

GOOD MORNING: 01/04/18 Farm Direction - VanTrump Report

1 message

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Thu, Jan 4, 2018 at 6:46 AM



"Almost every successful person begins with two beliefs: the future can be better than the present, and I have the power to make it so." - **David Brooks**

THURSDAY, JANUARY 04, 2018

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Morning Summary: U.S. stocks continue their record setting streak on the heels of more strong economic data. The S&P 500 pushed past 2,700 for the first time and the Dow is just shy of the 25,000 mark. One of the bright spots in the most recent data came from the Federal Reserve, which raised its 2018 growth forecast to +2.5% from a previous +2.1%, according to "minutes" from the December policy meeting. Part of that growth is expected to be spurred by the corporate and personal tax cuts recently passed by Congress. Most officials also pointed to strong employment data and industrial production that has "increased briskly." They also noted strong holiday spending and rising stock market prices. The "minutes" did reveal some divisions among central bankers in regard to the pace of rate hikes in 2018, with a few officials believing three interest rate increases might be a bit too aggressive. On the flip side, there were also a few participants that argued three hikes was too slow a pace and that continued low rates could fuel financial instability or as some suggest additional "bubbles". Other positive data showed U.S. factory activity climbed by a robust +1.5 points, significantly above consensus. Also feeding the bulls was better than expected Motor Vehicle Sales and another month of increased Construction Spending. Today's highlight will be ADP's Employment Report, which is expected to show private employers added +188,000 jobs in December. Investors view this report as a preview for the highly anticipated official Employment Situation scheduled for release on Friday, which is forecast to show +190,000 jobs added. Also of interest today, St. Louis Fed President James Bullard will deliver a speech on the U.S. economy and monetary policy in Philadelphia. In Washington today, Congressional leaders are scheduled to sit down with White House officials to begin talks on a U.S. budget. This is just a preliminary step, but is seen setting the stage for possible conflicts impeding the passage of a funding bill by the January 19 deadline. On the international front, Iran remains on the radar as protests continue. It's also worth noting that President Trump is set to make a decision on whether or not to waive economic sanctions against Iran in less than two weeks. The regime's actions against protestors could possibly have some influence over his ultimate decision.

Inside The Auto Numbers: Most major automakers reported lower December U.S. sales. For the full year, deliveries slipped -1.8% to 17.2 million, marking this the first year of declining sales since 2009. Most individual companies in December matched or beat expectations thanks to a strong close to the year for pickup models that are helping carmakers command record prices, according to Kelley Blue Book. Ford's F-Series was the top pickup in the U.S. for the 41st consecutive year and extended to 36 years its annual reign as the best-seller among all vehicles. Toyota Motor Corp.'s RAV4 was the leading sport utility vehicle for the first time and joined Nissan Motor Co.'s Rogue crossover in outselling all passenger cars in what was a bleak year for sedans. Industry sales in 2018 will probably drop again thanks in part to higher interest rates and greater availability of used sport utility vehicles. The average analyst estimate is for 16.7 million light-vehicle sales in 2018, which is still a healthy level by historical standards. (Sources: Bloomberg, CNBC)

Amazon, Biogen, Mastercard, Visa, UnitedHealth, and Priceline are thought to be the most overowned stocks, according to Bank of America Merrill Lynch's quarterly list of overowned stocks held by active managers. Stocks qualified as overowned must be "at least 1.5x their weight in the S&P 500 in the fund manager composite, and held by more than 35% of funds in the sample." (Source: [Business Insider](#))

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Today In History

1796, American Revolution - The House of Representatives accepts the Colors, or flag, of the French Revolutionary Republic, proclaiming it the

Tensions On The Korean Peninsula Temporarily Calm Down: North and South Korean officials tested a special hotline for the first time in almost two years yesterday, signaling a tentative thaw on the divided peninsula and highlighting differences between Seoul and Washington over how to deal with a nuclear-armed Pyongyang. The reactivation of the telephone link across the demilitarized zone—severed by the North in 2016—came as South Korea's government moved swiftly to follow-up on a New Year's Day suggestion by North Korean leader Kim Jong Un that he would be open to talks. The North dialed the South and the call lasted about 20 minutes, according to the South's unification ministry. Seoul has proposed a face-to-face meeting next week on the North's possible participation in winter Olympic Games being hosted in the South in February. South Korean officials have said they also want to discuss the North's atomic-weapons program, which has made significant advances in the past year. Some analysts say that North Korea's pursuit of talks with the South is an attempt to drive a wedge between South Korea and Washington, betting that it would make a U.S. military attack less likely and possibly lead to an easing of sanctions. (Source: The Wall Street Journal)

Will Ripple Overtake Bitcoin As The Dominant Cryptocurrency? The virtual currency known as Ripple coins soared to a record on Wednesday, solidifying a rally in the world's No. 2 digital asset and closing in on bitcoin for dominance of the nascent industry. Ripple has surged over +90% over the past week, with a single coin valued at \$3.03 trading at intrasession record, according to research site CoinMarketcap.com. That puts San Francisco-based Ripple Labs's total value at about \$117 billion. However, factoring the total supply of Ripple coins, including some 55 million Ripple coins held in escrow by its executives, the total value of Ripple is around \$300 billion. That technically exceeds bitcoin's value, which is at \$251 billion at a price of about \$15,005, according to the site. Ethereum stands squarely in third position with a total value of \$85 billion. The move for Ripple would mean that the so-called "flipping", to determine which of the alternative coins supplants bitcoin, may already be under way. Ripple is controversial among digital-currency purists because it caters to the establishment and provides a blockchain that is centralized, meaning a third-party helps to mediate money transfers. However, it is the outfit with the most legitimate business model from a Wall Street perspective. (Sources: MarketWatch, Coinbase)



most honorable testimonial of the existing sympathies and affections of the two Republics. In an accompanying message, the French Committee of Public Safety lauded the United States as the first defenders of the rights of man, in another hemisphere. The French revolutionaries were eager to link their overthrow of Louis XVI in 1789 to that of King George III in 1776. They viewed the Declaration of Independence and Bill of Rights as American precursors to their own revolutionary Declaration of the Rights of Man. The French wrote that they believed that the citizens of the new United States understood the French Revolution as an extension of a universal fight for freedom begun by the 13 colonies' war for independence and therefore celebrated every French victory as their own. In truth, however, the new republic was deeply divided over the French Revolution. Future President Thomas Jefferson and his Democratic-Republican Party were impassioned supporters of the revolutionaries, even as they turned to terror as a means of achieving their goals. By contrast, George Washington, Alexander Hamilton, John Adams and the rest of the Federalists looked upon the bloodbath the French Revolution had become with horror. The French Revolution thus became a litmus test for Americans as they assessed their own revolution.

Ripple effect?

The value of Ripple coins have skyrocketed since the end of 2016

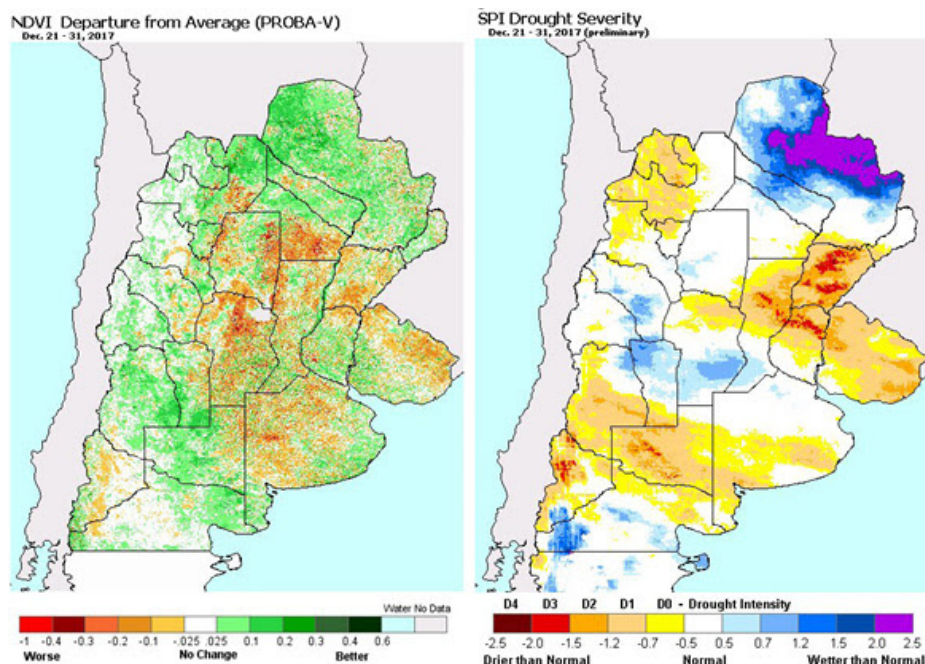


1996, Electric Car - General

Motors announces at the Greater Los Angeles Auto Show it will build an electric car, dubbed the EV1, to be launched in the fall of that year. The EV1 wasn't an entirely new concept, as electric vehicles had been around since the auto industry's nascent days. In the early 20th century, the Columbia Runabout, which could travel 40 miles on a single electric charge at speeds of 15 mph, was a best-seller. The oil crisis of the 1970s, coupled with a burgeoning environmental movement, led to renewed interest in electric vehicles, although no automaker was able to develop one that garnered mass appeal. When it debuted in 1996, the EV1 was made available to consumers in just two states, Arizona and California, and for lease-only, as GM considered the development of electric vehicle technology to be ongoing. During its years in production, from 1996 to 1999, around 2,500 EV1s were produced in total. In late 2003, the company announced it was pulling the plug on the EV1 program and wouldn't renew any leases. GM cited the high cost of producing and maintaining the vehicles as a reason for the EV1's demise. By 2008, GM had been hit hard by a global economic crisis and slumping auto sales and needed a multi-billion-dollar bailout loan from the federal government in order to stay in business. In March 2009, company CEO Wagoner was ousted by the Obama administration and in April of that year, GM filed for bankruptcy. The company was criticized for continuing to

Weather here in the U.S. is centered around recent cold and dry conditions taking their toll on winter wheat, particularly in the southern Plains. Temperatures are expected to moderate over the next week to 10 days. Meanwhile, wheat conditions ratings are very low. The recently released (Jan.3) NASS State Stories is giving us some of our first indications of poor crop conditions. Kansas good to excellent wheat ratings are at 37%, 14% below late November and 7% lower than a year ago. In Oklahoma, good to excellent ratings total just 15% compared with 25% a year ago and 30% in late November. Across the Midwest, temperatures have begun to ease though cold conditions persist maintaining supplemental feed requirements for livestock. In the South, freeze warnings are in effect again this morning in the Gulf Coast region from southern Texas to Alabama and western Florida. However, key winter agricultural areas in Deep South Texas escaped a significant freeze. Florida's citrus belt has remained above 32 degrees F although a winter weather event featuring snow and freezing rain and cold rain crossed across the lower Southeast yesterday.

A Closer Look at Argentine Dryness: Dry weather continues to dominate the Argentine growing regions. Reports indicating temperatures were in the upper 80's in Argentina, with 80's and some 90's in Brazil. Light rain will favor Argentine growing regions for the end of the week. Otherwise things look to be mainly dry over the next week or so. In Brazil, tropical rainfall looks to bring beneficial moisture to growing regions in Parana over the next week or so. Below is a map showing NDVI or "greenness" in Argentina. As you can see the past 10 days have seen dryness take hold throughout the country. There is also a drought severity map which shows drought is taking hold throughout the corn and soybean growing areas.



Corn continues to hold its head above the \$3.50 level, but is still just +6 cents off the lows and rallies are being pressured by much stiffer technical resistance up near \$3.60. The new-crop DEC18 contract is looking at stiff technical resistance up between \$3.90 and \$4.00 per bushel. Many producers to the South are reporting an increase in basis as supplies from the North are delayed by extremely cold conditions and river complications. Producers needing to move more old-crop might want to take advantage of the recent bump ahead of next weeks extremely uncertain USDA report. I want to remind everyone to make certain you are religiously checking your local basis. If you are lucky enough to catch some strength in the basis I would suggest taking full-advantage. We have a glut of old-crop supply in the marketplace and some bullish cards in the deck that could potentially pull flat-price higher. In other words, you have to find a way not give back the flat-price gains if they occur. I suspect most end users will attempt to widen and weaken the basis should prices on the board rally, which I still see as a very real possibility in the coming weeks. I really don't think South America is going to produce as much corn as the market currently anticipates. Chinese demand for domestic corn could easily surprise to the upside. And growing conditions here in the U.S. during 2018 are certainly no guarantee. Hence, the reason I continue to like the thought of re-owning sales we are forced to make from here forward due to cash-flow reasons and not market conditions. As a spec, I like the thought of building a longer-term bullish position on a break between here and \$3.20, if that type of extreme low were to take place. I personally don't see that deep of a break happening, I really believe the \$3.30s will hold if we get heavily pressured or surprised by the USDA, but I've also paid a lot of money through the years learning "never say never."

focus on its sport-utility vehicles and small trucks despite a growing consumer demand for smaller, more fuel-efficient vehicles. Then CEO Rick Wagoner was quoted as saying that pulling the plug on the EV1 and not putting more development resources toward hybrid gas-electric vehicles was a major mistake of his career.



1999, The Euro - For the first time since Charlemagne's reign in the ninth century, Europe is united with a common currency when the "euro" debuts as a financial unit in corporate and investment markets. Eleven European Union (EU) nations (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain), representing some 290 million people, launched the currency in the hopes of increasing European integration and economic growth. Closing at a robust 1.17 U.S. dollars on its first day, the euro promised to give the dollar a run for its money in the new global economy. Euro cash, decorated with architectural images, symbols of European unity and member-state motifs, went into circulation on January 1, 2002, replacing the Austrian schilling, Belgian franc, Finnish markka, French franc, German mark, Italian lira, Irish punt, Luxembourg franc, Netherlands guilder, Portugal escudo and Spanish peseta. A number of territories and non-EU nations including Monaco and Vatican City also adopted the euro. Conversion to the euro wasn't without controversy. Despite the practical benefits of a common currency that would make it easier to do business and travel throughout Europe, there were concerns that the changeover process would be costly and chaotic, encourage counterfeiting, lead to inflation and cause individual nations to loose control over their economic policies. Great Britain, Sweden and Demark opted not to use the euro. Greece, after initially being excluded for failing to meet all the required conditions, adopted the euro in January 2001, becoming the 12th member of the so-called eurozone.

Upcoming Events

Wed. 1/3 - Minutes From 12/13 FOMC Meeting Released

Fri. 1/12 - USDA Crop Production Annual Summary, Supply and Demand

Tues. 1/23 - Cold Storage

Fri. 1/26 - Cattle on Feed

Tues.-Wed. 1/30-1/31 - FOMC Meeting

Thurs. 2/8 - USDA Supply and Demand

Fri. 2/16 - Farms and Land in Farms

Thurs. 2/22 - Cold Storage (month & annual)

Fri. 2/23 - Cattle on Feed



Soybean traders I know have become a bit more bearish the past few weeks. In fact I'm hearing talk that prices could eventually fall to sub-\$9.00 if weather in South America cooperates during the next couple of months. That's a big "what if", but certainly something we need to keep in consideration. There seems to be less uncertainty brewing around the South American crop and a bit more uncertainty building in regard to Chinese demand, specifically what type of impact Chinese DDGs will have on soy import demand. The bears are also thinking the USDA will be backing off their current U.S. export estimate in the yearend update, scheduled for release late next week. Then in February there's talk the USDA could reveal another record number of soybean acres will be planted across the U.S. in 2018. From a technical perspective, the trade still sees heavy nearby resistance in the MAR18 contract between \$9.75 and \$9.80 per bushel. On the downside, there is starting to be more talk that the mid-August low of \$9.37⁴ could be challenged sooner rather than later. As a spec, I like the thought of implementing short type strategies on a rally. As a producer, a similar strategy of selling into the rallies makes sense. Be careful over committing to old news and headlines. Remember, "recency effect" can easily skew your forward looking vision...



Wheat bulls continue to talk about weather complications here in the U.S. and some larger concerns starting to emerge in parts of Europe and the Black Sea region. From a technical perspective, many insiders continue to look at stiff resistance in the MAR18 contract up between \$4.45 and \$4.50 per bushel. Bears continue to talk about a glut of global supply and U.S. exports being nothing to write home about. I remain a longer-

Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶



▶ **Chris Stapleton** "Millionaire"

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.

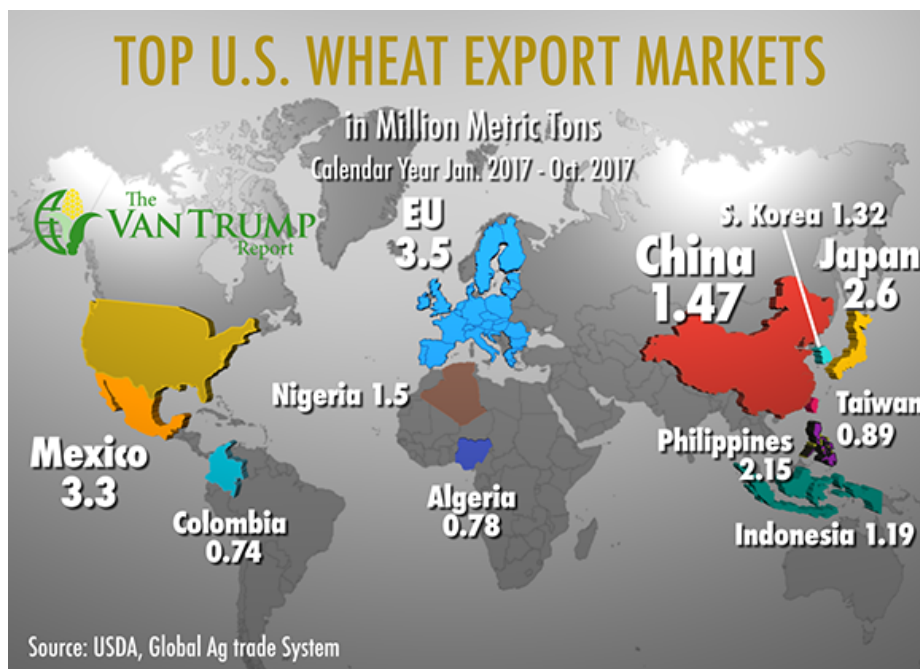
My family and I would like to thank you again for your support!

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

term bull, but believe we might stall here for a couple of days. Staying patient while we reshuffle and more bullish cards are added to the deck.



> La Nina Weather Pattern Still Looks To Be Weak: A weak La Nina weather pattern is expected to continue until the Southern Hemisphere autumn begins in March, says Australia's weather bureau. In a climate update, forecasters note sea-surface temperatures in the central/eastern Pacific remain around La Nina levels, or 0.8-degree Celsius below normal. La Nina patterns typically bring more rainfall in Southeast Asia and eastern Australia, but trigger drier weather in southern Brazil, eastern Argentina and the southern US, potentially affecting production of grains and oilseeds. Australia's update says that the weakness of the current La Nina should mean little impact on rainfall levels. (Source: Dow Jones)

> Argentine Weather Continues To Raise Concerns: Farmers in Argentina continue to be concerned about the erratic weather. In some areas the rainfall has been good enough to stabilize the situation, while in other areas, the rainfall has been inadequate to recharge the dry soil moisture. The areas where the weather is the most problematic is in northern Argentina and then in northern Buenos Aires, central Santa Fe, and northern Cordoba. In northern Buenos Aires province for example, they still need to plant approximately 20% of their soybeans and 30% of their late corn. The region of northern Buenos Aires has not received a rain greater than 2 inches since October. The corn planting window in northern Buenos Aires has already passed. Corn planted from this point forward will probably have a lower yield potential. Additionally, some of the earlier planted corn has also been impacted by adverse weather. The head of the crop estimation department of the Buenos Aires Grain Exchange feels that approximately 40% of the corn and soybean acreage in Argentina needs rain. (Source: Soybean & Corn Advisor)

> U.S. Wheat Could Face Competition In Japan: Several factors could lead to increased market competition for U.S. wheat product exports to Japan, according to a Global Agricultural Information Network (GAIN) report from the Foreign Agricultural Service of the U.S. Department of Agriculture (USDA). Two of the major factors that could impact trade are a free trade agreement between Japan and the European Union and the pending Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). Japan produces only about 10% of the food wheat that it consumes, and imports the remaining 90%, which come primarily from the U.S., Canada and Australia. The two agreements are likely to contain similar tariff concessions for a wide range of wheat products, including food wheat, pasta and flour. The Japan-E.U. agreement could enter into force as early as 2019 while Japan continues to advocate for a CPTPP without the United States. (Source: World Grain)

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.

> Ukraine Trades First Option On Black Sea Corn Swap: The first ever option contract on the Black Sea Corn traded between two Ukrainian companies last week, according to the company that brokered the deal, SCB & Associates. The call option (premium) was priced at \$1.80/mt with a strike price of \$170/mt, maturing in March on S&P Global Platts Black Sea Corn index. Black Sea Corn swaps have been listed by CME as cleared futures since December 18. The deal's significance is underlined by market participants' will to bring more sophisticated products to the Black Sea corn market and increase the involvement of companies in the Ukrainian domestic market. (Source: Platts)

> Cargill Earnings Fall -6%: A worldwide glut of corn and soybean supplies put pressure on Cargill Inc.'s second-quarter profit, but robust sales growth and continued improvements in the market for beef signal a strong second half of its fiscal year. The company reported net earnings fell -6% to \$924 million and revenues rose +8% to \$29.2 billion in its second quarter ended Nov. 30, 2017. The company said its Animal Nutrition & Protein segment was the largest contributor to adjusted operating earnings in the second quarter, though results dipped in the quarter compared with a strong period a year earlier. Retail demand remains strong for beef, and turkey sales were strong through the Thanksgiving holiday, Cargill reported. (Source: Star Tribune)


> Vale To Retain Control Of Brazil Port In Mosaic Deal: Vale will conclude the sale of a fertilizer unit to the Mosaic Company with adjustments on Jan. 8, the Brazilian miner said in a securities filing. Vale said it will retain control of the TIPLAM port terminal, an asset which was originally included in the deal, and will receive \$1.15 billion plus 34.2 million shares in Mosaic Co, equivalent to 8.9 percent of its total share capital when the deal closes.

> China Is Said To Curb Electricity Supply For Some Bitcoin Miners: China plans to limit power use by some bitcoin miners, people familiar with the matter said. The People's Bank of China outlined the plan Wednesday at a closed-door meeting, according to the people, who asked not to be identified because it wasn't public. They didn't detail how authorities plan to enact the curbs. Officials are concerned that bitcoin miners are taking advantage of low power prices in some areas and affecting normal electricity use in some cases. Local officials have been asked to investigate the high consumption associated with the industry, they said. The global industry's energy-intensive practices use as much electricity as 3.4 million U.S. homes, according to the Digiconomist Bitcoin Energy Consumption Index. (Source: Bloomberg)

> The Better We Have It, The Worse Off We Are: For the past several years, Pew Research Center's annual Global Attitudes Survey has started with the following question: "How would you describe your day today – has it been a typical day, a particularly good day or a particularly bad day?" In 2017, they asked this question of nearly 42,000 people in 38 countries around the globe. The share of upbeat people was notably higher in several countries surveyed. Half or more responded that their day was good in Nigeria (73%), Colombia (61%), Ghana (60%), Brazil (56%), the Philippines (53%) and Peru (50%). The U.S. stands out for its positivity among Western countries, with 44% saying their day was particularly good. Perhaps surprisingly, responses to this question were negatively correlated with one measure of national well-being, the United Nations' Human Development Index (HDI). Countries with higher HDI scores have, on average, higher gross national income per capita, longer expected lifespans and higher educational expectations and attainment. Yet people in countries with higher HDI scores are less likely to say their day has been particularly good. (Source: Pew Research)

Farm Direction
RECIPES

★ **FAMILY** ★
FAVORITES
-SENT IN BY OUR READERS-

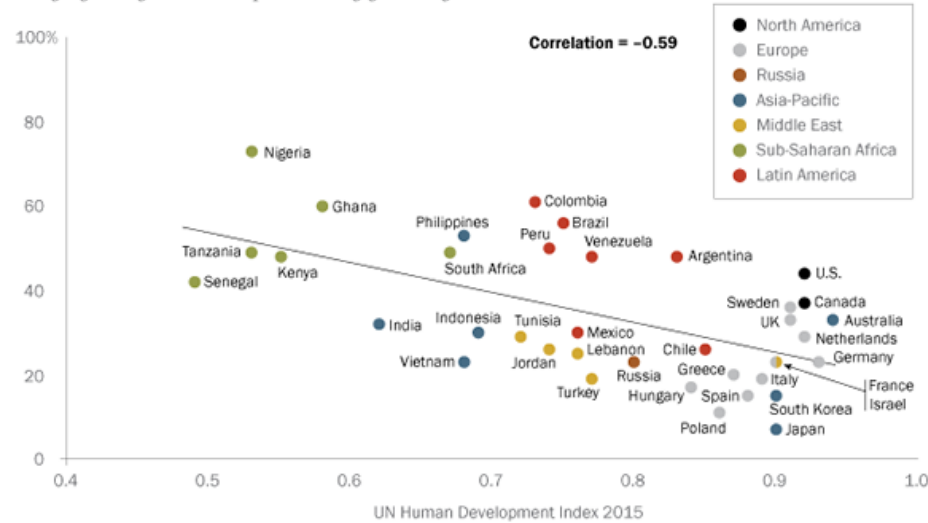


Crock Pot Chicken
and Dumplings

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In countries with higher Human Development Index ratings, fewer describe their day as 'particularly good'

% saying today has been a particularly good day



Source: Spring 2017 Global Attitudes Survey. Q1. Data for UN Human Development Index from United Nations Development Program, accessed Dec. 27, 2017.

PEW RESEARCH CENTER



Westcentral Iowa - We were in one of those unique spots this season as most all the moisture found its way around our area. I had buddies who are only miles away that would get nearly an inch and we would see nothing. Our corn numbers were in the 180bpa area and the beans were near 55bpa. The guys that received the rain were looking at 30-40bpa more corn than we saw. We do some acres corn on corn and definitely feel it is worth the extra dollars. We side dressed in June and saw a decent increase on the guys who chose not to. We had to give up some acres this fall to a farm that sold.

Central Missouri - We farm corn bean and wheat along with running some cattle, I also sell some seed. Our corn was as good as ever seeing an average of 220bpa across all acres. Some of the irrigated acres did see 270bpa at their best, which definitely helped averages. Our beans didn't fare as well, as some acres were hit by hail and overall the crop finished below the 2016 production. With things as tight as they are we consider ourselves in a good position to try to fight through the next few years of low commodity prices. We did ok with moving some corn this year at decent prices.

Southcentral Kansas - We struggled with some drier weather this year and were very happy when yields surpassed expectations. We thought we'd be stuck in the mid 20's on beans and hit 30-40bpa across the farms. If we would have received any August rains we would have seen another 10bpa for sure. The corn was variable across our acres but the sorghum was a nice surprise not only with the production but having a good export market to move it. Dad decided to try his hand with some popcorn last season so we put a few acres into play and are currently working with vendors to sale it. The weather after harvest allowed us to get all the field work done. We have been growing recently as guys retire and we have been picking up acres. Acres are going for around \$3,500/ac this fall.

CROSSING WIRES

A place to share intelligent thoughts...

A Quick Poetry Lesso: *If you're like me, you didn't take poetry real serious in school. However, as I've aged, I've come to appreciate some of the finer things in life. Literature happens to be one. I thought it was important to recognize T.S. Elliot on the anniversary of his passing. For those who don't know, Eliot is often considered a literary genius and one of the most influential writers of his time. He was born in St. Louis, Missouri and often credited his hometown with fuelling his literary vision: "It is self-evident that St. Louis affected me more deeply than any other environment has ever done. I feel that there is something in having passed one's childhood beside the big river, which is incommunicable to those people who have not. I consider myself fortunate to have been born here, rather than in Boston, or New York, or London." He is often credited with writing some of the best-known poems in the English language, including "The Waste Land" (1922), "The Hollow Men" (1925), "Ash Wednesday" (1930), and Four Quartets (1943). In 1948 he was awarded the Nobel Prize in Literature. Many regard Eliot's "The Waste Land" as the single most influential work of poetry of the twentieth century. The poem is known for its obscure nature—its slippage between satire and prophecy; its abrupt changes of speaker, location, and time. This structural complexity is one of the reasons why the poem has become a touchstone of modern literature. It was said to be composed during a period of personal difficulty for Eliot—his marriage was failing, and both he and his wife were suffering from nervous disorders. Click the link to read it in its entirety [The Waste Land](#). A lot of college kids are often required to read and analyze Eliot's first published poem titled, "The Love Song of J. Alfred Prufrock". It's much shorter and a bit easier to read and understand. It's said to be written about a man who laments his physical and intellectual inertia, the lost opportunities in his life and lack of spiritual progress.*

Eating Fat To Lose Weight? *The ketogenic diet didn't start as a weight-loss method. It was a treatment for epileptic kids—one of the few that worked, especially for those who had already tried traditional medications. But odds are the only people you'll hear talking about it today are those looking to drop a few pounds without giving up butter. Keto, as it's known among dieters, is based around getting most of your calories from fat, some from protein, and almost none from carbohydrates. It's like a more extreme form of Atkins, except keto actually came first. It became an epilepsy treatment back in the 1920s, whereas the weight-loss paper that inspired Dr. Atkins to establish his low-carb diet wasn't published until 1958. Read more [HERE](#).*

Check Out The Newest Cruise Ships Being Released In 2018: *If you are looking for a reason to get out of the house this winter, look no further. Just about every major cruise line will have a new ship in 2018 as the industry continues to expand rapidly around the globe. Among the newcomers will be a new vessel from Royal Caribbean that will smash the record for biggest cruise ship ever — if only by a tad. Dubbed Symphony of the Seas, it'll carry more than 6,000 passengers and feature dozens of lounges, bars and restaurants as well as an array of deck-top amusements. Just as notable will be a new ship from Royal Caribbean's sister company, Celebrity Cruises. To be called Celebrity Edge, the 2,900-passenger vessel will be the line's first new ship in six years and boast an innovative new design. Read more [HERE](#).*

What's Happening Under Mount St. Helens? *Something wacky seems to be happening underneath Mount St. Helens. Yesterday, at least 17 earthquakes hit near the active volcano in Washington state, in rapid succession between 12:30am and 6:28am US Pacific time. The first and strongest registered a magnitude of 3.9 on the Richter scale, according to the Pacific Northwest Seismic Network. Last month, University of Washington seismologists logged more than 80 quakes, a huge increase over the average 17 per month. Read more [HERE](#).*

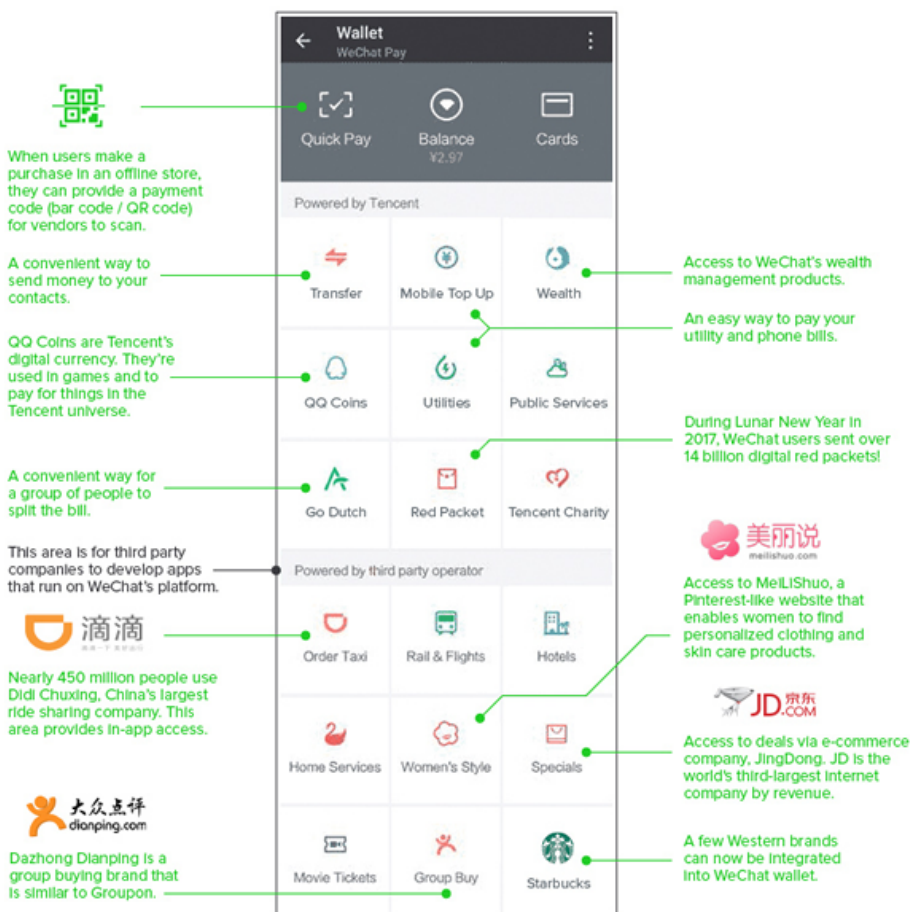
Americas's Forgotten Towns: *Can They Be Saved Or Should People Just Leave? One of the great debates in American politics and economics in 2018 is likely to be how to help the country's forgotten towns, the former coal-mining and manufacturing hubs with quaint Main Streets that haven't changed much since the 1950s and '60s. Many of these places turned out heavily to vote for Donald Trump. He talks often about wanting to help them, but it's unclear how he can. Traditional economics says people living in these struggling towns should just move. Many of the United States' urban centers (and surrounding suburbs) are booming. If jobs are plentiful in Denver (unemployment rate: 2.6 percent) and Salt Lake City (unemployment rate: 2.8 percent), then Economics 101 suggests it's time for a big migration west from the Rust Belt to the Boom Belt. But the reality is Americans have become homebodies. People in the United States are moving at about half the rate that they did in the 1970s and '80s, according to census data, and no one really understands why. Read more [HERE](#).*

99 Good Things That Happened In 2017: In 2017, it felt like the global media picked up all of the problems, and none of the solutions. To fix that, Quartz picked out 99 of the best stories from the year that you probably missed. Check them out [HERE](#).

This Candidate For Congress Will Let His Constituents Decide How He Votes: Michael Allman is running for Congress as a Republican. But if his constituents lean left of him on a particular issue before Congress, that's how Allman will vote. That's because Allman is running on a direct democracy platform: For every issue, voters in his district will be able to use a blockchain-enabled website to securely log their opinions, and Allman will follow the will of the people. Allman has no background in politics, but has worked in the tech industry, and realized that the technology exists to make direct representation possible. Working with a tech company that had an existing platform, he created a custom website that will outline both sides of a general issue. Voters can read through the arguments on both sides, and read selected op-eds. The site can verify that someone is in a particular district and that they're registered to vote, and then register their opinion confidentially. Read more [HERE](#).

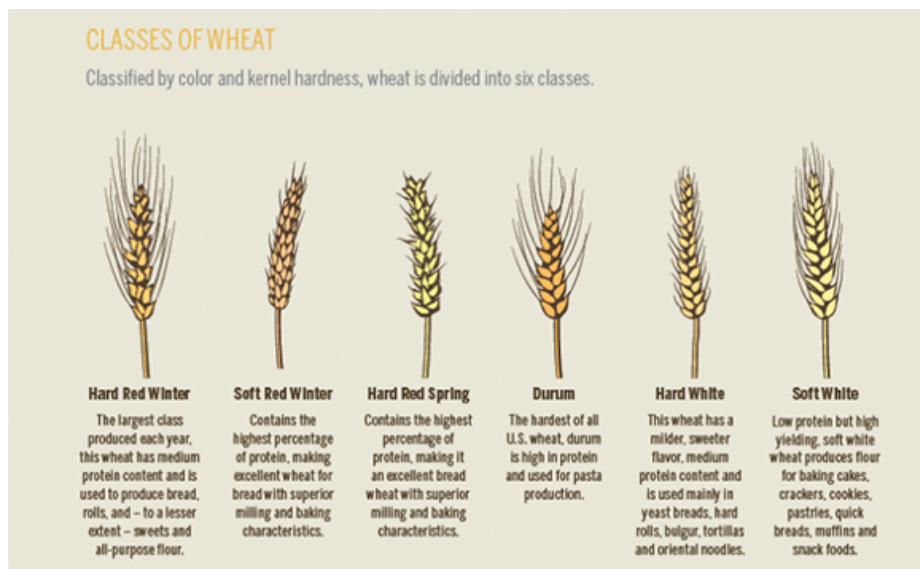
China's Digital Wallets Offer a Glimpse at the Future of Payments: Forecasts for mobile payment adoption in the United States remain flat for now; however, two major brands – WeChat and AliPay – offer a glimpse of what the future may eventually hold for mobile payments in North America. WeChat, a platform owned by Tencent, is a force to be reckoned with. It's fast closing in on one billion monthly active users (MAUs), and the average user spends over an hour on the app each day. WeChat users aren't just unusually chatty – there's actually a high level of utility to the platform that North American apps have yet to match. WeChat's wallet alone is packed with features ranging from mobile payments to ride hailing. Chinese consumers conduct 11 times more mobile payments than their counterparts in the United States, so as we look to the future of digital wallets, China is a natural place to start. Check out more details [HERE](#).

A BRIEF OVERVIEW OF WeChat Pay



Lower Protein U.S. Wheat Crop Causing Some Problems

I've come across several interesting stories as of late about bakers across the U.S. having a tough time sourcing the right kind of quality wheat to make speciality breads and baked goods. The issue is this years wheat crop contained lower levels of protein. In return, more and more bakers are having to purchase gluten and other additives to offset the problem. This is obviously driving up the overall cost and causing a somewhat shortage in supply of quality baked goods. With U.S. producers planting fewer and fewer wheat acres, now at all-time record lows, and crop-conditions appearing much worse than they have the past couple of years, another year of low protein is becoming a real possibility and could create a much more serious problem moving forward. Just this week the USDA released some updated crop progress and conditions numbers for Kansas, our nations largest producer of HRW wheat: For the month of December 2017, topsoil moisture rated 28 percent very short, 49 short, 23 adequate, and 0 surplus, according to the USDA's National Agricultural Statistics Service. Subsoil moisture rated 16 percent very short, 48 short, 36 adequate, and 0 surplus. Winter wheat condition rated 4 percent very poor, 18 poor, 41 fair, 34 good, and 3 excellent. North Dakota reported winter wheat conditions at 15 percent very poor, 23 poor, 35 fair, 27 good, and 0 excellent. South Dakota winter wheat condition rated 15 percent very poor, 21 poor, 44 fair, 19 good, and 1 excellent. Montana winter wheat condition is rated 40% "Good-to-Excellent," vs. 58% last year. Oklahoma was most recently rated at just 15% "Good-to- Excellent". I think there is clearly a story brewing...



Biggest Cyber Threats For 2018

Our modern-day technologies have made many aspects of life more convenient but they also bring with them a constant security threat. Hackers are constantly upping their game, conceiving new ways to breach cyber defenses in order to steal information or extort money. Over the last few years, the cybercriminal network has grown exponentially as it's become a lot easier to commit crimes thanks to technology advances. You don't have to be particularly tech-savvy - you just need the ability to find the right tools. Security experts from MIT recently compiled their list of significant cyber threats to look out for in the year ahead. (Source: MIT Technology Review)

Data Breaches: *This type of cyberattack is nothing new. In fact, 2017 saw some of the biggest hacks in history, including the massive Equifax breach which led to the theft of Social Security numbers, birth dates, and other data on almost half the U.S. population. Marc Goodman, a security expert and the author of Future Crimes, believes that other companies that hold significant amounts of sensitive information will be a big target this year. He says data brokers who hold information about things such as people's personal Web browsing habits will be especially popular targets, as the industry as a whole is unregulated.*

Ransomware In The Cloud: *This is another cybercrime that's been around for a few years, but again saw a rise in the sheer number as well as sophistication last year. Some big targets included Britain's National Health Service, San Francisco's light-rail network, and big companies such as FedEx. These attacks are a form of malware that breaches defenses and locks down computer files using strong encryption. Hackers then demand money in exchange for digital keys to unlock the data. Cloud computing businesses are expected to be a new big target in 2018 as they house mountains of information for companies. Some also run consumer services such as e-mail and photo libraries.*

Weaponization Of AI: Security experts are warning that this year will see the emergence of an artificial intelligence (AI) driven arms race. Security firms and researchers have been using machine-learning models, neural networks, and other AI technologies for a while to better anticipate attacks and to spot ones already underway. It's highly likely that hackers are adopting the same technology to strike back. Machine-learning models can now match humans at the art of crafting convincing fake messages, and they can churn out far more of them without tiring. They're also likely to use AI to help design malware that's even better at fooling security programs that try to spot rogue code before it is deployed.

Cyber-Physical Attacks: Hacks on critical infrastructure targets like electrical grids and transportation systems are seen taking place in 2018. Some will be designed to cause immediate disruption while others will involve ransomware that hijacks vital systems. During the year, researchers and hackers alike will uncover more holes in the defenses of older planes, trains, ships, and other modes of transport that could leave them vulnerable.

Mining Cryptocurrencies: Hackers, including some allegedly from North Korea, have been targeting holders of Bitcoin and other digital currencies. But the theft of cryptocurrency isn't the biggest threat to worry about in 2018; instead, it's the theft of computer processing power. Mining cryptocurrencies requires vast amounts of computing capacity, which is encouraging hackers to compromise millions of computers in order to use them for such work. Recent cases have ranged from the hacking of public Wi-Fi in a Starbucks in Argentina to a significant attack on computers at a Russian oil pipeline company.

Hacking Elections: This issue has dominated news headlines since the 2016 elections. Experts say evidence shows that Russian hackers targeted voting systems in numerous American states ahead of the 2016 presidential election. With midterm elections looming in the U.S. in November, officials have been working hard to plug vulnerabilities. But determined attackers still have plenty of potential targets, from electronic voter rolls to voting machines and the software that's used to collate and audit results.



Guns From An American Visionary...

I've always been a huge fan and collector of Colt firearms, so I thought it only fitting to acknowledge it was on this day back in 1847 that Samuel Colt rescued the future of his faltering gun company by winning a contract to provide the U.S. government with 1,000 of his .44 caliber revolvers. Specifically the Texas Rangers ordered 1,000 revolvers during the American war with Mexico. Before Colt began mass-producing his popular revolvers in 1847, handguns had not played a significant role in the history of either the American West or the nation as a whole. Thought to be overly expensive and inaccurate, short-barreled handguns were impractical for the majority of Americans, though a handful of elite still insisted on using dueling pistols to solve disputes in highly formalized combat. When choosing a practical weapon for self-defense and close-quarter fighting, most Americans preferred knives, and western pioneers in particular favored the deadly and versatile Bowie knife. That began to change however when Samuel Colt patented his percussion-repeating revolver in 1836. Though still far less accurate than a well-made hunting rifle, the Colt revolver could be aimed with

reasonable precision at a short distance because the interior bore was "rifled"—cut with a series of grooves spiraling down its length. The spiral grooves caused the slug to spin rapidly as it exited the barrel, giving it gyroscopic stability. The five or six-shot capacity also made accuracy less important, since a missed shot could quickly be followed with others. Yet most cowboys, gamblers, and gunslingers could never have afforded such a revolver if not for the de facto subsidy the federal government provided to Colt by purchasing his revolvers in such great quantities. In 1850 General Sam Houston and General Thomas Jefferson Rusk lobbied Secretary of War William Marcy and President James K. Polk to adopt Colt's revolvers for the U.S. military. Rusk testified: "Colt's Repeating Arms are the most efficient weapons in the world and the only weapon which has enabled the frontiersman to defeat the mounted Indian in his own mode of warfare." Lt. Bedley McDonald, who served under Walker when Walker was killed in Mexico, stated that 30 Rangers used Colt's revolvers to keep 500 Mexicans in check. After the first batch of revolvers proved popular with soldiers, the federal government became one of Colt's biggest customers, providing him with the much-needed capital to improve his production facilities and perfect his process. With the help of Eli Whitney and other inventors, Colt developed a system of mass production and interchangeable parts for his pistols that greatly lowered their cost. Thus, Colt's factory was the first to make use of the concept known as the assembly line. Though never cheap, by the early 1850s, Colt revolvers were inexpensive enough to be a favorite with Americans headed westward during the California Gold Rush. It is estimated that between 1850 and 1860, Colt sold 170,000 of his "pocket" revolvers and almost 100,000 "belt" revolvers, mostly to civilians looking for a powerful and effective means of self-defense. During the American Civil War, his factory in Hartford, Connecticut supplied firearms both to the North and the South. It is estimated that in its first 25 years of manufacturing, Colt's company produced over 400,000 revolvers. In 1867, his widow, Elizabeth, had an Episcopal church designed by Edward Tuckerman Potter built as a memorial to Samuel Colt and the three children they lost. The church's architecture contains guns and gun-smithing tools sculpted in marble to commemorate Colt's life as an arms maker. In 1896 a parish house was built on the site as a memorial to their son, Caldwell who died in 1894. In 1975 the Church of the Good Shepherd and Parish House was listed in the National Register of Historic Places. Colt reportedly set up massive libraries and educational programs within his armories for his employees, who would go on to have great influence in other manufacturing efforts of the next half century. In 2006, Samuel Colt was inducted into the National Inventors Hall of Fame.





1. Sawtooth Building 2. South Armory 3. East Armory 4. The Foundry / The Forge Shop
5. North Armory 6. L-Shaped Warehouse 7. Power Plant 8. U-Shaped Office Building

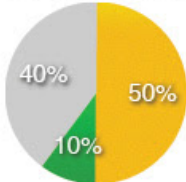


**1836 Colt
Paterson
\$977,500**

CASH SALES & HEDGING TOTALS

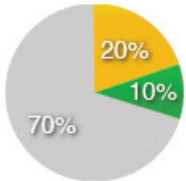
CORN 2017 CROP

50% SOLD
10% HEDGED
40% UNPROTECTED



CORN 2018 CROP

20% SOLD
10% HEDGED
70% UNPROTECTED



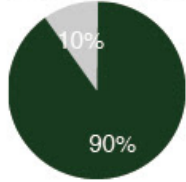
CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



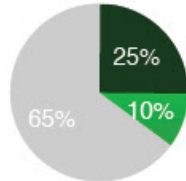
SOYBEANS 2017 CROP

90% SOLD
0% HEDGED
10% UNPROTECTED



SOYBEANS 2018 CROP

25% SOLD
10% HEDGED
65% UNPROTECTED



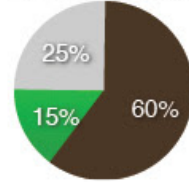
SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



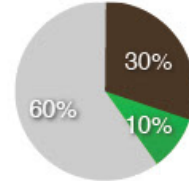
WHEAT 2017 CROP

60% SOLD
15% HEDGED
25% UNPROTECTED



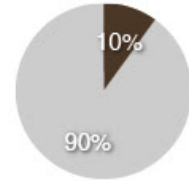
WHEAT 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



WHEAT 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



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