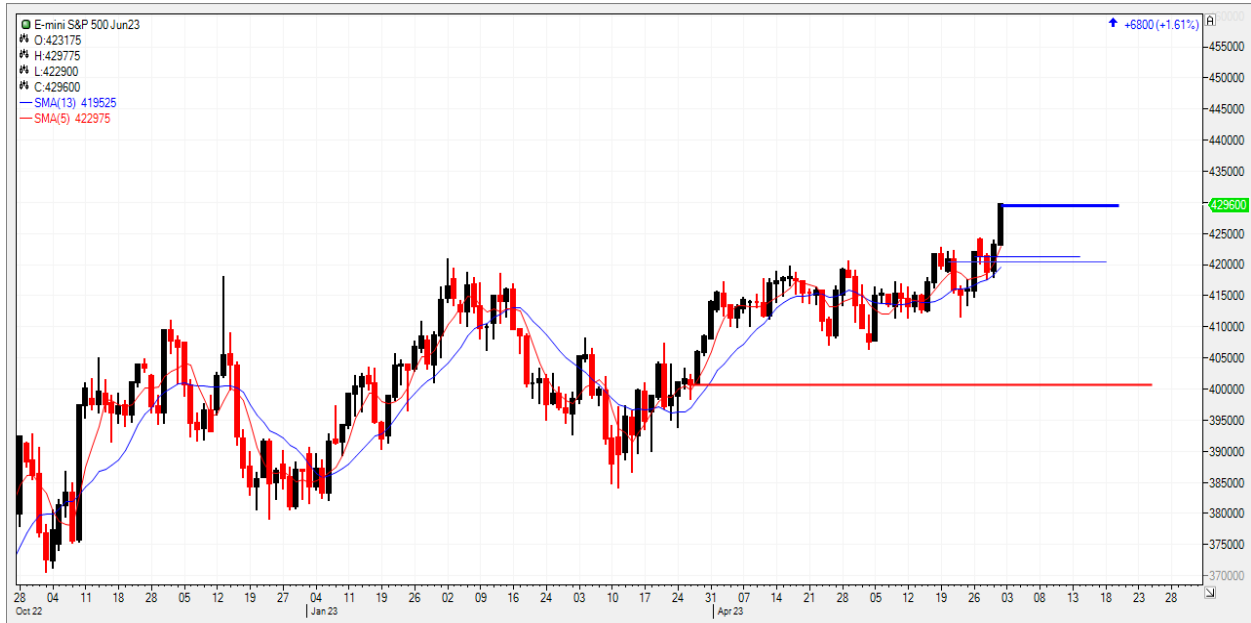


Hello Colorado Wheat.

Sideways markets last week for the most part; corn was up a little bit and wheat was down a little bit. Beans were mixed. Crude oil was slightly weaker. Possibly...the most interesting thing is the E mini (S&P 500) has **quietly** set a new higher Blue line 3 weeks in a row. I read a LOT of financial firms are “not positioned” for a big breakout rally to the upside in the stock market. This is the E mini daily chart:



Maybe the weekly E-mini continuous is what matters? Old resistance is about the 4800 level:



*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***

Anyway...I've written many times "over the long run, the stock market is the only game in town". Of course, as you well know, Farmland would be the other, but that's a hard game to play. Entry barriers are too steep for the little guy.

Now that the "threat of default" has been removed by a somewhat surprisingly effective bi-partisan effort between The House and The Administration, along with The Fed's apparent willingness to keep interest rate hikes in check..."to the stars and beyond" is how I read that E-mini chart.

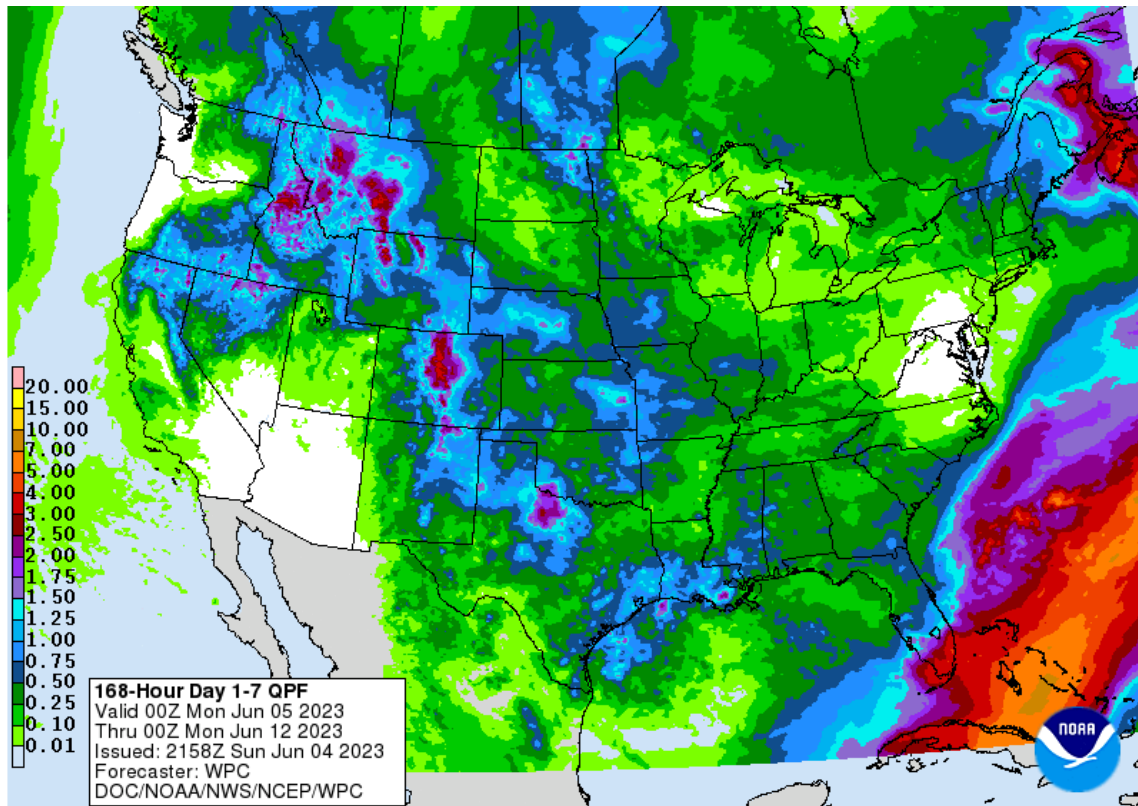
You can see the week ended "mixed", with the only new Red or Blue line from the E mini:

	July '23 HRW	DEC '23 HRW	July'23 corn	DEC '23 corn	Chgo Z wheat	Springs Dec (Z)	July'23 soybean	NOV '23 Soybean	Crude oil	S&P
CLOSE	KWN23	KWZ23	CN23	CZ23	WZ23	MWZ23	SN23	SX23	CRD22	ES22
06/02	\$8.12	\$8.04	\$6.09	\$5.41	\$6.52	\$8.12	\$13.53	\$11.84	\$71.74	\$4288
05/26	\$8.19	\$8.10	\$6.04	\$5.35	\$6.48	\$8.25	\$13.37	\$11.90	\$72.67	\$4213
05/19	\$8.24	\$8.07	\$5.55	\$5.00	\$6.36	\$8.11	\$13.07	\$11.76	\$71.55	\$4205
05/12	\$8.77	\$8.47	\$5.86	\$5.09	\$6.64	\$8.51	\$13.90	\$12.24	\$70.04	\$4138
05/05	\$8.33	\$8.21	\$5.97	\$5.38	\$6.60	\$8.44	\$14.37	\$12.80	\$71.34	\$4150
04/28	\$7.76	\$7.77	\$5.85	\$5.28	\$6.63	\$8.15	\$14.19	\$12.64	\$76.78	\$4189
04/21	\$8.26	\$8.21	\$6.15	\$5.48	\$6.98	\$8.49	\$14.49	\$12.85	\$77.87	\$4157
04/14	\$8.63	\$8.57	\$6.36	\$5.60	\$7.18	\$8.72	\$14.67	\$13.02	\$82.52	\$4164
04/07	\$8.46	\$8.44	\$6.20	\$5.57	\$7.20	\$8.71	\$14.63	\$13.10	\$80.70	\$4142
03/31	\$8.62	\$8.59	\$6.36	\$5.67	\$7.35	\$8.98	\$14.76	\$13.20	\$75.67	\$4137
03/24	\$8.34	\$8.33	\$6.23	\$5.60	\$7.28	\$8.59	\$14.06	\$12.73	\$69.26	\$4001
03/17	\$8.23	\$8.26	\$6.18	\$5.61	\$7.43	\$8.58	\$14.61	\$13.14	\$66.74	\$3947
Year ago		\$8.01		\$5.93	\$7.70	\$9.79		\$13.40	\$75.57	\$4762

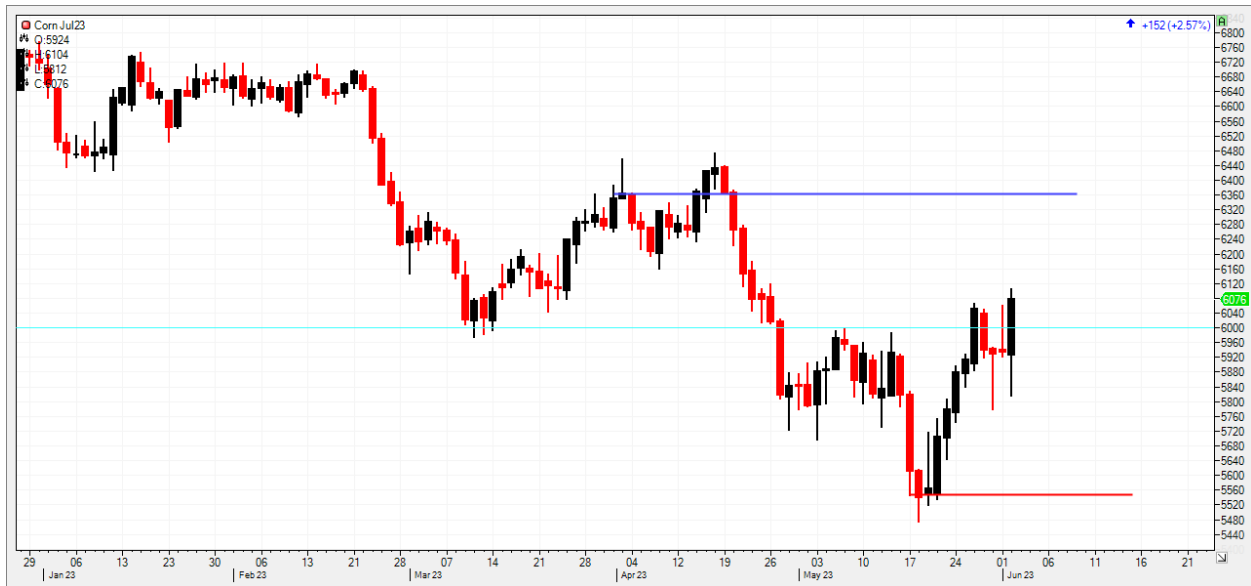
Dec corn is up 41c from the \$5.00 Red line set only 2 weeks ago. Why? Corn needs rain.



It's probably not coming this week (keep in mind green is only a 1/10 to a 1/4 inch on this map).



Old-crop corn has been firming as well, now back above the electric blue \$6.00 line; July corn here:



But the old-crop vs new-crop corn spread appears range-bound to me, currently half-way between a 75 to 60c inverse.

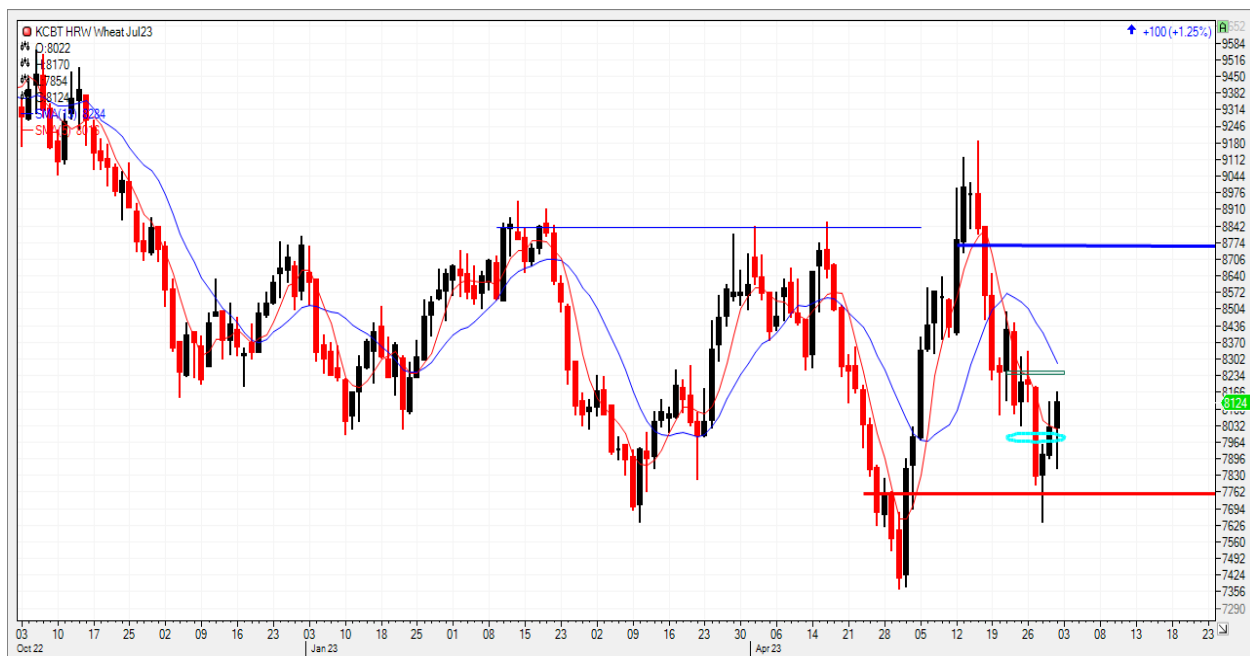


We're in June, so the Funds will be exiting July corn (and wheat and beans) and so far...demand is NOT saying a "squeeze play" is imminent. I think the best posted spot corn bid I saw in KS or CO this week is +140, actually down a freckle. **I do not think July corn has big upside fireworks coming.**

And the old-crop wheat, corn or beans Export pace...is plodding along. Corn currently looks safe from a downward revision on the June 9 WASDE, but soybeans are shaky. This story says there are about 119,000 mt coming to the States in June, and in late April, Reuters earlier said there were about 90,000 coming in early May (already arrived...?) <https://www.thepoultrysite.com/news/2023/06/us-makes-rare-soybean-purchase-from-brazil> . The June WASDE will be released this Friday, June 9. Wheat and beans will probably show small reductions in the USA export forecasts. New-crop corn sales last week were 12.3 million, but soybeans were almost zero. New-crop wheat sales looked good at 17.1 million, **but much of that was existing old-crop sales being rolled forward.**

WEEK ENDED (05/25/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	51.7	1129.5	60	1173	1,775	602	14	43.0
Soybeans	8.8	1780.3	30	1802	2,015	213	14	15.2
All wheat	14.0	718.6	45	764	775	11	00	28.0
Milo	1.3	65.7	5	69	90	21	14	1.5
LAST WEEK								
Corn	52.1	1077.7	60	1120	1,775	655	15	43.7
Soybeans	5.7	1771.0	30	1792	2,015	223	15	14.9
All wheat	15.0	703.4	45	747	775	28	01	28.0
Milo	4.6	64.4	5	68	90	22	15	1.5

There will also be a Crop Production report on Friday, which will update winter wheat. Some think the per cent harvested, or “abandoned” ...will be more interesting than the yield update. KC N wheat, shown here, still staying above the electric blue box at \$8.00:



The small USA HRW crop and “big abandonment” raises the question of what to do with those acres. This Kansas crop extension agent lists some opportunities, which would apply to Colorado or Nebraska too...<https://hayspost.com/posts/a198e00a-9e9d-4ff0-8ede-e0bc2aef0061>

Testifying to HRW’s lack of demand and concern about incoming European wheat are these Gulf posted to-arrive HRW basis bids...which tanked this week. **These are the lowest posted Gulf HRW bids since August of 2018.**

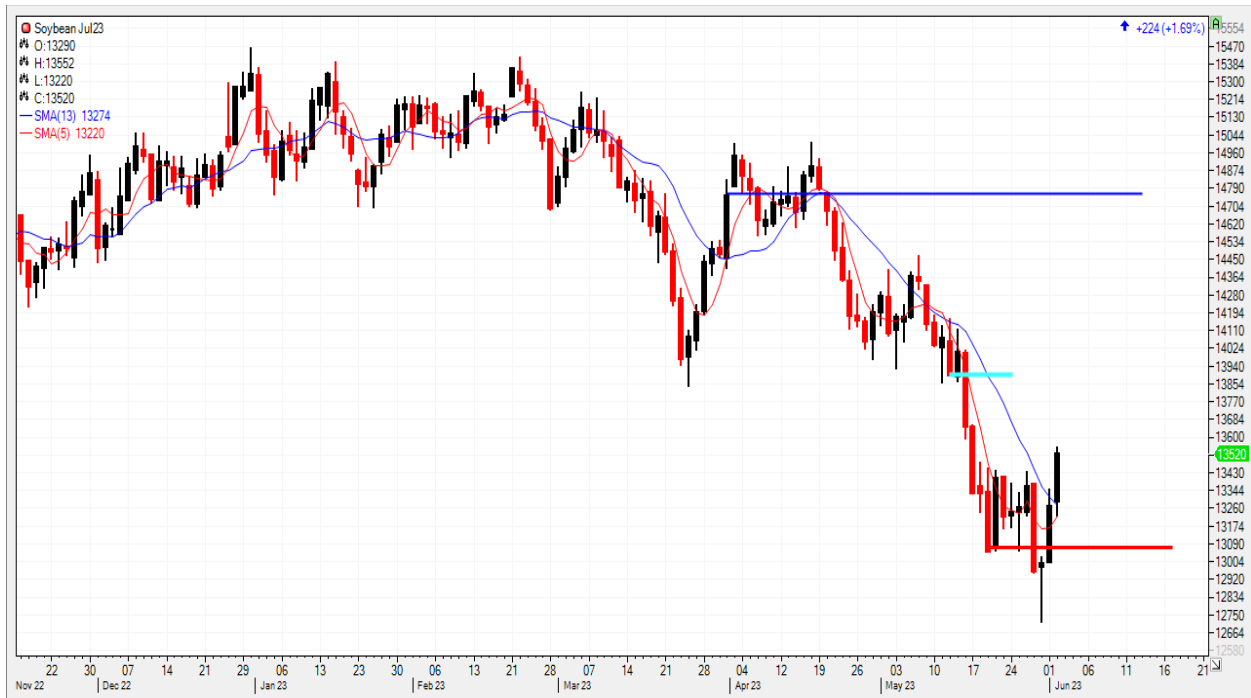
GULF date	12 pro	ords	diff
6/2/2023	115	115	0
5/26/2023	140	135	5
5/19/2023	145	140	5
5/12/2023	145	140	5
5/5/2023	151	149	2 N

Posted bids in the country are showing a little (not a lot) weakness...but I admit I’m not sure the posted high side of Northeast Colorado (Holyoke) is correct. AMIS shows the basis at +38. IF THAT IS A REAL BID, I’D SELL SOME. Lock in the basis if they let you.

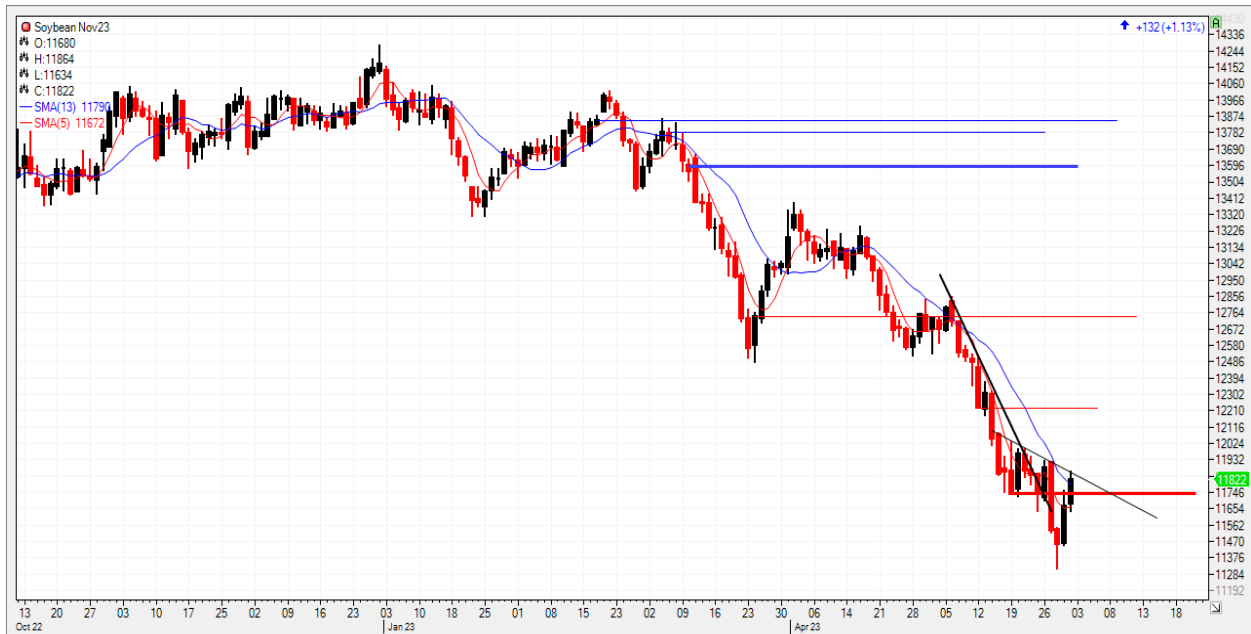
Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
06/02	\$7.57-\$7.77	\$7.77	\$7.62-\$7.72	\$7.62-\$8.50	\$7.67-\$7.92
05/26	\$7.39-\$7.94	\$7.99	\$7.84-\$7.94	\$7.69-\$7.81	\$7.74-\$7.99
05/19	\$7.44-\$7.99	\$8.04	\$7.89-\$7.99	\$7.71-\$7.86	\$7.56-\$8.04
05/12	\$7.98-\$8.52	\$8.57	\$8.27-\$8.37	\$8.16-\$8.47	\$8.21-\$8.57
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
06/02(N)	-55, -35	-35	-50, -40	-50, +38	-45, -20
05/26(N)	-80, -25	-20	-35, -25	-50, -38	-45, -20
05/19(N)	-80, -25	-20	-35, -25	-54, -38	-69, -20
05/12(N)	-80, -25	-20	-50, -40	-61, -30	-56, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
06/02(N)	-10	-05, -00	-30, +00	-40	
05/26(N)	-10	-05, -00	-30, +00	-34	
05/19(N)	-10	-05, -00	-25, +05	-34	
05/12(N)	-10	-05, -00	-32, +00	-34	

Soybeans...

The old-crop bean chart shows a good bounce even with the imported beans coming; SN23 shown here:



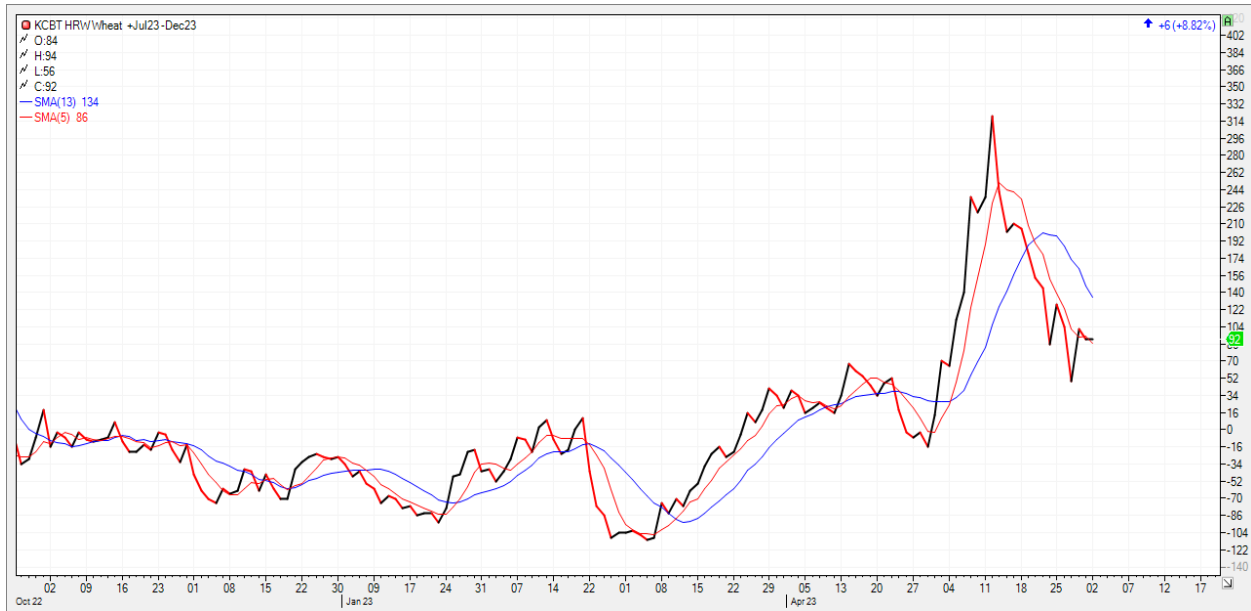
New-crop Nov (X) beans are mainly trying to quit going down...dry weather in The States is a concern:



This old-crop new-crop bean spread shows the relative July strength...SN23-SX23 bouncing hard into previous resistance. It's possible...shorts are nervous. They knew the Brazil beans are coming to the States, but that doesn't guarantee big deliveries against the futures contract; will be interesting to watch this one unfold.



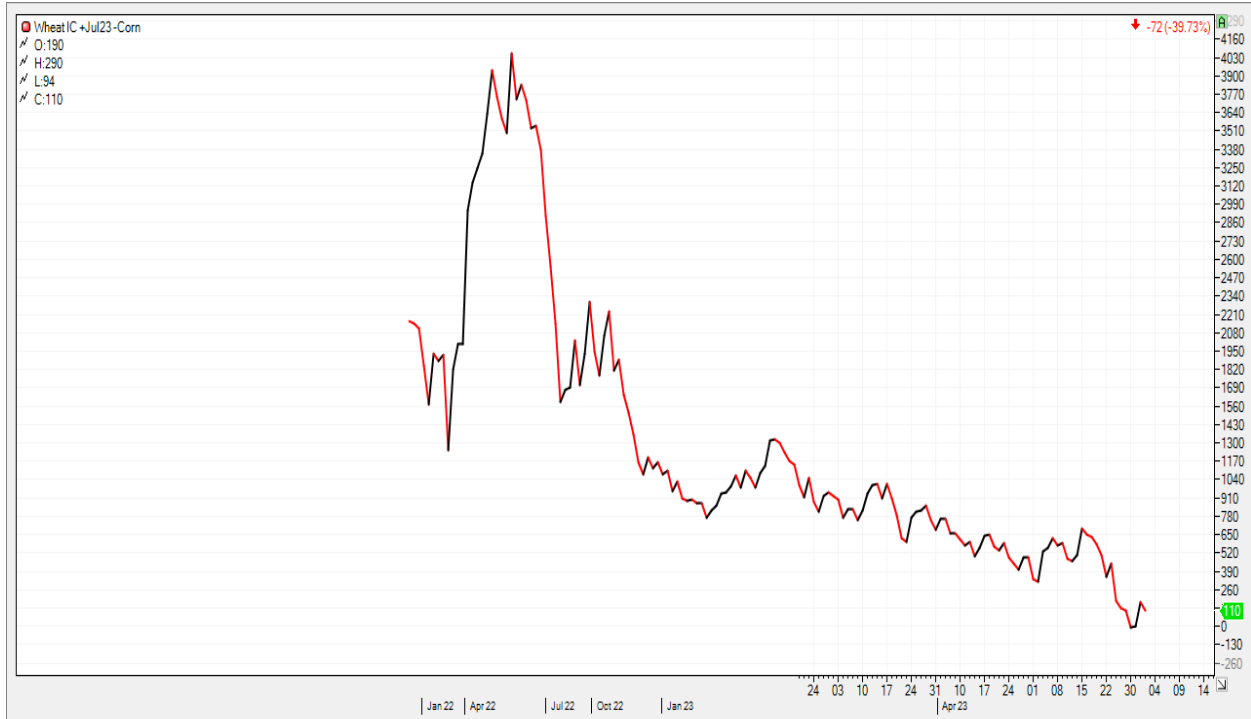
Conversely, the KC N-Z wheat spread (July – Dec) continues leaking...The incoming Euro wheat broke this spread, although that wheat is NOT deliverable against the contract, so shorts should not get too complacent.



ON ANOTHER NOTE...

Someone asked me about going long Chgo wheat against a short basis corn position...

I said Chgo July wheat did indeed bounce against July corn (after going to even money) ...WN23-CN23



But corn is inverted, and Chgo wheat is in a carry, so that makes the Z's not as attractive of a play. This is WZ23-CZ23, and I personally would NOT buy Chgo Z wheat against Z corn as a long-term hedge, although there will be bounces.



Sunday night openings were a little stronger, with new-crop Z corn up 6c. and beans were up 8c.

KC wheat was up 11c Sunday night, mainly just because. This recent story about the world facing a wheat shortage due to climate change...seems "iffy" to me, but it does mention the rains in China and drought in the States, and "climate change"...so it helped Sunday night's higher trade, no doubt.

<https://www.nbcnews.com/science/environment/wheat-supply-at-risk-climate-change-rcna86911>

This was the China "too much rain at harvest time" story from late last week; it didn't generate a lot of buzz, as sprouted wheat will of course be fed to animals, but it should at least be noted...

<https://www.scmp.com/economy/china-economy/article/3222338/china-loses-millions-tonnes-wheat-right-harvest-global-price-implications>

Have a good week.

Stay Safe; Slow Down.

Crop report out this Friday...