

Hello Colorado Wheat.

Last Friday's close was a bit of a downer...For whatever reason, Wheat emerged again as the preferred "Short Leg" of almost any imaginable spread, including sell wheat, buy corn, beans, crude oil, stock market, anything buy wheat. In fact, they were clobbering the Euronext (MATIF) wheat also, so just in case, better sell some Chgo wheat against that too.

All wheats closed on 11-Week Closing Lows (new Red numbers), and even corn wasn't able to ignore wheat's move to the Edge of the Abyss. Beans bounced a bit. The stock market is sitting on a new 4-week Closing low...

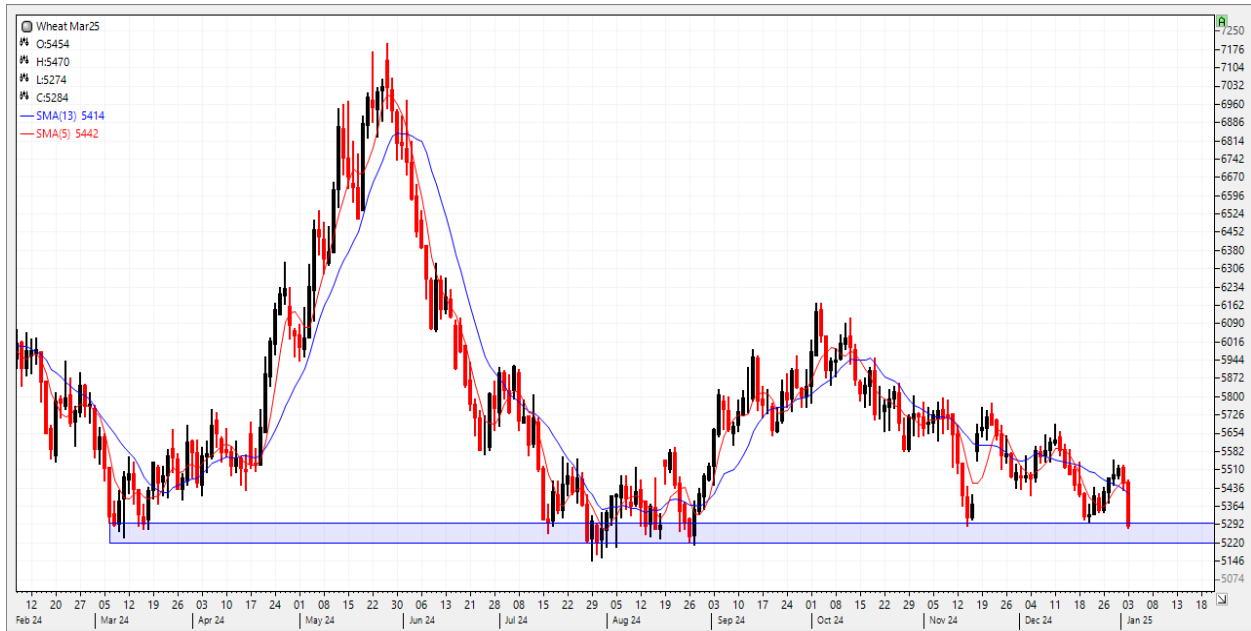
	KC MAR HRW	DEC 25 HRW	March CORN	DEC 25 CORN	Chgo H wheat	Springs MAR (H)	MAR'25 BEANS	NOV BEANS	Crude oil	S&P (H)
CLOSE	KWH25	KWZ25	CH25	CZ25	WH25	MWH25	SH25	SX25	CRD24	ES24
01/03	\$5.39	\$6.86	\$4.51	\$4.41	\$5.29	\$5.78	\$9.92	\$10.08	\$73.96	\$5990
12/27	\$5.55	\$6.00	\$4.54	\$4.41	\$5.47	\$5.95	\$9.90	\$10.05	\$70.60	\$6027
12/20	\$5.45	\$5.90	\$4.46	\$4.38	\$5.33	\$5.90	\$9.79	\$9.87	\$69.46	\$6002
12/13	\$5.57	\$6.01	\$4.42	\$4.39	\$5.52	\$5.99	\$9.95	\$10.06	\$71.09	\$6056
12/06	\$5.54	\$5.97	\$4.40	\$4.37	\$5.57	\$5.97	\$9.99	\$10.05	\$67.20	\$6099
11/29	\$5.41	\$5.86	\$4.33	\$4.32	\$5.48	\$5.92	\$9.96	\$10.11	\$68.00	\$6052
11/22	\$5.66	\$6.08	\$4.35	\$4.36	\$5.65	\$6.01	\$9.92	\$10.09	\$71.27	\$5987
11/15	\$5.52	\$5.98	\$4.35	\$4.40	\$5.54	\$5.91	\$10.09	\$10.20	\$67.02	\$5897
11/08	\$5.78	\$6.23	\$4.44	\$4.49	\$5.88	\$6.17	\$10.44	\$10.53	\$70.38	\$6025
11/01	\$5.80	\$6.27	\$4.29	\$4.41	\$5.88	\$6.23	\$10.08	\$10.32	\$69.49	\$5758
10/25	\$5.86	\$6.28	\$4.30	\$4.41	\$5.89	\$6.28	\$10.09	\$10.33	\$71.78	\$5846
EOY23	\$6.42		\$4.71		\$6.28	\$7.24	\$12.98		\$71.65	\$4820

Dig out your turntable, crank that amp, from 1978... "I been to the edge. And there I stood and looked down. You know I lost a lotta friends there baby, I got no time to mess around..."

Van Halen wasn't talkin' 'bout Love. He was talkin' 'bout Wheat.

*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 Chgo nearby continuous wheat chart. The Edge of The Abyss ...is definable. And we're in it. The bottom line of that box is around \$5.21, and the spike lows are about \$5.14.



The updated Euronext wheat vs KC wheat table shows a new low spread quote:

9/13/2024	9/27/2024	10/11/2024	10/25/2024	11/8/2024	11/15/2024	11/29/2024	12/13/2024	12/20/2024	12/27/2024	1/3/2025	
\$ 224.50	\$ 216.25	\$ 229.25	\$ 216.50	\$ 215.25	\$ 216.50	\$ 221.50	\$ 229.25	\$ 227.25	\$ 233.00	\$232.75	matif
\$ 220.46	\$ 207.24	\$ 222.12	\$ 210.18	\$ 207.33	\$ 198.42	\$ 198.69	\$ 204.66	\$ 200.16	\$ 203.75	\$198.05	KC
\$ 4.04	\$ 9.01	\$ 7.13	\$ 6.32	\$ 7.92	\$ 18.08	\$ 22.81	\$ 24.59	\$ 27.09	\$ 29.25	\$ 34.70	diff

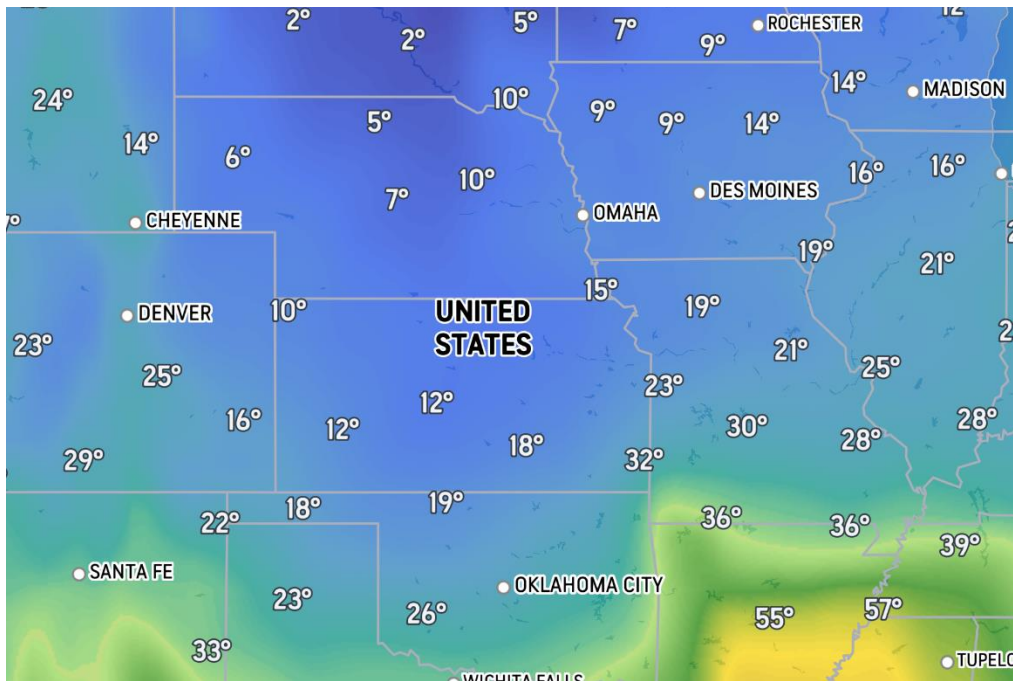
Here's KC March Wheat vs March Corn, settling below 90c/bu.



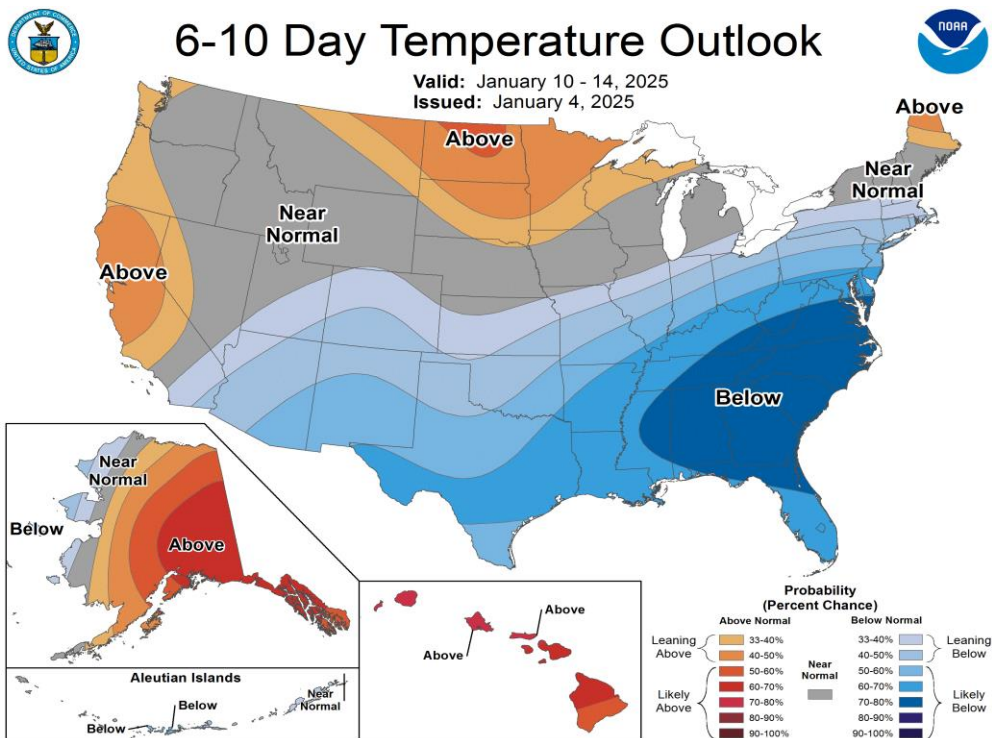
**When the Titanic is going down, nothing is supportive.**

Except, maybe...the weather. Maybe.

It got pretty cold in The Great Plains. Current temps at noon Sunday.



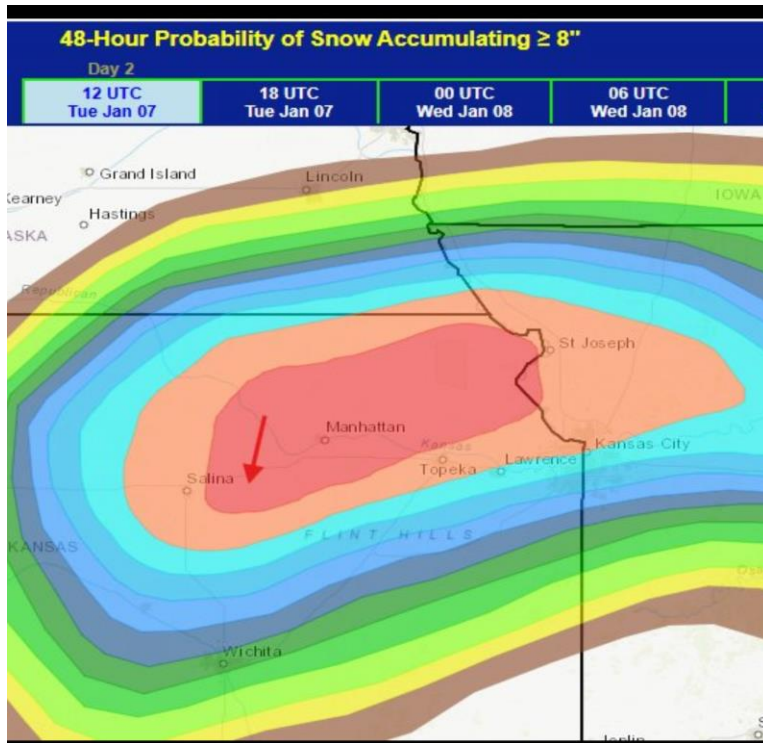
and it's going to stay that way for a while:



There's NO DOUBT some WINTERKILL already happened and will probably get worse all week.

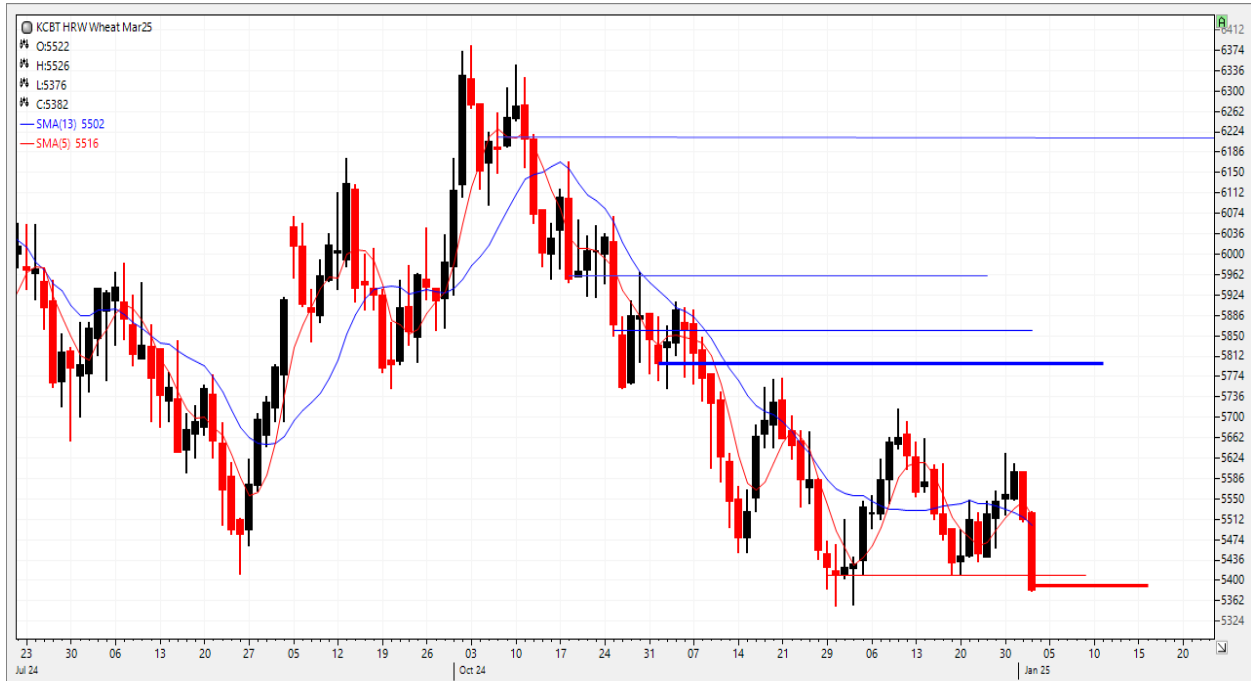


BUT... that chart suggests January is the best time for wheat's survivability. AND, complicating the analysis, is the Salina, KS area, which grows a LOT of wheat, was accompanied with 8 inches of snow:



Anyway...KC wheat is cheap, but...it's stupid cold.

This is KC March wheat, with a new lower Red Line, but only by 2c, so will be interesting if the market can view this as a double-bottom and take support from the cold weather. The Blue line drops down to \$5.80 this week.



The weekly continuous KC chart looks perilous.



Uh... Anyway...KC wheat is cheap, but...it's stupid cold.

USA wheat Export Sales were bad last week. They weren't great for corn or beans either. The "strong dollar" is a factor. Other factors include one of Argentina's Grain Exchanges keeping their current year wheat production estimate at 18.6 mmt, compared to the USDA tracking 15.5 mmt

The Export Pace wasn't bad, especially for soybeans, considering it was a Christmas week, **but soybean export Sales were less than 18 mil bu. Wheat export sales were the worst of the marketing year, at only 5.2 mil bu, and corn sales were scary bad, less than 31 mil bu.**

WEEK ENDED (12/19/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	34.6	<b>604.7</b>	243	<b>848</b>	<b>2,475</b>	1627	<b>35</b>	<b>46.5</b>
Soybeans	57.7	<b>1050.7</b>	52	<b>1103</b>	1,825	722	<b>35</b>	<b>20.6</b>
All wheat	12.4	<b>451.3</b>	19	<b>470</b>	<b>850</b>	380	<b>22</b>	<b>17.3</b>
Milo	0.5	<b>53.9</b>	5	<b>59</b>	220	161	<b>35</b>	<b>4.6</b>
LAST update								
Corn	44.2	<b>568.3</b>	243	<b>811</b>	<b>2,475</b>	1664	36	<b>46.2</b>
Soybeans	64.2	<b>992.0</b>	52	<b>1044</b>	1,825	781	36	<b>21.7</b>
All wheat	14.8	<b>438.8</b>	19	<b>458</b>	<b>850</b>	392	23	<b>17.0</b>
Milo	1.9	<b>53.4</b>	5	<b>58</b>	220	162	36	<b>4.5</b>

How the USA corn and soybean export totals play out this last 35 weeks of the marketing year will depend a lot on South American weather, which so far...has been pretty good, but certainly not great. <https://www.agriculture.com/record-south-american-soybean-forecast-faces-weather-challenges-8768669>

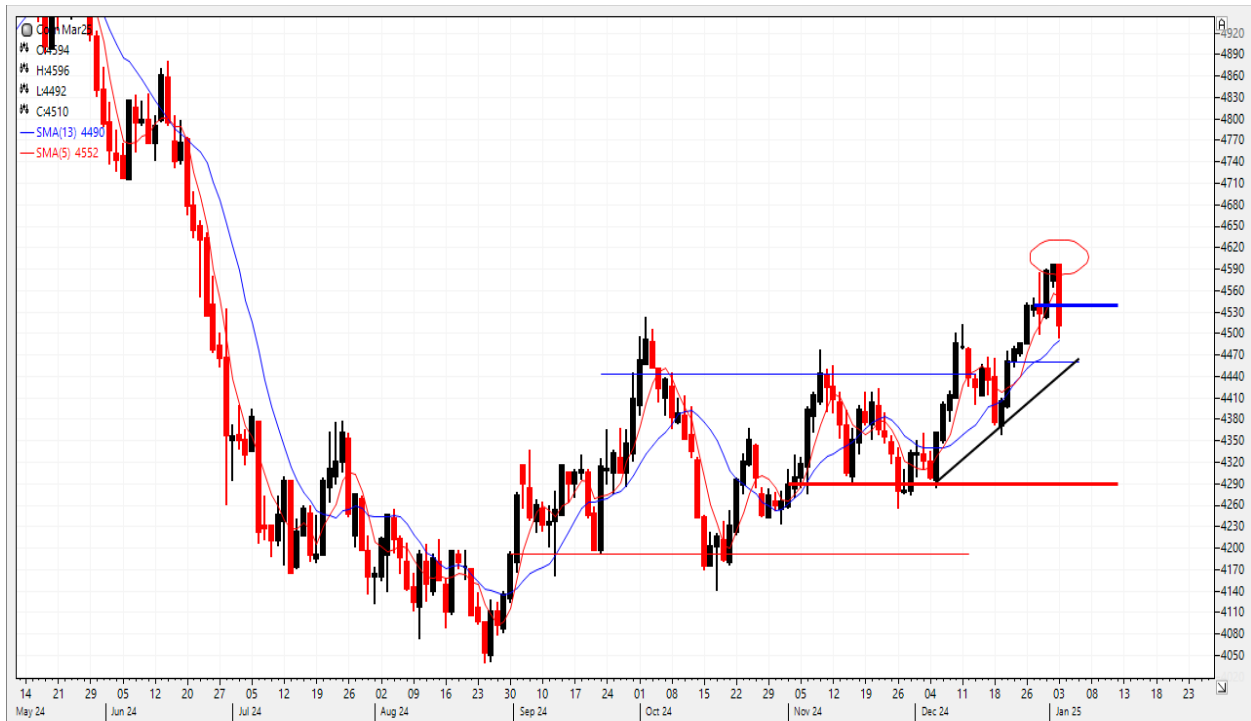
And of course Trump tariffs could be quite upsetting, although they haven't happened yet. <https://www.msn.com/en-us/money/other/nebraska-agricultural-leaders-wary-of-trump-s-proposed-tariffs/ar-AA1wUM4U>

This is the CME's dollar vs Euro contract. The "strong dollar" is a factor too.

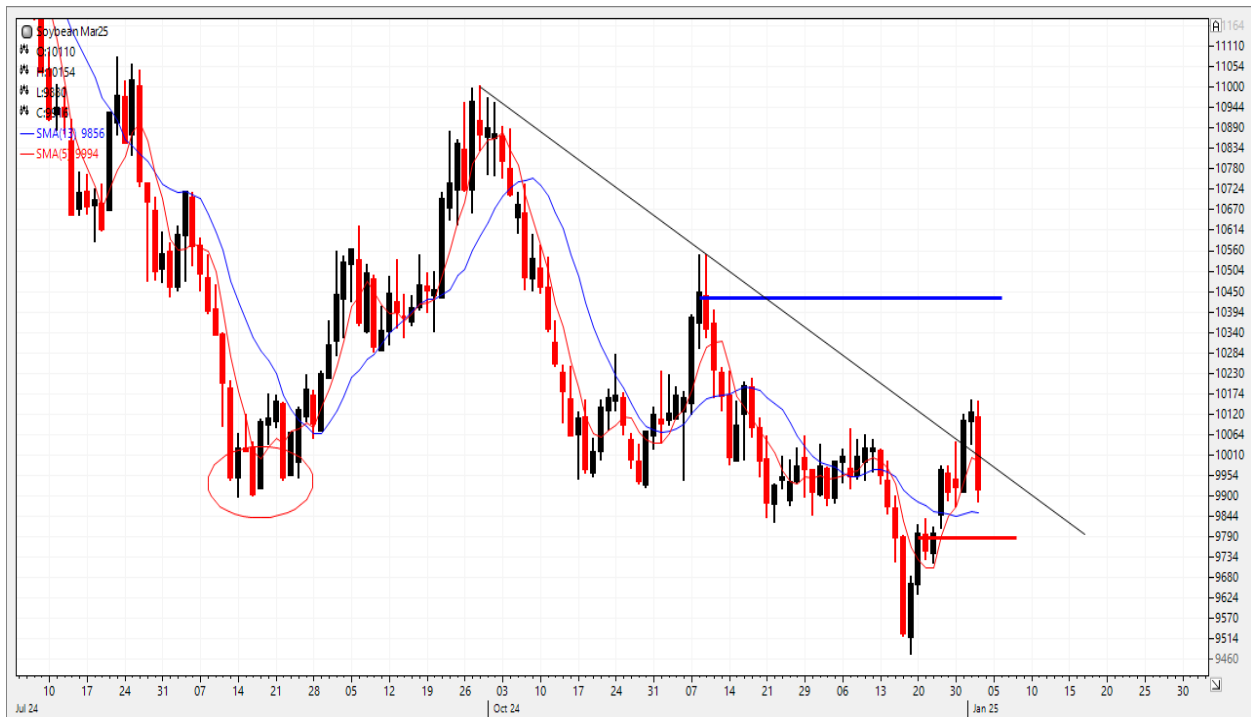


The inauguration is coming soon. "We'll see" is what we know for sure.

Here's March Corn, hitting a wall at \$4.60 and then backing off a bit last week:



March soybeans, definitely waiting on South America and the expected Chinese Tariff War



Neither of these charts look as bad as the wheat chart.

We do see the posted to-arrive Gulf HRW bid for 12 protein up a nickel, but certainly not “too crazy” (or really interesting) ...yet:

GULF date	12 pro	11's	diff
1/3/2025	<b>125</b>	115	<b>10</b>
12/27/2024	120	115	5
12/20/2024	120	115	5
12/13/2024	120	115	5
12/6/2024	120	115	5
11/29/2024	120	115	5 <b>H</b>

And posted basis bids in the country did very little; I see one place is down a nickle:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>01/03</b>	<b>\$4.44-\$4.69</b>	<b>\$4.39</b>	<b>\$4.39-\$4.39</b>	<b>\$4.24-\$4.34</b>	<b>\$4.71-\$5.19</b>
12/27	\$4.65-\$4.85	\$4.55	\$4.55-\$4.55	\$4.40-\$4.50	\$4.87-\$5.35
12/20	\$4.55-\$4.75	\$4.45	\$4.45-\$4.45	\$4.30-\$4.40	\$4.77-\$5.25
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>01/03(H)</b>	<b>-95, -70</b>	<b>-100</b>	<b>-100, -100</b>	<b>-115, -105</b>	<b>-68, -20</b>
12/27(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
12/20(H)	-90, -70	-100	-100, -100	-115, -105	-68, -20
12/13(H)	-90, -70	-100	-100, -100	<b>-115, -105</b>	-68, -20
12/06(H)	-90, -70	-100	-100, -100	<b>-115, -105</b>	-68, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
<b>01/03(H)</b>	<b>-60</b>	<b>-40, -30</b>	<b>-50, -20</b>	<b>-50</b>	
12/27(H)	-60	-40, -30	-50, -20	-50	
12/20(H)	-60	-40, -30	-50, -20	-45	
12/13(H)	-60	-40, -30	-50, -21	-45	
12/06(H)	<b>-60</b>	<b>-40, -30</b>	-50, -21	-45	

I note for the record the average posted HRW Colorado bid is \$4.53/bu, where the BEST posted corn bid is \$4.86/bu. One day that might be a factor, but not yet.



Other wheat news...I mentioned the Argentinian BAGE is holding to their 18.6 mmt wheat production estimate.

I see India will allow 2 mmt to be exported to Nepal. <https://www.republicworld.com/india/india-to-send-2-lakh-tonne-wheat-to-nepal-centre-issues-notification>

Ukraine donated some wheat to Syria, maybe trying to crimp Russia's influence...  
<https://www.nysun.com/article/ukraine-courts-syria-with-an-eye-toward-expelling-russia-from-kremlins-only-mediterranean-redoubts>

I think that's a great idea, and wish the USA was doing that all over Africa.

Have a good week.

Stay Safe. There is no better time to Slow Down, when its sold cold, and easily iced.

I think the cold weather will support wheat futures this week.