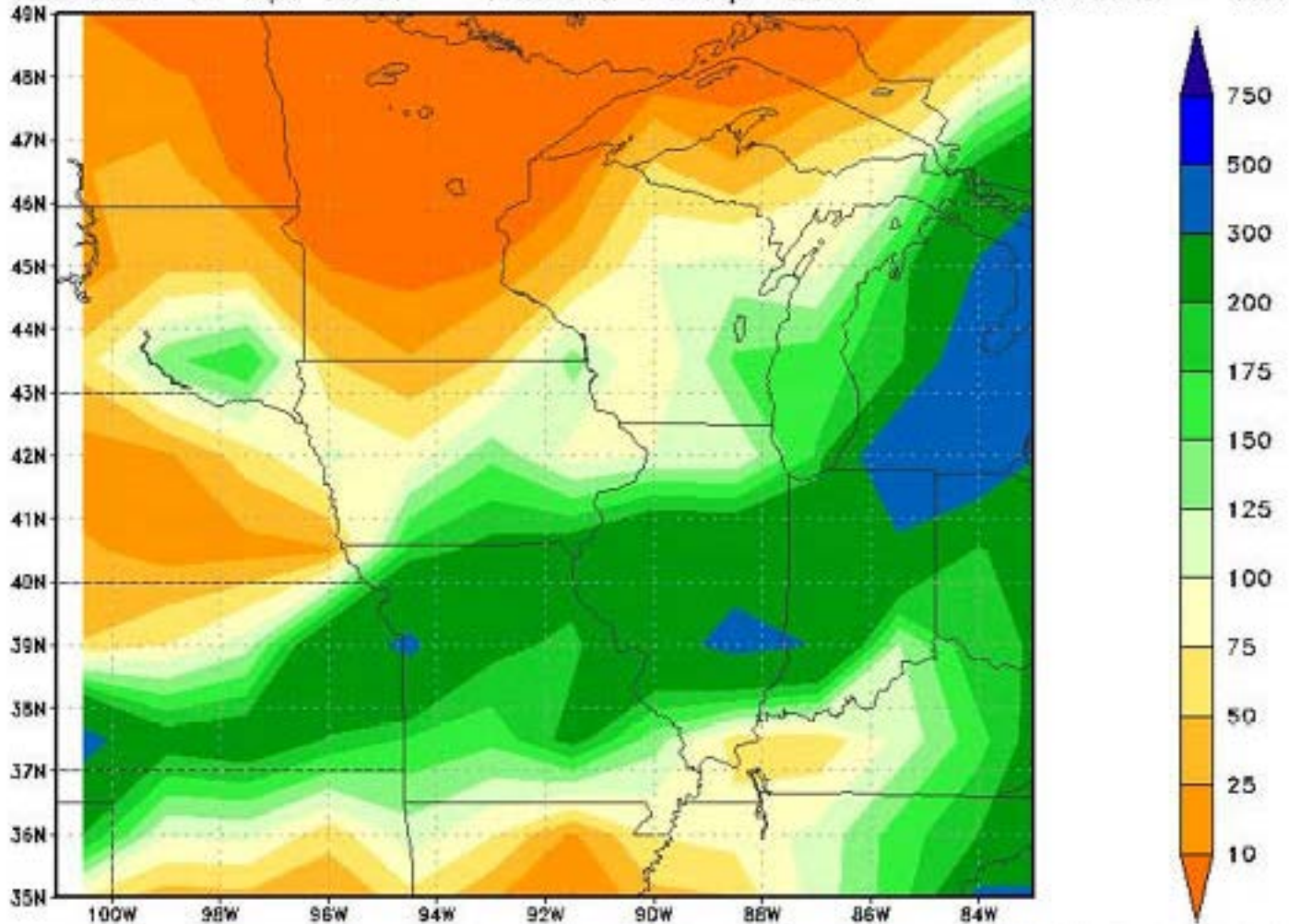


1-5 Day Precipitation Anomaly (% of Normal)

Valid: 12z Mon 03 Apr 2017 - 12z Sat 08 Apr 2017

ECMWF

Hour: 0 - 120



StormVistaWxModels.com

Init: 12z Mon 03 Apr 2017
2017-04-03-14:20

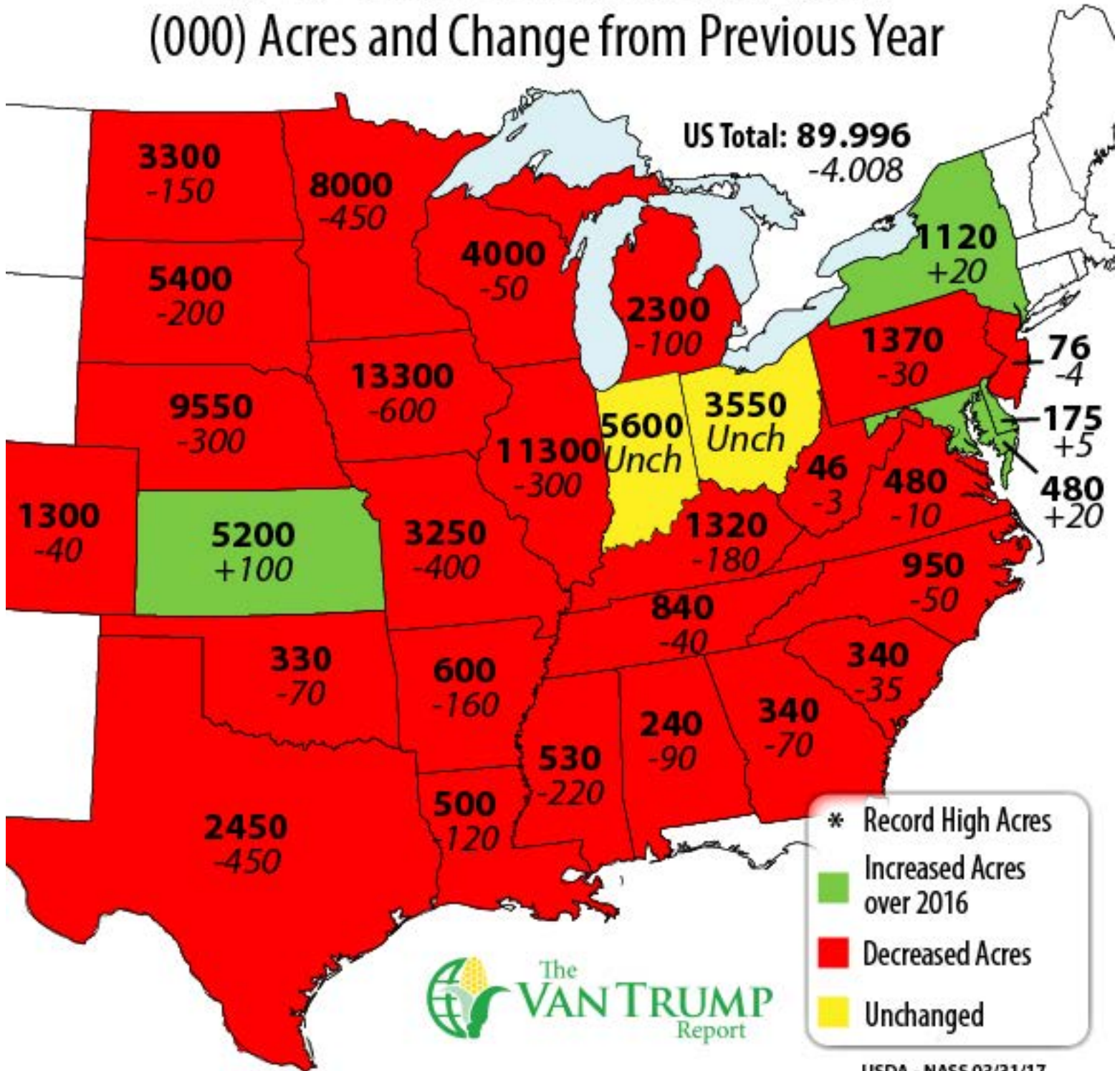
GrADS: COLA/IGES

Corn bulls continue to sight strong demand as export inspections were over one million tons for the ninth week in a row. Unfortunately the bears are quick to point out most any adjustment higher by the USDA in regard to export demand is almost certain to be offset by perhaps an even greater reduction in corn used for feed. In fact some insider have already started tossing around talk of ending stocks pushing higher into the 2.4 to 2.5 billion level, especially when you bring into consideration the massive record corn crop currently being harvested in South America. Even though the shipments could be delayed as a record soybean crop complicates logistics, eventually you have to imagine the South American corn will need to move and become more readily available in the global marketplace. Meaning perhaps extended pressure on U.S. exports further out on the horizon. Even though we've seen an approximate -4 million acre reduction in corn compared to last year, we are still looking at nearly 90-million planted acres. Meaning until weather headlines become a greater concern to the crop or macro bulls jump back on the "re-flation" trade, I have to imagine the market will continue to focus on the more easily understandable bearish fundamentals. As both a producer and a spec I feel like there's still more downside between now and any type of weather or Washington related rally. Look for U.S. weekly planting progress to be released by the USDA next Monday and the debates about fewer acres to start being more heavily circulated, especially if widespread rainfall totals remain

in the forecast. Nearby just very little to get excited about... Below you can visually see some of the big cuts in corn.

2017 Corn Planted Area

(000) Acres and Change from Previous Year

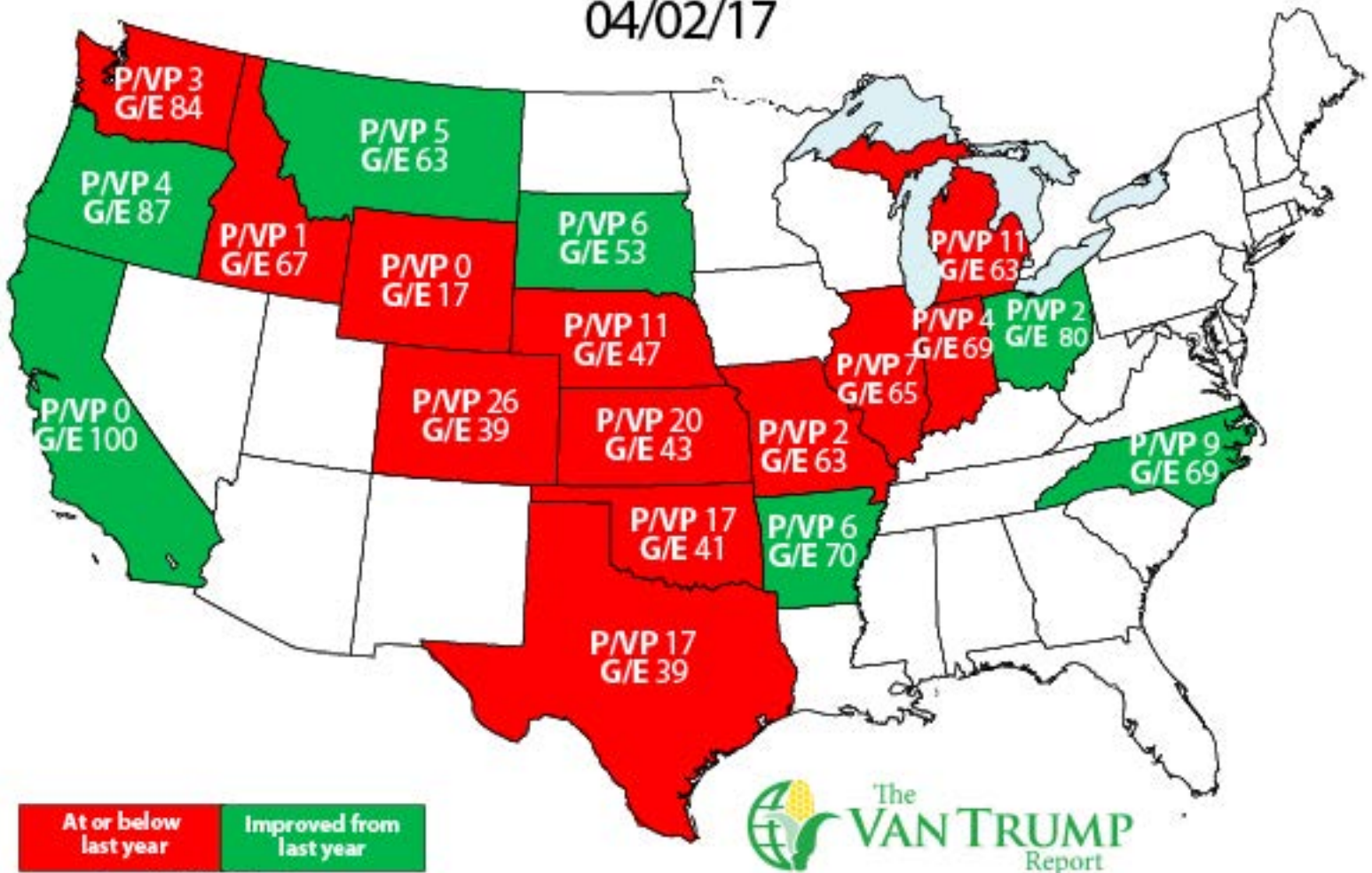


Soybeans bears continue their at-bat as traditional fundamentals offer little in the way of higher prices. There's really nothing new to discuss... I could argue heavier rains in Argentina, but the South American crop is not only record large but in many eyes appears to be getting larger. Data circulating shows Brazilian soybean exports set a new all-time record in March totaling 9.7 MMTS, the highest on record for the month. In fact during the first quarter, total soy exports are believed to have risen by +30% compared to last year. We are also digesting news here at home that the U.S. producer is about to plant a brand new record number of soybean acres in 2017. In fact for the first time in U.S. history we might be witnessing more planted soybean acres than corn. Keep in mind the record acres are coming on the heels of a fresh new all-time record U.S. harvest in 2016. Throw on top more talk of negative crush margins in China and global importers starting to shift more interest to South America it's tough to argue bullish fundamentals. As I've mentioned several times in the past few weeks, several seasoned traders are already saying if U.S. weather cooperates, ending stocks here at home could push to +600 or perhaps +700 million bushels. From a truly fundamental standpoint one could therefore easily argue the need for sub-\$9.00 soybeans. Hence why the market continues to backpedal. But from a bullish perspective, it seems like almost every year the bears are talking about the possibility of a +600 million bushel carry. Global demand then surprises to the upside and ending stocks are trimmed accordingly. Meaning all it's going to take is one significant weather hiccup or production failure either here in the U.S. or in South America and prices will be off to the races. The market obviously feels like it has cleared hurdle number one with weather cooperating in South America and a record crop being harvested out of the field. It's also starting to feel like the bears have a good run at hurdle number two as U.S. producers plant a fresh new record number of acres. As a producer I continue to keep all my hedges in place. I'm extremely happy that I was more aggressive than in years past with my new-crop pricing strategy and fell like I'm in a good position to stay patient and let some cards play themselves out. As a spec I'm also staying extremely patient, but looking for a longer-term opportunity to start building a bullish position. Eventually I have to imagine most of the bearish news will be cooked into the price and be overdone to the downside. I would like to get past next Tuesday's USDA "Supply and Demand" report before taking a more serious look.

Wheat traders are digesting the USDA's first estimate of crop-conditions with 51% of this year's winter wheat crop rated "Good-to-Excellent" vs. 59% rated "Good-to-Excellent" at this point last year. The USDA also showed 14% of the crop rated "Poor-to-Very Poor," which is double what was estimated "Poor-to-Very Poor" last year. States with crops in the poorest condition are: Colorado and Texas with just 39% of their crop rated GD/EX, Oklahoma 41% GD/EX, Kansas 43% GD/EX, Nebraska 47% GD/EX. Just keep in mind all of the above mentioned states have seen their individual state ratings improve the past couple weeks on better moisture. States with the best conditions appear to be: California 100% GD/EX, Oregon 87% GD/EX, Washington 84%, Ohio 80%, Arkansas 70% GD/EX, Indiana 69% GD/EX. Globally there's just not much new floating around. Russian leaders have backpedaled a bit in regard to their expectations for wheat exports, but they are still looking for strong numbers. I suspect the less optimistic outlook comes along with a stronger Russian ruble and less demand from Turkey and perhaps Egypt. Below is a visual of winter wheat conditions comparing this year's crop-condition to the conditions at this time last year.

Winter Wheat Conditions

04/02/17



At or below last year Improved from last year

Source: USDA, NASS Crop Progress



> **China Confirms Six New Human Bird Flu Cases, One Death:** One person was killed due to bird flu as six new cases of the H7N9 infection were reported in China's central Hunan province. The six new cases of the H7N9 infection were reported from March 24 to 30, according to a statement issued by the provincial center for disease control and prevention. A total ban on live poultry trading in the provincial capital of Changsha has been in effect since March 17 and will continue for another five days, the agency said. In March authorities reported an outbreak of the virus in the province originating from a farm with about 29,760 infected birds. Over 170,000 birds were culled as a result. The number of human infections this season has surged to the highest level since 2009. At least 162 deaths have been reported since October. (Source: Reuters)

> Colorado Considers Reinstating COOL: *The Colorado General Assembly's House Agriculture, Livestock & Natural Resources Committee yesterday began considering reinstating country-of-origin labeling (COOL) for beef products sold at retail stores in that state, R-CALF USA officials said in a news release. The Beef Country of Origin Retail Placard bill (HB17-1234) would require a placard be placed next to beef sold in retail stores. The placard must state "U.S.A. Beef" when the beef is derived exclusively from animals born, raised and slaughtered in the United States. For beef from foreign animals, the placard must state the name of the foreign country or countries from where it originated. Colorado joins South Dakota and Wyoming in recent state-level efforts to reinstate COOL, which Congress repealed in December 2015 after Canada and Mexico convinced the World Trade Organization that the rule discriminated against their livestock and violated international trade laws. The attempts in South Dakota and Wyoming have been defeated. (Source: MeatingPlace)*

> Brazilian Soybean Exports Have Increased Sharply: *Oil World reports that soybean exports from Brazil have increased sharply in recent weeks. However, they say the supply pressure from Brazil in the near to medium term is somewhat muted by the unusually low portion of the crop already sold so far as returns for farmers are squeezed by low world market prices and the firm real. Oil World adds that the process of digesting the record supplies of soybeans in South America and the U.S. is likely to keep prices at low levels until there are indications of production problems due to poor weather in the U.S. 2016-17 is the fifth consecutive season with increasing soybean supplies.*

> Louisiana Farmers Plant Rice Exceptionally Early: *Louisiana rice farmers have taken advantage of warm weather to plant their 2017 crop exceptionally early. Steve Linscombe, director of the LSU AgCenter H. Rouse Caffey Rice Research Station, estimates that as much as 70% of the state's rice crop had been planted by March 28. Warm temperatures since February and dry fields that allowed drill seeding have made planting easier for farmers to get started on this year's crop. Linscombe notes that most stands look good, even in fields where farmers used seed with low germination rates, he said. South Louisiana acreage probably will be equal to last year's total, but north Louisiana farmers who have more flexibility in what they plant may decrease their rice planting, he said. Louisiana rice farmers planted 432,000 acres last year. (Source: LSU Ag Center)*

> Dicamba Bill Signed In Missouri Bootheel: *Missouri Governor Eric Greitens signed a bill Friday that increases penalties for the off-label use of herbicides. The signing of what's known as the Dicamba Bill will be in the Bootheel town of Portageville, in the area where crop damage resulted last summer from off-label application of the herbicide. Governor Greitens says it's an important issue, particularly for the southeast region, and also for everyone who values agriculture in Missouri. The bill increases the penalty for off-label herbicide application to \$10,000 per violation and was passed with an emergency clause, meaning it's effective as soon as it's signed. Its primary sponsor is Representative Don Rone of Portageville, who represents four Missouri Bootheel counties.*

> DuPont Strikes Deal With FMC, Delays Dow Merger Again: *DuPont and Dow Chemical now plan to complete the companies' planned merger by Sept. 1, after DuPont announced Friday it would sell its crop protection business to FMC Corp. to meet the European Union's regulatory concerns. DuPont said it would sell part of its crop protec-*

tion business to Philadelphia-based FMC Corp., including some research and development capabilities, while at the same time buying most of FMC's health and nutrition business. Delaware-based DuPont said FMC would pay it \$1.6 billion — \$1.2 billion in cash and \$425 million in working capital. The company said the divestiture would satisfy "DuPont's commitments to the European Commission," which provided conditional regulatory clearance for its merger with Michigan-based Dow. The asset swap is expected to close in the fourth quarter, pending Dow and DuPont's merger closing, and regulatory approval. DuPont and Dow said they anticipate the merger to close between Aug. 1 and Sept. 1. The deal was initially expected to close second half of 2016. (Source: Des Moines Register)

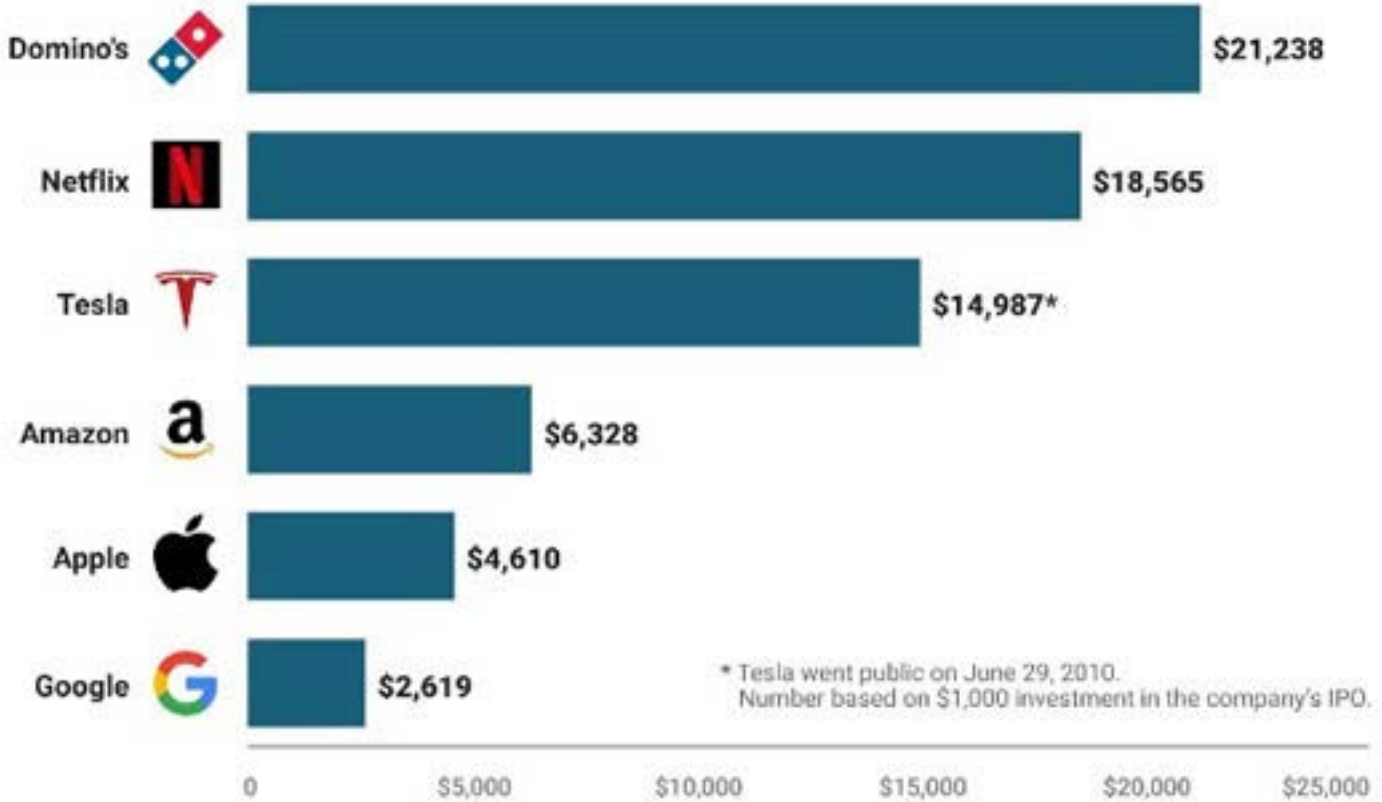
> **Louis Dreyfus Sales & Profits Slump:** Sales and pre-tax profits at Louis Dreyfus Company, the agricultural trading giant, fell sharply in 2016, thanks to falling prices for grains and oilseeds. The company warned that conditions are unlikely to improve in 2017. Net sales fell by -10.6% year-on-year, to \$49.8 billion, due to lower prices, in the year to December 21 2016, Dreyfus said. The company reported sales by volume "remaining stable compared to 2015". But net sales were impacted by "marginally reduced activity levels" as well as lower average selling prices for oilseeds and grains. "2016 was marked by strong supply and abundant inventories for some commodities, which led to challenging market conditions, worsened by volatility working against some market fundamentals," Louis Dreyfus said. (Source: Agrimoney)

> **Pesticide Industry Conference Will Include EPA Panel:** The pesticide industry will gather in Washington on Thursday and Friday for CropLife America and RISE's annual regulatory conference, an event that includes an EPA Office of Pesticide Programs leadership panel on Friday morning. The timing is interesting as just his past Friday, the EPA, under the leadership of new Administrator Scott Pruitt, rendered an industry-favorable opinion on the insecticide chlorpyrifos. Pruitt declared the decision an example of how he was going to keep his promise to reduce regulatory pressure on farmers and ranchers. The full conference agenda is available [HERE](#). (Source: Politico)

> **Dominos Has Outperformed The World's Biggest Tech Companies:** The biggest success story in tech may have nothing to do with iPhones or Facebook news feeds or Amazon Prime subscriptions — instead, it might just be about pizza. The revival of Domino's Pizza is well-documented at this point, but this chart from Statista shows just how staggering the company's success has been over the course of the decade. Domino's share price growth has outpaced the most successful tech companies in the world since 2010. Now, part of this is because some of those tech companies were already in a good place when Domino's started its turnaround. But it still compares favorably to companies like Netflix and Tesla, who have also come to greater prominence over that time. Much of Domino's turnaround can be credited to its embrace of modern technology. It improved its actual pizza in 2009, yes, but it's continually built out its ordering app, rolled out custom delivery cars with built-in ovens, and made it so you can order food with emojis, among other things. (Source: Statista, Business Insider)

PRESENT VALUE OF \$1,000 INVESTED IN JANUARY 2010

Present value as of March 23, 2017; adjusted for splits and dividends.



SOURCES: Statista, Yahoo Finance

statista | BUSINESS INSIDER

Business Insider/Jeff Dunn



Northwest Illinois - *I've been no-tilling for the past 25 years. The only time I will rip ground is if I purchase something new and then I will do it one or at the most two times. We have lots of corn sitting just waiting for a rally like everyone else. I currently create my own marketing plan and have been pretty successful with it. I surround myself with a good team from agronomist to lender and we have kept to our plan each year and it has worked beautifully. Our strategic plan each year is yield, yield, yield and that is why we are not cutting back on inputs as some are doing to save money. I believe that is an invitation for weeds to coming knocking on the door. We have one of the cleanest fields in the area but unfortunately, I can see weeds eventually arriving from other fields. Looking*

forward to getting dried out and getting to work.

Eastcentral Kansas - *We've been able to save some money with fertilizer costs down significantly from 2016. We have been on a program of building our inputs each year to solidify our yields as best we can. We had a real good 2016 harvest for both corn and beans. We currently only have 30% of old crop corn left unmarketed. Crazy as it may sound, I've got a neighbor - granted he only farms 500 acres - who still has two-year-old crops still sitting unsold. Must be nice to not need the cash. Some of us up here started talking during all the recent rains - discussing any possible changes if wet ground was to push a back. We all plan on sticking with the corn should that happen. We picked up some more land and will plant all corn. We believe the recent USDA report may lend itself to a small corn rally at some point. We are scheduled to hit the fields towards the end of April.*

Central Canada - *We are still very cold with both a lot of snow and ice on the ground. I would imagine that we will be at least a month away from getting in the field, which is all predicated on the weather. In the past we have grown canola, wheat, peas, flax and oats but I have seen here lately a few soybean acres and corn making its way closer. I know it's not much but I had no one doing beans last year and this year we are around 1000 acres. Our rotation will be about half in canola, with a third wheat and the rest pulse crops. The way things are going I think we will see a big amount of soybean acres in the next two years. The bean varieties are getting better for our climate and as acres increase more guys will be willing to plant them. Also, wheat prices have been so poor guys are looking for something else to grow. Presently we have a shortage of domestic canola which should get commercials bidding things up, hopefully making the basis narrow up. There is still a part of the canola crop to harvest in the fields because we had the early and heavy snow. Guys should be able to get to it fairly soon but I think the quality may be an issue. We have also seen the canola crush capacity increase over the past two years, increasing demand and exports increase, both keeping basis more firm.*



Funds End March On A Historically Bearish Note: *Speculators closed out March 2017 on the most bearish note across Chicago grains and oilseeds as a whole than they ever have for the month. In the week ending March 28, hedge funds and other money managers in the CBOT futures and options arena continued on their trend for the month, adding more shorts to their corn, soybean, soybean meal, and wheat positions. Over the last four weeks, funds have slashed more than 450,000 contracts in total from their corn, soybean, and wheat holdings, according to data from the U.S. Commodity Futures Trading Commission. Money managers drastically extended their CBOT corn short position to 155,512 contracts from 81,691 the week prior, and the new stance is the most bearish the funds have been since early October of last year. The funds' strong corn short to end March stands in*

stark contrast to how the month began. Since March 7, funds have slashed 235,593 corn contracts from their net position – the most drastic drop in spec enthusiasm for the yellow grain ever observed in a three-week period. Read more from [Reuters' Karen Braun](#).

Last Soybeans Harvested In Brazil Could Push Estimates Higher: Soybean & Corn Advisor notes that the last two regions of Brazil to harvest soybeans are Northeastern Brazil and the southernmost state of Rio Grande do Sul. In both regions, farmers have very high hopes for their 2016/17 soybean production. Farmers have not yet started harvesting their soybeans in northeastern Brazil, while in Rio Grande do Sul, the crop is approximately one-quarter harvested. Northeastern Brazil, which encompasses the states of Maranhao, Tocantins, Piaui, and Bahia or Matopiba as it is known, generally produces approximately 10% of Brazil's soybean crop. For the last several years, farmers in the region have been frustrated by low yields due to adverse weather, but the 2016/17 growing season has been just the opposite. The other area left to harvest in Brazil is Rio Grande do Sul and the story is very similar in that state as well. Generally, Rio Grande do Sul is responsible for approximately 14% of Brazil's soybean production. Farmers are actively harvesting their soybeans in the state and many are reporting record high soybean yields in the range of 50 to 70 bu/ac. Read more [HERE](#).

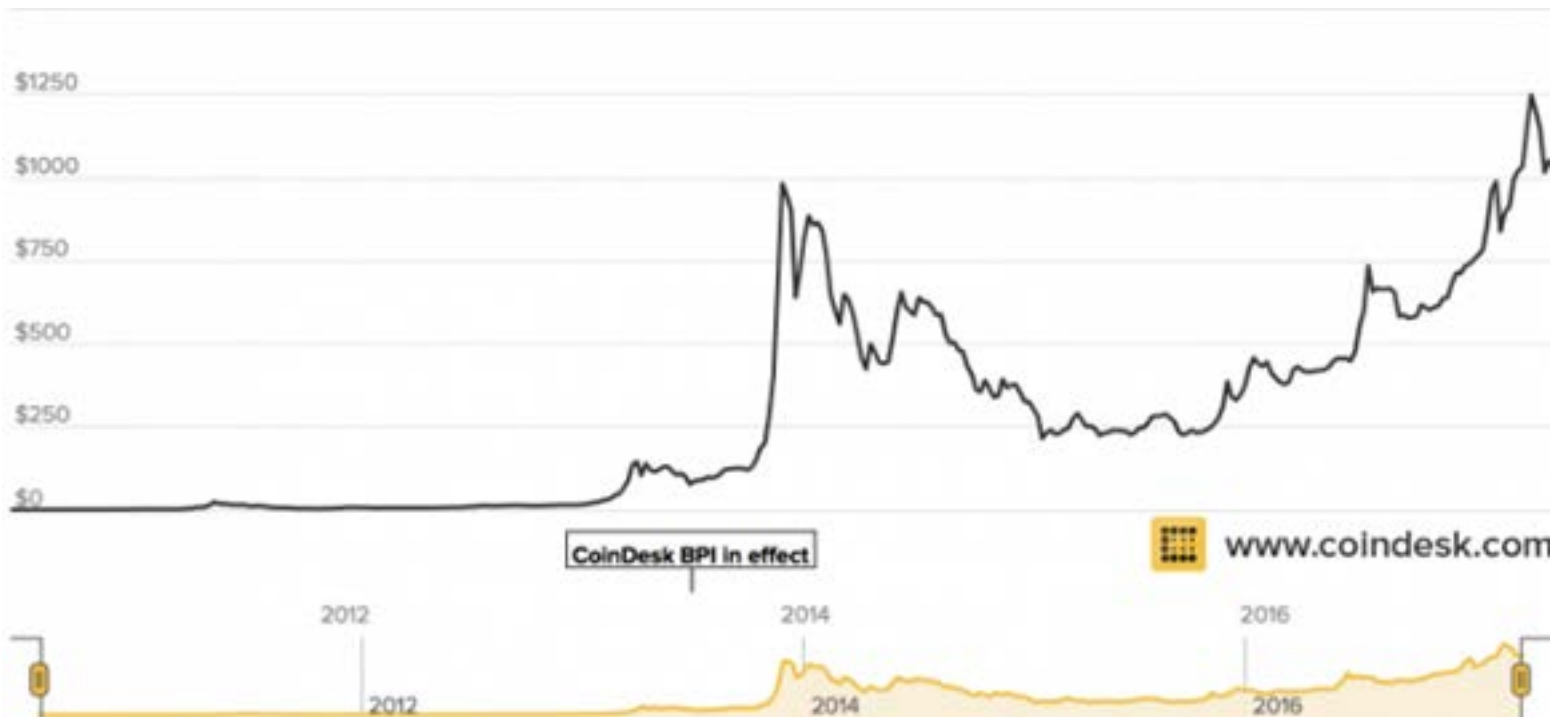
The Hidden Risk of Running a Marathon: Running is a great workout, and it comes with all of the heart-strengthening benefits of aerobic exercise. But doing it for long distances—like in a marathon—may come with unintended health consequences. A small new study finds that marathon runners can experience short-term kidney injury after the race. In the study, published in the American Journal of Kidney Diseases, researchers took blood and urine samples from 22 people who ran the 2015 Hartford Marathon, and looked for evidence of kidney injury. The researchers reported that based on the markers they observed in the samples, 82% of the runners had evidence of stage 1 acute kidney injury after the race. The problem appeared to be short-term, and most people's kidneys returned to normal within 24 to 48 hours. Still, the researchers say that their findings underline the fact that running a marathon is a stressful event for the body, and that some people may want to be extra vigilant. Read more from [TIME](#).

Grandmothers - An Ounce Of Prevention For A Pound Of 'Freak Out': Young parents are especially prone to the 4 a.m. "freak out," which leads directly to an unnecessary trip to the emergency room. Edwin Leap, over at Daily Yonder, has a theory that wise grandmothers could save families a lot of money by helping them avoid those unnecessary visits. "Freaking out never helps anything. And from what I can remember, it was simply something my grandmothers never did. Their job was to draw on centuries of collected cultural and family wisdom, apply personal experience, mix it all with loving attention (and food), and bring calm to all situations. Or bring switches as the situation required." Read more [HERE](#).

How Kids Have Lost The "Art" Of Playing A Sport: In modern youth baseball, where the culture has been transformed by the pursuit of the holy grail, a college athletic scholarship, the fundamentals are falling by the wayside in favor of flashier skills like big-league-style hitting and pitching. Private coaching and specialized camps are proliferating along with travel teams whose primary goal is putting players in a position to display their batting and pitching skills at college recruiting showcases. These events are cattle calls,

with everyone trying to impress. As a result, in the last decade or so, a generation of top ballplayers has, in most cases, spent little time learning how to accurately throw across the diamond; catch a fly ball; field a ground ball and turn a double play; run the bases effectively; make a tag at a base; or, God forbid, bunt. Read more by Bill Pennington in his article titled, ["They Can Hit 400-Foot Homers, but Playing Catch? That's Tricky"](#).

Bitcoin Explained: You hear about Bitcoin all the time in financial and technical circles—but most people really don't grasp it. Bitcoin is an alternative kind of currency. It's entirely digital—there's no paper money, there's no coins, nothing physical, not even a plastic card for your wallet. Your bitcoins are stored on your computer or your phone. If your hard drive crashes without a backup, you lose your bitcoins. The entire Bitcoin banking system is a global peer-to-peer network, running Bitcoin software. Between buyer and seller, there's no bank or credit-card company involved, no middleman who can charge fees. When you buy something from someone in another country, there's no waiting to convert currencies—and again, no fees. There's also a whole lot of really cool, really complicated math involved in Bitcoin, designed to keep it secure and to prevent Bitcoin inflation. Read more from Yahoo Finance. It's worth noting that Bitcoin spiked yesterday morning following Japan announcing on Friday that bitcoin would be accepted as a legal payment method beginning April 1, 2017. Bitcoin has gained more than 19% so far in 2017. It has been the top-performing currency every year since 2010, except for 2014. Read more [HERE](#).





How Organic Farming Matter

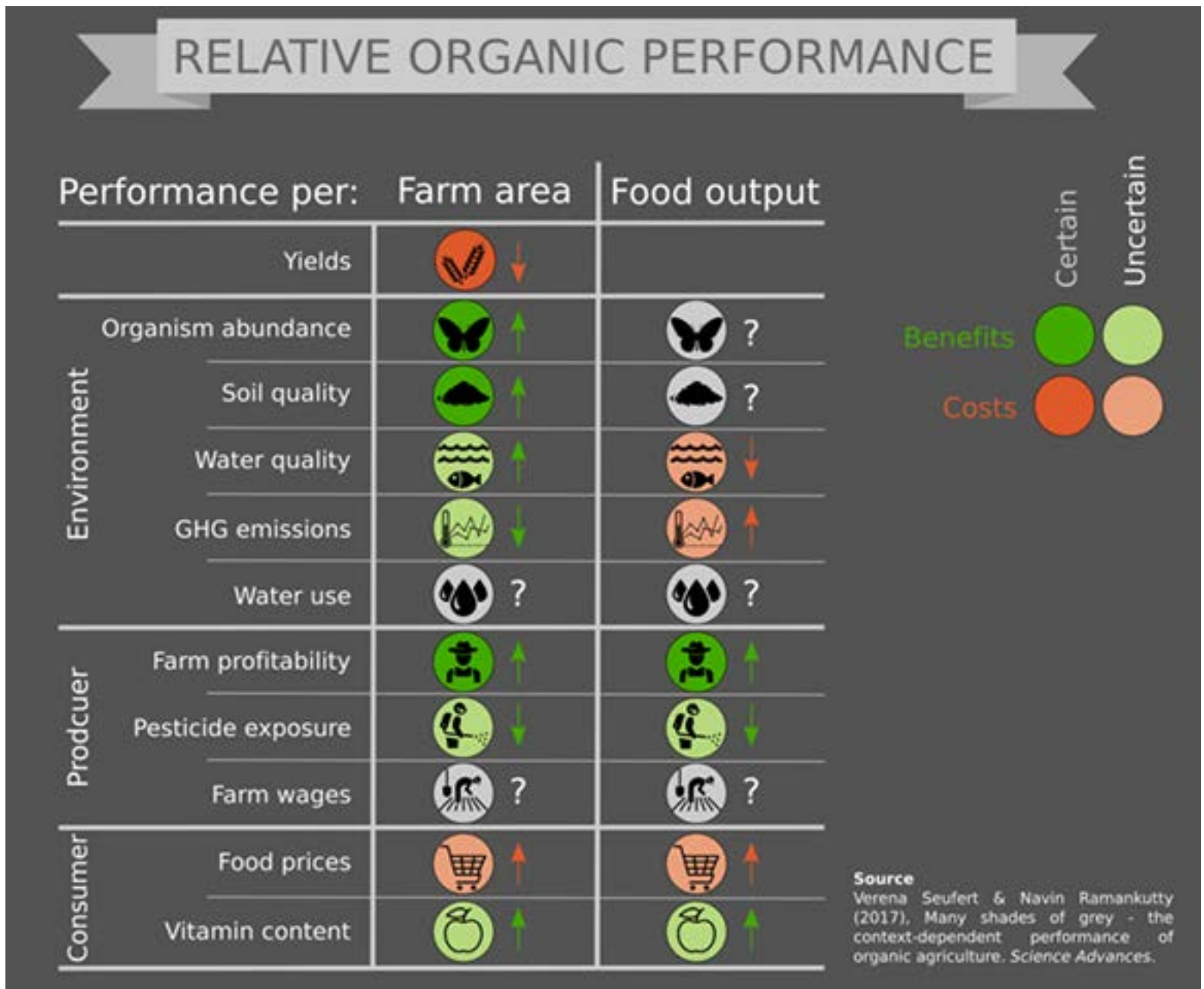
The benefits of organic agriculture are widely debated. Although some promote it as a solution to our sustainable food security challenges, others condemn it as a backward and romanticized version of agriculture. I ran across an article in the journal [Science Advances](#) which lends some research to the topic. Whether you currently farm organically, have thought about it or never will consider it, I believe it is important that facts guide our opinions as the agriculture industry seeks to promote sustainable practices while producing the world's food supply. The articles' research centers around environmental impact as well as consumer and producer benefits.

Environmental impacts - *Compared to a neighboring conventional farm, an organic farm at first appears to be better for the environment. But that's not the whole story. What's good: Organic farms provide higher biodiversity, hosting more bees, birds and butterflies. They also have higher soil and water quality and emit fewer greenhouse gasses. What's not-so-good: Organic farming typically yields less product – about 19-25% less. Once we account for that efficiency difference and examine environmental performance per amount of food produced, the organic advantage becomes less certain. Indeed, on some variables, such as water quality and greenhouse gas emissions, organic farms may perform worse than conventional farms, because lower yields per-acre can translate into more environmentally damaging land-clearing.*

Consumer benefits - *The jury's still out on whether the consumer is better off, too. What's good: For consumers in countries with weak pesticide regulations, like India, organic food reduces pesticide exposure. Organic ingredients also most likely have slightly higher levels of some vitamins and secondary metabolites. What's not-so-good: Scientists can't confirm whether these minor micronutrient differences actually matter for our health. Because the difference in the nutritional value of organic and conventional food is so small, you'd do better just eating an extra apple every day, whether it's organic or not. Organic food is also more expensive than conventional food at present and therefore inaccessible to poor consumers.*

Producer benefits - *Organic methods bring certain benefits for farmers, some costs and many unknowns. What's good: Organic agriculture is typically more profitable – up to 35% more, according to a meta-analysis of studies across North America, Europe and India – than conventional farming. Organic also provides more rural employment opportunities because organic management is more labour-intensive than conventional practices. For workers, though, the biggest advantage is that organic decreases their exposure to toxic agrochemicals. What's not-so-good: We still don't know whether organic farms pay higher wages or offer better working conditions than conventional farms.*

Summary - Should we continue to eat organic food and expand investment in organic farming? Here the answer is a definitive yes. Organic farming's influence goes far beyond the current one percent of the land it occupies. Over the past 50 years, organic farms have provided conventional agriculture with examples of new ways to farm and have acted as a testing ground for a different set of management practices, from diversifying crop rotations and composting to using cover crops and conservation tillage.



Want To Invest In Fine Arts... "Takung" Might Be Your Thing

Fine Art is considered an attractive 'alternative' investment, though the marketplace is generally limited to luxury investors with very deep pockets. A Hong-Kong based trading platform called Takung Art hopes to make investing in art more accessible to the average person. Through Takung, investors can buy shares in various artworks that are listed on its platform. Takung's platform lists primarily Asian fine art, jewelry and precious gems.

They've recently added fine art from other nations and trading was expanded into New Zealand, Australia, Russia and Mongolia in July of 2016. Takung appraises the items based on current market value, then divides the pieces into equal ownership units and sells the units to investors. It's basically the same concept as buying shares in a company - you can benefit from a company's profitability without having to actually own the whole company. Not only does this make art more affordable for potential investors, it also makes sense for someone that doesn't want to have a sizeable chunk of money tied up in an illiquid asset. Meaning it's not easy to flip a Picasso if you suddenly find yourself in need of cash. Buying a piece of fine art is an all-in investment that tie up hundreds of thousands, even millions, of dollars. Takung doesn't actually acquire the artwork, either. Instead, the works are listed by approved brokers, which Takung charges a fee for. The items that Takung lists will eventually be sold by the brokers. The plan is to hold them in storage for ten years, so the first planned sale is set for 2023. At that time, each of the shareholders will receive their proportioned share of the actual selling price minus commission. Takung in turn collects from 22.5% to 47% of the art's final offering price. They currently have over 190 pieces listed on their platform and investors pretty aggressively bid shares up. The first piece ever listed on the site has gained over +3000%. Each listing - with its initial offering price and current price and value - can be found on Takung's corporate website. Takung was launched in late 2013 and has seen extremely robust growth since the beginning. In 2014, trading volume totaled \$730.56 million. Today, that has grown to somewhere between \$40 and \$70 billion. In fact, in February of this year alone, Takung reported it processed transactions totaling US\$1.47 billion. The company's stock began trading on the over the counter market (OTC) in 2015, then moved to the New York Stock Exchange as of March 22, 2017, under the symbol "TKAT". There are some concerns that Takung is attracting a lot of speculative interest, hence the skyrocketing values of their art pieces. That in turn raises worries that once the art work does start to sell in the real world, the returns may not match the sky-high expectations and end up spelling trouble for the company. (Sources: Seeking Alpha, Investopedia)



A Tradition Unlike Any Other... The 2017 Masters

The Masters golf tournament will begin on Thursday for the 81st time in its storied history. The field is solid but many expect Dustin Johnson who is coming off three consecutive victories to continue his winning ways. In fact he recently bumped Jordan Spieth from the top spot as the pre-tournament favorite. Johnson is only the fourth player to enter the Masters coming off three consecutive wins and the first since Hubert Green in 1976. He of course will have to endure the challenge from the top-ranked players in the world, as well as a couple of the lesser known. But keep in mind not many of us had the 25-year-old Danny Willett on our radar a year ago when he won the event. The "weather" was looking like it was going to be a major factor, but the recent forecast has been improving so I don't foresee it being a major issue. Less rain and wind now helps open the door for a few of the shorter hitters and better putters. As many of you know, this sporting event holds a lot of sentimental value to me, as I always watched with my grandfather when I was younger. Lets just say it was a tradition. I hope the event provides some fun and conversation for you and your family. Below are some thoughts, fun facts, and who to pick if you're in an office pool or picking the winner against your friends. As always I suspect it will come down to the wire. In fact many inside the sports like to say, "the tournament doesn't start until the back nine on Sunday." (Source: MastersESPN, Golf Digest)

Augusta Is Missing Its King: This will be the first year since 1955 that Augusta will be without legendary golfer Arnold Palmer, who passed away on September, 25th, 2016. Having played in his 50th and final Masters in 2004, Palmer accepted the role of honorary starter in 2007. He did it solo for three years, then in 2010 he was joined by Nicklaus in 2010-11. Player was added in 2012 and in each of the last four Aprils they have hit the opening tee shots. This year Jack Nicklaus and Gary Player, who have nine Masters titles between them, will be without one of the games most prolific figures when they open the tournament as ceremonial starters.

Where Are The Azaleas?: There is strong suspicion due to a very warm winter that the colorful backgrounds provided by the azaleas will not be present for the first time at this year's Masters. Interestingly, there is a rumor I had never heard that talks about an "ice theory" relating to how Augusta manages to look so good every year. The rumor has it that the grounds crew actually places ice near the azaleas in order to keep them from blooming too early. Well, due to the length of the winter warm stretch in the area this winter - the flowers started blooming three weeks earlier than normal. It does appear the Masters will be without the color and the "ice theory" will finally be put to rest.

The Masters Par Three Tournament: If you have never watched this pre-tournament event, you need to make time. It will stream live at 3pm on Wednesday of Masters week. I love the event for a few reasons. First, you get to see the players and their families - usually with their wife and children dressed in the Masters caddie bibs helping out. Second, you will always see some really cool hole in ones - a few of them may even be skipped off the ponds in front of the greens. Finally, no player in the 56 previous Par Three events has ever won and gone on to win the Masters - so who will carry

the burden this year? In case you didn't know the 2016 Par Three tournament set two new records as well - there were nine hole in ones and the event's winning score was a record low of 19 by Jimmy Walker - who finished the Masters in tie for 29th .

Snoop Dog Hosting His Own Event During Masters Week: If you are in Augusta for the Masters be sure to attend Snoop Dogg's Augusta Jam Masters party. Snoop will be hosting the celebratory musical event during the Masters Golf Tournament which supports the local Augusta community and their charitable initiatives. Augusta Jam merges the musical world of country and hip-hop music. If you would like a little different cultural experience consider hanging out with John Daily around his RV which will again be in the Hooter's parking lot selling his merchandise.

30 Years Ago... "The Chip Heard Round The World" Greg Norman must have thought he had two putts to win the 1987 Masters on the second playoff hole. Little could he have known what Larry Mize, an Augusta native had in store for him. Mize defied the level of difficulty which lay before him. With the speedy green running away from him and the pond on #11 sitting behind the flag awaiting any mis-struck shot, Mize produced the perfect shot which of course found the bottom of the cup and delivered Norman one of his most devastating major losses. Mizes' jump for joy remains one of the tournaments most memorable images.

Bridges of Augusta: There are three famous bridges at August and all have unique names: "The Hogan Bridge" which honors Ben Hogan's score of 274 in 1953, then the lowest 72-hole score in Masters history. It is left of the 12th green and is used to cross Rae's Creek. The bridge was dedicated by Augusta National on April 2, 1958, and a plaque reads in part: "This score will always stand as one of the very finest accomplishments in competitive golf."; "The Nelson Bridge" which commemorates Byron Nelson's charge of a birdie at No. 12 and an eagle at No. 13 to win in 1937. It is at the No. 13 tee and also crosses Rae's Creek. The bridge was dedicated by Augusta National on the same day as the Hogan Bridge, and the plaque reads in part: "He scored 2-3 to pick up six strokes on Ralph Guldahl and win the 1937 Masters."; "The Sarazen Bridge" which marks Gene Sarazen's double eagle on the 15th hole in the final round in 1935. It enabled him to tie Craig Wood, and Sarazen prevailed the next day in the tournament's only 36-hole playoff. Augusta National unveiled the Sarazen Bridge on April 6, 1955. It was designed by Augusta architect H. Lowrey Stulb, and it is located to the left of the pond fronting the 15th green. The flat footbridge was dedicated in 1955 to commemorate Sarazen's "Shot Heard 'Round the World." "It isn't a bridge," Stulb said, "but we'll call it that."

Who People Are Picking From The Pack: *This year there are 94 players in the field, which is a fairly large number. We've already had one dropout, Tiger Woods because of his continuing back problems. The largest ever to compete for the coveted "green jacket" was a field of 109 back 1962. Below are what seems to be a few of the more popular picks to win along with some I believe have a fighting chance, just facing a bit more of an uphill battle:*

Dustin Johnson just took over the top spot in the world after three consecutive wins this year. He led the Masters in putting last year - needing only 26.5 putts per round.

We all know his ability to overpower the course with his length off and with the forecast calling for rain this may provide an added advantage. He will need to make sure his ball finds the green consistently and he will be hard to beat. (Odds 11/2)

Jordan Spieth comes in as a past Masters' Champion and is a bastion of consistency but could stand to tighten up his ball striking. He is possibly one of the mentally strongest players in the game today and I don't feel his issues on #12 last year will have any bearing on this performance. Plan to see him in the last group on Sunday. (Odds 7/1)

Rory McIlroy suffered with early season rib injury and it may have hampered his pre-season approach to the Masters. I still like his chances due to his natural confidence and I'm guessing overwhelming desire to join the career Grand Slam Club. He like Johnson may benefit from wet conditions if he can keep the driver on track. (Odds 17/2)

Rickie Fowler may be my first choice to win from a group of those you thought would have already. His putting stats at Augusta are among the best and I believe his previous experience will finally pay dividends. I believe we will see a strong performance regardless. (Odds 20/1)

Henrik Stenson has always driven the ball well at Augusta and is coming off his impressive win at the British Open last season. His grit rates up there with the best I've seen and I believe he is settling into a groove for the next few years. He isn't easily shaken and I do not give any credence to past high rounds posted in the tournament. (Odds 32/1)

Last Years Champion: The 2016 Master Champion Danny Willet has had three top-10 finishes since last years win. Unfortunately he hasn't been scoring it so well as of late, having missed the cut two weeks ago at the Abu Dhabi HSBC Championship. He will nonetheless step onto the hallowed grounds at Augusta as the defending champion. (Odds 125/1)

Looking For A Long-shot: Rookie Curtis Luck, who according to Jordan Speith, is a "really, really, really impressive player" and said he has "unteachable" stuff in regards to turning bad rounds into good ones, may be worth taking a shot on as he is a 500-to -1 long-shot to win. Though his lack of experience will work against him, the improving weather conditions may provide him a bit more of a fighting chance.

Rookies With The Best Chance To Win: There are 19 first time players in the field this year. Keep in mind there have only been three players to have ever won the event in their rookie season. The first two occurred in years one and two of the tournament. The last time it happened was in 1979 when Fuzzy Zoeller won. Of the 19 in the field I think the three mentioned below have perhaps a shot at winning. In fact rookie John Rahm is seeing a lot of money placed on his name. His odds of winning are better than Ricky Fowler and almost as good as Rory McIlroy

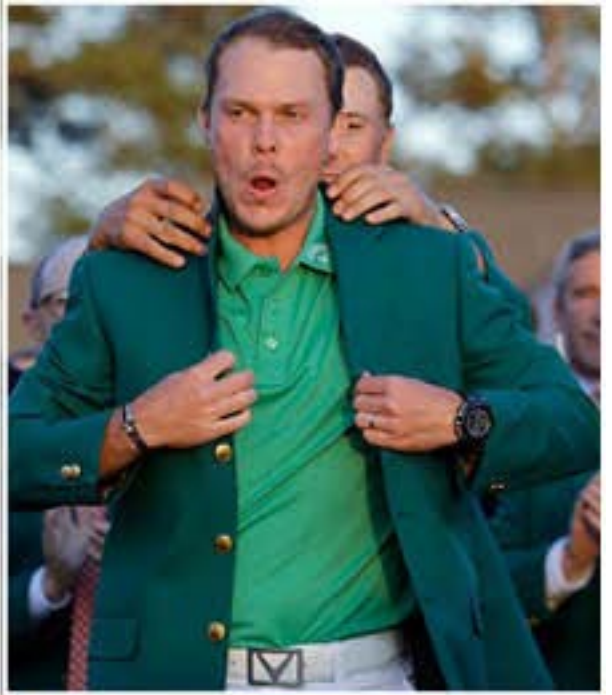
Jon Rahm: Won the Farmers Insurance Open this year and rocketed all the way to No. 14 in the world with an appearance in the finals of the WGC-Dell Match Play last week.

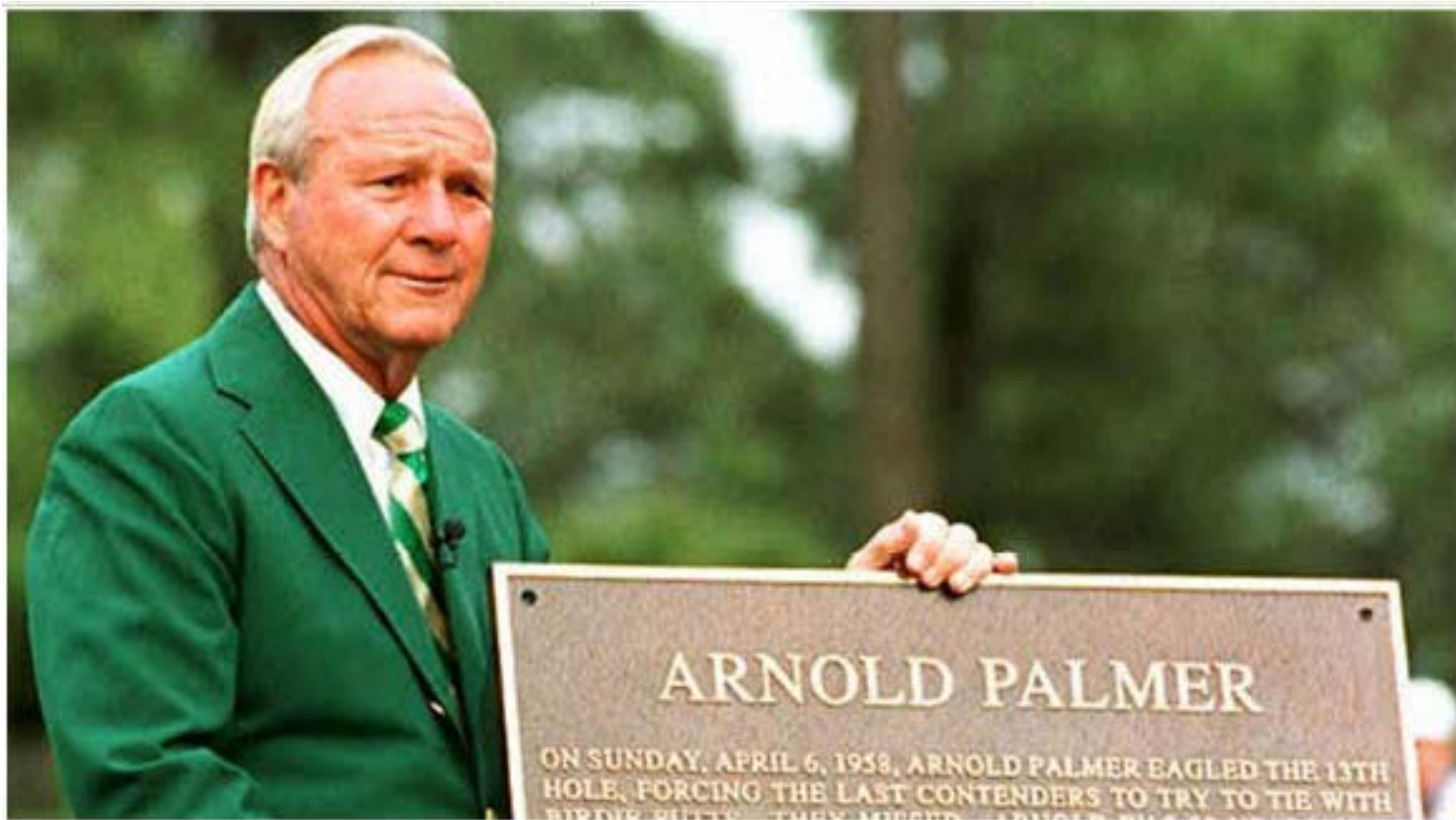
This kid has superstar written all over him. Plus he has the length to be a true contender this year. I love watching these young guns bomb it off the tee box. (Odds 18/1)

Thomas Pieters: The Ryder Cup stalwart finished tied for second at the Genesis Open and tied for fifth at the WGC-Mexico Championship earlier this year. He's a stud, and I know has the guts to win. He also has a nice pedigree built up playing in college as well as the European Tour and Ryder Cup so the moment won't overwhelm him like it would some. He could be the real deal in a year or two. (Odds 65/1)

Tommy Fleetwood: This would not be radically different than Danny Willett winning last year. Fleetwood is coming off a win at the Abu Dhabi Golf Championship over Dustin Johnson, and he nearly won the WGC-Mexico Championship over Johnson as well. He's a baller, and he's playing some of the best golf of his career. This one is an up and comer for sure. (Odds 110/1)

Who I'll Be Rooting For: I'm thinking it's time for another veteran to find his way to the top of this years leader board. Though it's been nearly 15 years since Jim Furyk won his first and only major title (U.S. Open), this 46-year-old still seems to have what it takes to compete with the best of the best. If he can draw upon his wealth of experience and find some good fortune on the greens, he'll have a chance to pass the great Jack Nicklaus as the oldest Masters champion in history. For Furyk to have a fitting chance against the young bucks, he will need to be in the hunt heading into the final round. I'm hoping his nine top-15 finishes means he's been striking the ball fairly well and won't be in a lot of trouble. Like most in the field, it will probably come down to if he has a hot hand with the putter. Furyk's odds of winning it all are at about 60/1, meaning he's certainly not one of the favorites, but what the heck I'm cheering for the old-guy!





CASH SALES & HEDGING TOTALS

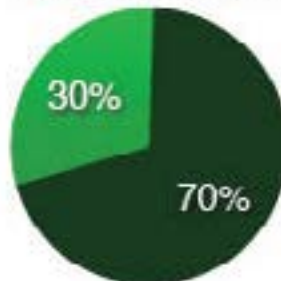
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



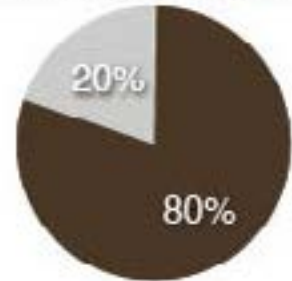
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% UNPROTECTED



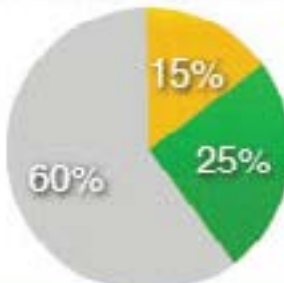
WHEAT 2016 CROP

80% SOLD
0% HEDGED
20% UNPROTECTED



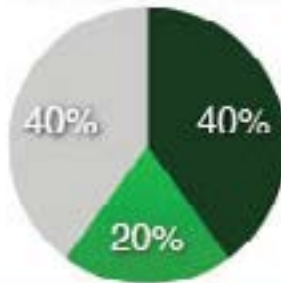
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



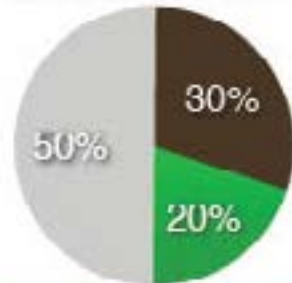
SOYBEANS 2017 CROP

40% SOLD
20% HEDGED
40% UNPROTECTED



WHEAT 2017 CROP

30% SOLD
20% HEDGED
50% UNPROTECTED



CORN 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



SOYBEANS 2018 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



WHEAT 2018 CROP

0% SOLD
10% HEDGED
90% UNPROTECTED

