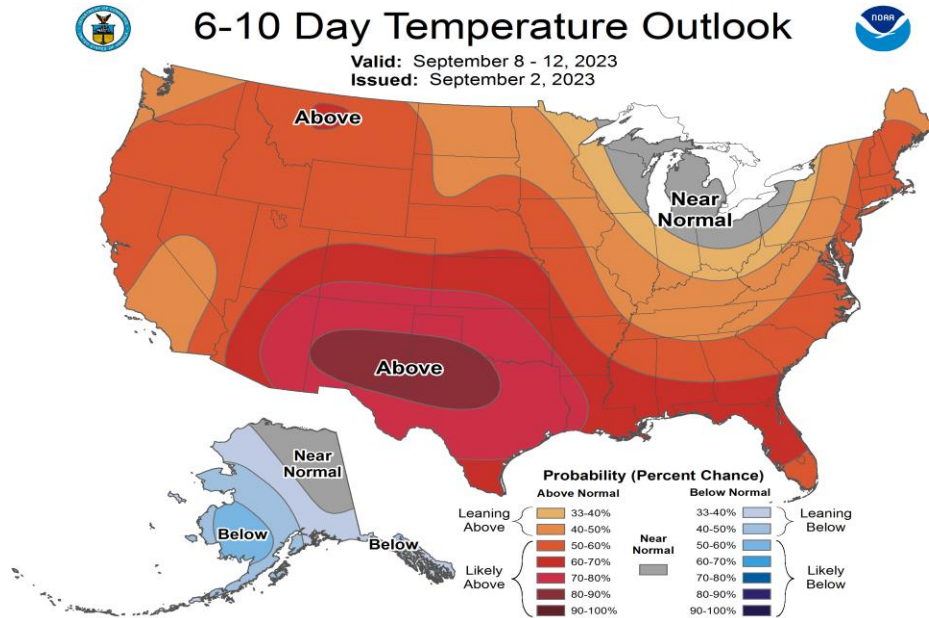
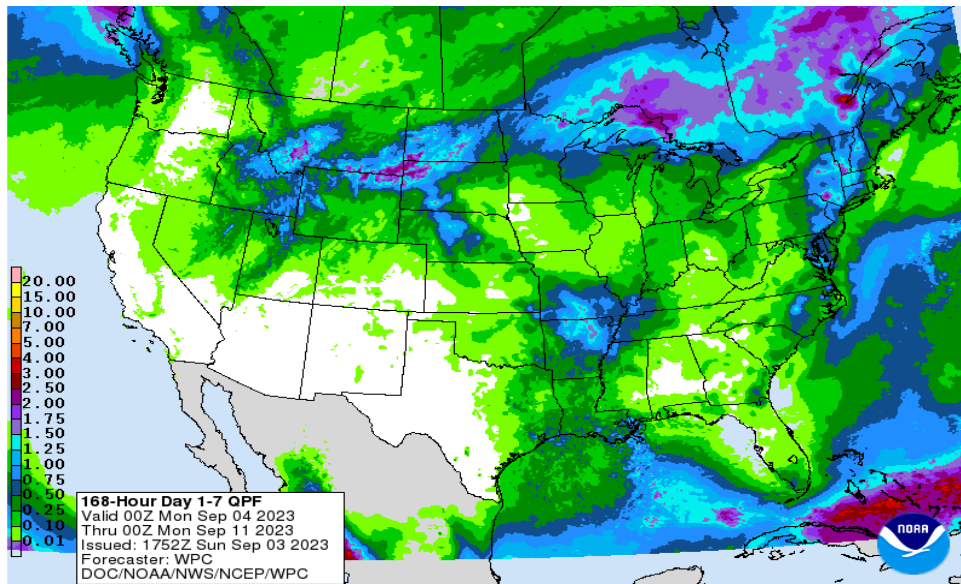


Hello Colorado Wheat.

Happy Labor Day! For me, it's the official "End-of-Summer", although for most everyone...it won't feel like summer is over for at least the next 10 days...still pretty hot.



Although...we see some moisture is a possibility...so maybe, things will feel a little (not much) different:



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 week ended like a lot of big 3-Day Weekends...with a whimper. Go with the flow is usually the easiest way to get out of the office, instead of trying to make a stand. Grains were weaker, and corn and all wheats set new red numbers (new 11-week Closing Lows). Crude oil was the opposite of that, posting a new Blue number, as the market seems to think that the announced Russian oil production reductions are indeed on the horizon.

	Dec '23 HRW	July '24 HRW	Dec'23 corn	July '24 corn	Chgo Z wheat	Springs Dec (Z)	Nov'23 soybean	July '24 Soybean	Crude oil	S&P
CLOSE	KWZ23	KWN24	CZ23	CN24	WZ23	MWZ23	SX23	SN24	CRD22	ES22
09/01	\$7.23	\$7.18	\$4.82	\$5.09	\$5.96	\$7.60	\$13.69	\$13.88	\$85.55	\$4522
08/25	\$7.65	\$7.54	\$4.88	\$5.15	\$6.22	\$7.76	\$13.88	\$14.00	\$80.25	\$4422
08/18	\$7.61	\$7.50	\$4.93	\$5.19	\$6.39	\$8.18	\$13.53	\$13.70	\$81.25	\$4382
08/11	\$7.66	\$7.66	\$4.87	\$5.15	\$6.54	\$8.30	\$13.08	\$13.25	\$83.19	\$4481
08/04	\$7.69	\$7.67	\$4.97	\$5.23	\$6.60	\$8.38	\$13.33	\$13.42	\$82.82	\$4498
07/28	\$8.69	\$8.33	\$5.30	\$5.51	\$7.28	\$9.07	\$13.83	\$13.74	\$80.58	\$4607
07/21	\$8.67	\$8.19	\$5.36	\$5.56	\$7.18	\$8.97	\$14.02	\$13.86	\$77.07	\$4565
07/14	\$8.34	\$7.92	\$5.14	\$5.36	\$6.81	\$8.90	\$13.71	\$13.54	\$75.42	\$4537
07/07	\$8.20	\$7.76	\$4.94	\$5.17	\$6.67	\$8.55	\$13.18	\$13.10	\$73.86	\$4434
06/30	\$8.00	\$7.68	\$4.95	\$5.16	\$6.69	\$8.27	\$13.43	\$13.08	\$70.64	\$4488
06/23	\$8.63	\$8.25	\$5.88	\$5.97	\$7.62	\$8.80	\$13.10	\$13.11	\$69.16	\$4389
06/16	\$8.37	\$8.06	\$5.98	\$6.04	\$7.16	\$8.69	\$13.42	\$13.18	\$71.78	\$4454
Year ago	\$8.01	\$8.01	\$5.93	\$5.93	\$7.70	\$9.79	\$13.40	\$13.40	\$75.57	\$4762

The crude oil market is not the same market as the corn market...it's not a free market at all. Besides the Russian cuts to production, https://finance.yahoo.com/news/oil-price-best-week-since-222650344.html?fr=sycsrp_catchall

this article says Saudi exports have dropped sharply, which would seem bearish to me, but I guess if the reduced exports are because there is much less supply, then somehow that's bullish...https://www.rigzone.com/news/wire/saudi_crude_oil_exports_plummet-01-sep-2023-173867-article/

I admit I have a hard time ever envisioning saying a reduction to corn exports is bullish, although like we saw in crude oil, it's at least theoretically possible.

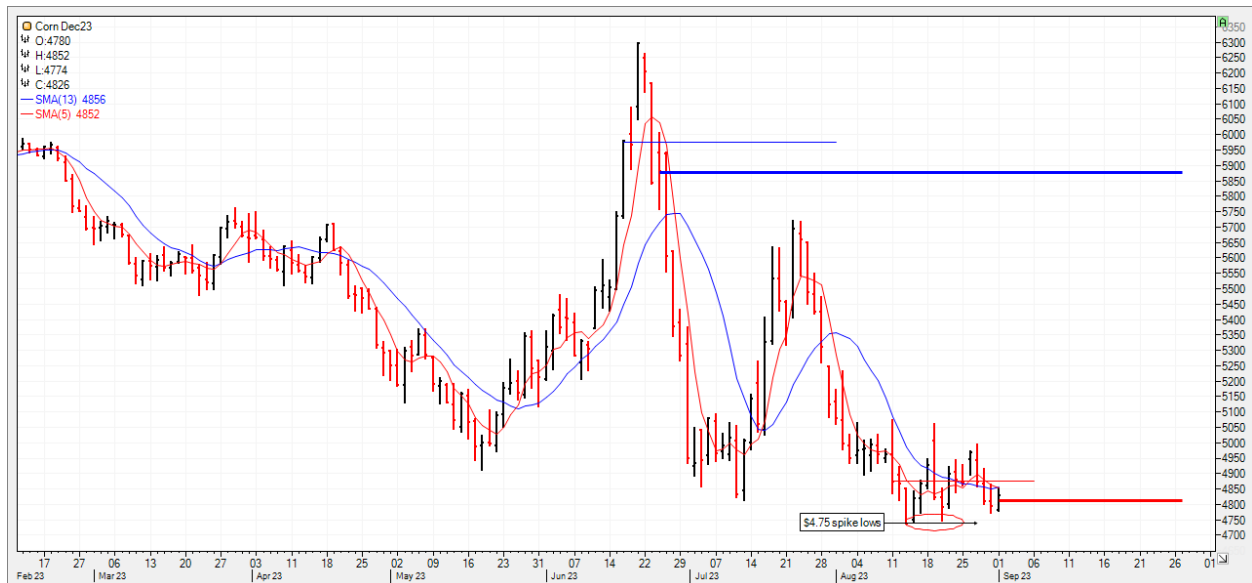
We're finally done with this corn and bean marketing year, although...we won't be done talking about until after we see this week's report, and then see those numbers incorporated in the September WASDE update, to be released Sept. 23. On that WASDE, we will see the old-crop corn export forecast decreased one more time, probably by 90 mil bu, which will then be added to the new year's carry-in. Soybeans will see the same thing, although the quantity will be much smaller, probably 25 mil bu.

Export sales were 39 mil bu for new-crop corn and 41.3 mil bu for new-crop soybeans. These are pretty decent numbers but low-water barge rates and draft restrictions are NOT helpful for new business.

WEEK ENDED (08/24/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	23.5	1447.9	60	1507	1,625	118	01	118
Soybeans	11.8	1905.8	30	1935	1,980	45	01	45
All wheat	14.3	148.1	45	158	700	542	40	13.6
Milo	3.1	102.1	5	107	100	-7	01	0
LAST WEEK								
Corn	19.0	1423.3	60	1481	1,625	144	02	72
Soybeans	11.6	1893.8	30	1922	1,980	58	02	29
All wheat	11.4	133.7	45	143	700	557	41	13.6
Milo	2.2	98.9	5	104	100	-4	02	0

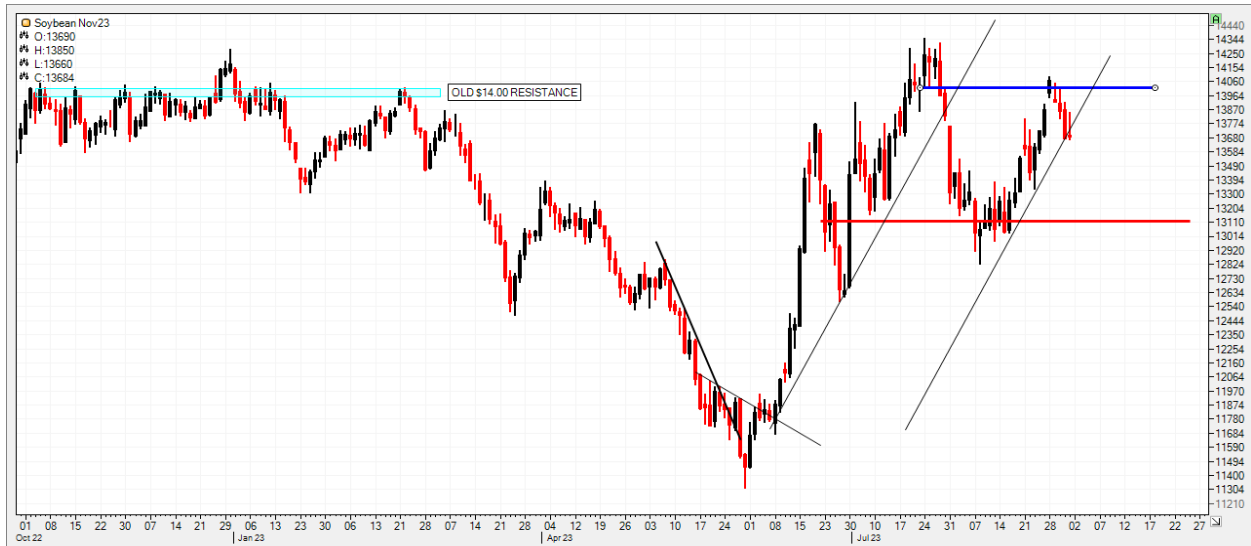
Last week I wrote this about corn: *Anyway, I believe this Red Line is a valid proverbial red line in the sand...IF it can hold, and we get those moving averages crossing, AND we can take out those intra-week spike highs around \$5.06...then we'd get a decent bounce. But all 3 of those conditions need to be met.*

And what happened? NONE of those happened. The old red line caved in, the moving averages did not cross and the old spike highs around \$5.06 were not tested. So the updated Dec corn chart sows a new lower Blue Line, and a new lower Red Line, and an ellipse showing old spike lows down to \$4.75:



I assume we'll go test those old spike lows around \$4.75. They might hold; we'll see. What I did like last week was we finally saw good new-crop corn export sales. We need to see those sales again this week, and the week after, and pretty much every week. Then finally...we could start talking about some "what if's" on the upside.

November beans are testing trendline support; Blue Line is \$14.02; the Red Line is \$13.10. This is a tough market to call. I'm not convinced yields have stabilized, and I see good weekly export sales. BUT I don't like the barge situation (low water), and last week we talked about the Panama Canal low water issues.



KC Dec wheat...printed a new Red Line, again. (And the table on page 2 says Chgo Z wheat took out \$6.00 support. Yucky.) This is a dismal looking chart. **Seasonally, we start to see corn and beans lose to wheat, but...so far, Death by a 1000 Bad Trades describes this wheat market.**

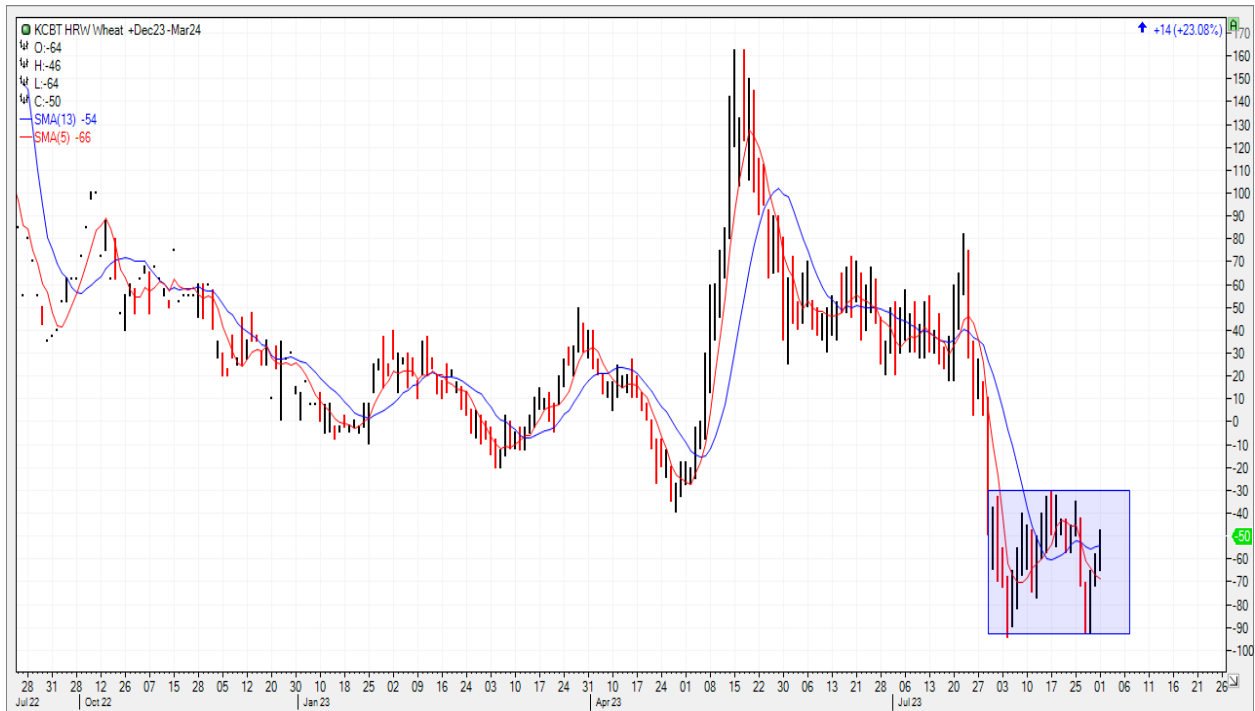


Here's another one...what happened here? Someone overstayed a short position; this is the KU-KZ calendar spread, in the expiration period:



I do NOT think this means it's time to go long wheat, but it does make me wonder about the KC Z-H calendar spread...

KC Z-H calendar spread here, in a 6c box from about -9 to -3, and...I would go with a breakout, either way.



Posted Gulf bids are now basis the Z, rolled at a dime carry (before the move to even money):

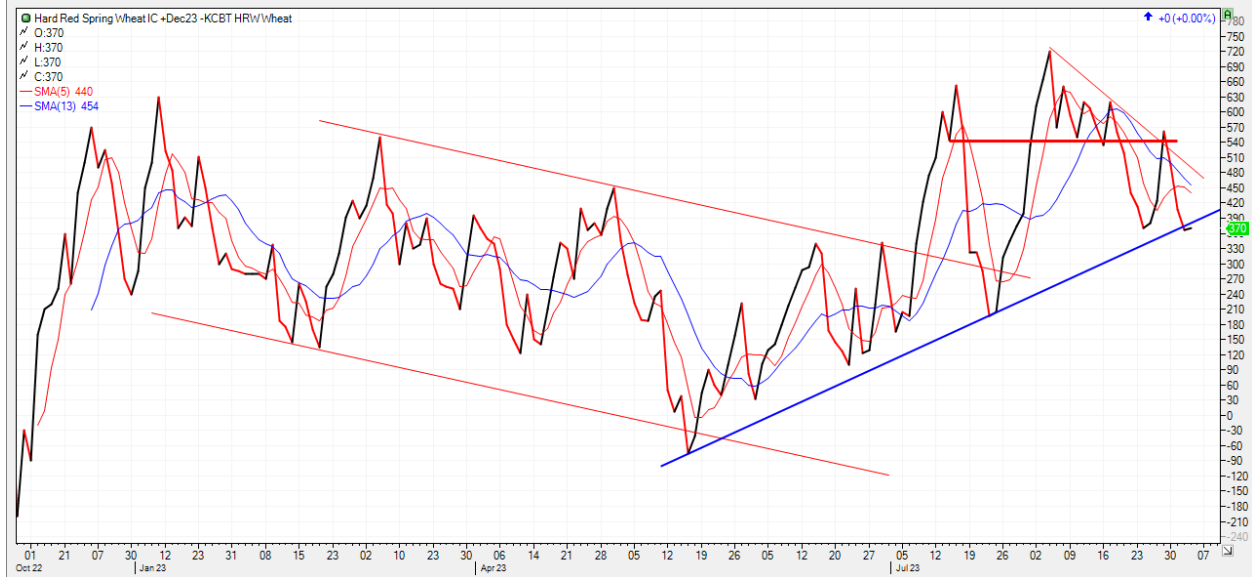
GULF date	12 pro	ords	diff	
9/1/2023	80	80	0	Z
8/25/2023	90	90	0	U
8/18/2023	90	90	0	
8/11/2023	90	90	0	
8/4/2023	65	65	0	

We do see some basis movement in the country...I figure if the basis was rolled from the Sept to the Dec at -10c, the basis is unchanged. You can see some bids are lower, but the Central Kansas terminals are ALL a little higher.

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
09/01	\$6.28-\$6.38	\$6.43	\$6.28-\$6.38	\$6.06-\$6.27	\$6.41-\$7.03
08/25	\$6.69-\$6.84	\$6.84	\$6.69-\$6.79	\$6.49-\$6.59	\$6.84-\$7.34
08/18	\$6.69-\$6.84	\$6.84	\$6.69-\$6.79	\$6.49-\$6.59	\$6.84-\$7.34
08/11	\$6.71-\$6.86	\$6.86	\$6.71-\$6.81	\$6.51-\$6.61	\$6.86-\$7.36
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
09/01(Z)	-95, -85	-80	-95, -85	-117, -96	-82, -20
08/25(U)	-85, -70	-70	-85, -75	-105, -95	-70, -20
08/18(U)	-85, -70	-70	-85, -75	-105, -95	-70, -20
08/11(U)	-85, -70	-70	-85, -75	-105, -95	-70, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
09/01(Z)	-55	-35, -20	-49, -17	-53	
08/25(U)	-50	-27, -15	-45, -10	-53	
08/18(U)	-50	-27, -15	-45, -10	-53	
08/11(U)	-50	-27, -15	-45, -10	-53	

A little tighter spread, a slightly better basis, decent export sales (at least enough to prevent the September WASDE export forecast dropping)...even though that KC Dec wheat chart on page 4 looks "dismal"...I would be reluctant to press it lower. I think we're going to need a good rain going into planting season to push the futures lower.

The updated spring wheat – hard winter wheat (MWZ23-KWZ23) shows spring down to a 37c premium, and seeing if trendline support will hold. Enough low protein exists to make even money a possibility!... but...if China has to switch more vessels to the PNW because of barge freight and Panama Canal issues...being short Minny wouldn't work out very well.



Farmdocdaily (University of Illinois) had a couple interesting stories last week. You might remember a few years back I did a study on alternative crops, and concluded going organic was the best alternative crop. This update from the U of Illinois shows organic soybeans is by far the best way to go, and organic corn is not bad...but interestingly, at least in soft red country, growing organic wheat is NOT better financially than conventional wheat.

armdocdaily.illinois.edu/2023/09/conventional-and-organic-enterprise-net-returns-4.html?utm_source=newsletter&utm_medium=email&utm_term=Sun+Sep+03+2023&utm_campaign=farmdoc+Weekend+Roundup+Sat+Sep+02+2023

They also ran this Bloomberg story (from our pal Michael Hirtzer, who regularly attends the Wheat Quality Council's Hard Red Winter Tour) saying that Brazil has surpassed the USA as far as being the biggest corn exporter, which is...not good news.

...https://farmpolicynews.illinois.edu/2023/08/bloomberg-brazil-top-corn-exporter-in-2023-2024/?utm_source=newsletter&utm_medium=email&utm_term=Sun+Sep+03+2023&utm_campaign=farmdoc+Weekend+Roundup+Sat+Sep+02+2023

In the Black Sea...I see Turkey's Erdogan and Russia's Putin are meeting to discuss reviving the Black Sea Grain Initiative. I doubt they come up with anything that benefits anyone but those two crooks, but I think that did contribute to wheat's price weakness last week.

One more Bloomberg story...says the Aussie crop might be worse than expected, but I think it's still early in the wheat game Down Under...<https://www.yahoo.com/news/finance/news/australia-set-reduce-wheat-forecast-220000065.html>

There hasn't been any "news" or rumors about India lately.

Have a good week.

Stay Safe. Slow Down.

PS; we see Monday night (Labor Day night) openings are quietly a bit higher, in very low volume... "subdued trade" is what they call it. Booooooring is what I call it.