

Hello Colorado Wheat.

Leaning towards a Yee-Haw here...The 11-week Table shows Row Crops rocking on, led by the new-crops... unless I'm missing something, Nov beans were UP A DOLLAR FOURTY! New-crop corn was up almost 70c! What the...

The weather game continues. Where she stops...nobody knows. We can make some guesses, but if you can tell me when "The Corn Belt" will get soaked, then I'll tell you where this thing stops. In the meantime...this is probably a good time to review marketing plans.

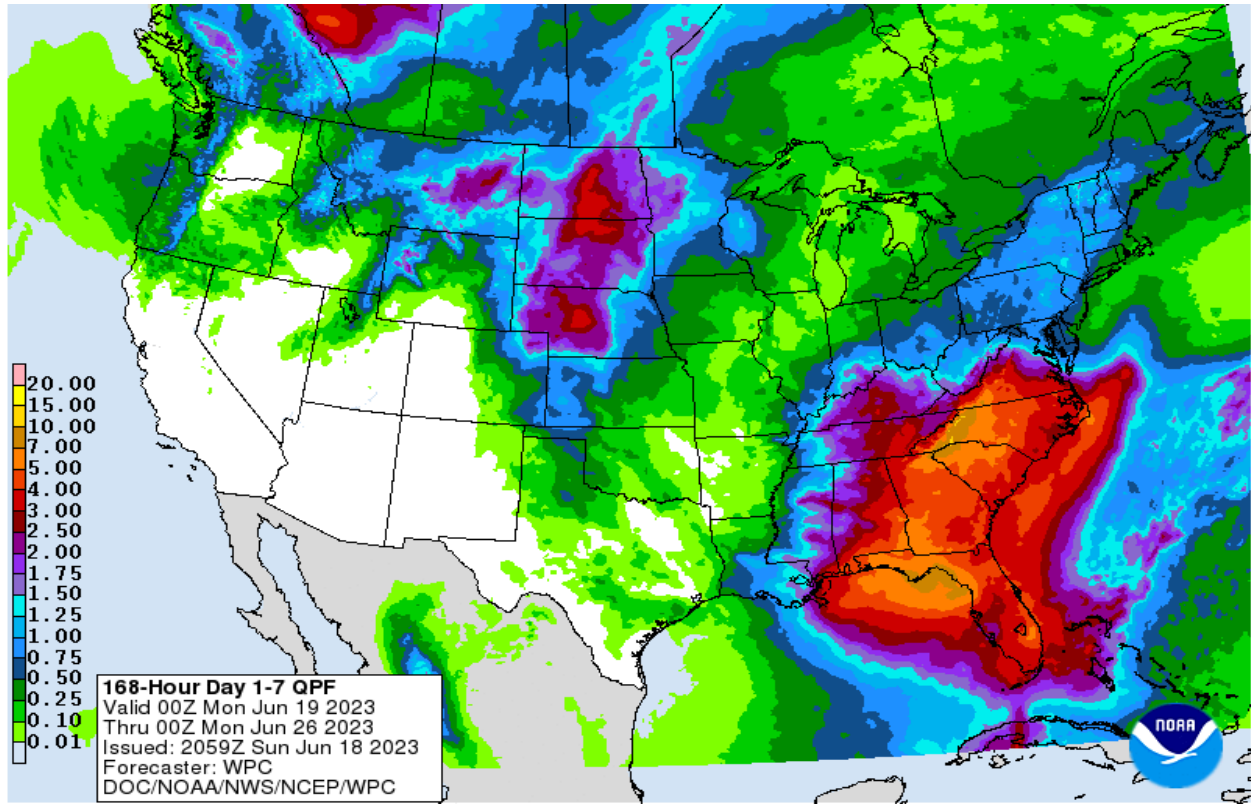
	July '23 HRW	DEC '23 HRW	July'23 corn	DEC '23 corn	Chgo Z wheat	Springs Dec (Z)	July'23 soybean	NOV '23 Soybean	Crude oil	S&P
CLOSE	KWN23	KWZ23	CN23	CZ23	WZ23	MWZ23	SN23	SX23	CRD22	ES22
06/16	\$8.42	\$8.37	\$6.40	\$5.98	\$7.16	\$8.69	\$14.67	\$13.42	\$71.78	\$4454
06/09	\$7.98	\$7.93	\$6.04	\$5.31	\$6.58	\$8.18	\$13.87	\$12.04	\$70.17	\$4305
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
Year ago		\$8.01		\$5.93	\$7.70	\$9.79		\$13.40	\$75.57	\$4762

KC wheat up 40c or so, although Chgo and MGEX both outpaced KC. Corn was up more than 30c, but old-crop beans settled up 80c and we mentioned the new-crop beans...just wow, pure and simple.

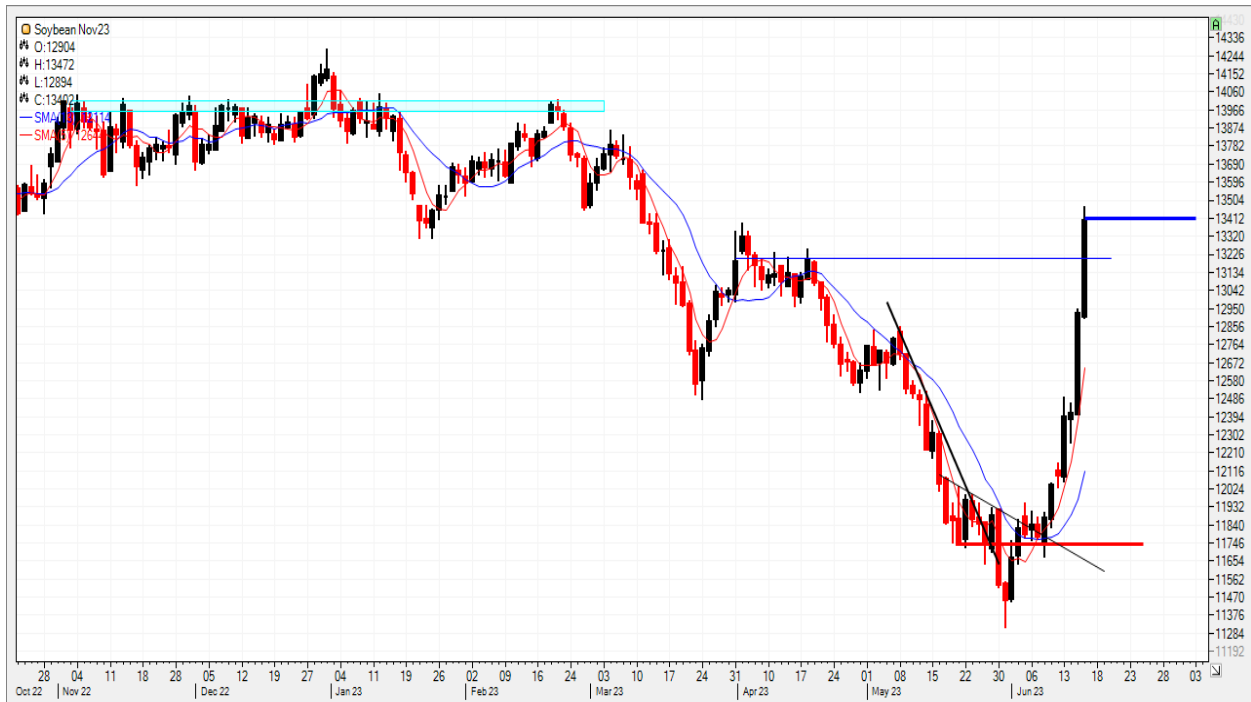
PS; I hope you had a good Father's Day and told the Old Man you appreciate him more than ever. . If you forgot, do it today!

*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*

**IF** this forecast for the USA Southeast was centered a few states north and west...we'd be down limit for days. But **IF** frogs had wings, they wouldn't bump their butt.



Nov beans here, with a new Blue Line (new 11-week Closing High):



But we **need to notice** that electric blue box of previous resistance centered around \$14.00. So far, we only have 10% of this year's bean crop sold, back around \$13.73, on 2/24/23, and then another 15% at \$12.85. That sale looks too cheap.

I feel this rally has been caused by "the Funds" getting out of short positions, and some of them are moving into new long positions. We're NOT seeing big new-crop USA soybean export sales. World weather is not ideal (although it isn't horrible. Canada's canola crop probably got some recent moisture, and their forecast is quite hopeful for more...

**I hate getting in front of a freight train, but I hate not going to the bank too. I am putting in "resting paper" to SELL ANOTHER 10% of expected soybean production at \$13.75.**

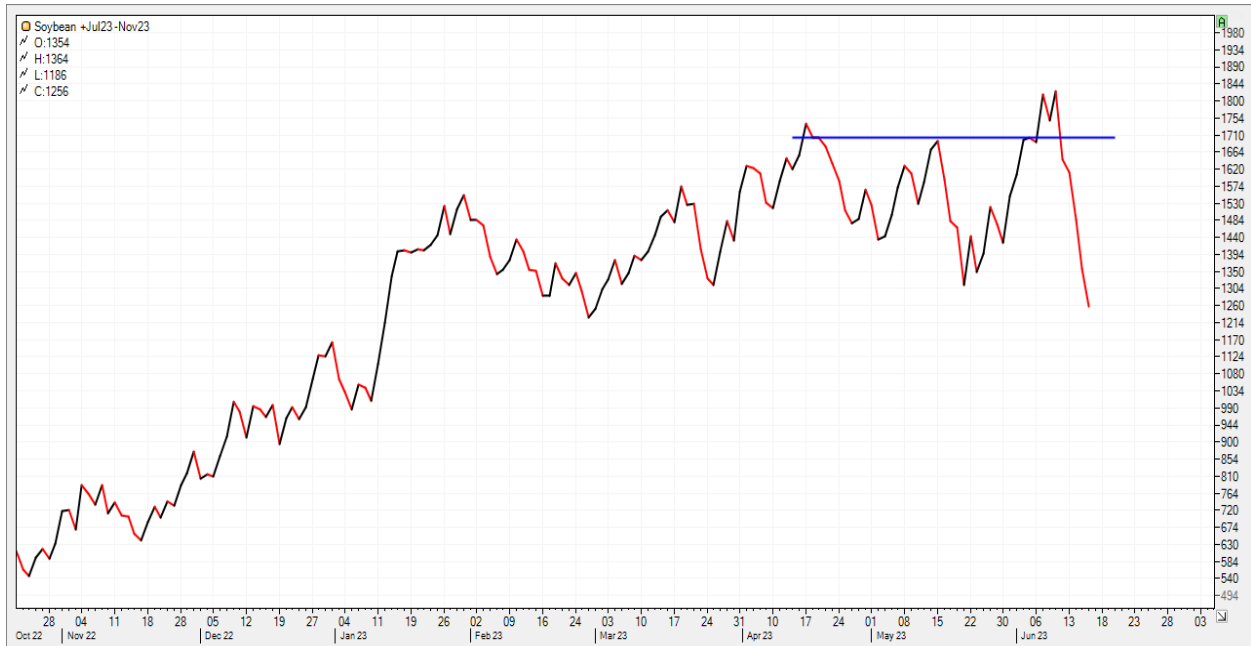
July beans had an impressive week too, but most Funds have exited the July contract, shown by this GAP lower in "the active" month continuous soybean. The volume and open interest shifted out of the July and into the November contract.



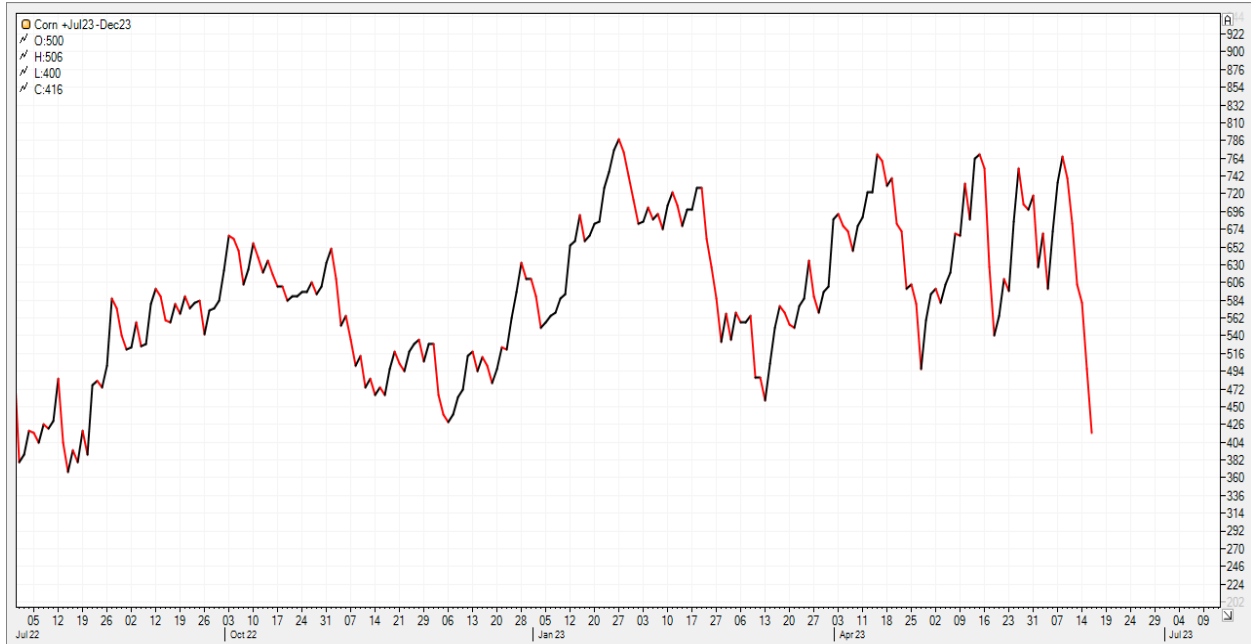
You can see pretty clearly that massive sell-stops are expected if the weather turns wet and prices take out the \$13.00 floor.

In the meantime, hopefully we get a chance to sell another tranche of our new-crop beans close to \$14.00

July beans- Nov beans...old-crop/new-crop bean spread...shows the inverse is going away, mainly helped by the gains in the new-crop Nov.



Moving to corn...similarly, we see the old-crop/new-crop (July- Dec) corn inverse disappearing in this spread chart, now approaching only a 40c inverse.



The best posted local corn basis I watch is a bid to a Colorado feedlot, now at +140 U. It had been +145 N. The July-Sept corn inverse is about 45c, so in effect...the corn basis is down 45c this week.

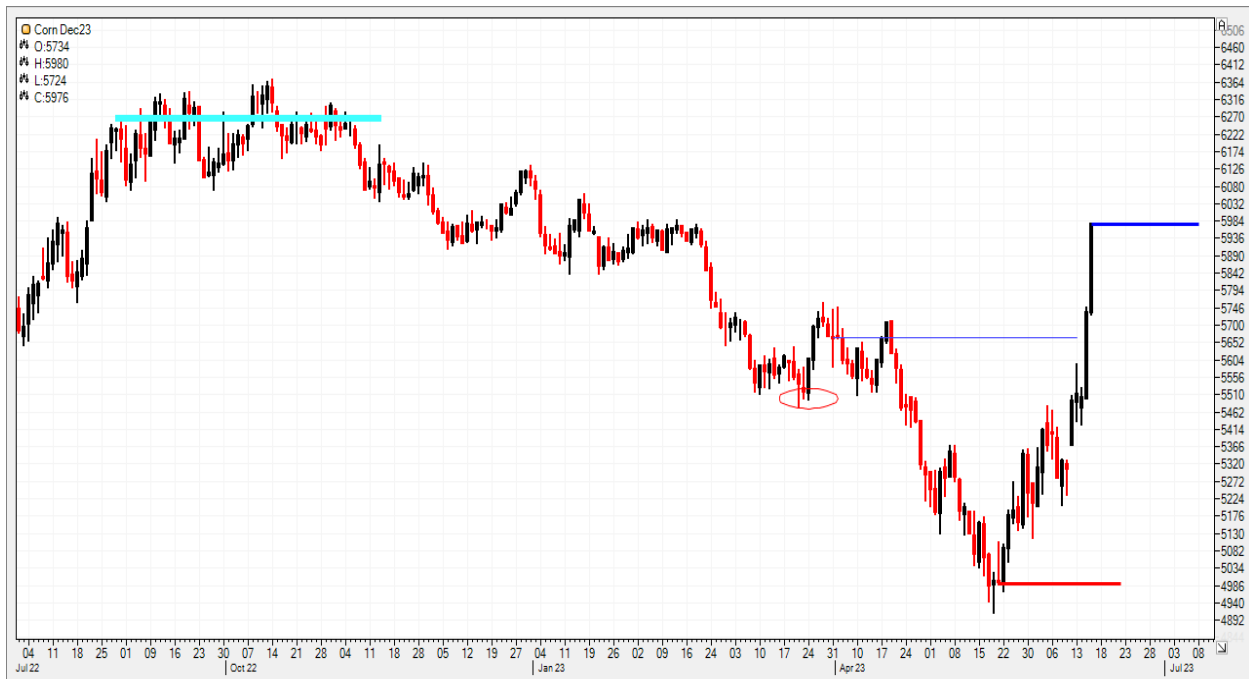
And most Kansas basis bids dropped more than that.

The main way I monitor demand is looking at the weekly export loadings and sales...and that's definitely a concern.

The loading pace is "ok", but new sales are not getting done on this rally. New-crop corn export sales were less than a million bu last week. Wheat sales were 6 million bu. Old-crop soybean sales were actually pretty good at 17.6 mil bu, but new-crop soybean sales were only 1.8 million bu.

WEEK ENDED (06/08/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	46.0	<b>1224.5</b>	60	1270	<b>1,725</b>	455	12	<b>37.9</b>
Soybeans	5.2	<b>1794.5</b>	30	1818	<b>2,000</b>	182	12	<b>15.2</b>
All wheat	9.1	<b>11.6</b>	45	12	<b>725</b>	713	51	<b>14.0</b>
Milo	2.3	<b>70.0</b>	5	74	<b>90</b>	16	12	<b>1.3</b>
LAST WEEK								
Corn	46.5	<b>1177.5</b>	60	1223	<b>1,725</b>	502	13	<b>38.6</b>
Soybeans	7.9	<b>1788.3</b>	30	1811	<b>2,000</b>	189	13	<b>14.5</b>
All wheat	10.7	<b>2.1</b>	45	3	<b>725</b>	722	52	<b>13.9</b>
Milo	2.0	<b>67.7</b>	5	71	<b>90</b>	19	13	<b>1.5</b>

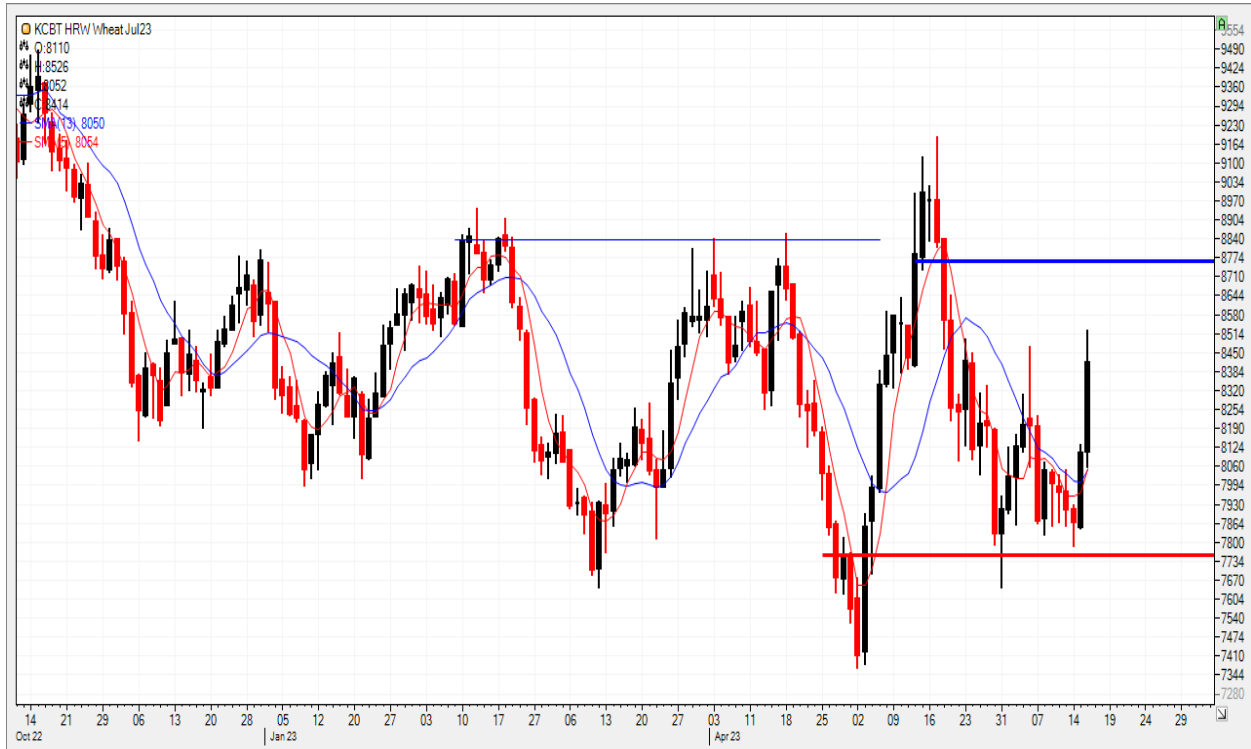
We've sold 35% of our new-crop corn at about \$5.45, which is 50c under this week's close. I'm putting in "resting paper" to sell 15% of expected corn production on a rally to the electric blue box at around \$6.25. That's not quite 30c higher than Friday's close.



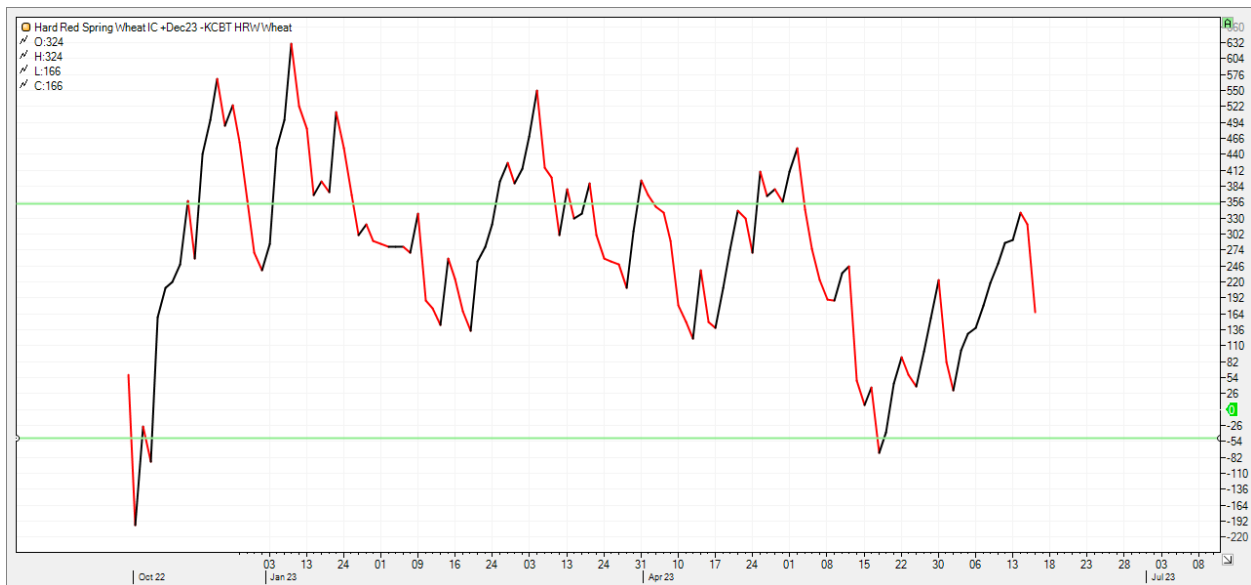
I'm not sure we'll get that continued rally, but we might, as the frenzy could get us there. It's certainly a weather market, trying to guess what the national yield will be, which determines the Supply. This is not a Demand based rally.

We've sold most of our wheat, waiting to see if we have enough...or any extra.

This KC July chart is only chopping around right now. Imported wheat probably has limited this year's rally potential, and the downside has been set, probably by the corn rally.

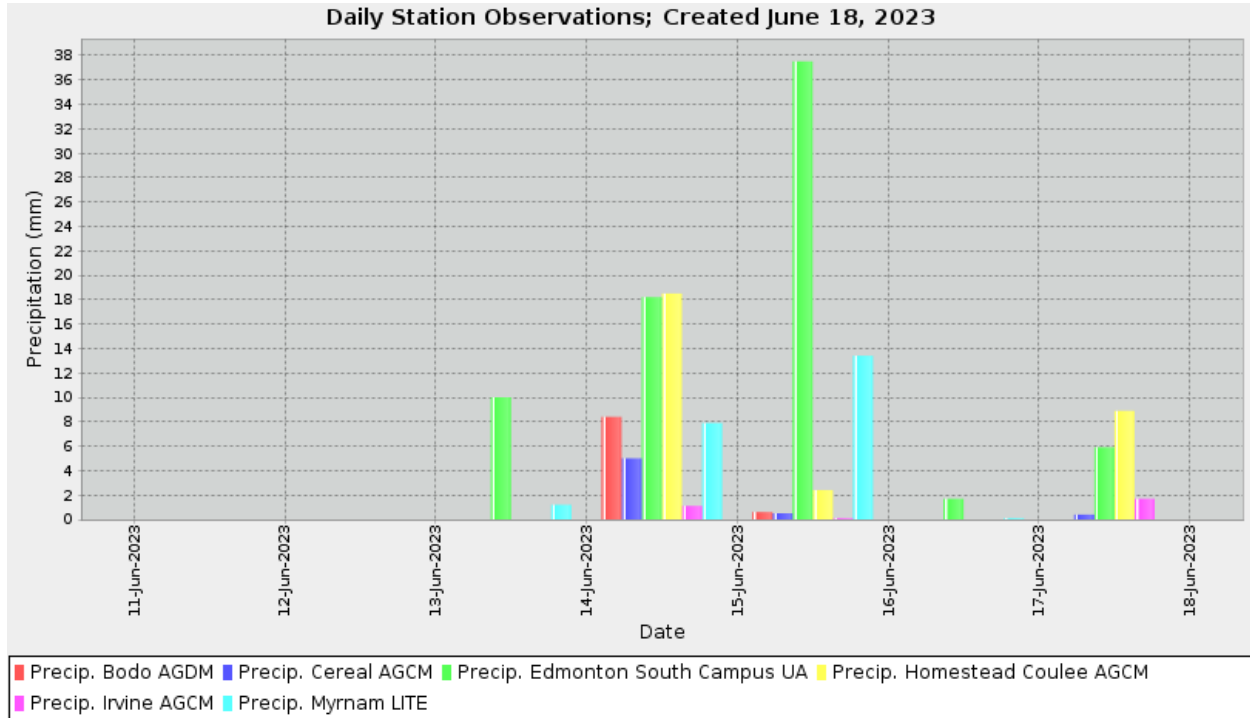


I'm leaning towards just selling any extra wheat, if I have any...as it's cut. There was a chance spring wheat was going to pull KC higher, but the Canadian forecast turned wetter, and Alberta picked up 3 to 4 inches of rain last week, and you can see this Minny Dec – KC Dec spread chart hit a wall of resistance and backed off:



This is from a fairly cryptic website...<https://acis.alberta.ca/weather-data-viewer.jsp>

...and they speak a foreign language up there, but apparently one station in Alberta got 14 inches of rain...I'm thinking the rain gauge was directly underneath the gutter spout...



Showers were “locally heavy”, but this was indeed a bit of a wet blanket on the “Canadian Wildfires” hysteria... Saskatchewan and Manitoba would like more rain. So would North Dakota, and Montana, but the forecast map on page 2 suggests it’s coming.

Posted Gulf HRW to-arrive is flat to dead...

GULF				
date	12 pro	ords	diff	
6/16/2023	100	100	0	
6/9/2023	100	100	0	
6/2/2023	115	115	0	
5/26/2023	140	135	5	
5/19/2023	145	140	5	

Posted Colorado basis bids in the country are mainly flat or weaker, still adjusting to the complete lack of export potential shown by last week's Gulf bids cratering.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>06/16</b>	<b>\$7.74-\$8.02</b>	<b>\$8.07</b>	<b>\$7.69-\$7.79</b>	<b>\$7.74-\$7.99</b>	<b>\$7.94-\$8.19</b>
06/09	\$7.33-\$7.57	\$7.78	\$7.39-\$7.49	\$7.29-\$7.54	\$7.54-\$7.79
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
<b>06/16(N)</b>	<b>-68, -40</b>	<b>-35</b>	<b>-73, -63</b>	<b>-68, -43</b>	<b>-48, -23</b>
06/09(N)	-65, -41	-20	-59, -49	-69, -44	-44, -19
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
<b>06/16(N)</b>	<b>-10</b>	<b>-10, -00</b>	<b>-30, -05</b>	<b>-40</b>
06/09(N)	-10	-10, -00	-30, -05	-40
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

If a guy did have extra wheat and wanted to play for a local basis pop, he would do that by selling the board, and keeping the wheat at home, going long the basis...but that's only if he is comfortable with going to a flour mill. With the poor export potential this year, I am not expecting a big general basis swelling at all. If there is a basis pop, it will be very localized.



World news wasn't really a market mover, although feels a bit unstable to me right now.

China's wheat harvest is supposedly 95% complete...<http://www.ecns.cn/news/society/2023-06-18/detail-ihcqngaq5149706.shtml> although quality was negatively impacted by too much rain.

India is back to a deadly heat wave, and this story about "limiting stocks" makes me suspect they did not raise a record wheat crop...<https://www.reuters.com/markets/commodities/india-imposes-wheat-stock-limit-arrest-price-rise-2023-06-12/>

Spain imported a boat of Russian wheat, and Europe has turned drier.....<https://www.marketwatch.com/story/dry-weather-in-spain-and-northern-europe-adds-to-eu-grain-harvest-worries-977d872b> I note the MATIF futures were up \$3.75/tonne last week (about 10c/bu).

Iraq said they had a decent wheat crop this year...<https://www.iraqinews.com/iraq/iraq-achieves-self-sufficiency-in-wheat/>

This market is currently not about wheat. It's about corn and bean weather here in The States. Keep an eye on the forecasts. I think having some upside sales targets in place is the way to proceed.

Have a good week. Stay Safe.