

Hello Colorado Wheat.

Last week started with a full moon and ended with a Friday 13th. I doubt it will be soon forgotten. I hope this coming week will see something akin to normalcy.

Grain markets, other commodities and financial markets all reeled under coronavirus fears. Sporting events are cancelled, schools are going to online only, the CDC just recommended don't be in groups of more than 50, etc. I personally think we're over-reacting, although truthfully, I **hope** we're over-reacting is more correct. I wish I could say "we have nothing to fear except fear itself" ... but I'd be lying.

Tom Hanks and his wife have the virus, Down Under, I believe under careful watch in a hospital. He has type-2 diabetes; on twitter, someone asked if he's going to make it, and a pal I follow, BX825, replied:

Tom Hanks survived D-Day, Vietnam, being shipwrecked for years, having his panamax overtaken by Somali pirates, Apollo 13, being a prison guard and crash landing a damn 747 on the Hudson River. Corona ain't gonna get him

We're pulling for you Tom. I know this isn't rational, but I think if he makes it, we'll get thru this thing, but if...well, never mind. Go Tom.

The Fed announced short-term interest rates are 0% and Sunday night saw the stock market drop 125 points; here's a weekly continuous e-mini S&P futures contract chart:



Don't get me wrong, this might be the buying opportunity of a lifetime. I'm still waiting...

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 how the grains finished the week; and weak it was indeed:

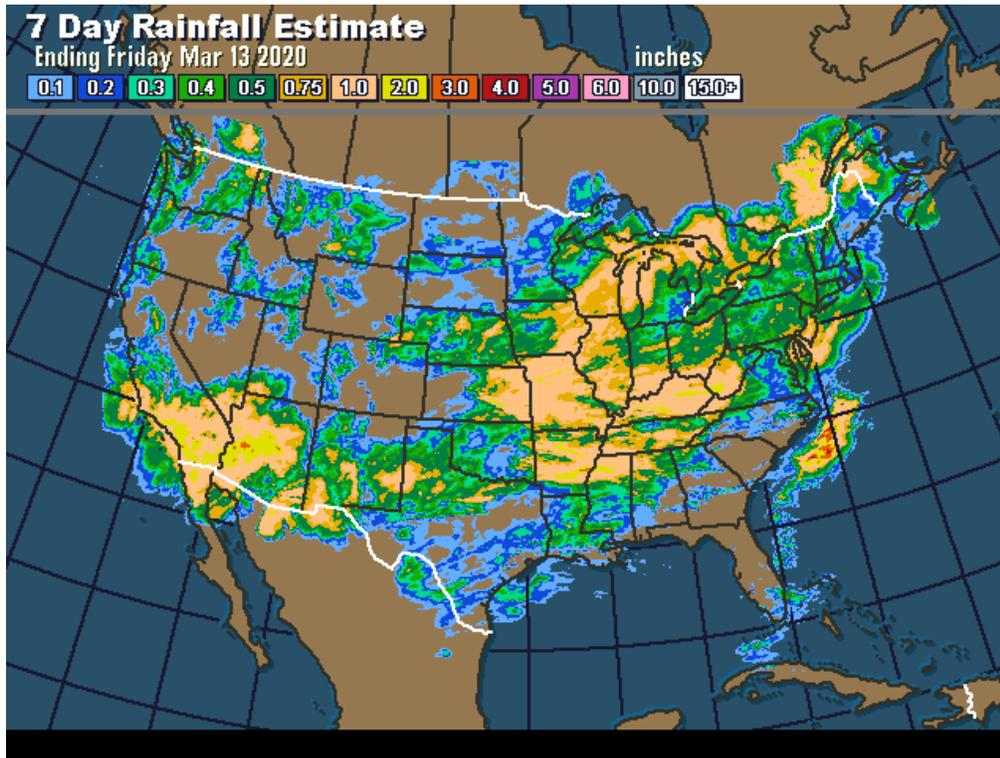
| CLOSE | KWK20 | KWN20 | KWZ20 | CK20 | CN20 | CZ20 | WK20 | MWK20 | MWN20 | SK20 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 03/13 | \$4.32 | \$4.39 | \$4.61 | \$3.66 | \$3.69 | \$3.73 | \$5.06 | \$5.08 | \$5.18 | \$8.49 |
| 03/06 | \$4.46 | \$4.54 | \$4.76 | \$3.76 | \$3.79 | \$3.82 | \$5.16 | \$5.25 | \$5.35 | \$8.91 |
| 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 |

New 11-week closing lows in everything. If this week closes in the red, Managed Money will sell more. A few weeks ago, I wrote that KC July was headed to \$4.00, mainly 'cuz it does it regularly, and this KC July chart with the possible beginning of the dreaded cascading lows suggests it's coming quicker than expected. Possibly contracts lows around \$4.20 will hold it:

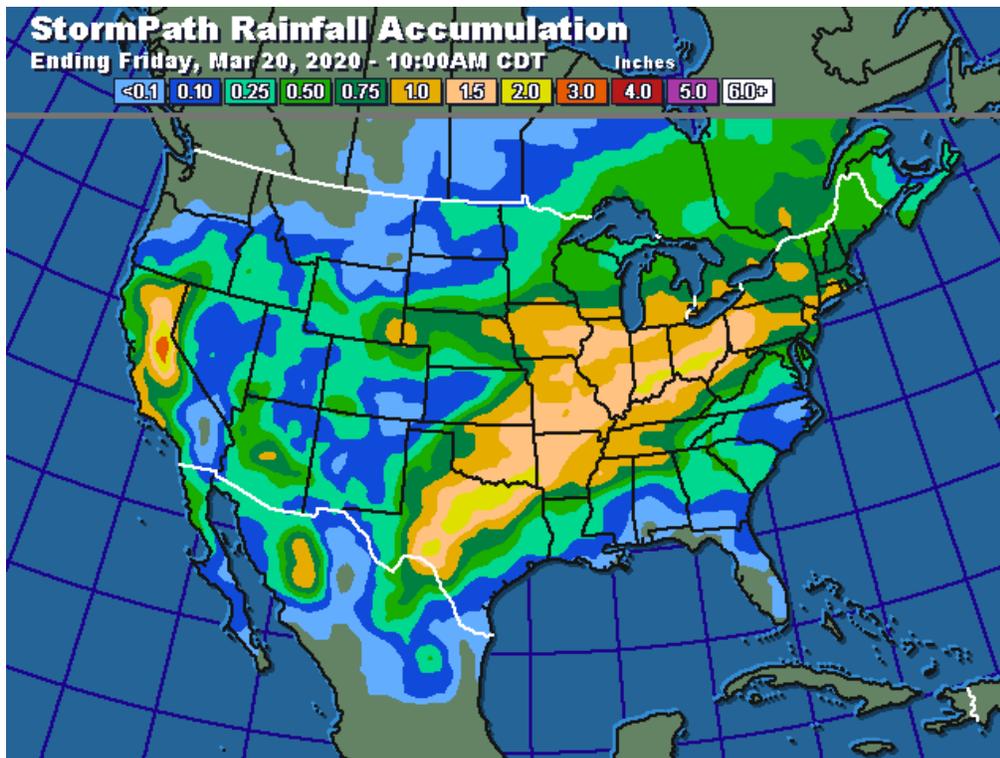


The weather hasn't been bad enough to scare anyone. Last week's moisture missed Eastern CO and

much of Kansas' Western Third, but OK, TX, and NE enjoyed some rain.



And this week's forecast looks almost like an exact copy:



It might be too wet in much of the Corn Belt, but...it's still the middle of March.

Dec corn, shown here, was only down 9c last week (compared to KC Z wheat dropping 15c), but that's not "friendly". I drew in all the red lines. This is a textbook example of Cascading Lows:



I think it's going to take severe planting delays to get corn back to \$4.00.

And old-crop beans show the effects of China not fervently buying every bean in the "store" (unlike toilet paper up here...Omega.). Gapping lower thru the old 11-week closing red line low...Brutal.



The weather in South America seems good enough, and all their currencies are weaker than ours, which is hard to fathom. 0% interest rates. Wowzers...

Crude oil is in a race to the bottom, shown here, and that can't be friendly ethanol, or corn:



MAYBE cheaper crude leads to lower fuel costs and fertilizer, but maybe I'm dreaming.

Other fundamental inputs were lacking. The USDA issued their March WASDE update and did not change a bushel on their USA wheat, corn and soybean balance sheets. I'm sure that's happened before, but I don't remember when.

They DID increase USA sorghum (milo) exports 5 million bushels, and we saw announced Chinese purchases. So far, rumors of Chinese interest in USA spring wheat and corn appear to be just that, only rumors.

The export pace scorecard shows corn "won" the battle but is losing the war. Wheat doesn't look like the target will be hit, and even the Beans are slipping now.

| WEEK ENDED (05/05/20) | Weekly loadings | Accumulated in season (estimate) | USDA projection | Amount needed | # of weeks remaining | Bu per week needed |
|--------------------------|-----------------|----------------------------------|-----------------|---------------|----------------------|--------------------|
| Corn | 33.5 | 599.6 | 1,725 | 1125.4 | 25 | 45.0 |
| Soybeans | 20.9 | 1109.7 | 1825 | 715.3 | 25 | 28.6 |
| All wheat | 16.4 | 687.6 | 1000 | 312.4 | 12 | 26.0 |
| | | | | | | |

Wheat by class, includes 15 mil bu of HRW, and 10 mil bu each of HRS and SRW. And even with that, HRW needs to pick up the pace.

| WEEK ENDED (03/05/20) | Weekly loadings | FUDGED in season (estimate) | USDA projection | Amount needed | # of weeks remaining | Bu per week needed |
|--------------------------|-----------------|-----------------------------|-----------------|---------------|----------------------|--------------------|
| HRW | 6.1 | 272.0 | 390.0 | 118.0 | 12 | 9.8 |
| | | | | | | |
| HRS | 5.1 | 207.3 | 275.0 | 67.7 | 12 | 5.6 |
| | | | | | | |
| SRW | 1.0 | 82.2 | 100.0 | 17.8 | 12 | 1.5 |
| | | | | | | |
| LAST WEEK | | | | | | |
| HRW | 8.9 | 265.9 | 390.0 | 124.1 | 13 | 9.5 |
| | | | | | | |
| HRS | 6.6 | 202.2 | 275.0 | 72.8 | 13 | 5.6 |
| | | | | | | |
| SRW | 2.3 | 81.2 | 100.0 | 18.8 | 13 | 1.4 |

Gulf bids are steady, not indicating exports are about to get a lot better or much worse:

| GULF date | 12 pro | ords | diff | |
|-----------|--------|------|------|----------|
| 3/13/2020 | 150 | 118 | 32 | |
| 3/6/2020 | 150 | 118 | 32 | |
| 2/28/2020 | 150 | 118 | 32 | K |
| 2/21/2020 | 155 | 122 | 33 | |
| 2/14/2020 | 155 | 122 | 33 | |

Posted bids in the country mainly followed the board down 14c; not much basis movement.

| Date | SE Colorado | Chey. Wells | Burlington | Holyoke area | Roggen area |
|-----------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| 03/13 | \$3.57-\$3.92 | \$3.97 | \$3.67-\$3.73 | \$3.67-\$3.82 | \$4.02-\$4.04 |
| 03/06 | \$3.71-\$4.06 | \$4.11 | \$3.81-\$3.88 | \$3.79-\$3.96 | \$4.16-\$4.18 |
| 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 |
| BASIS | SE Colorado | Chey. Wells | Burlington | Holyoke | Roggen area |
| 03/13(K) | -75, -40 | -35 | -65, -58 | -65, -50 | -30, -28 |

| | | | | | |
|-----------------|------------------|-----------------|-------------------|-----------------|-----------------|
| 03/06(K) | -75, -40 | -35 | -65, -58 | -67, -50 | -30, -28 |
| 02/28(K) | -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 |
| Date | Concordia | Salina | Hutchinson | Wichita | Ark City |
| 03/13(K) | -20 | -10, -07 | -28, -00 | -12, -07 | -21 |
| 03/06(K) | -20 | -10, -07 | -28, -00 | -12, -07 | -21 |
| 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 |

Continuing the wheat feeding work... this price comparison is interesting, and supports my belief we fed more wheat this year than the USDA is indicating, Last week I showed my study suggesting wheat stocks on 12/01/19 were lower than expected. These prices are in cwt.

| all cwt | wheat | corn | miló | all cwt | wheat | corn | miló |
|-----------|---------|---------|---------|-----------|----------|----------|----------|
| 6/5/2020 | \$ - | \$ - | \$ - | 6/7/2013 | \$ 11.92 | \$ 13.05 | \$ 11.71 |
| 5/1/2020 | \$ - | \$ - | \$ - | 5/3/2013 | \$ 12.55 | \$ 12.43 | \$ 11.54 |
| 4/3/2020 | \$ - | \$ - | \$ - | 4/5/2013 | \$ 11.68 | \$ 11.63 | \$ 10.70 |
| 2/28/2020 | \$ 6.75 | \$ - | \$ - | 3/1/2013 | \$ 12.02 | \$ 13.11 | \$ 12.04 |
| 1/21/1900 | \$ 7.02 | \$ 6.48 | \$ 5.64 | 2/1/2013 | \$ 12.97 | \$ 13.41 | \$ 12.43 |
| 1/3/2020 | \$ 7.12 | \$ 6.55 | \$ 5.75 | 1/4/2013 | \$ 12.68 | \$ 12.41 | \$ 11.43 |
| 12/6/2019 | \$ 6.38 | \$ 6.38 | \$ 5.57 | 12/7/2012 | \$ 14.03 | \$ 13.38 | \$ 12.30 |
| 11/1/2019 | \$ 6.35 | \$ 6.64 | \$ 5.88 | 11/2/2012 | \$ 14.25 | \$ 13.48 | \$ 12.41 |
| 10/4/2019 | \$ 5.90 | \$ 6.57 | \$ 5.80 | 10/5/2012 | \$ 13.63 | \$ 13.36 | \$ 12.20 |
| 9/6/2019 | \$ 5.72 | \$ 6.05 | \$ 5.29 | 9/7/2012 | \$ 14.32 | \$ 14.20 | \$ 13.04 |
| 8/2/2019 | \$ 6.28 | \$ 6.88 | \$ 5.97 | 8/3/2012 | \$ 14.15 | \$ 14.46 | \$ 13.93 |
| 7/5/2019 | \$ 6.67 | \$ 7.48 | \$ 5.67 | 7/6/2012 | \$ 12.63 | \$ 12.95 | \$ 12.32 |
| 5/31/2019 | \$ 7.22 | \$ 7.27 | \$ 6.46 | 6/1/2012 | \$ 9.78 | \$ 10.04 | \$ 9.23 |

Anyway, where I'm going with this IF we all made "The 100 Bushel Wheat Club", we'd have more wheat, and probably cheaper prices, but greater dollar revenue per acre, and the feed market could handle it no problem. I doubt the Milling Market will view it as a positive development, but they'll adapt. I'll try to finish this next week, and put it all together.

Have a good week, and please Stay Safe. I bet this will be another very stressful week.