

Hello Colorado Wheat.

KC Wheat broke hard early last week, and then almost, but not quite...gained it all back. Although...Chgo (barely) and Mpls wheats did eke out new Blue numbers, as did Corn! and Soybeans!!

Crude oil backed off and the Stock Market avoided crashing through key support.

	JULY'24	DEC '24	JULY'24	DEC '24	Chgo N	Springs	JULY'24	NOV 24	Crude	S&P
	HRW	HRW	corn	corn	wheat	JULY (N)	beans	beans	oil	(M)
CLOSE	KWN24	KWZ24	CN24	CZ24	WN24	MWN24	SN24	SX24	CRD23	ES23
05/03	\$6.50	\$6.83	\$4.60	\$4.83	\$6.23	\$7.15	\$12.15	\$12.01	\$78.11	\$5155
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

Too wet weather in South America helped corn and beans, and too dry weather in Russia grabbed some media attention and helped wheat.

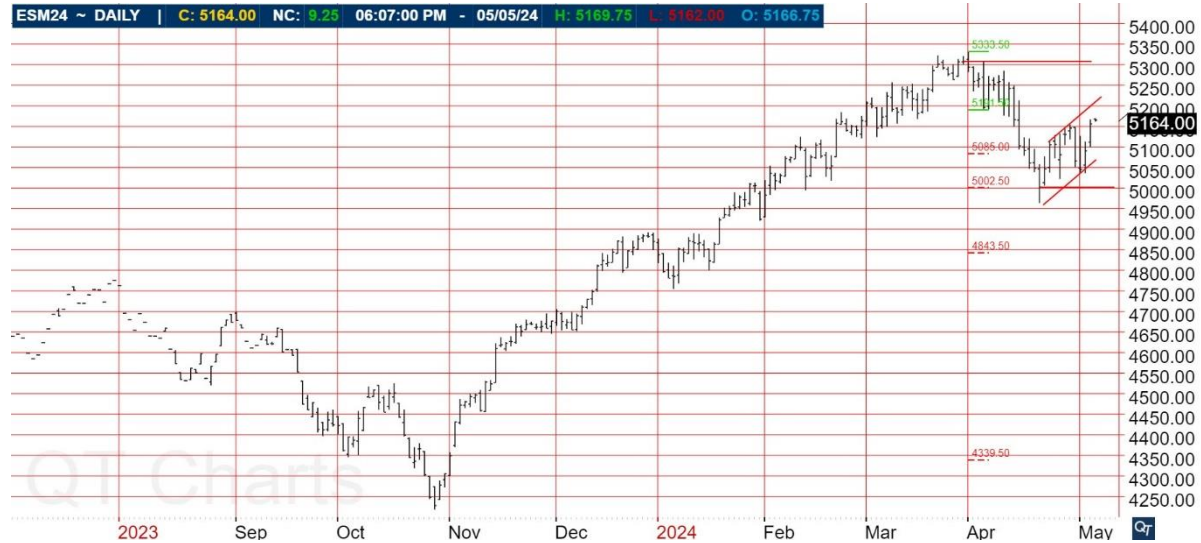
Can these rallies extend further? I'm leaning towards maybe. That means "we'd better study them".

One thing we need to keep in mind though is this Friday, we'll get the May WASDE update, which will give us our first official look at crop year 24/25. Also, winter wheat specifically gets a brand new Production update.

Those 2 reports will indeed be market movers, and combined with the weather, surely this week will be volatile. Are we ready??

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

Before we get into the Grains, here's the updated Stock Market (E mini) chart showing key support (11-week Closing Low) remains intact just above the 5000 level. I drew a Price Count Down using the sell signal generated when the little double-bottom at about 5190 broke down. The 4 targets identified were 5085, 5002, 4843 and 4339. The first two targets were hit, and then we got a bounce, and the market is trying to work higher in the identified channel.



A close above 5200 would render the price Count Down as fulfilled, and then we'd go see if we can march higher and take out key resistance above 5300. A close below the 5000 area says look out below. Experience says...over the long run, the stock market goes one way, and that is not lower.

Moving on...to soybeans, which rallied on potential South American crop losses due to flooding.



The problem I have with getting bullish on “too wet” is...a few days of dry weather and it’s like “what flood?”

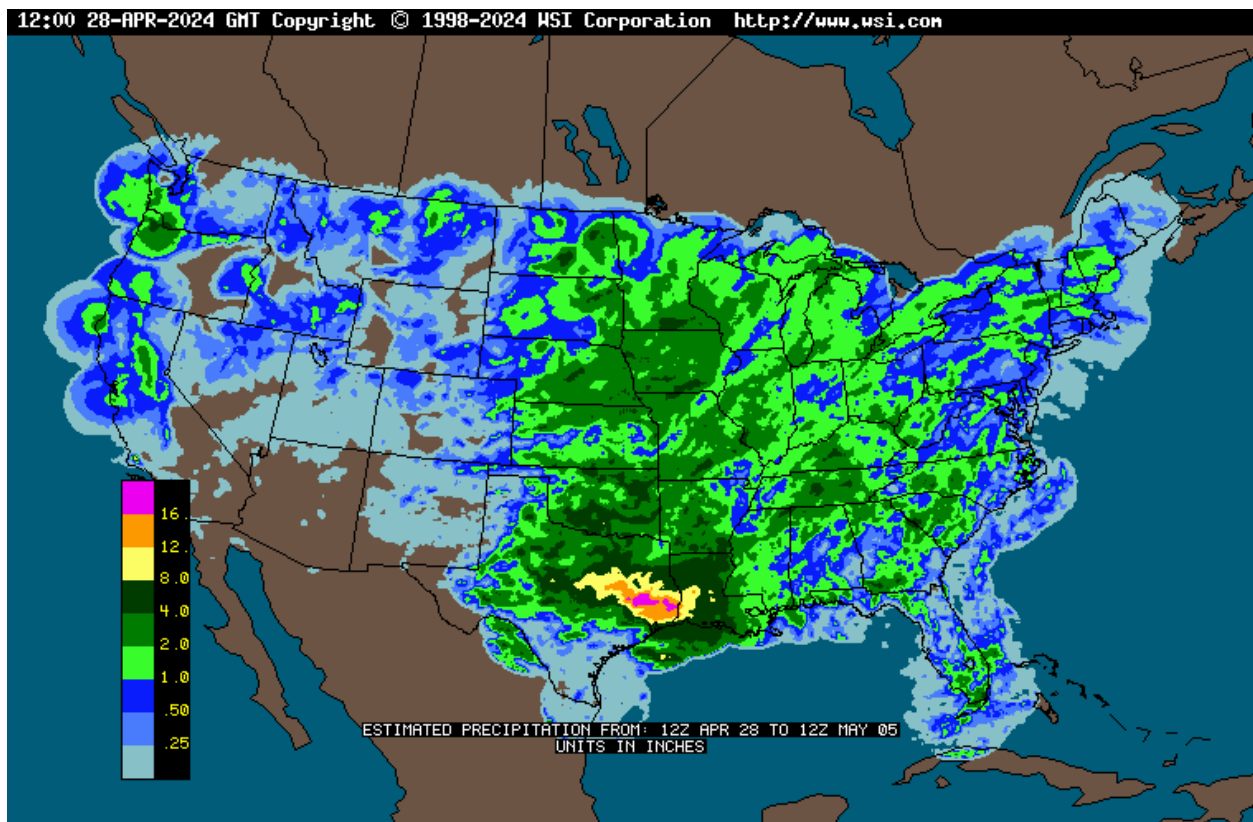
Pull out your weather app on your iPhone and look at our old friends Sinop and Cuiba, and we see 10 days of sunshine.

You know that raises the hair on the back of my Bear neck.

Well, hmm. How about the USA?

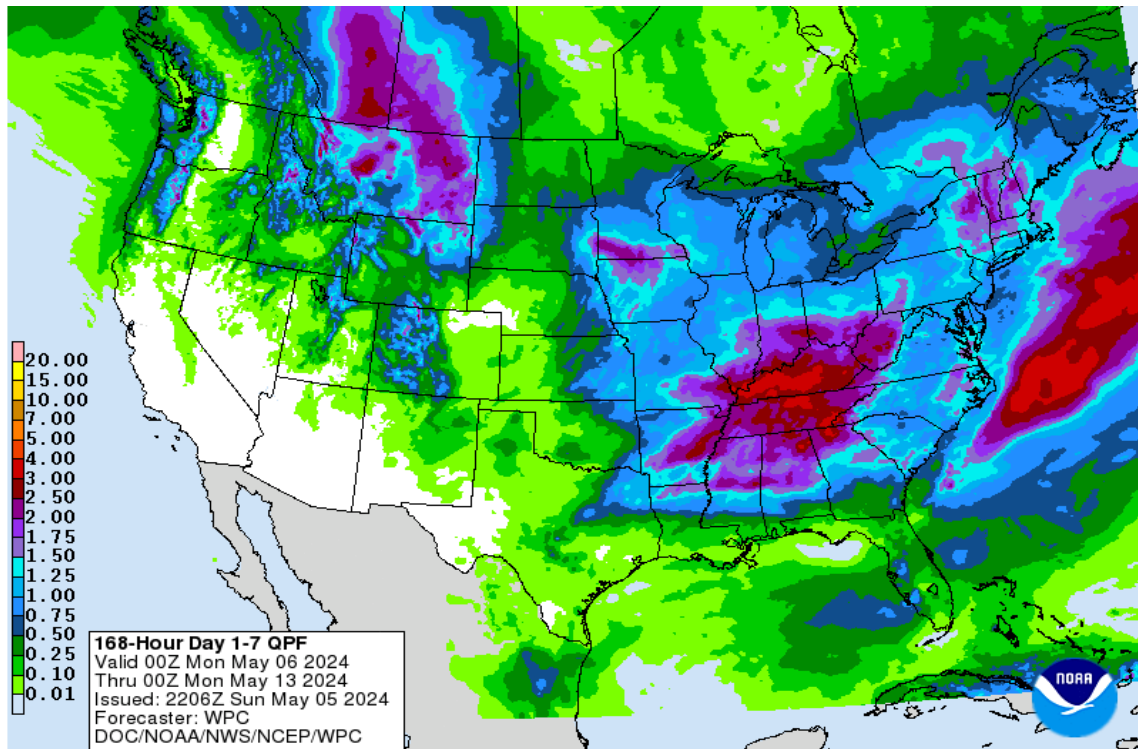
Last Monday’s Planting Progress had USA soybeans 18% planted, up from the previous week’s 8%, and the average of 10%, and USA corn planting had progressed to 27% planted, compared to 12% the previous week and the average of 22%, so actually USA planting was ahead of normal.

BUT, last week was wet.

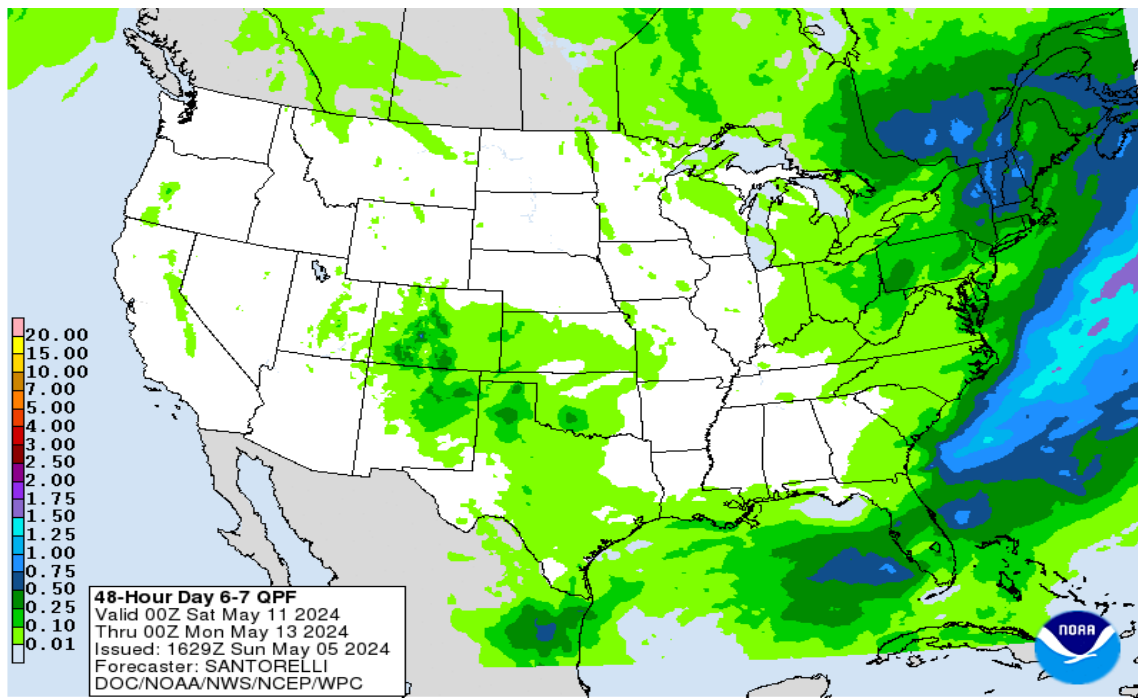


SO I expect the new update Monday afternoon won’t show much progress, and will now be “slower”, closer to the long-term averages.

More importantly, the forecast is STILL on the wet side:



I'm calling the weather a push at best. I see better conditions for South America as a bearish input, but USA weather is currently forecast as being too wet **early** this week, and that's important, as the map for Day 6 & 7 looks like clear sailing



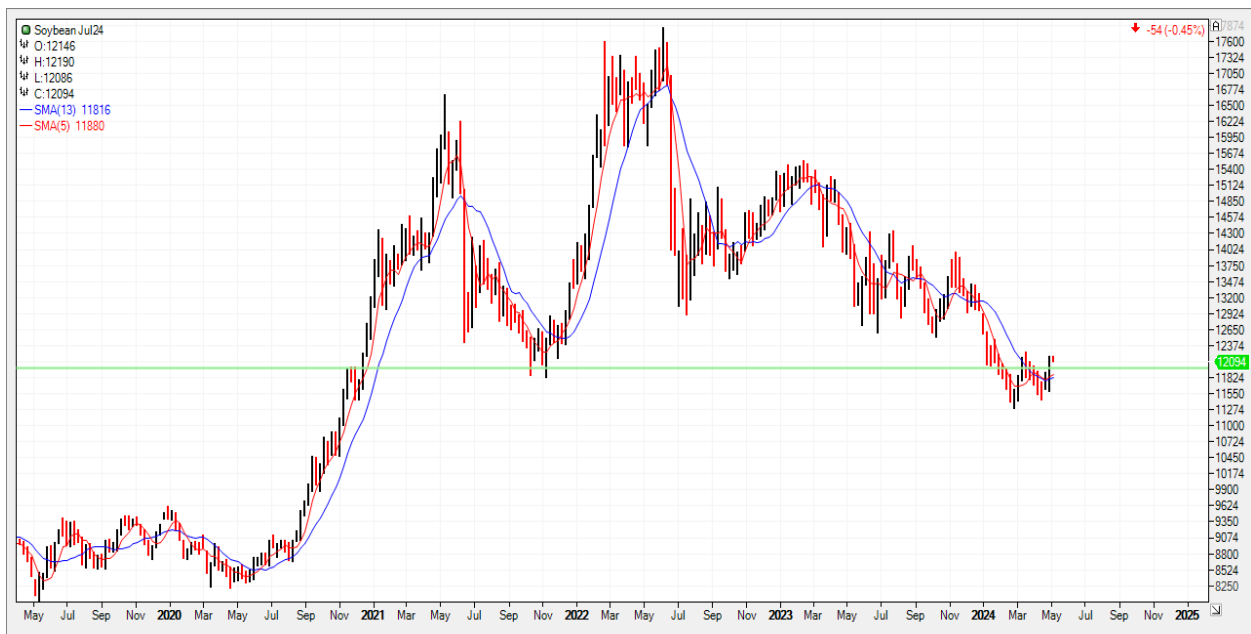
The updated Nov bean chart shows the close just above \$12.00 was a new Blue Line. Blue Lines are resistance, until we know better, and as I've only sold 10% of my expected 24/25 soybean production, **I'm selling another 10% RIGHT NOW**, as soon as you read this. That way I'll be 20% sold going into the brand-new Supply and Demand coming out this Friday morning.

Nov beans here, after Sunday night's 3c higher open, currently down a nickel:



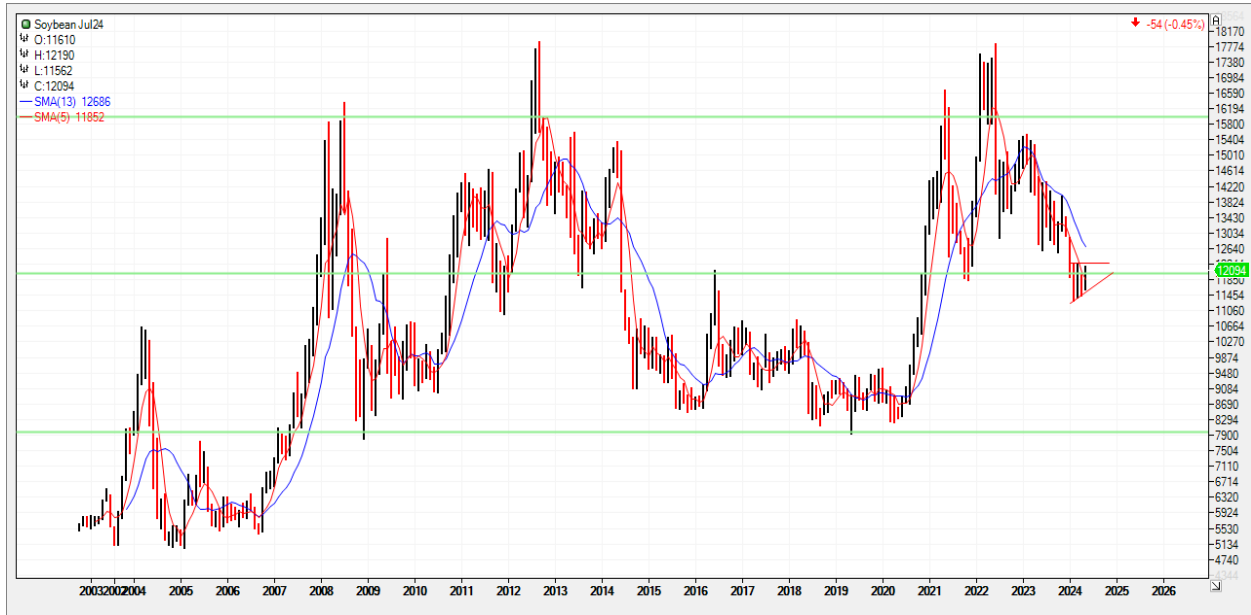
This chart isn't really showing sell signals, other than we know (think?) \$12.00 is a long term line that means ...something.

Let's look at a longer-term chart; here's weekly continuous nearby beans, with a lateral line at \$12.00, which was the breakout to the upside level in November of 2020.



For the heck of it, here's a monthly continuous nearby Bean chart, going back to 2004. I added parallel lines at \$8.00 and \$16.00. I also drew in a Bear Flag, from about the last 4 months. It points lower, and that would be the expected direction. For the record, if it breaks out higher, a failed sell signal is a good buy signal, so...we will keep our eye on this very long-term view.

But in the mean time, we'll get that 10% sold, as again, we can see, \$12.00 is an action level.



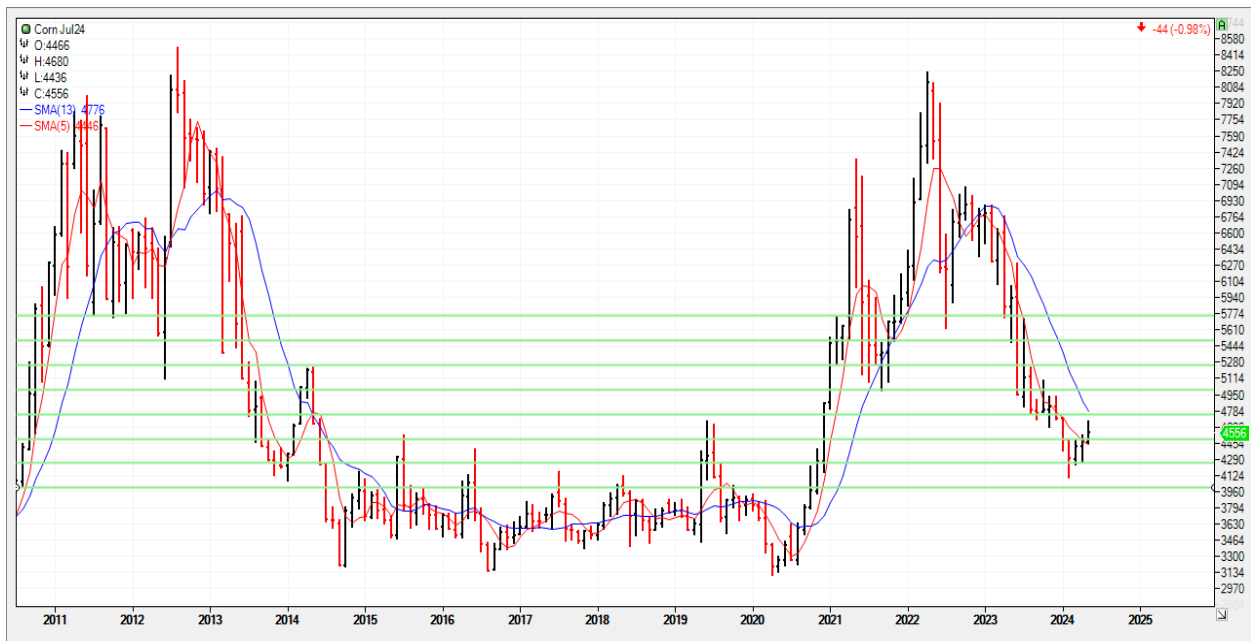
This Export Pace shows the old-crop bean pace slowing, although old-crop bean sales of 15 million bu to basically non-Chinese buyers was interesting. I do not think we'll see a change to the USA old-crop soybean export forecast on the May WASDE update Friday. Corn's pace is ok, but last week's export sales were only 30 mil bu, so I don't think we'll see a corn export change to the forecast either. Wheat, on the other hand, should see a slight increase for this year, assuming my 100 mil bu "fudge factor" is a good estimate.

WEEK ENDED (04/25/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	48.3	1245.0	175	1420	2,100	680	18	37.7
Soybeans	9.2	1423.7	60	1484	1,700	216	18	12.0
All wheat	17.7	621.8	100	722	710	-12	05	0.0
Milo	2.8	174.9	5	180	255	75	18	4.2
LAST update								
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

Here's new-crop Dec corn, posting a new Blue line Friday, trying to convincingly move above the \$4.75 lateral and go test the lateral at \$5.00. I still have resting sell paper in at \$4.99 on 15% of my expected corn production, which would get me to 50% sold, if hit:



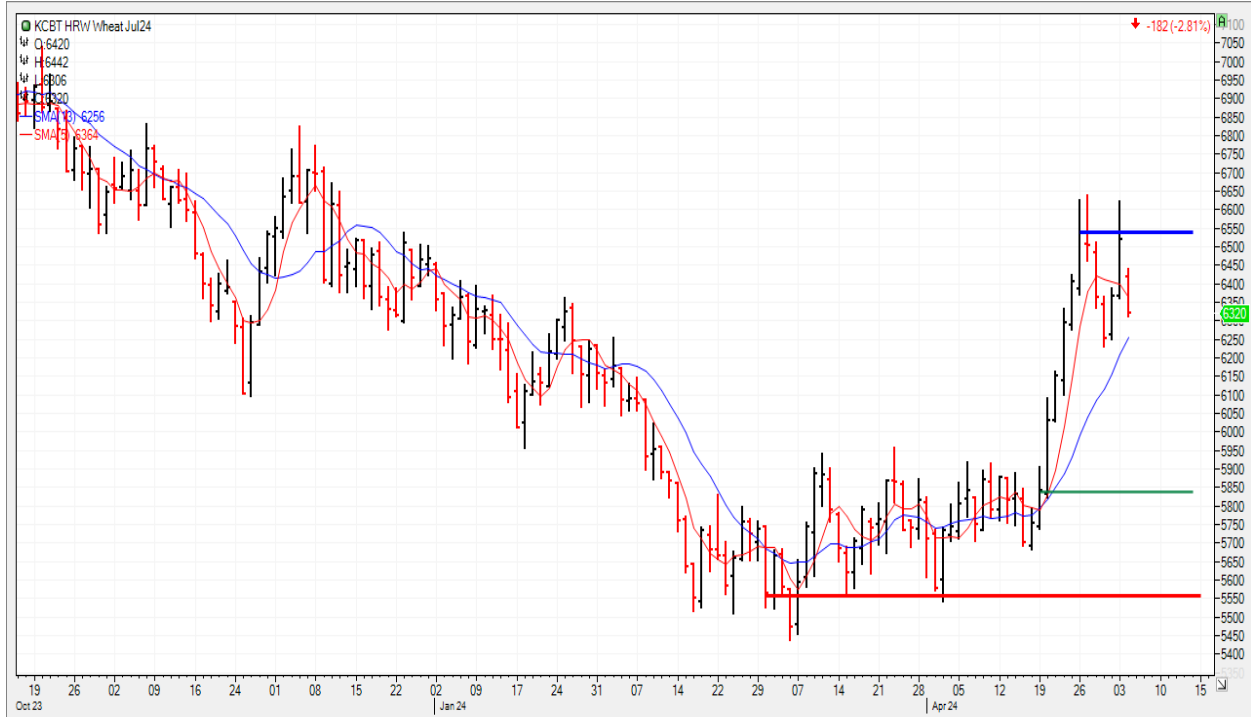
This is a weekly continuous nearby corn chart with the lateral lines drawn in every 25c...as I think they exist and are a real deal, not too dissimilar from The Bermuda Triangle or The Tonganoxie Split https://www.yahoo.com/news/does-tonganoxie-split-protect-kansas-212547131.html?fr=sycsrp_catchall



(Those weather “experts” know nothing.)

Did you get any unsold old-crop wheat sold last week? Or did you get caught up on some new-crop? (I'm at my 50% limit.) Sunday nite action is showing KC down 18c, with Chgo only down a dime.

I still believe this rally was a gift, and this chart is scary as it shows a big airpocket below the market, as the 4-week Closing low is down at \$5.83:



USA weather has been a factor. Last week I showed my expected HRW (and HWW) wheat production of 780 mil bu, which is 150 mil bu lower than what conditions implied at the beginning of winter. The problem with getting too pumped about that 150 mil bu reduction is...780 mil bu would still be 165 mil bu more than last year's production.

Conditions net didn't change much on last Monday's conditions report. This is same as last week's table:

yields	yields expected	yields expected	production	production expected	production expected	
2023/24	Feb'24	NOW	2023/24	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

We will soon see if NASS has a different opinion.

The new Production report will be incorporated into the new WASDE, and we'll have something to really dig into. I know that's geeky, but it's kinda exciting in a nerdy way.

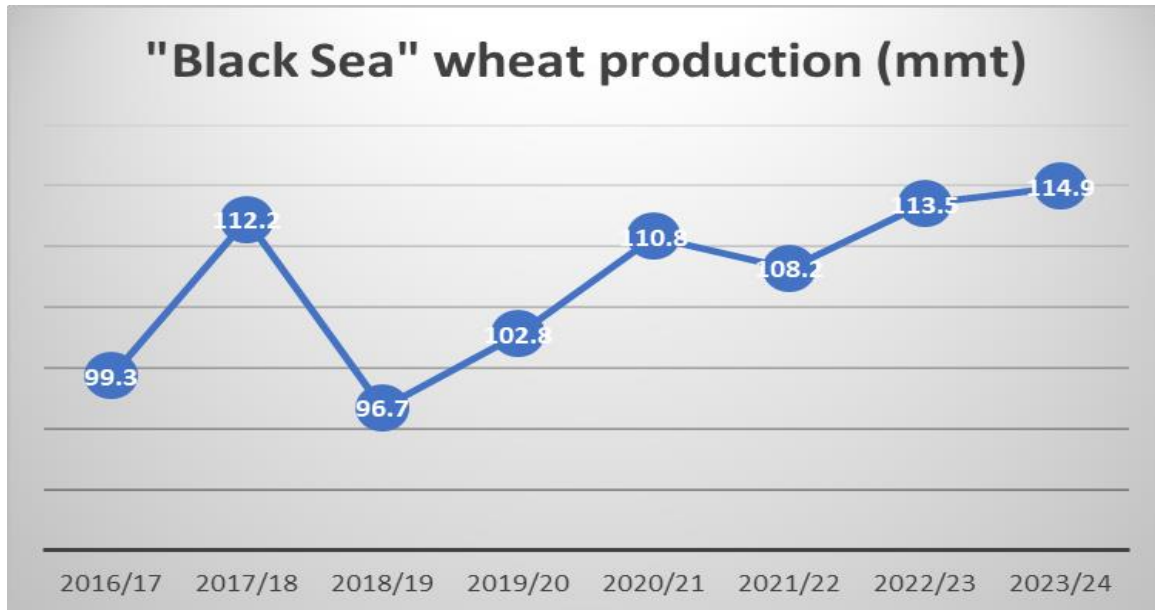
Posted Gulf bids did not change. I saw we loaded a HRW boat to Nigeria last week, but it was switched from "Unknown Destinations", and thus wasn't really new business.

GULF date	12 pro	11's	diff	
5/3/2024	105	95	10	
4/26/2024	105	95	10	N
4/19/2024	145	125	20	K
4/12/2024	145	125	20	

Posted basis bids in the country are still in a flux; the C KS Terminal basis bids are weaker:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
05/03	\$5.55-\$6.00	\$5.70	\$5.50-\$5.60	\$5.45-\$5.70	\$5.60-\$6.40
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
05/03(N)	-95, -50	-80	-100, -90	-105, -80	-90, -10
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
Date	Concordia	Salina	Hutch/Wichita	Ark City	
05/03(N)	-35	-25, -22	-52, -20	-45	
04/26(K)	-30	-25, -17	-45, -15	-45	
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	

Besides the USA wheat updates, eyes will also want to see what the USDA thinks about the Black Sea. This is Russia and Ukraine's wheat production combined. It does not include Romania, or Moldova, and technically, for a true "Black Sea" chart, it probably should.



When I look at Volgograd weather on my phone, I see 10 days of dry weather, and it's been dry for quite a while now. If you feel the need for more detail, Karen Braun's Reuter's article has more than enough...<https://www.reuters.com/markets/commodities/cooler-may-could-rescue-russian-wheat-crop-after-record-hot-april-2024-05-03/?n=@>

(Speaking of more details than one could ever want...this editorial article complaining about Pakistan's wheat situation handled by their government is inciteful, but I'm pretty sure the author has an agenda... <https://www.brecorder.com/news/40301865>)

We'll also want to see the USDA's ideas about China and India. This article and another said they expect Indian wheat harvest to be finished in ONE WEEK.

<https://www.tribuneindia.com/news/punjab/50-wheat-yet-to-be-lifted-from-muktsar-mandis-618253>

And we'll look at what the USDA thinks about Europe, Canada and Argentina.

Will be lots of data, no doubt. Will be fun.

Have a good week. Keep planting.

Stay Safe. Slow Down.

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