

Hello Colorado Wheat.

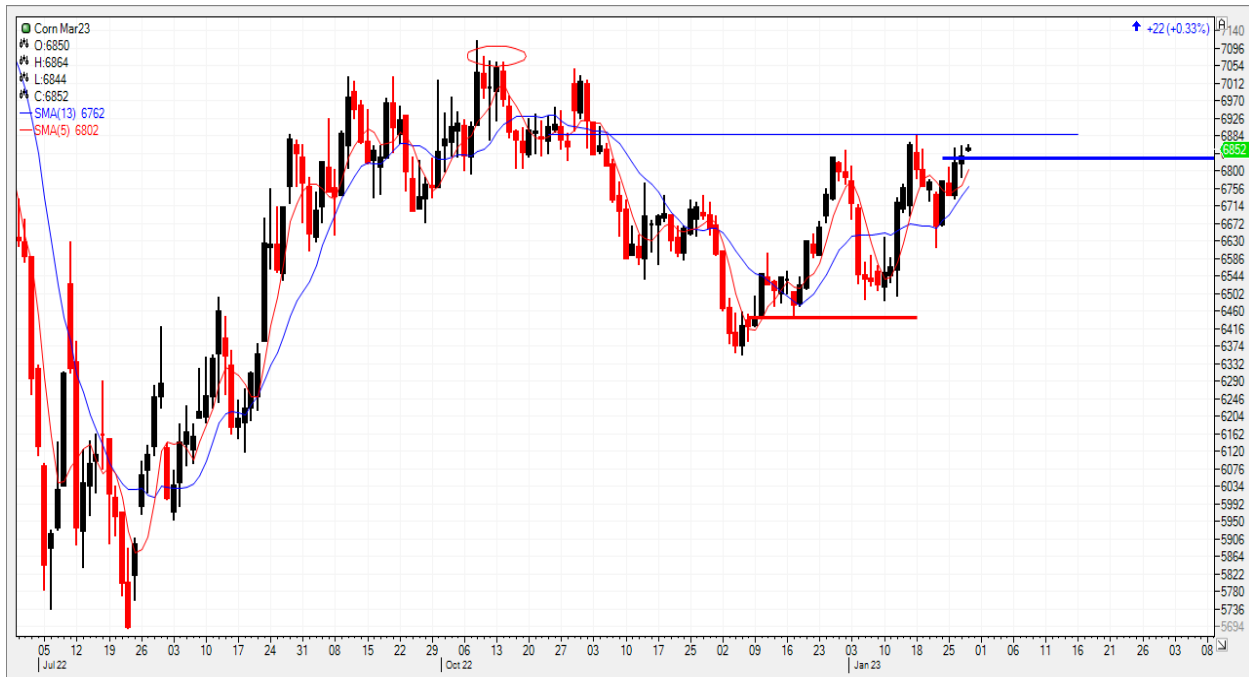
Sunday night...hopefully you'll cut me some slack...Chiefs!

Markets closed firmly last week, led by KC old-crop wheat, although you'd have a tough time coming up with a "why" other than the market is very uncomfortable with the idea of feeding wheat this year. Corn did set a new 11-Week Closing High, as the old blue number rolled off the table, although the July corn did not set a new blue number. Funds are in the process of eliminating short positions, and new highs will bring in new buying, BUT as a producer, keep in mind it's best to treat blue numbers as resistance, and be willing to sell some cash old-crop corn, if you have any, and based on what it felt like in person this week...I think you indeed have some. Beans are hanging in there, and don't look now, but the stock market is moving higher, even though "Professional Stock Traders" ...are almost to a man, bearish. That might be plenty of reason too, as NO ONE is on board.

	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>01/27</b>	<b>\$8.69</b>	<b>\$8.53</b>	<b>\$6.83</b>	<b>\$6.66</b>	<b>\$7.50</b>	<b>\$9.22</b>	<b>\$15.10</b>	<b>\$14.96</b>	<b>\$79.68</b>	<b>\$4084</b>
01/20	\$8.48	\$8.36	\$6.76	\$6.64	\$7.42	\$9.13	\$15.07	\$14.93	\$79.86	\$4018
01/13	\$8.44	\$8.35	\$6.75	\$6.64	\$7.44	\$9.12	<b>\$15.28</b>	\$15.25	\$79.86	\$4018
01/06	<b>\$8.32</b>	\$8.24	\$6.54	\$6.48	\$7.44	\$9.02	\$14.92	\$15.02	\$73.77	\$3915
12/30	\$8.88	\$8.77	\$6.79	<b>\$6.72</b>	\$7.92	\$9.39	<b>\$15.24</b>	<b>\$15.33</b>	\$80.26	<b>\$3868</b>
12/23	\$8.75	\$8.62	\$6.66	\$6.58	\$7.76	\$9.32	\$14.85	\$14.93	\$79.56	<b>\$3868</b>
12/16	\$8.44	\$8.32	\$6.53	\$6.48	\$7.54	\$9.10	\$14.83	\$14.90	\$74.30	<b>\$3872</b>
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>	<b>\$9.57</b>	\$14.40	\$14.53	<b>\$76.28</b>	\$4033
11/18	<b>\$9.24</b>	<b>\$9.11</b>	\$6.70	\$6.63	<b>\$8.22</b>	\$9.52	<b>\$14.33</b>	<b>\$14.42</b>	\$80.37	\$3974
11/11	<b>\$9.39</b>	<b>\$9.29</b>	<b>\$6.63</b>	<b>\$6.58</b>	<b>\$8.35</b>	\$9.46	\$14.56	\$14.60	\$88.16	\$4000
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*

Let's start with an old-crop March corn chart, showing the new Blue Line at \$6.83, and the Red Line at \$6.44. There is a previous blue line around \$6.888, and I drew in an ellipse around the old highs from October just above \$7.00, and my strong conviction is...that resistance will be super tough.



This is probably an opportunity to move some cash corn.

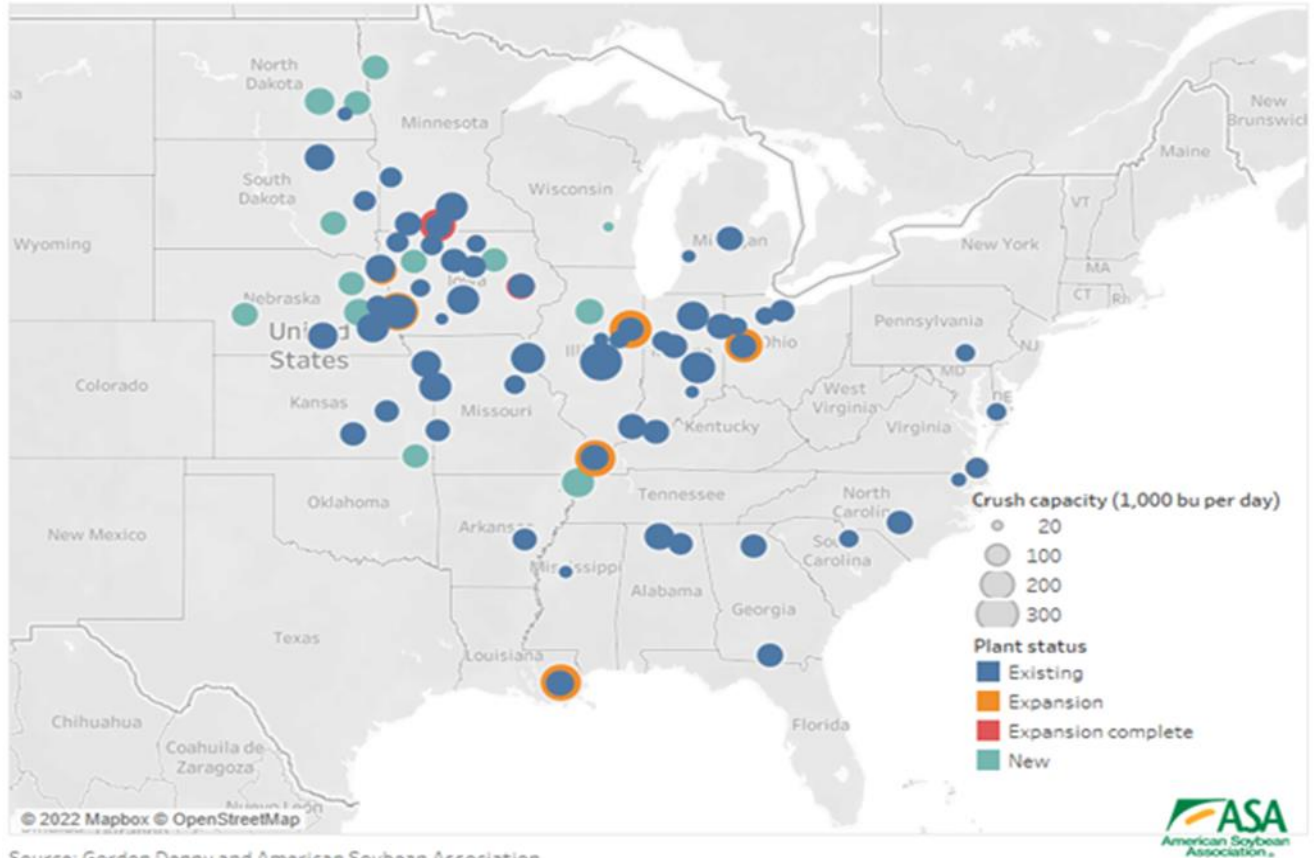
Fundamentally...not much has changed, other than KC wheat outgained corn, which at least nominally helps more corn get fed.

The Export Pace scorecard isn't better for corn, and worse, corn export sales last week of 35.8 mil bu were 9 million bu lower than the previous week. Corn needs to load more than 45 mi bu weekly, and needs to sell much of that. South American corn weather is not significantly bad enough to shift Chinese "buying ideas northerly at any price". That is NOT going to happen.

WEEK ENDED (01/19/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	28.6	<b>453.1</b>	<b>60</b>	476	<b>1,925</b>	1449	<b>32</b>	<b>45.3</b>
Soybeans	66.3	<b>1253.0</b>	30	1264	<b>1,990</b>	726	<b>32</b>	<b>22.7</b>
All wheat	12.3	<b>468.9</b>	45	498	<b>775</b>	277	<b>18</b>	<b>15.4</b>
Milo	2.9	<b>19.4</b>	5	21	<b>100</b>	79	<b>32</b>	<b>2.5</b>
LAST WEEK								
Corn	30.5	<b>424.2</b>	<b>60</b>	446	<b>1,925</b>	1479	33	<b>44.8</b>
Soybeans	<b>80.5</b>	<b>1182.1</b>	30	1193	<b>1,990</b>	797	33	<b>24.2</b>
All wheat	11.8	<b>456.4</b>	45	472	<b>775</b>	303	19	<b>15.2</b>
Milo	.1	<b>16.6</b>	5	18	<b>100</b>	82	33	<b>2.5</b>

The most supportive thing to corn...is the psychological FEAR this map shows, of the “23 new crush announcements, including 13 new plants and 10 expansions”.

### U.S. Soybean Crush Plants

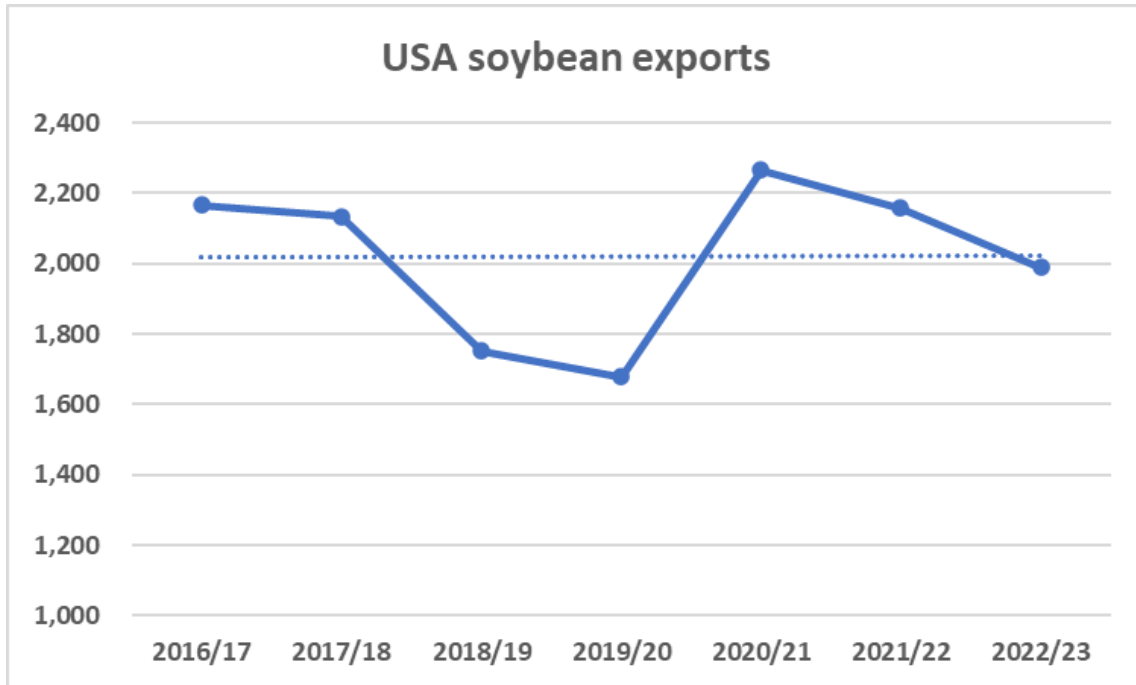


Source: Gordon Denny and American Soybean Association

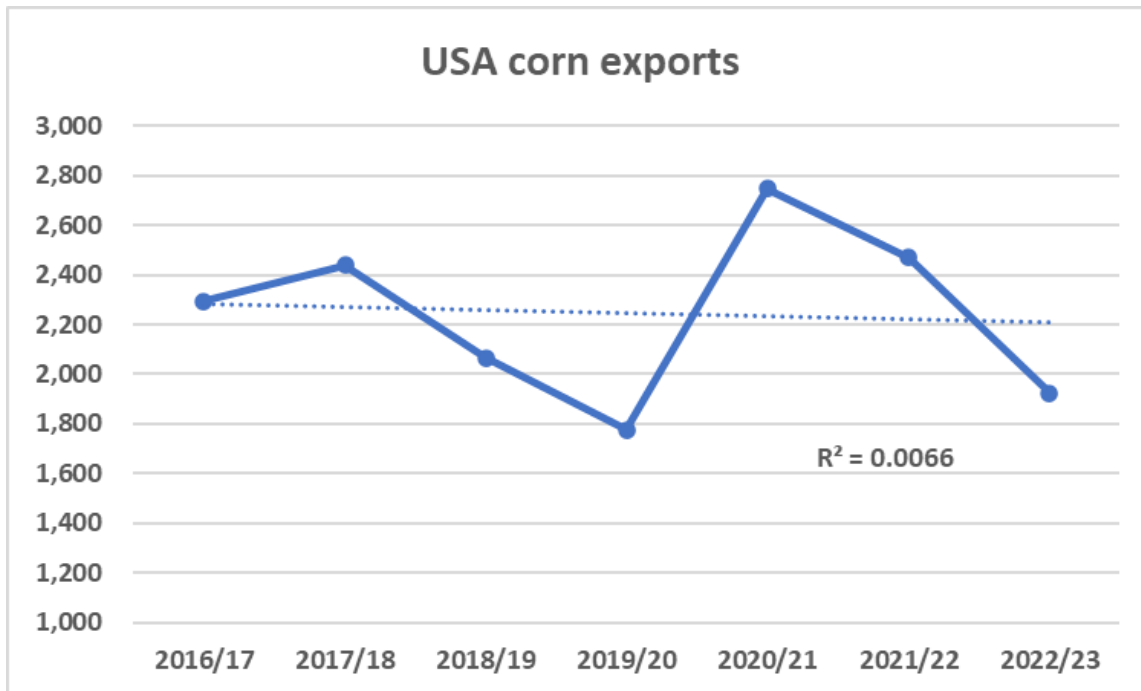
In Salina, I asked “where are the acres coming from to supply the new beans needed?” That map clearly suggests they won’t be wheat acres initially, although some spring wheat acres will decrease, when/if those expansions get here.

Some soybean guys are trying to say “don’t worry; we don’t need more acres, we’re just going to reduce bulk USA soybean exports to zero.”

I’m not ready to say the 2.0 billion bu of soybean exports are going away anytime soon. China alone imports an average of .5 billion bu soybeans from the USA. Where would they get those if we didn’t export any?

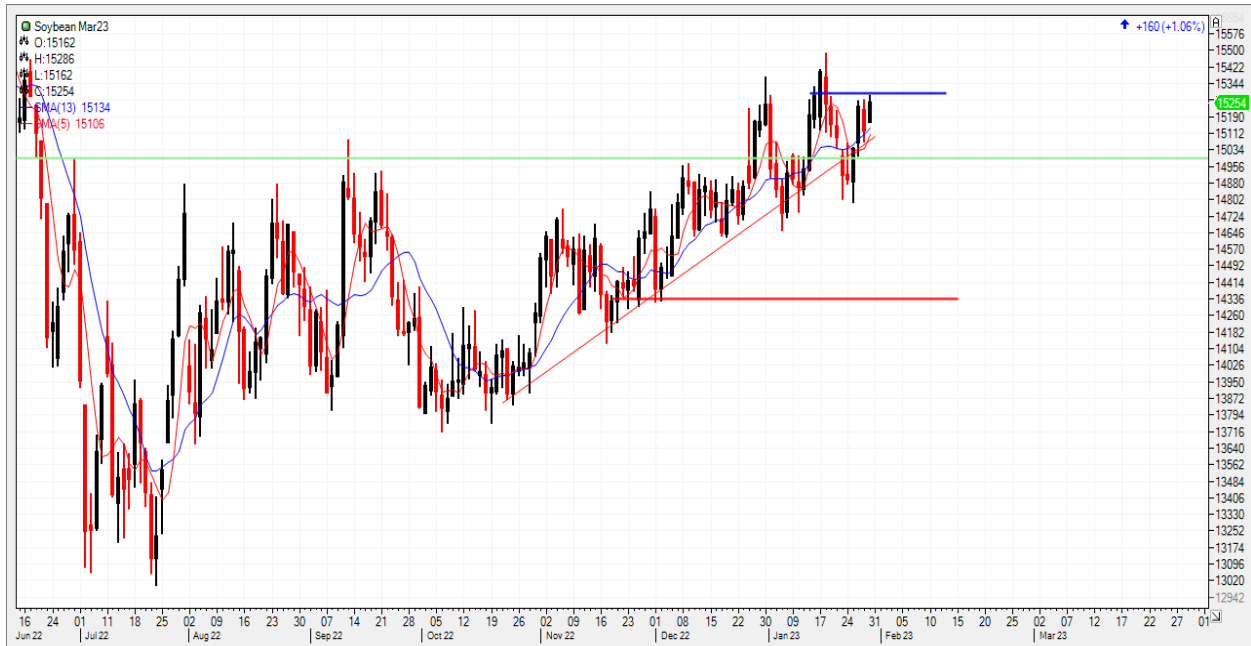


I think this chart of USA corn exports looks more vulnerable than the soybean export chart:



Anyway...I think selling some corn on this rally is the right thing to do, and if this rally stalls, I wouldn't drag my feet.

The March soybean chart is steady...so far unable to set a new Blue Line, but showing no sign of a price collapse either:



I'd much rather sell corn instead of soybeans. I think the USDA was wrong to reduce their USA bean export forecast. The Export Pace Scorecard shows we only need to load slightly less than 23 mil bu weekly; last week's export Sales were 42 mil bu.

The KC March wheat chart did change some lines, as the Blue Line is now down to \$9.24, and next week will drop to \$9.18, or basically expect tough resistance just above \$Nine Bucks.



Posted prices in the country showed no basis movement at all; the flat price is 21c higher with the futures:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>01/27</b>	<b>\$7.89-\$8.28</b>	<b>\$8.49</b>	<b>\$8.14-\$8.24</b>	<b>\$8.14-\$8.19</b>	<b>\$8.49-\$9.04</b>
01/20	\$7.68-\$8.28	\$8.28	\$7.93-\$8.03	\$7.93-\$7.98	\$8.28-\$8.83
01/13	\$7.64-\$8.24	\$8.24	\$7.89-\$7.99	\$7.89-\$7.94	\$8.24-\$8.79
01/06	\$7.52-\$8.12	\$8.12	\$7.77-\$7.87	\$7.75-\$7.82	\$8.12-\$8.67
12/30	\$8.08-\$8.68	\$8.48	\$8.33-\$8.43	\$8.31-\$8.38	\$8.68-\$9.23

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>01/27(H)</b>	<b>-80, -20</b>	<b>-20</b>	<b>-55, -45</b>	<b>-55, -50</b>	<b>-20, +35</b>
01/20(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35
01/13(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35
01/06(H)	-80, -20	-20	-55, -45	-57, -50	-20, +35
12/30(H)	-80, -20	-40	-55, -45	-57, -50	-20, +35

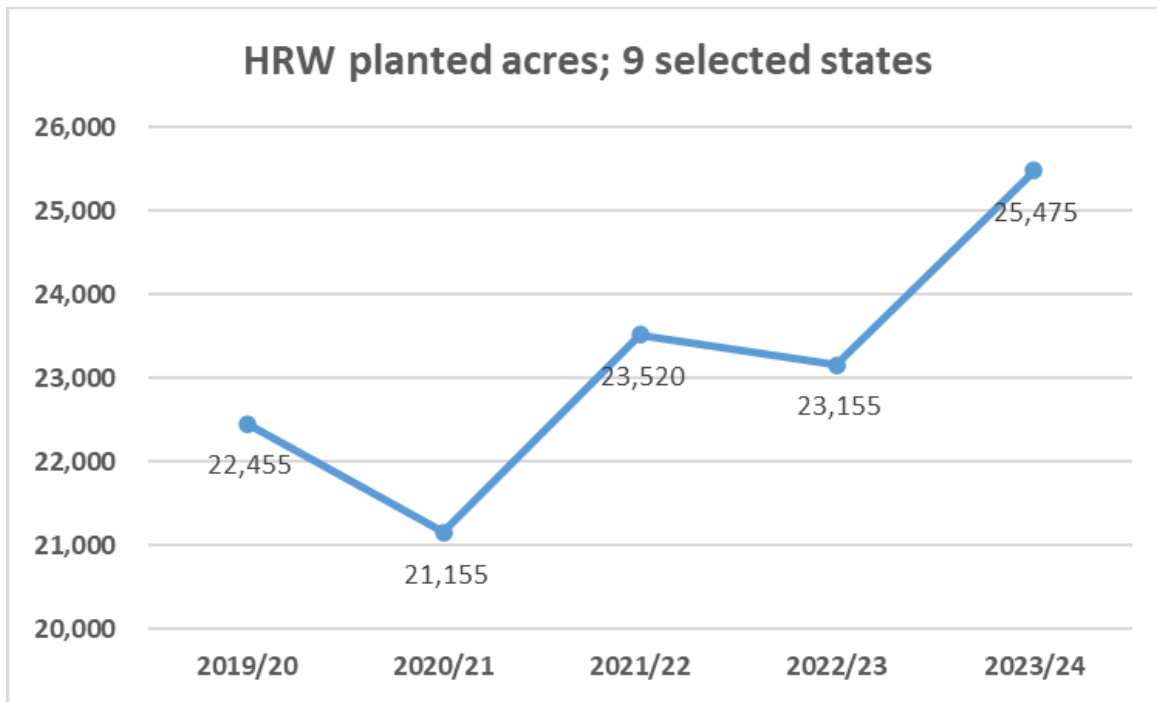
Date	Concordia	Salina	Hutch/Wichita	Ark City
<b>01/27(H)</b>	<b>-25</b>	<b>-15, -12</b>	<b>-36, -05</b>	<b>-39</b>
01/20(H)	-25	-15, -12	-36, -05	-39
01/13(H)	-25	-15, -12	-36, -05	-39
01/06(H)	-25	-15, -12	-36, -05	-39
12/30(H)	-25	-15, -12	-36, -05	-39

Posted US TX Gulf HRW basis bids did not change either:

GULF date	12 pro	ords	diff
1/27/2023	155	150	5
1/20/2023	155	150	5
1/13/2023	165	160	5
1/6/2023	162	160	2
12/30/2022	157	153	4

Speaking of the Texas Gulf, I saw Cargill was selling a chunk of their ownership of their Houston elevator to TEMCO, which is a joint venture between Cargill and CHS...although the headline puts a much different spin on it. <https://www.supplychaindive.com/news/cargill-chs-agriculture-food-export-terminal-houston/640569/>

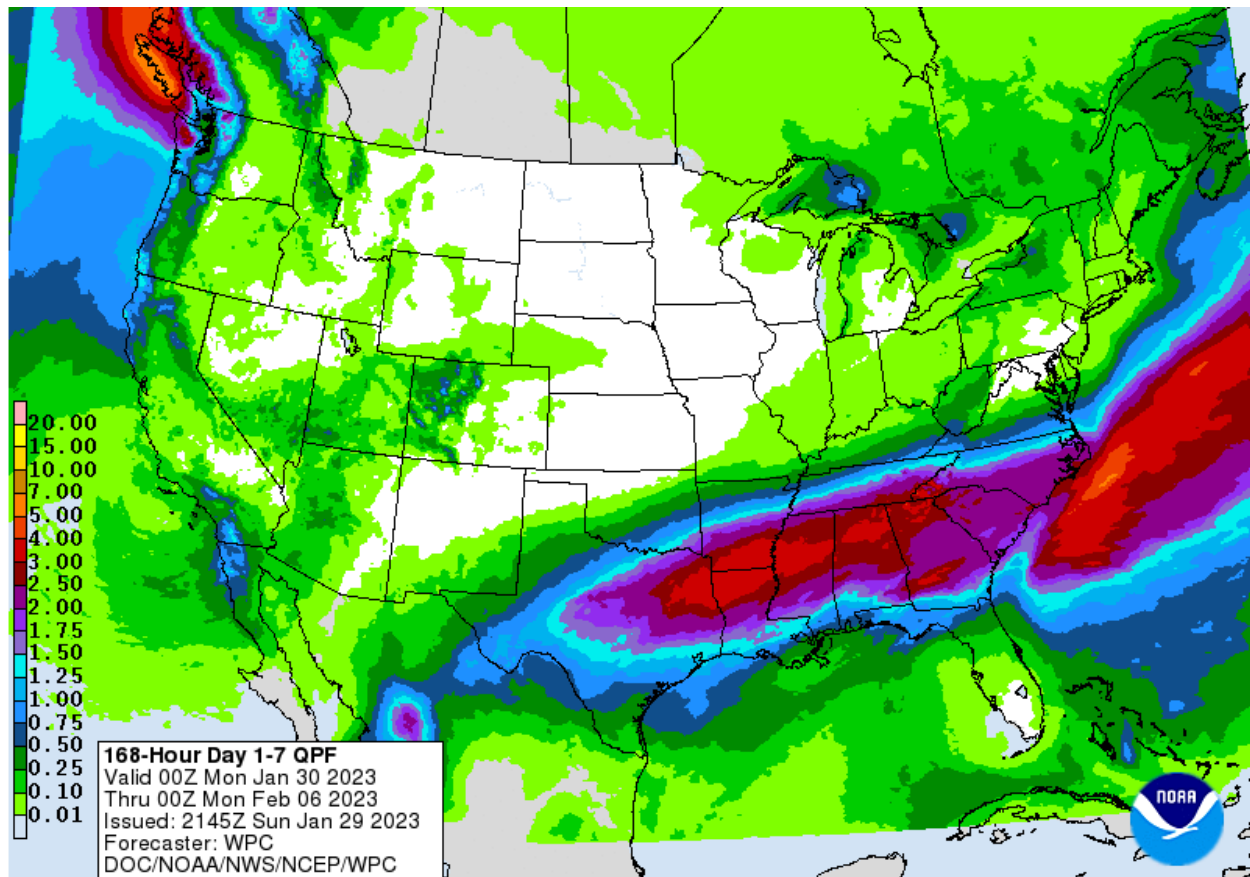
This chart of US HRW seeded acres seemed to get wheat growers attention in Manhattan, KS this week:



The increase was “blamed” on Texas which implied those acres won’t be harvested. I said Oklahoma acres are more volatile than Texas, as far as per cent harvested, as Oklahoma will often graze out a lot of wheat acres...but yes, this supporting data table shows Texas did have a large increase in seeded winter acres last fall:

				INTENDED SEEDED	
2019/20	2020/21	2021/22	2022/23	2023/24	
7100	6600	7300	7300	7500	KS
2150	1900	2200	1950	2200	CO
1070	900	920	980	1110	NE
4200	4250	4400	4300	4600	OK
4600	4900	5500	5300	6700	TX
860	630	800	830	830	SD
85	40	90	105	105	ND
2000	1550	1950	2050	2100	MT
390	385	360	340	330	CA
22,455	21,155	23,520	23,155	25,475	total

This week's forecast COULDA been a boomer, but the precip is expected to stay well south of most of the USA HRW Wheat Belt:



Will wrap it up; that Chiefs game was enough excitement...

Have a good week; I think you should use this corn rally to lighten the load.

Stay Safe; Slow Down!!