



*"We need to teach how doubt is not to be feared but welcomed and discussed. It is okay to say, "I don't know." — Richard Feynman*

**THURSDAY, MARCH 08, 2018**

**Morning Summary:** Stock traders continue to contemplate uncertainties surrounding trade renegotiations. Following the resignation of top economic advisor Gary Cohn, jitters about a possible trade war are clearly on the minds of many. The White House yesterday did help to calm some of those concerns by hinting that Mexico and Canada - and possibly other countries - may be exempt from any tariffs on steel and aluminum imports. The President is expected to formally sign off on tariffs as early as today. The departure of Gary Cohn is bringing up conversation and mumblings in the media about other top aides possibly looking to depart. At the top of that list among Washington insiders are Secretary of Defense James Mattis and Chief of Staff John Kelly. Perhaps the biggest issue with any high profile departure is simply the fact it brings about change, which ups the uncertainty factor on Wall Street. The good news is the stock market hasn't really cared about left leaning media headlines to this point so I suspect this to shall eventually pass. There's simply no denying the fact the U.S. economy is doing well and corporate earnings are robust. Economic data yesterday could arguably be considered a bit mixed. Reports showed that U.S. wages grew more than expected by +2.5% for the fourth-quarter compared to +2.0% previously. At the same time, productivity was flat. Combined, some will argue this is a negative for corporate profits. It also sparks some additional worry and rhetoric about rising inflation. Also released yesterday, ADP weighed in with higher than expected job gains at +235,000. Insiders expect the official Employment Situation will show a gain of +205,000 jobs when it is released Friday. The other major data point was Consumer Credit, which showed consumers dialed back their borrowing in January. Total consumer credit increased \$13.9 billion in January to a record seasonally adjusted \$3.85 trillion. This was down substantially from the \$19.2 billion rate the previous month. Revolving credit, like credit cards, only rose +0.8% after a +7.2% gain in December. Most economists had expected the sharp slowdown and say it is no cause for concern. Consumers ramped up borrowing in the previous months as they replaced vehicles and property following last years damaging hurricanes. Today's only significant economic release is Weekly Jobless Claims. I should also note, there is starting to be more talk about another government shutdown. Some lawmakers have indicated that the government spending deal currently in the works may be derailed by Democrats that are taking a hard stand on DACA. From what I understand Congress must pass fiscal 2018 appropriations by March 23 to avoid a government shutdown. It will be interesting to see how this plays itself out, lots of questions brewing? Washington headlines seem to be of keen interest, but negative press has done very little to derail the rally. The S&P 500 and Dow are both still up over +15% in the

past 52-weeks with the NASDAQ still up a whopping +28%. I continue to see significant breaks in the market as longer-term buying opportunities...

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.

**OPEC Output Declined Again Last Month:** *A continued collapse in Venezuela's oil industry coupled with field maintenance that dropped UAE output to almost two-year lows drove down OPEC's crude production to 32.39 million b/d in February, according to an S&P Global Platts survey. That is a 70,000 b/d decline from January, even as Libyan and Nigerian production hit multi-year highs in their recovery from civil unrest, the Platts review of analysts, industry sources and proprietary data found. The February output figure was 340,000 b/d below OPEC's notional ceiling of about 32.73 million b/d. Venezuelan production, which has been in freefall as the country struggles with a host of economic and financial afflictions, slumped another 70,000 b/d in February to 1.57 million b/d, as state oil company PDVDA continues experiencing difficulties in securing diluent and other chemicals needed to pump crude, keeping its refineries operational and maintaining deteriorating infrastructure. This was the seventh straight month in which Venezuelan output fell and analysts expect further declines which could be even greater than expected if the U.S. imposes additional sanctions that hamper PDVSA's ability to export crude, import diluent or refinance its debt, as the Trump administration is considering. UAE production, meanwhile, fell 60,000 b/d in February as industry sources said maintenance on key export grade Murban impacted output during the month. (Source: Platts)*

**U.S. Marshals To Sell \$25 Million In Bitcoin:** *The U.S. Marshals Service said it will auction off about 2,170 bitcoins "seized in the course of various federal criminal, civil, and administrative cases". The auction will be conducted March 19. This will be the seventh auction of Bitcoins the agency has held. Potential bidders must register by noon Eastern time on March 14, and provide \$200,000 deposits to participate. The provenance of most of the seized bitcoins is listed online, which notably mentions that some of the coins involved were traced to the case involving Shaun Bridges, the ex-Secret Service agent who was sentenced to prison after being accused of stealing funds during the Silk Road investigation. Just last month, the U.S. Marshals auctioned off more than 3,600 bitcoins to five winning bidders, an amount worth more than \$30 million at the time. It's also the second sale to take place within a nearly two-year period, given that prior to this year, the last auction occurred in mid-2016, when the agency sold 2,700 BTC. In what is perhaps a sign of how the value of bitcoin has increased since then, the coins on the docket that year were worth just \$1.6 million at the time. (Sources: Bloomberg, CoinDesk)*

**The Housing Market's Rebound Is Far From Over:** *The U.S. housing market's thunderous crash a decade ago helped bring the global economy and financial system to their knees. But those dark days seem like a distant memory now. Aided by a robust job market, low interest rates, and beneficial demographics, the nation's housing market has been enjoying a Goldilocks sort of recovery—neither too cold nor too hot (with the exception of several coastal markets), but just about right. Given strong demand, insufficient inventory, and modest annual price gains, many industry experts see the*

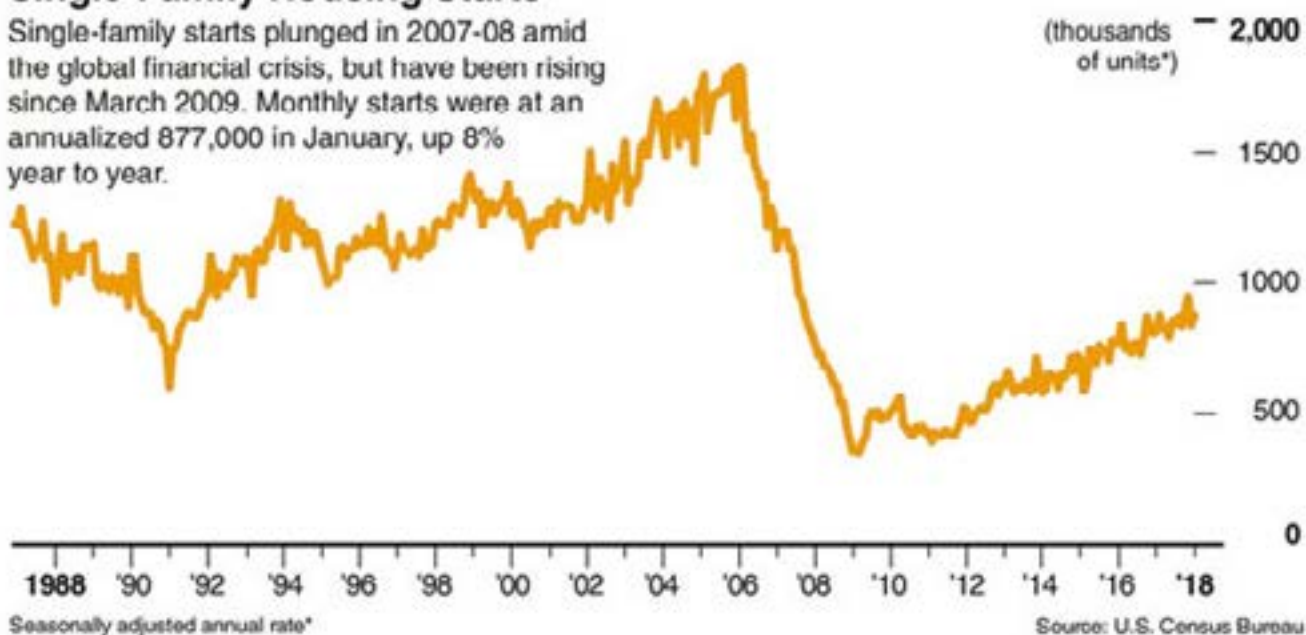
recovery continuing for several years—unless mortgage rates unexpectedly spike. By every major measure, the housing market is on the mend, although sales remain well below the 2006 peak. Home prices have appreciated at a mid-single-digit rate for the past six years, including 6% last year, although price gains have been much greater in hot markets such as San Francisco, Seattle, Denver, and Las Vegas. The biggest risk to the housing market's health today is interest rates, which have been creeping higher. At the same time, the prospect of higher rates also could motivate would-be buyers. (Source: Barron's)

## Portrait of a Housing Recovery

The U.S. housing market has rebounded from financial-crisis lows and could strengthen further as demand grows.

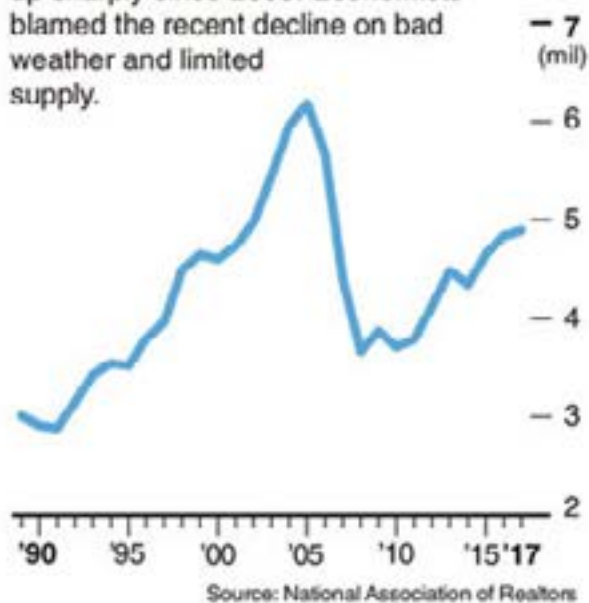
### Single-Family Housing Starts

Single-family starts plunged in 2007-08 amid the global financial crisis, but have been rising since March 2009. Monthly starts were at an annualized 877,000 in January, up 8% year to year.



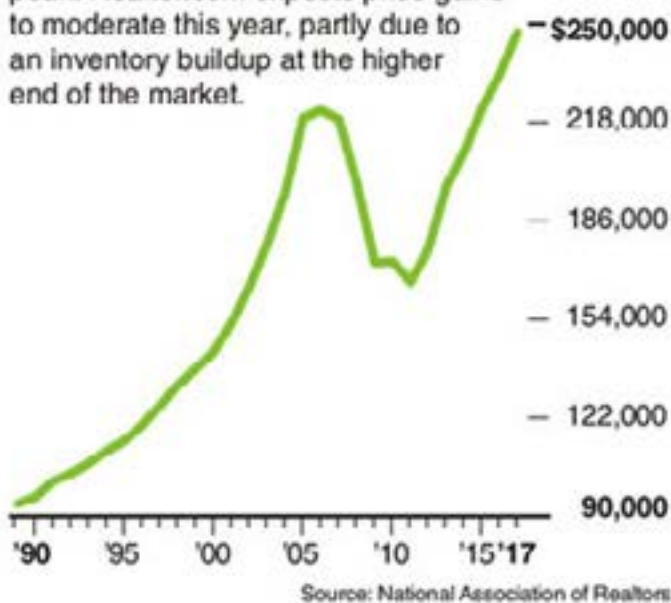
### Existing-Home Sales

Sales of existing homes fell 3.2% in January from the prior month, but are up sharply since 2009. Economists blamed the recent decline on bad weather and limited supply.



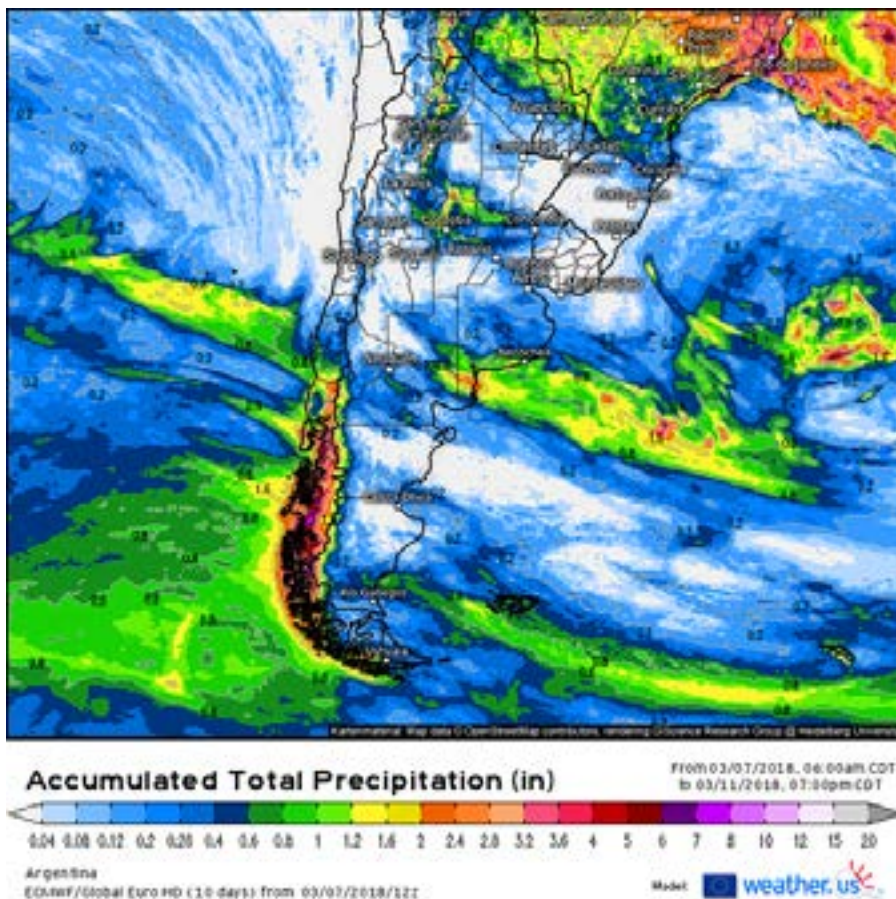
### Median Price for Existing Homes

Unlike housing starts and sales, median home prices have exceeded their 2006 peak. Realtor.com expects price gains to moderate this year, partly due to an inventory buildup at the higher end of the market.



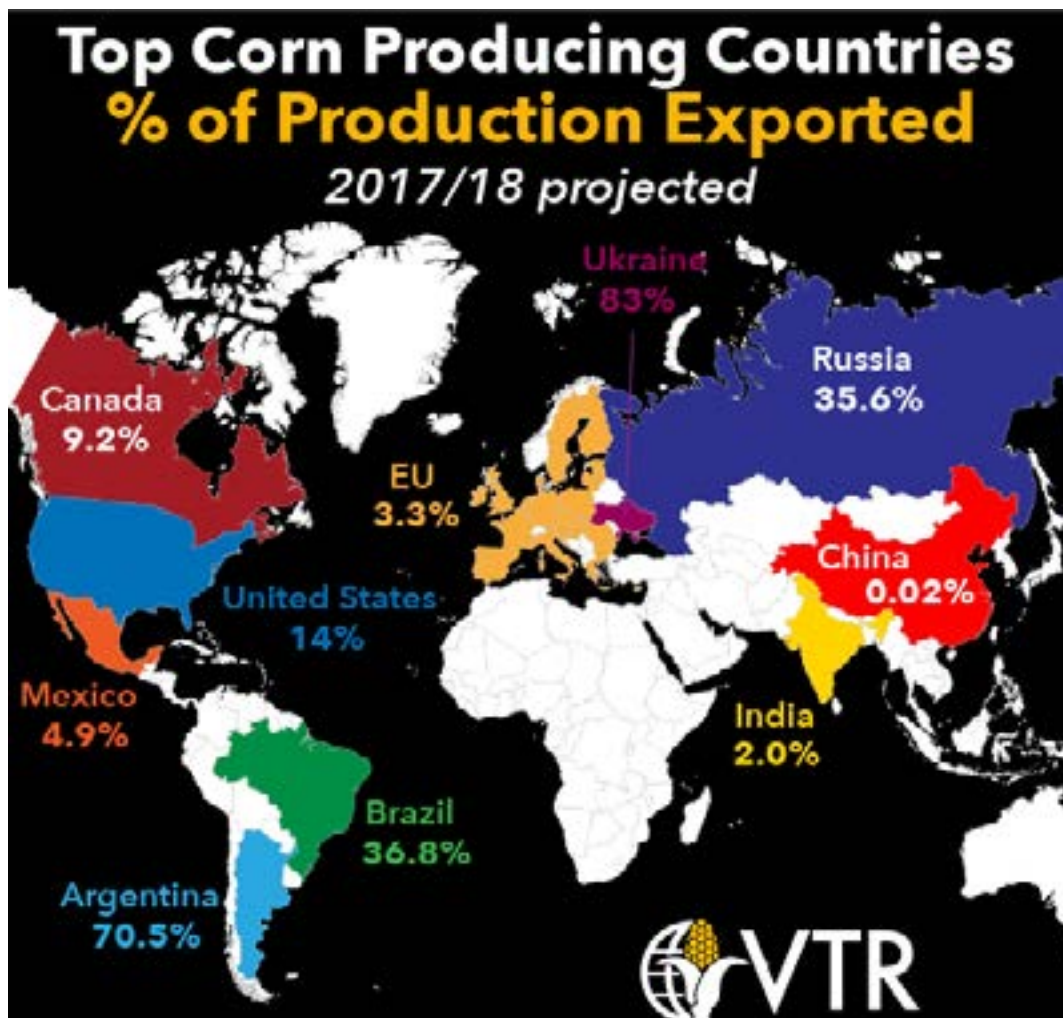
**Weather** across the Corn Belt saw snow showers and cool, breezy conditions linger in the wake of a departing storm system, particularly in the Great Lakes. A shallow snow cover exists across much of the northern and western Corn Belt, current depths include an inch in Omaha, Nebraska, and Rockford, Illinois. On the Plains, winds have calmed considerably, following early-week gusts in excess of 60 mph. Tuesday's winds, which were particularly strong in Kansas -- with gusts reaching 69 mph in Goodland and Garden City raised dust, hampered transportation and fanned several grass fires. Elsewhere, snow has largely ended across the northern Plains, although chilly conditions persist. In the South, cool, breezy weather prevails. Lingering showers are confined to the southern Mid-Atlantic States and Florida's peninsula. Like last year, potential spring freezes are a concern in the Southeast, following an unusually warm February. For the remainder of today, an intensifying storm along the northern Atlantic Coast will produce wind-driven rain and snow. In parts of the Northeast, snow and wind-related storm impacts will linger into Thursday. Cold air trailing the storm will result in freezes on March 8 - 9 as far south as portions of Mississippi, Alabama, and Georgia. Cold weather will linger across the Midwest and East for several days, but late-week warmth will arrive across the southern High Plains. Elsewhere, wet weather will be mostly confined to the Northwest until the weekend, when showers will develop across California and the Southwest.

**Weekend Rains In Argentina Won't Be Enough:** *Subsoil moisture levels have stayed the same over the past week in the major corn and soybean growing areas in Argentina. Dry weather over the next few days will maintain significant soil moisture deficits, but rain showers are expected across Argentina this weekend. Minor soil moisture improvements are possible, especially in Buenos Aires. Elsewhere, rain won't be enough to have any notable positive impact on crop yields. I am hearing we would need 3 - 6 inches of rain -- the deficit over the last 30 days -- just to return to normal conditions. Below is a precipitation outlook through Sunday for Argentina. We see some rain but nothing to signify a change in the dry pattern.*



**CONAB:** Most recent estimates released this morning show their Soybean number pushed higher from 111.5 MMTs to 113.0 MMTs, last year at this time their crop was estimated at 114.1 MMTs. They trimmed their corn estimate just a touch from 88.0 MMTs down to 87.3 MMTs, last year they had the crop estimated at 97.8 MMTs.

**Corn** traders are eager to see today's USDA adjustment to South American production. Most inside the trade are looking for sizable cuts to both the Argentine and Brazilian crop. There's still talk circulating that the Argentine crop could eventually fall to around 30 MMTs. The cut won't happen all at once, but many suspect to see the USDA start to take bigger steps in that direction. I had been thinking the Brazilian crop was also going to be heavily pressured on a significant reduction in planted second-crop acres, but the recent rally in price is said to be bringing more second-crop interest. Still a lot will hinge on Brazilian weather, so I will continue to pay extremely close attention. I suspect following the report, U.S. production will start to enter the spotlight and become a bigger part of the headlines. There's currently some debate about 2018 U.S. planted corn acres, specifically if we will plant over-or-under 90 million acres? I'm personally betting on the "under". I just think soybeans pencil and cash-flow is still tight. I also believe if there's any sign of weather complications or uncertainty about getting the corn in the ground, the U.S. producer is going to be a bit quicker on the trigger finger in regards to switching a few more acres to soybeans. I also believe there's a fantastic demand story brewing, not only here domestically but also abroad. Let's also not forget a more bullish tone from the underlying macro space. Bottom-line, we've got strong global demand, building interest in the macro space, a weather story in South America and an entire deck of unknowns regarding upcoming U.S. production. As both a producer and a spec, I'm sticking with my bullish tilt.



| <i>(in thousand metric tons)</i> |                   |                |                   |
|----------------------------------|-------------------|----------------|-------------------|
| <b>Country</b>                   | <b>Production</b> | <b>Exports</b> | <b>% Exported</b> |
| <b>United States</b>             | <b>370,960</b>    | <b>52,072</b>  | <b>14%</b>        |
| <b>China</b>                     | <b>215,891</b>    | <b>50</b>      | <b>0.02%</b>      |
| <b>Brazil</b>                    | <b>95,000</b>     | <b>35,000</b>  | <b>36.8%</b>      |
| <b>EU</b>                        | <b>60,091</b>     | <b>2,000</b>   | <b>3.3%</b>       |
| <b>Argentina</b>                 | <b>39,000</b>     | <b>27,500</b>  | <b>70.5%</b>      |
| <b>Mexico</b>                    | <b>26,500</b>     | <b>1,300</b>   | <b>4.9%</b>       |
| <b>India</b>                     | <b>25,000</b>     | <b>500</b>     | <b>2.0%</b>       |
| <b>Ukraine</b>                   | <b>24,115</b>     | <b>20,000</b>  | <b>83%</b>        |
| <b>Canada</b>                    | <b>14,100</b>     | <b>1,300</b>   | <b>9.2%</b>       |
| <b>Russia</b>                    | <b>13,500</b>     | <b>4,800</b>   | <b>35.6%</b>      |

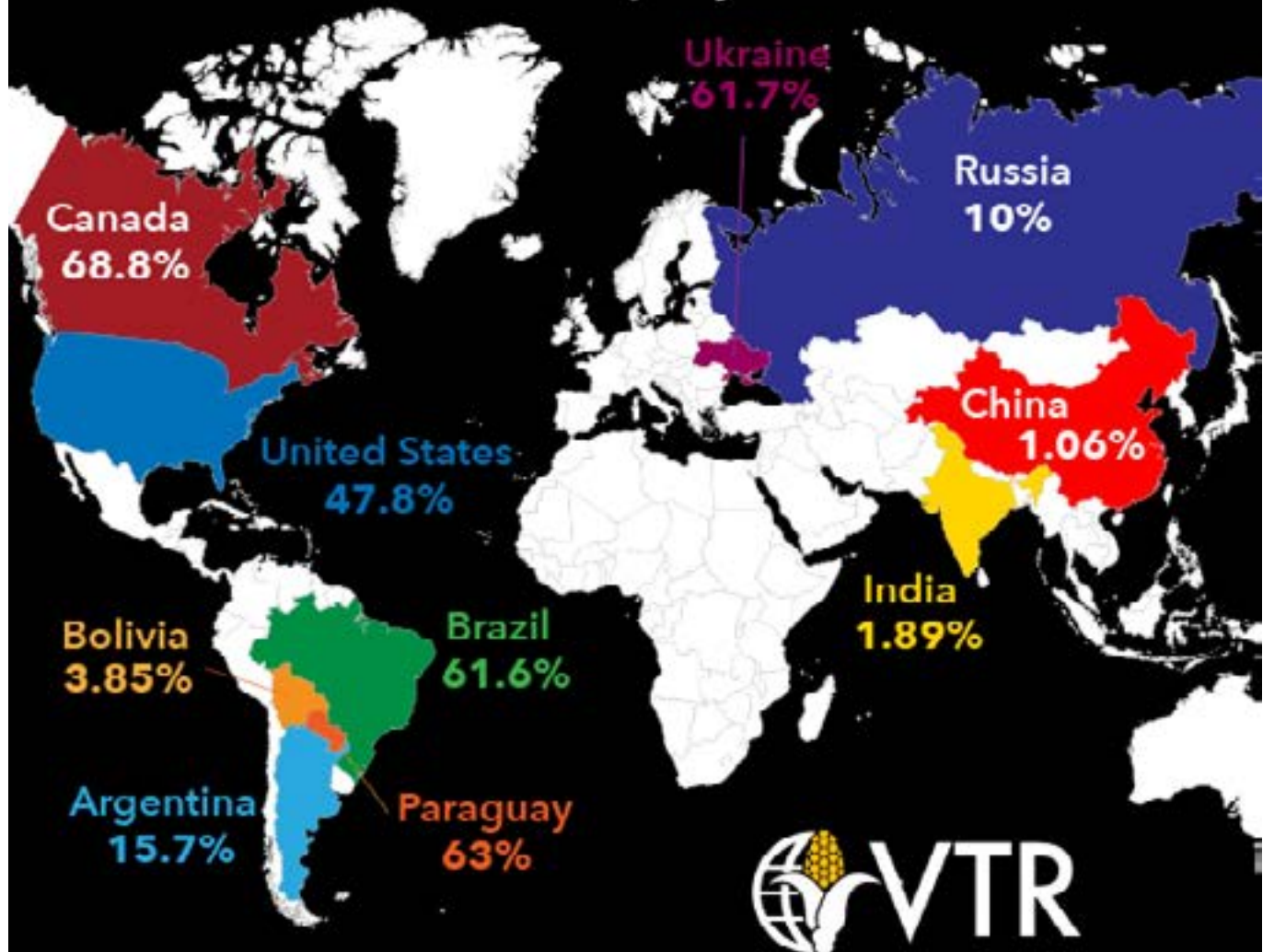
Source: USDA, FAS, PS&D Updated 03/06/18

**Soybean** traders are heavily debating Argentine supply shortages and exactly what it means for U.S. exporters. Bears argue there won't be as much shift in demand as the bulls want to make the trade believe. Bears also point to the real possibility of "trade wars" and the implications that could be felt in the soybean market if the headline traders become any more concerned. As for today's USDA update, most are looking for a decrease in Argentine production to be partially offset by an increase in Brazilian production. Net-net, the domestic and global balance sheet should become less bearish. I would be careful though in thinking the numbers will surprise the bulls. There's already been a ton of talk of talk circulating in regard to the Argentine problems. If anything I'm worried that the USDA could disappoint the bulls a bit... The market has recently rallied based on some extremely optimistic talk about the balance sheet, if the USDA is slower to move or confirm these thoughts the trade could backpedal a bit as it tries to get confirmation in the way of "real value" not so much "perceived value". Bulls need to be careful here for a moment...

# Top Soybean Producing Countries

## % of Production Exported

2017/18 projected

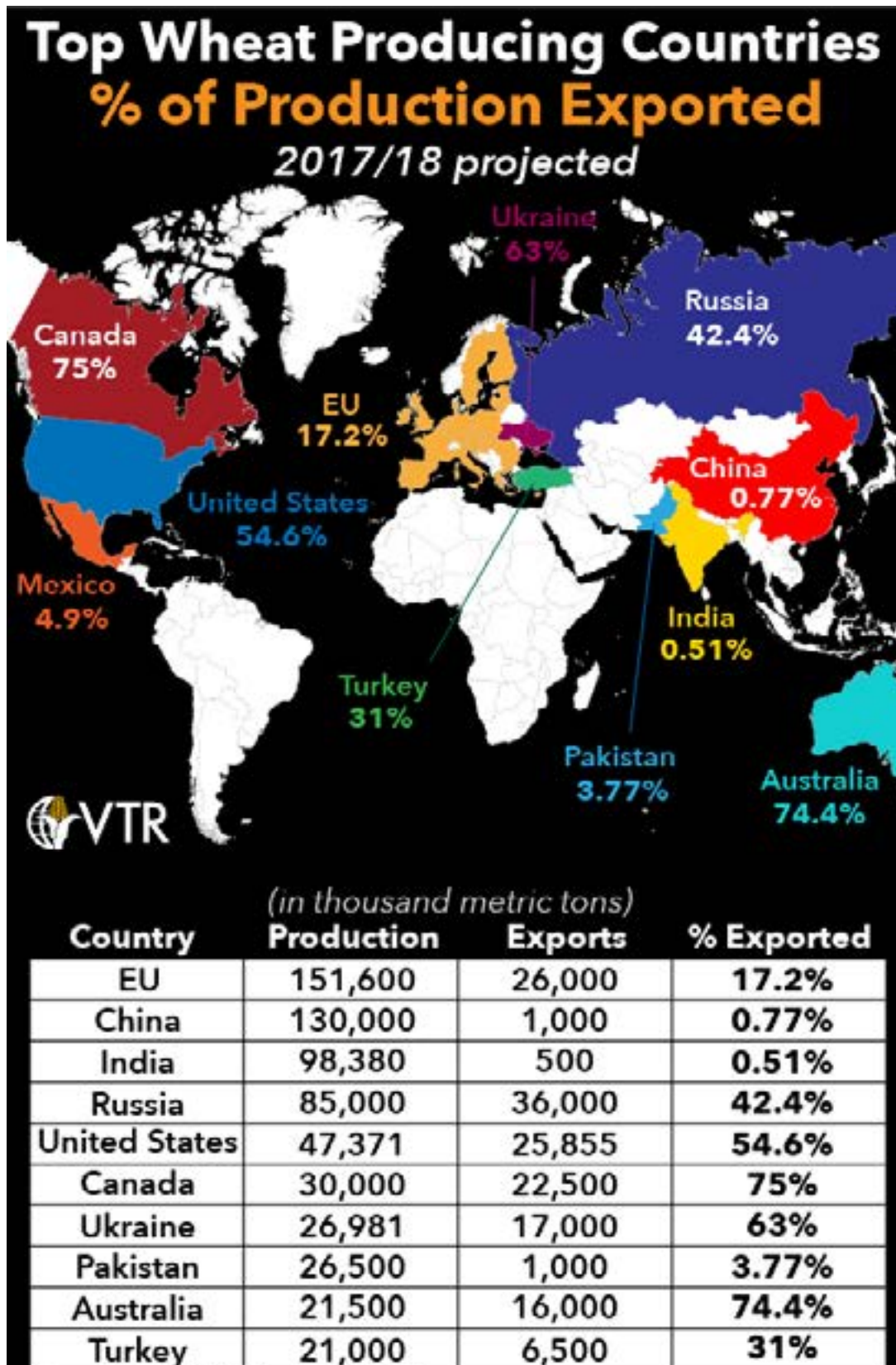


(in thousand metric tons)

| Country       | Production | Exports | % Exported |
|---------------|------------|---------|------------|
| United States | 119,518    | 57,153  | 47.8%      |
| Brazil        | 112,000    | 69,000  | 61.6%      |
| Argentina     | 54,000     | 8,500   | 15.7%      |
| China         | 14,200     | 150     | 1.06%      |
| India         | 9,500      | 180     | 1.89%      |
| Paraguay      | 9,200      | 5,800   | 63%        |
| Canada        | 8,000      | 5,500   | 68.8%      |
| Ukraine       | 3,890      | 2,400   | 61.7%      |
| Russia        | 3,500      | 350     | 10%        |
| Bolivia       | 2,600      | 100     | 3.85%      |

Source: USDA, FAS, PS&D Updated 03/06/18

**Wheat** traders pause a bit ahead of the USDA update. I'm not expecting much in the way of game-changing numbers, but I do respect the power of money-flow and possible rotation that could come on forced rebalancing in other markets. Bears are talking about possible trade wars bringing some additional pressure to U.S. wheat exports. I personally don't see it as a major concern at the moment, but I suspect anything is possible as we move forward. I have banked profits on a large portion of my bullish positions and have made sales as a producer. I continue to keep a longer-term bullish tilt, but believe the market could pullback a bit in the days ahead. Staying patient on the sideline...







**> China Reports Highly Pathogenic Bird Flu Outbreaks:** *China reported an outbreak of highly pathogenic H5N6 bird flu at a duck farm in the Guangxi province, the Paris-based World Organisation for Animal Health (OIE) said on Wednesday, citing a report from the Chinese agriculture ministry. The virus killed 23,950 ducks out of a flock of 30,462 ducks, the ministry said. The remaining birds were all slaughtered, it said. In a separate report, China also reported an outbreak of highly pathogenic H7N9 bird flu in a backyard in the Shaanxi province, the OIE said. The virus killed 810 layers out of a flock of 1,000 birds, it says. (Source: Reuters)*

**> White House Calls Another Meeting On U.S. Biofuel Mandate:** *Refinery and biofuel interests will return to the White House today to continue negotiations over reforming the US biofuel mandate, according to a refinery source close to the talks. The meeting initially appeared to be overtaken by the issue of President Donald Trump's proposed steel and aluminum tariffs, but it was back on as of Wednesday, the source said. A White House spokeswoman did not immediately respond to a request for comment. It will be Trump's fourth meeting on proposals to reform the Renewable Fuel Standard and the third in just two weeks. After the last White House meeting Thursday, senators on both sides of the issue said they would keep working toward a solution that lowers RFS compliance costs for refiners while expanding markets for ethanol. But ethanol supporters, including key Senator Chuck Grassley, Republican-Iowa, said they would not accept a bargain that trades higher ethanol blends for a price cap on RINs. (Source: Platts)*

**> U.S. Ethanol Production Rises Again:** *Pressured margins for the average ethanol producer were not enough to slow production across US ethanol facilities in the week ending March 2, data from the EIA showed Wednesday. Production averaged 1.057 million barrels per day, a rise of 13,000 barrels per day, according to the data. Alongside that, stock levels also continued to rise, adding a further 100,000 barrels to take levels to 23.1 million barrels – a potential bearish cloud, although seasonally not uncommon as the US gears up for the summer driving season. Stock levels are higher by 288,000 barrels versus the beginning of March 2017, and down by 163,000 barrels versus the same period of 2016. Estimated corn use is approximately 110 million bushels.*

**> CME Revokes Corn Force Majeure On Illinois River Loading:** *The Chicago Mercantile Exchange has revoked the force majeure that had been in place for corn shipping stations on the Illinois River as the majority of loading stations are now able to load barges again. The force majeure was declared on February 22 when high water levels along the Illinois River prevented access to Exchange approved regular shipping facilities. In recent weeks, the demand for US corn globally has driven significant exports, but bad weather across western states has slowed rail moves to the Pacific Northwest, while flooding has hamstrung movements to the US Gulf. Data from the USDA last week showed 68 vessels were in port as of February 22, the highest number since 2013. (Source: AgriCensus)*

**> Argentine Wheat Outlook Improves As Drought Bakes Soy, Corn:** *Rains expected from late March in Argentina should enable farmers to start planting the 2018/19 wheat crop in normal conditions, though the moisture will arrive too late to benefit the parched soy and corn crops. Analysts expect the 2018/19 wheat crop, to be planted starting in May, to surpass the 13.47 million acres planted in 2017/18. (Source: Reuters)*

**> R-CALF Calls For New Tariffs On Imported Meat:** *This week, the R-CALF USA Board of Directors voted unanimously to call upon President Trump to impose new tariffs on cattle, beef, sheep and lamb imported from countries that maintain substantial trade surpluses with the United States. According to R-CALF USA Board President Bryan Hanson, this action is necessary to preserve national food security interests that are threatened by a growing tide of underpriced and often undifferentiated imports. Hanson explained that just as in the steel industry, new tariffs on imported cattle, beef, sheep and lamb will help rebalance trade flows in the livestock industry, which will stop the alarming decline in the number of livestock operations and feedlots in the United States. "Since the implementation of NAFTA (North American Free Trade Agreement), the largest segment of American agriculture, the U.S. cattle industry, has shrunk at an alarming rate: 20 percent of all U.S. cattle operations have exited the industry, the nation's cow herd shriveled to the smallest size in over 70 years, and in 2014 and 2015 U.S. beef production fell to the lowest level in over two decades," said R-CALF USA CEO Bill Bullard. (Source: R-CALF USA)*

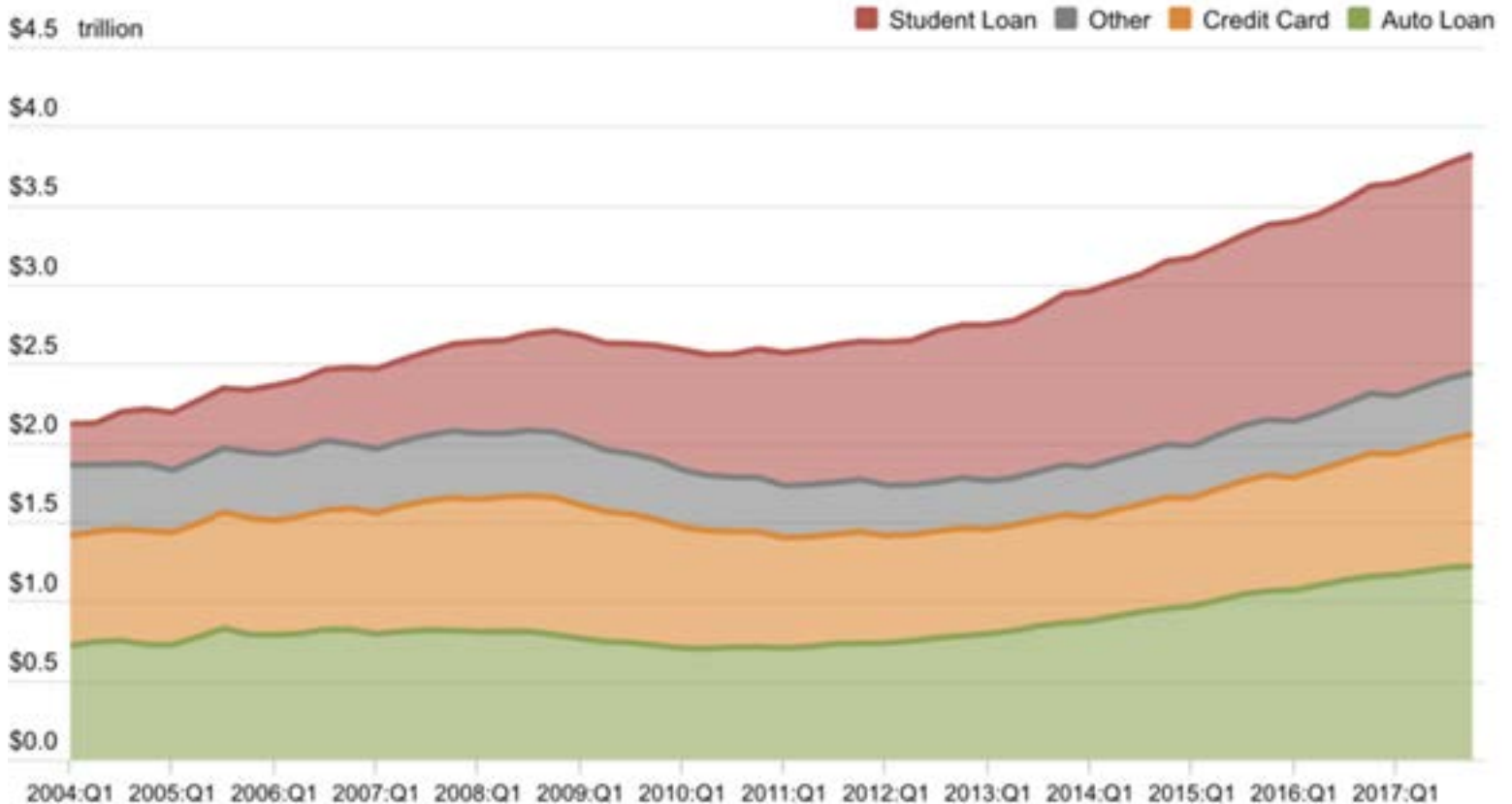
**> Turkey Threatens Retaliatory Tariffs On Cotton:** *Turkey could retaliate against potential U.S. steel tariffs by hiking duties on imports of American cotton, one of President Tayyip Erdogan's economic advisers said. He did not say how much of a tariff was being considered. The Economy Ministry said it had spoken to European Union Trade Commissioner Cecilia Malstrom regarding the issue and that they had agreed to cooperate on it in the World Trade Organization (WTO). Turkey, home to a major textile industry and companies that supply global fashion brands such as Zara, Adidas and Nike, imported \$519 million worth of U.S. cotton in 2016. U.S. cotton accounted for 42 percent of its total imports that year, the biggest share of any country. Turkey is the world's eighth-largest steel producer and the sixth-largest exporter to the United States. (Source: Reuters)*

**> EU Promises To Targe A Wide Range Of Ag Products:** *Politico Europe obtained a four-page list of American imports that the EU is set to hit with duties of 25 percent to retaliate against Trump's tariffs, totaling nearly \$3.5 billion worth of goods. The trading bloc would go after imports of corn, rice, cranberries, peanut butter, orange juice, kidney beans, bourbon whiskey and tobacco - valued at about \$1.2 billion.*

**> Indian Importers Seeking To Cancel Palm Oil Cargoes:** *Indian importers are seeking to cancel up to 100,000 metric tons of crude palm oil cargoes as costs have risen since the country, the world's biggest edible oil importer, raised import duty on the product last week, three trade sources told Reuters. "After the increase in duty the cost of imports has gone up by \$107 a tonne (metric ton) for crude palm oil but the domestic price has risen by around \$60 a tonne," said one leading palm oil broker, speaking on the sidelines of an industry conference in Kuala Lumpur. India, which buys about 800,000-850,000 metric tons of crude palm oil a month, last week raised import tax on crude and refined palm oil to the highest level in more than a decade in a move designed to support domestic farmers. (Source: Reuters)*

**> Household Debt Climbed For A Fifth Consecutive Year In 2017:** *The Center for Microeconomic Data's (CMD) latest Quarterly Report on Household Debt and Credit reveals that total household debt reached a new peak in the fourth quarter of 2017, rising \$193 billion to reach \$13.15 trillion. Balances climbed 1.6 percent on mortgages, 0.7 percent on auto loans, 3.2 percent on credit cards, and 1.5 percent on student loans this past quarter. Aggregate household debt balances are now \$473 billion higher than the previous (2008:Q3) peak of \$12.68 trillion. Mortgage balances, the largest component of household debt, increased substantially during the fourth quarter. Mortgage balances shown on consumer credit reports on December 31 stood at \$8.88 trillion, an increase of \$139 billion from the third quarter of 2017. Click the graphic for a larger view. (Source: Federal Reserve Bank of New York)*

## Non-Housing Debt Balance





**Northcentral South Dakota** - *Our corn had good yields around 190-195bpa. It wasn't near as bad in our area as it was just 20 miles west of us, where it was painfully dry. Our beans hit 50+bpa average with the best fields seeing between 60-65bpa. We also run over 700 cattle which keeps us busy year round. We are hoping foreign markets stay available for beef going forward. If weather good we will be planting by the last week in April and will have a 50/50 rotation. Land sales are extremely competitive here with high-quality land selling for between \$6,500 and \$7,000. Cash rents are averaging around \$160 per acre.*

**Central Delaware** - *I grow corn, beans and run 100 head of cattle. We had a good year last year with the soybeans better than average and the corn just below 200bpa. We also grow hay to feed the cattle. We are going with corn on corn for three years on our irrigated acres. We will then work in some wheat into the rotation. We are no-till and have some cover crops for our cattle and to keep the soil in place. It seems to be helping with the weed pressure as well. Conditions here can get ripe for weeds to grow and we needed to put some fungicide on the corn last season.*

**Central Illinois** - *We had a phenomenal crop last year. Our 2016 crop was really good and the way 2017 started out the thought was there was no way it could come close. We had to replant some of our corn fields after receiving 6" of rain following planting. We had a couple of the fields we replanted make anywhere from 235bpa to 2665bpa. We did have a few fields that made 285bpa that was on some of our better farms. We will need some extra bushels with the low prices. The beans may have been a touch better than corn overall. We had a lot of farms make up into the high 70bpa to mid 80bpa range, with 65bpa being the lowest we saw all harvest. We will have about 10% more beans this year because of our rotation but I have heard there are some guys in our area that may go all beans this year.*



**Online Ag Retail Prime For Adoption:** *Online purchases of crop inputs have attracted renewed interest. Although many consumer segments have been disrupted by technology offerings in the past decade—Netflix versus Blockbuster to name one—consultant Steve Watts points out the first wave of e-commerce for ag retail appeared 20 years ago. With*

more than a handful of entities now offering e-commerce in the ag retail space, many in the industry see 2018 as a springboard year for e-commerce and ag retail. So what makes this second wave in the industry different? Read more [HERE](#).

**Which American Cities Host The Majority Of Concerts?** You can find concerts all over the country but not all music hubs are created equally. Sometimes the artist you really want to see comes to town, sometimes they don't. We analyzed data from Priceonomics customer SeatGeek, the largest event ticket search engine on the Internet, and down into their trove of concert data to find out where the biggest (and smallest) concert markets are, and how these markets vary across genre. See what they found out [HERE](#).

**Need A Coach.....Just Put Your Headphones On:** It's not quite a voice in your head, but KuaiFit Sport Headphones offer real-time smart voice coaching during your workout without the need to connect them to a smartphone. The device now available in the U.S. serves as a wearable personal coach that monitors performance using biometric sensors, with the voices of athletes and trainers providing the feedback and motivation that's automatically adapted to each user. Read more [HERE](#).

**What Is The Real Reason Coca-Cola's Logo Is Red:** Coca-Cola and the color red go together like peanut butter and jelly, milk and cookies, or tacos and Tuesdays. After all, we would recognize that iconic red label anywhere. But why did the company choose this shade for its logo in the first place? Some claim that the red color came from one of the company's first advertisements, which featured Santa wearing his famous red-and-white suit and holding a Coke bottle. Read more [HERE](#) to learn the real reason.

**The Legacy of "Fearless Girl" One Year Later:** A year ago, State Street Global Advisors issued a mandate for increased female representation on corporate boards, and erected its "Fearless Girl" statue near the Charging Bull of Wall Street as a visual representation of this directive. Fearless Girl attracted countless tourists and responses, as it came to symbolize the call for gender equality in the workplace. In its original statement, SSGA said that it would give companies in the Russell 3000, FTSE 350, and S&P/ASX 300 one year to address their overall lack of female directors or as an advisor to many of them, would vote down initiatives brought by nominating and/or governance committees. As we approach that one-year mark and International Women's Day 2018, how much has changed? Find out [HERE](#).

**The War On What's Real: Fake news? Russian propaganda? You ain't seen nothin' yet.** An algorithm called Deepfakes, that was dropped on Reddit last month, allows anyone to replace someone in a video with someone else entirely. It's funny to see Nicolas Cage star in an Indiana Jones flick, but decidedly less so to imagine what will happen in the next election cycle. Deepfakes has officially begun what one expert called "The War On What's Real." Whether it's anonymous Redditors, big players like Adobe, or academia itself, progress is being made through all channels on advanced audio and visual manipulation, and no one is promising to hit the brakes. So how should we reckon with a dissolving reality? Read more [HERE](#).

**Views Of Home:** In 1968, Apollo 8 placed humans into lunar orbit for the first time. As the astronauts in their spacecraft emerged from behind the Moon, they were surprised and enchanted by an amazing view of Earth rising over the lunar horizon. Bill Anders quickly snapped a picture of the spectacular Earthrise. Humankind viewed their planet and saw

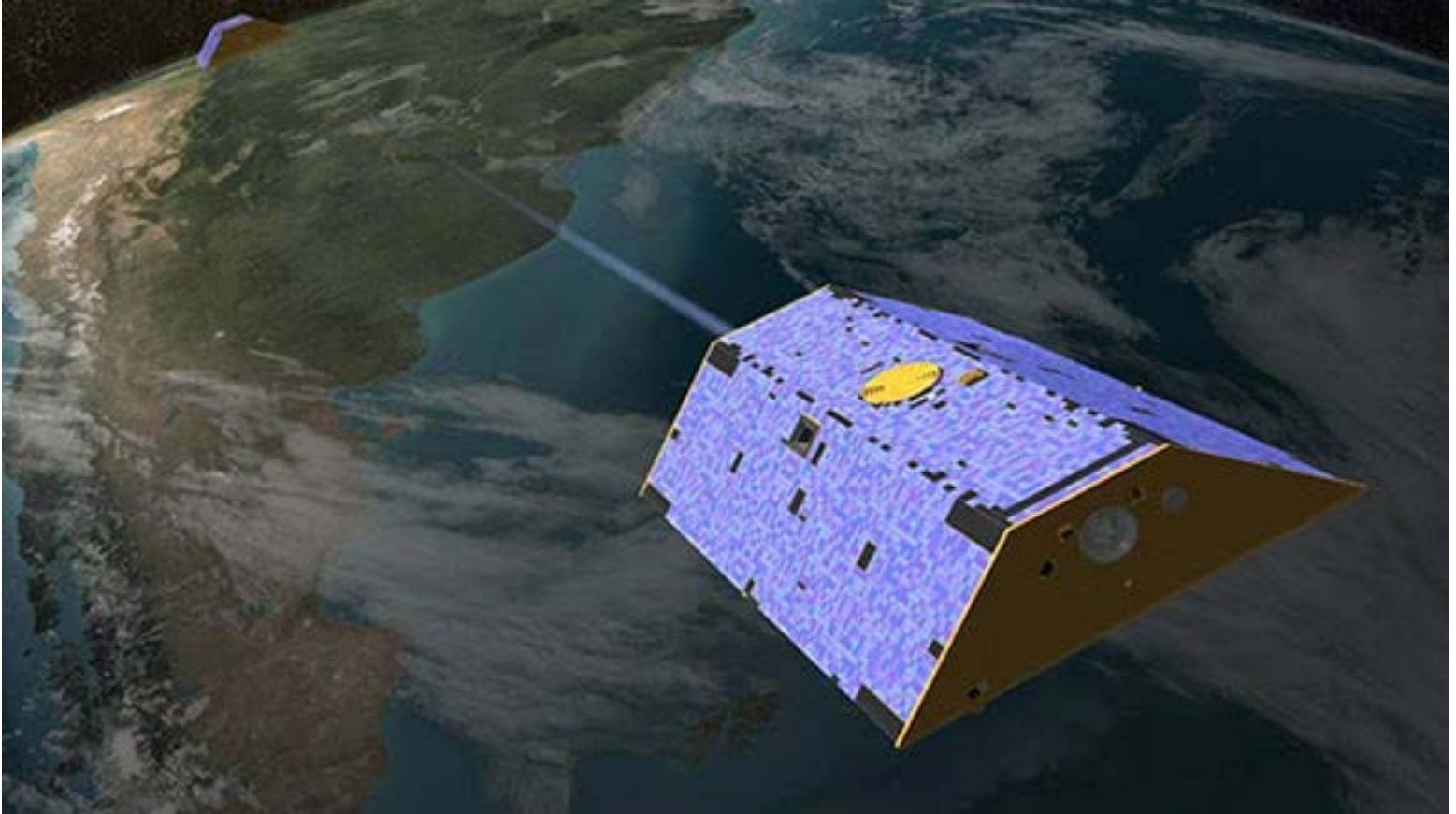
not a jigsaw puzzle of states and countries on an uninspiring flat map – but rather a whole planet uninterrupted by boundaries, a sphere of dazzling beauty floating alone in the void. Cameras on NASA spacecraft have treated us to intriguing perspectives of our home planet from various locales. Check out some great views of Earth from space in this video collection of images from Science@NASA. Click [HERE](#).



### **Scientists Give Us a New Global Drought Severity Index**

Researchers at the University of California, Irvine and other institutions are rolling out a new satellite-based drought severity index for climate watchers worldwide. Relying on data from [NASA's](#) Gravity Recovery and Climate Experiment mission, the index adds terrestrial water storage groundwater to drought assessments, augmenting commonly used tools most often based on the amount of precipitation. Reliable information on drought conditions is of utmost importance to climate and meteorological scientists and government officials - and to assess drought impacts on vegetation, food production and water resources. The data-set for the Gravity Recovery and Climate Experiment drought severity index covers 2002 to 2014 but will be extended with the ongoing current mission and the GRACE follow-on mission scheduled to be launched in early 2018. GRACE has been shown to accurately characterize drought events over the past decade on a par with such other

metrics as the Palmer drought severity index and the standardized precipitation evapotranspiration index. The GRACE-DSI is exceptionally reliable because it's based solely on satellite gravity observations, which enables it to provide globally consistent drought monitoring, even in places where ground readings are difficult to obtain. The new index tracks groundwater storage changes, which affect soil moisture recharge and drought recovery. Again, this new technique allows the climate community to draw a more thorough picture of the impact of drought in any corner of the world. In the past, they had a way of assessing meteorological drought by measuring precipitation and surface water. With GRACE-DSI, they now have the ability to better observe and characterize hydrological drought, which factors in all the water in the system. (Source: [ScienceDaily](#))



### **California's DMV To Allow Driverless Automobiles in April**

California's Department of Motor Vehicles has eliminated the requirements for autonomous cars to have a backup person in the driver's seat. Meaning, driverless cars could be seen on the streets of California as early as April 2. It's worth noting that this doesn't mean that cars will be completely unmanned as the current regulations call for driverless cars to have a remote operator. For the time being the remote operator's role is to monitor the car, take over if necessary and communicate with law enforcement and the passengers in the case of an accident. In my opinion, things are a long ways off before we will see fleets of unmanned cars roaming the streets of our cities but companies like Phantom Auto are seeking to fill the role of remote customer support centers. To put it in perspective, these remote operators will essentially be playing "real-life" video games as they move your vehicle around in its environment when necessary. I suspect this will take a bit of getting used if you are like me and hate giving up control. But before you get too worried, at this point the remote operators are only controlling the cars at speeds of

25mph or less as they continue to improve the systems. As I understand it, many industry experts agree that the remote operator's role will be a critical stepping stone to the public's acceptance of driverless vehicles. Keep in mind that some of the bigger players like Alphabet's Waymo, General Motors and Uber have already been testing their own remote customer support centers. And GM has even filed a petition to the National Highway Traffic Safety Administration asking the agency to allow the company to deploy driverless cars that do not have steering wheels or brake pedals by 2019. I'm reminded of the Will Smith movie "I Robot" where cars autonomously operated at high speeds on the highway. Interestingly, it was only when humans hit the manual drive switch that anyone got nervous. It's a big jump from driving yourself to no longer having a steering wheel or brake pedal, but I would imagine like everything else, convenience will win out over the fear of the unknown! (Source: [recode](#))







### **Are You Thinking For Yourself?**

I often share with my kids and staff that I truly believe a person can learn or be trained to think better. That obviously includes thinking for themselves and drawing their own conclusions based on the facts at hand. Often times people do not do this, rather they drift and follow the herd, in turn getting disputing results. Thinking is hard work and on top of that, I suspect most people fall victim to listening to “perceived” experts rather than the ones who actually know. Interestingly, our brains often take shortcuts when determining who or what we decide to accept as a source of true knowledge. I ran across a good article from Khalil Smith, from the NueroLeadership Institute which addresses some of these issues. By using organizational and social psychology along with neuroscience, we begin to see a more clear picture of why we’re so habitually in our process and where the mistakes are often made. They have found that at a cognitive level, the biases that lead us to believe false expertise are: Like Minded or Similar...“People like me are better than people who aren’t like me”; Experience or similar Perception...“My perceptions of the world must be accurate”; and Expedience or Gut Intuition...“If it feels right, it must be true”. Biases are human — a function of our brains — and falling for them doesn’t make us malicious. We have the capacity to nudge ourselves toward more rational thinking, to identify and correct the errors we make as a result of bias, and to build institutions that promote good, clear thinking and decision making. With the right systems, tools, and awareness in place, we can better cultivate the best ideas from the most well-suited minds. It just takes a bit of effort, and in the long run pays off in big ways. The best ideas get a chance to be heard — and implemented — and your best thinkers are recognized and keep on thinking.

If you truly desire to change your thinking and thus your outcomes, I recommend taking a minute to read the article in full [HERE](#), paying special attention to the five steps they discuss below to combat your own decision making bias. Remember, if it isn't a fact, it's just an opinion. (Source: [strategy-business.com](http://strategy-business.com), by Khalil Smith, who heads the diversity and inclusion practice at the NeuroLeadership Institute. He has 20-plus years of experience in leadership, strategy, and HR, including more than 14 years at Apple Inc.)

**1. Set Up "If-Then" Plans.** *To guide attention back from these proxies of expertise, you can formulate "if-then" plans, which help the anterior cingulate cortex — a brain region that allows us to detect errors and flag conflicting information — find differences between our actual behavior and our preferred behavior. By incorporating this type of bias-mitigation plan before we enter into a situation where we know a decision will be made, we increase our chances of making optimal decisions. For example, you can say to yourself: "If I catch myself agreeing with everything a dominant, charismatic person is saying in a meeting, then I will privately ask a third person (not the presenter or the loudest person) to repeat the information, shortly after the meeting, to see if I still agree.*

**2. Get Explicit, and Get it in Writing.** *One fairly easy intervention is to instruct employees to get in the habit of laying out, in writing, the precise steps that led to a given decision being made. You also can write out the process for your own decision making. For example, narratives in the form of "We decided X, which led us to conclude Y, which is why we're going with strategy Z" bring a certain transparency and clarity to the decision-making process and serve as a record that can be referenced later to evaluate which aspects of the process worked and which didn't.*

**3. Incentivize Awareness.** *Along those same lines, managers should reward employees who detect flaws in their thinking and correct course. At the NeuroLeadership Institute, we have a "mistake of the month" section in our monthly work-in-progress meetings to help model and celebrate this kind of admission. To use a sports example, New England Patriots quarterback Tom Brady reportedly pays his defense if they can intercept his passes in practice. (It must help. He's one of two players in NFL history to win five Super Bowls.) The takeaway: By making error detection a team sport, you destigmatize the situation, highlight the learning opportunities, and increase the likelihood of making better decisions in the future.*

**4. Set up Buffers.** *Taking your decision making from "hot" to "cool" often requires a conscious commitment to create a buffer between when you receive information and when you make a decision on how to move forward. For example, before a big decision is officially made, everyone involved should be encouraged to spend 10 minutes relaxing or going for a walk before reconvening one last time to discuss any potential issues that haven't yet come up. This is a way of "cooling off" and making sure things have been thought through calmly. Another way to accomplish this is to engage in a "pre-mortem" — imagining a given decision went poorly and then working backward to try to understand why. Doing so can help identify biases that might otherwise go undetected.*

**5. Cut the Cues.** *The most common and research-backed approach involves giving hirers access to fewer of the sorts of cues that can trigger expedience biases. Blind selection is a classic example. In the 1970s and 1980s, top orchestras instituted a*

*blind selection process in which the identity of applicants was concealed from the hiring committee, often by literally hiding the player behind a screen while he or she performed. As a result, the number of female musicians in the top five U.S. symphony orchestras rose from 5 percent in 1970 to more than 25 percent in 1996. Bonner, the Utah psychologist, says to "take the humanity out" when you can. "Set up situations where people exchange information with as little noise as possible," he says. If you're brainstorming, have everyone write down their ideas on index cards or on shared documents, then review the ideas anonymously — that way the strength of the idea, rather than the status of the source, will be the most powerful thing.*

"Thinking is skilled work. It is not true that we are naturally endowed with the ability to think clearly and logically – without learning how, or without practicing."

– A.E. Mander

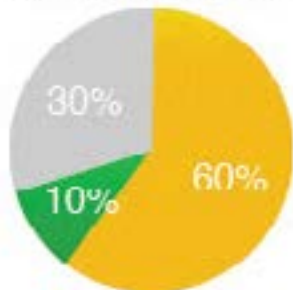




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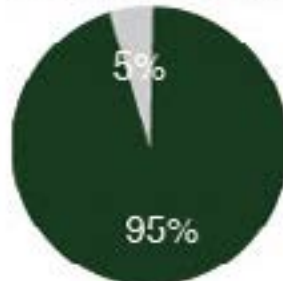
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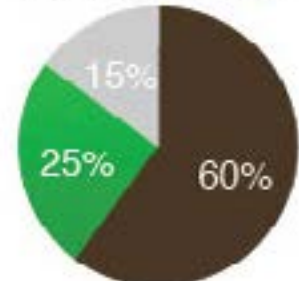
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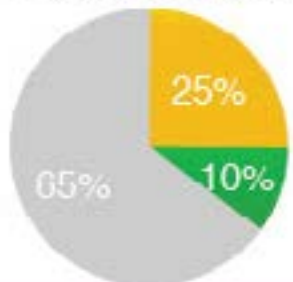
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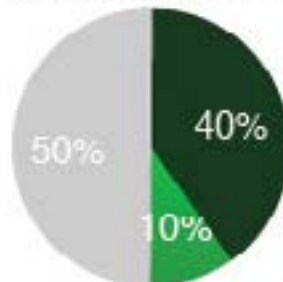
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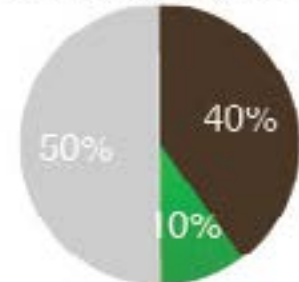
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## WHEAT 2018 CROP

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## CORN 2019 CROP

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## SOYBEANS 2019 CROP

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## WHEAT 2019 CROP

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