



"Strength doesn't come from what you can do. It comes from overcoming the things you once thought you couldn't." – Rikki Rogers

MONDAY, MARCH 12, 2018

Morning Summary: Stocks continue to regain their upward momentum. Last week's economic data showed signs of ongoing strength. In fact, not only did we get another strong labor report, +300,000 new jobs created during February, but there seemed to be less apparent uphill pressure in wage growth. Meaning perhaps less inflationary concerns in the months ahead? You have to go all the way back to late-1999 and early-2000 to find employment rates this strong. It seems like investor concerns about looming "trade wars" have also subsided somewhat after the White House walked back a few of their comments, especially those involving Canada and Mexico. Economic data this week should garner lots of attention with several highly anticipated releases on the calendar - the Consumer Price Index, Producer Price Index, Housing Starts and Consumer Sentiment. There are no Fed officials scheduled to speak as they will be entering the "black out" period before the next FOMC monetary policy meeting on March 20-21. Keep in mind, it's widely expected the Fed will raise interest rates at the next meeting. More importantly the trade is eager to learn more about the velocity and speed in which the Fed will be pushing rates higher in the months ahead. Also on the radar next week will be updated Chinese data, including Fixed Asset Investments, Industrial Production and Retail Sales. In Washington, Congress will be tackling legislation that would loosen Dodd-Frank financial regulations. The reforms are viewed as beneficial to banks, who have long complained that complying with the many Dodd-Frank rules are overly costly. Behind closed doors, Congressional leaders will also continue working to hammer out appropriations needed to pass a spending bill before the March 23 deadline to avert a government shutdown. The market seems comfortable with the wave of political headlines and may soon look to make a run towards new all-time highs. The current bull-market in stocks is now over 9 years old and has gone over 108 months without posting a -20% correction. I remain conservatively bullish.

Who Will Replace Gary Cohn? *President Trump is strongly considering Christopher Liddell, a former executive at Microsoft and General Motors, to succeed his departing top economic adviser, Gary Cohn. Liddell is currently the White House's director of strategic initiatives working closely with Jared Kushner to streamline and update government functions.(SeekingAlpha)*

U.S. Student Breaks World 400m Record: *American Michael Norman broke the world indoor 400 meters record when he clocked 44.52 second at the U.S. collegiate championships in College Station, Texas on Saturday. (Reuters)*

The Perfect Bracket Could Win \$1 Million Per Year For Life: *Warren Buffett recently announced he would give any of his Berkshire employees \$1 million a year for the rest of their life if they select a perfect bracket into the Sweet-16. For what it's*

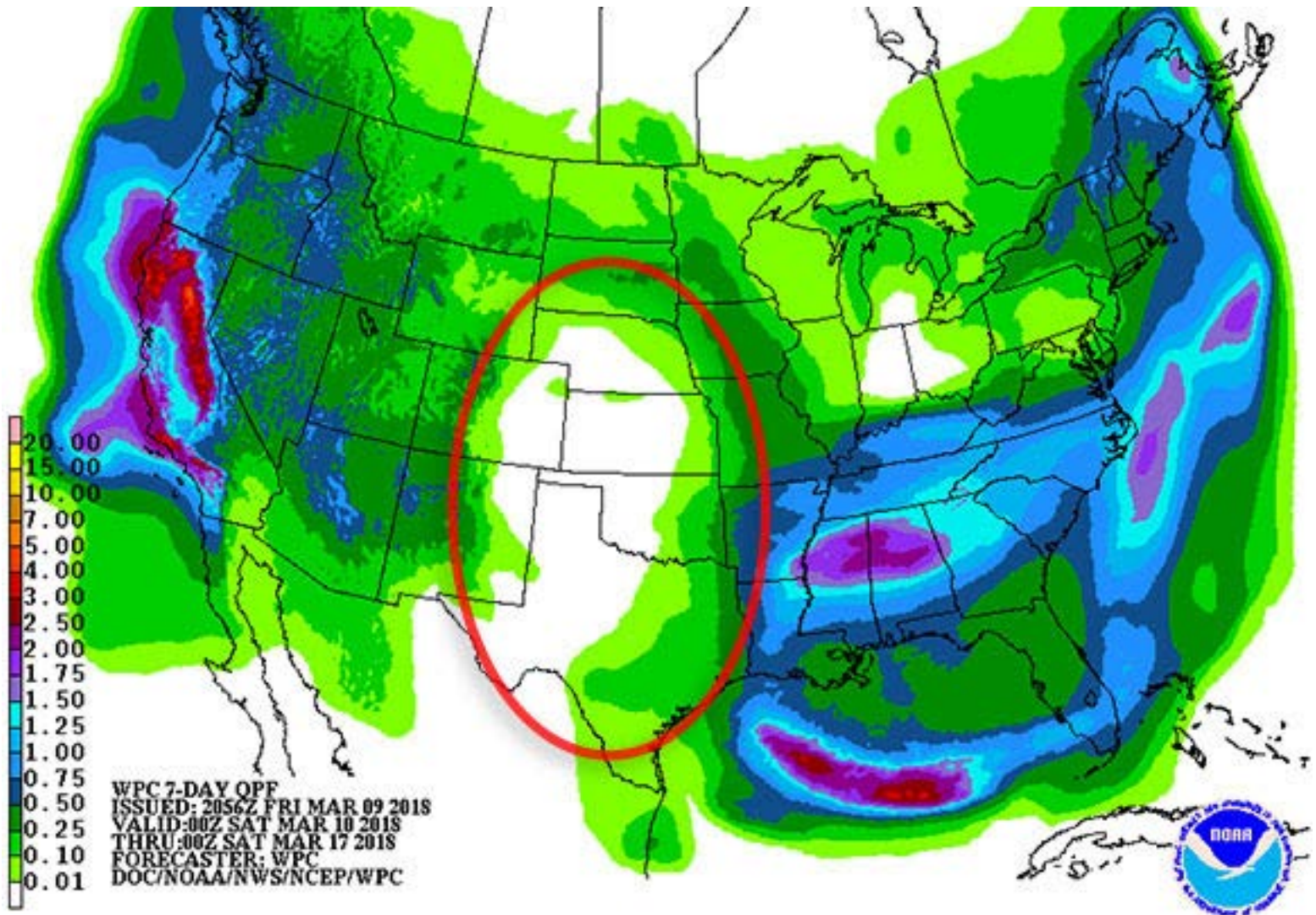
worth, a perfect Sweet 16 bracket is a long shot, as only 18 brackets out of 18.8 million completed on ESPN last year were perfect through the Sweet 16. Buffett further enticed participants by letting them know if hometown Creighton would end up winning the tournament he would bump the price to \$2 million per year. Keep in mind, Berkshire Hathaway is a massive conglomerate with 377,291 employees at 63 operating companies ranging from insurer Geico to battery maker Duracell to restaurant chain Dairy Queen. Interestingly only 26 people are employed at Berkshire's headquarters. The company ranks among the five biggest U.S. companies by sales, profits and market value. All employees are eligible, and one employee will win \$100,000 even if no one picks a bracket with a perfect Sweet 16. This years top seeds are Virginia, Villanova, Xavier and Kansas. For a printable bracket Click [HERE](#).



Weather over the weekend is centered on continuing moisture shortages across most of Argentina and southern Brazil corn and soybean areas. Over the weekend a few showers fell in northern and southern portions of Argentina, however amounts weren't enough to improve crop conditions. Meanwhile, abundant rains in northern Brazil further improved moisture for safrinha corn, while slowing soybean harvests. More significant rains are in the forecast for late next week into the weekend which should bring some notable mois-

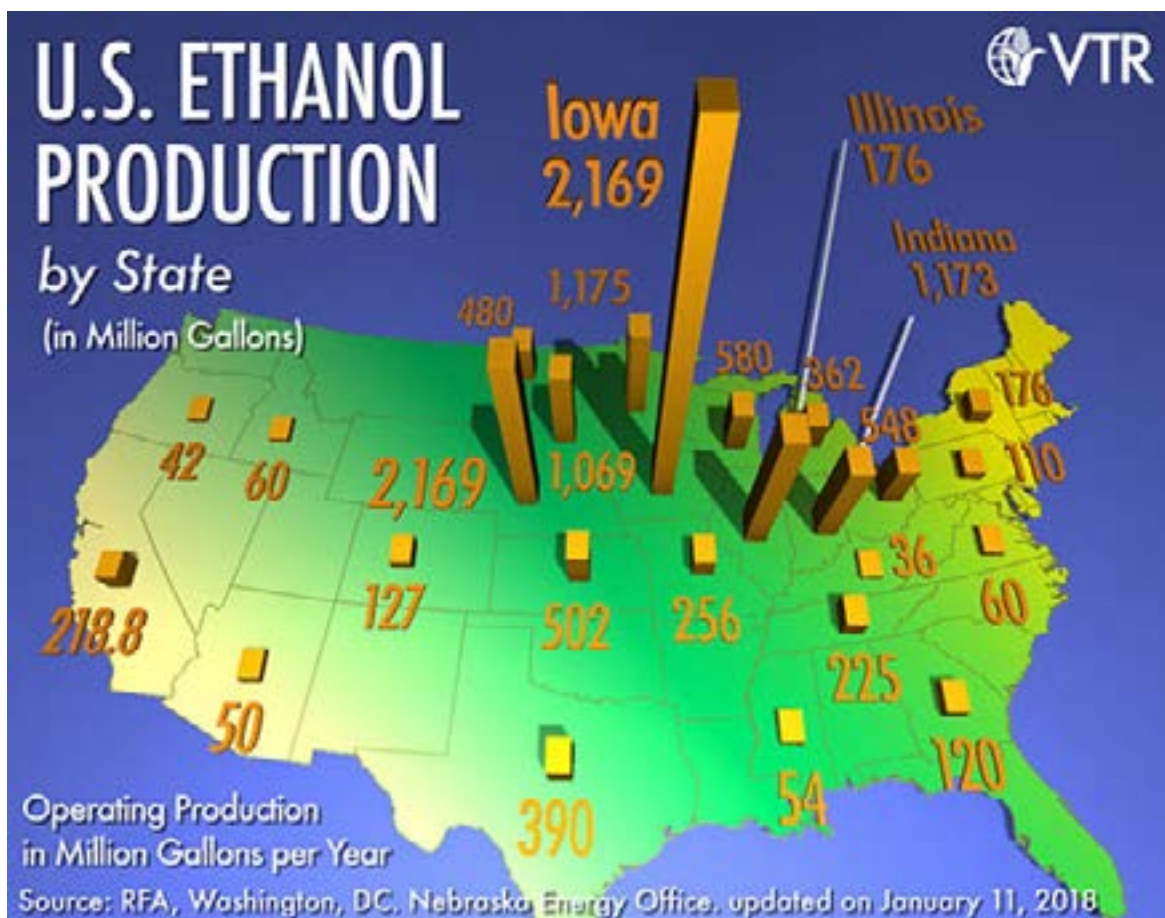
ture improvements but we'll have to wait and see.

Little Chance for Rain: *In the southern Plains, there are no significant rainfall for west and central areas during the next seven days. Rain will be needed as winter wheat development increases during the coming weeks to prevent significant stress to wheat and potential yield declines.*

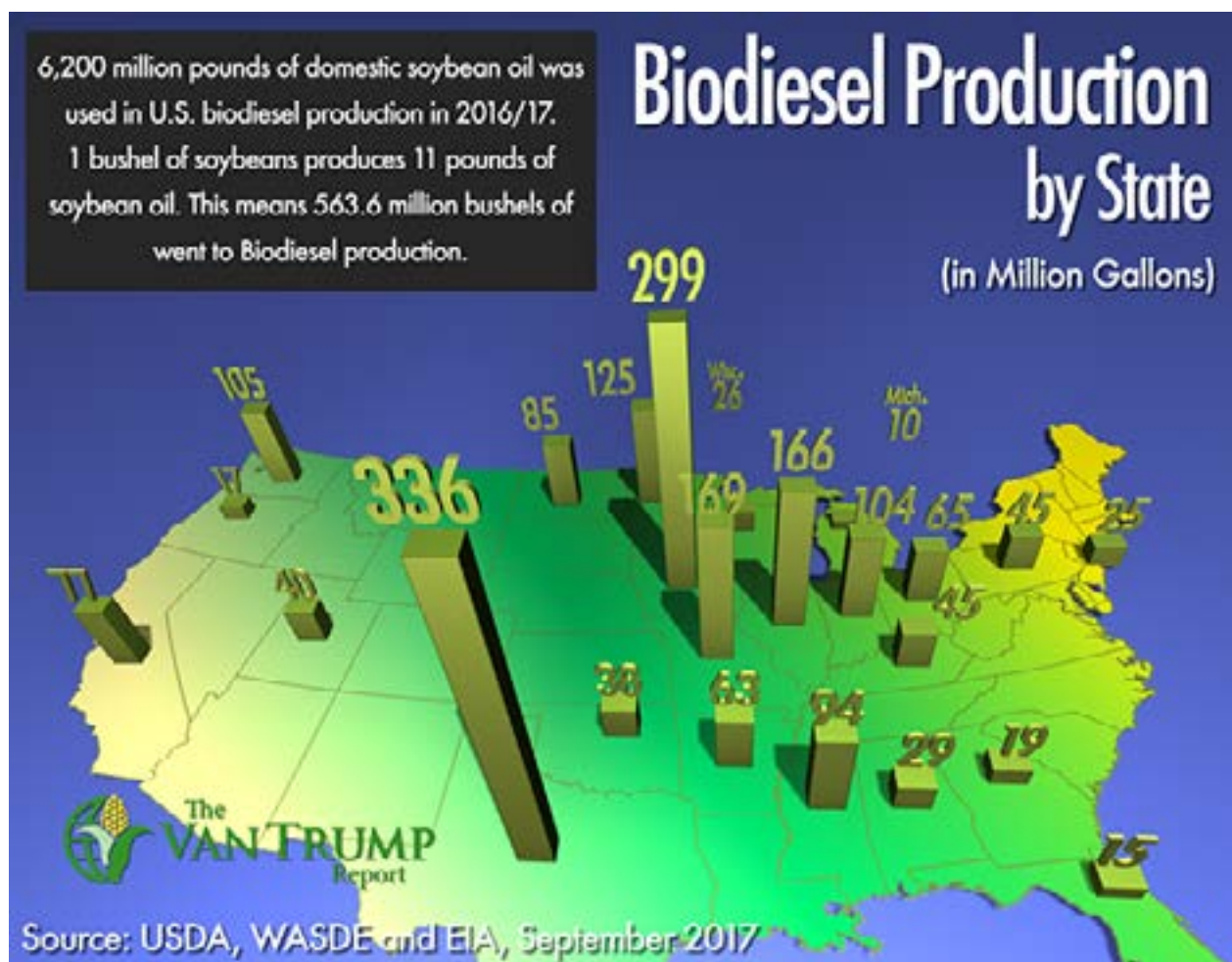


Corn bulls are wanting to see the market hold it's recent gains. Prices are slightly lower this morning but still up over +5% in the past 30-days and up over +8% in the past 90-days. The USDA most recently helped add to the bullish tone by reducing U.S. ending stocks by -225 million bushels and lowering global stocks by -3.92 MMTs compared to the previous month. The USDA also took another large swing at reducing Argentina's crop, lowering their production estimate by another -3 million metric tons. Remember, they had just lowered it by -3 MMTs in their previous monthly report in February. Regardless, many sources inside the trade still think the Argentine number needs to be lowered further. Just last week the Buenos Aires Grain Exchange lowered its estimate down to 34 MMTs, which is still -2 MMTs below the USDA's recent update. Bears are pointing to the fact Argentine weather forecasters have penciled in a few more showers, especially in the north and northeastern portions of the belt. But from what I understand, the coverage is somewhat limited and the extended forecast still looks dry in many key locations. As for Brazil, the

USDA's most recent estimate is still substantially above most other sources. Even though they trimmed their forecast by -500,000 metric tons to 94.5 million, they still seem overly optimistic. CONAB most recently estimated the crop at 87.3 million metric tons. From what I understand, second-crop corn acres are planted in most key locations. There's still some select areas that are still trying to get the crop in the ground, but for the most part, second-crop planting is close to being completed. I should note, there are a few sources starting to look more closely at the Brazilian forecast. In fact, some are starting to talk about potentially dry conditions arising as the crop progresses. I personally don't see any concerns as of yet, but I wouldn't be surprised to see some talk in the headlines once we start to move into more critical stages for the crop. I'm also hearing talk that producers in Brazil are starting to hold old crop supply with a much tighter fist. Their market has rallied aggressively the past couple of weeks and their farmers are starting to get more bulled up. Meaning it might become harder for Brazilian export buyers to source supply. Ultimately, lack of South American bushels in the global marketplace should keep a tailwind behind U.S. demand. The USDA confirmed these thoughts by recently raising their U.S. export estimate by +175 million bushels as well as lifting their domestic corn used for ethanol use by +50 million. As for U.S. production, there's starting to be more 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 better and with cash-flow still tight more bean acres makes sense. I also believe if there's any sign of weather complications or uncertainty about getting the corn in the ground, U.S. producers are going to be a bit quicker on the trigger finger in regards to switching a few more acres to soybeans. I personally remain bullish based on strong demand, increased macro interest from the funds and weather uncertainty still in the cards. It feels like downside risk is fairly limited, at least until more uncertainties become facts. I'm keeping my eye on weather in Brazil as it pertains to second-crop acres, the extended forecast here in the U.S. as it pertains to corn planting and any geopolitical talk or trade headlines that could upset the strong demand story.



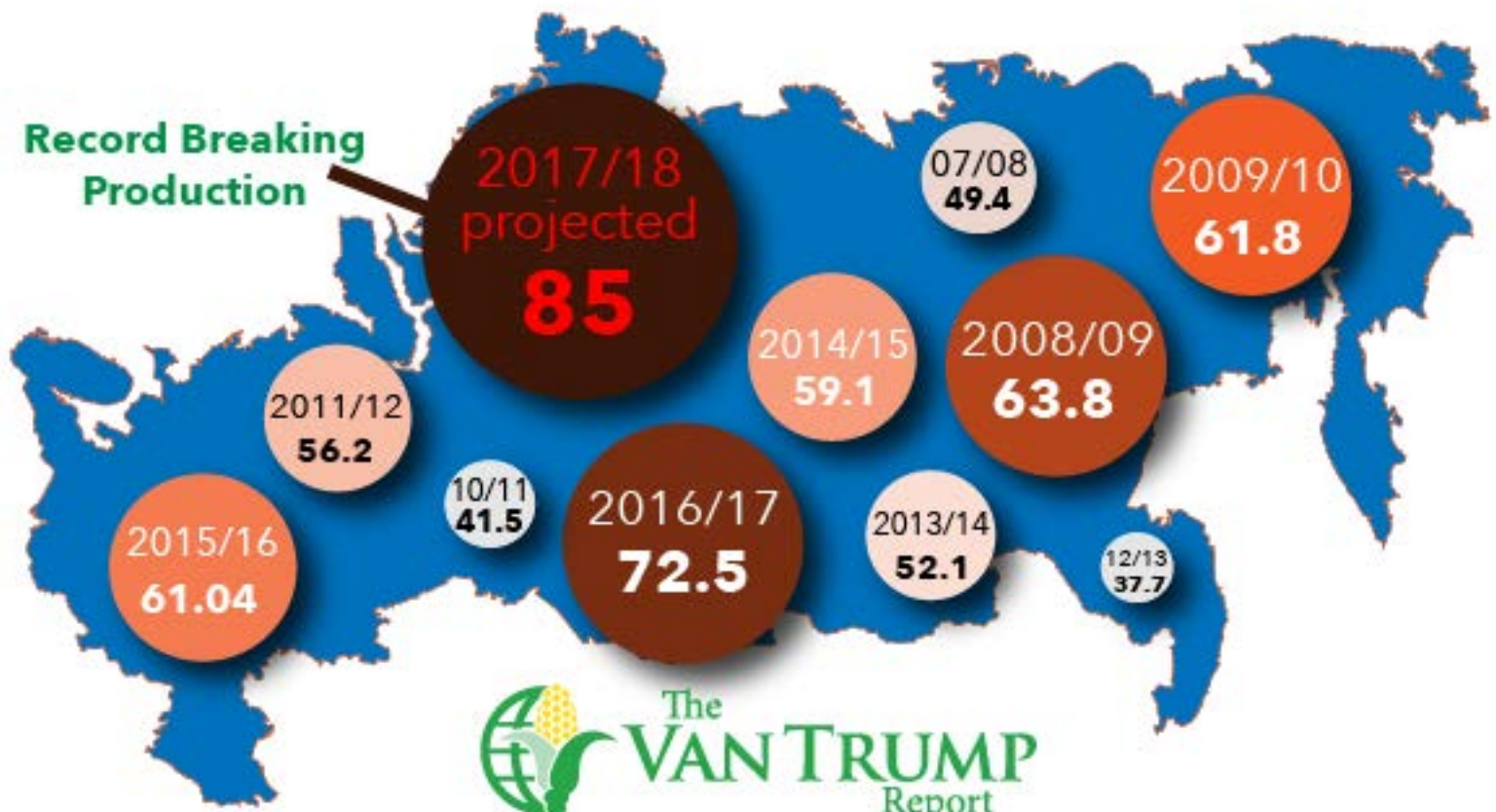
Soybean prices are slightly lower this morning after taking a big step back late last week. In fact, the market is now up less than corn or wheat on a year-to-date basis. Prices have actually fallen back to the highs that were posted back in early-December of last year. If you remember, the MAY18 contract traded to \$10.37 in early-December, then tumbled all the way down to nearly \$9.55 by mid-January before posting it's most recent run. The market has now trimmed nearly -50 cents from it's highs in the past five trading sessions. Bulls are hoping they can stop the recent bleeding which seemed to pick up following a "mixed bag" of data released by the USDA. Perhaps the most damaging data to the bullish argument was seeing U.S. ending stocks raised higher by +25 million bushels to an extremely burdensome 555 million. The main culprit was U.S. exports being lowered by -35 million bushels. From a global perspective, the driest February in Argentina during the past 30 years, prompted the USDA to slash their Argentine production estimate down to 47 million metric tons from a previous 54 million. The Brazilian crop estimate was raised from 112 to 113 million metric tons. Several insiders believe that number is going to work itself even higher and Brazil will more than likely harvest a fresh new all-time record crop before it's all said and done, somewhere between 114.5 and 116.5 MMTs. Bottom-line, I still believe the weather hiccups in Argentina have put a damper on their crush facilities getting the needed bushels to produce the meal to meet export demand. At the end of the day this places more importance and pressure on upcoming U.S. new-crop production. Talk inside the trade is that even with record planted acres the market will still need to see an average U.S. yield of 50 bushels or higher to keep a lid on prices and to keep ending stocks overly supplied. As a producer, I've made some good sales, reduced some longer-term risk on the rally and am now sticking with a "wait-and-see" approach. As a spec, I continue to sit on the sideline, not wanting to chase the bull higher, and respectful to the front-end power of a combo punch include macro money-flow and weather headlines...



Wheat has struggled to hold its most recent gains as both the SRW and HRW contracts are down about -30 cents from their most recent highs. Bears continue to point to the obvious as the USDA reconfirms the argument of burdensome global supplies. Both U.S. and global ending stocks were raised higher as U.S. exports were lowered. This comes as bears raise more concerns about possible trade wars bringing some additional pressure to U.S. wheat exports. At the same time, the state of the U.S. crop continues to be highly debated. In particular, fields in the southern and western portion of the belt are seeing some of the worst crop-conditions in many years. An area of exceptional drought is now showing up across western Oklahoma and in southern Kansas. But as the bears remind us, wheat tends to have nine-lives and has fooled us many times early on only to end up much better than anticipated. Hence, the reason I elected to move to the sideline and bank spec profits associated with bullish positions. As a producer, I also elected to reduce some longer-term risk on the rally. I still have a longer-term bullish tilt, but I'm just worried we are in a bit of news vacuum where fresh headlines could be lacking in substance, especially with near record global supply, weak U.S. exports and U.S. domestic stocks in excess of +1.0 billion bushels. Lets also keep in mind, we've seen HRW stocks raised higher by +40 million bushels in the last few reports. I'm staying patient on the sideline, looking to be a buyer on a more substantial break in price and better valuation. I see no reason to get out ahead of ourselves in an oversupplied environment...

Russian Wheat Production

(in million metric tons)



Source: USDA, FAS, FS&D, Updated 03/09/17



> Could Soybeans Be A Target For Chinese Trade Retaliations? *Chinese officials have said U.S. soybeans are a prime target for retaliation against tariffs imposed by the Trump administration on steel and aluminum imports, according to the American Soybean Association. "We have heard directly from the Chinese that U.S. soybeans are prime targets for retaliation," the trade group said in a statement. "The idea that we're the only game in town, and these partners have no choice but to purchase from the U.S. is flatly wrong." Officials declined to elaborate further. The Chinese embassy in Washington did not respond to a request for comment. (Source: Reuters)*

> Severe Drought In Hard Red Winter Wheat Areas Has Intensified: *Drought across HRW growing regions in the US intensified in the week to March 6 as precipitation remained below average, according to the USDA's weekly drought monitor. The Southern Plains are suffering the effects of one of the worst winter droughts in living memory with the North Oklahoma/Southern Kansas border region upgraded to a "D4" or "Exceptional" rating - the most severe intensity on the scale. "Unirrigated winter wheat in the Texas Panhandle and adjoining areas is almost a total loss," the USDA wrote. Nationwide, 39% of winter wheat production is within an area experiencing drought, while the bulk of the US' major HRW growing region is suffering even more. "Continued dryness with periods of strong winds and low humidity led to broad deterioration from the Texas Panhandle and northeastern New Mexico northeastward into the central Plains," it wrote. (Sources: AgriCensus)*

> COCERAL Forecasts Slight Increase In E.U. Grain Output: *In its first forecast for 2018, COCERAL sees the E.U.'s total grain crop at 302.5 million metric tons, which would be a slight increase from the 299.9 million metric tons last year. Wheat production is expected to fall to 140.5 million metric tons from 141.5 million. COCERAL said this is due to an expected drop in acreage after unusually wet weather had affected plantings last fall in Germany, Denmark, Poland and Scandinavia. The corn crop is seen increasing slightly from 60.9 million metric tons last year to 61.7 million metric tons. Rapeseed production in the E.U. is forecast to slightly increase to 22 million metric tons from last year's 21.9 million tonnes. COCERAL noted that weather over the coming months will be crucial for crop development and final yields and deviations from these first forecasts could occur. (Source: World Grain)*

> French Wheat Suffers Effects Of Cold Snap: *Cold weather at the end of February has affected the French winter wheat crop, with FranceAgriMer moving their assessment of the wheat it deems to be in good or excellent condition 2% lower to 81%, according to a report released Friday. The figure is down from 92% at the same stage last year. The release comes at the same time as another arm of the ministry of agriculture released a report pointing to the cold spell the country experienced at the end of February. Average temperatures across France were 2.3 C below average across February, according to the*

report from Agreste. Rainfall is also an issue. Although headline figures showed average precipitation across France 11% above the normal, wheat growing regions were well-below the normal at around 75% of what would typically be expected. (Source: AgriCensus)

> China's Corn Acreage Seen Rebounding In 2018: China's corn acreage may rebound in 2018 as farmers' returns from growing corn increased significantly due to a domestic price rally, according to a survey by the China National Grain and Oils Information Center. Corn acreage fell over the past two years as the government pushed to cut output and reduce massive state stockpiles. The government is urging farmers not to expand corn acreage blindly. (Source: Bloomberg)

> Contract Poultry Farmers May Not Qualify For Small Business Loans: Large poultry companies like Tyson Foods and Pilgrim's Pride exert so much control over their contract farmers' operations that these growers don't appear to meet the regulatory definition of a small business required to be financed by the Small Business Administration, according to a report by the agency's Office of Inspector General. Between fiscal 2012 and 2016, SBA guaranteed about \$1.8 billion in loans to poultry farmers - accounting for more than three-quarters of its agricultural portfolio. (Source: Politico)

> Bill Requiring Sale Of Conventional Eggs Gets Final Passage: The Iowa Senate gave final passage to a controversial bill requiring Iowa grocers in a supplemental food program to offer conventional eggs if they sell eggs from chickens housed in a cage-free, free-range or enriched colony cage environment. House File 2408 was approved 32-17, sending it to Republican Gov. Kim Reynolds for her consideration. The legislation would apply to grocers participating as vendors in the special supplemental food program for Women, Infants, and Children, known as WIC. The program is administered by the U.S. Department of Agriculture in cooperation with state officials, and the bill would allow state officials to seek a federal waiver if necessary. Supporters of the bill have pointed out that Iowa is the nation's leading egg producer, noting the egg industry provides thousands of jobs and consumes millions of bushels of Iowa corn and soybeans. But critics have charged the legislation is evidence that large-scale, corporate-style agriculture is dictating policy decisions at the Iowa Capitol. (Source: Des Moines Register)

> Commodities Vulnerable To Escalating Trade War: "Besides steel and aluminum, the rest of the commodity complex remains vulnerable to an escalating trade war," analysts at Societe Generale said in a note. "The impact of ill-conceived protectionist measures on global trade would dent economic prospects across the world, and affect every sector of the economy." (Source: Bloomberg)

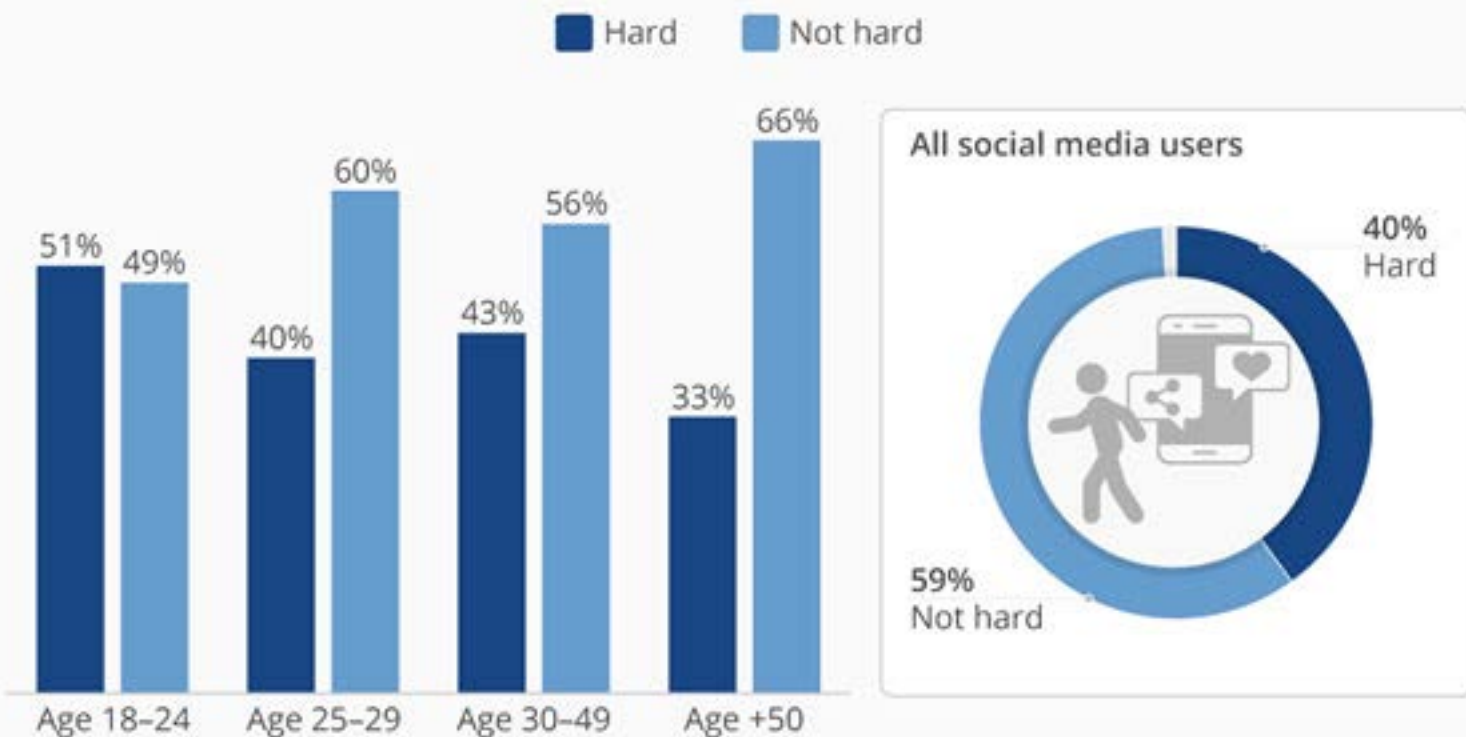
> Pacific Rim Trade Pact Signed: A trade deal originally expected to enhance trade relations between numerous Pacific countries and the United States has been signed but without U.S. participation. Signers of the new pact, dubbed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, included Japan, Canada, Mexico, Singapore, Brunei, New Zealand, Chile, Australia, Peru, Vietnam and Malaysia. The pact will lower both non-tariff and tariff barriers to trade and establishes an investor-state dispute settlement mechanism. The agreement also sets rules on intellectual property, labor and the environment. It opens Japan's highly protected agricultural market to shipments of beef and pork from Australia and Canada. The pact was aimed at diminishing the increasing economic dominance of China in a rapidly growing part of the world. (Source: World Grain)

> Updating The Push For Electric Vehicles: Tesla has confirmed a temporary Model 3 production suspension during a week in late February as it targets 2,500 units per week by the end of the first quarter and 5,000 a week by the end of Q2. "These periods are used to improve automation and systematically address bottlenecks in order to increase production rates. (Source: SeekingAlpha)

> Going Cold Turkey on Social Media: Social media has become a corner stone of the digitalized society and has revolutionized communication behavior over the past ten years. From today's vantage point, it seems pretty hard to have a social life without using the various platforms to interact with friends, family or the wider world. This makes findings by the Pew Research Center all the more surprising, which suggest that Americans actually might be less dependent on social media than often thought. The researchers found that across all age groups, 59 percent of respondents thought it wouldn't be hard to give up social media. However, thinking it might not be that hard and really going cold turkey are two different things. After all, many smokers say they could quit cigarettes tomorrow too. (Source: Statista)

Going Cold Turkey on Social Media

Share of respondents who think it would be hard/easy to give up social media





Southcentral Illinois - *We introduced cover crops a year ago on 200 of our bean acres and the results were unbelievable. For whatever reason we saw some 100bpa beans on those acres. The beans not on cc only saw 50bpa. We will be adding more acres to cover cropping this fall and will once again plant Rye and Sudangrass. Hopefully, we will see similar results. Our corn was average at 220bpa. I've been doing bee hives for a few years and am up to seven hives that each produce around 70-80 lbs of honey each year. We are looking to dry out a bit after some recent rains and if all goes well we will be in the field by early April.*

Southcentral Texas - *We finished planting corn a few weeks ago and are working on cotton as we speak. We are definitely seeing some more cotton acres around as there is a profit to be made in the current market. When things go well we can make \$200 an acre. The corn is emerging nicely at about 4" right now. If the weather stays nice we can be done with the cotton in seven more days. We are in a bit of a dry spell so it would be nice to see some moisture in the near future. We do some grain sorghum as well and haven't yet seen any change in the market since China decided to hammer it. We won't be needing to move any for a while so hopefully they were just saber rattling.*

Eastcentral Iowa - *We have recently taken over the management of lands in our area and rent most of the acres for between \$300 - \$315. We ourselves are doing something new and hopefully profitable. We are putting a small number of acres into hops and will be selling it all within a 50 mile radius. The growth of this market is huge as we are only the 14th grower in the area and all of us will only meet 3% of the states use from micro-breweries. The production of hops is labor intensive but once you get up and running they are a perennial plant. A good yield will be around 1500 lbs an acre and sell for between \$15 and \$30 a pound. We are planning on expanding to nearly 150 acres next season if we can.*



Wave Of Agriculture Robots May Ease Farm Labor Crunch: *Some farmers are responding to the worsening farm labor shortage by turning to automated harvesting equipment and other advanced technology that perform tasks such as pruning, seeding and*

weeding. Robotic harvesting vehicles are being tested in Florida and California to pick strawberries and replace labor-intensive tasks normally performed by dozens of farm workers. Also, robotic machinery is being tested to harvest apples and other crops, and efforts are underway to develop small agriculture field robots that can attack weeds or take care of other farm work. Large farming companies are helping to champion the robotic solutions by sometimes becoming strategic investors in the technology firms and by participating in testing of the next-generation farm equipment. Read more [HERE](#).

How China Is About to Shake Up the Oil Futures Market: China, the world's biggest oil buyer, is opening a domestic market to trade futures contracts. It's been planning one for years, only to encounter delays. The Shanghai International Energy Exchange, a unit of Shanghai Futures Exchange, will be known by the acronym INE and will allow Chinese buyers to lock in oil prices and pay in local currency. Also, foreign traders will be allowed to invest -- a first for China's commodities markets -- because the exchange is registered in Shanghai's free trade zone. There are implications for the U.S. dollar's well-established role as the global currency of the oil market. Bloomberg has all the details [HERE](#).

Billionaire Chuck Feeney Has No Intention Of Taking It With Him: Chuck Feeney today is a man of no property. He and his wife Helga live in a modest rented apartment in San Francisco. He has no car or luxuries of any kind. Actually, come to think of it, he has a very nice watch. It is plastic and cost about \$15. There are no trophies or vanity photographs in the apartment to show that he has devoted his \$8 billion fortune to making the world a better place. Read more [HERE](#).

Monster Robot Wolf Is Saving Japanese Crops: The "Super Monster Wolf" robot animal is covered with realistic-looking fur, featuring huge white fangs and flashing red eyes, Asahi Television reports. It's been designed to keep wild boar away from rice and chestnut crops, and was deployed on a trial basis near Kisarazu City in Japan's eastern Chiba prefecture last July. When it detects an approaching animal, its eyes light up and it starts to howl, Asahi TV says. Its manufacturers say the robot wolf uses solar-rechargeable batteries and has a range of howl noises so that animal threats don't get used to it. Check out the pics and read more [HERE](#).

Bill Gates Has A Message For Those Advocating Against GMO's: I'm disappointed. In a Reddit "Ask Me Anything" thread on Tuesday, Gates said that not only does he view genetically modified foods as "perfectly healthy," but that he sees them as a promising tool in a wider array of resources in the fight to reduce world hunger. "GMO foods are perfectly healthy and the technique has the possibility to reduce starvation and malnutrition when it is reviewed in the right way," Gates wrote. Read more [HERE](#).

Mapping Amazon's Growing Reach: Amazon seems to be on everyone's minds. Toward the end of July and in the middle of earnings season, Reuters pointed out that Amazon had been mentioned in about 10% of all 2Q earnings calls. All earnings calls, not just tech or consumer. For the first time, executives at McDonald's, Johnson & Johnson and 3M fielded questions related to Amazon. No topic, even Donald Trump, was broached as often. Start-ups, understandably, are feeling the pressure as well. No doubt hundreds of pitches to venture firms have been re-worked to answer the question: How will you compete with Amazon? Public and private companies alike do have reason to worry. Amazon's new business lines aren't random, and they're following in the footsteps of proven business models and proven consumer demand. Read more details and view a larger version of the below

graphic [HERE](#).



Soybeans To Alcohol... How Researchers Have Found A New Use

Researchers from the National University of Singapore (NUS) recently turned tofu whey into a tasty alcoholic beverage known as Sachi - not the same as Sake. Whey is the liquid byproduct of tofu manufacturing and is most often discarded once completed. But University student Mr. Chua Jian-Yong, who had worked on alcohol fermentation during his undergraduate studies, decided to take up the challenge of using the high levels of calcium and soy nutrients that were left over from the production of tofu. Remember, tofu is made from soybean milk that has been boiled, cooled and pressed into solid blocks. And during the pressing process to remove excess water, whey is produced. Interestingly, with all the health benefits of soy products along with stronger consumer feelings towards vegetarian diets, the production of tofu has been on the rise. So, finding ways to upcycle tofu whey with a new zero-waste solution, not only is sustainable but should generate

economic returns for businesses and potential new markets for growers. It's worth noting that the innovative fermentation technique also enriches the drink with isoflavones, which are antioxidants that have many health benefits. In the process of altering the composition of tofu whey, the biotransformation method will convert the strong beany odor into a fruity, sweet flavor. On top of that, the new product increased the shelf life of whey from one day to nearly four months for the Sachi. The team at NUS has filed a patent for the unique process of making Sachi and are looking for ways to market the beverage that has an alcoholic content of seven to eight percent. It seems more and more we are hearing about teams of researchers seeking to turn trash into treasure. As I understand it, Avinash Karpe, a chemist at Swinburne University of Technology in Melbourne, Australia, is working on a technique to convert what would otherwise be garbage into biofuel. Using fungus, Karpe hopes to break the waste down into carbohydrates that can be fermented and made into usable products like ethanol. Also, In Italy, researchers at the University of Bologna are focusing on the waste from wine grapes. They are looking to create usable chemicals out of the leftovers, namely the skin and the seeds. The point is there are folks out there doing things that haven't been done before. In my opinion, the reasons don't matter, just that ideas are being generated and action is being taken. This is the same process I believe we as producers need to adopt as we look down the road and seek to keep our business activities relevant to future markets.(Source: Sciencedaily.com, Newsweek.com)



Privacy Has Officially Left The Building... Pretty Scary Stuff!

I was sent this video in an e-mail this past week and thought I would pass along. Crazy to think about how much they know... It's worth watching this short video. Click [HERE](#)



Lets Make A Deal... Monty Hall

I like to run this story at least once a year. I feel it helps remind readers to engage their brain and relentlessly pursue all possibilities and probabilities. A lot of times what we believe to be the obvious choice isn't always "best-of-practice". I think it's important to remind ourselves, especially as we mentally prepare to start more actively marketing our production.

Scenario: *You're on a game show and there are three doors in front of you. The host, Monty Hall, says, "Behind one door is a brand new car. Behind the other two doors are goats. Pick a door!" You think, "Well, it doesn't matter which door I choose, every door has a $\frac{1}{3}$ chance of having the car behind it." So, you choose door number 1. Now it gets interesting. Monty, the host, who knows where the car is, opens door number 2 and reveals a goat. The host always opens a door to reveal a goat. The host says, "If you want, you can switch to door number 3." What should you do? Stay with your original choice or switch to the other door? All right, so what are you going to do? Stay or switch? Well, it's a fifty-fifty chance of winning the car in either door. Right?... Wrong! You actually double your chances of winning the car by switching doors. And that is why the Monty Hall Problem is so evasive! (Source: StayorSwitch)*

Choose an Explanation to the Monty Hall Problem

$\frac{1}{3}$ vs $\frac{2}{3}$ – Solution #1 to the Monty Hall Problem - *There is a $\frac{1}{3}$ chance of the car being behind door number 1 and a $\frac{2}{3}$ chance that the car isn't behind door number 1. After Monty Hall opens door number 2 to reveal a goat, there's still a $\frac{1}{3}$ chance that the car is behind door number 1 and a $\frac{2}{3}$ chance that the car isn't behind*

door number 1. A $2/3$ chance that the car isn't behind door number 1 is a $2/3$ chance that the car is behind door number 3.

100 Doors! – Solution #2 to the Monty Hall Problem - Imagine that instead of 3 doors, there are 100. All of them have goats except one, which has the car. You choose a door, say, door number 23. At this point, Monty Hall opens all of the other doors except one and gives you the offer to switch to the other door. Would you switch? Now you may arrogantly think, "Well, maybe I actually picked the correct door on my first guess." But what's the probability that that happened? $1/100$. There's a 99% chance that the car isn't behind the door that you picked. And if it's not behind the door that you picked, it must be behind the last door that Monty left for you. In other words, Monty has helped you by leaving one door for you to switch to, that has a 99% chance of having the car behind it. So in this case, if you were to switch, you would have a 99% chance of winning the car.

Pick a Goat – Solution #3 to the Monty Hall Problem - To win using the stay strategy, you need to choose the car on your first pick because you're planning to stay with your initial choice. The chance of picking the car on your first pick is clearly one out of three. But, in order to win using the switch strategy, you only need to pick a goat on your first pick because the host will reveal the other goat and you'll end up switching to the car. So you want to use the strategy that lets you win if you choose a goat initially because you're twice as likely to start by picking a goat.

Scenarios – Solution #4 to the Monty Hall Problem - To understand why it's better to switch doors, let's play out a few scenarios. Let's see what will happen if you were to always stay with your original choice. We'll play out three scenarios, one for each door that the car could be behind (door number 1, door number 2, or door number 3). And it doesn't matter which door you start out with, so, to keep it simple, we'll always start by choosing door number 1.

Stay strategy, scenario 1 - The car is behind door number 1. You choose door number 1, then the host reveals a goat behind door number 2 and because you always stay, you stay with door number 1. You win the car! Stay strategy, scenario 2: the car is behind door number 2. You start by picking door number 1, the host reveals a goat behind door number 3, and you're using the stay strategy so you stay with door number 1. You get a goat and don't win the car. Stay strategy, scenario 3: the car is behind door number 3. You pick door number 1, the host opens door number 2 to reveal a goat, you stay with door number 1, and you get a goat. So, using the stay strategy, you won the car one out of three times. That means that in any one instance of playing the game, your chance of winning the car if you choose to stay is $1/3$ or about 33%.

Now let's try switching doors. Again, we'll always start by picking door number 1. Switch strategy, scenario 1: the car is behind door number 1. You choose door number 1, the host opens door number 2 to reveal a goat, you are using the switch strategy so you switch to door number 3. You get a goat. Switch strategy, scenario 2: the car is behind door number 2. You start by picking door number 1, the host opens door number 3 to reveal a goat, you switch to door number 2 and win the car! Switch strategy, scenario 3: the car is behind door number 3. You pick door number 1, the host opens door number 2 to reveal a goat, you switch to door number 3 and win the car again!

So, with the switch strategy you won the car 2 out of 3 times. That means, that in any one instance of the game, your chance of winning the car if you choose to switch doors is $2/3$ or about 67%.

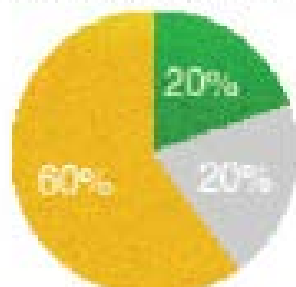
Summary - *Therefore, if you play the game three times and stay, on average you'll win the car once. But if you play the game three times and switch each time, on average you'll win the car twice. That's twice as many cars!*



CASH SALES & HEDGING TOTALS

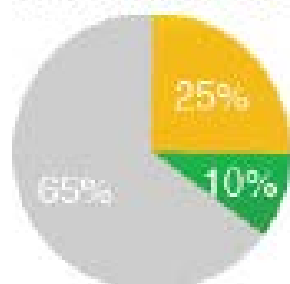
CORN 2017 CROP

60% SOLD
20% HEDGED
20% UNPROTECTED



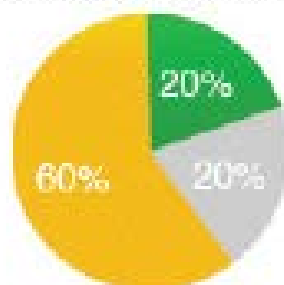
CORN 2018 CROP

25% SOLD
10% HEDGED
65% UNPROTECTED



CORN 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



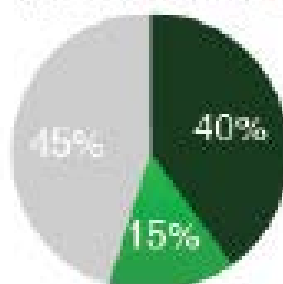
SOYBEANS 2017 CROP

95% SOLD
0% HEDGED
5% UNPROTECTED



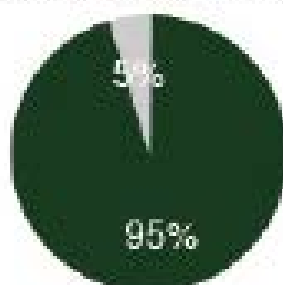
SOYBEANS 2018 CROP

40% SOLD
15% HEDGED
45% UNPROTECTED



SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



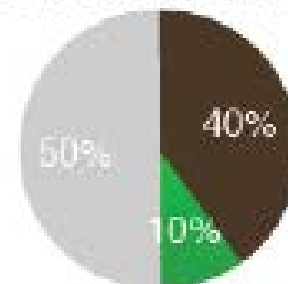
WHEAT 2017 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



WHEAT 2018 CROP

40% SOLD
10% HEDGED
50% UNPROTECTED



WHEAT 2019 CROP

20% SOLD
0% HEDGED
80% UNPROTECTED

