

Hello Colorado Wheat.

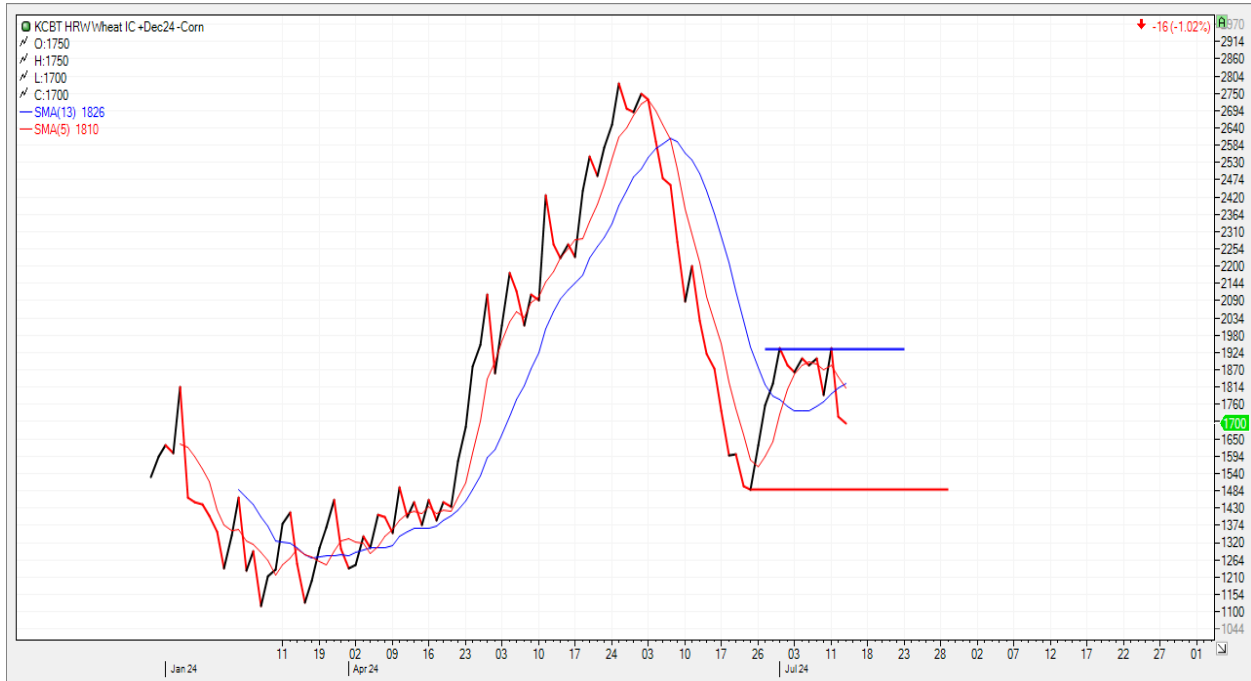
There's no need to write about wheat almost bottoming...because the market clearly rejected that idea most of last week, and Friday's bearishly construed "crop report" pushed it on over the ledge. Corn's "crop report" was actually kinda friendly, so we'll change gears and write how corn is probably finally getting close to the bottom. Soybeans' action and reports were bearish, but...getting beans down through Ten Bucks won't be easy. I think I felt that way about Twelve Bucks, and then Eleven Bucks...but as Bulwinkle said:



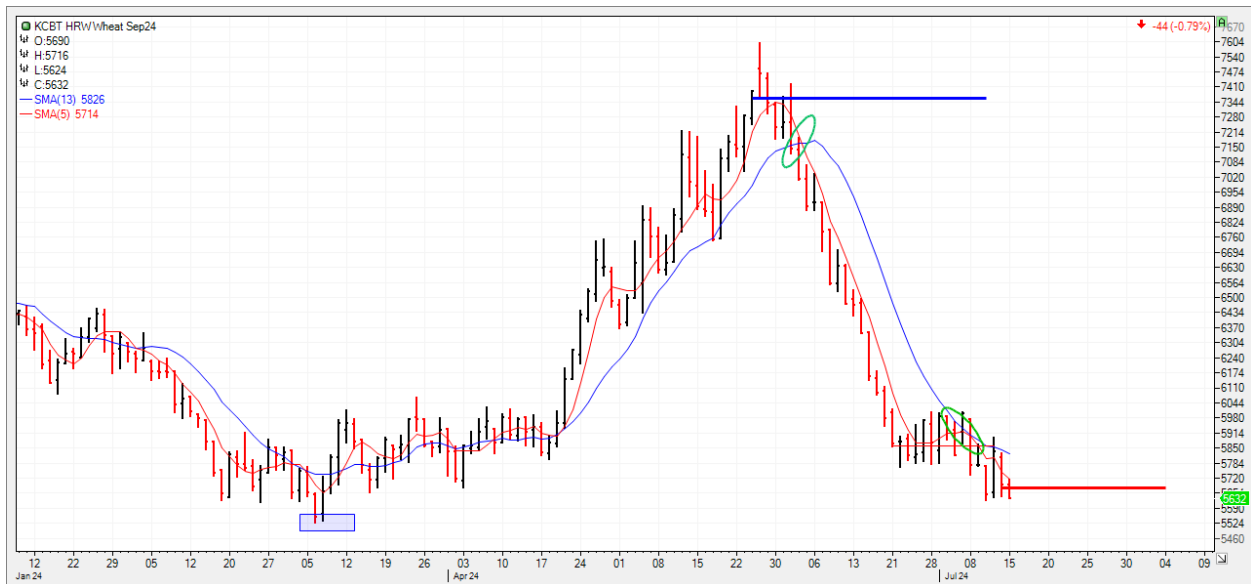
| | KCSEPT | DEC '24 | SEPT | DEC '24 | Chgo U | Springs | AUG'24 | NOV 24 | Crude | S&P |
|--------------|---------------|----------------|---------------|----------------|---------------|----------------|----------------|----------------|----------------|---------------|
| | HRW | HRW | CORN | CORN | wheat | SEP (U) | BEANS | BEANS | oil | (M) |
| CLOSE | KWU24 | KWZ24 | CU24 | CZ24 | WU24 | MWU24 | SQ24 | SX24 | CRD23 | ES23 |
| 07/12 | \$5.68 | \$5.87 | \$4.02 | \$4.15 | \$5.51 | \$5.98 | \$11.05 | \$10.66 | \$82.29 | \$5665 |
| 07/05 | \$5.99 | \$6.16 | \$4.11 | \$4.24 | \$5.91 | \$6.33 | \$11.66 | \$11.30 | \$83.16 | \$5622 |
| 06/28 | \$5.86 | \$6.03 | \$4.08 | \$4.21 | \$5.74 | \$6.13 | \$11.34 | \$11.04 | \$81.54 | \$5522 |
| 06/21 | \$5.87 | \$6.03 | \$4.41 | \$4.53 | \$5.76 | \$6.17 | \$11.47 | \$11.20 | \$80.73 | \$5534 |
| 06/14 | \$6.36 | \$6.55 | \$4.57 | \$4.70 | \$6.29 | \$6.66 | \$11.68 | \$11.50 | \$78.45 | \$5458 |
| 06/07 | \$6.79 | \$7.00 | \$4.55 | \$4.67 | \$6.49 | \$7.04 | \$11.77 | \$11.58 | \$75.53 | \$5356 |
| 05/31 | \$7.23 | \$7.42 | \$4.54 | \$4.67 | \$7.00 | \$7.50 | \$12.04 | \$11.85 | \$76.99 | \$5299 |
| 05/24 | \$7.36 | \$7.53 | \$4.75 | \$4.88 | \$7.18 | \$7.63 | \$12.45 | \$12.20 | \$77.72 | \$5322 |
| 05/17 | \$6.76 | \$6.97 | \$4.63 | \$4.77 | \$6.72 | \$7.22 | \$12.25 | \$12.03 | \$80.06 | \$5327 |
| 05/10 | \$6.86 | \$7.05 | \$4.80 | \$4.92 | \$6.83 | \$7.27 | \$12.21 | \$12.06 | \$78.26 | \$5246 |
| 05/03 | \$6.63 | \$6.83 | \$4.69 | \$4.83 | \$6.43 | \$7.20 | \$12.16 | \$12.01 | \$78.11 | \$5155 |
| 04/26 | \$6.66 | \$6.85 | \$4.59 | \$4.74 | \$6.42 | \$7.10 | \$11.81 | \$11.75 | \$83.85 | \$5132 |

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**

I think the weather and the updated July WASDE fundamentals will probably contribute to KC Dec wheat losing ground to Dec corn. That red line of support is about \$1.50 premium wheat to corn. I think we're headed that way.

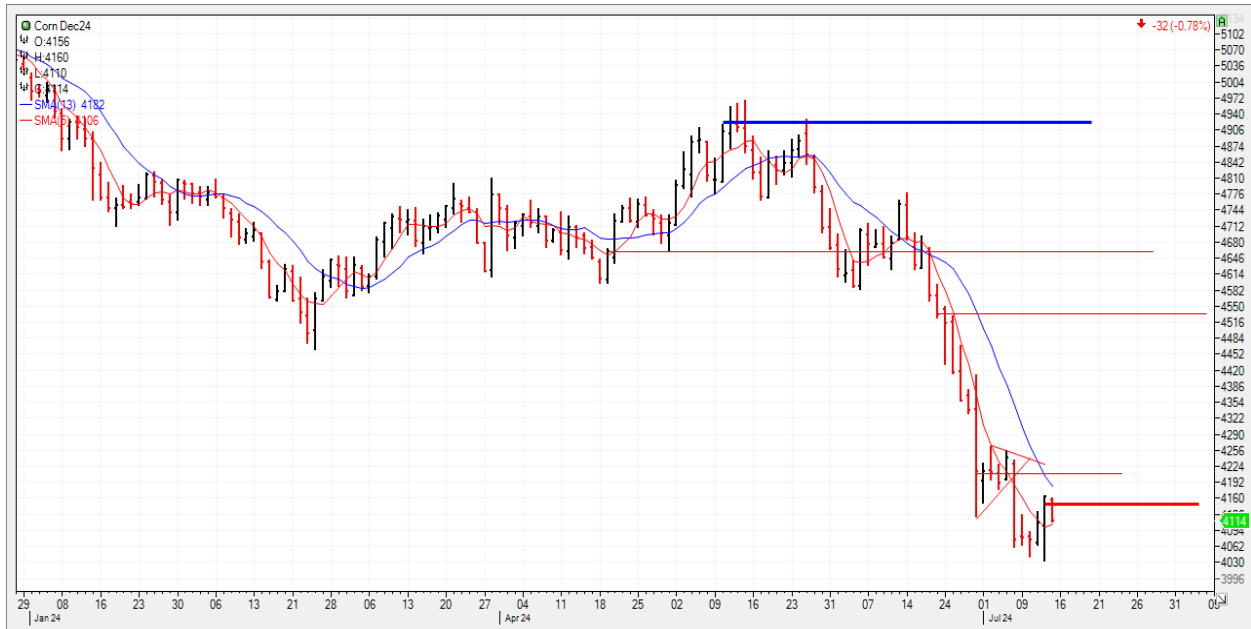


One way to accomplish that would be for corn to start going higher. Another way...is wheat sinks faster than corn. Which seems most likely right now. This is KC September wheat, the front month, showing a new lower Red Line, and my circled expected moving average crossing, broke **down**. A failed buy signal is a sell signal...

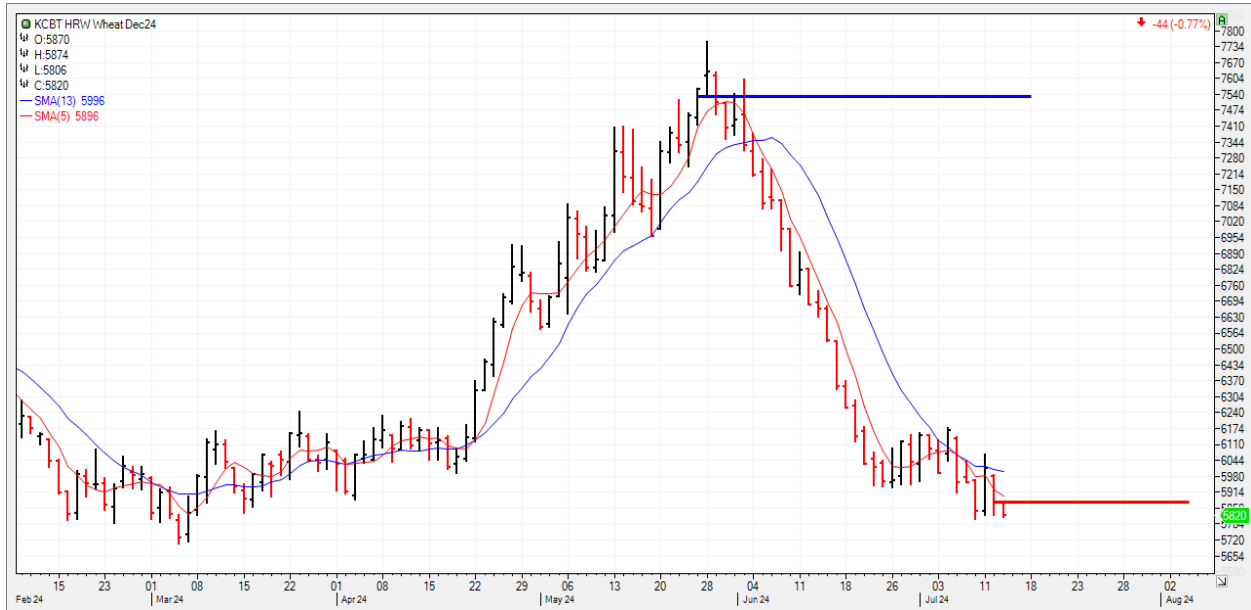


There are 4 intra-week daily lows around \$4.62, and then old contract lows from March just above \$5.50. Probably safe to assume those points will be tested.

Dec corn doesn't really show any buy signals yet, although there's a potential moving average crossing, and the "law of big numbers" kicks in at Four Bucks, which should offer some support.



So if Dec corn holds \$4.00, and the KC Z wheat – Z corn spread goes back down to \$1.50, that puts KC Z wheat at \$5.50, which...is still another 30c from here. This is KC Dec wheat at \$5.81, showing Sunday night's "down a nickel" action:



The July NASS production report showed better winter wheat yields in KS, NE, SD and OK more than offsetting yield reductions in CO and MT.

| 6/12/2024 | 7/12/2024 | yields |
|-----------|-----------|---------------|
| 2024/25 | | |
| 40.0 | 43.0 | KS |
| 41.0 | 39.0 | CO |
| 50.0 | 54.0 | NE |
| 38.0 | 39.0 | OK |
| 34.0 | 32.0 | TX |
| 54.0 | 57.0 | SD |
| 53.0 | 53.0 | ND |
| 51.0 | 48.0 | MT |
| 82.0 | 82.0 | CA |
| 49.2 | 49.7 | total |
| 51.4 | 52.0 | USA HRW + HWW |
| | | |
| | | |
| 2024/25 | | production |
| 286.0 | 307.5 | KS |
| 75.0 | 71.4 | CO |
| 45.0 | 48.6 | NE |
| 102.6 | 105.3 | OK |
| 83.3 | 78.4 | TX |
| 42.1 | 44.5 | SD |
| 5.8 | 5.8 | ND |
| 96.9 | 91.2 | MT |
| 6.2 | 6.2 | CA |
| 742.93 | 758.76 | total |
| 722.7 | 782.3 | USA HRW + HWW |

Spring wheat yields came in on the high side of expectations with ND at 56 bu/ac. MT was only 35 bu/ac, so we'll see how the summer goes.

Adding to this increased supply for 24/25 was a lowering of the official wheat export number for 23/24, down 13 mil bu to 707 mil bu. That did not stop the USDA from increasing their wheat export forecast for 24/25 by 25 mil bu, so we'll see how that goes too. Possibly contributing to the better wheat export outlook was a massive 70c/bu drop in the National Average Farm Price.

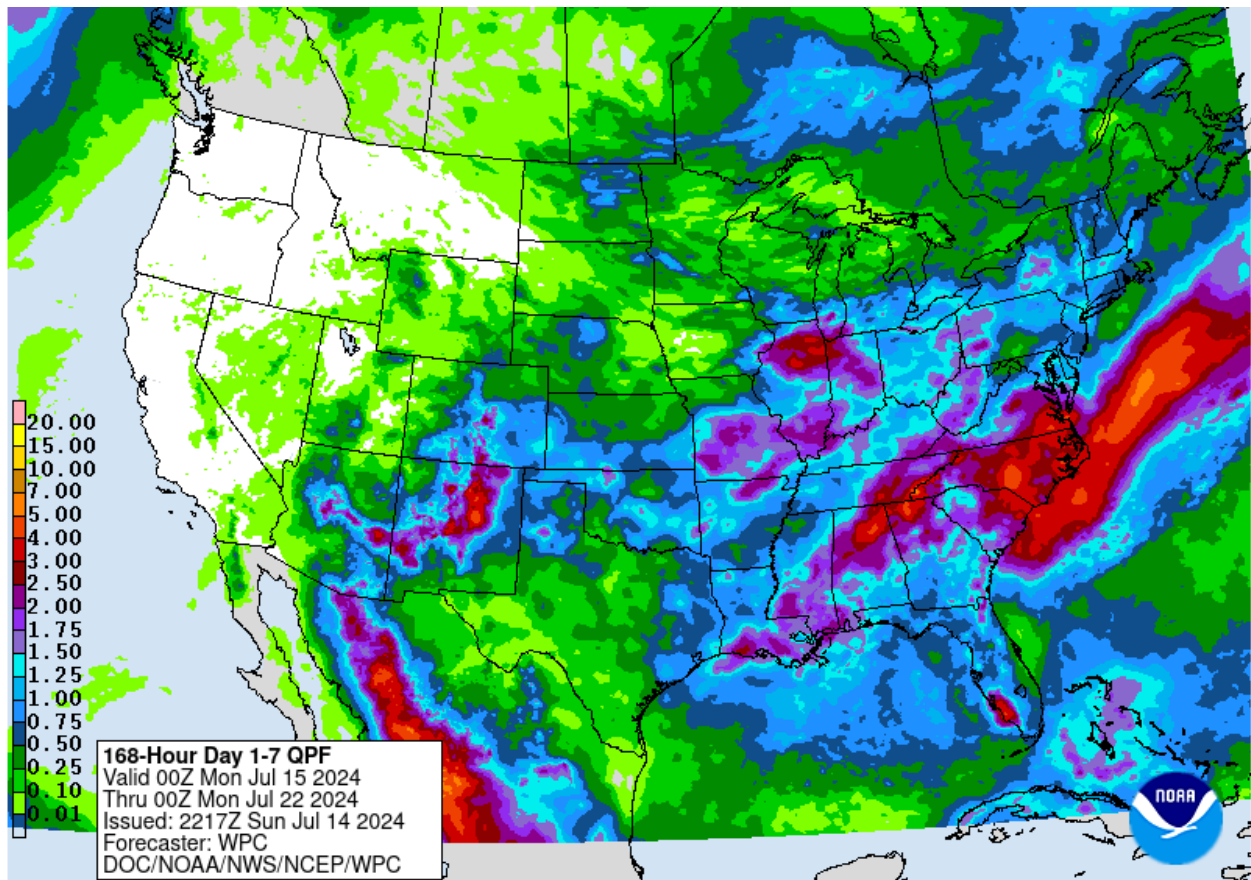
World wheat numbers main changes came from the 3.6 mmt gain in the USA production and a 1.0 mmt gain in Canada. World wheat carryout increased 5 mmt.

World corn numbers saw a 4 mmt production gain from the USA, but that was largely offset by a 3 mmt decrease in the beginning carryin.

The USA corn numbers changed quite a bit. Besides that 4 million tonne (240 mil bu) production gain expected in 24/25, 23/24 (old-crop) corn carryout decreased 145 mil bu, on a 75 mil bu increase in feed/residual and a 75 mil bu gain in old-crop corn exports! The USDA ran with those ideas, and increased their 24/25 feed/res by 75 mil bu, and upped their 24/25 corn export number by 25 mil bu. The net was...even with the expected 240 mil bu gain in new-crop corn production, the ending stocks forecast decreased very slightly (5 mil bu). The NAFP new-crop corn estimate dropped a dime. So...we had a kinda bullish corn WASDE and a bearish wheat WASDE.

The corn 24/25 production gain came due to increased planted and harvested corn acres. The yield of 181 bu/ac was unchanged, and that's up in the air, depending on how this summer finishes.

This week shows some drier weather in much of the Corn Belt



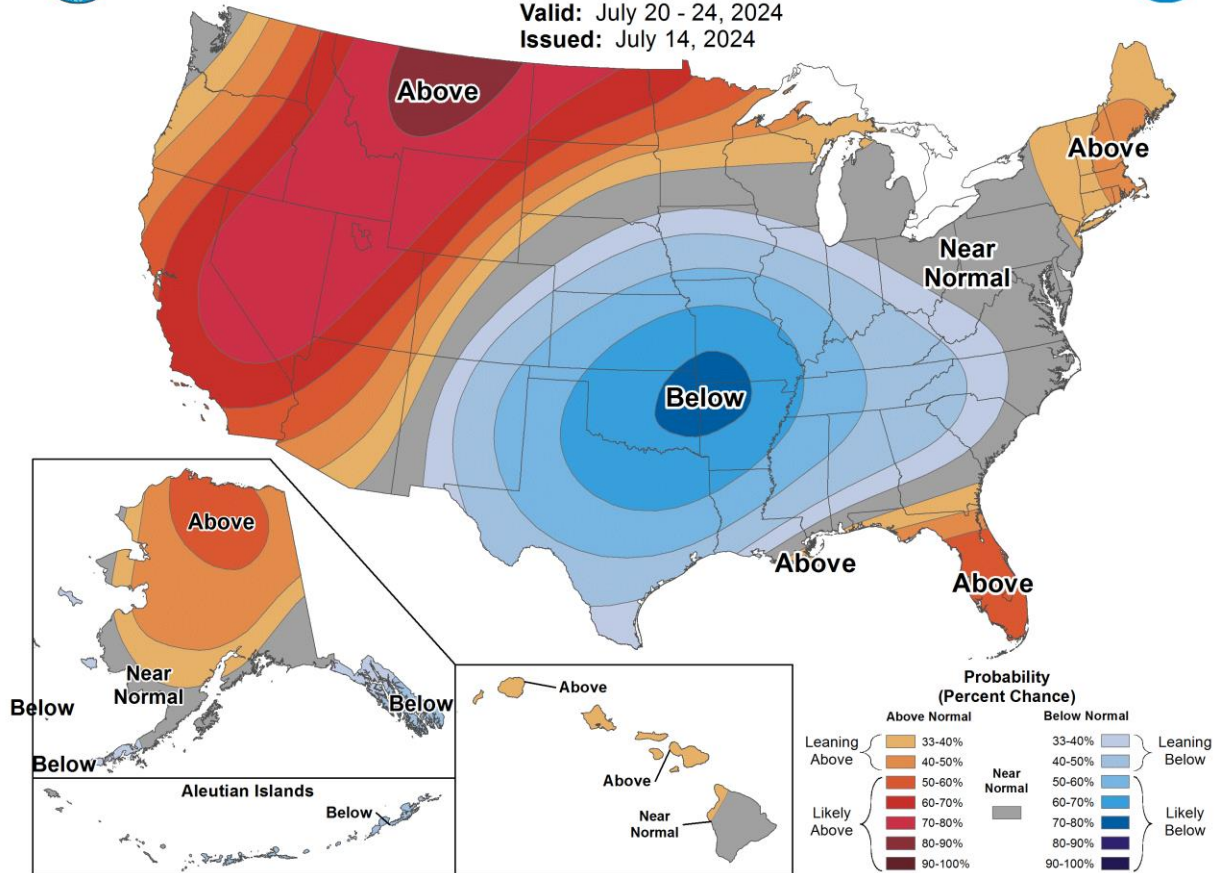
And cooler temps are expected almost everywhere, except for spring wheat country.



6-10 Day Temperature Outlook



Valid: July 20 - 24, 2024
Issued: July 14, 2024



In effect, for corn, this forecast looks pretty great, and that explains why corn is 3c or so weaker Sunday night.

Let's go back to the USDA's export numbers, because they change our Export Pace scorecard a bit.

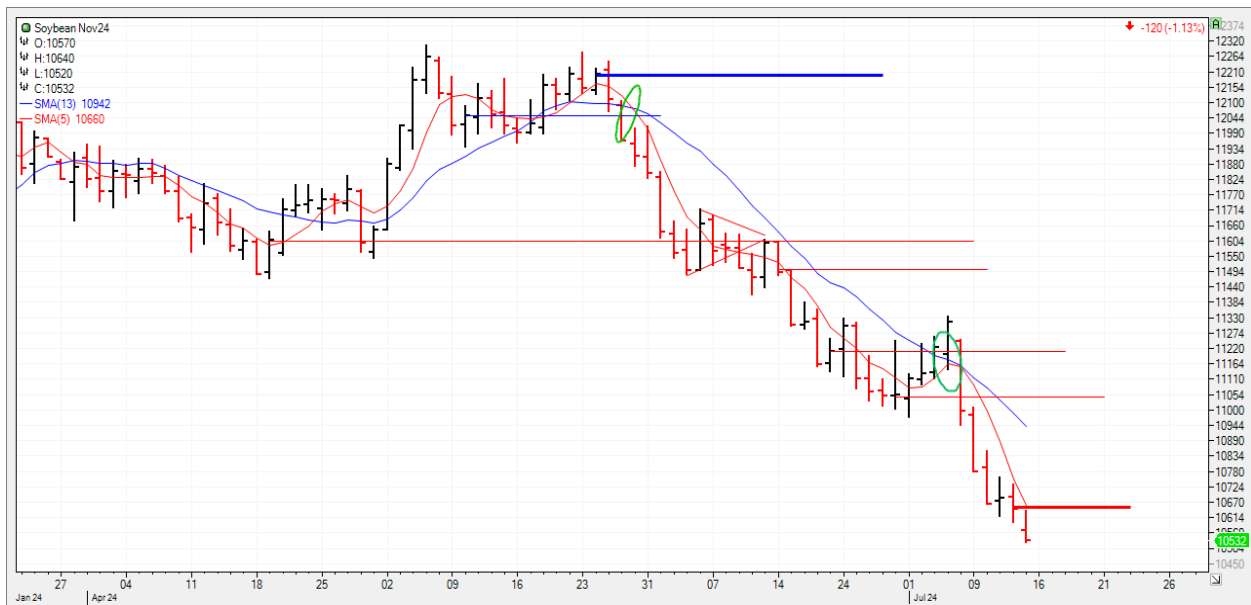
| WEEK ENDED (06/27/24) | Weekly loadings | Accumulated in season (FGIS) | Estimated fudge factor | Total loaded est* | USDA projection | Amount needed | Weeks to go | Bu per week needed |
|-----------------------|-----------------|------------------------------|------------------------|-------------------|-----------------|---------------|-------------|--------------------|
| Corn | 40.3 | 1713.0 | 175 | 1888 | 2,225 | 337 | 08 | 42.1 |
| Soybeans | 10.0 | 1536.9 | 60 | 1597 | 1,700 | 103 | 08 | 12.9 |
| All wheat | 12.5 | 63.6 | 19 | 83 | 825 | 742 | 47 | 15.8 |
| Milo | 2.3 | 208.1 | 5 | 213 | 245 | 32 | 08 | 4.0 |
| LAST update | | | | | | | | |
| Corn | 32.2 | 1672.3 | 175 | 1847 | 2,150 | 303 | 09 | 33.6 |
| Soybeans | 11.1 | 1526.2 | 60 | 1586 | 1,700 | 114 | 09 | 12.6 |
| All wheat | 11.4 | 50.1 | 67 | 117 | 800 | 683 | 48 | 14.2 |
| Milo | 2.2 | 204.7 | 5 | 210 | 245 | 35 | 09 | 3.9 |

Firstly, the old-crop wheat exports were dropped to 707. At the end of May, 688 million bu had been inspected according to the FGIS Monday reports, so the 707 final means my “fudge factor” should have only been 14 mil bu, which is much smaller than “normal”, but that’s what we’ll use going forward. Secondly, we note that exporting 825 mil bu of wheat this year (if we do it) will be a big jump from old-crop’s 707, although I’m sure the USDA is assuming the 80c/bu drop in NAFP will do it. **HOWEVER, last week’s export wheat sales were less than 9 mil bu! That’s not good.** Hopefully we’ll see an increase with last week’s 30c drop. Anyway, US wheat needs to sell and load almost 16 mil bu weekly to hit that 825 ml bu target.

The USDA’s old-crop corn increase seems...difficult to me. 42 mil bu loadings weekly aren’t impossible, but last week’s corn export sales were almost exactly only half of that.

The WASDE saw no changes to soybeans, or old-crop milo. Beans definitely need a shot in the arm. Last week’s sales included new biz to China, but the total was 7.6 mil bu.

November soybeans...showing cascading red lines...



Surely \$10 will hold. Won't it?

Yikes.

Gulf to-arrive HRW basis bids were unchanged, even though we did not see any new sales to Brazil.

| GULF date | 12 pro | 11's | diff | |
|-----------|--------|------|------|----------|
| 7/12/2024 | 120 | 105 | 15 | |
| 7/5/2024 | 120 | 105 | 15 | |
| 6/28/2024 | 120 | 105 | 15 | U |
| 6/21/2024 | 115 | 100 | 15 | |

Euronext (MATIF) wheat futures were down about \$9/mt last week, while KC was down \$11.60/mt. We saw the USDA did decrease by 5 mil bu their USA wheat import forecast. I suspect that was a reduction in HRW wheat imports from Europe.

Several of these posted basis wheat bids in Colorado moved irregularly. I'm not sure what's up with the USDA, but I think they are having some issues...I really doubt the "mill bid" (high side of Roggen area) is already +16, and that Cheyenne Wells area has seen 50c basis moves in 2 weeks. Hmm.

If these bids don't look "better" by Tuesday, I will give the USDA local office a call. Kansas Terminal bids were unchanged:

| Date | SE Colorado | Chey. Wells | Burlington | Holyoke area | Roggen area |
|-----------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| 07/12 | \$5.05-\$5.13 | \$5.14 | \$4.83-\$4.93 | \$4.73-\$4.83 | \$4.93-\$5.84 |
| 07/05 | \$5.35-\$5.44 | \$5.09 | \$5.04-\$5.09 | \$4.99-\$5.19 | \$5.29-\$5.75 |
| 06/28 | \$5.23-\$5.31 | \$5.48 | \$4.96-\$5.06 | \$4.86-\$5.03 | \$5.13-\$5.68 |
| 06/21 | \$5.21-\$5.26 | \$5.41 | \$4.81-\$4.91 | \$4.76-\$5.01 | \$5.16-\$5.61 |
| 06/14 | \$5.48-\$5.73 | \$5.78 | \$5.28-\$5.38 | \$5.23-\$5.48 | \$5.58-\$6.08 |
| BASIS | SE Colorado | Chey. Wells | Burlington | Holyoke | Roggen area |
| 07/12(U) | -63, -55 | -54 | -85, -75 | -95, -85 | -75, +16 |
| 07/05(U) | -64, -55 | -90 | -95, -90 | -100, -83 | -70, -24 |
| 06/28(U) | -63, -55 | -39 | -90, -80 | -100, -83 | -73, -20 |
| 06/21(N) | -60, -55 | -40 | -100, -90 | -105, -80 | -65, -20 |
| 06/14(N) | -80, -55 | -50 | -100, -90 | -105, -80 | -70, -20 |
| Date | Concordia | Salina | Hutch/Wichita | Ark City | |
| 07/12(U) | -35 | -15, -05 | -32, -03 | -45 | |
| 07/05(U) | -35 | -15, -05 | -32, -03 | -45 | |
| 06/28(U) | -35 | -15, -04 | -32, -07 | -45 | |
| 06/21(N) | -25 | -10, -08 | -27, -02 | -40 | |
| 06/14(N) | -30 | -15, -10 | -30, -05 | -40 | |

World wheat news was scarce last week.

I did see an interesting story about a British wheat discovery...“Gold mine” and “enormous difference”...seems a little strong, but who knows.

https://www.theguardian.com/science/article/2024/jul/14/goldmine-collection-of-wheat-from-100-years-ago-may-help-feed-the-world-scientists-say?CMP=oth_b-aplnews_d-1

And along those lines, there’s a growing movement in the States to reduce the height of corn:

<https://www.msn.com/en-us/health/nutrition/ramstad-in-a-big-change-to-nation-s-corn-you-might-soon-see-shorter-stalks/ar-BB1pUP9q>

Have a good week. Stay Safe. Slow down.

and

Tighten those belts...

