

Hello Colorado Wheat.

I hope you had a good New Year's Eve and maybe a day or two off. 2022 was more than just a bit "interesting". The Russian invasion of Ukraine was the standout story of the year, although the stock market's decline of about 20% probably affected more of us here in The States. I hope 2023 is better for everyone. News remains scarce through the holidays, here and abroad. A noticeable story last week was some companies said they would no longer offer vessel insurance from the Black Sea, as they were unable to obtain "reinsurance". <https://www.reuters.com/business/finance/ship-insurers-cancel-war-cover-russia-ukraine-jan-1-2022-12-28/> Not all firms went along with that, and are still insuring boats over there, but insurance costs are expected to increase. I read one estimate on twitter said it would be about \$5.00/tonne, or more.

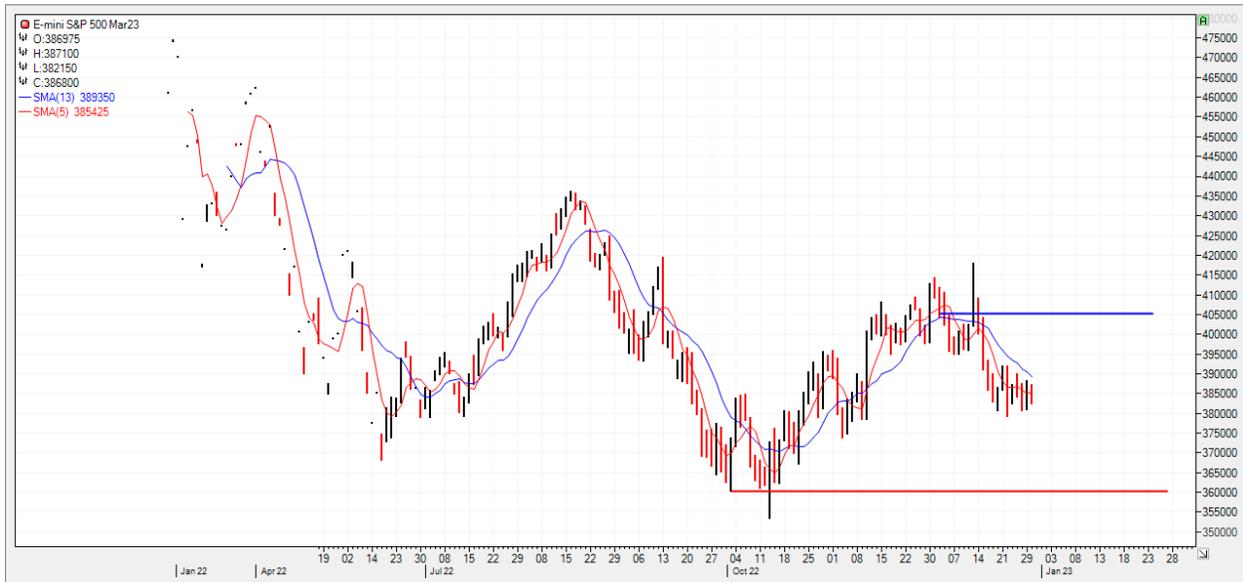
The global commodity markets are always willing to "help out" and I note KC wheat was 13c higher for the week, which is almost exactly \$5.00/tonne... funny how that works.

	Mar'23 HRW	July '23 HRW	Mar'23 corn	July '23 corn	Chgo wheat	Springs	Mar'23 soybean	N '23 Soybean	Crude oil	S&P
CLOSE	KWH23	KWN23	CH23	CN23	WH23	MWH23	SH23	SN23	CRD22	ES22
<b>12/30</b>	<b>\$8.88</b>	<b>\$8.77</b>	<b>\$6.79</b>	<b>\$6.72</b>	<b>\$7.92</b>	<b>\$9.39</b>	<b>\$15.24</b>	<b>\$15.33</b>	<b>\$80.26</b>	<b>\$3868</b>
<b>12/23</b>	\$8.75	\$8.62	\$6.66	\$6.58	\$7.76	\$9.32	\$14.85	\$14.93	\$79.56	\$3868
12/16	\$8.44	\$8.32	\$6.53	\$6.48	\$7.54	\$9.10	\$14.83	\$14.90	\$74.30	\$3872
12/09	<b>\$8.33</b>	<b>\$8.22</b>	<b>\$6.44</b>	<b>\$6.41</b>	<b>\$7.34</b>	<b>\$9.02</b>	<b>\$14.87</b>	<b>\$14.96</b>	<b>\$71.02</b>	<b>\$3932</b>
12/02	<b>\$8.71</b>	<b>\$8.59</b>	<b>\$6.46</b>	<b>\$6.44</b>	<b>\$7.61</b>	<b>\$9.21</b>	\$14.48	\$14.59	\$80.05	<b>\$4075</b>
11/25	<b>\$9.12</b>	<b>\$8.94</b>	\$6.71	\$6.65	<b>\$7.97</b>	\$9.57	\$14.40	\$14.53	<b>\$76.28</b>	\$4033
11/18	\$9.24	<b>\$9.11</b>	\$6.70	\$6.63	<b>\$8.22</b>	\$9.52	\$14.33	\$14.42	\$80.37	\$3974
11/11	\$9.39	\$9.29	<b>\$6.63</b>	<b>\$6.58</b>	\$8.35	\$9.46	\$14.56	\$14.60	\$88.16	\$4000
11/04	<b>\$9.51</b>	<b>\$9.40</b>	\$6.87	\$6.82	\$8.67	\$9.55	<b>\$14.70</b>	<b>\$14.78</b>	<b>\$91.45</b>	\$3780
10/28	\$9.25	\$9.19	\$6.87	\$6.81	\$8.49	\$9.45	<b>\$14.08</b>	<b>\$14.20</b>	\$87.90	\$3911
10/21	\$9.47	<b>\$9.40</b>	<b>\$6.91</b>	<b>\$6.84</b>	<b>\$8.70</b>	<b>\$9.62</b>	\$14.09	\$14.23	\$85.05	<b>\$3764</b>
10/14	<b>\$9.51</b>	<b>\$9.40</b>	<b>\$6.96</b>	<b>\$6.91</b>	<b>\$8.77</b>	\$9.54	<b>\$14.01</b>	<b>\$14.13</b>	\$84.65	<b>\$3598</b>
Year ago	<b>\$8.01</b>		<b>\$5.93</b>		<b>\$7.70</b>	<b>\$9.79</b>	<b>\$13.40</b>		<b>\$75.57</b>	<b>\$4762</b>

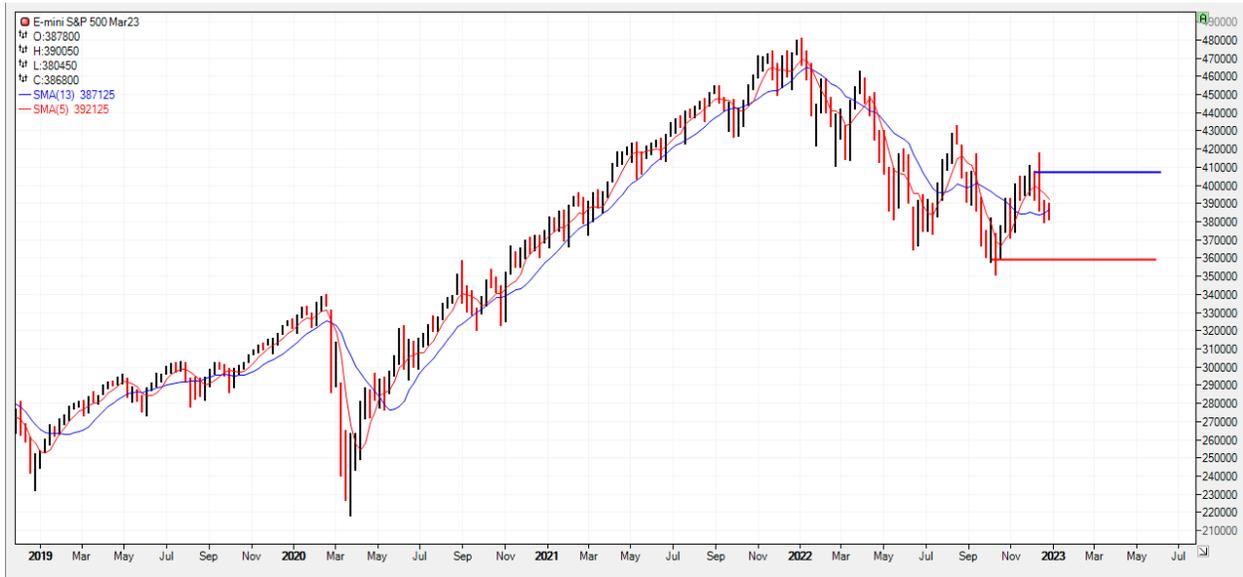
Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. **STUDIES SHOW GOOD MANAGEMENT ADDS AN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

Also included in the Table are values from a year ago. Corn and beans were up about 14%. Wheat was mixed, with KC wheat up about 10%, but MGEX spring wheat was down about 4%. The biggest mover was the stock market, losing about 19%.

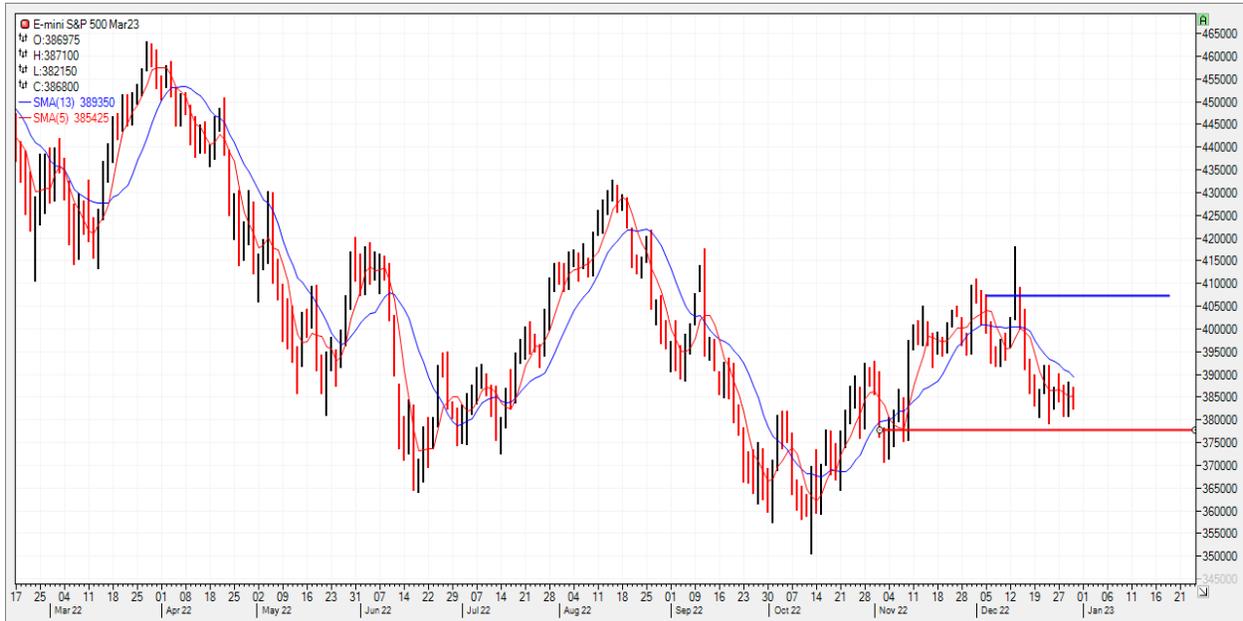
The Weekly Closing Table shows the stock market has been unchanged a couple weeks now, forming a base or a ceiling. I lean towards it's a base, but plenty of Bears would disagree with that, no doubt. This is the daily chart:



Converting that daily into a weekly continuous chart with the same lines doesn't look much different, although some would say it shows a lot of downside potential. This close is about the same area as 2 years ago. I believe this is the only game in town that on average goes up yearly, other than farmland.



Admittedly...it's probably my "hope" that the stock market is forming a base, and that 4-letter word is plenty dangerous. When I look at the closing Table again, I have to note that the current 11-Week Closing low is rolling OFF the table this week, and the new 11-Week Closing Low will be around 3764, which is much closer to the current market, and thus potentially easier to penetrate and create sell-stops. This is the daily with the Red line revised higher, and thus this week's action could be important:



Another thing we note from the Weekly Closing Table is soybeans set a new Blue number (a new 11 Week Closing High), above \$15.00. I haven't advised any soybean sales yet and would like to see this action continue. This is the daily March bean chart, with the higher Blue line, and a slightly higher Red line as well, as the old red number rolls off the Table:



(These charts are from Cunningham's T5 system, and they don't show closes as of 1:15pm which can be confusing...).

Anyway, beans look to me like they are trending higher. Dry weather in Argentina is certainly a positive factor, and USA Export loadings are too. This is the updated Export Loading Pace scorecard, and it must be noted that the previous week's FGIS Inspections were revised 12 million bushels higher, to about 72 million bu. The current cumulative takes that into effect...for the record, corn inspections from the previous week were revised 3 million bu higher. I'm not sure why these revisions happen so often, but I assume it's a timing of the reporting from the exporters issue.

<b>WEEK ENDED (12/22/22)</b>	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	33.7	<b>348.1</b>	<b>60</b>	367	<b>2,075</b>	1708	<b>36</b>	<b>47.4</b>
Soybeans	64.4	<b>997.0</b>	30	1006	<b>2,045</b>	1039	<b>36</b>	<b>28.9</b>
All wheat	10.3	<b>430.7</b>	45	457	<b>775</b>	318	<b>22</b>	<b>14.5</b>
Milo	1.7	<b>15.9</b>	5	18	<b>175</b>	157	<b>36</b>	<b>4.4</b>
<b>LAST WEEK</b>								
Corn	29.2	<b>311.1</b>	<b>60</b>	328	<b>2,075</b>	1747	37	<b>47.2</b>
Soybeans	59.5	<b>919.9</b>	30	929	<b>2,045</b>	1116	37	<b>30.1</b>
All wheat	11.2	<b>420.4</b>	45	445	<b>775</b>	330	23	<b>14.3</b>
Milo	.1	<b>14.2</b>	5	16	<b>175</b>	159	37	<b>4.3</b>

Soybean export sales were net 26 million, down slightly from previous week's 27 million bu, so maybe the higher prices are slowing export sales a bit and may be a concern going forward.

The Pace scorecard shows Corn export loadings continue to lag the needed pace, and corn export sales of almost 31 million bu were up from the previous week's 25 million, but still nowhere near what is needed to hit the USDA's current corn export forecast.

Wheat exports and sales continue limping along. The Russian invasion has not been a boon to wheat exports.

This week's USDA news will be tame, but next week, Jan. 12, we will get a big data dump. We will see the January WASDE update (which might reduce the corn export forecast again), AND we'll get the Annual Crop production Summary (which should be minor revisions) AND the Grain Stocks-In-All-Positions, which could certainly be a market mover, but more than likely...South American weather will dominate the headlines.

This is the March corn chart, with a slightly lower Blue line as the old one rolls off the Table...corn is bouncing into resistance, although the support just below \$6.50 seems pretty good, at least until we get all those reports next week...and possibly after that as well, as again, South American weather is very important.



The KC July wheat chart hasn't changed the lines in a while...



The domestic milling basis remains quite high, and probably will well into late summer. USA wheat exports seem to be a non-factor, with only the usual normal customers. The Gulf bids haven't changed much since the 20c break in November:

GULF date	12 pro	ords	diff	
12/30/2022	157	153	4	
12/23/2022	157	153	4	
12/16/2022	159	155	4	
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	
11/11/2022	175	175	0	

And the posted bids in the country haven't moved in a while, although we do see some strength in the Central Kansas Terminals ("delivery" elevators):

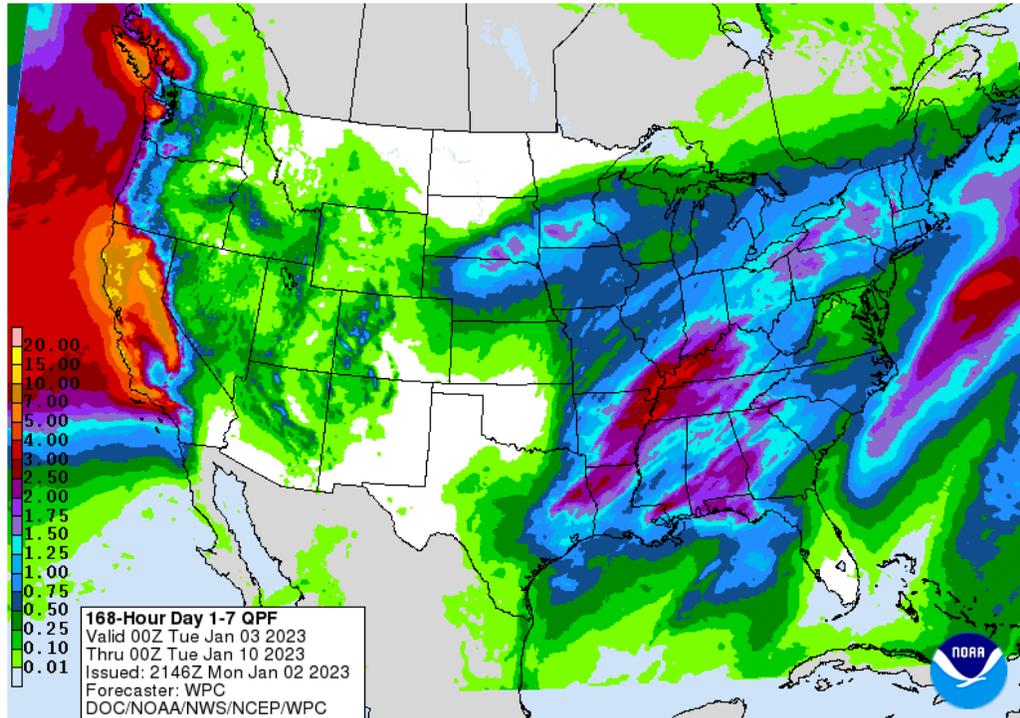
Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>12/30</b>	<b>\$8.08-\$8.68</b>	<b>\$8.48</b>	<b>\$8.33-\$8.43</b>	<b>\$8.31-\$8.38</b>	<b>\$8.68-\$9.23</b>
12/23	\$7.95-\$8.55	\$8.35	\$8.20-\$8.30	\$8.18-\$8.25	\$8.55-\$9.10
12/16	\$7.74-\$8.24	\$8.04	\$7.89-\$7.99	\$7.87-\$7.94	\$8.24-\$8.79
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>12/30(H)</b>	<b>-80, -20</b>	<b>-40</b>	<b>-55, -45</b>	<b>-57, -50</b>	<b>-20, +35</b>
12/23(H)	-80, -20	-40	-55, -45	-57, -50	-20, +35
12/16(H)	-70, -20	-40	-55, -45	-57, -50	-20, +35
12/09(H)	-80, -20	-40	-55, -45	-57, -50	-20, +35
12/02(H)	-80, -20	-40	-55, -40	-57, -50	-20, +30
Date	Concordia	Salina	Hutch/Wichita	Ark City	
<b>12/30(H)</b>	<b>-25</b>	<b>-15, -12</b>	<b>-36, -05</b>	<b>-39</b>	
<b>12/23(H)</b>	<b>-25</b>	<b>-17, -15</b>	<b>-36, -05</b>	<b>-39</b>	
12/16(H)	-25	-22, -15	-39, -05	-39	
12/09(H)	-25	-22, -15	-39, -05	-39	
12/02(H)	-20	-25, -05	-36, -02	-49	

This USDA website has some really good graphics of how cold it was recently; some wheat was hurt, no doubt as snow cover was minimal to non-existent and stands were so-so to begin with:

<https://www.usda.gov/sites/default/files/documents/wwcb.pdf>

The site also comments on the South American weather. And looks like North Africa is hot and dry...

This coming week should see a tenth of an inch or so in much of the USA HRW Belt...



Some is better than none, and the really cold temps are not expected again anytime soon.

One last comment on the weather...the FAS branch of the USDA released a GAIN report on Nov. 1 called India: Grain and Feed Update, which completely flew under most radars. The report said India's wheat production this year was 99 million tonnes, whereas the Dec WASDE update was still showing 103 million tonnes, and further stated India's ending wheat stocks would drop to 9 million tonnes, while the USDA is showing 12.3 mmt.

<https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Update%20New%20Delhi%20India%20IN2022-0092.pdf>

This was expected to be helped by a 11 to 15% increase in wheat acreage, but this Reuters article from Dec. 16 says wheat acreage is only up 3% this year... <https://www.reuters.com/world/india/indian-farmers-increase-wheat-plantings-by-3-year-earlier-2022-12-16/>

Anyway, the markets were roiled last year by India announcing record production and wheat exports, followed by "just kidding, we are now banning exports" to ideas India might have to import wheat. India's weather later this spring will be scrutinized by wheat traders everywhere.

Have a good week. Stay Safe! And Slow Down!!