

Hello Colorado Wheat.

The 11-Week Closing Table shows columns moving in different directions, interestingly I think.

KC and Mpls wheats were unable to develop follow-through buying and then backed off, while Chgo wheat just flat out moved lower and printed a new Red Number. (Spoiler alert: there were more Chinese SRW cancellations).

Corn did back off from the Green numbers, BUT not by very much.

Whereas soybeans...printed a new Green Number. (another spoiler alert...CONAB posted lower estimates for their Brazilian bean production.)

Crude oil posted a new Blue number (a new 11-Week Closing High) as Ukraine pounded on some more Russian oil facilities, and the stock market...went another week without setting a new Closing High.

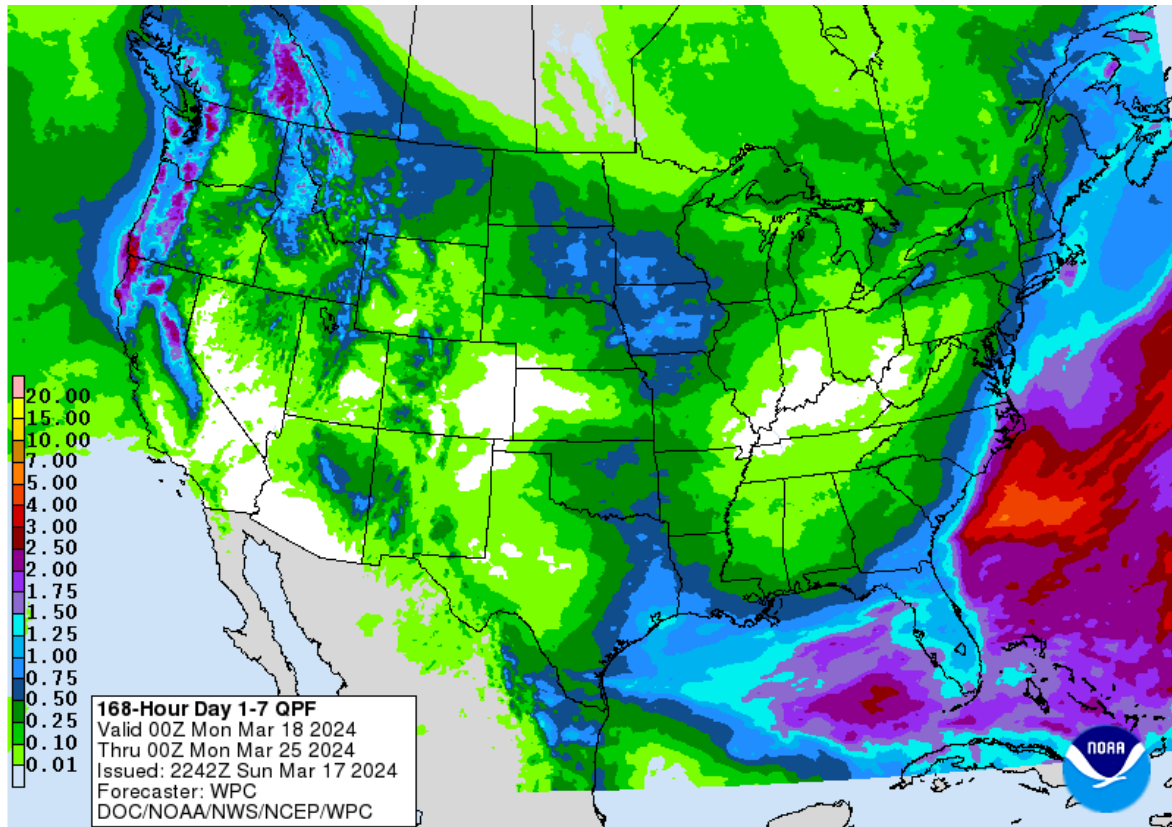
|       | MAY '24 | DEC '24 | MAY'24 | DEC '24 | Chgo K | Springs | MAY'24  | NOV 24  | Crude   | S&P M  |
|-------|---------|---------|--------|---------|--------|---------|---------|---------|---------|--------|
|       | HRW     | HRW     | corn   | corn    | wheat  | MAY (K) | beans   | beans   | oil     | now    |
| CLOSE | KWK24   | KWZ24   | CK24   | CZ24    | WK24   | MWK24   | SK24    | SX24    | CRD23   | ES23   |
| 03/15 | \$5.66  | \$5.87  | \$4.37 | \$4.71  | \$5.29 | \$6.47  | \$11.98 | \$11.91 | \$81.04 | \$5183 |
| 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 |

We'll dig deeper into these numbers and remember St Patty's Day while we're at it.

*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*

St Patty's Day, as far as I'm concerned, is when winter wheat breaks dormancy, which means the now growing plants need more water. I know it's not that simple, and this year, I don't really know how dormant the plants were, but...it's when I start keeping score.

SO...here's what's on tap for this week (week 1 is how I count it, but you may prefer to start counting April 1, which will be the first of the weekly Crop Progress and Condition reports ):



Eastern Colorado and most of Western Kansas are a miss, BUT...Oklahoma and Nebraska, the Dakotas and about all of Montana could get pretty wet; even Alberta and the SW corner of Saskatchewan look likely to get wet...so this forecast looks like a **mixed bag** to me.

I am troubled by the dry Colorado/Kansas state Line, and really don't want to see a repeat next week.

Conversely, will we see a wet repeat in spring wheat country again next week? IF SO, we'd all be wondering if this is a trend change. (If so, it would have to be viewed as a bearish input.)

While we're talking about USA wheat weather, and then Canadian wheat weather, this is probably a good time to get in this Indian wheat update...<https://www.msn.com/en-us/money/markets/indias-wheat-stocks-hit-7-year-low-after-record-state-sale/ar-BB1jLnS9>

Seems like a good segway to a Black Sea update, not necessarily about the weather, but...more importantly, Ukraine seems to be increasing their exports, because they have sunk several Russian Black Sea Fleet ships. <https://www.msn.com/en-us/news/other/ukraine-s-victories-over-russia-s-black-sea-fleet-reopen-vital-grain-corridor/ar-BB1jZi8q>

A couple of weeks ago, Ukraine donated a boatload of wheat to Nigeria...<https://www.vanguardngr.com/2024/03/humanitarian-aid-ukraine-donates-25000tons-of-wheat-to-nigeria/>

Anyway...most of that world wheat news didn't seem very bullish.

On page 1 we mentioned more Chinese wheat purchase cancellations. Last week I wrote *"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."*

On March 11, we saw China cancel another 264,000 tonnes of the USA SRW previously purchased, so if I was correct about them having another 346 mt to go, NOW they only have 82,000 to go (3 million bu), which makes me think we're done seeing cancellations, at least until we get closer to new-crop.

Although when we read stories of China cancelling 1 million tonnes of Aussie wheat...<https://www.msn.com/en-us/money/companies/exclusive-chinese-buyers-cancel-postpone-australian-wheat-buys-amid-global-surplus/ar-BB1jVbcu> we have to admit we HOPE we're done seeing Chinese USA SRW wheat cancellations.

Is it possible China got out at the bottom, or did they get out because wheat has another dollar downside? The table on page 1 shows Chgo May dropped almost exactly a dollar in 11 weeks.



That was the Chgo May wheat daily chart, and here's the Chgo continuous weekly wheat chart, which looks...bad. There's some potential trendline support at about \$5.00, then 2020 lows are around \$4.70, with the '18 and 2019 lows about 50c below that.



If we have to go back to 2017 lows, we're looking at Chgo wheat below \$4.00.

So there's a chance the Chinese did not get out at the bottom.

However...IF, and that's a big word...IF the Indian wheat crop has been truly hurt, and their production is less than a 100 million tonnes, then...China will almost certainly have sold the bottom.

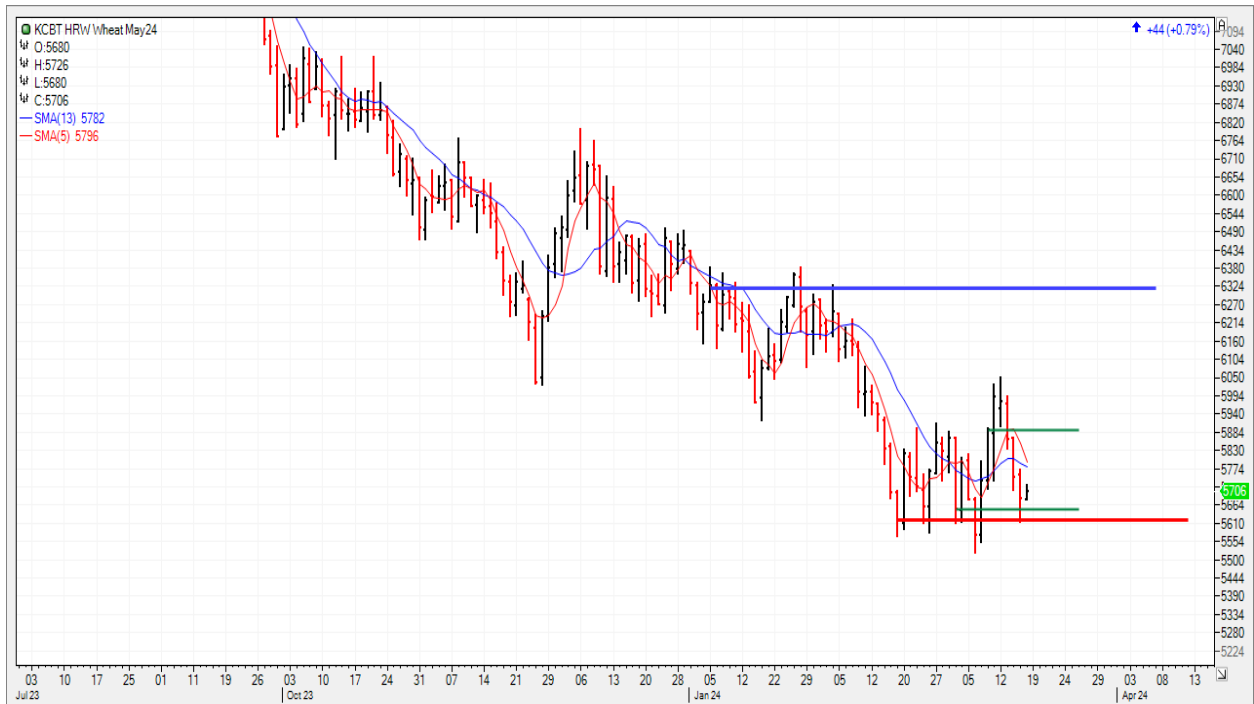
We'll know more about that Indian crop in a month.

Of course with Chgo imitating a falling knife, it's hard for KC to not go along with it.

Here we see the KC May – Chgo May wheat spread breaking down, as the moisture this winter has been good enough where KC does not have the luxury of ignoring Chgo, now 20c off the peak, and I'm showing a down-trending channel.



Here's KC May by itself, unable to move up above the 4-week Closing Highs, and then falling back to almost, but not quite...setting a new Green line 4-week Closing Lows, and maybe setting up a cross of the moving averages, which would point lower.



All in all...it's still too early to say that wheat has bottomed.

The updated Export Pace scorecard didn't change much. Corn loadings are on pace, and Export Sales were 50 million bu. That's pretty good news.

Soybean loadings were fair, and the pace is good, but Export Sales were only 13.8 mil bu, which is a concern, and would support the USDA expecting bean sales to come to a halt.

Wheat loadings were on pace, BUT...export Sales were only 3 million bu, a marketing year low. (Cancellations really hurt the Sales category.) For the record, it looks like **China took a boat of half HRW and half SWW X the PNW**, which we haven't seen in a long time.

| <b>WEEK ENDED (03/07/24)</b> | Weekly loadings | Accumulated in season (FGIS) | Estimated fudge factor | Total loaded est* | USDA projection | Amount needed | Weeks to go | Bu per week needed |
|------------------------------|-----------------|------------------------------|------------------------|-------------------|-----------------|---------------|-------------|--------------------|
| Corn                         | 44.2            | <b>858.6</b>                 | <b>175</b>             | 1034              | <b>2,100</b>    | 1066          | 25          | <b>42.6</b>        |
| Soybeans                     | 26.0            | <b>1286.1</b>                | <b>60</b>              | 1346              | <b>1,720</b>    | 374           | 25          | <b>15.0</b>        |
| All wheat                    | 14.8            | <b>491.4</b>                 | <b>100</b>             | 591               | <b>710</b>      | 119           | 12          | <b>9.9</b>         |
| Milo                         | 2.6             | <b>143.0</b>                 | <b>5</b>               | 148               | <b>255</b>      | 107           | 25          | <b>4.3</b>         |
|                              |                 |                              |                        |                   |                 |               |             |                    |
| LAST update                  |                 |                              |                        |                   |                 |               |             |                    |
| Corn                         | 42.7            | <b>812.0</b>                 | <b>175</b>             | 987               | <b>2,100</b>    | 1113          | 26          | <b>42.8</b>        |
| Soybeans                     | 37.5            | <b>1255.0</b>                | <b>60</b>              | 1315              | <b>1,720</b>    | 405           | 26          | <b>15.6</b>        |
| All wheat                    | 13.0            | <b>476.4</b>                 | <b>100</b>             | 576               | <b>710</b>      | 134           | 13          | <b>10.3</b>        |
| Milo                         | 5.2             | <b>140.4</b>                 | <b>5</b>               | 145               | <b>255</b>      | 110           | 26          | <b>4.2</b>         |

The “big” news of the week came from the soybeans, as CONAB further reduced their estimate of Brazil’s soybean production (and their corn estimate was reduced a little). There is a growing discrepancy between the USDA estimate and CONAB’s estimate, mainly because Brazil doesn’t want to show the true harvested acres, which keep increasing due to deforestation. BUT...the news is the news. <https://money.usnews.com/investing/news/articles/2024-03-13/column-brazil-soy-corn-crop-estimates-widen-further-after-weather-woes-braun>

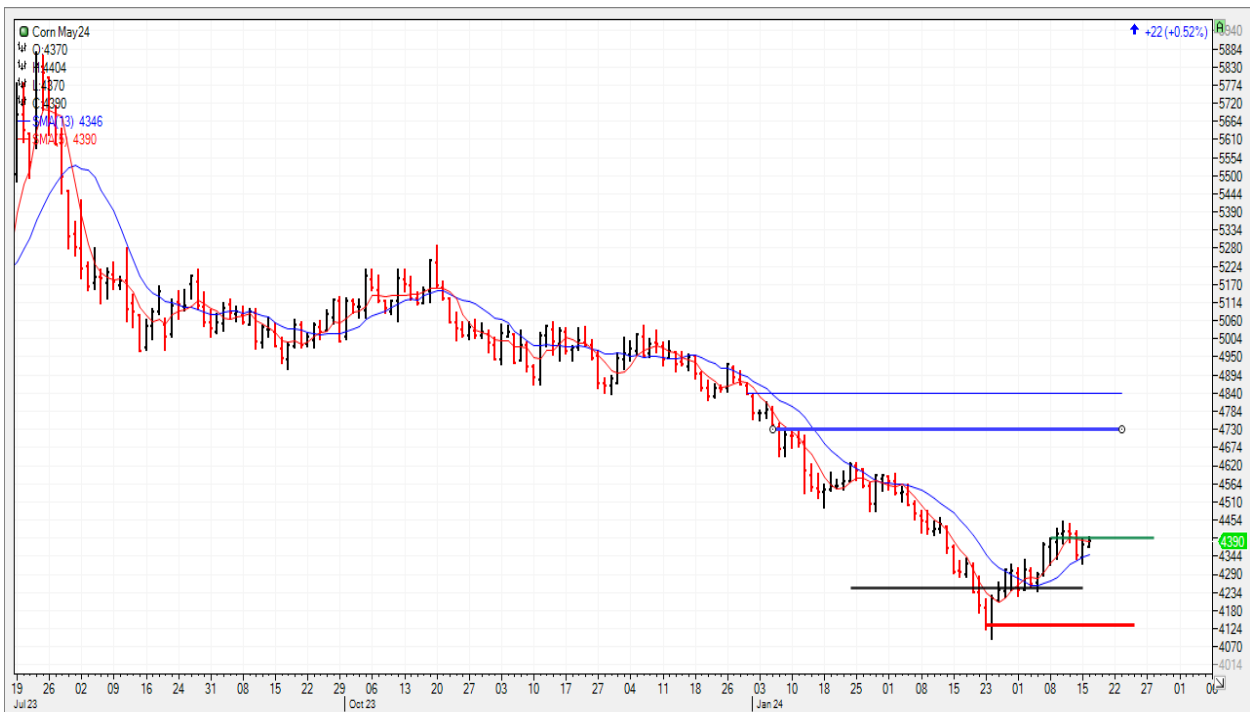
This is the May soybean chart, posting a new higher 4-week Closing High (and the Blue line is about 40c lower this week, due to the 12/29 week rolling off the 11-week table) which one day may be important.) We do note the upper Green line (the newest 4-Week Closing high) is basically at \$12.00, which is a big psychological number.

Can beans stay above \$12.00 this week?

I would feel better about saying yes if Export Sales were better.



Corn was pretty much unchanged, watching beans trying to run, and also watching wheat sinking.



I think corn is in a sideways mode, waiting on US planting season.

Let's wrap it up.

US Gulf HRW basis bids are unchanged:

| GULF date | 12 pro | 11's | diff |   |
|-----------|--------|------|------|---|
| 3/15/2024 | 150    | 140  | 10   |   |
| 3/8/2024  | 150    | 140  | 10   |   |
| 3/1/2024  | 150    | 125  | 25   | K |
| 2/23/2024 | 150    | 125  | 25   | H |

Posted basis bids in the country are mainly unchanged, but one spot dropped 15c:

| Date            | SE Colorado          | Chey. Wells     | Burlington           | Holyoke area         | Roggen area          |
|-----------------|----------------------|-----------------|----------------------|----------------------|----------------------|
| <b>03/15</b>    | <b>\$4.81-\$5.01</b> | <b>\$4.86</b>   | <b>\$4.76-\$4.86</b> | <b>\$4.71-\$4.86</b> | <b>\$4.81-\$5.46</b> |
| 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        |
| BASIS           | SE Colorado          | Chey. Wells     | Burlington           | Holyoke              | Roggen area          |
| <b>03/15(K)</b> | <b>-85, -65</b>      | <b>-80</b>      | <b>-90, -80</b>      | <b>-95, -80</b>      | <b>-85, -20</b>      |
| 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             |
| Date            | Concordia            | Salina          | Hutch/Wichita        | Ark City             |                      |
| <b>03/15(K)</b> | <b>-20</b>           | <b>-25, -15</b> | <b>-35, -05</b>      | <b>-43</b>           |                      |
| 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                  |                      |

Stay Safe. Slow Down.

Have a good week.