

Hello Colorado Wheat.

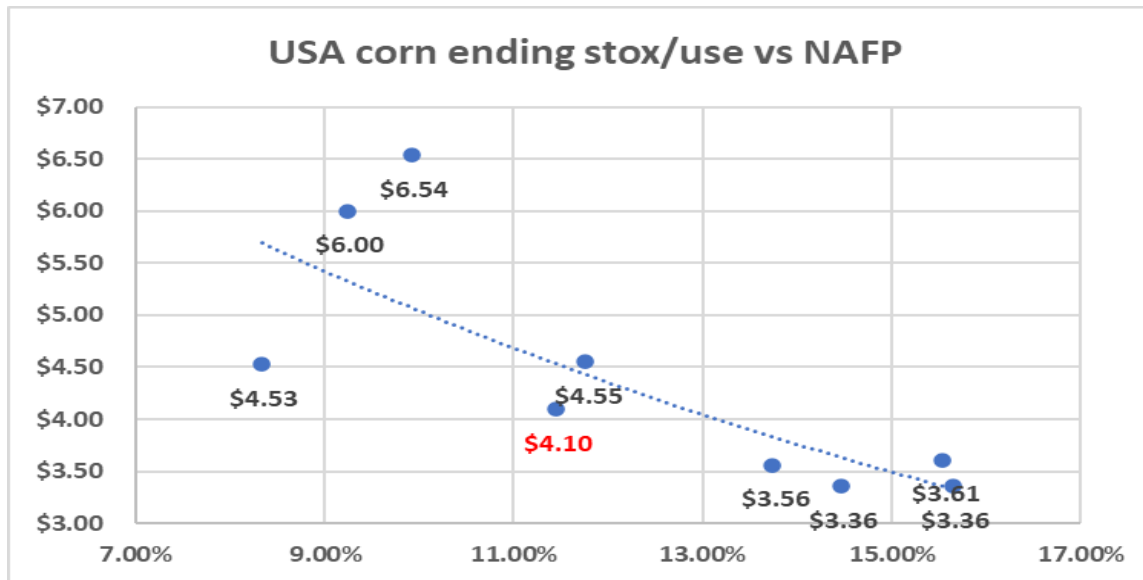
Last Tuesday's USDA December WASDE update snatched a defeat from the jaws of a corn victory.

The USDA increased their USA corn export forecast 150 mil bu! and increased their ethanol usage 50 mil bu, for a total 200 mil bu increase in USA corn demand, dropping the corn ending stox/usage ratio by a full 1.5%, yet...left the National Average Farm Price unchanged at \$4.10/bu.

NOV	DEC	
2024/25	2024/25	
2325	2475	corn exports
14990	15190	USA corn total demand m bu
1938	1738	USA corn total carryout
12.9%	11.4%	USA corn stox/use
\$4.10	\$4.10	USA corn farm price

This data table feeds the chart below it:

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
stox/use	15.65%	14.46%	15.54%	13.74%	8.33%	9.24%	9.92%	11.76%	11.44%
nafp	\$ 3.36	\$ 3.36	\$ 3.61	\$ 3.56	\$ 4.53	\$ 6.00	\$ 6.54	\$ 4.55	\$ 4.10



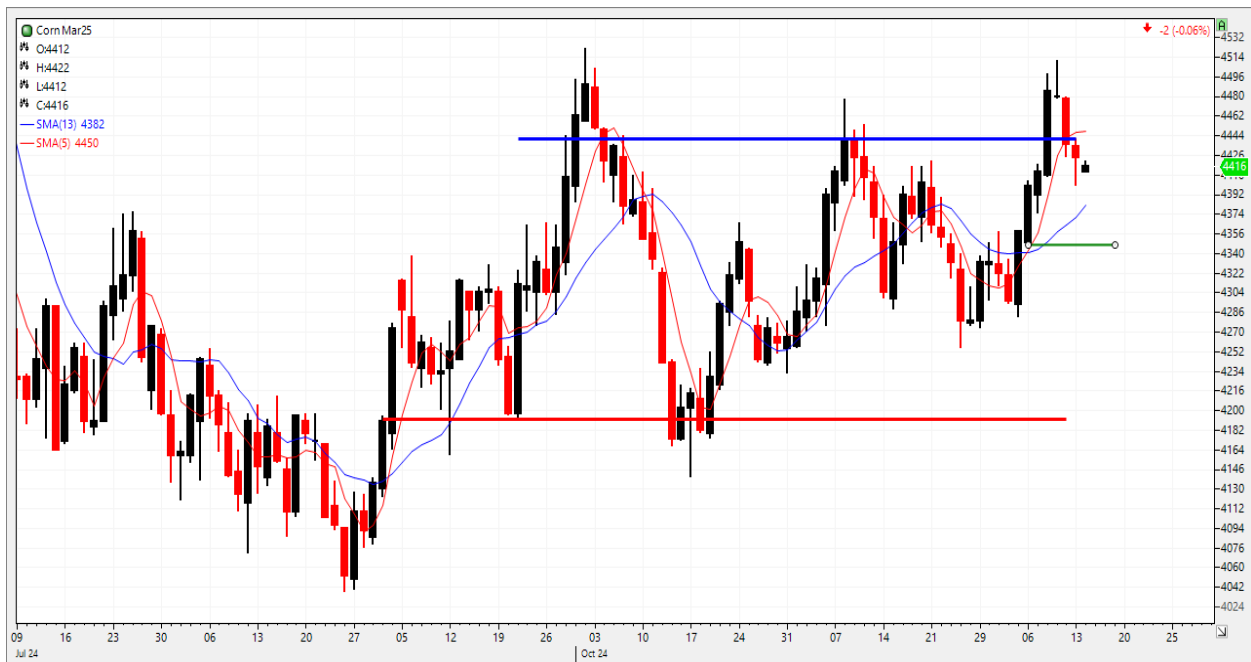
With these fundamentals, I think it looks like the NAFP of \$4.10 is a little bit on the cheap side.

*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***

The week ended slightly better in corn and KC wheat, but slightly weaker in Jan beans. Crude bounced; the stock market wobbled a little. Sure feels to me like we're waiting on something. I assume it's for the new Administration to take office.

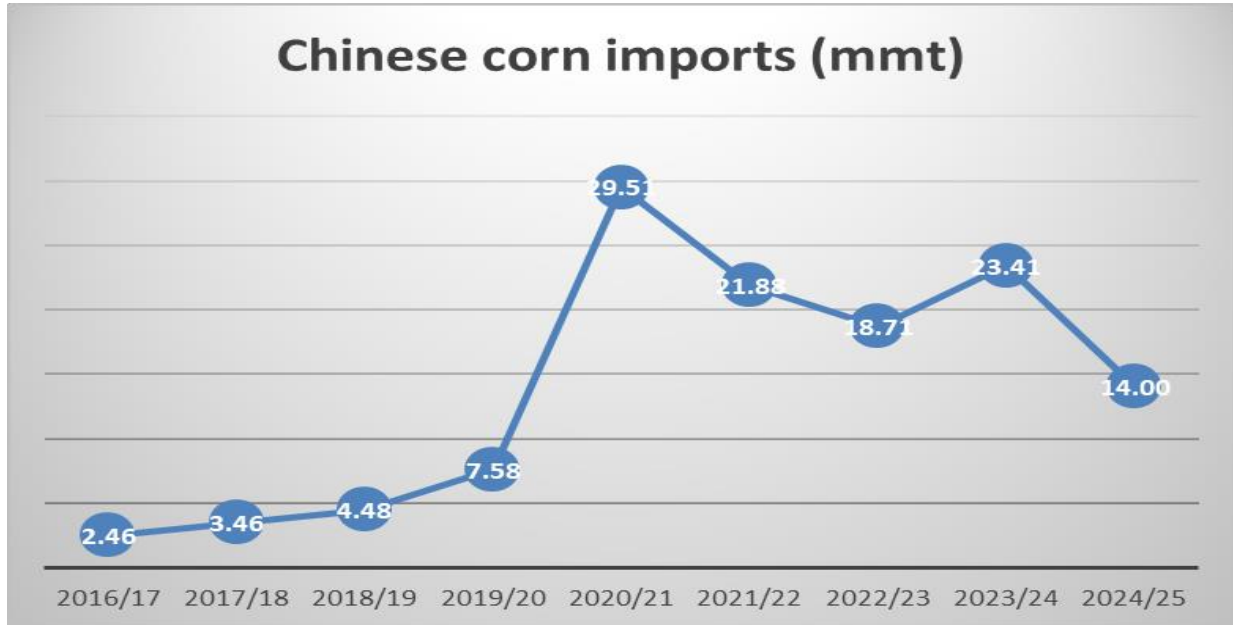
	KC MAR HRW	DEC 25 HRW	March CORN	DEC 25 CORN	Chgo H wheat	Springs MAR (H)	JAN'25 BEANS	NOV BEANS	Crude oil	S&P (Z)
CLOSE	KWH25	KWZ25	CH25	CZ25	WH25	MWH25	SF25	SX25	CRD24	ES24
12/13	\$5.57	\$6.01	\$4.42	\$4.39	\$5.52	\$5.99	\$9.88	\$10.06	\$71.09	\$6056
12/06	\$5.54	\$5.97	\$4.40	\$4.37	\$5.57	\$5.97	\$9.94	\$10.05	\$67.20	\$6099
11/29	\$5.41	\$5.86	\$4.33	\$4.32	\$5.48	\$5.92	\$9.90	\$10.11	\$68.00	\$6052
11/22	\$5.66	\$6.08	\$4.35	\$4.36	\$5.65	\$6.01	\$9.84	\$10.09	\$71.27	\$5987
11/15	\$5.52	\$5.98	\$4.35	\$4.40	\$5.54	\$5.91	\$9.99	\$10.20	\$67.02	\$5897
11/08	\$5.78	\$6.23	\$4.44	\$4.49	\$5.88	\$6.17	\$10.30	\$10.53	\$70.38	\$6025
11/01	\$5.80	\$6.27	\$4.29	\$4.41	\$5.88	\$6.23	\$9.94	\$10.32	\$69.49	\$5758
10/25	\$5.86	\$6.28	\$4.30	\$4.41	\$5.89	\$6.28	\$9.98	\$10.33	\$71.78	\$5846
10/18	\$5.96	\$6.37	\$4.19	\$4.35	\$5.93	\$6.38	\$9.83	\$10.20	\$69.22	\$5906
10/11	\$6.21	\$6.63	\$4.33	\$4.50	\$6.22	\$6.65	\$10.21	\$10.56	\$75.56	\$5860
10/04	\$6.15	\$6.56	\$4.42	\$4.54	\$6.13	\$6.60	\$10.56	\$10.81	\$74.38	\$5800

Corn tried to move higher initially and set a new blue line with the WASDE but faded a little. Ultimately the \$4.44 11-week Closing High was NOT changed.

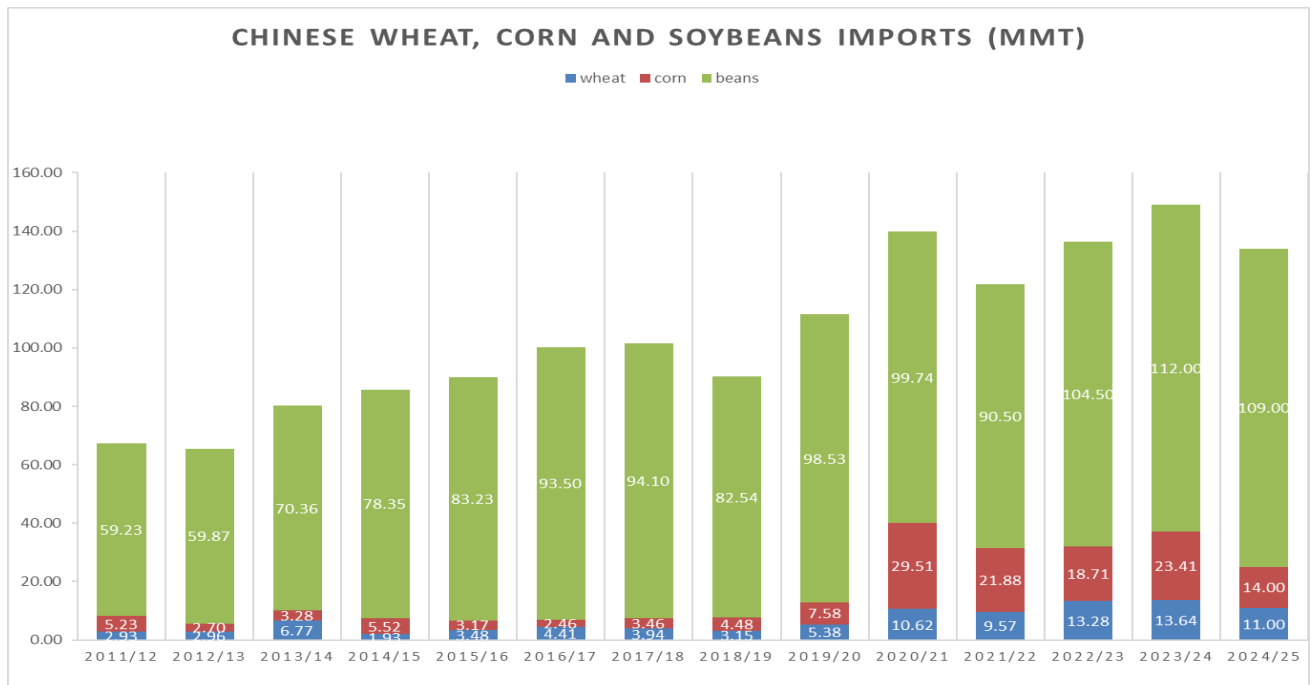


I had some resting paper in March corn to sell my remaining 35% at \$4.50, and that sell target was indeed hit on Wednesday, so I'm all out of corn and wheat.

Besides leaving the corn NAFP unchanged at \$4.10, another bearish input threatens to overpower the new bullish inputs. The USDA dropped Chinese corn imports 2 mmt, down to 14 mmt.



It's so much easier to get a bull market when the Chinese are buying everything in sight. Unfortunately, they haven't officially bought any USA corn this marketing year. Total wheat, corn and beans Chinese imports are expected to be 15 mmt less than last year.



Besides the 150 mil bu increase to USA corn exports, the USDA increased USA wheat exports by 25 mil bu. The only thing I thought could use an increase in the export forecast was soybeans, and...the USDA left them unchanged. So now the updated Export Pace scorecard looks like:

WEEK ENDED (11/28/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	41.3	477.6	243	721	2,475	1754	38	46.2
Soybeans	59.6	861.2	52	913	1,825	912	38	24.0
All wheat	8.3	412.2	19	431	850	419	25	16.8
Milo	2.9	45.6	5	51	220	169	38	4.4
LAST update								
Corn	36.8	435.8	243	679	2,325	1646	39	42.2
Soybeans	76.7	800.7	52	853	1,825	972	39	24.9
All wheat	10.9	403.7	19	423	825	402	26	15.5
Milo	7.7	42.7	5	48	220	172	39	4.4

We need to load 46 mil bu of corn weekly to hit the new higher forecast. Corn sales were only 37 mil bu last week, but there are 887 mil bu corn sales on the books now, so as long as additional weekly corn sales are above 30 mil bu every week, the new corn export forecast looks achievable.

The same math says new soybean sales need to be about 13 mil bu weekly. They were 43 mil bu last week. I still believe the USDA is underestimating the USA soybean forecast for this marketing year, but obviously China will determine that, and we'll have to see how bean sales go when Trump takes over.

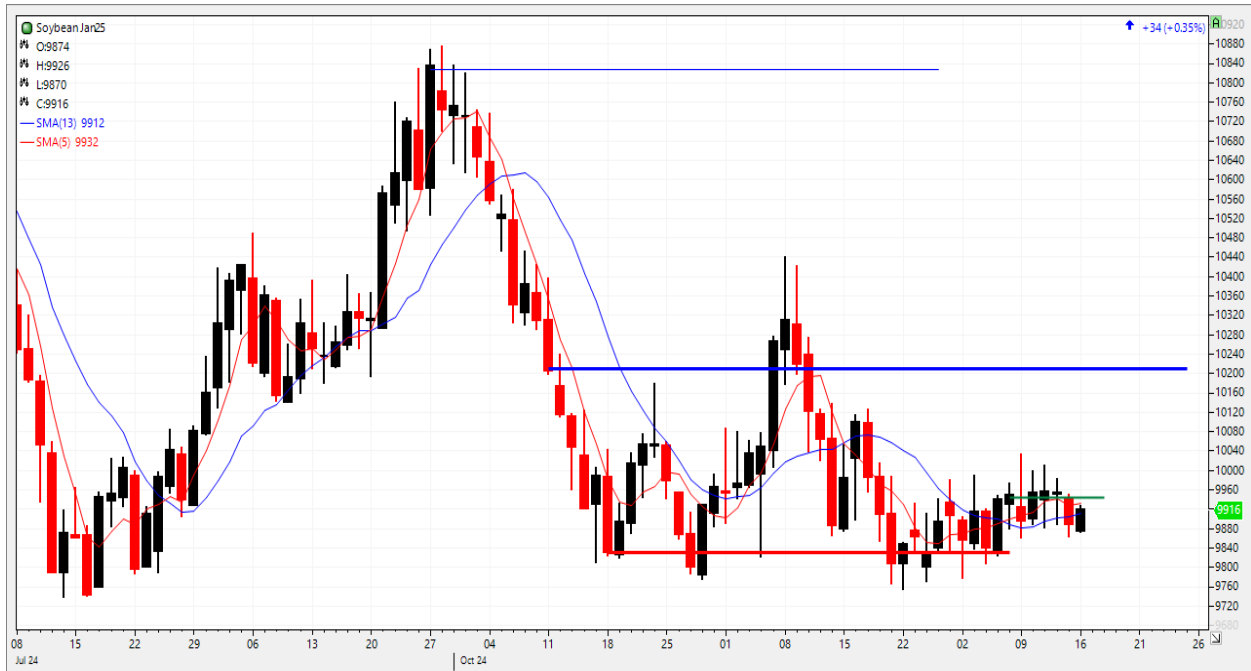
The export pace scorecard says we need to load almost 17 mil bu of wheat weekly to hit the new forecast. Assuming all the current sales on the books load, new wheat sales need to be about 10.3 mil bu weekly, and this week's sales were 10.7 mil bu. so it's theoretically possible to hit the new USA wheat export forecast, BUT it will be close.

The December WASDE didn't change the USA soybean balance sheet at all. World soybeans saw a 1 million tonne increase to Argentina's bean production, which will be crushed locally.

We mentioned the 25 mil bu increase to the USA wheat export forecast; 5 to HRS, 5 to SRW and 15 to soft white. There was also a 5 mil bu increase to spring wheat imports. Canadian spring wheat export shipments are running quite strong, possibly thinking that shipments before the new Administration comes in cannot be subject to a retroactive tariff.

I'm still thinking (hoping?) it's quite likely there won't be any new tariffs on anything, but not everyone agrees with that.

The Jan soybeans chart shows the Blue line dropped more than 60c, now quite a bit closer to the action, although the Red Line is still the threat. Beans haven't moved in a while...waiting.



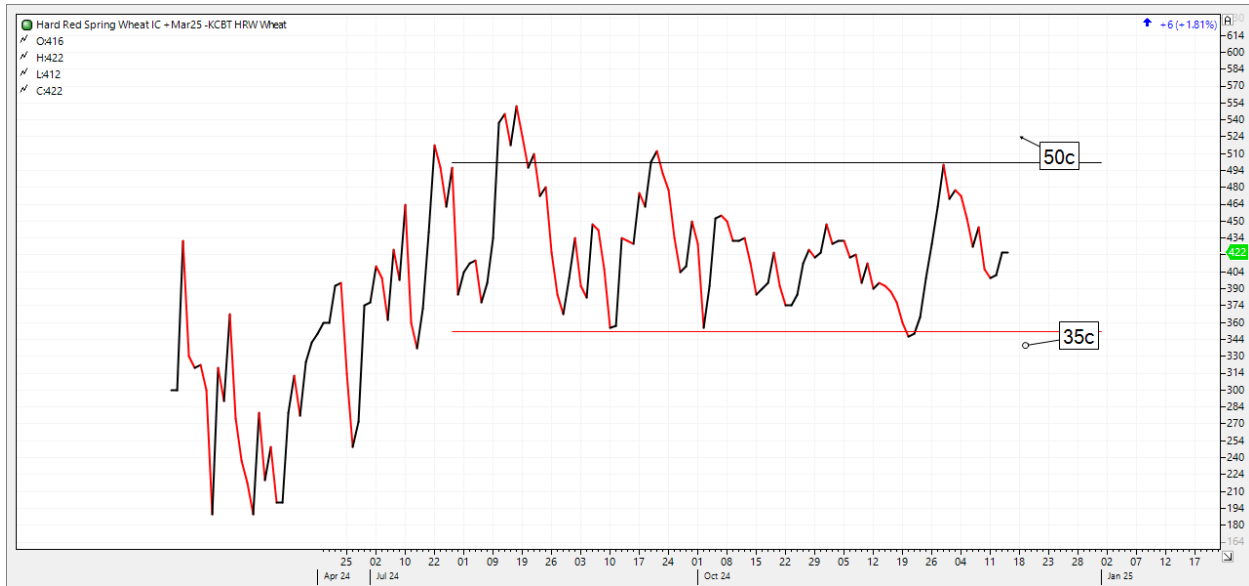
KC March wheat hasn't moved much either. The chart looks more constructive than it has in a long while, as the down-trending channel has been broken.



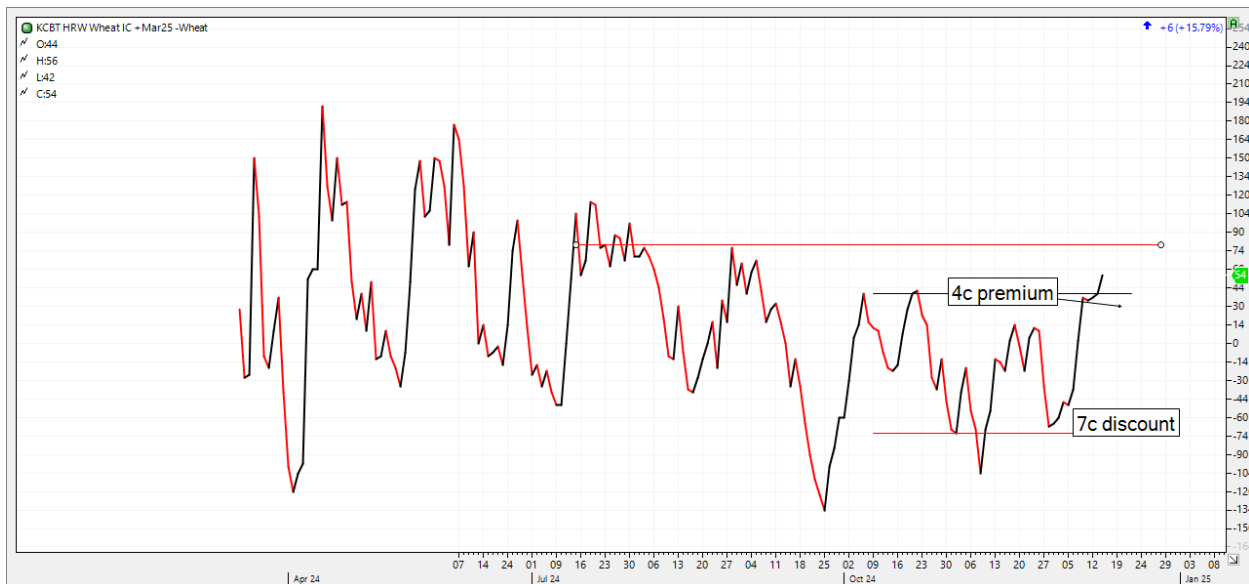
KC wheat's discount to European wheat futures is a little bit wider, and probably supports the USDA's ideas that USA wheat exports can increase a little.

8/30/2024	9/13/2024	9/27/2024	10/11/2024	10/25/2024	11/8/2024	11/15/2024	11/29/2024	12/13/2024	
\$ 218.75	\$ 224.50	\$ 216.25	\$ 229.25	\$ 216.50	\$ 215.25	\$ 216.50	\$ 221.50	\$ 229.25	matif
\$ 212.20	\$ 220.46	\$ 207.24	\$ 222.12	\$ 210.18	\$ 207.33	\$ 198.42	\$ 198.69	\$ 204.66	KC
\$ 6.55	\$ 4.04	\$ 9.01	\$ 7.13	\$ 6.32	\$ 7.92	\$ 18.08	\$ 22.81	\$ 24.59	diff

KC March wheat is about 40c under MIAx spring wheat futures; range-bound between 50c and 35c, waiting to see if/when/what tariffs may or may not happen.



KC H wheat has gained on Chgo H wheat, but previous resistance at 8c premium will be tough...



Texas Gulf to-arrive bids remain firm:

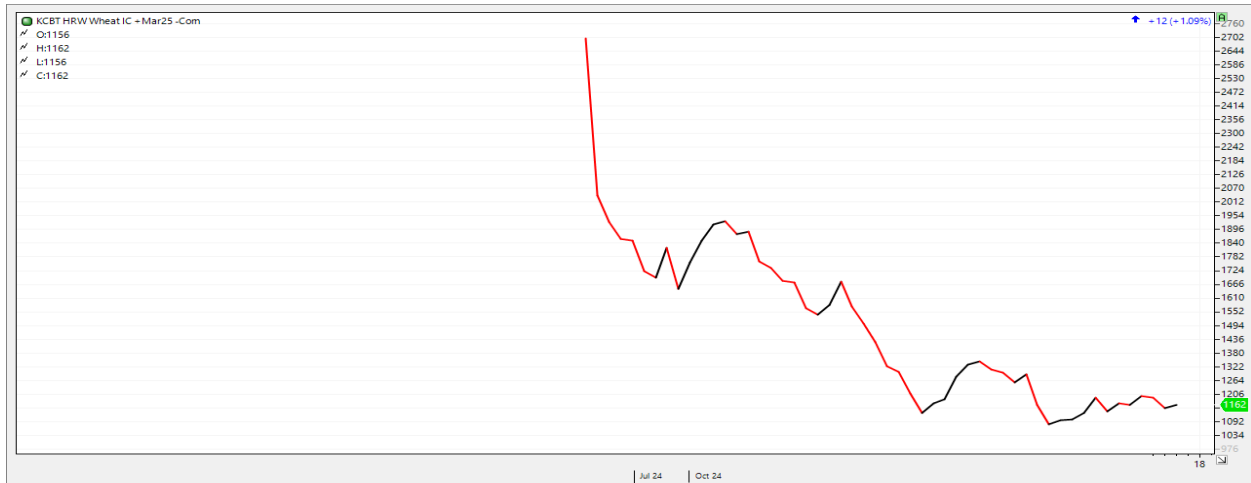
GULF date	12 pro	11's	diff
12/13/2024	120	115	5
12/6/2024	120	115	5
11/29/2024	120	115	5 H
11/22/2024	125	120	5 Z

And posted basis bids in the country were unchanged as well:

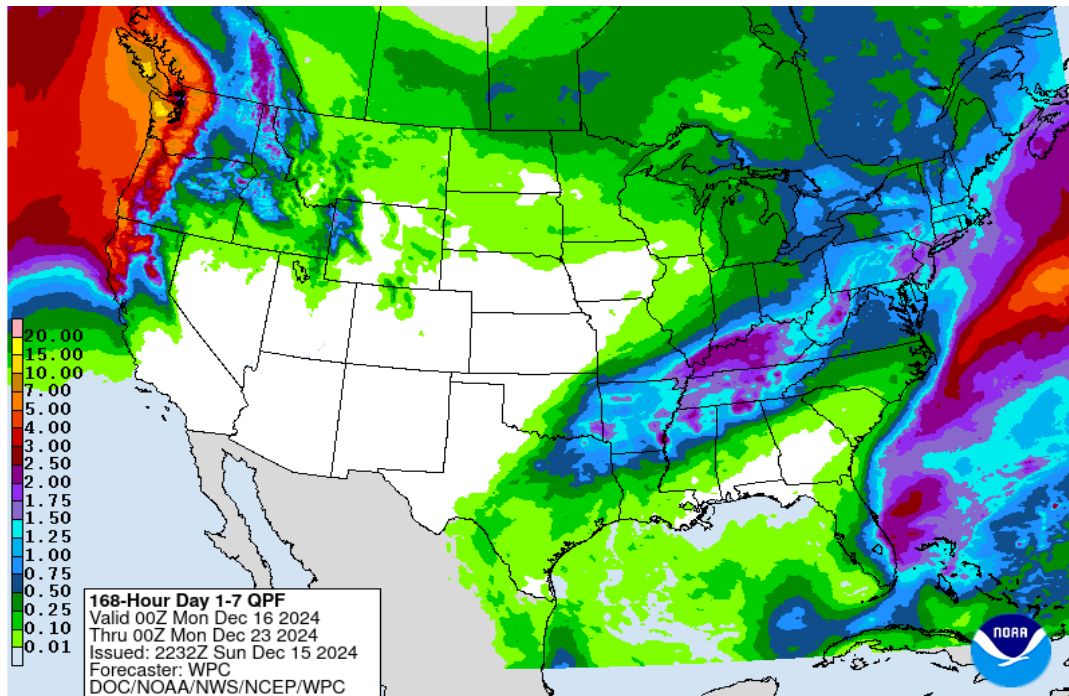
Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
12/13	\$4.67-\$4.87	\$4.57	\$4.57-\$4.57	\$4.42-\$4.52	\$4.89-\$5.37
12/06	\$4.64-\$4.84	\$4.54	\$4.54-\$4.54	\$4.39-\$4.49	\$4.86-\$5.34
11/29	\$4.51-\$4.71	\$4.41	\$4.41-\$4.41	\$4.08-\$4.36	\$4.73-\$5.21
11/22	\$4.74-\$4.94	\$4.59	\$4.59-\$4.59	\$4.44-\$4.54	\$4.94-\$5.34
11/15	\$4.60-\$4.80	\$4.45	\$4.45-\$4.45	\$4.30-\$4.40	\$4.80-\$5.20
11/08	\$4.84-\$5.04	\$4.69	\$4.69-\$4.69	\$4.54-\$4.64	\$5.04-\$5.44
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
12/13(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
12/06(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
11/29(H)	-90, -70	-100	-100, -100	-133, -105	-68, -20
11/22(Z)	-80, -60	-95	-95, -95	-110, -100	-60, -20
11/15(Z)	-80, -60	-95	-95, -95	-110, -100	-60, -20
11/08(Z)	-80, -60	-95	-95, -95	-110, -100	-60, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
12/13(H)	-60	-40, -30	-50, -21	-45	
12/06(H)	-60	-40, -30	-50, -21	-45	
11/29(H)	-58	-41, -36	-50, -21	-45	
11/22(Z)	-50	-30, -25	-39, -10	-50	
11/15(Z)	-50	-30, -25	-39, -10	-50	
11/08(Z)	-50	-30, -25	-39, -10	-50	

The best posted Kansas corn bid is +40 H corn, or \$4.82/bu, so corn feeding in Kansas is NOT a factor. **However, the North Central Colorado corn bid is +60, which is \$5.02/bu, which might start pulling some wheat one of these days (although the mill bid for wheat heading to Denver is \$5.37/bu, so I don't really think substituting wheat for corn is happening yet.)**

This is KC H wheat – March corn. I think this spread has to drop to KC only a dollar over corn before we really have to watch wheat feeding. But because wheat conditions in TX and OK are pretty good, wheat GRAZING this spring will certainly need to be monitored.



The Great Plains have a dry week instore, although Montana might see a little precipitation:



World wheat news is quiet.

This is a decent recap of the current situation in India, although I didn't see much "news" here...<https://indianexpress.com/article/explained/explained-economics/why-wheat-and-edible-oil-are-the-real-inflation-worries-now-9726894/>

There is some talk of Russian wheat not going to Syria anymore because of potential non-payment, but Ukraine said they have plenty of wheat they'd love to ship to Syria.

<https://tribune.com.pk/story/2516105/zelenskiy-launches-ukraines-grain-from-ukraine-initiative-for-syria>

And there is a big wheat tender from Saudi Arabia going on. I haven't seen any results of the tender yet, but we'll see if Russia gets the biz...<https://www.brecorder.com/news/40337610/eu-wheat-steady-as-saudi-tender-awaited-rapeseed-at-near-2-year-high>

How's your Christmas shopping going? Don't wait too long to get started. Again.

Have a good week. Stay Safe. Slow Down.