

Hello Colorado Wheat.

Friday's December WASDE actually showed a semi-moderate-maybe bullish input for USA wheat by increasing demand, in the exports category, specifically SRW Exports. We'd have to go back a long time to see a WASDE increase the USA wheat exports projection.

And in a true old-school Chicago wheat move, after the report, Chgo closed 10.5c LOWER. Truly a classic "buy the rumor, sell the fact." Even with that dime downtick, you can see wheat had another good week with Chgo leading the way, up 29c, and set a new Blue Number. KC was up 14c, while Minny was only unchanged. The USDA also raised corn exports 25 million bu but didn't decrease the South American corn production estimates...so corn was unchanged, and the table shows corn has been unchanged for a month! The USA soybean S&D did not change at all, and South American soybean production was only lowered 2 million tonnes, disappointing bean Bulls, and beans closed down 21c for the week.

Crude oil set a new 11-Week Closing Low, as OPEC currently seems to have lost some power enforcing production cuts, and the stock market set a new 11-Week Closing High, again, but barely. We'd probably better treat the 4600 area as a ceiling, until we know for sure it's become a floor.

	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
12/08	\$6.61	\$6.70	\$4.86	\$5.06	\$6.32	\$7.30	\$13.04	\$13.44	\$71.23	\$4608
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

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

Early Sunday action has soybeans up 8c or so, and a quick look at my phone's weather says Sinop and Cuiaba (Matto Grosso, Brazil) are wet until Tuesday, and then go dry again for the following week, so beans get a little bounce to start the week. (Corn and wheat are currently about unchanged.)

Here's the Jan soybean chart, not really doing anything, maybe bouncing off the lower line of the down trending channel. The Intra-Week \$14 Spike Highs are resistance above the \$13.52 Blue Line. We'll probably be showing a March soybean chart next week.



The 2 million tonne drop to the Brazilian estimate wasn't enough to get things rocking. There are plenty of estimates disagreeing with the USDA, calling the Brazilian crop more like 151 instead of 161 mmt, but...right now, it is what it is.

I'm still personally disappointed the USDA did not raise their USA soybean export forecast. Here's the updated Export Pace scorecard (showing the 25 mil bu increase to wheat and corn forecasts), now showing we need to load less than 26 mil bu of beans weekly for the next 39 weeks.

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	45.6	331.8	175	507	2,100	1593	39	40.8
Soybeans	40.7	686.8	60	747	1,755	1008	39	25.8
All wheat	6.9	305.8	100	406	725	319	26	12.2
Milo	4.6	42.7	5	48	255	207	39	5.3
LAST WEEK								
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

Typically, we wouldn't see a noticeable drop in bean shipments until early March, which is another 15 weeks of 40 mil bu or so, leaving then 408 mil to load in 24 weeks, which is 17 mil bu weekly. Soybean export sales this week were almost 56 mil, down from last week's 69, but still relatively large. Anyway, I still think USA soybean exports will be more than 1755 mil bu.

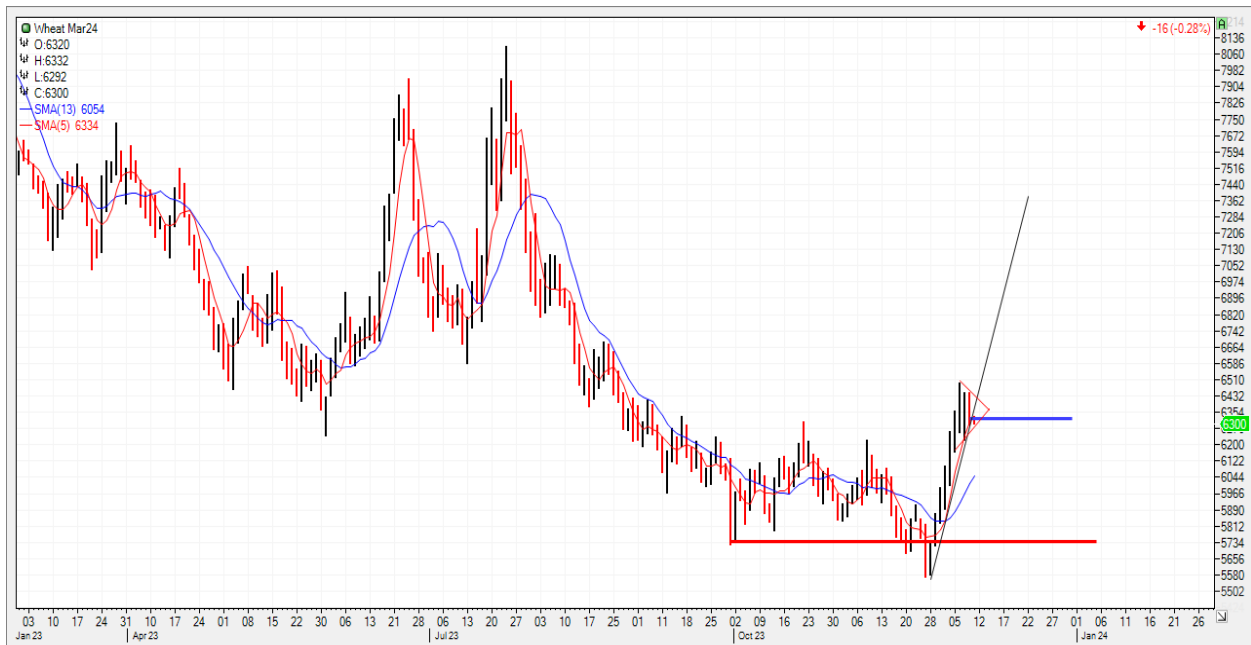
The Pace scorecard shows corn had a big loading week, of almost 46 mil bu, which was a marketing year high. Corn needs to load almost 41 mil bu weekly to reach the new higher forecast. Corn exports sales were good too, at not quite 51 mil bu.

Wheat...had a really bad loading week, no two ways to put it, and needs to load about 12 mil bu weekly for the next 26 weeks. Wheat is halfway through its marketing year. Wheat export sales were 13 mil bu. Reading the reports, one might notice that Hard Red Winter wheat export loading from the Texas Gulf (both North and South ports) were ZERO last week. Wow...

The 25 mil bu increase in the USA wheat export forecast was all to Soft Red, and we'll assume that's because of expectations for more Chinese business. What worries me about that is...wheat is halfway finished, and so far, China has taken 13.6 mil bu, but they have another 15.9 mil bu on the books...which means the rate of actual wheat for China loadings has to DOUBLE soon. A friend of mine (who is a mill buyer, so he is a professional bear...) said he figures China got long flat price futures, made those announced purchases, and can now sell the futures then announce cancellations, and just go to the bank, and shift purchases to Australia.

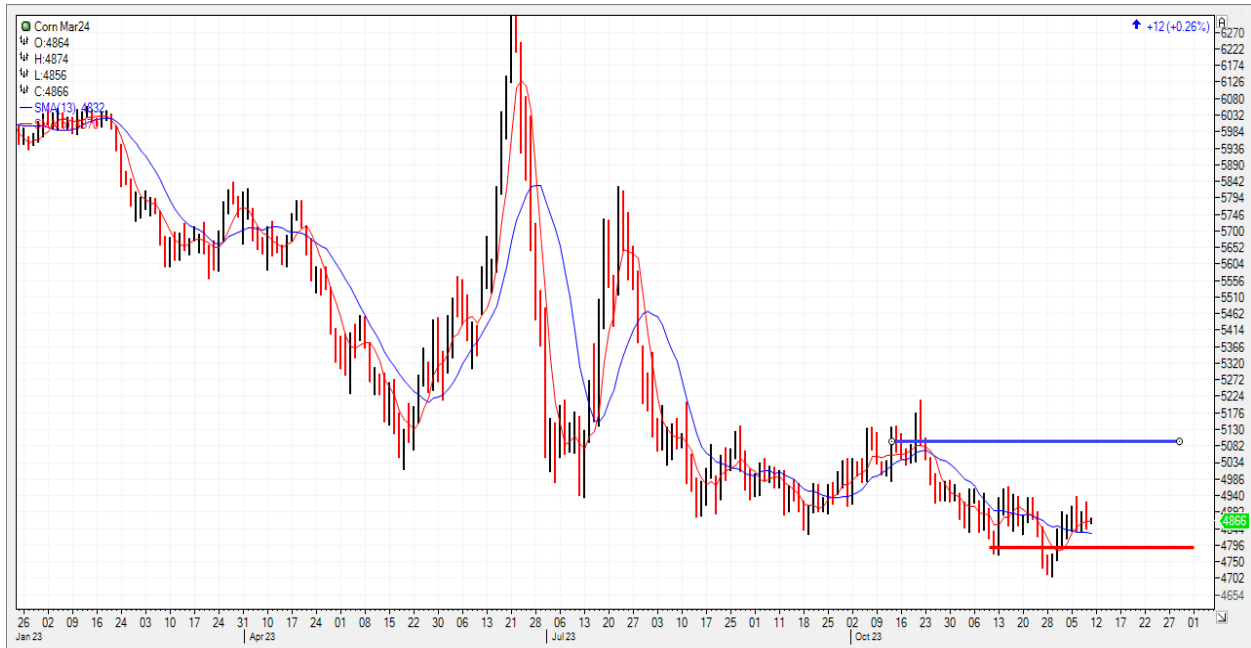
I told him he is much too young to be such a cynic, but I know what the business can do to a fella.

Here's a Chgo March wheat chart...showing a very steep uptrend, sitting up there on a new Blue Line, and a Bull Flag pointing higher:



That's a dynamic chart, pointing higher. The market will likely go with a breakout from that little flag formation.

March corn is the opposite of a dynamic chart, and will almost certainly try to go with a breakout, IF/WHEN it finally gets a breakout. Blue Line is \$5.09; Red Line is 4.79. Tight 30c range...



Looking back at the table on page 1, we see the 4-week Closing High and Closing Low are ONLY 3c APART! A Friday close below \$4.83 or above \$4.86 should bring in some action, but...when is that coming?! What the...

South American rain forecasts should be able to do the trick, one way or the other.

The Dec WASDE didn't change South American corn production estimates, but the Black Sea region went up 2 mmt, a million tonnes both in Russia and also Ukraine.

I mentioned HRW exports from the Texas Gulf last week were zero. BUT...we see some life in the Texas to-arrive Gulf bids, so I'm leaning towards the exporters think we are indeed going to change that zero loading/week...

GULF date	12 pro	11's	diff	
12/8/2023	133	113	20	
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	

These are the highest Gulf bids we've seen in SEVEN MONTHS.

Rumors say China is asking about USA HRW...but it could really be Brazil.

Anyway, we don't see better basis bids out in the country yet, but I bet we will next week, and we do see a freckle better bids from the Central Kansas terminals:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/08	\$5.66-\$5.76	\$5.81	\$5.61-\$5.71	\$5.61-\$5.71	\$5.76-\$6.41
12/01	\$5.52-\$5.82	\$5.67	\$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
12/08(H)	-95, -85	-80	-100, -90	-100, -90	-85, -20
12/01(H)	-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

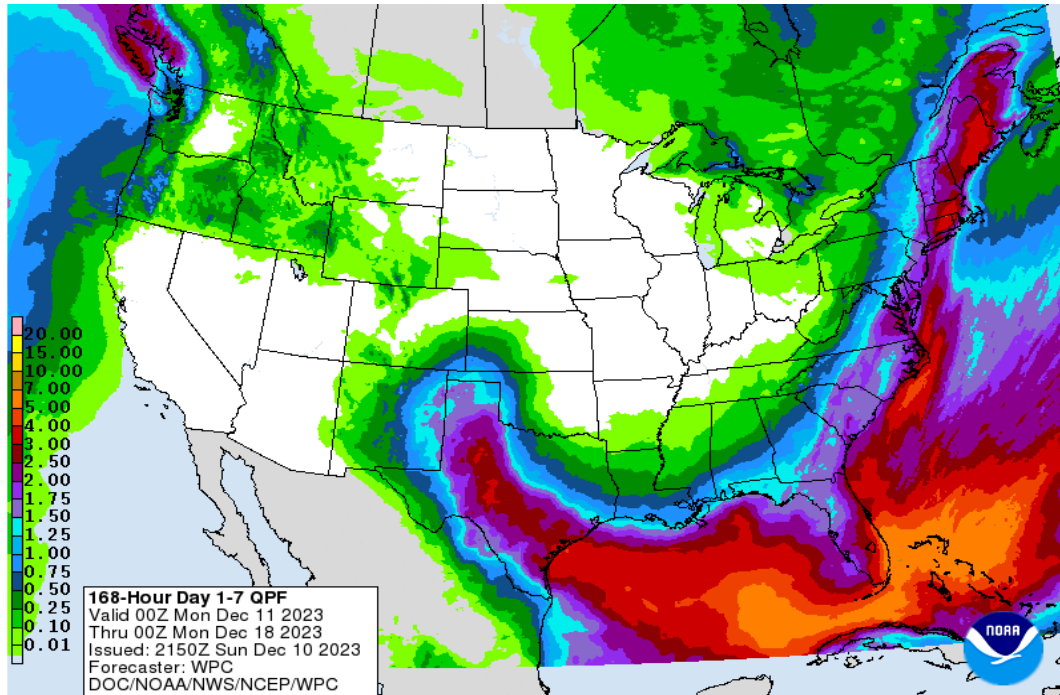
Date	Concordia	Salina	Hutch/Wichita	Ark City
12/08(H)	-40	-30, -20	-45, -15	-53
12/01(H)	-50	-30, -20	-47, -17	-58
11/24(Z)	-45	-30, -20	-45, -20	-53
11/17(Z)	-45	-30, -20	-45, -15	-53
11/10(Z)	-50	-35, -20	-45, -15	-53
11/03(Z)	-50	-35, -20	-45, -15	-53

The World wheat balance sheets did change a little, but not because of South American reductions. Canada's wheat production went up a million tonnes, and so did Australia's. World wheat ending stocks did NOT increase though, as world wheat usage increased 2 mmt.

The KC March wheat chart isn't moving much...more like corn, not Chgo wheat:



The forecast shows TX and OK Panhandles, and SE CO and SW KS have a shot of rain coming in midweek:



Winter wheat conditions going into dormancy are much better than last year.

We will be getting more updates from Australia this month on their wheat production estimates, although after the USDA raised their forecast, I suspect we'll mainly hear "better" news.

India seems to still be in trouble though. We heard more rumors India was going to import 2 million tonnes of wheat from Russia, but that has not been confirmed. This story says Indian wheat stocks are getting low, hitting a 7-year low. <https://www.reuters.com/world/india/indias-wheat-stocks-hit-7-year-low-govt-sells-more-calm-prices-2023-12-08/> I think the 7-year low in Indian ending wheat stocks was 9.5 mmt, which was last year's (2022/23). The USDA is currently tracking Indian ending stocks for this year at 11.0 mmt.

Switching gears, there was a big boondoggle in Dubai last week, called COP 28, where world leaders pledged to reduce emissions and reduce oil usage. The WSJ ran this article about the COP 28 hypocrisy... I believe this MSN version is not behind a paywall... <https://www.msn.com/en-us/money/other/climate-change-hypocrisy-is-a-fair-cop-for-dubai-conferees/ar-AA1kZGHR>

And since we're talking about hot air, I see Mootral has a new and improved bovine feed additive (derived mainly from garlic) that will reduce cow methane by 50%. Some how I like that better than digging pipelines and seizing land via Eminent Domain to bury carbon dioxide, but...I think they and the COP 28 summit have a lot of mutual hot air. https://finance.yahoo.com/news/mootral-introduces-methane-reduction-technology-120000268.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuYmluZy5jb20v&guce_referrer_sig=AQAAEwbKbs5aENUOTaydIV-wXfnzsjhnLf8ojUonmkcDLsilL_UozMJku_BZAmiC0kg8iRBM_PCHzuNhDUvhKMuruGG2yDxEmmKQXPqeAOghXXop5y3qzugJpy1eFmIUix40eApa7Lbb1cUvUwWGmX9V3vyYqYfVKH10BAMHIZDKxQc

That's enough hot air for now.

Have a good week. Stay Safe. Slow Down.