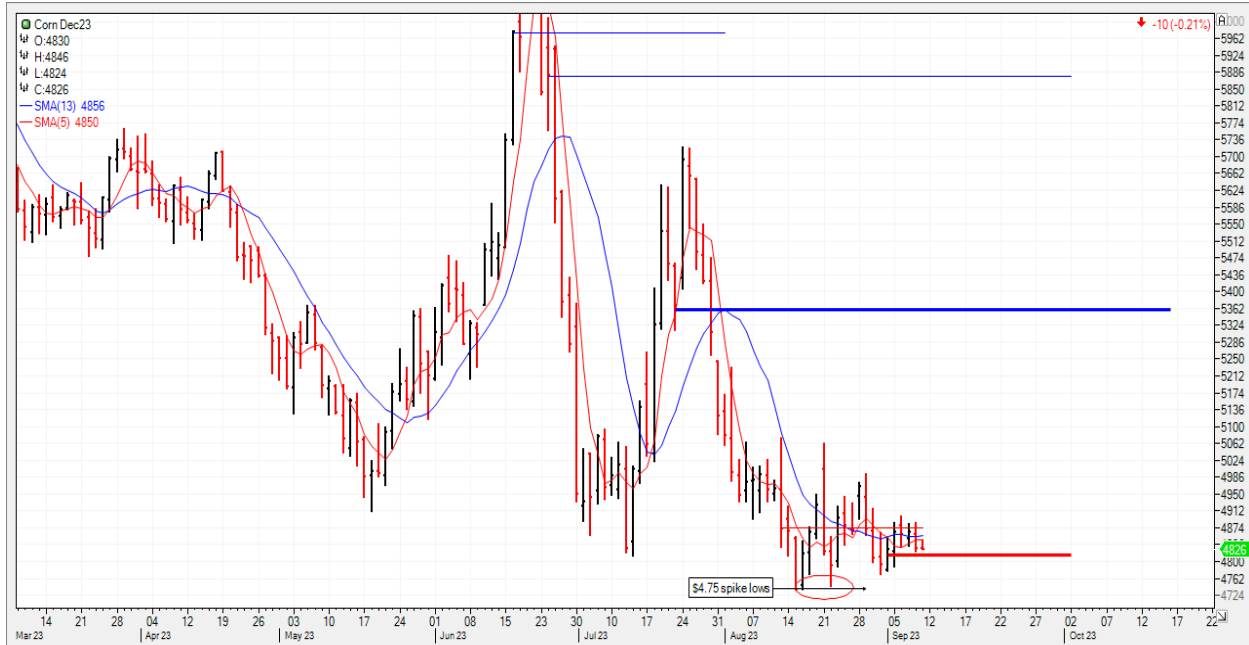


Hello Colorado Wheat.

The USDA will issue the September WASDE update this Tuesday, but...I'm not sure that will make much positive difference to this flat (at best?) market.

I believe Corn drives the Grain Train...and in that regard, this train is stuck, waiting for a crew change.

This is Dec corn, and being stuck waiting...is better than continuing to slide lower:



The main change to this corn chart is the Blue Line is now down to \$5.36, from the 7/21 close. That's a 52c drop. That's the good news, as theoretically, it's now closer to the market, and easier to make a run at, which if closed above on a Friday...would be a buy signal.

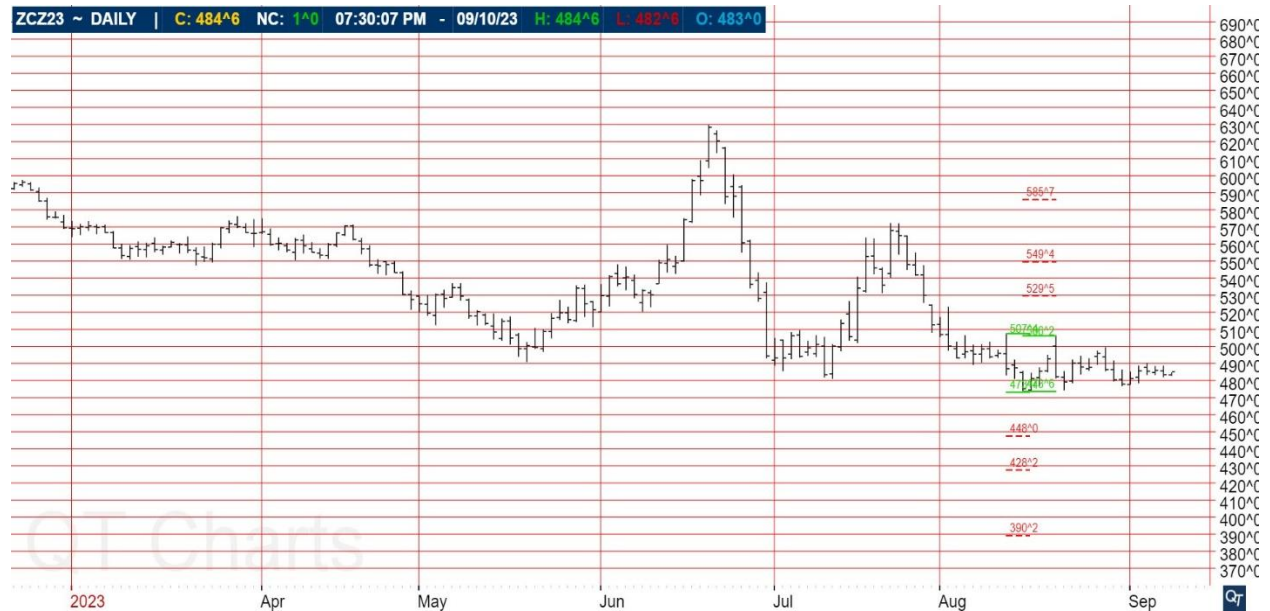
The bad news...is the best way to treat blue lines is to view them as resistance. Which means...selling pressure would be expected up there, also...closer to the market.

Tuesday's Sept. WASDE update (and NASS Crop Production) are expected to show another yield decline, of 1.6 bu/ac, leading to about 100 million bu less production, but if I'm right about the reduced 22/23 exports leading to a higher carry-in for 23/24...the net would be only a 30 mil bu reduction to the 23/24 USA corn supply. Thus if we see any major market reaction, it might come from demand changes, which...frankly, probably would be bearish.

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

A couple of weeks ago I showed a Price Count higher for corn, IF certain conditions were met, which was IF we see a buy signal, here's where corn could go. Similarly...one could do a Price Count lower, if another sell signal happens.

This following chart from QT's Market Center shows a Price Count higher, and a Price Count lower, which I think is a useful way of looking at things. The corn chart on page 1 shows corn has gone flat the last 6 weeks, since August 4. SO IF...we get an upside breakout, there's about a 65% confidence of moving up to about \$5.50. BUT IF...we get bearish demand inputs, and corn breaks down, with new sell-signals, then there's about a 65% confidence in breaking down to about \$4.28.



Anyway...the week ended with Dec corn up 2c for the week, and you can see why I say it's been flat for the last 6 weeks. KC Z wheat was up 9c last week; beans were down 6c.

	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
09/08	\$7.32	\$7.23	\$4.84	\$5.10	\$5.96	\$7.71	\$13.63	\$13.85	\$87.51	\$4462
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
Year ago	\$8.01	\$8.01	\$5.93	\$5.93	\$7.70	\$9.79	\$13.40	\$13.40	\$75.57	\$4762

This is the updated Export Pace scorecard. The “good news” is corn, milo and soybean’s marketing year is over. I expect to see a final reduction to the 22/23 corn exports of around 72 million bu, based on a statement in last week’s Export Sales report, which will then go to the 23/23 beginning carry-in. Soybeans will see about a 30 mil bu drop to 22/23 exports, and then raise to the carry-in

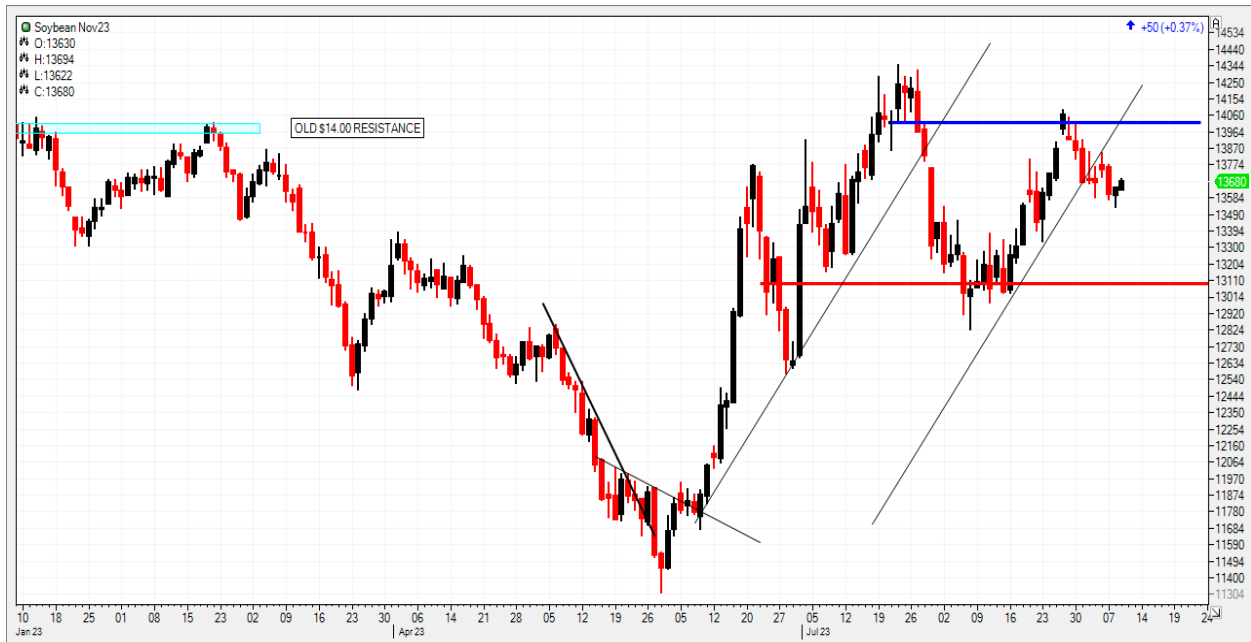
And if that statement from FAS of corn exports this year being 1.553 billion shows up in this Sept. WASDE, then my “fudge factor” for corn should be fudged higher, to maybe 85 mil bu instead of 60 mil bu.

WEEK ENDED (08/3123)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	18.9	1467.0	60	1527	1,625	98	00	118
Soybeans	11.8	1919.9	30	1950	1,980	30	00	45
All wheat	14.3	159.1	45	171	700	529	39	13.6
Milo	3.1	106.3	5	111	100	-11	00	0
LAST WEEK								
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

The bad news is...23/24 export target projections will not be easy to hit.

Both new-crop corn and beans current export sales on the books are behind last year at this time, and even though soybean sales have been decent, they still have a LOT of catching up to do as they are only 2/3's of where new-crop bean sales were at this time last year.

Which is why...the November bean chart is also stuck.



We probably will see another yield reduction Tuesday, and a 50 mil bu cut to USA production is expected...but world supply will also be in focus. The August WASDE showed an expected 32 million tonne gain in world soybean production, almost solely from South America, and that was lead by Argentina, expected to be 23 mil tonnes higher this year, and Brazil up another 7 mmt.

This article says El Nino has finally arrived in Argentina <https://en.mercopress.com/2023/09/04/el-nino-arrives-in-argentina> and the Buenos Aires Grain Exchange issued a 50 mmt soybean production estimate (USDA is at 48 mmt)...<https://www.nasdaq.com/articles/argentina-2023-24-soybean-production-forecast-at-50-mln-t>

Argentina's wheat crop is expected to be up 4 mmt from last year, although up North, on Friday, StatsCan published their initial all wheat production estimate of only 29.5 mmt, compared to the USDA's August estimate of 33 mmt.

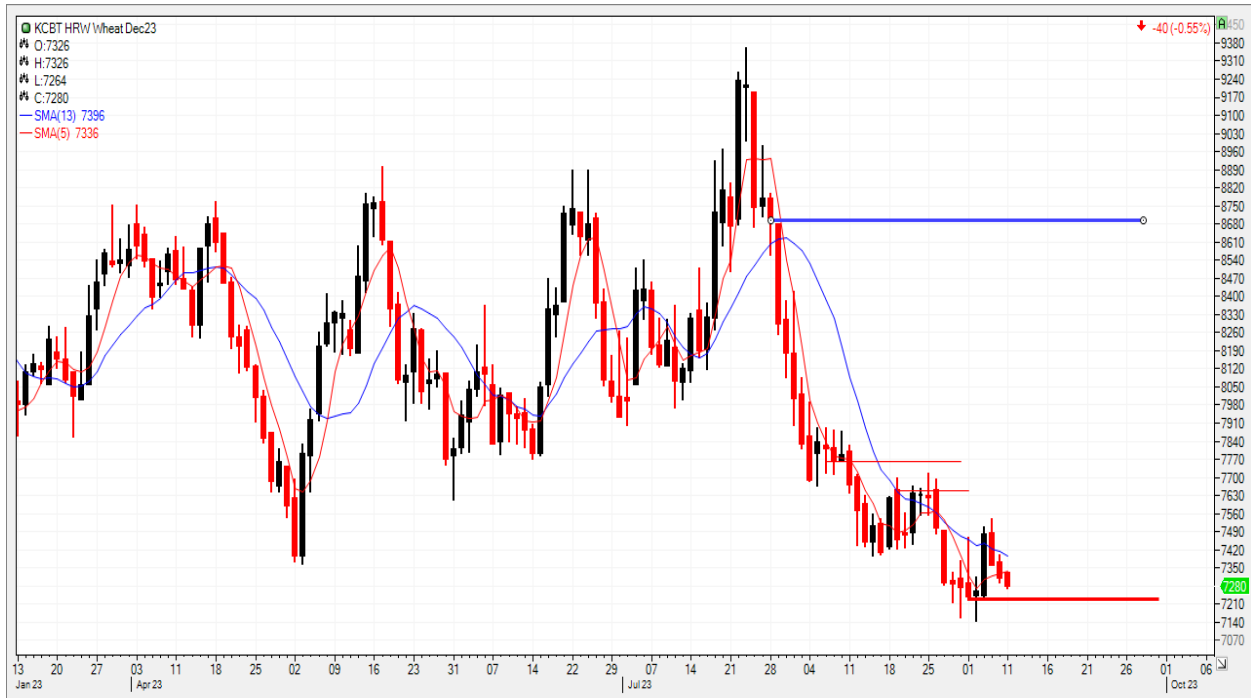
We also saw the USDA's August estimate for Australia was 29 mmt, BUT ABARES recently published a 25.4 mmt estimate, down about a third from last year, and they are blaming that on El Nino...<https://www.reuters.com/article/australia-crops-idAFL8N3AG12K>

How El Nino develops over the next month could be a wheat market mover.

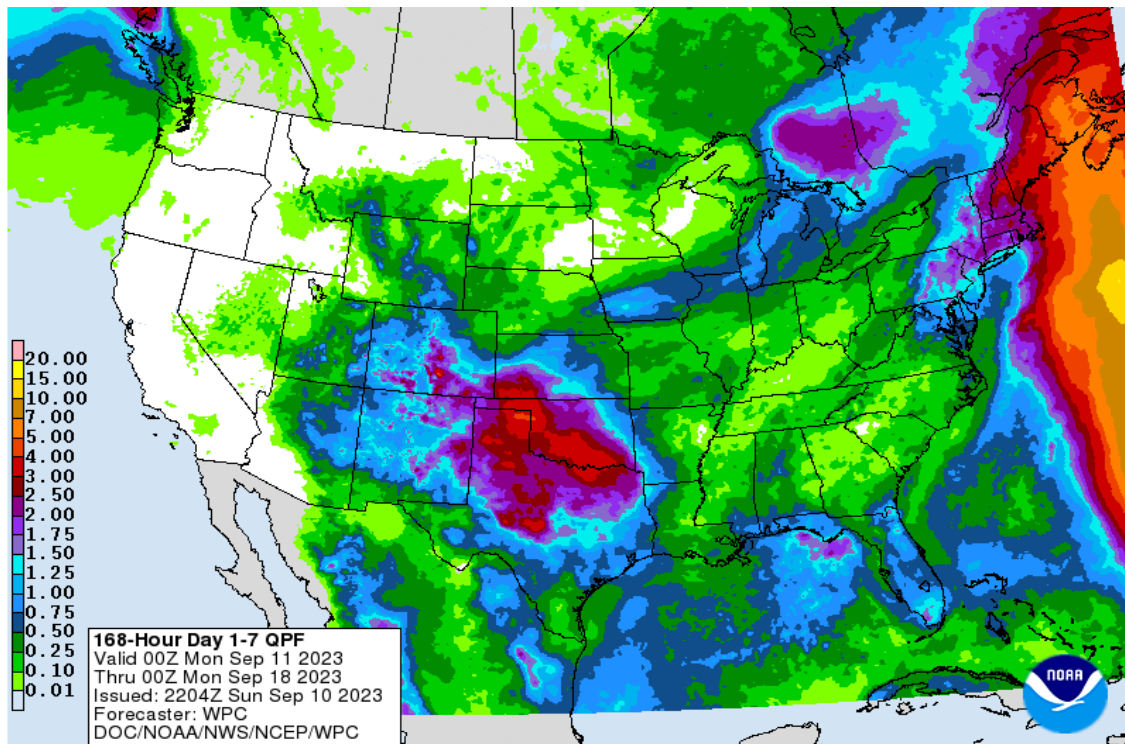
We'll see if the USDA uses any of these estimates. IF they do, it could put a friendly spin on wheat, although...I wouldn't be surprised to see a higher wheat production estimate for Russia this time.

Nothing new on the Indian wheat situation last week, and twitter rumors have gone silent, but this is just out, and interesting, as Bloomberg is reporting Egypt will allow any origin on that big 480,000 tonne purchase they made a week ago...It was originally reported as Russian wheat, in a private tender. <https://news.yahoo.com/egypt-allows-recent-wheat-deal-100320139.html>

KC wheat bounced a little bit last week, although the chart still looks bad. Maybe the world wheat numbers Tuesday will help put in a floor.



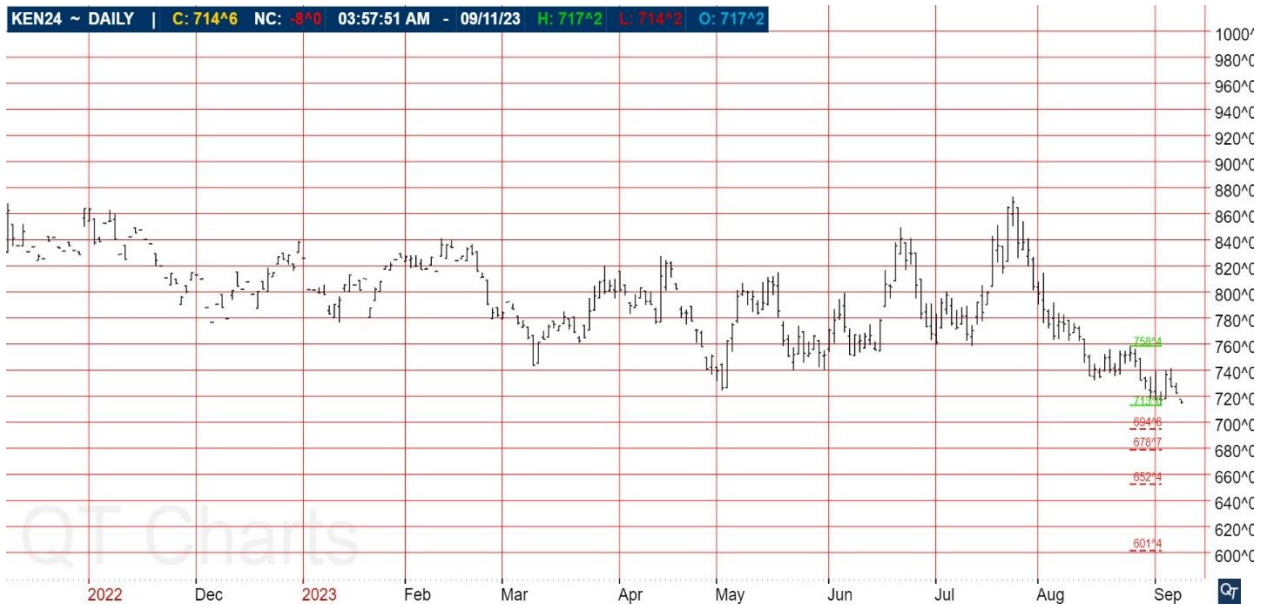
But just as much, if not more...impact comes from whether this predicted moisture materializes:



Sunday night action shows KC down 5c, and my phone (and Accuweather) is showing some rain in SW KS into NW OK right now:



I've sold 25% of next year's expected wheat production at \$7.65 (and I'm still whining about not pulling the trigger at \$8.25). I'm hesitant to show this Price Count lower on KC July, as I try not to be a Fearmonger, but new lows will bring in new selling, and \$6.50 would be a likely target:



IF you haven't sold any of the wheat you're about to plant, I'm recommending sell some now.

Posted Gulf to-arrive bids are also waiting:

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

And we're not seeing much movement in the posted basis bids in the country...

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
09/08	\$6.37-\$6.47	\$6.52	\$6.37-\$6.47	\$6.10-\$6.36	\$6.46-\$7.12
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
09/08(Z)	-95, -85	-80	-95, -85	-122, -96	-86, -20
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	
09/08(Z)	-55	-35, -20	-49, -17	-53	
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	

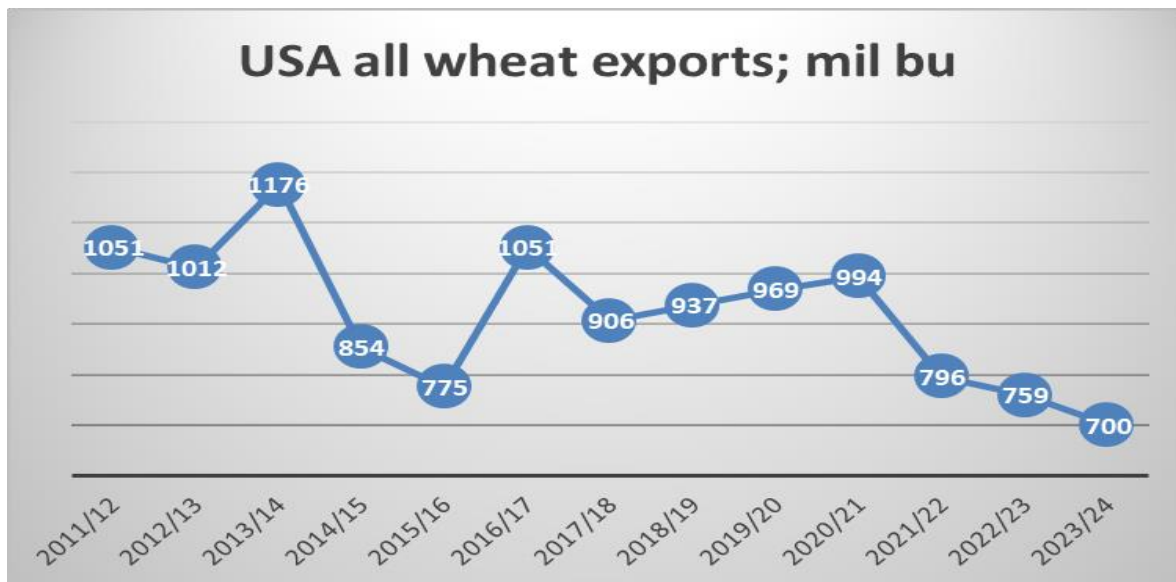
I copied this paragraph from a weekly wire called AGRIWEEK which a friend sends me...

“China is slowly edging closer to full approval of genetically modified crops, which when in effect may increase domestic production by enough to reduce soybean, corn and canola imports noticeably. China is developing its own GMO varieties said to be showing outstanding results, although having only herbicide and insect resistance. Officially reported field trials showed yield increases of 5.6% to 11.6%. Commercial planting may be approved as early as the 2024 crop season.”

This Reuters article from a couple weeks ago probably prompted his comments
<https://www.reuters.com/article/china-crops-gmo-idINL1N3A50DZ...>

My question is: **why isn't the USA pushing ahead on releasing GMO wheat?**

Previously, and always...the answer has been we're afraid of losing wheat exports. But USA wheat exports are NOT in a growth phase. (Unfortunately, we could probably say that about corn, and maybe beans as well.)



Have a good week.

Stay Safe. Slow Down.

“Crop report” comes out Tuesday. Be alert. Get some new-crop wheat on the books if you haven't.