

Hello Colorado Wheat.

Wheat markets continued last week's pounding. KC wheat was down about 38c, while MGEX spring wheat and Chgo wheat lagged, "only" down 21 and 27c respectively. All three wheats set a new 11-week Closing Low (a new Red number). Corn also set a new Red number, but barely. H corn was down 2c, and July corn was down 3c. Beans, on the other hand, closed 45c higher and set a new Blue number.

The December WASDE update Friday was about as expected, with very minor changes for wheat.

Corn showed some bearish inputs but as the market didn't react much. USA corn exports were cut 75 million bu, and world feeding decreased, offsetting world production decreases.

Soybeans didn't see any changes **but soybeans saw good export sales last week.**

Crude oil backed off noticeably, as the Price Cap on Russian oil seems to be having the desired effect, although it's too early to really say, and the Stock Market eased, still not sure it wants to rally.

This is the 11-Week Closing Futures Table:

	Mar'23 HRW	July '23 HRW	Mar'23 corn	July '23 corn	Chgo wheat	Springs	Jan'23 soybean	N '23 Soybean	Crude oil	S&P
<i>CLOSE</i>	KWH23	KWN23	CH23	CN23	WH23	MWH23	SF23	SN23	CRD22	ES22
12/09	\$8.33	\$8.22	\$6.44	\$6.41	\$7.34	\$9.02	\$14.84	\$14.96	\$71.02	\$3932
12/02	\$8.71	\$8.59	\$6.46	\$6.44	\$7.61	\$9.21	\$14.39	\$14.59	\$80.05	\$4075
11/25	\$9.12	\$8.94	\$6.71	\$6.65	\$7.97	\$9.57	\$14.36	\$14.53	\$76.28	\$4033
11/18	\$9.24	\$9.11	\$6.70	\$6.63	\$8.22	\$9.52	\$14.28	\$14.42	\$80.37	\$3974
11/11	\$9.39	\$9.29	\$6.63	\$6.58	\$8.35	\$9.46	\$14.50	\$14.60	\$88.16	\$4000
11/04	\$9.51	\$9.40	\$6.87	\$6.82	\$8.67	\$9.55	\$14.62	\$14.78	\$91.45	\$3780
10/28	\$9.25	\$9.19	\$6.87	\$6.81	\$8.49	\$9.45	\$14.00	\$14.20	\$87.90	\$3911
10/21	\$9.47	\$9.40	\$6.91	\$6.84	\$8.70	\$9.62	\$14.05	\$14.23	\$85.05	\$3764
10/14	\$9.51	\$9.40	\$6.96	\$6.91	\$8.77	\$9.54	\$13.93	\$14.13	\$84.65	\$3598
10/07	\$9.66	\$9.51	\$6.91	\$6.87	\$8.95	\$9.68	\$13.79	\$14.02	\$91.35	\$3653
09/30	\$9.85	\$9.54	\$6.84	\$6.78	\$9.32	\$9.82	\$13.76	\$13.93	\$78.72	\$3602
09/23	\$9.47	\$9.32	\$6.82	\$6.76	\$8.94	\$9.49	\$14.32	\$14.37	\$78.25	\$3709

*Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. **STUDIES SHOW GOOD MANAGEMENT ADDS AN AVERAGE OF 13 BU/ACRE; IT PAYS FOR ITSELF***

Markets were about unchanged Sunday night (corn and wheat were a bit higher, but beans backed off a little.) This is the March corn chart from the Cunningham T4 system. (I'm having a problem with DTN's ProphetX, and unfortunately, we must assume that system is now unavailable to me.) You can see the Blue line of resistance, which is the 11-week Closing High, at \$6.96, and the Red line of support at \$6.44, which is the 11-week Closing Low from last Friday.



Next is the weekly continuous corn chart. I identified the \$5.75 area, which was last summer's lows...as a likely area where this Bear Slide stops, UNLESS USA corn export loadings and export sales pick up the pace significantly...WHICH MAYBE MIGHT...be starting.



This is the updated USA Export Pace, including the 75 million bu corn export reduction from Dec WASDE:

WEEK ENDED (12/01/22)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	20.6	249.6	60	265	2,075	1810	39	46.4
Soybeans	63.3	778.1	30	786	2,045	1259	39	32.3
All wheat	12.3	400.9	45	424	775	351	25	14.0
Milo	3.0	13.9	5	15	175	160	39	4.1
LAST WEEK								
Corn	11.9	228.6	60	242	2,150	1908	40	47.7
Soybeans	74.3	707.3	30	714	2,045	1331	40	33.3
All wheat	7.3	385.4	45	408	775	367	26	14.1
Milo	0.1	10.9	5	12	175	163	40	4.1

USA corn export sales this week were 28 million bu, which was an uptick, and you can see the corn loadings were an uptick too, so...possibly the \$6.50 area is cheap enough. We'll see.

The WASDE did update the world corn balance sheets. World production decreased about 7 million tonnes (which is not much, about a ½ of a percent...) mainly from cuts to Ukraine, and Russia was down 1 mmt. Argentina and Brazil numbers did not change, although we'll see how the dry weather in Argentina plays out. BUT what prevented the world corn numbers from being more bullish due to supply cuts was a 5 mmt cut to world feed demand. Also troubling was a 1.3 mmt reduction in Chinese world coarse grain imports.

Soybean numbers, USA and world-wide didn't change, but we saw about 69 million bu of USA soybean export sales, and that helped this Jan soybean chart:



KCBT July wheat has closed lower and set a new 11-week Closing Low 4 consecutive weeks:



The Dec WASDE fine-tuned USA wheat exports by class, net was zero...and world wheat numbers came out to be a push too. World wheat production was reduced a couple million tonnes (Argentina and even Canada was adjusted lower), but Australia gained a couple mmt, and like in world corn, world wheat feeding was cut a couple million tonnes.

USA wheat exports sales had a decent week, with Iraq buying a boat or two of USA HRW, and China bot a big boat of SWW. It was interesting seeing Iraq take HRW, and not HRS, as this intermarket chart of MGEX H spring wheat – KC H HRW suggests maybe spring wheat at +65c got expensive, and helped Iraq’s decision to buy HRW:



However we’re not seeing much change at the US Gulf bids for HRW:

GULF				
date	12 pro	ords	diff	
12/9/2022	159	155	4	
12/2/2022	160	156	4	H
11/25/2022	155	153	2	Z
11/18/2022	155	155	0	

These posted country HRW bids some movement both ways as everyone better settled in to posting bids basis the H, instead of the Z:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/09	\$7.53-\$8.13	\$7.93	\$7.78-\$7.88	\$7.76-\$7.83	\$8.13-\$8.68
12/02	\$7.91-\$8.51	\$8.31	\$8.16-\$8.31	\$8.14-\$8.21	\$8.51-\$9.01
11/25	\$8.42-\$8.92	\$8.72	\$8.67-\$8.72	\$8.57-\$8.67	\$9.02-\$9.42
11/18	\$8.54-\$9.04	\$8.84	\$8.79-\$8.84	\$8.69-\$8.79	\$9.14-\$9.54
11/11	\$8.64-\$9.14	\$8.94	\$8.89-\$8.94	\$8.79-\$8.89	\$9.24-\$9.74
11/04	\$8.73-\$9.23	\$9.03	\$8.98-\$9.03	\$8.88-\$8.98	\$9.33-\$9.83
10/28	\$8.45-\$8.95	\$8.75	\$8.70-\$8.75	\$8.60-\$8.70	\$8.85-\$9.55

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
12/09(H)	-80, -20	-40	-55, -45	-57, -50	-20, +35
12/02(H)	-80, -20	-40	-55, -40	-57, -50	-20, +30
11/25(Z)	-80, -30	-50	-55, -50	-65, -55	-20, +20
11/18(Z)	-80, -30	-50	-55, -50	-65, -55	-20, +20
11/11(Z)	-80, -30	-50	-55, -50	-65, -55	-20, +30
11/04(Z)	-80, -30	-50	-55, -50	-65, -55	-20, +30
10/28(Z)	-80, -30	-50	-55, -50	-65, -55	-40, +30

Date	Concordia	Salina	Hutch/Wichita	Ark City
12/09(H)	-25	-22, -15	-39, -05	-39
12/02(H)	-20	-25, -05	-36, -02	-49
11/25(Z)	-25	-35, -15	-46, -15	-49
11/18(Z)	-25	-25, -15	-46, -12	-49
11/11(Z)	-25	-25, -15	-46, -12	-49
11/04(Z)	-25	-25, -15	-46, -12	-49

The average Colorado bid is now barely below \$8.00/bu, which is about \$3.00 bu lower than where most of this year's crop was sold.

I don't trade crude oil, so haven't ever paid to add the NYMEX quotes. This crude oil chart is from barchart.com. It's way too early to judge the effectiveness and impact of the European Price Cap on Russian oil, but...the West Texas crude oil chart is down about \$15/bbl since the negotiations got serious:



Other war news is ...about the same. Russia continues shelling Ukraine, pounding infrastructure and power grids. Recently the major Ukrainian port of Odessa came under attack, which could have some impact on grain exports. Conversely, Ukraine seems to have developed some long-range drones and attacked some airfields actually very close to Moscow.

This story says satellite data shows Ukraine grew about 27 million tonnes of wheat this year, which is quite a bit more than the USDA's Ukrainian wheat production of 20.5 mmt, but says they weren't able to harvest it all due to much of it being near the front lines. There are a lot of ads to wade through here, but it's interesting...

<https://scitechdaily.com/satellite-reveals-larger-wheat-harvest-in-ukraine-than-expected-and-barren-boundary-of-war/>

We mentioned the Argentine drought and the USDA cut their Argie wheat production estimate to 12.5 mmt (a 3 mmt drop), but didn't change their corn or bean estimates. This Reuters story talks about the drought, and includes some dead-cow pictures...(although no mention of those cows being eaten by other cows yet): <https://www.reuters.com/business/environment/arid-wheat-fields-dead-cows-snapshot-argentinas-worst-drought-decades-2022-12-09/>

And one last story about wheat...is about collecting USA wheat pennies. This article says any wheat penny is at least worth 4c, and some rare ones in good condition are worth a lot more than that...<https://ktla.com/news/nexstar-media-wire/nationworld/wheat-pennies-could-bring-you-a-pretty-penny/>

Have a good week; Stay Safe, and the easiest way to do that is...Slow Down.

I hope we get some moisture.