

Hello Colorado Wheat.

Ok, we finally got another buy signal in wheat. Most if not all Fund short positions have been covered, and some Funds are actually going long. What should a wheat producer do? Turn those machines back on and Sell! New Blue Lines are best treated as selling opportunities for farmers. If nothing else, hopefully we can raise stop sell-stops higher. Let's take a look.

The week closed with new Blue Numbers in wheat, but...corn and beans are stalling out. The Stock market moved higher, like normal, and Crude Oil is flirting with setting new Blue Numbers. Looking at the table, wheat farmers with unsold inventory could raise their sell-stops 13c in KC Z, and if you haven't sold any new-crop wheat, the sell-stop could be moved up to \$6.07. If that would be your first sale, I'd say the chance to sell new-crop wheat above \$6.00 is awesome. And we're not selling the wad; we're just getting started.

Depending how the week goes, recently harvested corn and beans could print new Green numbers, which in this case are 4-Week Closing Lows, and some Funds will be sellers, so at least we got it out on the table.

	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
10/11	\$6.05	\$6.39	\$4.16	\$4.48	\$5.99	\$6.44	\$10.06	\$10.61	\$75.56	\$5860
10/04	\$5.98	\$6.32	\$4.25	\$4.55	\$5.90	\$6.39	\$10.38	\$10.96	\$74.38	\$5800
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

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

Some of you might be asking “I thought a new Blue Number is a buy signal, so why is he saying get some on the books?” Yes, Blue Numbers are indeed buy signals, but things can change quickly. Keep in mind MOST MARKETS DO NOT TREND, THEY CHOP. Thus, selling Blue Numbers and buying new Red numbers (sell high and buy low) can work most of the time. IF the Markets trend higher, then producers can benefit by raising their sell-stops, or if they use Price targets with resting paper, they have a chance at getting filled. Either way, having a plan is key.

As far as speculators go (we probably all speculate to various degrees), then yes, go ahead and buy with these buy signals. But know where you will get out, as a failed buy signal is a strong sell signal.

The USDA issued a new WASDE update Friday. Here’s an updated and adjusted USA Export Pace:

WEEK ENDED (10/03/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	36.7	168.2	243	411	2,325	1914	47	40.7
Soybeans	52.6	123.5	52	176	1,850	1674	47	35.6
All wheat	13.4	316.4	19	335	825	490	34	14.4
Milo	0.1	13.1	5	18	220	202	47	4.3
LAST update								
Corn	44.8	131.1	175	306	2,300	1994	48	41.5
Soybeans	24.8	70.6	60	131	1,850	1719	48	35.8
All wheat	19.7	302.6	19	322	825	503	35	14.4
Milo	7.1	13.0	5	18	220	202	48	4.2

You might notice I raised my corn fudge factor almost 70 million bu!, now up to 243 mil bu/year. The cumulative corn exports I was tracking was 2049 at the end of August, but we see the Gov is going with 2292 corn exports last marketing year, so...I’m going with it. I dropped my soybean fudge factor slightly to 52 million.

The USDA did not change their wheat total export forecast for this year (although they clobbered HRW by class with a 20 mil bu drop; springs went up 10 mil bu, and SRW and SWW both went up 5 mil bu each. More on wheat-by-class later). Soybean exports for this year did not change, staying at 1850, while USA corn exports were the “star” Friday, going up 25 mil bu.

Unfortunately, this week’s corn loadings (less than 37 mil bu) were not the export star this week. The USDA obviously expects the corn loading pace to increase. And indeed this week’s export sales were pretty good at 48.1 mil bu.

Wheat loadings were no star either. Wheat export sales of 16 mil bu covered what will be needed.

The Dog Star (?) was milo. Omega. And milo sales were crummy too. China didn’t buy any.

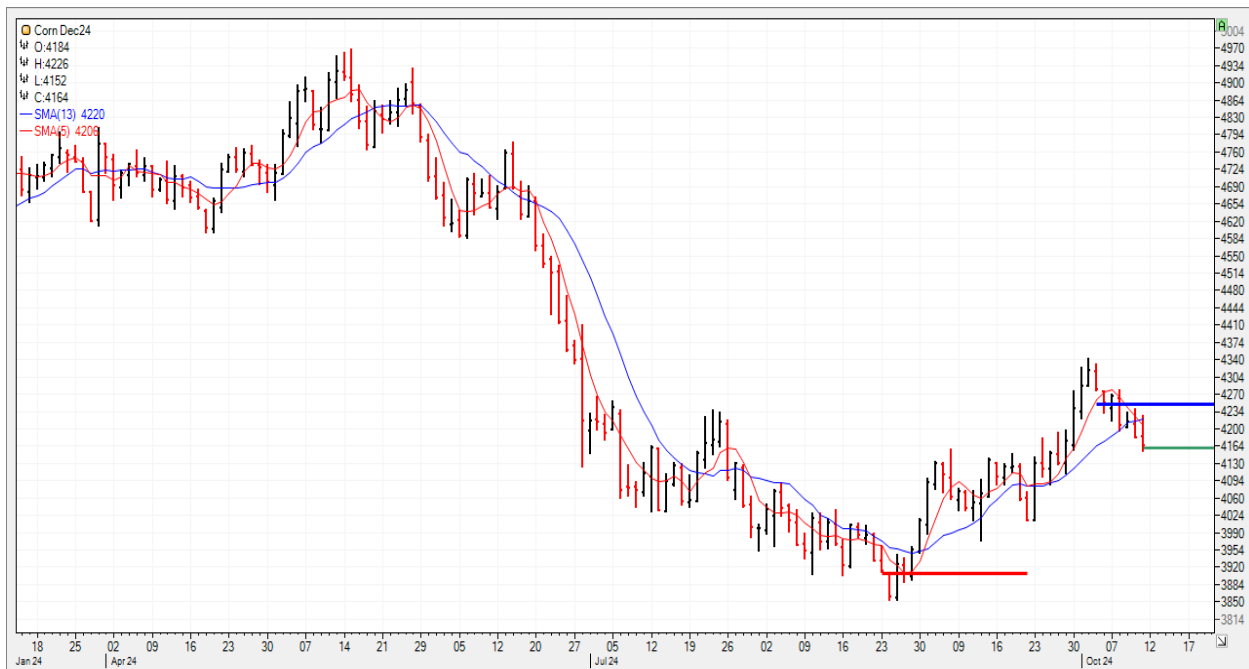
Soybeans were the North Star, more than doubling last week's puny number. And good soybean export sales of 46.5 mil bu indicate the bean loading season will continue for a while.

World WASDE corn numbers changed a little. World corn usage increased about 3.5 mmt. The USA's corn exports will increase .5mmt, while Ukraine's forecast dropped 1 mmt. Black Sea corn production dropped 1.5 mmt. World ending corn stocks went down 2 million tonnes even though world beginning corn stocks were raised 3 mmt, which seems bullish, but...

But overshadowing those friendly inputs is Chinese corn imports were lowered by 2 million tonnes; apparently Chinese ending corn stocks will decrease 2 million tonnes, which seems like a conscious decision from the Chinese government.

Thus...even though the WASDE USA corn balance sheet tightened a little (the ending stoX/usage ration dropped about a half point to 13.3%), the World corn WASDE didn't help. It's true South American corn numbers were not changed, as it's too early, but that will probably be the biggest factor going forward (unless the Black Sea exports get truly messed up due to ever increasing Russian missile attacks on vessels sailing from Ukraine's ports).

SO in the face of a big harvest weekend, Dec corn looks like this. Friday's close at \$4.16 is the new Green line, which is the new 4-week Closing Low. The Blue Line is tantalizingly close at \$4.25, but more than likely, a close below that Green Line is coming this week as I expect corn harvest pressure to be impactful, and then any new longs from that recent Blue Line will be dumped. (The moving averages look ominous.)



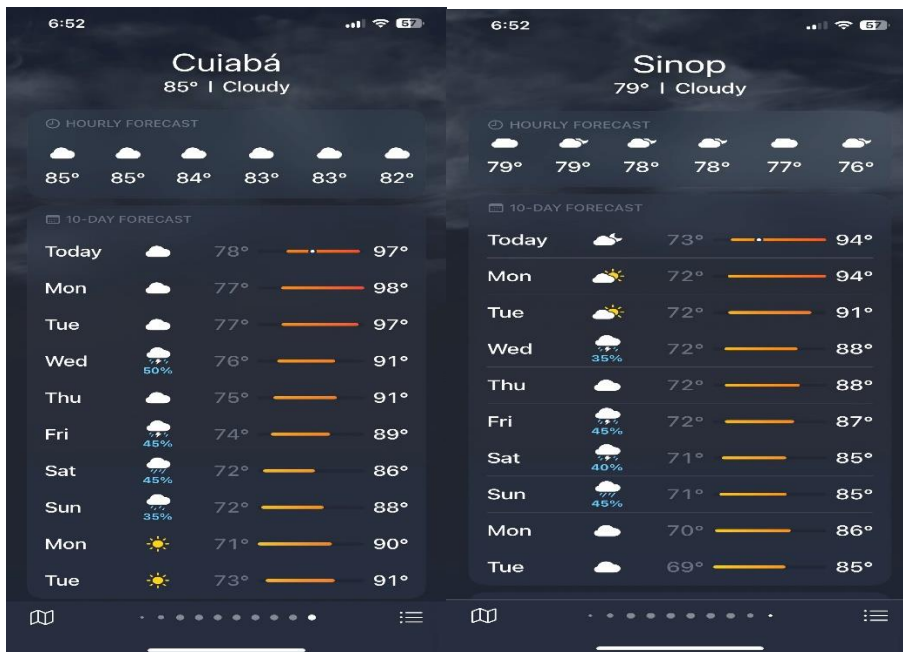
Conversely, I doubt this market can gain Bear legs and go down and set a new Red line, at least not yet.

We'll see how South America plays out.

Soybeans...look similar to thar corn chart in that Friday's will be the 4-week Closing low as soon as the week starts trading Sunday night. We're now 60c down from the Blue Line, but currently 50c above the Red line. USA soybean harvest is in the "wrap it up" stage, and harvest pressure should ease back. The WASDE had no changes for USA or world soybeans.



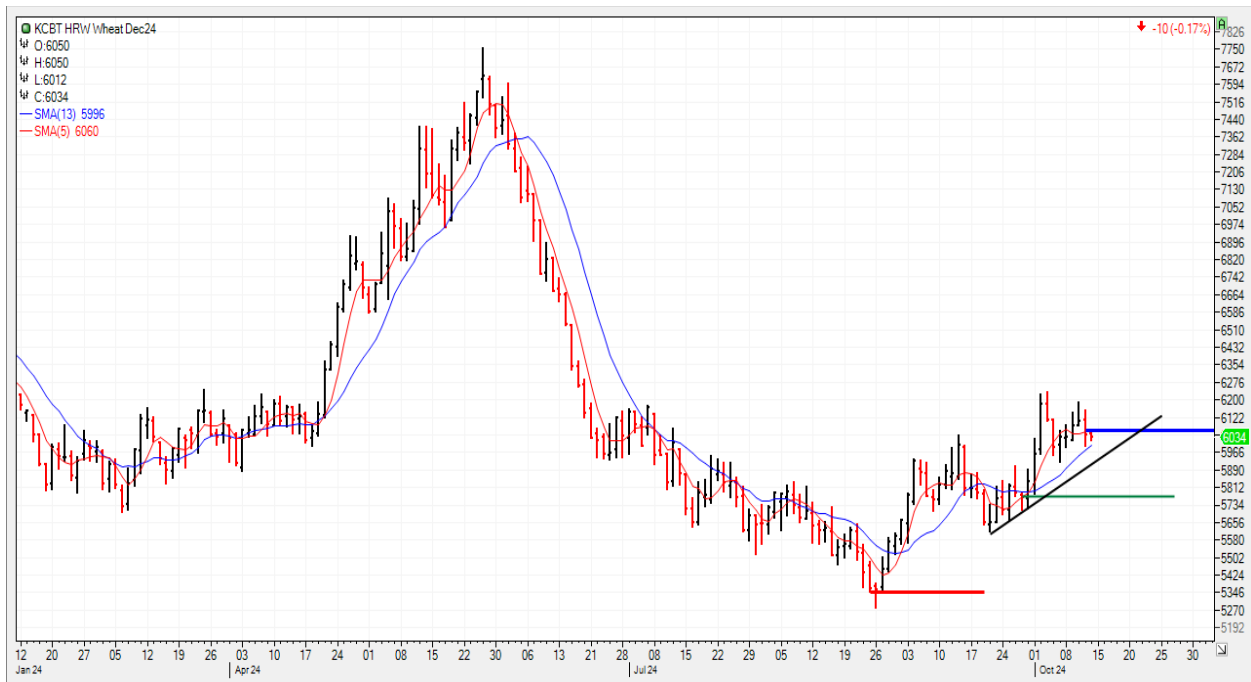
But as much as anything, this chart is about Brazil's rain prospects, which have increased. It's been very dry in the heart of the biggest Brazilian soybean growing state, Mato Grosso, but...the other states around it have been getting some rain. And...when we look at our iPhone's 10-day forecast we see...good chances for rain.



We'll see if the rain develops (it probably will; last I knew the Amazon is a rain forest). We'll also see if China buying is enough to prevent a move down to the Red line. (I don't expect to see a new Red line, but...)

Wheat...making new highs for the move, but we've seen wheat will have to do it with help from corn or soybeans, at least right now.

This is the KC Dec wheat chart. It represents the unsold wheat you have in bins or bags somewhere.



The WADE update was a mixed bag for USA HRW wheat. The Feed/Residual demand category was increased 10 mil bu, but more vexing was a 20 million bu **decrease** in HRW exports. World wheat production declined 2 mmt, a million both from Europe and Russia AND India's wheat production was revised almost a mmt lower, yet...USA HRW export forecast dropped 20 mil bu. What the...even Brazil's wheat production estimate dropped almost a half mmt. And speaking of Brazil, this weeks USA wheat export sales DID include a new boat sold to Brazil, and we're hopeful for more. Anyway, the world wheat WASDE was about a push.

Posted Gulf too-arrive bids are unchanged:

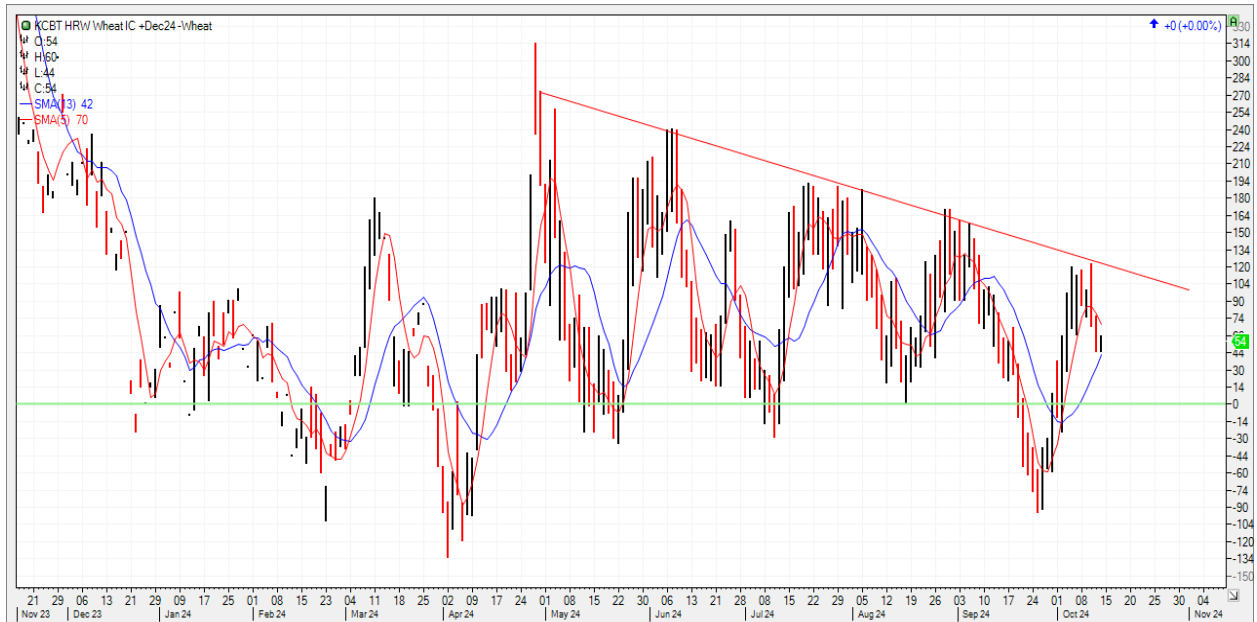
GULF date	12 pro	11's	diff
10/11/2024	105	100	5
10/4/2024	105	100	5
9/27/2024	100	100	0
9/20/2024	100	100	0
9/13/2024	100	100	0

But we continue to see a touch of weakness in posted bids for in-store wheat in the country, which makes sense now that we saw the HRW export forecast setback:

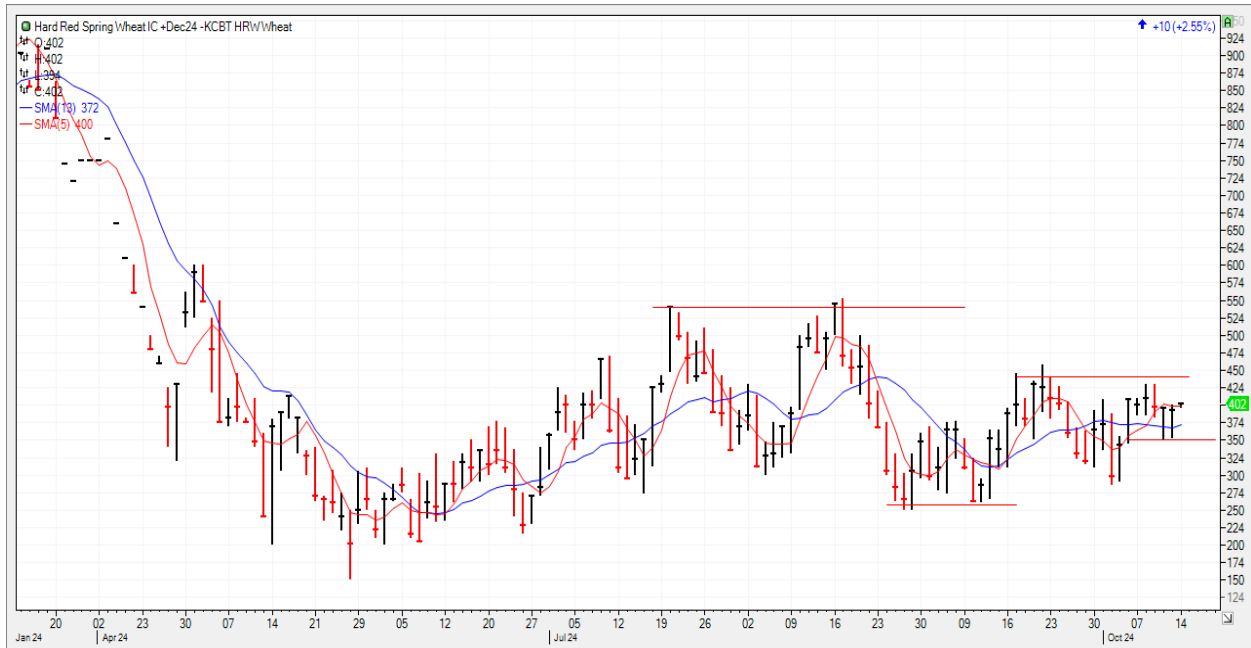
Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
10/11	\$5.25-\$5.40	\$5.10	\$5.10-\$5.10	\$4.95-\$5.05	\$5.35-\$5.85
10/04	\$5.18-\$5.38	\$5.03	\$5.03-\$5.03	\$4.88-\$4.98	\$5.28-\$5.78
09/27	\$4.97-\$5.17	\$4.82	\$4.82-\$4.82	\$4.68-\$4.77	\$5.02-\$5.57
09/20	\$4.84-\$5.04	\$4.69	\$4.69-\$4.69	\$4.55-\$4.64	\$4.89-\$5.44
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
10/11(Z)	-80, -65	-95	-95, -95	-109, -100	-70, -20
10/04(Z)	-80, -60	-95	-95, -95	-109, -100	-70, -20
09/27(Z)	-80, -60	-95	-95, -95	-109, -100	-75, -20
09/20(Z)	-80, -60	-95	-95, -95	-109, -100	-75, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
10/11(Z)	-50	-30, -25	-40, -10	-50	
10/04(Z)	-50	-30, -25	-40, -10	-50	
09/27(Z)	-50	-25, -20	-40, -10	-50	
09/20(Z)	-50	-25, -20	-40, -10	-50	

What I suspect we're facing with that export forecast is a return of using KC wheat futures as the punching bag...the catchall for short hedges.

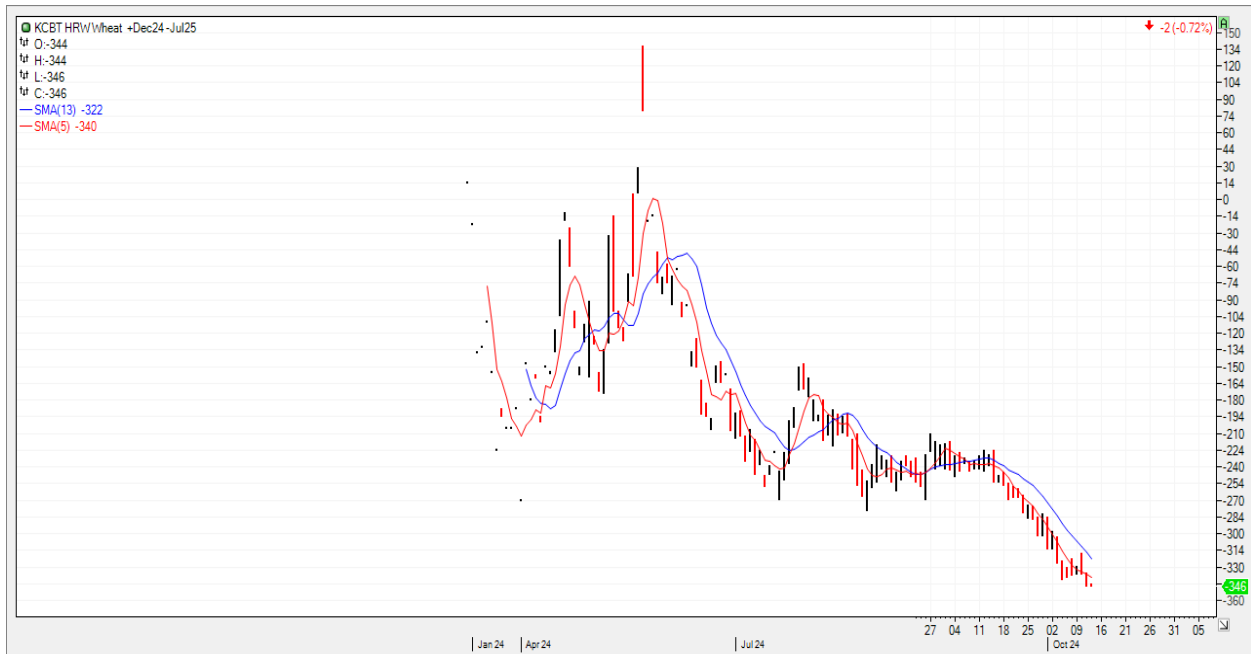
Here's KC - Chgo, looking to me like a test of even money is coming.



And here's MIAX (formerly MGEX) spring wheat – KC wheat, currently in a very tight range of 45c to 35c, and this chart looks like an upside test of 45c (springs gain on winters) is on the agenda:

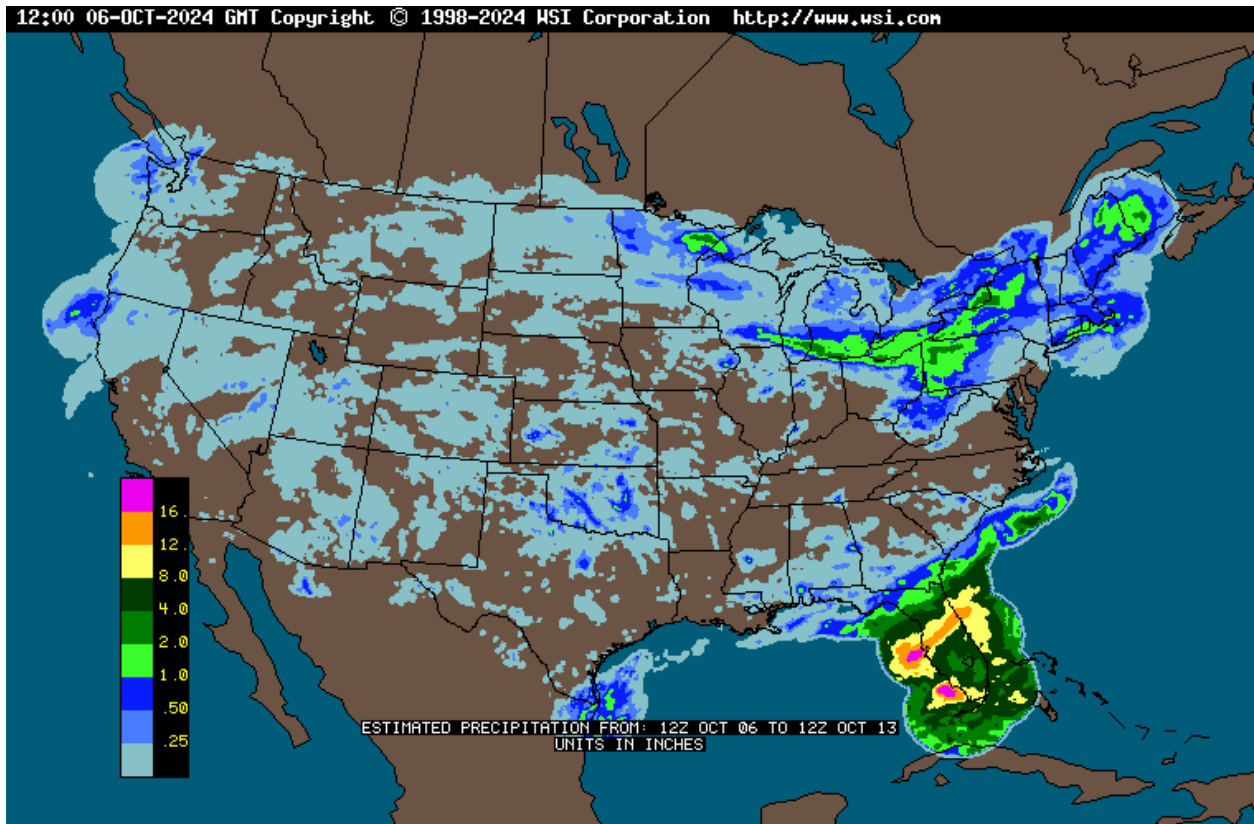


And we'd expect KC Z to lose ground against KC July (wider carrying charges):

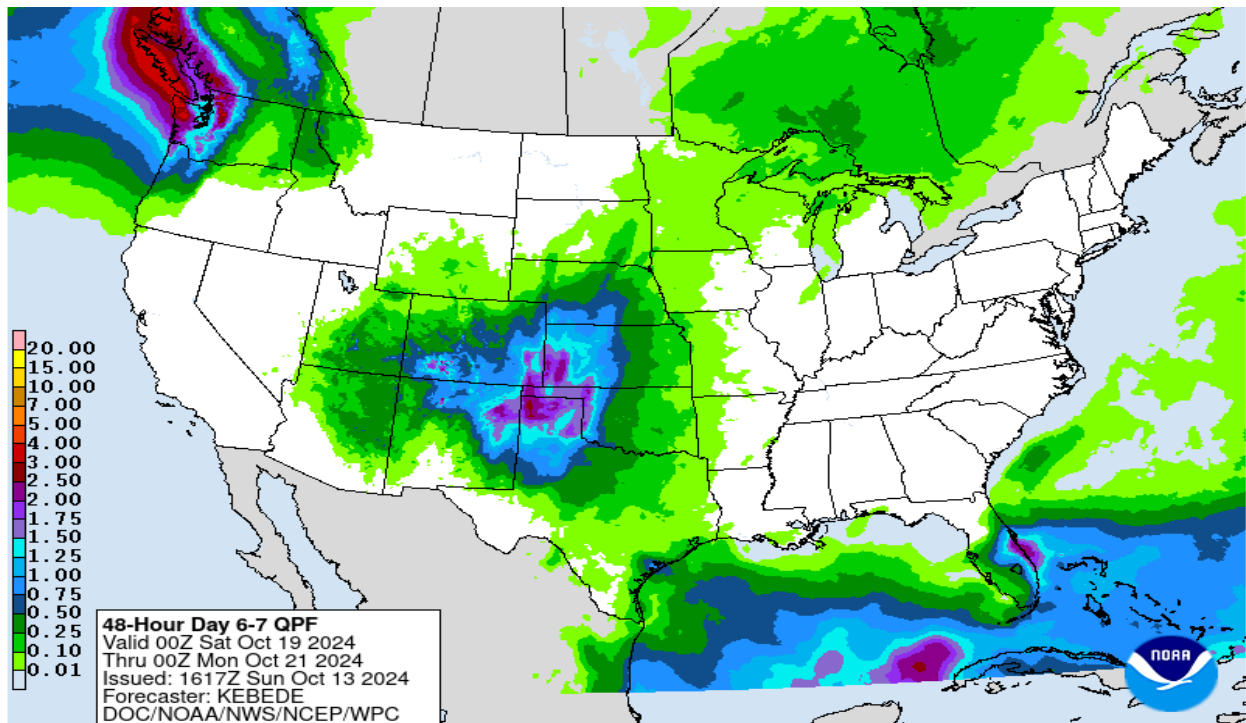


SO...how much unsold old-crop are you sitting on?

And then...what about your new-crop? Of course, that's tougher to answer, especially because it's so dry. Last week saw a few get a little...



and this week looks just as dry until...wait a minute! What's this?? This is next weekend's forecast.

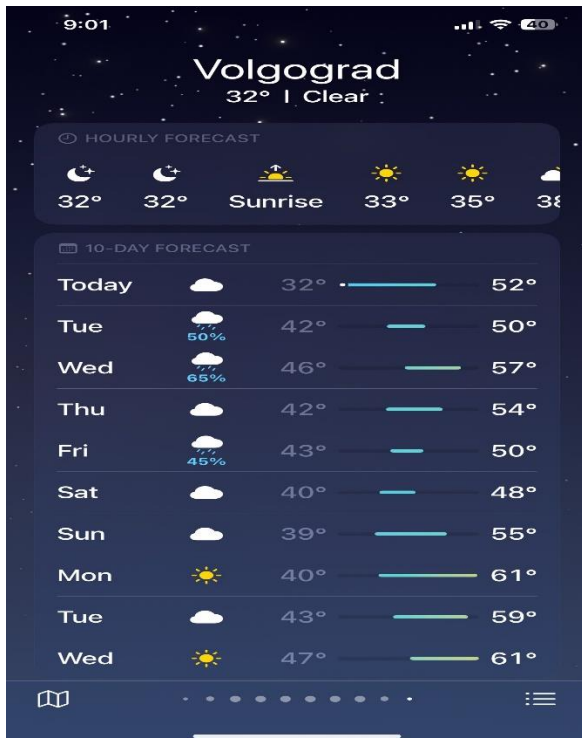


IF THAT RAIN MATERIALIZES, IT WILL BE A BEARISH INPUT.

Here's KC July, with a new higher Blue line (12 week Closing High), and a higher green line (4-week Closing Low, now up to \$6.07), which if you haven't sold any new-crop yet, could be used as a sell-stop. If you haven't sold any wheat and you think there's a shot that the rain forecast is legit, then you could **sell 25% of your expected production right now**, basically selling that Blue Line..."selling high"...which I know some of you guys like better.



I've sold 25% and hope to sell as we move higher, but have sold 25% to get started, especially if it rains and we quit moving higher. And while we're looking at forecasts...bring up Volgograd, and even they too show a chance of moisture:



Get some wheat sold is my advice.

World wheat news shows Australia's wheat harvest is starting. The USDA left the Aussie wheat production estimate unchanged at 32 mmt...<https://www.graincentral.com/news/australian-harvest-rolling-in-most-states/>

Do you like Indian food? I do, and always order Naan, which is their bread, but apparently India has several types of bread...<https://www.msn.com/en-us/foodanddrink/recipes/the-indian-bread-types-you-need-to-know/ar-AA1scbNu?ocid=BingNewsVerp>

Russia is trying to set a floor price for their wheat and muscle the Black Sea to obey their "rules", including only buying Russian wheat from approved Russian Grain Union members...<https://www.reuters.com/markets/commodities/russia-sets-price-floor-wheat-international-tenders-sources-say-2024-10-11/> If they get those rains, they will have a hard time enforcing their new "floor price".

Have a good week. I know you're busy with everything all at once. So...Slow Down! Stay Safe.

And get some wheat sold.