

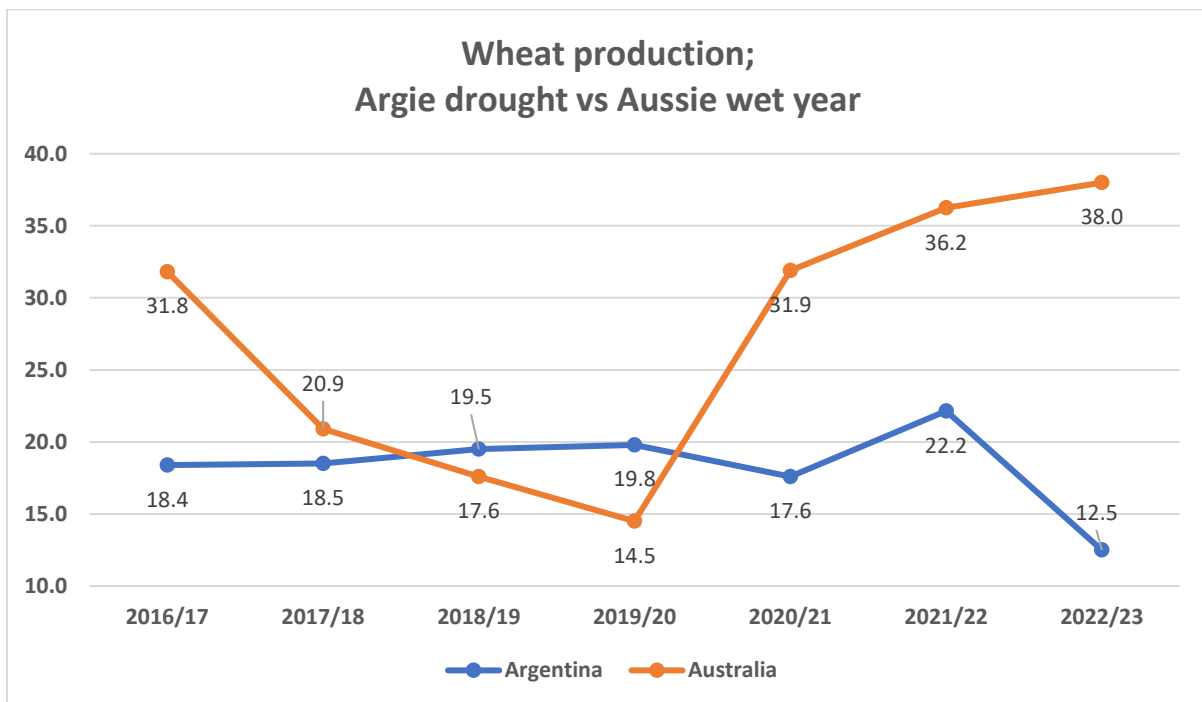
Hello Colorado Wheat.

Speaking of wheat...we saw fireworks in KC wheat futures Friday. "Reasons" if needed...include, unfortunately like always it seems "they took the rain out of the forecast".

Ukraine said Russia lobbed some missiles over Romanian airspace, but NATO will need a better "reason" than that to get involved officially. Russia also threatened to cut crude oil production, and the other day stated they didn't like how the "Grain Corridor" deal was working, but that was before the horrible earthquake in Turkey. As you know, Turkey imports massive quantities of cheap Russian wheat, and then sells (the term "dumps" has been used officially in a WTO trade dispute) that flour cheaply on the world market. I suspect that particular flour market has been severely disrupted, and who knows...may never fully recover. This might require flour aid donations in the meantime, which...might be supportive to non-Russian origins. But I think the real answer to "why was wheat up last week?" ... is "more buyers than sellers".

The USA HRW farmer sold his wheat a long time ago (at much better prices), so who remains a "natural" seller?

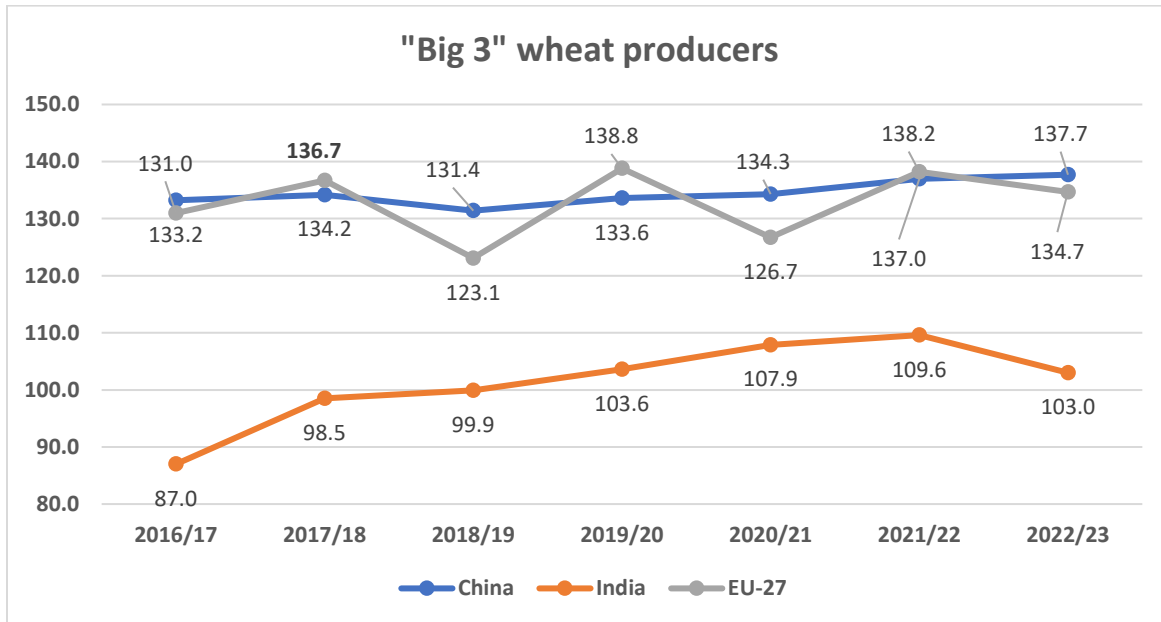
Argentina's crop isn't huge, although Australia had a big wheat crop...



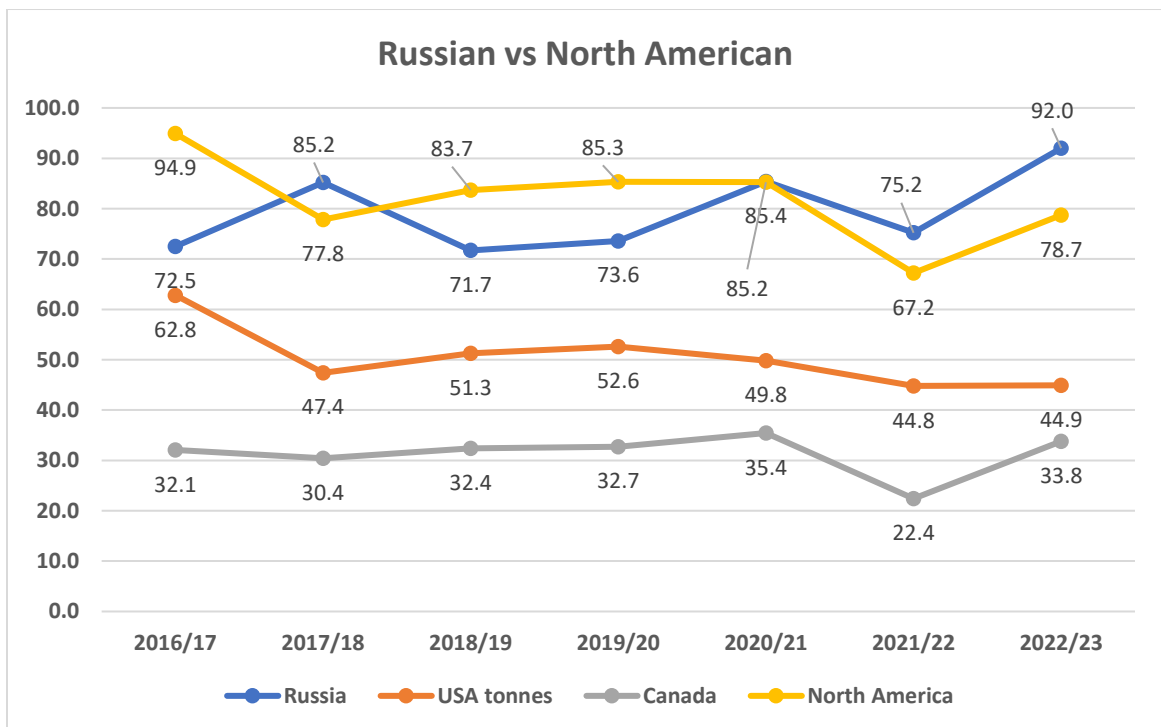
*Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. **STUDIES SHOW GOOD MANAGEMENT ADDS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

Russia had a huge wheat crop too, as did China and India...but Russian logistics are messed up, China is not a seller, and India...is currently not a seller either. The EEU probably has plenty of wheat for sale.

Here's a chart of those "Big 3" wheat producing countries:



And we can't forget...there is probably a big chunk of unsold North American spring wheat. This chart compares Russian wheat production, who also has a large unsold wheat inventory, but with messy logistics, with North American total (USA plus Canada):



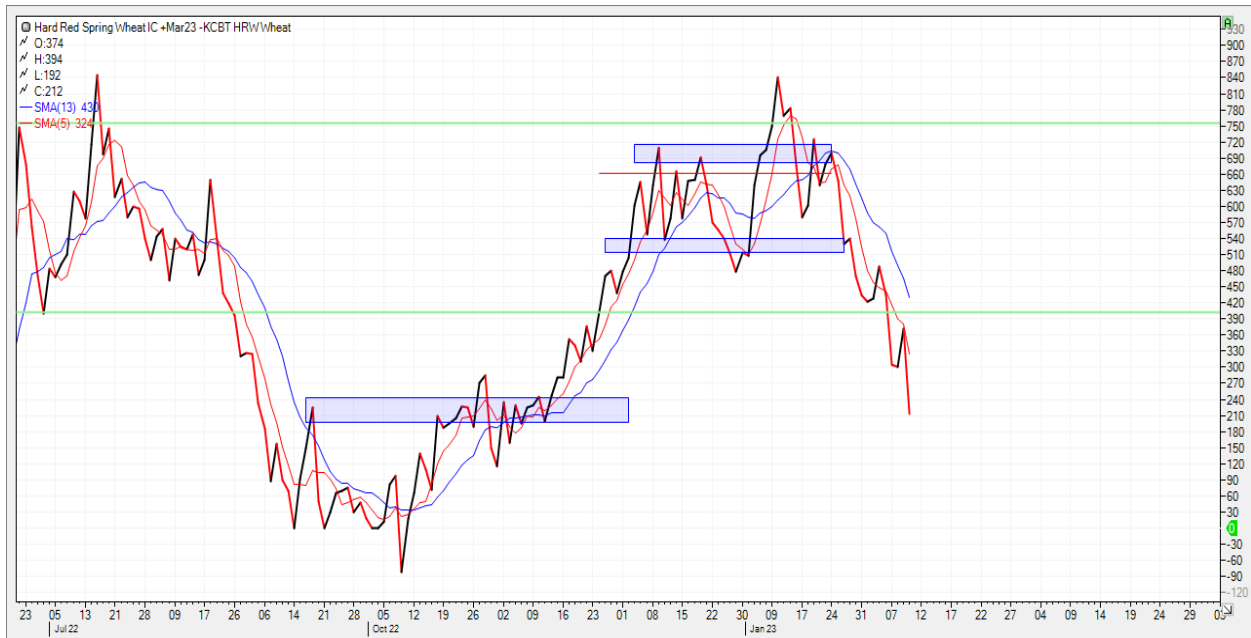
These tables of Wheat Stocks show why I think much of the North American spring wheat is unsold.

dec 1, (dec 31 in Canada) all wheat stocks	2020	2021	2022
USA all wheat; 1000 mt	46.34	37.48	34.84
Canada all wheat; 1000 mt	25.49	16.82	22.3

And this helps give an idea about USA springs vs winters:

Dec. 1	2020	2021	2022
KS wheat on farm	10.0	10.5	13.0
KS wheat production	281.3	364.0	244.2
on-farm/production	3.6%	2.9%	5.3%
NoDak wheat on farm	172.0	96.0	140.0
NoDak wheat production	312.6	196.2	299.9
on-farm/production	55.0%	48.9%	46.7%

And this intra-market wheat spread chart, showing KC gaining dramatically on spring wheat would support that view:

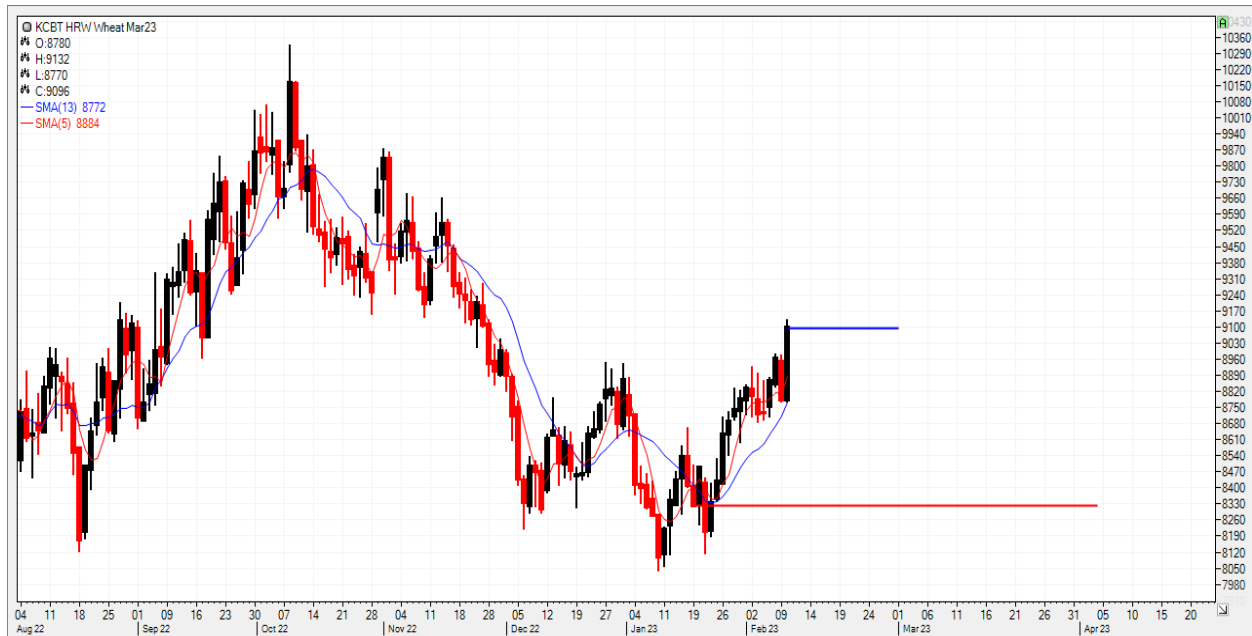


Anyway...KC closed above \$9.00, and that kicked in technical buying ...as looking at this table...

we saw the old 11-week Closing high rolling of the table, which in effect makes this close the new 11-Week Closing High. Corn stalled again at the old highs, as did the stock market, but beans set another new Blue number. Crude oil is careening wildly in a \$10 range:

	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
02/10	\$9.09	\$8.82	\$6.81	\$6.67	\$7.86	\$9.30	\$15.43	\$15.23	\$79.72	\$4100
02/03	\$8.73	\$8.58	\$6.78	\$6.65	\$7.57	\$9.22	\$15.32	\$15.17	\$73.39	\$4148
01/27	\$8.69	\$8.53	\$6.83	\$6.66	\$7.50	\$9.22	\$15.10	\$14.96	\$79.68	\$4084
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	\$15.28	\$15.25	\$79.86	\$4018
01/06	\$8.32	\$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	\$6.72	\$7.92	\$9.39	\$15.24	\$15.33	\$80.26	\$3868
12/23	\$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	\$8.33	\$8.22	\$6.44	\$6.41	\$7.34	\$9.02	\$14.87	\$14.96	\$71.02	\$3932
12/02	\$8.71	\$8.59	\$6.46	\$6.44	\$7.61	\$9.21	\$14.48	\$14.59	\$80.05	\$4075
Year ago	\$8.01		\$5.93		\$7.70	\$9.79	\$13.40		\$75.57	\$4762

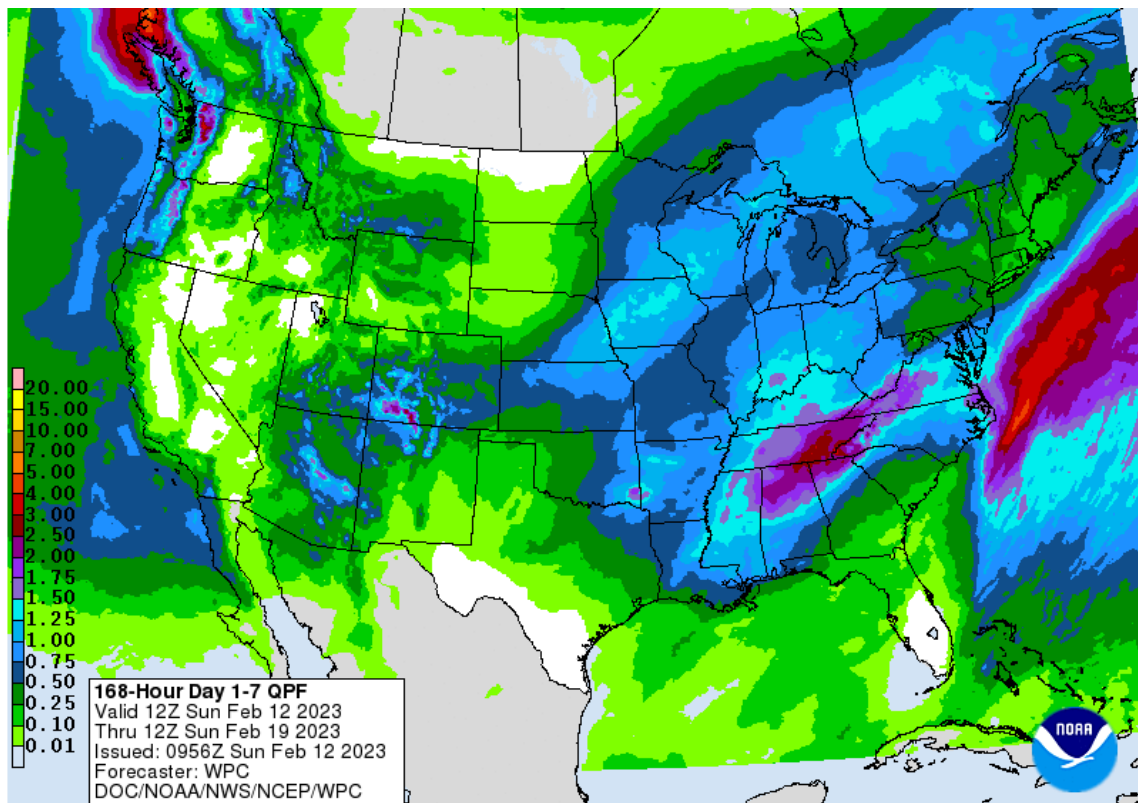
Old-crop KC March here...probing new highs, with no "natural sellers" ...might get interesting:



Old resistance might appear around \$9.25, etc, but...a new Blue number would bring in more fund buying. The problem with March is...it's expiring soon. Some funds will roll to the May, others might go into the more liquid July, and that's our primary focus anyway. KC July, shown here, did indeed set a new 11-week Closing High. I see some expected resistance at the \$9.10 area if we keep moving higher:



This forecast isn't exactly wet yet, but it isn't bone-dry either, so **"be alert"** is my advice:



We've sold up to half of our expected new-crop wheat production, which is enough to allow us to watch how this develops.

These old crop bids are up 36c with the board if you still have some...

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
02/10	\$8.29-\$8.89	\$8.89	\$8.54-\$8.64	\$8.54-\$8.59	\$8.89-\$9.44
02/03	\$7.93-\$8.53	\$8.53	\$8.18-\$8.28	\$8.18-\$8.23	\$8.53-\$9.08
01/27	\$7.89-\$8.49	\$8.49	\$8.14-\$8.24	\$8.14-\$8.19	\$8.49-\$9.04
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

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
02/10(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35
02/03(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35
01/27(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35
01/20(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35
01/13(H)	-80, -20	-20	-55, -45	-55, -50	-20, +35

Date	Concordia	Salina	Hutch/Wichita	Ark City
02/10(H)	-25	-15, -12	-36, -05	-39
02/03(H)	-25	-15, -12	-36, -05	-39
01/27(H)	-25	-15, -12	-36, -05	-39
01/20(H)	-25	-15, -12	-36, -05	-39
01/13(H)	-25	-15, -12	-36, -05	-39

The basis in those bids did nothing last week, and the Gulf has a slightly weaker feel:

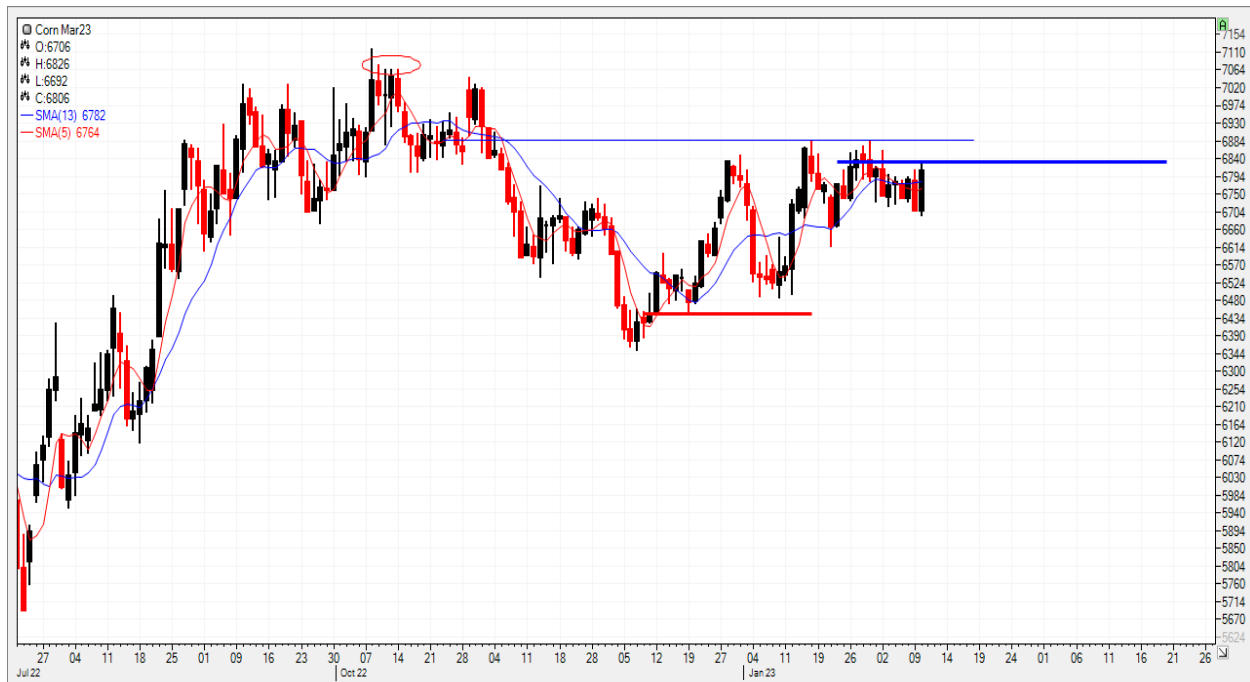
GULF				
date	12 pro	ords	diff	
2/10/2023	152	150	2	
2/3/2023	155	150	5	
1/27/2023	155	150	5	
1/20/2023	155	150	5	
1/13/2023	165	160	5	
1/6/2023	162	160	2	
12/30/2022	157	153	4	

The Export Pace scorecard shows wheat had a good enough loading week to hit the USDA unchanged wheat forecast for the year, although...last week's Export Sales were not good at only 4.8 million bu, even lower than the previous week's 5.0 mil bu. What the...?! **NOT GOOD.**

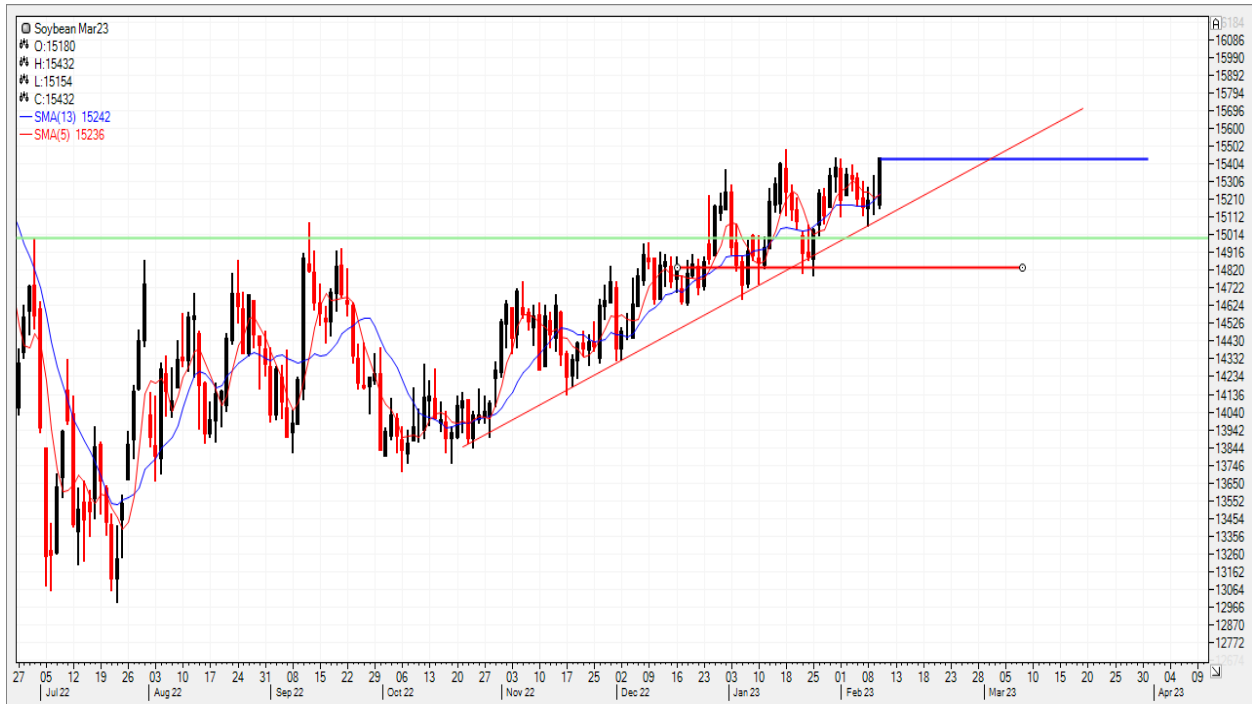
WEEK ENDED (02/02/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	20.8	493.4	60	519	1,925	1406	30	46.9
Soybeans	68.2	1392.6	30	1405	1,990	585	30	19.5
All wheat	16.4	505.6	45	537	775	238	16	14.9
Milo	0.0	19.6	5	22	90	68	30	2.3
LAST WEEK								
Corn	20.8	473.9	60	498	1,925	1427	31	46.0
Soybeans	68.2	1322.4	30	1334	1,990	656	31	21.2
All wheat	16.4	485.8	45	516	775	259	17	15.2
Milo	0.0	19.5	5	21	100	79	31	2.5

The USDA DID NOT increase their soybean export forecast, nor decrease their corn export forecast. Both of those need to be revised. Corn export sales were only 45.7 mil bu, besides the poor loading pace of LESS THAN 20 mil bu. Omega. Bean sales were only 16.9 mil bu, but you can see the table shows we are still loading lots of soybeans. The milo export forecast was reduced 10 mil bu.

Anyway...the **USDA did DECREASE ethanol usage** in the WASDE Feb update, by only 25 mil bu, but psychologically, it's certainly bearish. Thus the big wheat rally was good enough for corn to stay about unchanged last week. March corn shown here, again bouncing into resistance.



While March soybeans set ANOTHER Blue number, at \$15.43, and notice the Red line moved up 35c, now up to \$14.83. The trendline is still intact as well. We've sold a fourth of our beans...



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

Here's my pre-game call: Chiefs 35; Philly 12

We'll see if I'm a genius...

Before we go...Here's some stuff on Turkey; I'm not sure how bad their flour export industry is hurt, but this needs monitoring.

Some data from the OEC website (OEC stands for Observatory of Economic Complexity...not to be confused with OMD...Orchestral Manoeuvres in the Dark...!)

(<https://oec.world/en/profile/bilateral-product/wheat-flours/reporter/tur>) says:

EXPORTS In 2020, [Turkey](#) exported \$949M in [Wheat Flours](#), making it the 1st largest exporter of [Wheat Flours](#) in the world. At the same year, [Wheat Flours](#) was the 43rd most exported product in [Turkey](#). The main destination of [Wheat Flours](#) exports from [Turkey](#) are: [Iraq](#) (\$444M), [Yemen](#) (\$85.2M), [Syria](#) (\$58.4M), [Venezuela](#) (\$55.8M), and [Angola](#) (\$53.4M).

The fastest growing export markets for [Wheat Flours](#) of [Turkey](#) between 2019 and 2020 were [Venezuela](#) (\$23.9M), [Palestine](#) (\$13.4M), and [Benin](#) (\$7.81M).

Turkey's flour export tonnage this year was estimated at 3.2 million tonnes, and another 1.6 million tonnes of pasta and bulger (according to FAS). The USA exports only about .4 million tonnes of flour and .2 mil tonnes of pasta. Turkey operates about 700 flour mills across the whole country. Some are very old and tiny...Others are bigger and quite modern.

This map of Turkish ports...shows Iskenderun in the south is closest to Syria and closest to the earthquake disaster, although I ASSUME most Russian wheat is not unloaded at that particular port:



