

Hello Colorado Wheat.

What happened here? KC wheat up more than 60c for the week??

Last week I wrote “Interestingly, the KC K 4-week Closing Low and 4-week Closing High are both double-bottoms and double tops. Go with the breakout...” Looks to me like Big Money took that to heart and acted on the advice, and indeed, went with the breakout. Yee Haw!

KC wheat led the charge. The May was up 64c, while the deferred Dec (Z) was up 73c, and that’s actually a bit of a warning sign (when the backs gain more than the fronts). Chgo and Minny were up 50c. Corn and beans gained a little too, but this was a KC wheat deal.

	MAY '24 HRW	DEC '24 HRW	MAY'24 corn	DEC '24 corn	Chgo K wheat	Springs MAY (K)	MAY'24 beans	NOV 24 beans	Crude oil	S&P (M)
CLOSE	KWK24	KWZ24	CK24	CZ24	WK24	MWK24	SK24	SX24	CRD23	ES23
04/26	\$6.46	\$6.85	\$4.40	\$4.74	\$6.03	\$6.97	\$11.60	\$11.75	\$83.85	\$5132
04/19	\$5.82	\$6.12	\$4.34	\$4.66	\$5.50	\$6.47	\$11.51	\$11.61	\$82.22	\$5004
04/12	\$5.90	\$6.17	\$4.36	\$4.72	\$5.56	\$6.43	\$11.74	\$11.76	\$85.66	\$5168
04/05	\$5.82	\$6.11	\$4.34	\$4.73	\$5.67	\$6.48	\$11.85	\$11.85	\$86.91	\$5253
03/29	\$5.85	\$6.09	\$4.42	\$4.78	\$5.60	\$6.45	\$11.92	\$11.86	\$83.17	\$5308
03/22	\$5.90	\$6.13	\$4.40	\$4.75	\$5.55	\$6.61	\$11.92	\$11.87	\$80.63	\$5293
03/15	\$5.66	\$5.87	\$4.37	\$4.71	\$5.29	\$6.47	\$11.98	\$11.91	\$81.04	\$5183
03/08	\$5.89	\$5.98	\$4.40	\$4.72	\$5.38	\$6.63	\$11.84	\$11.74	\$78.01	\$5193
03/01	\$5.65	\$5.83	\$4.25	\$4.59	\$5.58	\$6.44	\$11.51	\$11.40	\$79.97	\$5208
02/23	\$5.66	\$5.85	\$4.14	\$4.50	\$5.69	\$6.47	\$11.42	\$11.30	\$76.49	\$5101
02/16	\$5.62	\$5.83	\$4.30	\$4.59	\$5.59	\$6.56	\$11.76	\$11.49	\$79.19	\$5019
02/09	\$6.00	\$6.21	\$4.43	\$4.68	\$5.99	\$6.83	\$11.90	\$11.64	\$76.84	\$5044

This table still shows the May because I wanted you to be able to see that breakout of the 4-week Closing Low and 4-Week Closing High. “Go with the breakout...”

And while I’m crowing, go ahead and say it out loud: Yes, the Chinese sold the bottom! Which proves even the world’s biggest, most important buyers...are only human.

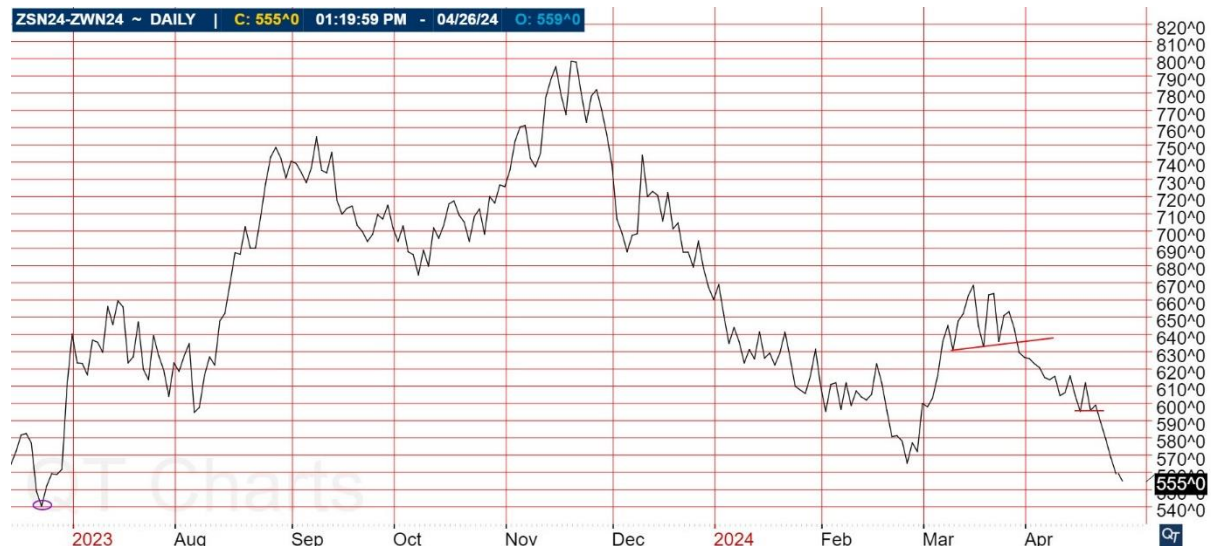
Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. STUDIES SHOW GOOD MANAGEMENT ADDS AN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

Let's get the May's off the table, and show the July's as the lead month:

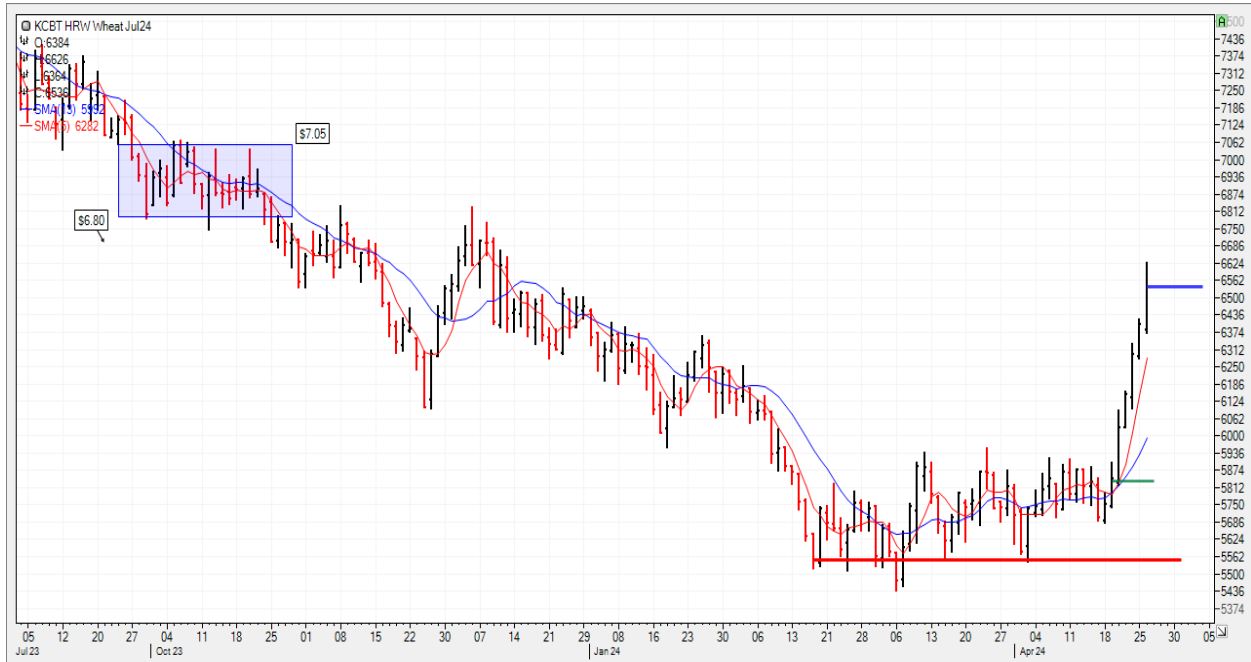
	JULY'24 HRW	DEC '24 HRW	JULY'24 corn	DEC '24 corn	Chgo N wheat	Springs JULY (N)	JULY'24 beans	NOV 24 beans	Crude oil	S&P (M)
CLOSE	KWN24	KWZ24	CN24	CZ24	WN24	MWN24	SN24	SX24	CRD23	ES23
04/26	\$6.54	\$6.85	\$4.50	\$4.74	\$6.22	\$7.04	\$11.77	\$11.75	\$83.85	\$5132
04/19	\$5.83	\$6.12	\$4.43	\$4.66	\$5.67	\$6.53	\$11.66	\$11.61	\$82.22	\$5004
04/12	\$5.87	\$6.17	\$4.47	\$4.72	\$5.71	\$6.50	\$11.87	\$11.76	\$85.66	\$5168
04/05	\$5.80	\$6.11	\$4.47	\$4.73	\$5.82	\$6.57	\$11.97	\$11.85	\$86.91	\$5253
03/29	\$5.80	\$6.09	\$4.55	\$4.78	\$5.76	\$6.53	\$12.05	\$11.86	\$83.17	\$5308
03/22	\$5.85	\$6.13	\$4.52	\$4.75	\$5.70	\$6.66	\$12.06	\$11.87	\$80.63	\$5293
03/15	\$5.60	\$5.87	\$4.49	\$4.71	\$5.44	\$6.54	\$12.13	\$11.91	\$81.04	\$5183
03/08	\$5.74	\$5.98	\$4.52	\$4.72	\$5.50	\$6.66	\$11.96	\$11.74	\$78.01	\$5193
03/01	\$5.55	\$5.83	\$4.36	\$4.59	\$5.61	\$6.48	\$11.61	\$11.40	\$79.97	\$5208
02/23	\$5.58	\$5.85	\$4.26	\$4.50	\$5.70	\$6.52	\$11.51	\$11.30	\$76.49	\$5101
02/16	\$5.55	\$5.83	\$4.40	\$4.59	\$5.62	\$6.60	\$11.85	\$11.49	\$79.19	\$5019
02/09	\$5.94	\$6.21	\$4.51	\$4.68	\$6.01	\$6.86	\$12.00	\$11.64	\$76.84	\$5044

What do we see here? New Blue numbers (new 11-week Closing Highs) in all wheats. **A higher weekly close will bring in more buying.** Corn and beans were mainly along for the ride, although Planting Season hasn't been ideal. Crude oil and the stock market are marking time.

Funds still blowing out of short wheat, long beans spreads fueled the fire, although some might have reversed positions back at 64c. July beans- Chgo N wheat here; I see an old low at 540...:



Here's the star of the show, KC July with the new Blue Line, and a Red line (and even the green line) far below the market. I identified an old box of resistance from roughly \$6.80 to \$7.05 that I suspect will be tough getting up and through....:



Confirming that \$6.85ish target is this QT Market Center's Price Count Up, which shows the 3rd Tier Target as \$6.86:



That's another 30c higher. I've sold 50% of my new-crop wheat and am content to sit until closer to harvest, but if for some reason you haven't sold 50%, or you're still lugging some old-crop (including you guys up in Alberta, sitting on unsold CPRS)...sell it now!, or at least get some sales price targets in with your broker at \$6.80 if you still want to sit on it.

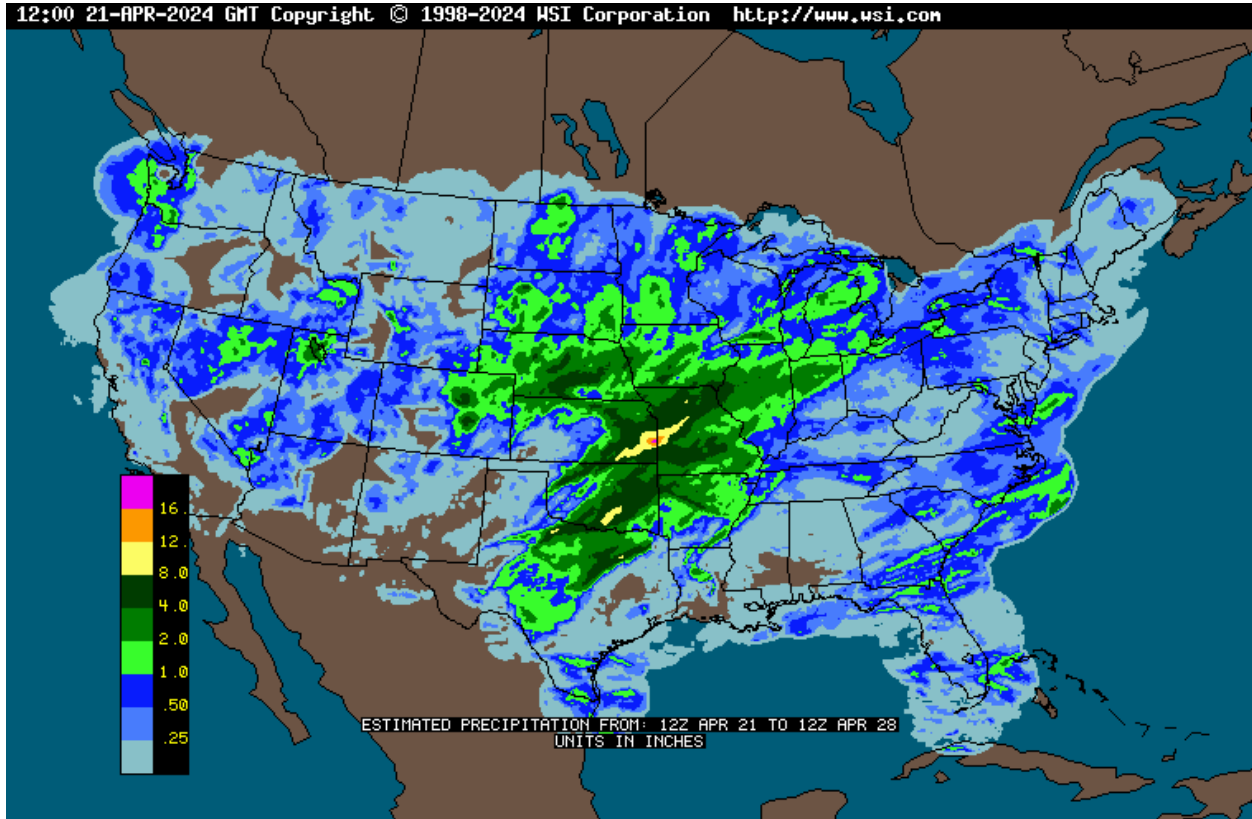
Will this rally extend?

Part of the reason wheat rallied last week was Monday's Crop Conditions report.

Winter Wheat
conditions
good +excellent total
%

week ended	3/31/2024	4/7/2024	4/14/2024	4/21/2024
KS	48	49	43	36
CO	58	53	53	51
NE	65	68	70	68
OK	73	68	60	49
TX	44	44	48	46
SD	47	60	57	63
MT	57	63	56	52
HRW average	56.0	57.9	55.3	52.1
national	56	56	55	50

And last week's precipitation was great for some, the SW to SC part of Kansas was missed, along with SE Colorado and the Texas and Oklahoma Panhandles:



I'm leaning towards the new Crop Conditions report will show only slight declines.

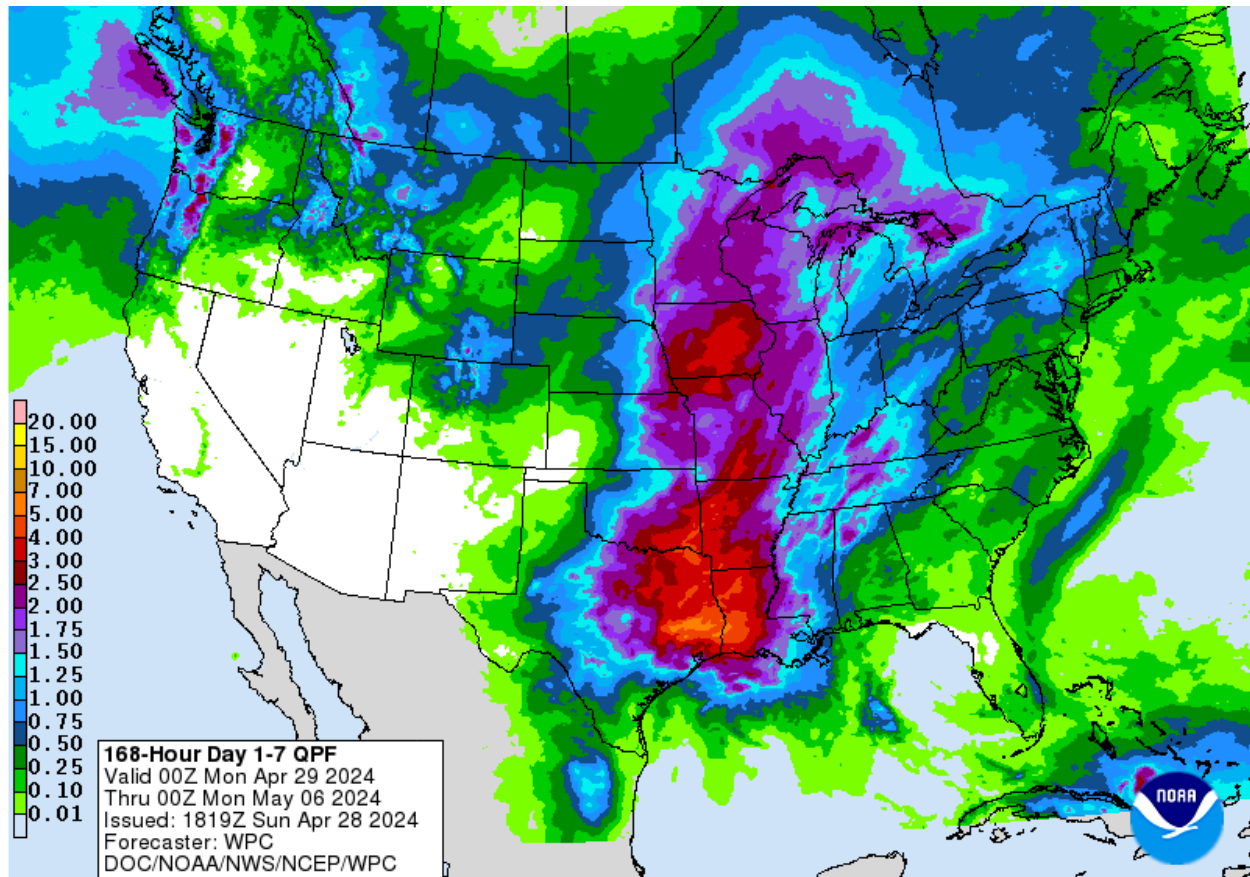
BUT...some damage has been done.

Back in February I projected USA HRW crop production potential at 935 million bu, BUT I think we've lost 150 mil bu of that potential and am now down to 780 mil bu! (Although the fine print shows a 780 mil bu crop would be 165 mil bu MORE than last year.)

yields		yields		production		production		
2023/24	expected	expected	expected	expected	expected	expected		
	Feb'24	NOW		Feb'24	NOW			
35.0	52.0	39.0	201.3	376.2	282.2		KS	
41.0	49.0	43.1	74.6	91.3	80.4		CO	
42.0	57.0	57.0	37.0	56.7	56.7		NE	
28.0	40.0	26.8	68.6	120.4	80.7		OK	
37.0	34.0	35.4	77.7	112.3	116.8		TX	
47.0	52.0	55.0	32.9	45.6	48.2		SD	
56.0	53.0	53.0	8.1	7.1	7.1		ND	
51.0	50.0	45.5	85.7	90.8	82.6		MT	
80.0	80.0	80.0	6.4	9.6	9.6		CA	
44.1	51.9	48.3	592.2	910.0	764.2		total	
			615.1	935.0	780.0		USA HRW + HWW	

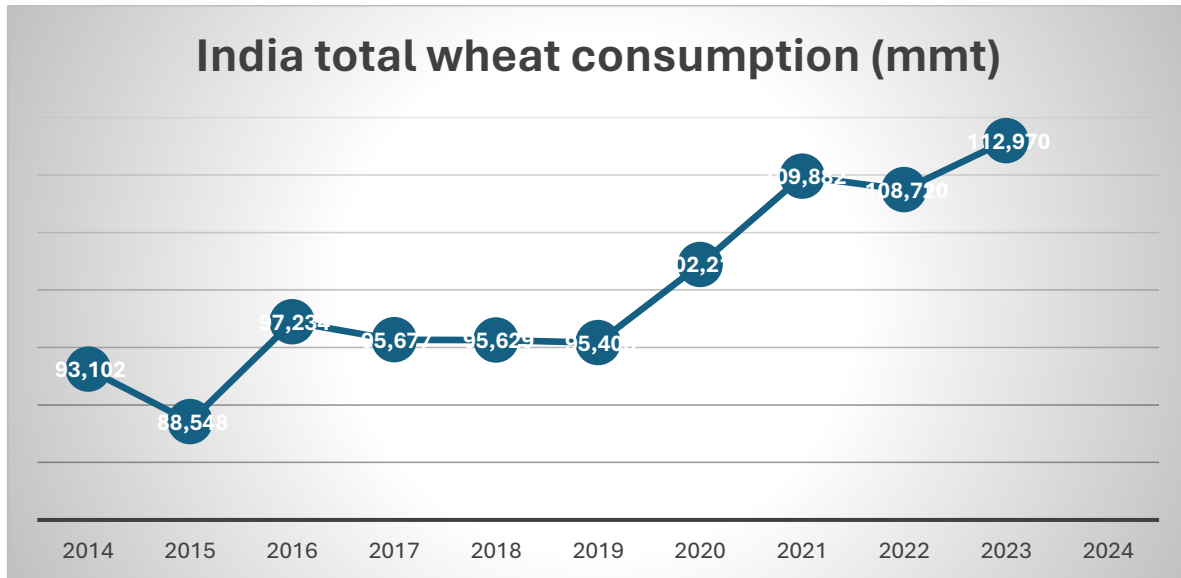
It's going to take continuing, worsening conditions to reduce yields lower than this table.

This week's forecast still misses SW KS, SE CO and the TX and OK Panhandles, but ...some of you will get wet, including Montana and the Canadian Prairies.

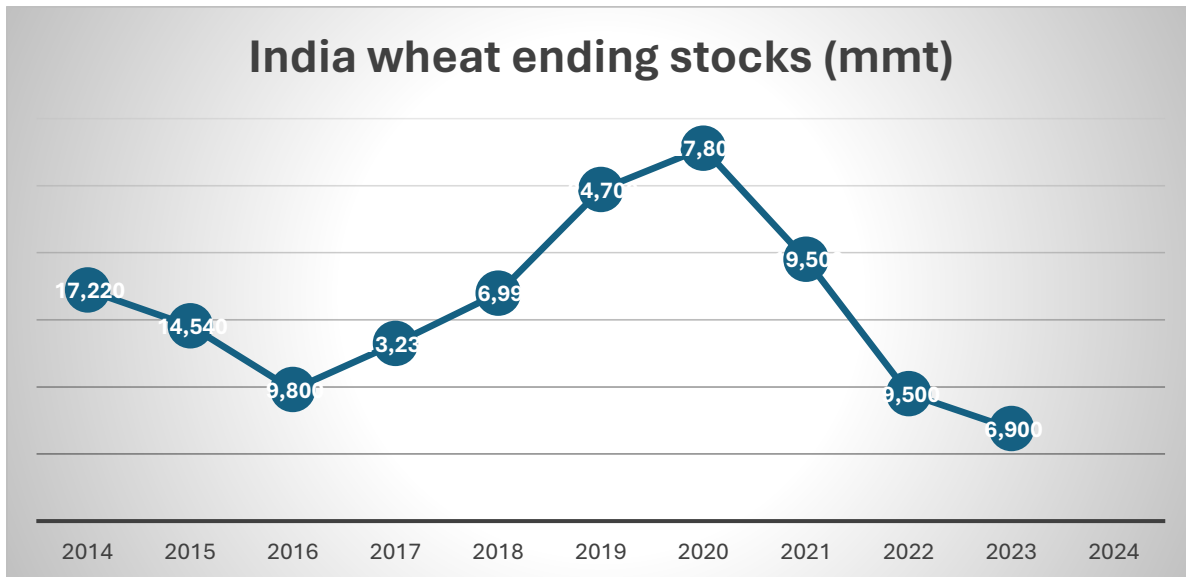


What about non-North American wheat?

You know I've been tracking that Indian wheat production for weeks. The real issue is Indian carryout stocks are too low, mainly because they are consuming basically everything they grow.



So it's crucial their current harvest is a boomer as they are down to fumes...



And latest Indian updates are so-so at best.

<https://www.hindustantimes.com/cities/chandigarh-news/haryana-mandis-empty-harvesting-to-pick-up-pace-by-baisakhi-101712449824401.html>

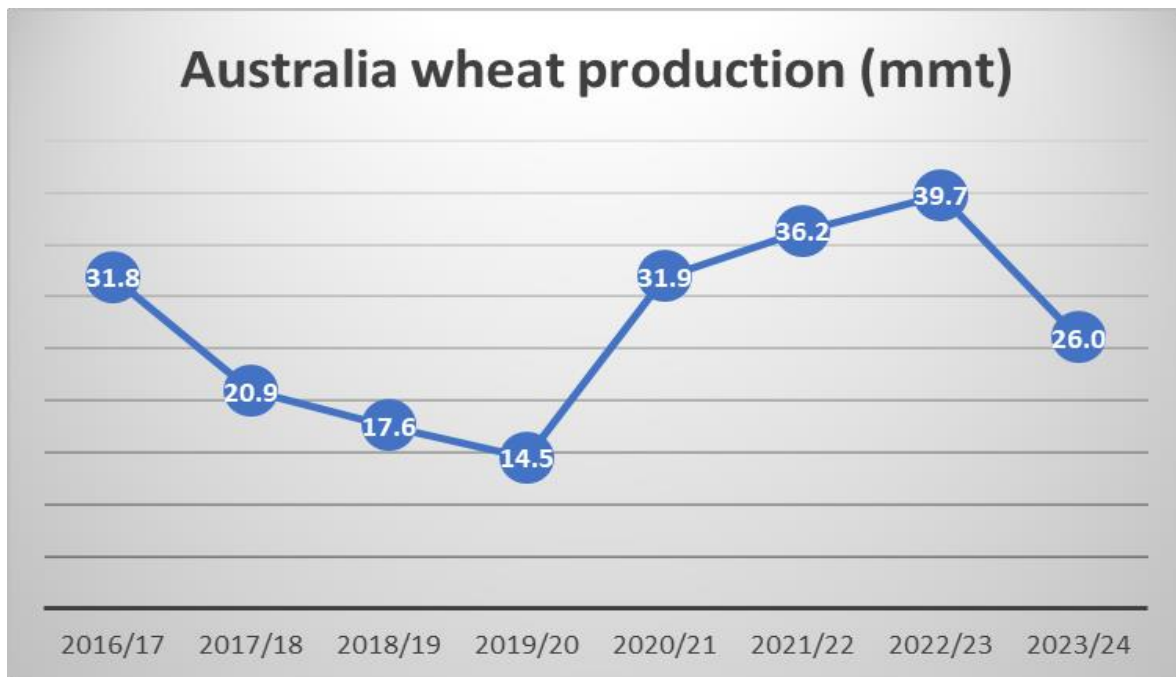
I'm not exactly sure what's going on here (burning wheat stubble?), but it's kinda interesting...

<https://www.msn.com/en-in/news/India/wheat-harvesting-farm-fires-back-in-punjab-102-reported-in-fortnight/ar-AA1nN3Mk>

I'm convinced India will need to import a chunk of wheat this year, and when those headlines hit the market, we'll see a pop. The rally would be more sustainable...IF Russia wasn't sitting on so much old-crop wheat, or faced a new-crop issue. And right on time, this story suggests it's getting too dry in the big HRW areas...<https://www.brecorder.com/news/40300625/eu-wheat-climbs-further-as-market-frets-on-dry-russia>

What is the potential real Black Swan?

It's Australia; the Aussies are either boom or bust,



and they affect China's buying decisions more than we know.

Here's a new article about China and Australia working together to combat Fusarium Head Blight. <https://www.msn.com/en-us/health/other/genetic-hope-in-fight-against-devastating-wheat-disease/ar-AA1nIDgO>

Current Australian conditions are dry, but we're not really going to worry about them for 5 or 6 months.

ANYWAY...I do NOT think we'll see a repeat of last week's big gains this week, but I don't think we see an immediate price collapse either. The first Winter Wheat Crop Production report comes out May 12. I suspect we get pretty quiet going into that report.

Posted Gulf to-arrive HRW bids rolled to the July and are **SHARPLY LOWER**. Fund futures buying was not created by increased demand for USA wheat:

GULF				
date	12 pro	11's	diff	
4/26/2024	105	95	10	N
4/19/2024	145	125	20	K
4/12/2024	145	125	20	
4/5/2024	145	125	20	

Posted basis bids in the country were mainly still over the May, and I suspect they hadn't realized the Gulf dropped 30c. IF these bids still exist, and you have unsold old-crop wheat to sell, **go hit these basis bids if you still can.**

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
04/26	\$5.56-\$6.04	\$5.66	\$5.54-\$5.64	\$5.41-\$5.66	\$5.61-\$6.26
04/19	\$4.92-\$5.17	\$5.02	\$4.87-\$4.97	\$4.87-\$5.02	\$4.97-\$5.62
04/12	\$5.00-\$5.25	\$5.10	\$5.00-\$5.10	\$4.95-\$5.10	\$5.05-\$5.70
04/05	\$4.97-\$5.17	\$5.02	\$4.92-\$5.02	\$4.87-\$5.02	\$4.97-\$5.62
03/29	\$5.00-\$5.20	\$5.05	\$4.95-\$5.05	\$4.90-\$5.05	\$5.00-\$5.65
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
04/26(K)	-90, -42	-80	-92, -82	-105, -80	-85, -20
04/19(K)	-90, -65	-80	-95, -85	-95, -80	-85, -20
04/12(K)	-90, -65	-80	-90, -80	-95, -80	-85, -20
04/05(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
03/29(K)	-85, -65	-80	-90, -80	-95, -80	-85, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
04/26(K)	-30	-25, -17	-45, -15	-40	
04/19(K)	-30	-25, -20	-45, -15	-40	
04/12(K)	-25	-25, -20	-40, -10	-40	
04/05(K)	-25	-25, -20	-35, -05	-40	
03/29(K)	-20	-25, -20	-35, -05	-40	

July corn, buoyed by wheat, and a slowing planting progress pace:



And probably the same thing can be said about July soybeans:



The Export Pace is fair-to good, especially for corn. We haven't loaded more than 60 mil bu of corn in a week since last May 2022! Corn's Export Sales were good too, at 51 mil bu. Wheat and bean sales were just ok.

WEEK ENDED (04/18/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	63.9	1193.9	175	1369	2,100	731	19	38.4
Soybeans	15.9	1414.2	60	1474	1,700	226	19	11.9
All wheat	16.5	604.1	100	704	710	6	06	1.0
Milo	7.2	172.1	5	177	255	78	19	4.1
LAST update								
Corn	52.4	1129.1	175	1304	2,100	796	20	39.8
Soybeans	15.9	1397.7	60	1458	1,700	242	20	12.1
All wheat	20.3	585.0	100	685	710	25	07	3.4
Milo	3.0	164.9	5	170	255	85	20	4.25

I think we start the week quietly, but if we get closer to the weekend, and wheat hasn't fallen apart, it wouldn't take much to get a higher weekly close and more Fund buying. If the weather is as wet as forecasted for the middle of the country, corn and beans will hang in there too.

Have a good week.

Stay Safe. Slow Down. Keep planting.

And if you haven't sold all your old-crop wheat, take advantage of this rally and let it go. If you haven't sold 50% of your new-crop wheat, this is a good opportunity to get caught up.