

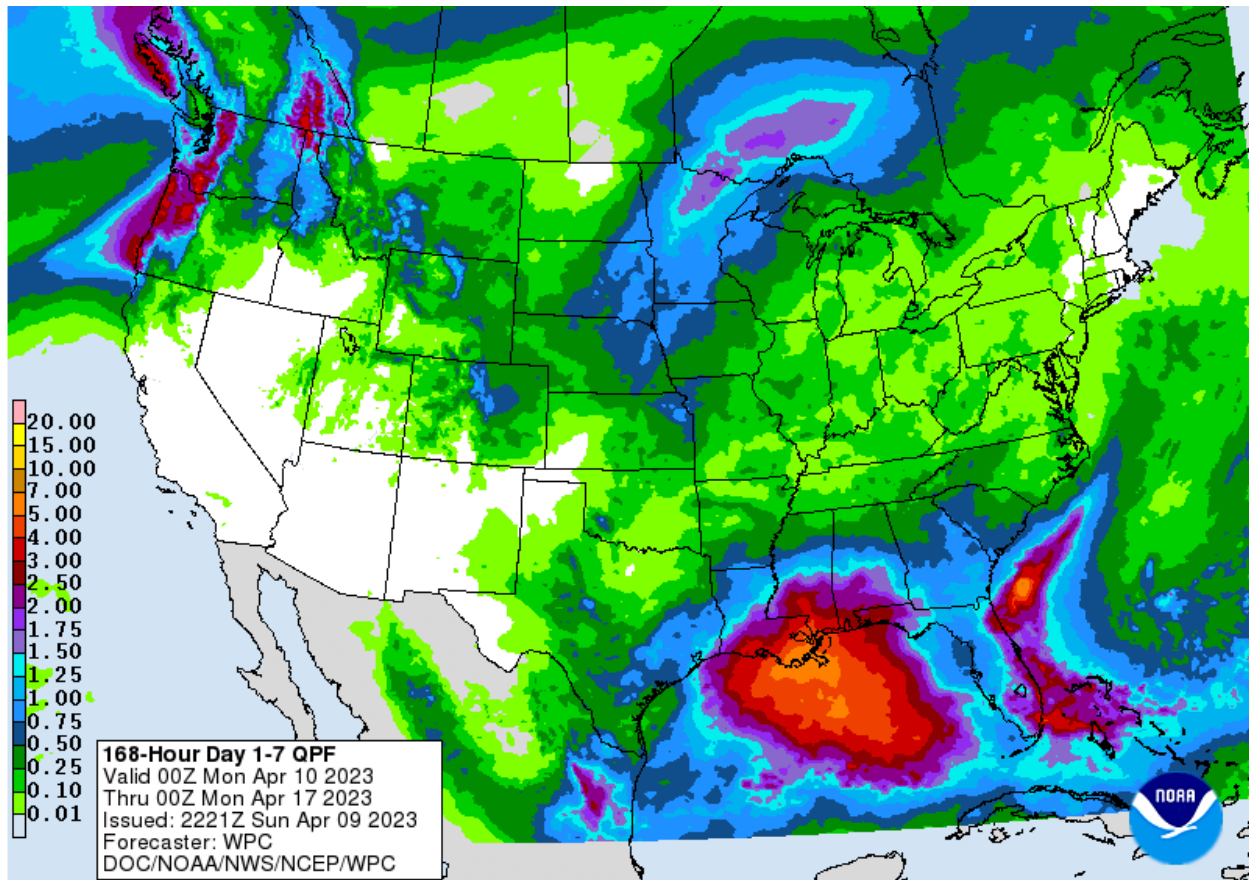
Hello Colorado Wheat.

I hope you had a great Easter.

News last week seemed limited, other than maybe Israel is being attacked from all sides, mainly spearheaded by Iran, a sworn enemy who has vowed Israel should not exist. Which is what China says about Taiwan, and what Russia says about Ukraine. These are perilous times we live in.

KC wheat opened a dime or so higher Sunday night.

The 7 Day forecast shows a complete miss for the entire SW corner of KS and the TX and OK Panhandles.



We get the April WASDE update Tuesday, which will be the definition of “fine-tuning”, if even that. The next “major” WASDE is the May update, when we see the first official USDA views on the new-crop wheat, corn, beans, etc. for both the USA and the World. We’ll have a few weeks to discuss what we might see, but for the record, I don’t expect many changes on the April update. USA winter wheat weather and spring planting weather will continue to be the dominant focus.

*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***

Last week ended with wheat and corn and beans all giving up 15c or so, depending on which flavor you like. The stock market was unable to post a new blue number, while Crude Oil was the major mover for the week, as OPEC announced a surprise cut to production.

	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
<i>CLOSE</i>	KWN23	KWZ23	CN23	CZ23	WZ23	MWZ23	SN23	SX23	CRD22	ES22
04/07	\$8.46	\$8.44	\$6.20	\$5.57	\$7.20	\$8.71	\$14.63	\$13.10	\$80.70	\$4142
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
<i>Year ago</i>		\$8.01		\$5.93	\$7.70	\$9.79		\$13.40	\$75.57	\$4762

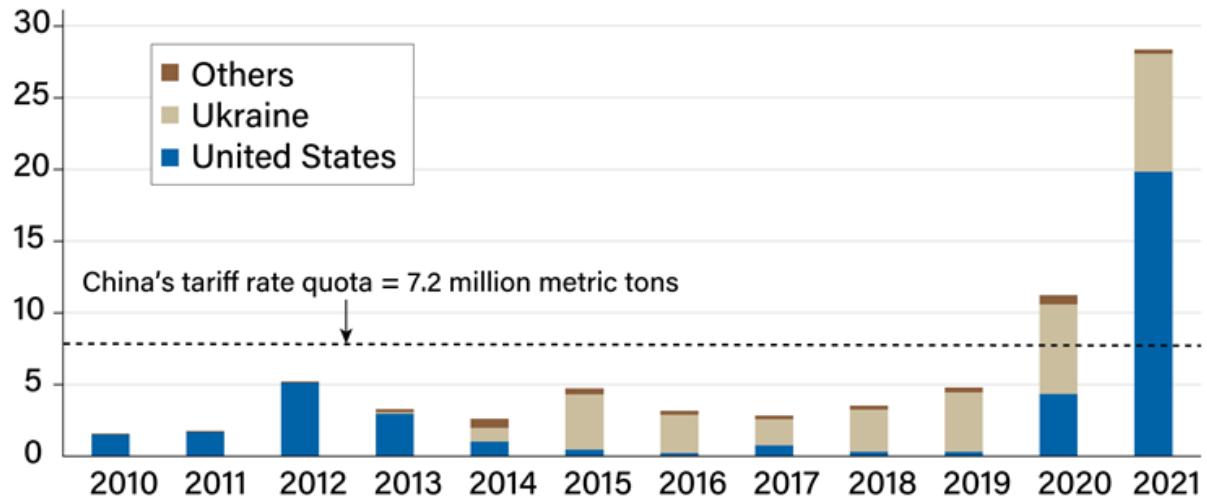
The Russian invasion drags on, with Russia threatening almost every other day to put tactical nukes in Belarus or forcing an end to the Grain Corridor. On that note, Ukrainian corn, searching for an outlet, has moved into Europe in such quantity that neighboring countries, like Poland, are calling for a big tax on Ukrainian imports.

Probably the major benefactor of cheap Ukrainian corn prices is China.

This is a good chart, although this year (22/23) USA corn exports to China will be lower than last year, not due to Ukraine specifically, but maybe Brazil, as some estimates of Brazilian corn to China are approaching 5 million tonnes, and you can see Brazil wasn't even previously listed:

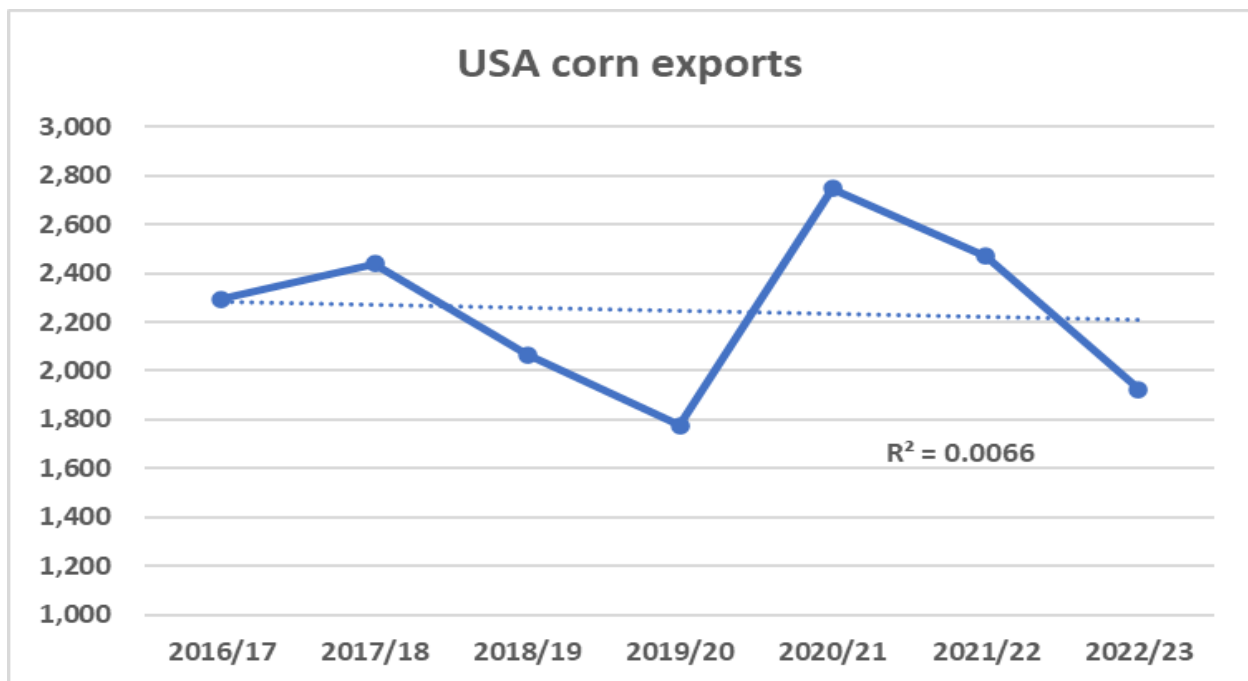
China's corn imports from 2010-19 hovered around 3 million to 5 million metric tons, then spiked in 2021

Metric tons (millions)



Source: USDA, Economic Research Service using data from Trade Data Monitor (2022).

This isn't a surprise, as the WASDEs have been pointing to reduced USA corn exports all year:

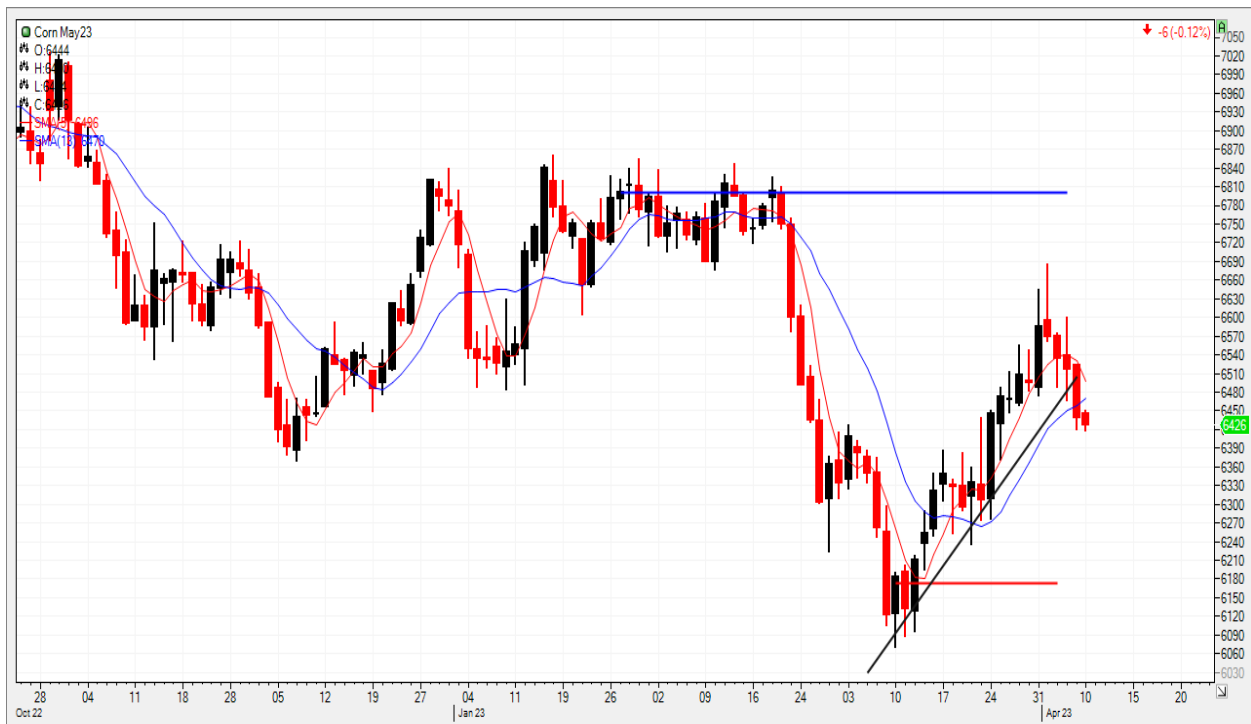


Corn had a good loading week, while beans really slowed and wheat ...was not good. But I don't think we'll see revisions to USA corn, wheat or beans export forecasts this Tuesday.

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	43.2	762.5	60	823	1,850	1027	22	46.7
Soybeans	18.3	1670.2	30	1687	2,015	328	22	14.9
All wheat	6.2	619.5	45	657	775	118	08	14.8
Milo	.4	43.5	5	46	90	44	22	2.0
LAST WEEK								
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

Corn export sales were 49 mil bu last week, which helps support that statement.

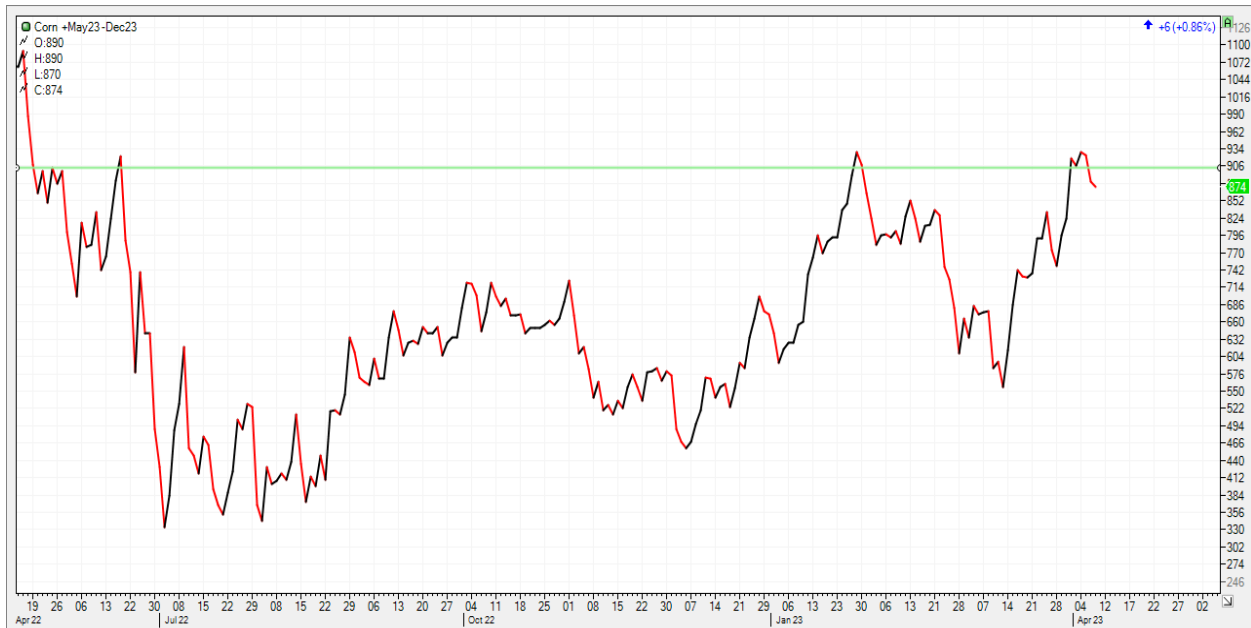
May corn, shown here, slipped back below \$6.50, and the recent uptrend is in serious trouble.



I don't see a good reason to be hanging on to any old-crop corn.

Weighing on old-crop corn is...new-crop corn. Huge expected acres may or may not materialize, depending on the weather, although this week will be warmer and drier than last week.

May corn at a 90c premium to Dec corn does finally look “toppy” to me:



But Dec corn by itself...is struggling to make \$5.50 a bottom. Technically, this week's Dec corn close set a new Red number by a penny, and I don't like the moving averages crossing (red line now below the blue line)



IF the USA manages to plant all 92 million acres as suggested by the Prospective Plantings report, year-to-year production could swell by 1.1 Billion bushels.

This “what-if” table shows 92 million acres planted and 84 million corn acres harvested, at a 176.7 yield, with feeding up 300 million, and exports up 100 million. Ending stocks increase to 1575 mil bu, and stox/use increases to 10.82 %, dropping the NAFP to about \$5.00 bu. (Year 8 was what I showed at the Kansas Commodity Classic, and pp is with the Prospective Plantings big acres.)

corn	1	2	3	4	5	6 7*	8 pp	8 pp	2023/24
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2023/24
area planted	94.0	90.2	88.9	89.7	90.7	93.3	88.6	88.6	92.0
area harvested	86.7	82.7	81.3	81.3	82.3	85.3	79.2	80.7	84.0
yield	0.92277	0.91685	0.91451	0.9068	0.90772	0.91436	0.89419	0.91084	0.91304
beginning stocks	1,737	2,293	2,140	2,221	1,919	1,235	1,377	1,242	1,242
production	15,148	14,609	14,340	13,620	14,111	15,074	13,730	14,260	14,843
imports	57	36	28	42	24	24	50	50	50
total supply	16,942	16,938	16,508	15,883	16,054	16,333	15,157	15,552	16,135
feed and residual	5,470	5,304	5,429	5,900	5,607	5,718	5,275	5,305	5,605
food, seed and industrial	6,885	7,057	6,793	6,286	6,467	6,766	6,690	6,755	6,755
(includes ethanol & by-products)	5,432	5,605	5,378	4,857	5,028	5,326	5,250	5,275	5,275
total domestic use	12,355	12,361	12,222	12,186	12,074	12,484	11,965	12,060	12,360
exports	2,294	2,438	2,066	1,777	2,747	2,471	1,925	2,100	2,200
total use	14,649	14,799	14,288	13,963	14,821	14,955	13,890	14,160	14,560
ending stocks	2,293	2,140	2,221	1,919	1,235	1,377	1,242	1,392	1,575
stox/use	15.65%	14.46%	15.54%	13.74%	8.33%	9.21%	8.94%	9.83%	10.82%
NAFP	\$ 3.36	\$ 3.36	\$ 3.61	\$ 3.56	\$ 4.53	\$ 6.00	\$ 6.70	\$ 5.65	\$ 5.00

What this means is...there is down-side risk from \$5.50 IF those big acres get planted.

I'm recommending selling another 10% of your next year's expected corn production. That would get you to 20%.

This is KC July wheat, marking time really. It's already **relatively incredibly expensive**, yet...the weather forecast makes shorting it an almost impossible trade.

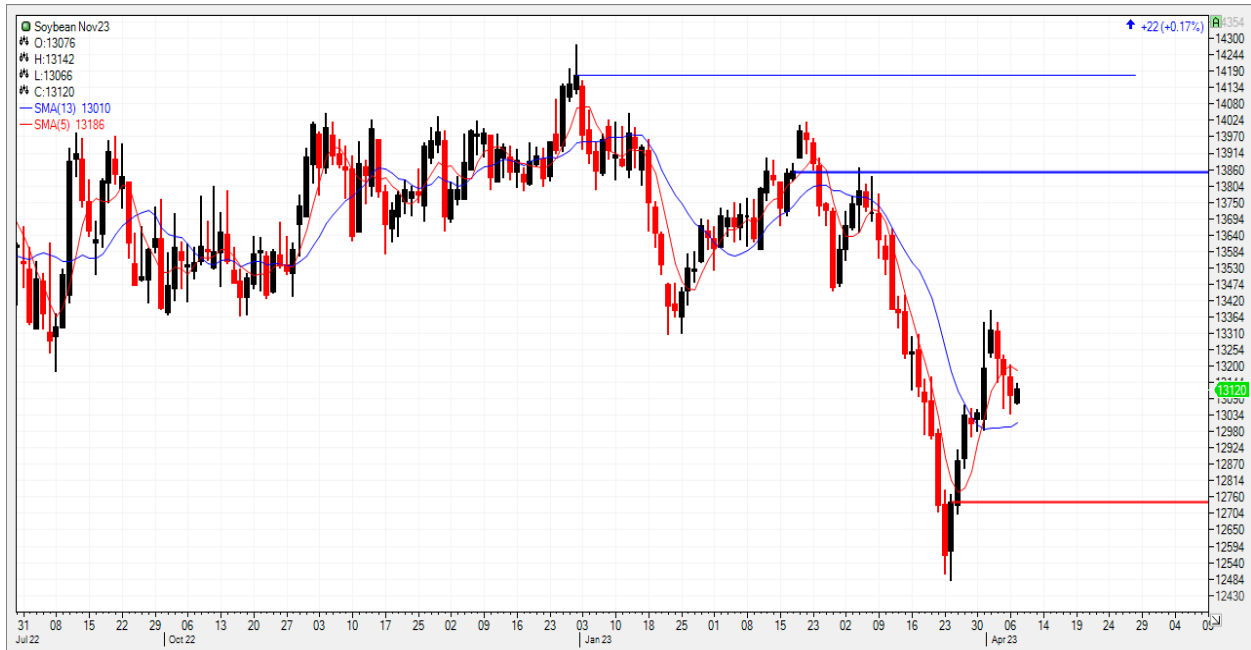


I've sold 50% of my expected wheat production and am quite nervous about producing those bushels. I've heard about insurance adjusters zeroing out acres, with milo probably taking the torn out wheat's place, which is not good, as KC July wheat futures are about \$2.40/bu over July corn futures:

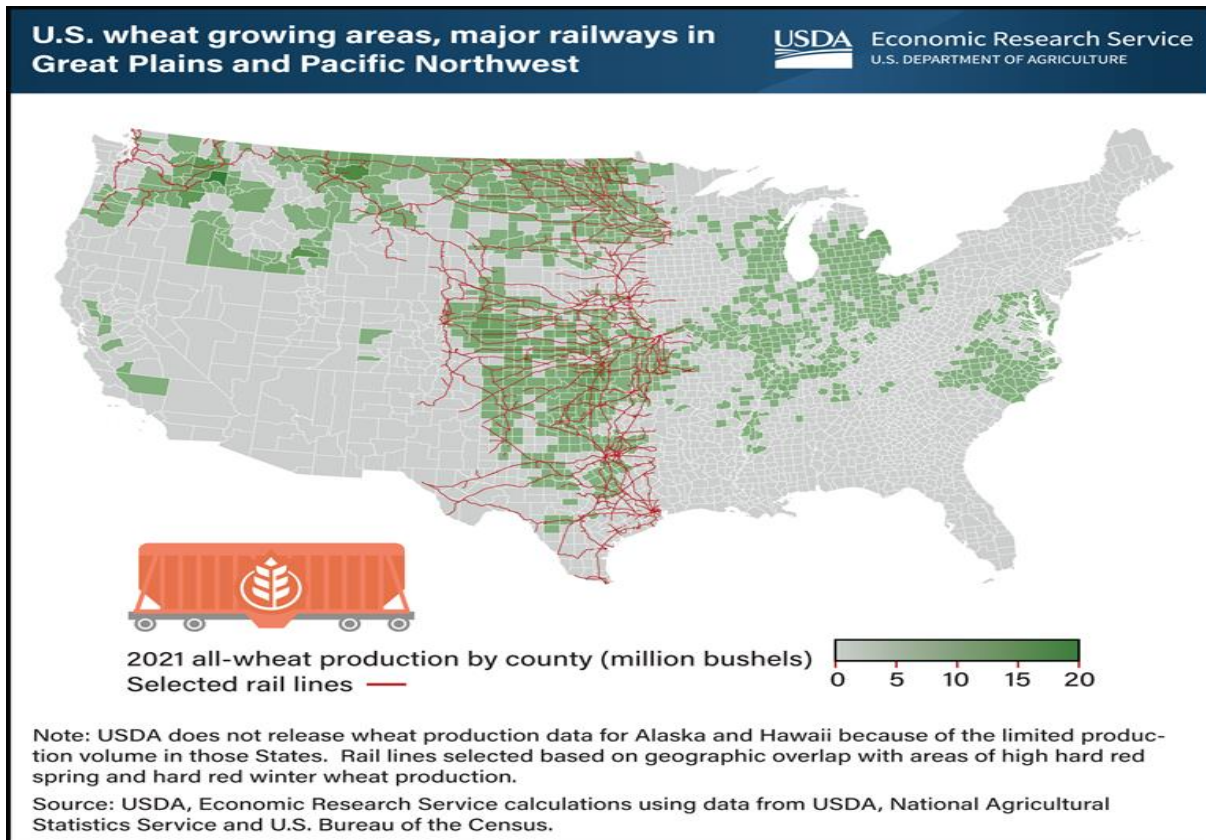


Just flat out yucky.

Nov beans are also marking time...reluctant to press the short side below \$13.00, but not seeing a reason to rally just yet. I'm not adding to new-crop bean sales this week:



This was an interesting chart from ERS, showing how dependent Hard Winter Wheat exports are upon good rail service...



Posted Gulf bids are steady:

GULF date	12 pro	ords	diff
4/7/2023	160	150	10
3/31/2023	160	150	10
3/24/2023	160	150	10
3/17/2023	151	147	4
3/10/2023	151	147	4

And so are most of the posted basis bids in the country:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
04/07	\$7.85-\$8.35	\$8.45	\$8.15-\$8.25	\$8.10-\$8.24	\$8.30-\$8.66
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
04/07(K)	-80, -30	-20	-50, -40	-55, -41	-35, +02
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
Date	Concordia	Salina	Hutch/Wichita	Ark City	
04/07(K)	-33	-20, -15	-36, -05	-39	
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	

I'd get some more new-crop corn on the books this week, but no more wheat, and will wait on more beans.

WASDE update is Tuesday.

Have a good week. Stay Safe; Slow Down. Pray for rain; it might be too late for your wheat, but you will plant other crops.