

Hello Colorado Wheat.

I'm almost fully recovered from a self-induced Turkey Coma. Unfortunately...I don't think we can say the same for these markets.

Last week...felt like everyone was stuffed to the gills and thinking about blowing chow, but the markets closed at noon, luckily...KC Z was able to stay afloat above \$6.00, barely (while Minny Z broke below \$7.00), although we note that KC printed a Red number again. Chgo wheat, or at least USA Soft Red Winter...saw more Chinese purchases, as the \$5.50 area seems to be attractive to them.

Dec corn did set a new red number, but we'll treat the \$4.63-64 area as a double bottom of support for now. Soybeans are struggling, and printed a new 4-week Closing Low. South American weather isn't pleasing anyone, Bulls or Bears, while Crude Oil and the Stock market continued moving lockstep in opposite directions.

	Dec '23 HRW	July '24 HRW	Dec'23 corn	July '24 corn	Chgo Z wheat	Springs Dec (Z)	JAN'24 soybean	July '24 Soybean	Crude oil	S&P
CLOSE	KWZ23	KWN24	CZ23	CN24	WZ23	MWZ23	SF24	SN24	CRD23	ES23
11/24	\$6.02	\$6.26	\$4.63	\$5.04	\$5.49	\$6.97	\$13.31	\$13.67	\$75.54	\$4568
11/17	\$6.18	\$6.39	\$4.67	\$5.05	\$5.51	\$7.16	\$13.40	\$13.73	\$75.89	\$4528
11/10	\$6.40	\$6.64	\$4.64	\$4.98	\$5.75	\$7.31	\$13.48	\$13.74	\$77.17	\$4431
11/03	\$6.44	\$6.70	\$4.77	\$5.10	\$5.73	\$7.21	\$13.52	\$13.84	\$80.51	\$4376
10/27	\$6.43	\$6.70	\$4.81	\$5.09	\$5.76	\$7.20	\$13.20	\$13.54	\$85.54	\$4138
10/20	\$6.70	\$6.88	\$4.96	\$5.22	\$5.86	\$7.31	\$13.20	\$13.51	\$87.08	\$4248
10/13	\$6.69	\$6.88	\$4.93	\$5.22	\$5.80	\$7.22	\$13.00	\$13.33	\$87.69	\$4357
10/06	\$6.74	\$6.92	\$4.92	\$5.20	\$5.68	\$7.21	\$12.85	\$13.20	\$82.79	\$4342
09/29	\$6.64	\$6.81	\$4.77	\$5.06	\$5.42	\$7.09	\$12.95	\$13.27	\$90.79	\$4326
09/22	\$7.11	\$7.11	\$4.77	\$5.06	\$5.80	\$7.71	\$13.14	\$13.33	\$90.03	\$4361
09/15	\$7.47	\$7.36	\$4.76	\$5.04	\$6.04	\$7.89	\$13.56	\$13.70	\$90.77	\$4498
09/08	\$7.32	\$7.23	\$4.84	\$5.10	\$5.96	\$7.71	\$13.78	\$13.85	\$87.51	\$4462
Year ago	\$8.01	\$8.01	\$5.93	\$5.93	\$7.70	\$9.79	\$13.40	\$13.40	\$75.57	\$4762

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

There was a 110,000 mt sale of USA SRW to China announced Wednesday...

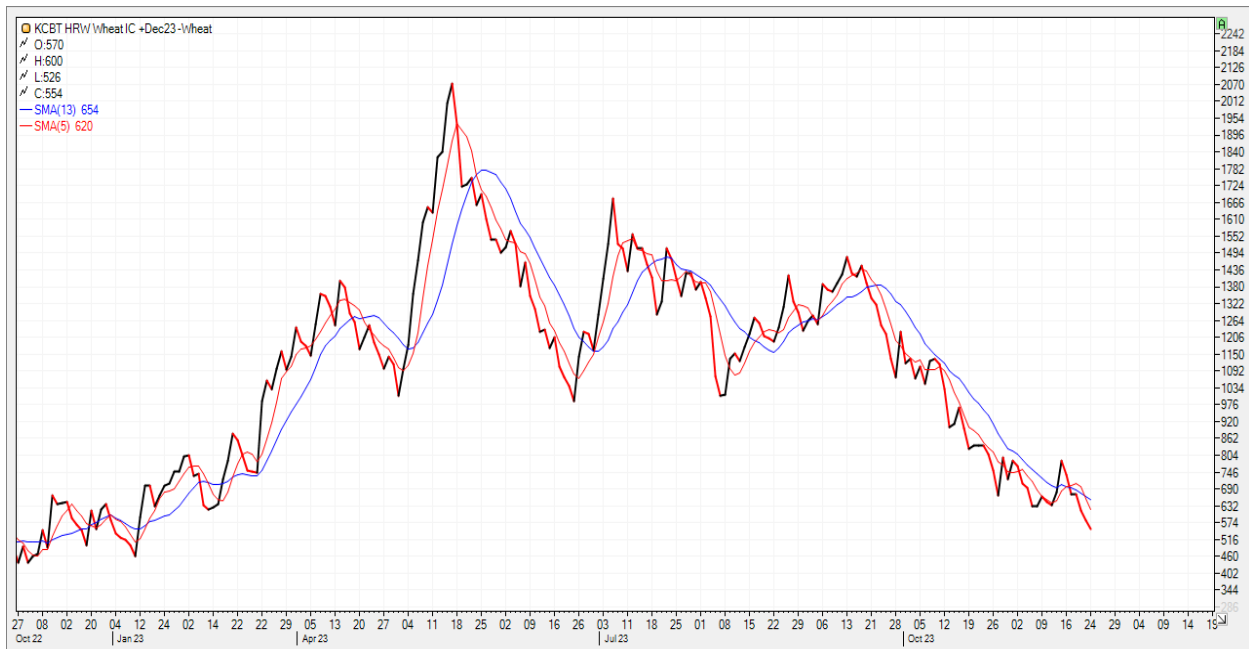
<https://www.nasdaq.com/articles/china-inks-deals-for-110000-metric-tons-u.s.-srw-wheat-in-bulk-buy>

Why would China buy USA Soft Red Winter?

This is kinda lame Reuters story here...but this point is probably valid, and succinctly sums up wheat spreading right now: "supplies of lower quality grains for animal feed are limited".

<https://www.msn.com/en-us/money/markets/dryness-lifts-australian-wheat-quality-even-as-output-drops/ar-AA1ksxbR>

Thus we see the KC Z wheat continue to lose ground against the Chgo Z wheat contract, as if truly China mainly cares about either blending wheat to reduce price, or worse, strictly as a feed replacement...then they are going to buy what is cheapest. The Z's closed at 53c premium KC. The "good news" is the KC July is only a 22c premium, and I'm assuming at even money, China would buy HRW.



These posted Gulf bids are unchanged this week...

GULF date	12 pro	11's	diff
11/24/2023	110	105	5
11/17/2023	110	105	5
11/10/2023	120	85	35
11/3/2023	120	85	35

And one source I follow said Gulf SRW bids are +110, so just watching the futures spread is good enough for now.

Posted HRW wheat basis bids in the country didn't change much this week, although we see a touch of weakness:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
11/24	\$5.12-\$5.17	\$5.22	\$5.02-\$5.12	\$4.96-\$5.06	\$5.17-\$5.82
11/17	\$5.28-\$5.33	\$5.38	\$5.23-\$5.33	\$5.12-\$5.22	\$5.33-\$5.98
11/10	\$5.49-\$5.55	\$5.59	\$5.44-\$5.54	\$5.24-\$5.43	\$5.54-\$6.19
11/03	\$5.53-\$5.59	\$5.63	\$5.48-\$5.58	\$5.28-\$5.47	\$5.58-\$6.23
10/27	\$5.53-\$5.88	\$5.63	\$5.48-\$5.58	\$5.28-\$5.47	\$5.58-\$6.23

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
11/24(Z)	-90, -85	-80	-100, -90	-106, -96	-86, -20
11/17(Z)	-90, -85	-80	-95, -85	-106, -96	-86, -20
11/10(Z)	-90, -85	-80	-95, -85	-115, -96	-86, -20
11/03(Z)	-90, -85	-80	-95, -85	-115, -96	-86, -20
10/27(Z)	-90, -55	-80	-95, -85	-115, -96	-86, -20

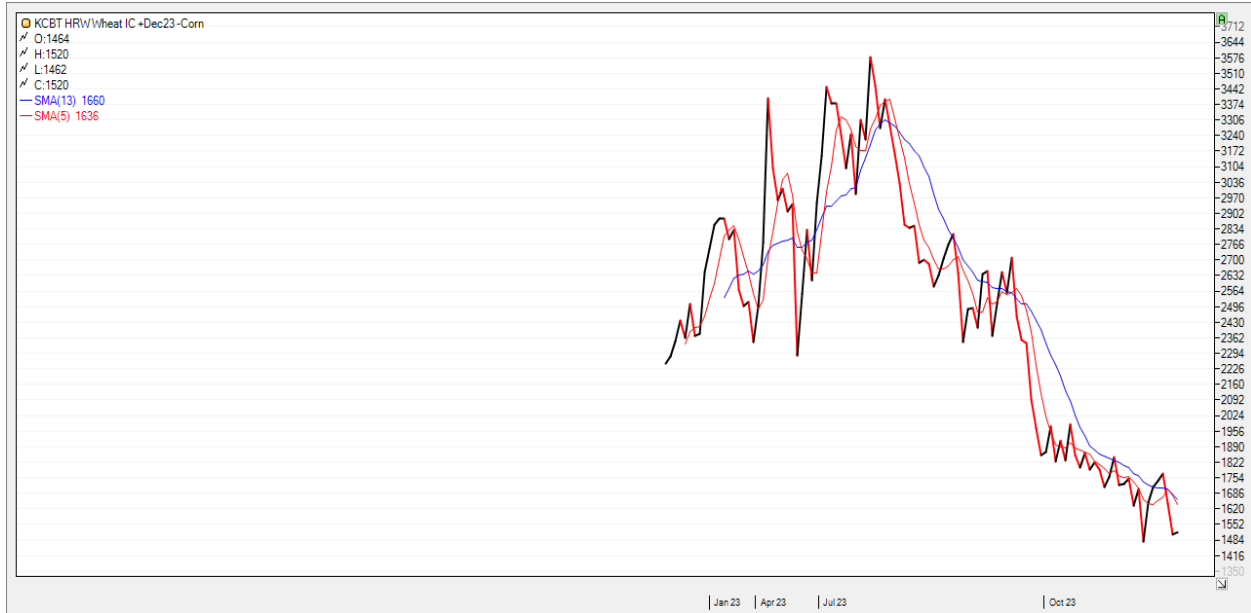
Date	Concordia	Salina	Hutch/Wichita	Ark City
11/24(Z)	-45	-30, -20	-45, -20	-53
11/17(Z)	-45	-30, -20	-45, -15	-53
11/10(Z)	-50	-35, -20	-45, -15	-53
11/03(Z)	-50	-35, -20	-45, -15	-53
10/27(Z)	-50	-35, -20	-45, -15	-53

What about wheat feeding here in the Great Plains?

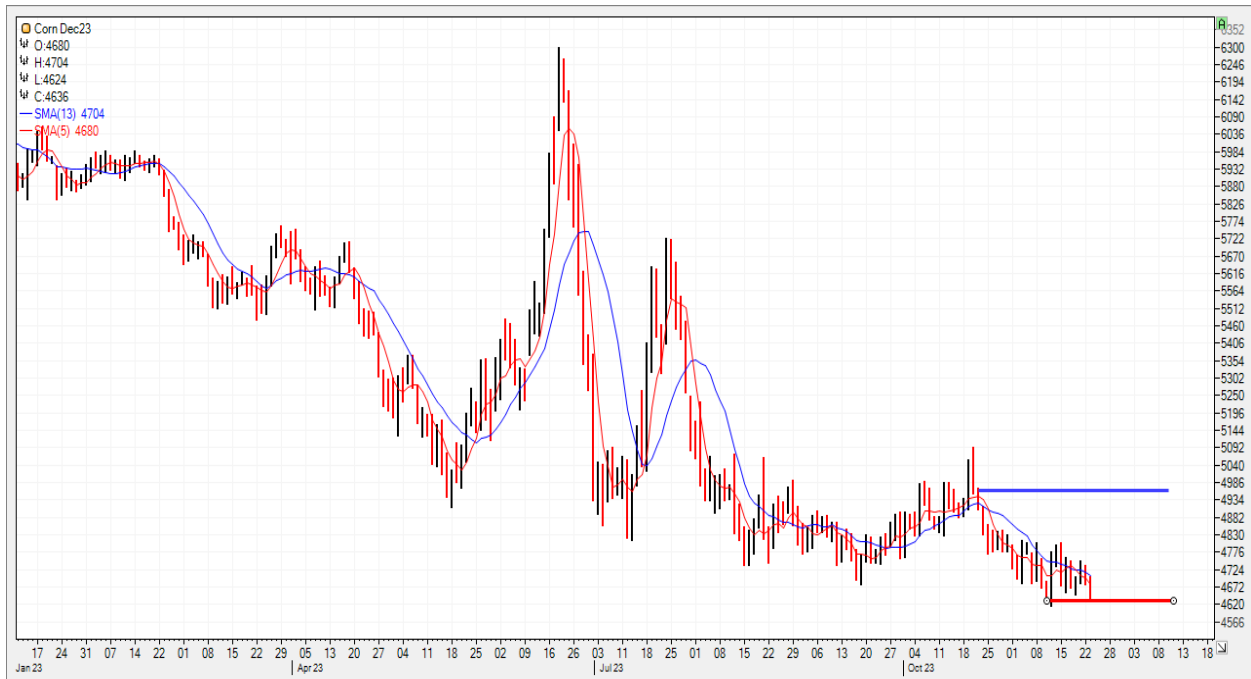
The best posted corn bid in southwest Kansas is +50 CZ, and the best posted milo bid is also +50 CZ, for a flat price of \$5.13/bu, although Colorado's best corn bid is +30 (\$4.93). The average flat price wheat bid in Colorado is \$5.18 (and that includes the Roggen area bid, which is probably going to a wheat mill.)

So...even though Soft red is closer to proving support, and corn...is closer to providing support, "closer to support" ... is not true support yet either, although if the posted basis bids don't change, Colorado wheat is only 25c/bu more than corn, and in some places, less than corn!

This is the KC Z wheat – Z corn futures spread, maybe showing some reluctance to get a lot cheaper:



Dec corn, by itself...showing a double-bottom of support, which means...it needs to hold this week, or...new selling will come in (although I probably need to start tracking the March contracts):



And I see I did not show a KC Z chart, which...is ugly, but...still managed to eke out a close above \$6.00:

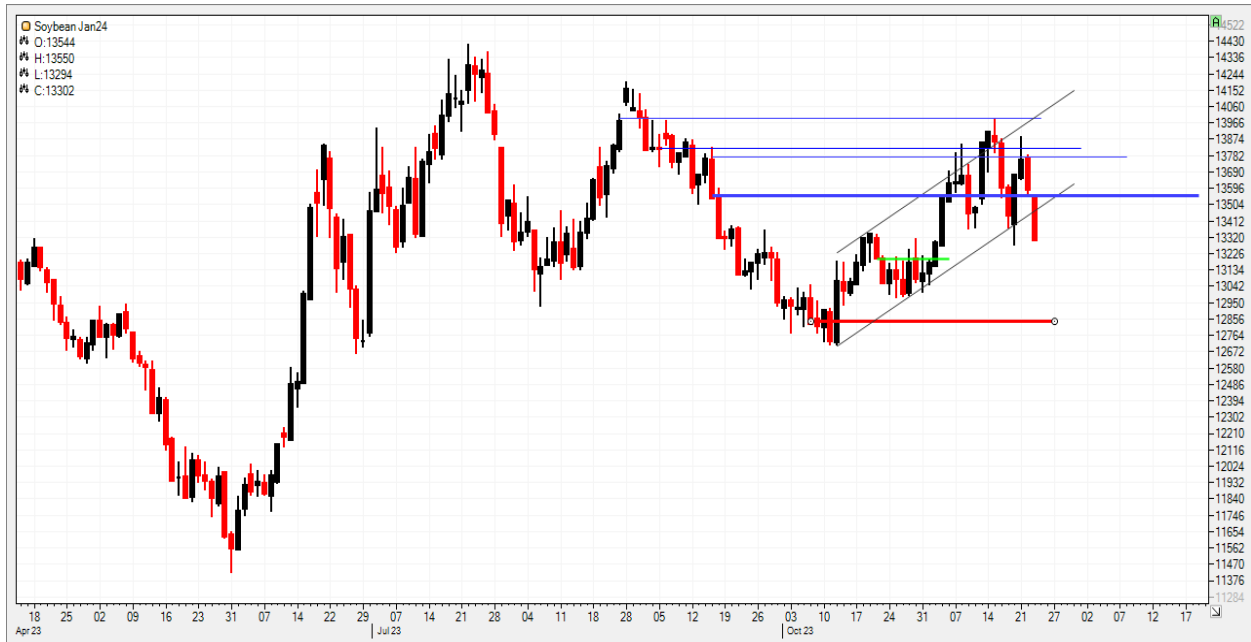


Let's go ahead and adjust the table to track the March futures:

	MAR '24	July '24	MAR'24	July '24	Chgo H	Springs	JAN'24	July '24	Crude	S&P
	HRW	HRW	corn	corn	wheat	MAR (H)	soybean	Soybean	oil	ES23
<i>CLOSE</i>	KWH24	KWN24	CH24	CN24	WH24	MWH24	SF24	SN24	CRD23	ES23
11/24	\$6.12	\$6.26	\$4.83	\$5.04	\$5.77	\$7.15	\$13.31	\$13.67	\$75.54	\$4568
11/17	\$6.28	\$6.39	\$4.85	\$5.05	\$5.76	\$7.32	\$13.40	\$13.73	\$75.89	\$4528
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So the numbers to watch this week are KC March'24 at \$6.12 made a new 11-week Closing Low, Chgo March is about 4c off the 11-week Closing Low, and MGEX spring wheat at \$7.15 is an 11-week Closing Low. March corn is about 4c off the 11-Week Closing Low.

Soybeans...saw a major downtick in the weekly export sales. 35 mil bu was still decent, but compared to previous week's 144 mil bu, it was a disappointment. Brazil wasn't bone-dry, although...it wasn't drenched. The Jan bean chart is looking increasingly heavy, with the close below the uptrending channel, and has me wishing I woulda sold another chunk on that failed attempt at \$14.00 in early November.

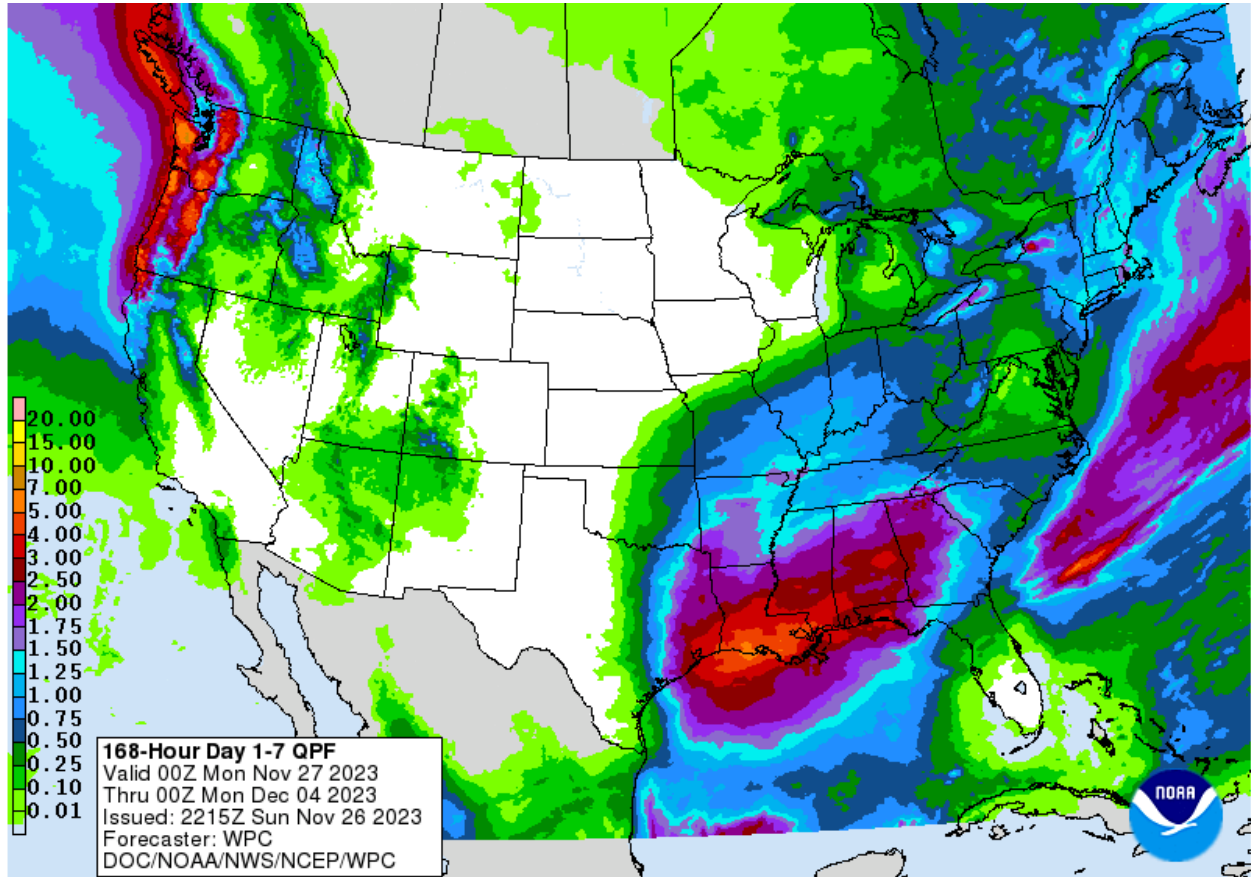


The Export Pace, after some noticeable (bigger) adjustments, is about the same as it was. Nominally, wheat had an uptick...and beans still suggest the USDA's export projection is too low.

WEEK ENDED (11/16/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	21.8	268.2	175	443	2,075	1632	41	39.8
Soybeans	59.1	584.8	60	645	1,755	1110	41	27.0
All wheat	13.2	287.2	100	387	700	313	28	11.2
Milo	4.6	27.1	5	32	255	223	41	5.4
LAST WEEK								
Corn	24.0	242.5	175	418	2,075	1657	42	39.4
Soybeans	61.2	515.6	60	576	1,755	1179	42	28.0
All wheat	7.6	273.3	100	373	700	327	29	11.3
Milo	3.1	22.5	5	28	255	227	42	5.4

My phone shows Cuiaba and Sinop, Matto Grosso, Brazil are on the dry side this week, but...wetter the following week. I don't think the early Sunday nite action will be enthusiastic either way.

The USA forecast is dry for the HRW Wheat Belt, after the weekend snowstorm we just saw...and looks like the PNW has something coming late in the week. I hope Montana gets some.



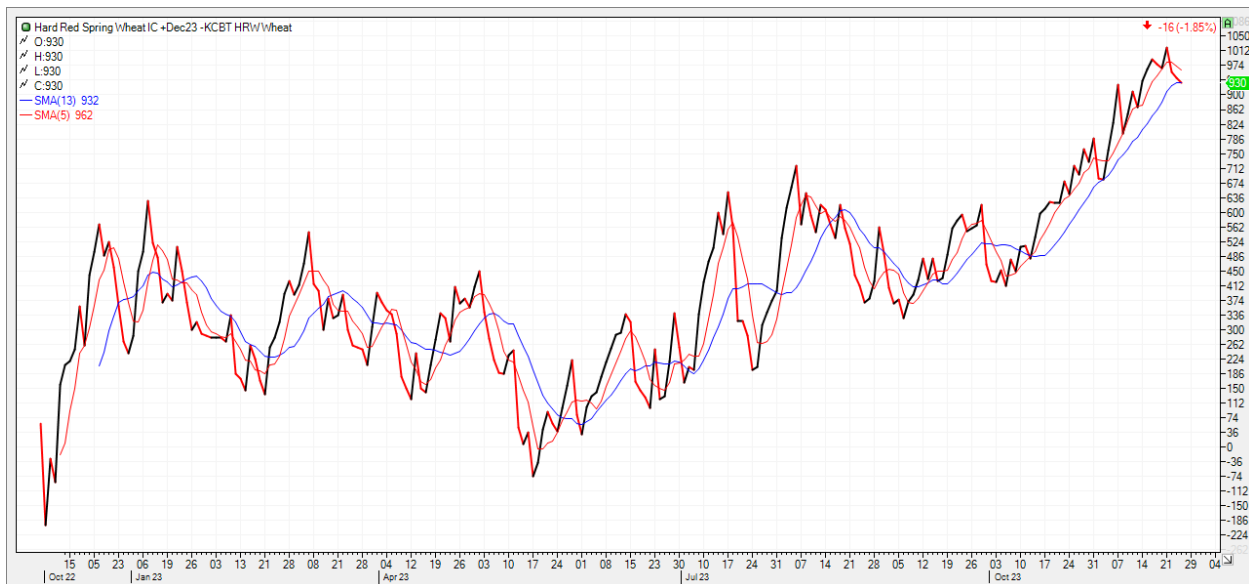
Speaking of dry weather, India's monsoon has been less than hoped for; this article says it might lead to a 5% wheat acreage reduction...<https://www.goodreturns.in/news/indias-wheat-dilemma-stagnant-planting-amid-soaring-prices-raises-concerns-of-import-dependency-1314055.html>

Switching gears...here's a good example of deliberate disinformation...I sent this article to a couple Canadian durum traders when it first came out, and both of them immediately said "B.S"! and later, the Reuters article was revised, but...it's still full of nonsense. <https://www.msn.com/en-us/money/companies/update-2-chinas-cofco-says-it-imported-canadian-durum-wheat-for-first-time/ar-AA1kuyz4>

It reminds me of the old joke, “how do you get an electric guitar player to turn down his volume? Give him some sheet music...”

“How do you get a Canadian wheat trader to change the subject? Ask him about the price Chinese is paying for wheat purchases.”

Canada exports their best wheat as “CWRS” (Canadian Western Red Spring), but they also sell a LOT of spring wheat they call “CPS”, or Canadian Prairie Spring, and that wheat is priced as winter wheat. Seriously...they sell a chunk of wheat priced against KC futures, not the MGEX spring wheat futures, and with KC being a dollar discount to MGEX, shown next, then why wouldn't China buy CPS instead of the CWRS?



Anyway...when I ask my Canadian pals that question, they answer with a question like ...“what do you think of the new Minnesota Vikings’ quarterback?...”

My thoughts on that spread are ...if I can buy spring wheat at a dollar discount to spring wheat...something is out of whack. Disinformation at its finest.

Have a good week. Stay safe. Slow Down. (Speaking personally, driving through Iowa last night, slowing down to only 35 mph at times probably saved my bacon, even though driving that slow is such a drag.)

PS; early Sunday nite action was a boring unchanged, about as expected, although soybeans were defensive against the possibility of more rain for Brazil.

See ya.