

Hello Colorado Wheat.

What’s happening here? Week 07/05, which contained most of the previous Blue numbers, rolled off the table...which allowed the current price levels to come into play, and in the case of corn and soybeans...we see NEW BLUE numbers (new 12 week Closing Highs). The Blue numbers are expected to provide resistance, although...there’s a chance, we get a higher close next week, which would be interpreted as another Buy Signal.

What does this mean? **I think “The Funds” covered their big short positions. They have plenty of ammo, to buy and go long, if the market “tells” them to buy, or conversely...they have plenty of ammo to sell, if the market tells them to sell.**

	KC DEC HRW	JULY '25	Dec CORN	July CORN	Chgo Z wheat	Springs DEC (Z)	NOV'24 BEANS	July BEANS	Crude oil	S&P (Z)
CLOSE	KWZ24	KWN25	CZ24	CN25	WZ24	MWZ24	SX24	SN25	CRD24	ES24
09/27	\$5.77	\$6.07	\$4.18	\$4.51	\$5.80	\$6.08	\$10.66	\$11.16	\$68.18	\$5791
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

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

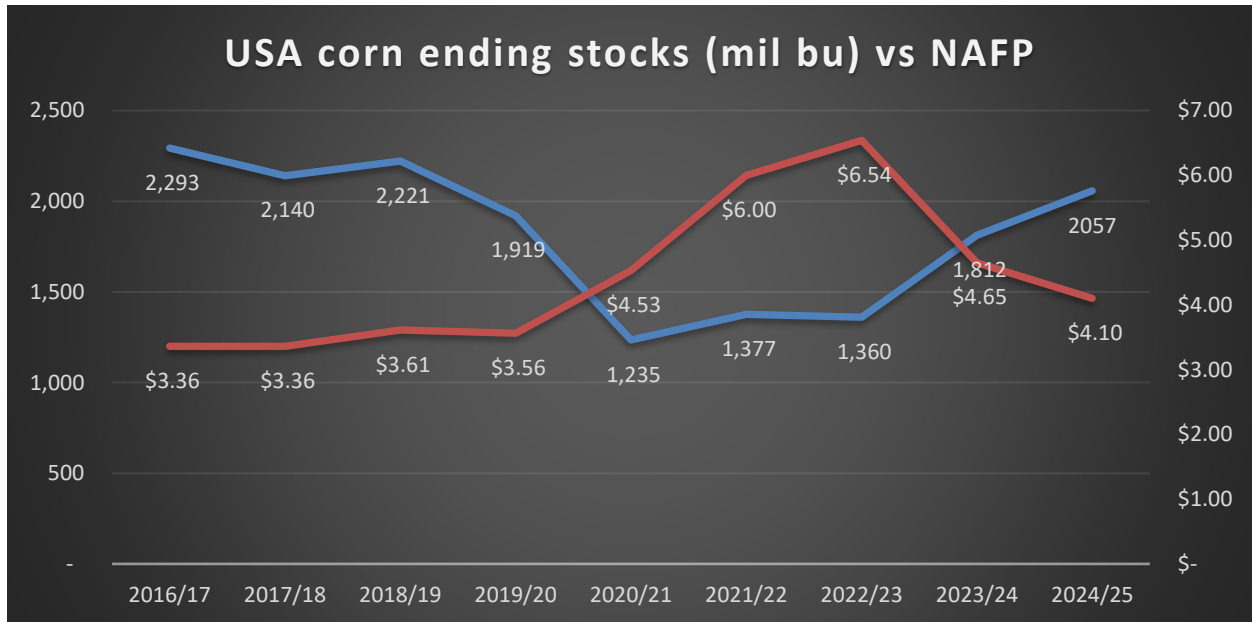
Most markets do not trend; they chop, which leads to bad trading (buying high, selling low) and that’s PROBABLY what we should expect. What does that mean to a producer? I think it means he should treat these Blue numbers as selling opportunities of some quantities, depending on how much he’s already sold.

This is Dec corn, with the new Blue Line at Friday's \$4.18 close and the Red line at \$3.91 from 08/23. The Green line, current 4-week Closing Low is at \$3.91. A close below that will probably make "the Funds" sell out any new longs some of the faster types bought, and of course a collapse and a new Red number will make them all sell and start going short again.

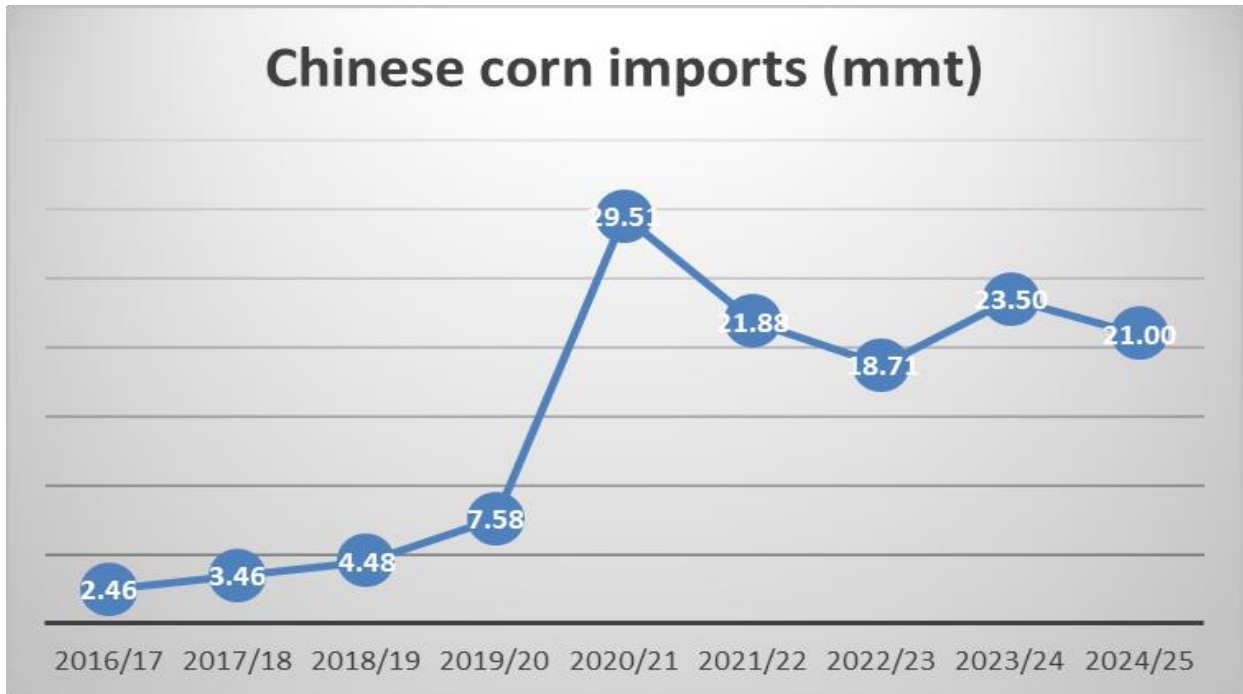


I know it would be better if I just told you what's going to happen...but...I'm not that good. 😊

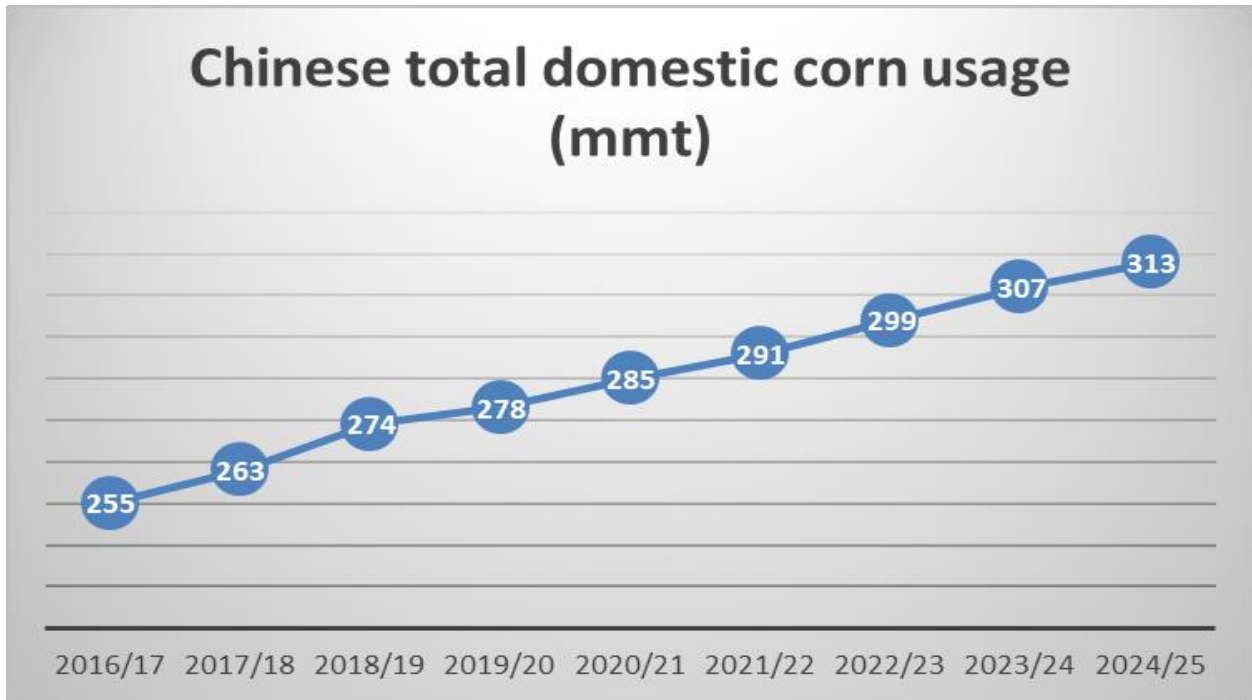
Fundamentally, we're going to see Grain Stocks in All Positions today (Monday 09/30) which could be a market mover. This is what we "know" now:



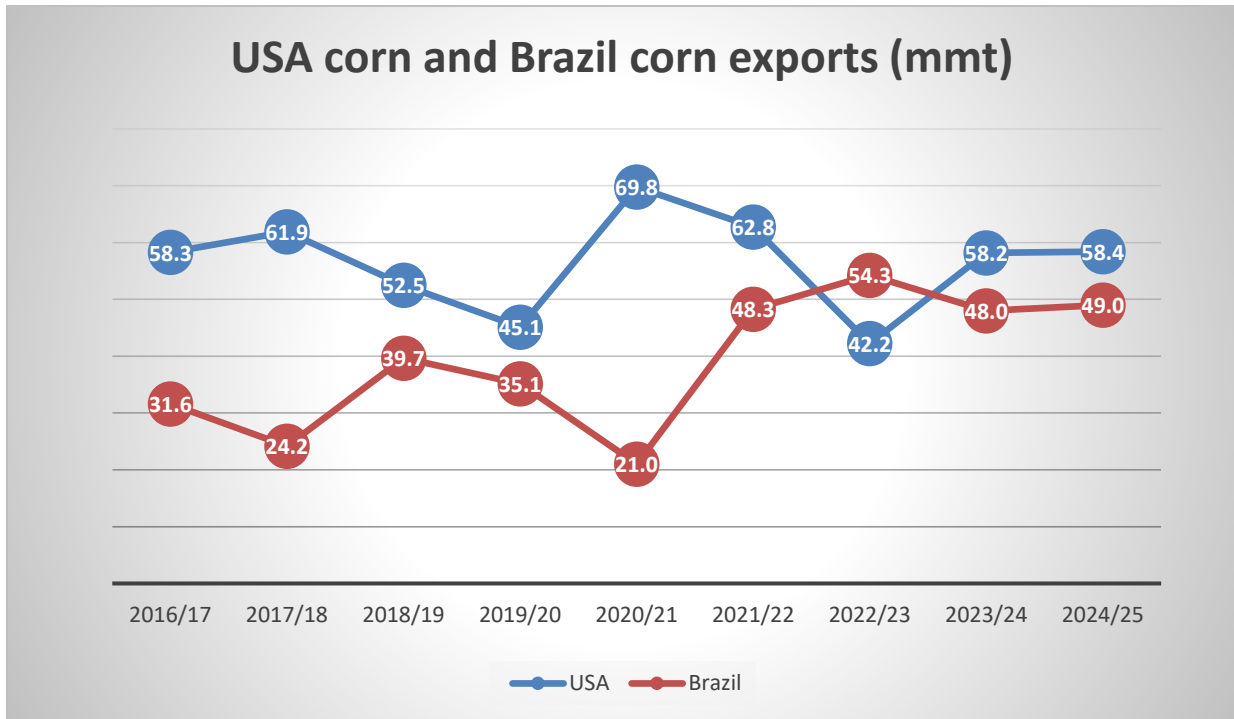
We also know this. Something triggered China to import a lot of corn a few years ago, and now the world corn market expects those big Chinese imports, and...is probably very concerned if those big Chinese imports decrease.



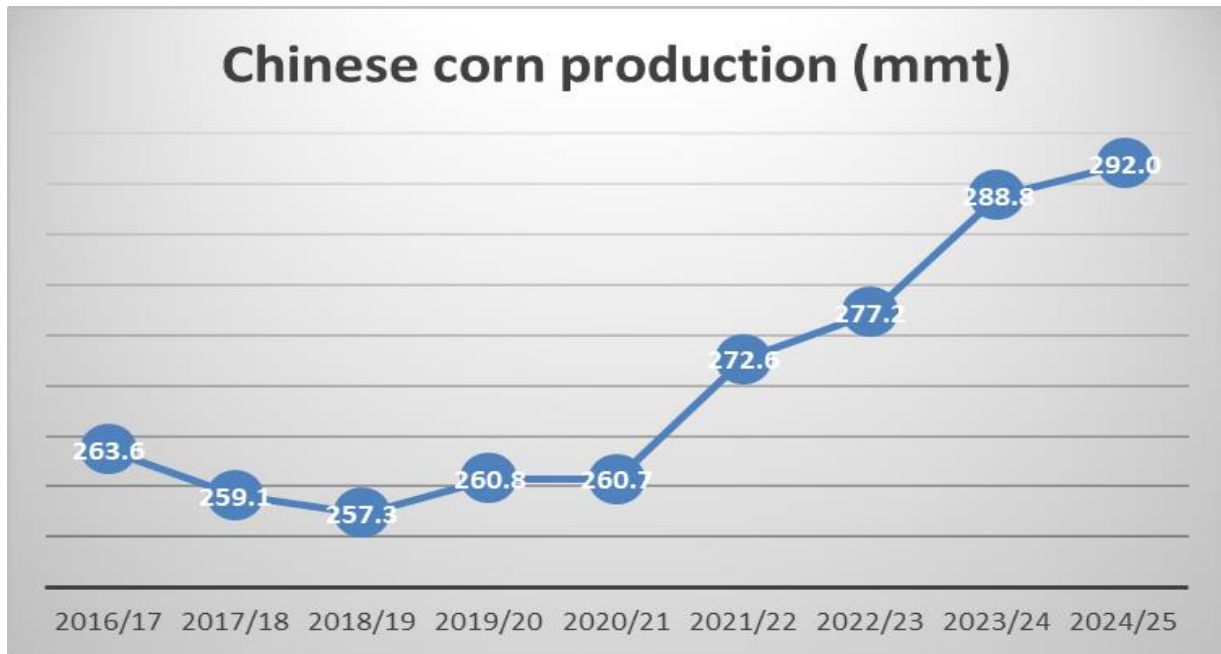
Those bigger Chinese corn imports were triggered by ever increasing domestic usage:



And of course, we know Brazil is becoming more competitive in the world markets:



But...what is probably making Chinese buyers hesitant to buy a lot of USA corn? I think it's because China expects a bumper corn crop:



So maybe local Chinese buyers are content to go hand-to-mouth, or at least ...go slow.

The current USA export pace shows overall loadings were good, the best total we've seen since late last April...although soybeans are lagging sales have been good. Whereas corn...export sales are still NOT any good, which is related to the Chinese discussion earlier. Wheat export sales...were even worse than corn sales...leaning towards a Yikes!

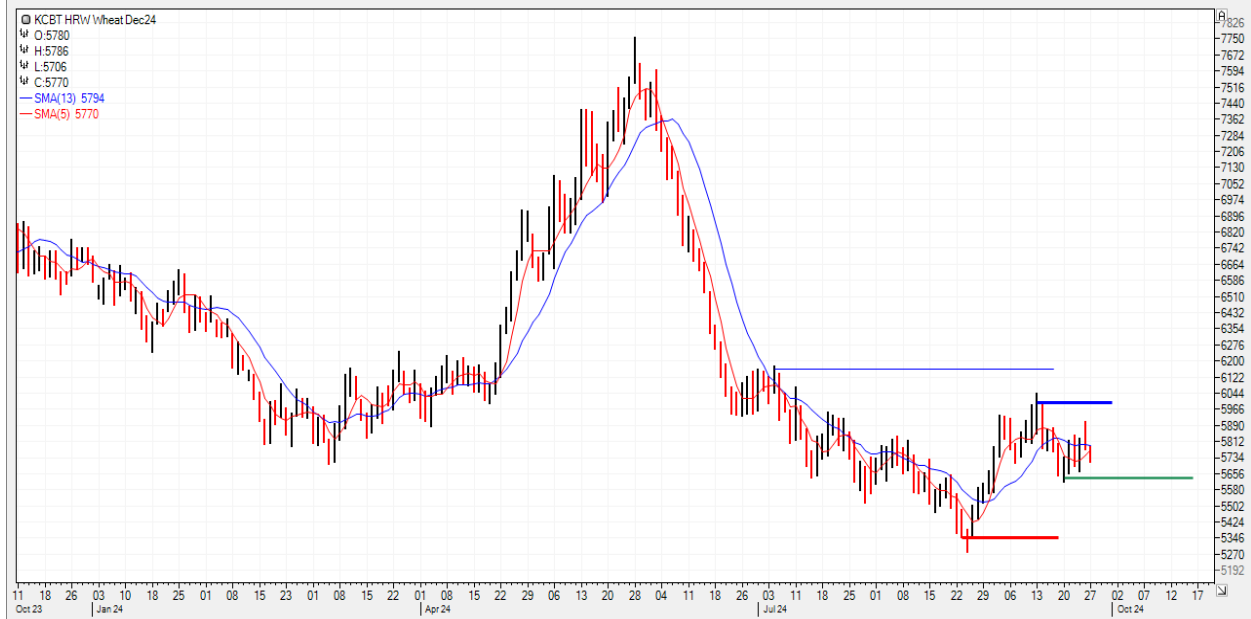
WEEK ENDED (09/12/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	43.4	84.4	175	259	2,300	2041	49	41.6
Soybeans	17.8	45.3	60	105	1,850	1745	49	35.6
All wheat	26.1	282.4	19	301	825	524	36	14.6
Milo	3.1	5.9	5	11	220	209	49	4.3
LAST update								
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

Anyway, wrapping up corn...I'm leaving my sell order resting paper in at \$4.24, and hope to get it. I admit I'm nervous about the Grain Stocks report, besides the entire Chinese discussion. **So, in that regard, I'm changing the resting sell corn paper to include a sell-stop at an apparent weekly close below \$4.09.**

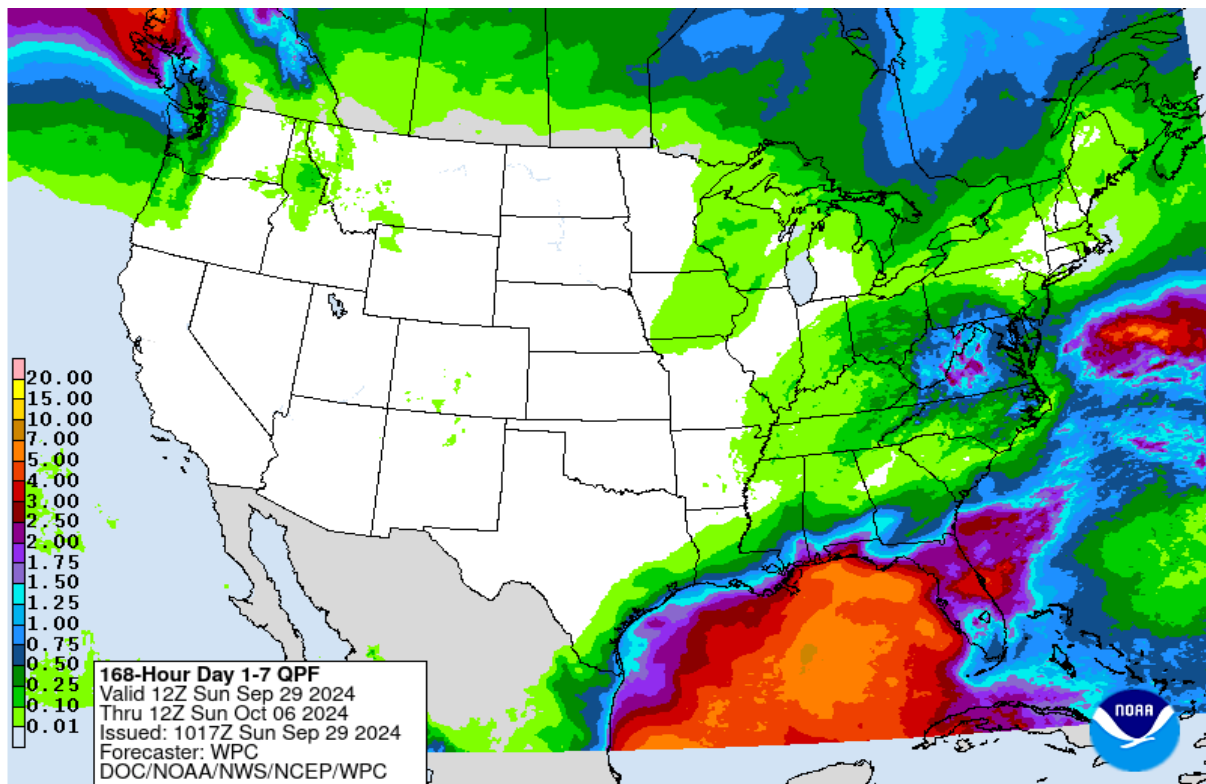
Soybeans more than any other grain, are actually seeing Chinese purchases. This chart looks like a test of \$11.00 is more than just possible. Besides a feeling from very early harvest reports that USA soybean yields are not quite what was expected, Matto Grosso Brazil's "almost clockwork" rainy season has NOT started yet after their dryest ever September. It's possible China is nervous.



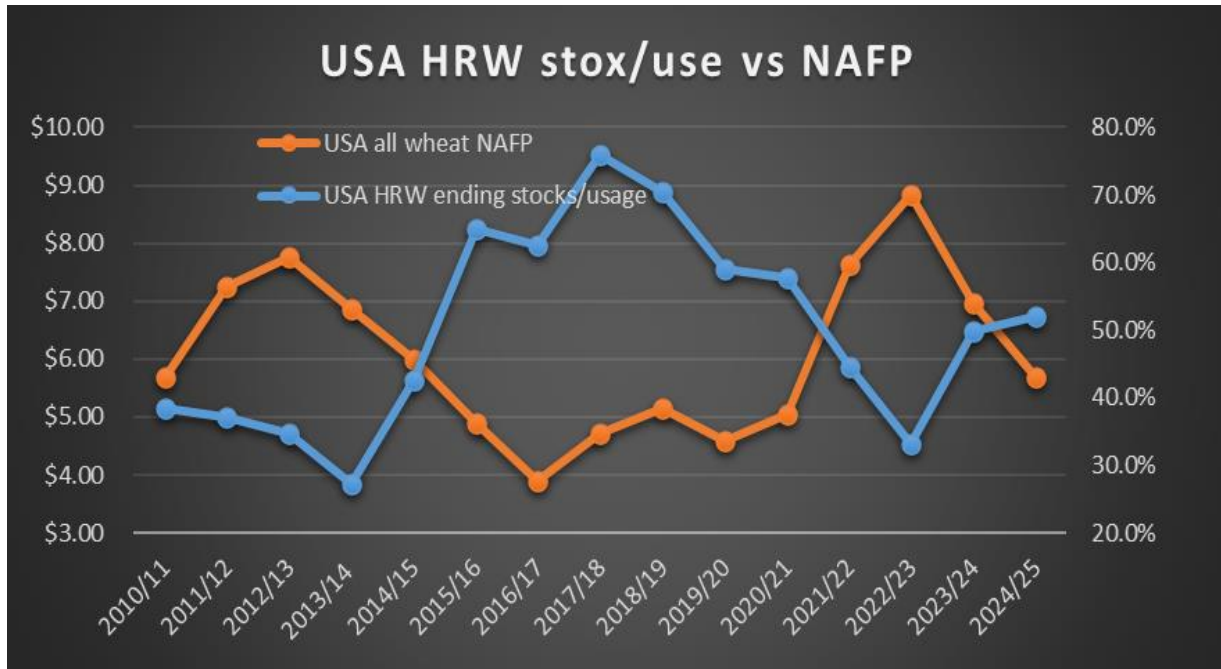
This KC Z wheat chart shows the market is starting to better define the “Sideways trend”. I’m only 50% sold of this year’s wheat. I have a sell-stop in place (placed by Josey Wales last week) for half of the unsold wheat on a weekly close below \$5.35. The chart shows a Green line, which is the 4-week Closing Low. A new lower green line would lead to a test of that Red line and my sell-stop.



What about New-Crop Hard Red Winter...which today’s report will show... about 40% planted, and this weather says be next week, we’ll be close to 60% planted:



Madison Andersen with Colorado Wheat asked me to do a market outlook for next year's wheat, which I did, and trying not to ruin her publication coming out in a couple weeks...I asked her if I could use one chart, and she said ok, so here it is:



It's pretty simple. It shows a very good correlation between a increasing ending stocks/usage ratio and a drop in National Average farm Price (NAFP).

SO without "spoiling everything" for Madison...IF next year's production (the wheat being planted) equals last year's production (currently sitting in bins), and USA HRW exports next year stay the same as this predicted HRW exports...then that would lead to NEXT YEAR'S (25/26) HRW ending stocks increasing by 90 million bushels. **Why? Because** this year (24/25) it looks like **we are building ending stocks by 90 million bushels**. And unless "feeding" increases by 90 million bu, then the stocks/use ratio for HRW in 2025/26 could approach 67% !! And thus we would EXPECT a decline in the wheat NAFP.

THUS...I SCARED MYSELF. I AM SELLING 25% OF NEXT YEAR'S EXPECTED PRODUCTION RIGHT NOW. (Actually, since I knew the guy writing this, I went ahead and sold 25% on Friday's KC July close of \$6.07/bu.

The idea of being long 50% old-crop and 100% new-crop did NOT appeal to me at all.

It is what it is. I did what I did.

Posted Gulf bids are still unchanged, for a month now:

GULF date	12 pro	11's	diff
9/27/2024	100	100	0
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

As are the posted basis bids in the country:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
09/27	\$4.97-\$5.17	\$4.82	\$4.82-\$4.82	\$4.68-\$4.77	\$5.02-\$5.57
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
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
09/27(Z)	-80, -60	-95	-95, -95	-109, -100	-75, -20
09/20(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
Date	Concordia	Salina	Hutch/Wichita	Ark City	
09/27(Z)	-50	-25, -20	-40, -10	-50	
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	

Ok, KC July Sunday nite opened a 1/2c better, but is currently down 3c. Far as I'm concerned, I sold 25% of next year's wheat, and I think you should as well.

Ok, switching gears...

World wheat news... shows India still has concerns it might need some wheat imports...<https://indianexpress.com/article/india/govt-hikes-wheat-allocation-of-9-states-still-12-20-less-than-pre-cut-quantity-in-2022-9592127/>

The Russian Grain Union posted this blurb on twitter, which shows there is **no honor among thieves**. Russia used to sell cheap wheat to Turkey, who then sold cheap flour, but apparently Russia is thinking they can cut out the middleman on some of it...*ruRussia: 2024 flour export target is 1.5MMT, which is 0.5MMT more than 2023 - Interfax. **Turkish millers lost their competitiveness due to high costs, making it easier to grow Russian #flour exports**, which had previously been set to reach 1.7MMT by 2030*

Down a rabbit hole...I saw a story in the local Mpls Star &Tribune saying Cargill research shows "consumers make choices based on "permission to indulge"...somehow "beer yoga" came to mind...

And I found this interesting website...<https://ourworldindata.org/grapher/total-agricultural-land-use-per-person>. Their chart shown here suggests inventing the tractor was a big deal...

Have a good week. Stay Safe...big harvest season (corn, beans, milo, etc all at once, AND wheat planting season. SLOW DOWN! (and sell some new-crop wheat!)

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