

Hello Colorado Wheat.

Wheat kept on rallying early in the week, making me feel better about not adding to previous sales...but fizzled and then back pedaled, closing lower for the week when the bell rang, making me think maybe I shoulda done something. KC settled down 12c for the week. The market has probably factored in about a 3 mmt Russian wheat crop reduction, down to 85 mmt on the next WASDE (June 12) update.

Corn fared worse, down 19c, as “planting season” is basically over (we’re now in June), and growing weather has been relatively good. Soybeans just gave up; good weather and another week of non-existent new-crop export sales make the market want to probe the downside to find some demand. Nov beans closed below \$12, maybe turning that price floor into a price ceiling.

Crude oil looks increasingly heavy, and the stock market is stuck around the 5300 level, trying to decide if it can move higher in the face of persistent inflation, which makes interest rates cuts more unlikely.

All-in-all this was a rough week for the Bulls, and I assume...this week will start Under Pressure. Go ahead and cue up David Bowie and Queen’s 1981 classic...because it’s coming.

	<b>JULY</b> '24 HRW	<b>DEC</b> '24 HRW	<b>JULY</b> '24 corn	<b>DEC</b> '24 corn	Chgo <b>N</b> wheat	Springs <b>JULY (N)</b>	<b>JULY</b> '24 beans	<b>NOV</b> 24 beans	Crude oil	S&P (M)
CLOSE	KWN24	KWZ24	CN24	CZ24	WN24	MWN24	SN24	SX24	CRD23	ES23
<b>05/31</b>	<b>\$7.09</b>	<b>\$7.42</b>	<b>\$4.46</b>	<b>\$4.67</b>	<b>\$6.79</b>	<b>\$7.40</b>	<b>\$12.05</b>	<b>\$11.85</b>	<b>\$76.99</b>	<b>\$5299</b>
05/24	<b>\$7.21</b>	<b>\$7.53</b>	\$4.65	\$4.88	<b>\$6.97</b>	<b>\$7.53</b>	<b>\$12.48</b>	<b>\$12.20</b>	<b>\$77.72</b>	\$5322
05/17	\$6.62	\$6.97	\$4.53	\$4.77	\$6.51	\$7.12	<b>\$12.28</b>	\$12.03	\$80.06	<b>\$5327</b>
05/10	<b>\$6.73</b>	<b>\$7.05</b>	<b>\$4.70</b>	<b>\$4.92</b>	\$6.64	<b>\$7.20</b>	\$12.19	\$12.06	\$78.26	<b>\$5246</b>
05/03	<b>\$6.50</b>	<b>\$6.83</b>	<b>\$4.60</b>	<b>\$4.83</b>	<b>\$6.23</b>	<b>\$7.15</b>	<b>\$12.15</b>	<b>\$12.01</b>	<b>\$78.11</b>	\$5155
04/26	<b>\$6.54</b>	<b>\$6.85</b>	\$4.50	\$4.74	<b>\$6.22</b>	<b>\$7.04</b>	\$11.77	\$11.75	\$83.85	\$5132
04/19	\$5.83	\$6.12	<b>\$4.43</b>	<b>\$4.66</b>	<b>\$5.67</b>	\$6.53	<b>\$11.66</b>	<b>\$11.61</b>	<b>\$82.22</b>	<b>\$5004</b>
04/12	\$5.87	\$6.17	\$4.47	\$4.72	\$5.71	<b>\$6.50</b>	\$11.87	\$11.76	\$85.66	<b>\$5168</b>
04/05	\$5.80	\$6.11	\$4.47	\$4.73	\$5.82	\$6.57	\$11.97	\$11.85	<b>\$86.91</b>	\$5253
03/29	<b>\$5.80</b>	<b>\$6.09</b>	<b>\$4.55</b>	<b>\$4.78</b>	\$5.76	\$6.53	\$12.05	\$11.86	<b>\$83.17</b>	<b>\$5308</b>
03/22	\$5.85	\$6.13	\$4.52	\$4.75	\$5.70	\$6.66	\$12.06	\$11.87	\$80.63	<b>\$5293</b>
03/15	<b>\$5.60</b>	<b>\$5.87</b>	\$4.49	\$4.71	<b>\$5.44</b>	\$6.54	<b>\$12.13</b>	<b>\$11.91</b>	<b>\$81.04</b>	\$5183

*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*

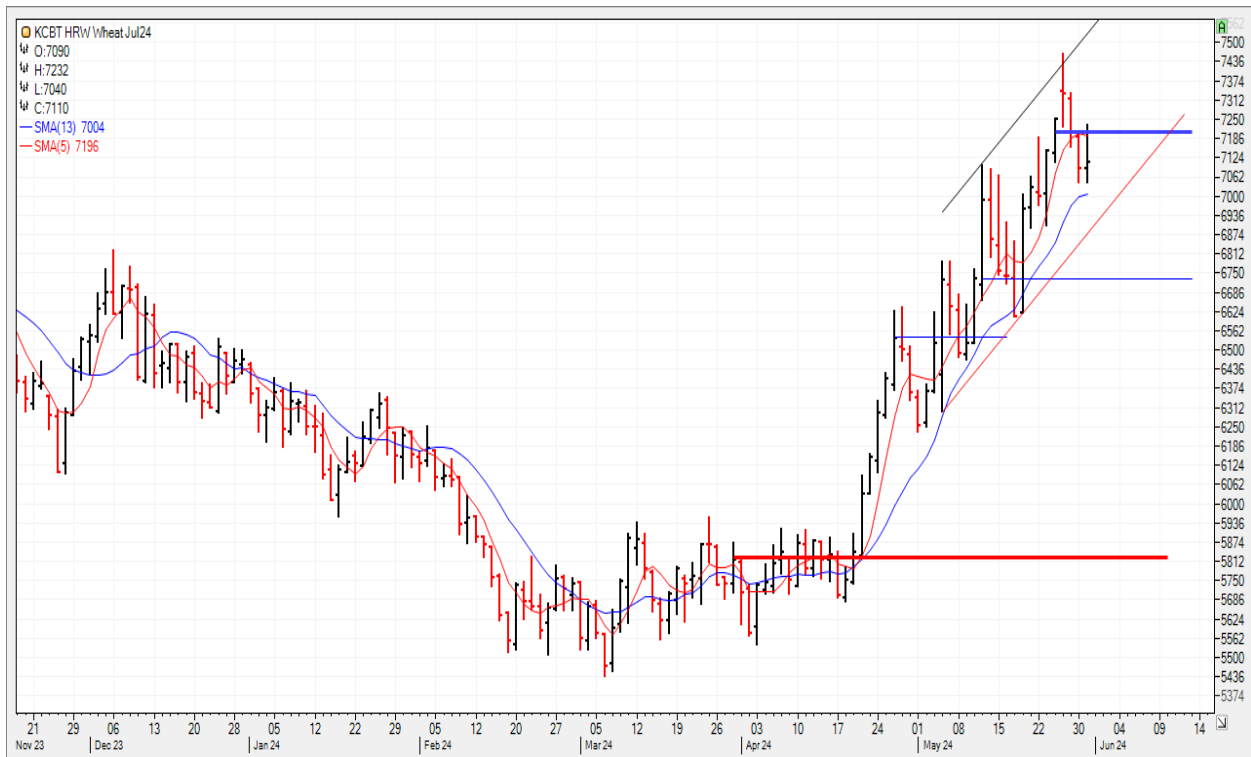
Wheat faced a mixed bag last week. RusGrain Union said their consensus Russian wheat production estimate is not quite 85 mmt (The USDA was last at 88 mmt), although there are lower estimates out there, some down to about 82 mmt. Last week we mentioned IKAR's 81.5)

**In a widely expected move, India will reduce their wheat import tax, and import 3 to 5 mmt of mainly Russian wheat** (<https://www.gulftoday.ae/opinion/2024/05/29/india-set-for-wheat-imports-after-six-years>).

**BUT** Europe slapped import tariffs on Russian wheat, so it seems like there will be plenty of Russian wheat available. <https://www.barrons.com/news/eu-states-agree-prohibitive-tariffs-on-russia-grain-imports-4fcbda03>

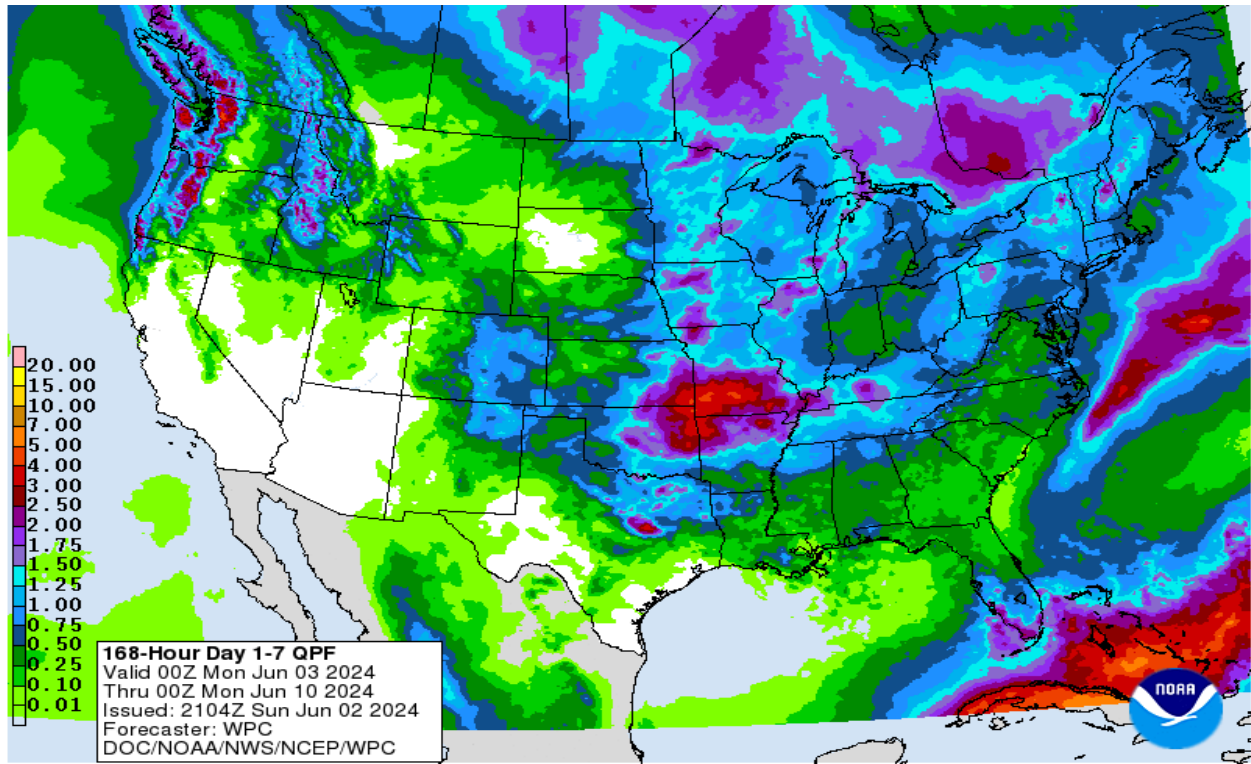
Thus we get a KC July wheat chart that probably will test support just above \$7.00 this week (\$7.04 was Thursday and Friday's lows). There is also a little double-bottom of support at \$6.89 that I expect to hold. I've drawn in a manual channel (2 uptrending parallel lines) and I think the lower line will be supportive.

As I have unsold wheat, I would NOT like to see these moving averages cross.



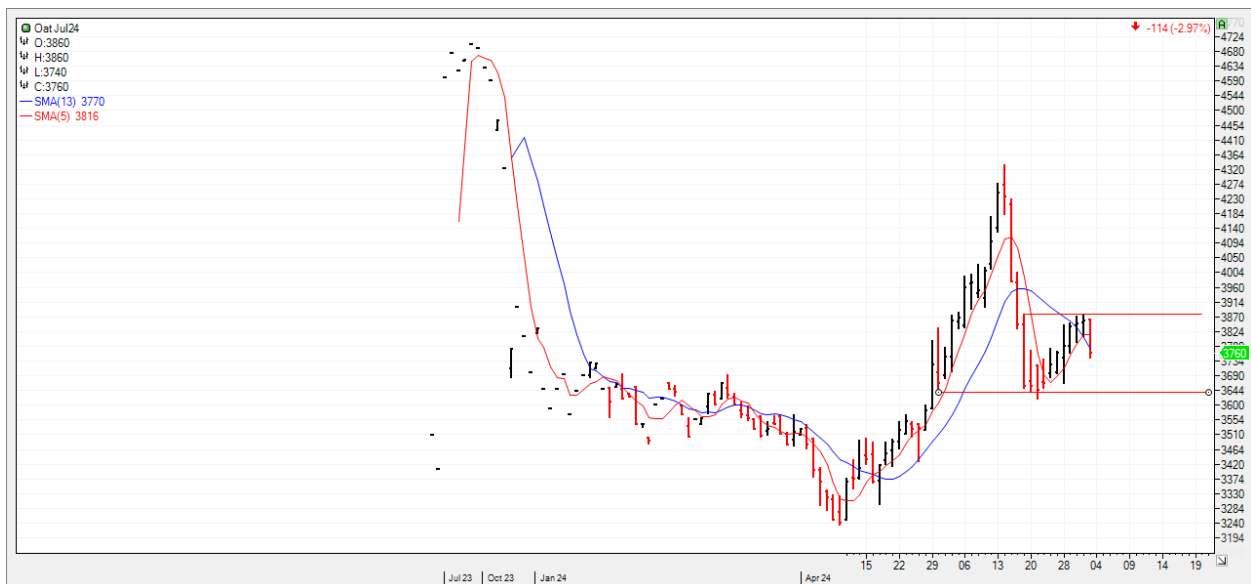
Anyway, I will continue to sit on 50% unsold, so far unharvested wheat, but I admit I do NOT like the looks of that wheat chart, **and for me to sit on any unsold wheat after it's harvested is going to be very difficult for me to recommend.**

Monday's crop progress and conditions is expected to show corn planting is more than 90% finished. I think we'll get a corn conditions report that looks pretty good. IF ALL OF THAT IS TRUE...then this week's weather forecast doesn't look too scary either way:



(Nor does it look bad for the bulk of the Wheat Belt, where harvest has not yet started. And some wheat bushels could be made in Eastern Colorado, and North American Spring wheat would benefit as well.)

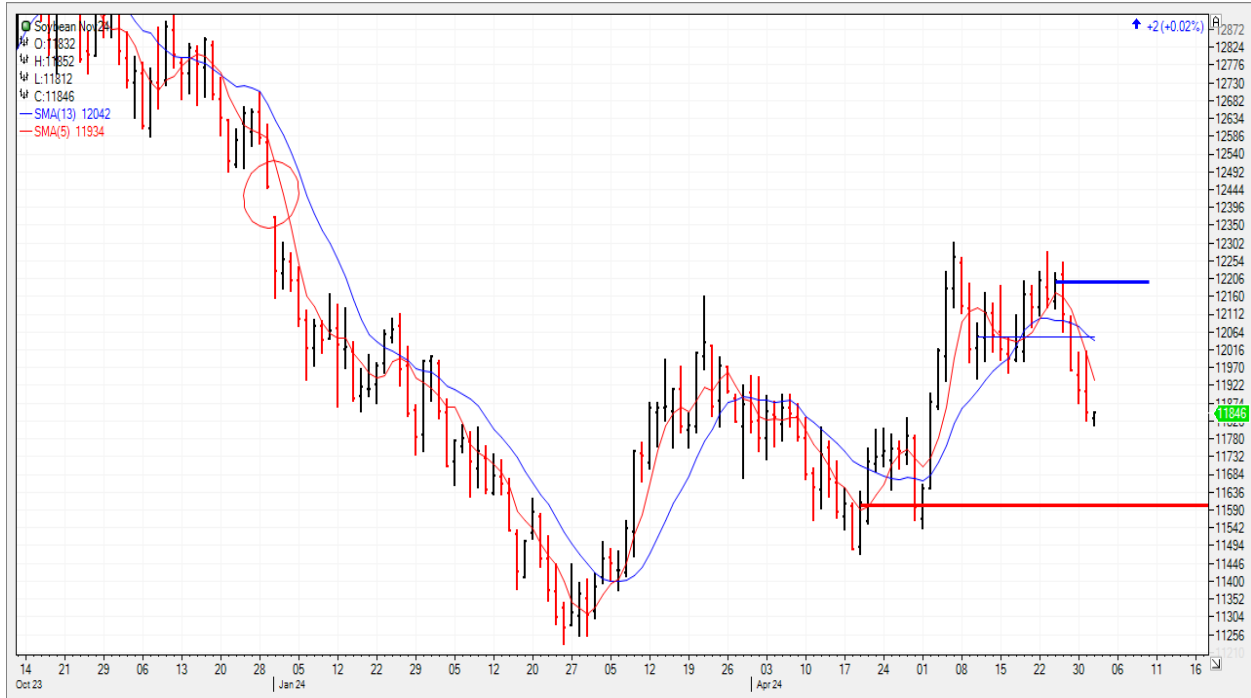
For the record, there may be a “too wet” concern in Manitoba, specifically for oats. But the July oat chart doesn't show any concern.



Dec corn...looks bad. Like in ...really bad. I did NOT get my \$4.99 resting paper filled, and that hurts. Friday's Dec corn close of \$4.67 was a penny above the 11-week Closing Low Red Line. I suspect we'll move lower to the \$4.60 area, and see if that can hold.



Nov beans look like that Dec corn chart...heavy:



Besides getting USA corn and beans planted, on an average pace, dodging rain...and then emerging and growing...**we're NOT seeing encouraging pace of export sales.**

This loading schedule focuses on old-crop loading pace, which is fine (kinda slow last week)...

<b>WEEK ENDED (05/23/24)</b>	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	42.4	<b>1429.2</b>	<b>175</b>	1604	<b>2,150</b>	546	<b>14</b>	<b>39.0</b>
Soybeans	7.8	<b>1468.6</b>	<b>60</b>	1529	<b>1,700</b>	178	<b>14</b>	<b>12.2</b>
All wheat	14.6	<b>672.1</b>	<b>100</b>	772	<b>720</b>	<b>-52</b>	<b>01</b>	<b>0.0</b>
Milo	1.9	<b>192.6</b>	<b>5</b>	198	<b>255</b>	57	<b>14</b>	<b>4.1</b>
LAST update								
Corn	47.7	<b>1386.2</b>	<b>175</b>	1561	<b>2,150</b>	589	15	<b>39.3</b>
Soybeans	6.8	<b>1460.5</b>	<b>60</b>	1521	<b>1,700</b>	179	15	<b>11.9</b>
All wheat	7.6	<b>656.6</b>	<b>100</b>	757	<b>720</b>	<b>-37</b>	02	<b>0.0</b>
Milo	4.9	<b>190.7</b>	<b>5</b>	196	<b>255</b>	59	15	<b>3.9</b>

But Export Sales are dismal. Old-crop corn sales were 32 mil bu, but new-crop corn sales were only 15 mil bu. Old-crop soybean sales were 12.1 mil bu, but new-crop beans sold were LESS than 1 mil bu! Yucky. New-crop wheat sales were about 14 mil bu, about 1 mil bu less than what will be needed to hit the new-crop wheat export sales forecast of 775 mil bu.

There have been 3 small boats of HRW sold to Brazil lately, although nothing new last week, and these posted Gulf to-arrive HRW bids are unchanged:

GULF date	12 pro	<b>11's</b>	diff
5/31/2024	105	70	35
5/24/2024	105	<b>70</b>	35
5/17/2024	105	<b>80</b>	25
5/10/2024	105	95	10
5/3/2024	105	95	10

I don't see the USA directly benefitting from Europe's new import tariffs on Russian wheat, although they might make it more difficult for European to work INTO the States, maybe. Last week saw the MATIF European wheat futures drop \$8/mt, while US KC wheat futures only dropped about \$4.50/mt.

Nor will USA wheat work into India, but maybe we'll see better sales into Africa.

These posted basis bids were mainly unchanged, although if they moved, they moved a little higher. No one wants to miss harvest bushels by a few cents. When you get ready to haul new-crop to town, call around to make sure your regular destination is competitive.

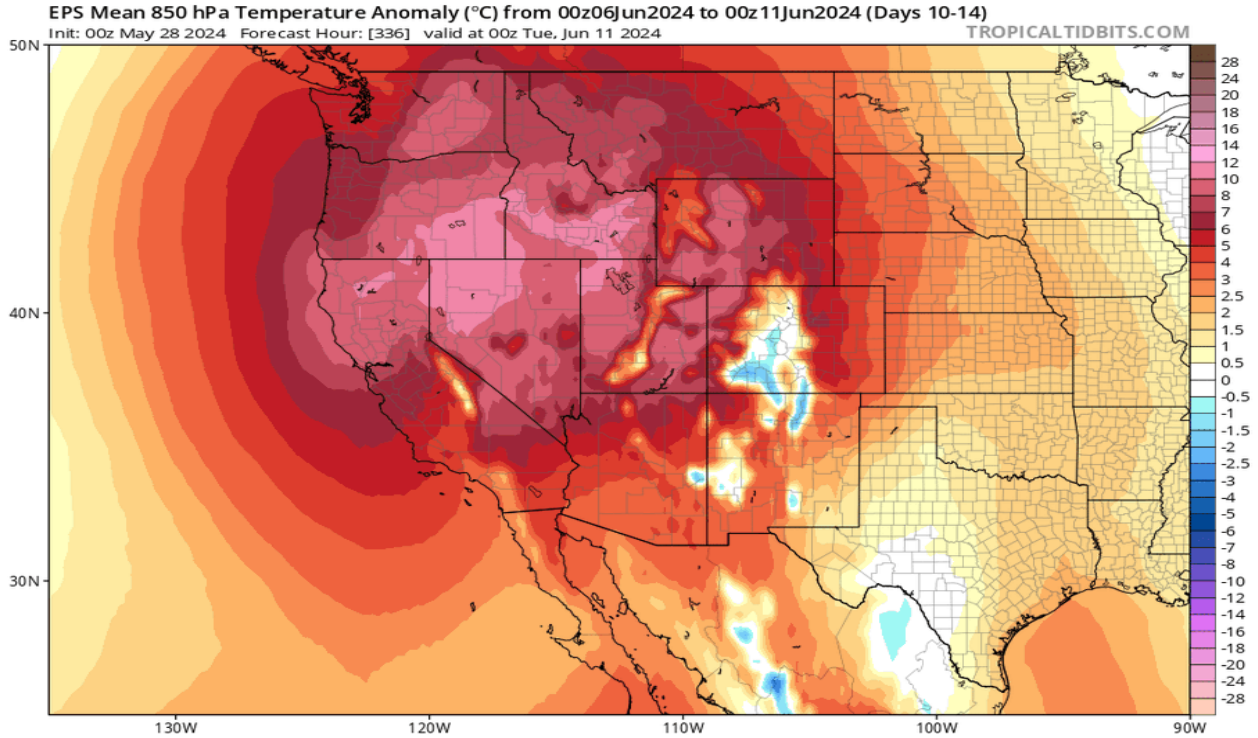
Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>05/31</b>	<b>\$6.14-\$6.54</b>	<b>\$6.24</b>	<b>\$6.09-\$6.19</b>	<b>\$6.04-\$6.24</b>	<b>\$6.19-\$6.89</b>
05/24	\$6.26-\$6.66	\$6.36	\$6.16-\$6.26	\$6.16-\$6.36	\$6.31-\$7.01
05/17	\$5.67-\$6.07	\$5.77	\$5.62-\$5.72	\$5.57-\$5.77	\$5.72-\$6.42
05/10	\$5.78-\$6.18	\$5.88	\$5.73-\$5.83	\$5.68-\$5.88	\$5.83-\$6.77
05/03	\$5.55-\$6.00	\$5.70	\$5.50-\$5.60	\$5.45-\$5.70	\$5.60-\$6.40

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>05/31(N)</b>	<b>-95, -55</b>	<b>-85</b>	<b>-100, -90</b>	<b>-105, -85</b>	<b>-90, -20</b>
05/24(N)	-95, -55	-85	-105, -95	-105, -85	-90, -20
05/17(N)	-95, -55	-85	-100, -90	-105, -85	-90, -20
05/10(N)	-95, -55	-85	-100, -90	-105, -85	-90, +04
05/03(N)	-95, -50	-80	-100, -90	-105, -80	-90, -10

Date	Concordia	Salina	Hutch/Wichita	Ark City
<b>05/31(N)</b>	<b>-30</b>	<b>-25, -15</b>	<b>-35, -10</b>	<b>-45</b>
05/24(N)	-30	-25, -15	-35, -10	-45
05/17(N)	-35	-25, -15	-35, -05	-45
05/10(N)	-35	-25, -15	-35, -05	-45
05/03(N)	-35	-25, -22	-52, -20	-45

Anyway...the charts look heavy, the weather is great, export sales are crummy. We know all that. We still don't know ...how things will actually turn out.

The West Coast is going to suffer a bad heat wave next week. It's possible the current Greenhouse known as The USA Corn Belt will be impacted. We've seen Montana and Canada have dry spells before...



The guy who posted that image said 2021 had a similar heat wave. <https://www.msn.com/en-us/weather/topstories/extreme-heat-forecast-for-western-us-may-kick-off-sweltering-summer-heres-the-outlook/ar-BB1ntErP>

This is Dec corn from 2021 (from QT Market Center, which has the ability to pull up expired contracts), and I drew in an ellipse at the spike low on 05/26/21 at \$5.00 and another ellipse at the spike high of \$6.28 on 06/10/21. Dec corn moved more than a buck in a couple of weeks. It then promptly lost a dollar(!) in the next 2 weeks. What the?...



Who knows how this will go. We'll of course monitor this, but it sure feels like we need something "bad" to keep these prices up here. Hot and dry weather could do it.

Have a good week.

Stay Safe. Slow Down as you get closer to Wheat Harvest , which I know is a stressful time.

Maybe you like ZZ Top's "You Got Me Under Pressure"... I like 'em both.