

Hello Colorado Wheat.

I hope you had a good Labor Day. I think it might be better named as “Non-Labor Day”, as most everyone treats the semi-official end of summer as a day to goof off. Anyway...Looking at the weekly Closing Table, we see KC Z scored a 30c gain and X (Nov) beans gained 27c...but what we’ll focus on to start is Dec corn’s dime better close, which may not seem as impressive as wheat’s 30c, BUT...I think it’s different. Why?

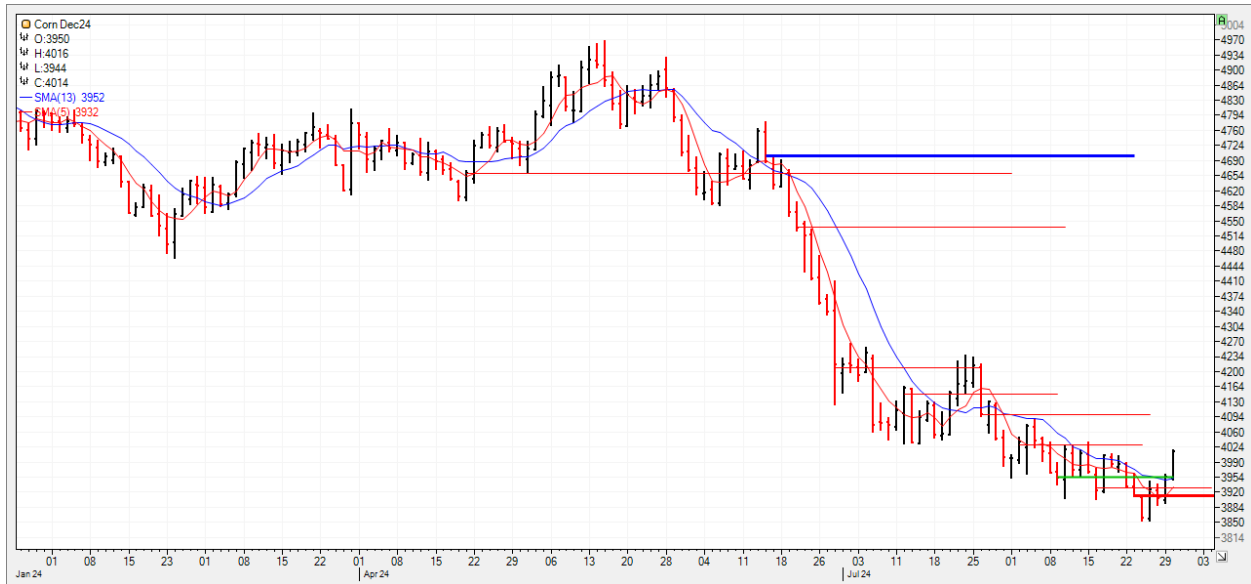
Because Dec corn’s close is higher than any of the previous 3 week’s close. It’s a new 4-Week Closing High. Beans almost did but didn’t. KC wheat almost did but didn’t.

What does a new 4-Week Closing High mean? It’s a buy signal. We haven’t seen a buy signal all summer. Since this is the first buy signal, it doesn’t mean as much as if it was the 3<sup>rd</sup> buy signal, but it’s something to talk about. It’s too early for Funds to cover all of their shorts. Most Funds will only cover a portion of their corn shorts. Some faster type of Funds might begin a small long position, but won’t yet go all in. And it’s quite possible, unfortunately, this initial buy signal fails, and we see a sell signal again as we get closer and deeper into corn harvest, BUT...it is something we haven’t seen in months. There is no denying that.

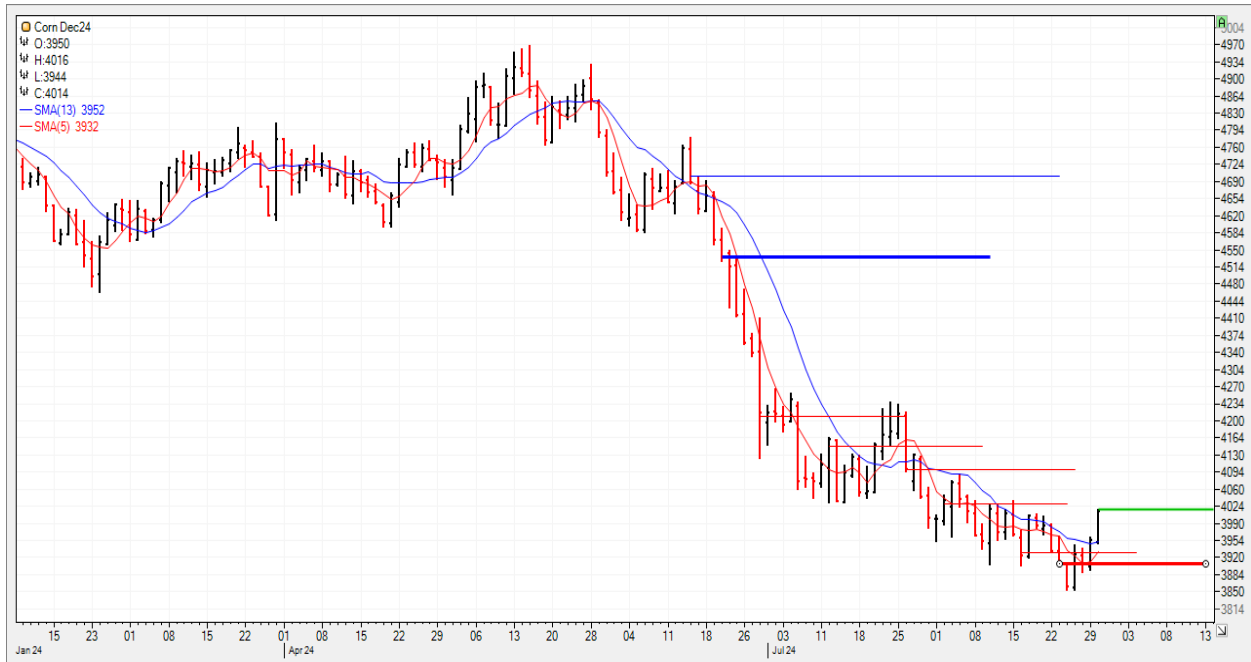
	<b>KC DEC HRW</b>	<b>JULY '25</b>	<b>Dec CORN</b>	<b>July CORN</b>	<b>Chgo Z wheat</b>	<b>Springs DEC (Z)</b>	<b>NOV'24 BEANS</b>	<b>July BEANS</b>	Crude oil	S&P (U)
<i>CLOSE</i>	KWZ24	KWN25	CZ24	CN25	WZ24	MWZ24	SX24	SN25	CRD23	ES23
<b>08/30</b>	<b>\$5.65</b>	<b>\$5.88</b>	<b>\$4.01</b>	<b>\$4.34</b>	<b>\$5.52</b>	<b>\$6.01</b>	<b>\$10.00</b>	<b>\$10.55</b>	<b>\$73.55</b>	<b>\$5661</b>
08/23	<b>\$5.35</b>	<b>\$5.61</b>	<b>\$3.91</b>	<b>\$4.27</b>	<b>\$5.28</b>	<b>\$5.72</b>	\$9.73	\$10.33	\$74.92	\$5663
08/16	<b>\$5.55</b>	<b>\$5.80</b>	<b>\$3.93</b>	<b>\$4.28</b>	\$5.53	\$6.09	<b>\$9.57</b>	<b>\$10.20</b>	\$75.19	\$5578
08/09	\$5.71	\$5.95	<b>\$3.95</b>	<b>\$4.32</b>	\$5.66	\$6.09	<b>\$10.03</b>	<b>\$10.57</b>	\$76.84	<b>\$5370</b>
08/02	\$5.76	\$5.98	<b>\$4.03</b>	<b>\$4.39</b>	\$5.62	\$6.15	<b>\$10.27</b>	<b>\$10.80</b>	<b>\$73.52</b>	\$5376
07/26	<b>\$5.62</b>	<b>\$5.83</b>	\$4.10	\$4.43	<b>\$5.49</b>	<b>\$6.08</b>	\$10.49	\$10.95	\$76.19	\$5499
07/19	<b>\$5.87</b>	<b>\$6.03</b>	<b>\$4.05</b>	<b>\$4.36</b>	<b>\$5.68</b>	<b>\$6.30</b>	<b>\$10.36</b>	<b>\$10.79</b>	\$80.13	\$5554
07/12	<b>\$5.87</b>	<b>\$6.12</b>	<b>\$4.15</b>	<b>\$4.42</b>	<b>\$5.76</b>	<b>\$6.17</b>	<b>\$10.66</b>	<b>\$11.13</b>	\$82.29	<b>\$5665</b>
07/05	<b>\$6.16</b>	<b>\$6.37</b>	\$4.24	\$4.55	\$6.14	\$6.51	<b>\$11.30</b>	<b>\$11.63</b>	<b>\$83.16</b>	<b>\$5622</b>
06/28	<b>\$6.03</b>	<b>\$6.23</b>	<b>\$4.21</b>	<b>\$4.51</b>	<b>\$5.97</b>	<b>\$6.33</b>	<b>\$11.04</b>	<b>\$11.38</b>	\$81.54	\$5522
06/21	<b>\$6.03</b>	<b>\$6.23</b>	<b>\$4.53</b>	<b>\$4.78</b>	<b>\$6.00</b>	<b>\$6.77</b>	<b>\$11.20</b>	<b>\$11.50</b>	\$80.73	<b>\$5534</b>
06/14	<b>\$6.55</b>	<b>\$6.64</b>	<b>\$4.70</b>	<b>\$4.93</b>	<b>\$6.50</b>	<b>\$6.85</b>	<b>\$11.50</b>	<b>\$11.73</b>	\$78.45	<b>\$5458</b>

*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 is the Dec corn chart we looked at last week, and you can easily see the close above the previous green line.



This is the updated Dec corn chart. The Blue line is about 20c lower, the green line is a dime higher...



My opinion is...this initial rally will fail, and there might even be a new sell signal, but that could easily fail as well. Keep in mind strongly trending markets are NOT normal. I think most of the time, markets chop back and forth. And before we get into a strongly trending market again, we'll see lots of chop, and lot's of small buy and small sell signals that will create relatively small losses for specs or quicker Funds, BUT...this is something different than we've seen in a long time.

If we set a new green line next week, the short covering will be more noticeable.

IF we used QT Market Center's Price Count Up to set some initial targets to sell...I think it would look like this:



There's a 65% chance this corn rally extends to \$4.24, which we last saw in mid-July, which became an effective double-top from early July. There's a 50% chance we see a move up to about \$4.43, but it won't be easy getting there, and even the \$4.24 target will have to fight to get up there .

For the record, this buy signal would be completely negated by a new close below the \$3.91 red line created by the 8/23 close. And the QT Price Count Up would be invalid on an intra-day spike low below \$3.85.

Are we seeing any fundamental inputs that might help the technical picture, or at least give reason prices can go sideways, rather than just keep going down? I'm leaning towards...maybe.

I think Groucho Marx said "I never met a Fundamental I didn't like."

Or maybe that was Winston Churchill.

You and I both dread what we're about to see.

We mentioned the word fundamental, so we need some reference point. Sorry about that Chief!

On a national corn yield of 183.1 bu/ac (compared to last year's 177.3), after a similar usage as last year, we are going to build USA ending corn stocks 200 million bushels, and the national average farm price of \$4.20/bu is 45c/bu less than last year's average farm price.

corn	1	2	3	4	5	6	7	8	9
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
area planted	94.0	90.2	88.9	89.7	90.7	92.9	88.2	94.6	90.7
area harvested	86.7	82.7	81.3	81.3	82.3	85.0	78.7	86.5	82.7
	0.923	0.917	0.915	0.907	0.908	0.915	0.892	0.914	0.912
yield	174.6	176.6	176.4	167.5	171.4	176.7	173.4	177.3	183.1
beginning stocks	1,737	2,293	2,140	2,221	1,919	1,235	1,377	1,360	1,867
production	15,148	14,609	14,340	13,620	14,111	15,018	13,650	15,342	15,146
imports	57	36	28	42	24	24	39	30	25
total supply	16,942	16,938	16,508	15,883	16,054	16,277	15,066	16,732	17,038
feed and residual	5,470	5,304	5,429	5,900	5,607	5,671	5,487	5,775	5,825
food, seed and industrial	6,885	7,057	6,793	6,286	6,467	6,757	6,558	6,840	6,840
(includes ethanol & by-products)	5,432	5,605	5,378	4,857	5,028	5,320	5,176	5,450	5,450
total domestic use	12,355	12,361	12,222	12,186	12,074	12,428	12,045	12,615	12,665
exports	2,294	2,438	2,066	1,777	2,747	2,472	1,661	2,250	2,300
total use	14,649	14,799	14,288	13,963	14,821	14,900	13,706	14,865	14,965
ending stocks	2,293	2,140	2,221	1,919	1,235	1,377	1,360	1,867	2,073
stox/use	15.65%	14.46%	15.54%	13.74%	8.33%	9.24%	9.92%	12.56%	13.85%
NAFP	\$ 3.36	\$ 3.36	\$ 3.61	\$ 3.56	\$ 4.53	\$ 6.00	\$ 6.54	\$ 4.65	\$ 4.20

Sept.12 we'll get the NASS Crop Production and update the corn supply. I think Pro Farmer tour showed there's indeed another big corn crop out there (15.0 bil bu), relatively soon. Like...coming right now.

What about demand? It's almost identical to last year's.

Slightly more demand (50 mil bu more feed/residual, and 50 more exports) from a 45c/bu drop; and... a 1% increased ending stocks/usage ratio.

The table also points out that IF THE ENDING STOCKS/USAGE RATIO INCREASES ANOTHER 2 POINTS, PRICES CAN GET UGLIER...and we have to assume prices could do it quickly.

So even though we did see the first buy signal in ages, don't expect a rush to cover all those shorts.

Anyway...we'll get a supply update pretty soon. In the meantime, we'll assume gasoline and ethanol usage is unchanged, and we'll assume animal feeding and the fudge factor residual...are unchanged.

That leaves Exports as the demand variable that we see regular updates.

Unfortunately, the export Pace...is relatively meaningless for corn (and soybeans and milo) as their marketing year is almost finished. Actually, it is already finished, but reporting takes a while. Anyway...corn didn't have a good loading week, and frankly calls into question the USDA's August 25 mil bu corn export increase, but...it is what it is. Any shortfall in the old-crop export target goes to this year's beginning stocks.

Old-crop beans' export forecast looks good. The current wheat year's export pace is probably ok.

<b>WEEK ENDED (08/22/24)</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	35.2	<b>2009.1</b>	<b>175</b>	2184	<b>2,250</b>	66	<b>01</b>	<b>66</b>
Soybeans	15.1	<b>1624.2</b>	<b>60</b>	1684	<b>1,700</b>	16	<b>01</b>	<b>16.0</b>
All wheat	19.7	<b>189.1</b>	<b>19</b>	208	<b>825</b>	617	<b>40</b>	<b>15.4</b>
Milo	4.5	<b>232.5</b>	<b>5</b>	238	<b>245</b>	7	<b>01</b>	<b>7.0</b>
LAST update								
Corn	45.9	<b>1972.3</b>	<b>175</b>	2147	<b>2,250</b>	103	02	<b>51.5</b>
Soybeans	14.6	<b>1608.8</b>	<b>60</b>	1669	<b>1,700</b>	31	02	<b>15.5</b>
All wheat	12.8	<b>168.4</b>	<b>19</b>	187	<b>825</b>	638	41	<b>15.6</b>
Milo	4.2	<b>228.0</b>	<b>5</b>	233	<b>245</b>	12	02	<b>6.0</b>

The Export Sales report also gives clues about export demand, and last week was pretty good. Corn export sales were 51 mil after about 8 mil bu were deducted rolling from old-crop into new-crop and soybeans a big 91 mil bu after deducting 5 mil bu rolled from old-crop to new-crop. Wheat sales were good at 19.5 mil bu.

So...what's all that mean? I think it means...the "fundamentals" so far, this nano-second..., look like we think we know what we have and how we expect things to go.

Which means...Dec corn futures are \$4.00. The USDA thinks the national average farm price should be \$4.20, which coincides almost exactly with the 65% expectation we saw from the QT's Price Count Up.

I'm 50% sold on my new-crop corn. I'm putting in a new order to sell an additional 15% of my expected production at \$4.24 in Dec corn. That's basically admitting I don't see this buy signal as the beginning of a new strongly trending higher Bull market.

I think we'll go sideways for an extended period, with a lot of choppy bad trading environment.

I think that means a guy has to sell rallies.

If we get up to \$4.50 I'll sell more.

How about soybeans? They didn't take out the 4-week Closing High, so that particular buy signal didn't occur. However...the updated chart does appear to show a close above the solid downtrend, with a crossing of the moving averages.

That's interesting.

And we mentioned the 90 mil bu of export sales, which followed last week's 61 mil bu export sales, which was up from 36 mil bu 2 weeks ago.

If I ran a Fund that traded soybeans, and I was sitting on a big short position that I made a gazillion dollars on...I'd be nervous, ready to lighten the load, and start going to the bank.

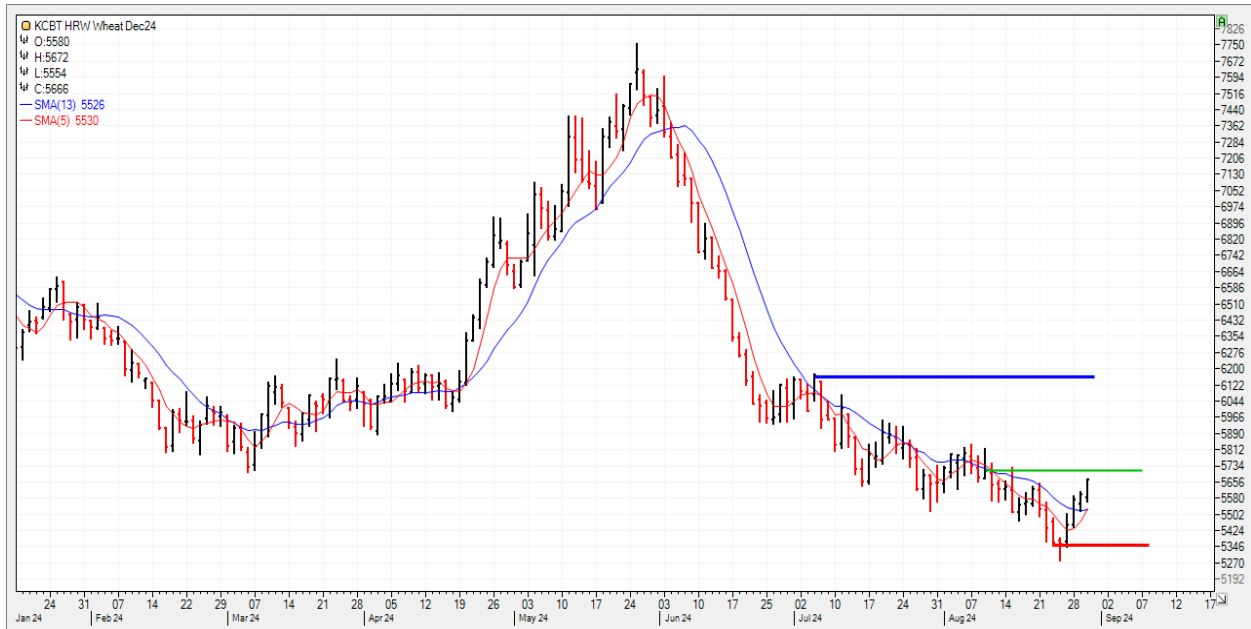


We don't have a new 4-week Closing High yet, BUT looking at the Closing Table on page 1, we know that the \$10.03 green line rolls down to \$10.00, which was Friday's close...and we do have the close above the down trend-line, so...it's possible we did see a buy signal. And if we did, then a QT Market center Price Count up would look like this, with a 65% chance of going to \$10.70, and a 50% chance of making a run to \$11.24:



Of course, expect Sell signals from new lows, knowing that Funds aren't ready to just buy every soybean in sight. Like corn, beans need to go sideways before they truly go higher, and first they need to quit going down. But at least they look like that's possible.

KC Dec wheat bounced, but not quite putting out a buy signal, although we do see a moving average crossing.



Export sales were almost 20 mil bu without the “flashy” countries...(no China, no Brazil)

And we see the Gulf to-arrive bids are firm, now over the Dec (not Sept), showing a nickel better on 11's, AND I saw a published bid for October shipment that is 20c higher than these posted bids. 20c in one month says quite a few boats are gonna get loaded.

GULF				
date	12 pro	11's	diff	
8/30/2024	100	100	0	Z
8/23/2024	115	110	5	U
8/16/2024	115	110	5	
8/9/2024	115	110	5	
8/2/2024	115	110	5	
7/26/2024	120	105	15	

Posted bids in the country have mainly (not everyone just yet) gone basis the Dec, and feel a little firmer at most (not all) spots, assuming rolled at -15c spread in the country and -13c at the big Terminals...

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
<b>08/30</b>	<b>\$4.95-\$5.05</b>	<b>\$4.70</b>	<b>\$4.70-\$4.70</b>	<b>\$4.50-\$4.70</b>	<b>\$4.85-\$5.33</b>
08/23	\$4.57-\$4.65	\$4.35	\$4.35-\$4.35	\$4.21-\$4.30	\$4.55-\$5.00
08/16	\$4.77-\$4.85	\$4.55	\$4.55-\$4.55	\$4.41-\$4.50	\$4.75-\$5.20
08/09	\$4.91-\$4.99	\$4.99	\$4.69-\$4.79	\$4.56-\$4.64	\$4.89-\$5.34
08/02	\$4.97-\$5.06	\$5.05	\$4.75-\$4.85	\$4.61-\$4.75	\$4.95-\$5.40

BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
<b>08/30(Z)</b>	<b>-70, -60</b>	<b>-95</b>	<b>-95, -95</b>	<b>-115, -95</b>	<b>-80, -33</b>
08/23(U)	-63, -55	-85	-85, -85	-99, -90	-65, -20
08/16(U)	-63, -55	<b>-85</b>	-85, <b>-85</b>	-99, -90	-65, -20
08/09(U)	-63, -55	-55	-85, -75	-99, <b>-90</b>	-65, -20
08/02(U)	-63, -55	<b>-55</b>	-85, <b>-75</b>	<b>-99</b> , -85	<b>-65</b> , -20

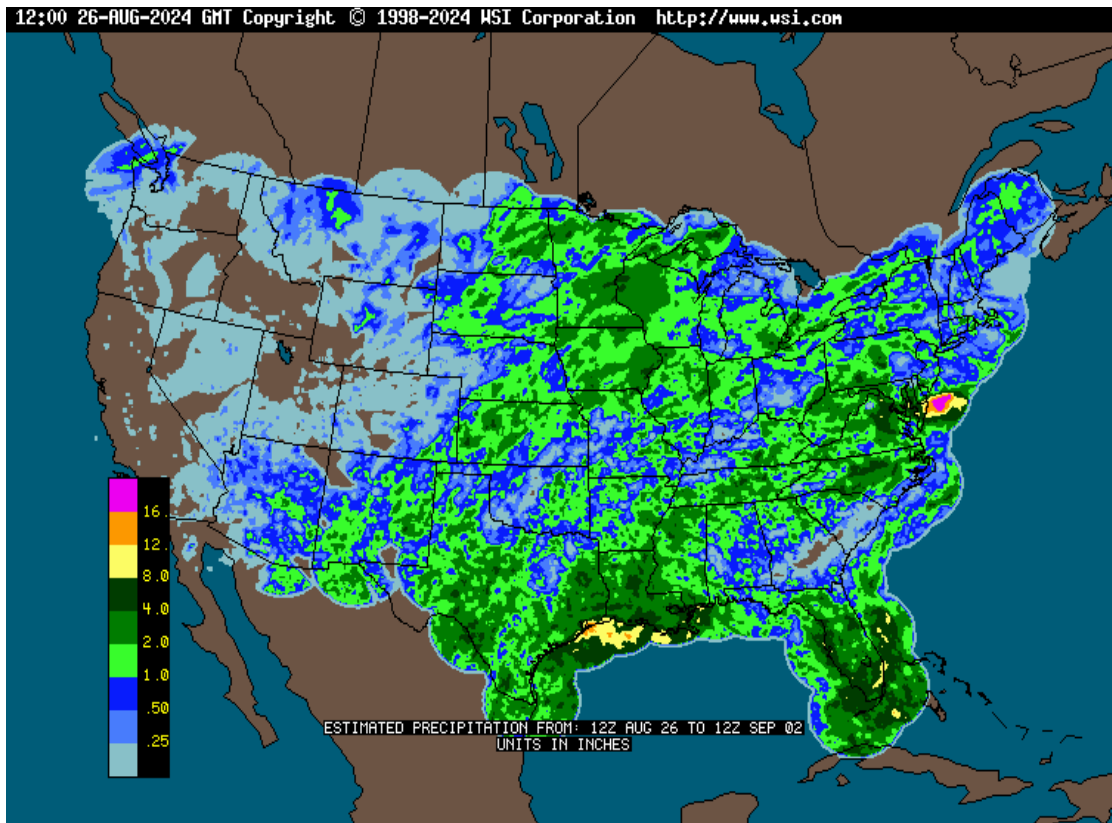
Date	Concordia	Salina	Hutch/Wichita	Ark City
<b>08/30(Z)</b>	<b>-50</b>	<b>-25, -18</b>	<b>-45, -16</b>	<b>-50</b>
<b>08/23(U)</b>	<b>-40</b>	<b>-15, -05</b>	<b>-32, -03</b>	<b>-45</b>
08/16(U)	-35	<b>-15</b> , -05	-32, -03	-45
08/09(U)	-35	-12, -05	-32, -03	-45
08/02(U)	-35	<b>-12</b> , -05	-32, -03	-45

The average flat priced bid for the month was down about 8c.

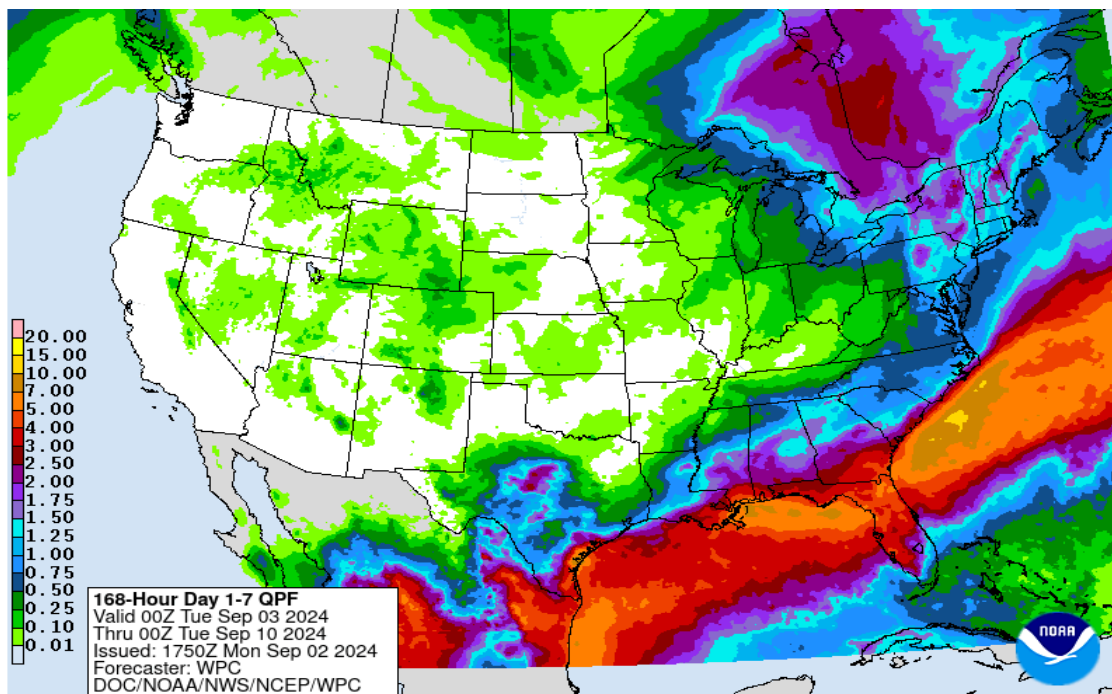


Wheat planting season is coming.

Last week was wet in Kansas but not Colorado.



This week's forecast looks dry, unless that gigantic red storm rising...rises up from the Gulf. Yikes.



Anyway...this week will be interesting. Can corn make it a week without wetting his pants? We'll see.

In all fairness, China is openly talking the bear talk, saying they are encouraging domestic production with subsidies and expect end-users to import less... [https://www.business-standard.com/world-news/china-proposes-new-curbs-on-grain-imports-in-order-to-boost-local-prices-124082801446\\_1.html](https://www.business-standard.com/world-news/china-proposes-new-curbs-on-grain-imports-in-order-to-boost-local-prices-124082801446_1.html)

This quick study shows some Chinese fundamentals, according to the USDA, of this current marketing year. Figures are million metric tonnes.

	Ending stocks	usage	Stox/use	production
wheat	134.5	151	89.1%	140
corn	212.8	313	68.0%	292
rice	104.0	145	71.7%	146
soybeans	45.7	126.8	36.0%	20.7

IF China truly reduces corn and oilseed and milo imports...then these little 4-week Highs are better sales than they are buys, and will be for quite a while, no doubt, and the table suggests they could get away with it for maybe a year in everything except soybeans.

But it's possible they are trying to talk the market lower. We'll see.

Have a good week. Back to work as Labor Day is over. Hah!!

Stay Safe. Slow Down.