



*"The best swordsman in the world doesn't need to fear the second best swordsman in the world; no, the person for him to be afraid of is some ignorant antagonist who has never had a sword in his hand before; he doesn't do the thing he ought to do, and so the expert isn't prepared for him."* - **A Connecticut Yankee in King Arthur's Court**

**TUESDAY, MARCH 13, 2018**

**Morning Summary:** Stocks are steady to start the morning with many insiders believing we are in a bit of a news vacuum or air pocket where market moving headlines could be fairly limited between now and next weeks Fed meeting. Most in the trade still seem to be looking for 3 or perhaps even 4 interest rate hikes in 2018. Next weeks Fed meeting, which ends on Wednesday, is almost certain to be a starting point for what could be several rate hikes in a row. Continued talk of possible "trade wars" are still circulating in the media. I personally don't see the trade negotiations being as problematic as many sources are touting. Yes, I understand the fundamental concerns, but it seems there's a lot of "smoke and mirrors" in play with very little factual data or hard numbers to chew on in regard to longer-term benefits or losses, mostly just all speculation. From a geopolitical perspective, things seem to be improving a bit with North Korea, as insiders believe the rouge nation may be seeking some type of formal peace treaty with the U.S. As for economic headlines, this should be a relatively quiet week for macro news with the exception of today's CPI data, some Chinese economic numbers due out tonight and tomorrow morning, and a few U.S. housing numbers later in the week. I'm keeping a close eye on the Chinese data. I'm hearing that a strong read on this wave of numbers combined with a weaker dollar will confirm more strength for China and perhaps bring on another surge of bullish commodity positioning. Here at home, almost all sectors of the U.S. stock market have clawed their way back from the February lows that were posted when the trade was experiencing a small panic attack. I remain a longer-term bull.

**Apple Stock Closes At Record High Of \$181.72 Per Share:** *Apple closed at an all-time high on Monday, briefly surpassing an intraday market cap of \$925 Billion for the first time. It comes after Apple Music hit 38 million paid subscribers, up +2 million from last month, and signed on its first animated series show from Loren Bouchard, creator of Bob's Burgers. (SeekingAlpha)*

**Keeping An Eye On Today's Special Election in Pennsylvania:** *Pennsylvania's 18th District will be voting to see who will replace former Republican Representative Tim Murphy, who resigned back in October. Democrat Conor Lamb, a 33-year-old Marine veteran and former prosecutor, holds a slight lead among Republican candidate Rick Saccone who is a former Air Force veteran. If Lamb wins, or even comes close, the media will play it as a signal that Republicans are in danger of losing their majority. Especially since Western Pennsylvania is an area President Trump won handily in 2016. It's a white, blue-collar region that has overwhelmingly backed Republicans in recent presidential elections. Interestingly, Lamb has run a campaign that appears to be way*

to the right of most Democrats on a series of issues. He's said he personally opposes abortion. He recently aired a television ad noting that he opposes House Democratic leader Nancy Pelosi. His first campaign ad featured him shooting a semiautomatic rifle, and he's opposed new gun control measures in the wake of the Parkland, Florida, shootings. He's also supported President Trump's recent steel tariffs. So if Lamb wins, i'm not really sure which side will celebrate? I should note, several odds makers are giving the Democrats almost 2:1 odds to retake the House in the November elections. In the blink of an eye, we will find ourselves right in the middle of a barn burner campaign season. I suspect the headlines will turn less business-friendly. Make certain you are paying attention and watching the calendar as we approach...

**\$10 Million Prize For Avatar Influencer:** *Imagine a world where home-based avatars help humans remotely multitask, transforming the world of work and travel. These devices would enable people to see, hear and touch and interact with physical environments and other people in distant locations. It might sound like a scene from James Cameron's well-known Avatar film, but the rapid rate of advances in robotics, artificial intelligence, VR and sensor technology will soon make this a viable commercial reality. To fast-forward R&D and product development in this field, the XPrize Foundation is announcing a \$10M ANA Avatar XPRIZE on Monday at the South by Southwest conference in Austin, Texas. The four-year global competition is sponsored by Japan's All Nippon Airways, a company mapping future trends in the transportation industry. Read more [HERE](#).*

**Drone Deliveries Coming Quicker Than You Think:** *The Wall Street Journal reported yesterday that the White House has been pushing the FAA and the private sector to start allowing "drone deliveries" as soon as possible. From what I understand, at least 10 pilot projects are in the works and some may start as early as May. A few companies that will probably be deep in the mix include: Amazon, which has shipping expenses of an estimated \$20 billion per year. A Business Insider article on drones cited UPS as saying that shaving just 1 mile of travel off their 66,000 strong delivery fleet could save the company \$50 million pretax.*

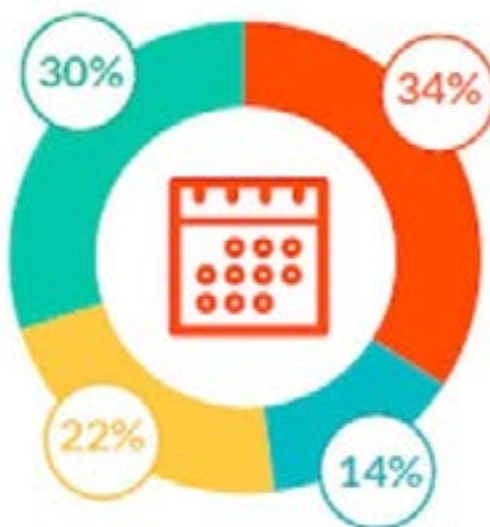
## WHEN DO YOU THINK YOU WILL ORDER YOUR FIRST DRONE-DELIVERED PACKAGE?

● In more than 5 years

● In the next 5 years

● In the next 2 years

● In the next year

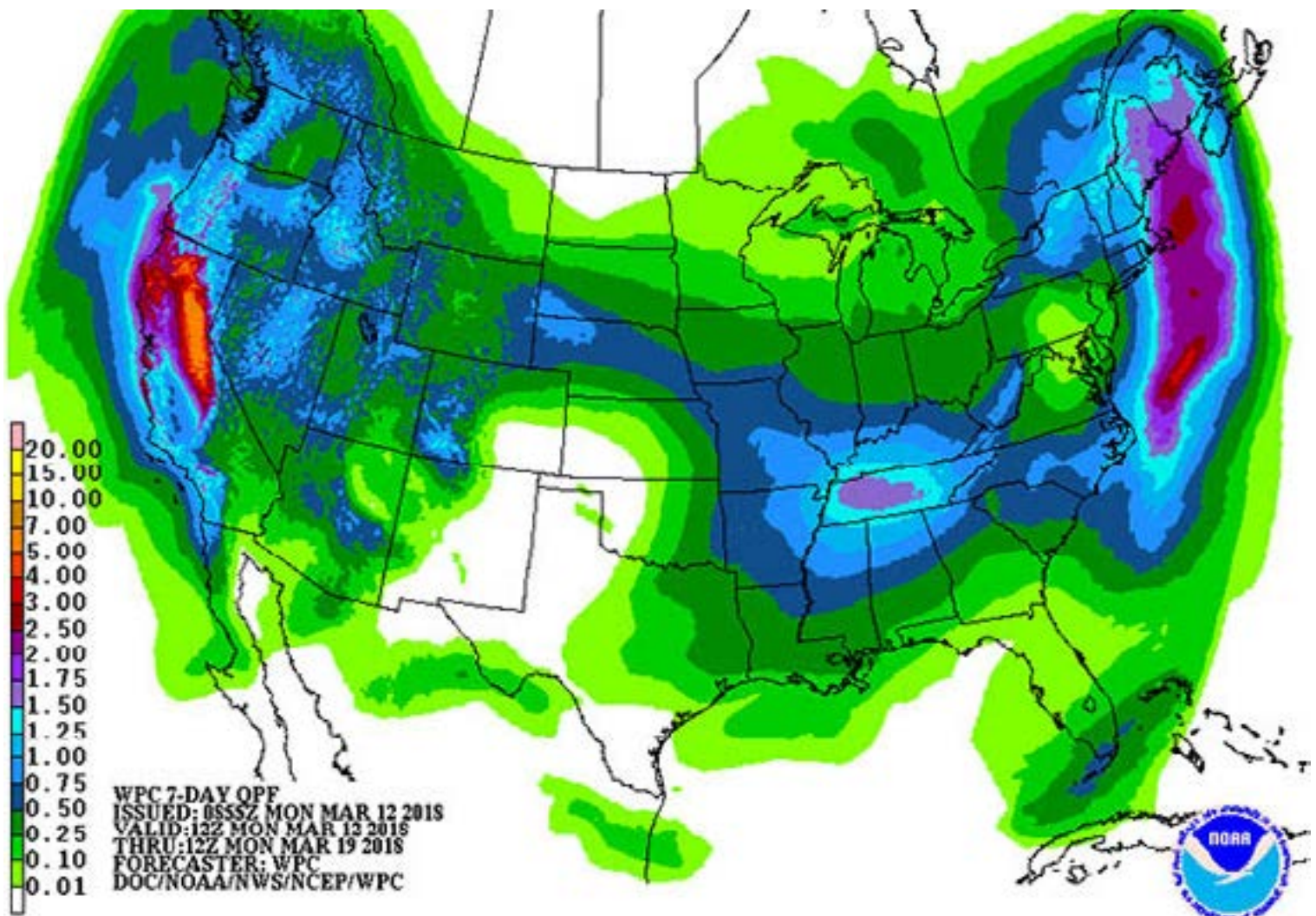


Source: Walker Sands



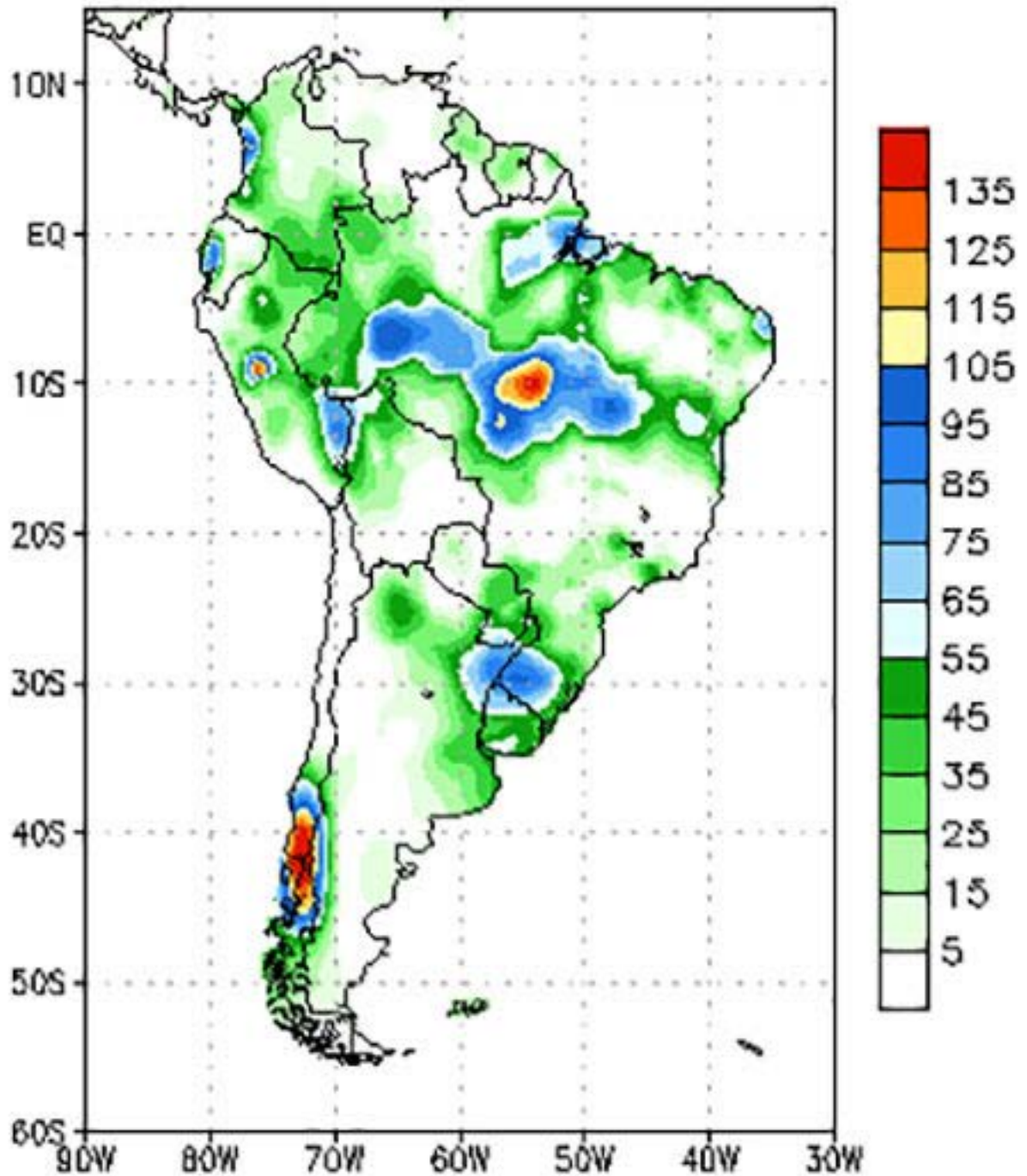
**Weather** on the Corn Belt has seen blustery, cool weather prevail for the start of the week. Snow showers have mostly subsided. Aside from lingering high water along the Illinois, Kankakee, and Wabash Rivers, as well as the lower reach of the Ohio River, Mid-western flooding has mostly subsided. In the South, snow is falling early today from parts of Kentucky and Tennessee eastward into the Appalachians. Meanwhile, rain is dampening the southern Atlantic region, trailed by cool, breezy weather. Looking ahead to the 6 to 10 day, slightly drier conditions are in store for southeastern areas. Dry weather in southern areas will allow for wetness to ease, but showers look to return there by late week. On the Plains, the 6 to 10 day looks slightly wetter. Dryness will remain extensive in central and southwestern wheat areas. Much warmer temperatures across the region mid and late this week will allow wheat to continue to break dormancy. The 6 to 10 day outlook is warmer in south areas as well. In Argentina, rain in southern areas this past weekend improved moisture for safrinha corn growth. Showers in southern areas later this week will finally improve moisture, but will likely be too late to significantly improve conditions for soybeans as growth finishes up. Soaking rains are seen for Brazil over both the 5 day and 6 to 10 day periods. Temperatures are seen average to below for Argentina and average for Brazil.

**Another Week, Another Dry Outlook for Southern Plains:** The HRW wheat belt will see yet another week of dryness. Below is the 7 day rainfall forecast which shows no precipitation over southwest KS, northwest OK and north TX. The situation continues to deteriorate as good, heavy rains will be needed this spring to save the top side of the wheat crop.



**Rain Expected in Argentina:** The 7 day precipitation outlook shows some showers for dry Argentina this week. Again, this should bring slight improvements in moisture levels, but it won't be enough to make any significant improvements to corn and soybeans.

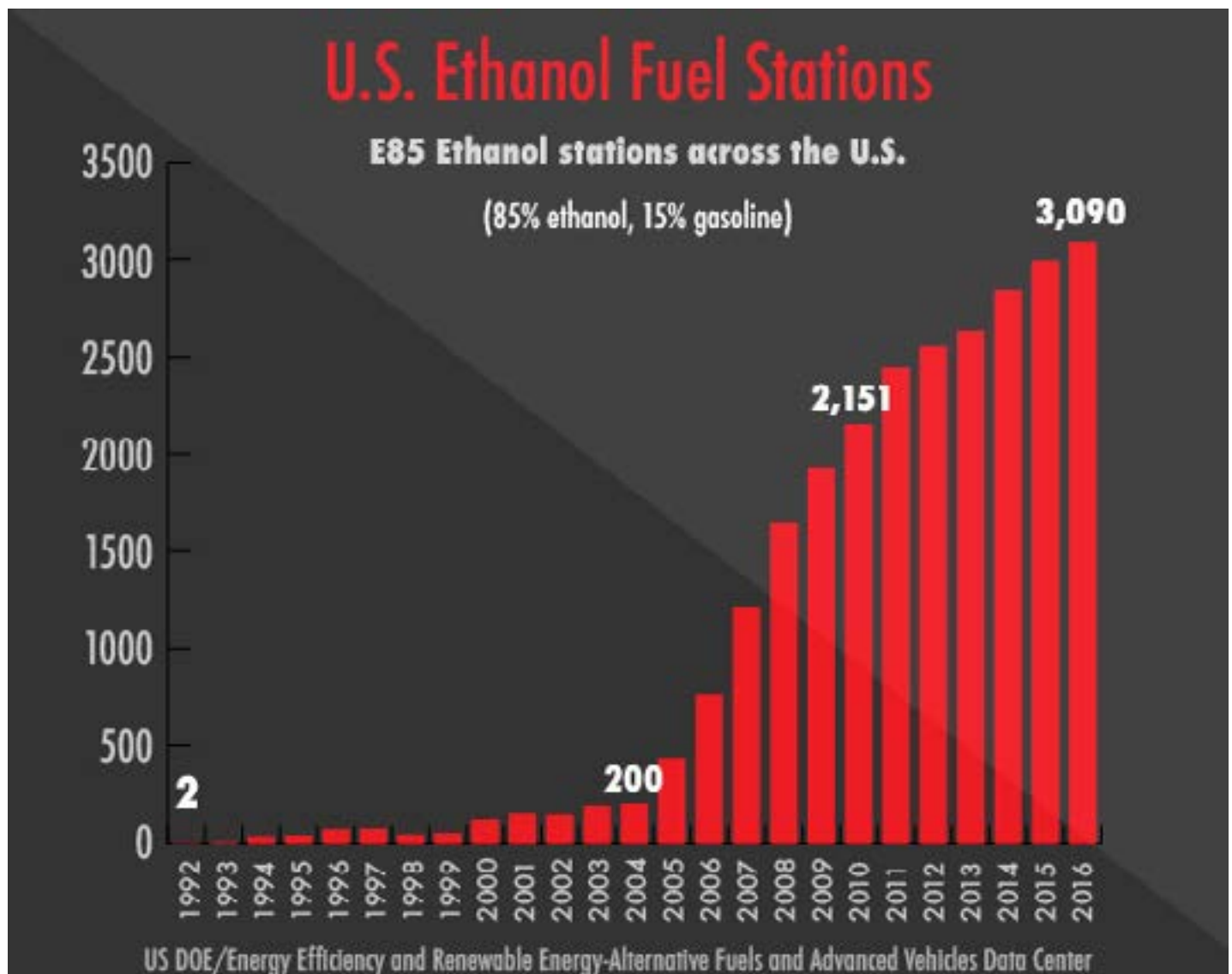
NCEP GFS Ensemble Forecast 1–7 Day Precipitation (mm)  
from: 12Mar2018  
12Mar2018–18Mar2018 Accumulation



Bias correction based on last 30-day forecast error

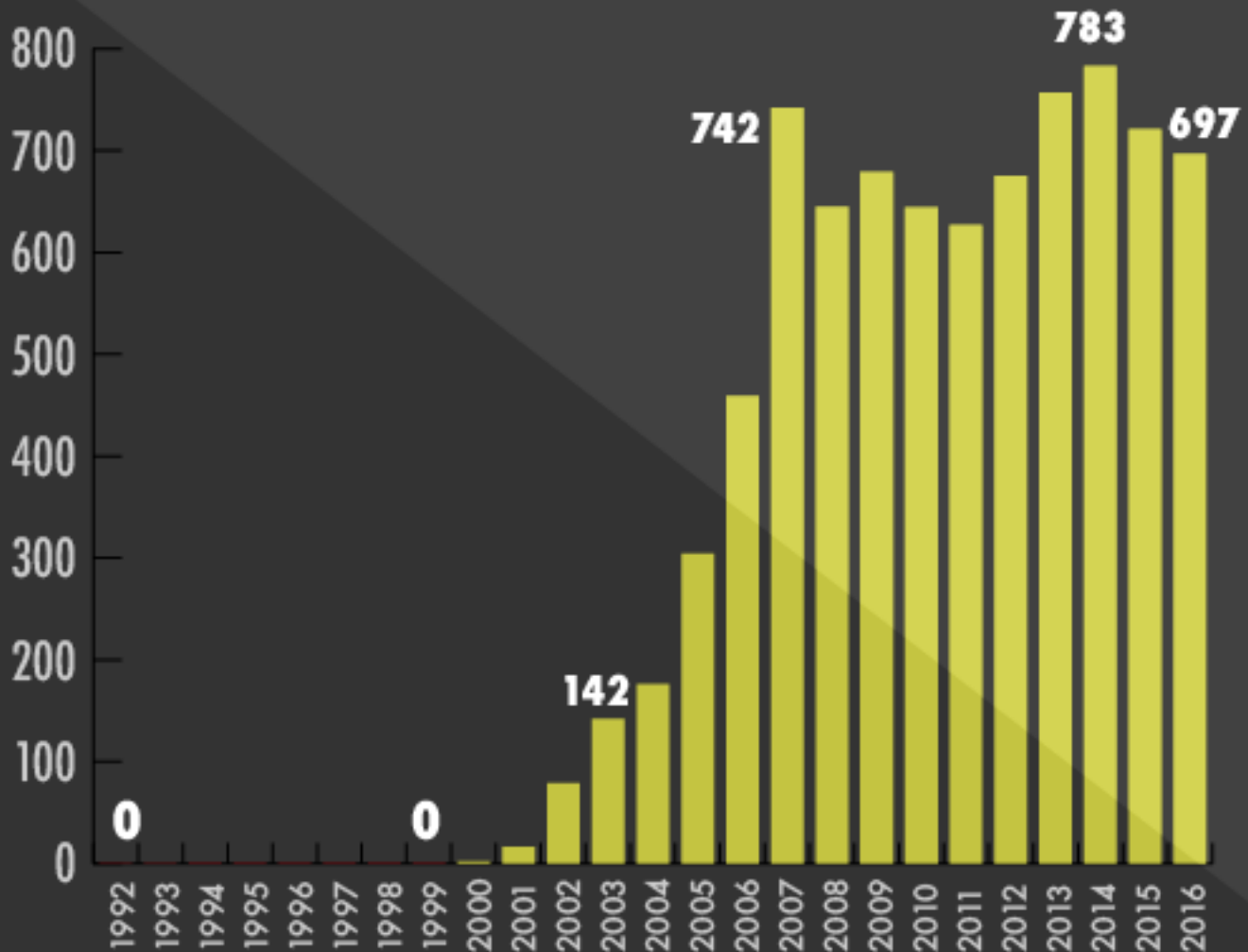


**Corn** bulls continue to point toward strong U.S. demand and production setbacks in South America. Continued heat and dryness in Argentina has reduced their yield prospects and in turn estates for exportable supplies. Brazil's second-crop acres seem a bit uncertain in regard total planted and how much will be averable to spend on inputs. There's also some talk that a record soybean crop in Brazil and increased domestic corn demand could weigh on logistics and total Brazilian exports. Demand here at home remains robust as the USDA increases their corn used for ethanol estimate by +50 million bushels, now projected at 5.575 billion bushels, which is +143 million bushels higher than 2016/17. Energy Information Administration shows strong gains in weekly ethanol use, and prospects for exports are favorable. Brazil, in particular, has imported significant volumes of ethanol from the United States despite a -20% tariff on shipments over 160 million gallons because of the price competitiveness of U.S. ethanol. Most recent data shows, ethanol is priced at around \$1.50 per gallon at the Gulf Ports, compared with \$2.30 per gallon in Brazil. Demand for ethanol in Brazil is robust because of widespread use of flex-fuel vehicles and an ethanol inclusion mandate of 27% minimum for ethanol in gasoline. I am also starting to hear more talk of increased ethanol demand happening inside China. The other bright spot for U.S. demand is that exports for 2017/18 were raised +175 million bushels to 2.225 billion. during the past several weeks, Japan, Mexico, Colombia, and Taiwan have been the major destinations for U.S. corn. The bears however are quick to point out, despite the USDA lowering U.S. ending stocks by -225 million bushels in their recent report the numbers still show 2.127 billion bushels in surplus, which historically pencils out to the second-highest stocks-to-use ratio since 2005/06. (Source: USDA, Economic Research Service)



**Soybean** bulls continue to point to multi-year lows in Argentine production. The USDA recently reduced their Argentine crop estimate to 47 MMTs which is a 6-year low. They also reduced their Argentine soybean export estimate to 6.8 million tons, compared to their previous forecast of 8.5 million. The core region for Argentine soybean production is suffering one of its most severe droughts in 30 years. Since December, the region has received less than half of the usual rainfall. Temperatures well above average have only exacerbated the loss of soil moisture. As of the end of February, 72% of Argentina's first-crop soybeans were rated in "poor-to-very poor" condition. The later-sown soybeans that were double-cropped after wheat are in even worse shape, but have more time to recover. The persistent dryness deterred planting and in some locations the likelihood of crop abandonment is escalating. Bears on the other hand are thinking the private crop production estimates for Argentina have perhaps bottomed out. They are also pointing to the fact Brazil's production and exports are forecast higher. Many sources are now projecting an all-time record crop out of Brazil as the harvest will soon be moving beyond 50% complete. Let's also keep in mind, the USDA painted a more bearish picture for U.S. supplies. I included a graphic below which shows the new 555 million bushel ending stock estimate and where it ranks in comparison to previous years. As you can see, it's extremely burdensome. Exports weren't helped much this past month when barge traffic was temporarily suspended on lower sections of the Mississippi River and its major tributaries including the Ohio, Illinois, Tennessee, and Arkansas Rivers. The USDA is saying even with no further rainfall, it could take weeks for normal barge service to resume. The rising waters make it more difficult to get tow boats under the loading spouts at river terminals and the bridges that span the waterway. A faster current also forces reductions in the size of barge tows and restricts operations to daylight hours. Keep in mind, Spring starts next Tuesday and many areas will soon start seeing more rain in the forecast. It will be interesting to see how the rivers respond and what type of delays we are forced to digest. Bulls argue that some of the barge traffic can be replaced by additional rail shipments to ports at the PNW, but that argument is based on the extent railcars are readily available. I'm not about to say the bull run is over or step in and short the front-end of the trade, but I'm wondering if exports in the coming weeks will be as strong as some of the bears have forecast or the market has priced in? Perhaps the proof of increased buying doesn't come until later in the marketing year? (Source: USDA Economic Research Service)

# U.S. Biodiesel Fuel Stations



US DOE/Energy Efficiency and Renewable Energy-Alternative Fuels and Advanced Vehicles Data Center

**Wheat** prices are steady as the bulls continue trying to find traction. Headlines touting record Russian wheat exports continue to keep a lid on nearby rallies. The trade is also digesting additional headlines of increasing global competition, which continues to put pressure on the U.S. share of global trade. The U.S. share of total global exports has fallen to 13.8 percent in 2017/18, down from near 20 percent just 5 years ago for the 2012/13 marketing year. In 2012/13, Russia's share of global wheat exports was slightly above 8 percent; Argentina's share was just 2.5 percent. Based on updated 2017/18 export projections, Russia's share of world trade is now slightly above 20 percent, while Argentina's share is nearing 7 percent. In turn, U.S. exports have again been lowered by -25 million bushels to 925 million, down -130 million bushels from the 2016/17 estimate, and the fourth lowest volume in the past decade. Yes, U.S. winter wheat crop-conditions are currently very poor in many key production areas, but these headlines have been well advertised with many traders now waiting to see how things actually play out. Meaning the bullish bounce may have come on the fears and "what if's" about the crop, now the trade is waiting... The most recent crop condition ratings showed the Kansas crop deteriorating from 13% down to 12% rated "good-to-excellent", but the "poor-to-very poor" rating went from 58% down to 53%. In Oklahoma the crop improved slightly with 7% rated "good-to-

excellent" vs. 6% last week. "poor-to-very poor" conditions were lowered from 77% down to 72%. The Texas crop was rated 13% "good-to-excellent" vs. 10% last week. "Poor-to-very poor" conditions were lowered from 64% last week to 53%. As a producer, I remain a longer-term bull. As a spec, I banked bullish profits and now remain on the sideline waiting for better buying opportunities.

# Global Wheat Ending Stocks

(in million metric tons)







**> Brazil Running Short On Corn:** *Several reports are circulating inside the trade that show corn supplies in Southern Brazil are extremely tight. From what I understand, producers have the corn but are not willing to sell to end users. Hence, some sources are being forced to import supplies from Argentina. I've heard buyers from Brazil have perhaps already booked close to 100,000 metric tons. If supplies were to get tight like this in northern regions of Brazil, perhaps we would see end users sourcing U.S. supply. Doubt it happens, but interesting to think about.*

**> Global Ag Tech Startup Investment Rise:** *Global Agriculture and food tech startups received a record \$10.1 billion in investments in 2017, up 29% from 2016 according to the latest from food and ag investment platform AgFunder. The number of deals fell 17% as 994 investors made larger bets on fewer companies. The year featured DowDuPont's \$300 million purchase of farm management software company Granular and Deere & Co's \$305 million deal for ag robotics company Blue River Technology. They were the two largest ag tech acquisitions since Monsanto Co's nearly \$1 billion purchase of Climate Corporation in 2013. (Source: Reuters)*

**> Russia To Expand Grain Production:** *Reports circulating from Russia Minister of Agriculture project their nation will expand its grain exports by more than +30% by 2030. To make this happen, Russia will be expanding its grain production to 150 million metric tons by 2030, leaving it with an additional portion to increase export capacity. Meaning we could perhaps continue to see headwinds created for U.S. exporters.*

**> Goldman Sachs Warns That Bitcoin Could Fall Through Its February Lows:** *"The 200-dma in particular is important given that it held very well at the previous low in September," according to Sheba Jafari's technical team at Goldman Sachs. "Getting a close break this time around would warn of structural damage, increasing the risk of new local lows (sub-\$5,922)." (Source: BusinessInsider)*

**> Is Russia Behind Poisoning in England of Double Agent?** *This sounds like it's straight out of a Cold War/Spy movie. British Prime Minister Theresa May believes it was highly likely that Moscow was responsible for the poisoning in England of former Russian double agent Sergei Skripal and his daughter using a military-grade nerve agent. Either the Russian state was directly responsible for the poisoning or it had allowed the poison, which belonged to the Novichok group of nerve agents, to get into the wrong hands. (Source: USA Today)*

**> The EU and Japan Want to Be Exempt from U.S. Tariffs:** *The EU and Japan pressed the U.S. to exempt them from Trump's steel and aluminum tariffs as officials seek to avoid a trade war with the world's biggest economy. In a tweet over the weekend, the President addressed the issue threatening that if the EU didn't drop their tariffs on U.S. product im-*

ports, he will tax their automobile exports to the U.S. From what I understand, EU officials said they will not enter into trade negotiations in exchange for waivers from the import tariffs on steel and aluminum and reiterated that they are ready to respond in kind unless Washington granted Europe and exemption. Tensions continue to ramp up it seems as the EU and U.S. enter talks next week. No agenda is set yet, but officials from both sides are expected to have phone calls and meetings. (Source: Wall Street Journal)

> **World's First Commercial Autonomous Flying Taxi Service** is hitting the runway in New Zealand. The venture has been unveiled by Prime Minister Jacinda Ardern, alongside Zephyr Airworks, the local operator of Kitty Hawk, which is backed by Alphabet CEO Larry Page. The self-flying taxi called Cora has a dozen lift fans - all powered by batteries - for vertical take-off and landing, and can fly about 62 miles and carry two passengers. (SeekingAlpha)

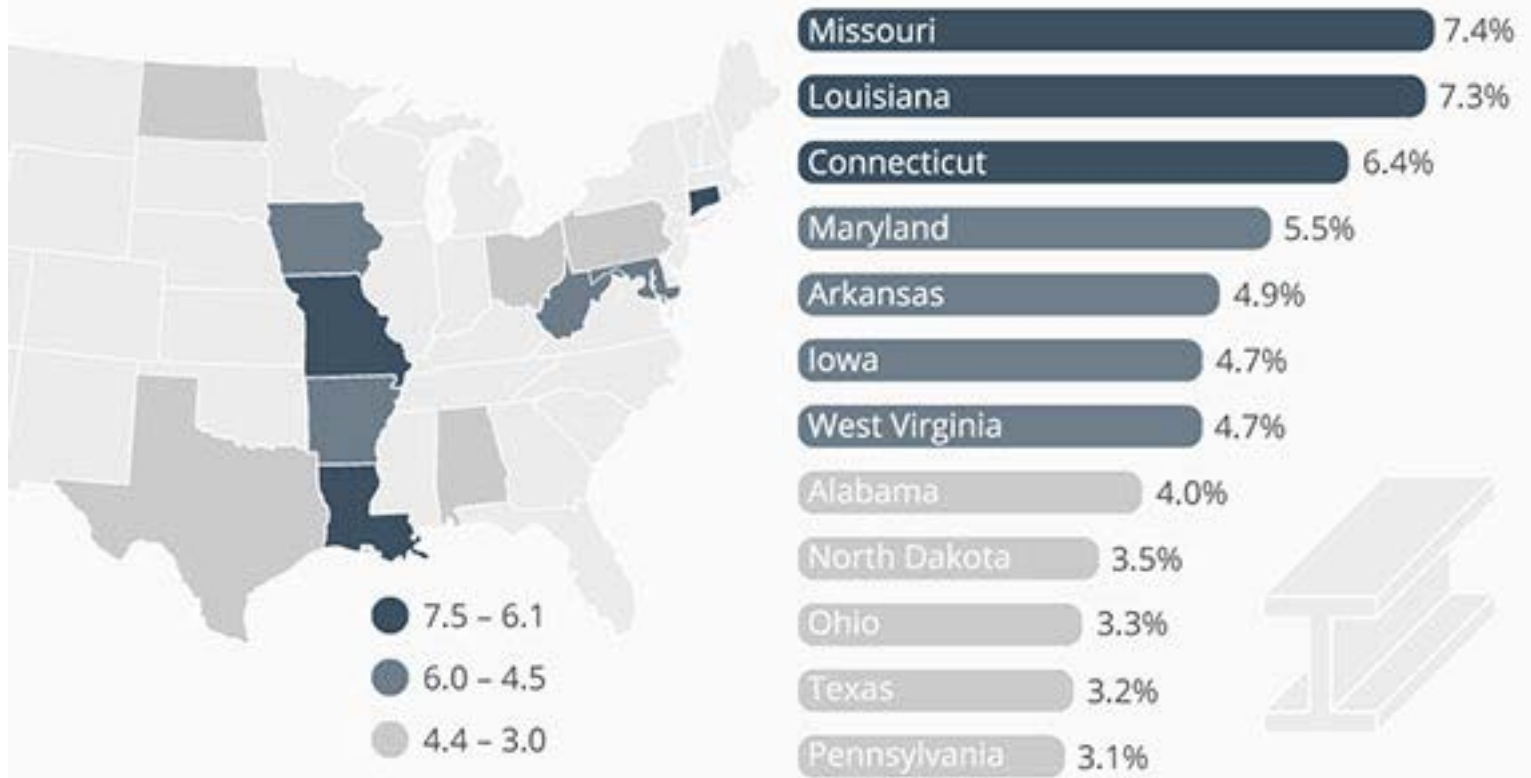
> **Dropbox Going Public:** Dropbox, the online file storage company, is poised to hold one of the year's most highly awaited stock market debuts. Dropbox is likely to begin trading on the Nasdaq stock market — under the ticker symbol DBX — by the end of next week. Dropbox said it hopes to raise upwards of \$648 million in its IPO and plans to sell 36 million shares between \$16 and \$18 per share. Meaning the company would be valued at around \$7.5 billion, down from its last valuation of \$10 billion from private investors. I personally still think it's over-valued. Even though Dropbox's business has grown rapidly over the past three years, reaching \$1.1 billion in sales last year. The company still continues to lose money, it has reduced the red ink on its books, losing only \$111.7 million last year. I should also note, the market for initial public offerings is strong this year, with 29 so far, up +60% from last year. (Source: Renaissance Capital, DataTrek).

> **Steel Tariffs Hurt Which States the Most?** While Trump's steel tariffs may throw American steel and aluminum companies a lifeline in a market flooded by foreign competition, they have already had consequences such as the imposition of retaliatory tariffs on important American exports to other countries. Higher prices for steel and aluminum could also have a knock-on effect in U.S. states, impacting a huge range of important industries such as construction and auto manufacturing. Missouri and Louisiana accounted for the highest share of steel and aluminum imports last year at just over 7% of total imports. (Source: Statista)

**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.

# The U.S. States Most Reliant On Steel Imports

Percentage share of steel and aluminum in state total imports in 2017



©StatistaCharts Source: Brookings analysis of Census Bureau data

statista



**Northern Illinois** - *There is not much going on up here presently. We do not get into much of a hurry to plant because it seems like every time I push things it turns out bad. We are all corn on corn and have been for 15 to 20 years. We have never really seen any yield drag and last year we had some of our best yields ever. We have gotten spoiled with the corn up here but I pretty much do not like even the thought of growing beans. I do not like planting or harvesting them as they are to temperamental for me. Our normal yields are in the area of the 195bpa to 205bpa but we are seeing those numbers go higher each of the last 5 years. We had a couple fields that made 250bpa last year, with the whole farm average just above 200bpa. We had great weather last year but we have split up some of the applications that has helped. We will put on 32% preplant then side dress with 32% usually right before pollination, which was July 1st last year. We have used a drop sprayer on our highboy that will get the juice down low. It seems to give us the best bang for our buck and we will make sure we do it again this year.*



**Central Kansas** - We have been extremely dry all winter with little or no snow. It is totally different compared to last year where we had a recharged subsurface moisture profile. We will be staying with the same rotation between corn and beans and have done so for the last 4 or 5 years. We grow corn, beans, wheat, and sorghum. We took a heck of a hit on the sorghum basis right after China kicked any sorghum from the US a few weeks back. We went from a positive basis to a considerable negative one overnight. We like to get going with the planters near the first April if at all possible. We will go off of the calendar but really base it on soil temps as long as the forecasted temperatures are trending higher. If the air temps are cold or we have rains we will hold off.

**Northeast Nebraska** - We feel like we have had better moisture this winter, with decent snows and rains, than most in Nebraska have had. We are all corn and beans, with about 50% of our acres being irrigated. Last year we battled the wet spring having to replant a few farms that were corn. We started planting in mid-April as usual but were rained out numerous times and had a few heavy rains that washed out some of our plantings. I did not finish up planting until mid to late May. We did have a great July weather wise that was very beneficial for the corn during pollination. Most of the soybeans went in on time or even a little early for some fields. We will stay with the same rotation which should be right around 50/50 corn to beans. We did get hit with the high winds last year during harvest that did put a lot of ears on the ground. Not for sure how much it took off the high end of yields but most are saying near 30bpa. The hybrids that had problems have been good in the past so we will see how things shake out this year.



**How A Vault In Fort Collins Colorado Keeps Our Biodiversity Safe:** The best-known collection of preserved seed genetics is in the Svalbard Global Seed Vault in Svalbard, Norway. But did you know that Fort Collins is home to the backup system for the future of our agricultural biodiversity? There are an impressive 622,944 total seed samples and 10,373 clonal samples—that include things like shoots, roots, stem fragments, and dormant buds—for apples, bananas, blueberries, cacao, grapes, potatoes, walnuts, and many other foods. Read more [HERE](#).

**Try It Before You Buy It For Only \$116,000 A Month:** A billionaire in London has agreed to pay \$1.39 million to rent a mega-mansion for just one year in the city's biggest ever "try-before-you-buy" deal. The deal, made by estate agents Rokstone, will see an "ultra-wealthy international family from overseas" pay \$116,000 a month to relocate to the 11,080 square foot property, the largest private house in Westminster and the West End. The family decided they wanted to rent the property initially, according to Rokstone, before deciding whether or not to buy it outright. If they decide to buy, the asking price will be more than \$48.6 million. Read more [HERE](#).

**Roman Military Commander's Sprawling Home Found Beneath Subway:** *Archaeologists in Rome have discovered the remains of a sprawling residence of a Roman military commander dating back 1,900 years. They discovered the "domus" about 40 feet underground during construction work to expand the Metro C line of Rome's subway system, a team of archaeologists from Rome's Superintendency for Archaeology announced recently. Check out the pics and read more [HERE](#).*

**Hedge Funds Using Artificial Intelligence Got Hammered Last Month:** *Bloomberg recently reported that hedge funds that use artificial intelligence and machine learning in their trading process posted the worst month on record in February, according to a EurekaHedge index that's tracked the industry from 2011. The first equity correction in two years upended their strategies as once-reliable cross-asset correlations shifted. The AI index fell -7.3 percent last month. Read more at [Bloomberg](#)*

**The Great Labor Shortage:** *Barron's ran a cover story article warning that Corporate America is facing its worst labor shortage in decades and the problem is only going to grow more acute. As a result, wage increases will need to accelerate (which will eat into margins) and/or economic growth will be impeded. Read more at [Barron's](#)*

**Where Will The Top NFL Free Agents Land In 2018:** *With NFL free agency mere days away, we're already starting to hear rumors about where players might land. Heading the class is quarterback Kirk Cousins, seen as a franchise-type signal caller. He's joined by fellow stars Andrew Norwell and Allen Robinson in forming a pretty solid group. Here's a look at the top free agents heading into the start of the new league year Wednesday, with a prediction for where each player will land. Read more [HERE](#).*

**What You Missed At The 2018 Geneva Motor Show:** *This year's Geneva Motor Show seemed to be all about going fast without stopping at the gas pump. Gas-powered vehicles continue to dominate the market, but automakers took the opportunity to showcase their electrified roadmap as they transition from oil to electrons. See video and read more [HERE](#).*







### **How Pasture Scout Brings Forage And Pasture Land To Your Fingertips**

Many are finding themselves in need for pasture and harvested forage due to various circumstances. Drought specific regions are certainly one reason individuals find themselves in need of the resources. On top of that, the high costs involved in raising cattle have forced many to look to leasing as an alternative. Unfortunately, many have been forced to sell livestock to overcome the challenge. Though not a first choice, as most would rather own their land, tough times call for tough measures. Pasture Scout has been around for a few years now and its service of matching available landowners with those in need has made the process very seamless and simple. Interestingly, Pasture Scout could be considered the Airbnb for grazing animals. As a landowner, consider the time savings as you no longer need to advertise in local newspapers or by word of mouth, which simply cannot expose you to all eligible lessees or buyers, decreasing your opportunity to get the optimum price and leasing arrangement. When you are in need of the space or forage, you have instant access to areas outside of your comfort or contact zone. Keep in mind, the service is now free for both searching and listing. To access any of the free services, you do have to become a member though, which takes about one minute to complete. In my opinion, the auction portion of the site will get you the most for your land or forage as a true market price is usually realized. For only a \$100 minimum, owners can list their property with an added cost of \$.10/acre over 1000 acres. As a bidder on land you will be required to pay \$25 per auction, but have unlimited bids available. For those wishing to do a straight lease, the site has free templates for customization of your deal, assuring you can set it up any way you desire. And if you need to communicate with the other side of the transaction you can privately message your counterpart. It's worth noting that Pasture Scout has provided many producers the ability to continue to function as they waited for their land to recover or prices come down. This is another example of technology filling a need while saving time and money. If you find yourself in need of pasture or forage, give Pasture Scout a look [HERE](#).





## Get Ready Banking and Financial Industry... Here Comes Amazon!

Bain & Company recently released a report that is making the banking industry squirm. In the report they said they could imagine Amazon's banking services growing to more than +70 million U.S. consumer relationships over the next five years or so. They also explained how Amazon could avoid more than +\$250 Million in credit card interchange fees every year if it were to find the right banking partner. Although many retail bankers and observers have pegged the nimble fintech start-ups as the likely disrupters, it has become clear that established technology firms pose a bigger threat. Bain & Company's Gerard du Toit and Aaron Cheris also added, "Once Amazon has established a cobranded basic banking service, we expect the company to move steadily but surely into other financial products, including lending, mortgages, property and casualty insurance, wealth management, and term life insurance. Online shopping patterns already tell Amazon what it needs to know about customers' life events, from getting married to having children to buying a house, which will allow the company to offer relevant financial services products." I have recently heard and read reports that Amazon is in early talks with big banking giants like JP Morgan Chase, in developing some type of banking payment system or platform aimed at their millennial customers. A recent survey found that roughly 45% of their shoppers were open to using Amazon as their primary banking account. And over half said they would be willing to use some type of savings account created by the company. Thoughts are Amazon could also save big bucks by allowing customers to pay for products out of an Amazon account, rather than paying credit card companies' interchange fees. Yes, these so-called "challenger banks" are doing similar things. They use technology to make banking as frictionless as possible. Bottom-line, traditional banking is clearly changing, but if tech giant Amazon jumps in the waters look for things to start changing much quicker. To read the entire Bain Report Click [HERE](#).

Figure 1

### Amazon uses a flywheel business model



Source: Amazon

## **Cool Thing To See At Least Once... The National Cherry Blossom Festival**

The National Cherry Blossom Festival will soon be in full swing in Washington, D.C.. The month-long springtime celebration runs from March 15 through April 15 this year - celebrates the gift of the cherry blossom trees and their symbol of friendship between the citizens of Japan and the United States. From what I understand, the U.S. capital's cherry blossoms will be in peak bloom a bit earlier than normal this year. In other words, the first two weeks might be a bit better than the final two weeks. The peak bloom date is defined by the park service as the day when 70% of the blossoms are open on the cherry trees surrounding the Tidal Basin. The dates vary annually depending on the weather. The blossoms usually peak between the last week of March and the first week of April. The festival coincides with the anniversary of the plantings of the cherry blossom trees on March 27, 1912. It's truly an historical event steeped in over 100 years of tradition, but interestingly it almost never happened! Historian Dan Stone says if it hadn't been for a USDA employee, David Fairchild, America probably wouldn't have this great event. From what I have come to learn, Fairchild's job with the agency was to travel the world discovering new plants and crops. Stone describes him as an "Indiana Jones" of food exploration, responsible for bringing America avocados, dates, Egyptian cotton, nectarines and pistachios. Fairchild found the trees in Japan in 1902 but could not convince anyone to import them - no one saw the point in planting a cherry tree that bore no cherries! Well Fairchild was so enamored with the trees, he decided he'd import them himself and planted 100 of them on his own property in Chevy Chase, Maryland. A few years later, first lady Helen Taft saw Fairchild's trees and fell in love with them. Taft and Fairchild joined forces with a prominent D.C. resident and brokered an agreement with Japan to import 2,000 of the trees. Unfortunately the young trees were diseased and infested with pests when they arrived, which led to them being stacked up on the National Mall and burned. As it turned out, the Japanese were embarrassed about the poor condition of the trees, so they sent a replacement gift of 3,020 of their finest cherry blossom trees. These were a bit older in age to limit the possibility of disease and covered 12 amazing different varieties. As the tree's generally only live about 30 to 40 years, only 2 of the original exist, but their offspring have expanded to around 3,750 trees. "Peak bloom" occurs at a different time every year, but it's usually anywhere from the last two weeks of March through the first couple weeks of April. This year, peak bloom happened this past Friday, which was about a week earlier than expected. Below are some pictures people recently took at the festival. If you get a chance, I encourage everyone to make the trip!

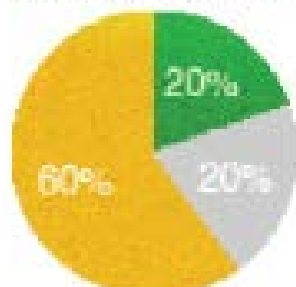




# CASH SALES & HEDGING TOTALS

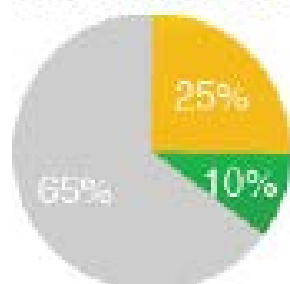
## CORN 2017 CROP

**60% SOLD**  
**20% HEDGED**  
**20% UNPROTECTED**



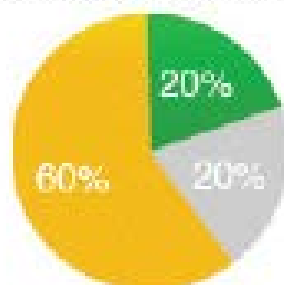
## CORN 2018 CROP

**25% SOLD**  
**10% HEDGED**  
**65% UNPROTECTED**



## CORN 2019 CROP

**0% SOLD**  
**0% HEDGED**  
**100% UNPROTECTED**



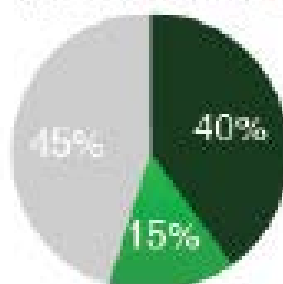
## SOYBEANS 2017 CROP

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**0% HEDGED**  
**5% UNPROTECTED**



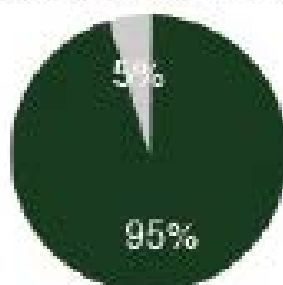
## SOYBEANS 2018 CROP

**40% SOLD**  
**15% HEDGED**  
**45% UNPROTECTED**



## SOYBEANS 2019 CROP

**0% SOLD**  
**0% HEDGED**  
**100% UNPROTECTED**



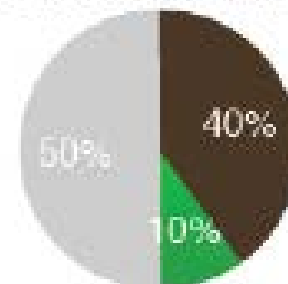
## WHEAT 2017 CROP

**100% SOLD**  
**0% HEDGED**  
**0% UNPROTECTED**



## WHEAT 2018 CROP

**40% SOLD**  
**10% HEDGED**  
**50% UNPROTECTED**



## WHEAT 2019 CROP

**20% SOLD**  
**0% HEDGED**  
**80% UNPROTECTED**

