



*"We create your path in life by our response to crisis, which visits us all repeatedly throughout our lives."* - **Paulo Coelho**

**MONDAY, MARCH 05, 2018**

**Morning Summary:** U.S. stocks are a bit lower this morning and have given back most all of their gains from 2018. The good news is during the past 52-weeks the S&P 500 is still up +13%, Dow up +18% and NASDAQ up +26%. Bears point to concerns continuing to circulate around increasing inflation, a new Fed Chair, the velocity of which the Fed will be looking to move interest rates higher and potential fallout created by President Trump trying to renegotiate trade deals. The most recent trade and tariff headlines are fueling fears about a possible trade war with some of the country's biggest trade partners, including Canada and Mexico. Several sources are saying we should be bracing for a potential withdraw from NAFTA. There's also the concern that import tariffs have the potential to boost prices, just one more headline that is stoking inflationary fears. The strengthening U.S. economy, and in particular the tight labor market, is also sparking the inflationary fire. Testimony from new Fed Chair Jerome Powell last week may have also added to the concerns. In a more hawkish testimony than many anticipated, Powell told Congress the economy was strong and that the Fed will be concentrating on controlling inflation. While inflation has clearly not skyrocketed, there are some signs that prices are moving higher. The good news is Consumer Confidence has also moved higher, recently to its highest level since 2000. Bulls also point to the fact corporate earnings are coming off a fantastic quarter and most all estimates continue to move higher. I should also note that the employment picture is the best we've seen in several decades. Last week's weekly jobless claims showed "first-time claims" came in at 210,000, the lowest weekly print since 1969. The folks at Bespoke pointed out that it has now been seven straight weeks that jobless claims have come in below 250,000 and 156 straight weeks that they have been below 300,000. Economic data for today includes PMI and ISM Non-Manufacturing. The real highlight for the week comes on Friday, with the release of the February Employment Situation. Outside macro events that are likely to generate headlines this week include China's annual parliament meeting, which will last for about two weeks. The Chinese conference kicks off today with fresh economic projections. Today is also the start of CERAWEEK, which brings together some of the top leaders in the oil industry. Also today, the International Energy Agency will release its 2018 oil report, providing its forecast for global oil supply and demand.

**Trouble viewing the report? [CLICK HERE](#) to view in browser.** Some folks have been having problems using old versions of Microsoft Outlook. This is our temporary solution until Microsoft provides a patch or you are able to upgrade to the newest version of Outlook. Call the office at 816-322-5300 if you are still having problems.

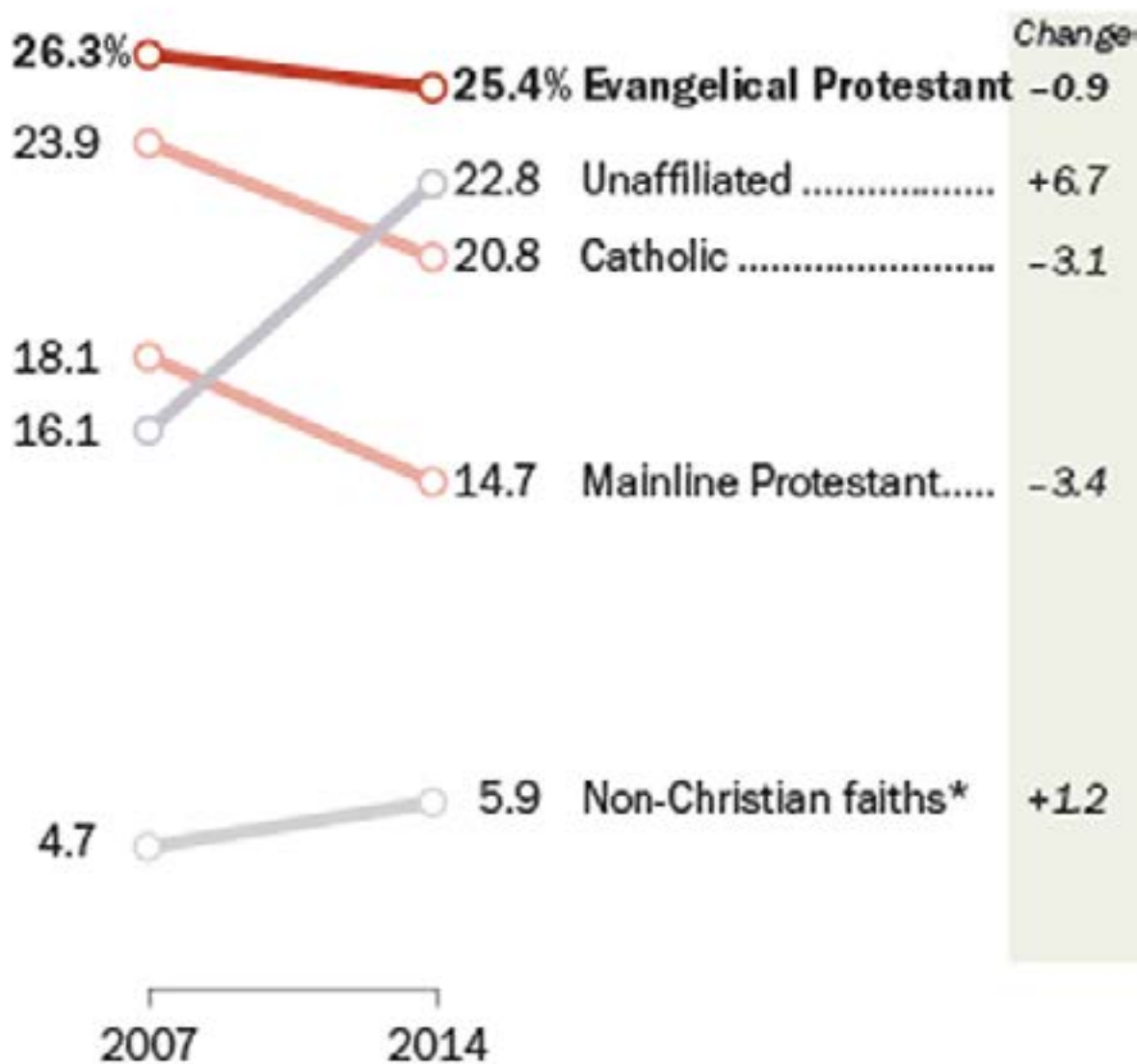
**Brace For Higher Gas Prices This Spring:** *Although prices at the pump have fallen*

*in recent weeks, AAA predicts that the national gas price average will jump to \$2.70 a gallon this spring and early summer. The last time gas reached that level was the spring/summer of 2015, when motorists were paying \$2.81 a gallon. AAA expects prices to jump in early April, around the time when refineries switch over to their summer blend, which is more expensive. If you need someone to blame, look no further than oil production. "There is tremendous volatility in the oil and gasoline market," said AAA spokesperson Jeanette Casselano. "This spring, consumers may have to make decisions on where they can cut costs to cover gas prices that are potentially 40 cents more per gallon than last spring." While gas prices will likely climb, experts don't predict them to reach the levels of 2011-2014, when the average gas price was \$3.47 a gallon. Still, some states will get hit harder than others. AAA predicts that motorists in California could see gas reach \$4 a gallon this spring, but it will be temporary. (Source: Yahoo Finance)*

**Equifax Breach Worst Than Originally Reported:** *Equifax announced last week that a widespread hack last year may have affected millions more people than originally thought. The news comes less than one month after the credit monitoring firm revealed hackers may have targeted consumers' email addresses, tax identification numbers, and driver's license information, in addition to the information previously identified as stolen last year. The company says it was able to identify approximately 2.4 million U.S. consumers whose names and partial driver's license information were stolen, but who were not in the previously identified affected population discussed in the company's prior disclosures about the incident. The breach was first discovered on July 29, but the company did not announce the discovery until September last year. The update brings the total number of consumers affected by the Equifax breach to approximately 148 million. In November, Equifax was slapped with a national class-action lawsuit, representing plaintiffs from all 50 states and the District of Columbia, who say their information already has been used to open credit cards, mortgages, and take out student loans. (Source: ThinkProgress, Yahoo Finance)*

**Evangelical Christians In The U.S.:** *The Rev. Billy Graham, who recently died at age 99, was one of the most influential and important evangelical Christian leaders of the 20th century. From humble beginnings in rural North Carolina, Graham went on to become a world-famous evangelist who drew huge crowds while, at the same time, developing close relationships with several U.S. presidents. Graham is probably best known for the nearly six decades he spent traveling the world, preaching and evangelizing to millions in his stadium crusades. As the country remembers Graham, Pew Research compiled some interesting facts that you might not know about American evangelical Protestants. About a quarter of U.S. adults identify with evangelical Protestantism. The share of of evangelical Protestants has dropped slightly in recent years, from 26.3% in 2007 to 25.4% in most recent surveys. Three-quarters (76%) of evangelical Protestants in the U.S. are white. Half (49%) of evangelical Protestant adults reside in the South, which is home to 37% of the overall U.S. adult population. Nearly one-quarter of evangelicals (22%) live in the Midwest (as do 21% of all U.S. adults), and 20% live in the West (along with 23% of Americans). Just 9% of evangelicals live in the Northeast, which is home to 18% of all U.S. adults. (Read more at [Pew Research](#))*

## Evangelical Protestantism is largest Christian tradition in U.S.

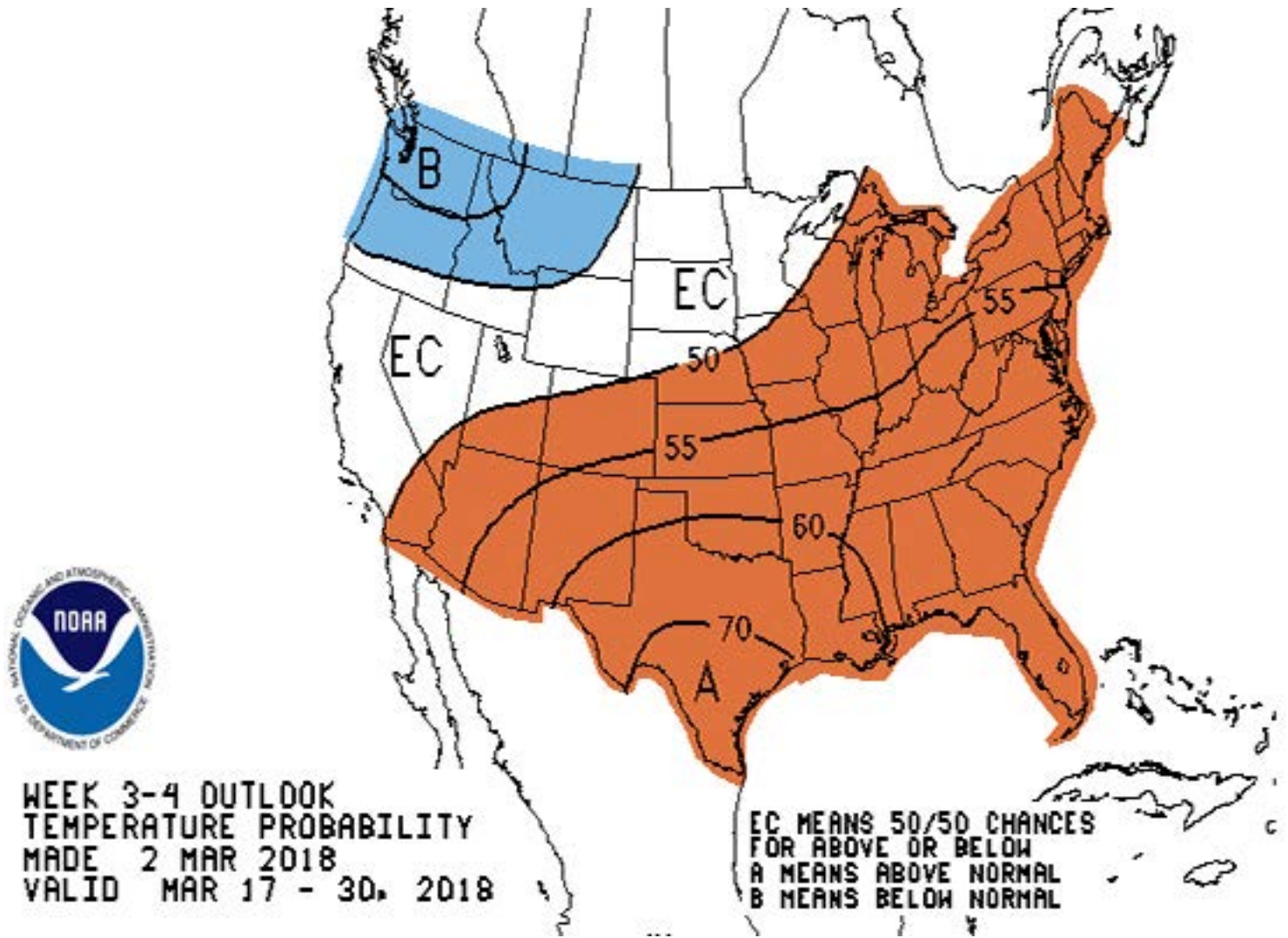


\* Includes Jews, Muslims, Buddhists, Hindus, other world religions and other faiths. Those who did not answer the religious identity question, as well as groups whose share of the population did not change significantly, including the historically black Protestant tradition, Mormons and others, are not shown.

Source: 2014 Religious Landscape Study, conducted June 4-Sept. 30, 2014.

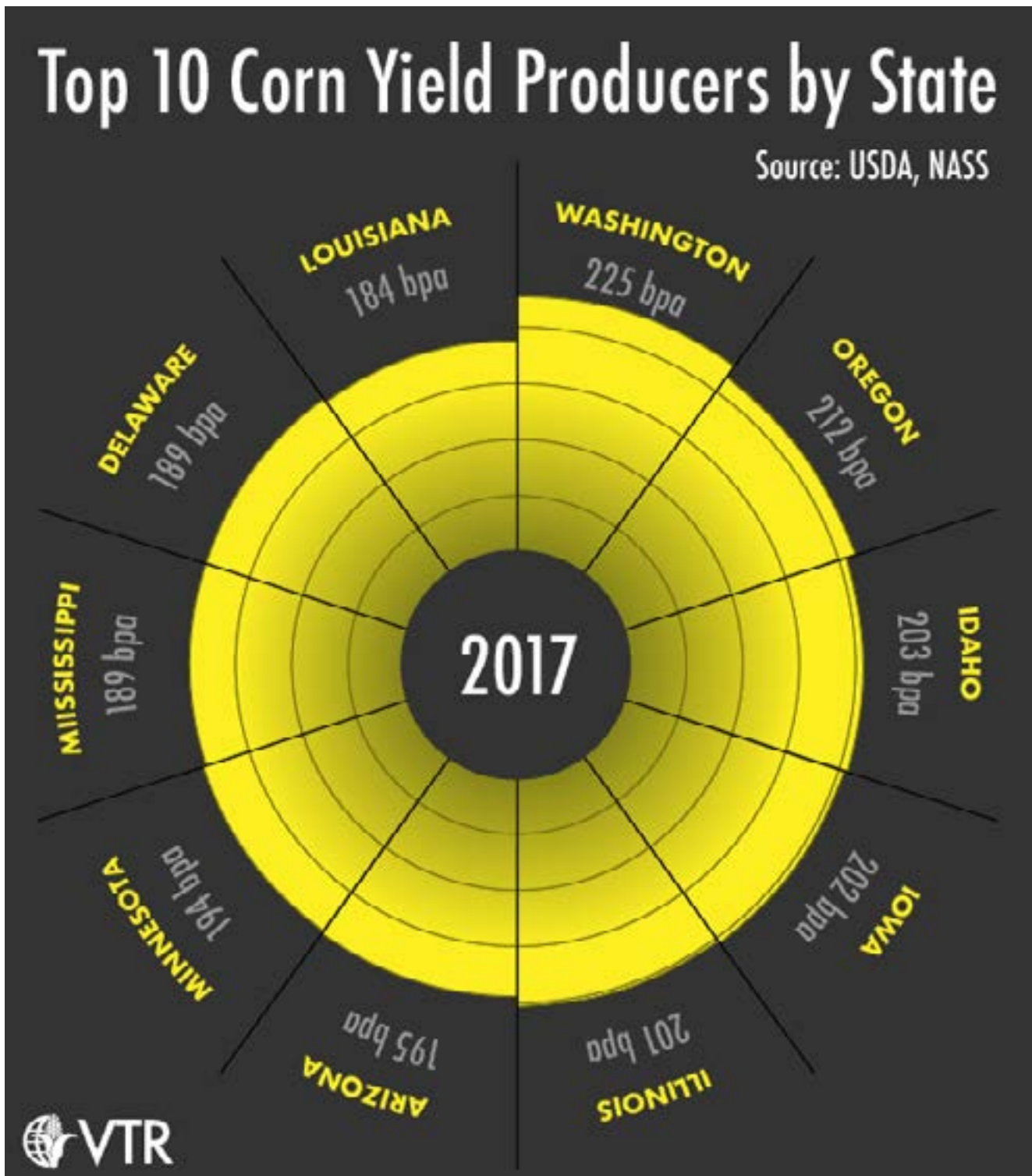
PEW RESEARCH CENTER

**Weather** across the Midwest is expected to be drier in southwestern areas over the next week. More rain in southern and eastern areas over the weekend will maintain wetness concerns and flood damage. However, the 6 to 10 day outlook is drier in southern areas and wetter in northeastern areas. Plains are drier in the northern areas in the 6 to 10 day period. Rain in northern and eastern areas over the weekend helped improve moisture for wheat, but dryness continues in southern and central regions. Temperatures are expected to be warmer in central areas and cooler in southern areas for the 6 to 10 day. In Argentina, rain over the weekend was light and did little to ease dryness and stress. The 6 to 10 day outlook is unchanged. In Brazil, showers over the weekend helped improve moisture for safrinha corn but the rains will slow soybean harvesting. Interesting look at the NOAA CPC's 3 to 4 week outlook which indicates a warming trend for much of the Plains and Midwest later this March.



**Corn** bulls are eager to see Thursday updated USDA production estimates for South America. There's been a lot of talk in side the trade that the Argentine crop has deteriorated further. The USDA recently lowered their Argentine estimate from 42 MMTs down to 39 MMTs, but I continue to hear talk from boots win the ground that the crop could more realistically be sub-35 MMTs. I also continue to hear talk that Brazilian second crop acres are fewer than previously anticipated. Corn prices are up over +4% in the past 30-days and up just over +7% year-to-date as global production hiccups create concerns. The

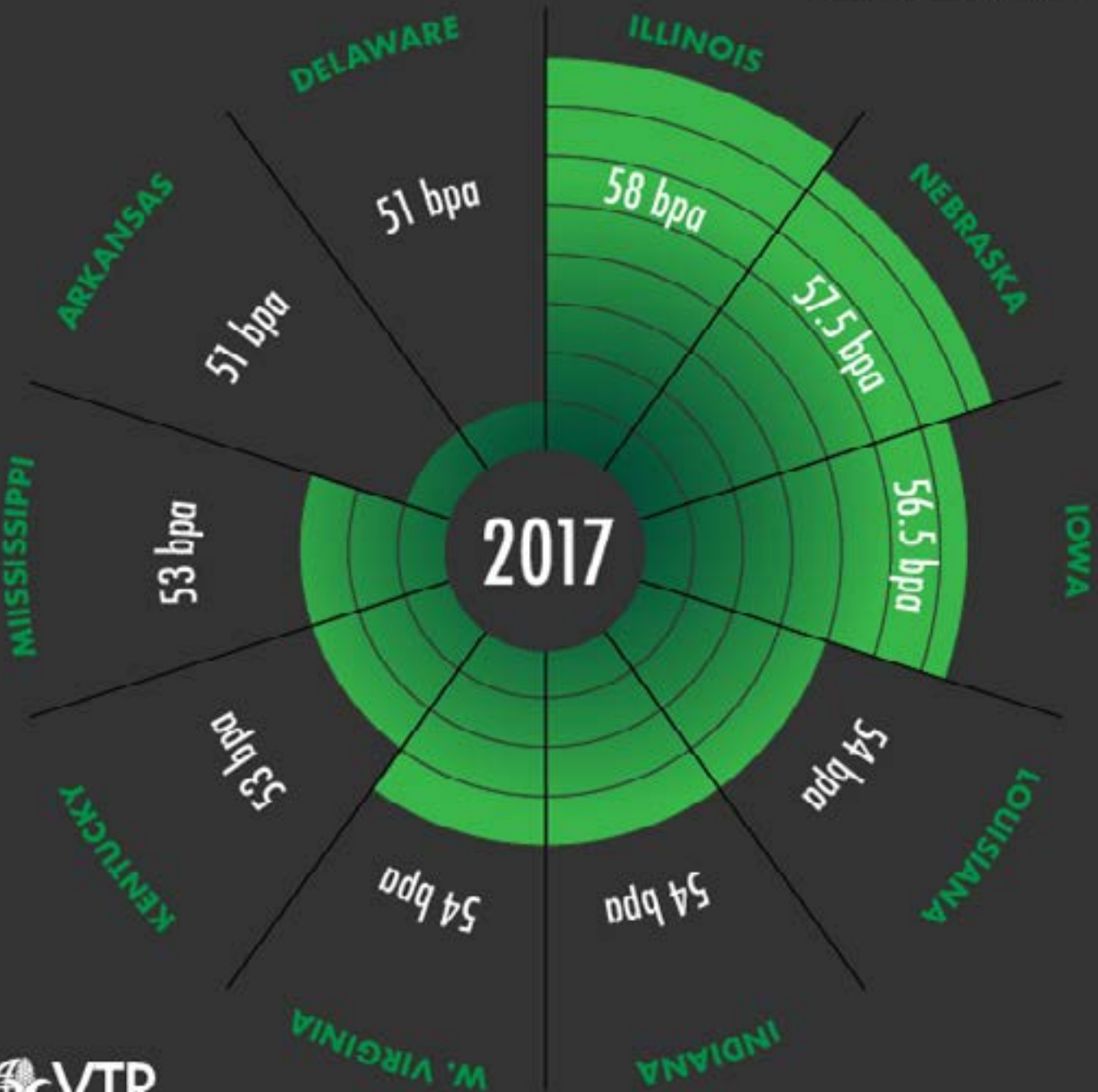
question is how much more “risk-premium” needs to be added to our current price with U.S. ending stocks at extremely comfortable levels north of +2.0 billion bushels? We also have to keep in mind most sources are forecasting 89 to 90 million acres of corn will be planted here in the U.S. during the next 90-days, with an early yield projection of around 174 bushels per acre. I personally remain bullish based on strong demand and increased macro interest from the funds. But at the same time I fully understand “weather” will be the wild-card that ultimately determines if we are holding a bearish or bullish hand. As a producer this has prompted me to reposition myself a bit. The recent rally has given me an opportunity to secure a floor on old-crop while at the same time keeping upside potential in case the weather bull continues to run. As a spec, I remain a longer-term bull, but have still not added any additional length. Current trade negotiations and headline talk of possible “trade wars” continues to keep me somewhat conservative.



**Soybean** prices are steady to slightly higher this morning, but up over +8% in the past 30-days and over +10% year-to-date. Argentine production remains the major concern. Keep in mind, above normal temperatures in Argentina (+3 degrees above normal past 30-days) and continued lack of rainfall (-25% to -75% less than normal moisture across major production areas) continues to create complications. From what I understand from the forecasters, things look like they are going to get a bit worse before getting any better. Bulls keep pointing to positive crush margins and lack of Argentine meal in the global marketplace as reason enough to remain bullish. Several sources are reducing their Argentine production estimates. The Buenos Aires Grain Exchange just this past week cut its estimate of the Argentine crop to 44 MMTs vs. the USDAs current forecast of 54 MMTs. On

# Top 10 Soybean Yield Producers by State

Source: USDA, NASS



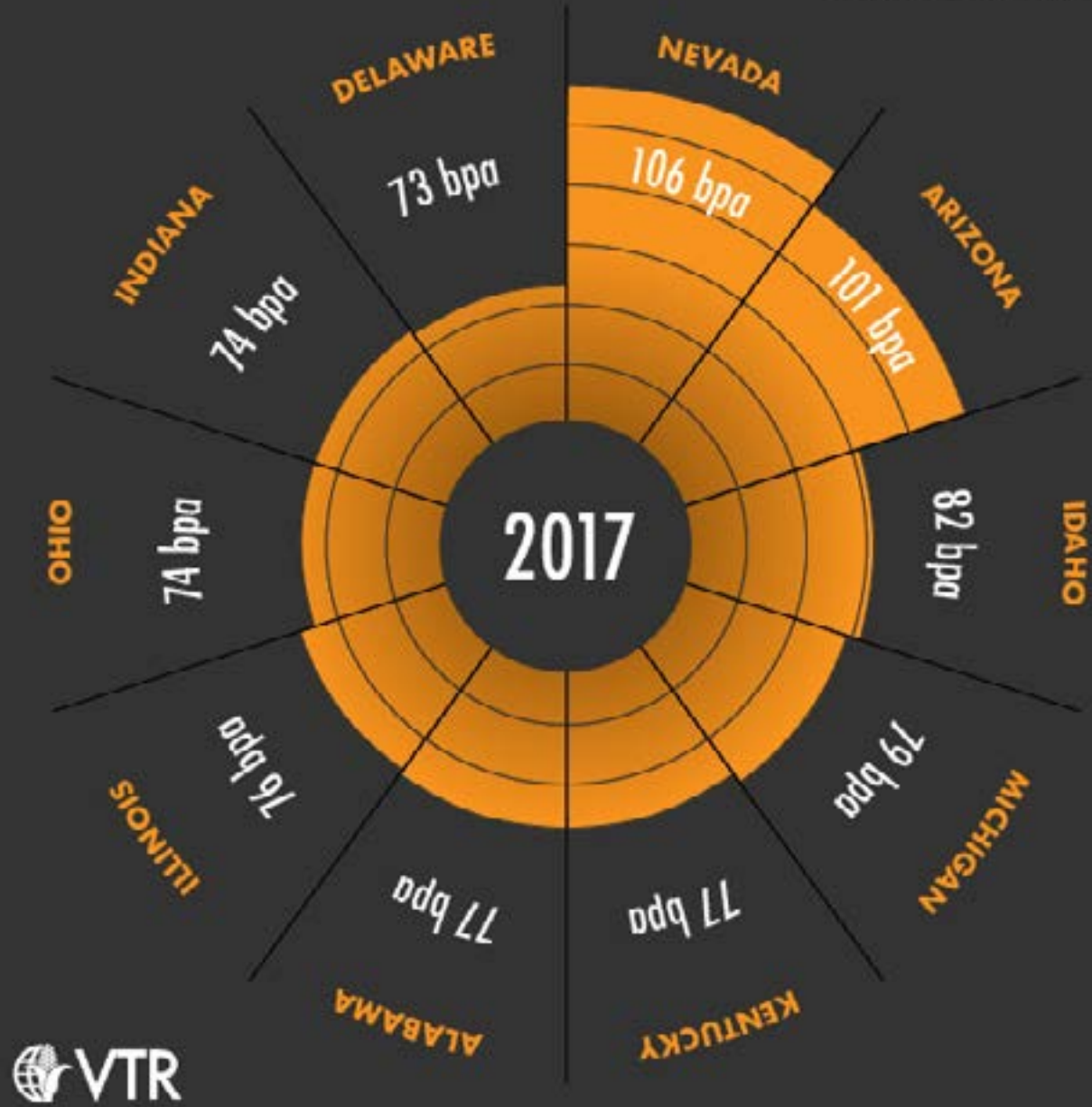
the flip side, bears argue that record Brazilian production and record U.S. acres should be enough to keep a lid on the Argentine induced rally. The USDA has the Brazilian crop currently estimated at 112 MMTs. Most suspect that number is moving higher. Just last week Brazil's "Association of Vegetable Oil Industries" (ABIOVE) revised their estimate upwards to 114.7 MMTs, which would be a new record soybean crop for the country. Bears are also pointing to headline fears surrounding the Chinese and how they are going to respond to tough trade talk coming from the White House. It's doubtful that China can or will make a bold move involving soybeans considering the extent of the drought in Argentina, but we have to be respectful to the fact that they have already shifted a large portion of their demand growth to Brazil. Similar to corn, I've been looking for ways to reduce downside risk but allow additional upside potential. Many of my trading friends believe the meal market still has more room to the upside and the front-end of the trade or in this case old-crop prices could remain extremely hot and volatile as the trade tries to sort out all of the moving parts and pieces.

**Wheat** prices were under pressure late last week, but still remain in positive territory. SRW prices are up +13% year-to-date, HRW prices are up over +20% year-to-date. Bulls continue to point towards a worsening drought across the U.S. Plains along with near record low acres. There's also some small concerns surrounding wheat production in portions of Europe, the Black Sea region and parts of India. Somewhat surprisingly we've had enough fresh news in the headlines to push many of the balance sheet bears to the sideline and keep the bulls engaged. Longer-term, I have to imagine record global surplus and more than ample U.S. domestic supply will come home to roost. As a producer, I've rewarded the recent rallies by reducing longer-term price risk. I'm starting to see the clock tick down a lot faster in regards to pricing new-crop production by harvest. I will be trying to reduce risk on another 10% to 20% of our estimated production between now and July. As a spec, I've banked some profits and reduced a bit of length. I still hold a bullish tilt, but wonder if we can keep the bulls fed nearby with fresh new headlines?

CME RAISES WHEAT FUTURES (W) MARGINS BY 15% TO \$1,150 PER CONTRACT FROM \$1,000 FOR MARCH 2018; RATES WILL BE EFFECTIVE AFTER THE CLOSE OF BUSINESS ON MARCH 5, 2018

# Top 10 Wheat Yield Producers by State

Source: USDA, NASS







**> Brazilian Soy Exports Lag -18% On Year:** *Brazilian soybean exports for February are down 18% on the year to 2.86 million mt, due to a slow start of the harvest as plantings were delayed, the Brazilian ministry of development industry and foreign trade reports. Exports tend to ramp up in February at the start of the Brazilian season and typically peaks in April and May. Meal and oil exports, however, were up significantly from last year, with meal exports for February nearly doubling on the year to 1.35 million mt, while oil exports were 125,600 mt, or 50,000 mt more for the same period last year. (Source: AgriCensus)*

**> China Soy Crush Margin Rises:** *Improved crush margin has encouraged domestic crushers to step up soy purchases, according to China National Grain and Oils Information Center. Crushers have only covered 70% of their needs for March loading and 30% for loading in April. China March soybean imports are estimated at 6.5 million metric tons. Crush margin climbed in late Feb. to the highest since Oct., according to Shanghai JC Intelligence data. The soy industry currently isn't expecting any imminent action by the Chinese government on soybean imports after the White House announced tariffs on steel and aluminum. (Source: Bloomberg)*

**> French Wheat Conditions At 4-Year Low:** *The outlook for the French soft wheat crop is at its gloomiest for four years, as crop conditions dropped two percentage points on the week to February 25, data from French governmental agency FranceAgriMer showed Friday. The "good to excellent" rating dropped to 83%, down from 93% at the same stage last year. The bulk of the crop, or 76%, remains in "good" condition, while only 7% is in "excellent" condition, down from 32% the year before. The French soft wheat crop development is slightly ahead of last year, with an initial 1% of the crop already in the "stem elongation" stage. (Source: AgriCensus)*

**> Fourth Increase In Indian Palm Oil Import Duties In 6 Months:** *Indian soybean and oilseed farmers are the main group that will benefit from the increase in palm oil import duties announced by the Indian government, the fourth in six months, while neither refiners nor consumers will see any positives, according to a Singapore-based analyst Friday. The Indian government raised import duties on imported crude palm oil (CPO) to 44% and for RBDPO -- refined, bleached and deodorized palm oil -- to 54% from the earlier 40%. Since the rapeseed crop is currently being harvested in India, said Tjakra, the increased duties may drive increased demand for local rapeseed, which could also lead to an increase in rapeseed crush for the season. This could also cause more farmer planting of domestic soybeans. (Source: Platts)*

**> EU, Mercosur Extend Trade Talks:** *Negotiations for a trade agreement between the Mercosur trade bloc and the European Union could conclude in "two to three weeks," Paraguay's Foreign Minister said on Friday, as an official negotiating period ended without a*

deal. Minister Eladio Loizaga of Paraguay, which chairs the South American trade bloc of Mercosur for the first half of 2018, said meetings would continue next week in person or by teleconference. Mercosur includes Argentina, Brazil and Uruguay. Mercosur countries have wanted to export more beef, a concern for EU farming nations such as Ireland and France. Key issues for the European Union are an open market for cars and car parts and dairy products. (Source: Reuters)

**> Brazil May Benefit From Rising U.S.-China Trade Tensions:** *Brazilian farm exports may benefit from rising trade tensions between the United States and China, an official from Mato Grosso state, Brazil's largest grain growing region, said in an interview on Friday. "Signs of growing tensions between the United States and China may be a good opportunity for Brazil given our prowess to produce grains like soy and corn," said Carlos Favaro, Mato Grosso vice governor. He added Brazil can expand commercial ties with China, noting such bonds have been steadily growing in recent years as China has invested heavily in Brazil's agribusiness sector and infrastructure projects. (Source: Reuters)*

**> California Fruit 'Is Going to Die on the Vine' After ICE Raids:** *Undocumented workers in California have been arrested and detained in increasing federal sweeps, with hundreds of raids conducted last week across the state. The conflict peaked politically last week after Oakland Mayor Libby Schaaf warned residents on Saturday of an imminent sting, giving those without papers time to evade the sweeps. Reports of sweeps and high-profile detentions are terrifying the state's undocumented population -- estimated at 2.6 million in 2015 -- who are scared to leave their homes. Their absence threatens segments of the largest state economy, including retailers, restaurants and the Central Valley's \$47 billion agricultural industry, which provides more than half of the fruits, nuts and vegetables in the country. Of the state's more than 2 million farm laborers, 1.5 million are undocumented, according to Tom Nassif, President of the Western Growers Association. He says the raids and decades-old immigration policy for farm workers are harming the industry and state economy. (Source: Bloomberg)*

**> Georgia Imposes Tax Hit On Delta Over Its NRA Stance:** *As companies across America take a stand on guns after the Florida school massacre, Delta Air Lines is experiencing swift political retribution in its home state of Georgia for cutting ties with the National Rifle Association. The Republican-dominated legislature passed a tax bill that excludes a jet fuel tax exemption which had been projected to save some \$40 million per year for Delta, the state's largest private employer. Critics of the GOP effort to retaliate against Delta have warned it could backfire by harming Georgia's ability to lure businesses - including Amazon, which recently named Atlanta a finalist in its search for a second headquarters. (Source: CBS News)*

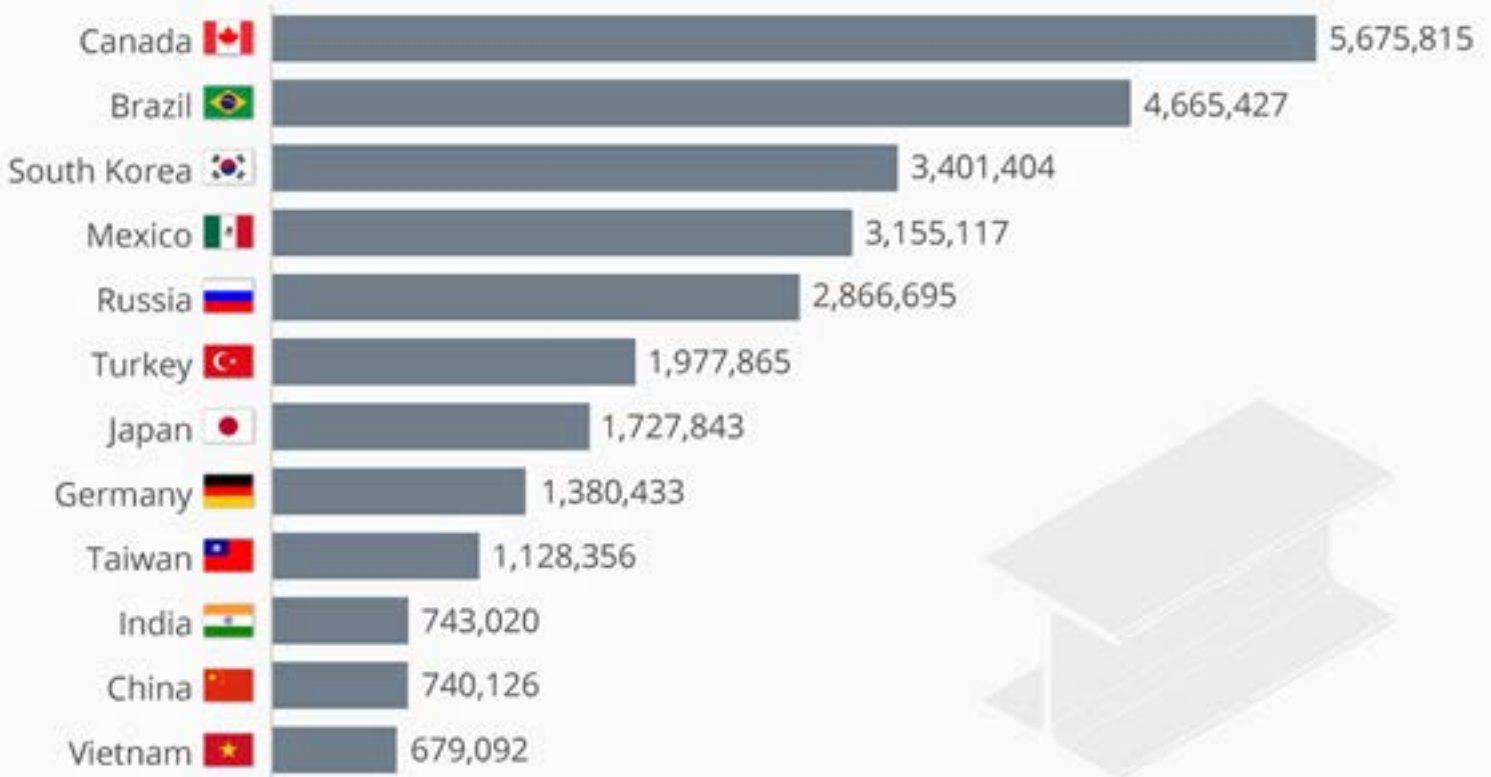
**> Walmart Will Start Offering Prepared Meals** *at its stores for the first time, a move that could boost the nation's biggest grocer following Amazon's (AMZN) \$13.7B purchase of Whole Foods. Ten different meals are now available in 250 stores, and the program will expand to 2,000 locations by year's end. Prices of Walmart's (NYSE:WMT) prepared meals will range from \$8 to \$10. (source: SeekingAlpha)*

**> China Would Not Suffer The Biggest Impact From U.S. Tariffs:** *Canada and Brazil - not China - likely would suffer the biggest impact of any U.S. tariffs on steel, according to a 2017 report from the U.S. Department of Commerce. Canadian and Brazilian steel comprised a respective 16% and 13% of U.S. steel imports as of September 2017, while*

China, frequently criticized politically for dumping cheap steel on trade partners, actually only the 11th largest import country last year. Meanwhile, top foreign sources of aluminum during 2013-16 included Canada (56%), Russia (8%) and the United Arab Emirates (7%). Alcoa says "vital trading partners, including Canada, should be exempt from any tariff on aluminum. (Sources: Seeking Alpha, Statista)

## Where the U.S. Gets its Steel

Countries from which the U.S. imported the most steel mill products in 2017 (in metric tons)



@StatistaCharts Source: U.S. Department of Commerce, Enforcement & Compliance

statista



**Eastcentral Missouri** - I have crop shared my acres with the same producer for the last 20 years. We had an exceptional season for our area on our dryland acres. Our corn reached 180+ bpa corn and upper 50's for the beans. The county averages in this area are nearer to 150-160 bpa. Interestingly, we would have had an extra 20 bushels if we would have had some August rains. With the land we have - clay pan soils, we are always two weeks away from a drought. We just do not have the same heavy soils that are found in

*the center of the state. We have no changes to rotations this year and look forward to getting in the fields soon!*

**Central Nebraska** - *We had numerous challenges during the production year in 2017. We had a lot of corn in the field that was very slow to dry down and then after it did the rains started up. We are normally finished with harvest by Halloween but this year it was mid-November. Once we started picking corn after the rains we had a few fields making right at 300bpa. Those were some of our better-irrigated fields but we don't typically see that high of yields. Then in the middle of harvest we had major winds that knocked off a lot of ears on a few hybrids. The yields we saw after the winds were only in the 230bpa range. The beans were above average making just under 70bpa across all of our farms. We did have a field that had been corn on corn for 3 years that we planted in beans that made over 90bpa but most fields were between 65bpa and 75bpa.*

**Northwest Iowa** - *We had great yields this season on both corn and beans. We were lucky as there were plenty of pockets of drought all around us but we caught enough rain to keep moisture in the ground. We surpassed averages by a good margin and the test weights were fantastic this year leading to more bushels which definitely helps with these margins. We do not have on site storage so our marketing plan includes having everything sold by the end of February which we did.*



**Researchers To Release New Red Rice Cultivar:** *Scarlett, a new red whole grain rice featuring a nutty, rich flavor, will be released later this year thanks to the collaborative work of researchers from Cornell University and the Agricultural Research Service of the U.S. Department of Agriculture (USDA). The researchers said the red rice cultivar is packed with nutrients, and the red bran on the rice contains high levels of antioxidants and flavonoids that are common in red-colored grains and fruits. "If people find brown rice nutritious and delicious, this rice is even better," said Susan McCouch, professor of plant breeding and genetics, who co-developed Scarlett. The researchers' field trials showed Scarlett to be high yielding and disease resistant, while also growing well under organic conditions. Read more [HERE](#).*

**Russia Accused Of Using Social Media To Roil U.S. Energy and GMO Policies:** *The same Russian operatives accused of manipulating the 2016 U.S. presidential election used inflammatory social media posts to disrupt U.S. energy policy, including inciting environmentalists to protest against pipeline projects, House Republicans said in a report released last week. The report, released by the House Science Committee, said it found evidence Russian-sponsored agents used Facebook, Twitter, and Instagram to suppress the research and development of fossil fuels and stymie efforts to expand the use of natural gas and fracking. Separately, a study released by Iowa State University said English-language Russian media coverage of agricultural issues "fits the profile" of an effort to amplify con-*

troversty regarding genetically modified food. Read more [HERE](#).

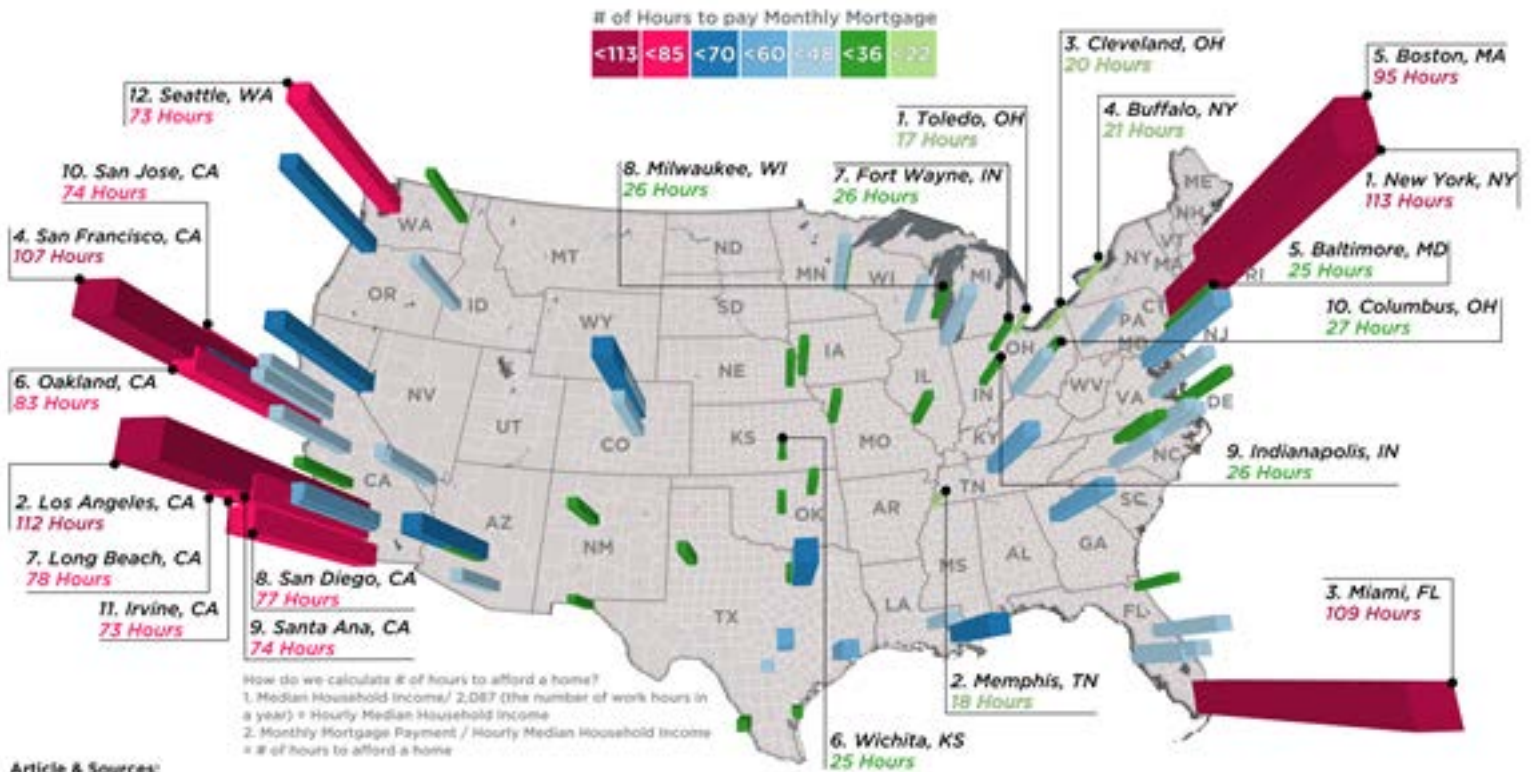
**Roger Bannister, The First To Break The 4-Minute Mile Passes:** Roger Bannister electrified the crowd and made history on May 6th, 1954 with the first sub 4-minute mile. The attempt was almost canceled as heavy winds whipped across the landscape, fortunately, by 6 pm the winds subsided and the race was set to go. Bannister broke the tape in epic form with his head tilted back, eyes closed and mouth agape as he strained to finish the race. It's worth noting that Bannister's record-setting result seemed to give Britain the hope it needed as it was still recovering from the devastation of WW II. Interestingly, Bannister may not have been the one to break the record had he not missed qualifying for the medal round at the 1952 Helsinki Games, where added rounds of heats threw off Bannister's rhythm, causing him to finish fourth and out of the Games. With the press criticizing him as well as being personally disappointed by his efforts, Bannister didn't retire from running and instead focused on beating the 4-minute mile. Keep in mind he was enrolled in medical school at the time and juggled training with his studies. There truly is no limit to what humans can do when we put our minds to the task. Read more [HERE](#). (Source: WSJ)

**New Guidelines Redefine Birth Years For Generation Groups:** You hear about Millennials, Generation X, and the Baby Boomers all the time, but it's not always clear who's a part of these groups. In fact, all of these terms are fairly unofficial social constructs outside of the Boomers—the U.S. Census actually defines them as the generation of people born between 1946 and 1964. Now, the Pew Research Center is looking to give more structure to these generational nicknames with a new set of guidelines that establishes where each person belongs depending on their birth year. See what they came up with [HERE](#).

**6 Morning Habits That Help You Focus All Day:** You've probably experienced the frustration of being distracted at work. Perhaps you were pulled into a never-ending Slack discussion, and when it finally ended you struggled to focus on the task you were working on. Or a co-worker criticized you, and now you can't stop replaying his comments in your head. It's totally normal to lose focus after a period of time. But if you find yourself easily distracted throughout the day, you might want to consider tweaking some of your morning habits. They probably won't eliminate all distractions, but you'll at least start your workday strong building a good foundation for the rest of the day. Check them out [HERE](#).

**How Many Hours Americans Need To Work To Pay Their Mortgage:** Many people define the American dream as owning your own home, not to mention a comfortable lifestyle, healthy children, and a secure retirement. But the ability to afford a home—let alone all those other things—depends entirely on where you live and your level of income. This makes apples-to-apples comparisons across the country extremely difficult. How Much takes a unique approach to modeling the data, calculating how many hours Americans need to work in different parts of the country to pay for a median priced home in their area. The red bars represent places where you have to work the most hours to keep the roof over your head. In cities like New York, Los Angeles, Miami, and San Francisco, you put in more than 100 hours to make enough money just to pay for housing. That's longer than two-and-a-half weeks, meaning well over 50% of your take-home pay! Not surprisingly, the most unaffordable places are all located on either coastline. In fact, 8 of the 10 most expensive places are all located in California. A larger version of the graphic and more details are available [HERE](#).

# The Hours Americans Work to Pay a Mortgage



## Article & Sources:

<https://howmuch.net/articles/hours-work-afford-home>  
 Median home listing price: <https://www.zillow.com/>  
 Median household income: <https://factfinder.census.gov/>

howmuch.net



## Bringing Lab-Grown Meat To Market

Cultured meat producer "Just", believes it will have the first commercially viable lab-grown or "clean" meat ready for public consumption by year's end. We have been hearing a lot about the topic for some time now and "Just" looks to be the first company to overcome the cost, taste and sentiment issues that have kept it off the market. Remember the first lab-grown burger had a production cost of over \$300,000 a few years back. Now, with advancements in technology and procedures, that cost has been slashed to a reasonable level. From what I understand, the initial offering will be a type of foie gras or chorizo or type of mushy composition. Meaning, we are years away from understanding how to incorporate the muscle and fat cells as well as the connective tissues in order to produce an actual "steak" in the lab. Interestingly, one of the final hurdles to overcome and by all accounts the most significant one before "Just" can sell its first burger is to find a substitute for the blood serum it uses to begin creating the new strain. The serum happens to be the source of protein the strain needs to develop and it is very expensive, not to mention it comes from the blood of a tiny cow, which doesn't fit the social image the company is seeking to maintain. Keep in mind the company believes that having overcome

the hurdles of cost, taste and its social agenda, they are now poised to grab market share from traditional meat producers. There might be another hurdle for “Just” and companies in the space as the United States Cattlemen’s Association recently filed a 15-page petition to the USDA asking for them to strictly define “meat” and “beef” as animals raised and slaughtered. The group believes labeling cultured products as meat will only confuse consumers. In the petition, the USCA mentions Memphis Meats, Just, and Mosa Meats, — three startups that are racing to bring lab-grown meat to market. Keep in mind that Tyson is invested in Memphis meats along with Bill Gates and Richard Branson. There is a lot of big money and consumer sentiment behind cultured meat, but from what I understand, lab-grown meat will one day, perhaps sooner than later, be economically sustainable and on the shelves at your local market. (Source: Wired, BusinessInsider)





### **China To Abolish Presidential Term Limits... Xi Could Rule Indefinitely**

The Chinese National People's Congress is set to do away with term limits, which will allow current President Xi Jinping to rule the world's second-largest economy indefinitely. The move has been anticipated for some time now following policies mapped out at the country's five-year congress meeting last November. One of the most conspicuous moves pointing toward this shift was the fact that Xi did not name a successor. A constitutional amendment to remove the 10-year limit on the presidency could be rubber-stamped at the annual meeting of parliament today, March 5. The congress is also expected to grant Xi a second five-year term. Understand, parliament members are not elected by the people - they are appointed by the sitting parliament and are generally aligned with the ruling leaders. China only adopted term limits in the 1990s in an effort to thwart another Mao-style government. Mao Zedong, commonly known as Chairman Mao, ruled the country for 27 years, removed from power only upon his death in 1976. Mao was a founding member of the Communist Party of China (CPC) and headed the organization during China's civil war. After overthrowing the Nationalist government, Mao declared the foundation of the People's Republic of China (PRC), a single-party state controlled by the CPC. Under his leadership, the country suffered through the deadliest famine in history as a result of a drastically flawed economic transformation plan. He also implemented what was called the "Cultural Revolution", which resulted in mass repression, executions, forced labor and violent class struggle. It is Mao's authoritarian legacy that has world leaders, China scholars and even people within China, so worried about Xi's move. To be clear, Xi has not indicated that he wants to rule the country for the rest of his life, but experts say he's gone to great lengths to consolidate power in order to make it an easily attainable goal. It is widely believed that Xi believes he is the only one that can successfully achieve his vision for China and wants the extra terms in order to continue implementing his agenda. Those goals include fighting corruption and transforming China into a leading modern country by the middle of this century. As we have seen during his Presidency, Xi also wishes to assert more control over the South China Sea, increase China's military might, exert more influence in Asia and crackdown on domestic dissent and activism. Xi's intentions with this move will likely remain a mystery, but the world is definitely going to be watching.



(Sources: Washington Post, Brookings, Wikipedia)



Xi cemented his status as the most powerful Chinese leader since Mao in the 1970s...

## As Jinping Walks On Mao's Path

### TURNING POINT IN TIES?

Xi's extended rule would have a significant impact on geopolitics in Asia, where India is a critical player and a rising power



Any possible Sino-Indian contest could spread across the Asian theatre



Xi, chairman of the central military commission, is expected to further equip Chinese military for modern warfare



### CONCERNS OVER BRI, CPEC



Key infrastructure projects across Asia, Africa and Europe under BRI, a pet project of Xi, could get a major push



China-Pakistan Economic Corridor, a flagship project under BRI, is an additional challenge for India as it violates the country's sovereignty

### ACTION IN THE NEIGHBOURHOOD AND BEYOND

With Xi enjoying unlimited power, China could seek to push deeper into each of India's neighbouring countries

Bhutan, Bangladesh and Afghanistan are set to go to the polls in 2010, making this a critical year for India



Maldives remains a challenge for India as President Abdullah Yameen shows no signs of moderating his approach



Absolute power for Xi could further contribute to expansion in Sino-Pakistan ties, which are already a challenge for India



China may now get more aggressive in Africa as well as Eurasia as it strives to access commodities from across the globe

SOUTHEAST ASIA, WHICH IS EAGER FOR A WIDER Indian presence to balance power dynamics in the region, may also witness additional pressure to yield more to China's expansionist agenda



## Thanks To Their Dog, This Business Just Sold For A Whopping \$8 Billion!

In 2002 the Bishop family found their dog "Blue", an Airedale terrier, sick with cancer. In an effort to help heal their family friend, the Bishops knew that food was important, so they contacted their veterinarian and an animal nutritionist to develop a better meal plan for their dog. What they created was a super-premium pet food using only the finest natural ingredients starting with real chicken, lamb or fish. The family came up with the name, "Blue Buffalo", by taking their dogs name "Blue" and simply adding the name "Buffalo" to the end in reference " to the animals who roamed free in the Great Plains and ate only natural food. The company has enjoyed tremendous success since inception and is now consider the #1 natural pet food maker in the U.S. The company generated \$1.275 billion in net sales last year. And during the past few years, the pet foods company has experienced compound annual net sales growth of roughly +12%. Blue Buffalo now employees more than 1,700 people at its Connecticut headquarters and facilities in Indiana and Missouri. I suspect the company's massive growth in an industry that is exploding prompted General Mills to jump back in the pet food industry after a decade-long hiatus. Keep in mind, General Mills is the third-largest natural and organic food producer in the U.S., and Blue Buffalo gives them the fastest-growing major company producing natural food and treats for dogs and cats in the industry. The acquisition of Blue Buffalo was reported at \$40 per share in cash, or \$8 billion total. What a success story... Who would have every thought "natural" pet food would be worth billions?



A framed portrait of a dog with shaggy, reddish-brown fur and dark eyes. The dog is looking directly at the camera. The portrait is set against a light green background and is mounted on a white wooden plank. Below the portrait is a blue diamond-shaped logo with the word "BLUE" in white. The logo also contains the words "BLUE BUFFALO" and "GOLD" in a circular arrangement. Below the logo is a white banner with the text "OUR FOUNDER" in blue. At the bottom of the image is the slogan "Love them like family. Feed them like family.™" in blue text.

**BLUE**

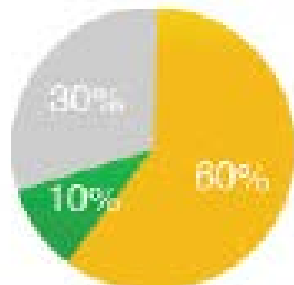
**OUR FOUNDER**

Love them like family. Feed them like family.™

# CASH SALES & HEDGING TOTALS

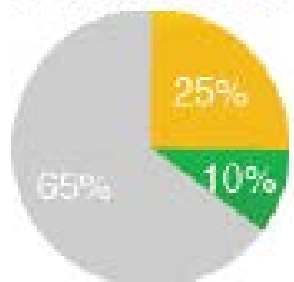
## CORN 2017 CROP

60% SOLD  
10% HEDGED  
30% UNPROTECTED



## CORN 2018 CROP

25% SOLD  
10% HEDGED  
65% UNPROTECTED



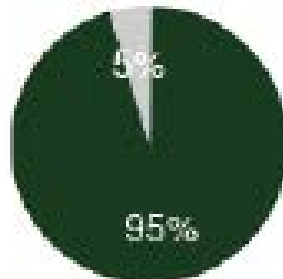
## CORN 2019 CROP

0% SOLD  
0% HEDGED  
100% UNPROTECTED



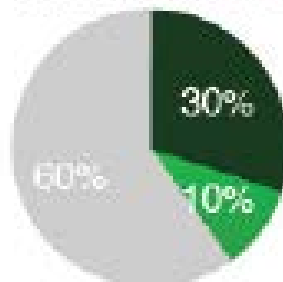
## SOYBEANS 2017 CROP

95% SOLD  
0% HEDGED  
5% UNPROTECTED



## SOYBEANS 2018 CROP

30% SOLD  
10% HEDGED  
60% UNPROTECTED



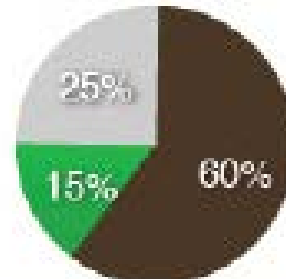
## SOYBEANS 2019 CROP

0% SOLD  
0% HEDGED  
100% UNPROTECTED



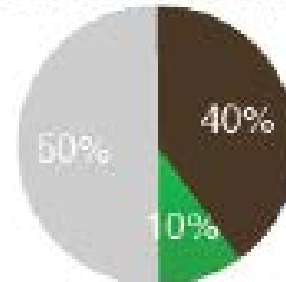
## WHEAT 2017 CROP

60% SOLD  
15% HEDGED  
25% UNPROTECTED



## WHEAT 2018 CROP

40% SOLD  
10% HEDGED  
50% UNPROTECTED



## WHEAT 2019 CROP

10% SOLD  
0% HEDGED  
90% UNPROTECTED

