

Hello Colorado Wheat.

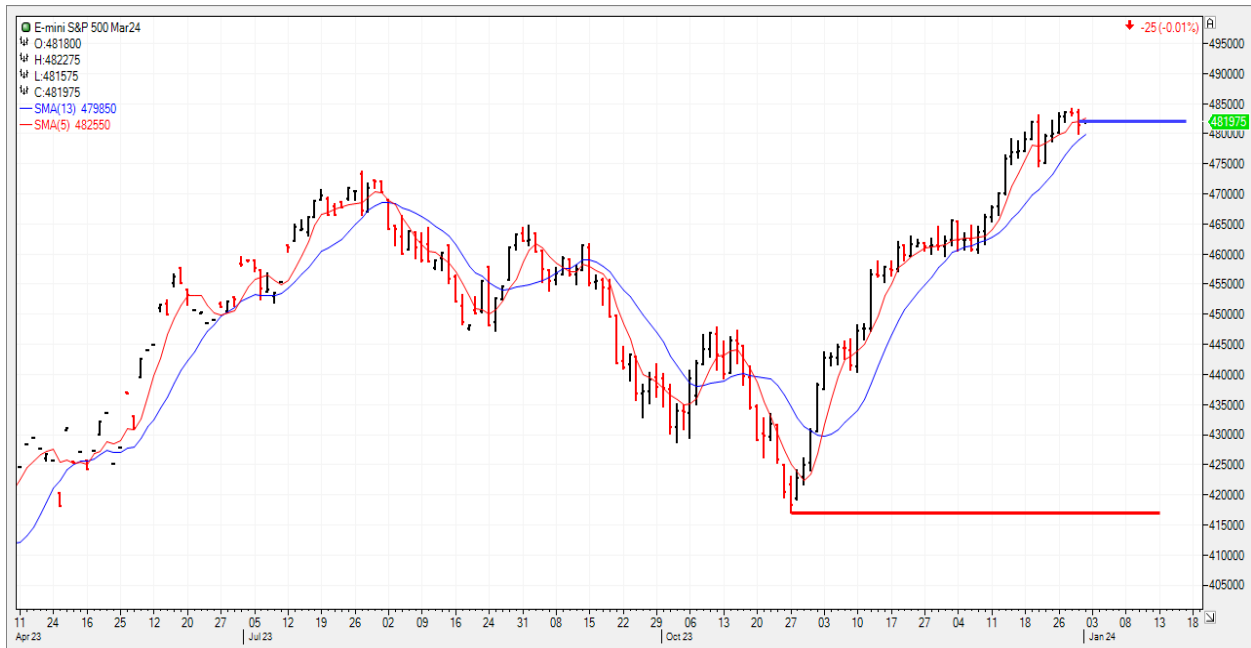
I hope your Holiday Season was great, and while we're at it, I hope 2024 is a great year for you.

We see two new weeks of data on this 11-week Closing Table, with wheat bouncing from last week to be about unchanged over the past 2 weeks, but corn and soybeans closed the year on new red numbers (new 11-week Closing Lows). Crude oil is slightly higher in the past 2 weeks, but the stock market...just kept moving higher, and closed on a new blue number (new 11-Week Closing High). The stock market has set a new blue number 7 consecutive weeks. All Ag commodities were noticeably weaker for the year, with KC wheat being the weakest of the weak...at only 72.2% of what it was worth a year ago. The S&P e-mini was the strongest, gaining almost 25% this year. Some long-only Index Funds will be selling the stock market and buying commodities ("Rebalancing"), including KC wheat and corn, but...I'm leaning towards Yikes! I really don't want to do that with my own Managed Money.

	MAR '24	July '24	MAR'24	July '24	Chgo H	Springs	MAR'24	July '24	Crude	S&P
	HRW	HRW	corn	corn	wheat	MAR (H)	soybean	Soybean	oil	
CLOSE	KWH24	KWN24	CH24	CN24	WH24	MWH24	SH24	SN24	CRD23	ES23
12/29	\$6.42	\$6.46	\$4.71	\$4.94	\$6.28	\$7.24	\$12.98	\$13.13	\$71.65	\$4820
12/22	\$6.23	\$6.32	\$4.73	\$4.96	\$6.17	\$7.14	\$13.06	\$13.22	\$73.56	\$4805
12/15	\$6.43	\$6.52	\$4.83	\$5.05	\$6.29	\$7.31	\$13.32	\$13.50	\$71.43	\$4768
12/08	\$6.61	\$6.70	\$4.86	\$5.06	\$6.32	\$7.30	\$13.23	\$13.44	\$71.23	\$4608
12/01	\$6.47	\$6.56	\$4.85	\$5.06	\$6.03	\$7.30	\$13.46	\$13.67	\$74.07	\$4601
11/24	\$6.12	\$6.26	\$4.83	\$5.04	\$5.77	\$7.15	\$13.49	\$13.67	\$75.54	\$4568
11/17	\$6.28	\$6.39	\$4.85	\$5.05	\$5.76	\$7.32	\$13.57	\$13.73	\$75.89	\$4528
11/10	\$6.51	\$6.64	\$4.79	\$4.98	\$5.99	\$7.43	\$13.61	\$13.74	\$77.17	\$4431
11/03	\$6.55	\$6.70	\$4.92	\$5.10	\$5.99	\$7.40	\$13.67	\$13.84	\$80.51	\$4376
10/27	\$6.56	\$6.70	\$4.95	\$5.09	\$6.03	\$7.38	\$13.33	\$13.54	\$85.54	\$4138
10/20	\$6.79	\$6.88	\$5.09	\$5.22	\$6.14	\$7.53	\$13.31	\$13.51	\$87.08	\$4248
10/13	\$6.79	\$6.88	\$5.09	\$5.22	\$6.06	\$7.46	\$13.13	\$13.33	\$87.69	\$4357
LY	\$8.88		\$5.93		\$7.92	\$9.39	\$15.19		\$80.26	\$3861
% vs LY	72.2%		79.4%		73.9%	77.1%	85.5%		89.3%	124.8%

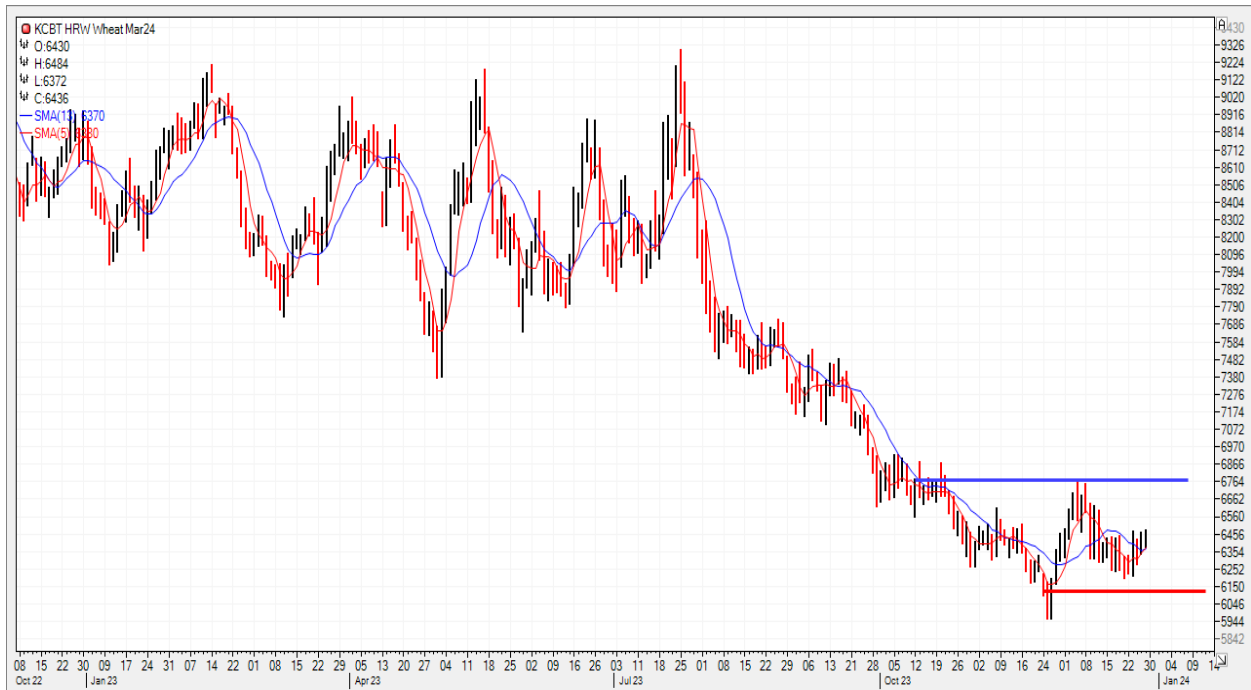
Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. STUDIES SHOW GOOD MANAGEMENT ADDS AN AVERAGE OF 13 BU/ACRE; IT PAYS FOR ITSELF

Although, this chart of the March contract of the E mini shows some moving averages might be close to crossing, and I doubt at the next Fed meeting they will cut interest rates, so...one of these days, selling the stock market will be a good trade. I think I'd rather wait for a sell signal.

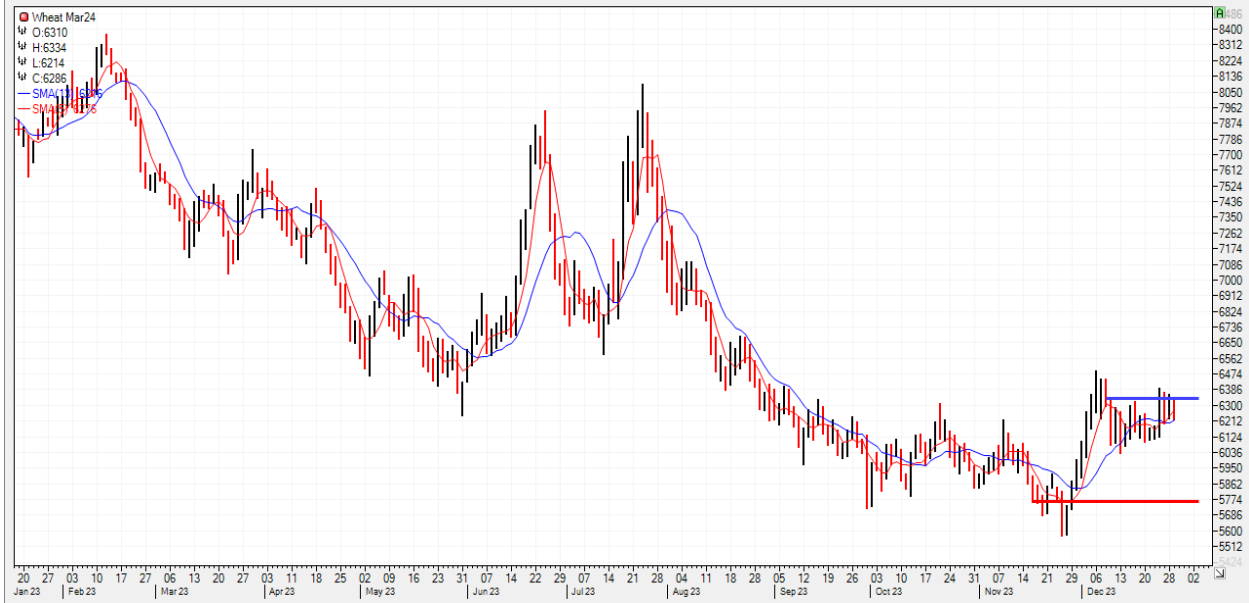


What about buying KC wheat? How ill that turn out for the "Rebalancers"?

KC H shown here, with maybe some moving average action looking positive, but that's about it. That's a 67c spread between the Blue Line and the Red Line, which sounds like choppy action to me.



Chgo March wheat...bouncing up into the Blue Line of Resistance...will definitely influence KC wheat. Will the Rebalancing's expected buying be enough to close Chgo higher this week and go set a new Blue Line, or...has the "front running" the expected rebalancing buying run out of steam, and Chgo wheat fails miserably at the Blue Line, again?



The problem is...we haven't seen a new round of USA Soft Red Winter wheat purchases by the Chinese in a while now.

The updated Export Pace scorecard looks about unchanged. Corn is still lagging the needed pace a little, while soybean loadings are still a little above the needed pace. The wheat pace hasn't changed much, although milo had 2 really good weeks of loadings.

WEEK ENDED (12/21/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	42.6	442.3	175	617	2,100	1483	36	41.2
Soybeans	39.3	817.6	60	878	1,755	877	36	24.4
All wheat	15.8	342.9	100	443	725	282	23	12.3
Milo	10.3	77.0	5	82	255	173	36	4.8
LAST update								
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

But back on the wheat concern...there are still 60 million bu of SRW on the books to China...

and the last time China took any SRW was...mid-September, and the last big SRW big wheat sales to China were announced a couple weeks ago.

I think that's why the Chgo H wheat chart on page 3 has stalled, and I'm not sure the expected "rebalancing" will be enough to make Chgo close above the Blue line, and if Chgo stalls out completely and fades, it won't be good for KC wheat.

Although...this KC July – Chgo wheat spread chart does indeed suggest KC at even money with Chgo is viewed as "probably cheap enough", at least in the new-crop. There are some big reports coming out on Jan 12...Grain Stocks, annual Crop Production, the January WASDE update, AND...the first look at Winter Wheat Seedings. That report might (probably WILL) affect this spread chart.

KC N- Chgo N:



Gulf HRW to-arrive bids were up 7c last week:

GULF date	12 pro	11's	diff	
12/29/2023	140	120	20	
12/22/2023	133	113	20	
12/15/2023	133	113	20	
12/8/2023	133	113	20	
12/1/2023	120	105	15	H
11/24/2023	110	105	5	Z

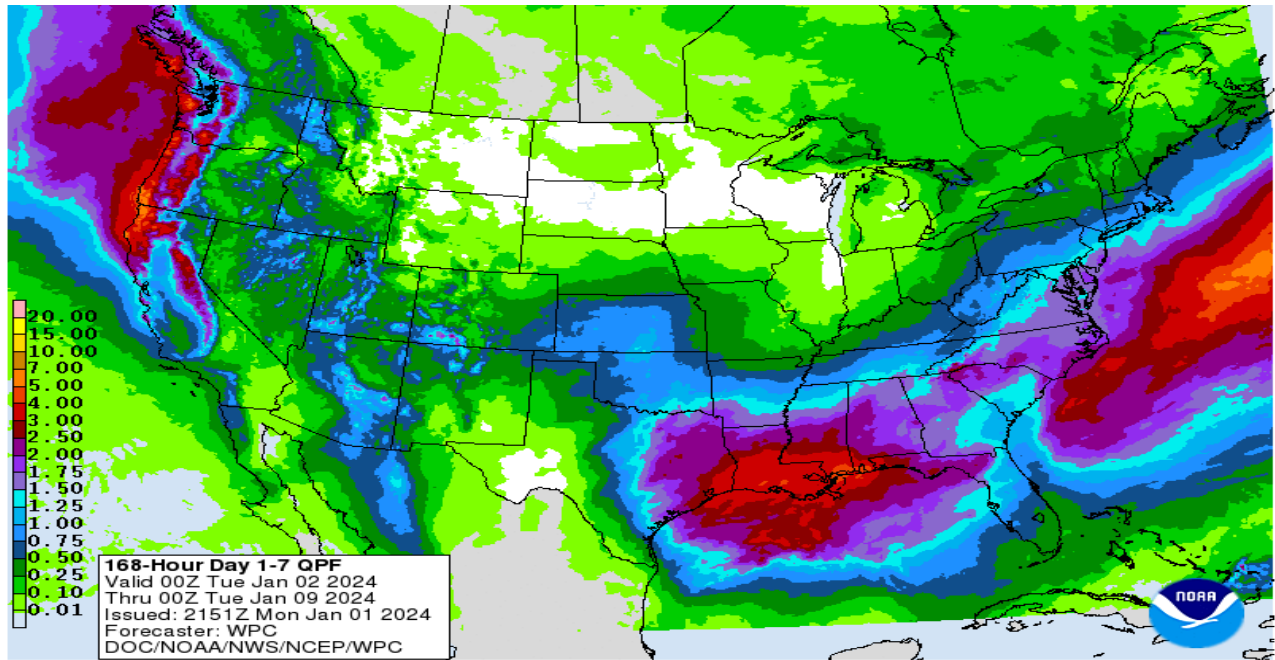
Posted basis bids are a little better in some spots (finally), and I suspect other spots will be higher next week.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/29	\$5.47-\$5.67	\$5.62	\$5.437-\$5.57	\$5.43-\$5.52	\$5.57-\$6.22
12/22	\$5.28-\$5.38	\$5.43	\$5.23-\$5.33	\$5.24-\$5.33	\$5.38-\$6.03
12/15	\$5.48-\$5.58	\$5.63	\$5.43-\$5.53	\$5.44-\$5.53	\$5.58-\$6.23
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

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
12/29(H)	-95, -75	-80	-95, -85	-99, -90	-85, -20
12/22(H)	-95, -85	-80	-100, -90	-99, -90	-85, -20
12/15(H)	-95, -85	-80	-100, -90	-99, -90	-85, -20
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

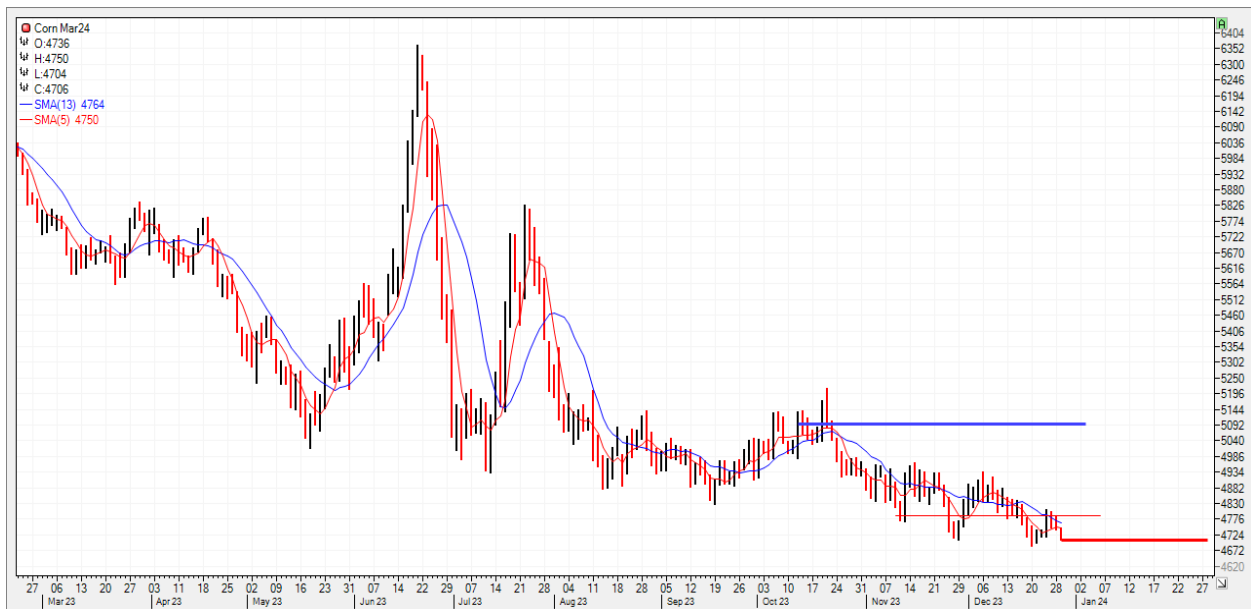
Date	Concordia	Salina	Hutch/Wichita	Ark City
12/29(H)	-35	-25, -20	-45, -15	-53
12/22(H)	-40	-30, -20	-45, -15	-53
12/15(H)	-40	-30, -20	-45, -15	-53
12/08(H)	-40	-30, -20	-45, -15	-53
12/01(H)	-50	-30, -20	-47, -17	-58
11/24(Z)	-45	-30, -20	-45, -20	-53
11/17(Z)	-45	-30, -20	-45, -15	-53

Besides worrying about the Chinese purchases slowing and the exports to China dragging their feet further...this forecast looks pretty good, which means...NOT exactly bullish. You know I'll take bushels over price any day, and...this looks like bushels to me:



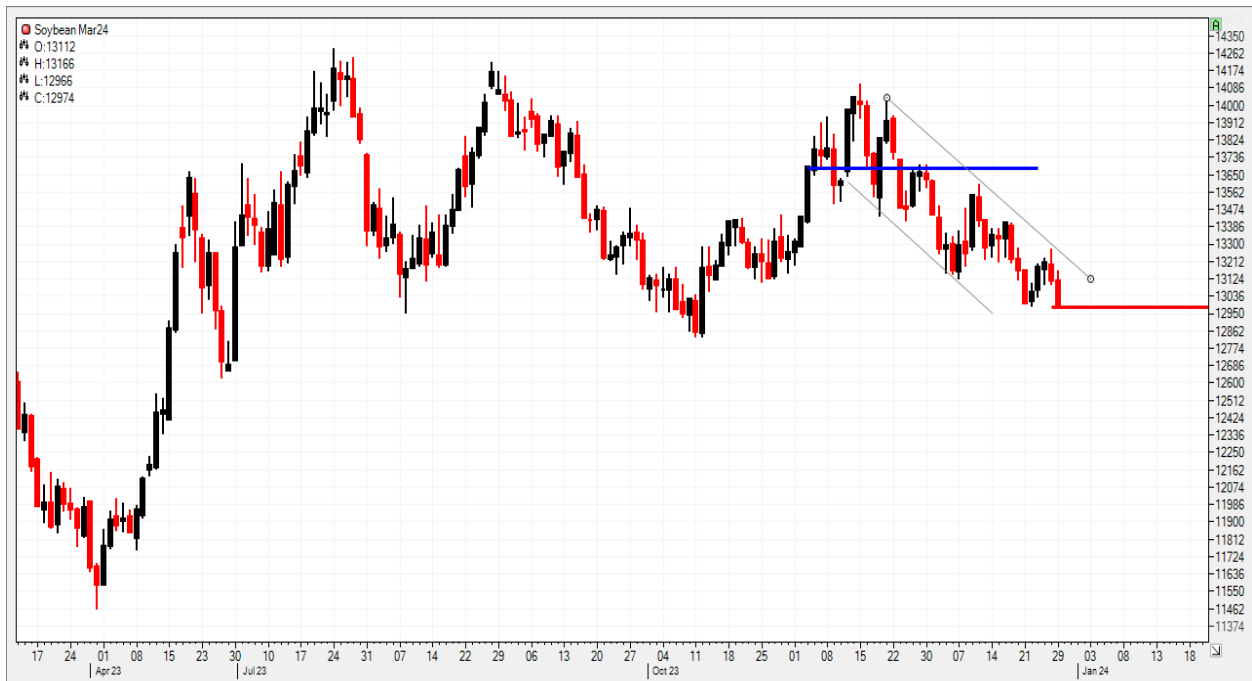
Anyway...I think wheat will get some buying from the Rebalancing, but after that...start to fade to see if it can get the Chinese wheat buyers to come back in.

Before we took a break, I had been writing that corn had stayed in a 3c range for about 6 weeks, and that could not last, with the likely mover being South American rains, or lack of them. This is March corn, breaking down:



There will be some corn buying in the about-to-occur rebalancing, but...this corn chart looks bad. Corn is headed lower. I expect corn to move to the \$4.50 area, to see if corn export sales significantly increase, although it's possible the Grain Stocks could throw a friendly curveball.

What happened? We have to assume South American rains just kept trickling in, enough to prevent a disaster. Thus...we see March soybeans closing below \$13.00, with a new Red Line, that...probably will not hold:



I am selling the remaining 25% of my soybeans. Goodbye beans. And while I'm at it, I am selling the last 15% of my corn. Good bye corn.

What spooked me?

New red lines mainly.

Why did we get the red lines?

South American weather gets most of the blame, and what about the forecast...?

It's wet.

This is from my phone, which is good enough, and we see 10 days of rain coming to Mato Grosso.



That's the end, in my opinion. Maybe the USA this spring turns hot and dry, but I'm not going to sit and wait for that.

Switching gears...I saw this article about a winter cover crop that's NOT RYE, or NOT KERNZA, but actually has a shot at being useful. Why? Because it's an oilseed, and of course can be made into bio-diesel, etc. It's called camelina; I expect we'll hear more about it.

<https://www.msn.com/en-us/news/us/move-over-kernza-camelina-is-a-new-winter-oilseed-that-could-save-the-mississippi-river/ar-AA1mbVk8>

Have a good week.

Stay Safe. Slow Down.

If you're still setting on a chunk of unsold crops, I'd suggest lightening the load.