

Hello Colorado Wheat.

Slightly different look than what we've been seeing...in that wheat did NOT set a new 11-week Closing Low. KC U wheat was up 14c for the week.

	<b>KCSEPT HRW</b>	<b>DEC '24 HRW</b>	<b>SEPT CORN</b>	<b>DEC '24 CORN</b>	<b>Chgo U wheat</b>	<b>Springs SEP (U)</b>	<b>SEP'24 BEANS</b>	<b>NOV 24 BEANS</b>	Crude oil	S&P (U)
CLOSE	KWU24	KWZ24	CU24	CZ24	WU24	MWU24	SU24	SX24	CRD23	ES23
08/02	<b>\$5.60</b>	<b>\$5.76</b>	<b>\$3.87</b>	<b>\$4.03</b>	<b>\$5.39</b>	<b>\$5.95</b>	<b>\$10.18</b>	<b>\$10.27</b>	<b>\$73.52</b>	<b>\$5376</b>
07/26	<b>\$5.46</b>	<b>\$5.62</b>	\$3.95	\$4.10	<b>\$5.24</b>	<b>\$5.89</b>	\$10.42	\$10.49	\$76.19	\$5499
07/19	\$5.70	<b>\$5.87</b>	<b>\$3.91</b>	<b>\$4.05</b>	<b>\$5.43</b>	\$6.10	<b>\$10.37</b>	<b>\$10.36</b>	\$80.13	\$5554
07/12	<b>\$5.68</b>	<b>\$5.87</b>	<b>\$4.02</b>	<b>\$4.15</b>	<b>\$5.51</b>	<b>\$5.98</b>	<b>\$10.59</b>	<b>\$10.66</b>	\$82.29	<b>\$5665</b>
07/05	\$5.99	\$6.16	\$4.11	\$4.24	\$5.91	\$6.33	\$11.26	\$11.30	<b>\$83.16</b>	<b>\$5622</b>
06/28	<b>\$5.86</b>	<b>\$6.03</b>	<b>\$4.08</b>	<b>\$4.21</b>	<b>\$5.74</b>	<b>\$6.13</b>	<b>\$11.00</b>	<b>\$11.04</b>	\$81.54	\$5522
06/21	<b>\$5.87</b>	<b>\$6.03</b>	<b>\$4.41</b>	<b>\$4.53</b>	<b>\$5.76</b>	<b>\$6.17</b>	<b>\$11.20</b>	<b>\$11.20</b>	\$80.73	<b>\$5534</b>
06/14	\$6.36	\$6.55	\$4.57	\$4.70	\$6.29	\$6.66	\$11.47	<b>\$11.50</b>	\$78.45	<b>\$5458</b>
06/07	\$6.79	\$7.00	\$4.55	\$4.67	\$6.49	\$7.04	\$11.56	<b>\$11.58</b>	<b>\$75.53</b>	<b>\$5356</b>
05/31	\$7.23	\$7.42	\$4.54	\$4.67	\$7.00	\$7.50	\$11.85	\$11.85	<b>\$76.99</b>	<b>\$5299</b>
05/24	<b>\$7.36</b>	<b>\$7.53</b>	<b>\$4.75</b>	<b>\$4.88</b>	<b>\$7.18</b>	<b>\$7.63</b>	<b>\$12.25</b>	<b>\$12.20</b>	<b>\$77.72</b>	\$5322
05/17	\$6.76	\$6.97	\$4.63	\$4.77	\$6.72	\$7.22	<b>\$12.05</b>	\$12.03	\$80.06	<b>\$5327</b>

However we do see new Red numbers in corn and soybeans (and the first bean column is now the September, which is now at a discount to the November). We also see a new red number in crude oil and the stock market is down 5% or so from the peak, as "job numbers" might be indicating the USA economy has cooled.

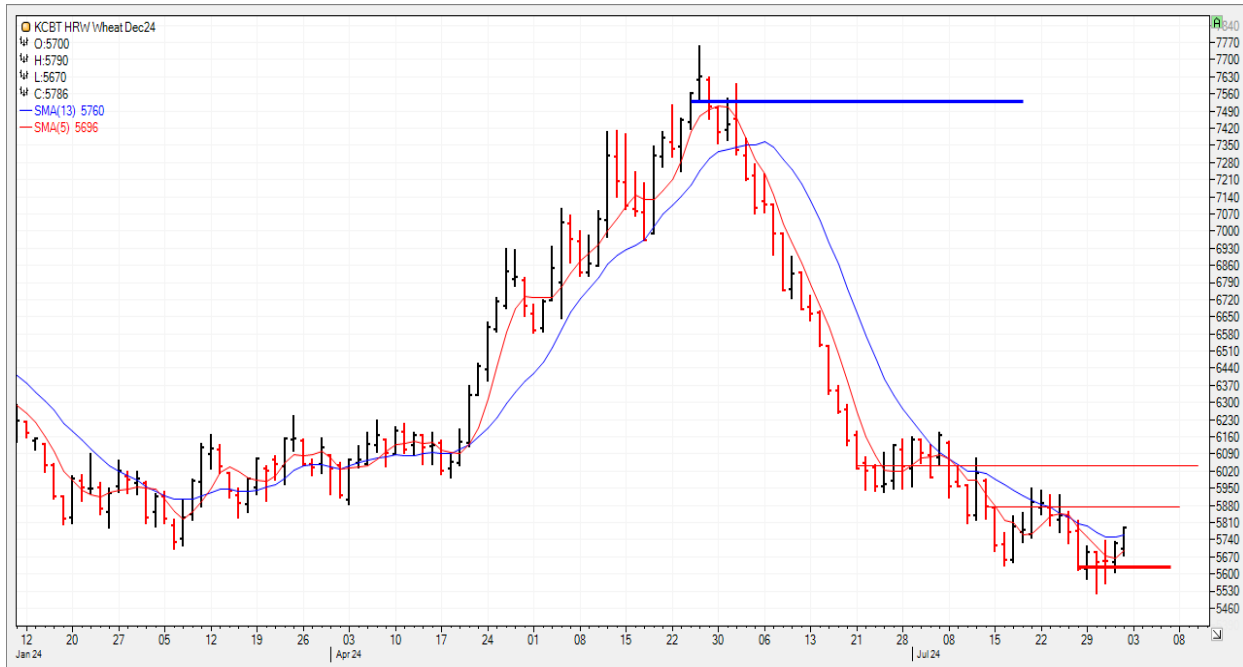
Anyway...has wheat finally bottomed? "Maybe" is all we can say right now. To get more excited, we need to see a buy signal (any buy signal would be great...), but look at the table, and we can see the 4-week Closing High in KC Sept is \$4.68. Can KC Sept close up more than 8c this week and set a new 4-week Closing High?

I doubt it will be easy. It hasn't done that all summer. But IF it does, then...finally, we'll be able to talk about a buy signal that some Funds will not ignore.

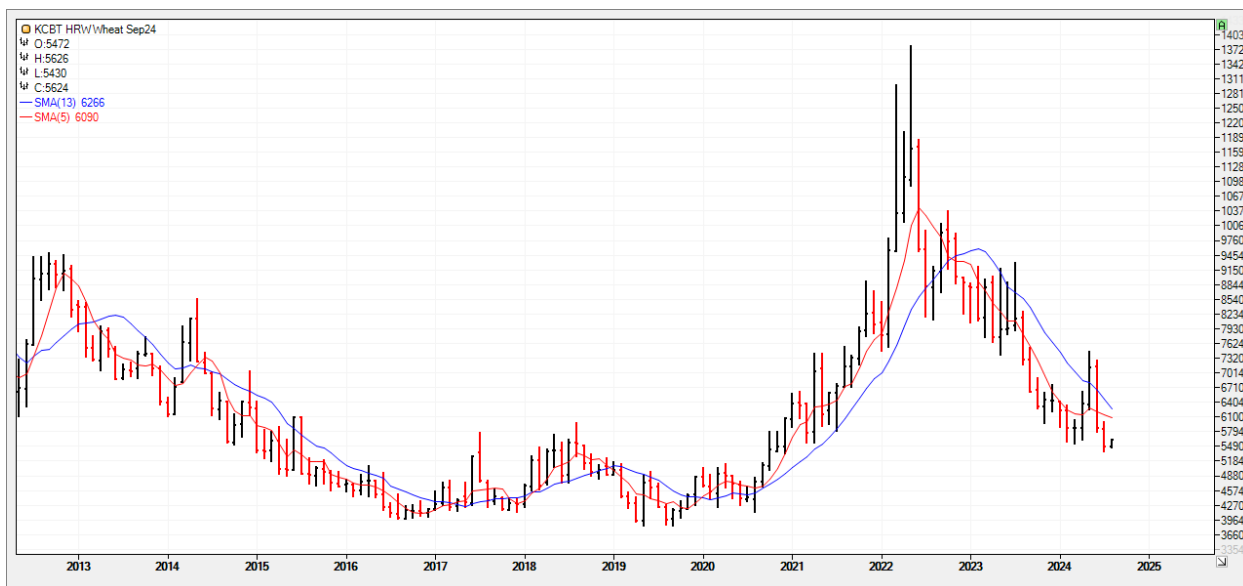
*Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. **STUDIES SHOW GOOD MANAGEMENT ADDS AN AVERAGE OF 13 BU/ACRE; IT PAYS FOR ITSELF***

The 4-week Closing High on KC Dec wheat is a double-top at \$5.87, and more than likely, THAT is what will be required. And I'm sure taking out a double-top will require serious buying. And then down the road, we'll have to get up through the double-top at \$6.03, but first we'll worry about the one at \$5.87.

This is KC Dec wheat, showing the recent 11-week low @ \$5.62, with the overhead resistance double-top at \$5.87 and then another double-top at \$6.03. I think the main point here is...professional buyers aren't yet seeing a good reason to extend coverage..



And this KC monthly chart isn't showing any buying interest, with support down at \$4.00...



What the market needs to see is either a pickup in demand...or a cut to the supply.

We know for a fact that wheat demand...is best measured by an increase in USA wheat exports, and besides weekly loadings, we see weekly export sales. The pace of wheat loadings picked up last week, matching what is needed weekly to hit the USDA 825 mil bu USA all wheat export forecast. BUT...wheat export sales were only 10.5 mil bu. Wheat export Sales have not hit the almost 16 mil bu weekly in a month now, which doesn't say much good about export demand.

USA Domestic wheat food usage will NOT increase enough to make a difference, and ...

WEEK ENDED (07/25/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	41.7	<b>1837.0</b>	<b>175</b>	2012	<b>2,225</b>	213	<b>05</b>	<b>42.6</b>
Soybeans	14.8	<b>1571.3</b>	<b>60</b>	1631	<b>1,700</b>	69	<b>05</b>	<b>13.8</b>
All wheat	15.8	<b>111.7</b>	<b>19</b>	131	<b>825</b>	694	<b>44</b>	<b>15.8</b>
Milo	2.1	<b>214.7</b>	<b>5</b>	220	<b>245</b>	25	<b>05</b>	<b>5.0</b>
LAST update								
Corn	38.2	<b>1794.2</b>	<b>175</b>	1969	<b>2,225</b>	256	06	<b>42.6</b>
Soybeans	12.0	<b>1556.1</b>	<b>60</b>	1616	<b>1,700</b>	84	06	<b>14.0</b>
All wheat	8.7	<b>95.2</b>	<b>19</b>	114	<b>825</b>	711	45	<b>15.8</b>
Milo	2.7	<b>212.5</b>	<b>5</b>	218	<b>245</b>	27	06	<b>4.5</b>

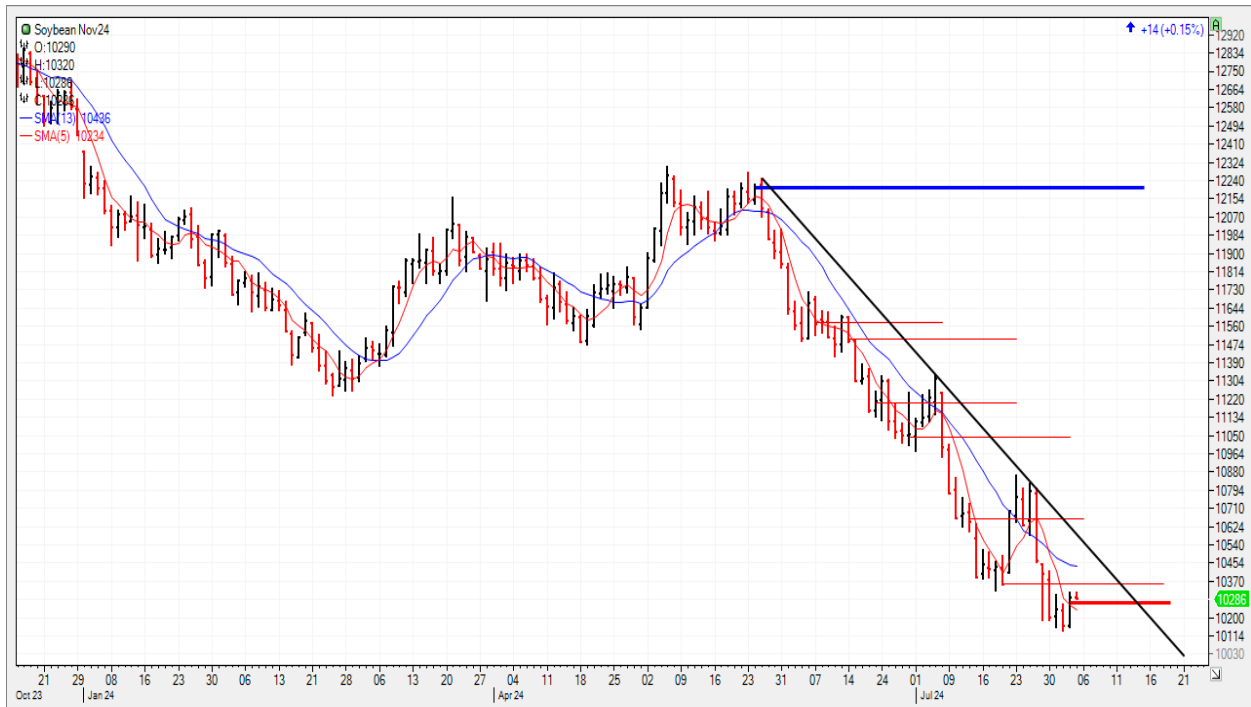
With KC Dec at a \$1.70/bu premium to Dec corn, the risk is USA wheat feed/residual demand category is overstated:



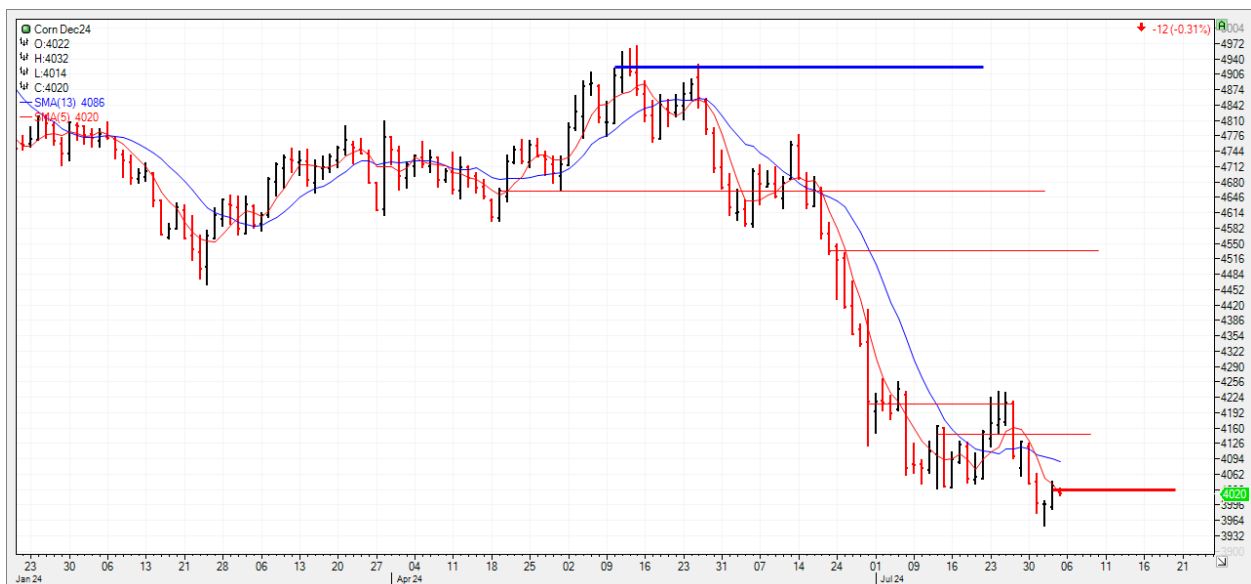
So...USA wheat demand boils down to one thing only, and that is wheat exports.

While we still have the Export loading pace scoreboard up, we note corn and soybean demand remains on close enough pace to not expect changes on the August WASDE update in a couple weeks (Aug 12). IF there's a bright spot, new-crop soybean sales are averaging more than 20 mil bu recently, which is no where near what's needed (35 mil bu/week will be required), but it appears bean demand is picking up .

This is November soybeans, not showing anything remotely close to a buy signal:

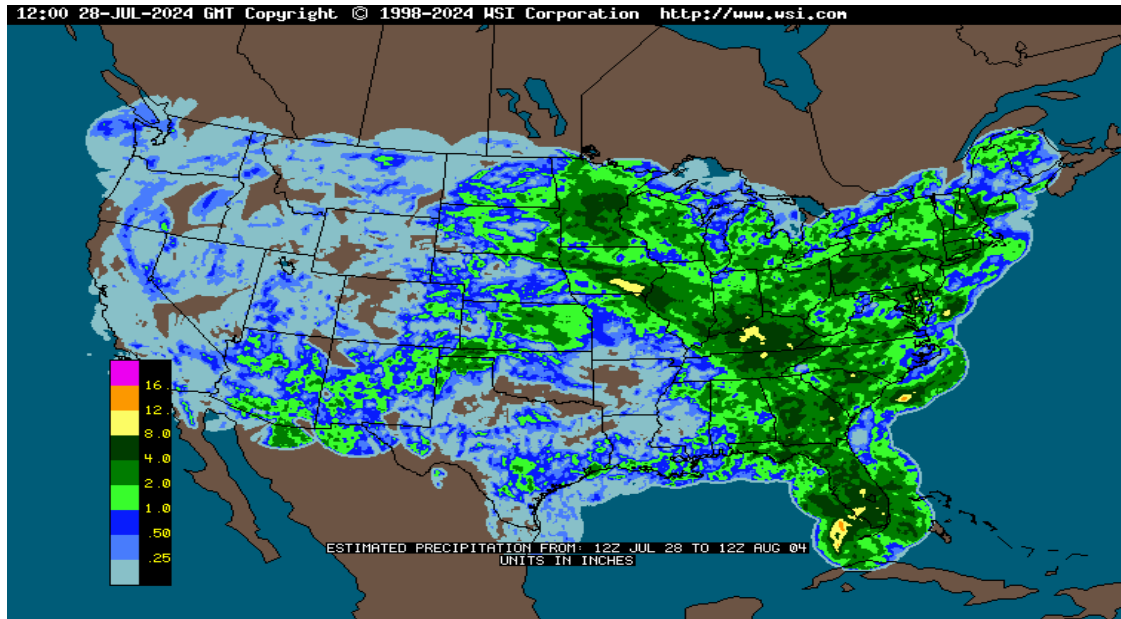


And Dec corn...no buy signals in sight:

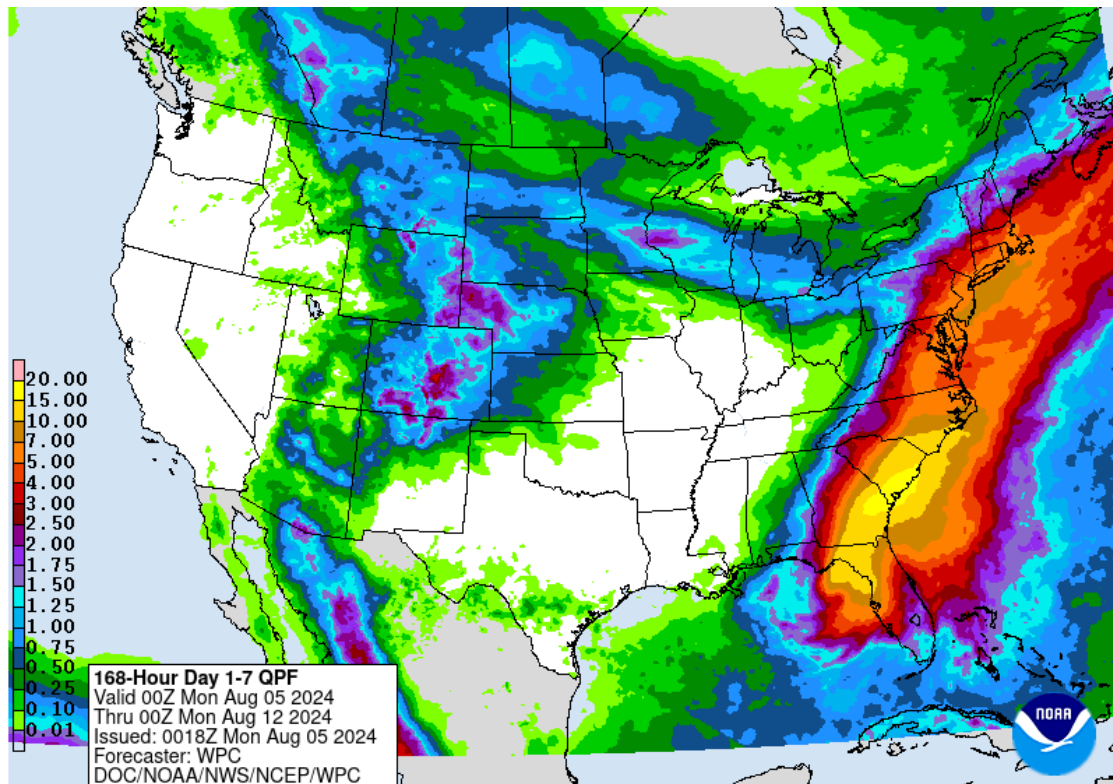


So besides an uptick in wheat demand, a positive price input could come from a supply side shock, which ...isn't really good news. USA winter wheat harvest is finished everywhere except Montana and the white winter in Washington, and it's safe to say neither will be a big disaster, nor a big boomer...so the next input is spring wheat harvest, which is really just beginning.

Last week didn't hurt any spring wheat...

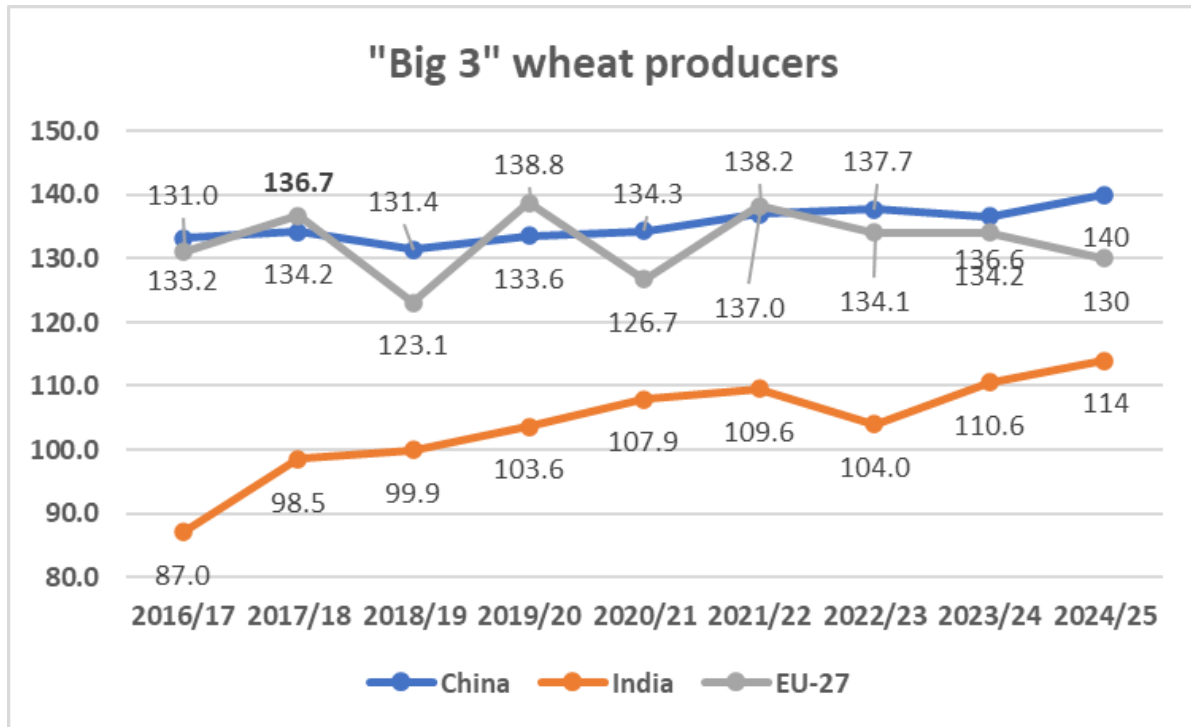


Although this week could be a bit of a minor concern, especially if this pattern set in for 3 weeks:



Russian wheat news is non-existent. Reports indicate their harvest went better than expected, so don't look for the USDA to significantly reduce their Russian wheat production estimate (83 mmt ).

This chart seems to indicate India has some things figured out...impressive trend shown:



And in the long run...expect Indian wheat production to keep getting better. This story mentions a joint venture formed with a Washington state firm, helping Indians get further into no-till practices and a non-GMO herbicide tolerant wheat...<https://indianexpress.com/article/india/for-direct-seeded-rice-zero-tillage-wheat-ricetec-mahyco-form-jv-9487745/>

Increasing USA wheat exports will not be easily achieved. My opinion is the United States needs a complete revamping of the importance we place on wheat exports, and needs an effective lobbying campaign for a direct subsidy paid for increased USA wheat exports.

We could reduce Russian wheat exports if we had the will (and money) to do it.

Texas Gulf to-arrive HRW wheat bids did change...by dropping the premium paid for 12's, but giving a little kick to the 11's. This year's new-crop HRW proteins were very consistently averaging 12 protein or better, so this is not unexpected:

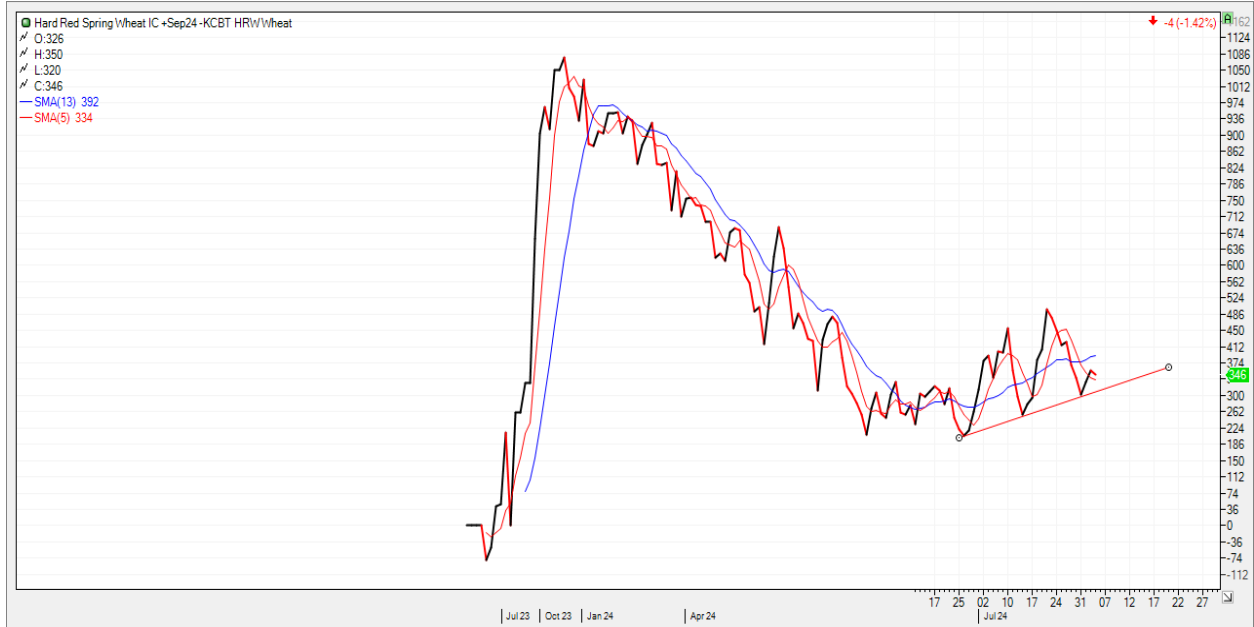
GULF				
date	12 pro	<b>11's</b>	diff	
8/2/2024	<b>115</b>	<b>110</b>	5	
7/26/2024	120	105	15	
7/19/2024	120	105	15	
7/12/2024	120	105	15	
7/5/2024	120	105	15	
6/28/2024	<b>120</b>	<b>105</b>	15	<b>U</b>

Posted basis bids in the country are getting back to “normal”, maybe...:

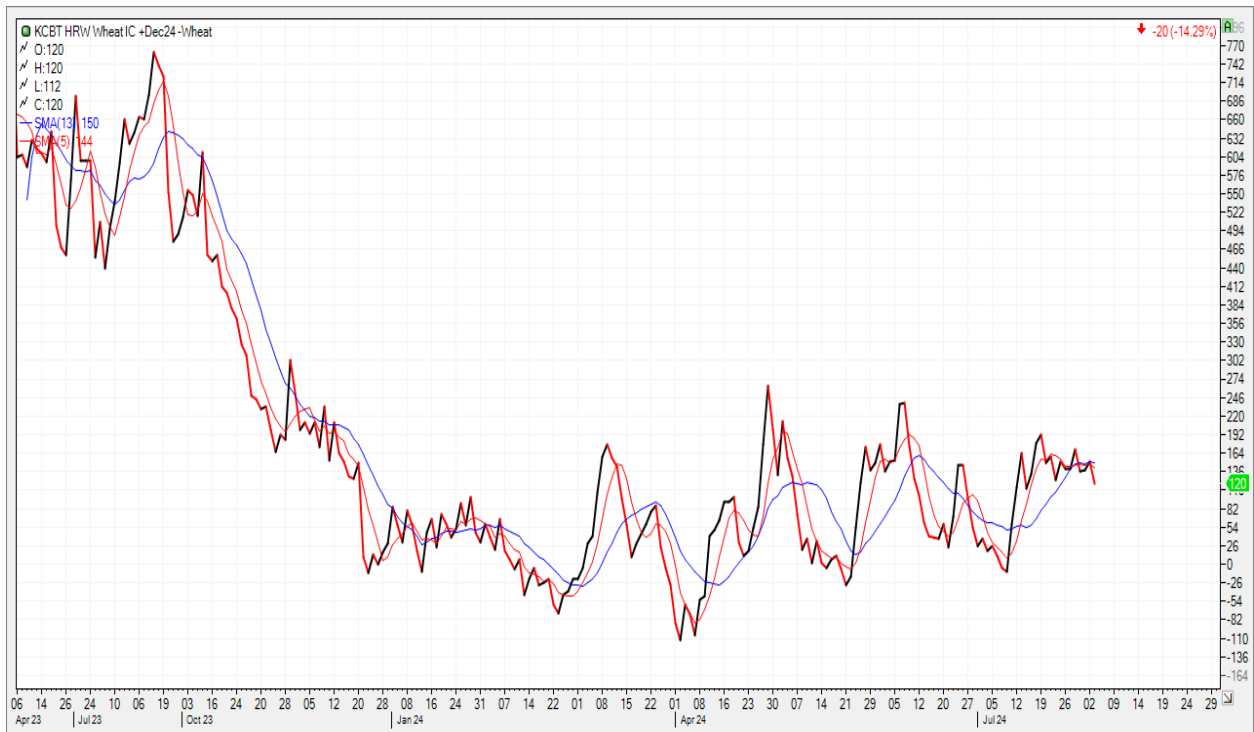
Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>08/02</b>	<b>\$4.97-\$5.06</b>	<b>\$5.05</b>	<b>\$4.75-\$4.85</b>	<b>\$4.61-\$4.75</b>	<b>\$4.95-\$5.40</b>
07/26	\$4.83-\$4.91	\$4.61	\$4.61-\$4.61	\$4.51-\$4.61	\$4.76-\$5.26
07/19	\$5.07-\$5.15	\$4.85	\$4.85-\$4.85	\$4.75-\$4.85	\$5.00-\$5.50
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>08/02(U)</b>	<b>-63, -55</b>	<b>-55</b>	<b>-85, -75</b>	<b>-99, -85</b>	<b>-65, -20</b>
07/26(U)	-63, -55	-85	-85, -85	-95, -85	-70, -20
07/19(U)	-63, -55	<b>-85</b>	<b>-85, -85</b>	-95, -85	<b>-70, -20</b>
07/12(U)	-63, -55	<b>-54</b>	<b>-85, -75</b>	<b>-95, -85</b>	<b>-75, +16</b>
07/05(U)	-64, -55	<b>-90</b>	<b>-95, -90</b>	-100, -83	<b>-70, -24</b>
06/28(U)	<b>-63, -55</b>	<b>-39</b>	<b>-90, -80</b>	<b>-100, -83</b>	<b>-73, -20</b>
Date	Concordia	Salina	Hutch/Wichita	Ark City	
<b>08/02(U)</b>	<b>-35</b>	<b>-12, -05</b>	<b>-32, -03</b>	<b>-45</b>	
07/26(U)	-35	-15, -05	-32, -03	-45	
07/19(U)	-35	-15, -05	-32, -03	-45	
07/12(U)	-35	-15, -05	-32, -03	-45	
07/05(U)	-35	-15, -05	<b>-32, -03</b>	-45	



Some years...2017 and 2018 are good examples...North American spring wheat production was hurt by droughts bad enough to support the entire wheat complex, but as this Mpls Sept – KC U spread chart shows...North American spring wheat has probably avoided a disaster...and is now facing the possibility again of “wheat is wheat”...where protein premiums are skinny and everything gravitates to being the same price...



Indeed, the KC Dec – Chgo Dec looks like even money is on the agenda:

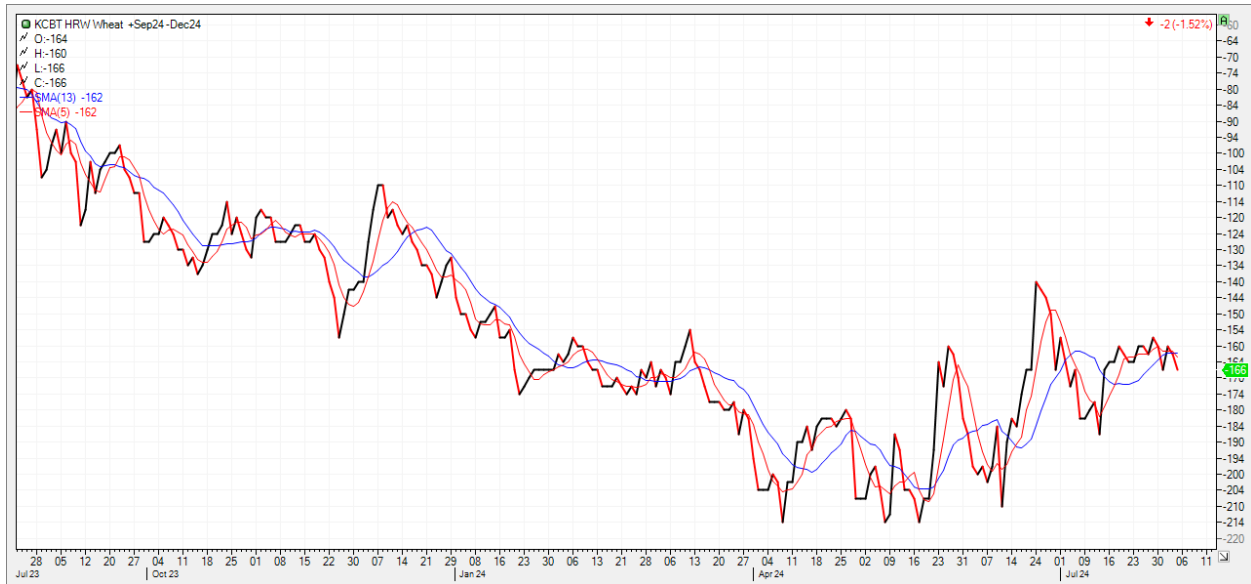




Anyway... “wheat is wheat” under two circumstances. Either A. we don’t have any, or B. we’re swimming in it, and I’m leaning towards B...which...makes the prospects for new 4-week Closing Highs this week more remote.

Unfortunately, buy signals will remain scarce, and Funds and large commercial end-users will drag their feet on covering shorts or extending ownership length, as “hand-to-mouth” is still the best strategy.

IF for some reason the big Commercial need to buy wheat and the futures don’t rally, and a firmer Gulf basis isn’t doing it, then another way would be to narrow the calendar spreads, and remove the reason to store wheat. Here’s the KC Sept-Dec, and it’s not showing any buy signals either:



All of that will change, one day. Maybe not this week. Early Sunday nite action had hard wheats down a few cents, Chgo wheat unch, along with corn, and soybeans up about 8c, and by Monday morning...back to the dumpster. Chgo wheat was down 12c, beans and corn were down 5c. The grind to zero continues.

Have a good week.

Stay Safe. Slow Down.