

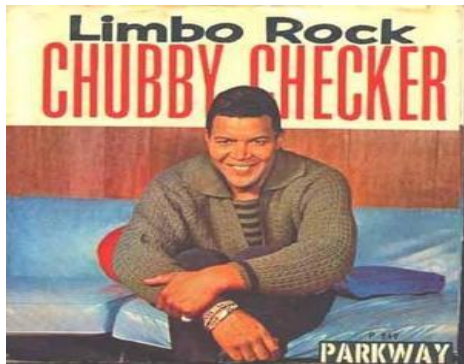
Hello Colorado Wheat.

In 1962, Chubby Checker released a single, "Limbo Rock", which reached #2 on Billboard's Hot 100, featuring some goofy, but annoying laughter and the repeated line "How low can you go?"

Can you correctly identify the cover art from the recording? Is this it?



or this?



or this one?



If it's that last one, how low can it go? Lower is the answer.

**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**

Actually that last pic is the KC Z – Chgo Z wheat spread, currently with KC “only” a 67c premium. When we look out at KC July ’24 – Chgo July ’24, we see KC is only a 37c premium, which makes me hesitant about picking a bottom in the nearby Z’s.

Speaking of which KC vs Chgo...The CME is taking a survey about whether the CME should change the current rules regarding KC deliveries. They are asking if storage rates should increase, should delivery points be expanded, and should delivering houses be required to load shuttle trains. I said yes, no, yes.

This is a link to the survey; I believe anyone can participate. If you’ve ever wanted to comment on those questions, here is your chance. You have until 11/3/23 to respond.

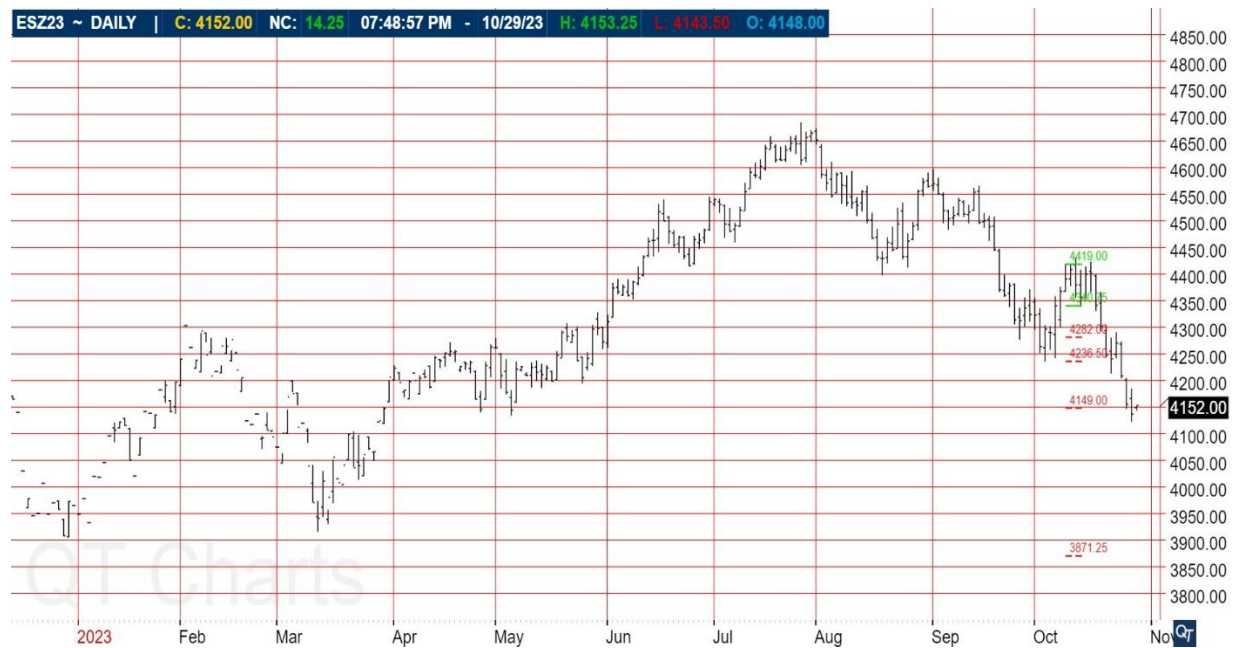
<https://www.cmegroup.com/notices/ser/2023/10/SER-9280.html>

The markets closed the week ending Friday, 10/27/23 with KC losing 27c, while Chgo Z wheat only lost a dime. Corn set back 15c. beans were down a nickel, still pretty close to \$13. Crude oil and the stock markets were lower. Some getting out of long crude, short beans continued.

	Dec '23 HRW	July '24 HRW	Dec'23 corn	July '24 corn	Chgo Z wheat	Springs Dec (Z)	Nov'23 soybean	July '24 Soybean	Crude oil	S&P
<i>CLOSE</i>	KWZ23	KWN24	CZ23	CN24	WZ23	MWZ23	SX23	SN24	CRD23	ES23
<b>10/27</b>	<b>\$6.43</b>	<b>\$6.70</b>	<b>\$4.81</b>	<b>\$5.09</b>	<b>\$5.76</b>	<b>\$7.20</b>	<b>\$12.97</b>	<b>\$13.54</b>	<b>\$85.54</b>	<b>\$4138</b>
10/20	\$6.70	\$6.88	<b>\$4.96</b>	<b>\$5.22</b>	\$5.86	\$7.31	\$13.02	\$13.51	\$87.08	<b>\$4248</b>
10/13	\$6.69	\$6.88	\$4.93	<b>\$5.22</b>	\$5.80	\$7.22	\$12.80	\$13.33	\$87.69	\$4357
10/06	\$6.74	\$6.92	\$4.92	\$5.20	\$5.68	\$7.21	<b>\$12.66</b>	<b>\$13.20</b>	\$82.79	\$4342
09/29	<b>\$6.64</b>	<b>\$6.81</b>	\$4.77	\$5.06	<b>\$5.42</b>	<b>\$7.09</b>	<b>\$12.75</b>	\$13.27	<b>\$90.79</b>	<b>\$4326</b>
09/22	<b>\$7.11</b>	<b>\$7.11</b>	\$4.77	\$5.06	<b>\$5.80</b>	\$7.71	<b>\$12.96</b>	\$13.33	\$90.03	<b>\$4361</b>
09/15	\$7.47	\$7.36	<b>\$4.76</b>	<b>\$5.04</b>	\$6.04	\$7.89	\$13.40	\$13.70	<b>\$90.77</b>	<b>\$4498</b>
09/08	\$7.32	\$7.23	\$4.84	\$5.10	\$5.96	\$7.71	\$13.63	\$13.85	<b>\$87.51</b>	\$4462
09/01	<b>\$7.23</b>	<b>\$7.18</b>	<b>\$4.82</b>	<b>\$5.09</b>	<b>\$5.96</b>	<b>\$7.60</b>	\$13.69	\$13.88	<b>\$85.55</b>	\$4522
08/25	<b>\$7.65</b>	<b>\$7.54</b>	\$4.88	<b>\$5.15</b>	<b>\$6.22</b>	<b>\$7.76</b>	<b>\$13.88</b>	<b>\$14.00</b>	<b>\$80.25</b>	\$4422
08/18	<b>\$7.61</b>	<b>\$7.50</b>	\$4.93	\$5.19	<b>\$6.39</b>	<b>\$8.18</b>	\$13.53	\$13.70	\$81.25	<b>\$4382</b>
08/11	<b>\$7.66</b>	<b>\$7.66</b>	<b>\$4.87</b>	<b>\$5.15</b>	<b>\$6.54</b>	<b>\$8.30</b>	<b>\$13.08</b>	<b>\$13.25</b>	<b>\$83.19</b>	\$4481
<i>Year ago</i>	<b>\$8.01</b>	<b>\$8.01</b>	<b>\$5.93</b>	<b>\$5.93</b>	<b>\$7.70</b>	<b>\$9.79</b>	<b>\$13.40</b>	<b>\$13.40</b>	<b>\$75.57</b>	<b>\$4762</b>

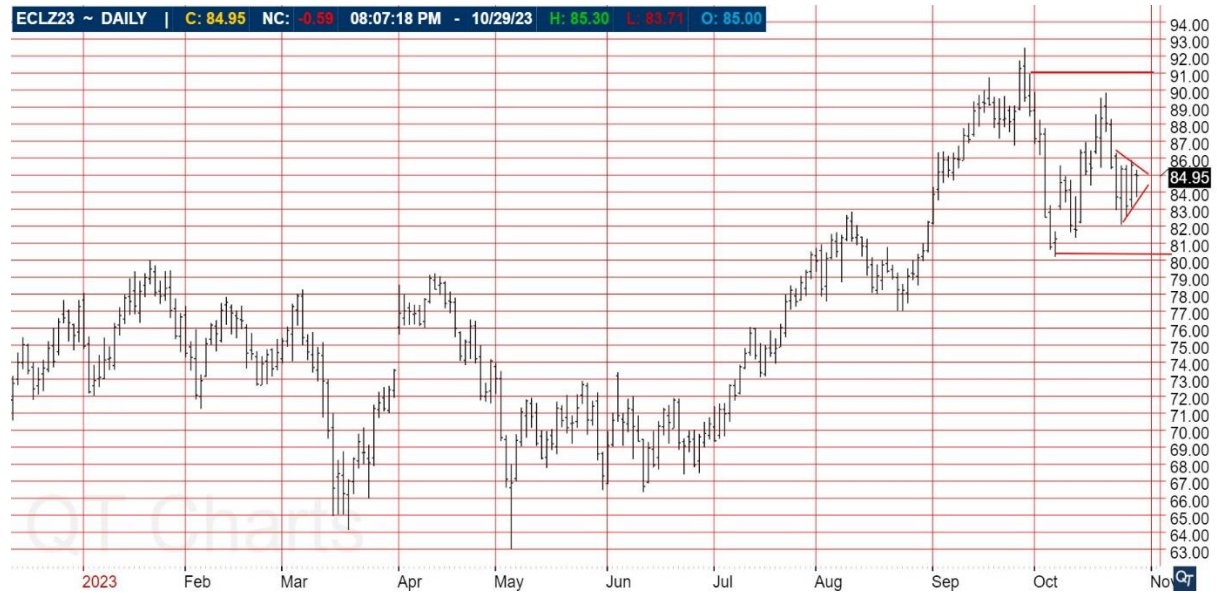
Mpls spring wheat futures were only down 11c. In my opinion, the market is trading like the Maritime Worker's strike, which has shut down the St. Lawrence Seaway will end soon, and it won't have a lasting impact. [https://www.wellandtribune.ca/business/st-lawrence-seaway-strike-hits-seventh-day-no-word-on-negotiations/article\\_835fdc03-9d8c-5d2a-a934-99cd3a42db2e.html](https://www.wellandtribune.ca/business/st-lawrence-seaway-strike-hits-seventh-day-no-word-on-negotiations/article_835fdc03-9d8c-5d2a-a934-99cd3a42db2e.html) It's a potential big-time whammy to Canadian spring wheat and durum, but so far, everyone must be assuming it will get settled.

Last week I mentioned the dreadful looking S&P E mini chart but didn't show it. The table on page 2 shows the stock market set a new red number, and a new lower weekly close would bring in more selling. This updated chart, using a QT Market Center Price Count Down shows the 1 in 3 chance 3<sup>rd</sup> Tier was hit (4149), and thus might be tempting for some shorts to take their profit, but...world events, high interest rates, and political uncertainty make me wonder if we'll see that profit taking, and for the record, the 4<sup>th</sup> Tier on that Price Count Down is way down to 3871.

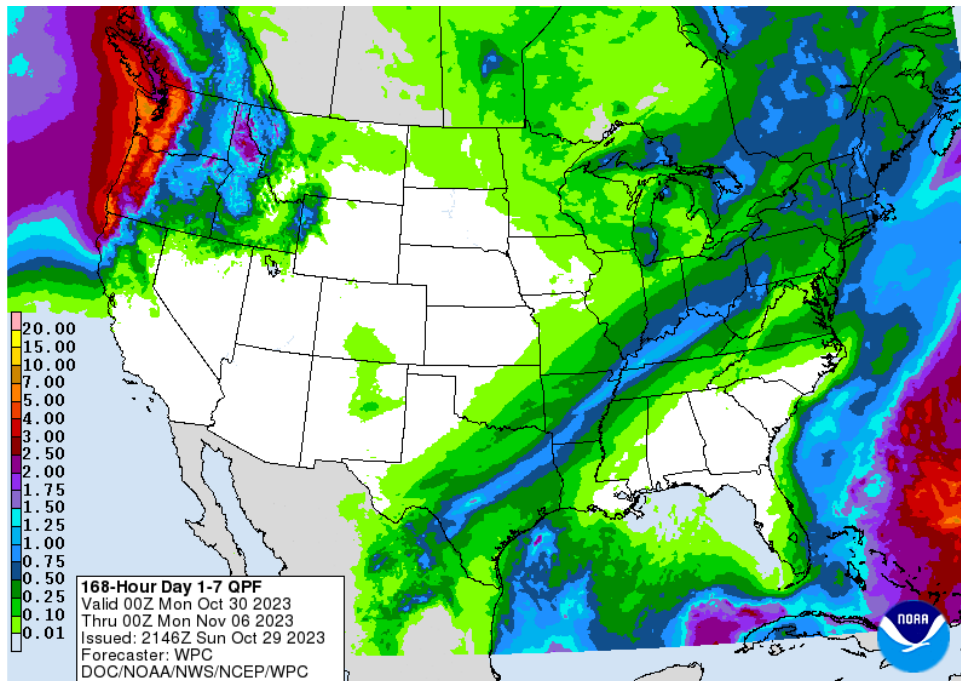


Yikes! Where do I puke? I'm too old to start over...said almost everyone with a chunk of their life savings in the stock market. This article says more than half of America owns quite a bit of stocks...<https://usafacts.org/articles/what-percentage-of-americans-own-stock/>

Here's Crude oil, in the middle of a \$10 range, which admittedly seems kinda strange while the Middle East troubles threaten to become WW3. Is this chart giving me false hope that things will calm down over there?



USA weather forecast is...fairly benign in my opinion. I think tomorrow's Crop progress will show corn and milo 75% harvested, with beans 85% done, and this map suggests we'll be in the wrapping it up stage soon. Winter wheat planting will probably reach 85% planted too.



Rain has helped the Mississippi, and I believe that is helping USA soybean exports. I believe the USDA's soybean export forecast will be revised higher. I can't say that about corn yet, but I don't think it needs to be lowered. The export pace will improve, and corn export sales of 53 mil bu were good. Wheat...the export pace was way down, and sales weren't great either, but I don't see export forecast revisions as necessary yet, and same thing with milo.

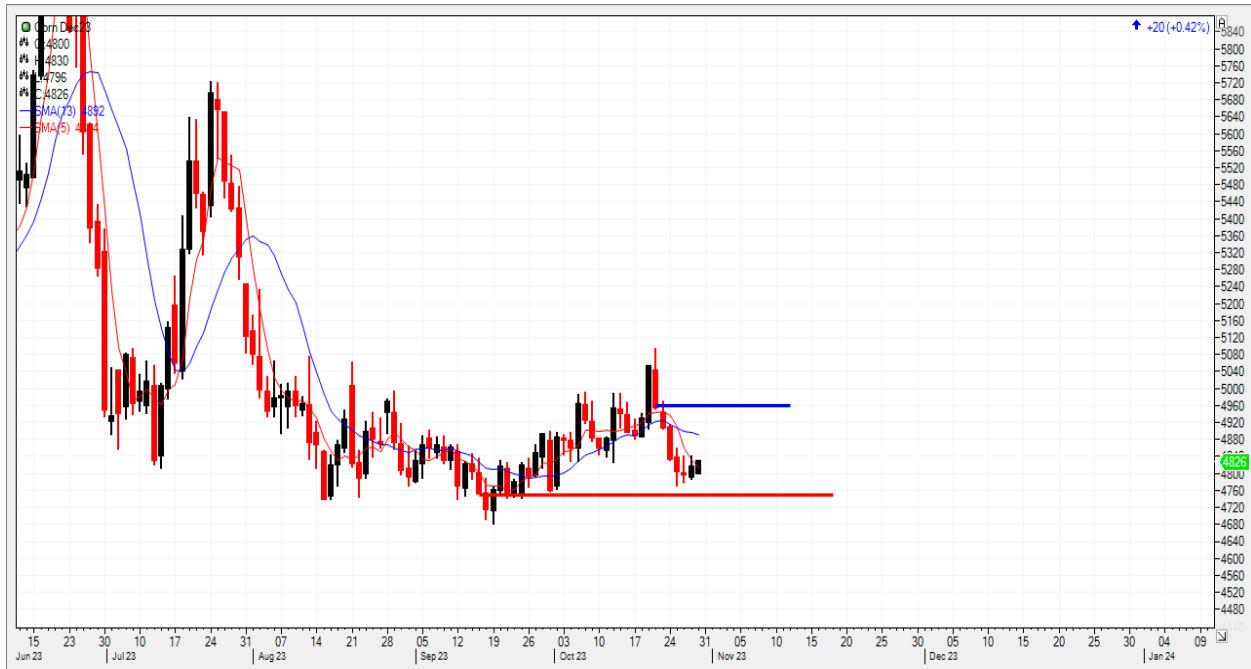
WEEK ENDED (10/12/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	17.2	<b>173.3</b>	<b>175</b>	348	<b>2,025</b>	1677	<b>45</b>	<b>37.3</b>
Soybeans	<b>90.4</b>	<b>290.0</b>	<b>60</b>	350	<b>1,755</b>	1405	<b>45</b>	<b>31.2</b>
All wheat	6.2	<b>254.4</b>	<b>100</b>	354	<b>700</b>	346	<b>32</b>	<b>10.8</b>
Milo	0.1	<b>15.1</b>	<b>5</b>	20	<b>255</b>	235	<b>45</b>	<b>5.2</b>
LAST WEEK								
Corn	17.1	<b>154.8</b>	<b>175</b>	330	<b>2,025</b>	1695	46	<b>36.8</b>
Soybeans	<b>73.9</b>	<b>198.6</b>	<b>60</b>	259	<b>1,755</b>	1496	46	<b>32.5</b>
All wheat	13.0	<b>247.5</b>	<b>100</b>	347	<b>700</b>	353	33	<b>10.7</b>
Milo	3.0	<b>15.0</b>	<b>5</b>	20	<b>255</b>	235	46	<b>5.1</b>

Another thing maybe helping USA soybeans is South American weather, which is too wet in Southern Brazil but maybe a bit too dry in the heart of Brazil's bean country.

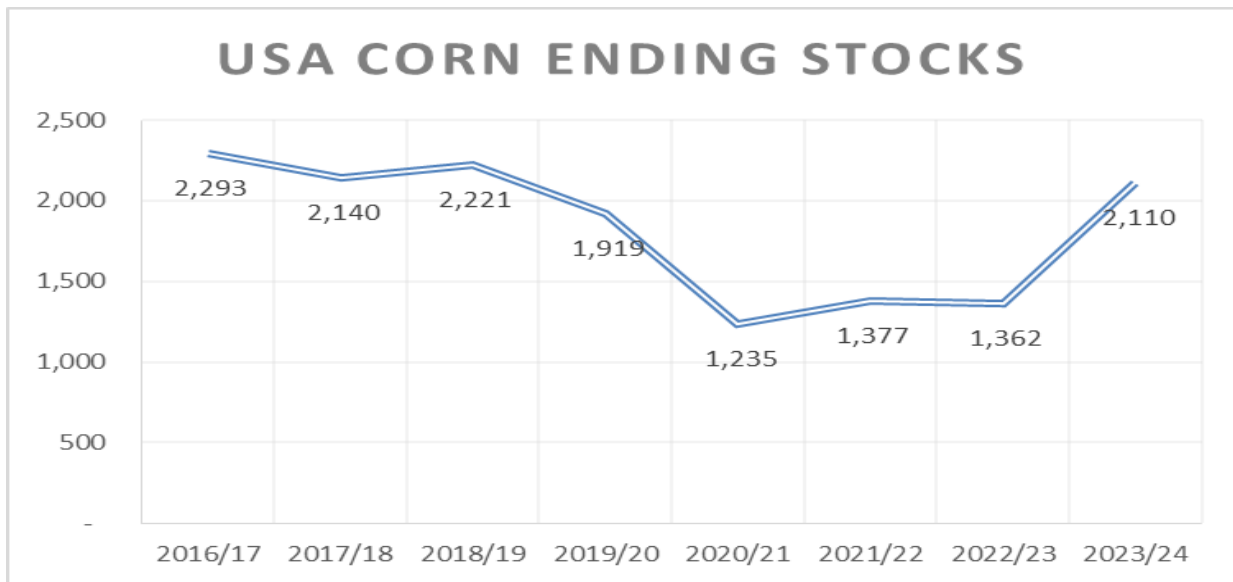
Of course in the current mood, "helping" USA soybeans means...they have only quit going down. This will be the last Nov beans chart we look at, as we move to the January contract, but sideways at best so far. I keep thinking we'll move up through resistance, but that hasn't happened yet.



Corn...was not able to close higher and set off additional Fund purchases. Dec corn is back to flirting with new lows. The Blue Line and Red lines are only 20c apart. That will change, one way or the other.



A 15.1 billion bu carryover is a LOT of corn:



... and then...we start wondering about next year.

News out of Ukraine suggests vessels are getting loaded and moving, and quite a bit of their corn goes to China.

The KC Z wheat chart, continues to look bad, or worse. This week set a new lower Red Line.

Cascading Lows is the dominant feature. A dab of rain in The Great Plains, a big Russian crop that only gets sold by price reductions and importantly, leading to minimal USA exports...



I voted “yes” on the question about loading shuttles on KC Delivery wheat because I HOPE that would lead to more exports.

Shuttles will not increase USA domestic usage. Nothing will, frankly. But this table shows the other major demand component in recent history. MAYBE...shuttles will help that. Maybe.

USA wheat usage	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>food</b>	<b>949</b>	<b>964</b>	<b>954</b>	<b>962</b>	<b>961</b>	<b>972</b>	<b>973</b>	<b>974</b>
<b>exports</b>	<b>1,051</b>	<b>906</b>	<b>937</b>	<b>969</b>	<b>992</b>	<b>796</b>	<b>759</b>	<b>700</b>

I think the Gulf to-arrive bids are a freckle better:

GULF	12 pro	11's	diff
date			
10/27/2023	120	85	35
10/20/2023	120	80	40
10/13/2023	80	80	0
10/6/2023	80	80	0
9/29/2023	80	80	0

Posted basis bids in the country are flat, but the futures were noticeably lower:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>10/27</b>	<b>\$5.53-\$5.88</b>	<b>\$5.63</b>	<b>\$5.48-\$5.58</b>	<b>\$5.28-\$5.47</b>	<b>\$5.58-\$6.23</b>
10/20	\$5.75-\$6.15	\$5.90	\$5.75-\$5.85	\$5.55-\$5.74	\$5.85-\$6.50
10/13	\$5.74-\$5.84	\$5.89	\$5.74-\$5.84	\$5.54-\$5.73	\$5.84-\$6.49
10/06	\$5.79-\$5.89	\$5.94	\$5.79-\$5.89	\$5.59-\$5.78	\$5.89-\$6.54
09/29	\$5.69-\$5.79	\$5.84	\$5.69-\$5.79	\$5.49-\$5.68	\$5.78-\$6.44
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>10/27(Z)</b>	<b>-95, -55</b>	<b>-80</b>	<b>-95, -85</b>	<b>-115, -96</b>	<b>-86, -20</b>
10/20(Z)	-95, -55	-80	-95, -85	-115, -96	-86, -20
10/13(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
10/06(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/29(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
<b>10/27(Z)</b>	<b>-50</b>	<b>-35, -20</b>	<b>-45, -15</b>	<b>-53</b>	
10/20(Z)	-50	-35, -20	-45, -15	-53	
10/13(Z)	-50	-35, -20	-45, -15	-53	
10/06(Z)	-50	-35, -20	-45, -17	-53	
09/29(Z)	-50	-35, -20	-45, -17	-53	

If we can't export it, then we have to feed it, and with a projected 2.1 billion bu corn carryout, feeding a lot of wheat isn't hardly possible, let alone a magic bullet.

World wheat news...Pakistan said they will import a million tonnes of wheat  
<https://propakistani.pk/2023/10/23/govt-to-import-1-million-metric-ton-wheat-to-meet-shortfall/>

But still nothing concrete about rumors of India reducing their wheat import duty.

How low can you go? The path of least resistance has not changed.

Stay Safe. Slow Down.

Have a good week.