



"At the end of the day, you can either focus on what's tearing you apart or what's holding you together." - **Unknown**

TUESDAY, APRIL 11, 2017

Morning Summary: Stock indexes continue their sideways movement as investors await more significant data and details about what the White House has planned. The only economic data out today is JOLTS employment data. Corporate earnings releases remain fairly irrelevant until Thursday. In Washington, President Trump is scheduled to meet with around 20 of our nations top CEOs today, including heads of General Motors, IBM and Wal-Mart, as he seeks to gain support for his infrastructure program and tax reforms. His infrastructure package is said to be a \$1 trillion combination of private and public investments to fix critical infrastructure such as bridges, modernize airports and improve the electric grid. The CEOs are all part of Trump's "Strategy and Policy Forum." From what I understand, the plan could be unveiled as early as May. Late in the day, the White House announced they were scrapping their previous tax reform plan without offering much detail. We heard House Speaker Paul Ryan make comments last week that many leaders in Washington were on different pages in regard to tax reform, so perhaps the White House is taking the necessary steps to try and bring more unity? Keep in mind the goal is to have some type of new tax plan ready to roll out in August. There is also still some growing anxiety about U.S. and Russia relations. U.S. officials said they have strengthened protection of American forces in Syria. An official spokesman said there has been no attempts by Syria or its allies to retaliate against the U.S. for bombing their troops and other targets last week. There were also some disturbing new revelations yesterday that Russia knew about Syria's plan to use chemical weapons before hand, which has seen U.S. officials step up their criticism of Russia to new heights, which come just ahead of Secretary of State Rex Tillerson's visit to the country. I keep going back to Ray Dalio's thoughts on "populism" and his comparison that the world has eerily moved towards a 1930s type landscape. Deeper divides in income inequality are driving a shift in voter sentiment and creating a swell in social unrest. Advancements in technology are fueling a type of revolution that is helping to facilitate and bring about more rapid change, not only for the world of business but in central banking and politics as well. The recovery in the 1930s, which followed the Great Depression, is comparable to the recovery we have seen following the market crash of 2008-09. Not only have we seen the same widening in the wealth gap, but we are also sitting on large government debts, and have a world awash in low interest rates. In it's wake more extreme forms of "populism" formed towards both the "left" and "right" ultimately becoming more of the geopolitical driver. It's not just income inequality or the redistribution of wealth that's driving the more extreme movements, but also the rapid

change in disruptive technology, the displacement and massive shifts in employment, the having to re-learn and re-think things we've taken for granted the past 50-years, culture shifts and changes, the so called middle-class majority simply being feed up... This rise in "populism" following the economic crisis has created more extremes in leadership for almost every nation across the globe. If you don't like "change" the next several years may be extremely difficult to swallow.

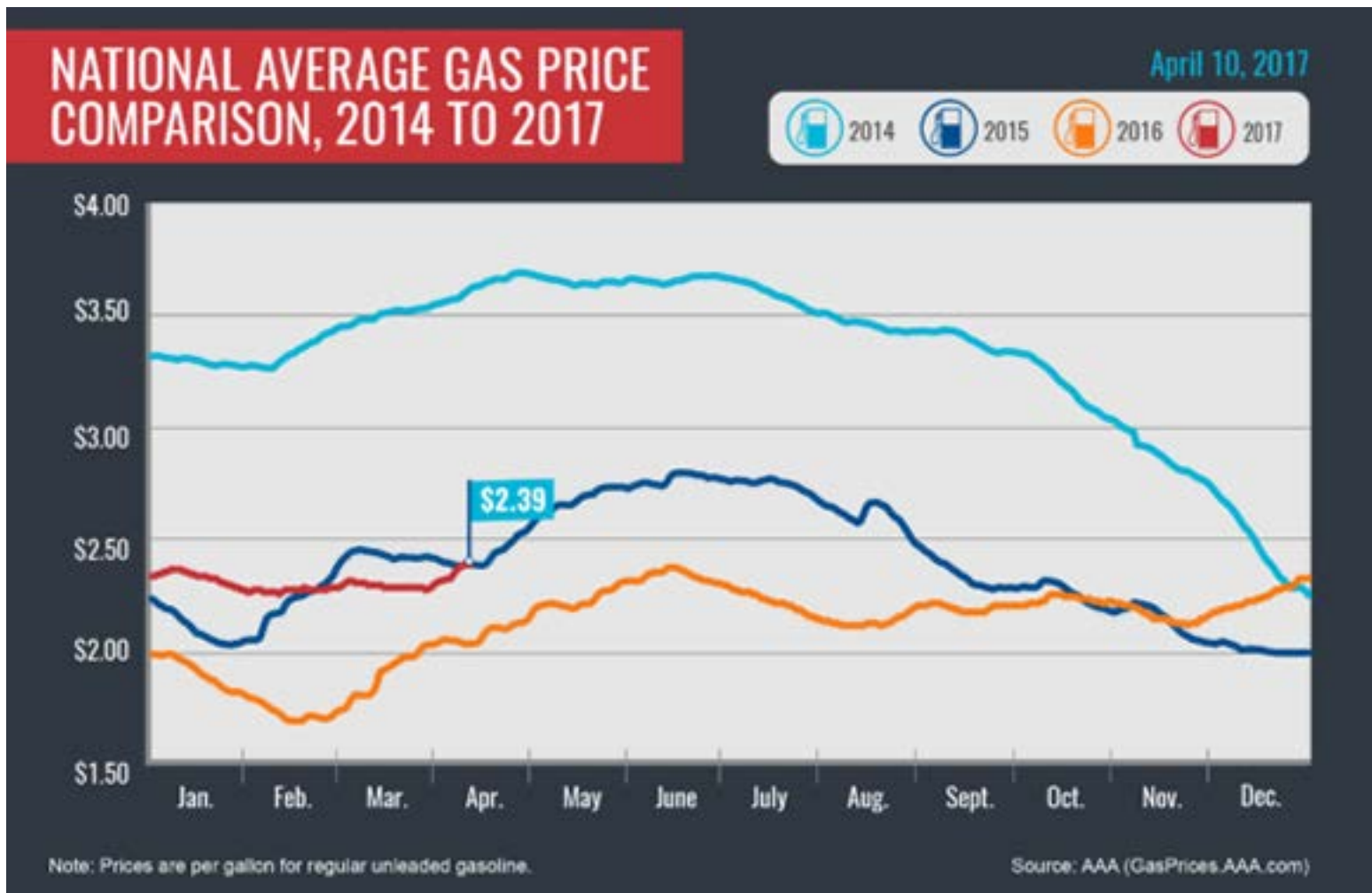
BlackRock Founder Has Some Interesting Insight: *"The combination of global growth and medical advancements, driven by the free exchange of intellectual and financial capital across borders, has increased longevity dramatically in many parts of the world," he wrote. "Yet living longer also means working longer — and paying for additional years of retirement. This dilemma is an underappreciated driver of popular anxiety: workers lack the retirement security to support their longer lives, compounding the angst they feel about their employment prospects and the path of economic development..." BlackRock, Chairman Larry Fink. Read his entire letter to shareholders [HERE](#)*

U.S. Navy Heads To Sea Of Japan Amid North Korean Missile Test: *A U.S. Navy strike group has began heading towards the Korean Peninsula, seeking to "maintain readiness" as Pyongyang prepares to celebrate two key anniversaries this week. Analysts expect the recent barrage of missile launches to continue, and activities around the country's known nuclear test site have raised concerns that the country may be preparing for a sixth nuclear test. Over the weekend, North Korea said that it was not afraid of military strikes like those the United States launched on Syria last week, saying it could defend itself with its "tremendous military muscle with a nuclear force." In this atmosphere, the Carl Vinson strike group, which includes a carrier air wing and two guided-missile destroyers, was ordered to travel to the "Western Pacific." "The number one threat in the region continues to North Korea, due to its reckless, irresponsible and destabilizing program of missile tests and pursuit of a nuclear weapons capability," said Dave Benham, a spokesman for the Pacific Command. The Vinson group participated in joint drills with the South Korean military last month to prepare for a sudden change on the peninsula — including the collapse of the North Korean regime or an invasion. National Security Adviser H.R. McMaster called the decision to send the strike group to the Sea of Japan "prudent." McMaster also said that Chinese President Xi Jinping agreed with President Trump that North Korea's behavior is "unacceptable" and that the Korean Peninsula must be denuclearized. (Source: Reuters, ABC)*

Two Of America's Biggest Trucking Companies Agree To A Merger: *Knight Transportation and Swift Transportation have agreed to merge to create a North American trucking giant. The merged firm, to be called Knight-Swift, will have a holding-company structure while maintaining the distinct brands, according to a statement Monday. From what I understand each Swift share will convert into 0.72 shares of the merged company. Each Knight share will be swapped for one Knight-Swift share. The two companies earned about \$5.1 billion in total revenue and \$416 million in adjusted operating income last year. The companies expect to achieve about \$15 million in cost-saving synergies and pretax revenue in the second half of 2017, and up to \$150 million in 2019. Knight's CEO, Dave Jackson, will become chief executive of the*

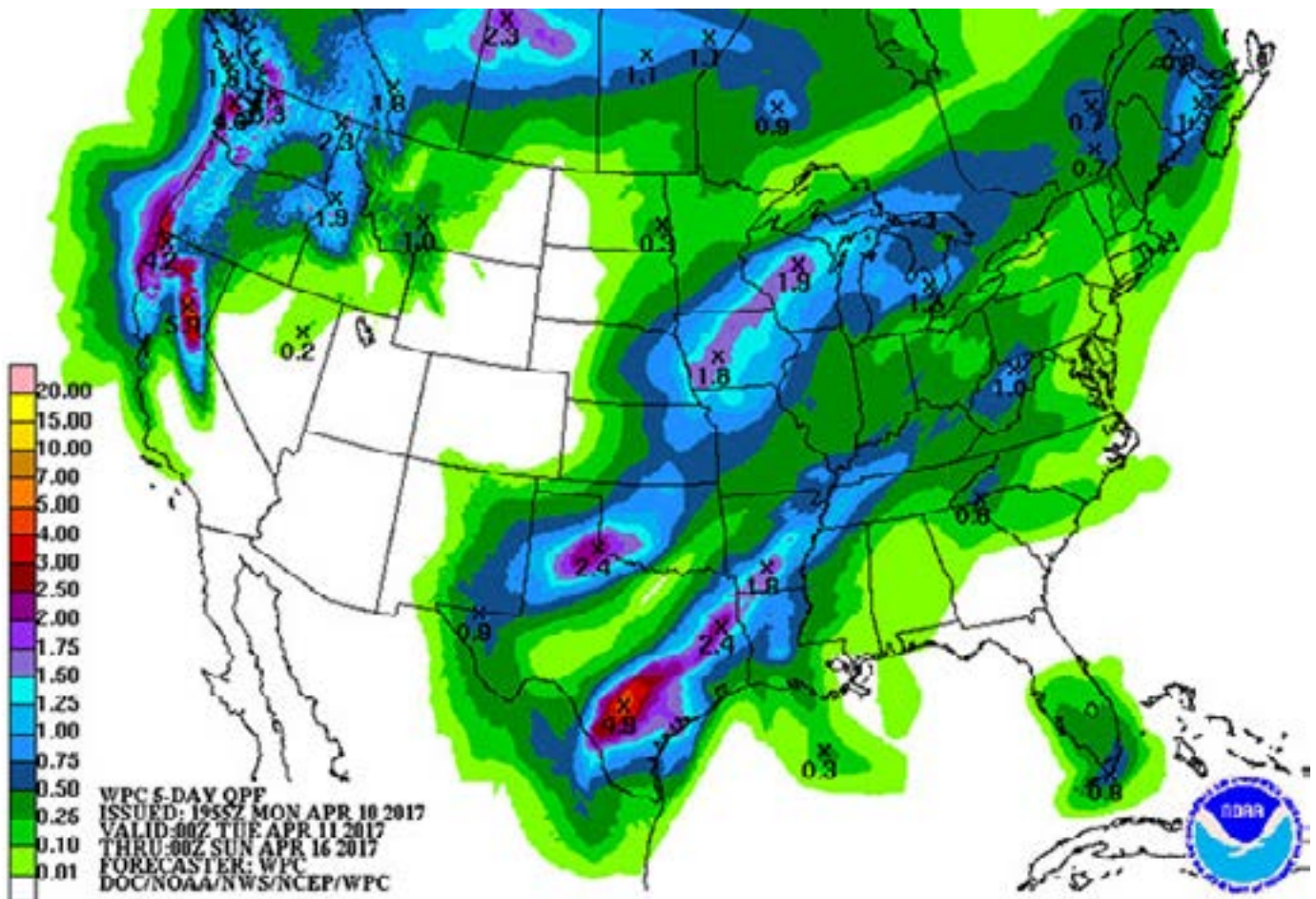
merged company. Knight-Swift will have 23,000 tractors and employ 28,000 people. (Source:BusinessInsider)

Gas Prices At Highest Levels In 19-Months: Average U.S. gas prices have hit \$2.39 per gallon, six cents higher than last week and 35 cents above last year's level. The national average is at its highest price this year and has now increased for 13 of the last 14 days. Pump prices in 48 states and Washington D.C. have moved higher over the last week, led by the switch over to more expensive summer-blend gasoline and increased driving demand. West Coast gas prices continue to prove the highest in the country and are likely to continue climbing in the coming weeks due to refinery maintenance. Five Great Lakes and Central states saw some of the country's most significant gas price increases in the past seven days: Michigan (+12 cents), Indiana (+11 cents), Missouri (+9 cents), Illinois (+8 cents) and Wisconsin (+7 cents). Phillips 66's 330,000-b/d Wood River refinery in Illinois is still undergoing planned maintenance work, adding to a growing list of refinery issues in the U.S. Midwest. The least expensive gasoline prices continue to flow in South and Southeast states, however, this region did see spikes in the last week. (Source: AAA)



Weather is focused on more rain in the Midwest and a drier trend for Argentina. Showers and thunderstorms are disrupting field work and corn planting in the Midwest. Significant impacts will be felt in the Great Lakes States which along with thunderstorms could see cold temps and possible wintry mixes. In contrast, warm, dry weather in the eastern Corn Belt favors pre-planting fieldwork. Planting activities are just getting underway across the region's southern tier, where 1% of Missouri's intended corn acreage had been planted by April 2. On the Plains, a disturbance is crossing the north central U.S. producing some late-season snow in South Dakota and environs. Meanwhile, cooler air has overspread the central and southern Plains and a new round of showers is indicated this week and will help maintain favorable conditions. In the South, warm, dry weather is promoting a rapid pace of fieldwork and crop development. In the Southeast, however, effects of the mid-March cold wave are still apparent. In Georgia, for example, 71% of the blueberry crop was rated in poor to very poor conditions on April 2nd. A pair of disturbances will traverse the nation late in the week with the bulk of the precipitation falling across the Plains and Midwest, while dry weather will prevail in the Southwest and Southeast. Cool conditions will remain mostly on the West Coast while much of the remainder of the country will experience near to above normal temperatures. In Brazil, southern crop areas including Rio Grande do Sul, had heavy rainfall over the weekend. This is seen as unfavorable for harvest. However, there is a drier forecast for this week. Meanwhile, central Brazil has favorable conditions for the developing second-crop corn. In Argentina, very heavy rains fell in the central crop belt during the past weekend. The rain will disrupt harvest for several days. However, the forecast is drier during this week which will allow harvest to resume later in the period.

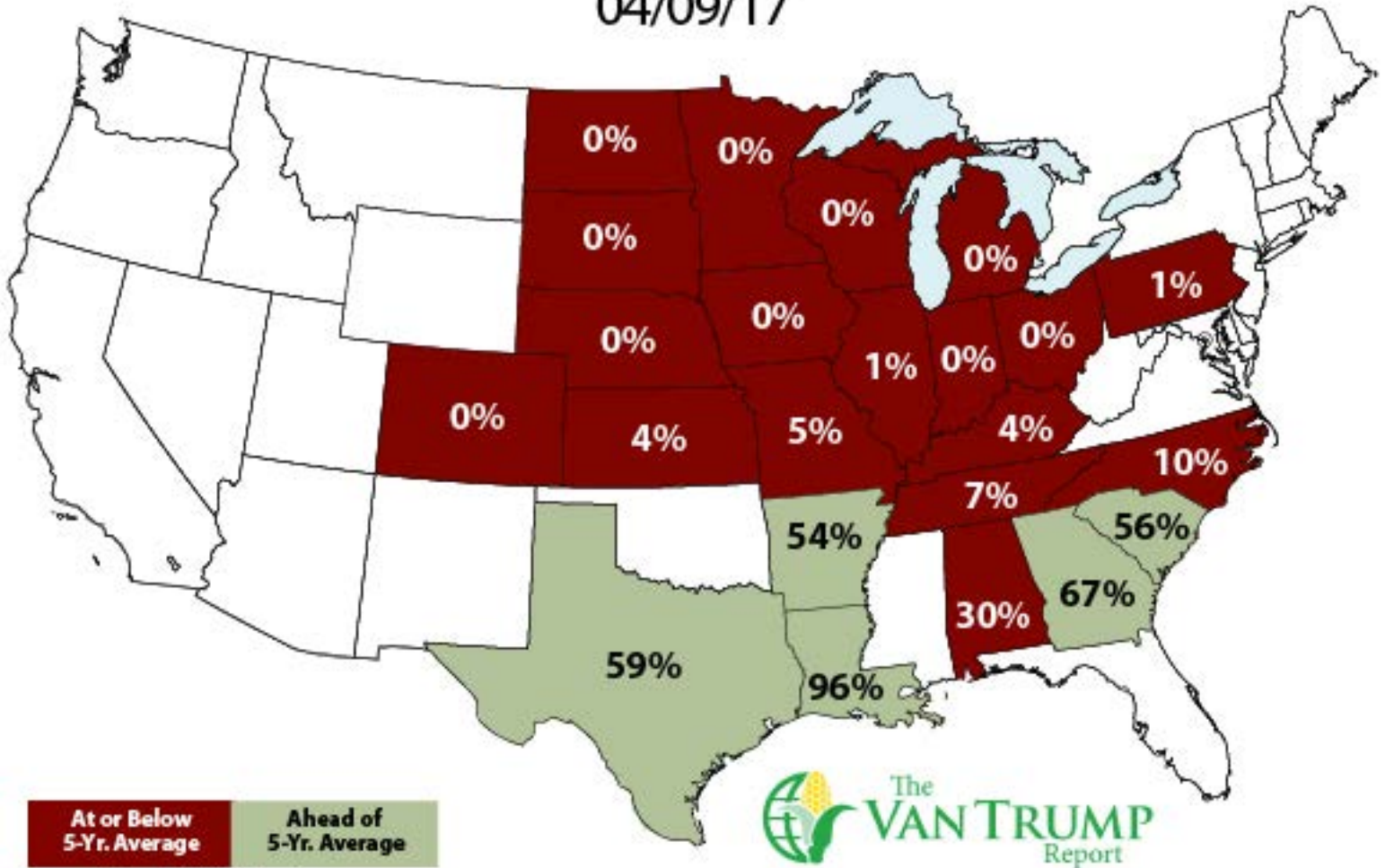
Rains To Delay Corn Planting This Week: *Below is the 5 day rainfall forecast through Sunday. As you can see, rains across much of the Corn Belt will likely disrupt field work and corn planting this week.*



Corn traders are talking about "position squaring" ahead of today's USDA report. The bears are anticipating a reduction in overall demand, led by less corn used for feed. The big question is if the USDA will make a full reduction to corn used for feed or spread the adjustment out over the next couple of reports? The bulls are hoping increases to exports and perhaps ethanol will help ease some of the pain and limit the expansion of an already burdensome balance sheet. The bulls also believe we could add to the -4 million acre reduction in corn as weather forecasters continue to talk about overly wet conditions in some important areas of the Belt. The bears counter by arguing that today's technology allows U.S. producers to plant an insane number of acres within a very short window of opportunity. Remember, just two seasons ago, back in 2015, from the last week in April to the first week in May, planting progress jumped from 19% complete to 55% complete in just one week's time. In 2013 we only had 12% of the crop planted by May 5th. While during the horrific yielding year of 2012 we had over +50% of the U.S. corn crop planted by the end of April. In other words the bears believe the rains are doing a good job of recharging the soils, and that's more important than the planting dates, at least for the moment. As for this year, on the surface it may look like we are off to an "average start" at 3% planted, but I could easily argue from the bullish side of the fence, pointing to the fact larger production states like Kansas and Illinois are already off to a slow start. The USDA's first official planting progress report showed: Texas 59% planted at this point vs. 45% last year vs. 50% on average; North Carolina 10% planted vs. 19% last year vs. 17% on average; Tennessee 7% planted vs. 15% last year vs. 16% last year; Missouri 5% planted vs. 21% last year vs. 12% on average; Kansas 4% planted vs. 15% last year vs. 8% on average; Kentucky 4% planted vs. 5% last year vs. 9% on average; Illinois 1% planted vs. 2% last year vs. 5% on average. As both a producer and a spec I'm looking for the trade to take a quick glance at today's USDA numbers then get back to focusing on weather headlines. Once some of the weaker shorts have covered, I suspect the trade will need much more evidence of fewer acres or talk of more extreme production setbacks to invoke an extended rally. I see no reason to chase this market higher. I much prefer being a longer-term bull on cheaper valuations. I still believe without the macro bulls or more extreme weather headlines there's another leg lower in this market.

Corn Planted

04/09/17



At or Below 5-Yr. Average Ahead of 5-Yr. Average

Source: USDA, NASS Crop Progress



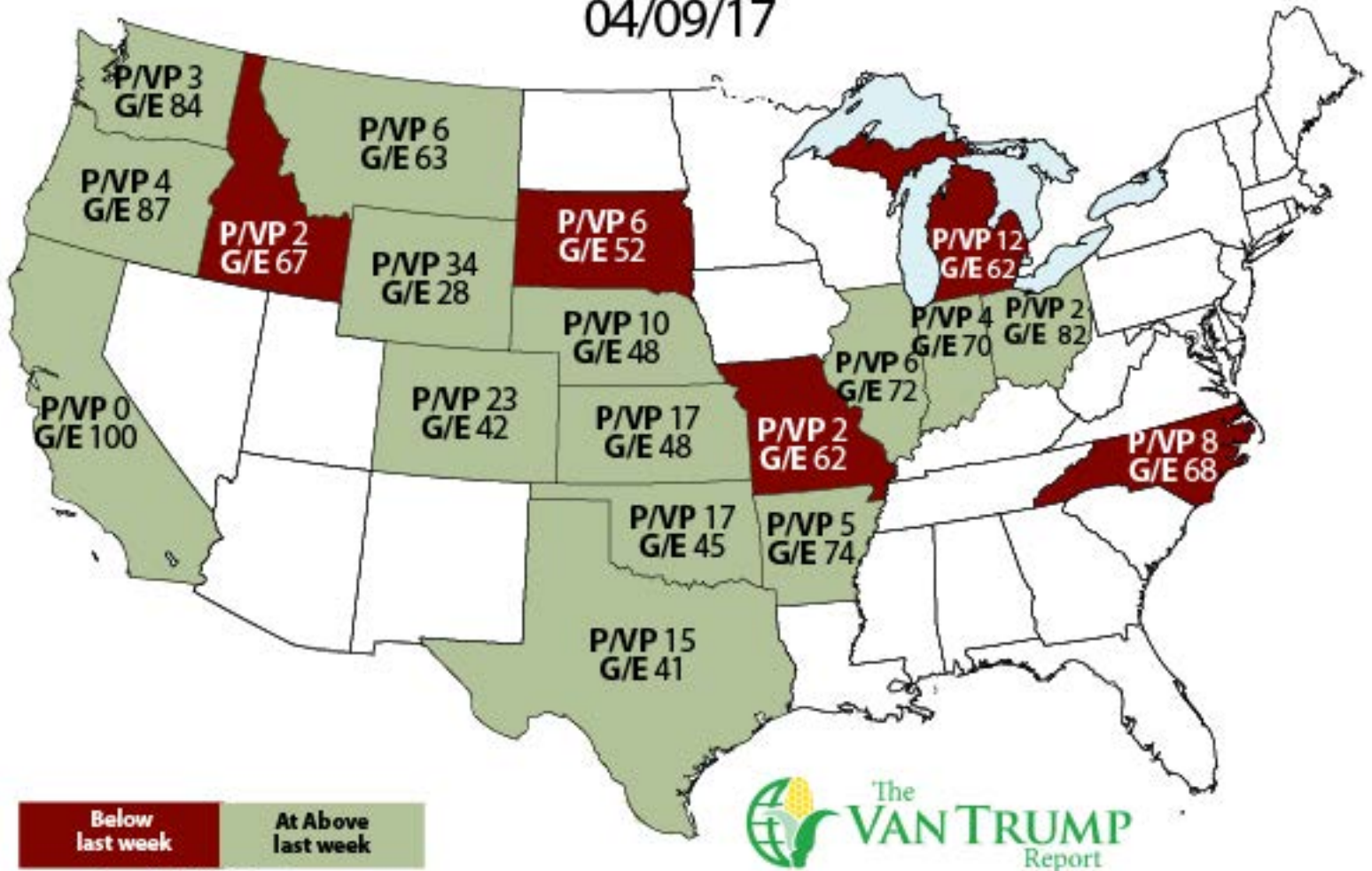
Soybeans bulls are hoping the USDA will surprise the trade with a less than forecast bump in ending stocks. The bears are not only talking about last year's record U.S. crop being bigger than previously estimated, and record acres being planted this year in the U.S., but they are also talking about the very real possibility of new-crop ending stocks eventually pushing north of +600 million bushels. Lets also keep in mind South American production estimates will more than likely be bumped higher as well, setting a fresh new production record. Not only do we get the USDA's update on South America production at 11:00am CST, but this morning we will be digesting the latest Brazilian estimates from Conab. Rember the USDA most recently estimated the Brazilian crop at a record 108 MMTs, but we've been hearing more estimates up in the 110 to 113 MMTs range. From a traditional fundamental perspective it's just tough to get bulled up about the soybean market without sometype of more significant weather story. I could argue that the macro bulls have become a bit more optimistic in regard to commodities following the recent jump in crude oil prices and what appeared to be a constructive meeting between President Trump and Chinese President Xi. Thoughts are political changes that are more pro-growth here in the U.S. will eventually spillover and help increase growth in the global economies. The hope is in the process of promoting growth here in the U.S. we can avoid igniting or sparking a full-blown trade war with any of the bigger players. The recent meeting with U.S. leaders and Chinese leaders seem to have put some of those fears to rest. Obviously time will tell how things play out, but it was exciting to see the Chinese drop the ban on U.S.

beef that's been in place for more than a decade and toss around talk of buying more U.S. agricultural exports. The USDA did not report any type of official planting progress data yesterday, but a few individual states reported the following: Mississippi has planted 15% of their soybean crop vs. just 8% last year vs. 9% on average; Louisiana 13% of their soybeans are planted vs. just 5% last year vs. 10% on average; Arkansas has 12% of their crop planted vs. 4% last year. I will be closely monitoring today's USDA report and Conab numbers. I'm wondering if some of the bears will look to bank profits and bailout if we get a knee-jerk to the downside on a more burdensome domestic and global balance sheet? You have to imagine most all of the nearby bearish data will be out of the bag, leaving the bears very little left to cheer in the days ahead. If you're a spec and wanting to dip a bullish toe in the water, the next downward leg might be the opportunity? As a producer I remain in no hurry to price any additional bushels. I'm extremely happy with the fact I got overly aggressive earlier in the year with new-crop sales and can now more patiently play the waiting game.

Wheat bears continue to point to the fact U.S. ending stocks could become more burdensome as demand estimates are trimmed by the USDA. The bears are also pointing to the fact U.S. conditions have dramatically improved the past few weeks on more widespread improvements in soil moisture. If U.S. conditions stay improved, there's arguments already circulating that next month's USDA report could also add more burdensome supply-side bushels to the mix on higher production estimates. The U.S. winter wheat crop was pushed from 51% "Good-To-Excellent" last week to 53% "Good-To-Excellent" this week. This rating compares to the crop being 56% "Good-to-Excellent" at this point last year, a crop that produced record setting yields. Spring wheat is estimated at 5% planted, which is well below last year's pace of 12% and also well below the 11% historical average. From a global perspective we continue to monitor weather and overall crop-conditions in Europe and the Black Sea region. If a couple of the world's "low-cost providers" like France and or Russia run into any type of sizable production hiccups we could certainly argue on behalf of a short-covering rally. All eyes be on today's USDA report, then shift immediately back to U.S. and global weather. As both a producer and a spec, I fully understand the bearish fundamentals but remain apprehensive in joining the short-side party. Staying conservatively bullish!

Winter Wheat Conditions

04/09/17



Below last week **At Above last week**

Source: USDA, NASS Crop Progress



USDA Supply and Demand TUESDAY, APRIL 11, 2017 Worksheets**2016/17 U.S. Endings Stocks**

	April #	Avg. Trade Est.	Trade Range	USDA March
Corn	???	2.352	2.270 - 2.484	2.320
Soybeans	???	0.447	0.410 - 0.475	0.435
Wheat	???	1.147	1.100 - 1.200	1.129

2016/17 World Grain Stocks

	April #	Avg. Trade Est.	Trade Range	USDA March
Corn	???	221.81	219.50 - 225.15	220.68
Soybeans	???	83.91	81.50 - 85.75	82.82
Wheat	???	250.24	248.50 - 253.00	249.94

South American Production

	April #	Avg. Trade Est.	Trade Range	USDA March
Brazil Corn	???	92.43	90.50 - 94.00	91.50
Brazil Soy	???	109.86	107.00 - 111.56	108.00
Argentina Corn	???	37.79	37.00 - 38.50	37.50
Argentina Soy	???	55.89	55.00 - 57.50	55.50



> Chinese Farmers Turning To Wheat Over Corn: *Chinese corn sowings are easing, the countries massive stockpiles are slowly being drawn down, as a result of the large-scale liberalisation of the farm sector, US official said. And with corn margins falling, wheat is winning hectares, pushing plantings to 15-year highs, USDA's Beijing bureau. But the US officials warned that China's agricultural sector remains dogged with uncertainty about the progress of the huge shake-up it is undergoing. Chinese corn plantings are forecast to fall to a five-year low of 36.26m hectares, thanks to the reduction in government support. Before 2016-17, harvested area had not fallen since the 2003-04 season, when the price support system was introduced. But yields are expected to rise, leaving corn production 1.3% year-on-year, at 217.0 million metric tons. But yields are expected to rise, leaving corn production up +1.3% year-on-year, ahead of the 215.8 million metric tons forecast by the IGC this month, ahead of the 215.8 million metric tons forecast by the IGC this month. (Source: Agrimoney)*

> Ukraine Exports Up +9%: *Ukraine exported roughly 33.1 MMT of grains in the 2016/17 season by March 28, 2017, or +9% more than a year ago (30.3 MMT), reports UkrAgro-Consult. The exports included 14.5 MMT of wheat (12.8 MMT in MY 2015/16), 13.6 MMT of corn (13.3 MMT) and about 4.78 MMT of barley (4 MMT). In addition, 271.6 KMT of flour was shipped abroad in the period under review – up 18% from the same time in 2015/16 (230.1 KMT).*

> Unica Pressing For Ethanol Import Tariff: *Brazilian sugar industry group, Unica, is seeking the introduction of an ethanol import tariff of 16%. Unica is citing in its pleas the higher greenhouse gas emissions of corn ethanol, Brazilian imports of which have surged over the past year, arguing the imports will compromise targets under the COP21 agreement signed by Brazil in November. The proposal was sent to the Brazilian Trade Chamber and follows recent appeals from ethanol producers in the North-Northeast region for the government to consider reinstating a 20% import tariff on ethanol, which was temporarily suspended until 2019. 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 surge. Estimates from Kingsman, the agricultural unit of S&P Global Platts, show that in 2017 imports from the US alone could make up 25% of the ethanol consumed in the NNE region, up from 15% in 2016.*

> KFC Moves To Purchase Antibiotic-Free Chicken: *Kentucky Fried Chicken has made a pledge that by the end of 2018, all chicken purchased by KFC in the United States will be raised without antibiotics important to human medicine. KFC president Kevin Hochman said the action is part of its Re-Colonization effort, the mission of returning to "Colonel*

Sanders' standards of serving up finger lickin' good chicken in every meal." The chain has been working closely with more than 2,000 farms across the country to make the change. The restaurant chain is also eliminating artificial colors and flavors from its core products.

> Andersons Purchases Organic Ancient Grains Processor: *The Andersons, Inc. Grain Group announced it has recently purchased Purity Foods, Inc., an organic and conventional ancient grains processor in Hudson, Michigan, U.S. Purity Foods, established in 1979, has a 650,000-bushel storage capacity along with two production lines. The purchase of Purity Foods is the third transaction that the company has announced in 2017. The Andersons signed an agreement to sell its farm center locations in Florida, U.S., to Wedgworth's Inc. The agreement includes real estate and assets owned by The Andersons at Zellwood, Clewiston, and Lake Placid as well as the assets and operations located in Immokalee. In mid-January, The Andersons announced its plan to sell and exit the retail business altogether.*

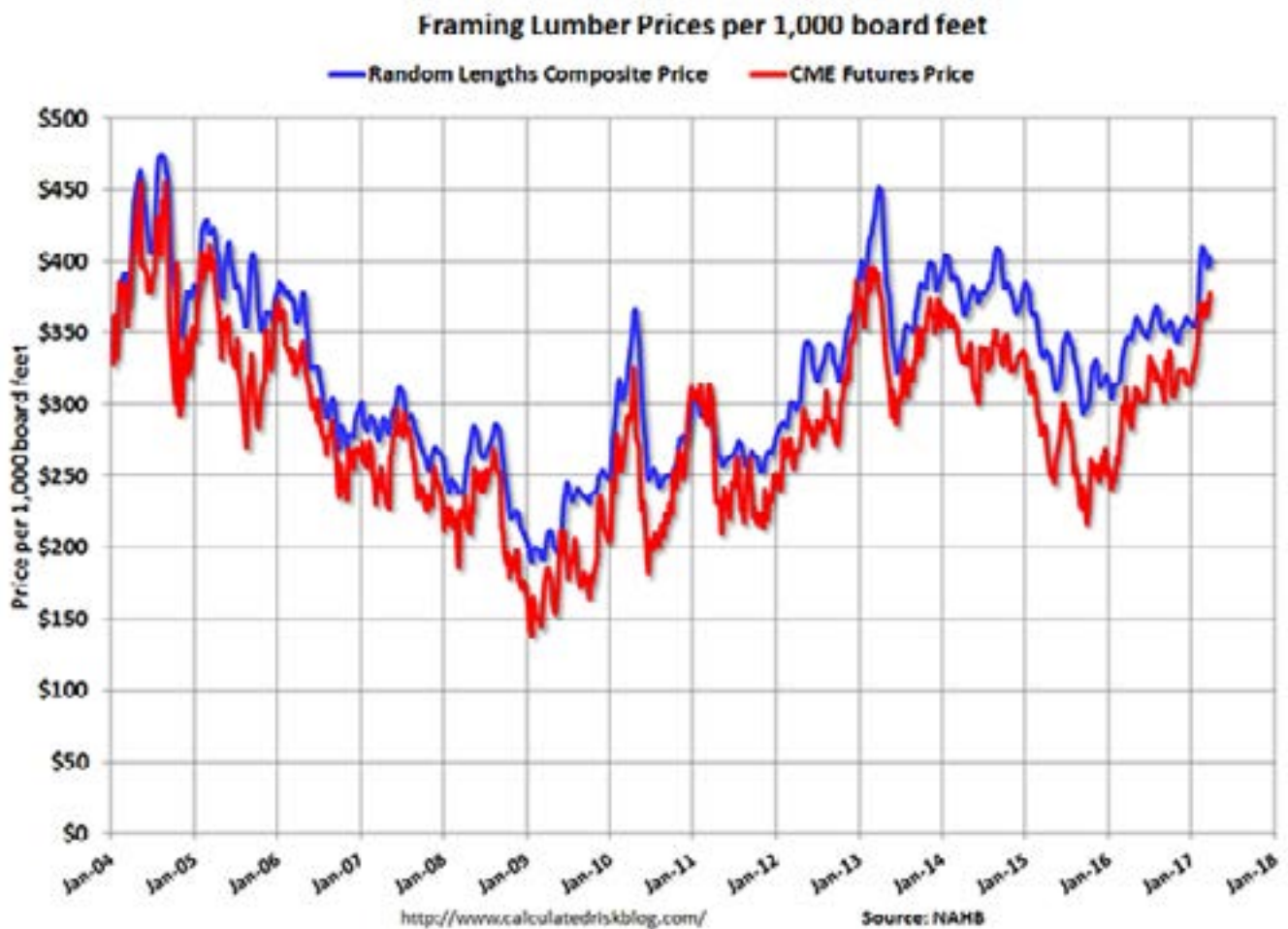
> ChemChina Plans To Move New Assets To Adama Post-Merger: *China National Chemical Corp. plans to redistribute agrochemical assets to its Adama unit after the \$43 billion takeover of Syngenta AG to compensate the business for antitrust-related disposals, according to people with knowledge of the situation. Adama Agricultural Solutions Ltd. is expected to strengthen its slew of crop-protection products with better technology from ChemChina after the deal is completed, said the people, who asked not to be identified because details haven't been made public. The Israeli chemical firm can use new technology to neutralize the impact of asset sales when its parent buys the world's largest maker of pesticides, the people said. Adama and Syngenta are planning to sell a package of European assets to remove overlaps in specific markets, said the people. While there's widespread interest for these products in the industry, the sellers aim to find a buyer that can maintain competition levels, the people said. No plants or fixed assets will be included, they said. Preparations for the sale will begin in the coming weeks or months. (Source: Bloomberg)*

> California Drought Emergency Declared Over: *The California drought that spanned water years 2012 through 2016 included the driest four-year precipitation on record state-wide (2012-15) and the smallest Sierra-Cascades snowpack on record (in 2015, with 5% of average). It was also marked by extraordinary heat, wherein 2014, 2015 and 2016 were California's first-, second- and third-warmest years in terms of statewide average temperatures. However, the state's emergency drought period has been officially declared over. Following unprecedented water conservation and plentiful winter rain and snow, California Gov. Jerry Brown announced April 7 the end of the drought state of emergency in most of California while maintaining water reporting requirements and prohibitions on wasteful practices, such as watering during or right after rainfall. "This drought emergency is over, but the next drought could be around the corner," Brown said. "Conservation must remain a way of life." (Source: Feedstuffs)*

> Unease Growing Over Popular Short Volatility Trade: *Financial markets have been remarkably tranquil this year, but some money managers and analysts fear that is leading to a build-up of bets on continued stability that could unravel spectacularly when turbulence reappears. Various measures of actual and expected stock market volatility have fallen to post-crisis lows this year, but some investment managers and strategists warn*

this is building risks of a bigger decline — comparing it with a forest that has gone too long without a bushfire, which produces an increasing amount of dry kindling for an eventually larger conflagration. The concern that any snapback could prove ferocious is partly driven by the rising popularity of betting on turbulence staying subdued — or “shorting vol” in Wall Street slang. It is a trade that has proven very profitable in recent years. Increasingly, analysts say even some institutional investors are now systematically betting against volatility to invigorate their returns. The worry is that if volatility does erupt and stays elevated, investors burnt by bets on tranquility will have to scramble to offset their positions by shorting equities or buying volatility protection, in turn worsening the turmoil. Bill Speth, head of research at the Chicago Board Options Exchange, which owns the Vix index, also sees parallels to the feedback loops that caused carnage in 1987, the Black Monday crash that was exacerbated by a trading technique called “portfolio insurance.” (Source: Financial Times)

> Framing Lumber Prices Moving Up: Early in 2013 lumber prices came close to the housing bubble highs. The price increases in early 2013 were due to a surge in demand (more housing starts) and supply constraints - framing lumber suppliers were working to bring more capacity online. Prices didn't increase as much in early 2014, with more supply and a smaller surge in demand. In 2015, even with the pickup in U.S. housing starts, prices were down year-over-year. Note: Multifamily starts do not use as much lumber as single family starts, and there was a surge in multi-family starts. This decline in 2015 was also probably related to weakness in China. Now in 2017, prices are up significantly year-over-year. This graph shows two measures of lumber prices: 1) Framing Lumber from Random Lengths through March 2017 (via NAHB), and 2) CME framing futures. Right now Random Lengths prices are up 16% from a year ago, and CME futures are up about 29% year-over-year. (Source: Calculated Risk)





Northern Indiana - *We just received another 2" of rain here the last few days but drier days are coming. I am just under a thousand acre operation and am currently transitioning to no-till. The reason is simply I don't have enough help to work the fields. It also should save money on fuel and equipment costs - at least that is what I believe. 80% of our fields are irrigated so it makes sense for us to stay with mostly corn. We don't want to chase more bean acres anyway not to mention we have always struggled with irrigated beans as the moisture can cause mold problems if the conditions are correct. We are already winding down some of our operation in preparation for retirement. We have quit taking on land and we have set up a Legacy Plan for our two boys who have chosen not to personally farm. We are still sitting on 35K of corn from last year but since we own everything we can wait it out a bit.*

Southwest Minnesota - *It's raining up here again today and we are hoping it will not push us back from planting corn next week. We will be sticking with our normal rotation of corn and beans and haven't heard of too many near me that are changing it up. We had the best beans and corn last season thanks to timely rains so it is hard to say if we can expect to improve beyond those numbers. We are still sitting on 45% of our old crop corn and hoping to move it with three more sales between now and June. It doesn't look like we should expect anything to exciting coming in the near future from the corn market so maybe I should just get rid of it. Not much land has moved around here and prices are still in the \$6000-\$6500 range.*

Northeast Iowa - *We are working the fields putting down manure today. Also getting the Anhydrous down where we left off two weeks ago. If we hadn't had the good weather to work back then it might be a bit tight getting the corn planting started on time. I'd go out and plant if I could this week with temps what they are. Though last year was a great year for our both crops - 2015 corn actually outpaced last year's production. I believe it had to do with the rain we missed in June last season that left us a little dry. Averages in 2015 were 230-250bpa and in 2016 we only saw 210bpa. I still have some corn to market but half of it is locked in at -\$.18 with a local ethanol plant and I'll unload it by June. We have zero 2017 corn marketed and 30% of the soybeans locked in. Yes I do wish I would have gone deeper but now we hope for a spring rally.*

CROSSING WIRES

A place to share intelligent thoughts...

2017 May Be 'Tipping Year' In Tightening Farm Economy: *While no one is saying that farmers are headed for a repeat of the 1980s, when high interest rates, inflation and huge debt forced thousands of producers out of business. But the tougher agriculture market and weakened farm economy of the past few years is steadily taking its toll, and cracks are beginning to show. University of Minnesota Extension researchers reported recently that more than 30 percent of Minnesota crop and livestock producers lost money in 2016. Federal estimates show that average net farm incomes have fallen by nearly half since their peak in 2013, the largest four-year drop in 40 years. Tighter credit also has brought subtle changes in the real estate market, with fewer farmers able or willing to purchase farmland from retiring producers. Read more [HERE](#).*

Brazilian Soybean Prices Slumping, Farmers Remain Slow Sellers: *Soybean prices for farmers in Brazil declined significantly last week from \$0.10 to \$1.50 per bushel depending on location. According to Noticias Agrícolas, which tracks soybean prices in Brazil, in Sorriso, Mato Grosso the soybean price last Friday was R\$ 49.00 per sack (approximately \$7.18 per bushel). In Cristalina, Goias it was R\$ 50.00 per sack (approximately \$7.33 per bushel). The highest price in the survey was in Ponta Grosso, Parana at R\$ 62.00 per sack (approximately \$9.10 per bushel). Ponta Grosso usually has one of the highest prices in Brazil due its close proximity to the Port of Paranagua. The slumping prices are a reflection of a number of factors including: lower international prices, a record large 2016/17 Brazilian soybean crop, U.S. farmer's intention to plant a record large 2017 soybean crop, a stronger Brazilian currency, and weak domestic demand for soybean meal due to the recent meat scandal in Brazil. Soybean & Corn Advisor has more [HERE](#).*

Why It's Always & Never Different This Time: *Ben Carlson at [A Wealth of Common Sense](#) takes a look at some bits of financial market history. "I'm fascinated...because learning about prior cycles gives you a sense about how some things never change while others are in a constant state of flux. It's both always and never different this time. This week I read a number of thought-provoking pieces that discussed market history in terms of where we stand today and what it means for market returns going forward."*

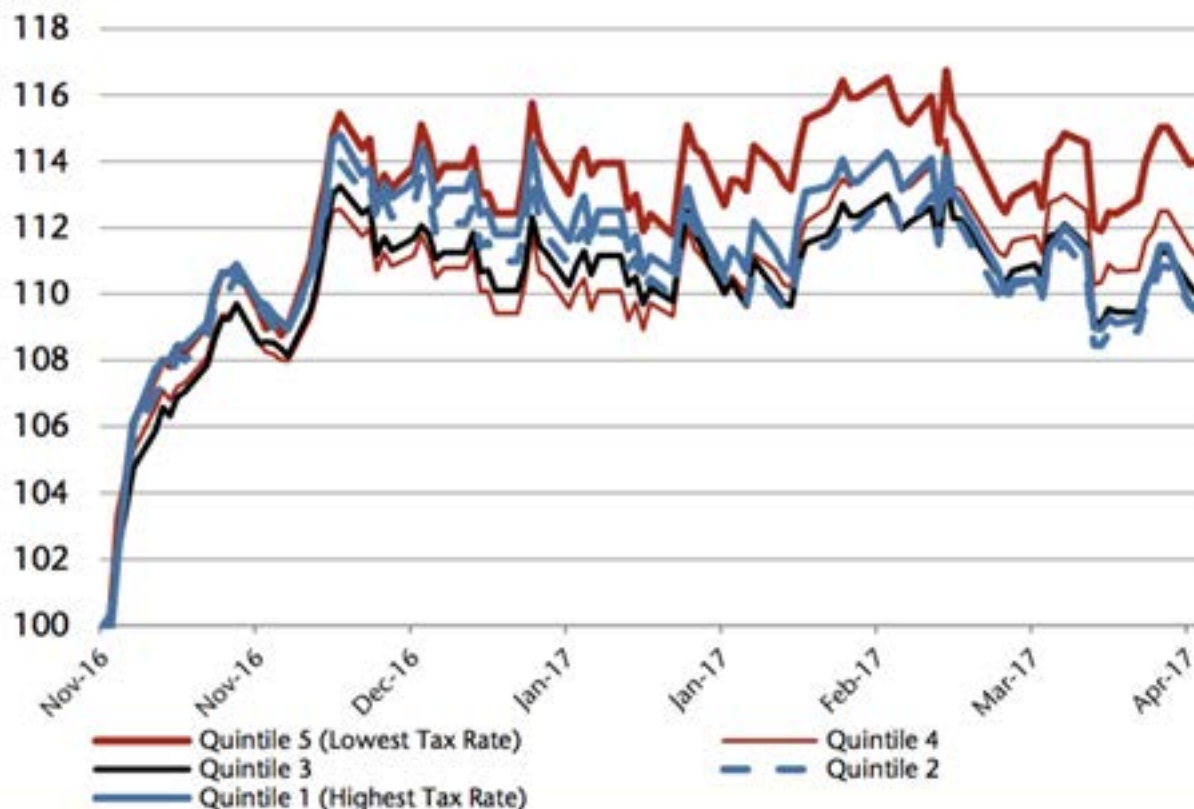
New York Could Become The Largest State To Offer Tuition-Free Public Higher Ed: *Budget negotiators struck a deal late Friday that could make New York the largest state to offer tuition-free public higher education. The \$163 billion state budget agreement includes the Excelsior Scholarship, which covers tuition for any New Yorker accepted to one of the state's community colleges or four-year universities, provided their family earns less than \$125,000 a year. Proposed by Gov. Andrew M. Cuomo in January, the scholarship taps into one of the Democratic Party's most popular ideas and advances a bipartisan movement to lower the cost of college that is taking shape across the country.*

The scholarship program will be phased in over three years, beginning for New Yorkers making up to \$100,000 annually in the fall of 2017, increasing to \$110,000 in 2018, and reaching \$125,000 in 2019. Nearly 1 million families will qualify for the scholarship. Read more from the [Washington Post](#).

Stock Market Doesn't Think Trump Will Deliver On Tax Reform: One of the central economic promises of President Donald Trump's young administration is a large corporate tax cut. But according to a note from the equity-analysis team at Jefferies, Wall Street isn't buying that it's coming anytime soon. The Jefferies team says stumbling blocks such as divisions in the Republican Party over healthcare reform and recent reports about the possible tax plan from the Trump administration should inspire a healthy dose of skepticism. According to the Jefferies team, there is also a simple way to see that investors are discounting the possibility of a large tax cut coming anytime soon. "We looked at the S&P 1500, divided it into sectors and then quintiled each sector by tax rate," the note said. "If investors had been piling in to tax reform beneficiaries, you'd expect the high tax rate companies to have performed best, but just the opposite has happened — low tax rate companies have not only outperformed, but those companies have performed better than any other quintile." Read more from [Business Insider](#).

High Tax Rate Companies Have Actually Performed Worst Since the Election, Low Rate Companies Best

Chart 1: S&P 1500 Tax Rate Quintile Performance (Equal Weight, Normalized to 11/7/16)



Source: Bloomberg, Jefferies



What is the "Morel" Of The Story

Morel mushroom hunting marks the start of spring for many of us who grew up in the rural Midwest. I must admit I found it odd that some of my buddies had no idea what "morels" were let alone about the springtime treasure hunt that occurs. The highly sought-after fungus are only available to harvest for a few weeks usually starting in April. Most avid seekers gather the morels simply to enjoy them prepared in their favorite style, others are more entrepreneurial as the shrooms can garner a nice little profit by selling to local restaurants. In some extreme cases I've heard that a pound of the dried morels can go for up to \$300 to local chefs. There are four main types of morels but three that are most widely known. The Black, White and Yellow morels all have the similar "brain-like" appearance and are usually easy to spot even by beginners. Around here we will see the Black ones first once the weather conditions are suitable. That means the days get to the 60's, the nights stay above 40 and the ground temps hover between 45 and 50 degrees. If you are going to hunt them down it usually helps to wait for a good spring shower followed by a warm day. Interestingly, I learned over time that the mushroom hunters are a lot like gold prospectors, meaning you will have a hard time getting them to share their "honey holes" even with their closest friends. Morels can be found in most all states but do seem more concentrated in the midsection of the U.S.. I am quite certain that if you are not privy to a hot spot it may take a while to collect a pound worth of the fungi, but the hunt is a good way to spend time with the family walking in the great outdoors. For those of you who may not have grown up around this springtime tradition I've put together some tips for finding the shrooms and preparing them for a delicious meal. On a final note - make sure you know if the mushrooms you pick are safe to eat or not - click [HERE](#) for an identification source. (Sources: wideopenspaces.com, Wiki)

Finding Morels: Morels live in and on the edge of forested areas. Look for ash, aspen, elm, and oak trees, around which morels often grow. Early in the spring as the ground is warming, you'll find them on south-facing slopes in fairly open areas. As the season progresses, go deeper into the woods and onto north-facing slopes.

Soil Types: Morels like loamy soil. Loamy soil is what you might find in creek bottoms. It's well-drained, moist but not wet, has a good mix of clay, sand, decaying matter, calcium and/or lime. But again, morels can appear wherever they appear. I've found them growing in gravel and under pine trees.

Disturbed Ground Is Good Ground: Burn sites and logging areas are often prime morel locations. Check online sources for wildfires that occurred the previous year in your area. [The Global Incident Map](#) for forest fires is a site that tracks current and past wildfires. Pay attention to wooded areas that have been torn up by large equipment or logging operations. Morels like areas that have also been disturbed by flooding.

Follow The Rain: A warm spring rain can be just the right medicine for getting morels to show themselves. If the temperatures are right and you get a nice rain, mark the following day on the calendar as "morel hunting" day.

Don't Forget The Ticks: You may not find morels every time you hit the woods, but you can probably bet on a tick or few finding you. Lyme disease is not something to take lightly. Dress appropriately, use a tick repellent and be sure to give yourself a once-over when you get home.

Preparation For Cooking: To clean morel mushrooms, place mushrooms in a pan or bowl. Cover with water; add a dash of salt. Soak for 10 to 15 minutes. Drain, rinse, and repeat two more times.

Sauteed: Start with a pound of fresh morels, all-purpose flour and 1/2 pound of butter or margarine - Slice mushrooms lengthwise in half, or quarter large mushrooms. Toss with some flour to coat. In a 12-inch skillet, melt the butter or margarine over medium heat. Add mushrooms and cook for 3 to 4 minutes or until golden brown, gently stirring occasionally. Serve warm. Makes 10 to 12 side-dish servings

Simple Fried: Place flour in a shallow bowl. Heat vegetable shortening in a large skillet until very hot. Roll mushrooms in flour and tap off excess; gently lay mushrooms in the hot shortening. Pan-fry until golden brown and flour coating is crisp, 5 to 8 minutes, turning often. Drain morels on paper towels, salt to taste, and enjoy your treasures!

19 [morel recipes](#): if you want to step up your game next time you have some company.

Potentially Largest Morel- Found In Missouri: For those of you who hunt religiously every spring, here is what I found as when looking for the largest morel ever found. How does your best find compare to this one! Click [HERE](#) to read the whole story.



Tax Time Is Here... But This Year Not Due Until April 18th

Normally, the dreaded Tax Day falls on April 15th, but this year, since it falls on a Saturday, state and federal taxes don't need to be postmarked until Tuesday, April 18th. Interestingly we get an extra three days, because Monday, the District of Columbia celebrates Emancipation Day, which is normally April 16, but since that falls on a Sunday they will be celebrating it on Monday. Therefore, the tax deadline is pushed out to the following Tuesday, April 18. It's worth noting "Emancipation Day" is only officially recognized in the District of Columbia. The public holiday marks President Abraham Lincoln's signing of the District of Columbia Emancipation Act on April 16, 1862. Folks who live in Maine and Massachusetts can procrastinate even longer because in their states, April 18 is Patriot's Day which commemorates the Revolutionary War battles of Lexington and Concord. As the holiday closes IRS offices located in the states, residents have until Wednesday, April 19 to file their taxes. Now that we all know when our taxes are due, here are a few other bits of interesting Tax Day trivia:

Whiskey-Tax was actually one of the first taxes put in play. It was difficult for many to swallow since whiskey was by far the most popular distilled spirit of the time. It proved not only to be largely unenforceable but actually led to the so-called Whiskey Rebellion. The conflict came to a head in 1794 when over 500 armed men in Pennsylvania attacked the home of a tax inspector and President George Washington ended up sending in militia forces to restore order.



War Funding was the catalyst behind most of the country's early taxes. The first United States income tax was imposed in July 1861 to help pay for the Civil War; the rate was just 3% of income over \$800. That tax was eventually repealed and replaced by a tiered income tax in 1862. The income tax system we use today was made law in 1913, just before the start of World War I. The Revenue Act of 1918 imposed a 77 percent tax on the highest income to raise money for the U.S. involvement in World War I.

March 1st Tax-Deadline - Originally, back in 1913, the deadline was March 1. That's when Congress passed the 16th Amendment, creating the income tax on February 3, 1913. It taxed incomes above \$4,000. Industrialists opposed it. Prior to that, the federal government derived its revenue from tariffs on imports and exports. That hurt the middle class the most since they spend more of their income on these day-to-day necessities. It also taxed cigarettes and alcohol heavily. In fact, it received 90 percent of its revenue from those two taxes alone. (Source: "History of the Internal Revenue Service," IRS.).

Federal Income Tax withholding as we know it today was made permanent in 1943 as part of the Current Tax Payment Act. The move was seen as a means of making tax

payments and filings more convenient for taxpayers. The U.S. Treasury told Congress that the pay-as-you-go system would also benefit millions of taxpayers that had little to no experience in planning their finances.

Tax Overload - *Today there are at least 480 forms on the IRS Web site. Together with instructions and schedules, you can download 1,132 tax-form related files from irs.gov. Instructions range from form-to-form, with the instructions for the form 1040 taking up a whopping 101 pages (plus index). There are actually an estimated 4 million words in the U.S. tax code, which is five times more than the Bible/. Collectively, it is estimated that our country spends 6.1 BILLION hours filing taxes!*

Refunds! - *It is estimated that 80% of U.S. tax filers expect to get a refund. Of that number several billion will be lost due to fraudulent returns.*

Stress - The American Psychological Association says that money is a top source of stress for adults. For people that are coping with existing health problems, that stress can exacerbate their health conditions. The APA lists some strategies for combating financial stress here. In fact T.S. Elliot once wrote, "April is the cruelest month..." For some depressed individuals, April is not only cruel, it is deadly. The myth that most suicides occur during the winter months is just that — a myth. It persists with the notion that lonely people become despondent during the holidays and take their lives. However, the incidence of suicide actually rises in the spring. It's sad to say, but many believe a large portion of the deaths are somehow tied to the stress associated with money and taxes. Be safe and seek help if you are feeling overwhelmed or extremely stressed.

Can You Recognize Talent and or Appreciate Beauty Without Being Told?

I've spent my entire adult life trying to teach our children to appreciate the creativity and works of others regardless if it's their cup of tea. This is much tougher than many might think. Unfortunately as a society we've become extremely caught up in winning a race against our peers. In an attempt to beat others we are trained to make lists, take notes, stay on task and rarely allow ourselves to be distracted...even if it means missing out on things that are most important in life, in some cases only once in a lifetime type moments. Proving this point, Joshua Bell, one of the worlds most talented musicians, stood in a metro station in Washington D.C., using an extremely rare \$3.5 million dollar violin to play six of the most difficult pieces Bach ever composed. Unfortunately hardly anyone stopped or barely noticed. Interestingly many in the world of science say we can intentionally sharpen our senses and the strength of appreciation for beauty and excellence in several ways. The first and most important part of the process is to take off the blinders. You have to pay a much deeper attention to "life" rather than the "race" you have decided to enter. You have to start reminding yourself to look for beauty and excellence, rather than reminding yourself about your "list". This alone can start to help raise your overall sense of awareness, creativity and appreciation for the beauty in life. Others say adding "variety" to your daily routine is an essential ingredient. Do something entirely different, stop doing the same thing. Take a different way to work, for example, or order something different everyday for lunch, you'll be more apt to notice new things. Attend more music concerts, art shows, professional sporting events, etc... and regardless of your opinion, simply appreciate the hard work, discipline and dedication an individual has had to practice in order

to be one of the best in the world in his or her field. Psychologists believe “stress” and or “worry” also prevents people from noticing beauty and appreciating talent. Many people are lost in thought, ruminating about past regrets, worrying about the unknown future, stressed by the demands of work, family, and other responsibilities, which start to blind them. In today's world of high-tech and increased access to more noise and negative news, many say our “blindness” has gotten worse. We’ve burdened and overwhelmed our minds with mundane tasks, lists and negative headlines. Golfing legend Walter Hagen once said, “You’re only here for a short visit. Don’t hurry, don’t worry. And be sure to smell the flowers along the way.” Click [HERE](#) to see the short story about the Joshua Bell metro station visit. Bell was born and raised Bloomington, Indiana. He has been named an “Indiana Living Legend” and received the Indiana Governor’s Arts Award along with many other amazing recognitions. Bell’s instrument of choice is a 300-year-old Stradivarius violin called the Gibson ex Huberman, which was made in 1713 during what is known as Antonio Stradivari’s “Golden Era.” It is reported that Bell paid close to \$4 million for the instrument, the same instrument nobody noticed him playing in the Washington metro station...



**A MAN SAT AT
A METRO STATION
IN WASHINGTON DC AND
STARTED TO PLAY THE VIOLIN.
HE PLAYED SIX
BACH PIECES FOR
ABOUT 45 MINUTES.**

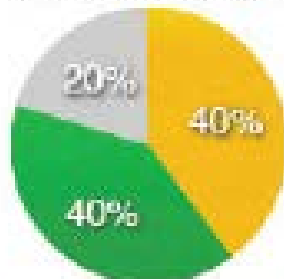
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CASH SALES & HEDGING TOTALS

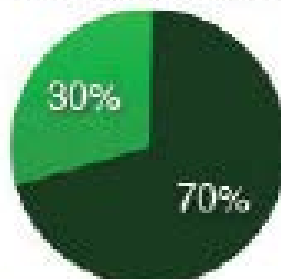
CORN 2016 CROP

40% SOLD
40% HEDGED
20% UNPROTECTED



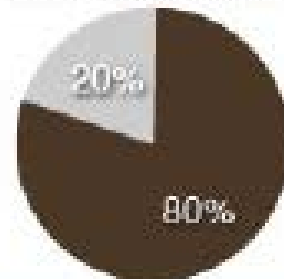
SOYBEANS 2016 CROP

70% SOLD
30% HEDGED
0% UNPROTECTED



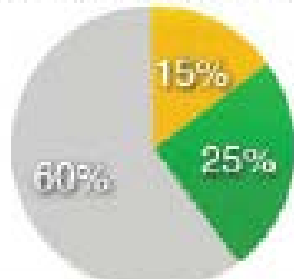
WHEAT 2016 CROP

80% SOLD
0% HEDGED
20% UNPROTECTED



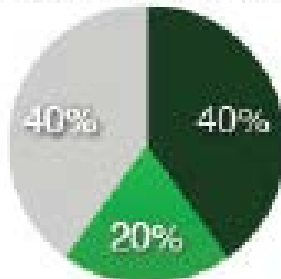
CORN 2017 CROP

15% SOLD
25% HEDGED
60% UNPROTECTED



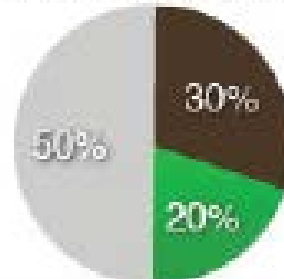
SOYBEANS 2017 CROP

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

