

Hello Colorado Wheat.

Coronavirus tanked the stock market last week big time, and you can see the 11-week closing futures table shows corn and wheat felt it. Cascading Lows in corn, and new 11-week lows in Chgo and MGEX wheats. KC made a new 4-week low, but not a new 11-week low, although...we can see the \$4.51 red number from 12/13 will roll off the table this week, which means in effect, KC K's \$4.53 will act like red number.

CLOSE	KWK20	KWN20	KWZ20	CK20	CN20	CZ20	WK20	MWK20	MWN20	SK20
02/28	\$4.53	\$4.60	\$4.83	\$3.68	\$3.73	\$3.77	\$5.25	\$5.28	\$5.37	\$8.93
02/21	\$4.76	\$4.82	\$5.02	\$3.81	\$3.84	\$3.86	\$5.52	\$5.38	\$5.48	\$8.99
02/14	\$4.72	\$4.79	\$4.98	\$3.82	\$3.86	\$3.89	\$5.42	\$5.36	\$5.44	\$9.03
02/07	\$4.79	\$4.85	\$5.05	\$3.89	\$3.92	\$3.94	\$5.57	\$5.46	\$5.54	\$8.95
01/31	\$4.73	\$4.80	\$5.00	\$3.87	\$3.91	\$3.91	\$5.53	\$5.43	\$5.52	\$8.87
01/24	\$4.94	\$5.01	\$5.19	\$3.93	\$3.98	\$3.98	\$5.73	\$5.57	\$5.65	\$9.16
01/17	\$5.02	\$5.09	\$5.29	\$3.95	\$4.01	\$4.03	\$5.71	\$5.69	\$5.75	\$9.43
01/10	\$5.02	\$5.10	\$5.28	\$3.93	\$4.00	\$4.03	\$5.67	\$5.67	\$5.74	\$9.59
01/03	\$4.83	\$4.90	\$5.09	\$3.93	\$3.99	\$4.01	\$5.58	\$5.57	\$5.65	\$9.55
12/27	\$4.88	\$4.96	\$5.13	\$3.97	\$4.03	\$4.04	\$5.59	\$5.62	\$5.69	\$9.55
12/20	\$4.70	\$4.78	\$4.94	\$3.94	\$4.00	\$4.02	\$5.46	\$5.45	\$5.53	\$9.51
12/13	\$4.51	\$4.57	\$4.78	\$3.88	\$3.94	\$3.95	\$5.35	\$5.34	\$5.43	\$9.35

The most encouraging thing on the table is soybeans DID NOT make a new red number and considering the stock market's action AND good South American weather, that's somewhat fascinating. (In fairness, soybeans DID make a new 4-week closing low.)

We all know China wants to buy USA soybeans, milo, DDGS, and meats (mainly pork and chicken), but their (hopefully) temporary virus outbreak has set their economy back. We'll look at the charts, and the usual inputs, but the conclusion (spoiler alert) is wheat and corn are showing nothing but sell signals. And one could say that about the stock markets too. Nothing but sell-signals...but we will keep our eyes on beans this week, because IF there is a glimmer of home, I think beans will show it first.

Charts and discussions follow, with the goal of giving you useful information to help you with your business. My disclaimer remains the same: these are my sometimes rapidly changing opinions, but I believe you should: 1.be willing to store your wheat, if it's the right thing to do 2. apply 30# of N at planting, and if it's a wet spring, re-apply 30# 3. don't sell your wheat unless you have discussed protein premiums and considered why you're not seeing any.

Here's the May soybeans chart; this (and all the following price charts) includes Sunday's night's early action, which is mixed.



No buy signals here, and I mentioned Friday was a new 4-week closing low. The chart doesn't look great, BUT if for some goofy reason everything stabilizes this week (debatable), then we need to acknowledge IF beans could rally a dime and close above \$9.03, it would be a new 4-week closing high.

Here's a weekly continuous bean chart, with a pretty good down-trending line, and a countermove, that NEEDS to hold...or else we'll have to point out last May's spike low move to \$8.00...



Corn charts look bad...here's May corn, with a very steep downtrend shown:



And KC K wheat looks like corn, with a very steep (too steep, actually?) downtrend, yet like beans, need to hold some older trendline support.



Technically, I could argue we're due for a bounce, as the downtrends were too steep, but let's see how soybeans do this week.

Posted bids in the country are now against the K futures; mainly followed the board down about 23c:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
02/28	\$3.78-\$4.13	\$4.16	\$3.86-\$3.91	\$3.80-\$3.96	\$4.21-\$4.21
02/21	\$3.99-\$4.29	\$4.39	\$4.09-\$4.13	\$4.03-\$4.14	\$4.44-\$4.44
02/14	\$3.96-\$4.26	\$4.36	\$4.06-\$4.10	\$4.01-\$4.11	\$4.41-\$4.41
02/07	\$4.03-\$4.33	\$4.43	\$4.13-\$4.17	\$4.03-\$4.13	\$4.48-\$4.48
01/31	\$3.96-\$4.26	\$4.29	\$4.06-\$4.10	\$3.96-\$4.10	\$4.33-\$4.41
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
02/28(H)	-75, -40	-37	-67, -62	-73, -57	-32, -32
02/21(H)	-70, -40	-30	-60, -55	-65, -55	-25, -25
02/14(H)	-70, -40	-30	-60, -55	-65, -55	-25, -25
02/07(H)	-70, -40	-30	-60, -55	-70, -60	-25, -25
01/31(H)	-70, -40	-37	-60, -55	-70, -56	-33, -25
Date	Concordia	Salina	Hutchinson	Wichita	Ark City
02/28(K)	-22	-10, -07	-35, -07	-19, -07	-27
02/21(H)	-15	-05, -00	--28, +00	-12, -00	-20
02/14(H)	-15	-05, -00	--28, +00	-12, -00	-23
02/07(H)	-15	-05, -00	-31, -04	-15, -04	-23
01/31(H)	-20	-10, -00	-31, -04	-15, -04	-23

The H basis was rolled to the K at a -7c carry. (You can see we got the Hutch bids straightened out. The USDA office in Dodge made a mistake; she thanked us for bringing it to her attention. I will correct my archived data to show Hutch high side the past 2 weeks at +0, instead of +28. I suspect the Hutch low side still needs some work.)

Posted Gulf bids, against the K, are up about 4c this past week:

GULF date	12 pro	ords	diff	
2/28/2020	150	118	32	K
2/21/2020	155	122	33	
2/14/2020	155	122	33	
2/7/2020	162	120	42	
1/31/2020	166	125	41	
1/24/2020	166	122	44	

Export pace scorecards aren't awe-inspiring. All grains had a slow week.

Wheat-by-class includes 35 million bu in the fudged category, and with that, are about on pace to reach the USDA's forecast, although this was a crummy week for HRW. I'd be more concerned, but as we just saw, the Gulf bids are 4c higher...however, for the record, I don't think HRW will reach the USDA number.

WEEK ENDED (02/20/20)	Weekly loadings	FUDGED in season (estimate)	USDA projection	Amount needed	# of weeks remaining	Bu per week needed
HRW	3.8	257.0	390.0	133.0	14	9.5
HRS	5.6	195.6	275.0	79.4	14	5.7
SRW	0.7	78.9	100.0	21.1	14	1.5
LAST WEEK						
HRW	8.2	253.2	390.0	136.8	15	9.1
HRS	6.1	190.0	275.0	85.0	15	5.7
SRW	1.7	78.1	100.0	21.9	15	1.46

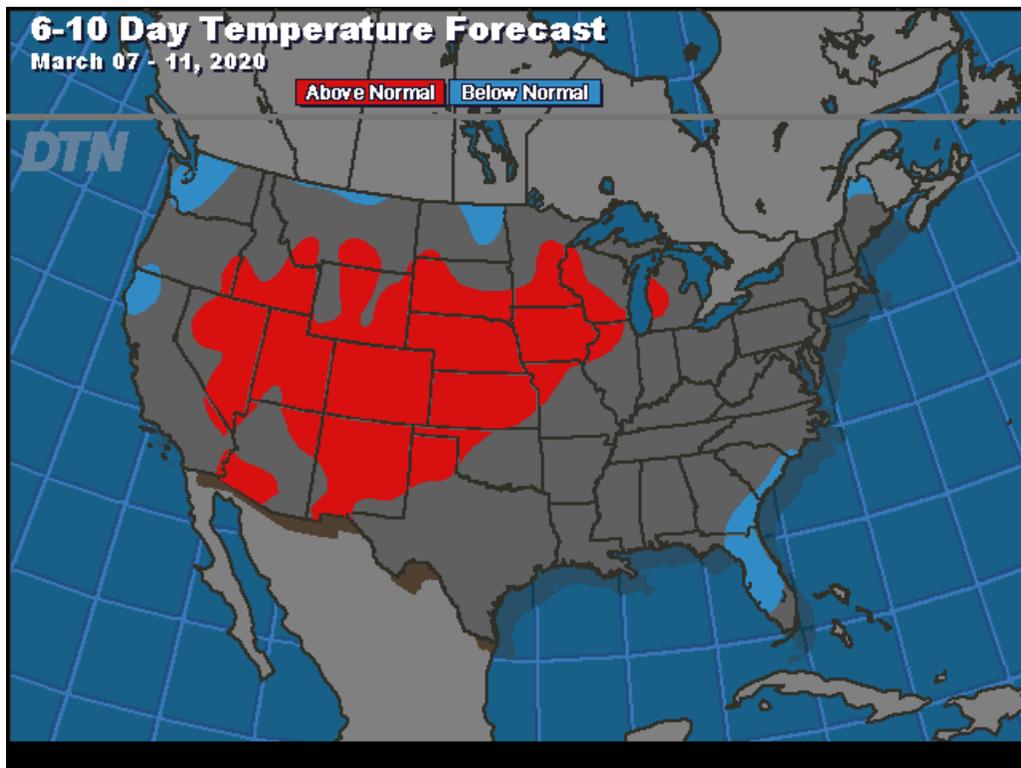
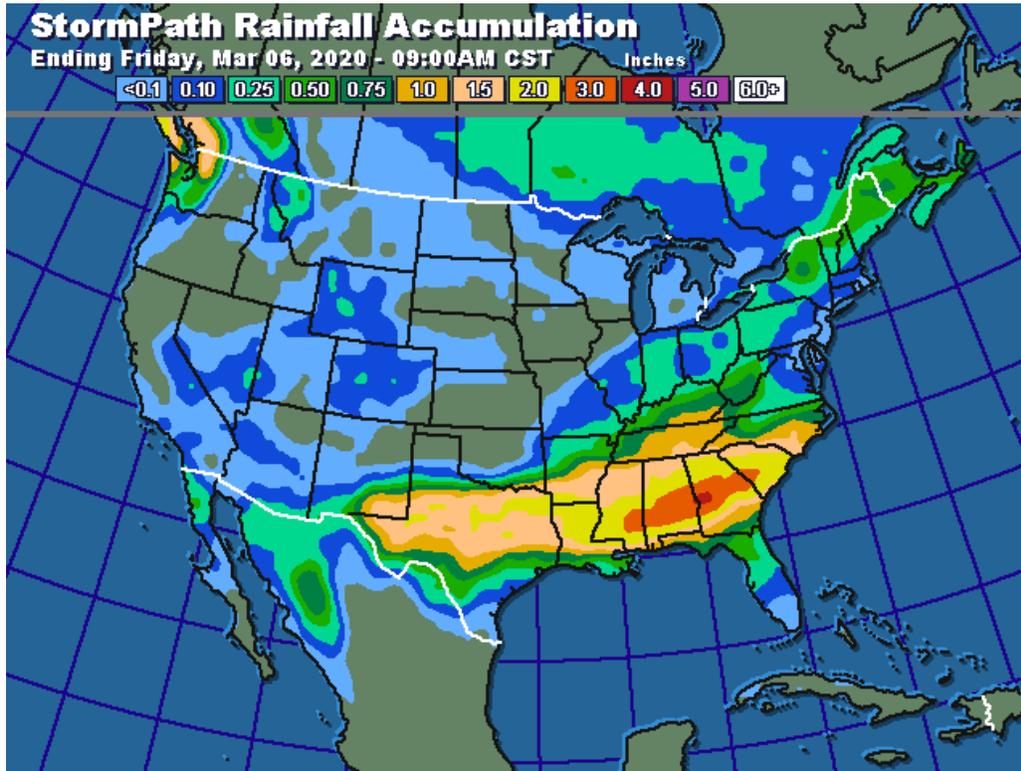
Corn's pace continues to slowly slightly improve, but I suspect the UDA will have to revise their corn target lower one more time.

Ps; the wheat numbers in this box do NOT have the 35 million fudge shown above.

Beans need a little kick in the pants.

WEEK ENDED (02/20/20)	Weekly loadings	Accumulated in season (estimate)	USDA projection	Amount needed	# of weeks remaining	Bu per week needed
Corn	33.3	531.3	1,725	1193.7	27	44.2
Soybeans	22.0	1063.3	1825	761.7	27	28.2
All wheat	15.0	647.3	1000	352.7	14	25.2

A quick look at the weather looks like dry and hot...are on tap for the Great Plains. Plenty of time remains to get much better, or much worse, but I'm leaning towards the weather needs to improve.



Switching gears, you now I've recommended going organic as the best "alternative crop", but here's another major fraud case with organic grains. Organic biz is risky, no doubt.

<http://www.startribune.com/a-fraud-case-in-south-dakota-throws-harsh-spotlight-on-organic-grain-again/568290732/>

Short and to the point this week, but the virus near-panic is all anyone can see right now.

Ok, all eyes are on beans this week to see if we can get some stabilization.

Have a good week. Stay safe.