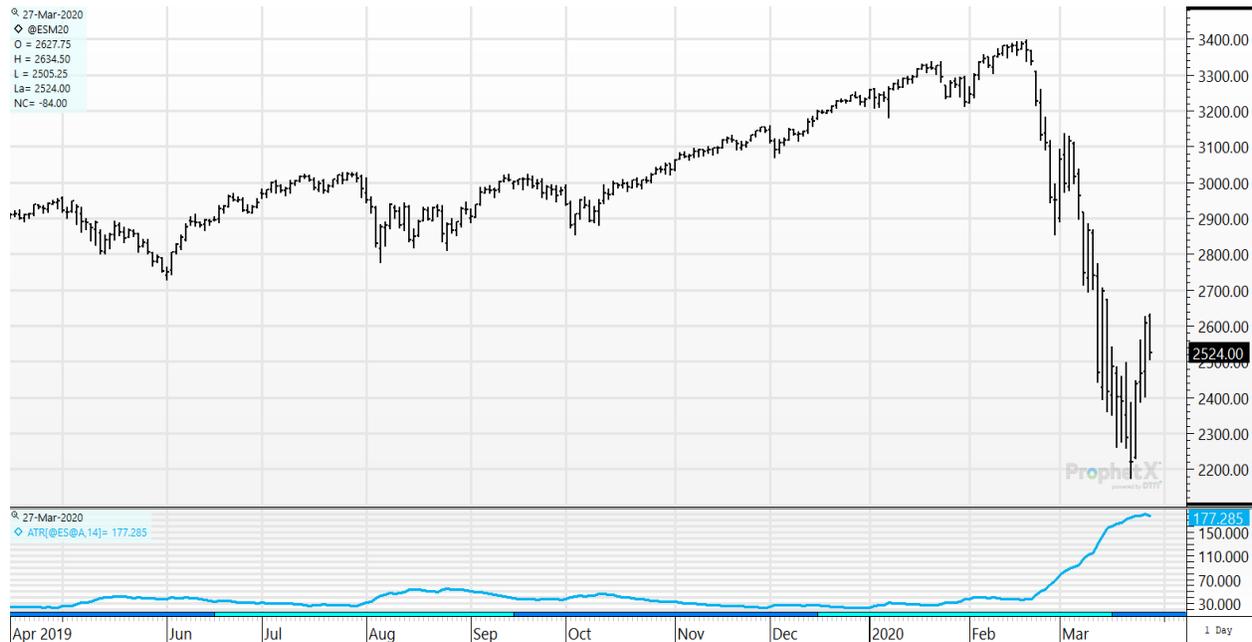


Hello Colorado Wheat.

I hope you are all well. Only in times like these are we reminded how critical your work is. Even if Dr. Fauci said about this virus “we’re going to have millions of cases” ... all I know for sure is if we don’t have any food, we’re all going to starve. So, from me, and everyone else who finds it necessary to eat, “Thank you for what you’re doing.” If you work in the Food Chain, at whatever step, your work truly is critical.

This Tuesday we’ll get the first official look at intended acreage (Prospective Plantings), which probably will show some big (bearish?) numbers, but as far as I’m concerned, Plant away Brother! We need it.

Ok, real quick on the stock market. A friend of mine asked me why I don’t trade the E mini S&P contract very much... I showed him this chart and pointed out the Average True Range has climbed to 177.



177 points * \$50/point = \$8850, and if I used a 2N as a stop loss, that means I’d have to be willing to take a \$17,700 loss on a 1 lot, which also implies an account should have \$885,000 in it just to trade 1.

He said “hmm.”

BUT we all know the real reason I don’t trade that E mini a lot is because I’m a chicken. Every time I buy or sell it I’m scared stiff. One thing I believe is “scared money don’t make money”. So...I don’t do it.

I suspect the stock market is a buy right now, especially in the long run...but hearing a respected doctor in a national advisory role say we might experience 100,000 to 200,000 deaths ...makes me think I’ll wait a bit.

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.

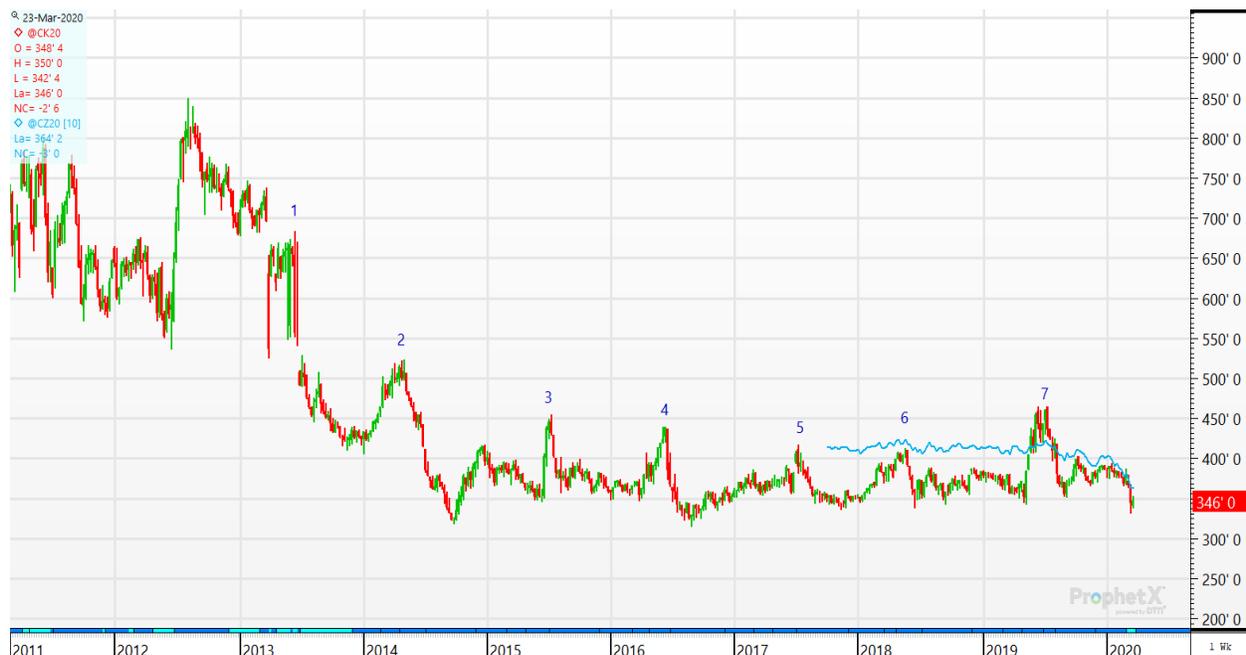
Karen Braun's article for Reuters about Planting Intentions was pretty good; here's a link to it:

<https://www.reuters.com/article/us-usa-grains-braun/column-u-s-farmers-ramp-up-corn-soybean-acres-amid-historically-low-prices-idUKKBN21D1AU>

At this stage of the game, whether the report says 95 million acres, or 94 million, or 93 million...I don't think it means a lot. Besides Planting Intentions, Tuesday we'll also see Grain Stocks, and with the slowdown in ethanol production, we might see more corn on hand than previously expected, another bearish number...BUT

This long term weekly continuous chart (with new-crop Z added as a blue line) suggests two things to me:

1. Corn's downside is limited. That doesn't mean it won't go back to \$3.25, but how bearish can the numbers be?
2. Every year, 7 of the last 7 years...a late spring rally occurs, sometime from very late April to early June, which offers about the best chance to sell new-crop corn.



Will this year be different?

It could, but right now I'd look for a late spring rally, and the key point is when we get it, it won't mean anything unless a guy does something about it.

It may not be a great rally either. Maybe only to \$4.20 or so. Or who knows? Maybe things get ramped up, because other countries (Brazil, or Ukraine) can't overcome logistical issues? Or maybe the weather here turns hot and dry and we really get rocking.

But when the music stops, historically, the band doesn't get out their instruments for another year.

Grain futures ended the week higher, led by Chgo wheat, up about 32c. No, we didn't sell a bunch of Soft Red wheat to China, but don't fall into the trap of thinking Chgo wheat futures represent USA SRW. I think it's almost better to think Chgo wheat futures don't represent anything, or they represent everything. The last thing a guy wants to do concerning Chgo wheat is be logical.

CLOSE	KWK20	KWN20	KWZ20	CK20	CN20	CZ20	WK20	MWK20	MWN20	SK20
03/27	\$4.87	\$4.92	\$5.10	\$3.46	\$3.52	\$3.64	\$5.71	\$5.37	\$5.46	\$8.82
03/20	\$4.69	\$4.73	\$4.91	\$3.44	\$3.50	\$3.63	\$5.39	\$5.21	\$5.30	\$8.63
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

When I look at the Chgo wheat column in the table, I see this week's close of \$5.71 was a new 4-week closing high, but is basically a big double top, bouncing into the old 11-week closing resistance.



I suspect this week will give us strong clues about whether the double top resistance is insurmountable, or else it's a breakout to the upside. Chgo K is very close to the Big Number \$6.00, which may well be exhibiting Tractor-Beam properties, pulling it in ever loser. I'd need to see a close or two above \$6.00, not just a run up and kiss it, then fade miserably.

The Chgo K-N calendar spread portrays the damage being done. Dan Maltby says "Inverses destroy wealth."

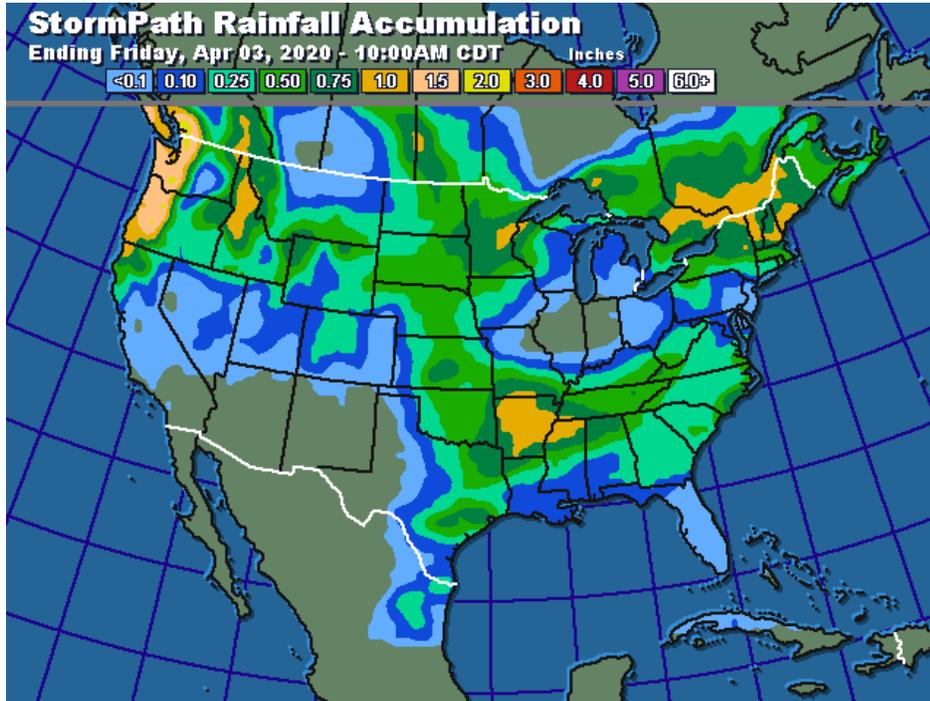


If you're trading Chgo K, Vaya con Dios, mi Amigo.

KC May wheat, shown next, is not totally dissimilar to Chgo wheat, just not as "illogical". At least China bought some USA HRW...



I think the \$5.02 will be difficult resistance. I think fundamentals weigh against it. Last week I mentioned the Russian new crop is expected to be huge, at 84 million tonnes. The USA crop planted winter wheat acreage is low, about the same as last year's 31 million acres, but so far, the weather has been good, except Colorado is too dry, and this week's forecast doesn't change that. OK, KS, NE and SD should get a drink.



AND adding to the \$5.00 resistance mentality is the Gulf bids showing some weakness; ords didn't move but posted bids for 12's are down a dime, even though China last week bought 170,000 tonnes (6.2 mil bu) of USA HRW old crop, and 285,000 tonnes (10.4 mil bu) of new crop.

GULF				
date	12 pro	ords	diff	
3/27/2020	150	124	26	
3/20/2020	160	125	35	
3/13/2020	150	118	32	
3/6/2020	150	118	32	K
2/28/2020	150	118	32	
2/21/2020	155	122	33	
2/14/2020	155	122	33	
2/7/2020	162	120	42	
1/31/2020	166	125	41	

None of that Chinese biz has lifted yet, and the current export loading pace suggests making the USDA's target is not a sure thing, although this past week was a little better than previous week, (keep in mind I've added 15 mil bu to HRW and 10 mil bu each to HRS and SRW ...fudge account...):

WEEK ENDED (03/19/20)	Weekly loadings	FUDGED in season (estimate)	USDA projection	Amount needed	# of weeks remaining	Bu per week needed
HRW	6.9	284.0	390.0	106.0	10	10.6
HRS	5.2	216.9	275.0	58.1	10	5.8
SRW	0.5	85.1	100.0	14.9	10	1.5
LAST WEEK						
HRW	5.1	277.1	390.0	112.9	11	10.2
HRS	4.4	211.7	275.0	63.3	11	5.8
SRW	2.5	84.6	100.0	15.4	11	1.4

Soybeans have benefitted from South American logistical snags. I'm sure the big buyer (China) knows if he truly needs beans shipping "now", "dependably", he has to come to The States.



South American harvest is really just getting going, and even though it looks great, it's not in the bins, and... it's not at the ports. Bad things can happen. The Brazilian President's response to virus preparations is "interesting" ...

<https://www.newshub.co.nz/home/world/2020/03/brazilian-president-jair-bolsonaro-fights-against-shutdown.html>

"I'm sorry some people will die. That's life". (Did he get that from Forest Gump's Momma?)

The export pace of beans it's about the same as it's been; beans were up a little, corn was down a little...but for corn to hit the SDA's export estimate, those new Chinese purchases need to actually LOAD... wheat continues to slip.

WEEK ENDED (03/19/20)	Weekly loadings	Accumulated in season (estimate)	USDA projection	Amount needed	# of weeks remaining	Bu per week needed
Corn	33.3	671.1	1,725	1053.9	23	45.8
Soybeans	22.3	1149.7	1825	675.3	23	29.6
All wheat	15.3	716.6	1000	283.4	10	28.3

Russia said something about limiting grain exports (wheat mainly) as this season winds down, but their pace has been slow anyways. I personally don't think the Russian announcement meant anything at all, BUT ...things could change. IF we suddenly start selling wheat to Egypt or Turkey, that would be THE sign.

Because I try to be as objective as possible, I will mention there is at least a possible bullish surprise coming from wheat stocks this Tuesday, ALTHOUGH I'm kinda going out on a limb. The Dec. 1 wheat stocks in KS and CO, both on and off farm, were reported as 446 million bu. This was 32 million less than I expected. That's a significant amount. I've gone back to 2012, and usually my expectations and what's reported are pretty close. When they differ this much, they always eventually get worked out. This is how the "residual" part of feed and residual works. That means my 32 million bu shortfall in KS and CO all wheat stocks should start getting found soon. Based on what I estimate mill grind and exports were this quarter, in Kansas and Colorado, I expect KS and CO wheat stocks on Tuesday to be 351 million bushels, PLUS whatever they "start finding back". IN OTHER WORDS, if KS and CO wheat stocks are not 351 + the 32 "missing", or a total of 383 million...it would imply strongly that MORE WHEAT WAS FED than the current balance sheet is showing.

And based on where prices were late last spring, all summer, and clear into December, I find this very plausible.

If there are less stocks around that expected, it would help explain a persistently high basis, even if exports weren't as robust as the USDA forecast. In other words, the HRW balance sheet could be tighter than expected. IF that's the case, there is less room for error with the spring growing weather. Conversely...ultimately it may not matter, as at current price relationships, there is NO WAY wheat feeding this coming crop year 20/21 will match last year's wheat feeding. And exports could easily struggle to match their year's total too. All of that would be bearish fundamental inputs, UNLESS those wheat stocks aren't found back.

What all that means is this Tuesday's acreage numbers might not be important to winter wheat specifically, but the grain stocks report could be quite interesting.

Unfortunately, grain stocks are usually only truly studied by geeks, and thus the Algo's don't react to them.

OK, finishing up with wheat prices...these posted basis bids are fairly flat, but we do see some unwillingness to move higher at the Central KS Terminals, and in fact, the high side of Hutchinson is down 7c.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
03/27	\$4.12-\$4.52	\$4.52	\$4.22-\$4.29	\$4.22-\$4.37	\$4.57-\$4.59
03/20	\$4.04-\$4.16	\$4.34	\$4.04-\$4.11	\$4.04-\$4.19	\$4.39-\$4.44
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

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
03/27(K)	-75, -35	-35	-65, -58	-65, -50	-30, -28
03/20(K)	-65, -53	-35	-65, -58	-65, -50	-30, -25
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

Date	Concordia	Salina	Hutchinson	Wichita	Ark City
03/27(K)	-20	-10, -07	-28, -07	-12, -07	-21
03/20(K)	-20	-10, -07	-28, -00	-12, -07	-21
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

Ok, I have to ask...did you sell any new-crop wheat last week when futures were over \$5.00? I can understand why maybe you didn't. Who knows...the Chinese might come back, right?

This week's price action will be telling. How the market handles Chgo K wheat's double top and potential move to \$6.00, or not, will be anything but boring.

Have a good week; Stay Safe. And thanks again for what you do.