

Hello Colorado Wheat.

I hope you had a great Father's Day. Grain markets are closed today; it's a National Holiday, Juneteenth! I hope that was good for you too.

I know many of you are cutting wheat. Harvest reports are about as expected, and it's pretty obvious there is a big yield difference in wheat-on-corn, or wheat-on-wheat acres compared to wheat on fallow ground. And as we get more into the Southwest corner of Kansas and the Southeast corner of Colorado, we'll hear a lot more about unharvested acres.

Harvest has brought "harvest pressure" too, with KC July wheat futures down 57c or so last week, but frankly, cash wheat bids are still great, even if they are more than a buck and a half down from the peak.

The war drags on; the Black Sea blockade still exists, and with it a very slow export pace from Ukraine, but that doesn't seem to quite have the bullish impact it once did...gravity does set in. And adding to the overall bearish tune is the stock market and talk of "global recession". This chart is the S&P 500 e-mini contract crashing hard thru any hoped-for support at the 3900 level:



This article, written by a couple of investment advisors (aka perma-bulls) says IF inflation can be tamed, this recession will be short-lived. <https://www.startribune.com/recession-is-far-from-a-worst-case-scenario/600183241/> So far, the Fed's way to fight inflation is to raise interest rates, although the current Administration is also lobbying the oil market mavens to reign in their "excessive" margins, and I saw crude oil was down \$10/bbl this week. The 3400 level looks like an area I personally will move a little cash from the sidelines...We'll see if I get that chance.

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

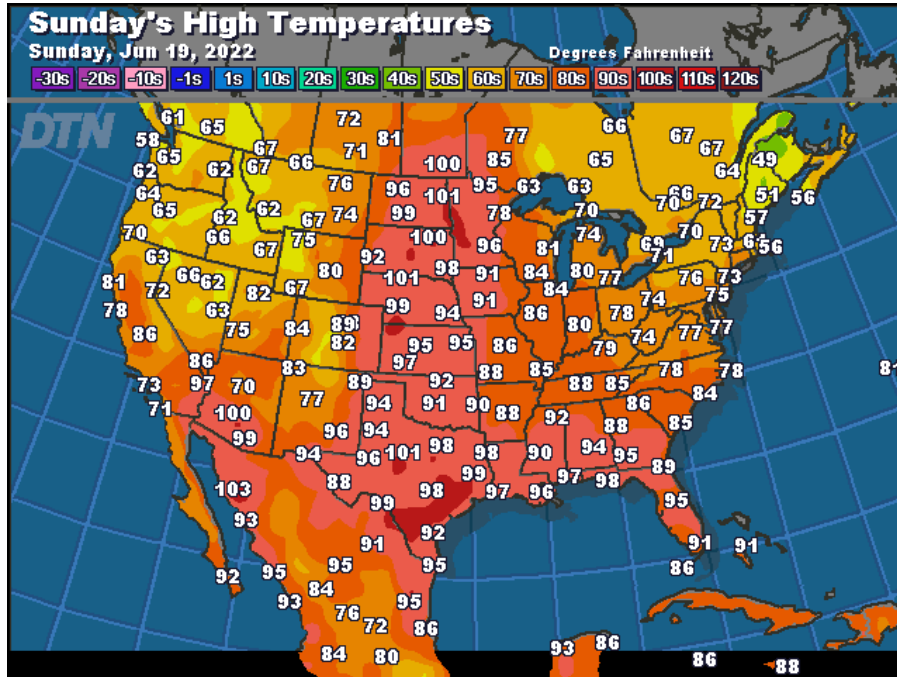
The market ended the week feeling heavy.

	July HRW	Dec HRW	Old-crop corn	New corn	Chgo wheat	Springs	Old-crop soybean	New Soy	Crude oil	S&P
CLOSE	KWN22	KWZ22	CN22	CZ22	WN22	MWN22	SN22	SX22	CRD22	ES22
06/17	\$11.05	\$11.22	\$7.85	\$7.31	\$10.34	\$11.70	\$17.02	\$15.38	\$107.99	\$3676
06/10	\$11.63	\$11.77	\$7.73	\$7.21	\$10.71	\$12.22	\$17.46	\$15.69	\$118.12	\$3899
06/03	\$11.21	\$11.38	\$7.27	\$6.90	\$10.40	\$11.92	\$16.98	\$15.27	\$116.51	\$4107
05/27	\$12.35	\$12.48	\$7.77	\$7.30	\$11.58	\$13.05	\$17.32	\$15.44	\$115.07	\$4155
05/20	\$12.53	\$12.61	\$7.79	\$7.32	\$11.69	\$12.79	\$17.05	\$15.22	\$110.28	\$3900
05/13	\$12.82	\$12.85	\$7.81	\$7.49	\$11.78	\$13.25	\$16.47	\$14.98	\$108.63	\$4020
05/06	\$11.71	\$11.78	\$7.85	\$7.21	\$11.09	\$12.09	\$16.22	\$14.71	\$108.33	\$4120
04/29	\$11.06	\$11.11	\$8.14	\$7.51	\$10.56	\$11.66	\$16.85	\$15.15	\$102.94	\$4128
04/22	\$11.50	\$11.45	\$7.89	\$7.25	\$10.75	\$11.63	\$16.88	\$15.05	\$102.07	\$4267
04/15	\$11.57	\$11.50	\$7.84	\$7.35	\$11.05	\$11.47	\$16.65	\$15.02	\$106.38	\$4388
04/08	\$11.10	\$11.09	\$7.61	\$7.16	\$10.58	\$11.27	\$16.68	\$14.96	\$97.73	\$4484
04/01	\$10.14	\$10.11	\$7.22	\$6.88	\$9.84	\$10.65	\$15.67	\$14.07	\$97.90	\$4539

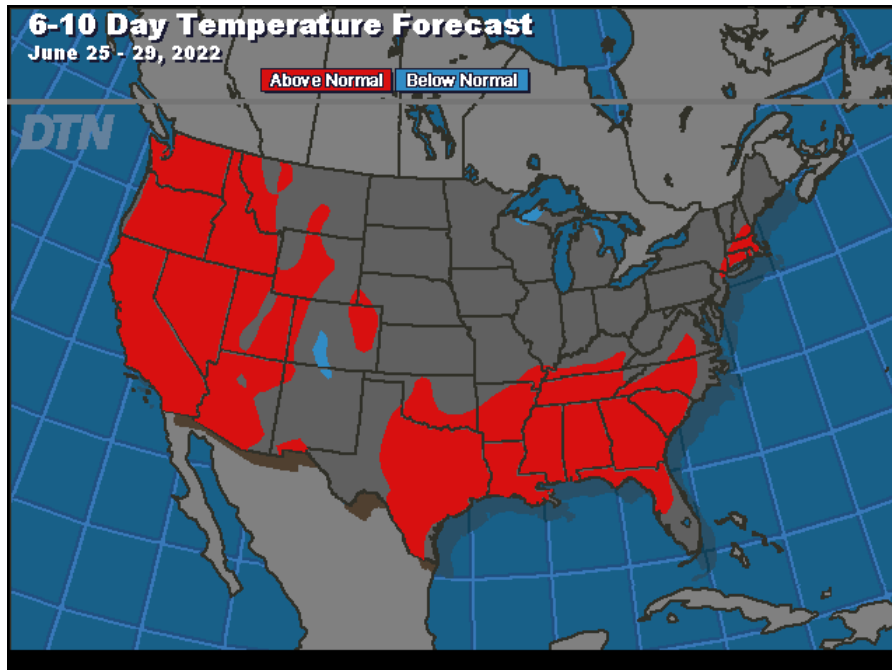
KC July is now sitting on a massive double-bottom of support at the \$11.05ish area. That is the new 11-week Closing Low too, as the old 11-week Closing Low, way down at \$10.14, is rolling off the table this week. So...it looks like a pretty clear red line in the sand to me; this is KC July futures:



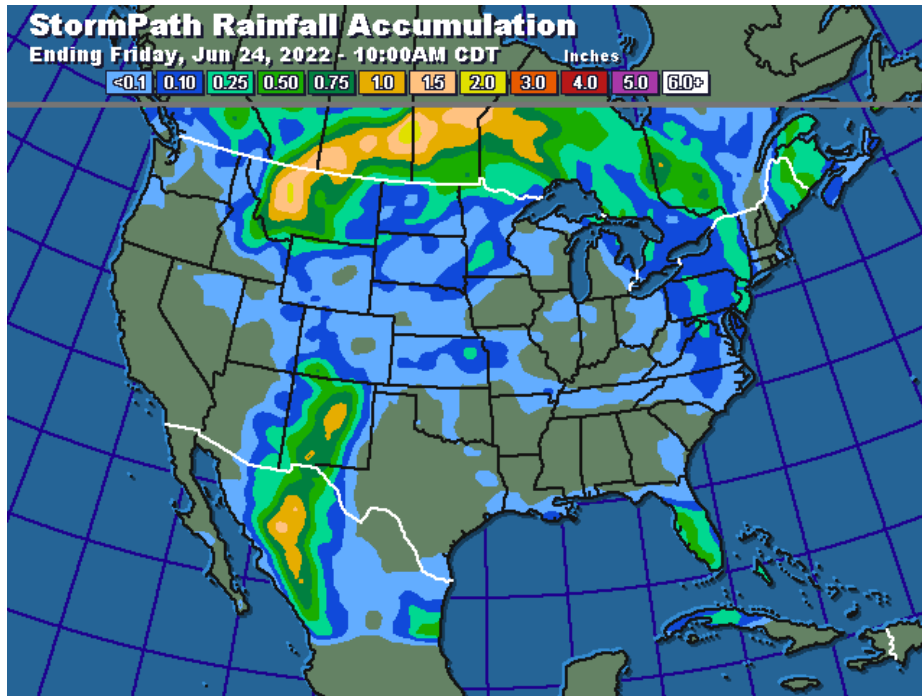
Can wheat quit dropping in the middle of harvest? I think that will be difficult to accomplish. We're still not seeing any unusual export demand, and so far, the North American spring wheat crop isn't a disaster. In fact, it might turn out to be really good. Australia had some rains too. One thing that is troubling is Europe and most of North America, and India too, are currently in an oven. It's been a while since Winnipeg, Manitoba is hotter than Dallas, Texas.



BUT...the 6-10 day forecast says some cooler temps are coming:



Wheat harvest should zip along, but the Corn Belt will be dry too. The expected rain across the Canadian Prairies is generally a good thing. Some small, local pockets are too wet, but high prices encouraged Canadians to keep planting even though it was getting late in the season.



We'll look at wheat-by-class export pace after we get the July WASDE update which will give us the first official look at wheat-by-class. In the meantime, wheat exports are mainly plodding along, although beans are strong and corn loadings were great. **(Unfortunately corn export sales were only about 11 million bu, split between old-and new-crop, maybe supporting why the June WASDE showed the USDA expects the USDA corn export program to almost completely stop.)**

WEEK ENDED (06/09/22)	Weekly loadings	Accumulated in season	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	54.6	1931.7	60	1979	2,450	471	11	42.8
Soybeans	26.0	1866.0	30	1889	2,170	281	11	25.6
All wheat	13.6	21.4	45	23	775	752	50	15.0
Milo	5.3	237.1	5	241	310	69	11	6.3
LAST WEEK								
Corn	54.4	1877.1	60	1923	2,450	527	12	43.9
Soybeans	17.5	1840.0	30	1863	2,170	307	12	25.6
All wheat	7.8	7.8	45	9	775	766	51	15.0
Milo	8.6	232.3	5	236	310	74	12	6.2

Gulf to-arrive HRW bids for 12's continue to slip (new-crop reports indicate the heat stress made protein) but ords are steady:

GULF date	12 pro	ords	diff
6/17/2022	148	133	15
6/10/2022	153	133	20
6/3/2022	160	133	27
5/27/2022	165	134	31
5/20/2022	173	138	35

And that steady basis is prevalent in the country, although we see some differences of opinion surfacing:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
06/17	\$10.25-\$10.75	\$10.55	\$10.35-\$10.45	\$10.07-\$10.42	\$10.35-\$10.85
06/10	\$10.83-\$11.23	\$11.13	\$10.93-\$11.03	\$10.65-\$10.99	\$10.93-\$11.63
06/03	\$10.41-\$10.81	\$10.71	\$10.51-\$10.61	\$10.21-\$10.58	\$10.51-\$11.21
05/27	\$11.61-\$11.95	\$11.80	\$11.65-\$11.75	\$11.35-\$11.71	\$11.65-\$12.35
05/20	\$11.77-\$12.13	\$11.98	\$11.83-\$11.93	\$11.53-\$11.87	\$11.83-\$12.53
05/13	\$12.04-\$12.42	\$12.27	\$12.17-\$12.27	\$11.25-\$12.14	\$12.12-\$12.82

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
06/17(N)	-80, -30	-50	-70, -60	-98, -63	-70, -20
06/10(N)	-80, -40	-50	-70, -60	-98, -63	-70, 00
06/03(N)	-80, -40	-50	-70, -60	-100, -63	-70, 00
05/27(N)	-75, -40	-55	-70, -60	-100, -65	-70, 00

Date	Concordia	Salina	Hutch/Wichita	Ark City
06/17(N)	-40	-59, -15	-59, -25	-56
06/10(N)	-40	-47, -15	-59, -28	-60
06/03(N)	-30	-48, -15	-59, -28	-60
05/27(N)	-45	-50, -15	-69, -28	-61
05/20(N)	-45	-50, -15	-69, -28	-61

I'd sell the stuff as soon as I could, if I hadn't already, although maybe you want to see if those rains really do develop for the Canadian Prairies. Technically, Friday's \$11.05 close is the red line in the sand, but that's based on how the week closes.

IF we were in the middle of corn pollination season and it was this hot, I doubt corn would go anywhere but up, but we saw the temps are expected to back off.

This is Dec corn; it is extremely nervous about these high temps. It's locked in a 60c range, with a blue line at \$7.51 and the red line, set 2 weeks ago, at \$6.90.



The problem with wheat is even if corn stays in trouble, corn hasn't supported wheat in a while; this is KC Dec wheat – Dec corn, looking heavy, just like it has for the last \$2.00/bu...



Old-crop July beans...are back to defending \$17.00 again.



This week will be important for price direction. Certainly the weather is the main focus, and what the big money forecasters are saying about corn pollination season.

And when I go back and look at that wheat chart, I think this week is key.

Speaking of wheat and bread, and inflation, this is a pretty good article. Wheat flour is only a piece of the price puzzle. Packaging, labor, energy and transportation are major components too.

<https://www.startribune.com/why-food-inflation-may-linger-as-explained-by-a-loaf-of-bread/600181986/>

Have a good week. Stay safe (and cool!). Slow down! Elevators are scrambling for helpers, and everyone is looking for drivers...so it won't do any good to get in a hurry.