

Hello Colorado Wheat.

The word “gamechanger” is overused. You can watch almost any competitive sporting event on TV that’s not a blowout and hear the word “gamechanger” repeatedly as the lead changes.

I read a wire which said Friday’s WASDE was a “gamechanger”. I’m not too sure about that but compared to the last couple of non-market moving, boring, repetitive WASDE reports, I can understand why that Wire Writer used the word “gamechanger”.

Looking at the Closing Weekly Table, old-crop corn jumped 20c for the week, setting a new Blue number (new 11-week Closing High). I think “gamechanger” is maybe applicable, and while soybeans were up 33c for the week, they didn’t post a new Blue number, ALTHOUGH...in a couple weeks the old blue number will be rolling off the table, and Friday’s \$10.25 March bean close will become a new blue number, unless the market is higher by then. Was it a “gamechanger” for beans? I’m leaning towards “nah”. KC wheat gained 13c, spring wheat gained 6c, and Chgo wheat gained 2c. Was it a “gamechanger” for Chgo wheat because they didn’t set a new Red number?

	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
01/10	\$5.52	\$5.99	\$4.71	\$4.51	\$5.31	\$5.84	\$10.25	\$10.31	\$75.71	\$5866
01/03	\$5.39	\$5.86	\$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

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

Before we leave the Closing Table, we note Crude oil set a new Blue number, and the stock market's close will become a new Red number immediately as the old Red number rolls off the board when you read this, which is too bad, but it is what it is. If there was a "gamechanger" in the stock market, it occurred last Nov. 5, and it was not the type of "gamechanger" the market likes to cheer about.

Anyway...if the report was a "gamechanger" as the Wire Writer stated, we'll assume he was talking about corn.

This table incorporates the USA fundamentals:

	corn		soybeans		all wheat	
	December WASDE	January WASDE	December WASDE	January WASDE	December WASDE	January WASDE
Yield bu/ac	183.1	179.3	51.7	50.7	51.2	51.2
Production	15,143	14,867	4,461	4,366	1,971	1,971
Exports	2,475	2,450	1,825	1,825	850	850
Total use	15,190	15,115	4,348	4,349	1,998	2,000
Ending stox	1,738	1,549	470	380	795	798
Stox/usage	11.4%	10.2%	10.8%	8.7%	39.8%	39.9%
NAFP \$/bu	\$4.10	\$4.25	\$10.20	\$10.20	\$5.60	\$5.55

A 1.2% drop in corn ending stox/use ratio was worth 15c/bu, but a 2.1% drop in the soybeans ending stox/use ratio was worth...nothing. (wow; seems hard to believe). The report was no game changer for wheat.

The corn export reduction should be viewed as a warning sign.

Here's the updated Export pace scorecard:

WEEK ENDED (01/02/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	33.4	639.2	243	882	2,450	1568	34	46.1
Soybeans	47.2	1100.9	52	1153	1,825	672	34	19.8
All wheat	15.2	467.3	19	486	850	364	21	17.3
Milo	0.04	54.0	5	59	220	161	34	4.7
LAST update								
Corn	34.6	604.7	243	848	2,475	1627	35	46.5
Soybeans	57.7	1050.7	52	1103	1,825	722	35	20.6
All wheat	12.4	451.3	19	470	850	380	22	17.3
Milo	0.5	53.9	5	59	220	161	35	4.6

The Export Pace didn't change a lot. The 25 mil bu cut in corn exports helped corn look like it's on a slightly better pace than last week. The soybean export pace continues to look like soybean USA exports are vastly understated, while wheat limped along, and milo exports...are dead on arrival, much worse than last year's boom times.

BUT, unfortunately, last week's Export Sales were uniformly terrible. I don't remember the last time corn, beans and wheat export sales were all a "marketing year low". Corn sales were only 17.5 mil bu. there is a big corn "book" already on, but even if all those corn existing sales get loaded, we need to sell about 27 mil bu every week to hit the newly revised lower target. That's a warning sign.

Soybean sales were 10.6 mil bu, and need to keep selling 10 mil bu /week, so that's why the USDA refused again to increase their USA soybean export forecast.

Wheat export sales were only 4.1 mil bu last week, and my math says we need to average 10.5 mil bu per week. That's a warning sign for wheat. More than likely, the USA wheat export target of 850 mil is overstated.

World fundamentals...did not change for wheat. How next year plays out...will soon be upon us. Friday's NASS Winter Wheat seeding report was basically unchanged from last year's Winter Wheat seedings. So far, USA winter wheat current conditions aren't perfect, but are probably better than last year's. So... we have to assume at this snapshot in time, USA winter wheat production will increase in the 25/26 marketing year.

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	
7,700	7,100	6,600	7,300	7,300	8,100	7,600	7,400	KS
2,250	2,150	1,900	2,200	1,950	2,300	2,100	2,100	CO
1,100	1,070	900	920	980	1,130	1,000	970	NE
4,400	4,200	4,250	4,400	4,300	4,550	4,350	4,250	OK
4,500	4,600	4,900	5,500	5,300	6,400	5,500	5,800	TX
830	860	630	800	830	920	860	790	SD
85	85	40	90	105	155	125	120	ND
1,650	2,000	1,550	1,950	2,050	1,850	1,950	2,250	MT
380	390	385	360	350	320	290	360	CA
22,895	22,455	21,155	23,520	23,165	25,725	23,775	24,040	total
32,542	31,474	30,450	33,678	33,281	36,699	33,390	34,115	USA winter v

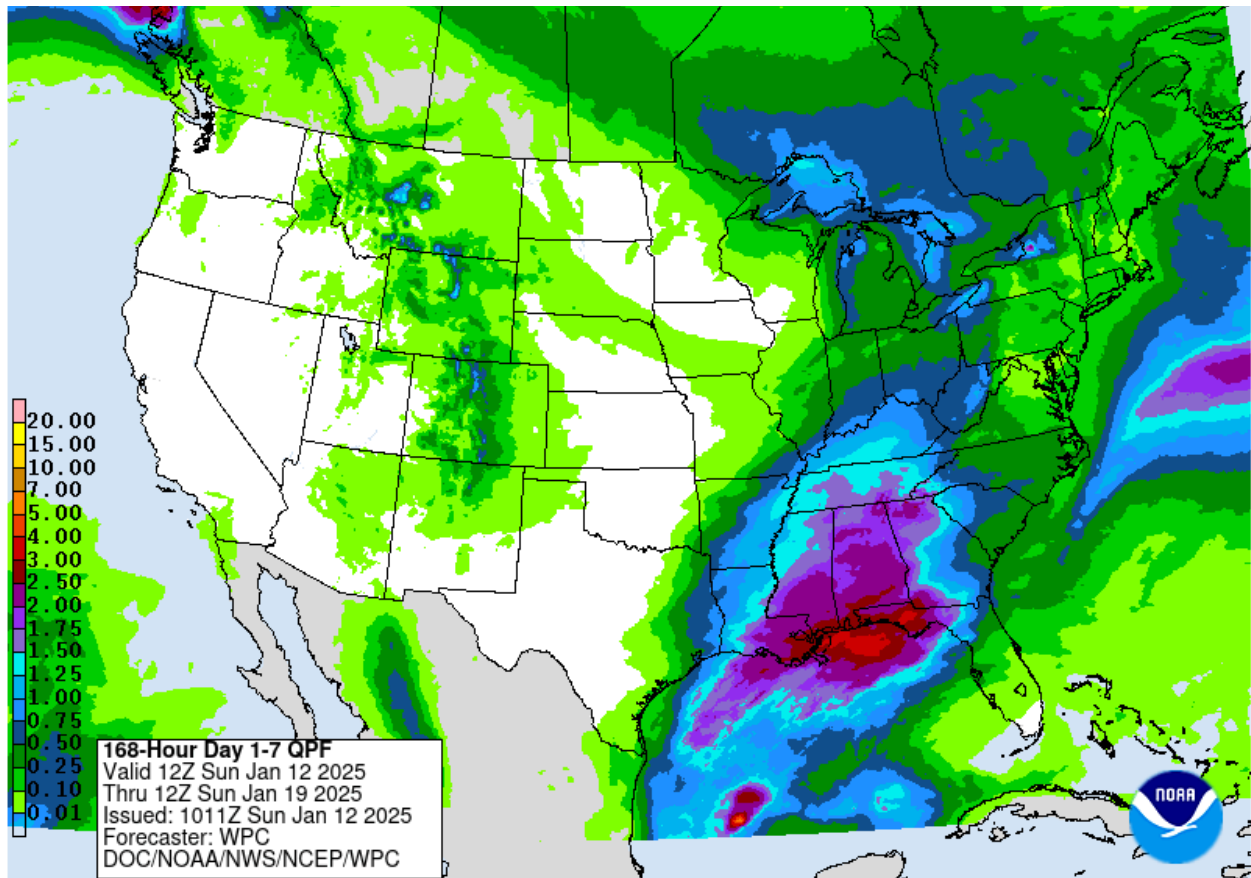
Russian conditions are probably worse, but it's hard to not expect Europe's wheat production to increase. Argentina and Australia...we'll see as time marches on. Same thing for India, China, Canada, USA spring wheat...but right now, it's hard to build a fundamentally bullish case for next year's wheat crop.

I assume corn and soybean Bulls were disappointed the USDA did not change South American corn and/or soybean production estimates, but...those estimates will start changing soon, one way or the other.

The major changes on the Jan WASDE were of course the corn and soybean production reductions to the USA, but China's corn crop production estimate increased 3 mmt, and importantly, China's corn import estimate dropped 1 mmt.

THUS...I think we're truly at the point where price direction for the next several months depends on the weather. (We'll put the Trump tariffs on the back burner for now.)

USA wheat weather for the coming week isn't a market mover:



My phone says Volgograd Russia will be wet Tuesday but dry the other 9 days. I'd say there is no way Russia pops out 90 mmt next year, but a disaster to 70 mmt will depend on a lack of spring rains.

And as far as South America goes, my phone says to expect 10 days of rain in Mato Grosso, Brazil. That is not bullish; any talk of too much rain there has to be viewed with skepticism.

Argentina's dry weather is getting all the Bull Buzz from futures brokers, but I'm not ready to take the bait on that.

Posted to-arrive Gulf HRW bids are unchanged:

GULF date	12 pro	11's	diff
1/10/2025	125	115	10
1/3/2025	125	115	10
12/27/2024	120	115	5
12/20/2024	120	115	5
12/13/2024	120	115	5

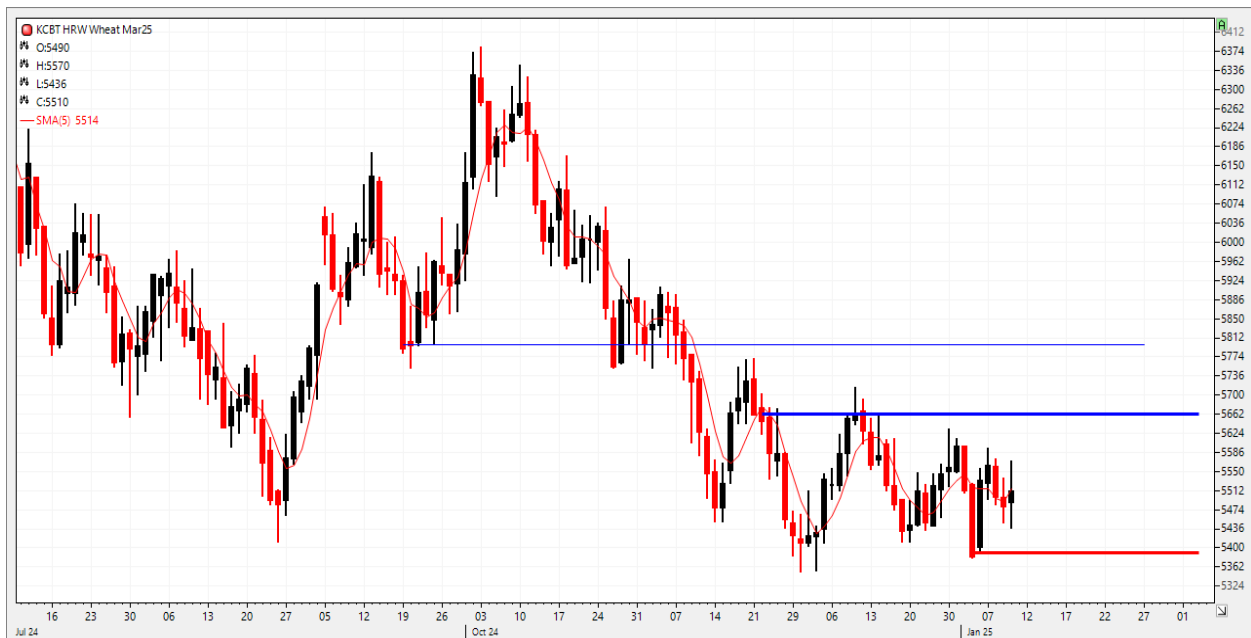
And posted wheat basis bids in the country didn't move much; I see one spot probably getting more nervous about that corn bid:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
01/10	\$4.57-\$4.82	\$4.52	\$4.52-\$4.52	\$4.37-\$4.57	\$4.84-\$5.32
01/03	\$4.44-\$4.69	\$4.39	\$4.39-\$4.39	\$4.24-\$4.34	\$4.71-\$5.19
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
01/10(H)	-95, -70	-100	-100, -100	-115, -95	-68, -20
01/03(H)	-95, -70	-100	-100, -100	-115, -105	-68, -20
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	-115, -105	-68, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
01/10(H)	-60	-40, -30	-50, -20	-50	
01/03(H)	-60	-40, -30	-50, -20	-50	
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	

The average wheat bid in Colorado rose to \$4.67/bu, and we note the best corn basis bid DROPPED a nickel, to \$5.01/bu. The USDA's WASDE dropped USA corn feeding by 50 mil bu, and left wheat feeding unchanged, so I think wheat and corn are pretty much locked in on the "wheat feeding" thing. This is KC March wheat – March corn, still probing for where corn supports wheat, although previously a bounce occurs (wheat gains on corn) when wheat is on the bottom line of the down-trending channel, like now:



Here's KC H'25 (March wheat; old-crop) by itself. I took editorial license and dropped the Blue line down to \$5.66 That's from 11/22, and where technically, we will be next week, but I think that will be the important line. I left the \$5.80 ish old blue line on here for reference.



And a weekly continuous (top-step) KC chart; that red line is from 8/19/24 \$5.36 close. Seems like a valid red line in the sand to me. I don't have unsold old-crop wheat, but I do have unsold new-crop wheat...watching that red line.



Syria says they can't import wheat due to US sanctions... <https://www.reuters.com/world/middle-east/syria-unable-import-wheat-or-fuel-due-us-sanctions-trade-minister-says-2025-01-06/>

If I was Wheat Zsar, I'd **ease up on those Syrian sanctions and make 'em buy US HRW.**

And while I'm at it, I'd go smooch up to India and give 'em a couple US HRW boats. Just **give** it to 'em. Like my baby. She just **gives** it away. (Pete Townshend probably coulda traded wheat. Google "My Baby Gives it Away" (awesome tune) from his 1977 album with Ronnie Lane "Rough Mix".

Indian wheat millers "struggle with high domestic wheat prices"...

<https://www.reuters.com/world/india/indian-flour-mills-struggle-wheat-prices-surge-record-high-2025-01-06/>

Get India hooked on the good stuff is my concept of a plan.

Speaking of a concept of a plan... the CME announced their new spring wheat contract.

Personally, I do not believe there is any commercially based (grower, merchandiser, miller, exporter, baker) groundswell calling for a new spring wheat futures contract, but they didn't ask me.

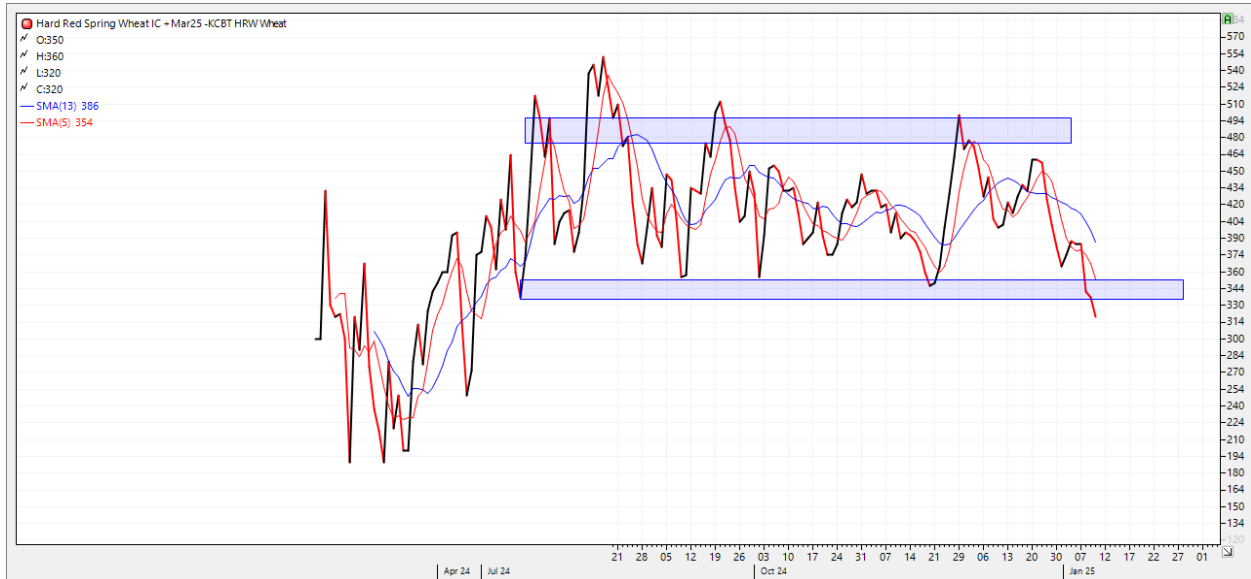
https://www.cmegroup.com/media-room/press-releases/2025/1/08/cme_group_to_launchhardredspringwheatfuturesandoptions.html

Rather... just The Bully being a bully is my take.

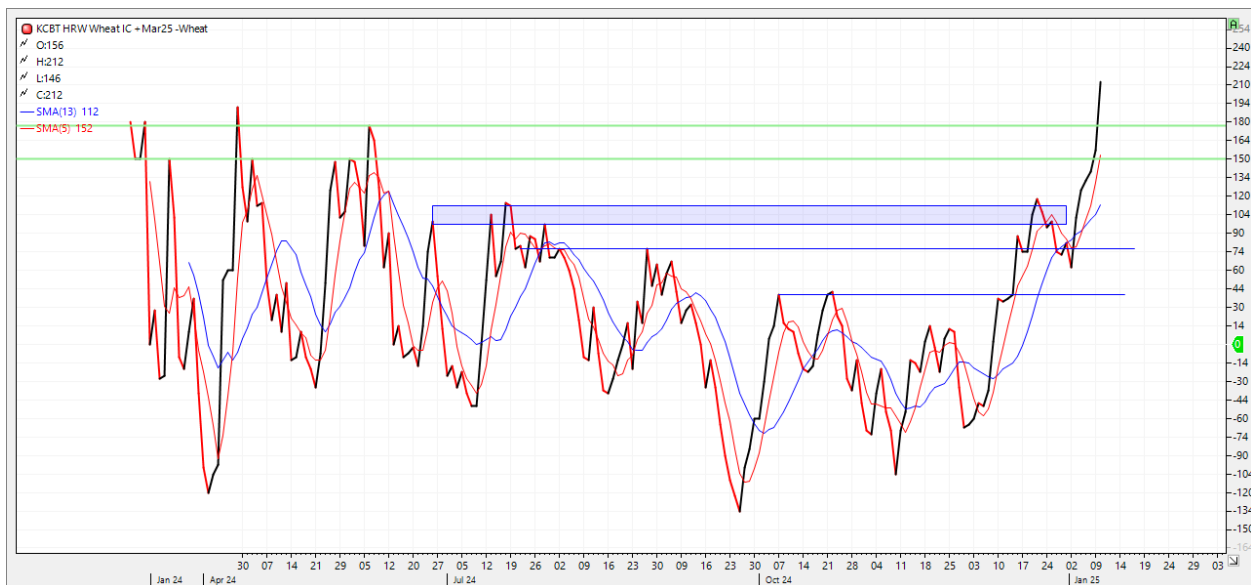
Colorado Wheat market update #678 danmaltby.riskmgmt@gmail.com 01/10/25 pg. 7

But that news seemed to scare Minny.

Minn March broke through support against the KC March, Trump tariffs Be damned! (technically, there is no trump tariff on Canadian wheat entering the States. And for the record, I note the USDA did increase their USA spring wheat imports by 5 mil bu, again. They did it in December too.)



Some times, the market doesn't jibe with apparent fundamental inputs. (Eventually things correct, but as Keynes said..."eventually we're all dead". Or something like that.) The USDA dropped HRW exports 10 mil bu, and increased SWW exports 10 mil bu, but who cares? Here's KC March soaring against Chgo March:

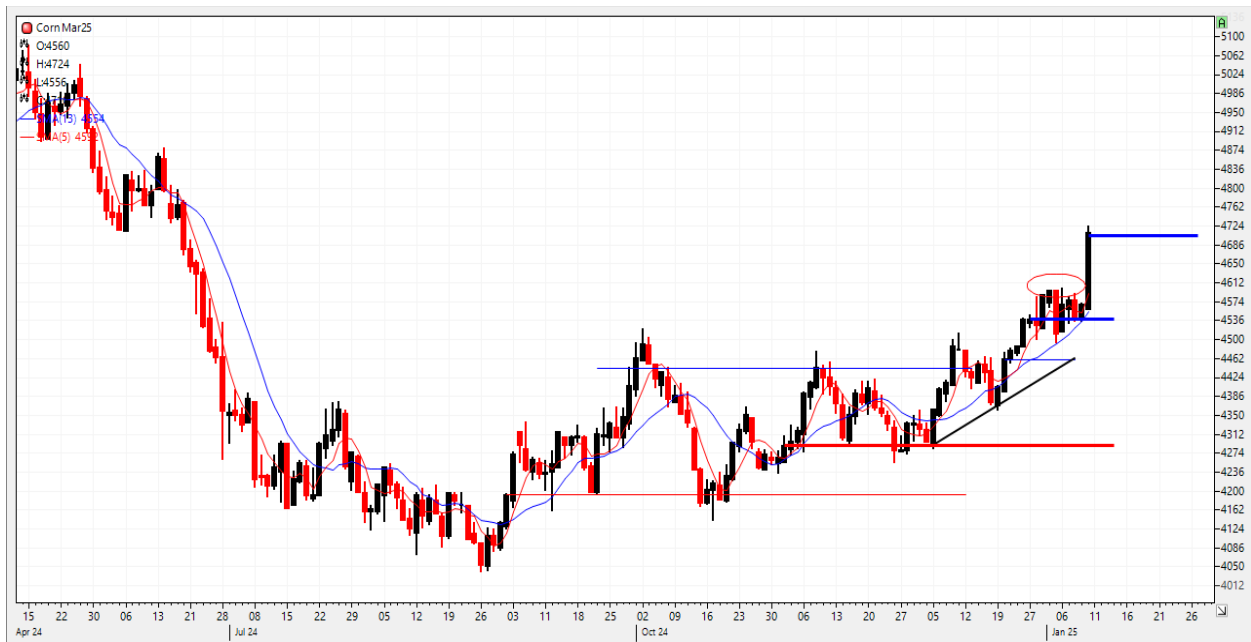


This is basically obviously a butterfly... (MWH - KWH) + (KWH - Chgo H)...which always requires me to take off my shoes to do some cypherin', so we'll leave well enough alone.

Besides the previously mentioned corn warning signs, this is Karen Braun's (Reuters) comments on the COT (commitment of traders) ...corn position <https://www.reuters.com/markets/us/funds-open-2025-with-most-bullish-cbot-corn-view-two-years-2025-01-07/>

But **NONE** of that may not matter, as the Funds are no dummies, and would love to ride a trend.

Here's March corn. I think a producer with unsold corn should expect to see resistance at \$4.75ish, and then of course \$5.00.



Although MONTHLY long-term continuous corn chart says spike highs to \$5.25 are not impossible:

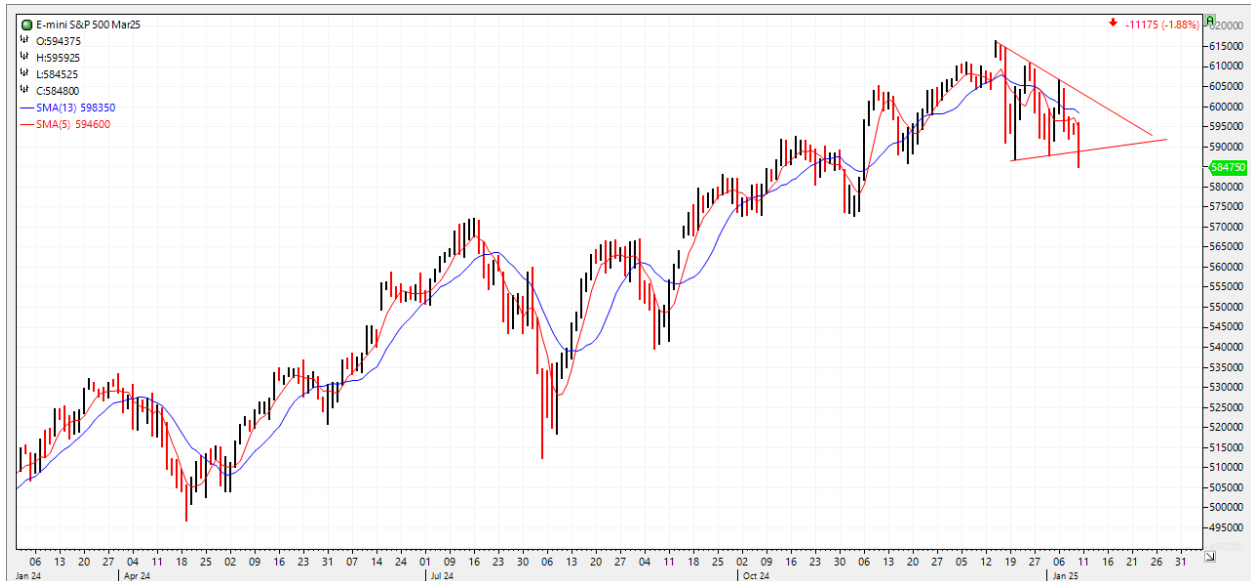


If the forecast was hot and dry in Brazil for the next 10 days, instead of 10 days of rain...whatever.

Soybeans...the USDA refuses to raise their USA soybean export forecast, but for the record, they are NOT lowering it either. In a couple weeks that Blue line will drop to that Green line, and we'll see how much the Funds like being short. Don't get me wrong. They might really like being short, but...



I'm going to leave you with this bad looking chart of the E mini; "look out below" comes to mind, and the words of my paid money manager... "Do nothing." awesome. not.



Have a good week. Stay Safe.

Slow Down.