Hello Colorado Wheat.

The week ended…ok for corn (up a dime) and beans (up 12c), but not that great for wheat, with Chgo only down 4c, but KC settled down 9c and Minny was down 12c. The wheats posted new green numbers, which in this case are new closing 4-week lows. Green numbers (4 week) numbers aren't as "powerful" as Red or Blue numbers (11 week), but they should at least be noted. (The reason we note 4-week Closing Lows or Highs, and 11-week Closing highs and Lows is because we think some trading Fund algorithms use them as key inputs, and we believe the 11- week numbers are deemed "more important" as some funds only use them as their input levels. These funds are "slower", but "bigger" as they typically have more volume and open interest.)

In general, wheat and corn remain in a fairly tight but defensive trading range, while soybeans are trying to recover from almost a dollar break that occurred in a short 4 week period due to increasing South American rain forecasts and the upcoming USA election, where Trump, if elected, is seen as readily willing to put tariffs on China, which would then retaliate by putting tariffs on USA soybean imports.

For the record, in 2 weeks the current red numbers in corn and wheat will "roll off" the table, with green numbers becoming new red numbers, which seems ominous to me.

	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	KW**Z**24	KW**N**25	C**Z**24	C**N**25	WZ24	MWZ24	S**X**24	S**N**25	CRD24	ES24
10/25	**$5.72**	**$6.04**	**$4.15**	**$4.42**	**$5.69**	**$6.05**	**$9.88**	**$10.36**	**$71.78**	**$5846**
10/18	$5.81	$6.13	**$4.05**	**$4.31**	$5.73	$6.17	**$9.70**	**$10.23**	$69.22	**$5906**
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

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

USA harvest seasons are nearing completion, with corn harvest more than 75% and beans more than 90% finished. Winter wheat planting is lagging a bit, but probably will show about 85% planted. We will get some various updates on the Nov. 10 WASDE update, but the election will be over by then, and 3 weeks of South American rain, or lack of it, will have passed too.

Currently we can watch USA exports and export Sales.

Corn loadings rebounded well from last week's poor loadings, and importantly, corn export sales were really big, almost 142 mil bu. Soybeans had a giant week of loadings, and sales (79 mil bu). Wheat loadings were…bad. Wheat export sales were almost 20 ml though.

WEEK ENDED (10/17/24)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	39.4	**228.1**	243	**471**	2,325	1854	45	**41.2**
Soybeans	89.4	**290.1**	52	**342**	1,850	1508	45	**33.5**
All wheat	9.9	**340.3**	19	**359**	825	466	32	**14.6**
Milo	1.9	**18.2**	5	**23**	220	197	45	**4.4**
LAST update								
Corn	16.9	**185.8**	243	**429**	2,325	1896	46	**41.2**
Soybeans	57.9	**188.5**	52	**241**	1,850	1609	46	**35.0**
All wheat	13.6	**330.1**	19	**349**	825	476	33	**14.4**
Milo	3.2	**16.3**	5	**21**	220	199	46	**4.3**

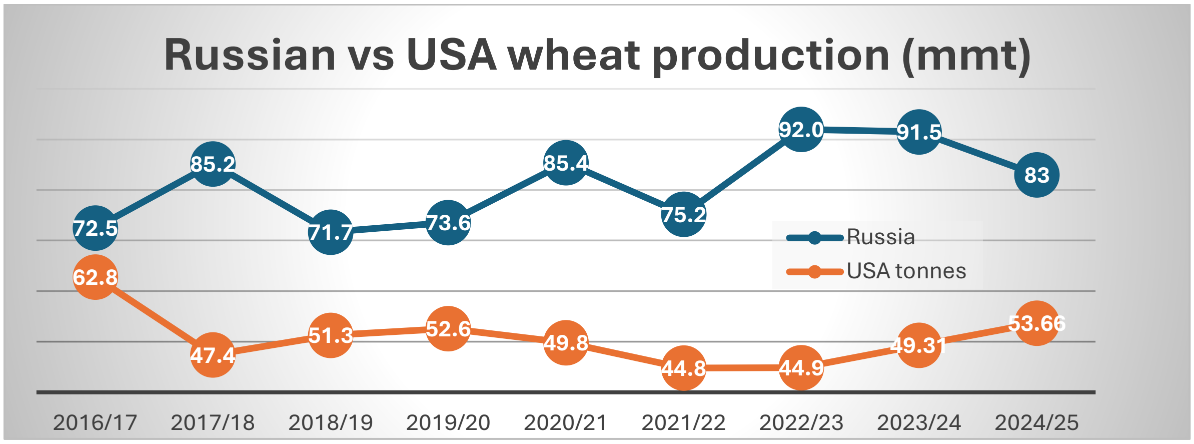
I've seen some comments that China is buying and loading US beans because of future tariff fears, although current cumulative loaded soybeans are only 97% of last year's pace, so I'm not sure there's much merit in that line of thinking.

The current USA corn loading pace is 130% of last year's pace, with virtually ZERO going to China so far. I saw a twitter discussion making a big deal about that; my point is there are almost 200 mil bu of corn sold to "unknown" destinations, and if peeps think China has bought none of that, they are deluded, in my opinion. I've also read USA corn exports are benefitting from Ukraine's poor corn crop (too dry), but as Ukraine's production is only down 6 mmt, I'm not a big believer in that either.

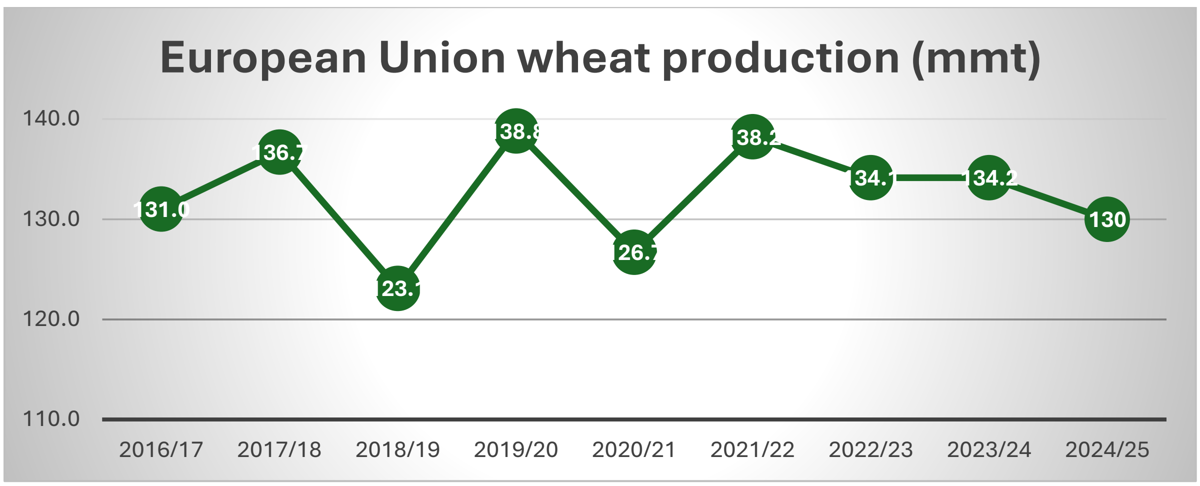
Current TX Gulf HRW bids are unchanged, suggesting a big upswing is not yet in the cards, yet…the 340 mil bu of wheat loaded this year is 86 mil bu MORE than at this point last year, also suggesting we're **already** seeing a big upswing in wheat biz, but it's not getting much buzz.

GULF date	12 pro	**11's**	diff
10/25/2024	**105**	**100**	**5**
10/18/2024	105	100	5
10/11/2024	105	100	5
10/4/2024	105	100	5
9/27/2024	100	100	0

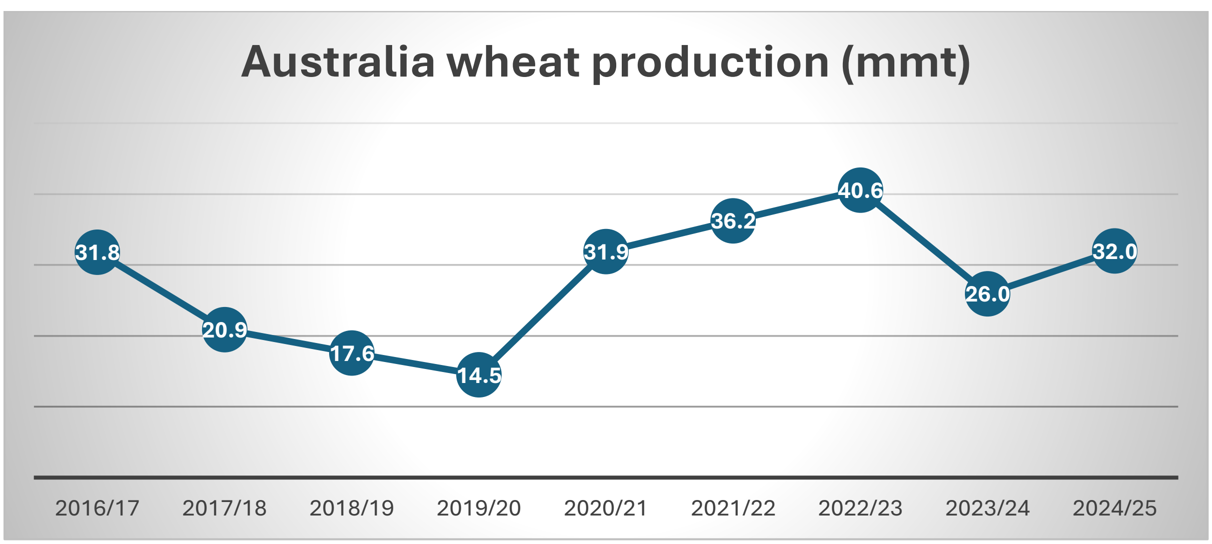
USA wheat exports may be seeing some benefit from a Russian wheat production decline:



And/or possibly seeing some benefit from a European wheat production decline as well:



We'll see if this USA wheat export pace slips as increased Australian production comes online:



Anyway…current HRW basis bids in the country didn't change, but we will note that the average Colorado Basis bid is -80, which is up about 1c from last year at this time, (although the average Flat Price of $4.92 is down 69c from last year, as the spot futures price is …down 70c.):

Date	**SE Colorado**	**Chey. Wells**	**Burlington**	**Holyoke area**	**Roggen area**
10/25	**$4.92-$5.07**	**$4.77**	**$4.77-$4.77**	**$4.62-$4.72**	**$5.02-$5.52**
10/18	$5.01-$5.16	$4.86	$4.86-$4.86	$4.71-$4.81	$5.11-$5.61
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
BASIS	**SE Colorado**	**Chey. Wells**	**Burlington**	**Holyoke**	**Roggen area**
10/25(Z)	**-80, -65**	**-95**	**-95, -95**	**-109, -100**	**-70, -20**
10/18(Z)	-80, -65	-95	-95, -95	-109, -100	-70, -20
10/11(Z)	-80, -65	-95	-95, -95	-109, -100	-70, -20
10/04(Z)	-80, -60	-95	-95, -95	-109, -100	-70, -20

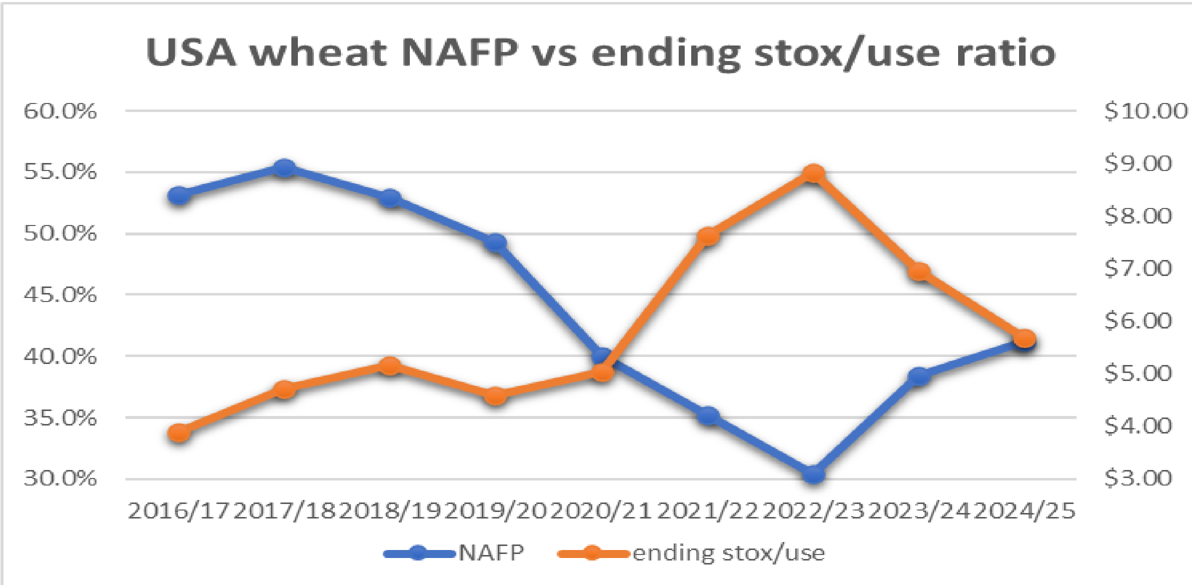
Date	**Concordia**	**Salina**	**Hutch/Wichita**	**Ark City**
10/25(Z)	**-50**	**-30, -25**	**-35, -06**	**-50**
10/18(Z)	-50	-30, -25	-35, -06	-50
10/11(Z)	-50	-30, -25	-40, -10	-50
10/04(Z)	-50	-30, -25	-40, -10	-50

This next discussion uses the Kansas average price of $5.90.

So…even though US wheat exports are up 33%, the cash price of wheat is down 12%. Which is "fine" if you raised more bushels this year, as Kansas did. Unfortunately, Colorado was not only hurt by the price decline, but a production decrease as well. If we ASSUMED the Kansas prices are what we would see all over the HRW Wheat Belt (they're not)…the gross $ revenue, based on (production) * (price) [prx] would look like, with blue dollars a year-to-year increase, and red a decrease:

production	23/24 (mil bu)	24/25 (mil bu)	prx 23/4	prx 24/5	gross $	gross $
KS	201.3	307.5	$ 5.90	$ 5.27	1,187.4	1,620.3
CO	74.6	64.4	$ 5.90	$ 5.27	440.3	339.4
NE	37.0	47.8	$ 5.90	$ 5.27	218.1	252.1
OK	68.6	108.3	$ 5.90	$ 5.27	404.7	570.7
TX	77.7	80.6	$ 5.90	$ 5.27	458.4	424.8
SD	32.9	47.9	$ 5.90	$ 5.27	194.1	252.3
ND	8.1	6.5	$ 5.90	$ 5.27	47.9	34.1
MT	85.7	91.5	$ 5.90	$ 5.27	505.5	482.2
CA	6.4	5.9	$ 5.90	$ 5.27	37.8	30.8
total	592.23	760.3	$ 5.90	$ 5.27	3,494.2	4,006.8

Probably the main point of that is bigger production can more than offset a poorer price. Anyway…we know that USA wheat exports are a big part of USA wheat demand, with food usage and feed usage and “residual” (unexplained) making up the other wheat demand components, and we also know that ultimately…the wheat ending stocks/ total wheat demand ratio corelates highly with the National Average Farm Price, showing a strong inverse relationship.



My point is…try to imagine a world without USA wheat exports. Imagine what the wheat ending stocks/usage ratio would be if it did not have an export demand component. Imagine if all of the wheat you grew was ONLY absorbed by a local flour mill or a feed lot.

Consider this story…https://www.startribune.com/spurred-by-the-oats-mafia-the-familiar-grain-makes-a-comeback-in-minnesota/601170111

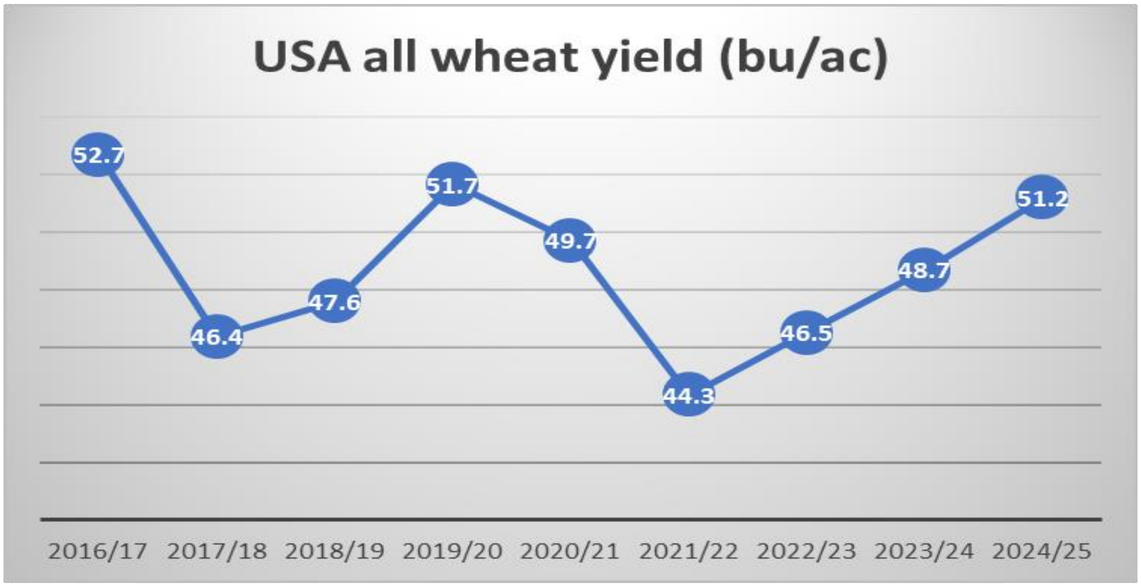
A group of oat farmers in Minnesota are trying to grow more oats because they have a good environmental story (reduce nitrate runoff), but their sole demand is for USA oat human consumption. They are not interested in growing feed demand for oats, and they certainly have no interest in growing oats for a non-existing oat export demand. They do seem to understand that human oat consumption is limited, but their answer is thinking if more oat processing demand existed, then overall oat demand would increase. They do NOT have any ideas about reaching a point of market saturation.

The story defines “oatrification”, a buzzword I created for the purpose of describing a wheat market without wheat export demand.

I believe the USA wheat industry needs to do everything it can to avoid the oatrification of the wheat market.

Which includes growing more wheat and selling it cheaply enough to maintain a large export demand market, even in the face of stiff competition.

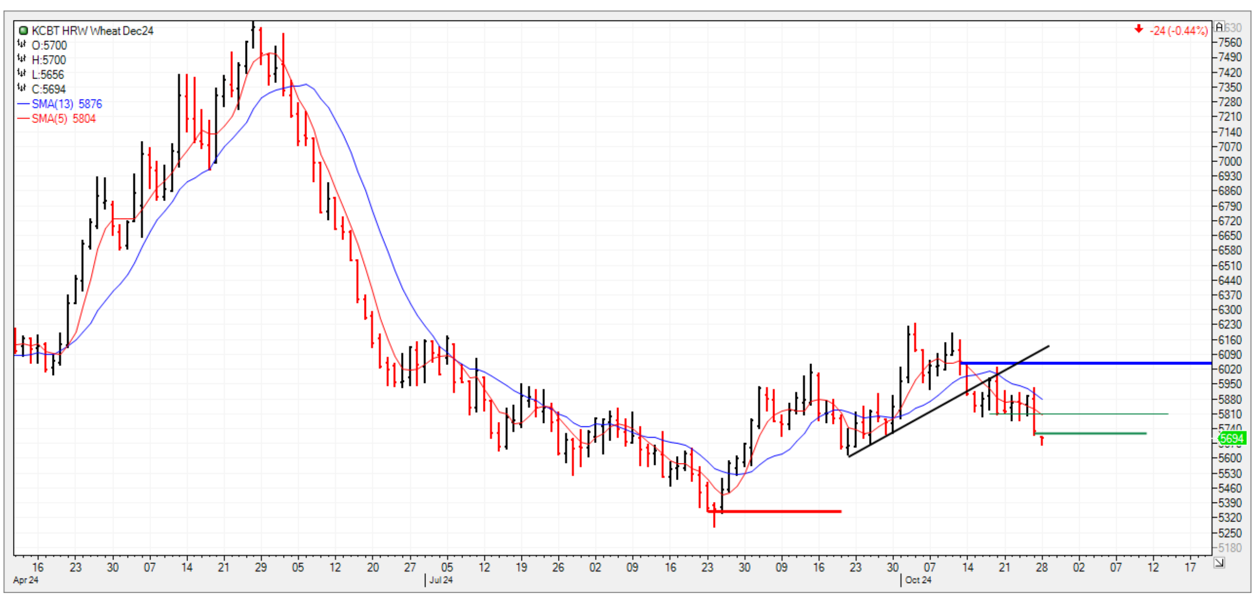
Which includes improving wheat yields, even in the face of “climate change” which seems to mean drier weather in The Great Plains. Improving wheat yields is not easy. The low-hanging fruit was picked long ago.



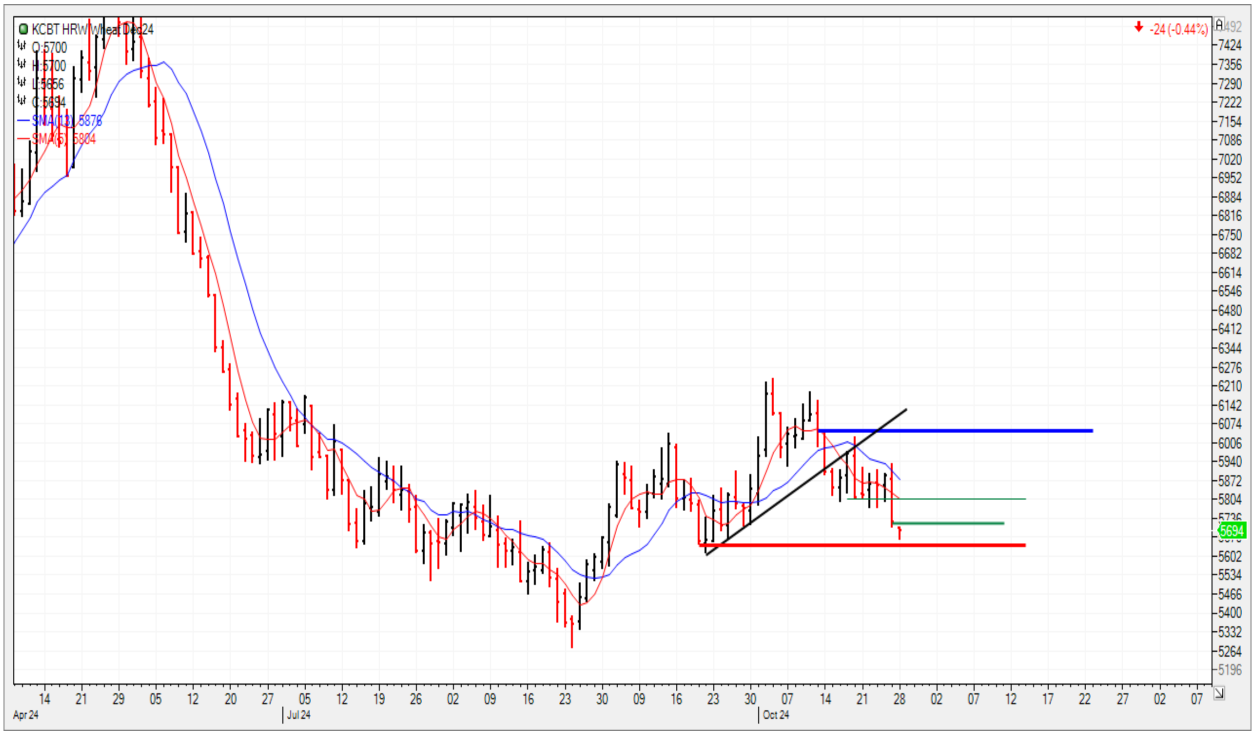
I haven’t heard anything recently about the new CRISPR gene-editing tool for wheat breeding, although we do see a lot of stories about “medicine” (Big Pharma) actively using it to find new cancer drugs, etc https://www.science.org/doi/10.1126/science.adi6884 … which merely points out that using the new technology is not easy, and is probably very expensive, and of course the lingering “stigma” of GMO-wheat will have to be overcome.

Taking USA wheat exports for “granted”…would be a mistake. And ruling out some type of a direct subsidy to increase USA wheat exports might be short-sighted thinking.

Anyway, we’re left with an old-crop KC Z wheat chart setting a lower green line (4-week Closing Low)



And it could be even worse than it looks, because the table on page 1 suggests that in 2 weeks the old red line at $5.35 will roll off the table and the new red line will be up to $5.64. Here's the same KC Z chart with the anticipated higher red line, and we know…a new red line will bring in new selling.



European wheat prices are struggling with reduced wheat exports, and when the MATIF gets to be about a $14/tonnes premium, they react to reduce that price spread. The Euro wheat futures were down $10 last week, while KC was only down $3 or so.

8/2/2024	8/9/2024	8/16/2024	8/23/2024	8/30/2024	9/13/2024	9/27/2024	10/11/2024	10/18/2024	10/25/2024	
$ 219.50	$ 217.00	$ 205.25	$ 194.50	$ 218.75	$ 224.50	$ 216.25	$ 229.25	$ 226.75	$ 216.50	matif
$ 205.67	$ 203.56	$ 198.33	$ 191.07	$ 212.20	$ 220.46	$ 207.24	$ 222.12	$ 213.39	$ 210.18	KC
$ 13.83	$ 13.44	$ 6.92	$ 3.43	$ 6.55	$ 4.04	$ 9.01	$ 7.13	$ 13.36	$ 6.32	diff

Which means it is hard for USA wheat prices to independently rally.

I'm still sitting on 50% of my old-crop wheat, and am increasingly not liking that position at all, so I am placing a sell-stop on my unsold wheat inventory at a weekly wheat close below $5.64.

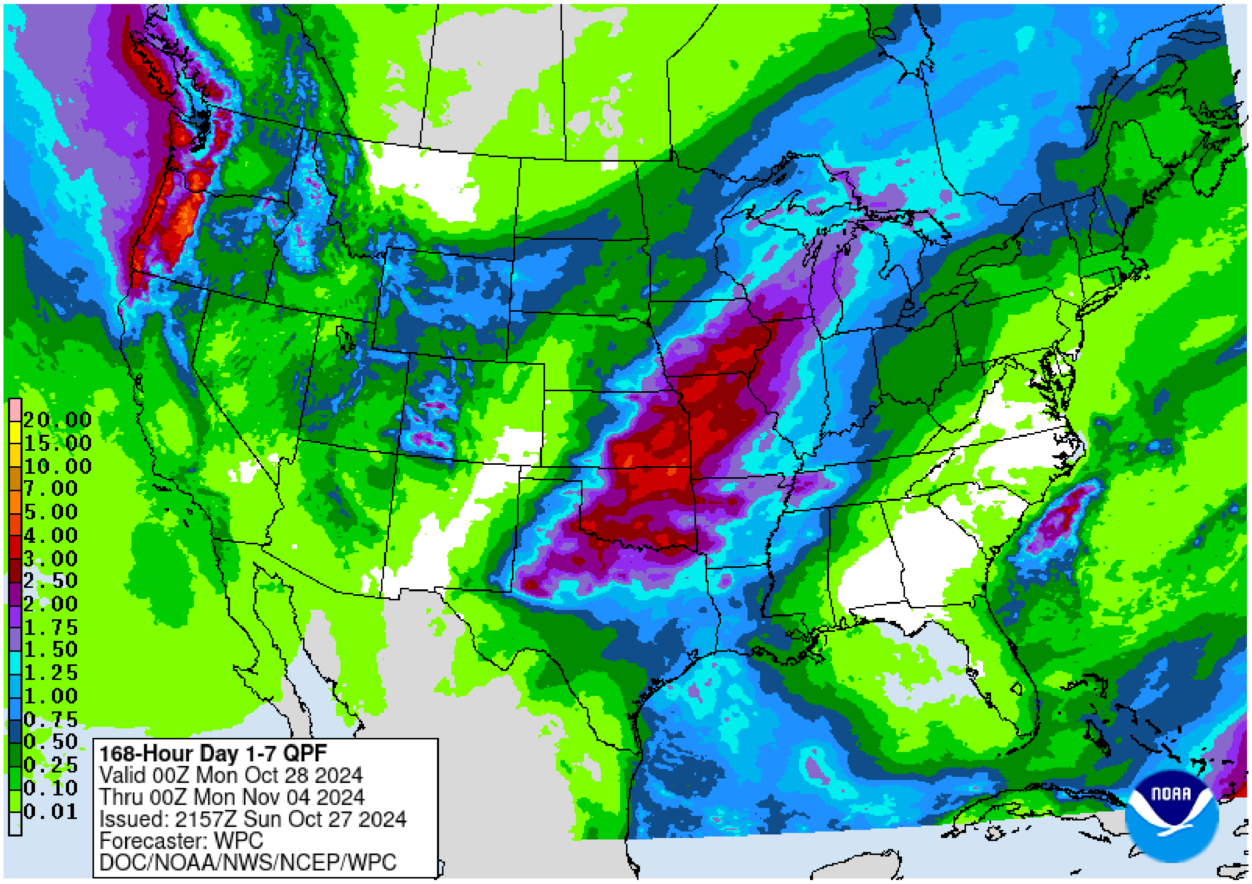
What about new-crop, newly planted wheat?

I have sold 25%, and am reluctant to ever get beyond 50% sold

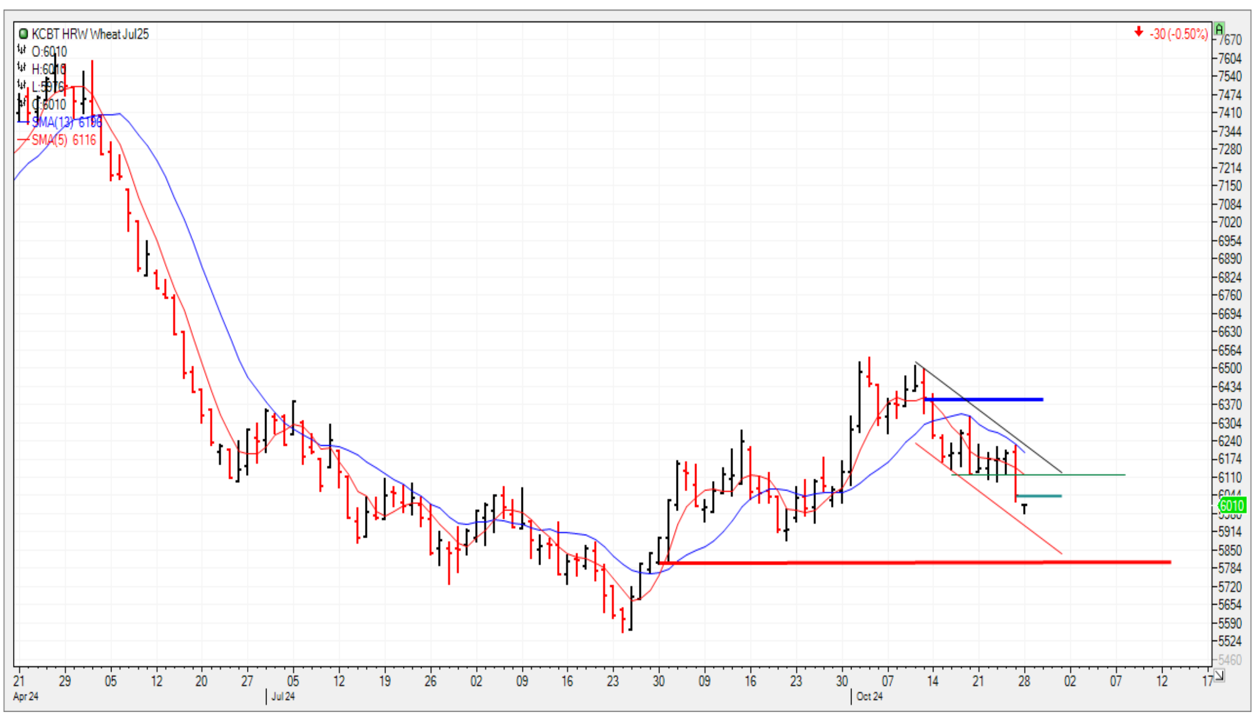
Early Sunday action shows KC July wheat down 4c or so.

Why?

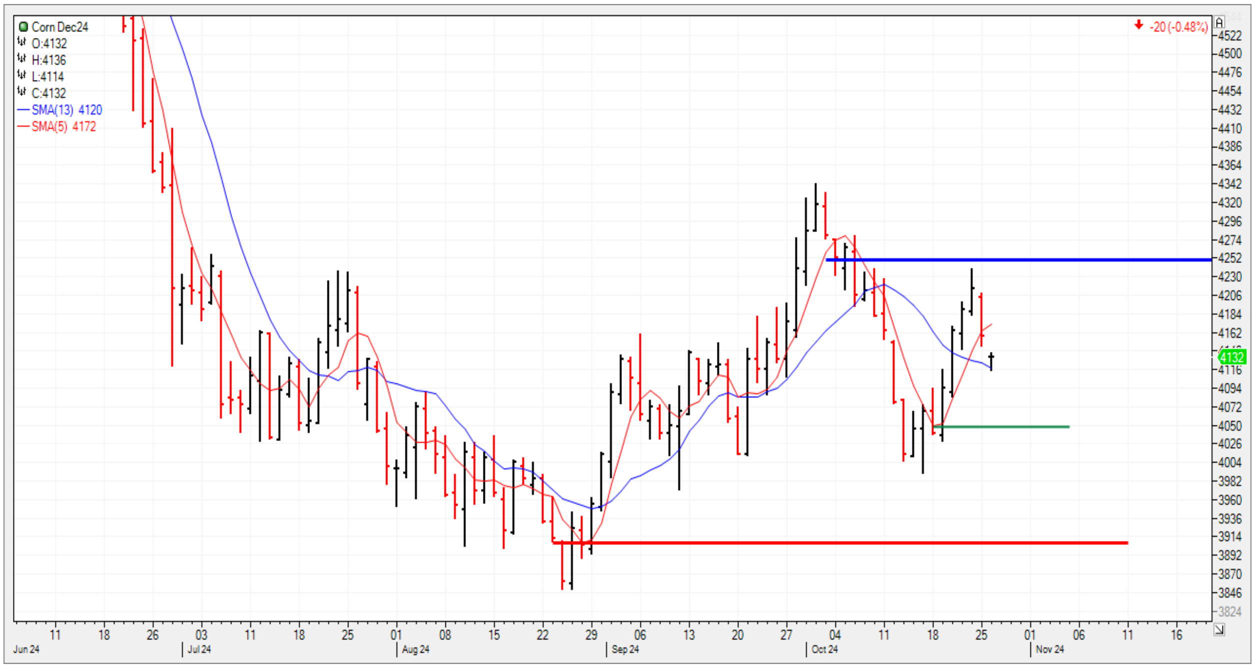
This weekly forecast is probably the reason. Even though the driest areas will be missed, there's a chance the front might slow down…



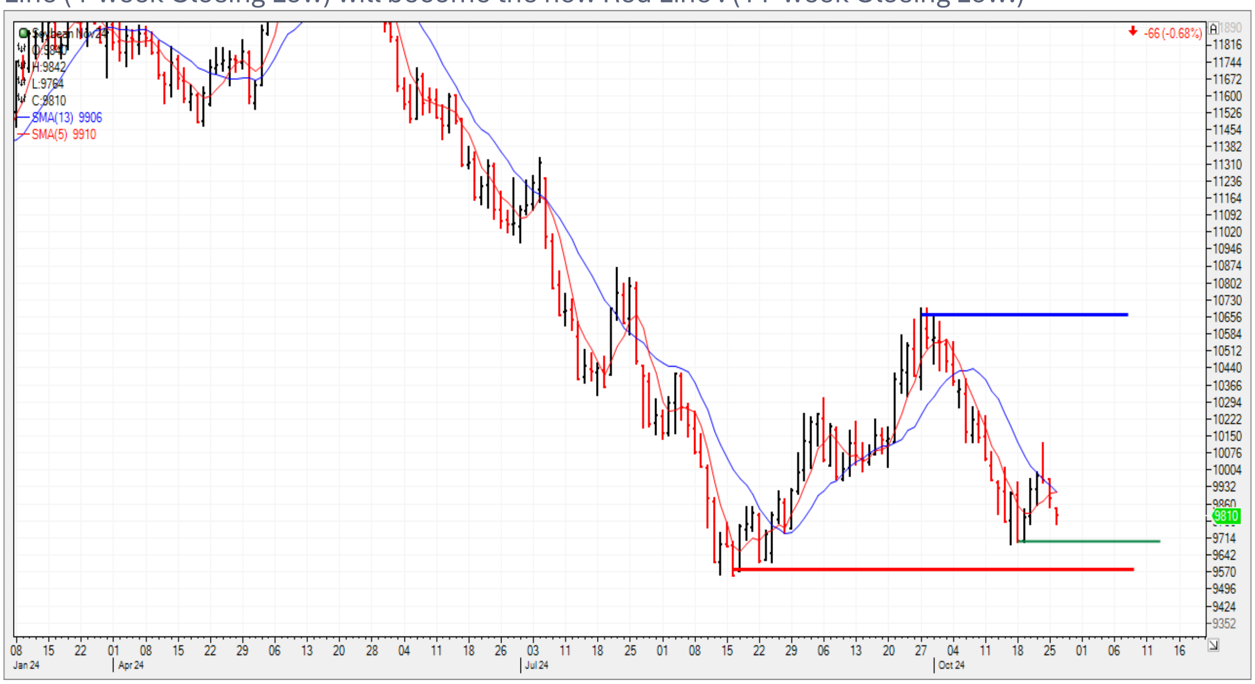
Thus the KC new-crop July wheat chart looks heavy. The Red Line will be moving to the $5.90 area in a couple weeks, which makes me plenty nervous.



Dec corn is in the waiting mode…I'm 65% sold.



while Nov beans are in recovery mode…but soybeans have a problem in that the Red line of $9.57 from 8/16 is rolling off the table THIS WEEK, and last week's close of $9.70, currently the Green Line (4-week Closing Low) will become the new Red Line ! (11-week Closing Low.)



I am only 25% sold on beans. **I will place a sell-stop for another 25% of my beans on a weekly close below $9.70.**

World wheat news…Wheat and bulk commodities have the blues everywhere.

This story says the Aussies might start selling wheat instead of chickpeas, as the chickpea market has cratered because India is not buying them right now…https://www.graincentral.com/markets/chickpea-price-plummets-on-harvest-pressure-indias-absence/

This story says Indian wheat farmers can't plant new-crop wheat yet because they can't get their rice moved…https://www.msn.com/en-in/news/India/mandis-full-wheat-sowing-set-to-be-delayed-as-paddy-harvesting-in-slo-mo/ar-AA1sZpKf?ocid=BingNewsSerp

I showed a table of Euronext wheat compared to KC wheat in tonnes; this story says the Europeans are seeing new low prices, and blaming it on the Russians who are quietly offering their wheat well below the Russian government floor price…https://www.brecorder.com/news/40329183/eu-wheat-drops-to-one-month-low

And our pal Michael Hirtzer showed me this Bloomberg story about Cargill supply-chain shakeups due to a decline in profits.Cargill Supply Chain Head and Treasurer to Retire Amid Shakeup
2024-10-22 15:16:39.267 GMT
By Isis Almeida
(Bloomberg) -- Cargill Inc. said two senior executives plan to step down at a time when the world's largest agricultural commodities trader is shaking up its business following a decline in profits.
Julian Chase, the head of business operations and supply chain, and Treasurer Susan Conzemius Mercer will retire at the end of the year to focus on personal interests after more than 30 years at Cargill, a spokeswoman for the Minneapolis-based company confirmed.
Cargill has been restructuring its operations after less than a third of its businesses reached their earnings goal in the 2024 fiscal year. The company will reduce the number of units to three from five as part of its 2030 strategy, which also includes moves at the executive level.
Bumper global harvests have squeezed profits for agricultural commodities traders including Cargill. The squeeze in margins has been compounded by the smallest US cattle herd in seven decades, especially since the trading giant spent much of the past decade turning itself into one of the country's largest beef processors.
Profits at Cargill, the largest closely held company in the US, fell to $2.48 billion in the year through the end of May, the lowest since 2015-16, Bloomberg Opinion's Javier Blas reported last month. That's less than half the record net-profit of about $6.7 billion it made in 2021-22.

Times are tough, but don't make them tougher.

Stay Safe. Slow Down.

Have a good week. Get some sales targets ready, and use downside protection.