

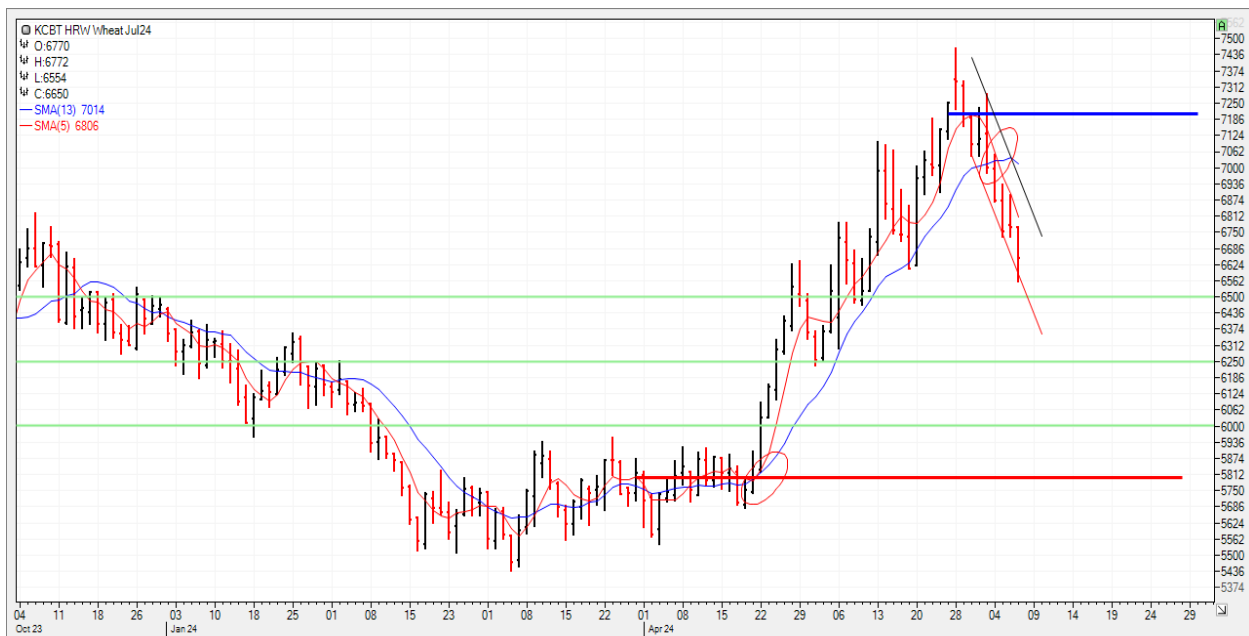
Hello Colorado Wheat.

Most Russian “analysts” have gravitated to an 80 mmt Russian wheat production estimate, which is 10% below the USDA’s May WASDE estimate, which pretty much has been the sole reason for wheat’s recent rally. The USDA will publish their June Russian estimate this Wednesday, but it won’t be that low, and those same Russian “analysts” will all uniformly dismiss the USDA’s number, even though...the USDA’s number will be the gold standard, as always. What pushed all of the Russian noise to the back burner late Thursday night was **Turkey’s** announcement that they **will ban wheat imports until October**, which could be as much as 5 million tonnes of Russian wheat piling up, possibly not needed. Combined with the new European import tariffs on Russian wheat...this was a bearish development. <https://www.msn.com/en-us/money/companies/turkey-halts-wheat-imports-to-support-domestic-producers/ar-BB1nTaHo?ocid=BingNewsSerp> no matter what the ultimate size of the Russian wheat crop is.

Russia of course issued a statement saying this is no big deal, but in that same statement, they also mentioned their official wheat production estimate is still 86 mmt, which is translated as they really have no idea yet...<https://interfax.com/newsroom/top-stories/103127/>

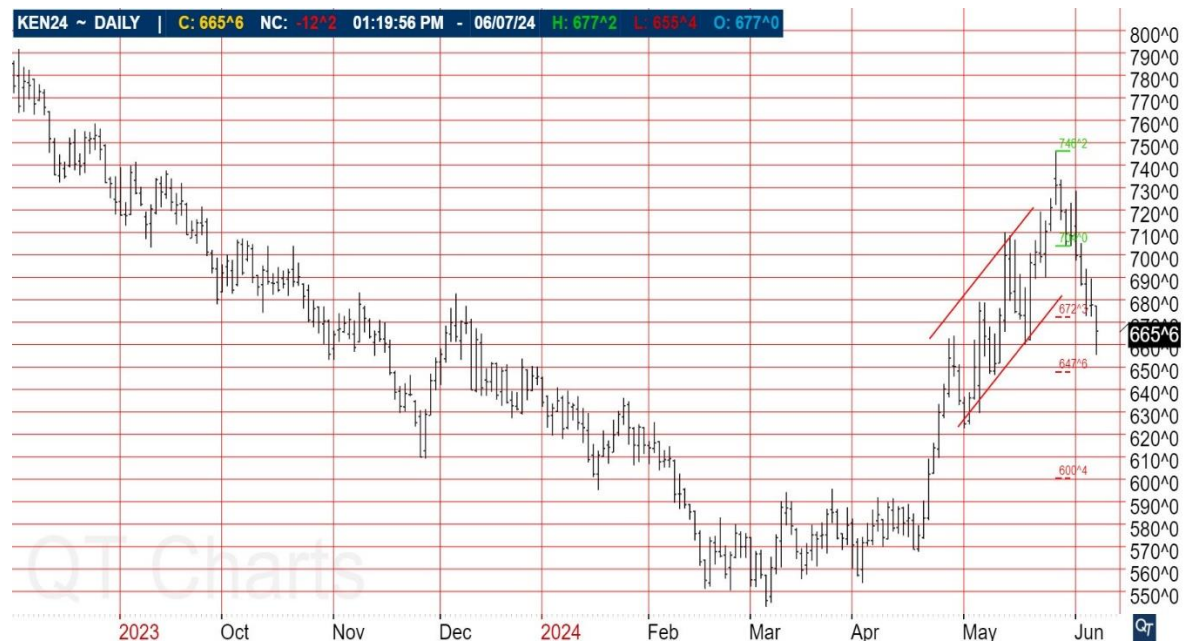
On top of all of that...the FAS USDA Ag Attache to India released an update on India, and left their wheat production estimate at 114 mmt, so I doubt the USDA will make any changes to their Indian projections this Wednesday <https://www.agcanada.com/daily/usda-attache-agree-on-record-wheat-crop-in-india>

Thus we get a KC July chart ...that came within 6c of the \$6.50 “big number” expected support area Friday before bouncing a dime to only finish down 12c for the day... Where to now?



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

Where to from here...was the question. Well, if we use a Price Count Down, from QT's Market center...there's a 50% chance KC July keeps moving lower to about \$6.00, which be the lowest green line shown on the T4 System's chart on page 1. YIKES! Six bucks was the area wheat broke out to the upside about April 22. Before we get there, of course, wheat would need to close below the other green lines shown, at \$6.50, and then \$6.25.



ANYWAY...I'm definitely kicking myself for not getting more wheat sold above \$7.00. I'm 50% sold, and this close to harvest, I could have moved it up to 75% sold...but I didn't, so now...I'm wearing it, and feeling plenty sheepish.

We'll get some new fundamental input clues in a few days, including more than likely an **INCREASED USA wheat production estimate**. I read Russia somehow sold a boat of HRW to Brazil, which mainly points out the **world wheat market is very competitive**, and thus I doubt we'll see an increase in the USA wheat export forecast, thus...I expect **we'll see an increase to USA wheat carryout, and a corresponding decrease to the USA wheat ending stocks/usage ratio**. Those are indeed bearish fundamental inputs.

The futures markets ended the week "defensively" (on it's tail) for wheat, with KC and Mpls down 43 to 45c, and Chgo was down 51c. Corn stabilized on the hotter and drier outlook...but soybeans weren't able to do that, and now \$12.00 is a ceiling instead of a floor in the new-crop.

	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)
<i>CLOSE</i>	KWN 24	KWZ 24	CN 24	CZ 24	WN 24	MWN 24	SN 24	SX 24	CRD 23	ES 23
06/07	\$6.66	\$7.00	\$4.49	\$4.67	\$6.28	\$6.95	\$11.79	\$11.58	\$75.53	\$5356
05/31	\$7.09	\$7.42	\$4.46	\$4.67	\$6.79	\$7.40	\$12.05	\$11.85	\$76.99	\$5299
05/24	\$7.21	\$7.53	\$4.65	\$4.88	\$6.97	\$7.53	\$12.48	\$12.20	\$77.72	\$5322
05/17	\$6.62	\$6.97	\$4.53	\$4.77	\$6.51	\$7.12	\$12.28	\$12.03	\$80.06	\$5327
05/10	\$6.73	\$7.05	\$4.70	\$4.92	\$6.64	\$7.20	\$12.19	\$12.06	\$78.26	\$5246
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

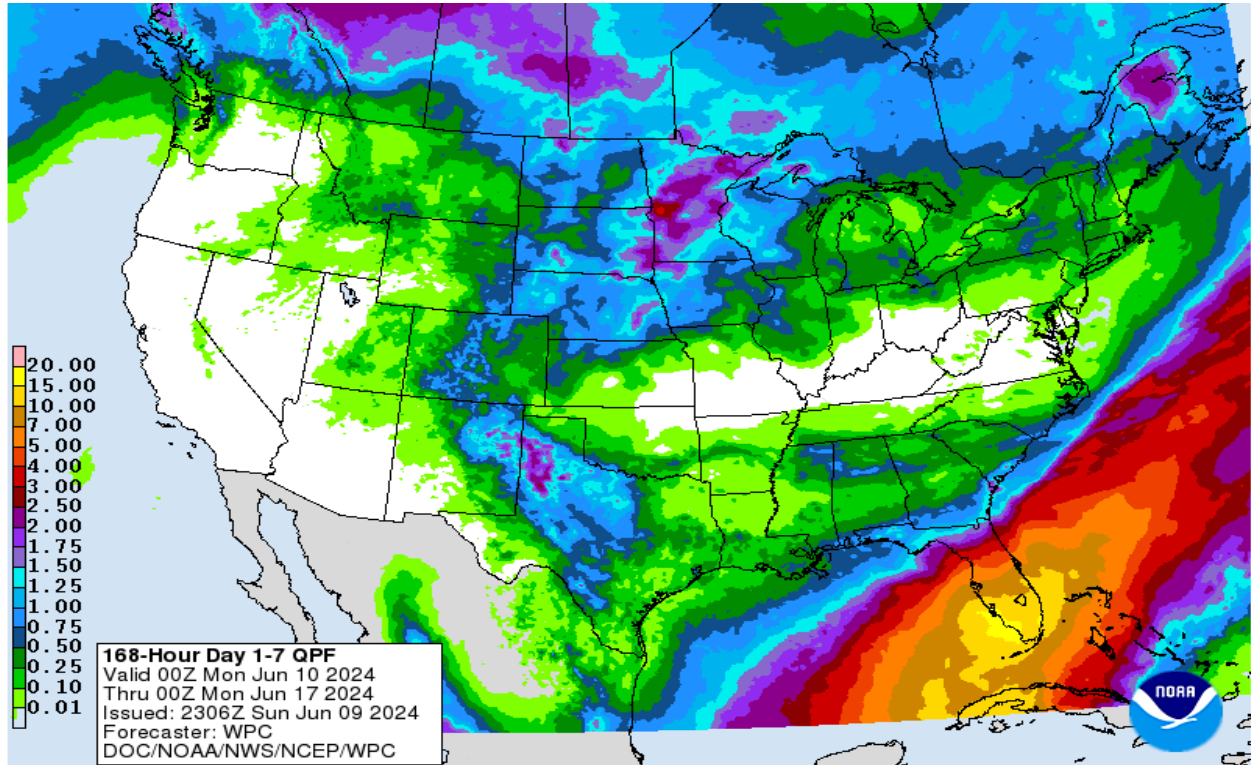
Crude oil printed a new 11-week Closing Low, which seems hard to believe with all the Middle east unrest, continued Houthi attacks, and Ukraine still blowing up Russian fuel tanks way behind the front lines. There is a reason I don't trade crude oil...

Anyway, this is an editorial, asking Biden to change his mind on Liquefied Natural Gas exports, mainly because it would hurt Russia.

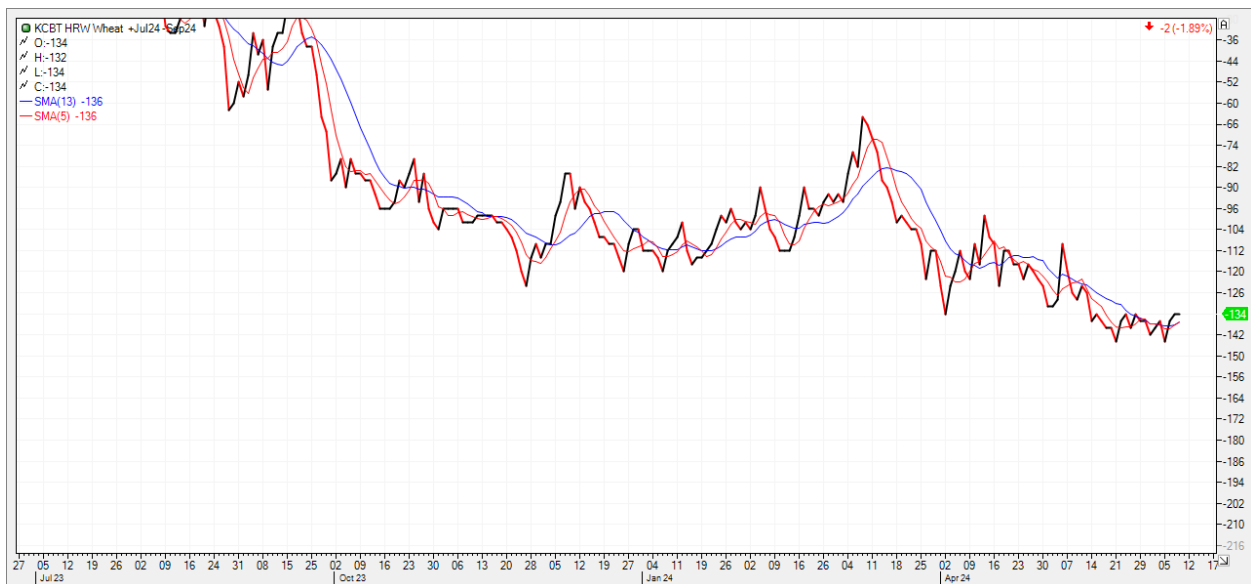
<https://www.washingtonpost.com/opinions/2024/06/06/russia-economy-ukraine-war-gazprom-putin/>

It's not quite wheat, but...Speaking of declining acreage (dropping from 37,000 acres to 3,000), and intense foreign competition amid rising production costs...is the USA asparagus crop. This article could easily substitute "wheat" for "asparagus" ...<https://www.latimes.com/food/story/2024-05-08/asparagus-california-disappearing-farming-industry-delta-nafta-labor#:~:text=Once%20considered%20the%20king%20of%20vegetables%20in%20California,the%20global%20market%2C%20largely%20because%20of%20labor%20costs.>

Another bearish wheat input has been the onset of wheat harvest. Last Monday's Crop Progress report showed TX at 33% finished and OK at 25%, with nothing from KS or CO. I suspect we'll see KS make the "started" list this Monday afternoon, and this weather forecast suggests we'll see BIG PROGRESS this coming week, although maybe not in the TX Panhandle.



I'm a bit surprised this KC July-Sept calendar spread is hanging in here so well at a 13.5c carry; I think it's headed much wider. This week's harvest progress will test it.



Posted Gulf bids are not moving yet, although reports of sprout damage in the early Texas wheat can create some blending headaches, as “falling numbers” do NOT blend arithmetically, ever.

GULF date	12 pro	11's	diff
6/7/2024	105	70	35
5/31/2024	105	70	35
5/24/2024	105	70	35
5/17/2024	105	80	25

Posted basis bids in the country are steady too, and seem ready for harvest. I suspect Gulf 11's bid at +70 are cheap enough, and the elevators up the line have had plenty of time to adjust. The Cheyenne Wells area may have popped their basis bid 35c...(!).

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Rogge n area
06/07	\$5.71-\$6.11	\$6.16	\$5.66-\$5.76	\$5.61-\$5.86	\$5.61-\$6.46
05/31	\$6.14-\$6.54	\$6.24	\$6.09-\$6.19	\$6.04-\$6.24	\$6.19-\$6.89
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
06/07(N)	-95, -55	-50	-100, -90	-105, -80	-105, -20
05/31(N)	-95, -55	-85	-100, -90	-105, -85	-90, -20
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, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
06/07(N)	-30	-20, -15	-35, -10	-45	
05/31(N)	-30	-25, -15	-35, -10	-45	
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	

We will see an increase in USA winter wheat production on the Wednesday WASDE, and possibly some demand fine-tuning, but we usually DO NOT see production estimates change for USA corn or soybeans. I expect we'll see some adjustments to South American corn and bean production estimates, and of course we could see demand input changes to corn and beans.

The USA Export Pace for corn is good, and so were corn export Sales. It's possible we see a small increase in the WASDE's USA corn export forecast. Soybeans are struggling. Export sales haven't been good in a few weeks. Milo is in the same boat...needing a boost.

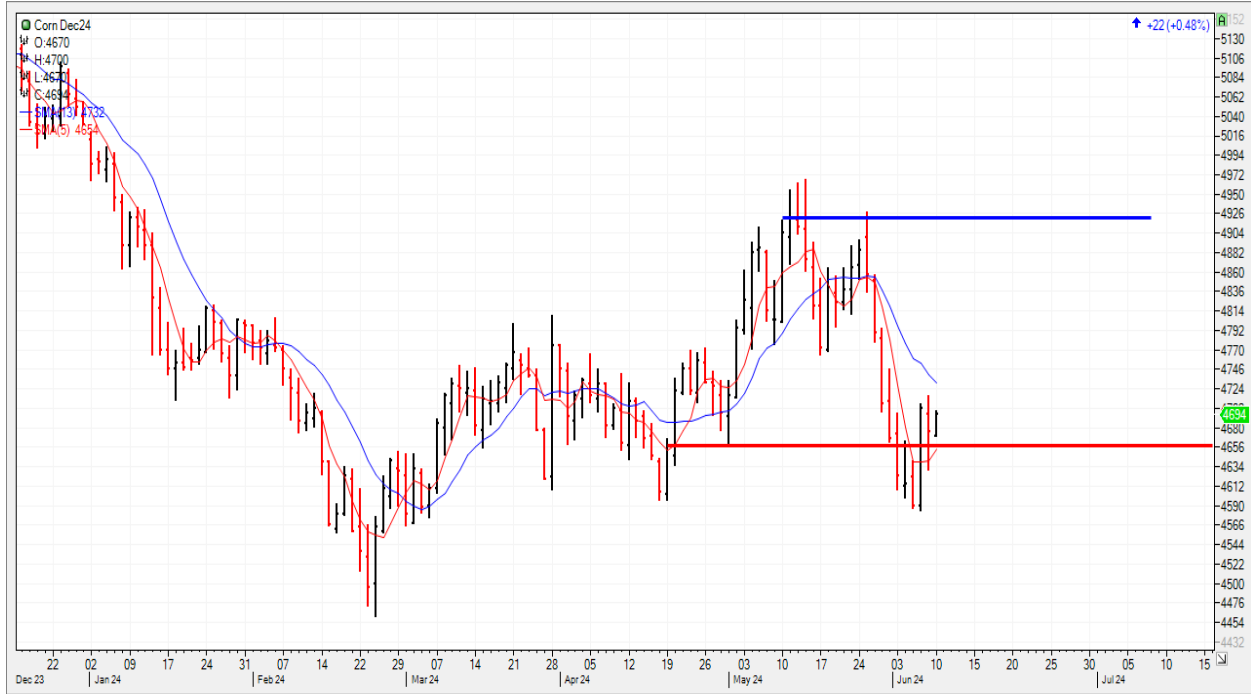
The WASDE will give us the final wheat exports for the ending 23/24 crop year. Actual loadings reported on the Monday FGIS Grains inspected report are 688 mil bu, but the final number will be bigger than that, and I believe they will be more than the 720 mil bu 23/24 wheat export projection, although...I suspect my 100 mil bu "fudge factor" is overstated, and we'll use a smaller number for this new year. Wheat export sales for the new year were 22.6 mil bu, which is good, and more than needed to hit next year's 775 mil bu export forecast, but it's probably too early to see a change in that number, even with an expected reduction in the Russian wheat production estimate. As mentioned earlier, I think USA wheat production will be up from the May estimate. I think it's too early to make an adjustment to Canada.

WEEK ENDED (05/30/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	54.1	1485.8	175	1661	2,150	489	13	37.6
Soybeans	12.8	1480.6	60	1541	1,700	159	13	12.2
All wheat	15.3	687.4	100	788	720	-68	00	0.0
Milo	2.7	195.3	5	200	255	55	13	4.2
LAST update								
Corn	42.4	1429.2	175	1604	2,150	546	14	39.0
Soybeans	7.8	1468.6	60	1529	1,700	171	14	12.2
All wheat	14.6	672.1	100	772	720	-52	01	0.0
Milo	1.9	192.6	5	198	255	57	14	4.1

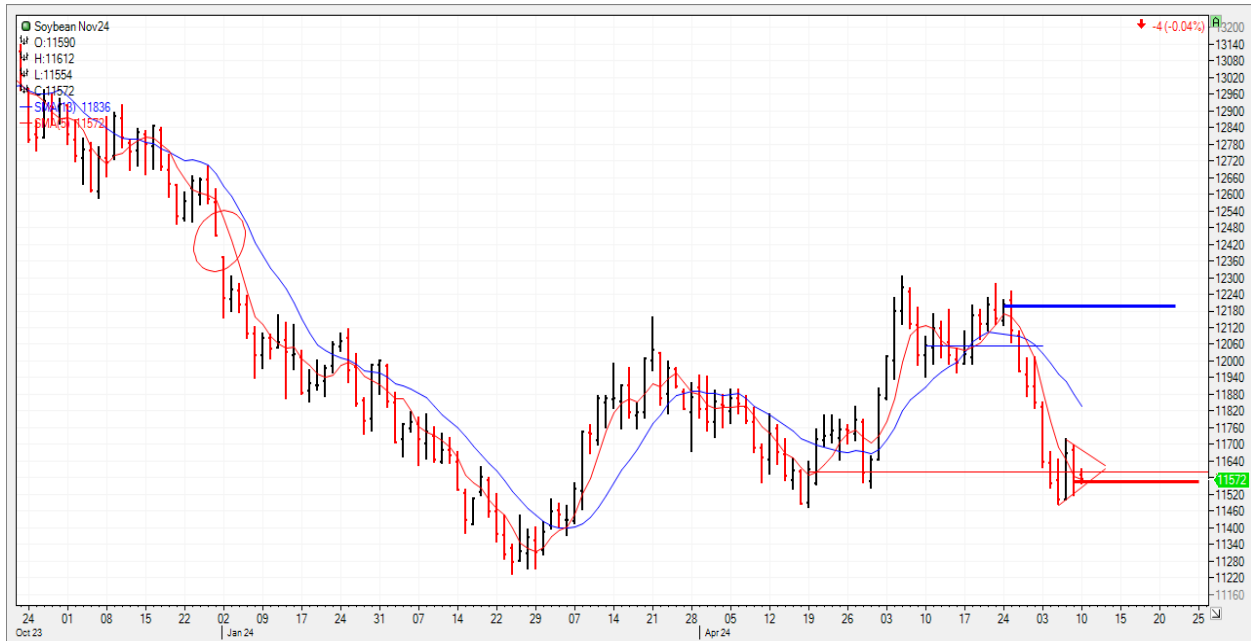
Early Sunday action sees KC wheat down 6c, but Chgo and Mpls only down a couple cents.

Dec corn opened steady to a little better Sunday night. The export pace and sales suggest some coverage has been extended, and the hotter, drier forecast adds in a bit of uneasiness.

The other side to that is...Friday's close was only a penny above that Red Line at \$4.66, the 11-Week Closing Low, so the corn market is far from out of the woods.



November beans did print a new lower Red Line, and I'm showing a Bear Flag, pointing lower. This market needs to see some Chinese buying soon, or will almost certainly continue to probe lower:



With only 35% of my new-crop corn sold, and only 20% of my new-crop beans on the books...and some nasty looking charts, it's safe to say I'm plenty nervous. And I said earlier I should have moved my wheat sales up to 75% when I had the chance above \$7.00 a couple weeks ago. I'm leaning towards "Rats!" or something stronger...

Many of you will get started harvesting your wheat this week. I hope you have good luck. We did see one local Colorado elevator pop their wheat basis up 35c last week, so...it might pay to check around before you haul wheat to town.

Stay Safe, and remember, Slow Down is the best and easiest way to do that.

WASDE comes out Wednesday.