

Hello Colorado Wheat.

Wheat started the week on fire from the after-effects of the Russian “mutiny”, but backed off when it was apparent not much had changed. While probing the downside, one thing became quite evident...**buyers were NOT interested.**

The 11-Week Closing Table shows KC Z wheat closed down 63c; Minny was only down 53, but in a weird coincidence (why not?...) Chgo Z wheat and Dec corn were both **down** 93c (almost **a buck!**). Old-crop beans were up 40 and new-crop beans were up 30.

The Stocks report was a little friendly but overshadowed by the Acreage report...where corn planted acres increased 2 million acres, but soybeans decreased 4 million acres!!

	Sept '23 HRW	Dec '23 HRW	Sept'23 corn	Dec '23 corn	Chgo Z wheat	Springs Dec (Z)	Aug'23 soybean	Nov '23 Soybean	Crude oil	S&P
CLOSE	KWU23	KWZ23	CU23	CZ23	WZ23	MWZ23	SQ23	SX23	CRD22	ES22
06/30	\$8.00	\$8.00	\$4.89	\$4.95	\$6.69	\$8.27	\$14.42	\$13.43	\$70.64	\$4488
06/23	\$8.62	\$8.63	\$5.85	\$5.88	\$7.62	\$8.80	\$14.04	\$13.10	\$69.16	\$4389
06/16	\$8.39	\$8.37	\$5.94	\$5.98	\$7.16	\$8.69	\$14.08	\$13.42	\$71.78	\$4454
06/09	\$7.94	\$7.93	\$5.25	\$5.31	\$6.58	\$8.18	\$12.96	\$12.04	\$70.17	\$4305
06/02	\$8.07	\$8.04	\$5.36	\$5.41	\$6.52	\$8.12	\$12.63	\$11.84	\$71.74	\$4288
05/26	\$8.14	\$8.10	\$5.29	\$5.35	\$6.48	\$8.25	\$12.61	\$11.90	\$72.67	\$4213
05/19	\$8.16	\$8.07	\$4.95	\$5.00	\$6.36	\$8.11	\$12.48	\$11.76	\$71.55	\$4205
05/12	\$8.61	\$8.47	\$5.11	\$5.09	\$6.64	\$8.51	\$13.18	\$12.24	\$70.04	\$4138
05/05	\$8.24	\$8.21	\$5.37	\$5.38	\$6.60	\$8.44	\$13.74	\$12.80	\$71.34	\$4150
04/28	\$7.74	\$7.77	\$5.29	\$5.28	\$6.63	\$8.15	\$13.62	\$12.64	\$76.78	\$4189
04/21	\$8.20	\$8.21	\$5.53	\$5.48	\$6.98	\$8.49	\$13.91	\$12.85	\$77.87	\$4157
04/14	\$8.58	\$8.57	\$5.68	\$5.60	\$7.18	\$8.72	\$14.16	\$13.02	\$82.52	\$4164
Year ago		\$8.01		\$5.93	\$7.70	\$9.79		\$13.40	\$75.57	\$4762

Crude oil is trying to forge a bottom, and the stock market...climbed the wall of worry, again, and set a new blue number, again. (I expect Funds will start piling in.)

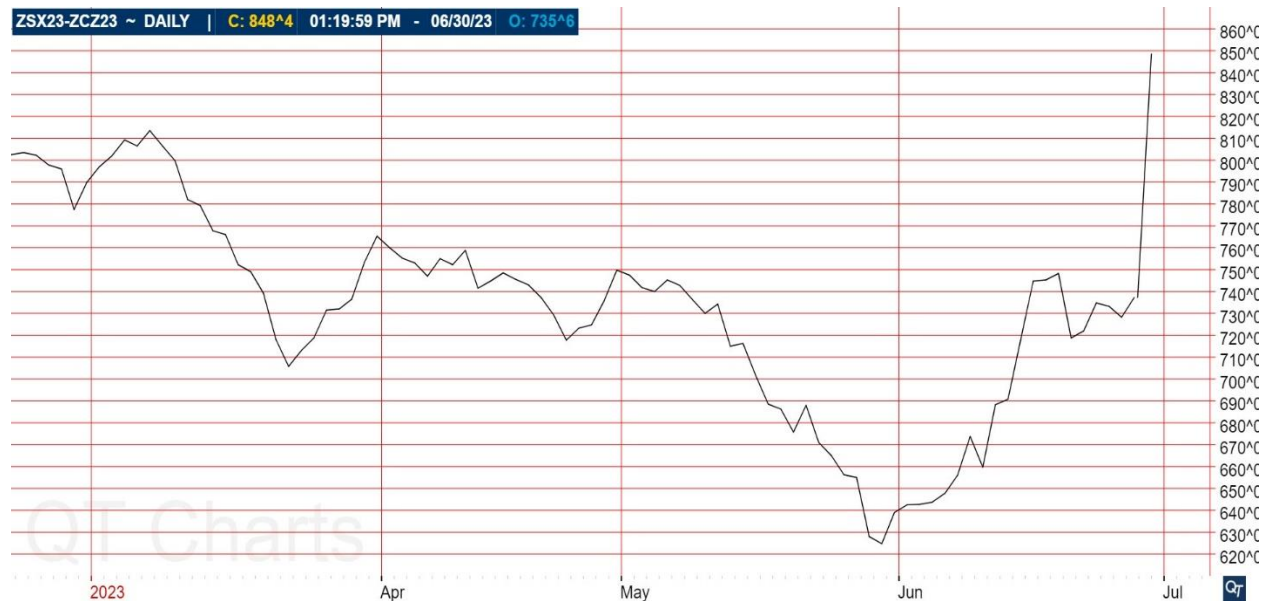
Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. STUDIES SHOW GOOD MANAGEMENT ADDS AN AVERAGE OF 13 BU/ACRE; IT PAYS FOR ITSELF

Beans...were under water with the wetter weather but skyrocketed with the disappearance of 4 million acres. What the??!!

This is November new-crop soybeans, spread out to more easily see how Friday's report totally changed the picture in an instant. Treat that Blue Line at \$13.43 as a double-top (expect resistance there); the KEY will be if this week closes above or below that double-top.



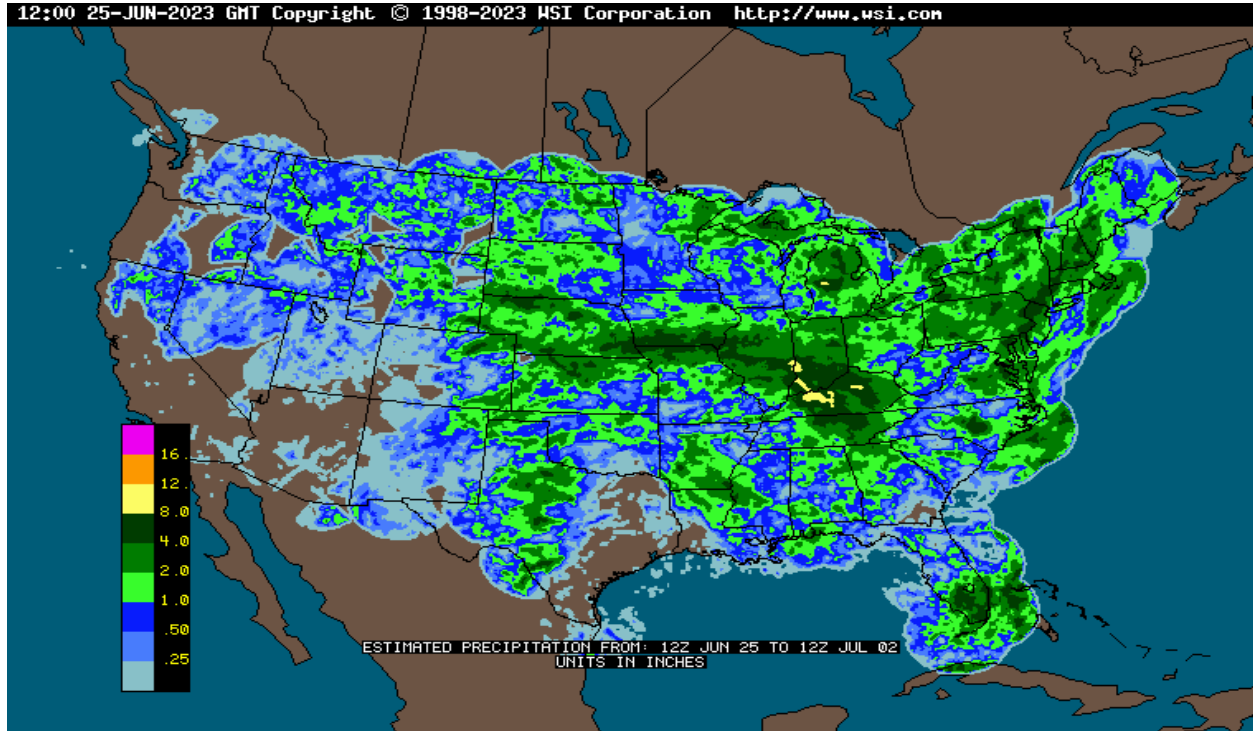
Nov beans gained \$1.26 on Dec corn last week, now at almost \$8.50/bu premium beans over corn; wowzers.



While this might be a heckova sale, expecting some "reversion to normal" ..., I note July beans closed at a TEN DOLLAR premium to July corn, so I'm not sure there's any hurry to sell Nov beans and buy Dec corn.

Last week's acreage report ended a goofy week, no doubt. Teetering corn slipped as weather forecasts consistently kept getting wetter, then dropped with the rain drops, and finally the additional 2 million acres found in the Acreage report was like a drought-busting deluge.

Actual rainfall...while locally heavy in a narrow strip, wasn't truly worth a dollar pounding, but...

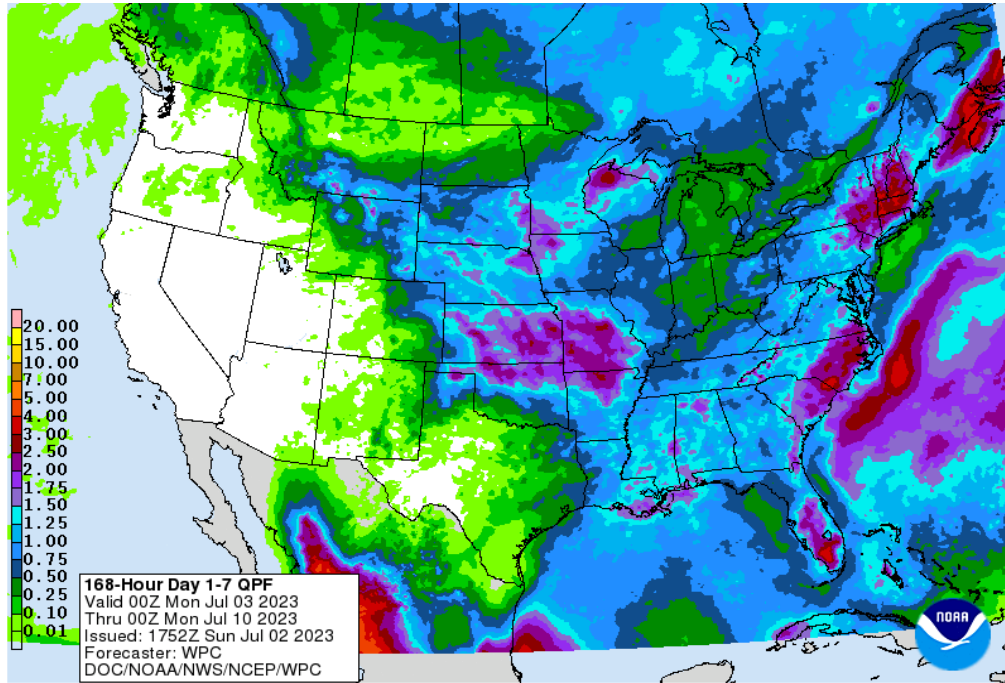


But a dollar pounding is what Dec corn received; Z corn shows a new Red Line at \$4.95; the old red line was \$5.00. I think we'll treat this as a double bottom, and expect some support to develop, but this week's Friday close will be important.

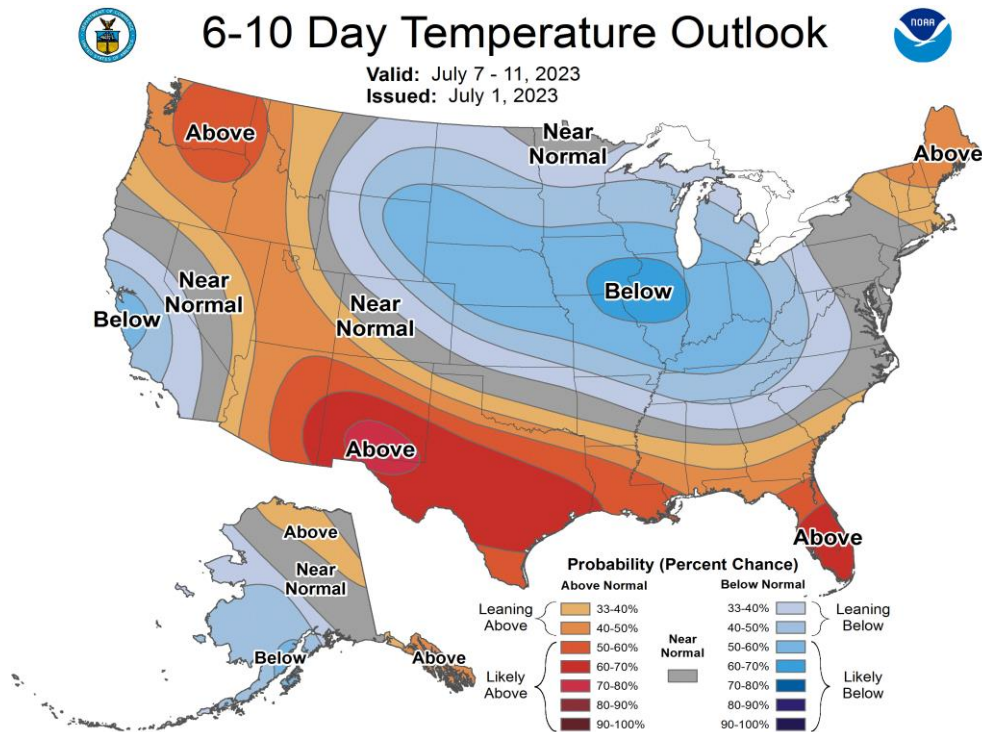


That Z corn chart LOOKS like another 50c downside is coming, but...let's try to get a handle on the new fundamentals.

The weather forecast has rains centered over central Kansas into Missouri. Iowa, Minnesota, and Illinois aren't exactly missed, but can't really call it wet.



This is a new development...cooler temps are on the way (hopefully this materializes):



The slow current export pace isn't a new development. I think the USDA will DROP old-crop exports 50 million on the July WASDE update, somewhat reluctantly leave wheat exports unchanged, and DROP old-crop soybeans exports by 50 million bu (at least) as well. There is only 10 weeks remaining in the 22/23 crop years for corn and beans.

WEEK ENDED (06/22/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	21.4	1278.6	60	1327	1,725	398	10	39.8
Soybeans	5.2	1806.5	30	1831	2,000	169	10	16.9
All wheat	7.5	27.8	45	30	725	695	49	14.2
Milo	2.5	72.6	5	77	90	13	10	1.3
LAST WEEK								
Corn	34.5	1259.0	60	1306	1,725	419	11	38.0
Soybeans	6.8	1801.5	30	1825	2,000	175	11	15.9
All wheat	8.7	20.4	45	22	725	703	50	14.0
Milo	.05	70.1	5	74	90	16	11	1.5

And a noticeable increase in new Export Sales hasn't happened yet...new-crop corn export sales were less than 5 mil bu. Beans were barely above zero. Wheat needs to sell and load almost 15 mil bu weekly, and the current pace is just a third of that.

This is KC Sept wheat...the volatility is crazy. Last week I wrote it looked like European wheat could be unloaded at the Gulf and moved to the "KC domestic market" at an apparent 70c/bu profit. This week's 60c whacking removed most of that.



Gulf bids show some improvement. Harvest is slow and thin; one day soon we'll wake up and the market will ask "where's harvest?" and the answer will be "it's over".

GULF

date	12 pro	ords	diff	
6/30/2023	73	73	0	
6/23/2023	65	65	0	U
6/16/2023	100	100	0	
6/9/2023	100	100	0	
6/2/2023	115	115	0	
5/26/2023	140	135	5	

Posted basis bids in the country are unchanged to a little better. Some didn't get their bids posted to the U instead of the N...

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
06/30	\$7.35-\$7.66	\$7.61	\$7.30-\$7.40	\$7.25-\$7.40	\$7.55-\$7.80
06/23	\$7.97-\$8.14	\$8.19	\$7.92-\$8.02	\$7.87-\$8.02	\$8.17-\$8.42
06/16	\$7.74-\$8.02	\$8.07	\$7.69-\$7.79	\$7.74-\$7.99	\$7.94-\$8.19
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
06/30(U)	-65, -34	-39	-70, -60	-75, -60	-45, -20
06/23(U)	-65, -48	-43	-70, -60	-75, -60	-45, -20
06/16(N)	-68, -40	-35	-73, -63	-68, -43	-48, -23
06/09(N)	-65, -41	-20	-59, -49	-69, -44	-44, -19
06/02(N)	-55, -35	-35	-50, -40	-50, +38	-45, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
06/30(U)	-29	-7, +06	-29, -05	-44	
06/23(U)	-28	-13, -03	-33, -08	-48	
06/16(N)	-20	-10, -00	-30, -05	-40	
06/09(N)	-10	-10, -00	-30, -05	-40	
06/02(N)	-10	-05, -00	-30, +00	-40	

I doubt the USA wheat export picture improves this year, and don't expect the Gulf bids to gain back the 70c they lost since the end of May, BUT the Central Kansas Terminal bids for the KCBT (CME) Delivery market, or the domestic milling market... will stay firm all year, and that should keep the KC calendar spreads fairly tight all year long.

OK...so we saw price charts that theoretically have priced in several new inputs...and where do we go from here is what I'd like to know. We will get a new WASDE update July 12, which will look quite a bit different than the June WASDE.

The Grain Stocks report probably indicated increased feed and residual, probably in all three crops, but old-crop exports in beans and corn are lower. Then we put in the new acreage and harvested numbers, and then update the yield expectations to get the supply. Then make some demand guesses, and get an ending stocks/usage ratio, and an updated National Average Farm Price.

Wheat is the easiest, as it had the fewest changes. Corn had a big acreage jump, BUT I'm guessing yields are 6.5 bu/ac lower than the June estimate...and soybeans...and there we see...we have a problem.

	wheat			corn			beans	
	June	July?		June	JULY ?		June	JULY ?
	2023/24	2023/24		2023/24	2023/24			2023/24
area planted	49.9	49.6	area planted	92.0	94.1	area planted	87.5	83.5
area harvested	37.1	37.7	area harvested	84.1	85.9	area harvested	86.7	82.8
% harvested	0.74	0.76	% harvested	0.914	0.913	% harvested	0.991	0.992
yield	44.9	46.0	yield	181.5	175.0	yield	52	51
beginning stocks	598	580	beginning stocks	1,452	1,352	beginning stocks	230	270
production	1,666	1,734	production	15,265	15,033	production	4,510	4,223
imports	135	145	imports	25	25	imports	20	20
total supply	2,399	2,459	total supply	16,742	16,410	total supply	4,760	4,513
food	977	977	feed and residual	5,650	5,650	crushings	2,310	2,310
seed	65	65	food, seed and industrial	6,735	6,710	seed	101	96
feed/residual	70	70	(includes ethanol ...)	5,300	5,275	residual	25	25
domestic use	1,112	1,112	total domestic use	12,385	12,360	total domestic use	2,436	2,431
exports	725	715	exports	2,100	2,050	exports	1,975	1,950
total use	1,837	1,827	total use	14,485	14,410	total use	4,411	4,381
ending stocks	562	632	ending stocks	2,257	2,000	ending stocks	349	132
stox/use	30.6%	34.6%	stox/use	15.58%	13.88%	stox/use	7.92%	5.42%
NAFP	\$7.70	\$7.65	NAFP	\$ 4.80	\$ 4.95	NAFP	\$ 12.10	\$ 14.10

SO...what's this mean?

For wheat, not much difference. We've sold what we can, and some of the fortunate sons may have wheat to sell. Looking at the KC U price chart on page 5...says hope for a rally and try to sell the Blue Line. Yucky. I know Hope is not a great strategy, but wheat is volatile, and rallies could happen.

Corn is a little trickier. It's complicated by the USDA's June NAFP of \$4.80 was unrealistically TOO HIGH, with a 15.58% stox/use ratio. BUT NOW...with more acres, but importantly, less yield...we can project LESS SUPPLY, and even with reduced demand, we tighten up the corn balance sheet, and get a stox/use of 13.88%, and I can see a better NAFP, of almost \$5.00 Which is where the market is currently trading!

I'm 50% sold on corn, and because of the following soybean discussion...I'm not going to sell more corn right now. The chart on page 3 looks terrible, but that downtrend is very steep and we should see some stabilization. But I admit by hanging on to corn, it's almost solely because of soybeans.

Soybeans...the numbers are hard to believe. I dropped the acres by 2 million and reduced yield a bu/ac, and...we project a supply that 250 million less than what we thought. I nominally dropped exports, BUT you can see the ending stocks carryout of only 132 million will almost certainly not be published by the USDA, as that ...would lead to chaos.

I took the NAFP UP TWO DOLLARS. I have sold 35% of my beans, and AM NOT SELLING ANY MORE until we know more.

The bean acreage was a shock; I don't think the market has adjusted to it yet.

OK...have a good week. Stay Safe. Slow Down. Harvest is such a stressful time.

PS; early Sunday trading shows KC wheat down 7c, corn unchanged and beans opened a dime higher and quickly moved up another 15c. Seems about right to me.

It is a holiday week. Happy 4th of July! Thus I think it's ok to say Stay Safe one more time...

dm