

Hello Colorado Wheat.

KC wheat rallied 35c!...what the? probably a typo... Chgo wheat was 26c and Minny was up 15c. Corn was a little better, with beans a little weaker, while crude oil set a new 11-week Closing Low again (a new Red number) while the stock Market moved up and set a new 11-Week Closing High (new Blue number), again:

	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	
CLOSE	KWH24	KWN24	CH24	CN24	WH24	MWH24	SF24	SN24	CRD23	ES23
12/01	\$6.47	\$6.56	\$4.85	\$5.06	\$6.03	\$7.30	\$13.25	\$13.67	\$74.07	\$4601
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
11/10	\$6.51	\$6.64	\$4.79	\$4.98	\$5.99	\$7.43	\$13.48	\$13.74	\$77.17	\$4431
11/03	\$6.55	\$6.70	\$4.92	\$5.10	\$5.99	\$7.40	\$13.52	\$13.84	\$80.51	\$4376
10/27	\$6.56	\$6.70	\$4.95	\$5.09	\$6.03	\$7.38	\$13.20	\$13.54	\$85.54	\$4138
10/20	\$6.79	\$6.88	\$5.09	\$5.22	\$6.14	\$7.53	\$13.20	\$13.51	\$87.08	\$4248
10/13	\$6.79	\$6.88	\$5.09	\$5.22	\$6.06	\$7.46	\$13.00	\$13.33	\$87.69	\$4357
10/06	\$6.83	\$6.92	\$5.07	\$5.20	\$5.98	\$7.45	\$12.85	\$13.20	\$82.79	\$4342
09/29	\$6.72	\$6.81	\$4.92	\$5.06	\$5.74	\$7.34	\$12.95	\$13.27	\$90.79	\$4326
09/22	\$7.19	\$7.11	\$4.92	\$5.06	\$6.07	\$7.87	\$13.14	\$13.33	\$90.03	\$4361
09/15	\$7.52	\$7.36	\$4.91	\$5.04	\$6.30	\$8.04	\$13.56	\$13.70	\$90.77	\$4498

What got in to KC? It was a combination (Bundle! like in those Mahommes State Farm commercials) of many factors, including huge short open interest supposedly by Managed Money, wheat being cheaper than corn in some of the big feed lot areas, and China stepping in and buying some HRW. "China!" will get the credit, but for now, we'll go with \$Six Dollar KC wheat...is cheap enough.

Is \$6.50 KC wheat still cheap enough...? That's a tough question. I lean towards...\$6.50 ain't the same thing as Six Bucks. We'll see what China thinks.

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

Starting with posted bids in the country, mainly to show that the potential of feeding big quantities of HRW lessened considerably last week. The best posted corn (and milo) bid went to +50 over March corn, which was a big basis jump, rolling at even money when the spread was more like a 20c carry. It's possible this is a typo, as sometimes there is some confusion in how the USDA picks up the posted bids, but for now...this looks like a 20c basis bump in corn and milo. That flat price is \$5.35/bu. The average posted flat price wheat bid out west is now \$5.58/bu, so the cash wheat- cash corn spread moved out to a 33c premium wheat; remember last week it was 13c.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/01	\$5.52-\$5.17	\$5.82	\$5.47-\$5.57	\$5.42-\$5.57	\$5.62-\$6.25
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

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
12/01(Z)	-95, -65	-80	-100, -90	-105, -90	-85, -22
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

Date	Concordia	Salina	Hutch/Wichita	Ark City
12/01(Z)	-50	-30, -20	-47, -17	-58
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

Anyway...right now HRW is not as cheap as corn; we may see that change as the year develops...Probably the most important thing we see is that big basis pop in the corn/milo bid in SW Kansas. It will be interesting to see if that bid sticks all week long...or was it a typo.

Posted Gulf bids are better, rolling at even money on the 11's and up a dime on the 12's.

GULF date	12 pro	11's	diff	
12/1/2023	120	105	15	H
11/24/2023	110	105	5	Z
11/17/2023	110	105	5	
11/10/2023	120	85	35	
11/3/2023	120	85	35	

I think it's ok to assume the Chinese purchase got the Gulf exporter's attention, although technically, it's possible the HRW Chinese sale was X the PNW. We'll see after it loads. Anyway...Export Sales reports show China bot 63,000 mt of HRW in the week ended 11/23. What didn't get as much "buzz" was China also bot 110,000 of SRW.

Last week I said China bought Soft Red when the Chgo futures were \$5.50, and then we saw China buy some HRW when the KC futures were \$6.00.

Will China come back when Chgo futures are \$6.00, and KC futures are \$6.50?

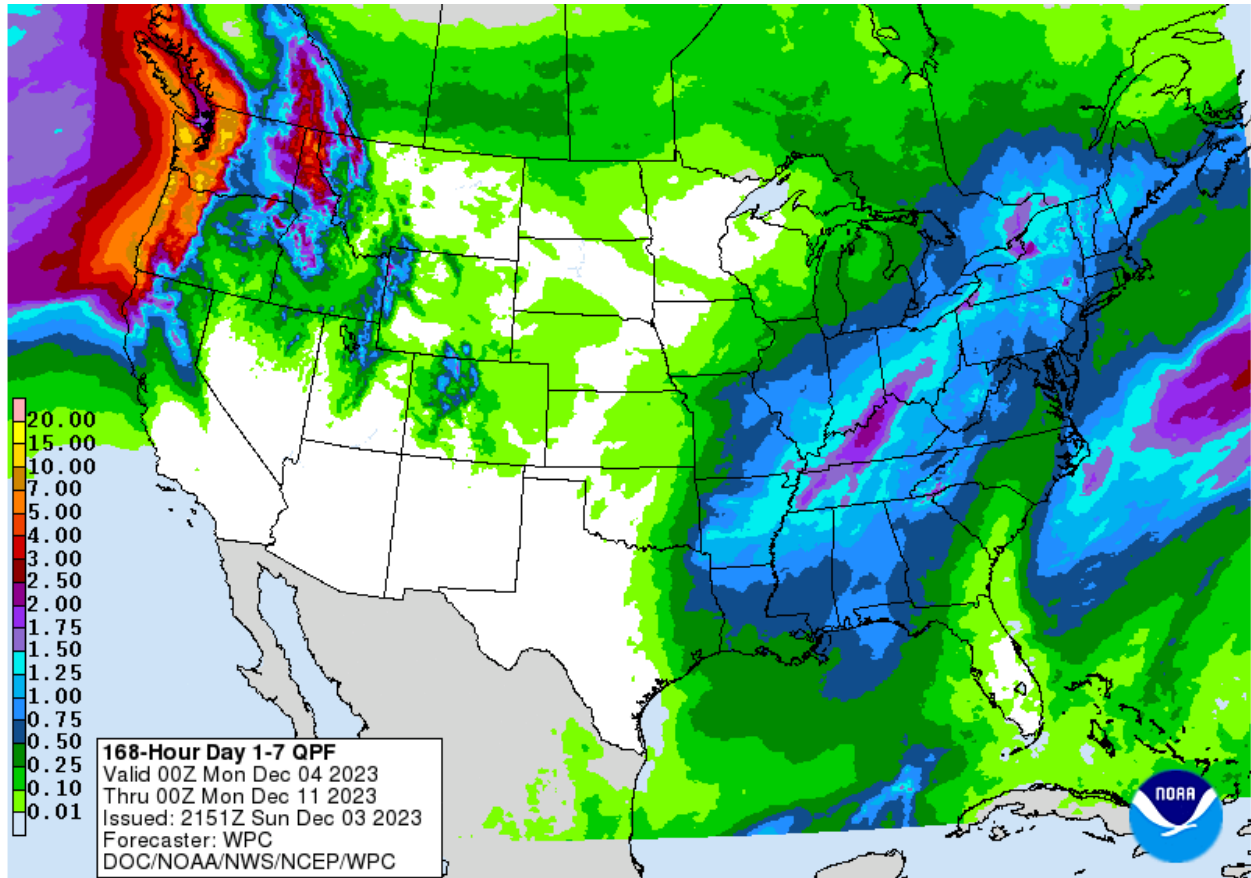
I don't know. We'll see.

Don't get me wrong. It's possible. But also keep in mind that story we saw and referenced last week about rains turning a significant quantity of Aussie wheat into feed wheat. There are a couple big unknowns revolving around what China will keep buying.

This is the KC March wheat chart. The table shows the Blue Number of \$7.52 rolls off the table, and the Blue Number drops to \$7.19, for one week, and then...we get into the mid October 3-week period of \$6.79 to \$6.83, and THAT'S where I'm drawing in the new Blue Line, and that...should be treated as MAJOR RESISTANCE. The Red Line of support is \$6.12, just above those spike lows at \$5.95.



This week's moisture looks very light in the Great Plains, although the Canadian Prairies might get wet as a big storm moves through the PNW:



Besides those headline grabbing USA Wheat Export Sales...USA corn export sales were 76 million bushels! And soybeans rebounded too, with 69 mil bu. Even milo had a good week, at 7.3 mil bu. The world was hungry going into Thanksgiving.

Here's the updated Export Pace scorecard, which is pretty much unchanged.

WEEK ENDED (11/23/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	16.0	286.1	175	461	2,075	1614	40	40.3
Soybeans	53.0	641.3	60	701	1,755	1054	40	26.4
All wheat	10.2	298.5	100	398	700	302	27	11.2
Milo	11.0	38.1	5	43	255	212	40	5.3
LAST WEEK								
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

We will be seeing the USDA's December WASDE update at the end of this week, Friday Dec 8. That Export Pace scorecard says...the USDA needs to increase their USA soybean export forecast.

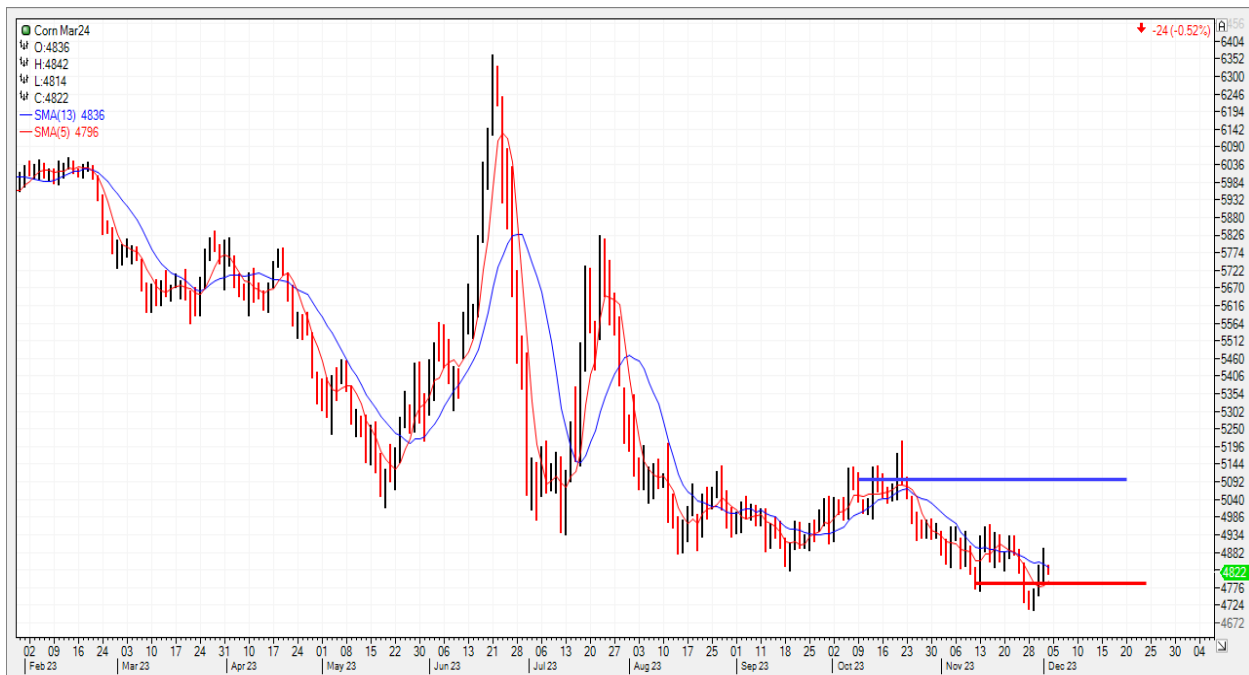
They might decrease corn exports a hair, or more than likely, because the recent export sales for corn have been good, I think they will leave the corn export forecast unchanged, nor do I think they will change their USA wheat export forecast.

What most traders will focus on immediately won't be USA balance sheets, but instead will be to see how much the USDA lowers their South American soybean and corn production estimates.

Wheat changes aren't expected to be major...although the Aussie situation will get some scrutiny. I don't think we see Indian wheat changes. Speaking of Indian wheat, the Indian government announced they would allow a small amount of wheat to be exported...<https://menafn.com/1107520594/India-Permits-Export-Of-Defined-Amount-Of-Broken-Rice-Wheat-To-Five-Countries>

We might see some fine-tuning on Australia, but ...everyone will know a lot more in a month. I did see CHS is building a grain export terminal in Australia...<https://www.startribune.com/chs-joint-venture-building-australian-grain-terminal-agriculture-wheat-exports-minnesota-farmer-coop/600323753/>

This is the March corn chart, with Blue Line double-top resistance up at \$5.09, and Red Line support at \$4.79. March corn has to prove to me that \$4.75 can hold, remembering Dec corn finally developed good support at \$4.63. A couple weeks ago we saw major selling of Dec \$4.50 puts, which seemed like China was saying they would take all the \$4.50 corn anyone wanted to sell. I lean towards...corn has to go revisit the sub -\$4.65 area, which is where we saw those big Chinese corn purchases last week. Although it's fair to say down-side seems limited.



Soybeans...haven't changed much lately. They made spike high runs up to \$14.00, which were a selling opportunity, and the Blue Line remains at \$13.52, which is almost 50c under those spike highs. The Red Line of support at the 11-Week Closing Low is unchanged at \$12.85. There does seem to be a lower trending channel, which needs to get violated to get anyone excited about buying soybeans again.



South American weather continues to be kinda just good enough to prevent a big rally, but sellers seem reluctant to aggressively push it lower. As mentioned, I think we'll see the USDA increase the USA bean export forecast.

This is where the USDA was on South American production estimates on the November WASDE. IF we don't see these estimates revised lower, the market will react very bearishly.

Production (mmt)	corn	soybeans
Brazil	129	163
Argentina	55	48

Have a good week.

Export sales could be a big report this week, again, although I personally believe the markets need to set back a little to encourage big sales again.

I think it will be quiet until the WASDE report Friday, and then...havoc and chaos might happen, one way or the other.

Stay Safe. Slow Down.