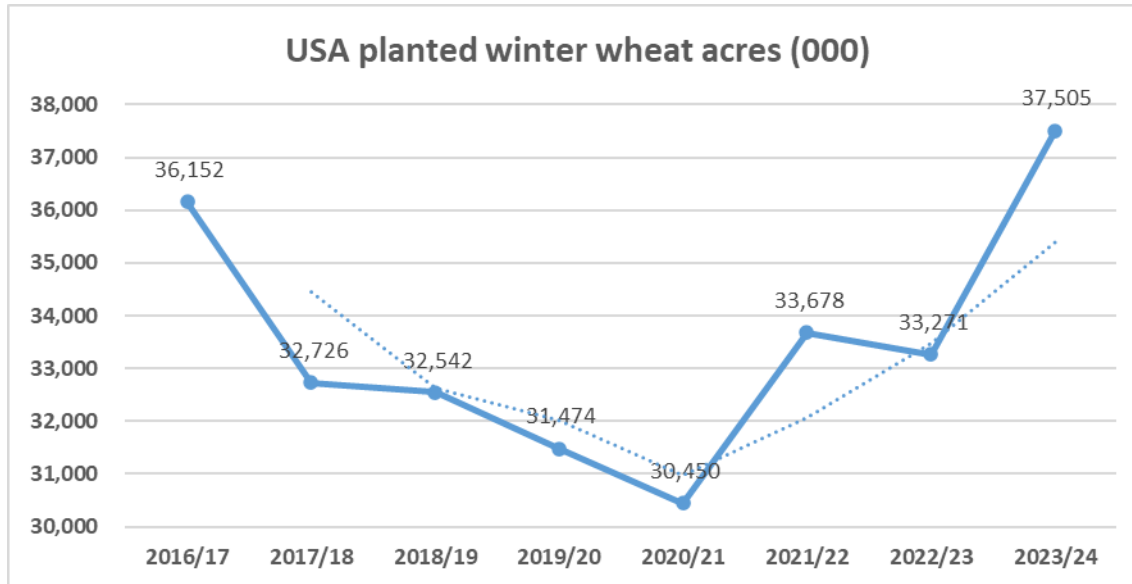


Hello Colorado Wheat.

Last week's massive data dump did not disappoint if the goal was to publish market moving numbers.

IN a "normal" world, these bearish USA winter wheat Planted Acres would cause "Limit Down" for days:



BUT KC July closed **28c/bu higher**. What happened?

These comments are from the 03/30/23 Drought Monitor's "This Week's **Drought Summary**":

East of the Rockies, drought and abnormally dry conditions mostly stayed the same or worsened in the Texas and Oklahoma panhandles, northwest Oklahoma, and central and southeast Texas. The western edge of heavy rains this week fell mostly along and southeast of the Interstate 44 corridor in Oklahoma and western north Texas, leading to further tightening of an already tight drought condition gradient in these areas. Farther west in northwest Oklahoma and western Kansas, extreme and exceptional drought persisted or intensified.

Then specifically...Short- and long-term extreme and exceptional drought also increased in coverage in the Texas Panhandle, the Oklahoma Panhandle and parts of northwest Oklahoma, the latter of which has recently experienced blowing dust and sand and **a struggling winter wheat crop**.

Wheat closed almost 30c higher on record winter wheat acres (in the Modern Era, which is the last 7 years, starting in crop year 2016/17) instead of closing "down the limit".

USA wheat Buyers are facing a difficult year, again.

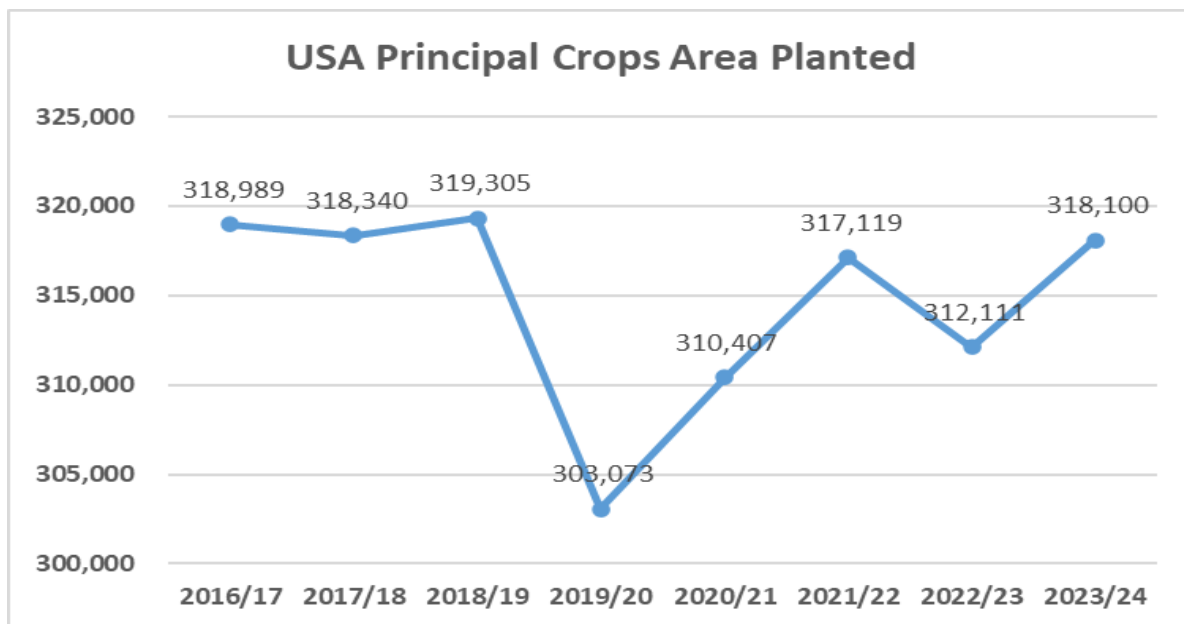
"Acres, acres everywhere, but not a drop to drink." Said The Ancient Wheat Buyer. I'm pretty sure he's gonna need a drink if he hasn't started yet.

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

Here's how we closed the week, which was also a Quarter End...higher wheat prices, firm corn, a big bean bounce, the stock market flirting with the old blue number, and higher crude oil.

	July '23 HRW	DEC '23 HRW	July'23 corn	DEC '23 corn	Chgo Z wheat	Springs Dec (Z)	July'23 soybean	NOV '23 Soybean	Crude oil	S&P
CLOSE	KWN23	KWZ23	CN23	CZ23	WZ23	MWZ23	SN23	SX23	CRD22	ES22
03/31	\$8.62	\$8.59	\$6.36	\$5.67	\$7.35	\$8.98	\$14.76	\$13.20	\$75.67	\$4137
03/24	\$8.34	\$8.33	\$6.23	\$5.60	\$7.28	\$8.59	\$14.06	\$12.73	\$69.26	\$4001
03/17	\$8.23	\$8.26	\$6.18	\$5.61	\$7.43	\$8.58	\$14.61	\$13.14	\$66.74	\$3947
03/10	\$7.89	\$7.97	\$6.07	\$5.58	\$7.17	\$8.28	\$14.95	\$13.58	\$76.68	\$3863
03/03	\$8.09	\$8.19	\$6.28	\$5.71	\$7.44	\$8.67	\$15.06	\$13.73	\$79.68	\$4050
02/24	\$8.28	\$8.35	\$6.39	\$5.77	\$7.50	\$8.68	\$15.09	\$13.74	\$76.32	\$3976
02/17	\$8.83	\$8.83	\$6.66	\$5.96	\$8.03	\$9.01	\$15.14	\$13.85	\$76.34	\$4088
02/10	\$8.82	\$8.84	\$6.67	\$5.96	\$8.21	\$8.98	\$15.23	\$13.79	\$79.72	\$4100
02/03	\$8.58	\$8.62	\$6.65	\$5.96	\$7.94	\$8.90	\$15.17	\$13.70	\$73.39	\$4148
01/27	\$8.53	\$8.56	\$6.66	\$5.88	\$7.79	\$8.78	\$14.96	\$13.52	\$79.68	\$4084
01/20	\$8.36	\$8.45	\$6.64	\$5.96	\$7.76	\$8.80	\$14.93	\$13.54	\$79.86	\$4018
01/13	\$8.35	\$8.45	\$6.64	\$5.99	\$7.75	\$8.81	\$15.25	\$13.93	\$79.86	\$4018
Year ago		\$8.01		\$5.93	\$7.70	\$9.79		\$13.40	\$75.57	\$4762

Surely something's bearish somewhere in all these acres, although we saw Wheat ignored the numbers.



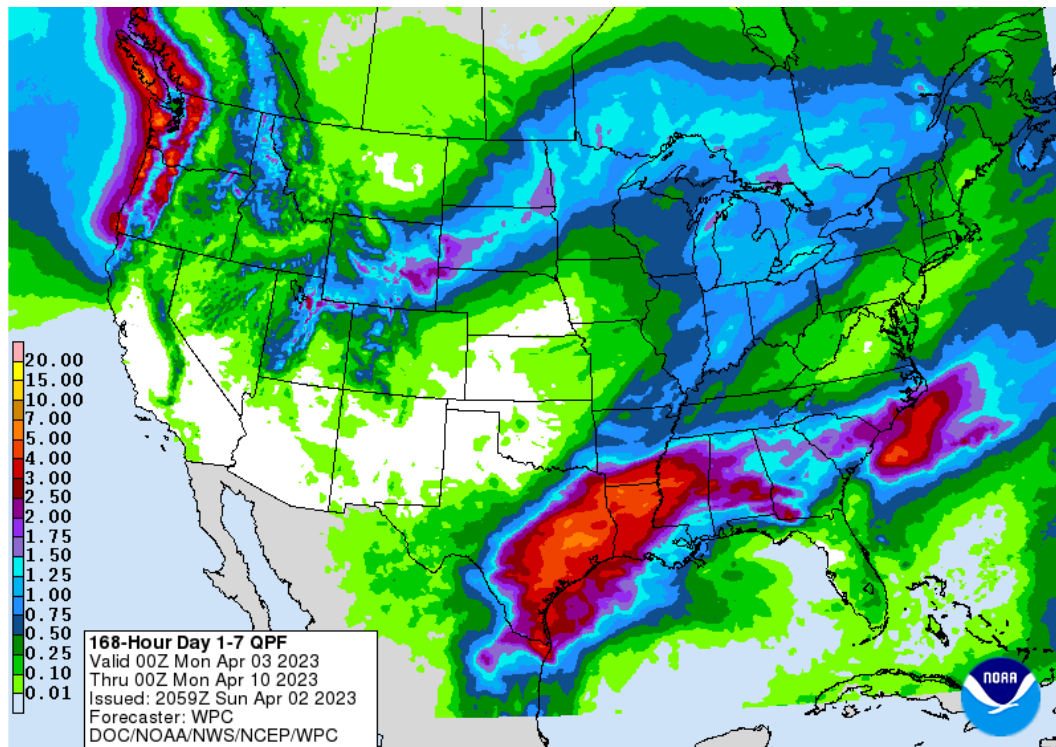
USA Planted Acres...based on Survey Data, are expected to be 6 million acres more than last year. Wheat accounts for 4 of those 6 million. The survey showed soybean acreage is expected to be almost exactly unchanged! Corn acres are expected to be up 3.4 million, although milo is down .35...where are the additional 1.25 million acres coming from?

	2023	2022	change
All Principal Crops	318,100	312,113	5,987
wheat	49,855	45,738	4,117
soybeans	87,505	87,450	55
corn	91,996	88,579	3,417
milo	5,975	6,325	(350)
sum	235,331	228,092	7,239
to solve			1,252
cotton	11256	13763	(2,507)
hay	50645	49546	1,099
			(1,408)

Cotton is down 2.5 million , but harvested hay is up 1.1, wrapping up March 31 Prospective Plantings.

The quarterly Grain Stocks report was also issued. It didn't seem to catch much buzz, but was nominally a little friendly to corn and beans as the published numbers were slightly lower than the average guess of the analysts, whoever they are. We'll no doubt get some fine-tuning on the domestic grain picture on the April WASDE update, April 11.

This week's Precipitation Forecast...is more of the same:



Dry in most of Hard Red Winter Wheat Country, with quite a bit of Soft Red Wheat country staying too wet, and planting delays in Spring Wheat country are a legitimate concern. We will see the first official Weekly Crop Progress and Conditions this Monday (April 3) afternoon. Corn and bean planting progress will be minimal.

Speaking of minimal...besides having a crummy week, it looks to me like the cumulative corn loadings were revised lower. Corn needs to get back to loading 47 million bu weekly. This week was a step backwards for corn loadings, and corn export sales were about 41 mil bu.

WEEK ENDED (03/23/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	26.2	716.2	60	750	1,850	1100	23	47.8
Soybeans	32.7	1651.7	30	1668	2,015	347	23	15.1
All wheat	14.4	612.9	45	650	775	125	09	13.9
Milo	7.0	43.0	5	46	90	44	23	1.9
LAST WEEK								
Corn	46.8	698.9	60	731	1,850	1119	24	46.6
Soybeans	26.3	1619.0	30	1635	2,015	380	24	15.8
All wheat	13.8	598.4	45	635	775	140	10	14.0
Milo	3.7	36.0	5	39	90	51	24	2.1

I doubt we'll see any changes to the USA export forecasts on the April WASDE, although corn needs a good week this week.

The May corn chart shows the uptrend is still intact, with no changes to the Blue or Red lines, but...the real question is: "Will China keep buying old-crop USA corn with futures above \$6.50?"



Old-crop corn...well, hmm. Those are a lot of acres, although there's no way this will be an "early" year for corn plantings. This is Dec corn. It made a move at the old Red line at \$5.58, but failed.

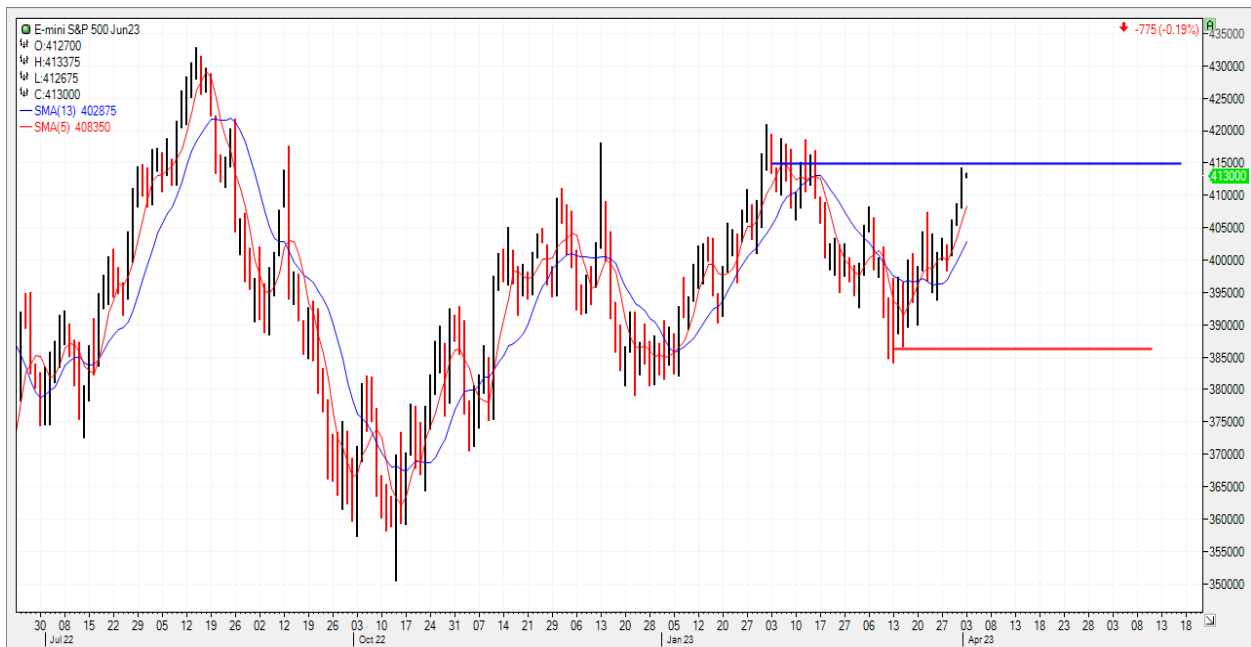


Psychological support exists at \$5.50. April's Planting Progress will determine if this is cheap enough.

I lean towards it's cheap enough to get us into Pollination season, but ...those are a LOT of acres.

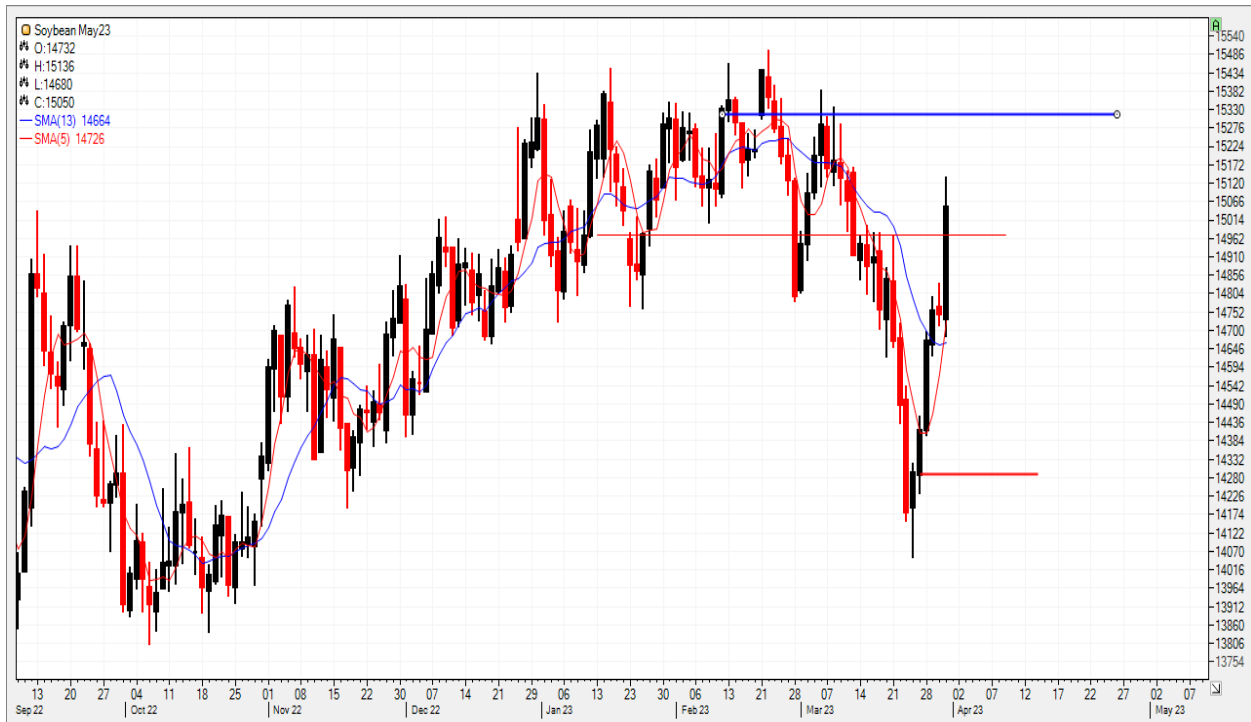
Beans...probably are feeling some positive vibes from the Stock Market, which due to the Banks scaring everyone...have taken away continued rate hikes from the Fed.

This the E-mini (S&P 500 index futures contract), flirting with taking out the old resistance:

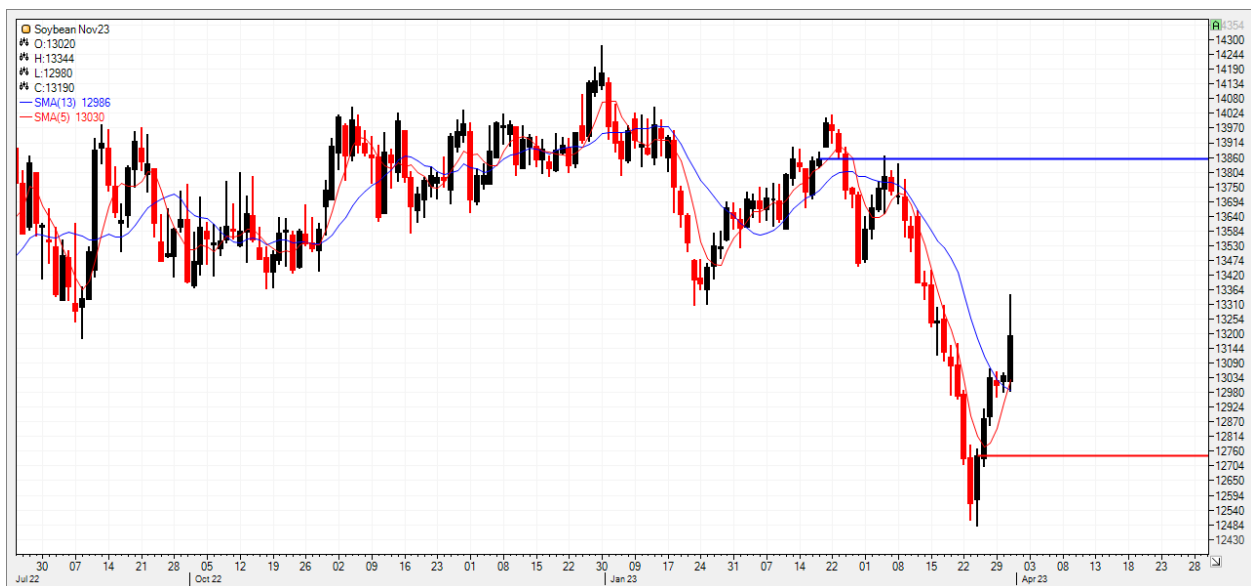


Besides that vibe, soybean export loadings keep chugging along, and soybean export sales were almost 13 mil bu last week. Two weeks ago we heard rumors Brazil beans were so cheap they worked into the USA; this last week we heard China had to cancel Argentinian purchases because of poor quality due to drought, and were buying in old-crop USA beans.

It's all rumors, which this May soybean chart gyrates to...enough to move 70c off of last week's new Red line, even to close back above \$15.00. Wow.



And new-crop beans...the acres weren't big enough to be super scary, so new-crop Nov beans were able to bounce too. The Blue line is down to \$13.85; some moving averages might be crossing...



I'd sell more new-crop corn before I'd sell more new-crop beans, based on these charts.

I think we need to dive into the USA wheat situation...we won't see the real deal until the May WASDE, but let's update our ideas, as...we can't just totally ignore the big acres, nor can we just totally ignore the drought. This is more than just a bit alarming. The following statement is key.

THIS IS NOT WHAT WE WILL SEE ON THE MAY WASDE. IT'S PROBABLY "WORST CASE".

wheat	1	2	3	4	5	6	7	pp
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
area planted	50.1	46.1	47.8	45.5	44.5	46.7	45.8	49.8
area harvested	43.8	37.6	39.6	37.4	36.8	37.1	35.5	37.8
	0.87	0.81	0.83	0.82	0.83	0.80	0.78	0.76
yield	52.7	46.4	47.6	51.7	49.7	44.3	46.5	38.6
beginning stocks	976	1,181	1,099	1,080	1,028	845	698	575
production	2,308	1,741	1,885	1,932	1,828	1,646	1,650	1461
imports	118	157	135	104	101	95	120	160
total supply	3,402	3,079	3,119	3,116	2,957	2,587	2,468	2,196
food	949	964	954	962	961	972	975	970
seed	61	63	60	61	64	58	70	70
feed/residual	160	47	88	95	95	59	80	16
domestic use	1,171	1,074	1,102	1,118	1,120	1,089	1,125	1,056
exports	1,051	906	937	969	992	800	775	750
total use	2,222	1,980	2,039	2,087	2,112	1,889	1,900	1,806
ending stocks	1,181	1,099	1,080	1,029	845	698	568	390
stox/use	53.1%	55.5%	52.9%	49.3%	40.0%	36.9%	29.9%	21.6%
NAFP	\$3.89	\$4.72	\$5.16	\$4.58	\$5.05	\$7.63	\$9.00	??

\$8.50 AgForum

I used the bigger acres, but dropped per cent harvested to 76%, and TANKED THE YIELD to 38.6 bu/ac. That was the national yield in 2006/07. I revised beginning wheat stocks up a few bushels to 575, instead of the 568 from the March WASDE...and I increased imports. These imports will not be only massive quantities of Canadian springs, but expect **more Hard Red Winter imports**, from the Black Sea or Europe. I am not making that up...I wish I was.

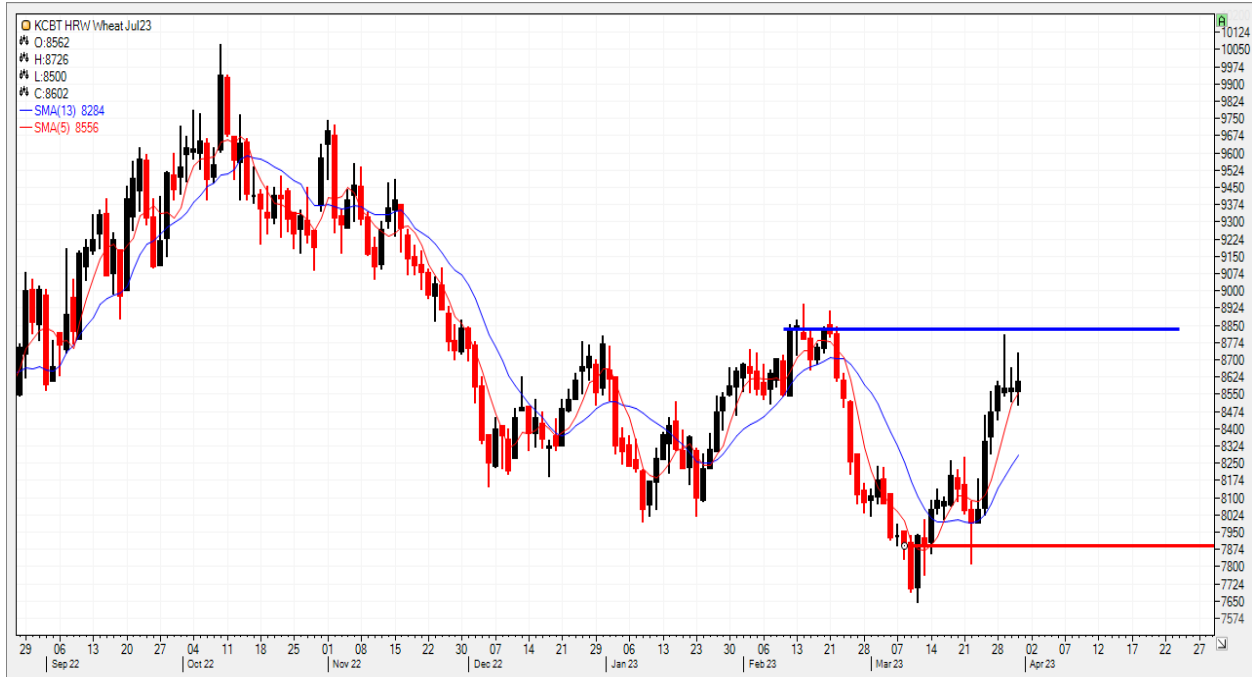
I took feed usage down to the lowest I show on record, and I dropped USA wheat exports even lower than this year, and I get an ending stock/usage ratio of only 21.6%...

IF that ending stox/use ratio proves accurate, then I'd expect the National Average Farm price to go above \$10.00.

I hope I am dead wrong on this. I hope it rains. I hope my yield is stupidly low.

Hope...isn't always a great strategy.

This is KC July wheat futures... I would not add to any new-crop wheat sales, and after publishing that S&D, I think I could use a beer. I'm sure some of you think I already had one...



The way the math works...if the national yield was 42 bu/ac instead of that crazy 37.8, then we'd be looking at a 519 mil bu carryout, and a ending stox/use at 28.7%, and we could all relax, and enjoy that beer instead of hoping it's all just a bad dream.

Hopefully I'll get some feedback this week, which shows me the error of my ways...but this coming year will be difficult for all. I don't think KC wheat as a short leg against corn, or Chgo or matiff, or spring wheat will be an easy trade. Expect a super high milling basis all year. Expect tight to inverted calendar spreads all year.

Posted Gulf bids are unchanged:

GULF date	12 pro	ords	diff
3/31/2023	160	150	10
3/24/2023	160	150	10
3/17/2023	151	147	4
3/10/2023	151	147	4
3/3/2023	151	147	4
2/24/2023	150	148	2 K

These posted Colorado bids show the average bid for old-crop wheat is \$8.38 bu., about -40KWK. The best posted corn bid is +140, or \$8.01/bu, keeping wheat feeding in the Great Plains at bay. That situation won't change unless the weather gets much, much better.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
03/31	\$7.98-\$8.48	\$8.58	\$8.28-\$8.38	\$8.23-\$8.28	\$8.43-\$8.82
03/24	\$7.68-\$8.18	\$8.28	\$7.98-\$8.08	\$7.93-\$7.98	\$8.13-\$8.54
03/17	\$7.56-\$8.06	\$8.16	\$7.86-\$7.96	\$7.81-\$7.86	\$8.01-\$8.43
03/10	\$7.18-\$7.68	\$7.78	\$7.48-\$7.58	\$7.43-\$7.48	\$7.76-\$8.09
03/03	\$7.35-\$7.86	\$7.96	\$7.66-\$7.76	\$7.61-\$7.66	\$7.88-\$8.29

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
03/31(K)	-80, -30	-20	-50, -40	-55, -50	-35, +04
03/24(K)	-80, -30	-20	-50, -40	-55, -50	-35, +06
03/17(K)	-80, -30	-20	-50, -40	-55, -50	-35, +07
03/10(K)	-80, -30	-20	-50, -40	-55, -50	-22, +12
03/03(K)	-80, -30	-20	-50, -40	-55, -50	-29, +12

Date	Concordia	Salina	Hutch/Wichita	Ark City
03/31(K)	-30	-20, -15	-36, -05	-39
03/24(K)	-30	-25, -12	-36, -05	-39
03/17(K)	-30	-30, -12	-36, -05	-39
03/10(K)	-30	-30, -12	-36, -12	-39
03/03(K)	-25	-30, -12	-36, -05	-39

Have a good week; Stay Safe. Slow Down and Pray for rain.

See ya.