

## GOOD MORNING: 11/17/17 Farm Direction - VanTrump Report

1 message

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To: Kevin Van Trump <info@farmdirection.com>

Fri, Nov 17, 2017 at 6:38 AM



"Your biggest risk in business and in life isn't occasional failure it's sustained mediocrity." - Luke Wroblewski

**FRIDAY, NOVEMBER 17, 2017**

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**Morning Summary:** U.S. stocks are coming off their biggest daily gain in over two months as investors appear more optimistic amid solid fresh economic data and the House passing their version of a tax overhaul. WalMart, the world's biggest retailer, delivered a nice surprise yesterday as well, reporting its strongest quarterly sales in almost a decade. The company's earnings per share and revenues both topped expectations as well as last years results, with online sales increasing by +50%. This is now the 13th straight quarter with positive results. The solid performance indicates that consumer spending remains strong and is viewed by many as a good sign for the important holiday shopping season. Other economic data sending positive signals include Industrial Production, which was significantly higher than expectations. The Housing Market Index was also better than expected, with Home Builders reporting acceleration going into year-end that pushed the November reading up to 70, the highest since back in March. Investors today are anxious to see data on Housing Starts along with Kansas City Fed Manufacturing. The highlight for the day was the passage of the House reform bill which was considered a major win for Republicans. The House legislation would reduce the number of individual tax brackets, slash the corporate tax rate from 35 percent to 20 percent and eliminate a number of tax breaks and deductions. It also diverges significantly from the Senate version, which won't get a full chamber vote until after Thanksgiving as Congress is not in session next week. The Thanksgiving holiday means a short week for U.S. markets, with stock, bond and commodity markets closed on Thursday. As for economic data, it's a pretty light schedule with just Existing Home Sales on Tuesday; and Durable Goods and Consumer Sentiment on Wednesday. The big highlight for the week will be the "minutes" from the Federal Reserve's meeting on November 1. Currently, traders feel certain that the Fed will raise interest rates at their next meeting on December 12-13 and based on recent hawkish comments from central bankers, it's unlikely the minutes will contain any new revelations.

**"Hypersonic Flight"... The Next Big Tech Revolution:** *Many are saying it's the new frontier in both missile and plane design. From what I'm understanding the new hypersonic technologies not only allow for "faster" but also allow for much more flexibility in terms of flight path. For example, it's expected the hypersonic missiles will operate at speeds between Mach 8 and Mach 20 - or between 6,200 miles per hour and 15,300 miles per hour. And yes, it is believed they can carry either nuclear or conventional warheads. What's even more crazy is how they will be able to change paths and directions in the sand of a finger. To this point missiles flying at incredible speeds had to travel along a highly predictable paths. With the new hypersonic technology that's no longer the case, which makes things much crazier. As you can imagine "hypersonic" stands to be a game changing technology in the world of global defense, and by some estimates it will be here in scale in less than 10 years. Many sources say the U.S. and China have already entered into a hypersonic race. Read more at [Wired](#) and [South China Morning Post](#).*

**Semi Trucks Becoming Not Only "Electric" But Also "Self Driving":** *Tesla revealed their electric semi last night, telling viewers they are likely to reach public production in 18 months to two years, and that on top of being electric they could have technology that allows the truck to drive itself. Keep in mind the startup Embark is already operating autonomous trucks between Texas and California - though currently with a human rider. Mercedes-Benz first put a self-driving big-rig on a public road in 2015, and Uber has also started jumping into*

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# DR. RICK RIGSBY

VTC 2017 . Kansas City . Dec. 6, 2017

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## VAN TRUMP CONFERENCE 2017

**December 6, 2017**

## Full MARKET Outlook



On hand will be several leading markets analysts and traders providing their insight and opinions on both short-term and long-term ag prices and outside investment ideas. You do not want to miss this

the space. Self-driving could be a huge windfall and savings to the trucking industry who has been plagued by labor shortages and regulatory complications. Nearly half of the trucking industry's costs — 43% — go toward labor, with fuel being the second-largest cost, at 21%. "The gains from automating heavy truck activity have far-reaching implications across the broader transportation landscape. Companies in our coverage that will benefit from this include UPS (high-cost union truck labor in line haul and feeder operations), FedEx (truck-intensive ground network), J.B. Hunt Transportation Services (across services)," said Bernstein analysts David Vernon. Vernon added that the lower costs might not necessarily pass through in the form of lower trucking rates. That's because the biggest beneficiary of cost savings would be better-capitalized firms with the resources to dive into the new technology. Smaller firms, which have a marginal influence on market rates, may be left with higher costs that they'd pass on to their clients. As for electric, many are saying they could be much better. In fact saying electric motors might actually be ideal for big rigs, because they produce gobs of torque instantly, meaning a trucker would find an electric 18-wheeler zippy and smooth—no mashing through 10 or more gears to get up to speed like in a conventional truck. (Source: [BusinessInsider](#), Akin Oyedele)

**Keystone Pipeline Closed After 5,000 Barrel Leak:** TransCanada has shut part of its Keystone pipeline after 5,000 barrels of oil leaked in Amherst, South Dakota, the company said on Thursday, four days before the state of Nebraska was due to decide on an expansion of the system. The pipeline from Hardisty, Alberta, to Cushing, Oklahoma, and to Wood River and Patoka in Illinois, has been shut, while the southern leg of the system to the Gulf Coast remains operational. TransCanada is seeking to expand its Keystone pipeline network. President Trump this year signed a presidential permit allowing the company to build the Keystone XL pipeline, which would transport as much as 830,000 barrels of crude oil a day from Alberta, Canada, to Nebraska, where it would join existing pipelines that feed refineries elsewhere in the United States. Nebraska officials are scheduled to announce their decision on the project next week. TransCanada says on its website that the company has safely transported more than 1.5 billion barrels of oil, or about 63 billion gallons, through the system since operations began in 2010. They did not provide an estimate for how long they expect the pipeline will be fully back online, which can not happen until the cleanup is complete. (Sources: The Hill, Lincoln Star)

**Is GM About To Go All Electric?** A few weeks back there were reports circulating that the American automotive giant announced it is working toward an all-electric, zero-emissions future. That started with two new, fully electric models next year—then at least 18 more by 2023. In recent months, Volvo, Aston Martin, and Jaguar Land Rover have announced similar moves. Read more [HERE](#)

**What It Takes To Be Upper Income In Every State:** About 20% of Americans are upper income, according to Pew Research Center. You might call them "rich." This group of earners makes at least two times more than the national median household income: \$59,039 in 2016, according to the latest data from the U.S. Census Bureau's 2016 American Community Survey, an annual survey that measures various economic, social, and housing data among US residents. At double the median household income, the threshold to be considered upper income is \$118,080 nationally, but that figure is different when broken down by the state level. For instance, a person earning \$83,510 in Mississippi is considered upper income in the state, while a New Yorker would need to make \$125,820 to be considered rich. An interactive version of the below map is available [HERE](#) if you'd like more details. (Source: Business Insider)

year's event.

## Economic & Ag Forecast

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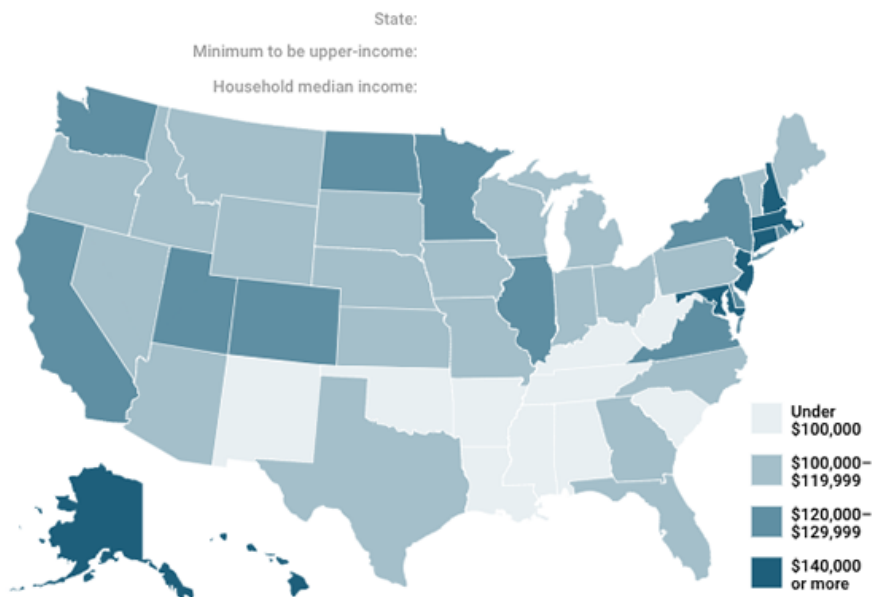
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## What It Takes To Be Upper Income In Every State



SOURCE: U.S. Census Bureau, 2016 American Community Survey

**Weather** in the Corn Belt is cool and mostly cloudy in the wake of a departing storm from early in the week. Breezy weather and snow has recently fallen in the Great Lakes region. Late-season harvest delays persist in the eastern Corn Belt, where Ohio's topsoil moisture was rated 45% surplus on November 12. On the Plains, unusually warm weather prevails, especially across western sections of the region. The warmth is promoting some late-season winter wheat development in areas with adequate moisture. However, topsoil moisture was at least 40% short to very short on November 12 in Montana, Oklahoma, Texas and the Dakotas. In the South, mild, dry weather is promoting autumn fieldwork. In North Carolina, 72% of the intended winter wheat acreage had been planted by November 12, while soybean, cotton, and peanut harvests were 54,78 and 91% complete, respectively. Rain will return to the Great Lakes States on Friday and quickly spread across the eastern U.S. on Saturday. Later in the weekend and early next week, stormy weather will return to northern California and the Northwest. In contrast, mostly dry weather will persist across the Plains and Southwest. Elsewhere, fast-moving cold fronts crossing the Midwest and East will result in breezy conditions and periods of cold weather. The 6 to 10-day outlook calls for the likelihood of below normal temperatures in much of the eastern U.S., while warmer than normal weather will stretch from the Pacific Coast to the Plains. Meanwhile, near to below normal precipitation across most of the country will contrast with wetter than normal conditions across Florida's peninsula and the Northwest.

**Latest Winter Outlook from Government Forecasters:** *We have the latest from the NOAA, CPC which is heavily formed on the basis of a La Nina winter pattern in place and expected to continue through the winter. Of course, this is not guaranteed. This is just a guidance. Expect a cold/wet pattern in the northern part of the country, warm/wet in the Northeast, and warm/dry in the South.*

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### Today In History



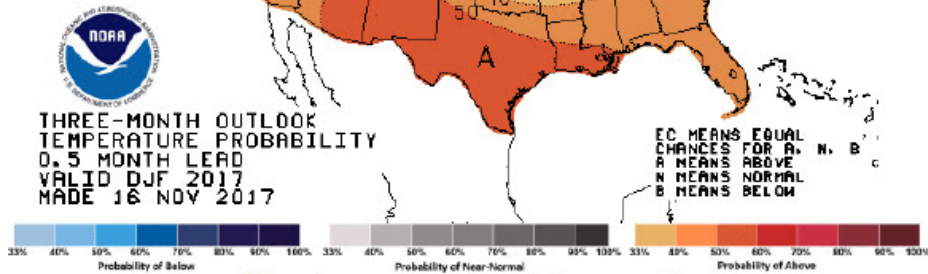
**1421, Deadly Weather** - A storm in the North Sea batters the European coastline. Over the next several days, approximately 10,000 people

in what is now the Netherlands died in the resulting floods. The lowlands of the Netherlands near the North Sea were densely populated at the time, despite their known vulnerability to flooding. Small villages and a couple of cities had sprung up in what was known as the Grote Waard region. The residents built dikes throughout the area to keep the water at bay, but fatal floods still struck in 1287, 1338, 1374, 1394 and 1396. After each, residents fixed the dikes and moved right back in after the floods. Even the St. Elisabeth's flood of November 1404 (named after the November 19 feast day for St. Elisabeth of Hungary), in which thousands died, could not dissuade the residents from living in the region. Seventeen years later, at the same time of year, another strong storm struck the North Sea. The resulting storm surge caused waves to burst hundreds of dikes all over Grote Waard. The city of Dort was devastated and 20 whole villages were



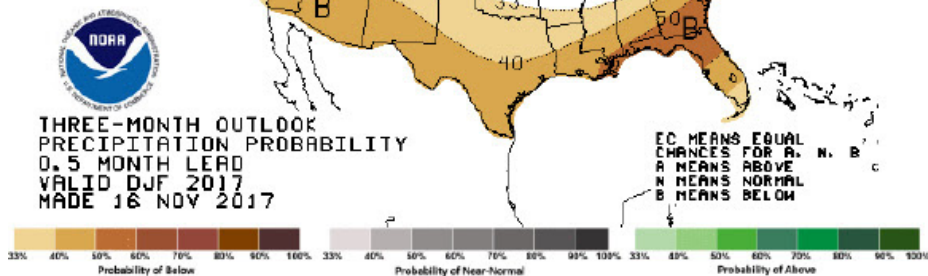
# CPC Winter Outlook 2017/18

Dec-Jan-Feb  
Temperature



# CPC Winter Outlook 2017/18

Dec-Jan-Feb  
Precipitation



**Corn** continues to make fresh new contract lows with the DEC17 contract falling to \$3.36<sup>2</sup> yesterday on weaker than expected U.S. exports, more talk of increased U.S. acres in 2018 and to this point mild South American weather. Looking ahead the bulls are talking about possible complications in portions of both Argentina and Brazil. The thought is Argentina could become too dry in several key areas, while heavy rains in Brazil could create complications for second-crop corn. The problem is with domestic and global corn supply overly burdensome the trade is not very interested in looking too far out on the horizon. With this mindset, nearby price rallies seem somewhat limited. Perhaps we could see a +10 to +15 cents pop to the upside should the funds get a bit spooked during the next 30 to 60-days, but an extended rally with fundamental buying and momentum beyond that seems overly optimistic. In other words, I'm still thinking we are dancing to lower-highs and lower-lows. If you're a producer and have to price bushels during this time period, don't get overly greedy. If the bears take a break to catch their breath and we back-and-fill to the upside, you might want to think about pulling the trigger. If you are in a better cash position and can afford to play a longer-term game, then weather could start to gain some additional risk premium as we move beyond the first couple of weeks in 2018. I should point out, there's starting to be more basis appreciation in many areas, so we need to make certain we are checking with our local buyers. Options on the board are extremely cheap and there might be some opportunities in areas to move cash bushels. It's tough right now. Volatility is so cheap I don't want to sell premium, but at the same time I don't want to let the carry slip away and the deferred months trade down to spot. A lot of folks scratching their heads right now... One thing I don't want to do is make a move

wiped off the map. The flooding was so extensive this time that the dikes were not fully rebuilt until 1500. This meant that much of Zeeland and Holland--the area that now makes up the Netherlands--was flooded for decades following the storm. The town of Dordrecht was permanently separated from the mainland in the flood.

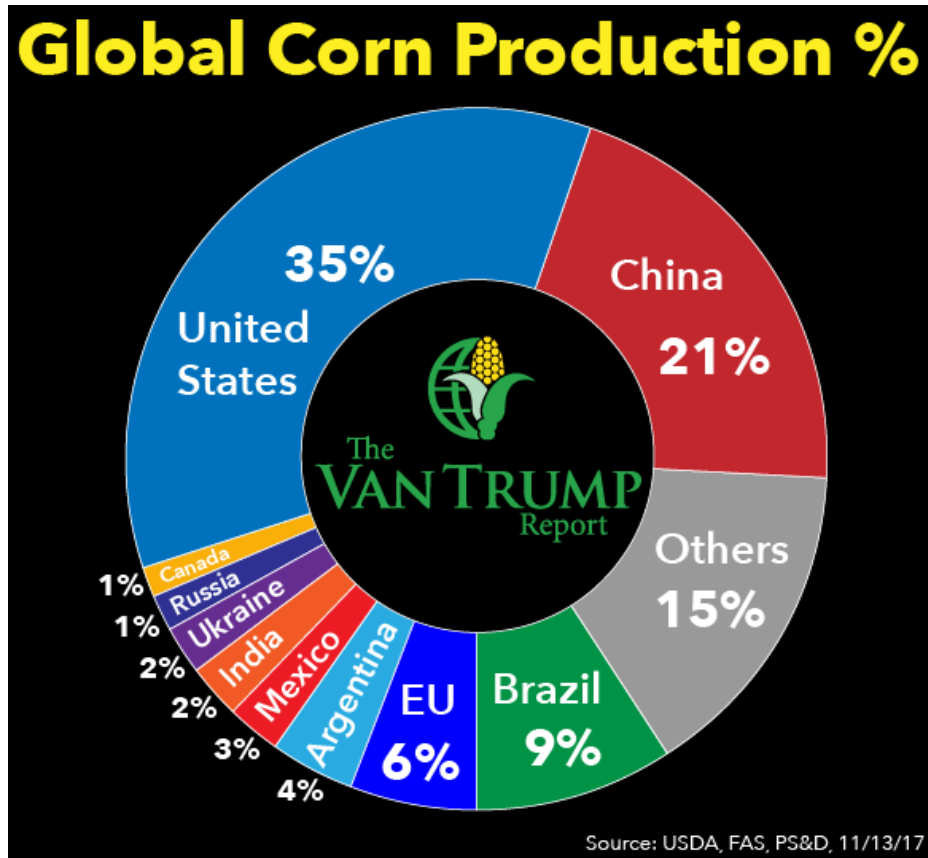


**1869, Suez Canal** - The Suez Canal, connecting the Mediterranean and the Red seas, is inaugurated in an elaborate ceremony attended by French Empress Eugénie, wife of Napoleon III. In 1854, Ferdinand de Lesseps, the former French consul to Cairo, secured an agreement with the Ottoman governor of Egypt to build a canal 100 miles across the Isthmus of Suez. An international team of engineers drew up a construction plan, and in 1856 the Suez Canal Company was formed and granted the right to operate the canal for 99 years after completion of the work. Construction began in April 1859, and at first digging was done by hand with picks and shovels wielded by forced laborers. Later, European workers with dredgers and steam shovels arrived. Labor disputes and a cholera epidemic slowed construction, and the Suez Canal was not completed until 1869--four years behind schedule. On November 17, 1869, the Suez Canal was opened to navigation. Ferdinand de Lesseps would later attempt, unsuccessfully, to build a canal across the Isthmus of Panama. When it opened, the Suez Canal was only 25 feet deep, 72 feet wide at the bottom, and 200 to 300 feet wide at the surface. Consequently, fewer than 500 ships navigated it in its first full year of operation. Major improvements began in 1876, however, and the canal soon grew into the one of the world's most heavily traveled shipping lanes. Today, an average of 50 ships navigate the canal daily, carrying more than 300 million tons of goods a year.



**1973, Watergate** - In the midst of the Watergate scandal that eventually ended his presidency, President Richard Nixon tells a group of newspaper editors gathered at Walt Disney World in Orlando, Florida, that he is "not a crook." Nixon made the now-famous declaration during a televised question-and-answer session with Associated Press editors. Nixon, who appeared "tense" to a New York Times reporter, was questioned about his role in the Watergate burglary scandal and efforts to cover up the fact that members of his re-election committee had funded the break-in. Nixon replied "people have got to know whether or not their President is a crook. Well, I'm not a crook. I've earned everything I've got." He did, however, admit that he was at fault for failing to supervise his campaign's fund-raising activities. At one point during the discussion, Nixon gave a morbid response to an unrelated question

just because I'm board and feel like I should be doing something. As I've learned often in life, fear and boredom can often be a combination or recipe for disaster. This certainly isn't the time to gun it in hopes of blasting our way out of a rut. We may be tempted to shake things up by trying to force sudden and dramatic change. But I'm most worried we end up just spinning our wheels and doing more damage than good.



**Soybean** traders are starting to debate the "quality" of the U.S. crop after processors announced earlier in the week they were a bit disappointed by what they were squeezing out of beans. The soy oil coming from the crush is weaker than we've seen reported in the past two years and it has the trade wondering if the current demand estimates are accurate. Bulls are obviously arguing that we may ultimately need to crush more beans to get the needed demand. On the flip side, bears argue that poorer quality could potentially drive a bit more Chinese demand towards South America. It's tough to determine at this stage of the game, but the overall quality of the U.S. crop is definitely going to be in the spotlight for the next several weeks. The trade will also be keeping an extremely close eye on South American weather. Parts of Brazil are forecast to see extremely large amounts of rainfall, while parts of Argentina are starting to become a bit dry.

about why he chose not to fly with back-up to Air Force One when traveling, the usual security protocol for presidential flights. He told the crowd that by taking just one aircraft he was saving energy, money and possibly time spent in the impeachment process: "if this one [plane] goes down," he said, "they don't have to impeach [me]." Nixon was trying to be funny, but in fact the scandal was taking a toll on his physical and mental health. In Carl Bernstein and Bob Woodward's book 'All the President's Men', Nixon is described at this time as being "a prisoner in his own house—secretive, distrustful... combative, sleepless." Nixon's protestations of innocence with regard to the Watergate cover-up were eventually eroded by a relentless federal investigation. Richard Nixon resigned on August 8, 1974.

### Upcoming Events

**Wed. 11/22** - Minutes From 11/1 FOMC Meeting Released

**Thurs. 11/23** - Thanksgiving - Markets Closed

**Tues.-Wed. 12/12-12/13** - FOMC Meeting

**Tues. 12/12** - USDA Supply and Demand

**Mon. 12/25** - Christmas - Markets Closed

**Mon. 1/1** - New Year's Day - Markets Closed

**Fri. 1/12** - USDA Supply and Demand

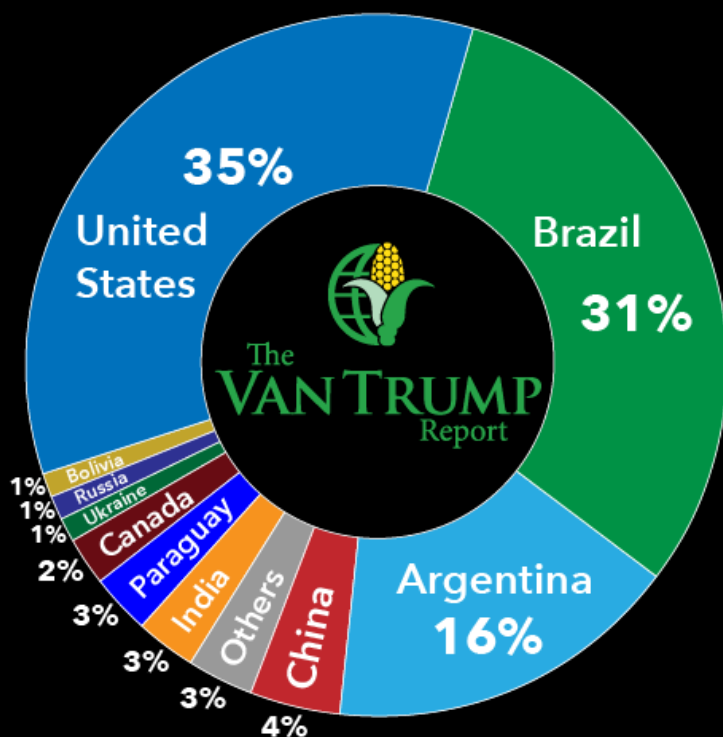
**Thurs. 2/8** - USDA Supply and Demand

### Kevin's Song of the Week



### About the Report

# Global Soybean Production %



Source: USDA, FAS, PS&D, 11/13/17

**Wheat** bulls are pointing to weather uncertainties for the crop here in the U.S., parts of Australia and parts of South America. The bears continue to point to burdensome global supplies and cheap wheat being offered from the Black Sea region. Egypt was once again a buyer of Russian wheat. Some were surprised that this weeks Egyptian purchase was actually a hair cheaper than the previous. Wheat prices out of Europe are also not getting any stronger. Technically, there's not a lot fresh or new to discuss, we remain in sideways channel, never veering more than 10 to 20 cents from the lows. I would like to say that patterns going to change sooner rather than later, but I'm having a hard time pinpointing what will be the driving force. Staying an extremely conservative bull, thinking I might have to wait until February or March for brighter days.

## NEXT level THINKING



My goal at "The Van Trump Report" is to help readers better identify the moving parts and dynamics associated with the financial markets, geopolitical events, economics, media and culture that is currently influencing and shaping the direction of the agricultural markets. I like to believe I "Challenge the Traditional" and encourage our readers to think outside the box.

I use story telling techniques that are written in an easy to read format to help convey my current thoughts about business, markets, technology, weather, sports and life. I also like to include links, filter the noise, and pass along in-depth research and information that I believe could challenge your current thought process and help you make more informed decisions. In addition I include valuable lessons I have learned from other traders, executives and investors, along with an occasional inspirational piece about life, family and faith.

What I do not do in "The Van Trump Report" is give specific financial advice or tell individuals how to invest or how to specifically hedge. Remember, this information is being read by hedge fund managers, bankers, CEO's, and Ag leaders around the globe, therefore it's NOT tailored to fit your specific individual needs. For specific investment or hedging advice please seek the help of a licensed representative that can better understand your particular situation, individual needs and overall risk tolerance. This information should ONLY be used for educational and entertainment purposes.

My family and I would like to thank you again for your support!

*Kevin Van Trump*

### What Others Are Saying

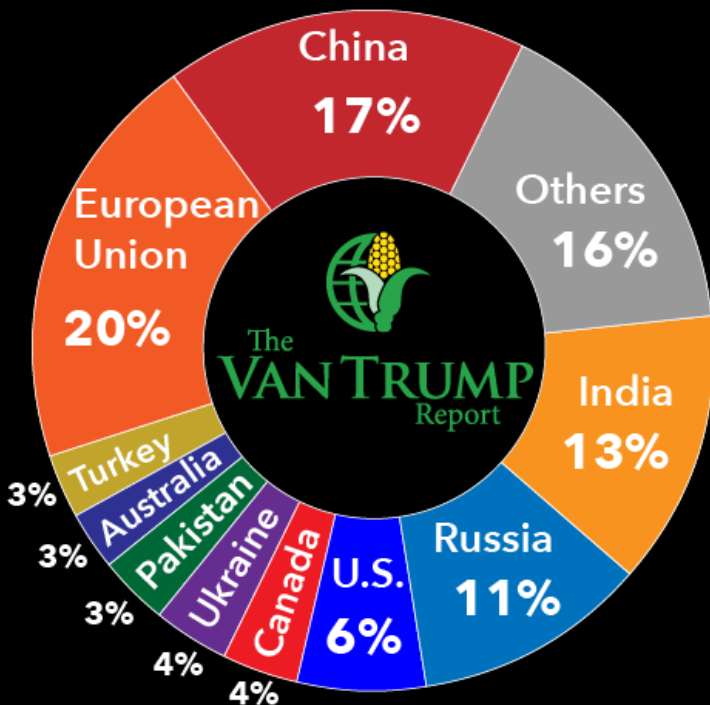
"I am a recent subscriber to Kevin's newsletter, but I'm a long-time reader of many other high-profile marketing services. I am particularly impressed with the thorough manner in which Kevin evaluates every economic aspect, both nationally and internationally, that influences commodity prices. His analysis and conclusions are highly thought out and conveyed in layman's terms so that the reader can comprehend the numerous and often complex interrelationships that impact the markets. Kevin is a real attribute to the agricultural sector."

**A.M., FDIC**

"As a national federal farm policy administrator and commodity producer, I find it critical to keep updated with what is going on in the real world of agriculture and with the domestic and global markets. Of all the services I've have been privy to or have subscribed to over the past 20 years I've found in the past several months of engaging in your "Farm Direction" services to be the best perception and analysis of what is really



# Global Wheat Production %



Source: USDA, FAS, PS&D, 11/13/17

**Cattle on Feed Report** will be released today. The trade estimates for "on feed" numbers as of November 1st are thought to be around 106% of last year. October "placements" are thought to be about 107% and "marketings" about 105%.



**> Egypt Outlines Wheat Import Policy:** Egypt's recent fluctuations in wheat import policies have led the country's Ministry of Agriculture and Land Reclamation's (MALR) Central Administration for Plant Quarantine (CAPQ) to release Directive No. 48 – regarding special and complementary regulations for the importation and release of wheat shipments imported from abroad. It does not include any new regulations; rather it is a compilation of all relevant rules and specifications to date. That means rules regarding ergot fungus still remain unclear. (Source: World Grain)

**> Europe Feels The Power Of Russian Wheat:** European wheat exports are buckling under the weight of Russia's record harvest. The world's top shipper is proving a fierce competitor as this year's bumper crop drives even more exports. As it makes inroads into the European Union's traditional markets, Russia's selling point is simple: good quality wheat at prices that many rivals just can't beat. The numbers speak for themselves, with Russian wheat exports up by a fifth so far this season, while the EU's shipments have dropped -25%. Russia's export gains are bad news for the EU, and especially its top producer, France, which is trying to regain its market position following an abysmal harvest last year. Russia took advantage of France's stumble to gain a foothold in some of its most faithful customers. Russia is also dominating imports by top wheat buyer Egypt, accounting for three-quarters of the country's purchases so far this season. Strategy Grains yesterday forecast EU farmers will probably reduce soft-wheat plantings for a fourth straight year, to 50.07 million acres. (Source: UkrAgroConsults)

**> Massive Shortfall Seen In Robusta Coffee Supply:** Two straight years of "massive shortfalls" in global robusta coffee output will create a cumulative supply deficit of 8 million bags that should be reflected in much higher prices, Olam International Ltd's chief executive officer said. Sunny Verghese, speaking on a conference call with analysts about the Singapore-based commodity trader's third-quarter results, forecast a 4 million bag robusta deficit in the 2016/17 marketing year and again in 2017/18. (Source: Reuters)

happening in today's world. Not only here in the United States, but across the globe as well. US farmers need this type of help and information to assist them in their daily efforts. I commend you for a job well done. Please let me know if I can ever be of any help or assistance to you in the future..."

**L.T., Assistant Deputy Administrator for Farm Programs USDA**

## My Own Personal Truisms

"Not To Trade, is often considered a good trading decision..."

"First Rule of HOLES: When you are in one stop digging..."

"Every looser in Vegas, always walks away from the table thinking he could have done better, the winners on the other hand leave while on top..."

"Bulls make money, Bears make money, but pigs get slaughtered..."

"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

I'm more of a long-term player, therefore you will not see me give many short-term suggestions or trade ideas. One of my most important rules is that I always follow my long-term direction. Therefore, as long as I am "bullish" a market I will only play that particular market in one of three ways.

- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

I never initiate a "short" position in a market that I am "bullish" longer-term, nor do I initiate a "long" position in a market I am "bearish" longer-term.

**> Livestock Operations Told Not To Start Reporting Air Emissions:** on Nov. 15, a reporting rule administered by the federal Environmental Protection Agency was to be triggered that will apply to certain livestock operations. However, Leah Ziembra, industry group chair of agribusiness, food and beverage at the Michael Best law firm, said the firm is encouraging producers not to report yet. The reporting applies to certain releases of hazardous substances and the requirement that the government be notified. EPA received an initial stay by the D.C. Circuit Court until Nov. 15, which was to be the deadline by which farms would need to start complying. Ziembra explained that EPA's motion to the court for an additional stay, which would push the compliance date out until January 2018, now requires that the court act to either grant EPA's request for an additional stay or issue a mandate that reinstates its prior order with a specific deadline for compliance. (Source: Feedstuffs)

**> Funds Hold \$300 Billion in Commodities For First Time Since 2013:** A boom in raw-material prices has helped lift commodity investor assets under management to more than \$300 billion for the first time since 2013, according to Barclays Plc. As major resources indexes have recovered from lows in the middle of this year, assets under management have risen for three consecutive months through October to \$305 billion from \$291 billion in July, the bank said. (Source: Bloomberg)

**> Perdue Backtracks On NAFTA Contingency Plan:** Agriculture Secretary Sonny Perdue has apparently walked back comments that he is talking with Trump administration officials and Congress about a contingency plan for farmers should the U.S. decide to withdraw from NAFTA. In an interview with the Des Moines Register, Perdue said he was "prematurely thinking out loud" when telling reporters about such a move, noting that "as a planner, it's my responsibility to think about 'what if?' scenarios." He added: "I want to make the administration aware that there could be some devastating commodity price changes if NAFTA is not renegotiated, and we need to be prepared to deal with that because we would need a more effective safety net for farmers if we lose our trade with Mexico and Canada." The USDA did not return multiple requests for clarity on the matter. (Source: Politico)

**> USDA Eliminates GIPSA As Own Agency:** Less than a month after USDA said it was postponing controversial organizational shifts for its Grain Inspection, Packers and Stockyards Administration (GIPSA) and its Codex food safety office, Agriculture Secretary Sonny Perdue has moved ahead on both. In a memo, Perdue announced the elimination of GIPSA as a standalone agency. Instead, USDA will establish within the Agricultural Marketing Service (AMS) a deputy administrator for fair trade practices. Perdue also announced the U.S. Codex Office is transferred from the Food Safety and Inspection Service (FSIS) to the Office of the Under Secretary for Trade and Agricultural Affairs. The move had been opposed by the Food and Drug Administration. In a letter to USDA officials in September, FDA's Deputy Commissioner for Foods and Veterinary Medicine Stephen Ostroff said FDA had "significant concerns about the proposed transfer of the U.S. Codex Office from a science-based food safety mission USDA component to a trade promotion mission." (Source: MeatingPlace)

**> WalMart Impresses As Online Sales Soar:** Walmart, which has been challenging Amazon by adding products, partners and perks, saw online sales soar in its most recent quarter. The nation's biggest retailer reported a 50% increase in U.S. online sales during the third quarter. Walmart also continued to outpace many of its peers with increased revenue and traffic. Sales at U.S. stores open at least a year — a key industry measure of financial performance — rose 2.7%. Traffic, which has been dipping at many retailers as more consumers shop online, climbed 1.5%. The retailer has been shaping up as one of the key competitors to Amazon, buying online marketplace Jet and niche sites like menswear retailer Bonobos, to attract a more affluent, fashion-conscious shopper. Walmart tripled to more than 70 million the number of items available on its website. Earlier this week, it announced that it will partner with upscale retailer Lord & Taylor to feature a branded shop on Walmart.com starting next spring. Walmart's \$1 in adjusted earnings per share was three cents higher than what S&P Global analysts had expected. Total revenue reached \$123.2 billion, an increase of +\$5 billion, or +4.2%, over the the third quarter of 2016. (Source: USA Today)

**> Ether Derivatives Are Coming From a Pioneer of Credit Swaps:** The second-biggest cryptocurrency is poised to get a derivatives market, thanks in part to a pioneer of trading credit-default swaps, according to two people familiar with the matter. Contracts on the ether digital currency will be offered by an as-yet-unnamed exchange going by the code name "Virtuoso." One of its co-founders is Sunil Hirani, who sold the CDS brokerage he co-founded, Creditex Group, to Intercontinental Exchange Inc. in 2008 for about half a billion dollars. The plan comes on the heels of CME Group Inc. and Cboe Global Markets Inc.'s decision to offer bitcoin futures, a sign the cryptocurrency business is maturing. Derivatives on bitcoin and ether could help lure professional traders and investors, who've been hesitant to dive into unregulated digital currency markets. (Source: Bloomberg)





## Ether's 2017 Skyrocket

The digital currency has gained more than 4000% this year

■ Price



Source: Coindesk

Bloomberg



**Central Iowa** - We are very close to the area in Iowa that had drought-like conditions most of the summer. Things did not look very good before getting some rains late. We were very close to a disastrous crop if we had missed a couple more rains. That being said we are like a lot of areas where the yields are better than expected. The better yields could be because we were overly wet in the spring, which may have built up the subsurface moisture levels, allowing for relief later in the production cycle. We are seeing corn yields from 160bpa to 200bpa, with most fields making 180bpa, that should result in a final whole farm average a little less than last year. The beans were not stressed as much as the corn throughout the summer. We have finished up the beans and averaged 55bpa. That is a little off but we will make that work. The corn harvest is usually done by now but we still have about 500 acres to knock out.

**Eastern Colorado** - The weather this year for harvest has been pretty good. There is still a lot of corn to come out here. We are about 50% done and I would say that is a good representation of the general area. We had a long September that was very wet and rainy that has pushed things back a few weeks. The dryland corn this year has been great. The rains in late summer helped add bushels for this crop with most yields between 90bpa to 100bpa. Normally, if we receive our typical 18" of rain per year we will only make 50bpa to 70bpa. The irrigated corn has been good the past few years and this year will be close to a record. Our irrigated corn APH for good ground is 210bpa and we are seeing yields this year 235bpa to 245bpa. This increase in yields is directly related to the genetic improvements that have been made with the seed we are using.

**Central Tennessee** - The weather has not given us any breaks here lately and we are still trying to finish up the bean harvest. The double crop beans that we are in now might be the best we have ever produced. If we can make mid 50bpa second crop beans on a regular basis we would take that every year. We are down to our last 300 acres of beans to cut. After we finish up, we may do a little custom harvest work to help some guys out in our area that are behind. Being so wet has made this one of the toughest years I can remember here of late. Due to all the rain, the wheat planting has been very slow. There may be a lot of acres that don't get planted this year resulting in a rather large number of preventative plant acres.

## CROSSING WIRES

A place to share intelligent thoughts...

**Will New Technology Put An End To Poor Eyesight:** In just a few short years, we'll be able to improve our eyesight to levels we've only dreamed of. A company known as Ocumetics Technology Corporation is at the forefront of this tech, which is currently in

the midst of testing its Bionic Lens. The Bionic Lens replaces the natural lens found within the human eye, and brings with it a number of improvements, chief among them being an immediate improvement to eyesight, and clear vision regardless of distance. No more squinting or covering one's eyes to get a better look at a distant sign. See these exciting details [HERE](#).

**This Is The Place To Be For The Worlds Biggest Waves:** Last week Europe's big-wave season began with a resounding boom. Waves 50-feet high lurched out of the Nazaré Canyon and slammed into Praia do Norte, a beach 77 miles north of Lisbon. More than 300 cliff-top spectators gathered around the nearby lighthouse, which today has a museum of big-wave surfing, to watch a handful of "hellmen" ride into glory. It was here that Andrew Cotton, a professional big-wave surfer from Devon, made headlines in 2014 by almost riding out of the biggest wave ever surfed. See how some of these waves can be deadly [HERE](#).

**Memories Of Mayberry....See How You Do On The Quiz:** Andy Griffith and Barney Fife were a part of the afternoon television landscape in the late 60's and who can forget Opie, played by Ron Howard. Many of us had a similar upbringing as we grew up in the country and would spend the majority of our days out of the house until the dinner bell rang. Kids today can hardly get to the front yard unless under the strict supervision of their parents and that's unfortunate. The bygone days bring back a lot of good memories for sure.... take a step back in time and see how many of the Andy Griffith Show questions you can answer. Take the quiz [HERE](#).

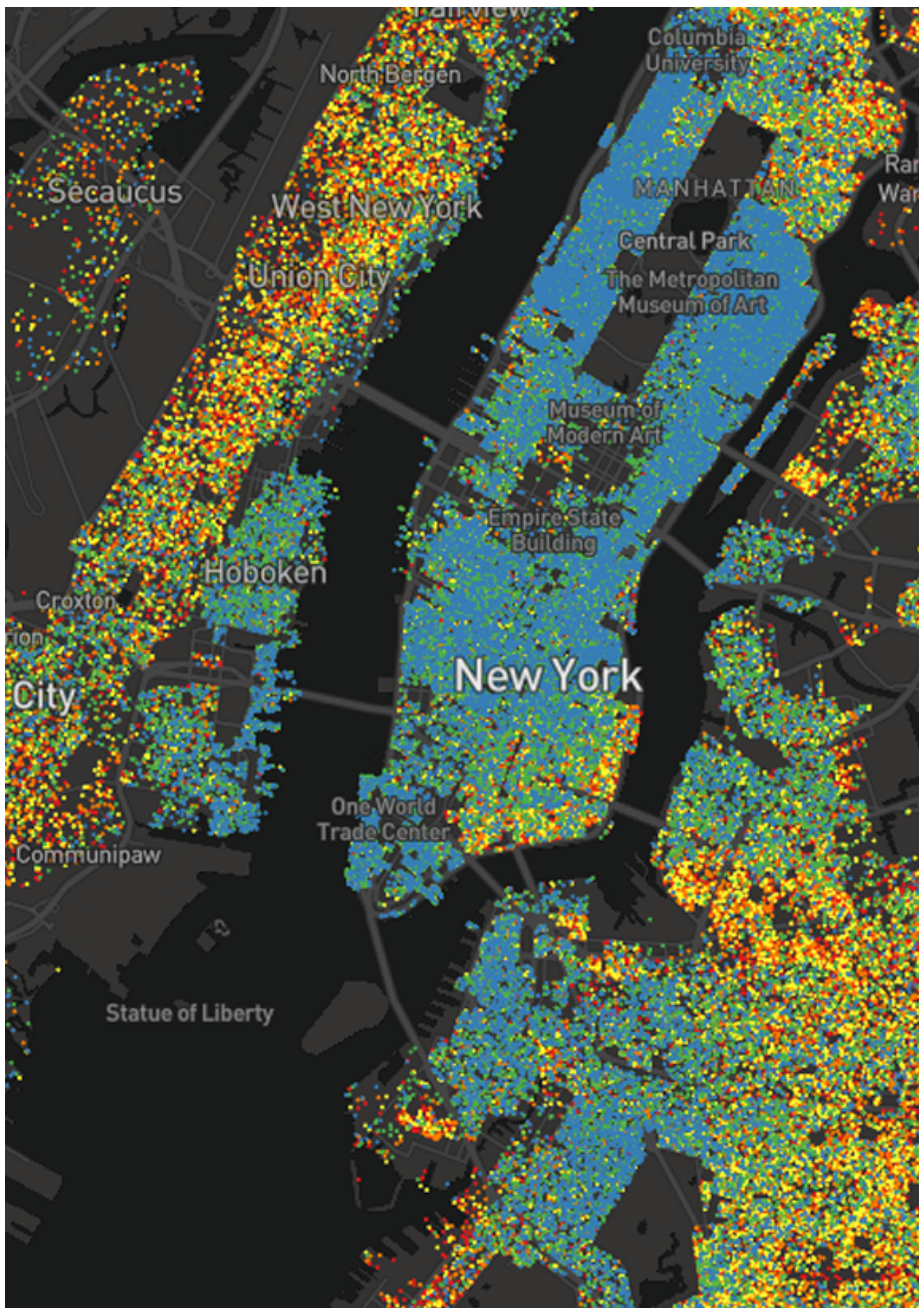
**Bioengineering Of Wheat Still Faces Significant Challenges:** While the majority of the United States' canola, soybean, corn and sugar beet acreage is bioengineered, the same cannot be said for bioengineered wheat, which is yet to be commercialized. Consumers' concerns are part of the challenge, but there are a number of other issues that have prohibited wheat's progress in this area. In 2014, 16 U.S., Canadian and Australian agriculture organizations endorsed the development of biotech wheat, noting their belief that wheat was at a competitive disadvantage to the other major crops. However, getting a new technology through the demands of the USDA, the Food and Drug Administration and the Environmental Protection Agency requires an investment of \$10 million to \$20 million. The high cost puts the development and commercialization of bioengineered wheat outside of the means of most smaller companies and academics. Read more [HERE](#).

**An Experts Dire Warning About Not Getting Enough Sleep:** Sleep expert Matthew Walker is not a fan of the expression "you can sleep when you're dead." In fact, he calls it "mortally unwise advice." "Sleep is Mother Nature's best effort yet to counter death," Walker says. Walker, who is director of the University of California, Berkeley's Center for Human Sleep Science, has been studying sleep for more than 20 years. His work centers around a major and often overlooked problem: Many Americans are sleep-deprived. One in three U.S. adults report they usually get less than the recommended seven hours, according to the Centers for Disease Control and Prevention. This could be harming peoples' health in myriad ways, Walker said: Insufficient sleep is linked to everything from Alzheimer's disease to stroke, cancer and even suicide, and it doesn't take that much lost sleep—just a loss of one hour in one single night. Read more [HERE](#).

**Making Thanksgiving Dinner With A Drone:** You may find yourself scrambling for different tools to make different dishes this Thanksgiving—a potato peeler, knives, a whisk, a fancy swan ladle, spoons. Pretty soon your kitchen gets cluttered, and the pile of dirty dishes stacks up. What if a single tool could replace all of them? Okay, we're not there yet. But the folks at Autel Robotics tried to turn their drone into such a tool, with predictable results. Their drone can be used to peel potatoes and carrots, stew and chop vegetables, and even blend four bowls at once. Just not very well. It's a pretty entertaining - and messy - video, though! Check it out [HERE](#).

**How To Get Straight To The Point No Matter What You're Trying To Say:** Speaking off-script and concerned you might be about to ramble off on a tangent? It's a common worry. But getting straight to the point and sticking with it all the way through all comes down to knowing your message. This way, the actual words you use to communicate it can change without you ever losing the thread. Fast Company has some tips on how to do that every single time. Before you open your mouth, make sure that whatever you're about to talk about meets the six criteria listed [HERE](#).

**Maps Show Where The Most Educated Americans Live:** You may not know your neighbors by name, but you can at least know them by education level. Kyle Walker, an assistant professor of geography at Texas Christian University, has created an interactive dot map visualizing US neighborhoods by educational attainment. Each dot represents between 25-500 people over the age of 25, and each is color-coded based on how far those people have gone in school. Blue dots are graduate degrees, green are bachelor's, yellow are some college, orange are high school, and red is everything short of high school. The map helps to solidify what are, for most people, likely abstract concepts. They confirm people with less education tend to live in the outer boroughs around Manhattan, for example, and that a single highway can separate rich and poor. Check out more details [HERE](#) and an interactive version of the full U.S. map [HERE](#).



**Innovation Pushes Definition Of 'Organic,' Upsetting Traditionalist Who Are Losing Market Share:** Organic production and sales continue to grow in the U.S., but a recent newcomer to the game is getting certified organic, and that has traditionalist upset. As I understand it, the hydroponic method of growing crops has gained organic certification status and is claiming market share at stores across the country. As you can imagine, this has traditionalists upset as the new player isn't growing crops in the dirt. According to traditional organic farmers, this method goes against the methods originally established. Meaning, the foundational principles of soil health and regenerating the soil are not being adhered to when you simply are feeding the plant the nutrients it needs. Recently, at a meeting of the National Organic Standards Board in Jacksonville, Florida, the National Organic Coalition lost its argument in an 8-7 vote, to rid the label of certified organic for hydroponically produced crops. It seems the board accepted the point of view of companies like Wholesum Harvest, which grows tomatoes and other vegetables in high-tech greenhouses. Keep in mind that there are huge environmental benefits to growing vegetables indoor with the roots in containers. Company representative Jessie Gunn shared that Wholesum Harvest grows their



tomatoes with only three to five gallons of water while it takes 26-37 gallons outside, uses more land, and destroys natural habitat. She goes on to argue, 'what is the true essence of organic?' This is where the rubber hits the road within the organic community as traditionalists stand firm on the ideas of Albert Howard, the English botanist who inspired the organic farming movement. It is a principle of Howard's that "the health of the soil, plant, animal, and man is one and indivisible." So for the traditionalist, if the roots are not in the soil, the crop is not organic. This is a tough argument for me, I can certainly see both sides of the debate, but I have to say in my opinion, the "essence" of organic is maintained at least from a consumer perspective, as they are getting crops without synthetic pesticides and are certainly being grown in a sustainable manner. I'm guessing the loss of market share for the traditionalists has more to do with the debate than the method, although true believers would probably argue. The bottom line is that innovation has now made its way to the organic sector and everyone involved will have to make the best business decision for themselves. It will be interesting to see if this trend continues and what that could mean for growing different crops inside. (Source: [NPR](#))



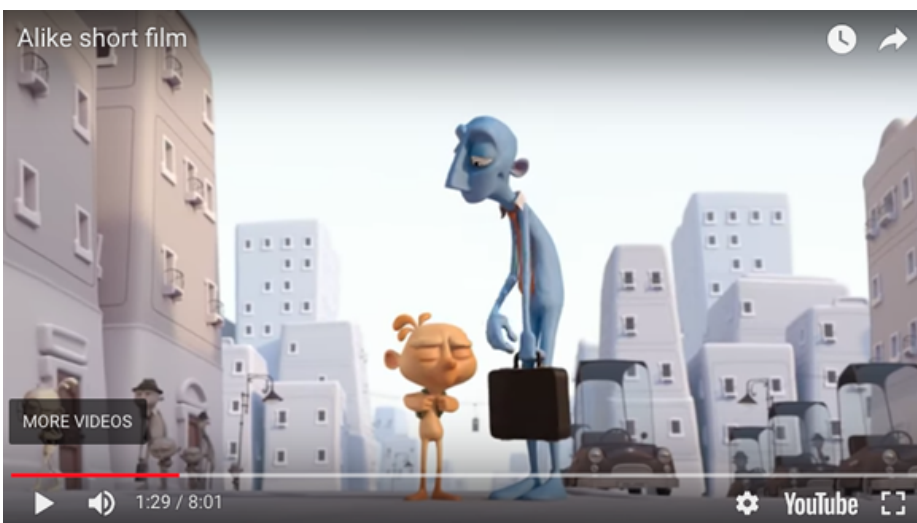
### **Alphabet Delivers Burritos On a String**

Google Parent company Alphabet has begun testing out a drone delivery system that looks a lot different than what we've seen from prospective rivals such as Amazon. The company began testing out using its Wing drones for deliveries in Australia a while back. Interestingly, they found that people were hesitant about directly interacting with the UAVs. The didn't want to touch them or even get too close, mostly because of concerns about being injured by the drones' many propellers. With that knowledge in hand, a Google engineer developed a system that eliminated the need for getting anywhere close to the drones by using a string. The deliveries hang under the drone and are then lowered to their final delivery point so the drone itself doesn't have to land. Alphabet is working with Guzman y Gomez to deliver Mexican food and Chemist Warehouse, a pharmacy chain. An employee of the business puts the goods to be delivered into a "Wing bag" and connects it to a hook. The drone then winches up the bag and heads off to the delivery location. The drones can fly about 75 miles per hour and since they don't have to land, the delivery options are pretty wide open. For instance, Alphabet says they have found that a lot of their delivery testers prefer packages be left in their backyards so they aren't visible from the road. The test area is in southeastern Australia, very much a rural area, which means the drones aren't dealing with the type of congestion that is going to be found in more populated areas. But the project leaders explain that the remoteness of the area is actually perfect to help the drones perfect their sensor system. The Wing drones follow a path using pre-configured routes but also rely on on-board sensors that help them avoid obstacles. The more tests the sensors go through, the better they become at protecting the UAVs from collision. The two local companies that Alphabet has chosen to partner with are important to this test period as well. Dropping off burritos will help them fine tune the logistics of getting food to customers while it's still hot. This is more complicated than it sounds. They have to figure out small details like the optimum amount of time needed to let a restaurant and a customer know when the drone is near, and how much time a restaurant actually needs to prepare, pack and load the food. For the pharmacy, which includes deliveries of medicine as well as other common drugstore items, the practice will help the perfect the best way to pack different items and optimize how many items can be delivered per flight. Guzman y Gomez has created a promotional video touting its collaboration with Project Wing that gives viewers a very good idea of how the whole process works. Check it out [HERE](#). (Sources: TechCrunch, Engadget)



### How To Kill Creativity.....Do What Everyone Thinks You Should

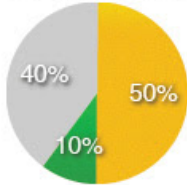
I believe both society and more specifically, many parents, unknowingly stifle the creativity of their children by putting them in the wrong race. In my opinion, when you view the end result or the trophy as the goal, rather than developing a process you are happy with, you invite a lot of needless stress and anxiety. Personally, I agree with Aristotle's view that we are all ultimately striving for "happiness". He believed an act must be self-sufficient and final. Meaning, "that which is always desirable in itself and never for the sake of something else." That to me means the "process" had to play a significant role in bringing you happiness - instead of only acting as a means to an end. Unfortunately, this is why I believe many forms of formal education, along with what can often be misguided parental direction can dilute or even extinguish creativity that many children are born with. It respects the fact that many people struggle through life on the mind-numbing cycle of get up, got to work, go home, eat, sleep and repeat. Unfortunately, it's the only choice some of our ancestors had and hence was passed down to the following generations. "Alike" is an award-winning seven-minute, Pixar-like film by Madrid based animators Daniel Martinex Lara and Rafa Cano Mendez that will hopefully provide perspective on building a life around "happiness". I find life to be more exciting as I enjoy the ride and see where it takes me, touching lives and being touched by others without the stress of thinking I should be somewhere else or doing something else. Find some time and Click [HERE](#) to watch "Alike", which has won 69 awards worldwide and has over 10 million views on youtube. Interesting to think about... (Source: Ideapod.com, youtube)



# CASH SALES & HEDGING TOTALS

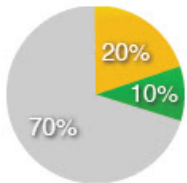
## CORN 2017 CROP

50% SOLD  
10% HEDGED  
40% UNPROTECTED



## CORN 2018 CROP

20% SOLD  
10% HEDGED  
70% UNPROTECTED



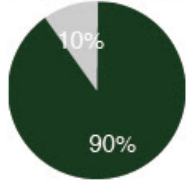
## CORN 2019 CROP

0% SOLD  
0% HEDGED  
100% UNPROTECTED



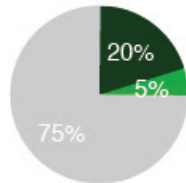
## SOYBEANS 2017 CROP

90% SOLD  
0% HEDGED  
10% UNPROTECTED



## SOYBEANS 2018 CROP

20% SOLD  
5% HEDGED  
75% UNPROTECTED



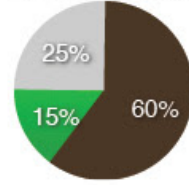
## SOYBEANS 2019 CROP

0% SOLD  
0% HEDGED  
100% UNPROTECTED



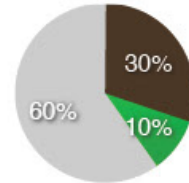
## WHEAT 2017 CROP

60% SOLD  
15% HEDGED  
25% UNPROTECTED



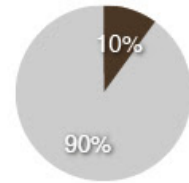
## WHEAT 2018 CROP

30% SOLD  
10% HEDGED  
60% UNPROTECTED



## WHEAT 2019 CROP

10% SOLD  
0% HEDGED  
90% UNPROTECTED



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