



"A blind person asks God, "can there be any thing worse than losing my eyesight?" God replied, "yes, losing your vision."

WEDNESDAY, APRIL 04, 2018

Morning Summary: Stocks are tumbling again this morning as China threatens U.S. cars, planes and soybeans in response to the proposed Trump administration tariffs. Wall Street believes the tit-for-tat measures increase the odds for a full-blown trade war. Recent data circulating inside the trade shows already in 2018 we have seen 23 days where the S&P 500 has moved by more than 1%, which is triple the entire total for all of 2017. Many seasoned veterans are saying it reminds them of the transition from low volatility in 1995 to more extreme volatility in 1996. It was in 1996 that the market started out the year jumping higher by +10%. Stock then tumbled aggressively, actually falling into negative territory on the year, as the S&P 500 fell below its 200-Day Moving Average. After enduring this rough period during the first half of the year in 1996, the market went on to post an annual gain of +20%. Lets hope some of the historians are correct in their thinking and the market again finds it legs. Political headlines seem to be trumping economic headlines at the moment and it's making the bulls nervous. The Trump administration said yesterday it would hit China with 25% tariffs on some 1,300 industrial technology, transport and medical products as part of its drive to force changes in Beijing's intellectual property practices. The list ranges from chemicals to light-emitting diodes, agricultural equipment, motorcycles and dental devices. The goods selected target specific industries that China identified as part of its Made in China 2025 plan. From what I understand, there's a 60-day comment period for businesses and individuals to request changes to the list. You can see the entire list and the Proposed Determination of Action Pursuant to Section 301 [HERE](#)

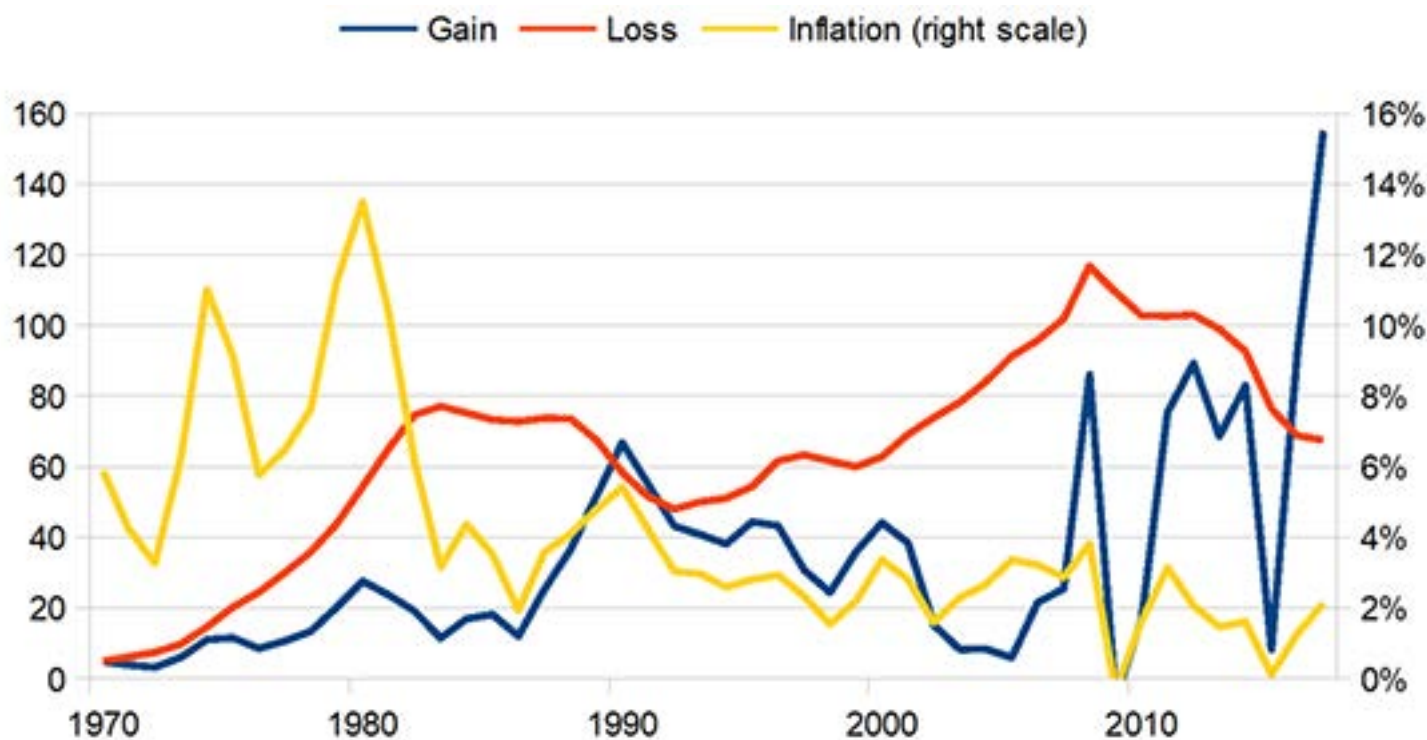
To see a list of the U.S. products China is planning to hit with tariffs click [HERE](#)

Tracking Money-Flow: *"Over the past week, US Equity ETFs saw \$7.5bn of outflows, a dramatic reversal from trends earlier in the year, and as a result 54% of all YTD inflows have now come out", according to Morgan Stanley. Furthermore, as the bank adds, all US-listed ETFs (Equities & Fixed Income) have seen over \$6Bn of outflows over the past week, "so this feels much less like a rotation and much more like money being taken out of the market."* (Source: Read more at [ZeroHedge](#))

"Amazon vs. Walmart" In Fight For Senior Citizens: *The US population is aging. By 2050, the number of people over the age of 65 is expected to be double what it was in 2012. An aging population means an increase in health concerns and chronic conditions like heart disease, neurodegenerative diseases, and cancer that can be costly to manage. It also offers opportunity for those companies best placed to meet the health-care needs of this growing population. Rivals Amazon and Walmart both seem to have the elderly on their radar, with reports of potential takeovers by Walmart that include a pharmacy startup and a health insurer focused on Medicare plans. Amazon's early moves in healthcare offer the promise of helping the company serve a community it*

has struggled to reach. Read more at [BusinessInsider](#)

The Debate About The National Debt? One of the most divisive questions is whether a country can get into trouble issuing debt in a currency it controls. Surely, a nation would face bigger problems if it borrows in foreign currencies or gold than if it only promises to repay in scrip it can print itself. But how much of an advantage is it to control the borrowing currency? The issue is gaining in importance as the U.S. is poised to more than double to \$1 trillion the amount of debt it issues this year to pay for a ballooning budget deficit. In the extreme, some people imagine that the U.S. could simply print lots of \$1,000 bills to pay Treasury debt as it comes due. That's not realistic. Investors would treat such an action as a default, and that's what it would be. There would be the same financial and diplomatic repercussions and the same downstream bankruptcies as if the government simply refused to pay. Moreover, the economy would lose its currency. Private debts and nominal contract revenues denominated in dollars would become worthless. The U.S. would be much wiser to negotiate a restructuring. Read more [HERE](#).



neuro mining

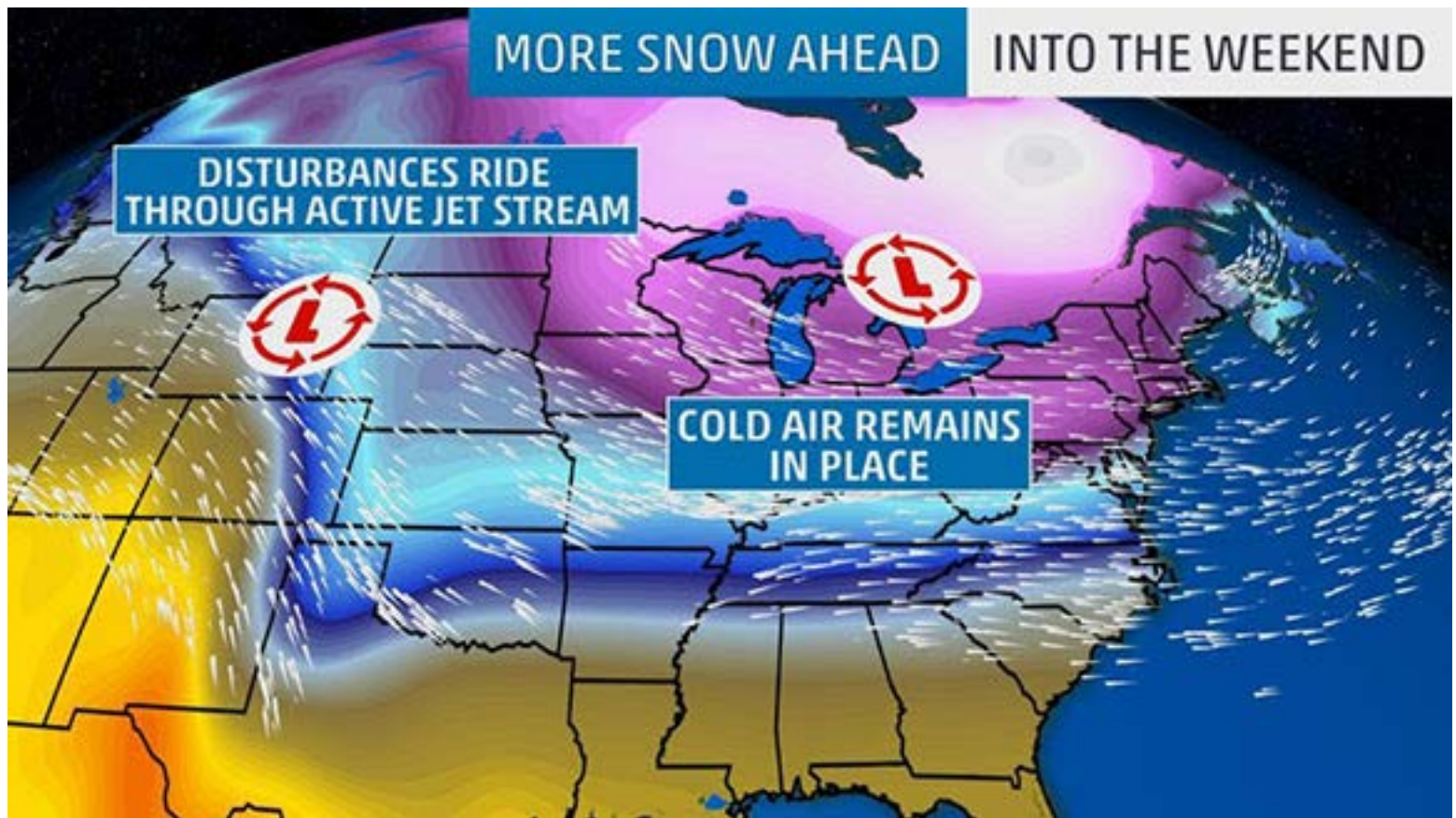


As we age, it gets harder and harder to create new neural pathways in the brain. It's the reason kids find it so easy to learn new things, but as adults it often gets more difficult. Doing brain teasers and solving riddles can be an important part of keeping our brain healthy. The more connections we can form, the better our brain will be. I hope this helps provide a little daily fun and exercise. The answer to each riddle or puzzle will be located at the bottom of the report.

TODAY'S RIDDLE: What is black when you buy it, red when you use it, and gray when you throw it away?

Weather on the Plains is seeing unusually cold temperatures for this time of year prevail across the northern half of the region, accompanied by patchy snow showers. Across the central Plains, extremely windy weather is occurring near the leading edge of the surge of cold air. On April 1, less than one-fifth of the winter wheat was rated in good to excellent condition in Oklahoma (9%), Kansas (10%), Texas (15%), and South Dakota (17%). In the Corn Belt, snow is blanketing the upper Midwest, while rain is maintaining soggy conditions further south and into the Ohio River Valley. On April 1, prior to recent heavy rain, topsoil moisture was rated 61% surplus in Ohio, along with 52% in Indiana and 37% in Illinois. Yesterday in the South, warm weather in advance of an approaching storm system favors crop emergence. Cold air continues to surge southward and eastward in conjunction with a storm system tracking from the central Plains into the Northeast. Freeze warnings are out in force in parts of the southeastern Plains and Mid-South. By tomorrow morning, freezes can be expected across portions of the interior Southeast. During the weekend, another blast of unusually cold air will reach the same regions. Meanwhile a series of fast-moving storms will result in additional snow across the North, as well as 5 day precipitation totals that could reach 1 to 3 inches in the Southeast and 1 to 2 inches from the eastern Corn Belt into the Northeast.

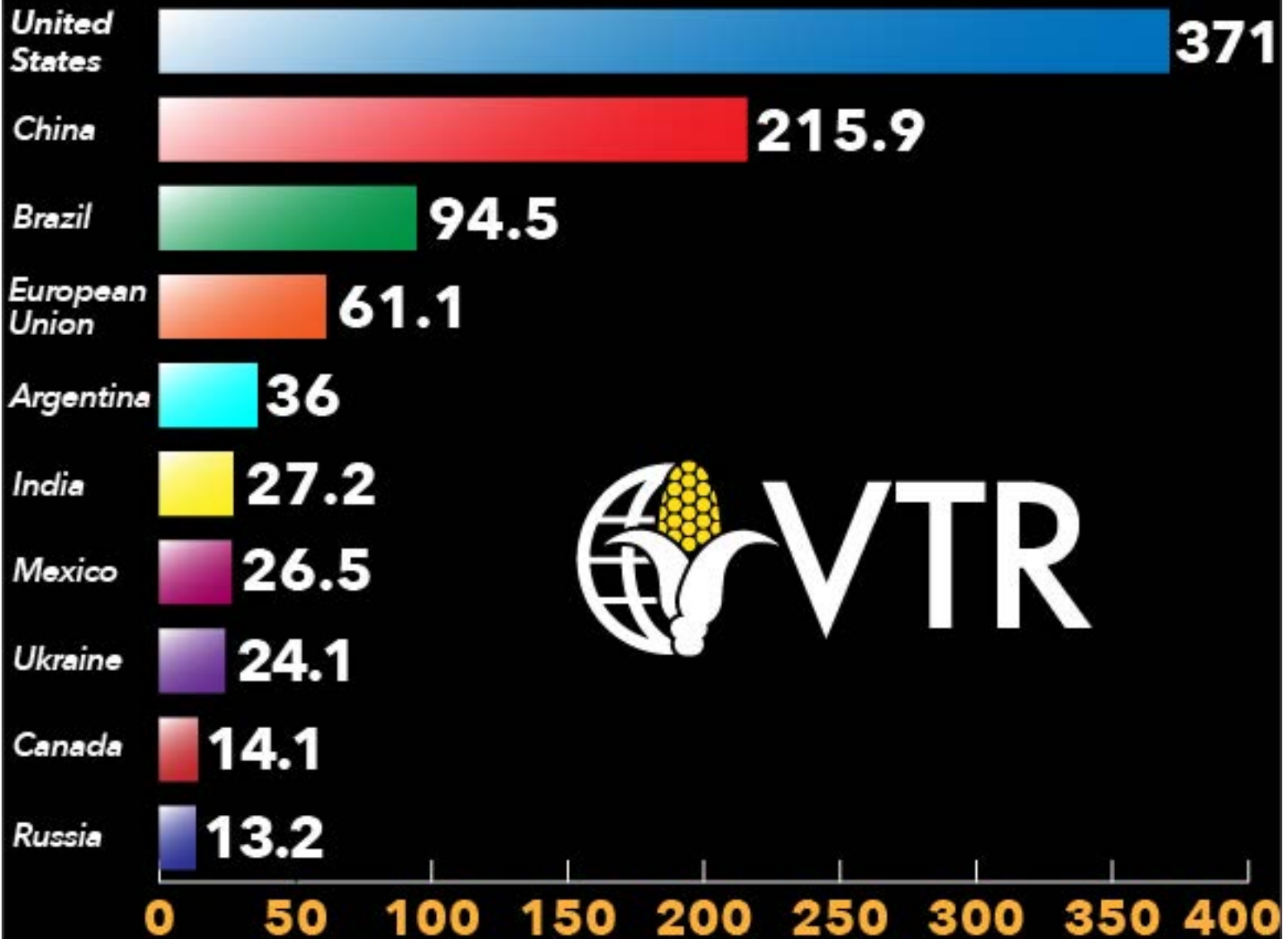
Winter Isn't Over Yet: *More chances for snow are ahead late this week and into the weekend across parts of the Midwest and East. Cold air will generally remain in place in the Plains, Midwest and Northeast through this weekend. At the same time, disturbances will ride along an active jet stream dip carved out across the nation's northern tier. The result of this weather pattern will be occasional rounds of snow Thursday through Sunday, perhaps even into Monday, in parts of the central and eastern United States.*



Corn is under pressure this morning following China's announcement of tariffs on various U.S. ag products include soybeans, cotton, some corn products, higher proteins of wheat, etc... At one point the corn market was down -15 cents on the headline news. I don't have any actual facts, as it seems to be more bantering and bark than actual bite. Still a ton of talk, I will obviously monitor closely and report details as they unfold. Bulls are pointing to potential planting delays in many parts of the U.S. Many producers are saying fields are either too wet or sub-soil temperatures too cold. Producers to the South have been making the best of their situation, as the planting pace in Texas, Louisiana, Mississippi and Arkansas are all running slightly ahead of schedule. Producers in the Midwest and in the northern portions of the belt however could remain on the sideline as 4" soil temperatures are simply too cold. Interestingly, the April weather forecast looks as if it will remain cooler than normal in the Dakota's, Minnesota, and portions of Iowa, Illinois, Nebraska and Wisconsin, creating more concerns and uncertainty surrounding U.S. corn acres. Bulls clearly understand, with problems in South America, and global demand this strong, it doesn't take much in the way of acreage reductions or yield drag to get U.S. new-crop ending stocks sub-1.5 billion bushels, which starts to make the story much more interesting. Bears on the other hand continue to fear full blown "trade wars" and the increased headwinds they will create on U.S. demand. There's also more talk inside the trade that the USDA could eventually readjust last years crop making it larger. Bears also seem to believe U.S. corn acres are going to push higher and that recent rains might prove to be just the right formula for planting and growing a strong crop. I'm personally not on that page. Obviously, talk of "trade wars" is taking center stage and needs to be heavily monitored...

Top Corn Producers 2017/18

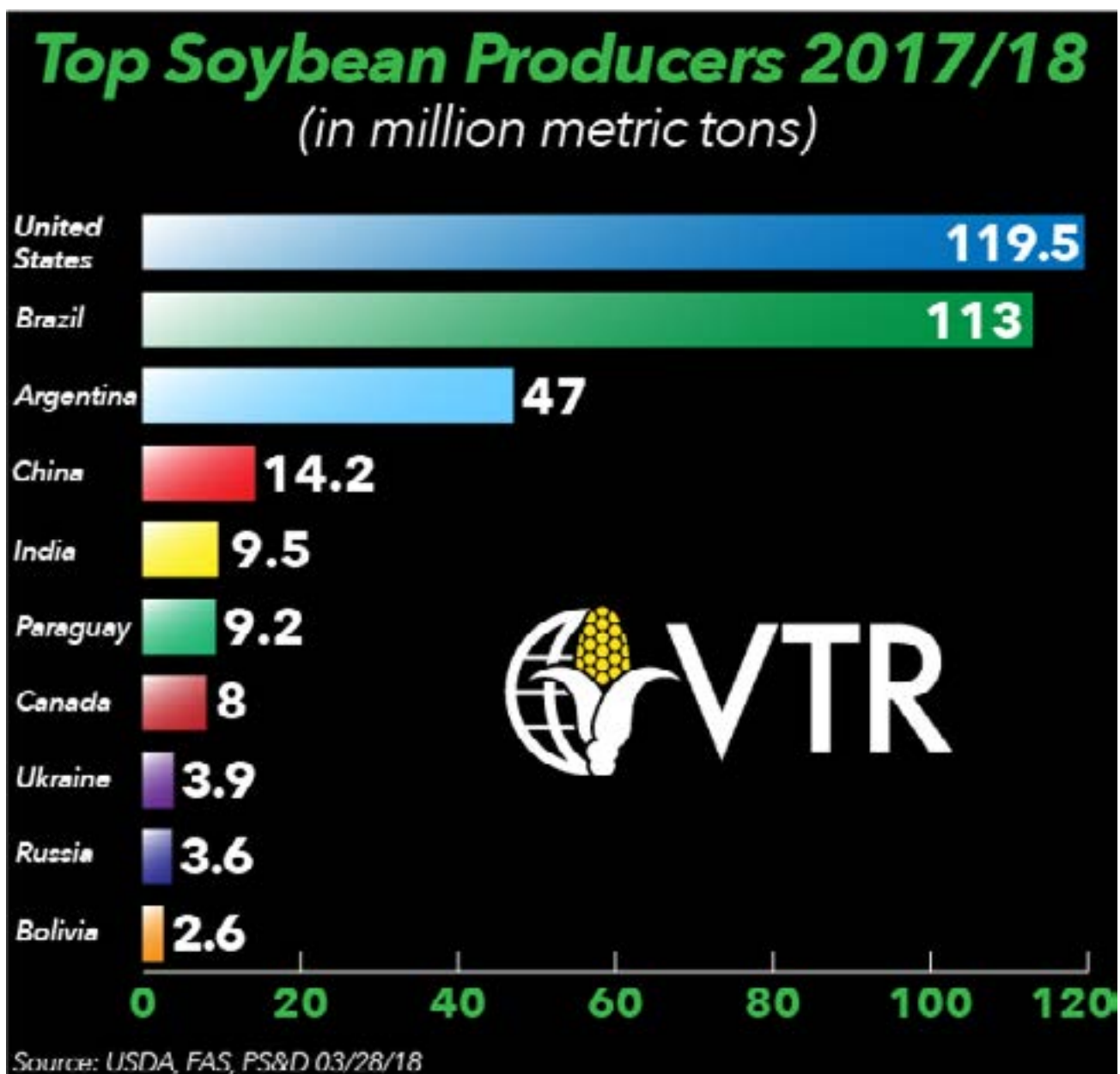
(in million metric tons)



Source: USDA, FAS, PS&D 03/28/18

Soybean bears have the market down heavily this morning after China announces a 25% tariff on U.S. soybeans, as of writing the soybean market was down -50 cents. This is clearly the main highlight, but there are very few actual facts floating around, all speculation at the moment. As both a producer and a spec, this is what we have been protecting against. As the trade continues pressure the market, I will be looking for places to dip a toe in the water on the bullish side. I will be in no hurry however to make this move. In fact, I might even wait until after next weeks USDA report, which could have a bearish tone. Traders continue to debate the South American crop. I continue to hear more talk of the Argentine crop being sub-40 MMTs vs. the most recent USDA estimate in March of 47 MMTs vs. the February estimate of 54 MMTs vs. the January estimate of 56 MMTs. The trade seems to be thinking the Brazilian crop will end up being record large between 115 and 116 MMTs vs. the March estimate of 113 MMTs vs. the February estimate of 112

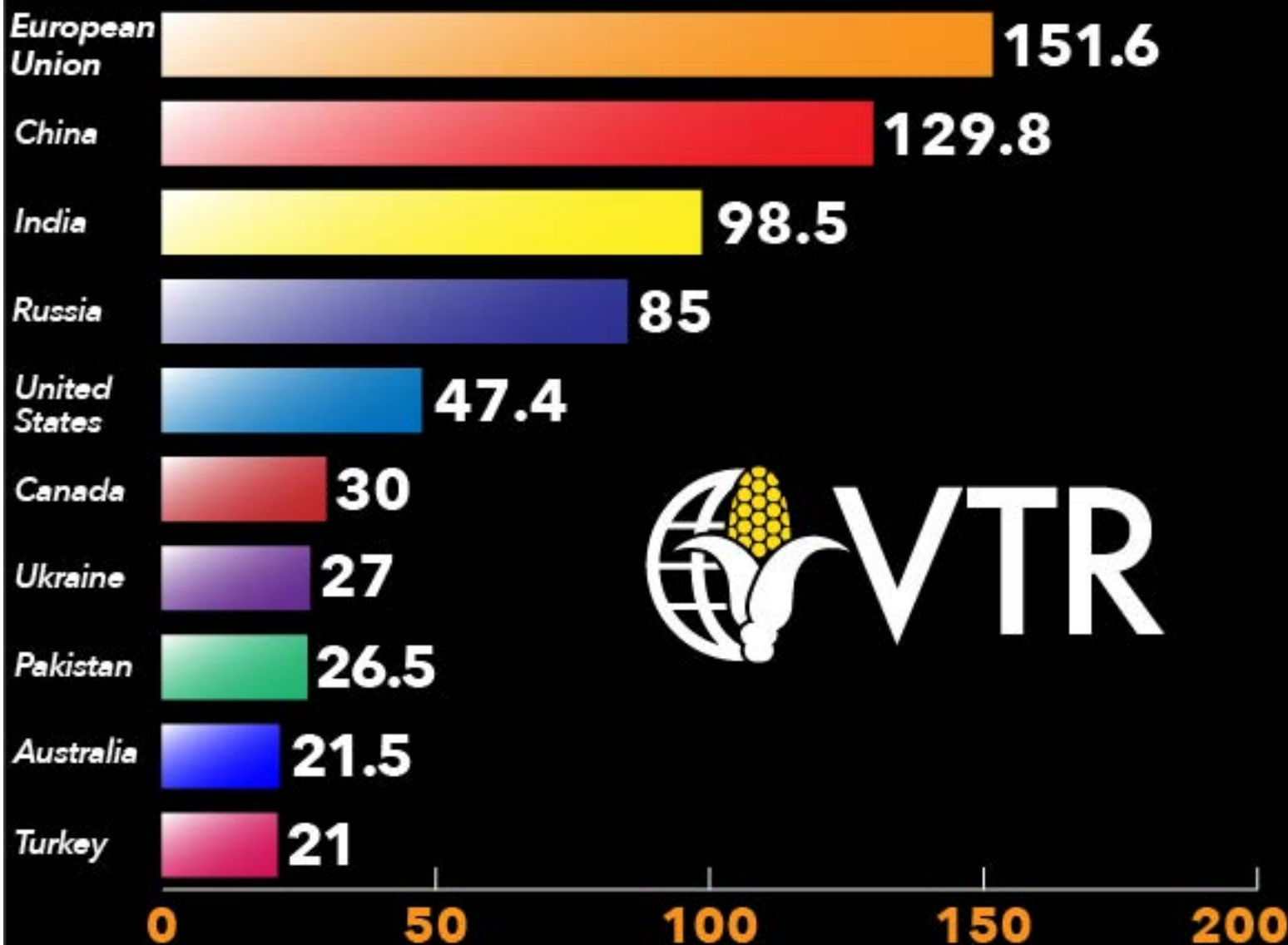
MMTs vs. the January estimate of 110 MMTs. Bottom-line, the Argentine crop looks as if it might fall by -16 to -17 MMTs from its January estimate. The Brazilian crop looks as if it might increase by +5 to +6 MMTs from its early January estimate. Here at home, the trade continues to debate upcoming planted acres. The bears are saying the USDA is way too conservative with their most recent forecast and that number is going to grow larger in the days and weeks ahead. Bulls believe the recent USDA number is feasible, but also still see weather uncertainties as no guarantees for the crop getting planted. I am hearing that leaders in Washington are pushing to get NAFTA negotiations behind them and want to ink some type of deal sooner rather than later. I have to imagine any type of announcement or headline saying we've reached an amicable deal, will make the trade less nervous about further trade headwinds. Obviously, the fallout that could come from a full blown "trade war" with China still looms overhead and will need to be closely monitored. I should also remind everyone that we have a USDA report next week. Most in the trade are thinking the USDA will be aggressively pushing old-crop ending stocks higher, perhaps to +650 million bushels vs. the current forecast of 555 million. Bears are also talking about how weather and planting delays could bring about more soybean acres if producers start to look for alternatives. As both a producer and a spec, despite the bearish rhetoric, I continue to hold a longer-term bullish tilt. But I fully understand it might take a while before it plays out and the path to higher prices might be somewhat confusing nearby.



Wheat is pulling back this morning on the Chinese headlines and threats surrounding possible trade wars. On the flip side, bulls continue to talk about poor winter crop-conditions. From what I've seen floating around inside the trade, there's only been two times during the past 30-years that the USDA's April 1 winter wheat crop-condition estimate has been worse than what was reported Monday afternoon. Those crops were 1996 and 2002, both years that produced below trend line yields. Helping to add some additional uncertainty is the current weather forecast, where many bulls are thinking extremely cold temperatures are causing even greater damage to an already weak crop. Bulls are also thinking current field conditions could reduce some of the U.S. spring wheat acres. Unfortunately, the Chinese headlines and fears of "trade wars" will remain at center stage until the market learns or feels more clarity.

Top Wheat Producers 2017/18

(in million metric tons)



Source: USDA, FAS, PS&D 03/28/18



> 7,000 Pounds Of Beef Recalled: *Officials with the U.S. Department of Agriculture's Food Safety and Inspection Service announced Saturday that PFP Enterprises LLC, doing business as Texas Meat Packers, is recalling about 7,145 pounds of raw beef products. Inspection personnel discovered on Friday that the company operated without inspection on March 24, according to officials with the USDA. The recalled beef, some sold fresh and some frozen, was produced on March 23 and 24, officials said. It was sent to institutions and stores in more than half a dozen states: Alabama, Arkansas, Indiana, Louisiana, Mississippi, Missouri, Oklahoma, Texas and Wisconsin.*

> Russian Grain Exports Up YOY: *Russia grain exports in 2017-18 are nearly 40% higher year on year at 39.17 million tonnes, according to statistics released by the Russian Ministry of Agriculture on April 1. Wheat exports are up 41% year on year, at 30.61 million tonnes. The biggest jump year over year is in barley exports, which are up 97% from a year ago at 4.41 million tonnes, the ministry said. (Source: World-Grain)*

> Corn Consumption for Ethanol Falls 8.9%: *The amount of U.S. corn used for ethanol production in February dropped 8.9% compared with January's total and rose 2.4% compared with the year-ago month. 433.622 million bushels of corn was used for ethanol production in the U.S. in February, compared with 476.129 in January. In the current marketing year, which started September 1, corn consumption for ethanol production represented the largest single demand sector at 37.6% of total use. (USDA)*

> Home Buyers Are Busting Budgets: *and in some cases selling things they love — to snag their dream houses. A third of home buyers blew through the upper limit of what they planned to spend, topping that cap by an average \$16,510, according to an Owners.com survey of 1,214 Americans who purchased a house within the last four years. The survey was conducted Jan. 31 to Feb. 8. The main reason? Price. Price. Price. (Source: USA Today)*

> Continental Grain Has Increased Its Stake In Bunge To More Than 1%: *According to Reuters, U.S. agricultural investor Continental Grain Co plans to push Bunge Ltd to consider a potential sale, a person familiar with the matter said on Monday, after Archer Daniels Midland Co approached Bunge about a takeover. It was unclear how Continental Grain would push Bunge to consider a sale. But Continental Grain, which invests in the farm and food processing industry, has increased its stake in agricultural merchant Bunge to more than 1%, the source said, speaking on the condition of anonymity.*

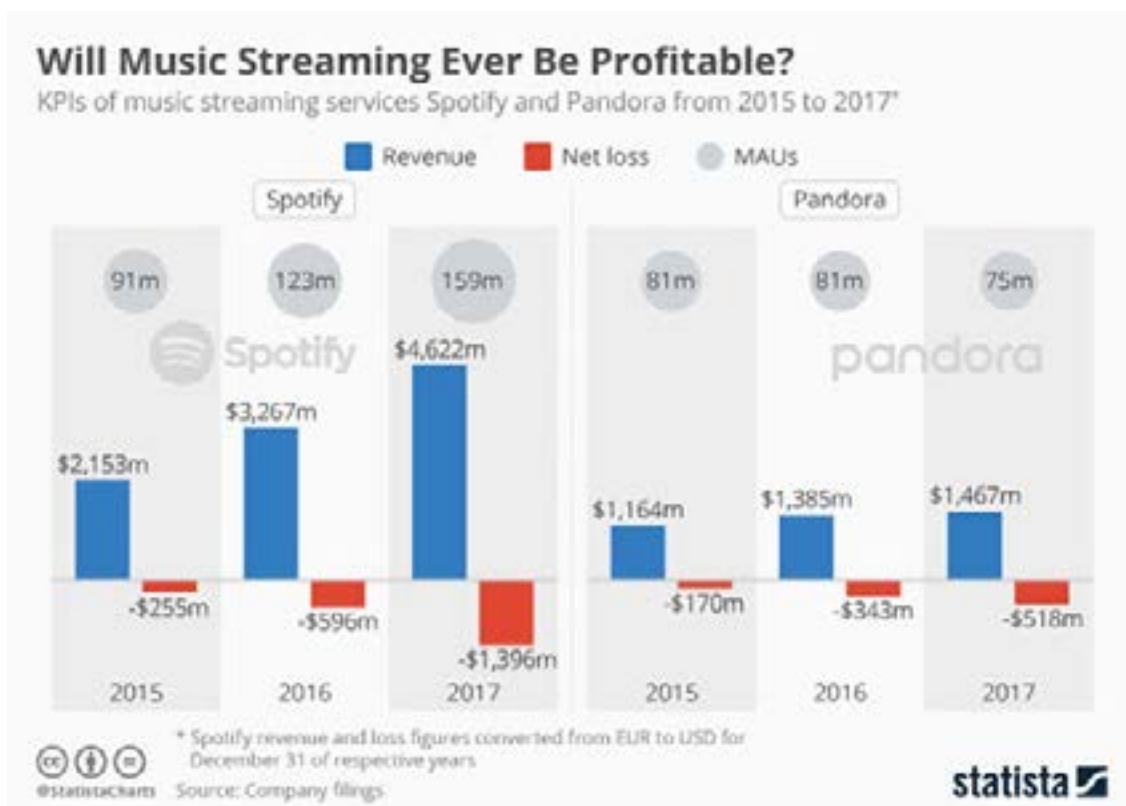
> Spring Sowing In Ukraine Has Been Delayed Significantly: *The Ukraine has 12,000 acres sown since the end of March due to a cold and wet winter, data from the Ukraine Agricultural Ministry showed Tuesday. The ministry expects sowing to speed up over the next 10 days as the weather improves, it said in a press conference Tuesday, yet progress*

is likely to continue to lag. Sowing was at just under 4 million acres at the same stage last year. Ukraine is expected to plant 18 million acres of spring crops this season, with "early" crops such as spring barley and spring wheat accounting for nearly 6 million acres, with the remainder coming from "late" crops such as corn and buckwheat. (Source: Agricensus)

> Are We Running Out Of Nickel To Support The Future Of EV's: Battery technology appears to be driving towards the 8:1:1 nickel-cobalt-manganese format from the currently used 6:2:2 version, but with nickel prices a third of what they were at the beginning of the decade, investment into nickel projects has been limited and poses the question of whether the electric vehicles revolution could be halted by a supply shortage of nickel. S&P Global Platts editors Marcel Goldenberg and Ciaran Roe discuss this and other implications for battery metals, such as cobalt and lithium, that could result from increasing the nickel content in the next generation of batteries. Listen to conversation [HERE](#).

> Trump Might Use Military to Protect U.S. Border: President Donald Trump on Tuesday said he planned to use U.S. military forces to protect the nation's southern border with Mexico until there is a border wall and "proper security." "We are going to be doing things militarily," Trump told reporters at the White House, adding that he had discussed the idea with U.S. Defense Secretary Jim Mattis. (Source: Reuters)

> Spotify Goes Public, But Can It Ever Be Profitable? As you well know, Spotify went public yesterday, listing its stock under the ticker SPOT. A look into the company's filing reveals an impressive 159 million monthly active users (MAUs), generating \$4.6 billion of revenue in 2017. Accompanying these figures, though is a less than savory net loss of \$1.4 billion. Music streaming is difficult to turn a profit because as users rise and revenue increases, so do licensing fees and other costs. As you can see below, both Pandora and Spotify have solid revenue streams, both are far from profitable. Both companies are going to have to figure out how to actually make music streaming profitable if they are to keep new shareholders happy. (Statista)





Central Iowa - We are just headed back to Iowa after finishing up planting our ground down in Texas, with corn and soybean. The planting down south went very well after some rains early. It looks like we will not be turning a wheel for a while in Iowa after looking at the weather forecast. We have snow on the ground now and very cold. The next 10 days do not look good with temps being well below the normal averages. Traditionally, we are getting things ready to go the first week of April so that by the 10th to 15th we are rolling. We have had some corn on corn acres that we will probably plant beans in which will get us back closer to a 50/50 rotation. We have not seen any yield drag going corn on corn with 250bpa a very attainable number. We will push the corn pretty hard not backing off on the prescription side. The beans over the past few years will consistently make 60bpa to 70bpa, with some of our better ground making in the 80bpa range. We may see higher bean yields after being so heavy corn on corn over the recent past.

Central Illinois - We received about an inch of snow on Easter Sunday and only supposed to get to 20 degrees today. It is not feeling much like spring and this week has very cold temps with a variety of moisture in the forecast. We chiseled plowed some ground about two weeks ago when the weather was very spring-like. Since then we have had everything parked in the shed. We should be in good shape to get the planters rolling as soon as the weather allows. It will probably the third week of April at the earliest for us to get in the field. We put on some 28% in the fall, then we will side dress in this spring. I wouldn't say that we spoon feed the crops but we like to continue feeding throughout the growing year. Everyone has talked about more bean acres but most around here will stick with what they have done in the past that is much heavier on the corn side.

Northeastern Brazil - We have had a very good growing season for our crops. Our beans look as good as they ever have and they didn't have any stress while growing. Harvest in the MATOPIBA area, which is the states of Maranhão, Tocantins, Piauí and Bahia, is probably 30% to 40% completed for this year. The crops have benefited from the good growing weather with yields much better than expected. There are some guys in the Piaui state that have mentioned making 60bpa to 70bpa for all the farms. We will start our bean harvest in a few days and we are expecting record yields, or within the top three ever. Typically, after a good bean production year like we have had, you will see a few more second crop corn acres. I am hearing rains in Matto Grosso are very good right now for the corn.





Additional \$61 Billion To Military Must Be Spent By September: *"Today, we receive the largest military budget in history, reversing many years of decline and unpredictable funding," Defense Secretary James Mattis said Friday as he appeared with President Trump. "Now it's our responsibility in the military to spend every dollar wisely." Todd Harrison, who tracks military spending at the Center for Strategic and International Studies, notes that the military has just six months to spend this extra money before the fiscal year ends in September. So can the military do it? See the plan [HERE](#).*

Austrailia's Wine And Nut Producers Stand To Gain... *from China's tariff hit of up to 25 percent for U.S. agriculture. "We've invested quite a lot of time and money in building the market in China for 15 years, and then this may force us to reduce the amount of wine we're going to sell there just because our wines will become less economically viable," said David Amadia, president of Ridge Vineyards in the Santa Cruz Mountains of California. For the last five years, Ridge Vineyards has enjoyed "consistent growth" in the Chinese market even as it competes with premium French and Italian wines as well as Australian wines. But he said the new 15 percent Chinese tariff likely means "it will sort of be a lost investment." Read more [HERE](#).*

Why Companies Are Moving To Verbal Branding: *The San Francisco-based startup Voicery is only a few months old, but CEO and cofounder Bobby Ullman says he's already had hundreds of requests from companies that are interested in developing their own branded voices. That's because Voicery offers something most companies probably didn't know they needed even just five years ago: a customized digital voice that sounds like an actual human, not a computer. Read more about the future of voice branding and why companies believe it holds promise to brand loyalty [HERE](#).*

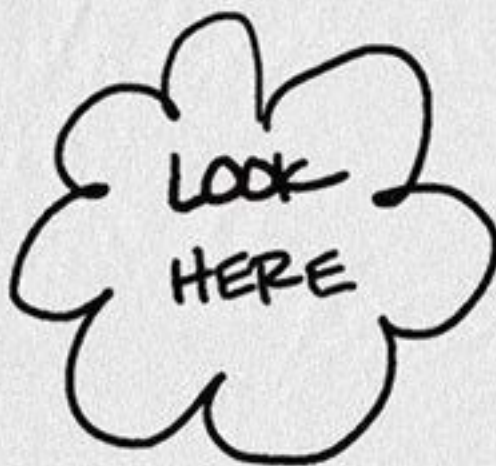
When 26.2 Miles Just Isn't Enough: *I've heard of the recent increase in ultramarathons over the last decade, and understand, they are an almost-impossible test of the human body and spirit. Adharanand Finn asks what's behind this rapid increase – and whether racing 100 miles or more is actually good for you. Read more [HERE](#) about why this sport has seen a 1000% increase in participation in the last 10 years.*

Johan van Hulst, Holocaust Hero, Has Died at 107: *Van Hulst taught at a Dutch college next to a daycare during the Nazi advancement into the Netherlands. Some 4,000 children were held at the daycare between 1942 and 1943; according to Paldiel, van Hulst and his collaborators helped around 1,000 escape. Many of the rescued children were babies, writes Yad Vashem. But van Hulst's involvement in this heroic effort forced him into an agonizing moral quandary. Whisking away too many children would have aroused dangerous suspicion. Some had to be left behind. Read more of the incredibly heroic story and the difficult choices Van Hulst was forced to make [HERE](#).*

Trying To Break Urge-Based Habits... Don't Resist, Replace: *The harder people try not to think of something, the more they end up thinking about it. Ironical, no? It turns out this experience has a name. It's called the ironic process theory, and it almost guarantees that your efforts to change bad habits by resisting those habits will fail. Research shows that "thought suppression has counterproductive effects on behaviors." If you've ever desperately told yourself not to scratch that mosquito bite or buy another cactus on Amazon, I'm sure this comes as no surprise. Read more [HERE](#) to find out how to replace those thoughts.*



VS.





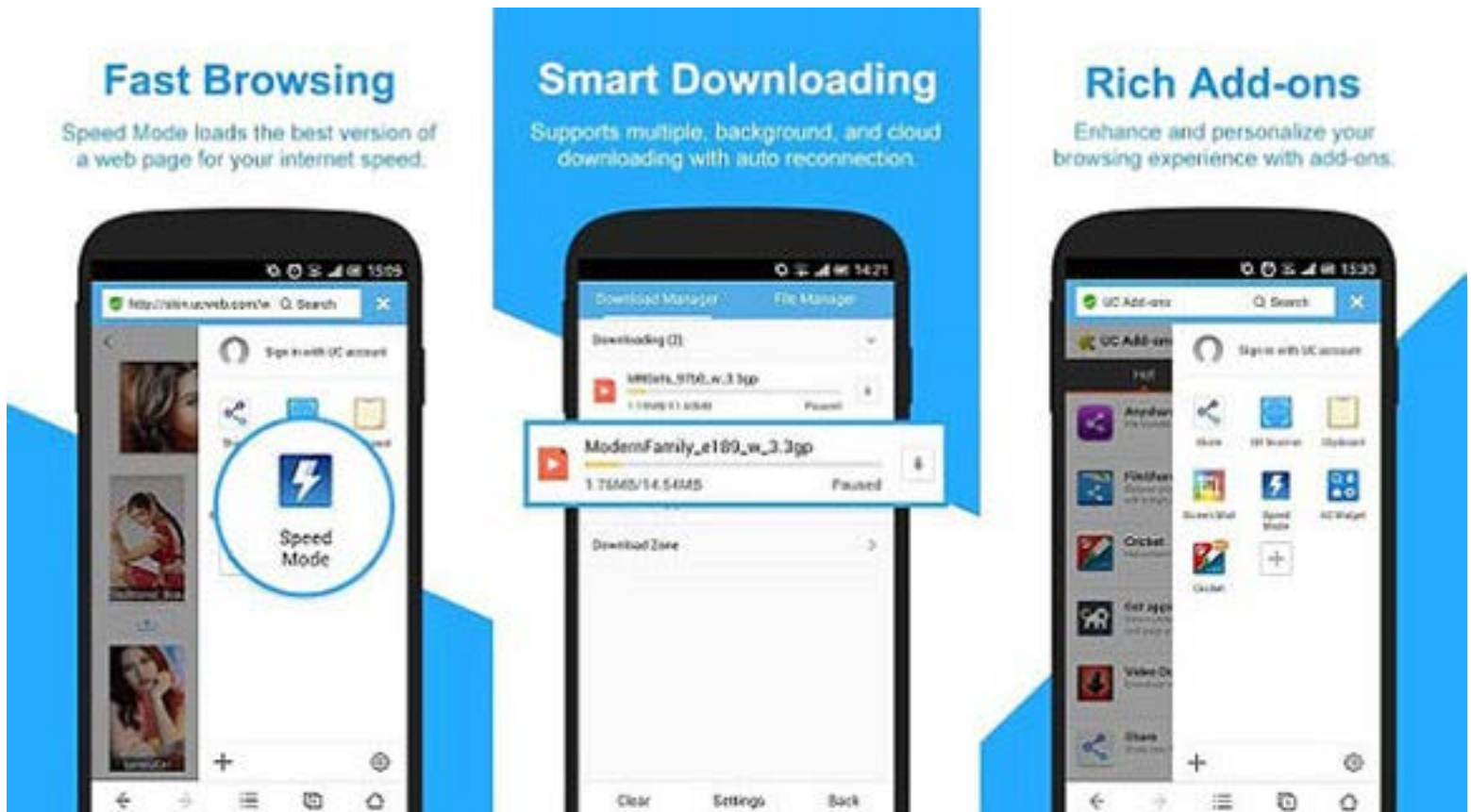
Will The Future Of Pest Management Include GE Insects?

Biotech mosquitos have made news over the last couple of years as they fought to control Zika, Dengue and Yellow Fever. Agriculture is hoping to use the technology in the constant battle with pests that cause billions of dollars a year in crop damage. I'm told the process is as simple as flipping a genetic switch which then turns the sex drive of the insect against itself. At the forefront of the project is a group of researchers from Cornell University, who are using biotechnology to place the GE crosshairs on a remarkably adaptable crop pest: the diamondback moth (DBM). The DBM not only destroys nearly \$5 billion in damage to broccoli, cabbage, canola, cauliflower and more, but they have the remarkable ability to develop resistance to insecticides (sometimes within two years) by reproducing a generation within a few weeks in the field. Cornell researchers are using technology developed by [Oxitec](#) to target the DBM and it's worth noting that they have gained public notice through their release of GE male mosquitoes in Brazil and other countries. The releases of Oxitec's self-limiting mosquitoes have resulted in the reduction of the wild population by more than 90% – an unparalleled level of control. OX513A has also demonstrated the ability to provide a stable performance for over 150 generations. Meaning, there have been no new strains of resistant mosquitos that have overcome the genetic process. As I understand it, through biotech engineering, all female offspring die as a result of a self-limiting gene. With the continued release of male moths over a sustained period, the number of females in the population drops and the capacity of the population to sustain itself is diminished. If you are wondering how we continue to produce the insects if they die - there's an antidote given to the insects in the rearing facility that acts like a switch to turn off the tTAV gene preventing the tTAV protein from working. In 2015, trials were completed using GE DBM proving the technology was effective and the trial also restored susceptibility to Bt. With most of the industries focus on the development of GE crop resistance to pests, this approach could provide a new and hopefully less expensive tool in the future. (Source: [Cornell University](#))



NEW Browser Can Help Boosts Internet Speeds In Bad Areas

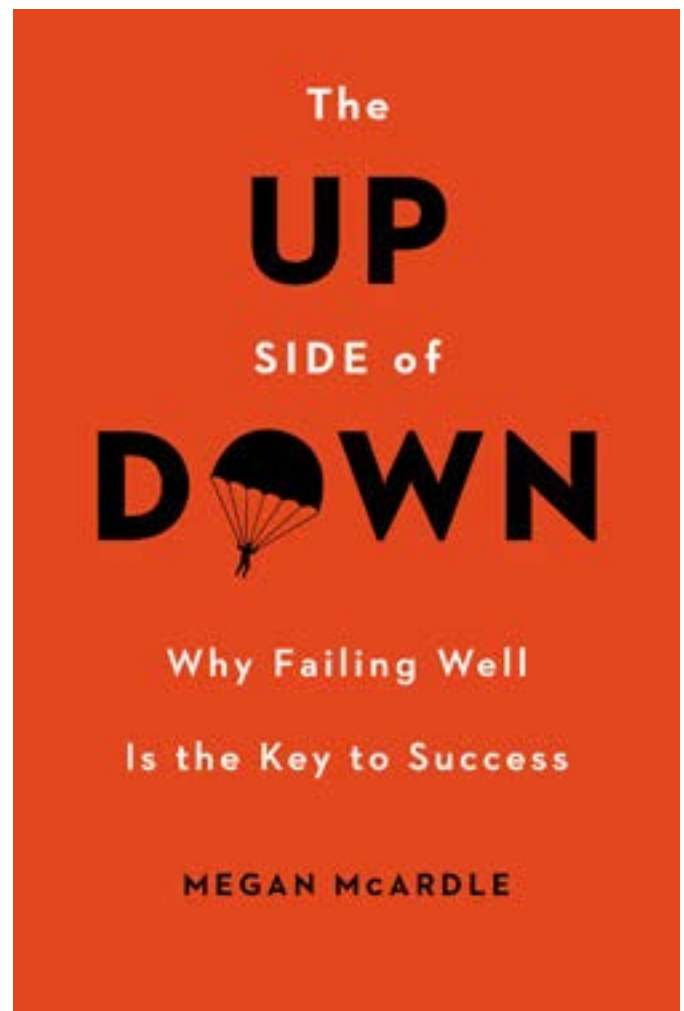
Internet connectivity can be very problematic for smartphone users plagued with low signal quality. A workaround for this issue has been introduced by the Alibaba Mobile Business Group, with an app called UC Browser. The app can download all types of files at impressively fast speeds thanks to data compression technology that consumes about half the data that traditional browsers like Google Chrome use. It also supposedly buffers with zero time lag. This is due to the fact that the browser uses its own servers at times. Even with the lower data volume, content quality is said not to be degraded in any way. The latest version of UC Browser claims to offer a better viewing experience for lower-end phones, too. Cheaper devices usually don't have the RAM that other browsers need to function properly. UC Browser requires little to no processing power. This has made it incredibly popular in country's like India and China, which has helped to boost its user base to over 500 million users. It also runs on nearly every available platform, including Android, iOS and Windows. The app is not without its problems, though. Last year, the Google Play Store removed the app reportedly on data security issues. There were apparently concerns that the browser was sending data to China. UC Browser denied the claim but did update its technical settings to put them inline with Google Play's policies. The issue was investigated by the Indian government, which went so far as to consider banning the app. They also instructed members of the Army and other military forces to delete the apps over fears of cyber attacks targeting defense forces. There remain concerns across the industry about Chinese apps in general as they could be used to steal personal information. Security experts advise that they not be used to access sensitive data, such as bank accounts, digital wallets and even email. However, for simply browsing the web or accessing digital content, it sounds like a very good solution for smartphone users that have spotty broadband coverage. (Sources: Daily Mail, Medianama)



MUST READ: Learning To Fail Better...A Lesson For Us All

This is one I passed on a few years back and wanted to recirculate. It was originally an e-mail penned by Megan McArdle in reference to her new book, "The Up Side of Down". In the e-mail McArdle discusses how America might be raising their children wrong by NOT allowing them to fail. Parents are simply not giving them permission to take on NEW challenges where they might fall flat on their face. In return we are not teaching our children how to accept criticism, how to overcome objections, and most importantly how to quickly pick themselves back up, dust themselves off and get back in the fight when things go wrong. McArdle argues this is vital not only on a personal level, but also vital for America, because that's where innovation and growth come from. Parents are pushing their children harder than ever -- micromanaging their lives, orchestrating things and manipulating the environment so that their children have as little opportunity as possible to go astray. It's totally understandable. But it's bad for the kids, bad for the parents, and bad for the nation. She goes on to tell story after story about how parents have now made children afraid to "fail." Afraid to take that class where they might hurt their grade point average; afraid to try that sport where they might not be the best; afraid to do anything that might embarrass the parents or prove they are not as good as the neighbors kids... "America, you're now doing it ALL wrong," she screams! If you can't afford to risk anything less than perfection at the age when your 13, then for heaven's sake, when is it going to be the right time? This is the time when kids should be learning to dream big dreams and dare greatly. This is when they should be making mistakes and figuring out how to recover from them. Instead, we're telling some of our best and brightest to focus all their talent on coloring within the lines. Below are few of the other reasons why she believes this is such a bad idea:

- *Kids are now spending their entire high school years in terror of making the slightest mistakes. In order to get into that top-school or fight for that scholarship kids can not afford to take any risk. At the time in their life when failure should have the lowest cost, when they should be learning to try things, and developing ways to think outside the box, they are being held down more tightly than ever.*
- *This is a time when they should be learning how to identify when those great and crazy ideas aren't working out so well. And gaining the ability to move on after the occasional embarrassing "flop." If "perfection" is the goal, which many parents now expect, then the kids can't afford to do any of that.*
- *Unfortunately most kids are now avoiding areas that they are unfamiliar with -- and the ones that at first seem to be the most difficult. So essentially we're taking insanely*



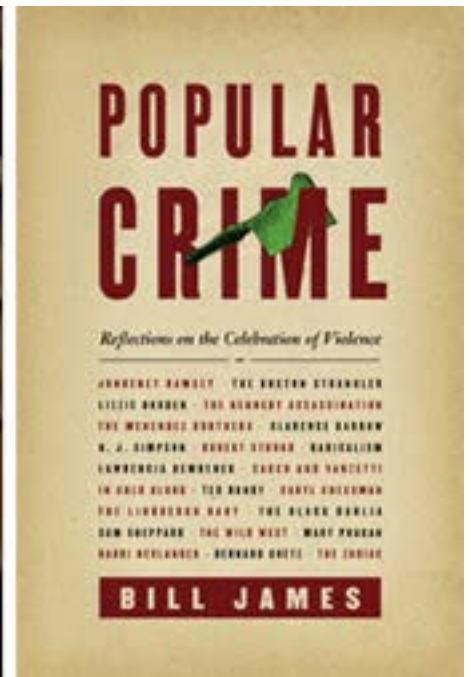
bright, hardworking kids and discouraging them from trying NEW things that they might be great at, because what if they aren't the "best" or even God forbid, "fail" at their first attempt.

- *We are teaching that "success" can often be achieved by doing what comes easiest, which we all have learned is the opposite of true.*
- *We are drilling into their heads that success consists of jumping through a series of hoops to please the "system" and the "authority." Of course, this is a valuable skill that everyone needs to learn, because hey, that's part of life. But it shouldn't be valued at such a level at such a young age.*

Moral of the story, the longer this kid goes without failing, the more dreadful it will be when it finally happens. When you've never coped with failure, it often comes to seem imperative that you arrange your life so that it never happens. I watched a lot of MBAs and tech wizards melt down after 2001 because they had done everything they were supposed to do and somehow they found themselves out of a job? America needs more bright, hardworking kids taking on challenging tasks. But it does not need them to learn that success is a "formula" -- or a zero-sum game in which the race goes to the safest. In fact, that's exactly the opposite of what we need -- and more important, it's the opposite of what those kids need!

One of my favorite books is "Popular Crime," by the great Bill James. And this is one of my favorite passages:

First of all, as I see it, no one has any ability whatsoever to figure out what is going to be important to people. I look back on my own life. When I was in high school I had two habits that greatly irritated my teachers; actually, many more than two, but let's focus. One was writing funny notes to my classmates, trying to make them crack up in the middle of class. The other was spending hours of valuable study time making mystifying totals from the agate type in the sports pages. I



was called on the carpet any number of times and told to stop doing this stuff and pay more attention to What Was Really Important.

As I look back on those years, the two most useful things that I was doing, in terms of preparing me for my career, were 1) Writing humorous notes to my classmates, and 2) Making mystifying totals from the agate type in the sports pages. By writing amusing if vulgar notes to my classmates, I was learning to write -- not learning to write in a way

that would please English teachers, but learning to write in a way that would hold the interest of people who had no reason to read the note, other than the expectation that they would enjoy reading it. That's much, much closer to writing books than writing insipid research papers to please bored English teachers. The adults in charge thought they knew what was important, but in retrospect they were just completely wrong.

At the personal level, most of us could attest to this -- you never know what will end up being important, but it's probably not what you think. And at the economy level, this is basically a pithy summation of what economist Joseph Schumpeter dubbed "creative destruction": the process by which old ideas, and companies, and even markets are destroyed in order that something previously undreamt-of can replace them.

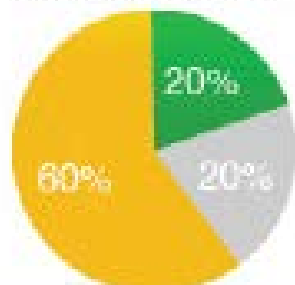
Do we want a society that dreams new things and then makes them happen? I hear that we do, every time I hear a teacher, or a politician, give a speech. So why are we trying so hard to teach the next generation to do the exact opposite?

(Source: Megan McArdle "Go Ahead, Let Your Kids Fail" on Bloomberg)

CASH SALES & HEDGING TOTALS

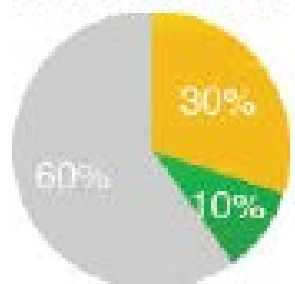
CORN 2017 CROP

60% SOLD
20% HEDGED
20% UNPROTECTED



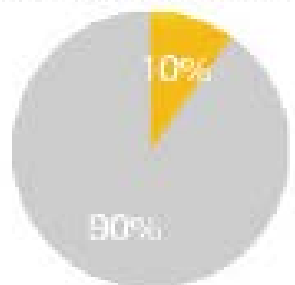
CORN 2018 CROP

30% SOLD
10% HEDGED
60% UNPROTECTED



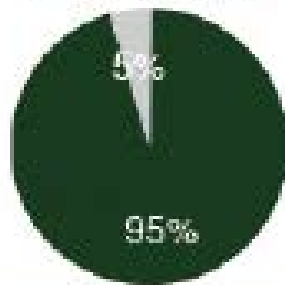
CORN 2019 CROP

10% SOLD
0% HEDGED
90% UNPROTECTED



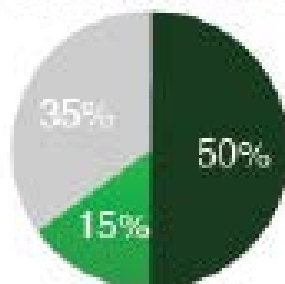
SOYBEANS 2017 CROP

95% SOLD
0% HEDGED
5% UNPROTECTED



SOYBEANS 2018 CROP

50% SOLD
15% HEDGED
35% UNPROTECTED



SOYBEANS 2019 CROP

0% SOLD
0% HEDGED
100% UNPROTECTED



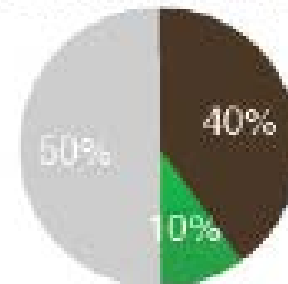
WHEAT 2017 CROP

100% SOLD
0% HEDGED
0% UNPROTECTED



WHEAT 2018 CROP

40% SOLD
10% HEDGED
50% UNPROTECTED



WHEAT 2019 CROP

20% SOLD
0% HEDGED
80% UNPROTECTED

