March 08, 2024 **#2108**

LOOKING FORWARD WITH A BACKWARD GLANCE

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Current Sales:	**2023** sales:	**corn**	0%	**soybeans**	0% - 25%	**wheat**	40%
	2024 sales:	**corn**	0%	**soybeans**	0%	**wheat**	0%

Sales Recommendations: No Sales. Buy Sept24 corn calls on price dips. Same recommendation for futures for corn and soybeans. If you buy futures and you use May24 or July24 futures, you will likely need to roll into a later month before this year's high is registered. Next MNU will be issued by March 17th.

See 247Ag on Twitter: On Twitter, check out weather map posts, market trends, global events, and other Ag related, market moving data, all found at: https://twitter.com/247dotAg

Future reports: Friday, Mar 29th, the USDA's Quarterly and Planting Intentions Report, followed by April 11, May 10, June 12, USDA's Quarterly on June 28, July 12, Aug 12, Sept 12, USDA's Quarterly on Sept 30, Oct 11, Nov 8, Dec 10, and finally USDA's Quarterly Report on Jan 10, 2025.

Technicals Plus: This week confirmed a bottom in grains, as both corn and soybeans put in higher highs this week over last week. The last time that occurred in corn and soybeans was in October of 2023. K.C. and MN wheat are showing hope, while C. wheat posted new lows this week. For soybean products, soyoil posted a weak, higher high than last week, finding support at $45. It looks the weakest within the soybean complex. Soybean meal gave a strong signal today, finding support over these last 3 weeks at $325, closing over $340 today. Meal broke above its downtrend line, as did soybeans and corn.

May24 Corn had an impressive last 2 days before today's USDA data dump. The contract low was $4.086, closing this week at $4.396. Support will be found at $4.30, with 1st resistance at $4.40 and then $4.50. Buy dips. Corn, as well as grains in general, normally do not put in spike lows. *As oversold as corn was and how price accelerated into its low, odds tell us this is a major low and this price level will not be revisited until sometime after this year's high is put in; if at all*. Remember, stupid represents opportunity. **Mar24 Soybeans'** price collapse and spike low was similar to that of corn. Today's move higher closed above its downtrend line, confirming its seasonal low, closing at $11.84, with a contract low of $11.284. Some resistance will be seen at $12.00, with an initial upside target from $12.40 to $12.50. $12.50 will show significant resistance. **May24 K.C. Wheat** managed to post its highest close since February 13th, closing at $5.886, just under major resistance, which sits at $5.90, followed by $6.00. K.C. wheat has built a strong base at $5.60, probing that price level 9 times since its 1st test on February 13th. What helps prove this price level as support is the fact that price collapsed this week on cancellations by China, running stops below $5.60, reaching clear down to $5.514 on Wednesday, before flipping and racing to today's close and up $0.372 from this week's low.

Crop Insurance: Crop insurance price guarantees came out at $4.66/bu for corn, $11.55/bu for soybeans, and $6.85/bu for wheat. That is down 27%, 16%, and 30%, respectively.

March 8th USDA Grain Stocks Report:

World Production (mmt)	March	Average Guess	Feb 2024	2022/2023
Corn				
Argentina	56.0	55.0	55.0	35.0
Brazil	124.0	122.4	124.0	137.0
Soybeans				
Argentina	50.0	50.2	50.0	25.0
Brazil	155.0	152.5	156.0	162.0

U.S. Ending Stocks 2023/2024	March	Average Guesses	Feb 2024	2022/2023
Corn –	2.172 bb	2.141 bb	2.172 bb	1.360 bb
Soybeans –	0.315 bb	0.319 bb	0.315 bb	0.264 bb
Wheat –	0.672 bb	0.658 bb	0.658 bb	0.570 bb

World Ending Stocks 2023/2024	March	Average Guess	Feb 2024	2022/2023
Corn –	319.6 mmt	320.7 mmt	322.1 mmt	300.3 mmt
Beans –	114.3 mmt	114.5 mmt	116.0 mmt	101.9 mmt
Wheat –	258.8 mmt	259.1 mmt	259.4 mmt	271.2 mmt

USDAs Numbers: Pretty much a nothing report. As usual, the USDA is dragging its corn butts, not willing to lower its estimate of Brazil's **Soybean** crop anywhere close to the average of trade guesses, let alone to the average of the top few. Coming in at 155 mmt, down just 1 mmt from their February guess, their guess was 2.5 mmt higher than what the average of the trade guesses were for what they thought the USDA would guess. One argument hanging out there is that the USDA is accounting for more acres than any other has estimated. How does this compute when the USDA does not include the base acres from which they are running their calculations? In school, we had to show our work, or it was an F. The USDA left Argentina's soybean crop unchanged at 50 mmt. U.S. soybean ending stocks were left unchanged at 315 mb, with world ending stocks being cut by 1.7 mmt, falling to 114.3 mmt. The USDA left Brazil's Safrinha **Corn** crop unchanged at 124 mmt. We believe that is the highest number out there, which for managing prices and inflation for this year's election, is where they need to be.

Argentina's corn production was raised 1 mmt to 56 mmt, while global stocks were cut 2.5 mmt to 319.6 mmt. U.S. ending corn stocks were left unchanged at 2.172 bb. U.S. **Wheat** ending stocks were increased 14 mb to 672 mb. The recent price collapse should have this all-factored in. Global ending stocks were lowered 600,000 mt, coming in at 258.8 mmt. Wheat exports were cut 15 mb to 710 mb. World wheat production was nearly 1 mmt to 786.7 mmt.

Brazil and Safrinha: CONAB places their Safrinha crop at 113.7 mmt, which makes their estimate more than 10 mmt less than the USDA's guess. We apparently can ignore CONAB's estimates, because over the past few years, the USDA certainly has! ***(He who has the power writes the prices? This administration must have learned over these last 3 years. Let's see if future administrations use this learned power of price manipulation.)***

Strange Happenings: On X we posted a map showing some amazingly rapid cooling in the Equatorial waters in the Pacific Ocean, off the NW coast of South America. This cooling showed up in just 3-days. We have never noticed any change that occurred this quickly. Could this be the beginning of massive cooling of the waters in the Northern Pacific? If it is, 1934/1936 repeat in the wings? It needs to be monitored.

OPEC: OPEC+ extends its 2 million barrel/day cut into mid-year amid weaker demand, attempting to maintain prices above $80/barrel. Moscow will be focusing more on cuts to production than exports.

EU on Fire: https://www.youtube.com/watch?v=RilEns8Sgnc Fighting world domination by the Rich, Sick, Non-Elected Globalists.

Corn: Watch Dec24 cotton. If it breaks higher above its current consolidation area under $85, it will pull more acres away from corn. It made a new high weekly close Thursday.

The carbon pipeline scam is gaining steam, with ethanol producer Valero to join the $8B carbon pipeline project. This project now has the world's top two producers joining, while Summit struggles, still facing a raft of hurdles to build its controversial pipeline project.

Corn prices were bitten early in the week when Chevron announced shutting down 2 Midwest biodiesel plants Monday, totaling 50 mg/yr.

StoneX estimated Brazil's Safrinha crop at 124.4 mmt, with Ag Resource casting their ballot at 114.9 mmt. As you know, 247 has been at 110 mmt for 2 months now, knowing from our weather forecast, are estimate will be too high.

China is rumored to have purchased another cargo of 65,000 mt of corn from Ukraine on Monday. That gets added to last week's rumored sales somewhere from 300k to 600k mt from Ukraine. It makes sense, China shopping for corn, as their internal price has risen to $8.68/bu.

Corn loadings reported this week were 43 mb, with total loadings up 35% over last year. Shipped from the Gulf was 51%, with 19% shipped out of the PNW. Had a Flash Monday, with 110,000 mt being taken by Taiwan.

Make a note about sorghum. China has done this before. When they are not going after U.S. corn, they seem to be a consistent buyer of U.S. sorghum. This marketing year they have really been stepping up their game. The U.S will need to raise its export demand for sorghum. Check local values. For as dry as we see it being this year, especially in those areas where most could or would consider planting sorghum, you should take a hard look at it.

Ethanol demand is up 4.5% YoY. Corn's processing value was $5.49/bu last week, down from the week before of $5.90/bu.

A "sick" manipulation appears in the wind. Ethanol is not expected to automatically qualify as a feedstock for SAF under the revised GREET model, which is under consideration. That would force producers to cobble together practices like solar power and sustainable farming techniques to push them above the threshold.

Soybeans: Dr Cordonnier decided to leave his estimate for Brazil's soybean production unchanged at 145 mmt. That has been our number for 2 months now and is on the low side of most of the guesses, averaging from 148 mmt to 152 mmt, with the USDA above the mid-range guesses. With harvest running just over 50% complete and weather being a non-factor for now, do not look for anything bullish or bearish to come out from South America until they get a better handle on production. StoneX raised its estimate to 151.5 mmt, followed by Ag Resource lowering its estimate to 143.92 mmt.

One well-known ag advisory service has its production for Brazil nearly 10 mmt lower than that of the USDA's February estimate. The Dow Jones pre-report survey guess was 152.5 mmt, down 3 mmt from February and some 8 mmt higher than some other estimates.

Soyoil should be finding support down at these levels, notably because Palm oil has been pushing to 2024 highs. This week, Palm pushed to near 6 months highs.

NASS reported 194.8 mb of soybeans were crushed in January, putting total crush in 2023/2024 up 4.6% from a year ago. Soybean oil stocks totaled 2.03 b lbs, down 14% from a year ago. Soybean meal stocks were down 23% from a year ago. Consider how the products are all lower. With stock falling and low prices curing low prices, plus seasonals, lows should be at hand.

Brazil's soybean FOB price out of Paranaque fell sharply in January but has since risen, though still cheaper than FOB prices out of New Orleans. Having been well over a $1.00/bu lower, prices have risen to be about $0.70/bu under the U.S. At the same time, prices in China jumped over 5% on Monday. That would be well over $0.60/bu. Wednesday's higher close gave China's soybeans their 8th consecutive higher close. China's soybean price reached $13.86/bu this week, their highest price in a month. U.S. processing value was $13.91/bu, up from the previous week's value of $13.68/bu.

Soybeans loadings for 2023/2024 are down 20%, with actual shipments down 21%. Had a Flash Sale of 126,000 mt of soybean cake and meal to unknowns on Monday, with 30,000 mt of that total shipped out this marketing year and the balance of 96,000 mt moving in the 2024/2025 marketing year.

<u>Wheat</u>: Russia continues to be behind wheat's aggravation. Their FOB wheat price was lowered to a reported $199/mt, down from $225/mt in February and undercutting everyone except Ukraine. Ukraine and the EU add to U.S. wheat woes, with Ukraine's February exports record large at 2.5 mmt. Paris milling wheat got into the fray, plunging under 180 Euros, and setting another new low. That is the 7th time in 8 days of lower closes for Paris wheat.

The Australian Ag Minister is guessing their 2024/2025 wheat crop at 28.4 mmt vs 26 mmt for this year's crop. This year's crop was placed at 26 mmt, with the USDA sitting at 25.5 mmt. Their February estimate was near 30 mmt.

G/E ratings for WW fell this week. KS was down 4 pts to 53%, OK down 5 to 65%, and TX down 3 to 43%.

Wheat was hammered on Wednesday, with the reason for the price collapse answered Thursday with a Flash Cancellation announcement the China cancelled 130,000 mt of SRWW that they had purchased earlier this year.

U.S. ending stocks-to-use ratio for SRW is the lowest in 10 years, with export shipments up 22% over a year ago, making one question the reason for the recent sharp price drop. That is on top of the USDA estimating the lowest world-ending stocks in 8 years, or 15 years if China was excluded, since China is not a wheat exporting nation.

USDA reports the U.S. has lost 20,000,000 acres of farmland from 2017 to 2022. Solar farm offers are not helping, with 10-to-15-year leases offering as much at $2500/acre. Over the last 5 years, solar panels on farms have increased 35%, with 116,000 farms having them now. This is the "farming" of U.S. tax dollars by solar companies, just like wind energy companies do. No one talks about all the tax dollars going to private companies to fund these money losing, "environmental disaster" creating industries. And these tax thieves/whores will never talk about the environmental mess left for others to clean up when these projects have aged out and need rebuilt or replaced. ***Always follow the money to find the corruption.***

<u>China</u>: It appears China is back in the markets looking for physical grain. They supposedly bought 20 some cargos of grain, or about 1.2 mmt. Some of the numbers were 10 cargos of corn from Ukraine, 5 or more cargos of sorghum/milo from the U.S. (China takes nearly 100% of U.S. milo exports), and 6 cargos of barley. For stockpiling grains and oil seeds, China has set aside $19.54B for 2024, with a target of 650 mt.

<u>China's Struggles</u>: China is dependent on the Global Supply China which the U.S. has militarily "managed" for the betterment of the world. The U.S. is now withdrawing from that role. If the supply chain breaks down, China would be the biggest loser.

China imports almost all of its raw materials, almost all its energy, it is the world's largest importer of food, and it imports 80% of the inputs it needs to grow its own food. If the global supply chain goes down, China goes down. If China would go after Taiwan, all the U.S. would need to do is cut China out of the Global Supply Chain, which it could do, and China could do nothing about it.

If they do nothing, China still has shot itself because of its one baby policy, which lasted 45-years. China's birth rate has fallen below one baby per woman, which means we are looking at the end of China as we know it. China will not be able to maintain any sort of Workforce or consumption base in 10-years. ***Think about that and consider the ramifications. (Not the song of a happy camper.)***

Brazil is increasing its grain production because of increasing demand. The reality is that this demand will be falling, while production keeps rising, when the proverbial SH** hits the fan. This is the worst price situation possible. While prices suck today, weather reduced crops will give grains another rally, one in the next 6 months and another in the next 18 months. While more rallies to profitable levels will follow thereafter, when the trend of over production out of Brazil hits against falling demand from China, along with even greater production from ever better genetics and China adopting GMO's, we forecast that before 2030, an even bigger hurt will arrive than we are living through today. Will you be prepared? You have years to prepare.

<u>FYI</u>: When things get so bad that the leaders can only see one way out of it…..WWIII.

Consider Russia. They need to grow, as they are also a dying nation. Sure, NATO and the U.S. pushed to create this conflict. But over time, it likely would have occurred at some time in the future. History tells us when they will move to expand. Not trying to be political, but which party either is seen as weak, or feeds their political allies billions of U.S. taxpayer dollars, of which a good percentage finds their way back into their coffers. Just following the money trail.