

Hello Colorado Wheat.

Most of the USA is locked in a deep freeze as we celebrate Martin Luther King Day. The good news is we're already halfway through January...

Speaking of cold blankets.... Friday's massive USDA data dump was about as bearish as it gets. In a nutshell... Bearish numbers everywhere...

USA corn and beans yields were increased much more than expected, and world bean and corn numbers were not friendly either, setting the tone...forcing wheat to peer intently for any bullish crumbs. Did wheat find any bullish crumbs? A couple, yes, but we are definitely talking about crumbs, not the loaf, probably not even a slice or a cracker, but only crumbs.

Starting with world numbers...no bullish inputs there as world wheat 23/24 beginning stocks were up 2 mil tonnes found in Ukraine, and then both Russian and Ukrainian production were increased a million tonnes each, which allowed world usage to increase a couple mmt. The net was ...world ending stocks increased about 2 mmt. No changes to Argentina, Canada, Europe, or Australia, so will assume some fine tuning, at best, on those countries happens in a month or so.

USA numbers did change, but only in the feed/residual category, and even that was a good news/bad news deal, as feed/res from TWO years ago was reduced 24 mil bu, yet...feed/res from LAST year increased 12 mil bu; net effect...was this year's beginning stocks were 12 mil bu lower than we thought.

We didn't see any feed/res changes to THIS year, but maybe we will see something in a year or two, maybe.

Probably the most interesting wheat numbers were found in the Winter Wheat and Canola Seeding report. Most analysts were looking for about a 3% drop in wheat acres (I personally thought the numbers wouldn't be down even that much), BUT the USDA came out with a 6% drop in all winter wheat acreage. Soft red acres were down about 13%; Hard red acres were down 5%. Those numbers were indeed on the friendly side, BUT...we all know this has been a wet fall/early winter compared to last year, so besides expected better yields, we will almost certainly see a jump in harvested percentage of those planted acres compared to last year's record low per cent of harvested vs planted acres, maybe by as much as 8% nationwide, which means...the reduction in wheat planted acres will probably soon be forgotten.

Crumbs at best, no loaf.

Maybe even gluten-free crumbs. What the...

Where next? Is the bear action finally over? We've got \$4.50 corn, \$12.00 beans and \$6.00 wheat. How much more bearish are we?

*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***

After Friday's wipeout...we see KC and Chgo wheat were down 13c and 20c for the week respectively, BUT...unable to set new red numbers, whereas corn and beans set new red numbers easily...BUT are down to areas of previously expected support (\$4.50 corn and \$12 beans). Crude oil set back a bit, but surely is nervous about the Red Sea action, and the stock market bumped up into resistance, and we probably should treat the \$4820 area as a tough double-top to get through.

	MAR '24 HRW	DEC '24 HRW	MAR'24 corn	DEC '24 corn	Chgo H wheat	Springs MAR (H)	MAR'24 soybean	NOV '24 Soybean	Crude oil	S&P
CLOSE	KWH24	KWZ24	CH24	CZ24	WH24	MWH24	SH24	SX24	CRD23	ES23
01/12	\$6.15	\$6.49	\$4.47	\$4.82	\$5.96	\$7.00	\$12.24	\$12.02	\$72.68	\$4816
01/05	\$6.28	\$6.62	\$4.61	\$4.94	\$6.16	\$7.12	\$12.56	\$12.09	\$73.81	\$4735
12/29	\$6.42	\$6.70	\$4.71	\$5.04	\$6.28	\$7.24	\$12.98	\$12.46	\$71.65	\$4820
12/22	\$6.23	\$6.58	\$4.73	\$5.05	\$6.17	\$7.14	\$13.06	\$12.58	\$73.56	\$4805
12/15	\$6.43	\$6.75	\$4.83	\$5.12	\$6.29	\$7.31	\$13.32	\$12.76	\$71.43	\$4768
12/08	\$6.61	\$6.90	\$4.86	\$5.12	\$6.32	\$7.30	\$13.23	\$12.70	\$71.23	\$4608
12/01	\$6.47	\$6.82	\$4.85	\$5.14	\$6.03	\$7.30	\$13.46	\$12.82	\$74.07	\$4601
11/24	\$6.12	\$6.52	\$4.83	\$5.11	\$5.77	\$7.15	\$13.49	\$12.80	\$75.54	\$4568
11/17	\$6.28	\$6.62	\$4.85	\$5.12	\$5.76	\$7.32	\$13.57	\$12.83	\$75.89	\$4528
11/10	\$6.51	\$6.87	\$4.79	\$5.07	\$5.99	\$7.43	\$13.61	\$12.80	\$77.17	\$4431
11/03	\$6.55	\$6.92	\$4.92	\$5.18	\$5.99	\$7.40	\$13.67	\$12.97	\$80.51	\$4376
10/27	\$6.56	\$6.93	\$4.95	\$5.12	\$6.03	\$7.38	\$13.33	\$12.74	\$85.54	\$4138
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%

So it boils down to this: Can KC stay above Six Bucks?

Is \$4.50 corn cheap enough?

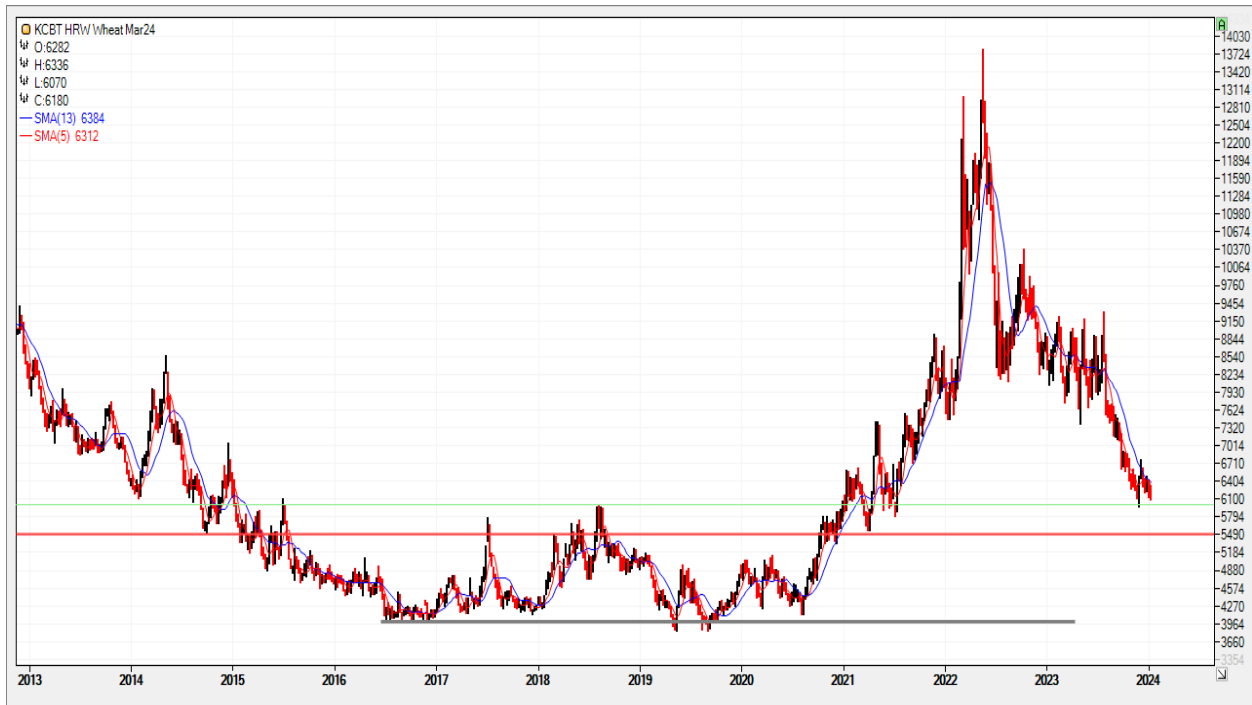
How about \$12.00 beans? Are they cheap enough?

Looking at some first impressions of long-term charts...

This is a KC continuous wheat chart, with a green line at \$6.00; does it “look” cheap?



I think if I was going to draw a “better” (?) line of support, I’d draw the line at \$5.50:



If \$5.50 isn’t the number, then \$4.00 is but...do we really have to do that?

That \$4.00 seems like a “Black Line of Death” or something. Yikes.

Does \$4.50 corn look cheap enough at first glance?



Similar to the KC wheat chart, a better line of support is a little lower, again looking at the late 2020/21 lows, which would be \$4.15, with the Black Line down to \$3.50.



\$12.00 beans...do look cheap,



but...again, if those late 20, early 21 lows are revisited, we're talking more like \$10.50, and the Black Line is down to \$8.50:

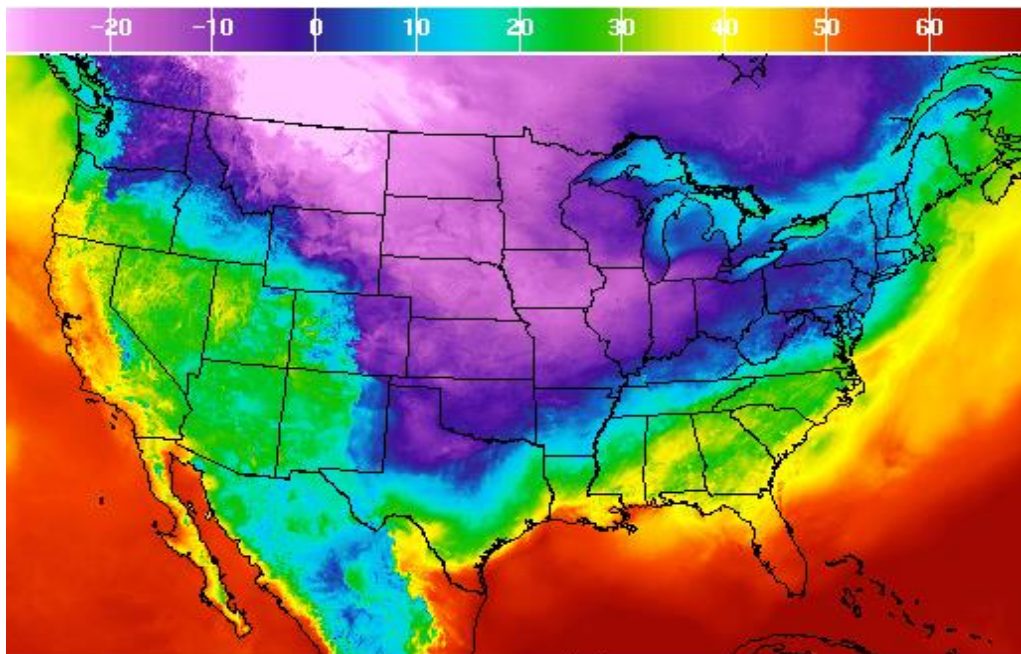


I think the takeaway of these first impressions is...these current levels (\$6.00 wheat, \$4.50 corn and \$12.00 beans) do look cheap, but ...

Daily charts...KC wheat offers a slightly different look, mainly because it hasn't set a new red line in a while, although Friday's close was only 3c above the old red line:



I lean towards...these -10 *F (or colder) temps are enough of a “Winter Kill” concern that KC wheat futures will stabilize this week, whether or not winter kill actually occurred.



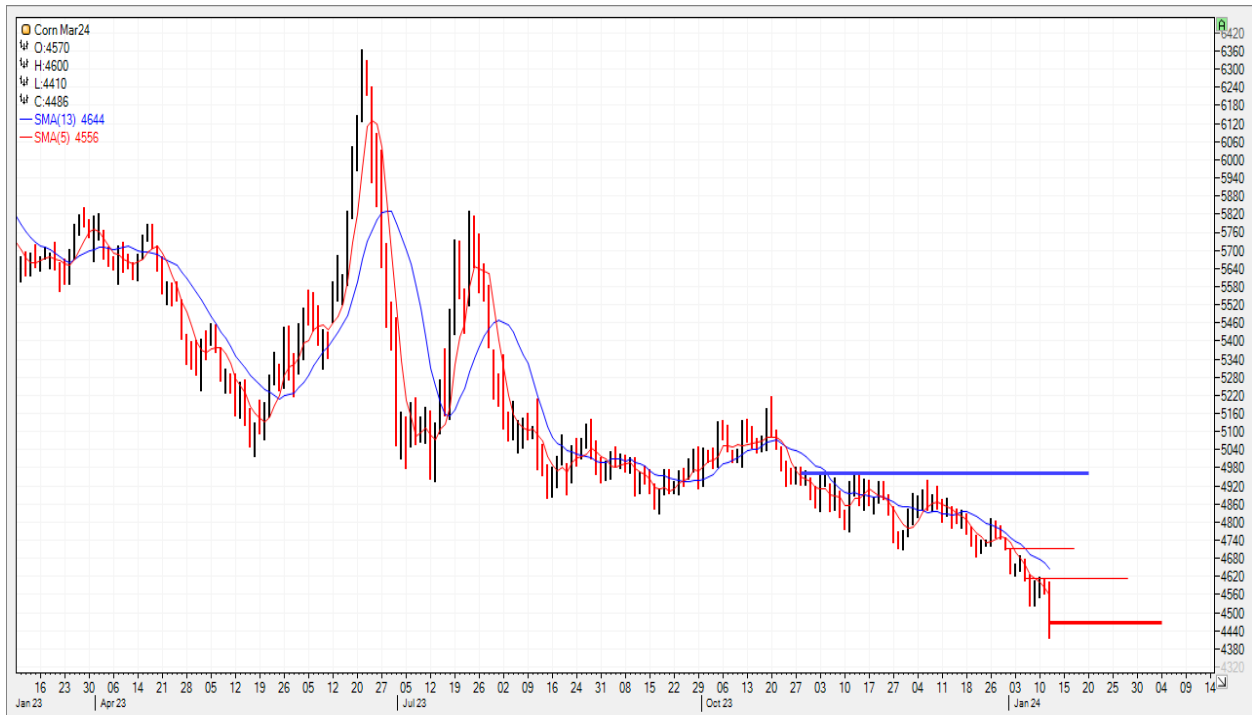
Dewpoint Temperature(F) Sun Jan 14 2024 7PM EST
(Mon Jan 15 2024 00Z)

Real-Time Mesoscale Analysis

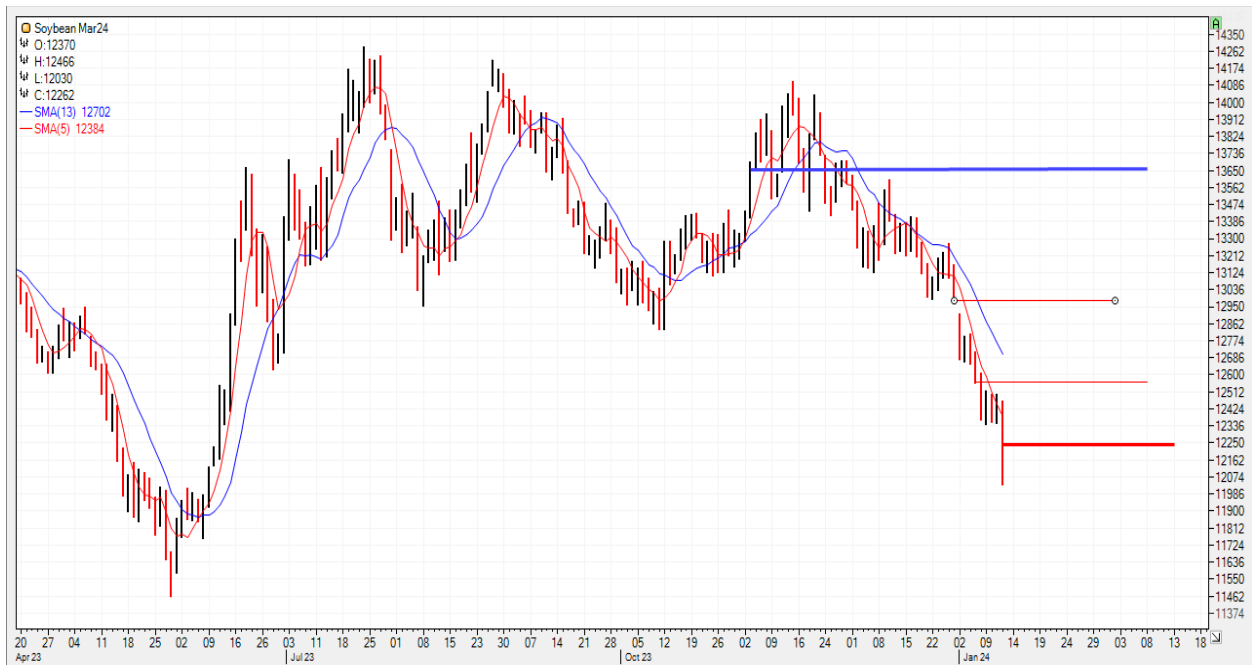
Graphic created-Jan 14 8:10PM EST



Both the daily March corn, shown here:



and the daily March soybeans...down 3 consecutive Red Lines, setting new weekly closing lows three weeks in a row.



Both March corn and March soybeans are probably “oversold” and due for a bounce, but all of these mainly point out ...corn and beans are in strongly trending Bear Markets, and wheat is barely hanging on from being included in that statement.

The updated Export Pace Scorecard shows corn and beans recovered some ground last week. The USDA in the Jan. '24 WASDE did not change wheat, corn or beans export forecasts.

WEEK ENDED (01/04/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	33.7	504.2	175	679	2,100	1421	34	41.8
Soybeans	24.8	879.8	60	940	1,755	815	34	24.0
All wheat	18.0	372.3	100	472	725	253	21	12.0
Milo	4.7	86.2	5	91	255	164	34	4.8
LAST update								
Corn	22.4	470.5	175	645	2,100	1455	35	41.6
Soybeans	35.3	854.7	60	915	1,755	840	35	24.0
All wheat	10.0	354.1	100	454	725	271	22	12.3
Milo	4.4	81.4	5	86	255	169	35	4.8

What we are NOT seeing though, is an uptick in Export Sales. Wheat sales were 5 mil bu, corn was 19.2 mil bu, and beans were 10.3 mil bu. NONE of those were enough to hit the current targets. One bright spot continues to be milo, but we know milo prices are determined by corn prices. Corn prices are NOT determined my milo prices.

Until we see a change in this USA export situation, the most likely price direction is the path of least resistance, which is...lower.

A look at my phone's 10-day weather forecasts for Matto Grosso, Brazil says the rains are not an expected daily occurrence, but temperatures aren't expected to be killer either.

Based on the forecasts, I think we will see both corn and beans stabilize this week, the same as what I expect for wheat.

Big rallies are not in the forecasts, but we've probably seen enough big price dumps at least until we get closer to USA planting season.

Texas Gulf to-arrive bids are steady:

GULF date	12 pro	11's	diff
1/12/2024	145	120	25
1/5/2024	145	120	25
12/29/2023	140	120	20
12/22/2023	133	113	20

Posted basis bids in the country didn't move either:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
01/12	\$5.20-\$5.40	\$5.35	\$5.20-\$5.30	\$5.16-\$5.25	\$5.30-\$5.95
01/05	\$5.33-\$5.53	\$5.48	\$5.33-\$5.43	\$5.29-\$5.38	\$5.43-\$6.08
12/29	\$5.47-\$5.67	\$5.62	\$5.47-\$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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
01/12(H)	-95, -75	-80	-95, -85	-99, -90	-85, -20
01/05(H)	-95, -75	-80	-95, -85	-99, -90	-85, -20
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
Date	Concordia	Salina	Hutch/Wichita	Ark City	
01/12(H)	-35	-25, -20	-45, -15	-53	
01/05(H)	-35	-25, -20	-45, -15	-53	
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	

World news...not much new. India says they aren't going to import wheat this year, which probably is disappointing to Russia :<https://www.msn.com/en-in/news/India/india-has-no-plans-to-import-wheat-despite-rising-prices-report/ar-AA1mZ8BW>

Have a good week. Stay Safe. A warm-up is coming. The prices may not warm up much, but I think we've done enough damage for now.