

Hello Colorado Wheat.

The March WASDE released Friday was a bit bearish wheat, BUT...KC wheat and corn did close higher and set some new 4-Week Closing Highs, which...to **some** Funds, will be a buy signal. Some different funds might just begin closing short positions, while a **few** others will initiate some new long positions, and of course other funds (probably most of them) will do nothing.

This is the 11-Week Closing Table, with the new 4-Week Closing Highs shown as a Green number. Only Chgo wheat did not set a Green number, and in fact, it set a new Red number, which...since it's Chgo, can't be completely ignored. Anyway...that does cast a bit of a pall on anyone getting bullish on the Green numbers. I think the best way to view green numbers is probably as a dead-cat bounce, which offers some opportunities to reduce unsold inventory. Of course, buyers should look at them differently, and should be viewed as signs to at least reduce existing short positions. Obviously, new long positions want to see new Green numbers again this week. Stop-loss selling would appear on new 4-week Closing Lows. And the bigger short positions would sell more on new Red numbers, if these green numbers can't gain traction and ultimately fail.

	MAY '24 HRW	DEC '24 HRW	MAY'24 corn	DEC '24 corn	Chgo K wheat	Springs MAY (K)	MAY'24 beans	NOV 24 beans	Crude oil	S&P M now
CLOSE	KWK24	KWZ24	CK24	CZ24	WK24	MWK24	SK24	SX24	CRD23	ES23
03/08	\$5.89	\$5.98	\$4.40	\$4.72	\$5.38	\$6.63	\$11.84	\$11.74	\$78.01	\$5193
03/01	\$5.65	\$5.83	\$4.25	\$4.59	\$5.58	\$6.44	\$11.51	\$11.40	\$79.97	\$5208
02/23	\$5.66	\$5.85	\$4.14	\$4.50	\$5.69	\$6.47	\$11.42	\$11.30	\$76.49	\$5101
02/16	\$5.62	\$5.83	\$4.30	\$4.59	\$5.59	\$6.56	\$11.76	\$11.49	\$79.19	\$5019
02/09	\$6.00	\$6.21	\$4.43	\$4.68	\$5.99	\$6.83	\$11.90	\$11.64	\$76.84	\$5044
02/02	\$6.23	\$6.44	\$4.54	\$4.77	\$6.08	\$7.02	\$11.98	\$11.71	\$72.28	\$4980
01/26	\$6.25	\$6.51	\$4.56	\$4.76	\$6.11	\$7.06	\$12.16	\$11.85	\$78.01	\$4916
01/19	\$6.12	\$6.43	\$4.56	\$4.76	\$6.04	\$7.02	\$12.23	\$11.91	\$73.25	\$4870
01/12	\$6.20	\$6.49	\$4.59	\$4.82	\$6.10	\$7.09	\$12.36	\$12.02	\$72.68	\$4816
01/05	\$6.32	\$6.62	\$4.73	\$4.94	\$6.28	\$7.20	\$12.64	\$12.09	\$73.81	\$4735
12/29	\$6.44	\$6.70	\$4.84	\$5.04	\$6.40	\$7.33	\$13.07	\$12.46	\$71.65	\$4820
12/22	\$6.27	\$6.58	\$4.86	\$5.05	\$6.28	\$7.24	\$13.17	\$12.58	\$73.56	\$4805

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

You know I've brought up those existing USA Soft Red wheat Chinese purchases many times, and commented on the slow load-out pace and wondered out loud how the market would not like to see the Chinese cancel those purchases...which we exactly did see some of that this week. And where we see it here in the table is...KC May wheat went from a 7c premium to a 51c premium over Chgo May wheat in one week, bouncing up into previous resistance around 50c:



Are the Chinese finished selling back SRW? If so, sell that spread. If not, buy more?

When I do the math...I see China still had 1,348 mmt (49.6 mil bu) on the books (USA SRW previously purchased) and last week they cancelled 242,000 tonnes, leaving 1,106 mmt to lift. They've been taking a boat a week (60,000 mt) from the Center Gulf, so at that pace over the next 13 weeks, they will still have 346,000 mt to either roll into next crop year (starts June 1), or cancel. That's about 12.7 mil bu on the hook.

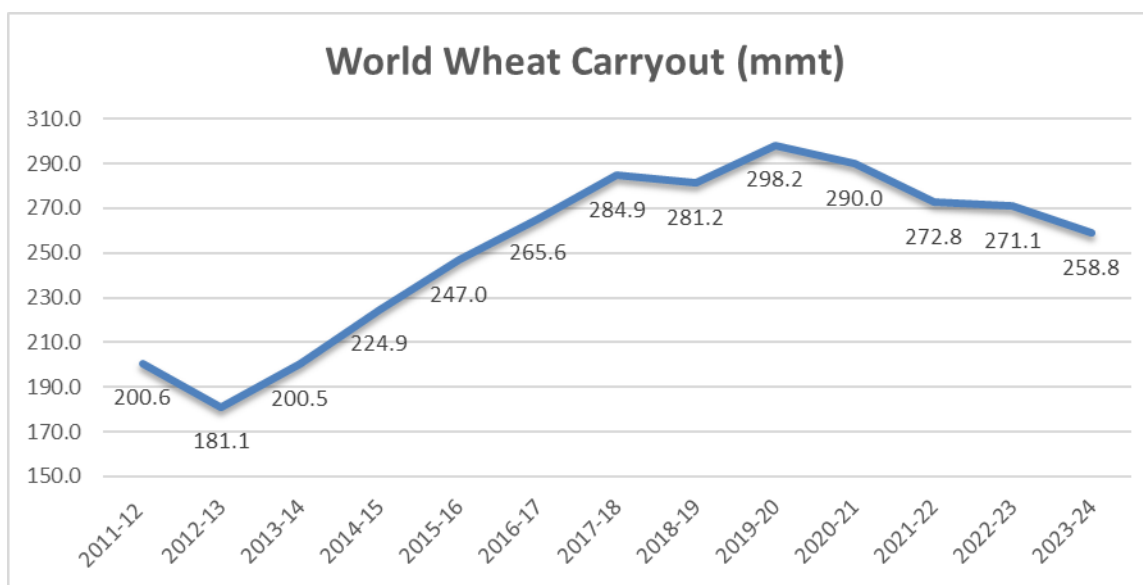
So...I'd wait a day or two to see if we get any more clues from China before I'd aggressively buy or sell that spread.

Friday's WASDE saw the USDA decrease USA all wheat exports by 15 mil bu, 5 mil bu from HRW and 10 mil bu from SRW, and I think another 12 million bu of SRW is "iffy".

No changes were made to USA corn, beans or milo export forecasts. The updated Export Pace scorecard is still steady and reachable for corn. Export sales were 43.6 mil bu. The USDA is still expecting soybean exports to come to a sudden stop, which hasn't happened yet. New bean sales were 22.5 mil bu. Milo is clipping along. I hadn't noticed, but currently almost HALF of the sorghum exports going to China are being loaded in the PNW! (I now see that started back in early November.)

WEEK ENDED (02/15/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	42.7	812.0	175	987	2,100	1113	26	42.8
Soybeans	37.5	1255.0	60	1315	1,720	405	26	15.6
All wheat	13.0	476.4	100	576	710	134	13	10.3
Milo	5.2	140.4	5	145	255	110	26	4.2
LAST update								
Corn	48.9	767.4	175	942	2,100	1158	27	42.9
Soybeans	35.8	1214.4	60	1274	1,720	446	27	16.5
All wheat	17.7	463.4	100	563	725	162	14	11.6
Milo	5.0	135.2	5	140	255	115	27	4.3

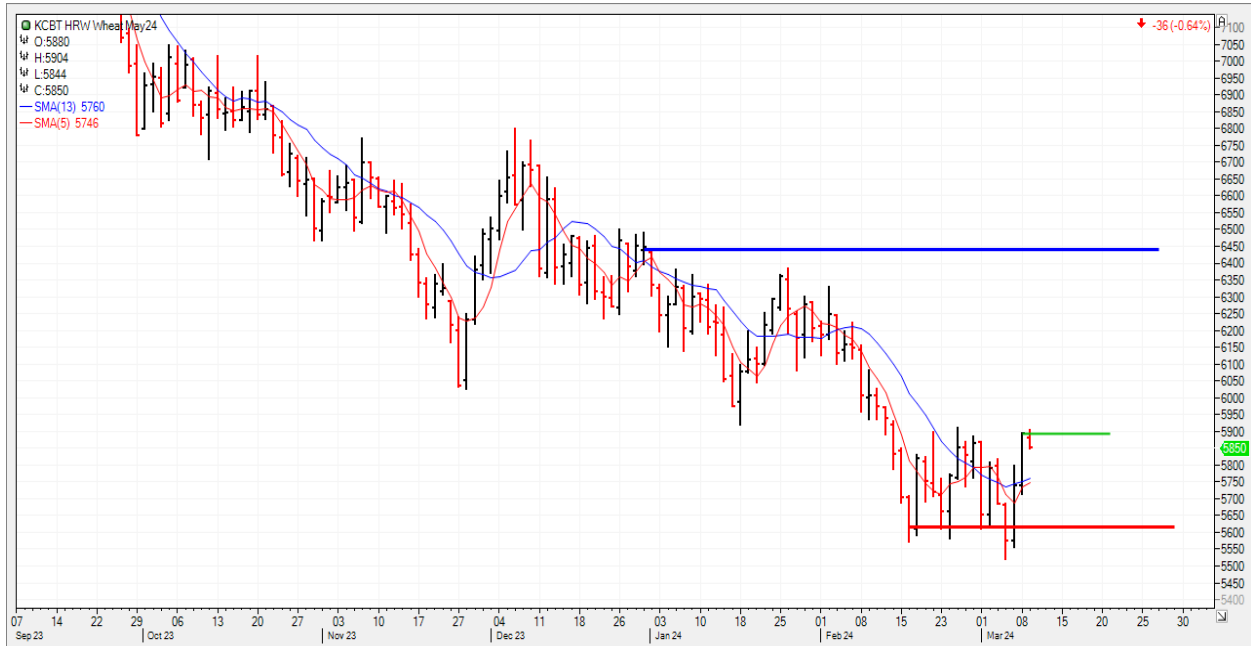
World wheat changes on Friday's report were muted. Aussie production, and exports, went up .5 mmt. Argentina's wheat production also went up about the same. Russian wheat production went up .5 mmt. Chinese IMPORTS were dropped 1.0 mmt, which is quietly and possibly a bearish input that needs watching. Europe's wheat imports were up 1.0 mmt, and probably related, Ukraine's wheat exports went up 1.0 mmt. Southeast Asia's wheat imports rose 1.7 mmt. Overall, world wheat ending stocks decreased slightly.



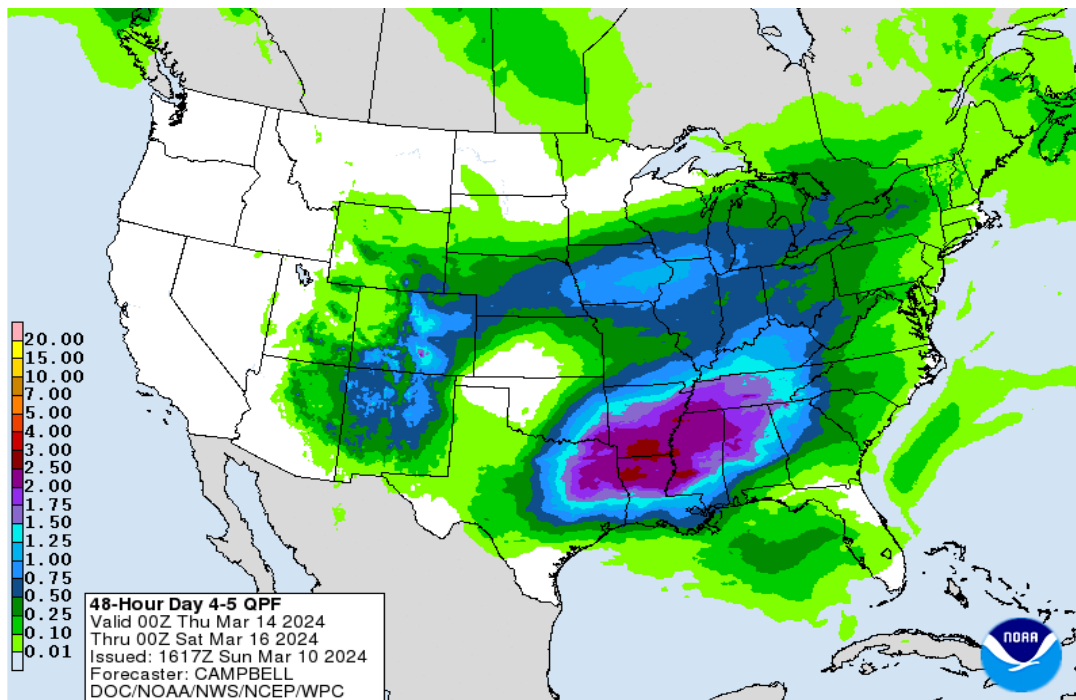
The ending stoxx/use ratio is a little tighter at 32.4%. I think it will require a drop to about 25% to get a big wheat rally. There was no change to India's old-crop balance sheet. Their new-crop situation is still being determined. A current wet forecast has India wheat traders nervous.

<https://www.msn.com/en-in/news/India/imd-predicts-snowfall-in-himalayas-rain-in-plains-wheat-crop-may-suffer/ar-BB1jFfUS>

This is the current KC May (old-crop) wheat chart. The green line is Friday's close, which was the 4-week Closing High. The Red line is \$5.62; Blue is from 12/29's \$6.44. **Continuing this rally will not be easy, as most everyone believes next year's situation (bearing down on us in about 3 months or so) will be quite burdensome. IF the rally can extend and print another green line, I see the next resistance sitting up around \$6.10 or so.**



The forecast shows a pretty good chance for much of the HRW Wheat Belt this coming weekend, focused on Colorado and Nebraska, although maybe missing south central Kansas and the western half of Oklahoma:



Posted Gulf bids are up 15c for 11's.

GULF date	12 pro	11's	diff
3/8/2024	150	140	10
3/1/2024	150	125	25 K
2/23/2024	150	125	25 H
2/16/2024	150	125	25
2/9/2024	145	125	20

The expiring KC H caught some shorts over-extending their welcome. This is KC March – KC May (calendar spread), and even though on paper we are swimming in HRW, playing the Delivery Game can be quite expensive.

Things are always crystal clear after the fact, but this moving average cross on Jan. 23 was a good buy signal.

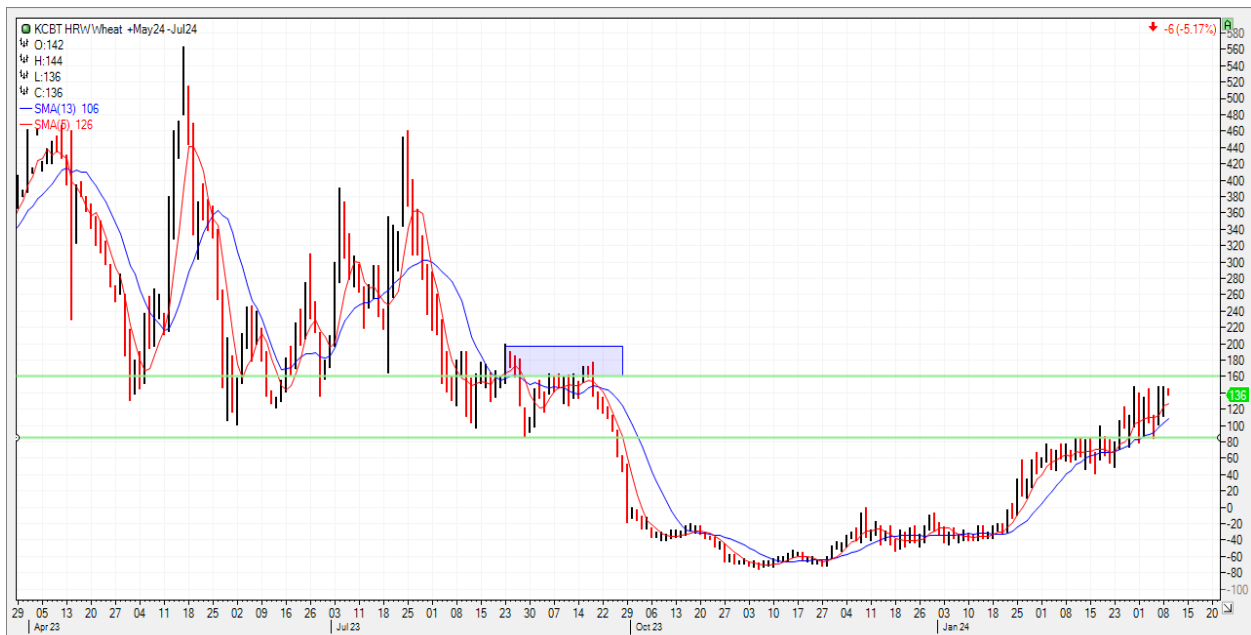


15,000 contracts moved the market from a 4c inverse to an 8c inverse, then the 2 days before first notice day traded 2300 contracts and took it to +17 then it traded up to +31c on an intra-day spike before fading some.

Posted Colorado basis bids in the west have not responded to the better 11's bid at the Gulf, but we do see a few better Central Kansas Terminal (delivery market) basis bids:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
03/08	\$5.04-\$5.24	\$5.09	\$4.99-\$5.09	\$4.94-\$5.24	\$5.04-\$5.69
03/01	\$4.85-\$5.00	\$4.85	\$4.75-\$4.85	\$4.70-\$4.95	\$4.80-\$5.45
02/23	\$4.74-\$4.94	\$4.89	\$4.74-\$4.84	\$4.70-\$4.84	\$4.84-\$5.49
02/16	\$4.72-\$4.92	\$4.87	\$4.72-\$4.82	\$4.68-\$4.82	\$4.82-\$5.47
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
03/08(K)	-85, -65	-80	-90, -80	-95, -65	-85, -20
03/01(K)	-80, -65	-80	-90, -80	-95, -69	-85, -20
02/23(H)	-95, -75	-80	-95, -85	-99, -85	-85, -20
02/16(H)	-95, -75	-80	-95, -85	-99, -85	-85, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
03/08(K)	-20	-25, -15	-35, -05	-43	
03/01(K)	-20	-25, -15	-40, -10	-43	
02/23(H)	-30	-25, -20	-45, -15	-48	
02/16(H)	-30	-25, -20	-45, -15	-48	

This is the KC May – KC July calendar spreads...the proverbial old-crop/ new-crop spread, and after the March -May strength, plus these better central Kansas terminal bids, I ASSUME everyone is paying attention. Support looks like +8c and resistance is up near +16.

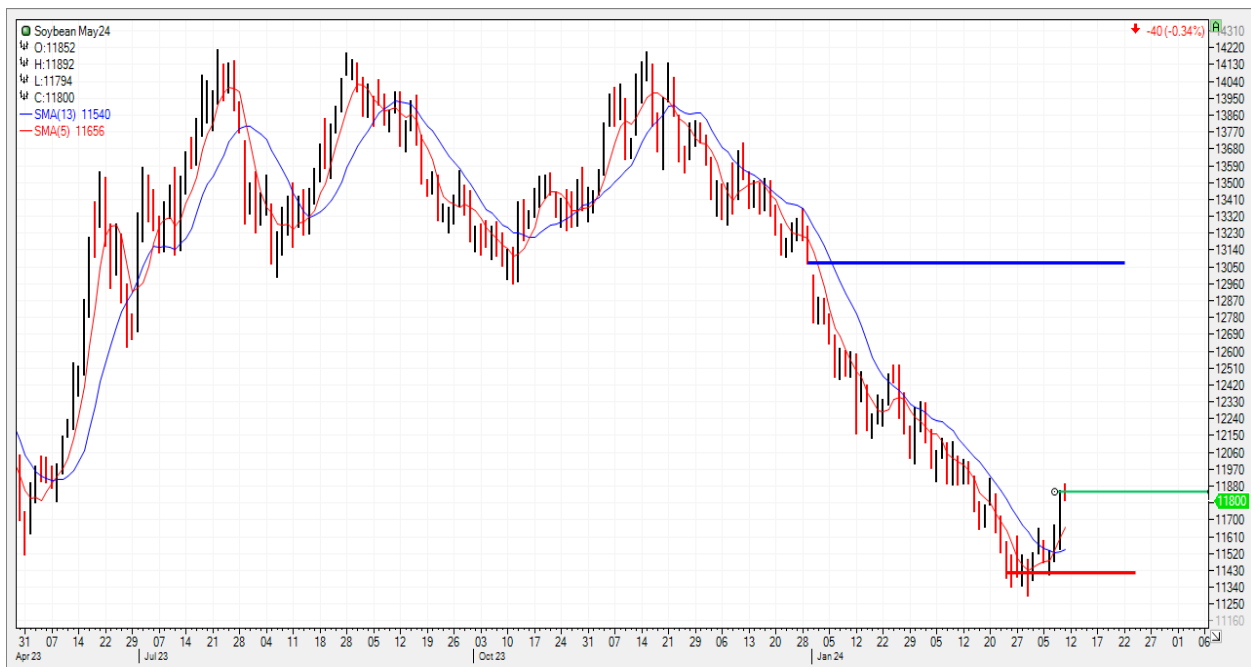


Friday's March WASDE didn't change ANY numbers for USA corn or soybeans (other than dropping the NAFP for corn a nickel). World numbers didn't move much either. Brazil's corn production stayed unchanged, while Mexico's dropped a million tonnes. Brazilian soybean production dropped only a million tonnes, and many traders still believe Brazil's numbers are wildly overstated for both corn and beans, but I say "secret knowledge only costs you money, so go with what's printed".

Here's the May corn chart, with the revised higher Green line (4-week Closing High):



and the May bean chart, also with a revised higher Green line:



I'm ok saying these markets are going flat as we enter into planting season in the Northern Hemisphere, but they will have to prove they have bottomed before we can get serious about any type of "sustainable" rally.

Switching gears...

I thought this story about Cargill's "Culinary Team" of chefs working with big fast-food chains was interesting: <https://www.startribune.com/cargill-chef-mcdonalds-jollibee-big-mac-safeway-culinary-director-stephen-giunta/600348804/>

I think these markets will be quiet the next few weeks as we crank up the big tractors. Speaking of ...I know planting time is stressful but:

Stay Safe. Don't get in a hurry.

Slow Down.

Have a good week.