

Hello Colorado Wheat.

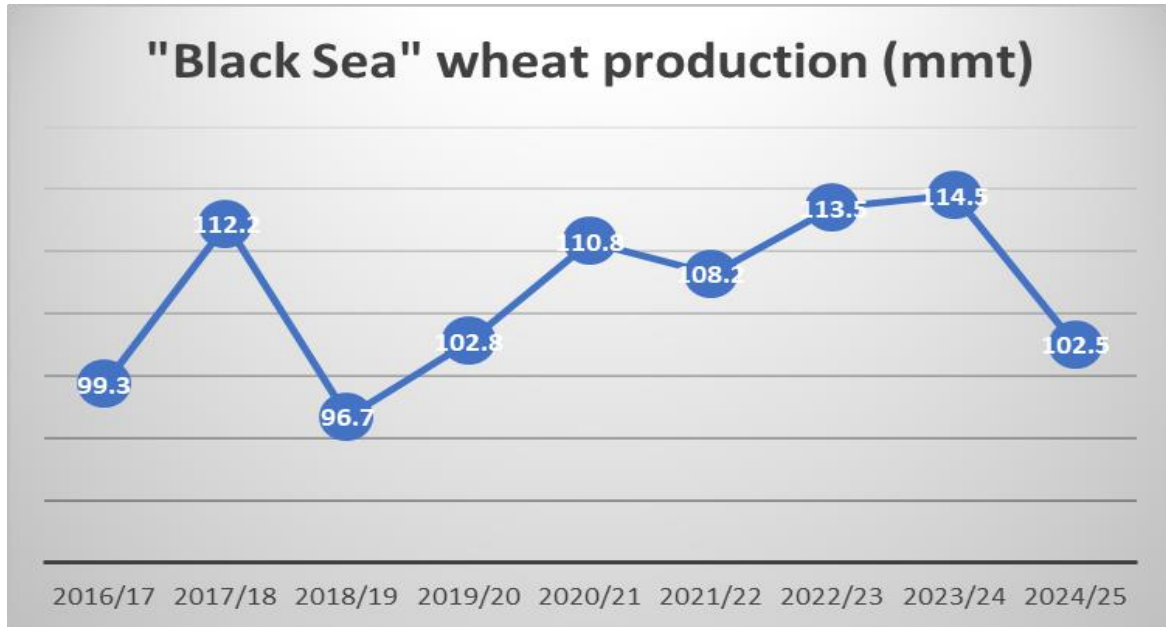
I hope you had a good Father's Day. My Dad is still alive and kicking in fairly good health. I know I am a lucky man.

The wheat market, on the other hand...is struggling. The June WASE downgraded the "Black Sea" (Russia and Ukraine) wheat crop production estimate by 6.5 mmt, and also reduced the European wheat estimate by 1.5 mmt. That's a total of 8 mmt, which was fairly significant...BUT...they revised BEGINNING world wheat carrying stocks almost 2 mmt higher, and they reduced total world wheat usage by 4 mmt (feed grains are cheaper than wheat and are expected to be abundant). The NET after other adjustments (including a 4 mmt drop in expected Russian wheat exports...) was world wheat ending stocks from the May WASDE to this June estimate only decreased 1.5 mmt, and the **world wheat ending stox/usage ratio was basically unchanged**, and THAT...wasn't really expected. Combined with a better USA HRW production outlook (USA SRW actually decreased a little), we get a weekly closing table showing KC with a 38c/bu drop. Not really a good Father's Day gift. Corn was able to shrug off wheat's performance. New crop beans were 8c lower. Crude oil bounced \$3.00 while the stock market did its "normal" thing and moved up 100 points.

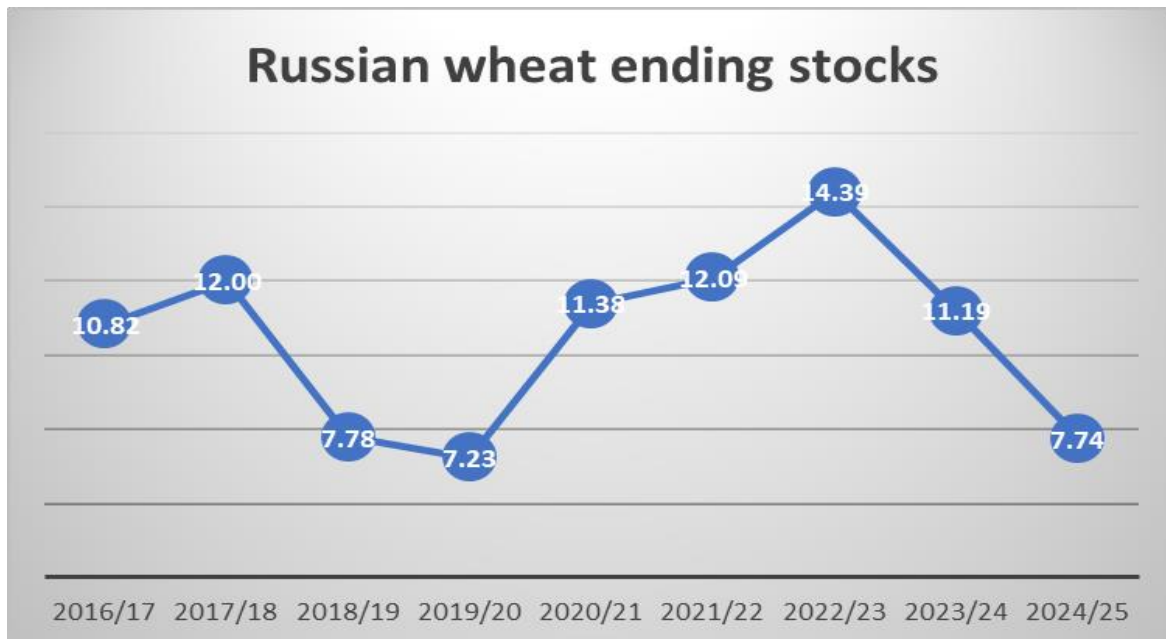
	JULY'24 HRW	DEC '24 HRW	JULY'24 corn	DEC '24 corn	Chgo N wheat	Springs JULY (N)	JULY'24 beans	NOV 24 beans	Crude oil	S&P (M)
CLOSE	KWN24	KWZ24	CN24	CZ24	WN24	MWN24	SN24	SX24	CRD23	ES23
06/14	\$6.28	\$6.55	\$4.50	\$4.70	\$6.13	\$6.56	\$11.80	\$11.50	\$78.45	\$5458
06/07	\$6.66	\$7.00	\$4.49	\$4.67	\$6.28	\$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

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

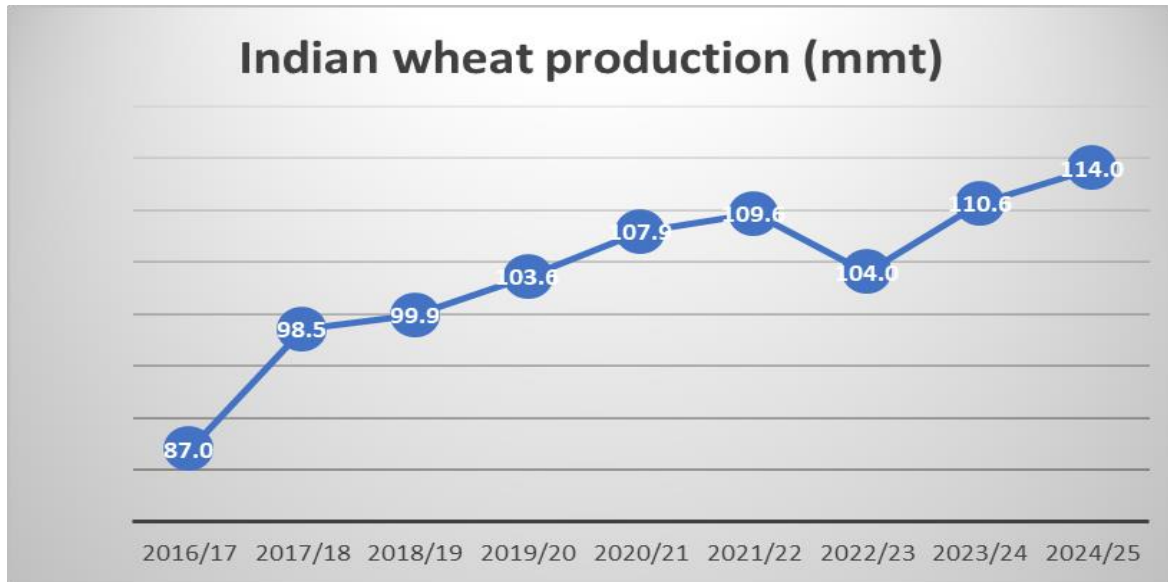
This chart showing Russian and Ukrainian wheat production is enough to put everyone on guard, but not yet drastic enough to force a runaway Bull market.



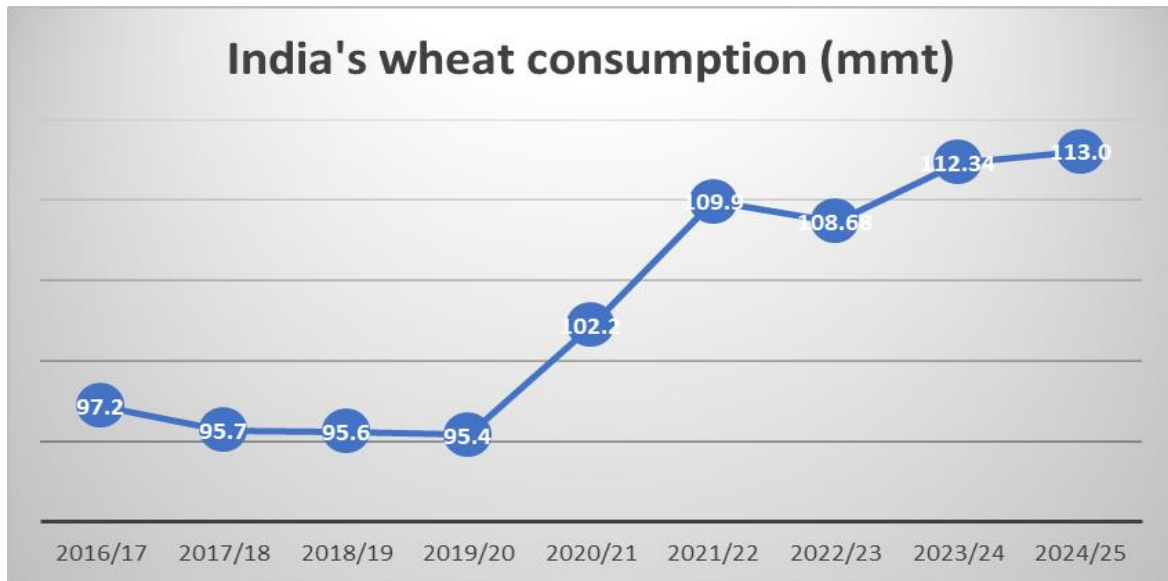
However, for the record...IF we see another significant Black Sea wheat production decrease next year...the market will have no choice but to move higher. We know that betting on “next year” droughts are not a good strategy for making money, BUT...don’t remove Volgograd from your phone’s weather app just yet.



In the same vein...India's wheat production dodged a massive bullet:



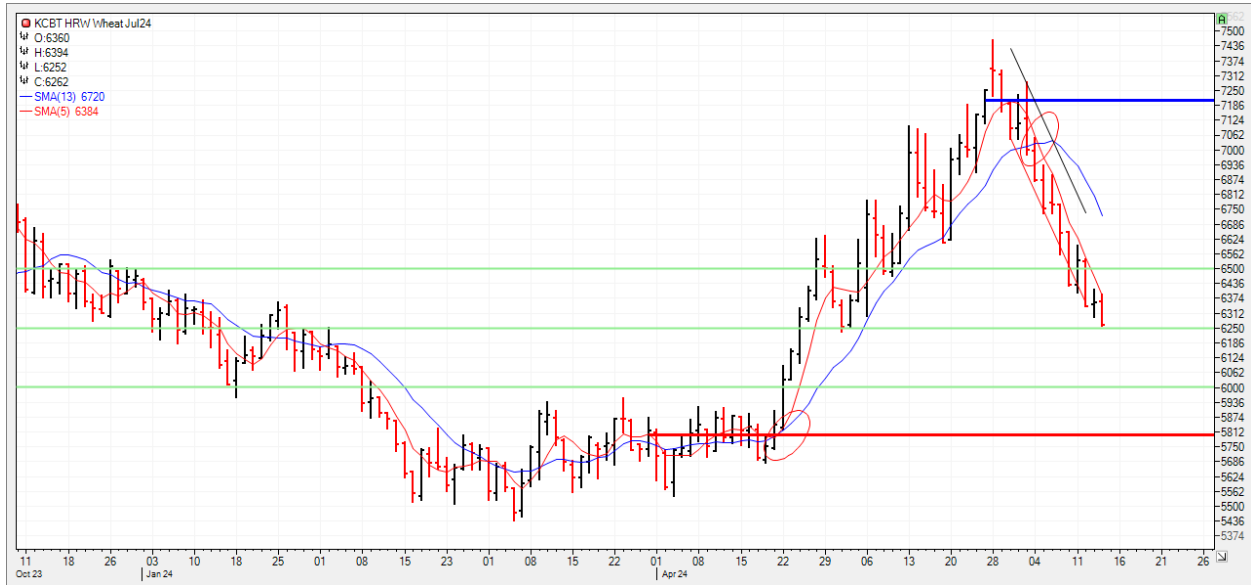
but her wheat massive and increasing consumption leaves little room for a poor monsoon:



Plus while we assume USA and Canada's spring wheat production will be better than the June estimates as it sure looks like last year's drought is over, it's still too early to make a good guess about Australia.

Anyway...we won't worry about next year (too much) and will face the reality that right now...the world has plenty of wheat.

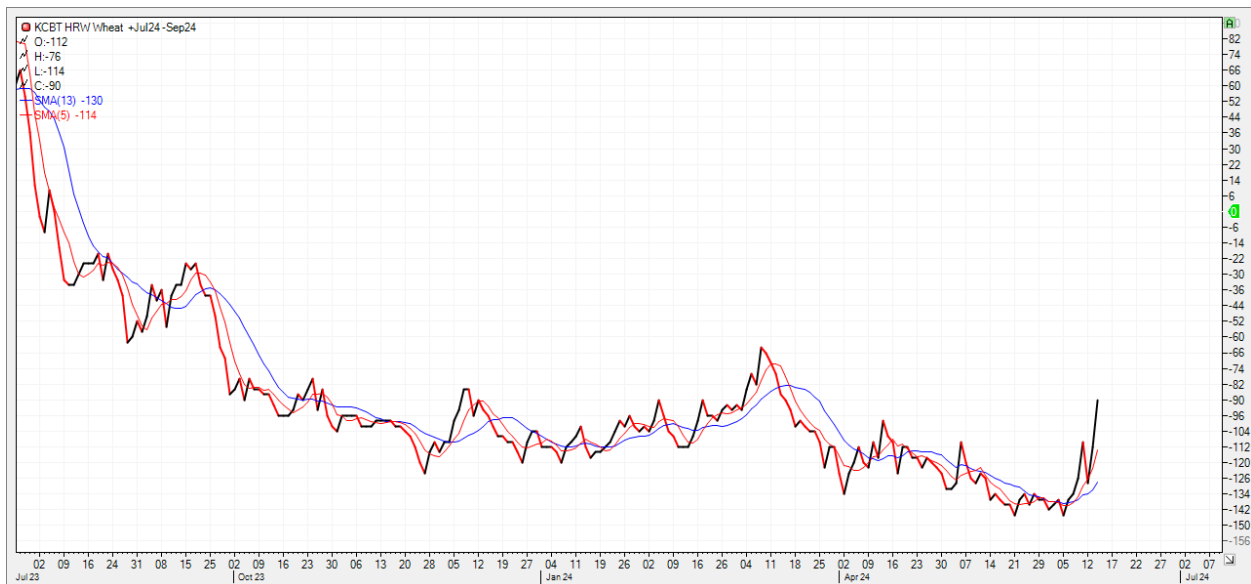
Thus we get a KC July wheat chart that's broke almost a dollar off the 11-week Closing high set only 3 weeks ago, now sitting on the green semi- imaginary line at \$6.25. Last week I showed a QT Market Center Price Count Down suggesting \$6.00 was a likely target if the \$6.25 area can't hold:



There is something possibly stirring though in the cash market, as we see posted Gulf bids for to-arrive 11's popped up 20c (and 12's were up a nickel):

GULF				
date	12 pro	11's	diff	
6/14/2024	110	90	20	
6/7/2024	105	70	35	
5/31/2024	105	70	35	
5/24/2024	105	70	35	

and that has firmed the KC July-Sept calendar spread:



And the better Gulf bids and tighter calendar spread make me ask (hope)...is KC wheat close to finding a bottom ?.

Posted basis bids in the country were either unchanged, or higher, while the flat price set back to the lowest we've seen in 2 months

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
06/14	\$5.48-\$5.73	\$5.78	\$5.28-\$5.38	\$5.23-\$5.48	\$5.58-\$6.08
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

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
06/14(N)	-80, -55	-50	-100, -90	-105, -80	-70, -20
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

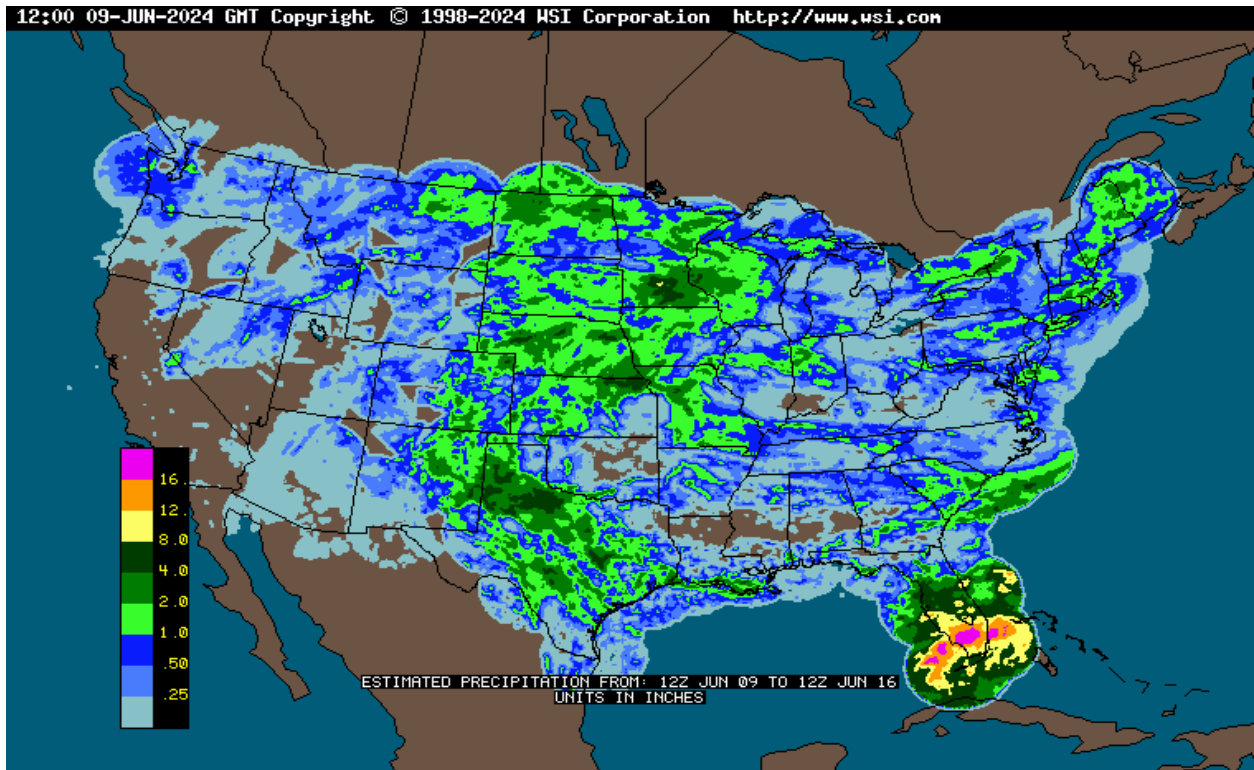
Date	Concordia	Salina	Hutch/Wichita	Ark City
06/14(N)	-30	-15, -10	-30, -05	-40
06/07(N)	-30	-20, -15	-35, -10	-40
05/31(N)	-30	-25, -15	-35, -10	-40
05/24(N)	-30	-25, -15	-35, -10	-40

I've only sold 50% of this crop, which will go to town, and I'll sit for a bit on the remaining 50%, although I know storage charges are at least 5c a month, whether it's in my own bag or bin, or elsewhere.

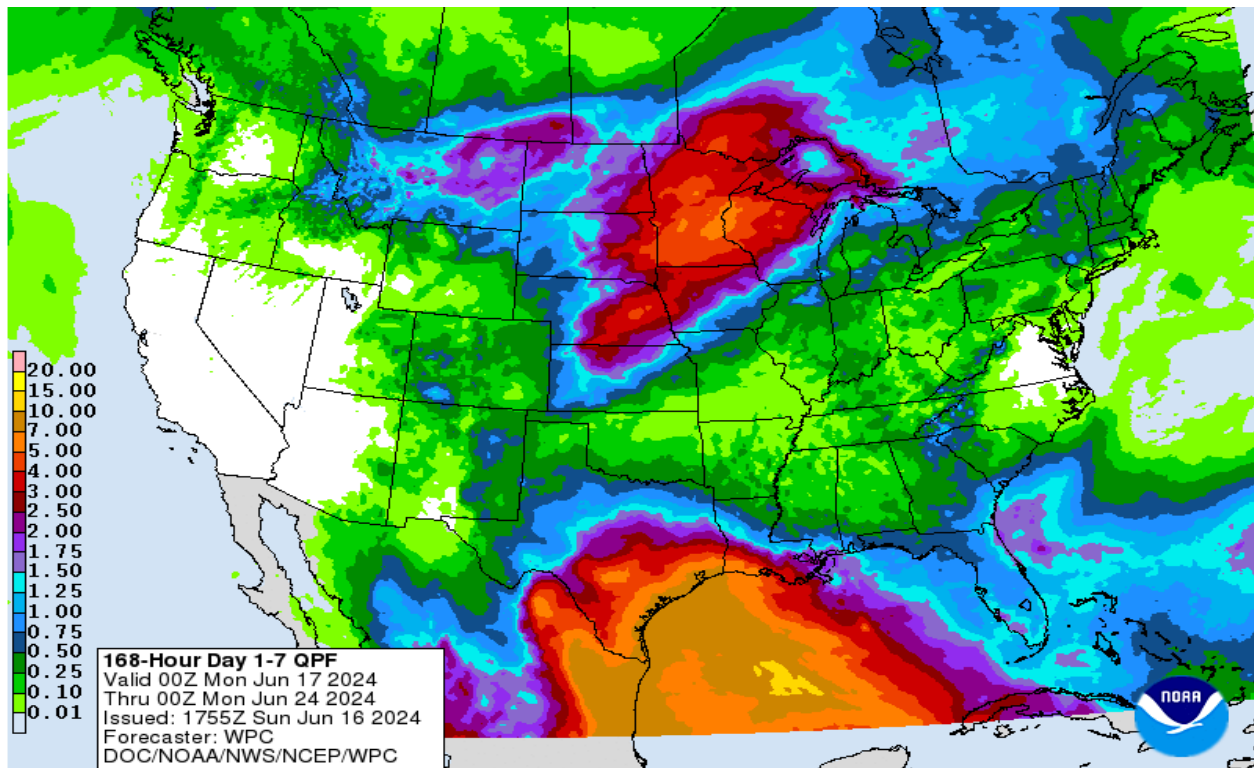
I saw the best corn bid in northern Colorado is now +95 over, which could start to support wheat, if corn futures quit going down. That's a big if...

Goofy markets...anyway I think wheat's buck break is plenty for now.

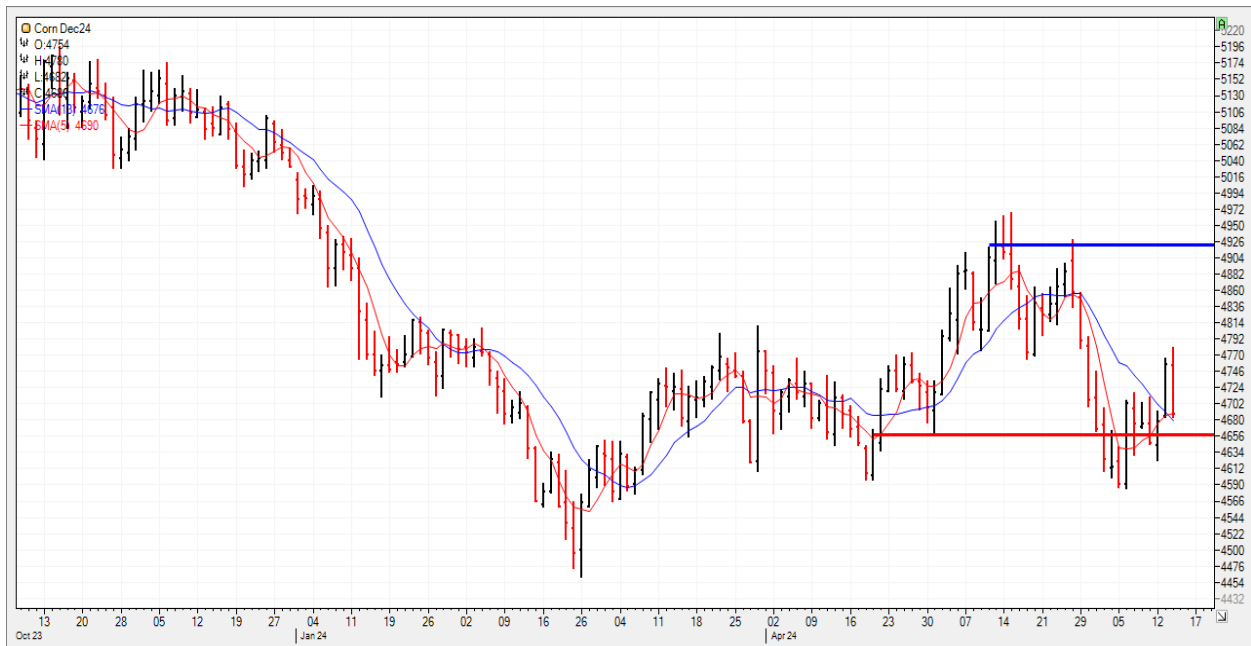
Harvest made some progress last week is what I think we'll see on the Monday afternoon report, although it was spotty, as suggested by last week's precipitation map from Weather Underground:



Speaking of last week's conditions...I see Montana's wheat conditions have decreased 19 points in the last 2 weeks, although the map indicates NW Montana got some rain, and THIS week's forecast says Montana will be helped again, and Oklahoma and SW KS should make wheat harvest progress:



And if the corn and milo is planted...that forecast looks beneficial to them in my opinion, which will start to weigh a bit on the corn futures, or...noticing from the table on page 1 that the recent 4-week Closing Low is a double-bottom (from 06/07 and 05/31) at \$4.67, and that double-bottom is only a penny above the 11-week closing Low Red Line at \$4.66...there's a very likely chance that all of that support will be under severe attack this week. I lean towards the good weather will outweigh the strong corn and milo cash markets, but we'll see. HOWEVER... IF corn breaks down, I will change my resting paper to sell 15% of my corn at \$4.99 to a stop-loss, sell at the market if/when it becomes apparent that Dec corn will finish the week below \$4.65.

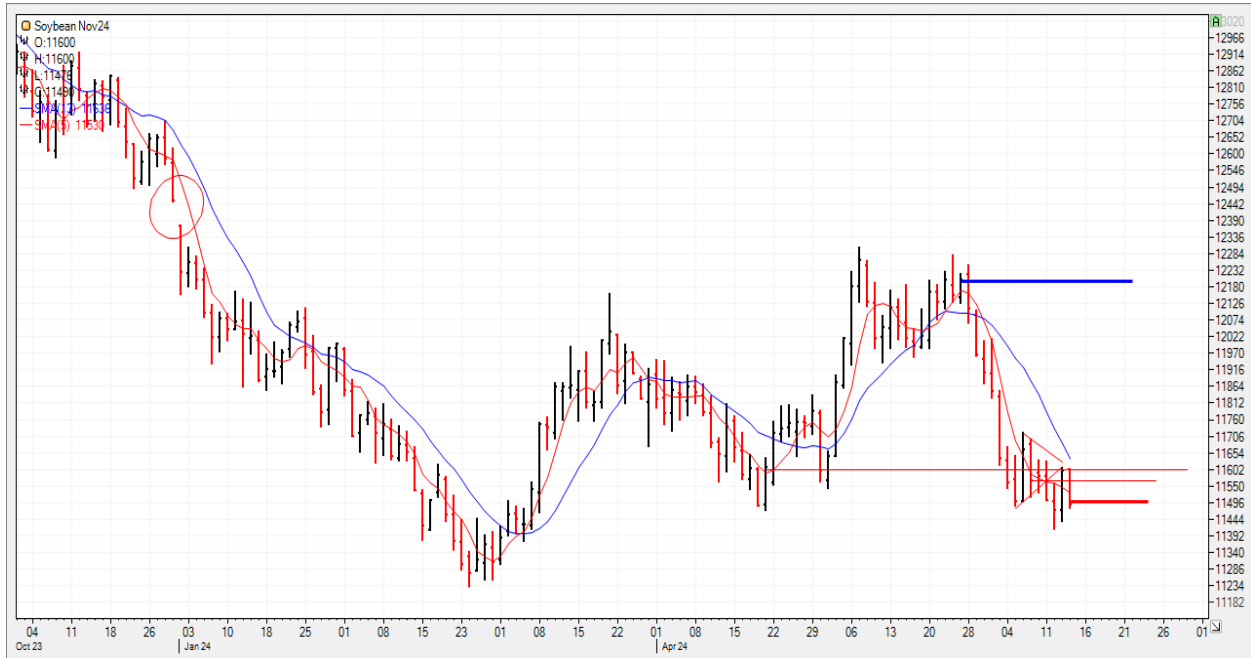


I mentioned the strong local cash corn (for feed, etc) markets. The export loading pace is strong, but Export corn sales slipped a bit, to 41 mil bu. The June WASDE corn update was unchanged for about everything, USA and world, including Brazil. Bean sales of 13.9 mil were good enough.

WEEK ENDED (06/06/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	52.7	1540.2	175	1715	2,150	435	12	36.2
Soybeans	8.5	1489.5	60	1550	1,700	150	12	12.5
All wheat	12.9	10.9	67	78	800	722	51	14.2
Milo	7.1	202.4	5	207	245	38	12	3.2
LAST update								
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	245	45	13	3.5

Milo shipped to China last week from the Mississippi Gulf, the Texas Gulf, and the PNW. And China bot almost another 5 mil bu last week.

Soybeans...did finally see some sales to China, as beans continue to probe lower looking for buying interest. I'm showing Nov (new-crop0 beans here, and keep in mind Nov is a 30c discount to July. Nov beans set another new lower red line last week. The USDA made no changes to the world soybean balance sheets. **Because there was a new red number in beans, I'm selling 5% of my expected normal soybean production at the market. That will get me to 25% sold.**



This longer-term weekly continuous soybean chart shows beans wrestling with the question...are \$12.00 beans a floor, or a ceiling.



The over-riding fundamental to me is ...the USA weather is a greenhouse.

Sunday night saw wheat down 6c or so, and corn and beans down 4c. Sure feels like world buyers and domestic end-users are ever more confident in waiting to extend coverage, ever more convinced that going hand-to-mouth is a winner.

Have a good week. I hope you make some harvest progress.

Stay Safe; Slow Down.