



*"I am not afraid of storms for I am only learning to sail my ship..." ~ Louisa May Alcott*

**WEDNESDAY, MAY 03, 2017**

**Morning Summary:** Traders will have all eyes on the Federal Reserve's policy decision due out this afternoon at 1 p.m. CST. Keep in mind, there will be no supplemental economic projection updates or follow-up press conference by Janet Yellen. While the odds of a rate hike at this meeting are currently close to zero, investors will be looking for any statement changes from March. Some of the economic numbers have tipped back as of late and inflation might not be as strong as the Fed has wanted to warrant a more hawkish stance or the expected two more rate hikes in 2017. There is also a lot of interest in the Fed's balance sheet and how they plan to reduce their \$4.5 trillion worth of assets. Outside from the Fed's statement, other economic data of interest today includes ADP's Employment Report and the ISM Non-Manufacturing Index. Today is one of the busiest days yet for earnings, with releases scheduled from Adidas, Bunge, CenturyLink, Clorox, Facebook, Humana, Kraft Heinz, Metlife, Molson Coors, Murphy Oil, Pilgrims Pride, Prudential, Reynolds, Royal Dutch Shell, Sprint, Tesla, Time Warner and Yum Brands. Apple reported their earnings after the close yesterday, which beat on profits but came in slightly below expectations on revenue at \$52.9 billion reported vs. \$53.02 billion expected. Of course the major factor investors were watching was iPhone sales, which totaled 50.8 million versus 52 million units expected. The company also announced it was increasing its dividend by +10.5% to \$0.63 per share, and adding \$35 billion to its already massive ongoing stock buyback plan. And as expected, Apple's cash hoard has continued to swell, now standing at a record setting \$256.8 billion. In Washington today, House Republicans are expected to vote on the new funding bill that must be passed before midnight on Friday to again avoid a government shutdown.

**U.S. May Have Hit "Peak Auto":** *Disappointing auto sales in April suggest the industry's record pace is the rearview mirror. General Motors, Ford, Fiat Chrysler and Nissan each reported deeper-than-expected sales declines for the month. Overall the industry reported a -4.7% sales decline to 1.43 million units, according to Autodata Corp. Slumping passenger cars took a heavy toll on the industry, and increased discounts failed to motivate enough buyers. GM, Ford and Fiat Chrysler vehicle sales fell -5.9%, -7.1% and -6.9%, respectively, according to Autodata. Nissan was down -1.5%. Profits are still up, but insiders are concerned that generous incentives are starting to cut into margins. Average incentives as a percentage of vehicle price rose from 9.3% in April 2016 to 10.5% in April 2017. Many of those incentives are devoted to 0% financing offers, slow-selling cars and alternative fuel vehicles. Passenger cars are still suffering a long stretch of unpopularity as consumers are picking crossovers, SUVs and trucks. If motor vehicle sales do indeed end up slipping this year, it will be the first annual decrease since 2009.*

**Is Puerto Rico On The Brink Of Bankruptcy?** *The cash-strapped island of Puerto Rico was hit with several lawsuits on Tuesday just hours after a stay on litigation expired as the commonwealth failed to reach a restructuring agreement with its bondholders on its massive debt load. The debt was born out of a 25-year economic disaster that left the territory running a deficit year after year, taking out loans just to keep the lights on. A group representing those who bought \$16 billion worth of bonds backed by Puerto Rico's sales tax said in the lawsuit that a government plan to cut its \$70 billion debt is unconstitutional. The group accused government officials of strong-arming it into what it called "unfair, unjust, and illegally punitive terms." The lawsuit is expected to be one of several as bondholders seek to recuperate the millions of dollars they invested in Puerto Rico government bonds. The newest suit comes after the administration of Gov. Ricardo Rossello failed to negotiate any deal with bondholders after the May 1 deadline of the litigation freeze. Puerto Rico has defaulted on \$1.3 billion of principal owed since the previous governor declared the \$70 billion public debt load unpayable in June 2015. Puerto Rico could soon announce a historic, bankruptcy-like procedure to restructure a portion of its \$70 billion debt. By comparison, the U.S. city of Detroit had \$9.3 billion of obligations when it filed for bankruptcy in 2013 in the biggest U.S. municipal bankruptcy ever. (Source: NBC, NPR)*

**Top Military Spenders In 2016:** *Global military spending in 2016 was \$1.69 trillion. The 10 countries with the highest military spending accounted for nearly three quarters (73%) of this total. These countries are the USA, China, Russia, Saudi Arabia, India, France, UK, Japan, Germany and South Korea. US military spending in 2016 was \$611 billion—nearly 3 times as much as China's military spending, which was the second highest in 2016 at \$215 billion. US military spending is larger than the next 8 biggest military spenders combined. Russia overtook Saudi Arabia to be the world's third highest military spender in 2016, due to a sudden decrease in Saudi military spending. Military spending is not only money spent on weapons; it includes spending on wages, pensions, equipment, research and development. To put countries' military spending into perspective, we can look at what a country spends on the military as a share of their GDP (gross domestic product). Global military spending in 2016 was 2.2% of global GDP. There are very large regional differences though, with countries in the Middle East spending the largest shares of their GDP on the military - 6% - while the Americas actually spends the least at just over 1% of GDP. (Source: SIPRI)*

# WORLD MILITARY EXPENDITURE 2016

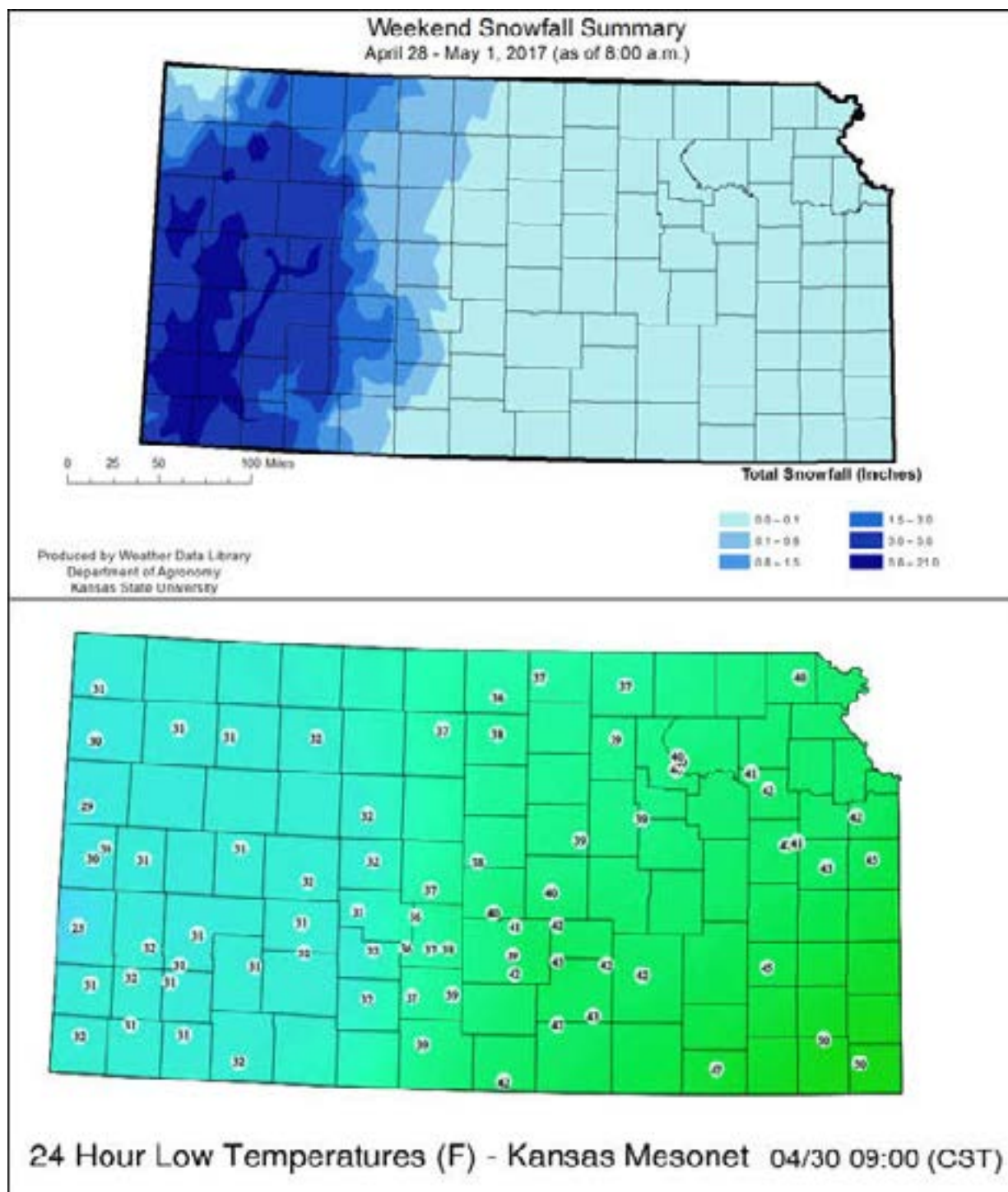


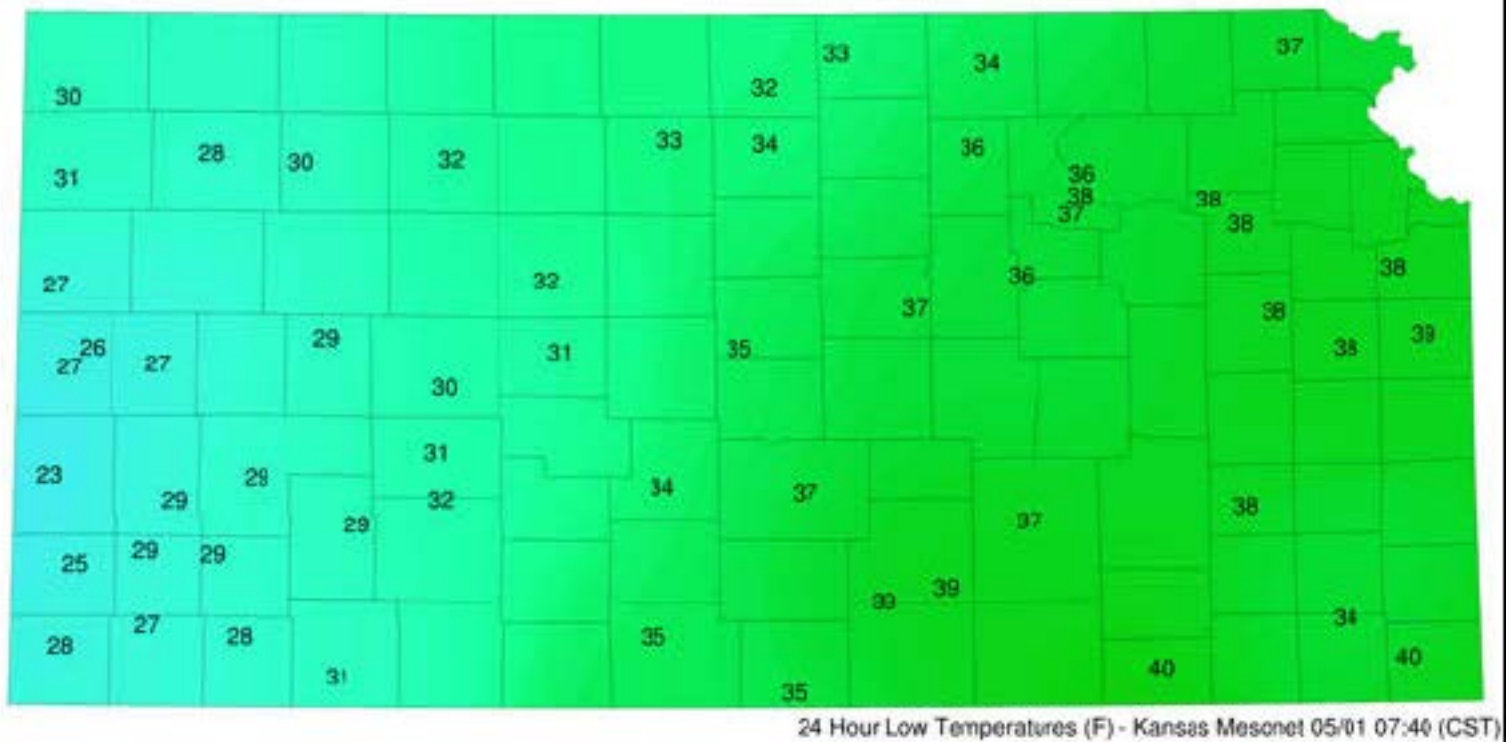
**Weather** continues disrupting fieldwork due to flooding in the Midwest as well as having caused wheat damage from snow storms in the southern Plains. Speaking of the Plains, chilly conditions persist to the north. Recovery efforts continues in areas hardest hit by the weekend blizzard, which was most severe in western Kansas and environs. Producers in the blizzard-affected region continue to assess wheat and livestock losses. I have been hearing about high winds that caused some lodging of wheat, especially in western areas of the southern Plains. In the Corn Belt, widespread lowland flooding continues across Illinois, Missouri and environs. Record flooding has occurred or is occurring along several rivers in Missouri, including the Gasconade, Meramec, and St. Francis Rivers. Fieldwork remains on hold in nearly all areas of the Corn Belt. Most of the focus is turning to a new storm that will be coming to develop across the south-central U.S. This new system should cross the mid-South late Wednesday and reach the lower Great Lakes region by Saturday. Five-day rainfall totals could reach 1 to 3 inches or more across large sections of the South, East, and lower Midwest. From southern Missouri to Indiana, heavy rain could lead to additional flood concerns and fieldwork delays. Meanwhile, generally light precipitation will occur across the western half of U.S. as well as the upper Midwest. Elsewhere, warmth will expand into nation's mid-section by week's end, while chilly weather will prevail farther east.

**Effects of Weekend Snowfall on Kansas Wheat:** *The weekend of April 29 - May 1 was very challenging to the Kansas wheat crop, especially in the western portion of the state. Over that period, anywhere from 1 to more than 21 inches of snowfall cov-*



ered the majority of western Kansas, which corresponds to roughly 40% of the wheat acreage in Kansas. Wheat injury due to cold temperatures is more likely if it occurs repeatedly and if it is windy at night. Such conditions were experienced over the course of April 29 - May 1. During this period, observed temps were below freezing three consecutive nights and wind speeds of more than 40 miles per hour for more than 6 consecutive hours, especially in southwest Kansas. The big concern of this weekend's weather event is the high moisture content of the snow which caused much of the wheat to lie flat on the ground. In some cases, the plants might have simply laid over without breaking the stems and might stand back up after the snow melts. In other cases, however -- and what seem to be the majority of the cases in the region -- the sheer weight exerted on top of the wheat crop might have caused the stems to break in many fields, causing yield loss. Again, the magnitude of the loss is yet unknown. At least one week to 10 days will be needed to properly assess the situation, after the snow melts away. Read more from [K-State Agronomy](#).



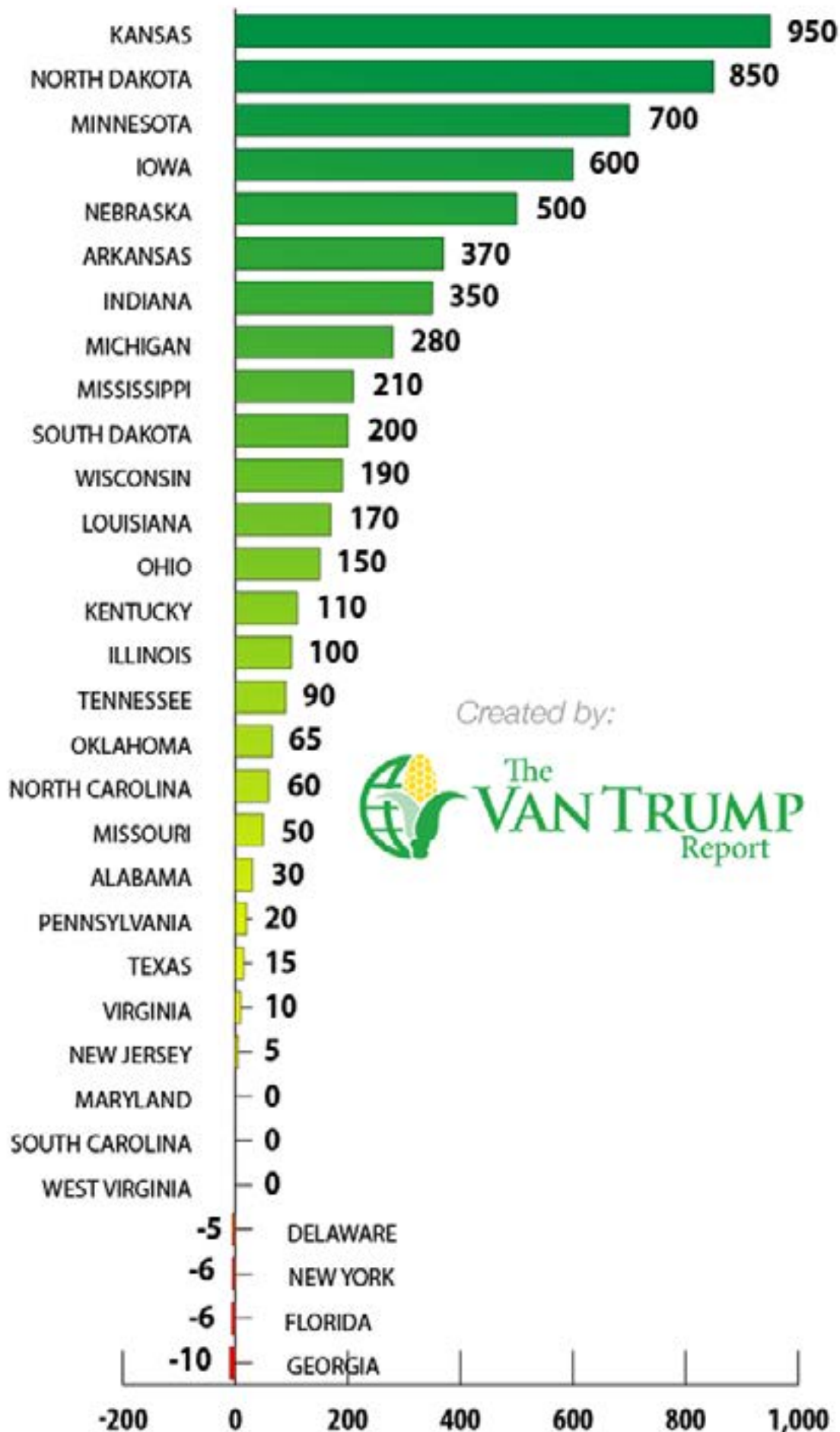


**Corn** traders continue to debate U.S. weather. The bears are talking about the very real possibility of a Brazilian ethanol import tariff and an improved window for planting in the extended forecast for the upper Midwest and Western portions of the corn belt. The bulls are pointing to more rains to the South in already saturated areas. The trade is eager to see if we can reach 50% planted in the USDA's weekly update on Monday. In the past report we were 34% planted on a gain of +17% the week before. I think it will be tough to get there with all of the recent widespread rains, but I've been a bit light on my guesses as of late so it's certainly possible. Either way I suspect the data shows we are around -5% to -10% behind our traditional average pace of planting. Unfortunately the bears don't see it as much of a problem with several big production states like Illinois, Indiana, Missouri, Nebraska and Ohio running well ahead of schedule. Keep in mind however many producers in these areas are going to be facing another round of heavy rains in the next few days, so things could become a bit more complicated. From a technical perspective there still looks to be heavy resistance at the higher end of the range up between \$3.95 and \$4.05 per bushel in the DEC17 new-crop contract.

**Soybean** bulls are talking about heavy rains and flooding in some key production areas in southern Illinois, Arkansas and Missouri. The bears however are pointing to a lot of time still being on the clock for the U.S. producer and a planting pace that is still at or slightly above average. They are also pointing to the fact some corn acres could make the shift to soybeans if the weather remains uncooperative in some areas. I don't think these few additional acres will have much influence on the trade as it's already being forced to digest a massive new all-time record high of 89.5 million acres. In other words if we push to 90 million I don't think we bring in any new short side interest. I have to imagine those who are wagering on the traditional bearish and expanding balance sheet have already placed a large portion of their bets. Yes, we could get another wave of sell pressure if the U.S. weather forecast starts to look more cooperative and insiders start talking more heavily about +50 bushel yields. I'm not sure that happens anytime soon and continue to believe we are stuck in a nearby sideways trading channel between \$9.35 and \$9.85 per bushel in

# 2017 Soybean Change in Planted Acres

Change from Previous Year in Thousand Acres (000)





the NOV17 new-crop contract. As a spec I like the thought of starting to build a conservative longer-term position on a breakout to the downside. As of right now I personally believe we could test the downside before testing the upside. Hence as a producer I continue to keep hedges in place. If we happen to catch an unexpected breakout to the upside I will be using it as an opportunity to reduce a bit more longer-term risk, perhaps even looking to reduce a small portion of my estimated 2018 production risk... staying patient!

**Wheat** traders are debating recent weather extremes and the damage that may have been sustained. Informa is said to be out with their latest update today and the USDA out next week. The trade seems a bit uncertain about how to play the numbers and if they will included any of the recent rounds of weather complications. I;m hearing talk from insiders that between -50 and -100 million bushels of HRW wheat could be damaged from the recent weather extremes. Total HRW wheat crop estimates now seem to be ranging form between 650 and 750 million bushels vs. just over 1.0 billion bushels being produced last year. With the global and domestic balance sheet this burdensome the bears seem as if they are wanting to see more actual proof of problems. There's early talk from the Quality Wheat Tour taking place this week across Kansas and neighboring states that yields aren't all that bad. There's also talk from global weather forecasters that some of the drier areas in France and other parts of Europe may get some much needed timely rains. In other words, U.S. weather delivered a curveball but the bears seem to be showing very little fear, at least at the moment. Regardless of the current market mindset, as both a producer and a spec I remain extremely patient in pricing additional new-crop bushels. I have however now removed the risk on 20% of my estimated 2018 production with prices north of \$5.10 vs. the JUL18 contract.



**> Feedyards Face Widespread Losses From Weekend Storm:** *Feedyards on the High Plains are scrambling to recover from a massive weekend snow storm that blanketed western Kansas, eastern Colorado and stretched from the Panhandle of Texas to Nebraska. Death losses will number in the thousands at feedyards and to pasture cattle, many of which were displaced by the storm. The National Weather Service reported 15 inches to 18 inches of snow fell in the hardest hit areas of western Kansas. As much as 75% of the U.S. cattle on feed were affected by the storm. Electricity outages complicated issues, particularly maintaining feeding schedules. The storm means cattle on feed across the region are backed up on feed consumption and their overall performance will suffer. That fact comes just after cash fed cattle traded \$5 to \$6 higher last week and cattle weights already running 35 pounds lighter than last year. (Source: Drovers CattleNetwork)*

**> Argentine Soybean Harvest Far Behind Average Pace:** *As of April 27, Argentina's soybean harvest had only progressed to about 32% of the planted area, about 20 points below average according to Oil World. Farmer selling is also running at a record slow pace, with only around 9% of the crop sold which compares to 14% last year. Farmers are fo-*

*cusing on selling grains as they hold on to soybeans.*

**> U.S., Mexico Agree To Extend Deadline For Sugar Trade Talks:** *The Mexican and U.S. governments agreed to extend the deadline for negotiations over a sugar trade agreement to June 5, according to a letter from a U.S. official, as both sides seek a new deal amid heightened tensions between the neighbors. The previous deadline to conclude the talks was Monday.*

**> Argentine Lemons Back On Track:** *USDA's Animal and Plant Health Inspection Service announced Monday that it will not take further action to block the import of lemons from northwest Argentina when a stay on them expires May 26. The news comes just days after President Donald Trump met with Argentine President Mauricio Macri and said he would give "very serious consideration" to allowing the lemons to enter the U.S. Domestic lemon producers, including CCM, Sunkist and at least nine other groups, have been lobbying Trump transition officials to reverse the rule, citing concerns about invasive species and increased competition. (Source: Politico)*

**> ADM Earnings Get Boost From U.S. Grain, Transportation Operations:** *Boosted in part by better performance in its U.S. grain and transportation operations, net earnings at Archer Daniels Midland Co. soared 47% in the first quarter of fiscal 2017. Net income in the first quarter ended March 31 totaled \$339 million, equal to 59¢ per share on the common stock, up from \$230 million, or 39¢ per share, in the same period a year ago. Revenues increased 4% to \$14.988 billion from \$14.384 billion. Operating profit in the Oilseeds Processing unit was \$313 million in the first quarter, up 20% from \$260 million in the same period a year ago. Crushing and origination profit was flat at \$120 million. Operating profit within the Corn Processing unit increased 35% to \$177 million from \$131 million. Sweeteners and starches results improved \$20 million to \$161 million behind a strong performance on improved domestic demand and higher volumes and margins from the company's European business. Bioproducts turned in a profit of \$10 million, which compared with a loss of \$12 million a year ago, due primarily to strong exports and improved margins. (Source: World Grain)*

**> GAO Says FMD Evaluations Could Be Improved:** *A new Governmental Accountability Office (GAO) report looks at the U.S. Department of Agriculture's process for evaluating the animal health systems of countries with a confirmed case of foot and mouth disease (FMD) that are seeking to export beef products to the U.S. and how this process could be improved. No FMD cases have been recorded in the U.S. since 1929. Federal regulations restrict fresh beef imports from countries where the disease is present because the disease may survive in untreated, uncooked beef and can be costly to control and eliminate. According to USDA, an outbreak of FMD could cause grave damage to the U.S. beef industry, which had a retail value of \$95 billion in 2014. GAO said USDA's Animal & Plant Health Inspection Service (APHIS) could strengthen its evaluation of foreign animal health systems by improving transparency to stakeholders, including the public, on how it determines whether the prohibition on a country's beef may be safely lifted; the agency could accomplish this by better documenting its actions during three phases of the evaluation process. GAO says existing guidance is not adequate to ensure such documentation will occur. Furthermore, APHIS does not have a systematic means of storing, organizing and managing the information gathered during an animal health system evaluation. (Source: Feestuffs)*

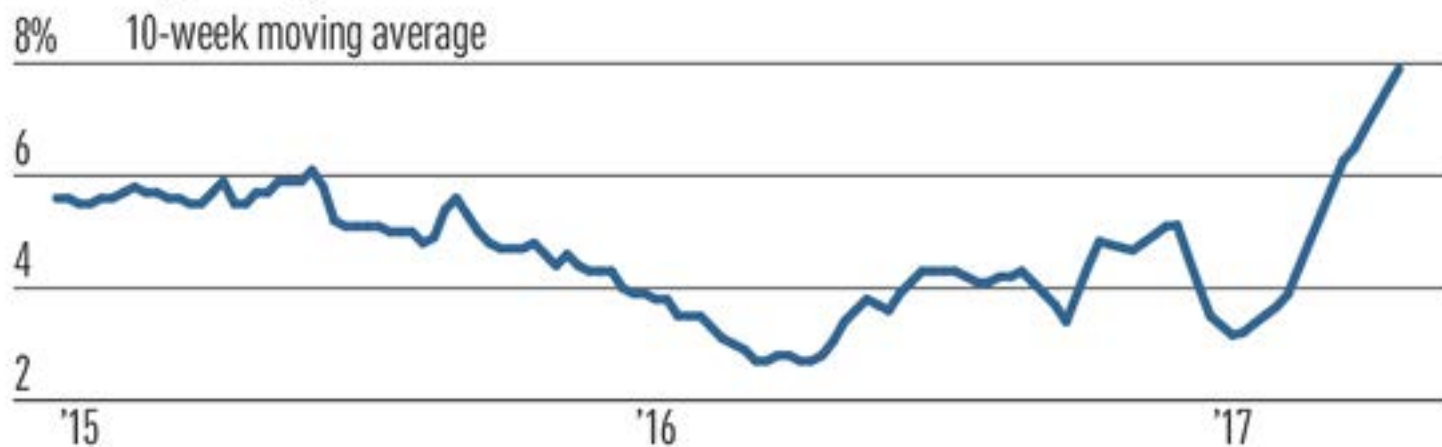


**> Navarro Makes Case Against Trade Deficits:** Navarro (Trump's head of National Trade Council) argues that conventional economists think trade deficits don't matter—and that they're wrong. Trade is good, he said, but not when trading partners cheat. Countries that use dollars from trade surpluses to buy up American assets, he said, are pursuing a strategy of "conquest by purchase." He added, "Most of those in our profession have chosen to ignore the broader national security risks that stem from large and persistent trade deficits and the concomitant decline of our manufacturing and defense industrial base." He's spearheading the president's nationalistic "Buy American, Hire American" initiative, which tightens enforcement of federal procurement rules and cracks down on alleged abuse of H-1B visas and other foreign-hiring programs. (Source: Bloomberg)

**> Surging Tax Revenues Indicate We Might Need To Brace For A Fed Surprise:** Federal income and employment taxes are surging, and that may mean financial markets are underestimating the pace of Federal Reserve monetary tightening this year. There's virtually no chance of a rate hike when Fed policymakers finish their latest meeting Wednesday, and markets already expect a hike in June. But if wage gains have shifted into higher gear, as the daily data on taxes withheld from worker paychecks seem to indicate, then markets may have a surprise in store as soon as September. Over the past 10 weeks through April 26, withheld taxes have surged 7.9% from a year ago, according to an IBD analysis of Treasury data that's adjusted for calendar effects. Although it's a bit too early to definitively say that wage growth has accelerated in a big way, the tax data, along with Friday's Employment Cost Index report from the Labor Department and anecdotal company reports, suggest that investors should brace themselves for upside surprises in wage growth. (Source: Investors.com)

## Tax Revenues Rev Up

The annual growth rate in federal income and employment tax withholdings suggests that wage gains may have shifted into higher gear



Data reflect annual growth rate of federal income and employment taxes withheld from worker's paychecks

Sources: Treasury Dept., IBD

Note: Data are adjusted for calendar shifts; latest data through April 26



**Western Tennessee** - We have been getting rains on a frequent basis. They have not been particularly heavy rains but just happening every couple days. The soil profiles are starting to get saturated. We were planting this weekend on Sunday, rolling out about 9am then the bottom dropped out at 2pm with rains. We don't lack much from finishing but can't catch a two or three-day window. The early corn looks good and right now is about shin high. The stand is very uniform and the emergence looks great. We need to break this wet cycle. There are still a few guys that don't have much planted at all. I have always said that anything planted before May 10th was good, but much past that will knock the yields down.

**Southcentral Minnesota** - It is cold and wet up here today and we are looking towards this weekend at best to get back into the field. As things keep getting pushed back we would probably take the prevented planting acres before switching to beans. We have the nitrogen in the ground already so that another consideration as we don't need to throw that away and will hopefully get some corn down. This is second year in a row for us to struggle getting crop in the ground. Last year in our area it was wet during harvest and we struggled to get crop out as well. Our yields were 25bpa less in corn and 10bpa less in beans than those 30 miles either direction. We are looking at a possible 10% replant in our corn.

**Western Illinois** - We tried to push things in early and got going pretty good last week. We had two or three days that we could run pretty hard then got a couple of days that were wet, bringing 2" to 4" of moisture. Right now I feel pretty good with 60% of my corn in the ground. We have seen the basis widen today and every time the board seems to rally, the commercials just make the net price to us the same. This is my 44th crop and when they do that it tends to get me excited. The weather last year brought great temps during pollination and late rains that were a benefit for both corn and beans. We did see some ARC payments in our county that helped. There did seem to be a little too much rain, last year, as all of the low ground had standing water, bringing a little disease to the beans. In those areas, we saw some significant sudden death patches that hurt the overall yields. In 2016 the beans made in the mid 60bpa range but a lot of years we have had yields in the 70bpa range and pushing 80bpa on great production years. The corn had massive potential early on and the thinking was that it would be in the mid 260bpa range but did fall off a little and the whole farm average yields were close to the 230bpa. We had extra bushels to market and still playing catch up with that.

# CROSSING WIRES

A place to share intelligent thoughts...

**Kansas Farmers Fear For Wheat Crop After Blizzard:** *Farmers in western Kansas are worried a spring blizzard that dumped as much as two feet of snow destroyed much of this year's wheat crop. The heavy snow and cold temperatures delivered a one-two punch to a crop that had been in good shape. Rick Horton, who farms 3,000-4,000 acres of wheat in southwest Kansas near Leoti, says he's expecting massive losses. "I would say it's, like, 80 percent gone," Horton says. "Until we get the snow off and see if any of it's going to come back up, that's not a for sure deal—but right now it looks really bad." If the weather damage is as extensive as feared, Horton says many farmers will probably opt to collect crop insurance, destroy the wheat, and plant something else, rather than continue to invest in raising a damaged crop. Read more from [Harvest Public Media](#).*

**Full Employment Is Good For Rural Americans, Bad for Rural America:** *It may seem counterintuitive, but low unemployment means rural workers have more bargaining power and options — including the option to leave their hometowns for better-paying jobs in cities. Conor Sen warns that the labor shortages now causing problems in northern New England (where the jobless rate is 3 percent or lower) could spread to and even depopulate other already-struggling communities. With the experience of both the housing boom years and then the bust following the great recession, we have a pretty good idea of the cyclical patterns of migration in the 21st century. As we saw in the last year, one of those trends is to leave rural areas. There are a few factors suggesting that in the years to come, migration patterns may be even more exaggerated than we've seen over the past few decades. Read more [HERE](#).*

**How Using GPS Is Making Our Brains Lazy:** *Navigation apps like Google's Waze reduce the amount of mental power it takes to get from one place to another—and researchers can now literally see the difference in brain activity. A recent study is helping scientists get a better grasp of just how our brain function changes when navigating from memory versus following turn-by-turn directions. To learn more about how our brains process networks like city streets, neuroscientists and cognitive scientists from University College London (UCL) and other institutions conducted a study in which two dozen participants first walked around the London neighborhood of Soho. None of the participants were familiar that busy neighborhood, which is a "really dense pack of streets with lots of cafes and bars—really colorful place," says Hugo Spiers, the study's senior author and a neuroscientist in the department of behavioral psychology at UCL. The subjects then took a test to see how well they'd learned the urban landscape. "It's pointless scanning someone who is completely lost," he says. Read more from [Popular Science](#).*

**Luck Looms Larger In Success Than Most Of Us Think:** *When economist Robert H. Frank gives presentations about his latest book, he tells audiences he is almost certainly the luckiest person in the room. If someone thinks they are luckier, he invites them to*



Speak with him later about it. "You can see the wheels turning. Their eyes light up, they tell you about it, and then they think of another example," he said. Frank's book, "Success and Luck: Good Fortune and the Myth of Meritocracy" (2016), outlines his view that successful people are almost always talented and hardworking, but very few would have succeeded if they hadn't been lucky, too. The book calls on policymakers and citizens to create the conditions, from high-quality infrastructure to a robust social safety net, that put luck on everyone's side. "If we can just get people thinking in a way that enables them to recognize that they've been fortunate, that will ensure a better outcome for everyone," Frank said. Read more from [Cornell News](#).

**Bulletproof Robot Shield:** The SWAT Bot is designed for SWAT teams. It has a collapsible shield to make it easy for transport and is mobilized using a remote control mini-tank. Check out the full video [HERE](#).



### Syngenta Trials Begin This Week

The first of hundreds of U.S. lawsuits has gone to trial against Swiss agribusiness giant Syngenta over its decision to introduce a genetically engineered corn seed variety to the U.S. market before China had approved it for imports. The lawsuits allege that Syngenta's move destroyed an important export market for U.S. corn, and that the resulting price drops hurt all producers. Plaintiffs' experts estimate the economic damage to be about



\$5 billion, while Syngenta denies its actions caused any losses for farmers. The first test case went to trial Monday in state court in Minneapolis. The second goes to trial in federal court in Kansas City, Kansas, on June 5. The plaintiffs argue that Syngenta decided to commercialize its Viptera brand of genetically modified corn seeds before China approved importing it. With U.S. government approval, Syngenta began selling Viptera in the U.S. for the 2011 growing season. But China didn't approve it until December 2014. Court papers show that Syngenta initially assured stakeholders that China would approve MIR162 in time for the 2011 crop. However, the date kept being pushed back. Some exporters sent shipments containing the trait to China anyway. After two years of accepting them, China began rejecting them in late 2013. Interestingly, most plaintiffs did not grow Viptera, but because China started excluding their grain as well they feel slighted. In other words plaintiffs believe that all farmers were hurt by the resulting price drop. From what I've heard that are more than 50,000 individual cases involving farmers from across the country, plus a class-action lawsuit on behalf of Minnesota farmers taking place in Minneapolis. The other big block, which includes cases from corn belt states other than Minnesota have been consolidated in Kansas City, Kansas district court. A few thousand less advanced cases have been consolidated with a federal judge in Illinois, while lawsuits by grain handlers including Cargill and Archer Daniels Midland are pending in Louisiana. The defendants argue their company sold a legal product fully approved for sale in the U.S. and other key importing countries, and that it complied with industry standards for international marketing. The company also argues that China's rejection had no meaningful impact on U.S. corn prices as the country was just a small market for U.S. corn in 2010. They believe it was larger market forces and not China's decision that drove corn prices lower. They also point to the fact corn prices fell sharply in 2013 even before China rejected its first shipment, because of a bumper U.S. crop that brought prices down from record highs. Syngenta is hoping jurors will see evidence that the rejections conveniently let the Chinese walk away from contracts they signed when prices were much higher. Now, here's where it gets interesting: as these trials are getting underway, China National Chemical Corp. is pushing ahead with its \$43 billion acquisition of Basel, Switzerland-based Syngenta. U.S., Chinese and EU regulators have approved the deal, but the buyout is awaiting an approval from Indian officials. What really intrigues me is if the deal goes through, it would add a twist to the litigation: Meaning perhaps a win for the U.S. farmers over Syngenta's sales of the seeds would circle back to the Chinese government that rejected the grain. Talk about irony. This state-run Chinese company may soon own the GMO seeds they once abruptly rejected (when it was advantageous for them to). We will keep you updated on the outcomes of these trials. There certainly is a lot at stake here with lawsuits totaling estimated damages to U.S. farmers of over \$5 billion. (Source: [Bloomberg](#))

The image shows the Syngenta logo, which consists of the word "syngenta" in a dark, lowercase, sans-serif font. A small green leaf icon is positioned above the letter 'y'. The logo is mounted on a light-colored brick wall. To the right of the logo, there is a dark, rectangular object, possibly a window or a door frame, and a white vertical structure, possibly a railing or a signpost. The background to the left of the wall is a clear blue sky.

### **"Out Of This World" Auction**

I ran into an old friend of mine last summer at a local auction that my wife and I were attending. While we were catching up he suddenly turned away to start bidding. I looked up and was a little surprised to see pallets of rocks and minerals for sale. I guess I haven't yet gotten in touch with nature enough to want to collect these specimens but my buddy sure was as he left with 3 tubs full of them. So when Christies sent me information about their upcoming "meteorite auction", I couldn't help but think of him and chuckle. The auction will run from May 3rd through the 10th with some pretty cool specimens. Admittedly, after doing a little reading on the site I was a bit intrigued by where they came from as well as how cool some looked. From what I understand people like to collect "meteorites" because they are our principal source of extraterrestrial material. They are sometimes called the 'poor man's space probe' because they land on Earth for free. These rocks hail from approximately 100-150 different asteroids as well as from Mars and the Moon. Although there are more than 60,000 meteorites in the world's collections, two-thirds of these are from Antarctica and will never be available to the general public. And the resource is barely growing; each year there are only five or six fresh falls and two hundred or so 'finds' - most of which weigh less than 200 grams and are appreciably weathered. Interestingly, with as rare as some of these times seem to be, I thought they might have larger pre-sale estimate. Below you will find a few facts on items that seem to be gaining the most interest. For a full auction listing or to find out more about meteorites Click [HERE](#). (Source: Christies)

**A GIANT SEYMCHAN METEORITE SLICE:** \$80,000 - \$120,000; *Less than 0.2% of all meteorites are pallasites, it is agreed that this is the most beautiful extraterrestrial*

*substance known. Crystals of olivine, as well as peridot (gem-quality olivine and the birthstone of August), are evident in this piece. The meteorite from which this slice was cut originated from the mantle/core boundary of an asteroid that existed between Mars and Jupiter prior to being shattered by an impact with another asteroid. Not a bad price for a rare and beautiful item.*



**A SELECT GIBEON METEORITE — NATURAL ABSTRACT SCULPTURE FROM OUTER SPACE:** \$70,000 - \$90,000; *The majority of iron meteorites, including this singular example, originated from the iron cores of asteroids between Mars and Jupiter. Gibeons are the bounty of a huge meteorite shower that occurred thousands of years ago after an enormous iron mass was deflected out of the asteroid belt and slammed into Earth's upper atmosphere before exploding and raining down on what is now Namibia. In the last few decades, local tribesmen have located Gibeon specimens with the aid of metal detectors, a method not quite in the tradition of their predecessors who fashioned recovered metallic shards into spear-points and other tools.*





**MASS OF MARTIAN METEORITE EJECTED FROM THE MARTIAN SURFACE FOLLOWING ASTEROID IMPACT:** \$30,000-\$50,000; *Meteorites from Mars are among the most exotic substances on Earth—less than 375 pounds are known to exist and a substantial fraction of that amount is unavailable to the public. The delivery mechanism to Earth is believed to be an asteroid impact that jettisoned material off the Martian surface into an Earth-intersecting orbit. Martian rocks have highly specific chemical and isotopic signatures and the determination of Martian origin is the result of research by scientists throughout the world. You might want to get a bid in on this one.....how else are you going own something from the red planet?*





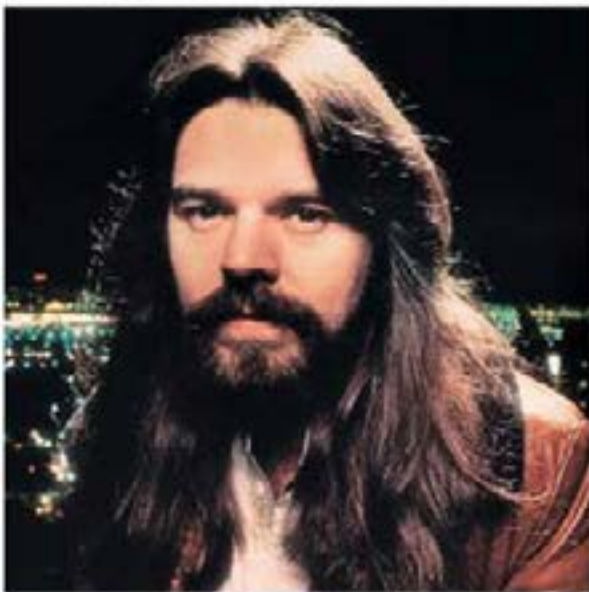
**LARGE PARTIAL SLICE OF ESQUEL PALLASITE:** \$30,000 - \$50,000; *Pallasites are the most dazzling extraterrestrial substance known, and Esquel is among the most coveted. Esquel's crystals were not heavily shocked, and as a result, its highly translucent olivine crystals range in hue from amber to forest-green. This specimen also contains gem-quality olivine or peridot (the birthstone of August). Indeed, small specimens of Esquel were the first pallasite material to be utilized in modern jewelry applications. I have to admit this would look pretty nice above a fireplace!*



## **Bob Seger & The Silver Bullet Band Start A Six Week Run At No. 1**

Bob Seger's "Against the Wind" finally reaches No. 1 on Billboard this week in 1980. The album was actually released the last week in February, taking 8 weeks to secure the top spot as it overtook Pink Floyd's "The Wall." You may not realize it, but "Against the Wind" was Seger's 11th album! The record spent six weeks at No. 1 and ended up being the only number-one album Seger has ever had. He released his first album, "Ramblin' Gamblin' Man", in 1969. That and the nine other albums that preceded "Against the Wind" generally garnered favorable reviews from critics. He was actually one of the top live acts in the Detroit, Michigan area and could reliably sell 50,000 to 100,000 albums to his regional fan base. He finally gained national attention with the back-to-back releases of "Live Bullet" and "Night Moves" in 1976, which were recorded with his Silver Bullet Band. The "Night Moves" album was his first to break into Billboard's top ten. Robert "Bob" Seger actually got started in the Detroit music scene in 1961, when he was just 16 years old. His stints playing with several popular local cover bands helped provide him a preliminary fan base when he decided to go solo and start playing his own music. He performed and recorded under Bob Seger and the Last Heard and Bob Seger System until putting together the Silver Bullet Band in the 70s. Heavy touring in support of 1975's "Beautiful Loser" garnered Seger a loyal grassroots following across the country, helping to cement the success of "Against the Wind" a few years later. Interestingly, the hit album was originally panned by a lot of critics that also counted themselves a long-time fans. Rock critic Dave Marsh, writing for Rolling Stone, said, "I'd like to say that this is not only the worst record Bob Seger has ever made, but an absolutely cowardly one as well." Seger openly admits that he deliberately set out to write a number one record with "Against the Wind", though. He dialed back the driving rock pulse, added some pop-music sensibilities, and successfully crafted an album that top 40 radio stations and listeners couldn't resist. He released a handful of other albums throughout the 80s and 90s, but one of his best known hits probably came from the soundtrack of the 1987 Beverly Hills Cop II soundtrack. "Shakedown" ended up earning Seger an Academy Award nomination, though interestingly enough, he actually wrote the song for fellow Detroit-native Glenn Fry, former frontman of The Eagles. Fry lost his voice right as the recording sessions were starting, so he called in Seger to take his place. Seger took an 11 year hiatus starting in 1995 to dedicate time to his wife and two children. The sabbatical was briefly interrupted in 2004 when he was inducted into the Rock and Roll Hall of Fame, but little was heard from the famous rocker until he released "Face the Promise" in 2006. Seger's music continues to be a mainstay of classic rock, but fans might be surprised at how difficult it is to get their hands on one of his records. He has only one album available in digital format - 2014's "Ride Out." On top of that, most of his albums aren't even in print any longer. In fact, only six of his total 17 recordings are available to purchase on his own website. Used copies of his first seven albums start around \$30, and go as high as \$200, if you can find one. It is a bizarre circumstance considering re-releasing material in the latest formats is incredibly lucrative for both artists and labels. It's hard to really know why he seems to have so little interest in perpetuating his musical legacy, but it's been suggested that he just doesn't want to deal with the business side, which he leaves entirely to the discretion of his long-time manager Edward Punch. And Punch argues that he is preserving Seger's vision as a complete "album" artist, preferring not to have them streamed as singles. (Sources: NPR, AllMusic, Wikipedia)



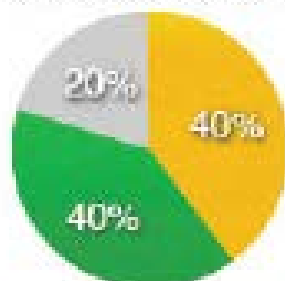




# CASH SALES & HEDGING TOTALS

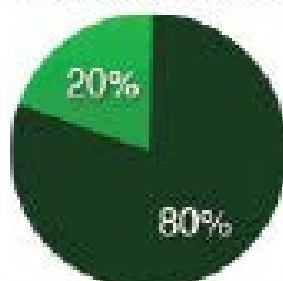
## CORN 2016 CROP

40% SOLD  
40% HEDGED  
20% UNPROTECTED



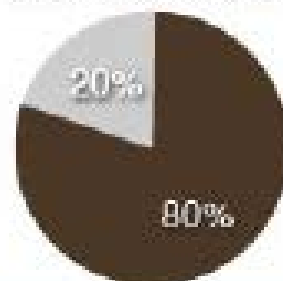
## SOYBEANS 2016 CROP

80% SOLD  
20% HEDGED  
0% UNPROTECTED



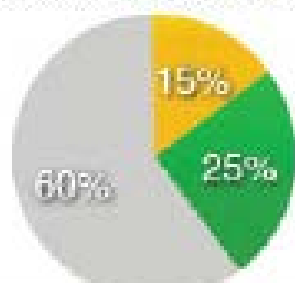
## WHEAT 2016 CROP

80% SOLD  
0% HEDGED  
20% UNPROTECTED



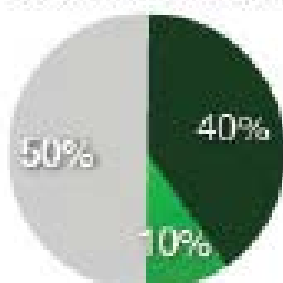
## CORN 2017 CROP

15% SOLD  
25% HEDGED  
60% UNPROTECTED



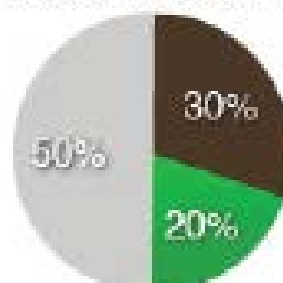
## SOYBEANS 2017 CROP

40% SOLD  
10% HEDGED  
50% UNPROTECTED



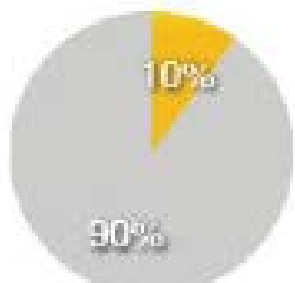
## WHEAT 2017 CROP

30% SOLD  
20% HEDGED  
50% UNPROTECTED



## CORN 2018 CROP

10% SOLD  
0% HEDGED  
90% UNPROTECTED



## SOYBEANS 2018 CROP

0% SOLD  
0% HEDGED  
100% UNPROTECTED



## WHEAT 2018 CROP

0% SOLD  
20% HEDGED  
80% UNPROTECTED

