

Hello Colorado Wheat.

Do all good things come to an end? Probably.

Like this wheat rally? Is it over?

Well...it certainly ran into resistance in the face of 1. corn harvest and 2. new-crop winter wheat planting season, 3. Australian wheat harvest getting closer... as the 4. Canadian harvest finishes.

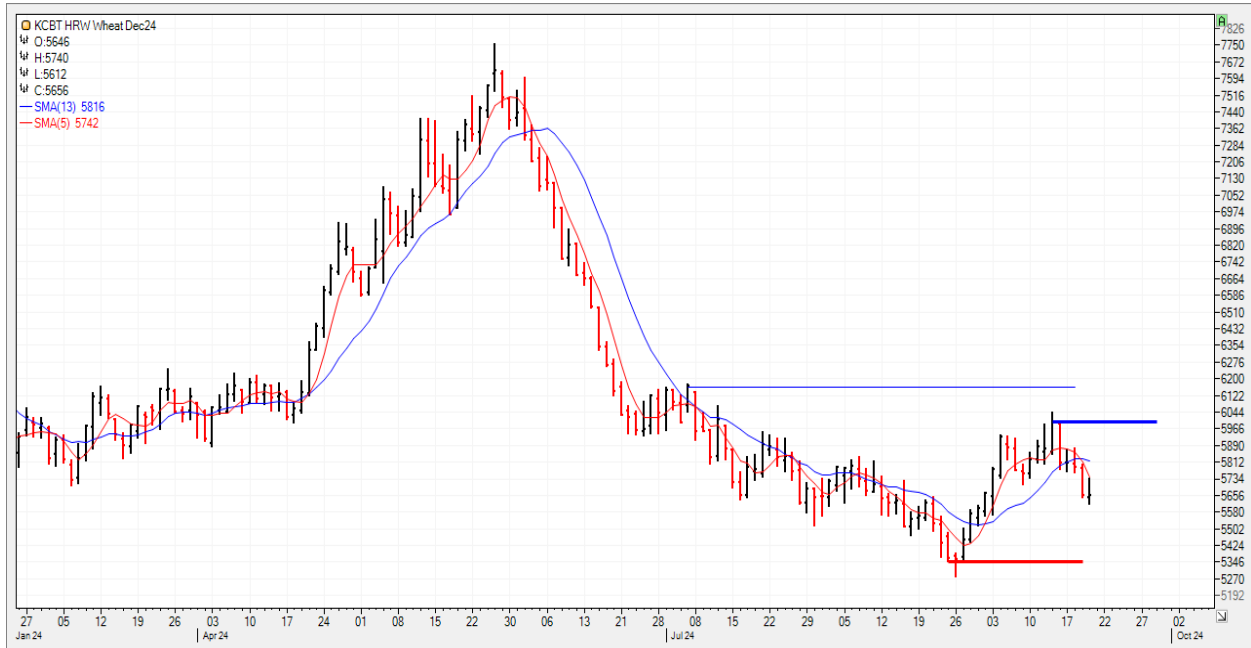
So...yeah, probably should have been more aggressive on selling this bump rather than hoping ...for a never-ending extension. It is still interesting though...as we see in KC Z (and the July) the Blue numbers will be rolling off the board, which means those Green numbers from 09/13 will BECOME the new Blue numbers. Which means...**IF KC Z can ever close a week above \$6.00**, I'd expect the rally to get legs and pick up some steam. Chgo Z wheat would encounter the same action on a weekly close above \$5.95.

Can that happen? I'm leaning towards a pretty strong maybe.

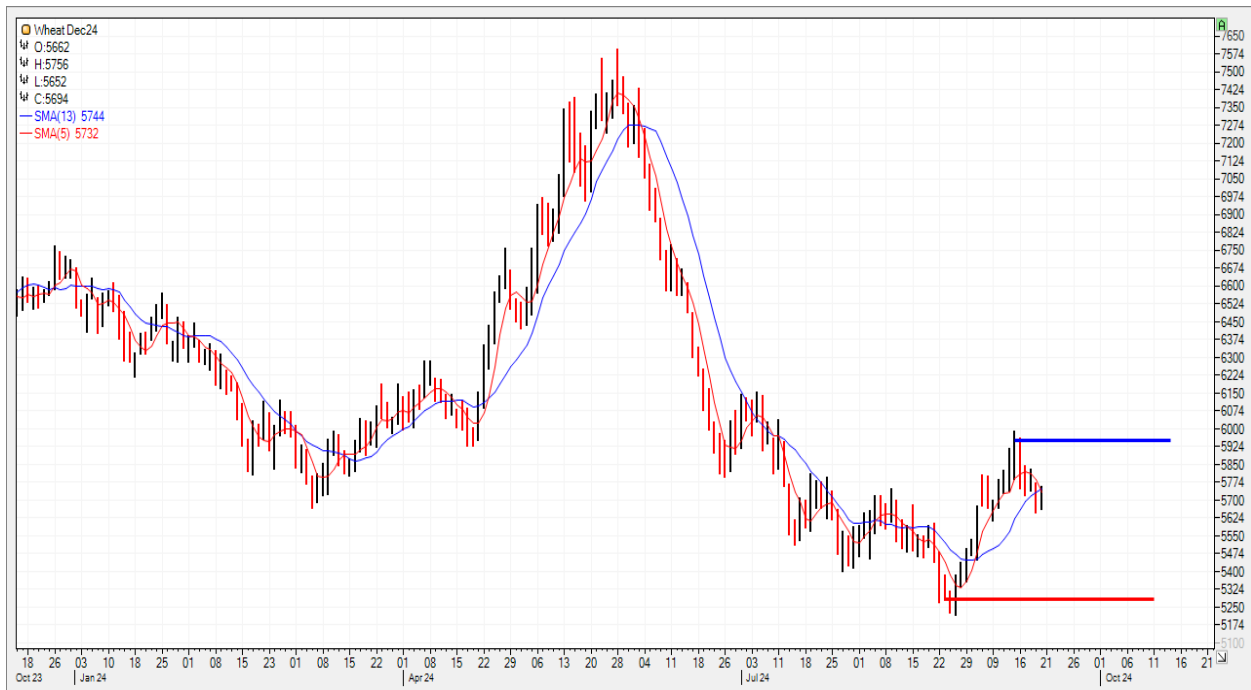
	KC DEC	JULY	Dec	July	Chgo Z	Springs	NOV'24	July	Crude	S&P
	HRW	'25	CORN	CORN	wheat	DEC (Z)	BEANS	BEANS	oil	(Z)
CLOSE	KWZ24	KWN25	CZ24	CN25	WZ24	MWZ24	SX24	SN25	CRD24	ES24
09/20	\$5.64	\$5.90	\$4.02	\$4.38	\$5.69	\$6.08	\$10.12	\$10.68	\$71.00	\$5762
09/13	\$6.00	\$6.23	\$4.13	\$4.48	\$5.95	\$6.36	\$10.06	\$10.58	\$68.65	\$5630
09/06	\$5.78	\$6.01	\$4.06	\$4.42	\$5.67	\$6.14	\$10.05	\$10.59	\$67.67	\$5420
08/30	\$5.65	\$5.88	\$4.01	\$4.34	\$5.52	\$6.01	\$10.00	\$10.55	\$73.55	\$5661
08/23	\$5.35	\$5.61	\$3.91	\$4.27	\$5.28	\$5.72	\$9.73	\$10.33	\$74.92	\$5663
08/16	\$5.55	\$5.80	\$3.93	\$4.28	\$5.53	\$6.09	\$9.57	\$10.20	\$75.19	\$5578
08/09	\$5.71	\$5.95	\$3.95	\$4.32	\$5.66	\$6.09	\$10.03	\$10.57	\$76.84	\$5370
08/02	\$5.76	\$5.98	\$4.03	\$4.39	\$5.62	\$6.15	\$10.27	\$10.80	\$73.52	\$5376
07/26	\$5.62	\$5.83	\$4.10	\$4.43	\$5.49	\$6.08	\$10.49	\$10.95	\$76.19	\$5499
07/19	\$5.87	\$6.03	\$4.05	\$4.36	\$5.68	\$6.30	\$10.36	\$10.79	\$80.13	\$5554
07/12	\$5.87	\$6.12	\$4.15	\$4.42	\$5.76	\$6.17	\$10.66	\$11.13	\$82.29	\$5665
07/05	\$6.16	\$6.37	\$4.24	\$4.55	\$6.14	\$6.51	\$11.30	\$11.63	\$83.16	\$5622

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 updated KC Dec wheat chart looks like it would just as soon go test the Red Line of support down to \$5.35 as go up and test the new Blue Line at \$6.00, although it looks like the \$5.50 area is probably supportive.



The Chgo Z wheat chart is very similar. Both charts show moving average crosses (faster line now below the slower line).



And the KC July chart is almost identical, even though it's technically a new-crop month, which in my opinion is quite interesting, as it possibly suggests the market is already willing to focus mainly on the new-crop, even though the calendar says we're still in September.



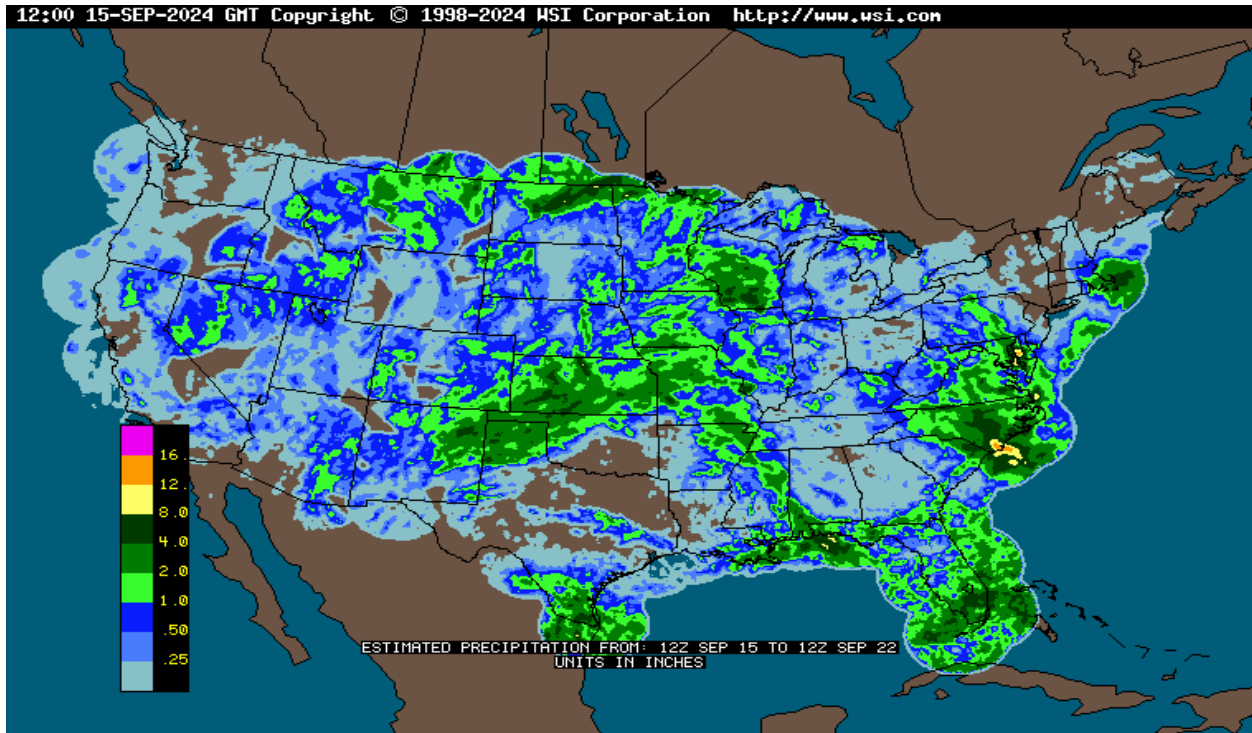
Currently, the KC Z – KC N shows the old-crop slipping to recent lows (-27c) against the new-crop July.



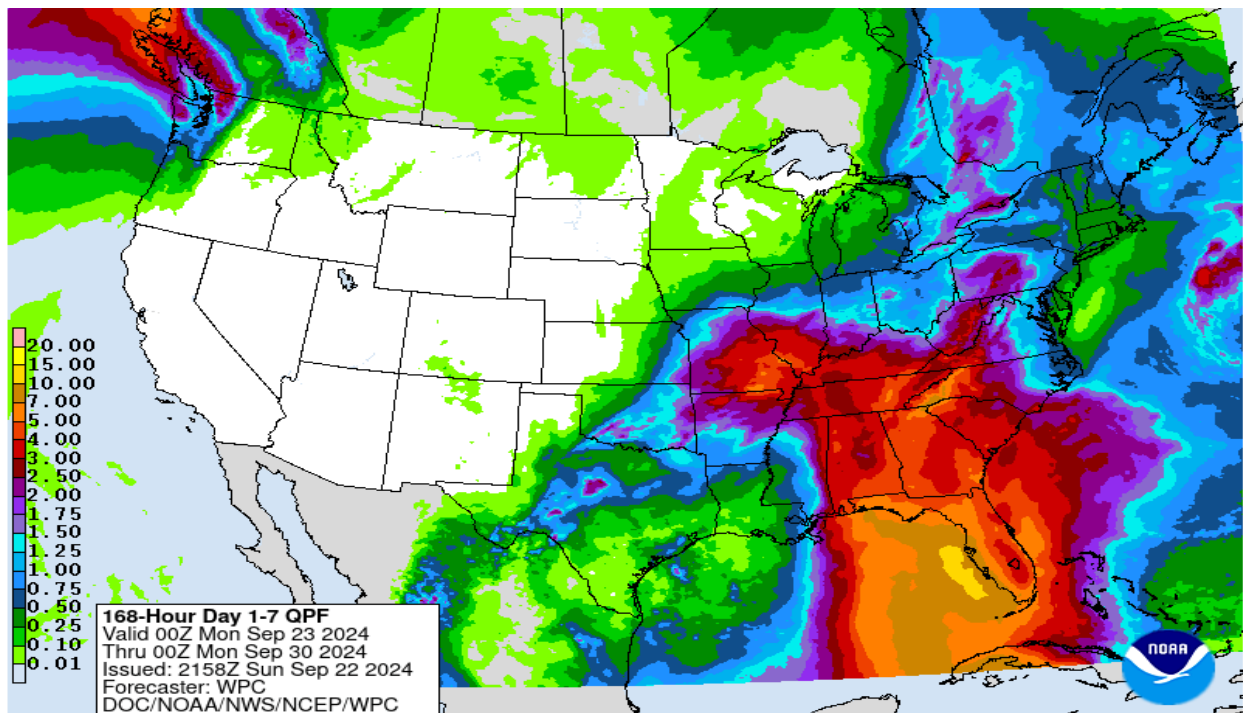
I think it's saying we have a pretty good idea on the old-crop supply/demand situation, barring some more serious war outbreak than we've seen recently. (Apparently going to take Russia sinking a Ukrainian wheat boat rather than just striking it with a little missile or drone. Omega.)

So...does it already boil down to one thing? If so, what would that be? You already know.

Here's last week's precipitation. Sure looks like Kansas, and the TX/OK Panhandles got wet. I think it's fair to say that caused KC's 35c drop last week.

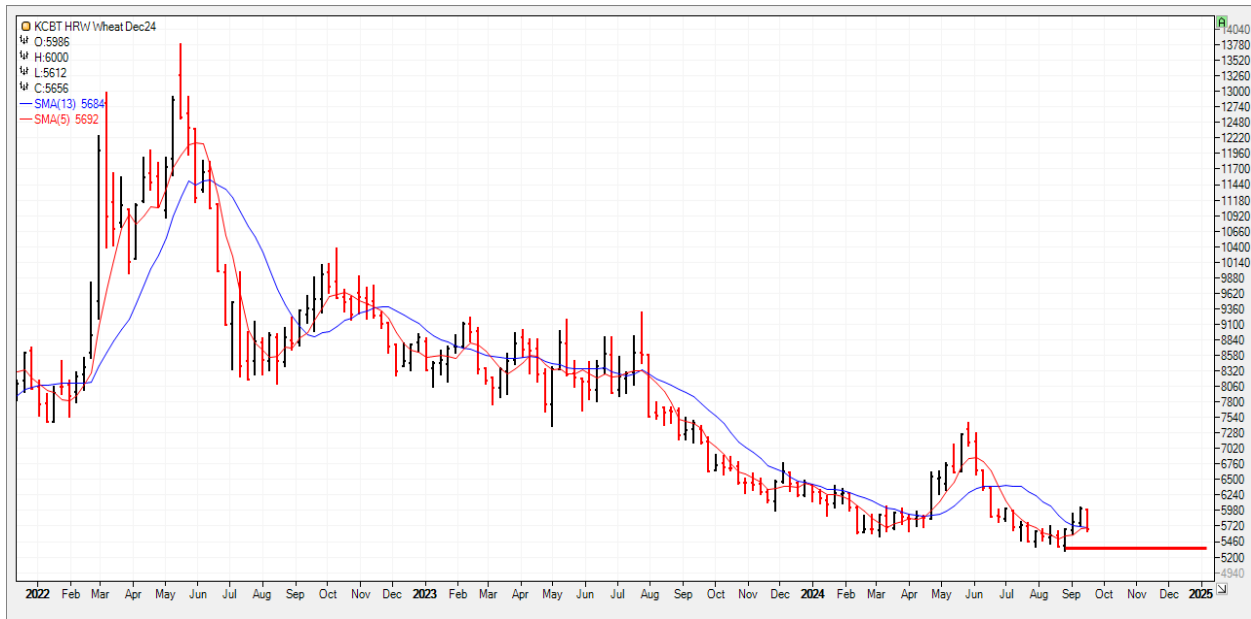


Another week like that and we'd be testing those Red Lines of support. But...this week looks dry. So maybe this wheat slide can slow down.

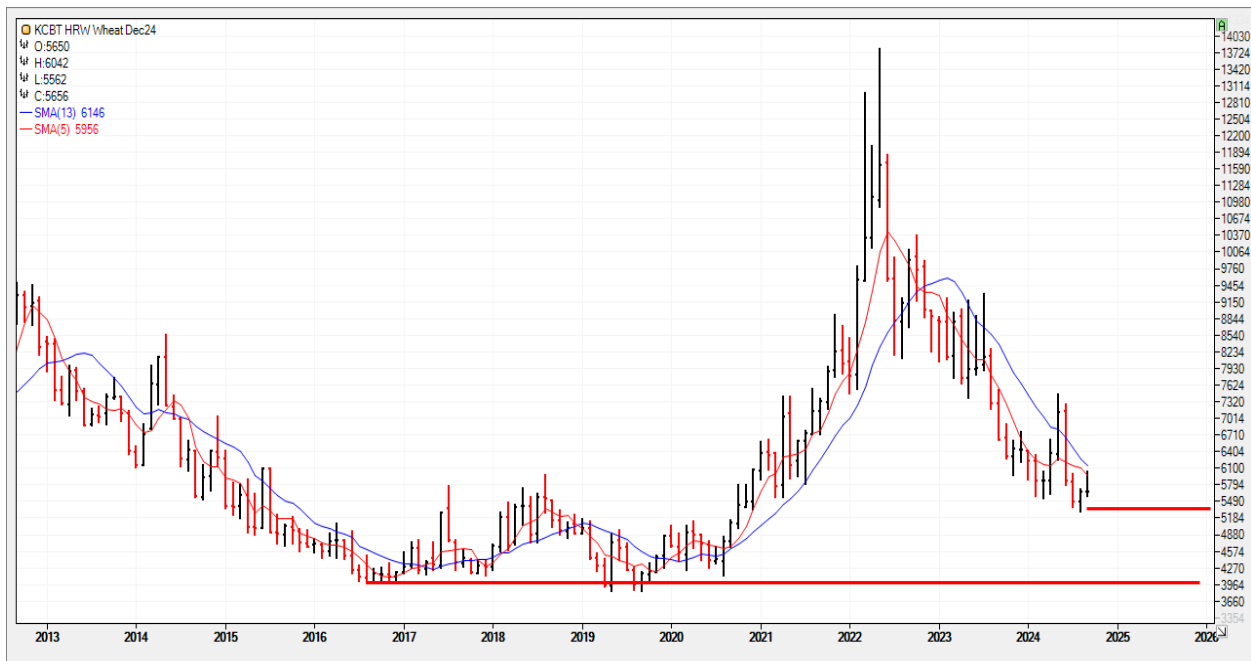


So here we are, late September...and it's about one thing. How next year's wheat does. Wake me up after Thanksgiving and we'll talk about emergence and stands. And then we can take a nap, and wake up around St Patty's Day and talk about how the winter went, and what's the outlook for spring moisture.

And then, whether we like it or not, we'll have a better idea about this longer-term weekly continuous KC chart, and decide if we have to worry about what's below that \$5.35...



because...it's not pretty. This is a continuous KC monthly, showing the Abyss...below \$5.35 is nothing until the \$4.00 Red Line of Doom.



Anyway...I'm still sitting on half of this year's wheat, and right now I'm leaning towards blowing chow below \$5.35.

The Outlaw Josey Wales said "Dyin' ain't much of a livin', boy". His advice was "When things look bad, and it looks like you're not gonna make it, you gotta get mean. I mean plumb, mad-dog mean. Cuz if you lose your head and just give up, then you neither live nor win. That's just the way it is."

Anyway...I hate it, but I have a sell-stop in place.

And while we're at it, will put a sell-stop in place for 25% of my new-crop, which will soon be planted.

Looking back...I was complacent because I sold 50% early, at good prices, and then failed to act when the May rally fell apart.

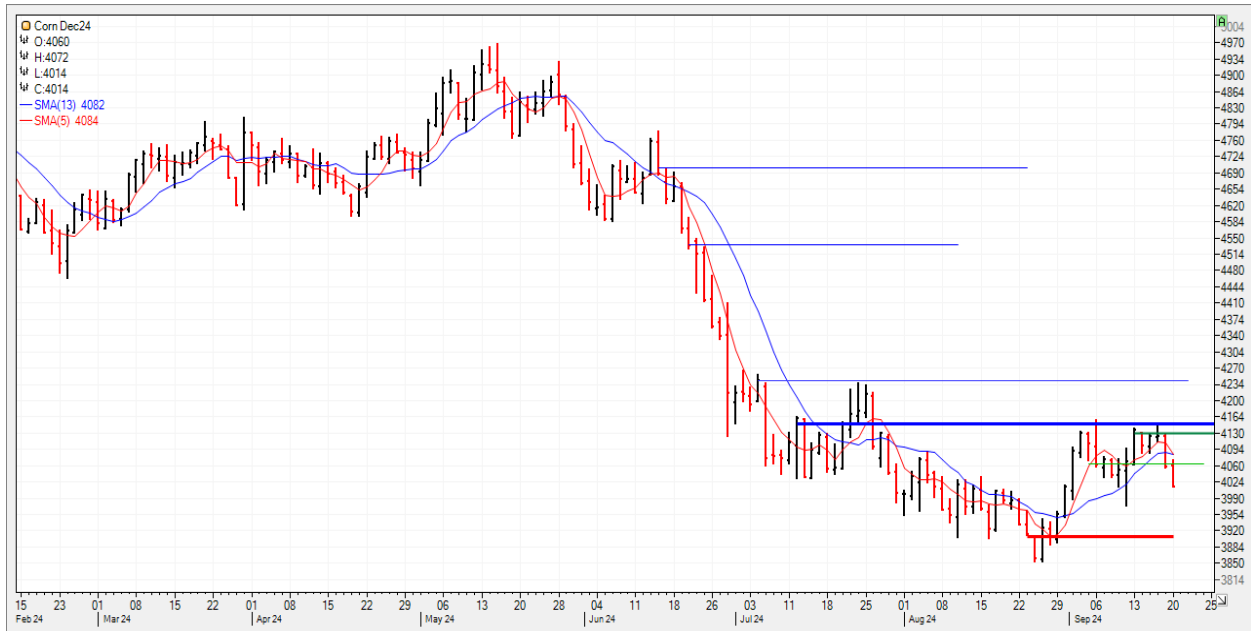
I always told my teams there are 2 reasons a guy fails. Either he's under-prepared, or else he's over-confidant. I was over-confidant, which allowed me to freeze up, and then did nothing.

Anyway...for all we know Putin actually will sink a grain boat in the Black Sea in International waters, and the markets go crazy again, but...right now, we need to be thinking about protecting the down side ...to stay alive.

Plumb, mad-dog mean.



Dec corn chart looks like a wheat chart. New lower Blue Lines offer tantalizing “what if we could close above it?” whereas the reality is...Resistance is now closer (lower) to the market.



November beans don't look exactly like wheat or corn, for a couple of reasons. The market acts like we've lost the top-end yield potential, and, importantly, China is actually buying some USA soybeans. It's not a really great looking chart, but to me, it looks different than a wheat or corn chart, probably because the Blue line is not yet sitting right on top of the market.



Cuiaba and Sinop, Mato Grosso Brazil still remain dry for the next 10 days, taking it to October 1. October is when they normally get 4 inches of rain on average.

Weekly export loadings for corn were so bad it seems like it was a mistake. Export sales picked up a little (33.3 mil bu) and included a dab to unknown destinations, which we all hope is China finally coming to the trough. Soybeans loading season is coming, as we see it slowly build, and soybeans export sales of 64 mil were good again. Again, these are some of the reasons why the soybean chart doesn't look as bad as a corn chart. Wheat loadings were decent, but sales really fell off, at only 9 mil bu, contributing to why the wheat chart looks crummy.

WEEK ENDED (09/12/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	20.5	39.1	175	214	2,300	2086	50	41.7
Soybeans	14.7	24.8	60	85	1,850	1765	50	35.3
All wheat	20.5	255.1	19	274	825	551	37	14.9
Milo	2.6	2.8	5	8	220	212	50	4.2
LAST update								
Corn	32.9	18.4	175	193	2,300	2107	51	41.3
Soybeans	13.0	9.6	60	70	1,850	1780	51	34.9
All wheat	21.6	233.3	19	252	825	573	38	15.1
Milo	0.1	0.1	5	5	220	215	51	6.9

KC wheat futures dropped more than the European futures last week, so it's not like the market doesn't know USA wheat exports have to get plumb mad-dog mean to compete.

8/23/2024	8/30/2024	9/13/2024	9/27/2024	
\$ 194.50	\$ 218.75	\$ 224.50	\$ 216.25	matif
\$ 191.07	\$ 212.20	\$ 220.46	\$ 207.24	KC
\$ 3.43	\$ 6.55	\$ 4.04	\$ 9.01	diff

But it's also like the wheat markets everywhere knows it has to get plumb mad-dog mean.

Here's a decent story on Australia needing the Chinese wheat buyers (and cue up some B-52's from 1978 as they talk about Rock Lobster!)... <https://www.msn.com/en-au/money/markets/slowing-chinese-economy-leaves-australian-lobster-wheat-iron-exporters-exposed/ar-AA1qS18z?ocid=BingNewsSerp>

It wasn't a rock...it was a Rock Lobster....

We see the Gulf doing nothing on too-arrive HRW bids...

GULF				
date	12 pro	11's	diff	
9/20/2024	100	100	0	
9/13/2024	100	100	0	
9/6/2024	100	100	0	
8/30/2024	100	100	0	Z

and posted basis bids in the country content to do very little:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
09/20	\$4.84-\$5.04	\$4.69	\$4.69-\$4.69	\$4.55-\$4.64	\$4.89-\$5.44
09/13	\$5.30-\$5.40	\$5.05	\$5.05-\$5.05	\$4.91-\$5.00	\$5.25-\$5.80
09/06	\$5.08-\$5.18	\$4.83	\$4.83-\$4.83	\$4.69-\$4.78	\$4.98-\$5.58
08/30	\$4.95-\$5.05	\$4.70	\$4.70-\$4.70	\$4.50-\$4.70	\$4.85-\$5.33
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
09/29(Z)	-80, -60	-95	-95, -95	-109, -100	-75, -20
09/13(Z)	-70, -60	-95	-95, -95	-109, -100	-75, -20
09/06(Z)	-70, -60	-95	-95, -95	-109, -100	-80, -20
08/30(Z)	-70, -60	-95	-95, -95	-115, -95	-80, -33
08/23(U)	-63, -55	-85	-85, -85	-99, -90	-65, -20
08/16(U)	-63, -55	-85	-85, -85	-99, -90	-65, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
09/20(Z)	-50	-25, -20	-40, -10	-50	
09/13(Z)	-50	-25, -20	-40, -10	-50	
09/06(Z)	-50	-25, -20	-40, -10	-50	
08/30(Z)	-50	-25, -18	-45, -16	-50	
08/23(U)	-40	-15, -05	-32, -03	-45	
08/16(U)	-35	-15, -05	-32, -03	-45	

The fact that Concordia, KS can remain 25c under Salina, KS low side for a month now says everything about perceived lack of demand.

Last week I devoted a full page to why French or other European wheat shouldn't flow readily to The States this year, and this Reuters article talks about their quality problems.

<https://www.reuters.com/markets/commodities/french-millers-face-long-grind-rain-hit-wheat-harvest-comes-2024-09-18/>

That would be more important if...we actually did something to put a lid on Russian wheat exports. This article states almost perfectly what I was talking about a few weeks ago when I said "if I was the Wheat Czar, we give Africa free wheat"... <https://www.thezimbabwemail.com/farming-environment/agriculture-environment/africas-food-security-beyond-russian-grains-partnerships-oped/>

Would that totally irritate everyone, including our existing customers? Yes, without a doubt. But this little Wheat Czar is tired of the Russian nonsense, and is considering getting...mean, plumb mad-dog mean.

Have a good weekend.

Stay Safe. Slow Down. I know it's hard when everything feels like it has to be done at once, but...take a breath. There will be a tomorrow.

Get some sell-stops in place mentally if nothing else. Survival skills are needed.