

Hello Colorado Wheat.

Thursday's February WASDE update wasn't as bullish as corn and soybean long positions hoped because South American production reductions weren't game changers, so...the week ended "defensively", or "poorly" ...or basically "on it's butt", with new Red Numbers (new 11-week Closing Lows) almost everywhere, except in crude oil and the USA stock market, which actually set a new Blue Number (11-week Closing High).

We'll take a look at that closing table in a minute, but (spoiler alert) when asking the same old question "Are we there yet?" ... I lean towards No.

Why? The Big Buyer is out on vacation all week, and if he ain't there, then who will take his place? The easy answer is "No one'.

Who are we talking about? China, of course. Their New Year started, and when they celebrate New Year, they close shop for a whole week.



Maybe that means when they come back to work NEXT week, they'll have their buying shoes on, but in the meantime...I expect the path of least resistance is still lower.

*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***

Here's the 11-week closing table...KC down 23c. Wowzers. I think more than a few peeps read last week's wire when I said I could see a 300 million bu increase in USA HRW production this year. Corn was down 14c, but soybeans were only off a nickel, although they've set a new Red Number 7 consecutive weeks.

	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
02/09	\$6.02	\$6.21	\$4.29	\$4.68	\$5.97	\$6.84	\$11.84	\$11.64	\$76.84	\$5044
02/02	\$6.25	\$6.44	\$4.43	\$4.77	\$6.00	\$7.00	\$11.89	\$11.71	\$72.28	\$4980
01/26	\$6.25	\$6.51	\$4.46	\$4.76	\$6.00	\$7.04	\$12.09	\$11.85	\$78.01	\$4916
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

The E-mini S&P blew through 5000 like a Black Cat firecracker (which I will ignite after the Chiefs win!)

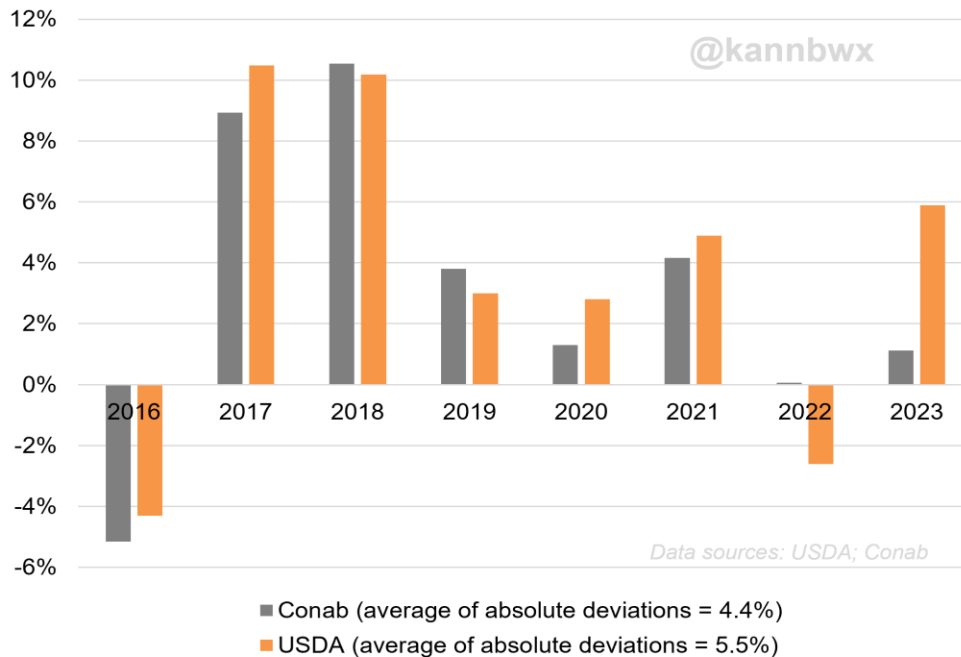


The Feb WADSE update was a dud, fizzling out like a damp Lady Finger.



Yes, Brazilian soybean production for 2023/24 was cut by a million tonnes, but did you see they revised Brazilian beginning stocks higher by 2 million tonnes because they revised last year's Brazilian bean production 2 mmt higher? You probably saw Karen Braun's Reuters article ([here if you didn't](https://www.nasdaq.com/articles/column-shrinking-brazilian-soy-harvest-balanced-by-creep-up-of-prior-crop-braun)) <https://www.nasdaq.com/articles/column-shrinking-brazilian-soy-harvest-balanced-by-creep-up-of-prior-crop-braun> and this is her graphic.

### Final\* Brazil Soybean Production vs February Estimates



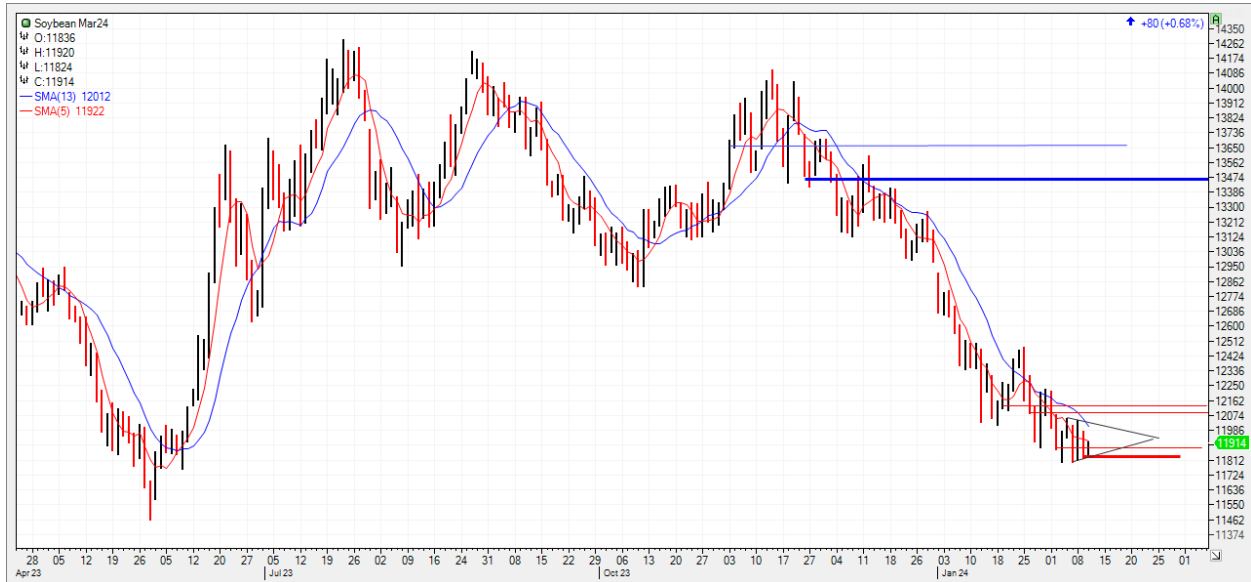
\*Compares final production reported by each agency as of Feb. 2024 with each agency's February estimate

What's going on? More than likely, Amazonian deforestation continues, and Brazil doesn't like talking about it because of possible European sanctions.

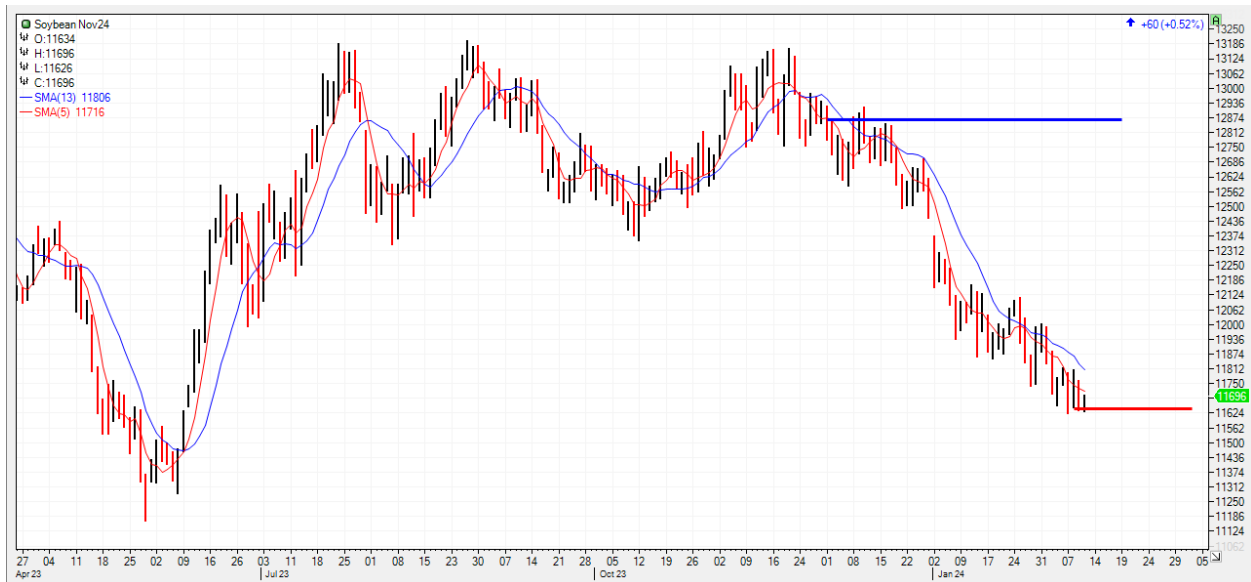
<https://www.investing.com/news/economy/france-says-eu-commission-to-end-trade-deal-talks-with-mercosur-countries-3286311>

One more interesting article...and we'll move on. <https://www.reuters.com/sustainability/land-use-biodiversity/analysis-why-next-two-years-will-make-or-break-battle-rescue-tropical-forests-2024-02-06/>

Anyway...March soybeans with another new red line. I drew in a bear flag pointing lower:

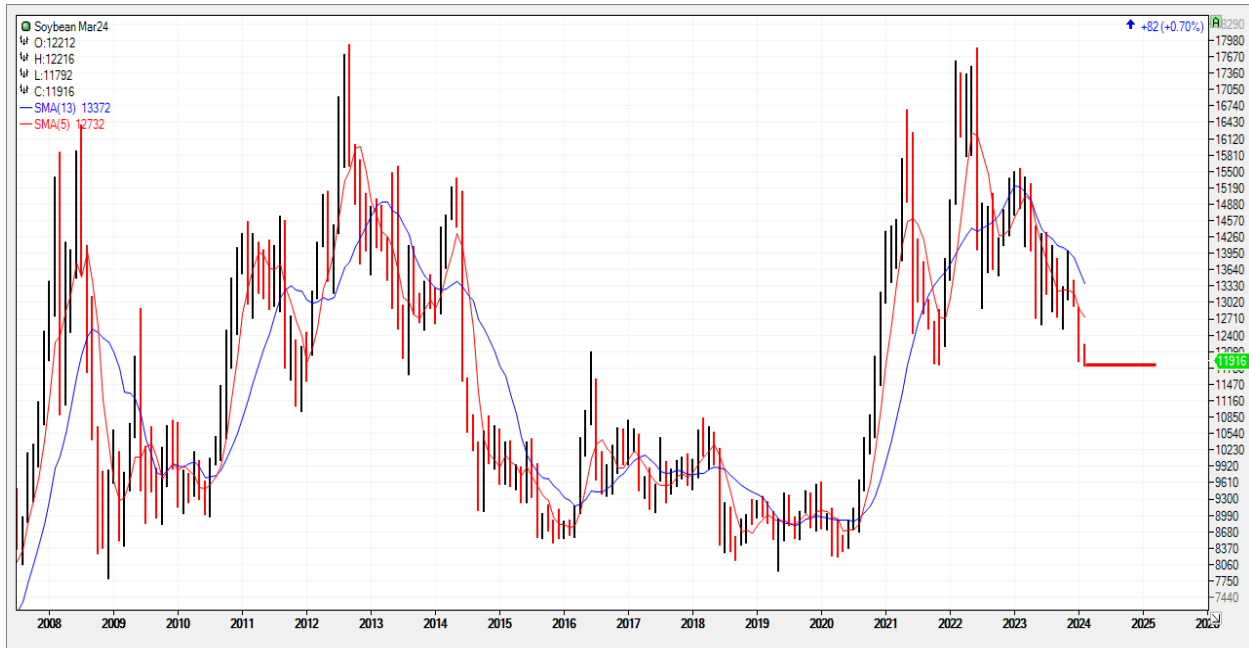


And new-crop Nov beans, also with a new red line:



I haven't sold any new-crop beans, but need to, so I am **selling 10%** of this coming year's expected soybean production, to at least get started. I should have got started a while ago.

Nothing like selling the bottom... but this long -term monthly soybean chart suggests...more downside action is quite possible.



The Export Pace scorecard shows soybean exports had a big week (52.4 mil bu), but soybeans export Sales were only 12.5 mil bu, which is twice last week's unbelievably bad 6.0 mil bu, and the export Sales are what the USDA is obviously focusing on, as the Feb WASDE DROPPED this year's USA soybean export forecast by 35 mil bu. (Corn and wheat export forecasts were unchanged.)

WEEK ENDED (01/25/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	24.6	<b>641.2</b>	<b>175</b>	816	<b>2,100</b>	1284	<b>30</b>	<b>42.8</b>
Soybeans	52.4	<b>1069.8</b>	<b>60</b>	1130	<b>1,720</b>	590	<b>30</b>	<b>19.7</b>
All wheat	9.8	<b>414.2</b>	<b>100</b>	514	<b>725</b>	211	<b>17</b>	<b>12.4</b>
Milo	4.5	<b>110.1</b>	<b>5</b>	115	<b>255</b>	140	<b>30</b>	<b>4.7</b>
LAST update								
Corn	35.5	<b>615.6</b>	<b>175</b>	791	<b>2,100</b>	1309	31	<b>42.2</b>
Soybeans	32.7	<b>1016.6</b>	<b>60</b>	1077	<b>1,755</b>	678	31	<b>21.9</b>
All wheat	9.7	<b>403.8</b>	<b>100</b>	504	<b>725</b>	221	18	<b>12.3</b>
Milo	2.5	<b>105.6</b>	<b>5</b>	111	<b>255</b>	144	31	<b>4.6</b>

Corn export sales were 48 mil bu, after last week's 47.5 mil bu, and wheat sales were 12.5 mil bu, so again, the Sales pace seems to be what the USDA is concentrating on.



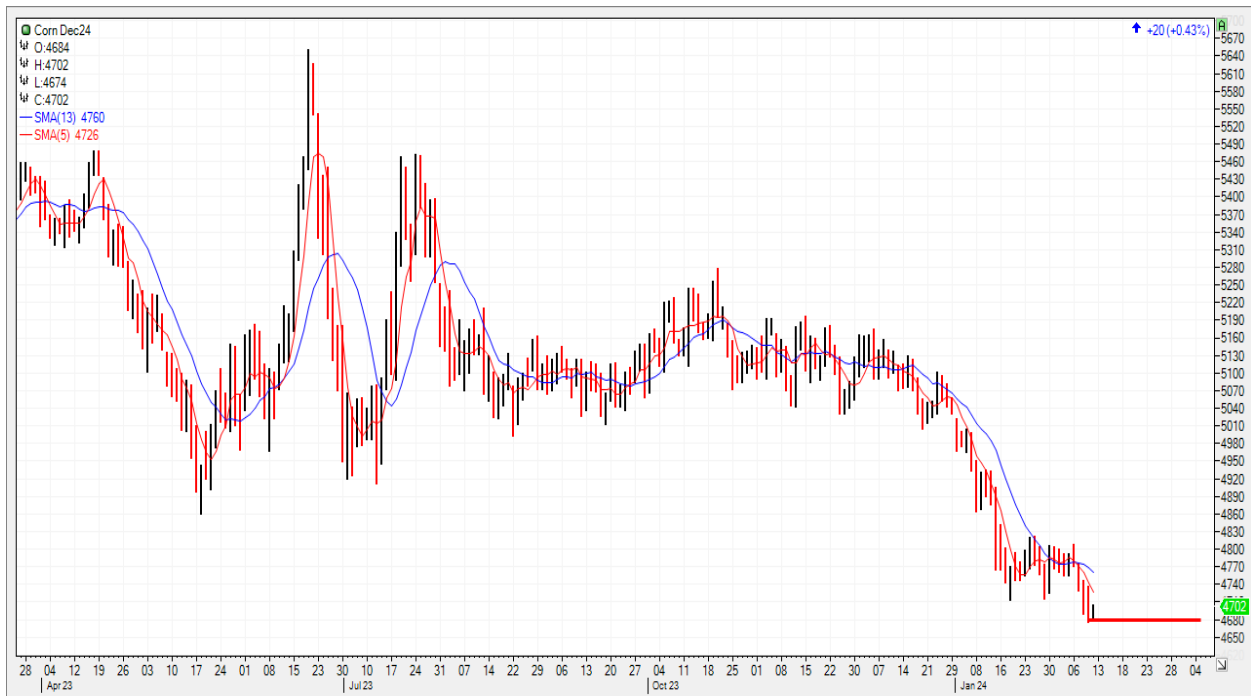
The Brazilian corn production estimate was reduced by 3 mmt, which carried over to a 3 mmt reduction in projected world corn carryout.

The USDA did drop USA corn feeding by 10 mil bu; last week I referenced the smaller USA cattle herds.

Old-crop March corn is now testing the \$4.25 expected support area (legitimate horizontal lines seem to appear every 25c up or down...):



and new-crop Z corn moved below \$4.75:

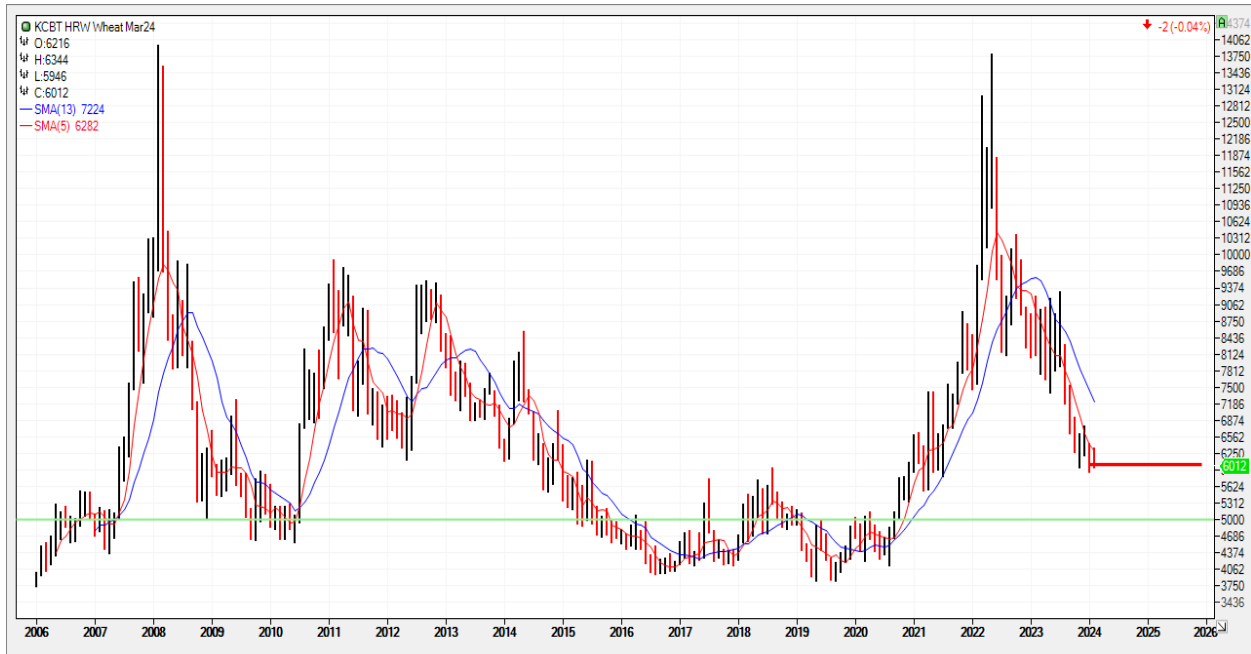


KC March wheat...continues hanging on, gamely staying above Six Bucks...at least for now.



I did sell another 25% of my expected wheat production Monday morning, and now am at 50% sold. The previous sale at \$7.65 is more than a buck higher than this last sale.

And the longer-term KC wheat chart continues to suggest...prices can indeed get worse; Five Bucks...looks like an apparent target:



Posted Gulf to-arrive HRW bids show 11's moved up a nickel:

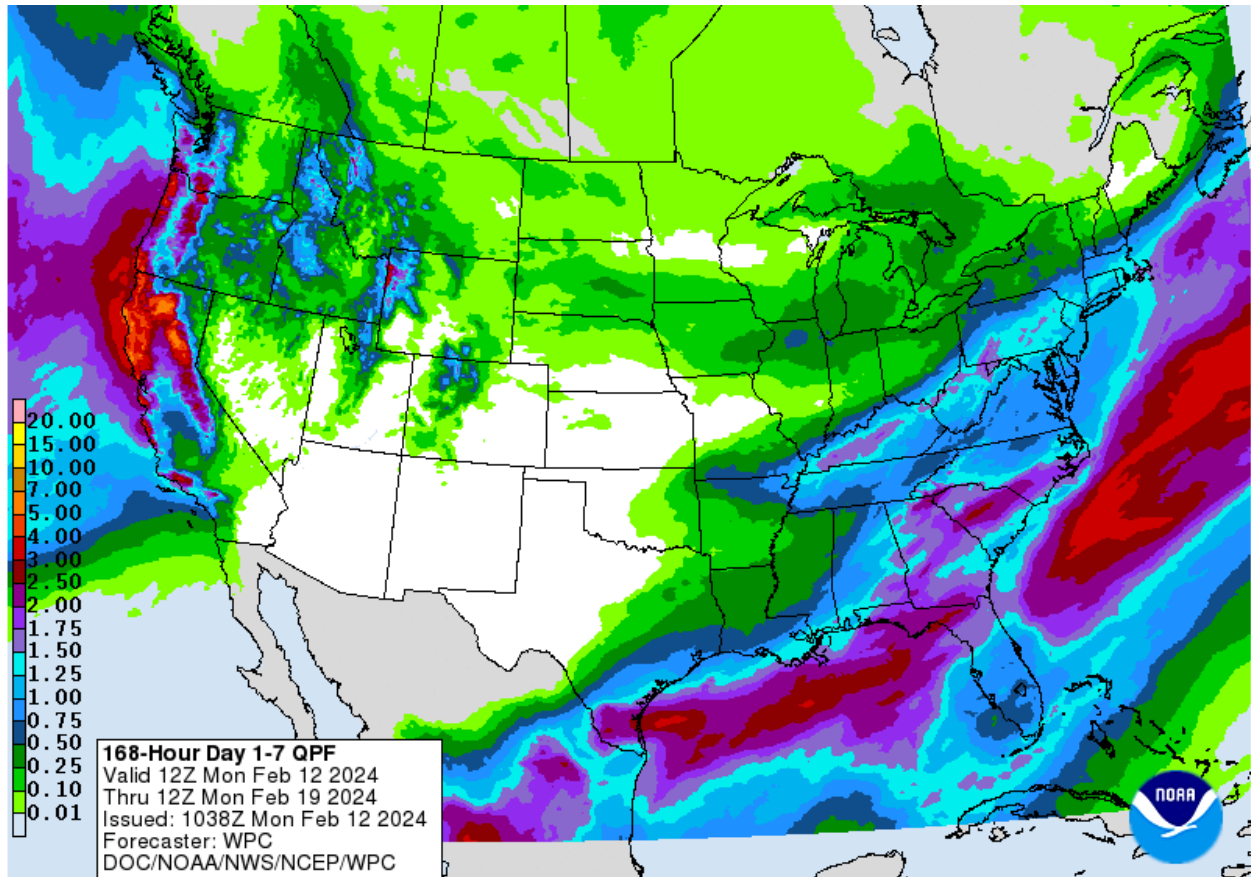
GULF date	12 pro	11's	diff
2/9/2024	145	125	20
2/2/2024	145	120	25
1/26/2024	145	120	25
1/19/2024	145	120	25
1/12/2024	145	120	25

Posted basis bids show one Central KS Terminal moved up a nickel:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>02/09</b>	<b>\$5.07-\$5.27</b>	<b>\$5.22</b>	<b>\$5.07-\$5.17</b>	<b>\$5.03-\$5.17</b>	<b>\$5.17-\$5.82</b>
02/02	\$5.30-\$5.50	\$5.45	\$5.30-\$5.40	\$5.26-\$5.40	\$5.40-\$6.05
01/26	\$5.30-\$5.50	\$5.45	\$5.30-\$5.40	\$5.26-\$5.40	\$5.40-\$6.05
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>02/09(H)</b>	<b>-95, -75</b>	<b>-80</b>	<b>-95, -85</b>	<b>-99, -85</b>	<b>-85, -20</b>
02/02(H)	-95, -75	-80	-95, -85	-99, -85	-85, -20
01/26(H)	-95, -75	-80	-95, -85	-99, -85	-85, -20
01/19(H)	-95, -75	-80	-95, -85	-99, <b>-85</b>	-85, -20
01/12(H)	-95, -75	-80	-95, -85	-99, -90	-85, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
<b>02/02(H)</b>	<b>-30</b>	<b>-25, -20</b>	<b>-45, -15</b>	<b>-48</b>	
02/02(H)	-30	-25, -20	-45, -15	-53	
01/26(H)	-30	-25, -20	-45, -15	-53	
01/19(H)	<b>-30</b>	-25, -20	-45, -15	-53	
01/12(H)	-35	-25, -20	-45, -15	-53	



This week's weather forecast is not showing any expected precipitation for us, but I don't think that's a concern. Also still very dry up in The Prairies, which is a bit of a concern. Maybe they'll get some sprinkles this week.



World wheat news...on the skinny side.

India is limping towards their new-crop wheat harvest, running on fumes: <https://www.msn.com/en-in/news/India/govt-asks-states-to-prepare-early-for-msp-purchase-of-wheat-wheat-stock-to-fall-close-to-buffer-by-apr-1/ar-BB1i7ORN>

Australia is thinking about planting more barley acres, probably because Chinese wheat demand can be met from several sources... <https://www.msn.com/en-au/news/australia/wheat-exports-down-china-hungry-for-australian-barley/ar-BB1i3HKV>

All the charts we looked at are basically identical, poised to yet move lower, although maybe reluctantly.

Have a good week. Stay Safe.

Slow Down.

And...how 'bout them Chiefs!