

Hello Colorado Wheat.

Something might be brewing ... “and up from the ground came a bubblin’ **SPRING WHEAT!**”

Spring wheat was up 19c while other wheats were lower ...

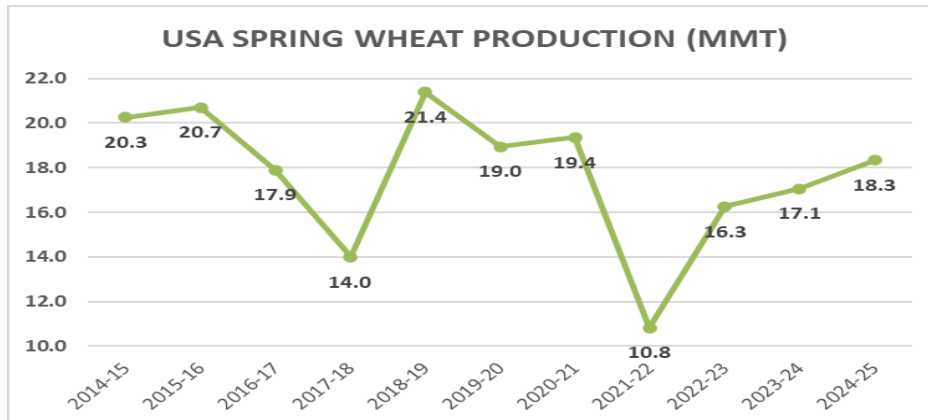
Why? Because Karen Braun (Reuters) told everyone that the initial spring wheat crop ratings were much worse than expected.

<https://www.reuters.com/markets/commodities/what-make-surprisingly-low-us-crop-ratings-braun-2025-05-28/>

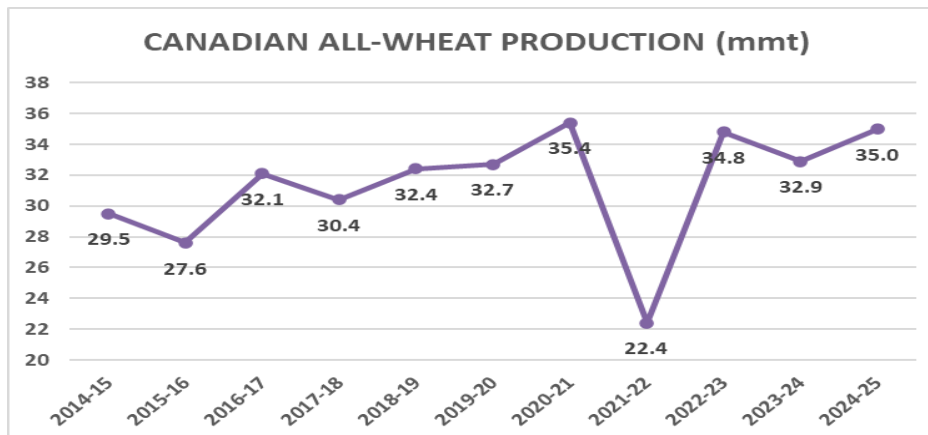
She’s no EF Hutton, but when Karen Braun talks, people listen.

*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***

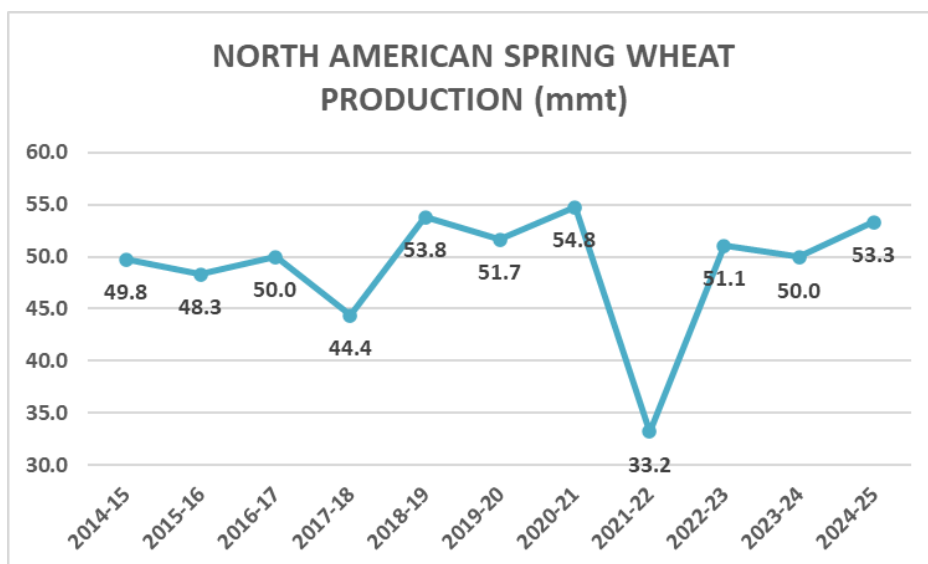
This is USA historical spring wheat production with data in million metric tonnes:



Canadian all wheat production:



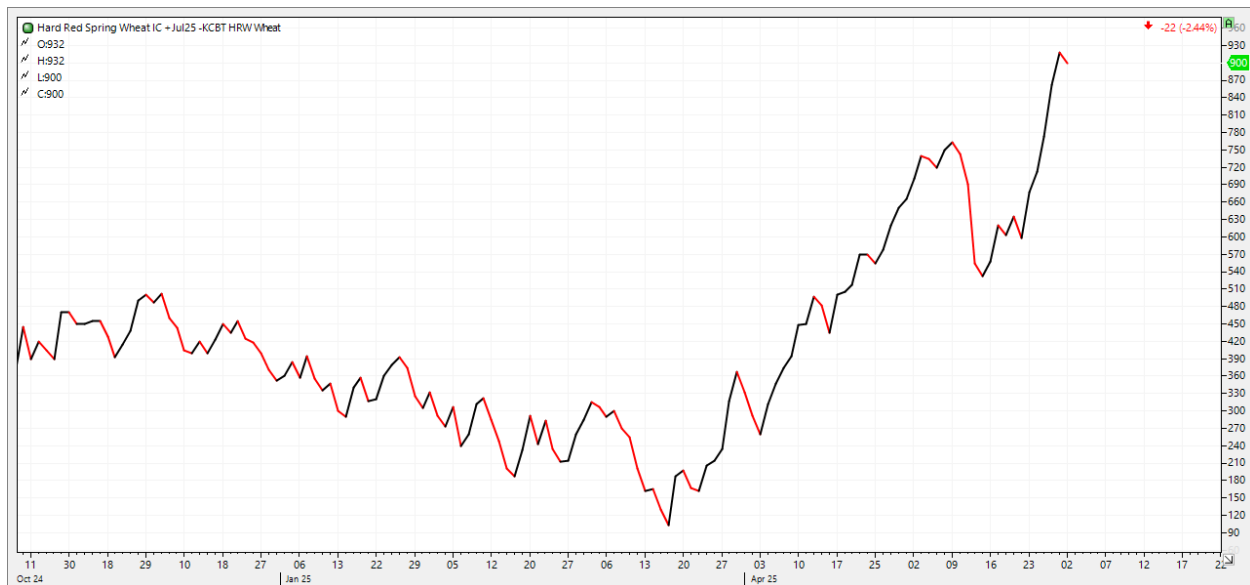
Combined North American spring wheat production,



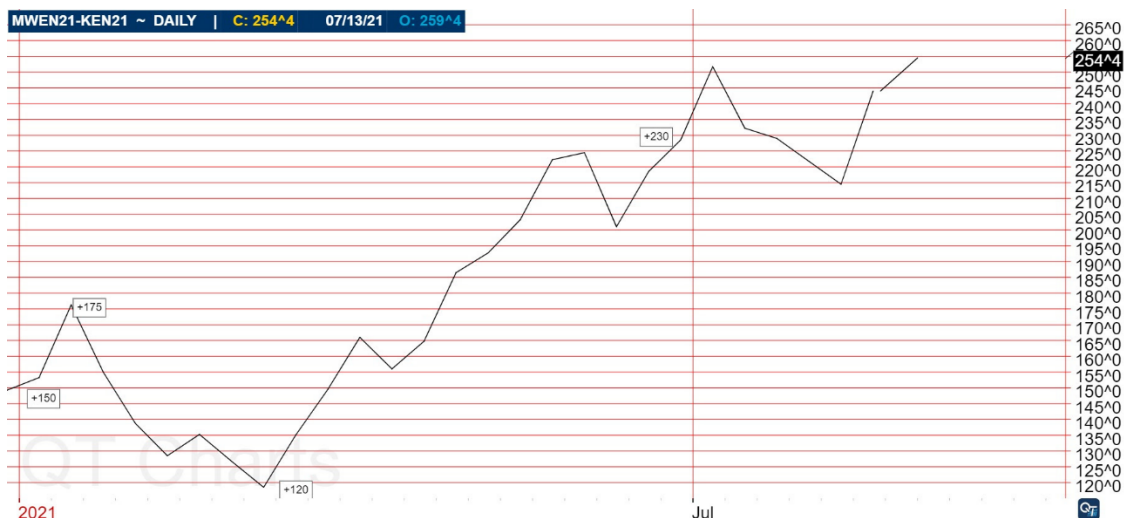
In 2021/22, North American spring wheat production declined more than 20 million tonnes. IF THAT HAPPENS THIS YEAR...wheat prices everywhere will go up.

How much of a rally, and when?

Yikes. Those are tough questions. And a tougher, but just as valid question is...ISN'T quite a bit of this already priced in? After all, here's MIAx July now a 90c premium over KC July, but maybe looking a little toppy:



And it's very tempting to short this spread, although...in that recent drought year of 21/22...the MGEX (at the time) July moved from a +150 premium over KC July at the first of June, up to +175, then head faked hard with a break to +120, and then took no prisoners on a moonshot to +230...



SO...shorting the MIAx N-KC N spread is not exactly risk free.

And as No Man is an island, neither is any wheat contract... KC July at the end of May in 2021 was about \$7.30/bu, and broke to \$6.00! by the first of July, before going berserk and making a run to almost \$14.00!!! What the...



BUT...what if those spring wheat ratings improve, and what if they get some rain on a semi-regular, semi-normal pace? And keep in mind, the continuous KC weekly chart shown does indeed have a \$1.30 break before the moonshot.

I'm not sure it's related, but Elon Musk's SpaceX exploded for the third consecutive time...

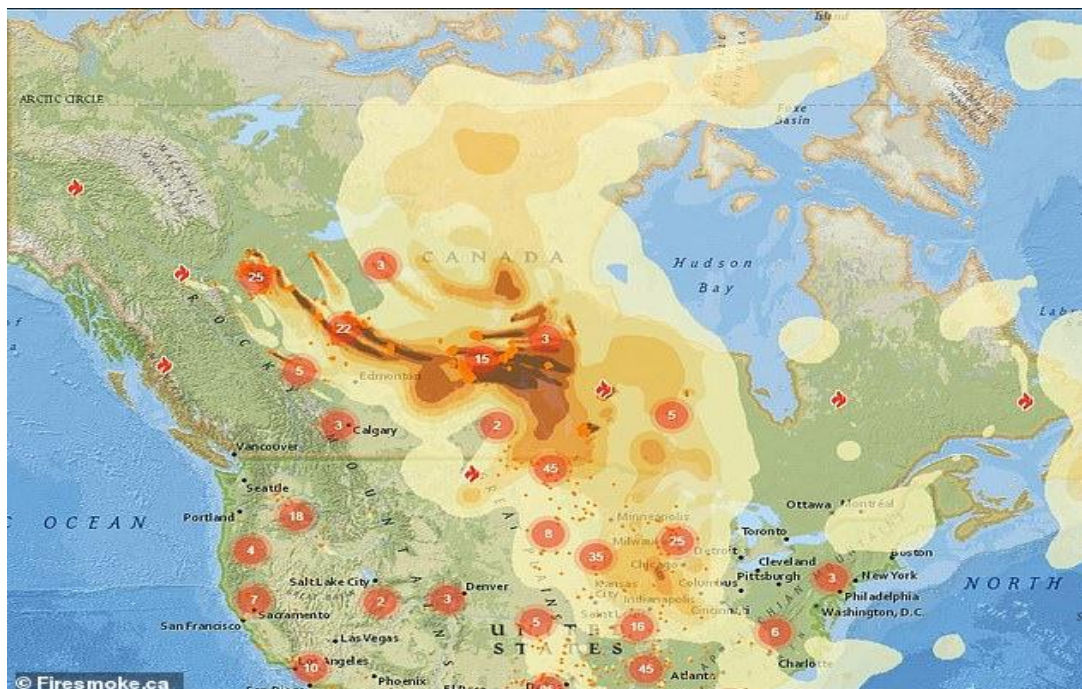
Anyway...here's how the week ended. Besides KC dropping 6c, Dec corn dropped 12c and soybeans are sitting on 4-week Closing Lows.

Here's another Karen Braun story that sets the stage pretty well for where we are right now... <https://www.reuters.com/markets/commodities/funds-finally-pause-corn-selloff-focus-turns-us-crop-braun-2025-06-01/>

	KC N HRW	DEC 25 HRW	July CORN	DEC 25 CORN	Chgo N wheat	Springs JULY	July'25 BEANS	NOV BEANS	Crude oil	S&P (M)
CLOSE	KWN25	KWZ25	CN25	CZ25	WN25	MWN25	SN25	SX25	CRD24	ES24
05/30	\$5.33	\$5.69	\$4.44	\$4.39	\$5.34	\$6.26	\$10.42	\$10.27	\$60.79	\$5916
05/23	\$5.39	\$5.77	\$4.60	\$4.51	\$5.43	\$6.07	\$10.60	\$10.51	\$61.53	\$5817
05/16	\$5.17	\$5.53	\$4.44	\$4.36	\$5.25	\$5.73	\$10.50	\$10.36	\$61.97	\$5976
05/09	\$5.18	\$5.54	\$4.50	\$4.42	\$5.22	\$5.94	\$10.52	\$10.31	\$61.02	\$5678
05/02	\$5.41	\$5.79	\$4.69	\$4.50	\$5.43	\$6.11	\$10.58	\$10.30	\$58.29	\$5709
04/25	\$5.51	\$5.90	\$4.86	\$4.56	\$5.45	\$6.06	\$10.59	\$10.35	\$63.02	\$5550
04/18	\$5.70	\$6.08	\$4.90	\$4.66	\$5.62	\$6.19	\$10.48	\$10.33	\$64.68	\$5313
04/11	\$5.83	\$6.21	\$4.97	\$4.64	\$5.70	\$6.29	\$10.53	\$10.26	\$61.50	\$5391
04/04	\$5.70	\$6.07	\$4.67	\$4.47	\$5.43	\$6.00	\$9.93	\$9.84	\$61.99	\$5110
03/28	\$5.66	\$6.06	\$4.60	\$4.43	\$5.43	\$5.97	\$10.37	\$10.29	\$69.36	\$5623
03/21	\$6.04	\$6.39	\$4.72	\$4.51	\$5.75	\$6.21	\$10.22	\$10.08	\$68.28	\$5718

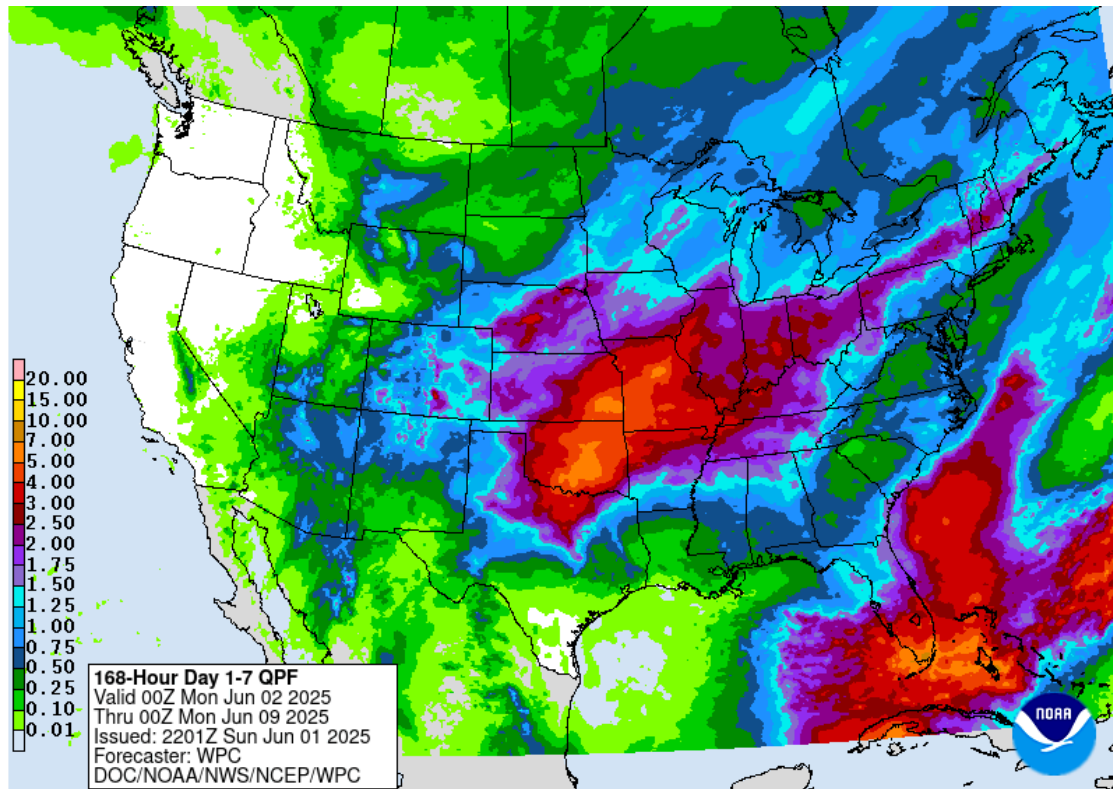
Are Canadian wildfires enough to set the whole wheat complex on fire?

So far, the fires are very far north of the big Canadian crop production areas.

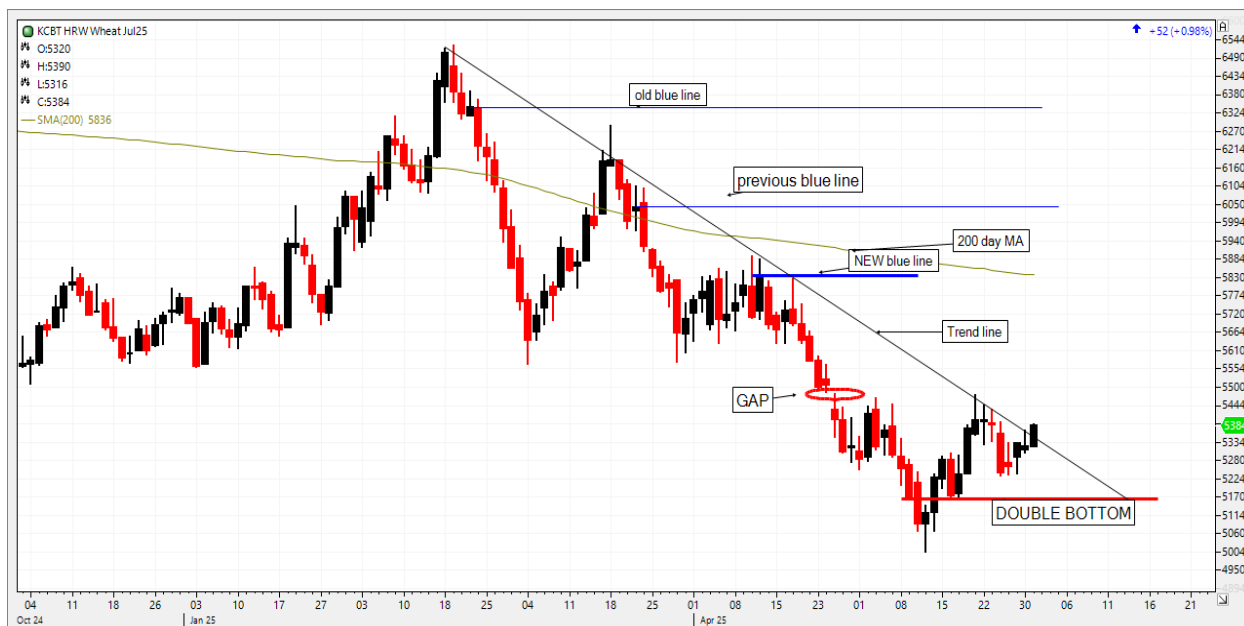


It's on the dry side in The Great Plains, the Canadian wildfires firing up again, and last week

we looked at the professional Russian disinformation information...about their dry winter wheat crop, but... it's hard to bet on a drought when the weekly forecast calls for more rain:

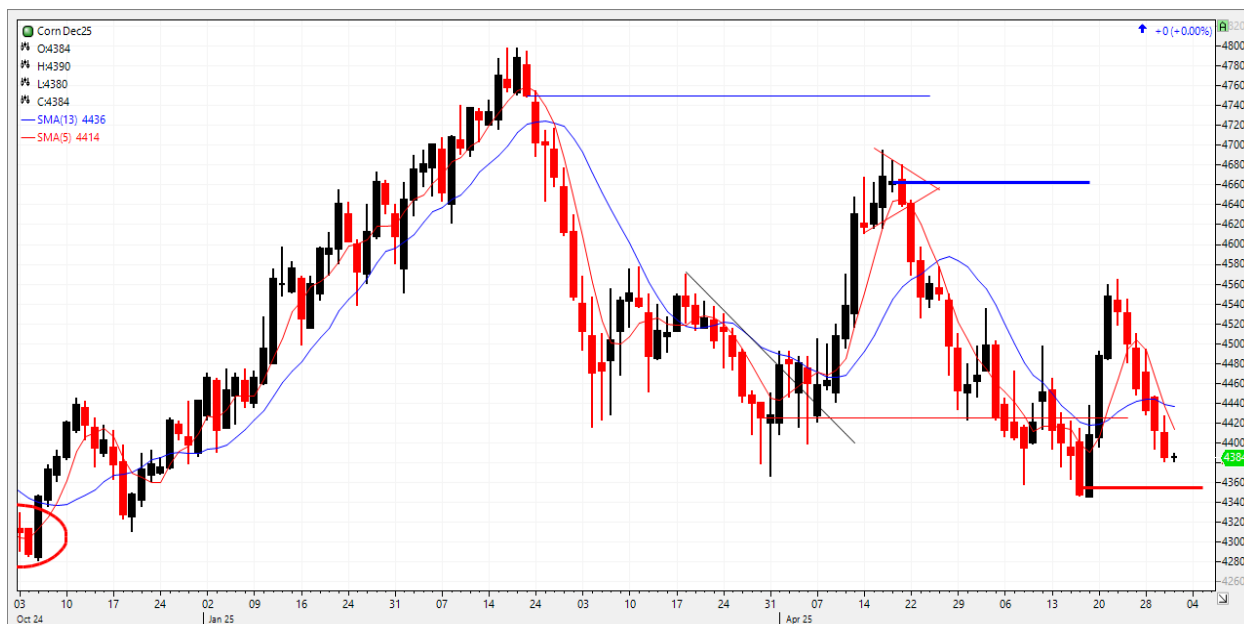


KC July wheat now has a new lower Blue Line (as 03/21 rolls off the table). A lower Blue Line is easier to hit, and see what happens, but for now, once and again, it's best to treat Blue Lines as resistance. The hope, of course, is the market closes above a Blue Line, and starts bringing in Fund buying...but now, we can only say not yet, and the down trend remains. But the Red Line is a double bottom, and could hold.

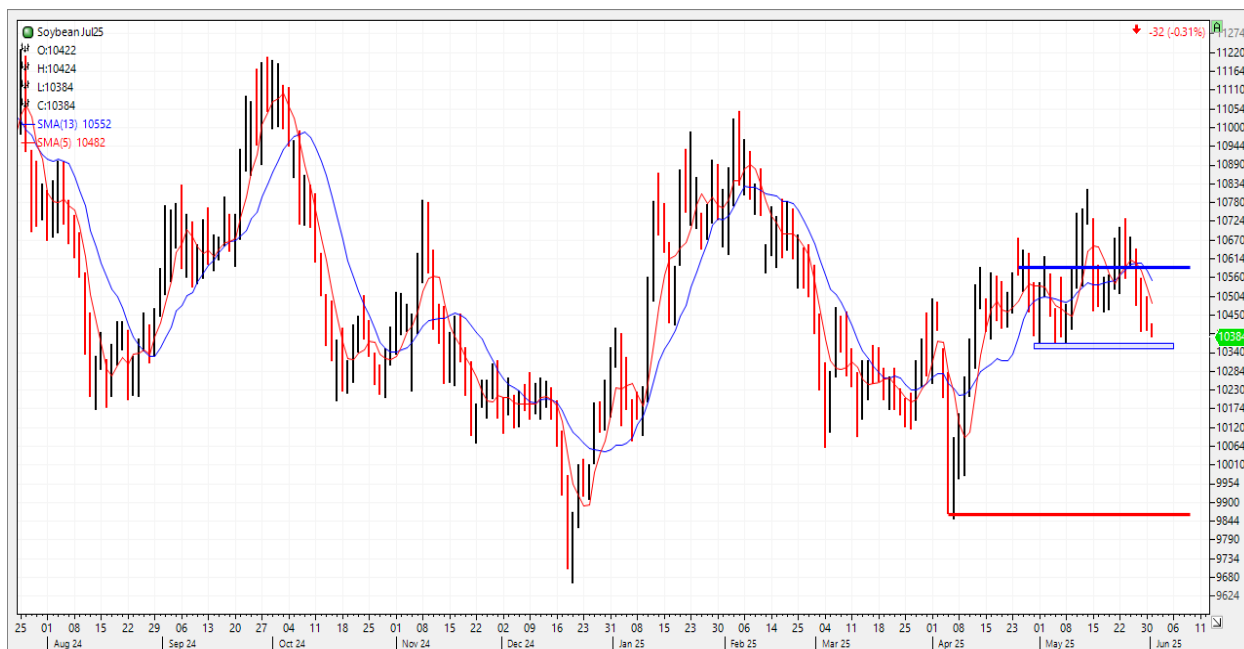


What's all this mean for a wheat farmer? For me it means I'm 50% sold on my expected production and will wait on selling more. But I really want that Red line to hold.

So far, Dec corn cares nothing about any Canadian smoke drifting down this way. I assume that Red line at \$4.36 is going to be tested:



And new-crop soybeans are on shaky ground, testing intra-week spike lows, sitting on 4-week Closing Lows...and yes, they are watching the Canadian canola crop, but...



Anyway...once the forecasts dry out, maybe then we can start talking about getting a drink.

Did I tell you I'm not drinking any more?

My wife points out I'm not drinking any less.

Updated Export Pace is slowing for corn and beans. South America's season is gaining momentum, and buyers see a wet USA forecast and think maybe they'll wait.

WEEK ENDED (05/22/25)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	55.0	1849.5	243	2093	2,600	507	14	36.2
Soybeans	7.2	1629.0	52	1681	1,850	169	14	12.1
All wheat	20.6	781.6	19	801	820	19	01	19.0
Milo	2.0	69.6	5	75	100	25	14	1.8
LAST update								
Corn	67.7	1792.9	243	2036	2,600	564	15	37.7
Soybeans	8.0	1621.6	52	1674	1,850	176	15	11.7
All wheat	15.6	760.7	19	780	820	40	02	20.0
Milo	1.5	67.1	5	72	100	28	15	1.9

Gulf to-arrive HRW bids are up a nickel. Last week's wheat export loadings were the best we've seen in a month.

GULF				
date	12 pro	11's	diff	
5/30/2025	105	100		5
5/23/2025	100	95		5
5/16/2025	100	95		5
5/9/2025	100	95		5

Posted basis bids in the country are mainly unchanged to **a little better**:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
05/30	\$4.43-\$4.63	\$4.38	\$4.13-\$4.23	\$4.08-\$4.23	\$4.53-\$5.13
05/23	\$4.49-\$4.69	\$4.44	\$4.19-\$4.29	\$4.14-\$4.29	\$4.49-\$5.19
05/16	\$4.27-\$4.47	\$4.22	\$3.97-\$4.07	\$3.92-\$4.07	\$4.27-\$4.97
05/09	\$4.08-\$4.48	\$4.43	\$3.98-\$4.23	\$3.93-\$4.03	\$4.28-\$4.98
05/02	\$4.31-\$4.66	\$4.66	\$4.21-\$4.46	\$4.16-\$4.26	\$4.51-\$5.21
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
05/30 (N)	-90, -70	-95	-120, -110	-125, -110	-80, -20
05/23 (N)	-90, -70	-95	-120, -110	-125, -110	-90, -20
05/16 (N)	-90, -70	-95	-120, -110	-125, -110	-90, -20
05/09 (N)	-110, -70	-75	-120, -95	-125, -115	-90, -20
05/02 (N)	-110, -75	-75	-120, -95	-125, -115	-90, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
05/30 (N)	-55	-35, -20	-60, -23	-55	
05/23 (N)	-55	-37, -20	-65, -26	-60	
05/16 (N)	-55	-39, -20	-65, -26	-60	
05/09 (N)	-55	-41, -20	-65, -30	-65	
05/02 (N)	-60	-42, -20	-65, -36	-65	

Everyone will be looking at Monday afternoon spring wheat ratings, and whether this forecasted rain event is really coming.

Over the weekend, it appears Ukraine successfully snuck attack Russia's airbases. Some reports say Russia lost 40 planes, including a dozen long-range bombers and an AWACS... <https://www.bbc.com/news/articles/c1ld7ppre9vo> **and that as much as anything has helped KC open a nickel higher Sunday night.**

Most everyone seems comfortable with the idea India had a record wheat crop, even though they didn't have perfect weather. If you want to geek out...this article talks about Indian wheat research using very old "landrace" varieties... <https://www.nature.com/articles/s41598-025-02502-0>

PS: before we go, a couple weeks ago I brought up canola, as I saw a field in Western Kansas, and then referenced an article claiming canola acreage was going to expand significantly. A farmer friend told me, about his yields and inputs based on his personal experience... *"40 bu/acre is a reasonable goal in sc Kansas dryland. Often in the 30's, sometimes in the 50's. Wheat usually does very well after Canola...Inputs roughly the same as wheat, without the fungicide, but added harvest cost."* I asked about buying seed..., and he said *"We buy seed every year, not sure you have to, I think there are some public varieties. Storage is not easy, and seed has to be dry (below 10%), and can go through a sweat if there is much foreign material. Conventional seed is pretty reasonable, roundup ready is higher, and this year I planted a Clearfield Hybrid that looks really good. Seed cost/pound was high, but I planted 2#/acre, and it looks like it was plenty"*

Seems like he knew what he was talking about.

Have a good week.

Slow Down. Stay Safe.