

GOOD MORNING: 02/22/18 Farm Direction - VanTrump Report

3 messages

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"The best and most beautiful things in the world cannot be seen or even touched. They must be felt with the heart." – **Helen Keller**

THURSDAY, FEBRUARY 22, 2018

[Printable Copy](#) or [Audio Version](#)


Morning Summary: Stocks are trying to rebound this morning after stumbling... Technically, many insiders were calling yesterdays late market action a significant reversal. The stock market bears have clearly been searching for signs of inflation and slowing growth, they argue that yesterday they got a bit more confirmation. Insiders seem nervous about the very real possibility of four rate hikes in 2018. Many are saying that's why stocks posted the big technical reversal after yesterdays release of the Fed minutes, and why the market could go back down and retest the recent lows in the coming days. Also a move up to 3% on the 10-year has many wondering if the canary in the coal mine is starting to sing. The latest Fed "dot plot" showed plans to raise rates 3 times, but more Wall Street economists are starting to think four rate hikes may be more likely. The "minutes" released yesterday showed Fed officials were more optimistic about the U.S. economy at their January meeting with central bankers thinking growth will be greater than what they were anticipating. The greater growth outlook also comes with increased confidence that inflation will continue moving up this year, increasing the likelihood they will need to keep raising interest rates. The [CME's Fed Funds Futures](#) contract is now forecasting about a 27% chance that the Fed hikes rates four times or more in 2018. Before you kid yourself into thinking those aren't very good odds, keep in mind it's about the same as flipping a coin twice with it coming up heads both times. In other words, as I mentioned above, the trade deems four rate hikes to be a very real possibility. According to Reuters, the expectations for a quarter-point rate hike at the Fed's next meeting in March is currently 93.5%. Economic data yesterday showed a decline in Existing Home Sales to 5.380 million, from a previous 5.560 million. Insiders continue to point to tight supplies as the main problem the housing industry faces right now. However, supplies actually ticked up a bit last month as prices declined, causing some to believe there is a greater underlying issue brewing. I personally don't see it. But I should note, the sales rate was the lowest for January since 1999 and year-on-year sales are now down -4.8%. The later is the largest dip since August 2014. Data due out today includes Leading Indicators and Kansas City Fed Manufacturing. Four Fed officials are also scheduled to speak today - Fed Vice Chair Randal Quarles, New York Fed President William Dudley, Atlanta Fed President Raphael Bostic and Dallas Fed President Robert Kaplan. There is a bit more uncertainty brewing in Washington as special counsel Robert Mueller made a new filing in the case against former Trump campaign chairman Paul Manafort and his business partner Richard Gates. As the new filing is sealed, what it contains remains a mystery. According to some Washington insiders, it could be new criminal charges or it could be an indication of a pending plea agreement. Currently, none of the charges that Manafort and Gates face are related to Manafort's time served on the Trump campaign. Some are saying the market might also be a bit nervous about a few of the recent political headlines. As I've said for several days, I think we could still see another break or retesting of the downside. Again, I will be looking to be a "value" buyer on a significant setback...

Amazon Shares Hit A New All-Time High surpassing \$1,500 for the first time, with the e-commerce giant building more support from Wall Street after this week's lackluster earnings from rival Walmart. The stock is up about +73% over the past year - leaving Amazon deadlocked with Microsoft as the third-largest American public company. (Source: SeekingAlpha)




KVT FAVORITE THINGS

I will be passing along books I've read, gadgets, gift ideas and other cool things that I've come across and recommend to friends and family.



Achieve Brain Coherence



Why Train Your Brain With Muse?

You exercise to train your physical fitness. Now you can also improve your mental fitness with Muse. Use brain training headbands to gain lasting control with Muse and begin feeling the benefits of a more, more composed mind.

- Meditation practice changes your brain
- Improves how you respond to stress
- Keeps you in control during difficult situations
- Can improve your emotional state
- Reduces your risk of having health issues
- Designs to help you focus the right way

Here's a tool that's helped lower my anxiety and improve my thinking. My kids got it for me several months ago and it has helped me better organize my thoughts. As I've gotten older, I've felt like my stress has been more noticeable and my thoughts a bit more scattered. Muse has helped me mentally improve!

I could go deep into the science of how when we age we start to lose grey matter in our brains, especially those engaged in daily high-level thinking, and how it makes

Saudis Ready To Swing Oil Market Into Deficit: Saudi Arabia used to be OPEC's most influential price dove, according to Bloomberg's Grant Smith. Now, the kingdom has adopted a markedly different approach. Saudi Arabia is now focused on pushing prices as high as it can for a very simple reason: Aramco's IPO. There are more than enough doubts surrounding the listing of the world's largest oil company. There's no certainty about the location of its international listing, and some observers have even argued that Riyadh might opt for a private placement instead so as to ensure the entire 5 percent that is set to be offered will find a buyer. Aramco's IPO is crucial for Vision 2030, Saudi Crown Prince Mohammed bin Salman's outlook for the country's future. Proceeds from the Aramco sale will be the fuel that his ambitious plan runs on. After a strong rally at the end of 2017 and the beginning of 2018, Brent and WTI have both fallen from their multiyear highs, as the fast growth in U.S. shale production offsets the OPEC cuts. Riyadh doesn't want to hear this prior to the IPO. Last week, Energy Minister Khalid al-Falih suggested that OPEC should change the way it measures global inventories because the current method produces unreliable data. (Sources: OilPrice, Bloomberg)

Rise Of The Jumbo Student Loan: During the housing boom of the 2000s, jumbo mortgages with very large balances became a flashpoint for a brewing crisis. Now, researchers are zeroing in on a related crack but in the student debt market: very large student loans with balances exceeding \$50,000. A study by the Brookings Institution finds that most borrowers who left school owing at least \$50,000 in student loans in 2010 had failed to pay down any of their debt four years later. Instead, their balances had on average risen by 5% as interest accrued on their debt. Large-balance borrowers represented 17% of student borrowers leaving college or grad school in 2014, up from 2% of all borrowers in 1990 after adjusting for inflation. Large-balance borrowers now owe 58% of the nation's \$1.4 trillion in outstanding student debt. The problem is particularly acute among borrowers from graduate schools, who don't face the kinds of federal loan limits faced by undergraduate students. Grad students account for about 14% of students at universities but nearly 40% of the \$1.4 trillion in outstanding student debt. (Source: Wall Street Journal)

dragging the synapses more difficult and the neural pathways harder to connect, but it would take hours to fully explain. Bottom-line, just like lifting weights for our muscles, our brains need training as well.

Muse is the first tool in the world that gives accurate, real-time feedback on what's happening in your brain. Our brain is constantly generating electrical signals when we're thinking, sleeping or even relaxing. These signals can be detected from outside your head, via sensors.

Muse uses the same brain sensing technology that doctors and scientists have employed for more than a century to detect our brain signals, similar to how a heart monitor measures our pulse. Muse has 7 finely calibrated sensors – 2 on the forehead, 2 behind the ears plus 3 reference sensors – which detect and measure the activity of your brain. Muse measures whether your mind is calm or active. After each session, you can review your data, set goals, and build a deeply rewarding practice that helps improve your mind.

FWIW... I purchased one for everyone in our office and gave one to both our children, my sister and my father-in-law. To say I'm a believer is an understatement. I hope it works as good for you as it did for me. It's also on sale right now. I believe I paid about \$250 for each one.

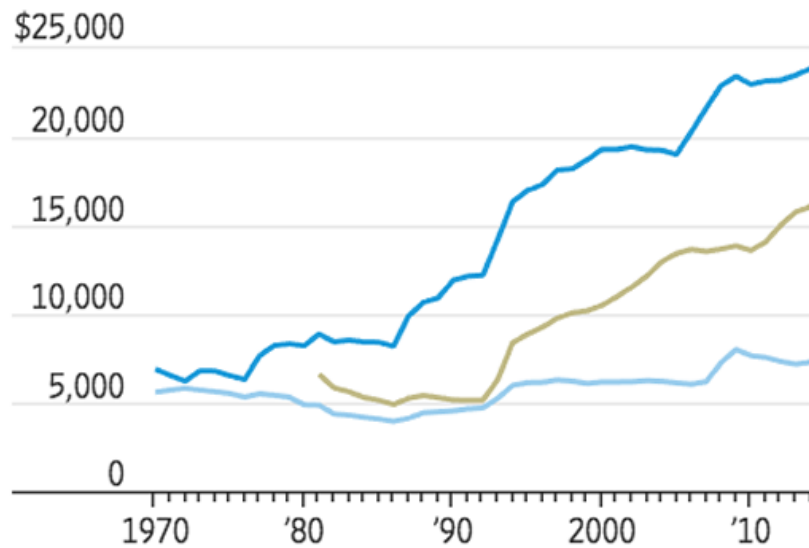


muse
the brain sensing headband



Average annual borrowing amount

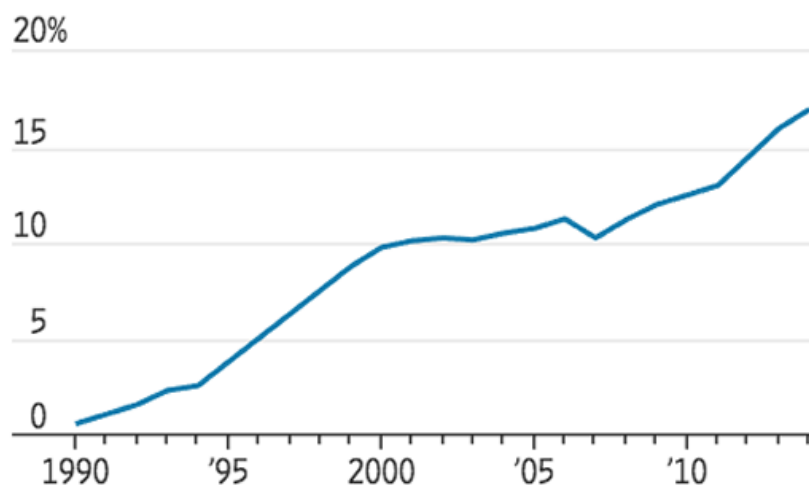
Undergrad Grad student Parent



Note: In 2014 dollars

Source: Brookings Institution using Education Department data

... the share of borrowers coming out of school owing at least \$50,000 in student debt is rising sharply.



Note: In 2014 dollars

Source: Brookings Institution using Education Department data



Today In History



1777, American Revolution

- Revolutionary War leader and Georgia's first Provisional Governor Archibald Bulloch dies under mysterious circumstances just hours after Georgia's Council of Safety grants him the powers of a dictator in expectation of a British invasion. Bulloch was born in Charleston, South Carolina, in 1730 to a Scottish father, James, and his Puritan wife, Jean. He was educated and practiced law in South Carolina, and received a commission in the colony's militia. Bulloch moved to Savannah, Georgia, in 1764 and married Mary de Veaux, the daughter of a prominent Savannah judge and landholder. He quickly became a leader in the state's Liberty Party and was elected to the Commons House of Assembly in 1768, to the post of speaker of the Georgia Royal Assembly in 1772 and finally to the Continental Congress in 1775. On June 20, 1776, Bulloch was elected the first president and commander in chief of Georgia's temporary government, posts he held until February 5, 1777, when Georgia adopted its state constitution. Just over three weeks later, on February 22, 1777, Georgia faced a British invasion, and the state's new government granted Bulloch executive power to head off the British forces. A few hours later, Bulloch was dead. The cause of his death remains unknown but unsubstantiated rumors of his poisoning persist. Archibald Bulloch has gone down in history as one of the American Revolution's great leaders; he is also known as the great-great-grandfather of America's 26th president, Theodore Roosevelt. Theodore Roosevelt's son, Archibald, and Bulloch County, Georgia, were both named in the Georgia Patriot's honor.



1864, Battle of West Point -

Confederate General Nathan Bedford Forrest routs a Union force three times the size of his army at the Battle of West Point, Mississippi, helping to end Union General William T. Sherman's expedition into Alabama. Sherman was marching an army east across Mississippi from Vicksburg to Meridian. He had captured and destroyed a vital Confederate supply center at Meridian and was planning to move further east to Selma, Alabama, another Rebel supply base. Sherman was relying on cavalry support from General William Sooy Smith, who was coming

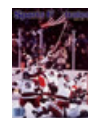
Weather across the Corn Belt has seen low temperatures remain above 60 degrees F in parts of the Ohio Valley. Heavy rain stretching from Texas to the Ohio River Valley is resulting in lowland flooding. On the Plains, recent rain has fallen from central Texas into southeast Kansas bringing flash flooding and much-needed moisture. However, unfavorably dry conditions persist throughout the region. Elsewhere, a thick blanket of snow remains in place on the northern high plains. In the South, record-setting warmth continues east of the Mississippi River, potentially increasing the vulnerability of budding and blooming fruit crops to spring freezes. Highs could approach 90 degrees F across the mid-South. Some freezing rain is occurring in central Texas. This dramatic separation will continue between record-setting warmth in the East and unusually cold weather across the western and central U.S. The boundary between warm and cold air will remain the focus for significant precipitation during the next several days. More on that below. Forecasts for Argentina continue to call for dry weather in the major corn and soybean areas of Argentina to continue TO stress filling corn and soybeans. Yields are taking the hit. Beneficial rains did occur this past weekend in the minor producing areas of southern Buenos Aires. No significant rain is in the forecast over the next week though temperatures are supposed to temper a bit. In Brazil, rain continues to cause minor disruptions to soybean harvest in the central region. This rain is also delaying planting efforts for second crop corn. Conditions are mostly favorable for maturing soybeans in southern Brazil.

Significant Flooding This Week Into The Weekend: *Flooding will become a growing problem the rest of this week into the weekend as additional rounds of heavy rain will soak parts of the South, Midwest and East. After numerous reports of flooding in Texas and Arkansas on Tuesday, river flooding is now spreading in parts of southern Wisconsin, Illinois, Indiana, Michigan and Ohio, with record flooding forecast for some areas. I am seeing reports of flooding from Kankakee River in Shelby, Indiana and the Iroquois River in Chebanse, Illinois. Unfortunately, there is much more rain ahead, driven by a slow-moving weather pattern. We are expecting multiple rounds of heavy rain through at least Saturday from the Ohio Valley to the South.*



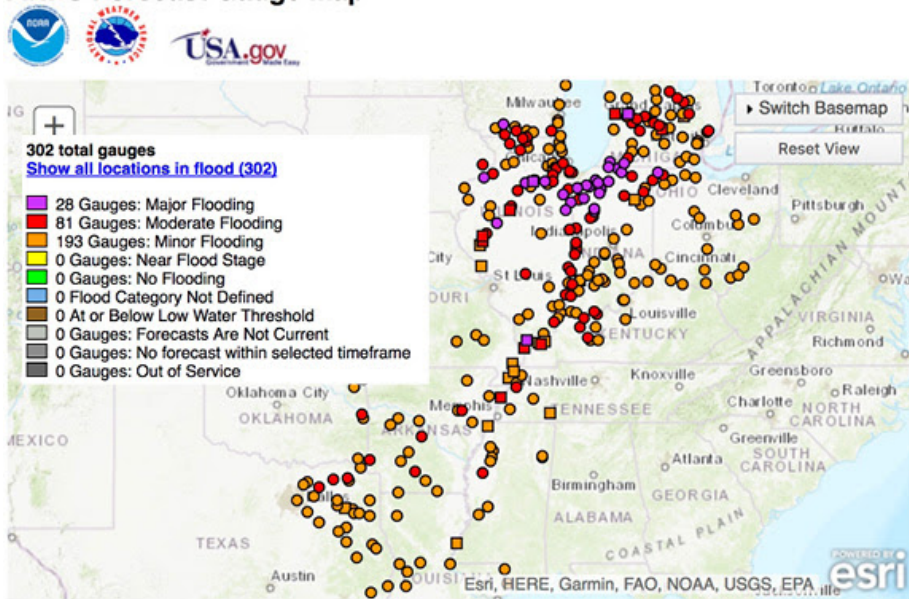
Notable points of Flooding. Map created 02/21/18

southeast from Memphis, Tennessee. Sherman directed Smith to meet him at Meridian on February 10, but Sherman did not occupy Meridian until February 14. Meanwhile, Smith dallied in Tennessee waiting for the arrival of Colonel George Waring Jr.'s cavalry brigade from Kentucky, and did not leave for Mississippi until February 11. On February 20, some of Smith's men skirmished with Confederates near West Point, just over 100 miles north of Meridian. The Yankee troops slowly drove the Confederates back through West Point. The next day, more skirmishing flared as the troops continued south. The Confederates were led by Jeffrey Forrest, Nathan's younger brother. The elder Forrest waited south of West Point with the intent of drawing Smith's force into a swampy area between two rivers. Smith caught on to the plan just before it was too late and began a retreat back through West Point. On February 22, the Yankees made a stand north of West Point and fought off a Confederate attack during which Jeffrey Forrest was killed. With the older Forrest blocking his way to Meridian, Smith retreated back to Memphis. The Confederates suffered 144 men killed, wounded, or missing, while the Union lost 324. The engagement was significant because Sherman was forced to return to Vicksburg. The battle also lifted Confederate morale and enhanced the reputation of Nathan Bedford Forrest, who had taken on a much larger Union force and won.

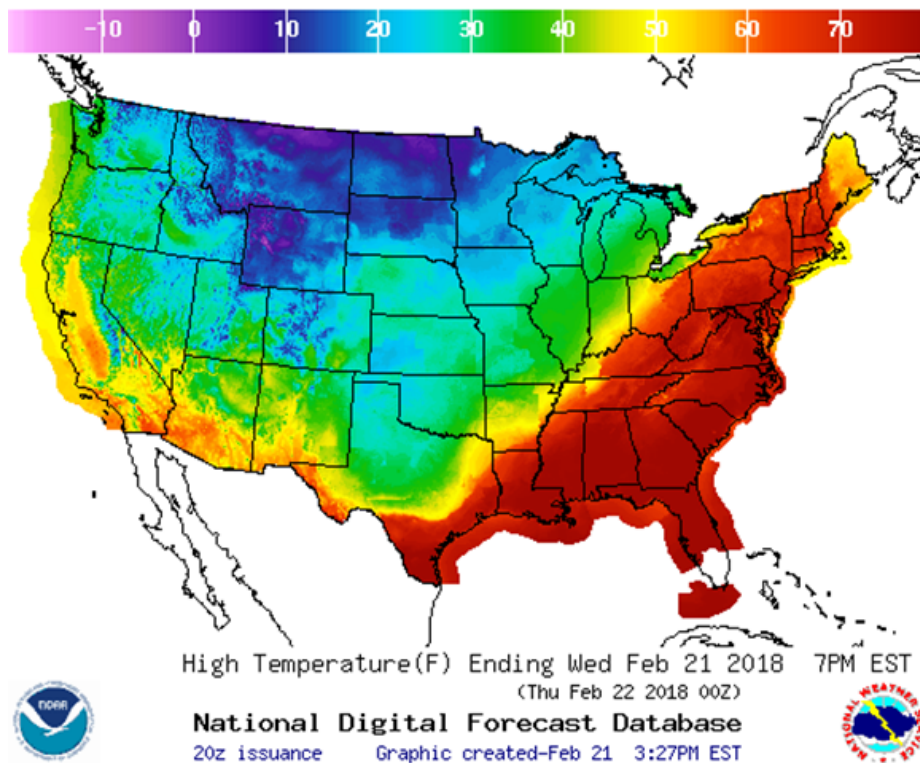


1980, Miracle On Ice - The U.S. men's hockey team pulls off one of the biggest upsets in sports history with a 4-3 victory over the heavily favored Soviet Union at the Winter Olympics in Lake Placid, New York. Two days later, the Americans went on to beat Finland and take home the gold medal. Going into the game, the Soviet team, which consisted of experienced, state-sponsored athletes, was considered the best in the world, even better than any teams in the National Hockey League. By contrast, the American squad was mostly made up of unseasoned college players. In an exhibition match shortly before the Olympics, the Soviets, who had dominated Olympic hockey since 1964, crushed the Americans, 10-3. On February 22, the Americans faced the Soviets, who had defeated all their tournament opponents up to that point. The U.S.-Soviet match up was particularly charged, because at the time the nations were Cold War enemies. Once the game began, the Soviets came on strong but the Americans managed to hold their own. With the Soviets up 2-1 in the final seconds before the first period, Mark Johnson tied it up at 2-2. Soviet coach Viktor Tikhonov then decided to replace goalie Vladislav Tretiak, considered by many the best goaltender of the time. Coach Tikhonov would later call this move his biggest mistake of the game. The Soviets led 3-2 in the third period, when Johnson scored again to tie the game.

AHPS Forecast Gauge Map



Yesterday's High Temperatures - Can you tell where the front was???



Spring Crop Revenue Insurance Guarantees: Remember these prices will update daily during the month of February as the price average is determined.

- **Corn \$3.94^{^6}** (Avg. close of the DEC18 contract during Feb)
- **Soybeans \$10.11^{^2}** (Avg. close of the NOV18 contract during Feb)

Corn traders are eager to see headlines from the two-day USDA Ag Outlook meeting that starts today. The market will also be digesting the latest weekly ethanol numbers and waiting to see tomorrow's weekly export sales data. Traders will also be keeping a close eye on Argentine weather and labor protests. Headlines surrounding second-crop corn acres in Brazil are also drawing more debate. There's talk that Brazilian producers aren't spending as much on fertilizer and in some regions are opting for much cheaper and shorter dated seed varieties. There's also talk that with some areas being overly wet, lack of spraying or reduction in inputs could create a longer-term drag on yield. Bottom-line, we have a lot more headlines to chew on the next few days than we have had. I'm hoping to see volatility pickup a bit. Technically, the old-crop MAR18 contract continues to see stiff resistance in the \$3.70 to \$3.75 area. The new-crop DEC18 contract is still battling stiff psychological resistance in the \$4.00 to \$4.10 range. As a producer, I'm looking for an opportunity to reduce a little more longer-term risk by

With 10 minutes left in the game, U.S. team captain Mike Eruzione scored what would become the winning goal. As a flag-waving American crowd counted down the final seconds of the game to victory, broadcaster Al Michaels famously explained, "Do you believe in miracles? Yes!" After beating the Soviets, the U.S. defeated Finland, 4-2, on February 24 to capture the gold medal. The Soviets took home the silver medal, while the Swedes received the bronze.

Upcoming Events

Thurs.-Fri. 2/22-2/23 - USDA Ag Outlook Forum

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

Fri. 2/23 - Cattle on Feed

Thurs. 3/08 - USDA Supply and Demand

Sun. 3/11 - Daylight Saving Time Begins

Tues.-Wed. 3/20-3/21 - FOMC Meeting

Thurs. 3/22 - Cold Storage

Fri. 3/23 - Cattle on Feed

Thurs. 3/29 - Quarterly Stocks and Prospective Plantings

Thurs. 3/29 - Quarterly Hogs and Pigs

Fri. 3/30 - Good Friday - Markets Closed

Mon. 4/2 - Weekly Crop Progress Begins

Thurs. 4/10 - USDA Supply and Demand

Wed. 4/11 - Minutes From 3/21 FOMC Meeting Released

Fri. 4/20 - Cattle on Feed

Mon. 4/23 - Cold Storage

Tues.-Wed. 5/1-5/2 - FOMC Meeting

Thurs. 5/10 - USDA Supply and Demand

Thurs. 5/17 - Farm Labor

Tues. 5/22 - Cold Storage

Wed. 5/23 - Minutes From 5/2 FOMC Meeting Released

Fri. 5/25 - Cattle on Feed

Mon. 5/28 - Memorial Day - Markets Closed

Tues. 6/12 - USDA Supply and Demand

Tues.-Wed. 6/12-6/13 - FOMC Meeting

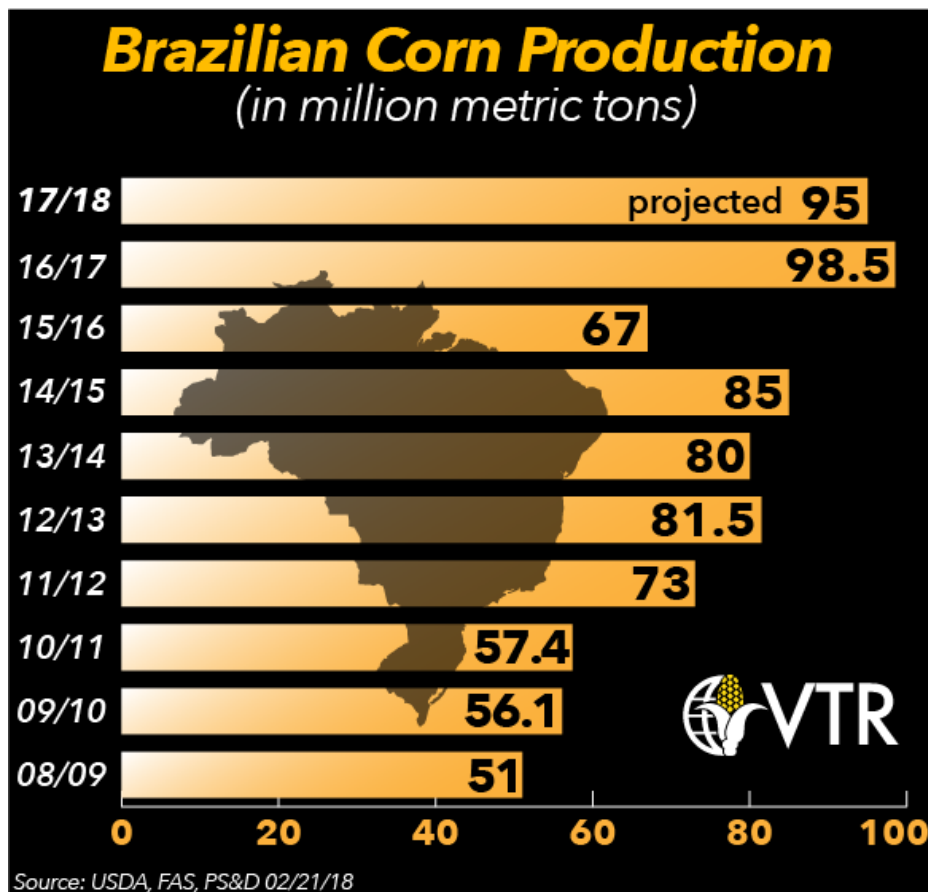
Fri. 6/22 - Cattle on Feed

Fri. 6/22 - Cold Storage

Thurs. 6/28 - Quarterly Hogs and Pigs

Fri. 6/29 - Quarterly Stocks and Acreage

pricing a few more new-crop bushels on a rally. Buying puts and selling calls might be worthy of consideration? End users should continue looking for ways to lock in supply on the breaks. As a spec, I remain a longer-term bull. I will be keeping a very close eye on second-crop corn production in Brazil. As you can see from the graphic below, the USDA is currently projecting the second largest corn crop in Brazil's history. Rather than 95 MMTs, I continue to hear talk that it could be in the 80 to 85 MMTs range. It's certainly worth keeping a close eye on...



> CME RAISES SOYBEAN MEAL FUTURES MARGINS BY +16.7% TO \$1,400 PER CONTRACT FROM \$1,200 FOR MARCH 2018.

Soybean bulls continue to talk about difficult Argentine growing conditions. There's also more talk of rising tensions amongst Argentine truck drivers. There was a sizable protest yesterday in Buenos Aires, with talk that it could spread or turn into a national strike if the government isn't more responsive to their demands. The protest seems to be stemming from tightening wage negotiations, rising energy and transportation costs, as well as pensions being cut for many retirees. Remember, the new government in Argentina is trying to battle inflation, which last year was running at about 25%, much higher than the 10-12% target. With this year's round of wage negotiations about to get under way, unions are campaigning for wage increases of more than 20%. Obviously the unions' efforts are working against the government's campaign to lower inflation. Hence, the Argentine government and the unions are about to come to an inflection point. It will be interesting to see how things play out in the coming weeks. Fears of a major nationwide strike could certainly add more risk-premium to the soybean market. Bears would prefer to focus on the fact the Brazilian crop estimate seems to be getting larger not smaller. There's talk that the Brazilian crop could be an all-time record. There's also more talk that U.S. producers are going to plant more soybean acres, perhaps north of +91 million. Bears argue that record Brazilian production and record U.S. acres should be enough to keep a lid on the Argentine-induced rally. Personally, I think the front-end of the trade is going to remain extremely hot and I don't think the high has been posted. I think there's still more room to the upside. It might take a few days to play itself out as the market needs to digest headlines from the USDA Ag Outlook, which will be talking about record U.S. acres. There's also talk that the Argentine weather forecast could start to look a bit better on paper with some increased chances of scattered rainfall. As a producer, I've made a few more sales on the recent rally. There's still a lot of questions surrounding new-crop exports and U.S. trade negotiations that make me nervous. As a spec, I remain on the sideline and respectful to the front-end strength of a weather market... Still thinking Argentine production could fall by -8 to -12 MMTs, while Brazilian production could jump by +2 to +4 MMTs. Thinking U.S. soybean acres surprise to the upside.

Kevin's Song of the Week

WHAT I'M LISTENING TO: ▶



▶ Old Dominion "Written in the Sand"

Kevin's Song of the Week

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.

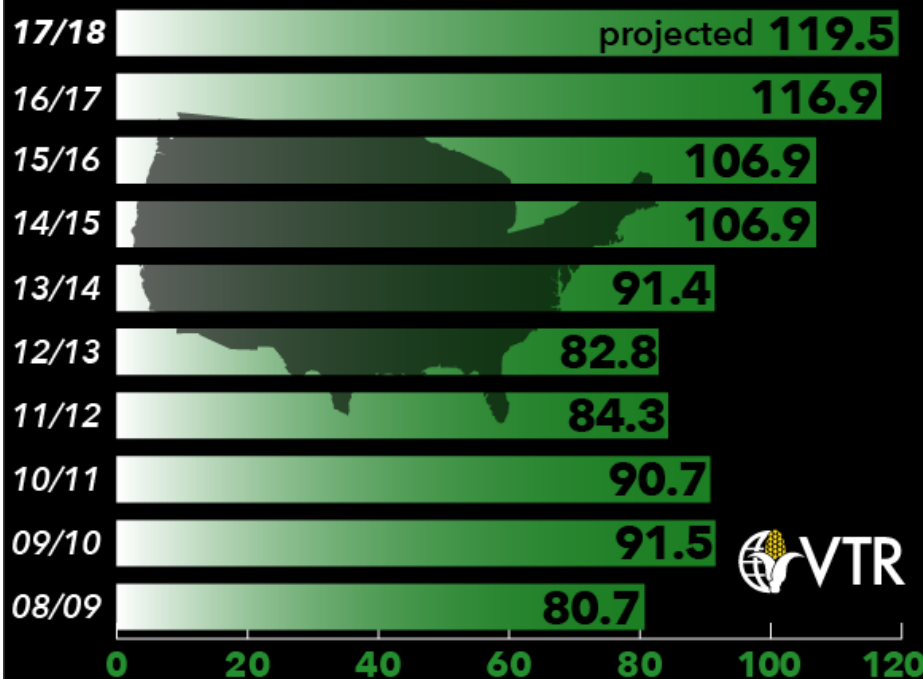
My family and I would like to thank you again for your support!

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

United States Soybean Production (in million metric tons)



Source: USDA, FAS, PS&D 02/21/18

Wheat bears are talking about a little more rain being added to the U.S. forecast for some key HRW wheat areas. From my perspective, it still looks like large portions of Kansas, Colorado, Oklahoma and Texas will remain dry. We should know a bit more about U.S. winter wheat conditions next Monday after the USDA updates their state estimates. Globally, I still see some bullish cards involving Australia and India. There's also a little bit of production concern in some parts of Europe and Russia. Unfortunately, the bears continue to point towards record global surplus which makes it difficult to argue much of a bullish balance sheet story. It will take some additional concerns about the upcoming U.S. crop or more widespread problems in Europe or Russia to shift the traditional fundamentalist. I however remain bullish and optimistic based on non-traditional thinking. I still believe the wheat market will eventually act as a macro cross-hedge for geopolitical tensions involving Russia or parts of Asia. As a spec, I remain a longer-term bull. As a producer, I have about 50% of my new-crop price risk removed at good levels and now want to stay patient in regard to pricing more bushels.

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..."

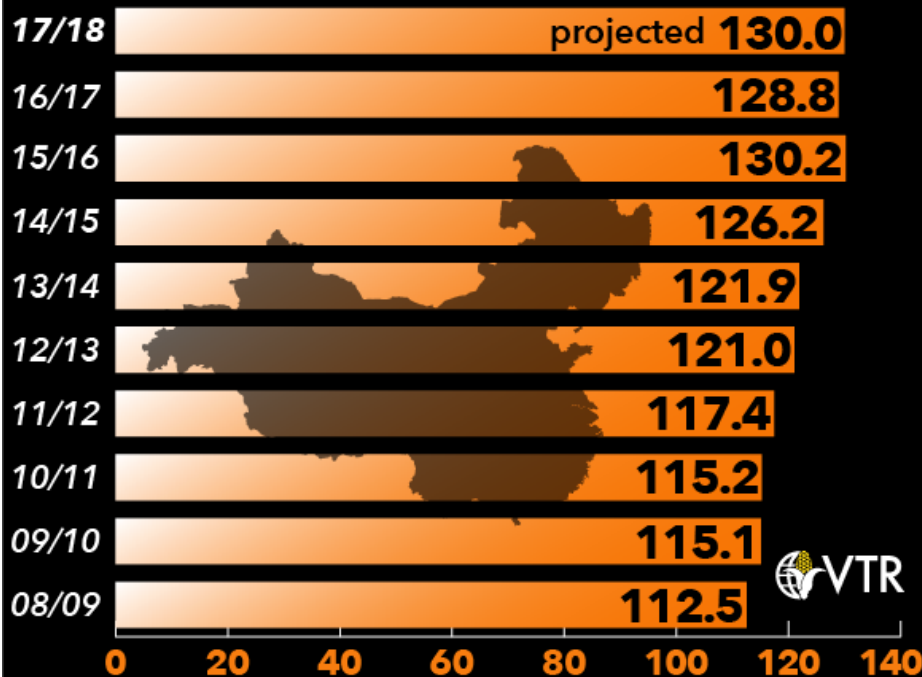
"The markets ability to remain irrational can often times last much longer than your ability to remain solvent..."

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.

Chinese Wheat Production (in million metric tons)



Farm Direction
RECIPES

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

Banana Nut Bread

[CLICK TO SEE RECIPE](#)



> Argentina's Rosario Exchange Slashes Its Forecast for the country's soy and corn crops by five million tonnes or more each on Wednesday due to drought in the world's No. 3 exporter of each. The soy crop was revised down to 46.5 million tonnes from 52 million tonnes previously while the expected corn crop was cut to 35 million tonnes from 40 million tonnes previously, the exchange said in a report. (Source: Reuters)

> PNW Corn Rush Slams U.S. Logistics: Bad weather on the main railway lines to the ports of the Pacific Northwest is causing major delays in moving corn for export, market sources said Wednesday. "The logistical issue is now quite serious, because the railway shuttles are being delayed due to the bad weather," one trader said of the situation. The delays in getting corn to PNW locations came just as the US has seen healthy demand from a string of Asian countries, including South Korea, Japan and Vietnam. According to USDA data, basis bids for shuttle trains delivered full coast PNW passed through \$5/bu Wednesday as buyers struggled to secure enough volume. And the issues are also hitting soybean exports, with Andy Shissler of A&W Trading telling Agritalk Radio that bean exports are down on "lots of little reasons." "Some of it is river conditions, ice conditions, cold weather, hard-to-move barge freight and hard-to-move stuff off the west coast." (Source: AgriCensus)

> Argentine Corn Concerns Give Ukrainian Sellers An Edge: Drought in Argentina has damaged the quality of the current corn crop and delayed harvesting, giving Ukrainian producers an edge in March and April shipment windows, sources said. Premiums for FOB Panamax March loadings of Argentinian corn are now more than 80 cents/bu above the Chicago futures May contract on tight supply, a source said. April loadings have been heard lower in the mid-to-high 60 cents/bu range, on the arrival of the new harvest. However, the harvest has already been delayed to the second half of April from the first half due to the drought and rains arriving 10 days later than forecast. Unsurprisingly, the volume of excellent corn quality has fallen sharply, a source said. With rising premiums and the distance between Argentina and key corn-

consuming destinations in North Africa and the Middle East, Ukraine is likely to be present from now through April. (Source: Platts)

> Russia Wins Latest Egyptian Tender: Egypt's state-run grains buyer GASC was back in the market Wednesday, buying 120,000 metric tons of Russian wheat for +0.6% more than its previous tender. Two 60,000 metric ton cargoes for delivery March 22-April 1 went for \$223.50/metric ton, including freight. That is up from the February 9 purchase at \$222.08/mt, including freight. Origin prices saw a small decrease, however, as GASC paid \$208/mt FOB for the cargoes –down from an average \$208.08/mt at its previous tender when it booked Russian and Romanian wheat. (Source: AgriCensus)

> U.S. Grain Rail Shipments Down -5.8% On Year: US rail transportation of grain products for the week ended February 17 totaled 21,495 cars, down 5.8% compared with the year-ago week, Association of American Railroads data showed Wednesday. Rail transportation of chemical products rose 3.4% year on year to 33,104 cars, the data showed. AAR designates fuel-grade ethanol as a chemical product. Cumulatively, grain product shipments have totaled 152,613 in 2018, down 6% compared with 2017. Chemical product shipments totaled 219,268 cars, 1.5% higher than 2017, AAR said. Total carloads last week saw a 0.6% year-on-year decrease to 260,454 cars, AAR said. Including total carloads and intermodal units -- which totaled 279,509 units -- total US railroad traffic reached 539,963, 3.1% higher year on year, it said. (Source: Platts)

> Tyson Indiana Plant Resumes Operations After Two-Day Shutdown: Tyson Foods Inc's hog processing plant in Logansport, Indiana returned to normal operations on Wednesday after resolving a production-related problem that idled the facility since midday on Monday, a company representative said. Tyson did not provide details about the cause of the disruption or how the downtime would be made up at the plant that, according to Kerns and Associates economist Steve Meyer, has a slaughter capacity of about 15,400 head per day. (Source: Reuters)

> French Farmers Hold Tractor Protests In Mercosur Warning: French farmers drove tractors through town centers and blocked highways on Wednesday to oppose extra agricultural imports from South America, raising pressure on President Emmanuel Macron in the run-up to a politically sensitive Paris farm show. Agriculture is proving a stumbling block in negotiations between the European Union and the Mercosur bloc of South American countries over a wide-ranging trade agreement, with friction in particular over how much access the EU should give to South American beef. Reports that EU negotiators have increased their offer of market access for Mercosur beef have angered farmers in major European livestock producers such as France who say cheaper South American meat does not meet the same sanitary and environmental standards as in the EU. (Source: Reuters)

> Cruz Risks Losing Support Over Northey Hold Up: Longtime presidential hopeful Sen. Ted Cruz (R-Texas) risks losing support among Iowa voters if he doesn't release his hold on Bill Northey's nomination to a top USDA post, the Iowa Republican Party said. The not-so-veiled threat came in the form of a letter to Cruz and a resolution adopted by the party, which called on the senator to "end the political points he is attempting to gain in an election year" should he wish to "remain in good standing" with the state GOP, Pro Ag's Catherine Boudreau reported. Cruz won the Iowa Caucuses in 2016. There are few, if any, signals that Cruz plans to budge on his hold on Northey, the Iowa agriculture secretary who was nominated for USDA undersecretary for farm production and conservation. The hold was prompted by a dispute over the Renewable Fuel Standard. During a rally at bankrupt oil refiner Philadelphia Energy Solutions yesterday, Cruz urged President Donald Trump's administration to push for an overhaul of the nation's biofuels policy to save refinery jobs. (Source: Politico)

> Consumers Willing To Pay More For Some Meat Items: In the first weeks of February, consumers were willing to pay more for chicken breast and hamburger, but less for steak, pork chops, deli ham and chicken wings, compared to a month ago, according to the Oklahoma State Department of Agricultural Economics' monthly Food Demand Survey. Willingness to pay for deli ham saw the largest percent decrease among meat products compared to one month ago. In February, consumers were willing to pay \$1.80 a pound for deli ham, down from \$2.04 a month ago and \$2.36 a year ago. Compared to a year ago, the amount consumers were willing to pay for all food products was lower. For example, consumers were willing to pay \$5.20 per pound for chicken breast, up from \$4.69 in January, but down from \$5.23 a year ago. Expenditures on food eaten at home increased 0.17 percent from January to February and expenditures on food purchased away from home increased 1.71 percent. (Source: MeatingPlace)

> Former Bitcoin Exchange Charged With Fraud: The Securities and Exchange Commission charged former cryptocurrency exchange BitFunder and its founder with fraud Wednesday. The regulator alleged that BitFunder and founder Jon E. Montroll ran the operation as an "unregistered securities exchange" and defrauded users of that exchange, according to a SEC statement. BitFunder closed just a one year after its launch in December 2012. The site's shutdown followed the Global Bitcoin Stock Exchange shutdown in October 2012 and btct.co's shutdown in October 2013. The

charges highlight uncertainty surrounding whether or not bitcoin and other cryptocurrencies should be classified as securities. It's unclear whether the coins are utility tokens or securities that would fall under the SEC's oversight, and many start-ups have barred U.S. residents from officially participating in token sales as a result. The regulator has stepped up its crackdown on cryptocurrency-related fraud in the last eight months. Just last Friday, the commission temporarily suspended trading in three tiny stocks due to questions about recent announcements involving blockchain and cryptocurrency investments. (Source: CNBC)

> The New Creative Economy: Over the past two decades, the internet has not only brought us funny memes, cat videos and an unfiltered view into the mind of the U.S. president, it has also enabled millions of creative people to market their craft and make an income. Essentially the world's largest marketplace, the internet with platforms such as Etsy, YouTube and Instagram has given creatives around the world an outlet for whatever it is they're creating, be it art, music, photographs or anything else. No longer confined to local markets, anyone with a creative talent has the chance to make money online and, as a recent report by re:create, an interest group advocating the rights of creators, shows, millions of Americans take that chance. Re:create estimates that nearly 15 million creatives across the U.S. generated more than \$5 billion in collective earnings across eight online platforms in 2016 alone. As the chart below illustrates, YouTube is a particularly lucrative platform for independent content creators, with 1.8 million Americans earning a total of \$3.2 billion on Google's video platform in 2016. Etsy, a marketplace for handcrafted goods, comes in a distant second with \$1.4 billion in collective earnings, while Instagram rounds of the top 3 with \$538 million in earned revenue. (Source: Statista)



Central Ohio - We had better yields that we expected this year. The corn hit yields over 200bpa while the beans reached into the 60'sbpa. We had a very wet fall here with later rains, pushing things back a bit. We are all no-till and were able to avoid mudding things up to bad. We could have done a better job marketing our crops, but like many, we didn't take risk off when the opportunity was there. We are hoping a deal goes through for putting solar panels in the fields but there is a lot of bureaucratic red tape left in the process. We are seeing more of this in our area and hope it all pans out.

Central Iowa - We are getting a fair amount of ice and snow today and possibly into the night but we can use the moisture. We will be staying with the same rotation that we have been rolling with for the past ten or fifteen years. We will go again with a 70/30 corn to beans. We do not have great bean ground and if you cant raise 60bpa

beans it is just tough to justify for our operation. We usually struggle to get to those yield levels but find it relatively easy to raise 50bpa to 55bpa beans. The thing is those 5bpa to 10bpa are huge and make it where beans just don't pencil. We will like to get in the field by the end of March for planting, so hopefully in the next 30 days. Our basis has hung in there due to having 8 ethanol plants within a 50-mile radius, that have kept the bids firm.

Central Illinois - We caught some pretty good rains early which caused a bit of replanting on our corn. It set us back a bit but we ended up with better than expected yields. On the farms that didn't need replanting, we had really good yields as the ground was able to dry out better than some lower fields. We averaged 240bpa across everything. Like everyone else, we enjoyed the cool August with its precipitation. It didn't seem to bother our beans too much and they saw 72+bpa. Marketing was a different story...we didn't take advantage of the few opportunities last summer but did manage to move most old crop beans with the recent rallies.



American Farm Belt Anxious About Trump Trade Threats: Mick Rausch voted for Donald Trump last year with almost as much gusto as he has felt for every Republican presidential candidate since Richard Nixon. For a Kansas farmer, voting Republican red is part of their political DNA. "We bleed red here," he says. But the 62-year-old, who grew up on a dairy farm and has for the past four decades teased crops out of a thousand acres on the outskirts of Wichita, has been starting to have doubts. Whether it is in the trade deals such as the Trans-Pacific Partnership that the US president has scrapped, the trade wars with China and Mexico he still risks triggering, or the immigrants his administration is targeting, Mr Rausch sees a growing list of reasons to worry. More than that, as someone who relies on the land — and exports — to eke out a living, he has begun to see Mr Trump and his administration as a threat to his bottom line. Read more [HERE](#).

Stock Market Faces A Massive Headwind In 2018: A Lack Of New Money: Did the stock market care about higher interest rates in 2017? No. But, clearly, the market does care this year — at least sometimes — so that begs the question: Is there any material difference between market conditions in 2018 and in 2017? And if there is a difference, why did higher rates suddenly become important? First things first: The fed funds rate doubled between March and December 2017, so rates did increase last year, but no one cared enough, and the market moved up in a straight line. This year the mere talk of higher rates is causing concern, and reasonably the rate increases could be reaching a tipping point. But there's a much more important culprit to these changing market conditions. Read more [HERE](#).

Researchers Uncover Something Remarkable Just Below The Painted Surface Of A Picasso: Even Pablo Picasso used recycled materials. One of the masterpieces of his Blue Period from 1902 was painted atop another work of art, one that had been painted by an unknown Spanish artist, scientists announced this week. Using advanced imaging technology, researchers found another painting under Picasso's La Miséreuse Accroupie (The Crouching Woman). Read more [HERE](#).

Check Out The World's 50 Most Innovative Companies For 2018: The 2018 edition of the World's Most Innovative Companies spans more than 350 enterprises across 36 categories, from the world's most valuable firm and its continuing transformation of consumer electronics to a small outfit selling natural gum to preserve rainforests. Read more [HERE](#).

What Will Machines Look Like In 2100: So what will be the game-changing machines in the year 2100? How will they make our lives better, cleaner, safer, more efficient, and more exciting? We asked over three dozen experts, scientists, engineers, futurists, and organizations in five different disciplines, including climate change, military, infrastructure, transportation, and space exploration, about how the machines of 2100 will change humanity. The answers we got back were thought-provoking, hopeful and, at times, apocalyptic. Read more [HERE](#).

The Top Importers and Exporters of the World's 18 Most Traded Goods: Every day, massive quantities of goods get traded on the global market. These goods can be entirely customized and unique, but more often they are things like commodities or bulk goods that get moved around on huge container ships from country to country. Included in this latter category would be common exports like crude oil, automobiles, iron ore, pharmaceuticals, and smartphones. The infographic below is part of a larger visual that shows what goods get traded the most, and what countries play the most

important roles in these deals. Finished automobiles are the top good traded worldwide with \$1.35 trillion being traded each year between countries. Auto parts are not far behind in the #4 spot with \$685 billion of trade. Oil also stands out as a key commodity: refined petroleum ranks #2 with \$825 billion of trade, while crude petroleum and petroleum gas are at #8 and #12, for \$549 billion and \$254 billion traded, respectively. Finally, an odd standout is the category of human and animal blood – which apparently sees \$252 billion in aggregate international trade each year. For more details and the complete graphic, click [HERE](#).



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During 2018, iSelect, The VanTrump Report and The Yield Lab Institute are sponsoring a series of weekly webinars featuring the best in agriculture innovation. Agrifood Conversations is all about driving innovation and each month will highlight a specific theme, from biologicals to vertical farms, featuring emerging topics such as soil health, biologics, plant genetics, vertical farming, precision agriculture, herd health and management, and aquaculture, to name a few. Once a quarter, we'll open up the conversation with a panel of experts on that month's topic. Learn about new trends in ag, connect with industry leaders and discover new solutions.

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Learn More About "Agrible"

Title: Bringing Real-Time Data and Insights to Sustainable Agriculture from Farm to Table

Time: Thursday, February 22 @ 3:00 pm CT

Agronomy is the combination of sciences include biology, chemistry, economics, ecology, earth science and genetics in service of growing plants for food, fuel, and other uses. It is also the most efficient and profitable approach to growing sustainable crops on the farm.

Agrible is working to assure that the global food supply is sustainably sourced by connecting growers with industry partners, optimizing the opportunity for the grower, and bringing value to the ingredients supply chain. It integrates the latest sustainability metrics, predictive analytics and real-time agronomy into products and service recommendations and early alert systems for nutrient and disease management helps in this larger commitment to ensure the global sustainability of agriculture.



Teamsters vs. Technology

Negotiating for nearly 260,000 UPS employees, the International Brotherhood of Teamsters is bringing an interesting debate to the table. Supposedly, in the details of their latest proposed labor agreement, there are demands that UPS do away with both drone deliveries as well as the use of autonomous vehicles. As most are aware, UPS, along with every other major delivery company has been experimenting with both these technologies. The Teamsters as well as others in the workforce are starting to see new technology as competition for their current jobs, a problem that could potentially land some in the unemployment lines. As I've traveled around the country and spoken about the wave of technology now on our doorstep, I have fielded similar questions and concerns. What happens when we start losing real jobs to technology? Also what happens to infrastructure and taxation? What happens when more people start driving electric vehicles that don't stop and fillip with gasoline? Who is going to pay for the roads, bridges, etc... The opposite side of the argument is if the corporations drag their feet or are slow to adopt the latest technology they could lose a competitive edge, become less efficient and no longer competitive in price. What if the Teamsters can force the hand of UPS or create enough headwind that caused them to be slow to adopt or use the newest technology, would they be able to remain competitive? Or would UPS soon become one of the slowest and most cost prohibitive ways to ship, thus causing massive layoffs in the aftermath? Lets keep in mind, Amazon themselves recently announced they were considering entering the shipping space in order to take better control of its \$20 billion dollar yearly shipping expense. Specifically, they are looking to have better control over its Prime membership delivers, which UPS currently handles. I feel like there are clearly more questions than answers right now regarding technology and the massive game-changing shifts that will soon be coming down the pipe across all sectors. Just take a moment and think about how many things could be dramatically impacted... Deloitte produced an interesting study a few years ago dispelling many of the myths about the end results of technology replacing human jobs. In the end they say that "technology" will ultimately create more jobs than it destroys. The problem is we are using conventional wisdom and thinking from the past and trying to apply it to the future. In other words, there will be jobs, just not the jobs we currently know and understand. Take a look at their study [HERE](#). (Source: techdirt, WSJ, Fortune)

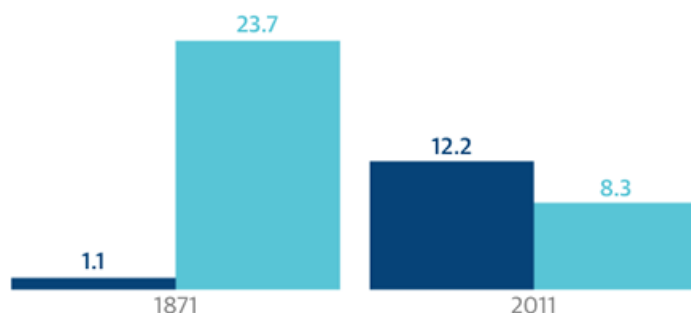
Technology has boosted jobs in knowledge-intensive sectors



Labour switching

Total employment, percentage

Caring professions | Muscle power workers



'Muscle power' includes cleaners, domestic servants, labourers and miners. 'Caring professions' include health and teaching professionals and care home workers. Source: England and Wales Census records

Do You Believe In Miracles?

One of my favorite sports moments in history and top-10 movies of all-time has to do with the U.S. hockey teams "Miracle On Ice". It was on this day back in back in 1980 that the heavily favored, four-time defending gold-medal winning Soviet hockey team was defeated by a rag-tag group of young American hockey players lead by now legendary coach Herb Brooks at the XIII Olympic Winter Games in Lake Placid, New York. At that time the Soviet squad was regarded as one of the finest ever assembled in the world. The Soviet team had captured the previous four Olympic hockey golds, going back to 1964, and had not lost an Olympic hockey game since 1968. Three days before the Lake Placid Games began, the Soviets routed the U.S. team 10-3 in an exhibition game at Madison Square Garden in New York City. The Americans looked scrappy, but few blamed them for it—their average age was only 22, and their team captain, Mike Eruzione, was recruited from the obscurity of the Toledo Blades of the International League. Few had high hopes for the U.S. team entering the Olympic tournament, but the team soon silenced its detractors, making it through the opening round of play undefeated, thus advancing to the four-team medal round. The Soviets were seeded No. 1 and as expected went undefeated, with five victories in the first round. On Friday afternoon, February 22, the American amateurs and the Soviet dream team met before a sold-out crowd of around 10,000 at Lake Placid. The Soviets broke through first, with their new young star, Valery Krotov, deflecting a slap shot beyond American goalie Jim Craig's reach in the first period. Midway through the period, Buzz Schneider, the only American who had previously been an Olympian, answered the Soviet goal with a high shot over the shoulder of Vladislav Tretiak, the Soviet goalie. The relentless Soviet attack continued as the period progressed, with Sergei Makarov giving his team a 2-1 lead. With just a few seconds left in the first period, American Ken Morrow shot the puck down the ice in desperation. Mark Johnson picked it up and sent it into the Soviet goal with one second remaining. After a brief Soviet protest, the goal was deemed good, and the game was tied. In the second period, the irritated Soviets came out with a new goalie, Vladimir Myshkin, and turned up the attack. The Soviets dominated play

in the second period, outshooting the United States 12-2, and taking a 3-2 lead with a goal by Alesandr Maltsev just over two minutes into the period. If not for several remarkable saves by Jim Craig, the Soviet lead would surely have been higher than 3-2 as the third and final 20-minute period began. Nearly nine minutes into the period, Johnson took advantage of a Soviet penalty and knocked home a wild shot by David Silk to tie the contest again at 3-3. About a minute and a half later, Mike Eruzione, whose last name means "eruption" in Italian, picked up a loose puck in the Soviet zone and slammed it past Myshkin with a 25-foot wrist shot. For the first time in the game, the Americans had the lead, and the crowd erupted in celebration. There were still 10 minutes of play to go, but the Americans held on, with Craig making a few more fabulous saves. With five seconds remaining, the Americans finally managed to get the puck out of their zone, and the crowd began counting down the final seconds. When the final horn sounded, the players, coaches, and team officials poured onto the ice in raucous celebration. The Soviet players, as awestruck as everyone else, waited patiently to shake their opponents' hands. The so-called Miracle on Ice was more than just an Olympic upset; to many Americans, it was an ideological victory in the Cold War as meaningful as the Berlin Airlift or the Apollo moon landing. The upset came at an auspicious time... After the game, President Carter called the players to congratulate them, and millions of Americans spent that Friday night in revelry over the triumph of "our boys" over the Russian pros. I attached below a few great clips from the Disney movie "Miracle on Ice" that was released back in 2004 that I never get tired of watching. If you want to see a fantastic real-life documentary, check out the one done by HBO back in 2001 by Clicking [HERE](#). This movie still gives me chills... Do You Believe In Miracles?

"Name on the Front More Important than Name on the Back..." *Many argue that this set the tone for the entire "team". It has often been written that this 1980 American hockey team played for one another more than any other unit ever assembled. It was also believed that they were the most well-conditioned of any hockey team in the history of the Olympics. Coach Herb Brooks would not allow them to be out worked!*

Click [HERE](#)



"Motivating the great Jim Craig..." *Several sports historians believe it was the unbelievable play of goalie Jim Craig that was the ultimate difference maker. Craig stopped 36 of 39 shots on goal during the victory over the Soviets. He led all goalies during the 1980 Olympics with 183 total saves. What many people don't realize is that Jim's mom was diagnosed with cancer his freshman year at Boston University. After practice Jim would take the train to be with her, often dabbing her dry lips with Q-tips. She told him it had always been her dream for him to be in the Olympics. During his junior season his mother Margaret passed away. His Mom had always told him that when someone dies they don't take their strength with them. They leave it to someone, and she would leave hers to him for when he would need it most. Though he could have signed for big money with the National Hockey League, he didn't so that he could keep his amateur status for the 1980 games in Lake Placid, New York and make the team for his Mom. While other players stayed in apartments, Jim stayed in the basement of Doc Nagobads' house, the team doctor. By staying there for free he was able to take the rent money players got and send that home to his family. He became especially close with his wife Velma, talking with her for hours as he missed his Mom terribly. Coach Brooks knew Jim Craig had something special and wanted him to play goalie, pushing him every step of the way. Many people say, if Herb Brooks had one gift, and all of*

the players said this was true, he could motivate a person to produce their absolute best. He always said you don't put greatness in a person. You find a way to pull it out.

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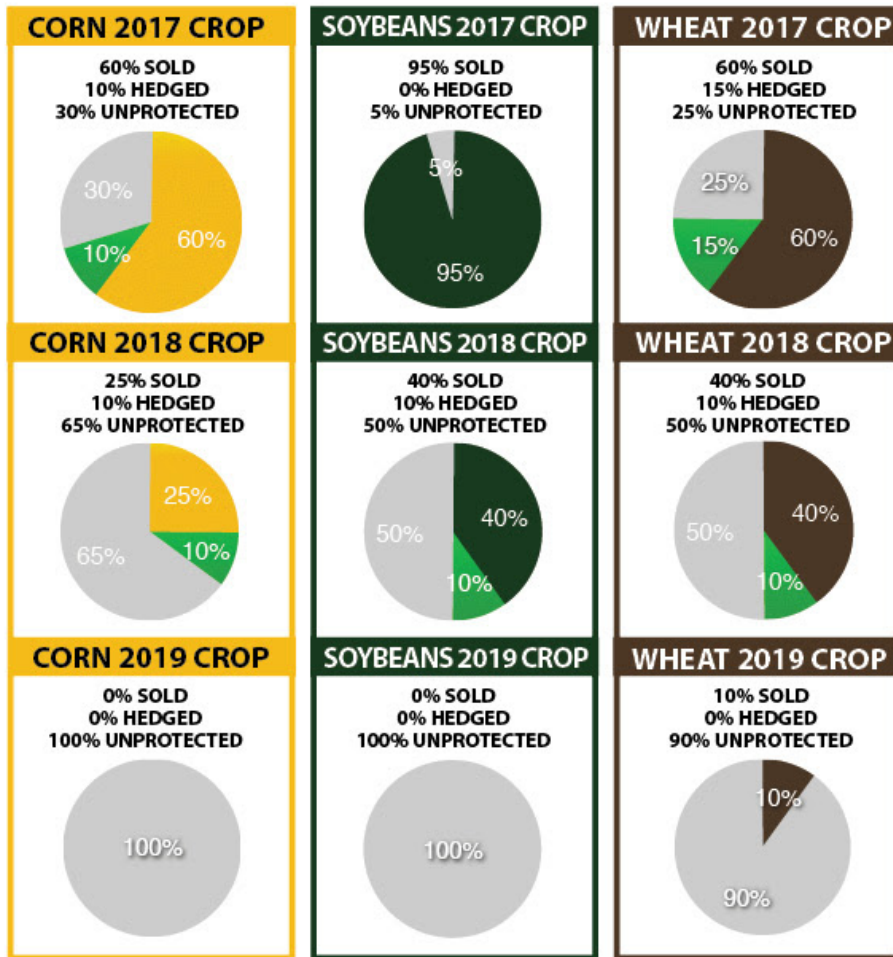
Herb Brooks Pre-Game Speech: "Great Moments Are Born From Great Opportunities..." *Possibly one of the best pre-game speeches delivered. Tonight we are the greatest hockey team in the world! You were born to be hockey players... this is your time!* Click [HERE](#)



"For The Win..." *This was an amazing moment for many reasons, but one of my favorites was the shots of goalie Jim Criag. Someone threw a huge American flag around him. After hugging his teammates he looked for his Dad in his normal seat. He wasn't there! He had been there every game. He briefly but seriously wondered if he had a heart attack. What had happened was that ABC had moved him to a different seat so they could get better shots of him during the broadcast. In a scene remembered by millions of Americans, Jim slowly skated around the arena, asking, "Where's my Father?" Don Craig had basically fallen apart since Margaret had died and was a shell of himself trying to raise all those kids. He had lost his job. All Jim wanted to do was find his Dad so he could hug him, thank him, pay respect to him, and tell him how much he wished his Mom could have been there. He found his Dad finally and it was a powerful scene. Wow!* Click [HERE](#)



CASH SALES & HEDGING TOTALS



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