

GOOD MORNING: 12/08/17 Farm Direction - VanTrump Report

1 message

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

Fri, Dec 8, 2017 at 7:10 AM



"Be Who You Needed When You Were Younger" -Unknown

FRIDAY, DECEMBER 08, 2017

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Morning Summary: Bitcoin blasted to \$19,000 yesterday as investors continue to rush into crypto's. Some insiders are saying it was the U.S. military exercises near North and South Korea that brought a massive wave of buying interest. Others are saying it was headlines that pointed to Australian Banks becoming much more receptive. Others are saying it was more of a direct rolling out of gold and into Bitcoin that fueled the explosion. Regardless of why, we jumped +40% in about 40-hours. It's also interesting to hear, 24-hour trading volume, according to CoinMarketCap, reached over +\$29 billion up from just \$5.5 billion at the same time last month. To put that in perspective, the New York Stock Exchange sees about \$50 billion worth of shares change hands on an average trading day, so volume has definitely surged. Many say it has been heating up ahead of the launch of Bitcoin futures contracts. From what I understand, the CBOE contract will go live on Sunday and the CME contract at some point later this month, hang onto your hats. It's certainly interesting to see the "public" and not the banks or Wall Street fueling the fire. There's a lot in the financial industry wondering who the public will have to blame if this all ends badly? It's also interesting to think that technology and transparency are now allowing the general public to get ahead of Wall Street. Perhaps the conventional wisdom "pros" have amassed throughout history now needs to be rethought? As for U.S. stocks, the tech sector seems to be coming back in favor. Traders remain optimistic about the U.S. economy as most recent data continues to point to steady growth. The Federal Reserve yesterday reported that Consumer Credit surged in October by the largest amount in 11 months. Total consumer credit increased +20.5 billion to a record \$3.8 trillion, which marks an annual growth rate of +6.5%. Credit-card borrowing powered the increase. Revolving credit, which is mostly made up of credit-card loans, accelerated to an annual rate of +9.9%, while non-revolving credit, which covers student and vehicle loans, rose at an annual rate of +5.3%. Analyst believe the bigger than expected consumer credit gain for the month was boosted by the post-hurricane surge in auto sales. Today brings the much anticipated Employment Situation for November. Most insiders are looking for a gain of around +200,000 jobs with the unemployment rate holding steady at 4.1%. Investors will be looking for signs of increasing wage growth, which could be an early indicator of rising inflation. In Washington, Congress reached a tentative deal to avert a government shutdown. The two-week stopgap will fund the government through December 22, when lawmakers will again have to pass another short-term measure or actually pass a package that would provide funding for all of 2018. Turning to next week, the main event is the Federal Reserve's policy meeting on December 12-13, where the central bank is widely expected to raise interest rates. The policy announcement on Wednesday will be accompanied by updated economic forecasts from the central bankers as well as a follow-up press conference from Fed Chair Janet Yellen. Other important economic info due out next week includes Producer Prices on Monday; the Consumer Price Index on Tuesday; Retail Sales, Import/Export Prices and Business Inventories on Thursday; and Empire Manufacturing and Industrial Production on Friday. Investors are hoping that Congress will reach a compromise on their two tax bills next week, possibly even passing something out of committee for a vote. Lawmakers had set a goal of December 22 for having the new legislation on President Trump's desk, but Trump has been pushing them to act even faster.

Trump Will Release Infrastructure Plan In January: *President Donald Trump plans to keep pushing his legislative agenda in 2018 by releasing his long-promised infrastructure proposal in early January, a senior administration official said. The president first aims to release a detailed document of principles, rather than a drafted bill, for upgrading roads, bridges, airports and other public works*



Kevin Van Trump
CEO, Farm Direction
The Van Trump Report

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Today in History



1940, Football - The Chicago Bears trounce the Washington Redskins in the National Football League (NFL) Championship by a score of 73-0, the largest margin of defeat in NFL history. The Bears, coached by George Halas, brought a 6-2 record to their regular-season meeting with the Redskins in Washington on November 17, 1940. After Chicago lost 3-7, the Redskins coach, George Preston Marshall, told reporters that Halas and his team were "quitters" and "cry babies." Halas used Marshall's words to galvanize his players, and the Bears scored 78 points in their next two games to set up a showdown

before the January 30th State of the Union address, said the administration official, who spoke on condition of anonymity because the details were not yet public. The source added that the plan is essentially complete and Trump recently reviewed it. It calls for allocating at least \$200 billion in federal funds over 10 years to spur at least \$800 billion in spending by states, localities and the private sector. (Source: Bloomberg)

IMF Warns On China Debt: China's ballooning levels of debt and dependency on credit to fuel growth continues to pose a major financial stability threat to the global economy, and could be the catalyst for the next crisis, according to the International Monetary Fund. The IMF report noted that while China's political classes have taken steps to try and prevent debt levels getting out of control and improve overall financial stability in recent years, more still must be done. "Credit growth has outpaced GDP growth, leading to a large credit overhang. The credit-to-GDP ratio is now about 25% above the long-term trend, very high by international standards and consistent with a high probability of financial distress," the IMF's assessment said. "As a result, corporate debt has reached 165% of GDP, and household debt, while still low, has risen by 15 percentage points of GDP over the past five years and is increasingly linked to asset-price speculation." The fund warned that the current trajectory of China's debt is "dangerous." (Source: Business Insider)

Playing Tax Reform: We all like the thought of a tax break, but the folks over at Cowen estimates that Amazon, Google and Facebook will save a combined \$4.5 billion on taxes in 2018 thanks to the GOP tax bill, while the tech giants should also benefit from the measure's capex expensing provision. The firm forecasts those savings to translate into big EPS boosts for each company, with Amazon boasting an expected upside of 24%. Google and Facebook will both get an EPS bump of 8%. (Source: SeekingAlpha)

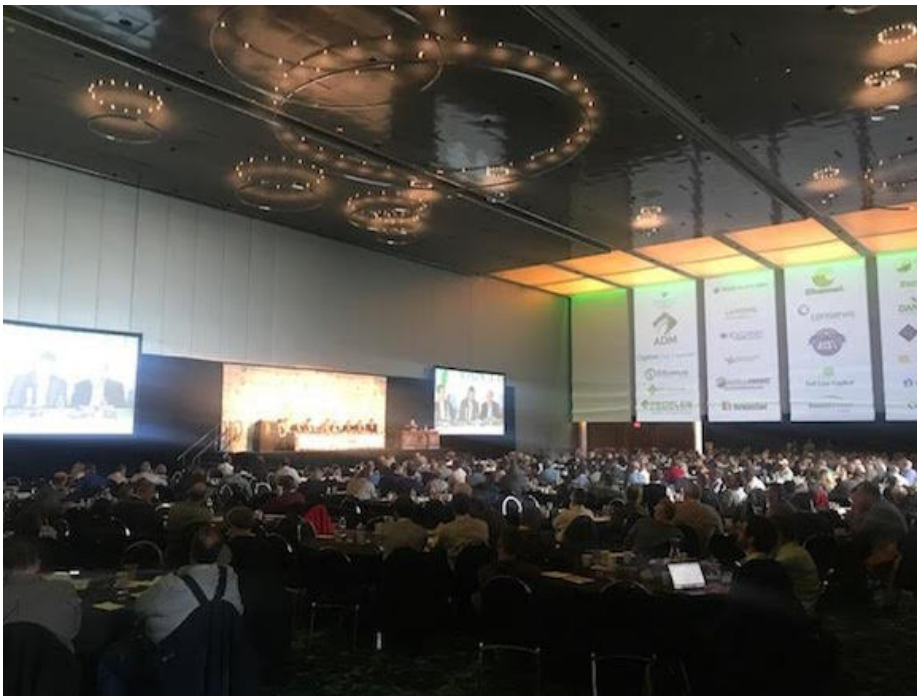
Wall Street Banks Push Back On Launch Of Bitcoin Future: The world's largest banks are pushing back on the introduction of bitcoin futures, raising concerns with US regulators that the financial system is ill-prepared for the launch of the contracts as the value of the volatile cryptocurrency has soared. According to a letter from the Futures Industry Association, the main futures industry lobby group whose members include all the largest Wall Street banks, to the CFTC, the rapid introduction of bitcoin futures "did not allow for proper public transparency and input". Futures brokers are worried they will bear the brunt of the risk associated with bitcoin futures, because the margin that backstops the contract is placed in a clearing house. Several brokers among the top 10 largest providers have privately confirmed to the Financial Times that they will not clear the products immediately. Bitcoin prices are up more than +1,500% for the year. At \$15,000 bitcoin was bigger than all but 14 components of the S&P 500. It has surpassed company's like Procter & Gamble, AT&T and even Chevron. (Sources: Financial Times, MarketWatch)

2017 Van Trump Conference Huge Hit! We had an amazing turnout at this years conference in Kansas City. I want to thank all of those who made the journey and attended the event. We had investors, producers, and ag executives from over 40 states. We also had attendees come from Australia, Brazil, Canada and China. Thanks again to all of our presenters, panelist, and sponsors who each year help make this such an amazing event.

with the Redskins in the league's championship game on December 8, also in Washington. Less than a minute into the game, the Bears' running back Bill Osmanski ran 68 yards to score the first touchdown. After the Redskins narrowly missed an opportunity to tie the game, the Bears clamped down and began to dominate, leaving the field at halftime with a 28-0 lead. Things only got worse for the Redskins, and by the end of the second half officials were asking Halas not to let his team kick for extra points, as they were running out of footballs after too many had been kicked into the stands. The Bears followed their history-making win with two more consecutive championships, including a game against the New York Giants at Chicago's Wrigley Field just two weeks after Japan's attack on Pearl Harbor. Many great football players were subsequently drafted into World War II, and Halas himself would leave in 1942 for a tour of duty in the Pacific. In 1946, after the war ended, Halas and a number of former players returned to the team, and the Bears won their fourth NFL Championship in seven years.



1941, WWII - President Franklin Roosevelt asks Congress to declare war on Japan in perhaps the most memorable speech of his career. The speech, in which he called Japan's act a "deliberate deception," received thunderous applause from Congress and, soon after, the United States officially entered the Second World War. The day before, Japanese pilots had bombed the U.S. naval base at Pearl Harbor, decimating the majority of U.S. warships in the Pacific Fleet along with most of the Air Corps and Navy aircraft stationed on the island of Oahu. The bombing raids killed 2,403 people, including 68 civilians, and wounded almost 1,200. Although Roosevelt and his advisors had received intelligence reports indicating an imminent attack by Japan days before, he had hoped that Japanese and American diplomats, then negotiating in Washington, would come to a peaceful solution. He was incensed to realize that while American and Japanese diplomats engaged in negotiations (over Japan's recent military actions in China and elsewhere in the Pacific), Japanese aircraft carriers had been steaming toward Hawaii intent on attack. His words on December 8 relayed his personal indignation and fury. Roosevelt had already proven his oratorical skills during the Great Depression when his "fireside chats" rallied the nation's morale. The same president who once said "the only thing we have to fear is fear itself" declared with equal conviction that the nation "would never forget the character of [Japan's] onslaught against us" and vowed that the "unbounding determination of our people... will gain the inevitable triumph—so help us God." The stirring speech was hardly necessary—Congress and millions of Americans, who had been hearing details of the



attack in the news, shared the president's outrage and commitment to defending the nation. Young men flocked to armed forces recruiting stations the next day and both houses of Congress quickly voted to declare war on Japan, with only one dissenting vote.



1993, NAFTA - The North American Free Trade Agreement (NAFTA) is signed into law by President Bill Clinton. Clinton said he hoped the agreement would encourage other nations to work toward a broader world-trade pact. NAFTA, a trade pact between the United States, Canada, and Mexico, eliminated virtually all tariffs and trade restrictions between the three nations. The passage of NAFTA was one of Clinton's first major victories as the first Democratic president in 12 years—though the movement for free trade in North America had begun as a Republican initiative. During its planning stages, NAFTA was heavily criticized by Reform Party presidential candidate Ross Perot, who argued that if NAFTA was passed, Americans would hear a “giant sucking sound” of American companies fleeing the United States for Mexico, where employees would work for less pay and without benefits. The pact, which took effect on January 1, 1994, created the world's largest free-trade zone.

Upcoming Events

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

WHAT I'M LISTENING TO: 



 **John Pardi**

"Heartache on the Dance Floor"



About the Report

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 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..."

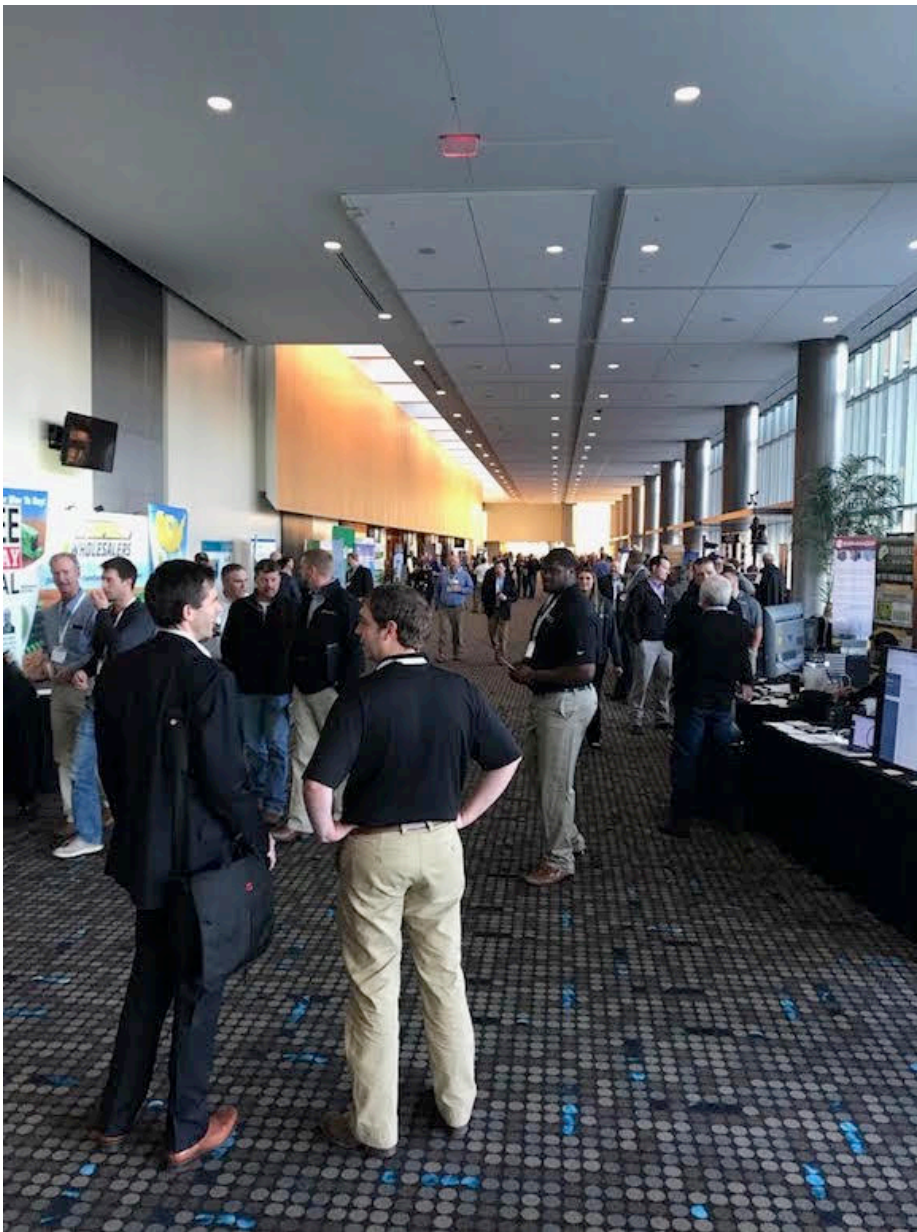
"Bulls make money, Bears make money, but pigs get slaughtered..."

"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.

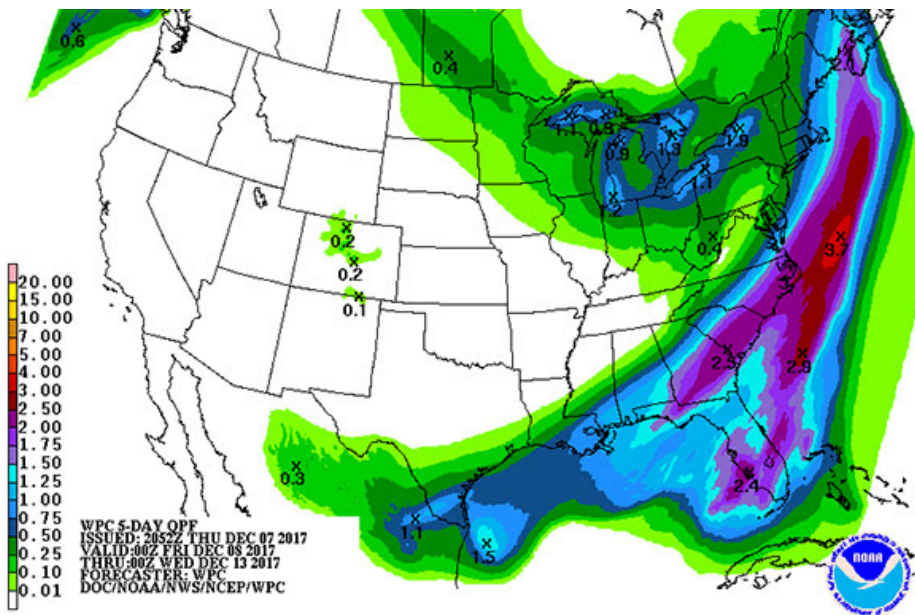
- Option #1 - Conservatively long.
- Option #2 - Aggressively long.
- Option #3 - Sitting on the sideline.

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.



Weather forecasts are calling for a round of seasonally cold conditions across the Midwest through the next five to seven days. This pattern will also be mostly dry with precipitation confined to the Upper Midwest. In the southern Plains, dry conditions and recent much above normal temperatures further deplete soil moisture and increase stress on winter wheat with crop ratings falling. A turn to colder weather this week will likely put the crop into dormancy which will be welcome due to reduced crop moisture needs. Across central Brazil, seasonal, tropical shower activity will favor development of soybeans. Southern Brazil has a drier forecast through the next week. This trend will favor the remaining soybean planting in Rio Grande do Sul. However, this situation needs to be watched as the La Nina weather pattern tends to cause extensive dryness to Brazil. Warmth is expanding from the Far West to the High Plains, while cold weather will prevail across the eastern one-third of the U.S. Snow showers will continue downwind of the Great Lakes, while precipitation will shift from the deep South to the Atlantic States. Some of the weekend precipitation along the East Coast may fall as snow. Five day precipitation totals could reach 1 to 2 inches or more across the lower Southeast, while dry weather will prevail across the western half of the U.S., as well as the mid-South.

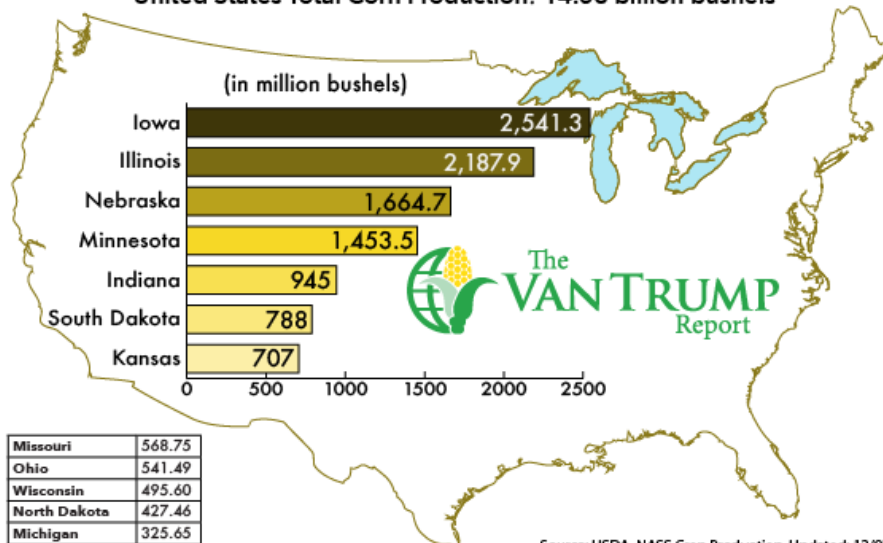
Little to No Rain In store for Midwest: *Looking at the latest 5 day precipitation forecast, you can see very little precipitation in store for the nation's midsection. In fact, near to below normal precipitation is expected nearly nationwide over the next 6 to 10 days. Expect moisture deficits to continue across the Plains.*



Corn traders are eager to see next Tuesday's monthly USDA "supply and demand report". Most inside the trade are thinking corn for ethanol demand moves higher. There seems to be a lot more debate about feed and export numbers. Bulls are obviously hoping the balance sheet can tighten a bit overall. Unfortunately, from a global perspective, the FAO yesterday raised their 2017/18 corn production by just over +1.0% to 1.08 billion metric tons. Traders continue to closely monitor weather conditions in South America, particularly Argentina where they are thought to still be less than 50% planted. Technically, we continue to trade around the \$3.50 level and just a hair above the MAR18 lows at \$3.48⁶. There's some talk if we close below that level, the market could more quickly look to the \$3.25 to \$3.30 area as more longer-term support, then perhaps eyeing the late-August 2016 low of \$3.01 per bushel. I'm personally of the belief if the downside were to become more slippery, it would probably have to happen before concerns about Brazil's second-crop start to come into focus, i.e. sometime in February, following the soybean harvest. It's just hard for most of the bulls, including myself, to envision that type of pressure happening between now and then, with Argentine weather being in such limbo. Stay tuned...

Top Corn Producing States 2017/18

United States Total Corn Production: 14.58 billion bushels

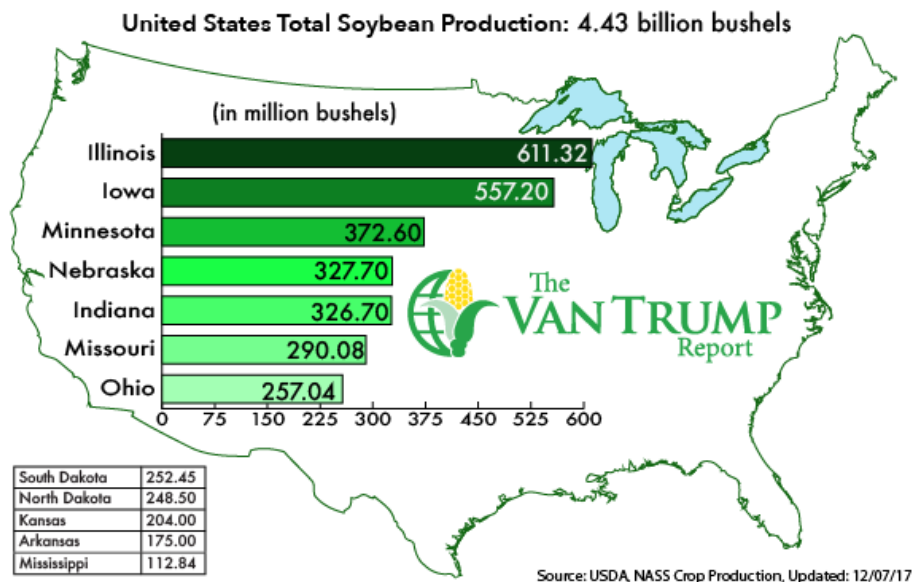


Source: USDA, NASS Crop Production, Updated: 12/07/17

Soybean bears are talking about increased chances for moisture in Argentina as planting moves closer to 55% complete. Bears are also pointing to overall commodity headwinds and currency valuations in Brazil as reasons to be less optimistic about price appreciation. Bulls believe the rains in Argentina are only temporary and will not be enough to stem the dry conditions. They also believe the temps are going to start turning higher in the coming weeks, which could eventually make for a more significant problem. I'm also hearing more bulls talk about escalating tensions surrounding North

Korea and the very real possibility of military actions breaking out sooner rather than later. Meaning China might want to become a much bigger buyer of soybeans ahead of what could easily become a more significant and complex situation. From a technical perspective, we've pulled back a bit from our most recent high and might eventually look to test some of the weaker bulls on a pull-back to between \$9.65 and \$9.75 per bushel. Spec's who are short-term bearish traders might want to look to exit if we approach those levels.

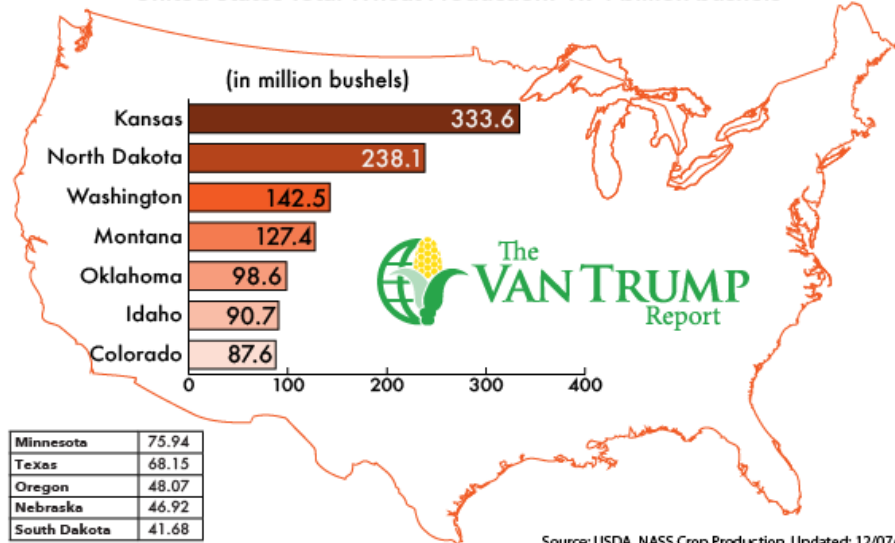
Top Soybean Producing States 2017/18



Wheat bears continue to point to less than impressive U.S. exports and more than ample global surplus. I personally see crop conditions here at home getting worse not better, but as I've mentioned many times, the market doesn't really seem to care. As a whole, the trade believes the world is adequately supplied and big producers like China, India, Russia and many parts of the European Union continue to see growth in production. Hence the market continues to grind to fresh new contract lows. I have been hearing more talk of bullish interest from some larger players on the break, but still the trade is having major problems pushing higher. From a technical perspective, we are still 30 to 40 cents higher than the longer-term lows, so we can't really tell ourselves downside risk is next to nothing. Regardless, I still like the thought of being a very conservative bull on the breaks. As a producer, it's painful to keep saying I'm waiting on a rally as prices further deteriorate, but I see no other choice at the moment. Just blessed to have priced some longer-term bushels slightly north of \$6.00 on the rally back in early-July. Looking back I should have done a lot more...

Top Wheat Producing States 2017/18

United States Total Wheat Production: 1.74 billion bushels



U.S. Ending Stocks

	Dec. Est.	Avg. Guess	Trade Range	USDA November
Corn	???	2.478	2.394 - 2.517	2.487
Soybeans	???	0.438	0.425 - 0.486	0.425
Wheat	???	0.938	0.925 - 0.960	0.935

World Ending Stocks

	Dec. Est.	Avg. Guess	Trade Range	USDA November
Corn	???	202.72	195.70 - 205.00	203.86
Soybeans	???	97.82	95.20 - 99.00	97.90
Wheat	???	267.07	264.00 - 270.00	267.53

South American Production

	Dec. Est.	Avg. Guess	Trade Range	USDA November
Argentina Corn	???	41.77	41.00 - 42.00	42.00
Argentina Soybeans	???	56.52	54.00 - 57.00	57.00
Brazil Corn	???	93.26	86.90 - 95.00	95.00
Brazil Soybeans	???	108.21	107.60 - 109.00	108.00



> Global Food Prices Decline In November: *Global food prices declined marginally in November, as lower dairy prices offset a sharp increase in sugar and vegetable oil quotations, according to the latest FAO Food Price Index. The index averaged 175.8 points in November, down -0.5% from the previous month while still up +2.3% from a year earlier. The November decline was driven by a -4.9% monthly drop in the FAO Dairy Price Index, as quotations for butter, cheese and whole and skim milk powders all fell, according to the FAO. The FAO Vegetable Oil Index rose +1.2% during the month. The FAO sharply raised its forecast for global cereal production to 2.627 billion metric tons, some +13.4 million higher than its October projections, with the bulk of the increase mostly reflecting higher estimates for corn yields in the United States and a significant increase in corn plantings in Indonesia. According to the FAO, global wheat production is now forecast at 754.8 million metric tons. World cereal inventories are set to rise to a record-high 726 million metric tons, according to the latest FAO projection. Global wheat and corn stocks are both expected to reach record levels. (Source: World Grain)*

> Brazil Introduces Grain Export Tax Proposal: *A proposal to revoke what is called the Kandir Law has been introduced in the Brazilian Congress. The Kandir Law was instituted in 1996 and it exempted raw commodities destined for export from the ICMS circulation tax in Brazil. The ICMS circulation tax is a tax on products that are produced in one Brazilian state, but sold in another state. Each state can determine the amount of the tax, which is generally in the range of 10-13%. The tax is a major source of revenue for the states and the tax must be paid before products are allowed to cross state lines. All the agricultural organizations are united in their opposition to the elimination of this law. They contend that the current low commodity prices would be driven even lower if an export tax is instituted on grain exports. (Source: Soybean & Corn Advisor)*

> China Needs To Import 1 Billion Bushels Of Corn To Meet 2020 Ethanol Mandate: *Earlier this year, China announced they would require ethanol blends in all fuel by 2020. This announcement gave U.S. corn producers hope that this could bump corn prices in the coming years in preparation. Now that some of the dust has settled from the September announcement, Naomi Blohm, senior market advisor at Stewart-Peterson, says demand is growing in China, and ethanol imports to China increased in October. There are some reports coming from China that 70 percent of their current corn stocks aren't usable. They will need to replenish their current stocks with fresh corn. Some analysts expect this demand boom will come in 2019. Blohm does agree, but China is starting to make moves now. (Source: UkrAgroConsult)*

> Ukraine Extends Ban On Agricultural Land Sales: *The Ukrainian parliament voted on Thursday to extend a ban on the sale of agricultural land by one year, delaying what financial backers say is a key reform essential to Ukraine's long-term economic growth. Currently Ukraine's more than 40 million hectares (99 million acres) of farmland cannot be bought or sold. The land is instead divided into smaller plots that are leased, resulting in relatively low productivity and limited private and foreign investment. The International Monetary Fund says the moratorium hampers the development of the agricultural sector and named land reform as a key condition for future funding under its \$17.5 billion loan program. Supporters say lifting the moratorium could lead to a land-grab by powerful businessmen or foreign conglomerates. (Source: Reuters)*

> Group Urges U.S. Officials To Keep Brazilian Beef Ban: *As USDA still weighs whether to lift its beef ban amid pressure from Brazilian companies and lawmakers, Food & Water Watch filed a petition Wednesday with USDA's Food Safety & Inspection Service arguing the agency should end such imports entirely. The group says it has "become obvious, through the agency's (USDA) won audits of Brazil's meat inspection system over the past sixteen years and because Brazil's own law enforcement authorities recently exposed corruption in the inspection system, Brazil no longer meets the criteria for equivalency with USDA's meat inspection system."*

> Russia To Keep Sending Grain Aid To Syria: *Russia is likely to continue deliveries of grain crops to Syria as part of humanitarian aid supplies, irrespective of the military situation, Deputy Prime Minister Arkady Dvorkovich said. Russia, one of the world's largest wheat exporters, supports Syrian President Bashar al-Assad in the long-running civil war in Syria and has previously helped his government with wheat aid. (Source: Reuters)*

> Gasoline Demand Falls On The Week: Weak demand is keeping gas prices under \$2.50 as the year-end driving season pushes ahead. For the second consecutive week, gasoline demand held just below 9 million b/d, according to the latest Energy Information Administration's report. Gasoline stocks rose by 6.8 million bbl across the nation, fueled by refineries reaching 93.8% of production capacity. Moreover, the high capacity rate contributed to US crude oil inventories falling by 5.61 million bbl last week, leaving commercial inventories at 448.1 million bbl. Yesterday's average gas price was \$2.48, which is unchanged since Monday. (Source: AAA)

> Every Country's Top Tourist Attraction: The below map shows the most popular attraction for every country in the world, rated according to the 'things to do' TripAdvisor tool. Created by VoucherCloud, the destinations shown might not be the ones you expect – there's no Buckingham Palace in the UK, for example – but they are the ones that TripAdvisor reviewers believe gave them the most consistently good experience. Traditional tourist attractions on the map include The Great Wall of China, Table Mountain, Niagara Falls and Sydney Harbour, which all make a welcome appearance on the list. Natural wonders are the most popular pick, with 76 of them shown on the maps. There are 54 historic attractions, 38 traditionally touristy attractions and 29 attractions concerned with religion. Western Europe seems to be tourism focused, while Eastern Europe is favored for its historical sites. On the other side of the pond, the Americas and their attractions are predominantly natural, as is much of the Caribbean. Click the map for a larger view.



Southeast Minnesota - We wrapped up a couple weeks ago and had some great yields. We saw ground that hit 250+bpa on corn and 70+bpa on beans. The weather in our area was consistently good this year up until it got wet for harvest. That kept us out of the field for a couple weeks. We have plenty of options to move crop and had some decent sales this summer. We will try to get some field work done before winter hits and hopefully have a chance to move more corn as well. We plan on staying with our normal rotation next season.

Northcentral North Dakota - We are hauling some canola to town. We have been only wheat and canola farmers for many years but have added soybeans over the past few years. I have used both as rotation crops mixed with the wheat. This year was a big production disappointment because of the drought that crushed us in North Dakota. Our canola will normally make up to 2100#/ac but this year we had a lot of 1200#/ac to 1400#/ac. We had very little rain all spring maybe only totaling 3". To make things worse we haven't gotten any fall rain either, which is when we will usually build up the subsurface moisture. The beans this year only made 25bpa to 30bpa, which is way below our normal yields at 40bpa to 45bpa. The wheat crop was stressed from seeding to harvest. With no rain early on and then all summer being dry, the very strong winds sucked most of the moisture out of the ground in a hurry, resulting in very shallow root systems in many fields.

Central Illinois - We had wet early conditions then dry for sometime this summer but the yields were able to hold up despite the later temps. We are starting to get used to

the improvements in research and the new norm of yields in less than ideal conditions. That along with the precision technology are really making things pop. Unfortunately, around here a lot of us got caught up in the social media going around this summer and didn't make as many sells as we should.



A Strategist's Guide to Artificial Intelligence: Jeff Heepke knows where to plant corn on his 4,500-acre farm in Illinois because of artificial intelligence (AI). He uses a smartphone app called Climate Basic, which divides Heepke's farmland (and, in fact, the entire continental U.S.) into plots that are 10 meters square. The app draws on local temperature and erosion records, expected precipitation, soil quality, and other agricultural data to determine how to maximize yields for each plot. If a rainy cold front is expected to pass by, Heepke knows which areas to avoid watering or irrigating that afternoon. As the U.S. Department of Agriculture noted, this use of artificial intelligence across the industry has produced the largest crops in the country's history. Click [HERE](#)

76 Years Later Sailor Is Honored For Saving 6 Lives At Pearl Harbor: Anyone who heard the story of Joe George at Pearl Harbor knew at once this was the story of a hero: a young sailor who risked his life in the fiery Japanese ambush to rescue the last six survivors from the sinking USS Arizona. With all that, an accommodation was expected but never came. The delay could be that George disobeyed an order to cut the line between the Vestal, a maintenance ship, and the Arizona. He had spotted the six desperate men on the burning battleship and threw a line to them, ignoring the order to cast off. Read more [HERE](#).

Athletes With ADHD Or Dyslexia May Have Higher Risk For Concussions: Researchers first keyed into the relationship between learning disabilities and concussion in 1999, when a study published in the Journal of the American Medical Association reported that learning disability heightened the cognitive problems caused by concussion. The relationship was later underscored by research that found athletes with ADHD or other learning disabilities tend to sustain more concussions than athletes without. Read more [HERE](#).

Roberts Says U.S. Can't Forget Benefits NAFTA Has Provided: Kansas Senator Pat Roberts, who also serves as chairman of the Senate Agriculture Committee, penned an op-ed in The Hill about NAFTA. Roberts reviews some of its benefits for farmers and takes a few shots at those who have criticized the ag sector trying to make their voices heard amid negotiations. "As chairman of the Senate Agriculture Committee and a senior member of the Senate Finance Committee, I have listened to farmers, ranchers and other end users like manufacturers about the importance of access to the global marketplace, especially in a tough economy for farm country. Simply put, our economy needs access to foreign markets if we are to achieve economic growth." Read more [HERE](#).

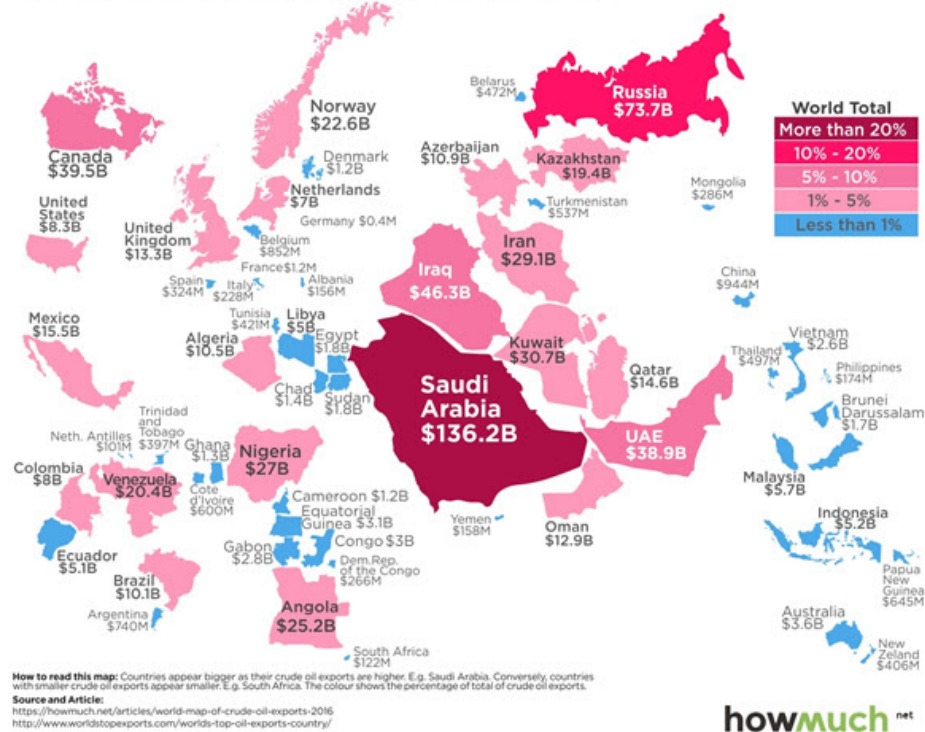
How AI Will Invade Every Corner of Wall Street: Bit by bit, AI is laying a claim to the future of investing after many false dawns going back decades. Giant money managers like Two Sigma and Goldman Sachs Group Inc. and smaller players like Schonfeld Strategic Advisors have adopted it as a cornerstone strategy or research tool. From this foothold, how far will AI go? Man Group Plc's Luke Ellis sees a slow takeover coming. The \$103.5 billion firm in London already devotes about \$13 billion to several hedge funds using machine learning. In 10 years, it will play a role in everything Man does, from executing trades to helping pick securities at the firm's discretionary unit, Ellis, the chief executive officer, said in an interview. The human toll could be severe: 90,000 jobs in asset management, including fund managers, analysts and back-office staff, out of 300,000 worldwide will go poof by 2025 because of AI, according to estimates by consultancy Opimas from a survey of financial firms. Quant pioneers like Man Group have a head start in their AI revamp. The obstacles are daunting for almost everyone else. Read more [HERE](#).

Is Financial Stress The Key To Success? Karl Marx was so broke in 1859 he couldn't afford the postage stamps to mail off his new manuscript, leading the philosopher to lament, "I don't suppose anyone has ever written about 'money' when so short the stuff." He was probably right about that. However, the most famous book about money written by someone strapped for cash wasn't "Das Kapital" or "The Communist Manifesto." It was "A Christmas Carol." Charles Dickens suffered not only a personal-finance crisis but a creative one, as well, in the fall of 1843, when, in a sort of literary Hail Mary pass, he committed to writing a Christmas book in an impossible six weeks. And, in a plot twist as improbable as anything he himself could have come up with, this gambit actually worked: "A Christmas Carol" became one of the best-selling and most

widely adapted books of all time, a work that shaped the very meaning of the holiday itself. Read more [HERE](#).

One Map Shows the World's Biggest Oil Exporters: Despite investment into alternative energies, oil is still the world's most traded commodity. The map below shows all the world's oil exporters, ranked by revenue and global market share based on 2016 final trade data. Over 100 countries export crude oil, but the players at the top run the game. Many low-ranking nations represent less than 0.25% of the world's market. For them, oil exports are better counted in hundreds of dollars than millions. To demonstrate the unevenness, consider this: five exporters make up nearly 50% of all oil exports. It takes 100 countries to comprise the other half. When it comes to oil, Saudi Arabia is unmatched. They command 1/5th of the world's oil exports and earned almost twice as much as runner-up Russia, even though Russia is eight times bigger. As of last year, the U.S. was ranked #20. It will be interesting to see how these dynamics have shifted in 2017! More details and a larger version of the map are available [HERE](#).

World Map of Crude Oil Exports 2016



Researchers Find New Tool To Combat One Of Most Serious Plant Diseases

Researchers in the U.S. and Brazil have finally identified a molecule that could help in the battle against citrus greening disease. Citrus greening, considered one of the most serious plant diseases in the world, started showing up in Florida around 2005. It has since threatened the citrus industry across the entire U.S. It was identified in Brazil at about the same time and has since wiped out nearly half of the country's orange tree area. The disease is known as huánglongbīng (HLB) in Chinese, which literally translates to "yellow dragon disease". It is caused by a bacteria that is transmitted via a jumping plant louse called *Diaphorina citri*, aka the Asian citrus psyllid. A six-year study of these pests is what actually led to the molecule discovery. Fundo de Defesa da Citricultura (Fundecitrus), a research center sponsored by farmers and orange juice producers in Brazil, in partnership with the University of California, Davis and the University of São Paulo's Agricultural College, known as Esalq, believe the breakthrough will effectively help farmers finally control the disease. Researchers now plan to synthesize a pheromone from the molecule and create a topical product that would work as a "trap" to attract and neutralize the insect. Understand, this is not a cure, but it is a way to curb transmission of the disease. It could also be available within as little as a year's time. Researchers are working on a few different options to combat the disease directly, such as an outright cure or genetic modification to create resistance to it. However, these approaches will take years more of research and a multitude of regulatory hoops. At best, most feel these types of solutions are five years away. Citrus greening can

render the fruit of a tree unusable in the course of just one season and most infected trees die within three years. Obviously, the industry is desperate for an effective near-term solution, even if it only tackles a portion of the problem. (Source: Reuters, NPR)



Tesla Just Turned On The Largest Battery In The World

Elon Musk has successfully completed a massive lithium-ion battery in the Australian outback. The Tesla CEO said he could deliver a power system with 100 megawatts capacity within 100 days. The battery array was Musk's idea for solving South Australia's blackout problems. Solutions in the past have been multi-million dollar projects that take years to complete, such as gas powered "peaker" plants that only come online during periods of high demand. The Hornsdale Power Reserve battery system is connected to a windfarm and generates enough electricity to power some 30,000 homes for up to an hour in the event of a blackout. It is likely going to be used to boost supply during peak demand, which is fast approaching with Australia's summer season just starting. The massive structure is about the size of a football field and amazingly only took 90 days to construct. South Australia Premier Jay Weatherill told fellow outbackers that "South Australia is now leading the world in dispatchable renewable energy, delivered to homes and businesses 24/7." The battery packs store energy generated by the wind farm. They've been described as large refrigerators. Each Tesla Powerpack has 16 layers of batteries inside, and those battery pods, as the company calls them, contain cells. Those cells are small enough to fit into the palm of a person's hand. They are the building block of the battery and are made at Tesla's Gigafactory in Nevada. The cells are also found in Tesla's Powerwalls and its Model 3 vehicle. When the battery is charging, positively-charged lithium ions move from one electrode to the other through an electrolyte solution in the battery cell. That causes electrons to concentrate on the anode, at the negative side. When the battery is discharged, the reverse happens. The Australian facility follows a string of giant battery installations Tesla has installed recently, including massive storage projects in Southern California and an emergency solar and battery system in Puerto Rico. Grid-scale batteries are not necessarily ready for primetime, however. In many cases, batteries are still more expensive than fossil-fuel based peaker plants. However, industry leaders think those economics are changing as prices for renewable energy and batteries both continue falling. Lithium batteries are half the price they were in 2014. (Sources: Quartz, LA Times)

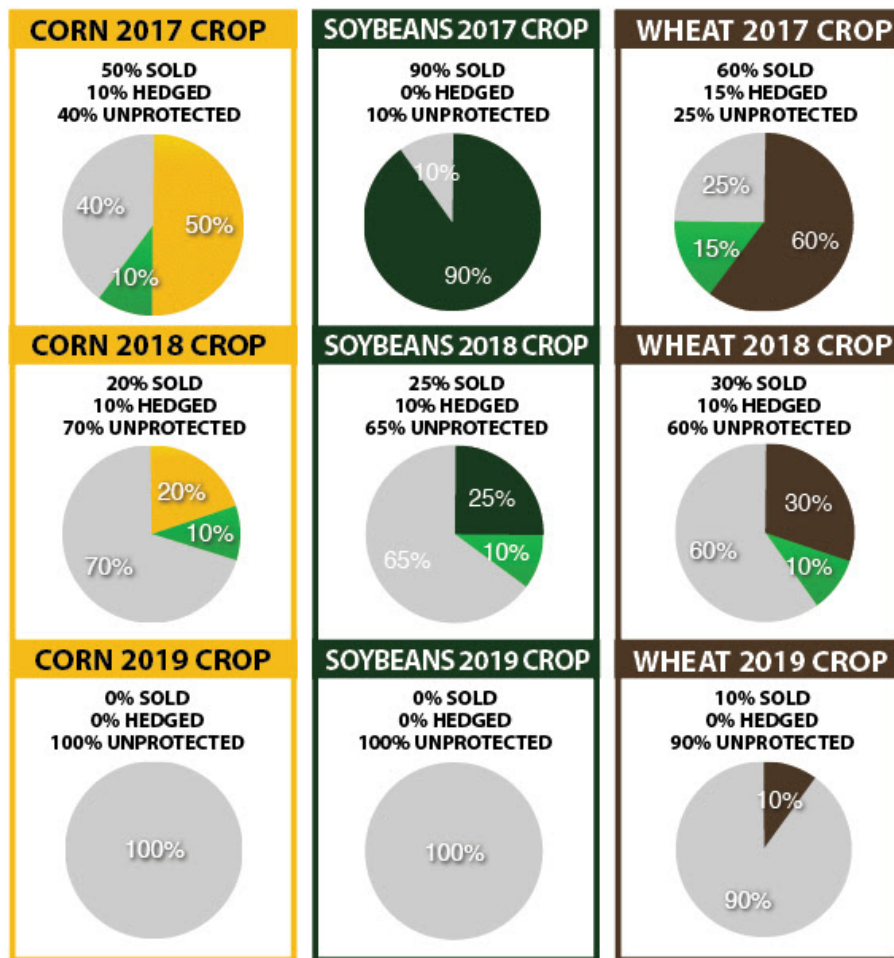


John Lennon's Death Still Shrouded In Conspiracies 37 Years Later

Today marks the anniversary of John Lennon's death. On Monday, December 8, 1980, Mark David Chapman gunned down the Beatles singer in front of his home in New York.

Lennon took four bullets and likely died shortly afterward. Doctors at the hospital unsuccessfully spent 15 minutes trying to resuscitate him and Lennon was pronounced deceased at 11 p.m. Chapman meanwhile was arrested and later sentenced to 20 years in prison. He claimed his reason for killing the beloved artist was because he wanted the "bright light of fame, of infamy, notoriety was there. I couldn't resist it." Chapman apparently spent months stalking Lennon. In fact, the same day of the shooting, Chapman asked him to autograph an album for him right outside Lennon's apartment. Chapman allegedly left, then came back at 10:50 that evening with a .38-caliber revolver and a copy of 'The Catcher In The Rye' by J.D. Salinger. John Lennon of course rose to fame as one half of the singing-songwriting team that made the Beatles the most popular musical group of the 20th century. The Beatles took Britain by storm in 1963 with the single "Please Please Me." "Beatlemania" spread to the United States in 1964 with the release of "I Want to Hold Your Hand," followed by a sensational U.S. tour. The "Fab Four" sold million of records, starred in their own movies and hold the record for most commercially successful band in history, as well as holding the record for most number-one hits on the Hot100 chart. They received seven Grammy Awards, an Academy Award for Best Original Song Score and fifteen Ivor Novello Awards. Lennon left the band toward the end of 1969 and launched a solo career before taking a hiatus from the music business in 1975. He launched a comeback with his album Double-Fantasy in 1980. Two months later, he was shot in the back by Chapman. As with many high-profile deaths, Lennon's is surrounded in conspiracy theories. The most popular conspiracy theory over Lennon's death is that he was killed by remote control. Those who believe this claim that Chapman was programmed by US government agents to kill Lennon and that they used the novel Catcher in the Rye as a signal to go ahead with the operation. This one has spun off into the theory that he was assassinated by the CIA or FBI due to his anti-war activities. One of the more bizarre conspiracy theories is that horror writer Stephen King killed Lennon. But why would King, an accomplished author and father of three by this point, want to kill Lennon? Those that subscribe to this outlandish tale claim it is because Richard Nixon and Ronald Reagan asked him to. Anyone well versed in conspiracy theories knows full well that none of the aforementioned plots is real. Obviously, Lennon faked his death and is alive and well in Mexico! Love him or hate him, here's a cool clip of John Lennon singing "[Come Together](#)" (Sources: Ranker, Wikipedia, Rolling Stone)





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