

Hello Colorado Wheat.

Last week was quiet, and cold. The Ag markets were quietly a kittle lower, with everything but Chgo H wheat setting a new 11-week Closing Low. I still think we're on the cheap side heading into planting season, but...as we saw in last week's long-term charts, we all know these grain prices can go a lot lower.

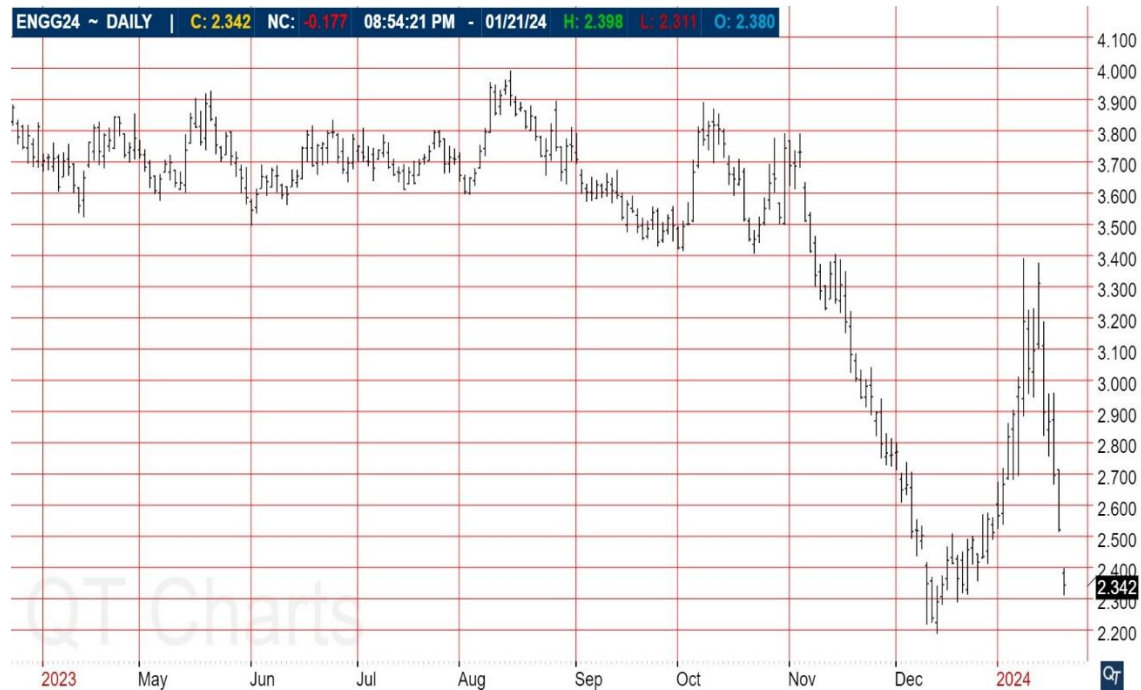
Seems like crude oil should have bounced more with all the warfare in the Red Sea, and Ukraine launching aggressive drone attacks on a big oil storage facility near St. Petersburg, Russia, but managed eking only a 50c/bbl rally, which says something, which probably isn't bullish crude oil.

And the USA stock market...set another Blue number (11-week Closing High, but this one was an all-time high weekly close!) Absolutely no one wants to give President Biden any kudos for that, Left or Right, but...the facts seem to say he's doing a pretty good job, at least measured by the Stock Market.

	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
01/19	\$6.08	\$6.43	\$4.46	\$4.76	\$5.93	\$6.96	\$12.13	\$11.91	\$73.25	\$4870
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

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

This is a QT Market Center chart of Natural Gas, showing a big gap lower late last week, and this is seen by everyone in the oil biz...



Normally, cheaper natural gas leads to lower Nitrogen costs this spring, although the Red Sea is becoming a bottleneck for Urea...<https://brownfieldagnews.com/news/global-shipping-delays-will-affect-fertilizer-prices/>

This Western Producer article has quite a few facts about urea.
<https://www.producer.com/news/producers-urged-to-buy-urea-sooner-than-later/>

Shipping through the Panama Canal hasn't gotten any cheaper either...<https://www.msn.com/en-us/weather/topstories/the-drop-in-panama-canal-traffic-due-to-a-severe-drought-could-cost-up-to-700-million/ar-AA1n9kSI>

The Panama Canal mess is what makes me most nervous about these cheap grain prices...getting cheaper, although...last week's Export Sales were good. 49.3 mil bu of corn, 28.7 mil bnu of beans, and 26 million bu of wheat...were big. And another 8 mil bu of milo was sold. So...I can't really say USA export sales have been shut down by the Panama Canal, but...it certainly makes me uneasy.

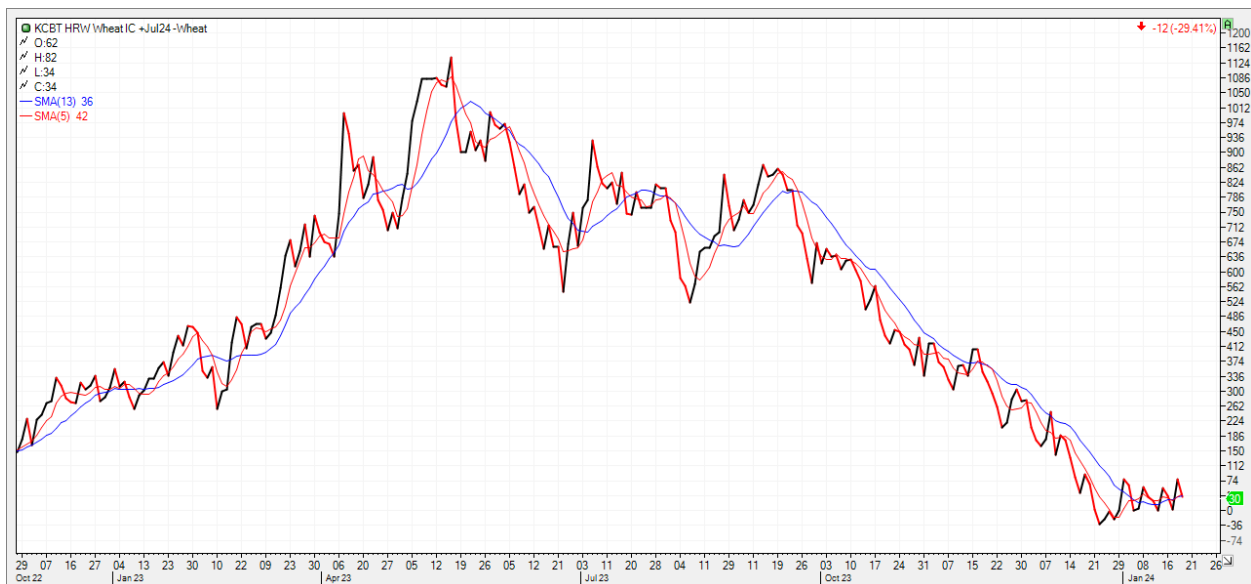
The Export Pace scorecard isn't a complete disaster either. (The "accumulated" is after some big revisions to last week's puny corn and soybean numbers initially reported.)

Wheat is struggling to hit the USDA forecast, but last week's big sales will help, and same thing with corn. I still believe the USDA needs to raise their soybeans export forecast, and milo could see an upward revision too.

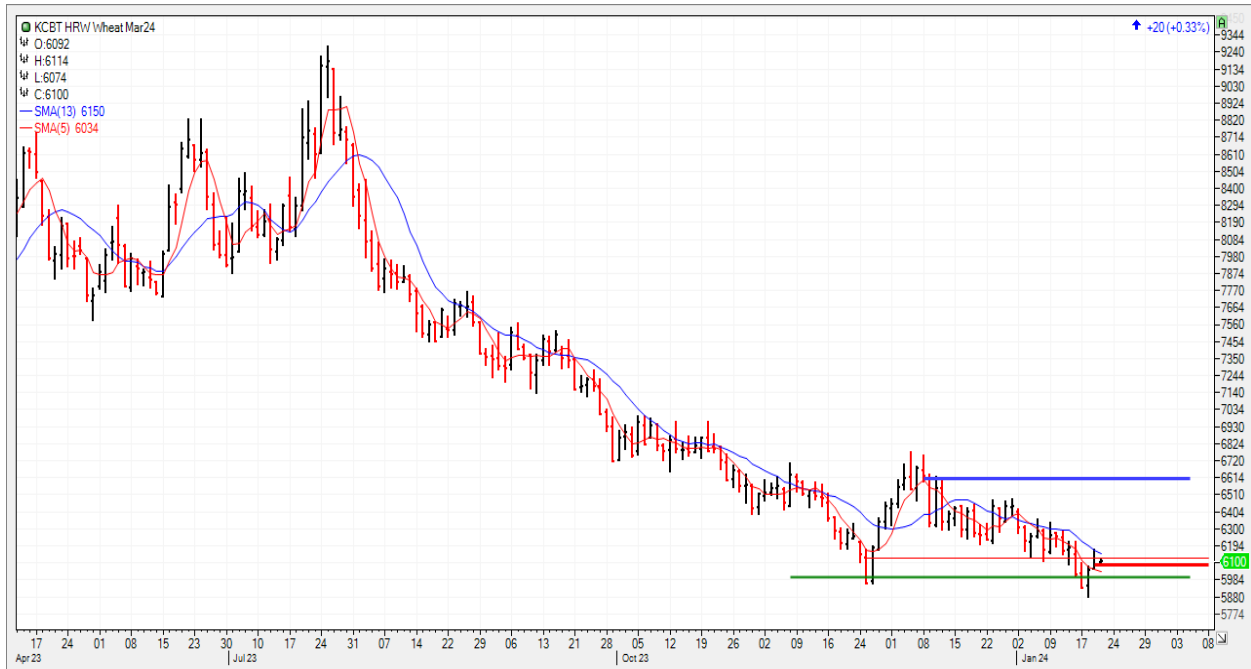
WEEK ENDED (01/04/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	34.5	547.9	175	723	2,100	1377	33	41.7
Soybeans	46.5	939.8	60	1000	1,755	755	33	22.9
All wheat	8.6	379.8	100	480	725	245	20	12.2
Milo	11.7	100.0	5	105	255	150	33	4.5
LAST update								
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

Of course, that statement depends almost solely on China. In that regard, China released 2023 import figures, and they said their corn imports for the year were 27 million tonnes. The USDA's January WASDE was tracking Chinese corn imports at 23 mmt, so I think we could see some revisions on the Feb WASDE, although admittedly am not sure how the USDA accounts for "marketing crop years" vs. "calendar years".

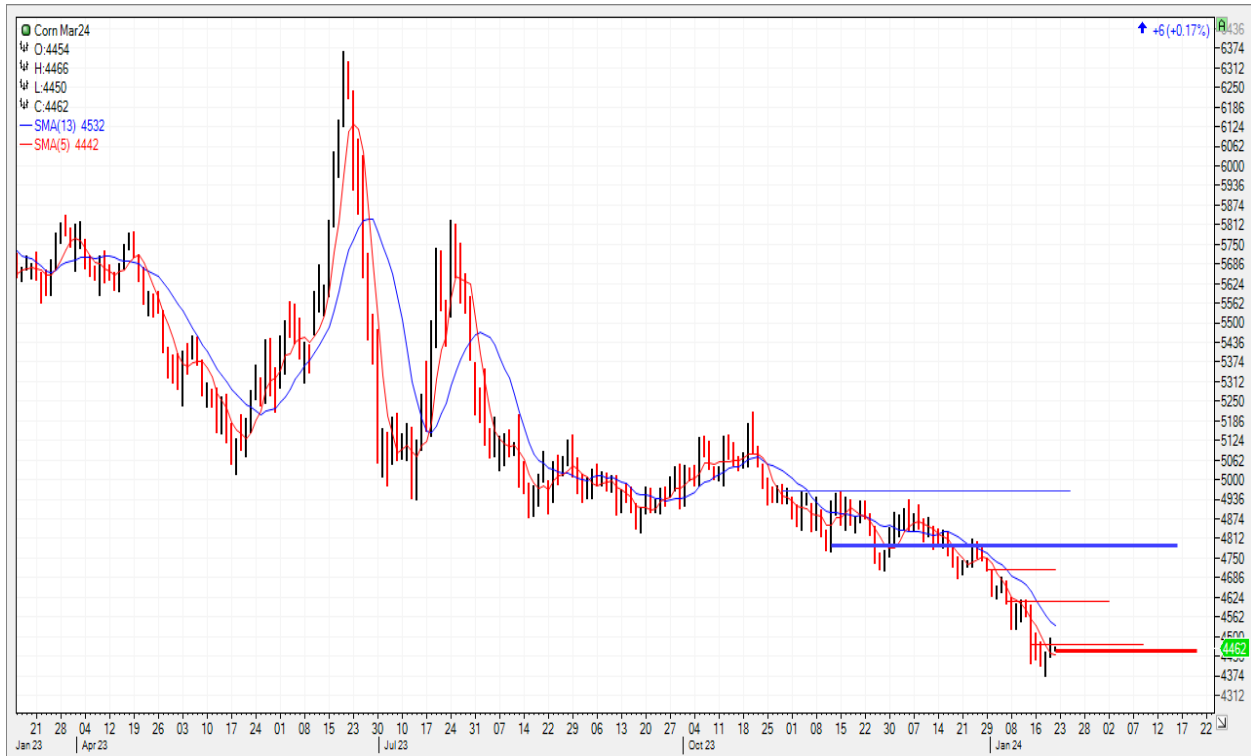
<https://www.agricensus.com/Article/China-s-2023-corn-imports-surge-to-27-1m-mt-on-record-Dec-levels-customs-33116.html> China still has 60 million bu of USA Soft Red on the books, and still hasn't loaded any since mid-September. This is KC July wheat – Chgo July wheat, and when/if all that Soft Red is lifted will almost certainly be a big mover on this wheat spread:



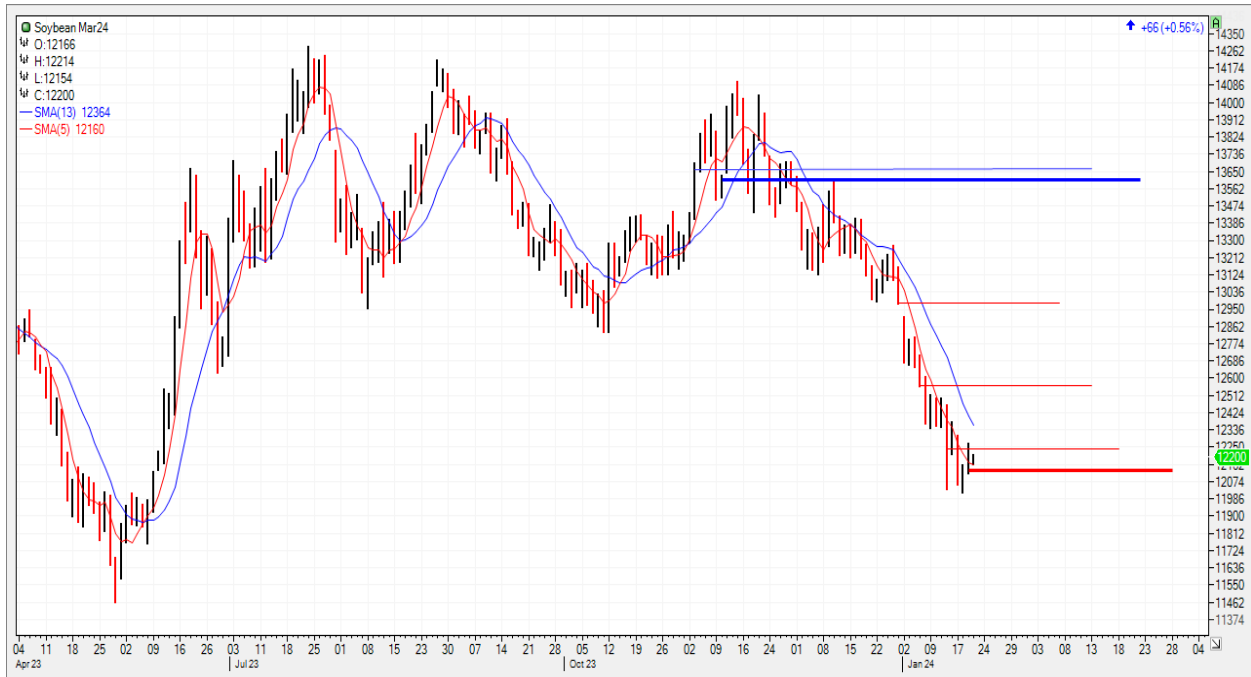
By itself, KC March wheat's daily chart...shows a new lower Red line, BUT still able to fight off closing below Six Bucks.



March corn also shows a new Red line, barely, but the Blue Line will be lowered down to \$4.79, which could be important if/when corn tries to start some type of a rally:

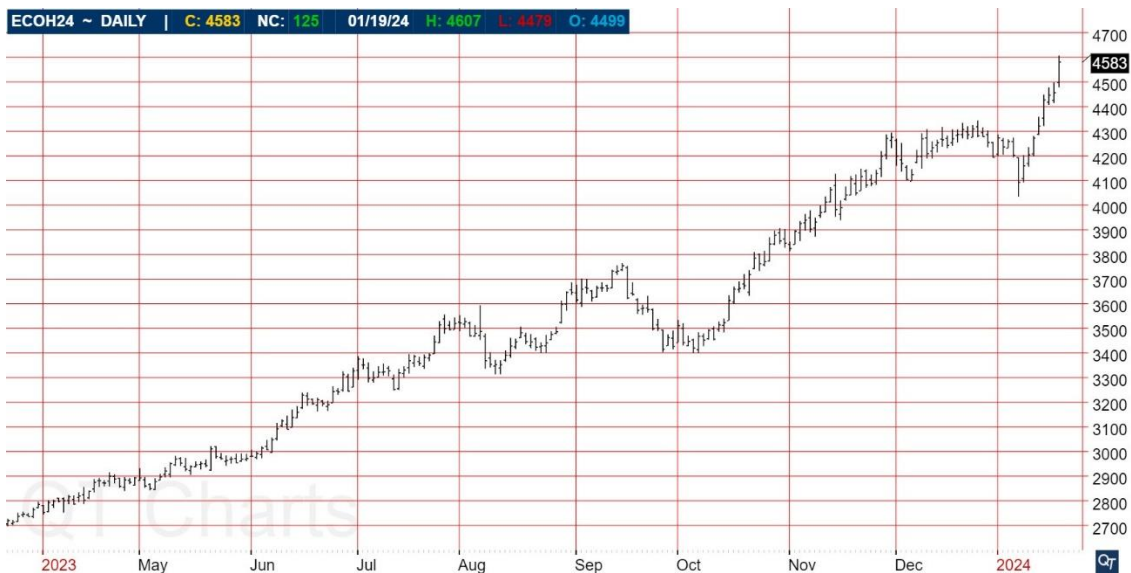


Similarly, March soybeans set a new lower Red Line, but as dates roll off the table...we see a new lower Blue line as well.



New Lower Red Lines and revised Blue Lines merely point out how strong this Bear Market is, but another week of good export sales could finally bring a change...Just going sideways would indeed be a change.

Just for the heck of it, so we remember what one looks like...besides the stock market...here's a commodity in a Bull Market that is maybe (MAYBE) getting toppy. This is March cocoa:



I'm glad I'm not short cocoa is an understatement. This article mentions some cocoa fundamentals...<https://www.nasdaq.com/articles/softs-london-cocoa-sets-record-peak-on-bullish-grind-data>

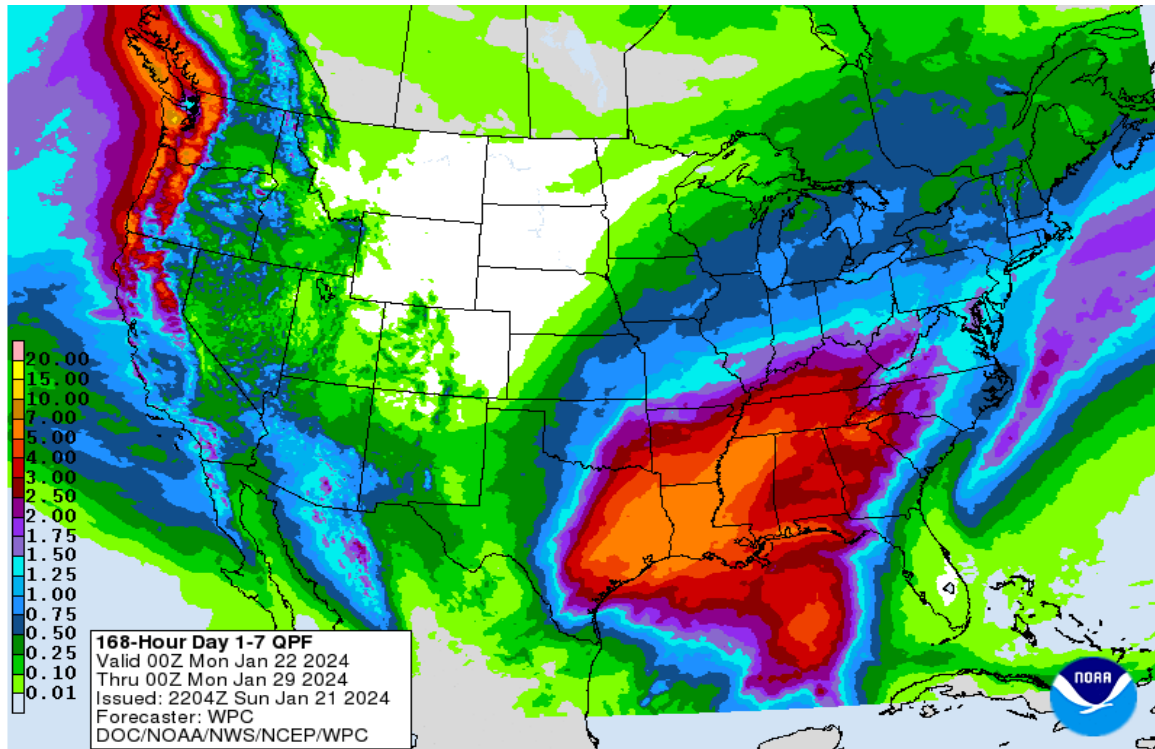
Finishing up...Texas Gulf posted to-arrive basis bids are unchanged:

GULF date	12 pro	11's	diff
1/19/2024	145	120	25
1/12/2024	145	120	25
1/5/2024	145	120	25
12/29/2023	140	120	20
12/22/2023	133	113	20

We see very little movement in posted basis bids for wheat in Colorado, or anywhere, really:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
01/19	\$5.13-\$5.33	\$5.28	\$5.13-\$5.23	\$5.09-\$5.23	\$5.23-\$5.88
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
01/19(H)	-95, -75	-80	-95, -85	-99, -85	-85, -20
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
Date	Concordia	Salina	Hutch/Wichita	Ark City	
01/19(H)	-30	-25, -20	-45, -15	-53	
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	

This forecast misses The Great Plains, although the PNW and The Gulf are expected to see big rains:



Other news...is scarce. Waiting...

Here's a decent article on Australian shipping concerns due to the Red Sea troubles:

<https://www.foodmag.com.au/australian-agricultural-trade-logistics-to-face-headwinds-from-escalating-red-sea-tensions/>

Here's an article saying some Canadians miss the old Wheat Pool days...which we see more of when prices sink, and the farmers didn't sell... <https://www.msn.com/en-ca/money/topstories/wheat-pool-20-the-time-might-be-ripe-for-a-revival-of-prairie-co-ops/ar-AA1n5vDn>

Indian wheat production ...so far looks big: <https://www.msn.com/en-in/news/India/record-wheat-output-may-ease-supply-concerns-rabi-production-seen-at-114-mt/ar-BB1h2o5H>

And I have no idea what ADM's "Nutrition" business is, but it's mentioned in this article about their CFO being placed on leave...<https://www.msn.com/en-us/money/companies/adm-puts-cfo-on-leave-as-farm-giant-probes-accounting/ar-BB1h2AcM>

Have a good week; Stay Safe.

Slow Down.