

Hello Colorado Wheat.

Let's start with the brutal reality of The Market at work. Grains were pounded last week, especially KC HRW wheat. It's hard to assume this is not a typo, but KC was down more than a buck a bushel (yikes!) Chgo and Minny were "only" down 70c. Old-crop corn down about 40c, and new-crop corn down 33c. Soybeans weren't immune, down 30 to 50c. Even the stock market took a breather.

What's on fire? Crude oil. And based on Ukraine striking a Russian oil tanker Friday night, (which was used to shuttle oil and weapons between Russia and Syria; the vessel "Sig" is under previous US sanctions). I can only assume Crude Oil will open up sharply Sunday night, and maybe, possibly, allow KC wheat to come up for air.

	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
08/04	\$7.53	\$7.69	\$4.84	\$4.97	\$6.60	\$8.38	\$14.44	\$13.33	\$82.82	\$4478
07/28	\$8.56	\$8.69	\$5.21	\$5.30	\$7.28	\$9.07	\$14.87	\$13.83	\$80.58	\$4607
07/21	\$8.60	\$8.67	\$5.27	\$5.36	\$7.18	\$8.97	\$15.01	\$14.02	\$77.07	\$4565
07/14	\$8.29	\$8.34	\$5.07	\$5.14	\$6.81	\$8.90	\$14.80	\$13.71	\$75.42	\$4537
07/07	\$8.18	\$8.20	\$4.87	\$4.94	\$6.67	\$8.55	\$14.28	\$13.18	\$73.86	\$4434
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
Year ago		\$8.01		\$5.93	\$7.70	\$9.79		\$13.40	\$75.57	\$4762

Ukraine's maritime authorities said six Russian sea ports along the Black Sea coast are declared areas of "war risk". This includes Novorossiysk, which is Russia's most modern grain (and oil) port.

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

Here's a Crude Oil chart before Sunday's opening...I expect we'll see a gap higher...



Higher crude oil prices lead to higher fertilizer prices, but we'll worry about that later.

Here's a map showing the six ports named by Ukraine:



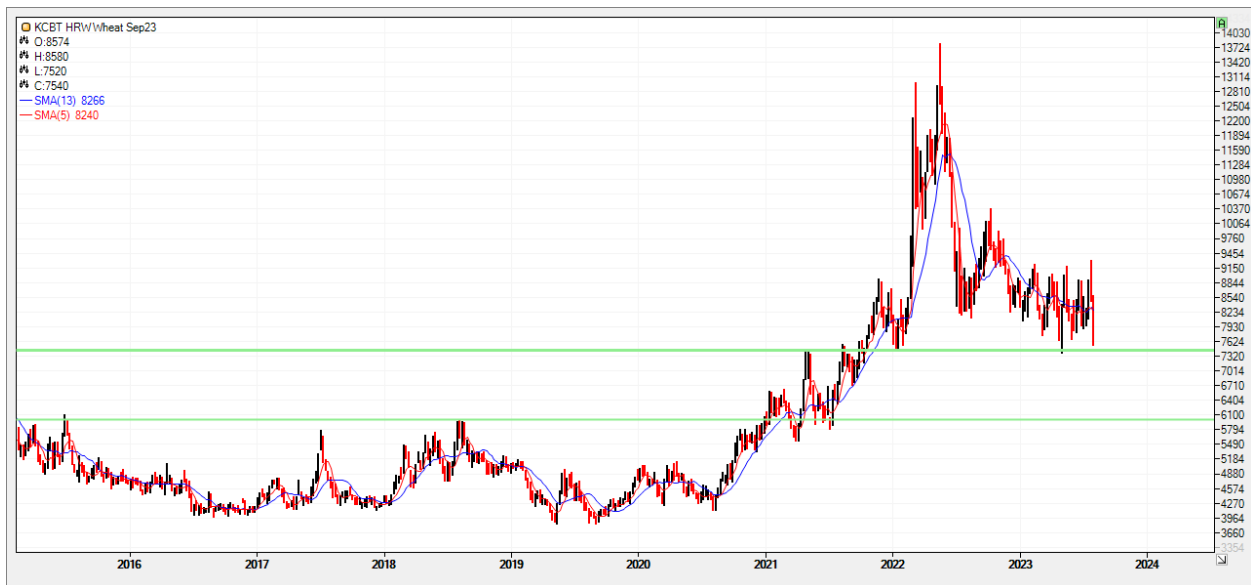
I don't know where this is headed, but I suspect the price of poker has gone up.

KC September wheat shown here, printing a new 11-week Closing Low...



There's an old intra-week double bottom at \$7.33 from early May, which was good for a \$1.30 rally, so certainly anything is possible.

This long-term weekly continuous KC wheat chart does seem to suggest that the \$7.45 area has been pivotal, offering some slight hope the Bear slide stalls...



But it's also possible Ukraine's course of action actually brings Russia back to the negotiating table and the Grain Corridor Initiative is re-installed, which would be viewed as bearish, and the next major support area would be the \$6.00 area. Omega.

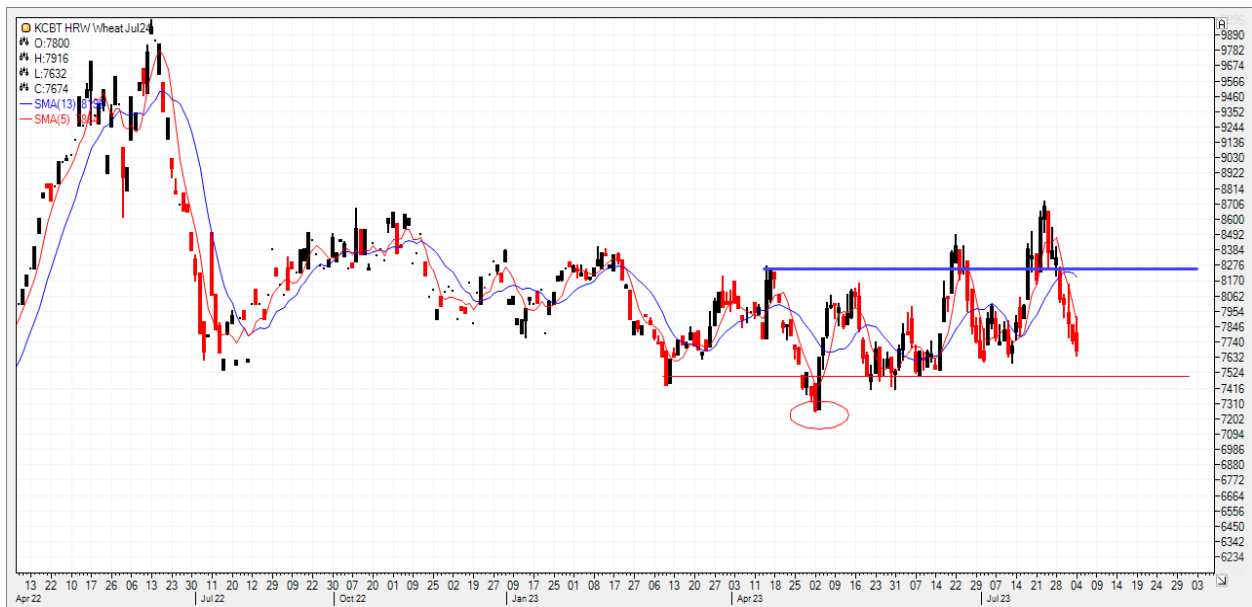
What happened to KC wheat?

The easy answer is the truest. KC HRW got too relatively expensive, and in a worldwide open market, it was so expensive it forced any USA domestic miller with the ability to unload vessels from non-USA origins... to actually go ahead and do it. They probably didn't really have much of a choice.

I did a pretty good job selling "my" wheat, nominally holding on to an eighth of a short crop...BUT what I didn't do, even though I talked about it in two consecutive issues...was I **was unable** to pull the trigger on selling NEXT YEAR'S crop, and even turned down the chance to sell KC July '24 at \$8.25, and when I draw in a new line at \$8.25 on that weekly continuous, it was no doubt a missed opportunity.



The actual KC July'24 chart with that \$8.25 blue line is kinda painful to look at, with Blue Line on the KC N '24 chart is \$8.25; Red Line is 75c lower, at \$7.50, and the spike intra-week low ellipse is drawn at \$7.36.



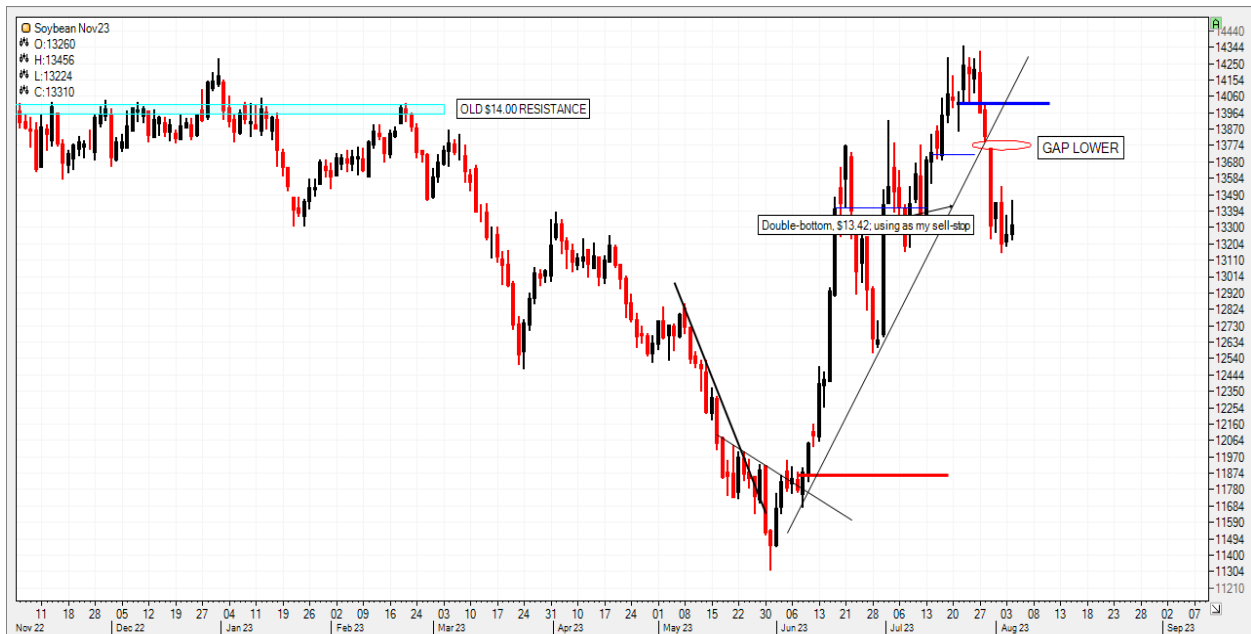
The painful take-away is...even though your fields, and your neighbor's fields might be suffering from a drought, the Market hates a vacuum (*Horror vacui...*) and will intensely look for a substitute.

ANYWAY...the July '24 chart compared to the long-term weekly continuous chart, points out one thing fairly clearly, and that is...historically, selling KC wheat at \$7.50 IS NOT HORRIBLE, and therefore, **I am putting in a sell-stop on 25% of expected production on a weekly close at \$7.50**, and I hope it doesn't get triggered, but if it does, so be it.

New-crop Dec corn...shows it was a good thing they rang the closing bell when they did Friday, because the double-bottom of support at \$4.95 was under severe attack:



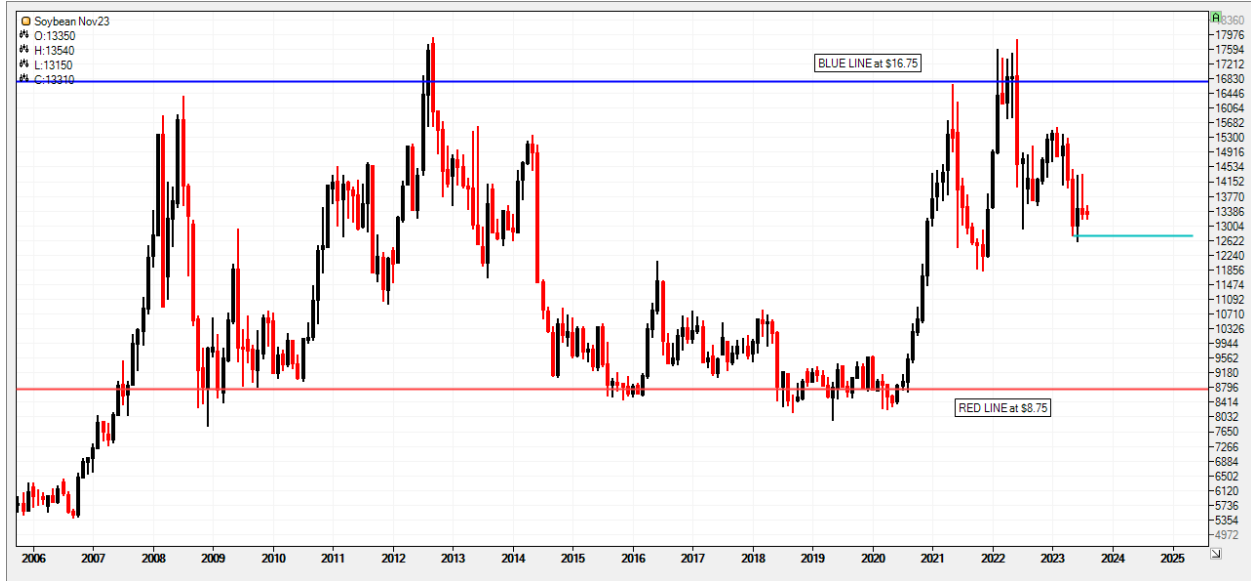
and new-crop Nov beans., shows they gapped lower last week, and my resting paper sell-stop on 15% of my beans was indeed executed.



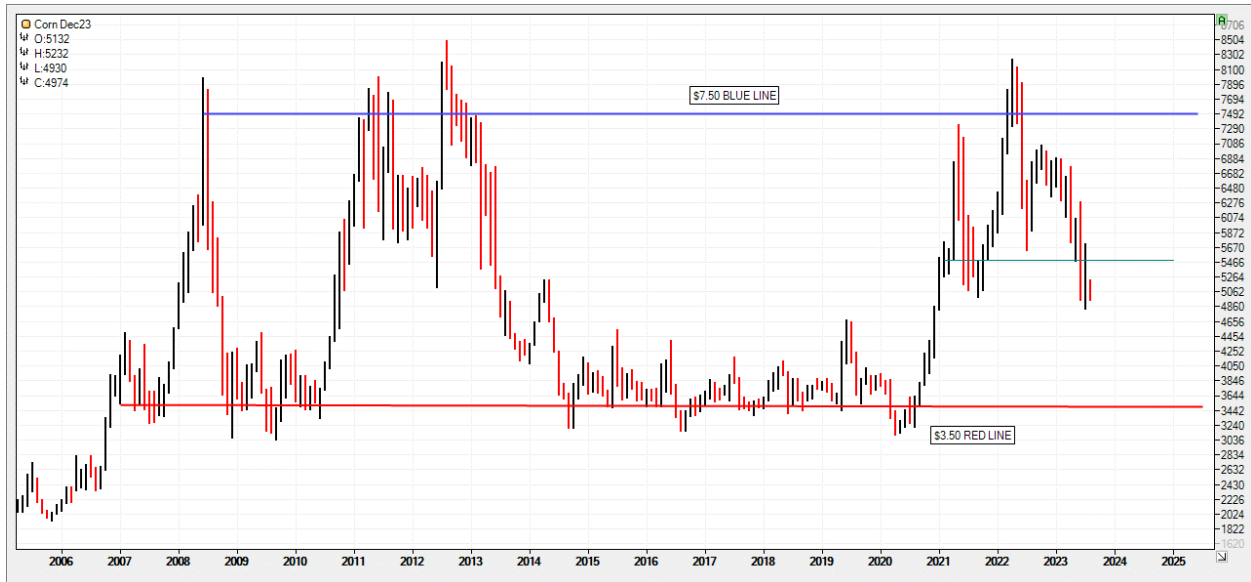
I wanted to get those charts printed before the Sunday night opening to better see any gap action, which may or may not happen shortly. I think if there is upside gap action, wheat will see it first.

So I'm sitting with half of my new-crop corn and half of my new-crop beans sold.

Long term perspective on soybeans...\$12.75 is halfway of an Eight Dollar range.



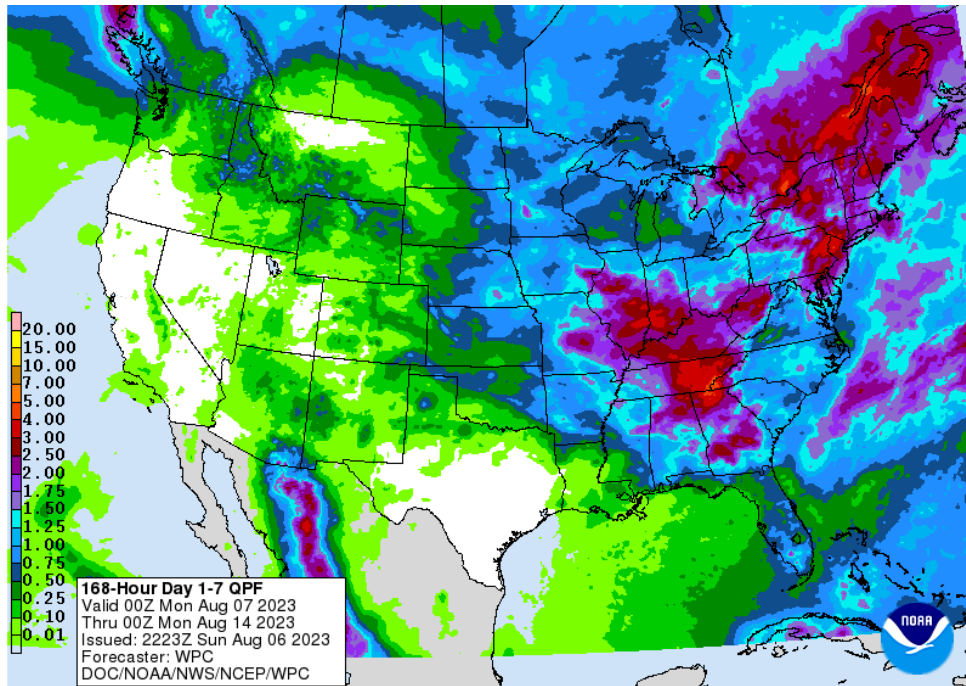
Long term perspective on corn...\$5.50 is halfway between \$3.50 and \$7.50...



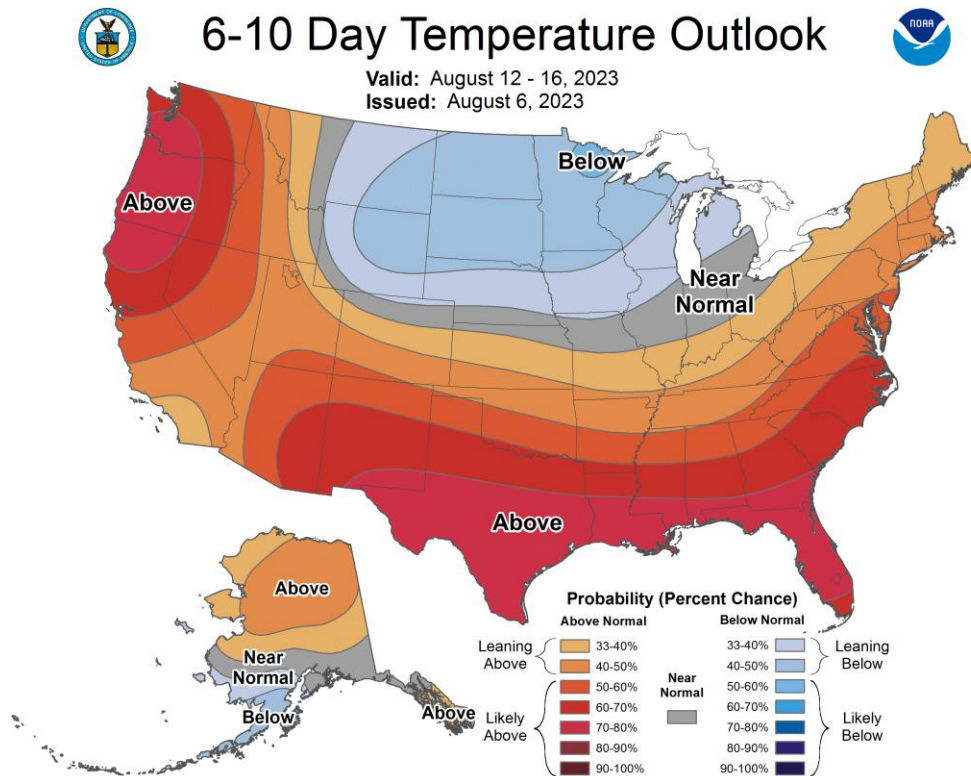
What happened with the new-crop corn and beans? New export sales (visible demand) lag a "normal" pace and the weather...has been good enough. The last Crop Progress report showed the USA corn crop was 92% silked, with more than half of the crop in good or better condition, and soybeans are blooming and setting pods, also in good or better condition on a little more than 50% of the crop.

Halfway in both big ranges...seems maybe about right.

The same weather patten remains...Some will get good rains this week, with no one completely missed:



and the temps, aren't too bad in the major growing areas.

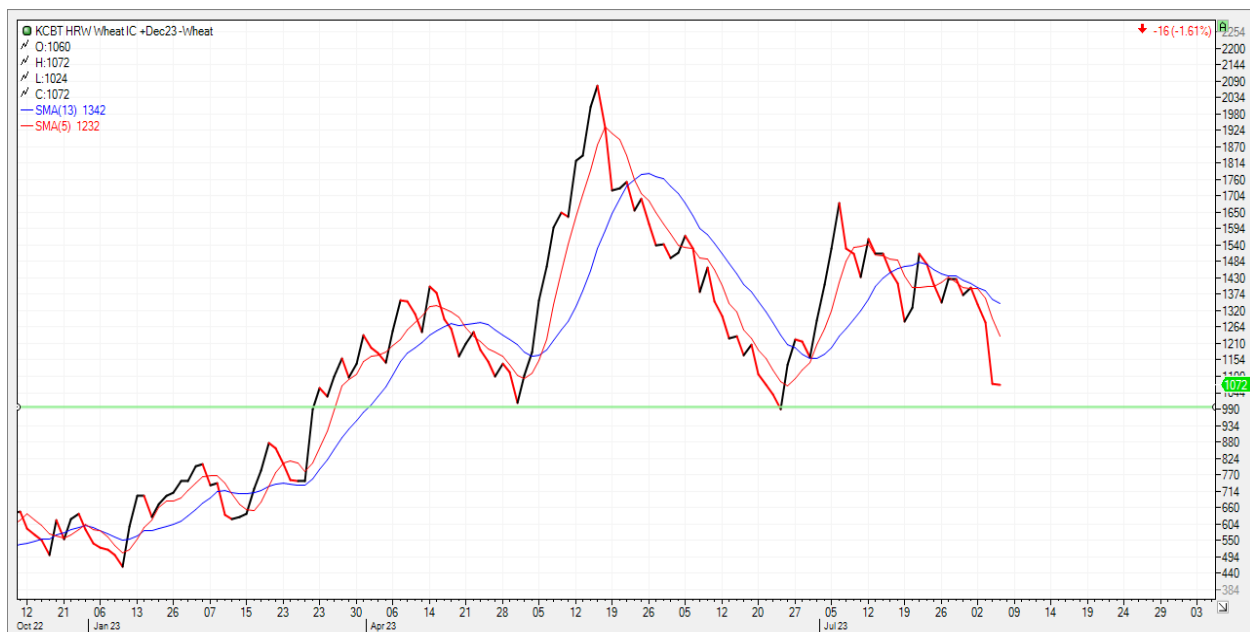


Export Pace scorecard...like the weather, more of the same...too little too late. The price break appears to have stimulated a slightly increased pace, but the USDA will almost certainly LOWER their USA corn and soybean old-crop export target again. Beans won't be down a lot, maybe 20 million, but corn will drop 75 million or maybe more. The current pace says the corn export forecast is 100 million too high. It's been a long time since we've seen wheat lead this table. Spring wheat loadings from the PNW were good, and interestingly, we saw 2 big boats of SRW X the center Gulf went to China.

WEEK ENDED (07/20/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	20.6	1370.3	60	1425	1,650	225	05	45.0
Soybeans	12.1	1856.0	30	1883	1,980	97	05	19.4
All wheat	21.4	100.5	45	107	725	618	44	14.0
Milo	2.8	90.6	5	95	90	-5	05	0.0
LAST WEEK								
Corn	12.2	1347.6	60	1400	1,650	250	06	41.7
Soybeans	10.4	1843.7	30	1870	1,980	110	06	18.3
All wheat	13.2	79.1	45	85	725	640	45	14.2
Milo	6.6	87.8	5	92	90	-2	06	0.0

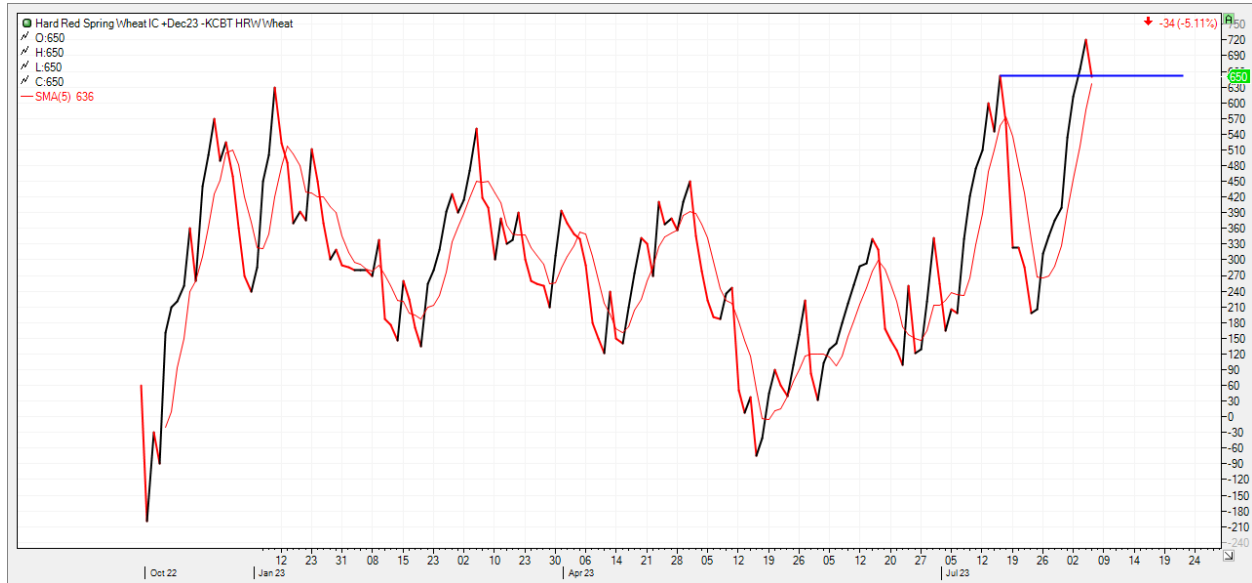
Corn Export sales are still crummy, but new wheat sales (+15 mil bu) indicate the current export forecast is ok, and beans had a Big Week, of 96.6 mil bu!

An interesting feature of the wheat collapse is KC has dropped to testing old support at a dollar over Chgo; this chart is the Z's...Chgo wheat has seen relative support from China buying some USA Soft Red. Some bottom pickers are eyeing this spread, but don't be too quick is my advice.



And this goofy Minny Z – KC Z...spike high +72...then backing off a freckle tonight at +65. Decent spring wheat sales and good loadings from the PNW last week...to the usual customers Taiwan and Japan, but boats were loaded to Vietnam and Thailand too.

If I was a fearless big shooter with no regard for money...I'd sell Minny and buy KC WHEN the spread closes below +65 and goes thru that 5-day moving average.



HRW Gulf bids finally resurfaced. I'm showing this long string because it puts in perspective what HRW went through...and is still dealing with, and those 2 weeks in red at +73 are really No Quotes. Anyway, +65 is crummy, but it's a bid.

GULF date	12 pro	ords	diff	
8/4/2023	65	65	0	
7/28/2023	73	73	0	NQ
7/21/2023	73	73	0	NQ
7/14/2023	73	73	0	
7/7/2023	73	73	0	
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	
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 down a dollar. Probably gut-wrenching and disheartening for anyone who didn't get their wheat sold, which, with this long drawn-out harvest, could be quite a few.

Posted basis bids in the country are mainly weaker, plus the board got smoked.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
08/04	\$6.68-\$6.83	\$6.93	\$6.73-\$6.83	\$6.48-\$6.63	\$6.88-\$7.33
07/28	\$7.71-\$8.01	\$8.01	\$7.81-\$7.91	\$7.61-\$7.78	\$7.96-\$8.36
07/21	\$7.85-\$8.00	\$8.15	\$7.95-\$8.05	\$7.78-\$7.95	\$8.10-\$8.40
07/14	\$7.64-\$7.69	\$7.89	\$7.69-\$7.79	\$7.54-\$7.64	\$7.84-\$8.09
07/07	\$7.53-\$7.68	\$7.78	\$7.48-\$7.58	\$7.43-\$7.53	\$7.73-\$7.98

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
08/04(U)	-85, -70	-60	-80, -70	-105, -90	-65, -20
07/28(U)	-85, -55	-55	-75, -65	-95, -78	-60, -20
07/21(U)	-75, -60	-45	-65, -55	-82, -65	-50, -20
07/14(U)	-65, -60	-40	-60, -50	-75, -65	-45, -20
07/07(U)	-65, -50	-40	-70, -60	-75, -65	-45, -20

Date	Concordia	Salina	Hutch/Wichita	Ark City
08/04(U)	-45	-25, -10	-41, -10	-50
07/28(U)	-45	-25, -10	-41, -10	-50
07/21(U)	-35	-20, +05	-41, -10	-45
07/14(U)	-30	-15, +05	-41, -05	-45

Is there anything other than increased war, and a total shutdown of the Black Sea, or a return to the killer drought this fall...that could change the picture? Last week I mentioned I read an Indian trader tweeted India would need to import 5 million tonnes of wheat, which NO ONE ELSE was saying, but...however...this weekend, we did see India saying they might reduce or even abolish the wheat import tax (currently at 40%)...https://finance.yahoo.com/news/india-might-cut-abolish-wheat-123140768.html?fr=sycsrp_catchall

I personally doubt India will be a major wheat importer anytime soon, but...sometimes, where there's smoke, there's some BBQ.

Tonight's opening turned out to be much tamer than I hoped. Crude oil is unchanged! KC is up a dime, and Chgo is up 15c. Corn is down a couple c and beans are down 20c. Decent to good USA weather is outweighing war.

Have a good weekend. Stay Safe. Slow Down. And I did put in that sell-stop for next year's wheat.