



CASH WHEAT REPORT

CASH WHEAT MARKET

The HRW market finds itself still looking for nearby trains of low protein, while the domestic market closed unchanged. The SRW cif market is hard to define, but there are no offers within 15-20+ ct/bu of the bids. Domestic spring wheat market didn't trade today but was offered down 25 ct/bu for a string of Montana 15%+ protein. The PNW heard unconfirmed rumors of China asking for DNS quotes, when in fact China has purchased Canadian wheat, so probably trying to keep those Canadians honest. Cash values on PNW remain firm as exporters wait for harvest.

Traders keep expecting cash basis to come under some pressure as winter wheat harvest winds down & HRW/SRW shippers think about making space for fall crops. So far no one agrees they need to make space, but that decision won't need to be made before September this year since fall harvest will be late. The harvest has been late & strung out of weeks without any pressure on the cash market. Shippers have suggested the corn/beans/milo harvest will be similar & they won't get that big push to make space & will have time to tuck everything away, even is this means piling on the ground. Bottom-line, I'm not convinced we get the secondary harvest pressure.

Wheat inspections were in line with trade estimates at 14.36 mbu, down 2.08 mbu from the previous week. **HRW inspections** of 7.74 mbu included shipments to Taiwan (842 bu), Colombia (2.37 mbu), Japan (710 bu), Mexico (2.84 mbu), and Nigeria (969 bu). **HRS inspections** of 2.1 mbu included shipments to Taiwan (1.12 mbu), and the Philippines (808 bu). **White wheat inspections** of 3.28 mbu included shipments to Yemen (2.145 mbu), the Philippines (436 bu), and Japan (508 bu). **Mixed wheat inspections** of 1.126 mbu was shipped to Ecuador.

USDA Grain Inspections for the week ending July 25, 2019					
Grain	Week Ending (1,000 bu)			Current	Previous
	25-Jul	18-Jul	YR AGO	YTD	YTD
Wheat	14,357	16,435	14,335	139,577	112,123
Corn	25,406	17,264	65,412	1,742,208	2,026,880
Soybeans	37,900	20,608	28,247	1,481,209	1,928,209
Sorghum	359	2,398	1,908	72,440	190,821

Wheat Inspected for Export by Class (1,000 bu)								
USDA Grain Inspections for the week ending July 25, 2019								
Grain	HRS	HRW	SRW	HWW	SWW	Durum	Mixed	Total
Lakes	-	-	-	-	-	-	-	-
Atlantic	-	-	-	-	-	-	-	-
Gulf	146	4,839	106	-	-	-	1,126	6,217
Pacific	1,936	1,552	-	-	3,259	-	-	6,747
Interior	22	1,349	-	-	18	-	-	1,390
Total	2,104	7,740	106	-	3,277	-	1,126	14,354
Last Week	2,967	9,251	994	73	2,415	735	-	16,435
Net Change	(863)	(1,511)	(888)	(73)	863	(735)	1,126	(2,081)



Trade Estimates for USDA's Crop Progress and Crop Conditions Report:

Trade Estimates for Crop Progress	This week	Average	Range	Last week
Corn condition*	58	57	55-59	57
Soybeans condition*	54	54	52-56	54
Winter wheat harvested (%)	75	81	76-92	69
Spring wheat condition*	73	76	74-77	76

*Percent good/excellent

HARD RED WINTER

Cash values are call steady & traders/exporters would like to call them weaker, but every day or every week someone is looking for spot or nearby trains. Today, should have been a slow Monday, but 7 trains traded: July 11% protein traded +110 ct/bu & August 11% protein traded +110 ct/bu, both had scales of 1 ct/bu each 1/10th protein over 10% to 11%. August 12% protein traded +156 KWU9. An Apr/May traded 12% protein vs 11% protein at +30 ct/bu premium for 12%.

The debate between the need to make space & put some pressure on the cash basis before fall harvests continues. I haven't found that person who says they'll be forced to sell wheat to make space. As mentioned in the opening the slow harvest pace for winter wheat & the expected slow harvest pace of fall crops are expected to allow shippers time to move stuff around &/or pile corn/milo on the ground, which is normal practice.

HRW GULF BID/OFFERS: 12% PROTEIN: JUL NB/NO KWU, AUG 150/165 KWU, Sep 145/NO, O/N/D 145/160, KWZ, J/F/M +148/160 KWH, APR/MAY +145/155 KWK. 11% PROTEIN: JUL 122/NO KWU, AUG/SEP 120/132 KWU, O/N/D +125/135 KWZ, J/F/M +124/133 KWH, APR/MAY +124/130 KWK. ORDS: Jul 105/120 KWU, AUG/SEP 100/120 KWU, O/N/D 100/NO KWZ, J/F/M 100/NO KWH, A/M 100/NO KWK.

The KC spot market closed unchanged today:

KC SPOT HRW WHEAT BASIS

Protein premiums and changes, basis KWU

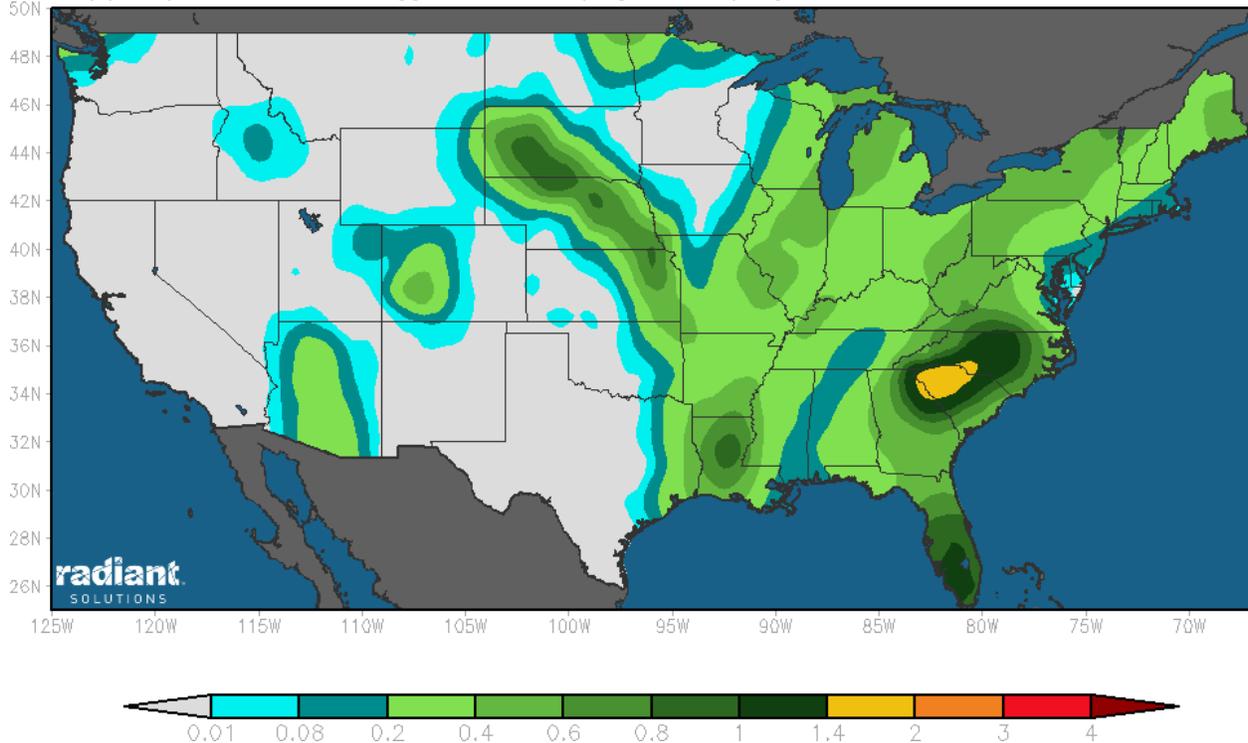
Ord. ...	85	to	95	0 / 0	12.60 ...	160	to	170	0 / 0
11.00 ...	110	to	120	0 / 0	12.80 ...	175	to	185	0 / 0
11.20 ...	110	to	120	0 / 0					
11.40 ...	118	to	128	0 / 0	13.00 ...	180	to	190	0 / 0
11.60 ...	118	to	128	0 / 0	13.20 ...	180	to	190	0 / 0
11.80 ...	124	to	134	0 / 0	13.40 ...	180	to	190	0 / 0
					13.60 ...	180	to	190	0 / 0
12.00 ...	130	to	140	0 / 0	13.80 ...	180	to	190	0 / 0
12.20 ...	130	to	140	0 / 0					
12.40 ...	132	to	142	0 / 0	14.00 ...	180	to	190	0 / 0



HRW conditions for Montana improved 3% and Nebraska conditions declined 8% from the previous week. Harvesting is just getting started in Montana and North Dakota with 1% complete however is 34% and 13%, respectively, behind the 5-year average. In S. Dakota, harvesting advanced 24% in just one week however is pegged at 40% behind the 5-year average.

STATE	HRW Crop Condition Ratings (% g/e)							HRW Harvest Progress (%)		
	This Week	Last Week	WOW Change	Last Year	YOY Change	5-Yr Avg.	5-Yr. Change	This Wk	Last Wk Δ	5-Yr. Avg. Change
CO	-	-	-	-	-	-	-	80%	65%	-12%
KS	-	-	-	-	-	-	-	98%	96%	-1%
MT	55%	52%	3%	78%	-23%	62%	-7%	1%	-	-34%
NE	74%	82%	-8%	-	-	-	-	55%	33%	-34%
ND	73%	73%	0%	69%	4%	58%	15%	1%	-	-13%
SD	65%	65%	0%	-	-	-	-	24%	-	-40%

1-5-day precipitation forecast suggests rain delaying harvest progression in Nebraska and S. Dakota.



Daily received/shipped (reported by CME, close of business 7/26): Hutchinson: 5.251/148.859, KC: 57.815/86.457 kbu, Salina: 25.292/0 kbu, Wichita: 145.915/32.867 kbu.

SOFT RED WINTER

The SRW cash markets are called firm & unchanged, with no offers in the CIF market. There simply wasn't any change in cash fundamentals to point to today; premiums are as strong as they've been for the last week & well above DVE, but why did the spreads choose to rally today? It's a mystery. We

This E-mail (including attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, is confidential. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication is strictly prohibited. Please reply to the sender that you have received the message in error, and then delete it. This data and these comments are provided for information purposes only and are not intended to be used for specific trading strategies. Although all information is believed to be reliable, we cannot guarantee its accuracy or completeness. Commodity trading involves risks, and you should fully understand those risks before trading.



would still say that the odds of deliveries on the September contract are low, given where cash premiums are today and that someone would be a willing stopper on the river to cover Oct/Nov commitments.

It was a good harvest weekend in Michigan, with an additional 31% of the state harvested last week. Test weights have been descent, at around 57-58 lb/bu. Average yields have increased to around 70-80 bpa and vomitoxin is averaging less than 2.0 ppm. Mills have reportedly been able to buy some SRW at their posted bids of +20-25 WU from growers direct and commercial elevators have been paying around +15 WU to fill space.

SRW harvest progress:

SRW Harvest Progress (%)			
STATE	This Wk	Last Wk Δ	5-Yr Avg. Change
IL	98%	4%	-1%
IN	96%	4%	-2%
MD	100%	4%	-
MI	45%	31%	-33%
NJ	81%	6%	-6%
NY	32%	28%	-36%
OH	93%	10%	-3%
PA	84%	7%	-1%
WV	64%	6%	-14%
WI	10%	9%	-31%

CIF barge bid/offer: Jul +45/NO WU, FH Aug +55/NO WU, Aug +60/NO WU, Sep +75/NO WU, O/N/D +68/NO WZ, J/F/M +68/NO WH.

FOB NOLA indications: Sep +90 WU, Oct +80 WZ, Nov +90 WZ, Dec +95 WZ, Jan +90 WH, Feb +90 WH, Mar +90 WH.

FOB Bellevue bid/offer indications: Aug/Sep +30/45 WU, O/N/D +30/45 WZ, and J/F/M +35/50 WH.

Elevator/Mill Bids: NW Ohio mills: Aug/Sep +35 WU, O/N/D +35 WZ; Chicago warehouse: Aug +10 WU, Sep +10 WU; Toledo warehouse: Aug +25 WU, Sep +25 WU; Toledo mill: Aug/Sep +20 WU, O/N/D +40 WZ, J/F/M +40 WH, A/M +40

WU; Michigan mill: Aug/Sep +25 WU, O/N/D +30 WZ; Eastern Indiana mill: Aug +35 WU, Sep +40 WU, Oct +40 WZ.

Daily received/shipped (reported by CME, close of business 7/26): Chicago: 44.875/0 kbu, MS River: 66.459/31.001 kbu, NW Ohio: 28.294/33.95 kbu, OH River: 138.244/167.756 kbu, St. Louis: 54.332/9.272 kbu, Toledo: 181.548/0 kbu.

HARD RED SPRING

There were 12 spring wheat cars offered on the spot floor today. All the cars averaged 15.0% protein and were out of Montana. The cars were bid/offered +115/125 MWU but did not trade and are not included in the MGEX spot settlement. The +125 MWU was 25 cents lower than previous trade, but, as these cars were out of Montana, it is not a fair comparison.

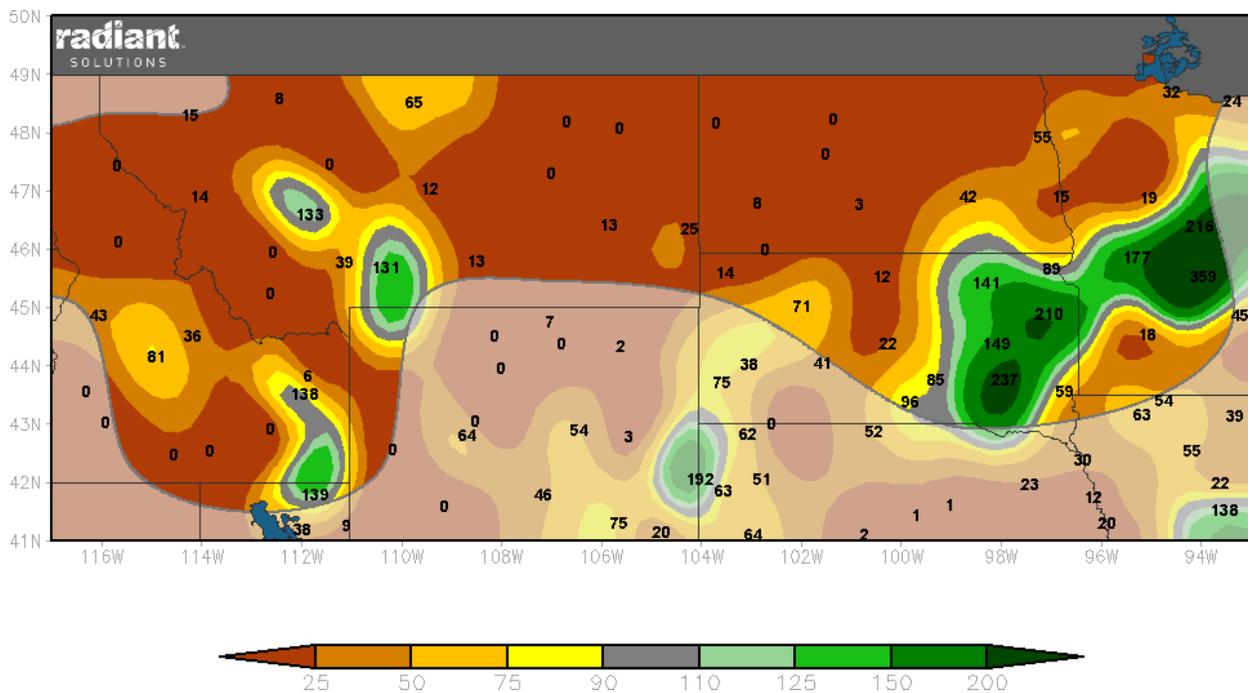
Spring wheat conditions were rated 73% good to excellent, down 3% from the previous week and below trade estimates of 74-77%. Conditions declined in Minnesota, the Dakotas, and Oregon. Crop progress is in line with or ahead of the 5-year average for most states except Idaho and S. Dakota which are 2% and 6%, respectively behind normal growth.



Spring Wheat Crop Condition Ratings (% g/e)								Progress % Headed	
STATE	This Week	Last Week	WOW Change	Last Year	YOY Change	5-Yr Avg	5-Yr Change	This Wk	5-Yr Avg Change
ID	69%	68%	1%	75%	-6%	68%	1%	95%	-2%
MN	83%	85%	-2%	84%	-1%	74%	9%	100%	2%
MT	64%	64%	-	64%	-	49%	15%	96%	-
ND	78%	80%	-2%	87%	-9%	71%	7%	98%	1%
OR	40%	52%	-12%	70%	-30%	63%	-23%	100%	-
SD	65%	70%	-5%	52%	13%	48%	17%	94%	-6%
WA	66%	55%	11%	83%	-17%	50%	16%	100%	-

The past 7-day precipitation map for spring wheat area in the Northern Plains shows large areas of North Dakota and Montana that received zero percent of normal rainfall, which likely contributed to the decline in crop condition ratings for both states.

Northern Plains: % Normal Precipitation for July 22nd through July 29th:



HRS vs HRW price comparisons (Aug/Sep):

Spring Wheat vs HRW Basis Chicago gateway						
Aug/Sep	DNS 14%	HRW 14%	DNS 13.5%	HRW 13%	DNS 13%	HRW 12%
Basis	100.00	195.00	95.00	195.00	90.00	145.00
Futures	532.50	436.50	532.50	436.50	532.50	436.50
Del Chicago	632.50	631.50	627.50	631.50	622.50	581.50

This E-mail (including attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, is confidential. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication is strictly prohibited. Please reply to the sender that you have received the message in error, and then delete it. This data and these comments are provided for information purposes only and are not intended to be used for specific trading strategies. Although all information is believed to be reliable, we cannot guarantee its accuracy or completeness. Commodity trading involves risks, and you should fully understand those risks before trading.



HRS & HRW blended prices (Aug/Sep):

13% HRS Protein Blend (Western Mills)						
	Spot Basis	Futures	Flat Price	Blend	Blended Price	Basis MW
14% HRS	100	532.50	632.50	1.5	608.10	75.60
11.5% HRW	135	436.50	571.50	1		
13% HRS Comparison	90	532.50	622.50			
Blended Discount (ct/bu)	14.40					

Daily received/shipped (reported by MGEX, close of business 7/26): Minneapolis/St. Paul: 92/52 kbu, Duluth/Superior: 56/0 kbu.

PNW

Sources that should know, say China didn't buy any spring wheat. While Canadian sources say China did buy 3+/- cargoes of Canadian wheat last week. We're not saying China may have asked an exporter for US spring wheat prices, but we'd suggest they were asking for values to use against pricing CWRS.

We're not aware of any scheduled tenders this week. Exporters are following SWW harvest & the early test cutting of HRW in Montana. Growers are selling bits/pieces of spring wheat & exporters know they can stretch their bids & buy a train when needed. Similar for SWW, where exporters know they can stretch their bid to 625 ct/bu & buy a few barges. However, they have no idea where they can buy HRW & therefore their fob offers are 20-25+ ct/bu premium their track bids.

White wheat conditions improved from last week by 2-3%. Harvesting advanced 4-16% from the previous week however running behind the 5-year average.

STATE	SWW Crop Condition Ratings (% g/e)							Progress % Harvested		
	This Week	Last Week	WOW Change	Last Year	YOY Change	5-Yr Avg.	5-Yr Change	This Wk	Last Wk Δ	5-Yr. Avg. Change
ID	65%	63%	2%	78%	-13%	67%	-2%	6%	4%	-49%
OR	63%	61%	2%	74%	-11%	55%	8%	33%	16%	-19%
WA	75%	72%	3%	85%	-10%	60%	15%	19%	9%	-7%

Shipment	NS/DNS 14%	HRW 11.5%	SWW 9.0-9.5%
July	80 MWN	135 KWN	615
Aug/Sep	80/85 MWU	125/130 KWU	615/615
Oct/Nov/Dec	80/85/85 MWZ	125/125/130 KWZ	617/618/620
Jan/Feb/Mar	80/85/85 MWH	120/123/125 KWH	617/617/620

WORLD WHEAT NEWS

WORLD WHEAT FOB COMPARISONS:

This E-mail (including attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. §§2510-2521, is confidential. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communication is strictly prohibited. Please reply to the sender that you have received the message in error, and then delete it. This data and these comments are provided for information purposes only and are not intended to be used for specific trading strategies. Although all information is believed to be reliable, we cannot guarantee its accuracy or completeness. Commodity trading involves risks, and you should fully understand those risks before trading.



	World Wheat FOB Comparisons									
Origin	Russian	German	Baltic	Argentina	HRW	HRW	HRW	French	UK	SRW
Protein (dmb)	12.50%	12.50%	12.50%	11.50%	12.50%	11.00%	10.20%	11.00%	11.00%	10.20%
Protein (12% mb)	11.00%	11.00%	11.00%	10.12%	11.00%	9.68%	9.00%	9.68%	9.68%	9.00%
Aug	\$195	\$197	\$192	-	\$206	\$203	\$202	\$194	\$192	-
Sep	\$197	\$199	\$194	-	\$208	\$204	\$203	\$196	\$194	\$218
Oct	\$199	\$200	\$196	-	\$211	\$207	\$206	\$200	\$195	\$216
Nov	\$201	\$202	\$198	-	\$215	\$211	\$210	\$201	\$197	\$218

	World Wheat FOB Comparisons									
Origin	APW	AH2	ASW	HRW PNW	HRW PNW	SWW	NS	NS	CWRS	CWRS
Protein (dmb)	11.80%	12.90%	10.10%	12.00%	13.10%	12.00%	15.30%	15.90%	15.50%	15.90%
Protein (local)	10.50%	11.50%	9.00%	10.50%	11.50%	10.50%	13.50%	14.00%	13.50%	13.80%
Aug	\$233	\$243	\$228	\$212	\$216	\$230	\$227	\$227	-	-
Sep	\$233	\$243	\$228	\$214	\$217	\$230	\$229	\$229	-	-
Oct	\$235	\$245	\$230	\$216	\$220	\$231	\$231	\$231	\$231	\$236
Nov	\$235	\$245	\$230	\$218	\$222	\$232	\$233	\$233	\$233	\$238

SOUTH AMERICA

Origin	Month	Quality	Offer (USD/MT)
Argentine Upriver	New crop Dec/Jan/Feb/Mar	11.5% pro	Seller 193/195/196
Argentine Upriver	New crop Dec/Jan/Feb/Mar	12.0% pro	Seller 196/198/200

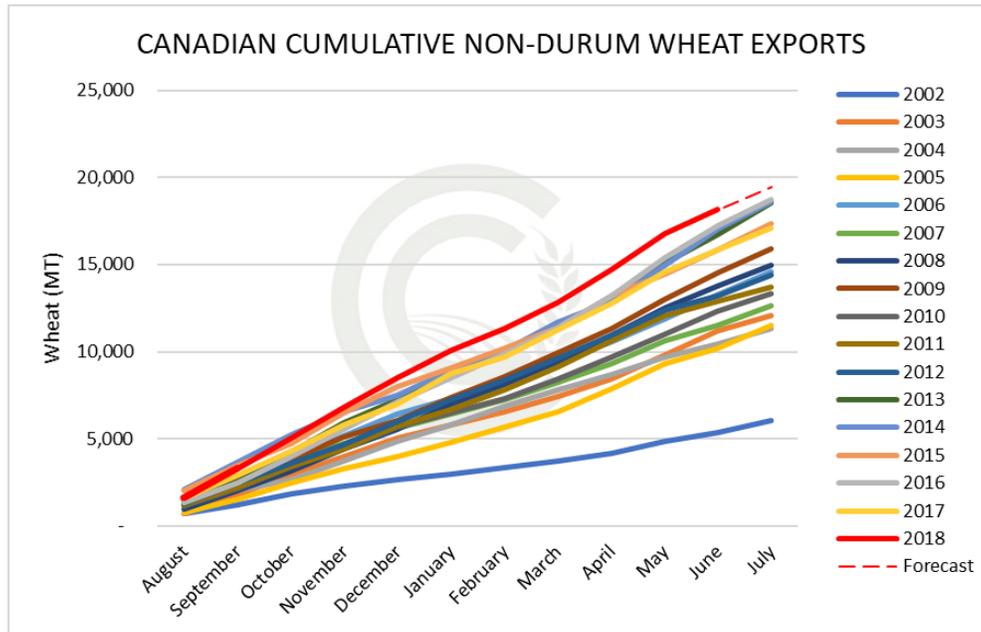
CANADA

Exporters say the market is extremely quiet & growers are selling next to nothing. However, exporters continue to discount the basis as they compete for business. Sources suggest a Bangladesh reseller is long a cargo of Canadian wheat & has offered it to Bangladesh at values 10 ct/bu below Canadian exporters. Sources confirm China purchased 3+/- cargoes CWRS 13.8% protein late last week for LH September & October shipments. The buyers were private importers, not COFCO. They must have been asking about US values to keep the Canadian's in check, since there was a report in the market that China was asking for quotes on US DNS.

Indicative prices FOB Vancouver: CWRS 13.5% protein October shipment at +85 MWZ, with a 10-cent premium for 13.8% protein and a 10-cent discount for 13.0% protein.

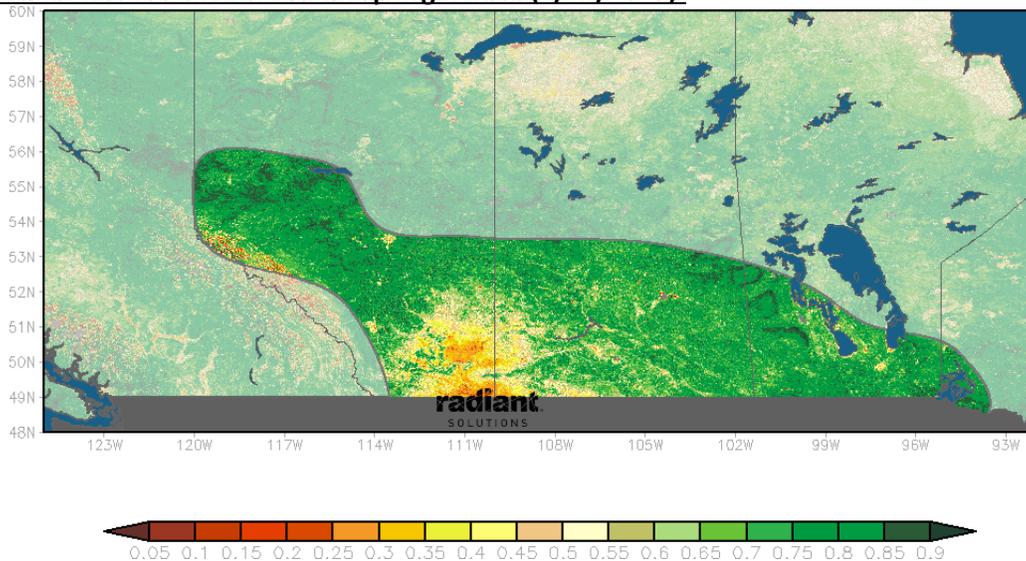
Ontario winter wheat harvesting has been 7-14 days behind last year. Early yield and quality reports have been good however there are reports of head bleaching indicating fusarium head blight has affected some fields. This was expected after the heavy rain and cool spring and early summer weather Ontario experienced.

Canada exported 1.389 million MT of wheat for the month of June, down 2.04 million MT in May. August-June exports are estimated at 18.41 million MT which includes 5.35 million MT April-June. Our export forecast is 19.3 million MT which includes 1.3 million MT forecast for July exports.



Conditions for Canadian spring wheat declined from last week, especially near the border between Alberta and Saskatchewan. Fields in these areas reported no precipitation last week accompanied by temperatures in the mid-to-high 90s (3-5 degrees above normal). Conditions are 15-25% below normal in southern Alberta, Manitoba’s Interlake region, and pockets of Northeast-Central Saskatchewan.

NDVI Current in Canadian Prairies for Spring Wheat (7/27/2019):

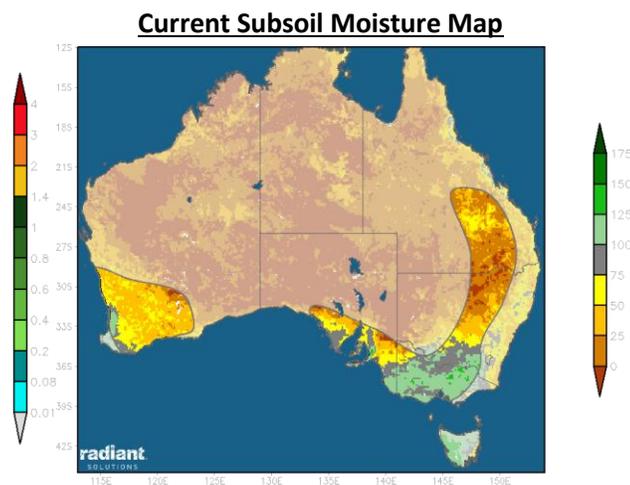
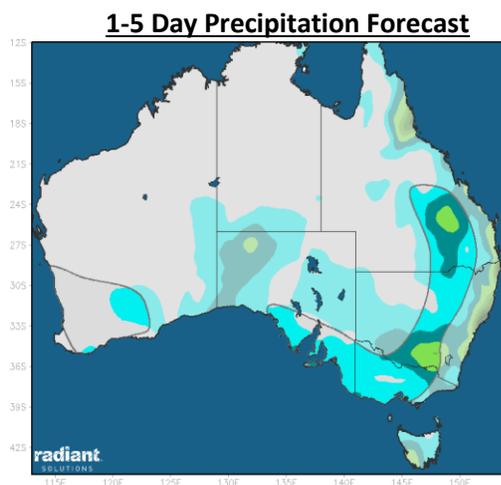




AUSTRALIA

Indicative prices for September/October FOB WA: APW \$230-232/MT, APW-ASW spread is \$3-4/MT, and AH2 is a \$5-10/MT premium to APW.

NNSW and Queensland reported zero rainfall over the weekend. There is a chance of up to a half inch of rainfall in southern Queensland which could save some time however subsoil moisture is 25% of normal and more rain will be needed to sustain yields going into crop development when moisture needs intensify.



BLACK SEA & EU

Algeria announced a tender seeking to buy at least 50 kmt of milling wheat for shipment FH and LH September. The tender deadline is July 30th but must remain valid until July 31st. Algeria previously purchased 480 kmt of wheat in early July for August shipment.

The EU Commission reported soft wheat exports through July 28th totaled 762 kmt, down 22% from the previous year. EU corn imports have totaled 1.61 million MT, up 67% from the previous year.

Russian wheat harvest has collected 41.2 million MT, up from 29.5 million the same time a year ago. Winter wheat is averaging 3.69 t/ha for the 11.2 m/ha harvested, compared to 3.81 t/ha for the 7.8 m/ha harvested a year ago.

Ukraine has harvest 77% of the total area sown with quality reports suggesting the percent of milling wheat will increase thanks to hot, dry weather. Analysts suggest the percent of milling wheat could increase to 70%, up 15% YoY with new crop averaging 12.5-12.7% protein.

Indicative prices for August/September/October/November prices (\$/MT) for French wheat 11.0% pro \$195/196/198/200, German 12.5% pro \$198/202/205/207, Russian 12.5% pro \$195/197/199/201, Baltic 12.5% pro \$194/195/197/200.



PENDING TENDERS

- July 25: The Philippines tenders to buy at least 55 kmt of feed wheat.
July 30: Jordan tenders to buy 25 kmt of milling wheat for FH September shipment.
July 30: Jordan issued a tender seeking to buy 120 kmt wheat for LH October-FH November shipment.
July 30: Algeria's OAIC tenders to buy at least 50 kmt of milling wheat.

FUTURES COMMENTS



U.S. wheat futures rallied strongly today, with Minneapolis leading the way, following Friday's CFTC report that showed Managed Money funds holding a record net short at the MGEX, and rumors of China inquiring about importing spring wheat. Unfortunately, we have been unable to confirm China rumors and find it difficult to get too excited when the next Trump Tweet can derail any progress in trade talks. Market structure, uncertain spring wheat yield forecasts due to supposed disease pressure, and technical buying supported Minneapolis flat price and calendar spreads. We did confirm China purchased Canadian CWRS wheat.

Chicago spreads blew up today, with WU-WZ settling 3.00 cents higher, and folks were looking for an explanation. The SRW cash markets were firm & unchanged today, but we could not find any cash trades to point to sort out the rally. The SRW cash fundamentals are strong, with bids above DVE, and the probability of deliveries on the Sep is low, but why 17,547 contracts trading pushed the spread as much as it did today is unclear.

KC HRW premiums are firm, with several trains trading today, and nearby demand persists. KC calendar spreads didn't move as much as either Chicago or Minneapolis, but they did hold their ground. The KCBT market cannot work properly if they have this huge differential in freight rates between the warehousemen & the stopper 😞. KC – Chicago spreads weakened again today due to the strength of Chicago spreads. Minneapolis – KC spreads widened on Minnie strength.

The VSR calculations for CME are averaging 45% of full carry & KCBT is averaging 63% of full carry.

The Rogers Index Roll begins tomorrow and extends through Thursday.

Best regards,

AI, Emily & Jason Conway

Comments and questions are welcomed, Contact our office at +1 (503) 631-7578, Email aconway@cashwheatreport.com