

Hello Colorado Wheat.

I hope you had a great Easter. Spring is here...

There's something happening here. What it is ain't exactly clear...but if we ignore the Stock Market, or Cude Oil (I'm not saying we should...), then this week was about...corn, and specifically, new-crop Dec (Z) corn. You have to study this table, as it doesn't immediately jump out at you, but we easily see the \$4.78 Z corn is the 4-Week Closing high, and then...because the 01/12 date will be rolling off the table, the 3/29 \$4.78 close will actually be a new Blue number, which of course should be treated as resistance, yet...it signifies short corn positions need to be at least partially covered (bought in).

Where it starts to get even more interesting...is what if Dec corn closes higher again this week? Because then you'd definitely be talking about a new Blue number (and of course another 4-week closing high).

	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
03/29	\$5.85	\$6.09	\$4.42	\$4.78	\$5.60	\$6.45	\$11.92	\$11.86	\$83.17	\$5308
03/22	\$5.90	\$6.13	\$4.40	\$4.75	\$5.55	\$6.61	\$11.92	\$11.87	\$80.63	\$5293
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

SO what happened to corn?

Last Thursday we saw Planting Intentions. We better take a look.

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 15-minute Dec corn bar chart; you can see it broke out to the upside almost immediately after the “crop report” came out. And...it’s showing a Bull Flag formation, pointing higher. (Keep in mind if it breaks lower, a failed Bull Flag would NOT be friendly...)



Here’s the daily Z corn, and I’m showing Thursday’s \$4.7775 close as a BLUE LINE, as the 01/12 date rolls off the table. IF WE GET FOLLOW THROUGH, this could be finally be The Bottom.



A quick look at the Export Pace shows exports were not the reason for corn's thrust higher, but they aren't a negative input either. Corn export sales were 47.5 mil bu. At this pace, the USDA **might** be thinking about raising their USA corn export forecast.

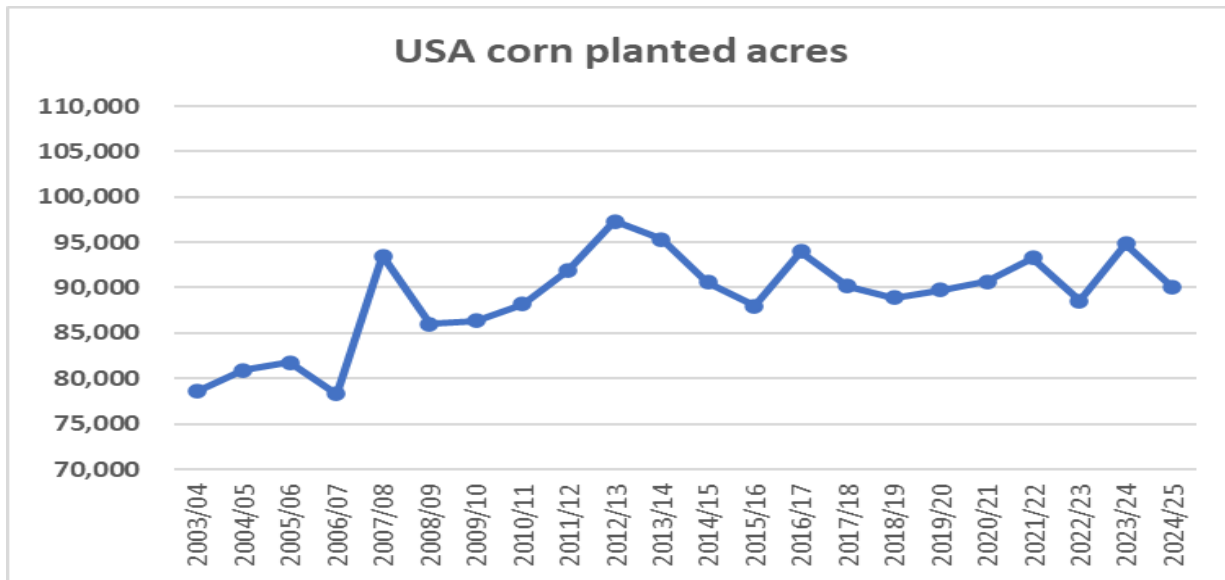
Soybean sales were only 9.7 mil bu, so it's still iffy whether the USDA's bean forecast will be revised.

Wheat export sales were 12.5 mil bu, with only 10 weeks remaining...possibly the wheat export forecast is a freckle understated.

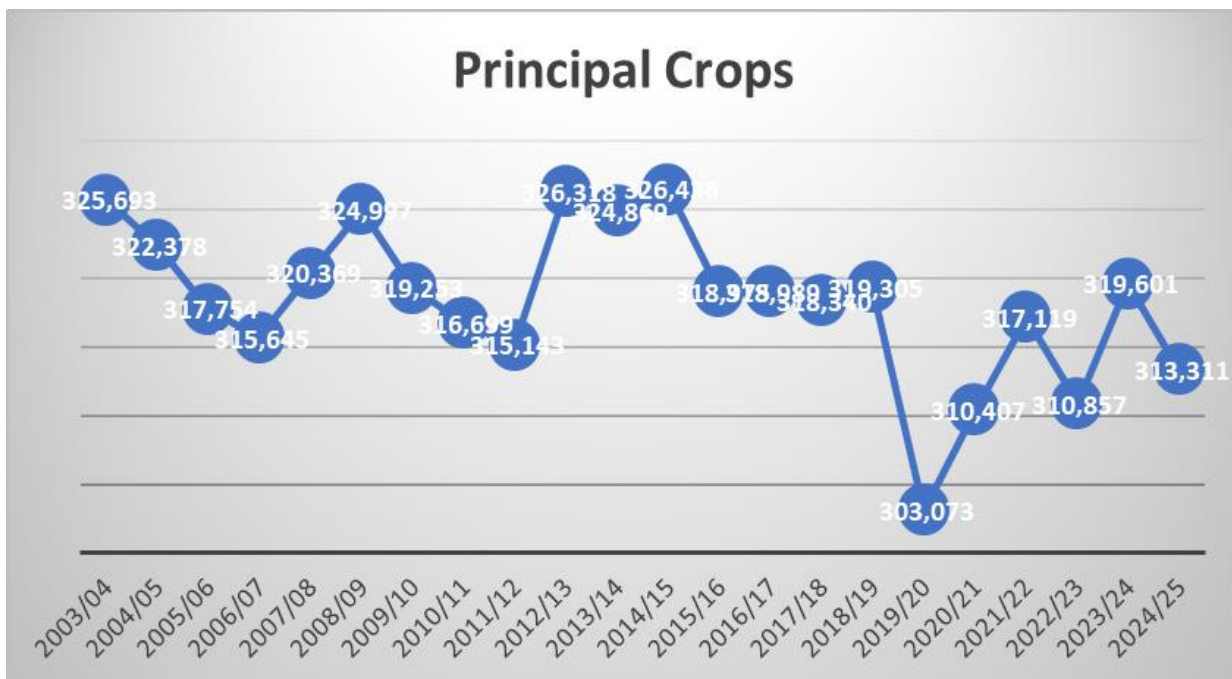
WEEK ENDED (03/14/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	48.3	960.9	175	1136	2,100	964	23	41.9
Soybeans	28.2	1343.0	60	1403	1,720	317	23	13.8
All wheat	11.6	520.5	100	621	710	89	10	8.9
Milo	7.6	150.5	5	155	255	100	23	4.2
LAST update								
Corn	48.8	909.1	175	1084	2,100	1016	24	42.3
Soybeans	25.2	1314.2	60	1374	1,720	346	24	14.4
All wheat	11.1	504.9	100	605	710	105	11	9.5
Milo	7.6	150.5	5	155	255	100	24	4.2

Ok, here's the updated acreage table with the Planting Intentions report, keeping in mind the Ag Outlook Forum numbers were 91.0 for corn, 87.5 beans and 47.0 wheat:

	CORN		SOYBEANS		WHEAT	
	March intentions	Final acreage	March intentions	Final acreage	March intentions	Final acreage
24/25	90.0		86.5		47.5	
23/24	92.0	94.6	87.5	83.6	49.9	49.6
22/23	89.5	88.2	91.0	87.5	47.4	45.8
21/22	91.1	92.9	87.6	87.2	46.4	46.7
20/21	97.0	90.7	83.5	83.4	44.7	44.5
19/20	92.9	89.7	84.6	76.1	45.8	45.5
18/19	88.0	88.9	89.0	89.2	47.3	47.8
17/18	90.0	90.2	89.5	90.2	46.1	46.1
16/17	93.6	94.0	82.2	83.5	49.6	50.1

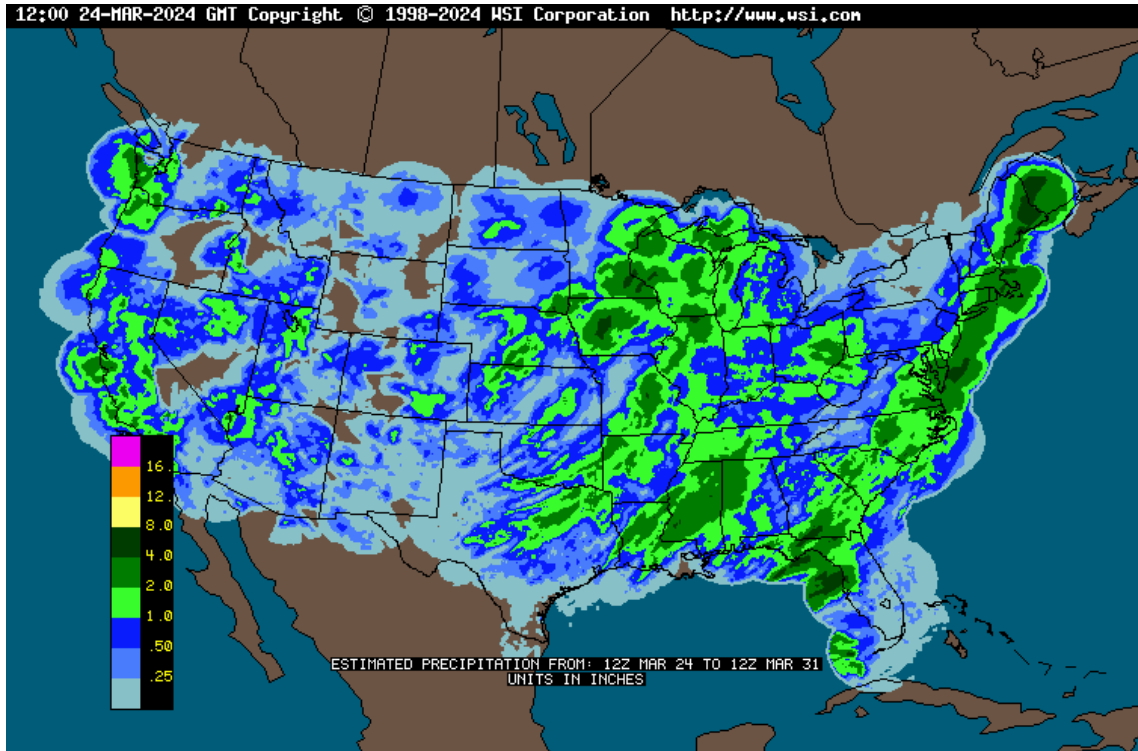


The entire picture on USA Principal Crop looks low, but...these are the numbers the market will use until the June 30 update.

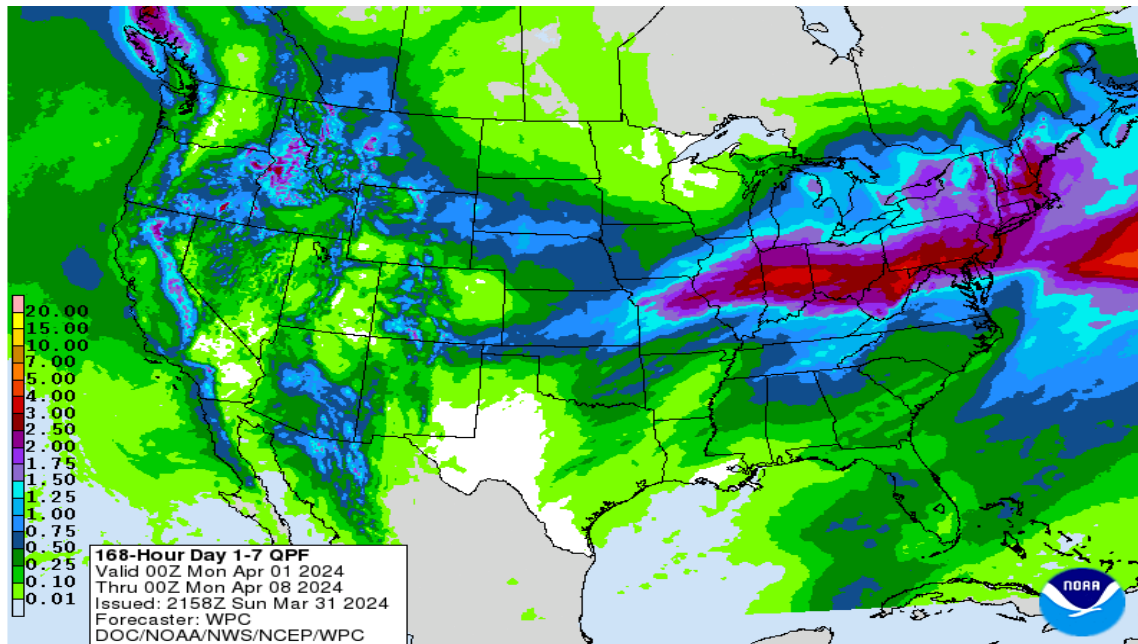


Planting season weather could have an impact on those numbers.

Some helpful moisture was received last week in some of the HRW Wheat Belt, but it was a little drier than expected.



But this week's forecast looks kinda wet, which would be great, as it's going to be needed...



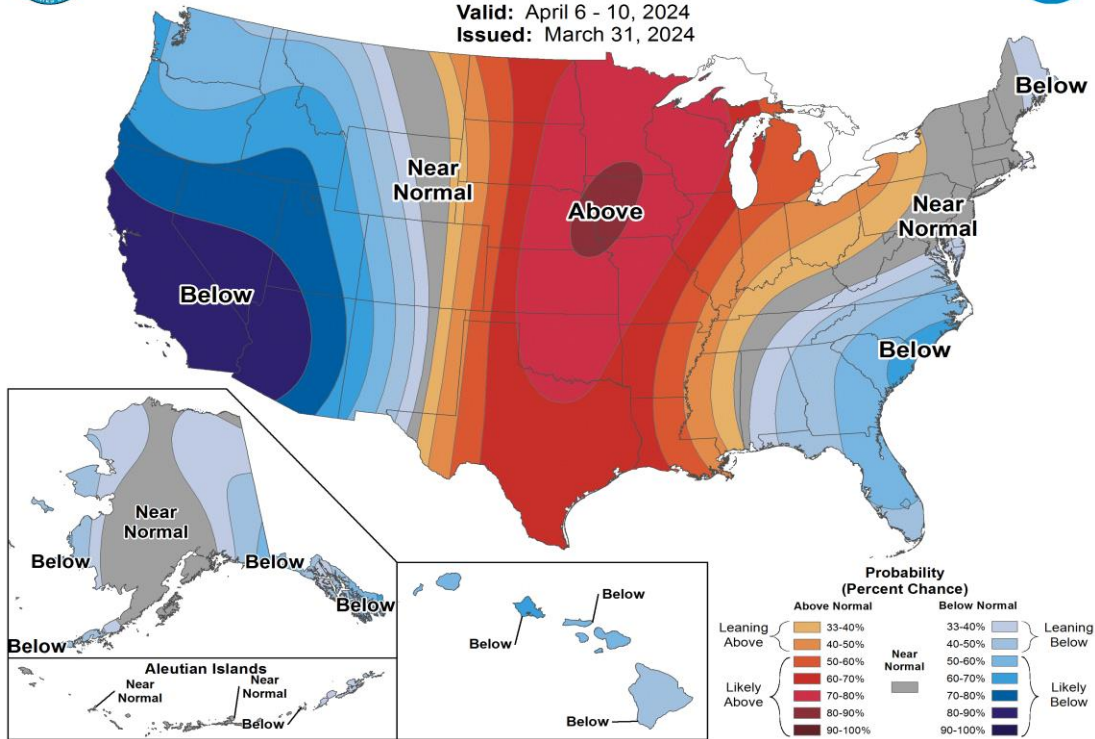
Especially when we look at the expected temps:



6-10 Day Temperature Outlook



Valid: April 6 - 10, 2024
Issued: March 31, 2024



Anyway...those maps mainly affect wheat. Let's finish the corn discussion.

I'm going with this potential USA corn S&D

corn	1	2	3	4	5	6	7	8	9
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
area planted	94.0	90.2	88.9	89.7	90.7	92.9	88.2	94.6	90.6
area harvested	86.7	82.7	81.3	81.3	82.3	85.0	78.7	86.5	82.9
yield	0.923	0.917	0.915	0.907	0.908	0.915	0.892	0.914	0.915
beginning stocks	1,737	2,293	2,140	2,221	1,919	1,235	1,377	1,360	2,172
production	15,148	14,609	14,340	13,620	14,111	15,018	13,650	15,342	14,922
imports	57	36	28	42	24	24	39	25	25
total supply	16,942	16,938	16,508	15,883	16,054	16,277	15,066	16,727	17,119
feed and residual	5,470	5,304	5,429	5,900	5,607	5,671	5,487	5,675	5,700
food, seed and industrial	6,885	7,057	6,793	6,286	6,467	6,757	6,558	6,780	6,825
(includes ethanol & by-products)	5,432	5,605	5,378	4,857	5,028	5,320	5,176	5,375	5,400
total domestic use	12,355	12,361	12,222	12,186	12,074	12,428	12,045	12,455	12,525
exports	2,294	2,438	2,066	1,777	2,747	2,472	1,661	2,100	2,200
total use	14,649	14,799	14,288	13,963	14,821	14,900	13,706	14,555	14,725
ending stocks	2,293	2,140	2,221	1,919	1,235	1,377	1,360	2,172	2,394
stox/use	15.65%	14.46%	15.54%	13.74%	8.33%	9.24%	9.92%	14.92%	16.26%
NAFP	\$ 3.36	\$ 3.36	\$ 3.61	\$ 3.56	\$ 4.53	\$ 6.00	\$ 6.54	\$ 4.75	\$ 4.40

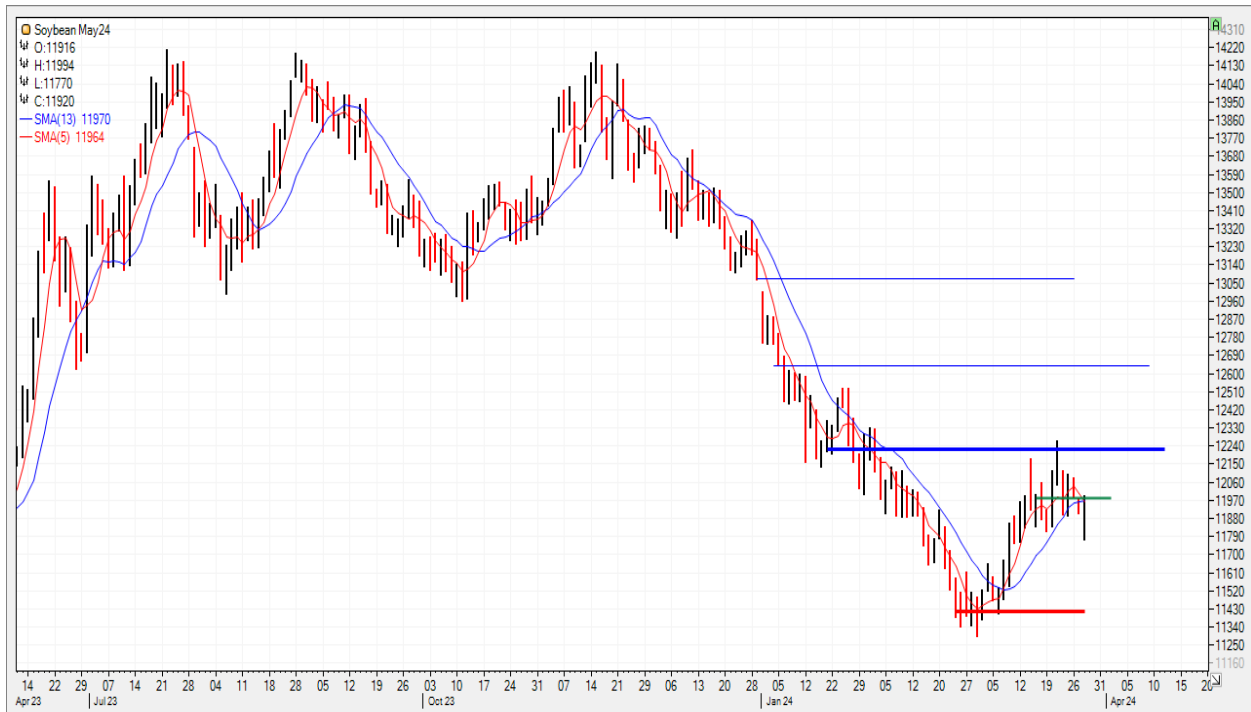
My takeaway is this...with the fewer corn acres, yield becomes more important. I went with a 180 bu/ac yield to get a 14,922 crop (down from last year's 15,342). I increased exports a little and ethanol demand a freckle, BUT we still see corn stocks building BECAUSE we'll be starting the new year with almost a 2.2 bil bu stockpile. Net I'm showing besides the buildup in carry out, the ending stox/usage ratio will get above 16%, and thus I'm going with a 35c/bu drop in National Average Farm Price.

IF I'm on the right track, then the current almost \$4.80 Dec corn is at least 40c/bu overpriced.

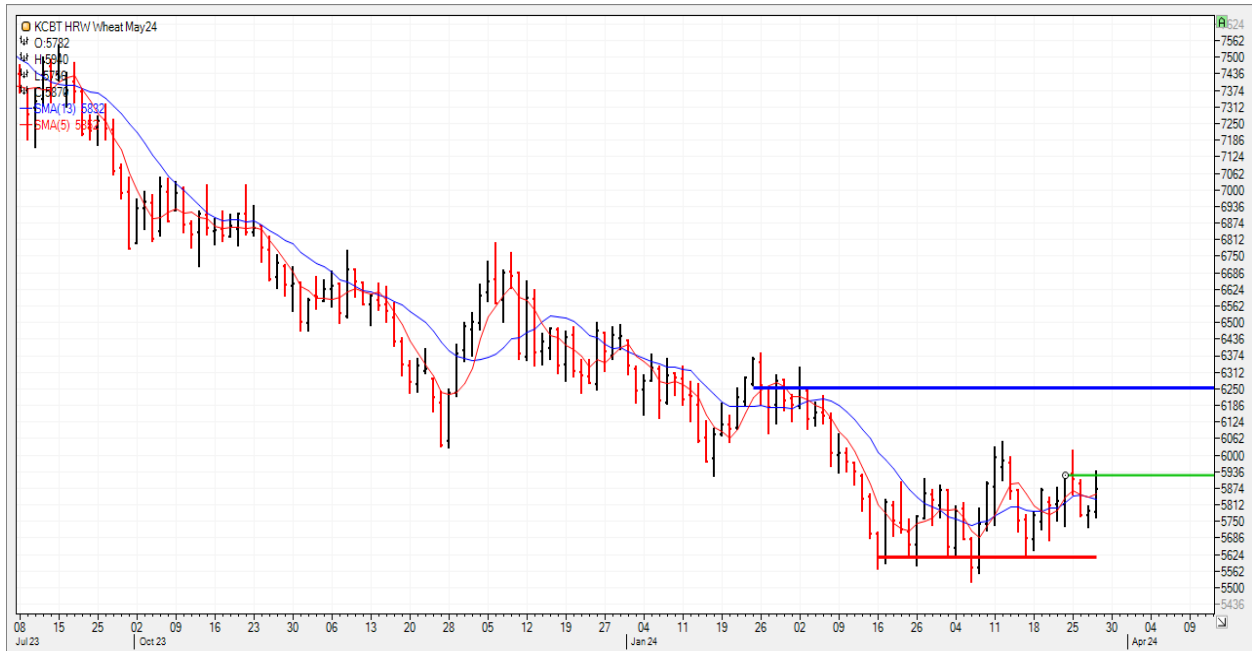
I'm currently 35% sold on my expected new-crop corn production, so I'm putting in a resting sell order at \$4.99 on 15% of my expected production, to get to 50% sold.

That's going to require a 21c rally in Dec corn. I hope we get some follow through.

Here's a quick look at old-crop May beans, doing very little, having difficulty getting up through \$12.00 (green line is \$11.98). The blue line is now down to \$12.23, closer to being in play, but means tough resistance is also closer to the market.



And old-crop May wheat, unable to get above the 4-week Closing High Green line. I think the weather has to get better, or worse, to move this chart.



Posted bids at the Texas Gulf are a nickel weaker, which I ASSUME means Brazil buying USA wheat is now looking more unlikely. I would not be surprised to see Russian wheat do that business, which...is not a bullish input.

GULF date	12 pro	11's	diff	
3/29/2024	145	135	10	
3/22/2024	150	140	10	
3/15/2024	150	140	10	
3/8/2024	150	140	10	
3/1/2024	150	125	25 K	

Most posted basis bids in the country did not move, except one Kansas Terminal did drop a nickel with the Gulf:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
03/29	\$5.00-\$5.20	\$5.05	\$4.95-\$5.05	\$4.90-\$5.05	\$5.00-\$5.65
03/22	\$5.06-\$5.26	\$5.11	\$5.01-\$5.11	\$4.96-\$5.11	\$5.06-\$5.71
03/15	\$4.81-\$5.01	\$4.86	\$4.76-\$4.86	\$4.71-\$4.86	\$4.81-\$5.46
03/08	\$5.04-\$5.24	\$5.09	\$4.99-\$5.09	\$4.94-\$5.24	\$5.04-\$5.69
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
03/29(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/22(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/15(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/08(K)	-85, -65	-80	-90, -80	-95, -65	-85, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
03/29(K)	-20	-25, -20	-35, -05	-40	
03/22(K)	-20	-25, -15	-35, -05	-40	
03/15(K)	-20	-25, -15	-35, -05	-43	
03/08(K)	-20	-25, -15	-35, -05	-43	

World wheat news...parts of India are having issues as harvest looms...<https://www.tribuneindia.com/news/himachal/wheat-vegetable-crops-flattened-in-kangra-district-605798> and in the response, the Government is asking traders to report their stocks weekly now (they sound nervous to me.) <https://www.reuters.com/world/india/india-mandates-weekly-reporting-wheat-stocks-prevent-hoarding-2024-03-29/>

Did China sell the bottom? It's possible; we can't say with certainty yet.

I think this will be an important week for corn, and we all know Corn drives the Grain Train.

Have a good week. I hope you get the moisture.

Stay Safe. Slow Down.