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*A weekly Cornbelt digest of marketing, economic, agronomic, and management information.*

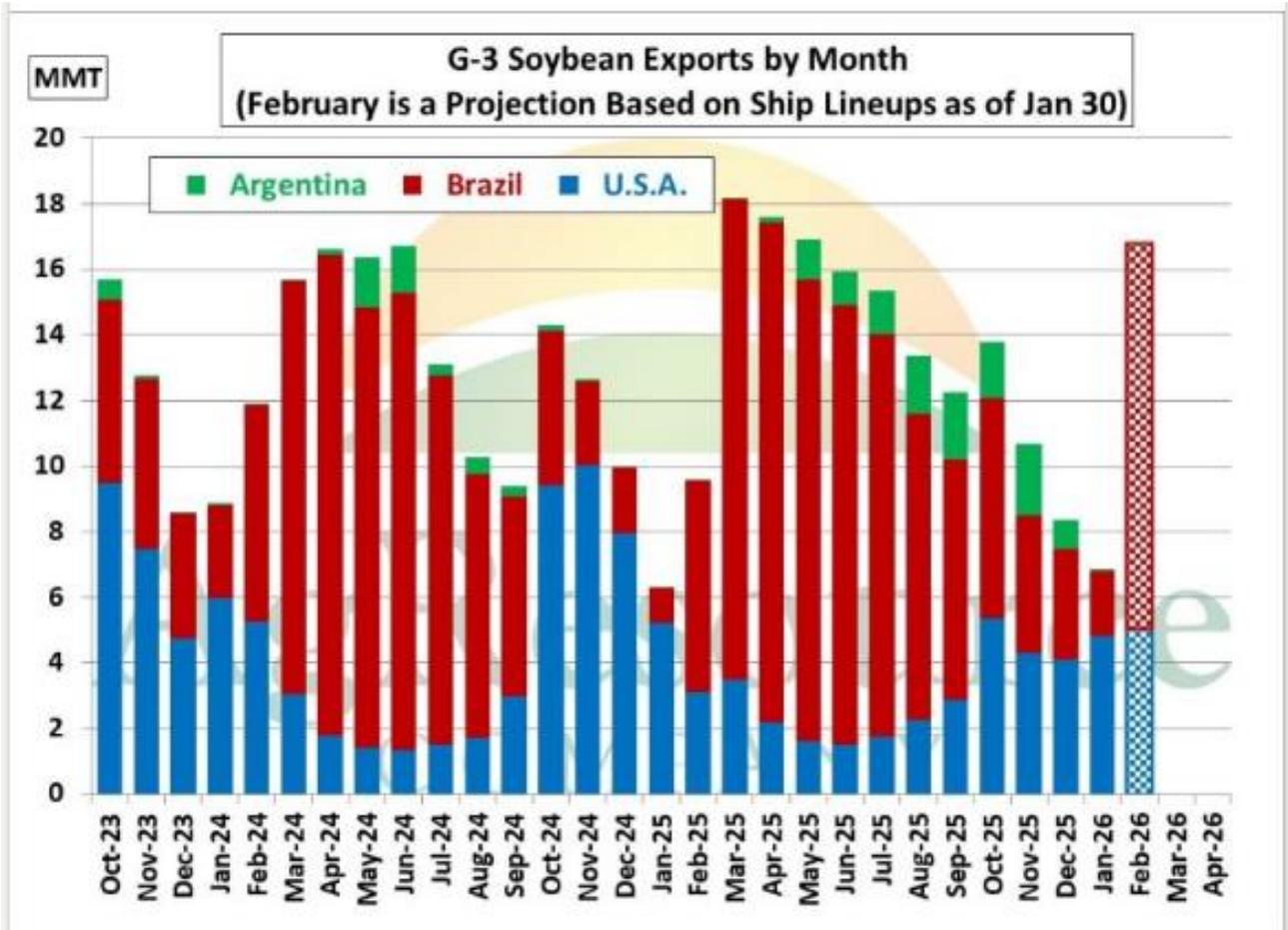
### ***Commodity market price drivers—***

- **US corn and soybean futures slipped again** last week as traders weighed ample global supplies against sluggish export demand, according to market analysts and federal data. The USDA said recent export inspections for corn and soybeans fell below last year's pace, adding pressure to prices already near multi-year lows. Analysts at commodity research firm StoneX said large South American harvests and rising global stocks are limiting near-term upside despite seasonal demand. Currency strength in Brazil has encouraged aggressive farmer selling, further swelling global supplies. At the same time, US farmers continue to face elevated input costs, squeezing margins as planting decisions approach. Market analysts said weather risks later in the growing season could still inject volatility, but near-term sentiment remains bearish. USDA will release updated supply and demand estimates Feb. 10, which traders say could provide clearer direction for spring markets.
- **That did not last long.** China is ramping up its orders from Brazil to fill its soybean needs after it met the initial shipment volume from the US as part of a trade truce with Washington. Over the past week, [Bloomberg said](#) Chinese importers have booked at least 55 mil. bu. of beans for loading mainly in March and April. "At the same time, state-owned companies in China have appeared to refrain from taking American cargoes," Bloomberg said. "US soybeans delivered to China on a cost-and-freight basis are at a steep premium over comparable beans from Brazil for February, so crushing them will likely incur heavy losses for processors." Over the long term, the US said China has committed to buying at least 25 mil. tons of US soybeans annually through 2028, which means the nation may actually come back for more American cargoes later in 2026.

- Year-Round E15:** A key piece of the corn demand puzzle, says [Krista Swanson, chief economist for the National Corn Growers Assn.](#) "A puzzle is always in progress at my home in the winter. Some pieces take forever to find, but once they're in place, they unlock the next section – even though they don't complete the puzzle. That's exactly how E15 feels right now. E15 isn't the whole corn-demand puzzle. But it is a difficult, high-impact piece – one that creates meaningful, near-term opportunity for growth. Earlier this week, President Donald Trump reiterated his commitment to delivering year-round E15. Naturally, farmers and industry partners are asking, "What does this really mean for corn?" The U.S. is projected to use 135.4 billion gallons of finished motor gasoline in 2027, with 14.2 bil. gal. of ethanol blended in – still mostly as E10. Year-round nationwide E15 opens a door to higher blending. Every 1% increase in the national average blend rate represents roughly 480 mil. bu. of corn used in domestic on-road ethanol annually. A 5% increase? 2.4 bil. additional bushels of potential use. But use is not the same as demand. True demand reflects consumer behavior, market incentives, and industry capacity. In our joint E15 economic impact study with RFA, we modeled full E15 adoption alongside realistic shifts in other uses resulting in a 1.4 bil. bu. increase in total net use. Considering anticipated change in production, we estimated a 35¢ per bu. bump in corn price. Assumptions matter – and results will vary depending on assumption – but the direction is clear: E15 grows demand. The timeline depends heavily on infrastructure. EPA's 2021 efforts to update E15 labeling and underground storage tank rules stalled, but revisiting and finalizing those changes could accelerate adoption significantly. Bottom line: Year-round E15 doesn't complete the corn-demand puzzle. But it's a critical piece – one that creates real, near-term opportunity to grow ethanol markets and expand demand for corn."



- **What dynamics are shaping up** for February in the soybean market? That question is facing farmers and the grain market as January WASDE report is in the rear-view mirror. Offering his forecast is Bill Tierney, chief economist for Ag Resource. Tierney says about  $\frac{3}{4}$  of the January WASDE's projected soybean exports are now destined for China.

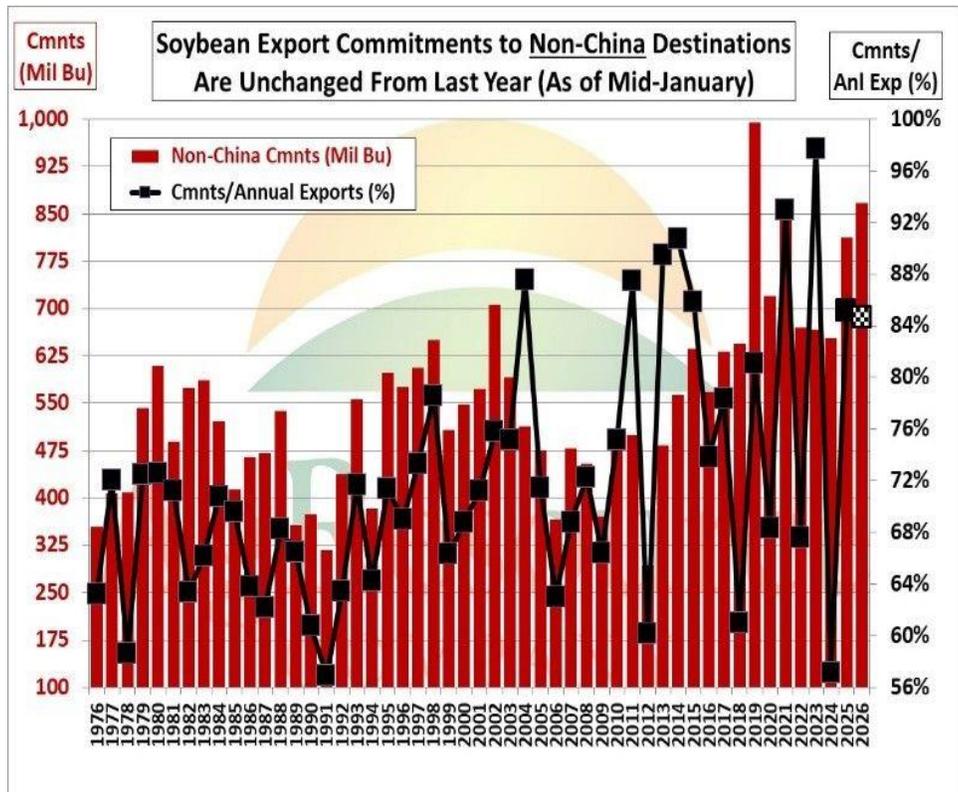


- **USDA's unexpected jump in soybean ending stocks** in January caught market analysts by surprise and triggered an immediate market reaction. Brooks Schaffer, southeastern US grain marketing advisor, says he's also keeping a close eye on South America, "We really need demand. After the extra stocks that USDA found on the last report, we need demand more than ever. We're still watching how South America finishes the growing season. The soybean crop is big and, on the way, but it's not in the bin yet. So, we've lost a lot of crops down there to too much rain during harvest. So, as we all know, in agriculture, it's not made til it's in the bin." Schaffer says this all means trade is as important as ever in 2026, "We've seen China buy over the last few weeks, despite price advantages to Brazil, they are buying US beans. So that's a positive thing. We're setting records on corn exports, too. Beans are the big headlines, but we are exporting a lot of corn. Most of that has been going to Mexico, but we're also seeing corn going into some nontraditional destinations as well. So, trade is going to be big. Look for these, these loadings to continue. We need all the demand that we can get." (NAFB News Service)

- U.S. soybean exports** to non-China markets are the 2nd largest ever, but it's not enough to make up for dismal sales to China, says [Bill Tierney, chief economist for Ag Resource](#).

“The chart to the right shows the history of U.S. export commitments to non-China as of mid-January. This year’s export commitments have accounted for 85% of projected annual exports. However, the ratio has averaged 80% over the last 5 years. USDA’s “implied” projection for exports to countries “other than China” is 1,025 Mil Bu vs 953 Mil for 2024/25. The chart to the bottom right plots export commitments to non-China vs U.S. marketing year total exports. The green square denotes last year’s commitments and annual exports. The black triangle denotes USDA’s “implied” projection of 1,085 Mil Bu. Notice the exports in 2019 and 2020 were years of trade conflict with China.

Commitments are in agreement with the regression estimated pace what would be needed to meet the USDA’s projection.”



## ***Farm Economy—***

- **The Rural Mainstreet Index** climbed above growth neutral 50.0 for January, according to the latest [monthly survey of bank CEOs in rural areas](#) of a 10-state region dependent on agriculture and/or energy. The region's overall reading for January climbed to 52.0, its highest reading since July 2023, and up from December's 50.1. The index ranges between 0 and 100, with a reading of 50.0 representing growth neutral. "More than 1 of 3 bankers, or 34.7%, indicated that their local economy was currently in a recession. Another 26.9% expect their local economy to experience recession conditions in the first half of 2026," said Ernie Goss, director of the Creighton University survey. Regarding President Trump's imposition of tariffs, almost 4 of 10 bankers, or 38.4%, support pulling back on tariffs. An officer of a small-town IL bank said, "We are still dry in Central IL. We probably have sufficient moisture to plant 2026 crops but will need timely rains as subsoil is depleted." As stated by a bank CEO in the December survey, "Low grain prices and higher input costs continue to plague our area farmers. The Trump \$12 bil. payment to producers will help but is not a cure." The Federal Reserve's interest rate setting committee, the FOMC, met last week to consider changing rates. Almost 1 in 4 bankers, or 23.1%, recommended reducing short-term interest rates by .25%. Approximately 73.1% advocate no change, while the remaining 3.8% support a rate increase. Jeffrey Gerhart, former Chairman of the Independent Community Bankers Association said, "Interest rate changes by the Fed should pause for the time being. The lag is 'long and variable,' meaning policymakers must act with foresight. The economy's response isn't immediate, making it challenging to perfectly time monetary policy." After rising above growth neutral in December, the farm and ranchland index fell below the threshold for January with an index of 46.0, which was down from 52.5. According to trade data from the International Trade Association (ITA), regional exports of agriculture goods and livestock for the first 10 months of 2025, compared to the same period in 2024, fell from \$9.9 bil. in 2024 to \$9.7 bil. in 2025 for a decline of 2.4%. The farm equipment sales index sank to a very weak 18.8 but was up from December's even weaker 15.0. "This is the 29th straight month that the index has fallen below growth neutral. Lower interest rates and the impending \$12 bil. of federal farm support have yet to stimulate farm equipment purchases," said Goss. Rural bankers remain pessimistic about economic growth for their area over the next six months. The January confidence index rose to 44.0, its highest reading since February 2023, and up from 40.9 in December. "Despite \$12 bil. of federal farm support, weak grain prices and negative farm cash flows, combined with tariff retaliation concerns, continue to weigh on banker confidence," said Goss. The IL January Rural Mainstreet Index (RMI) declined to 50.1 from 53.4 in December. The farm and ranchland price index for January fell to 46.0 from 53.2 in December. The state's new hiring index for January improved to 50.0 from December's 46.9. According to the latest trade data from the ITA, IL exports of agriculture goods and livestock for the first 10 months of 2025 stood at \$2.8 bil., compared to \$3.8 bil. for the same period in 2024, for a 27.5% decline.

## ***Farm Programs—***

- **US farmers are bracing for a shifting economic landscape** as significant changes are coming to federal farm programs that could reshape the bottom line for farmers and ranchers. Dr. Amy Hagerman, (right) the extension specialist for agriculture and food policy at OK St. Univ., said many of the biggest program changes will depend on how fast they're implemented, "I think a lot of it is going to be the implementation timelines for the One Big Bill changes for our crop producers, who are probably going to get pushed out for what they're traditionally used to seeing. A big reason for this is the possibility for an individual producer to actually add crop base to their operation. That's that historic production acreage number that they have with Farm Service Agency that they use to apply for programs like ARC and PLC over time." She said producers have a unique opportunity to make changes to their acreages, "So, there's a one-time opportunity across the entire nation to add 30 mil. acres of new base. This isn't taking away the old base. This isn't reassigning old base. It's if your operation is producing on more acres than the base that you have, you may have the opportunity." For producers used to living under the 2018 Farm Bill, she talked about the biggest change that could affect the bottom line in 2026, "I think the big change for us, especially in this current commodity price market, is that those baseline reference prices increased for most of our major commodities. So, if we're thinking about wheat, that previous price, that reference price at which the Price Loss Coverage Program would have triggered, was \$5.50 a bu. The new reference price is \$6.35 a bu. So, whenever we look at our kinds of price expectations in the coming year, it's likely that not only are we going to trigger a PLC payment in the current market environment, but then it will be larger than it would have been under the previous bill. When we reflect on where this current market situation is going, that's a really powerful change for producers in terms of this safety net." There's another one-time change coming to PLC and ARC, "Also, and this is a one-time thing for the 2025 crop year, which payments will come out at the end of 2026 for 2025 crop year programs, producers are going to get the highest of the PLC and ARC payments for their base acres. It's a one-time thing. You don't have to go back in time and redo your election or anything like that. But if you add new base acres, you won't get the opportunity to add those for your 2025 crop year. It will only be for your 2026 crop year going forward." (Radio Oklahoma Network)



- **What Expanded Base Acres Could Mean for ARC & PLC.** An additional 30 mil. acres will be added to the FSA base, which was the result of Congress wanting to put more money into the farm economy. Farmers will have the opportunity to sign up, USDA will allocate acreage per commodity, per state, and per farm. But the [ag economists at KS St. Univ.](#) were curious where those acres might land.

Key findings:

- ✓ Crops ~30 mil. additional base acres nationwide. Projected total additional base acres range from ~29.97 to 30.0 mil., depending on how "noncovered commodities" and "total acres on the farm" are defined. After converting existing unassigned base acres, net additional base acres total ~28.4 mil.
- ✓ Where the biggest gains occur: ND, SD, and KS see the largest net increases in base acres. IL would get 429-437,000 additional corn base acres and 443-449,000 additional soybean base acres.
- ✓ Which commodities benefit most: Corn (37%), soybeans (32%), and wheat (~20%) account for nearly 90% of additional base acres. MO is projected to be the top recipient of additional soybean base acres. Corn would get 11.1 mil. and soybeans 9.6 mil.
- ✓ Policy details still matter: Final outcomes depend heavily on how USDA-FSA ultimately interprets total acres on the farm and noncovered commodities, particularly for perennial and specialty crops.
- ✓ Why this matters: Expanded base acres could significantly reshape the farm safety net for many producers in 2026 and beyond. These projections offer an early look at who stands to gain—and highlight why implementation details will be crucial.

**Composition of the Projected Change in Base Acre Totals**  
(million acres)

<b>Base Acres</b>	<b>Scenario 1</b>	<b>Scenario 2</b>
Current Covered Commodity Base Acres	270.85	270.85
Current Unassigned Base Acres	3.16	3.16
Additional Base Acres	29.97	30.00
Net Additional Base Acres	28.44	28.44
Unassigned Base Acres Converted to Covered Commodity Base Acres	1.53	1.56
Remaining Unassigned Base Acres	1.63	1.60
<b>2026 Base Acres</b>	<b>300.92</b>	<b>300.90</b>

Scenario 1: no trees, bushes, or vines are categorized as noncovered commodities.  
 Scenario 2: only trees, bushes, and vines that are not intended to be harvested as specialty crops are classified as noncovered commodities.

## ***Multi-Media Resources—***

- **Will spring planting be a challenge or uneventful?** Could dry portions of the Cornbelt remain dry into the spring planting season? That is a possibility says Matt Reardon, part of Nutrien's Meteorology team with Eric Snodgrass. Reardon says they are looking for parallels in past years to compare with current weather trends to provide guidance to farmers about their spring planting challenges. He spoke at the IL Soybean Summit and shared his perspectives [in this short video](#).
- **Farm Input Costs: Rabobank Research Results.** The cost of production agriculture is not going to be friendly in the foreseeable future, says Samuel Taylor, an agricultural economist with Rabobank. He spoke to farmers at the IL Soybean Summit, and indicated their costs for fertilizers, crop protectants, and other inputs will remain a challenge. His thoughts are [in this short video](#).
- **There's help coming for farmers frustrated with waterhemp.** With verified reports of waterhemp now being able to survive Liberty (glufosinate), there are growing concerns that mechanical (tillage and weed hooks) means may be the only way to grow soybeans. Soybean research Jason Carr, at Bayer's El Paso, IL, research farm says an herbicide product and a new variety of soybeans may be the answer for some farmers with waterhemp problems. [His suggestions are in this short video](#).
- **Washington and Springfield (IL) can impact soybean economics.** The soybean industry is getting nervous about what the new House "Rural Energy Council" will do to soybean oil-based biofuels, as it primarily looks at E15 ethanol. That was the word from Kevin "KJ" Johnson, policy lead for the IL Soybean Assn. Johnson addressed that, tariff impact, and what ISA wants from IL Legislators in the 2026 session [in this short video](#).
- **Thoughts on agriculture from the top crop consultant.** Dr. Matt Montgomery was the top IL and national crop advisor last year and now named tops internationally. But part of his recognition comes not just from his crop advising ability, but his personality, philosophy, and his perspectives. He shared some of those in a recent IL Soybean Summit and shares them [in this short video](#).
- **Fighting to get a stronger biodiesel market** is the job of Joe Jobe. With soybean exports becoming a political tool, soybean farmers will be relying more on non-traditional markets to support soybean prices. The growing demand for soy biodiesel has helped in that regard over the past several years. Now, the former head of the National Biodiesel Board, Joe Jobe, has formed a new organization to lead that charge. State soybean groups are climbing aboard SABR, his new organization. [His thoughts are in this short video](#).
- **After China, are there any new markets for soybeans?** New markets for soybeans won't happen during the next CME trading session, but they are developing rapidly says Todd Main, head of marketing for the IL Soybean Assn. China will be a declining market he says, but there are other global markets that are growing. Then there are new uses (soybean-based gun grease). And Main says transportation needs attention to get soybeans to markets. His perspectives are [in this short video](#).

## **Mark Your Calendar! --**

- **Pesticide safety education programs** are underway and extend through April 8 at numerous locations around IL. The [Illinois Pesticide Safety Education Program](#) is for those needing an operator or applicator license, with on-line access. [Private applicator training clinics are in-person at these locations and dates.](#) [Commercial Applicator/Operator In-Person Clinics](#) are underway and will be held through March 10.
- **If you are a candidate to be** a Certified Crop Advisor, [CCA information is here.](#) [Registration period](#) extends through Jan 26, for the exams conducted Feb. 4-18.
- **Extension Agronomy Summits** will be in 8 locations, until Feb. 24. Speakers will provide research updates from university experts to gain insightful tips for making informed decisions around farm management. [Dates, locations, and registration details.](#)
- **Precision Conservation Management** has scheduled 6 bi-monthly webinars to help farmers leverage field data for profitability, and how PepsiCo is rewarding conservation practices like reduced tillage, cover crops, and nutrient efficiency. [Registration here.](#) The first will be February 3, and all are from 11 am to 12 noon.
- **The IL Agricultural Summit** will be Feb. 3 at the I Hotel in Champaign, sponsored by the IL Agribusiness Network. Speakers will address farm economics, farm management issues, and women in agriculture. 10 am to 6 pm. [Register and agenda details are here.](#)
- **Feb. 3 begins month long opportunities** for livestock producers needing certification for livestock management. The Livestock Management Facilities Act requires facilities designed for 300 or more animal units to have at least one employee certified in environmentally aware manure management techniques. Facilities with more than 1,000 animal units must have a certified livestock manager attend a workshop and pass the IDOA exam or complete the online training and pass the online test. [Details, dates, and locations.](#)
- **CattleCon 2026** will be in Nashville, Feb. 3-5. Programs will focus on government policy, and cattle family sustainability. National Environmental Stewardship Award and the Beef Quality Assurance Awards will be handed out. [Details and registration are here.](#)
- **The IL Dairy Summit** will be Feb. 4 at Highland Community College in Freeport. This year's theme is Foraging Profitability. There is no fee to attend the summit, but registration is required. To register, visit [www.illinoismilk.org](http://www.illinoismilk.org).
- **IL Extension will host** the Dudley Smith Farm winter meeting Feb. 10 at the Christian Co. Extension office. Registration at 9 am, and program ends with lunch. Presentations will be on cattle production, profitability, market outlook, and a soil health panel. [Details here.](#)

- **The National Farm Machinery Show** begins Feb. 11 at Louisville's KY State Fairgrounds. [Tractor pull ticket info](#). [Event details](#) . [Exhibitor list](#). [60<sup>th</sup> anniversary](#). Show ends Feb 14.
- **Don't miss the Paxton-Buckley-Loda** Annual Farm Toy Show, set for Feb. 14, 9 a.m. to 2:30 p.m. at the PBL Gym in Paxton. Exhibits, competition, trophies, pedal tractor pull. For more information, check out the [flyer](#)! FFA Show tractor is a Case 430 \$75, only 100 made.
- **IL Farm Bureau's Governmental Affairs Conference** is set for Feb. 17 at the BOS Center in Springfield, from 8 am to 2 pm. County Farm Bureau Offices have details.
- **2026 USDA Agricultural Outlook Forum** will be Feb. 19-20. USDA's annual Agricultural Outlook Forum—this year themed “Meeting Tomorrow’s Challenges, Today”—offers opportunities for exchanging ideas, information, and best practices among producers, processors, policymakers, government officials, and nongovernmental organizations. [Details and free registration, with participants in person and on-line.](#)
- **The Illinois Beef Expo** is set for the [IL State Fairgrounds, Feb. 19-22, 2026](#). The IL Angus Assn. will hold its Annual Banquet and Conf. Feb. 20 at the IL Building, IL St. Fairgrounds.
- **The AISWCD** will be hosting an Advocacy Day on behalf of the Soil and Water Conservation Districts at the Capitol on Tuesday, February 24, 2026. For all registration-related questions, please reach out to [rebecca.sadaj@aiswcd.org](mailto:rebecca.sadaj@aiswcd.org).
- **Commodity Classic** is set for February 25-27 in San Antonio, TX, with a 30<sup>th</sup> birthday celebration. [Details \(to date\) and registration information are here.](#) The 2026 catch phrase is: “3 days. Thousands of farmers. 1 goal: leaving with strategies that actually work.”

Understanding the rapidly changing agricultural industry can be a daunting task. At Heartland Bank, our team of ag specialists will work with you to meet the goals of your farming operation. With over 160 combined years of agricultural service experience, we are focused on providing outstanding service and results throughout Central and Northern Illinois. Whether it's farmland real estate, operating and equipment loans, or farm management expertise, we have the professionals who you can trust to improve your farmland's productivity and asset value. Contact one of our knowledgeable experts today at 309-661-3276 or toll free at 1-833-797-FARM (3276).

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