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

Commodity market price drivers—

- **Corn and soybean markets were hit hard** by the bushel of USDA reports. Those included the January World Agriculture Supply and Demand Report and the 2025 Annual Production Report and the Quarterly Grain Stocks Report. The grain trade was not anticipating so much more grain produced last year and in storage as the USDA reported Monday noon in Washington. The unexpected data deflated the markets, which had been higher for both corn and soybeans ahead of the data release. Suddenly, market screens turned from green to red across the board. (Mar corn left, Jan soybeans, right).

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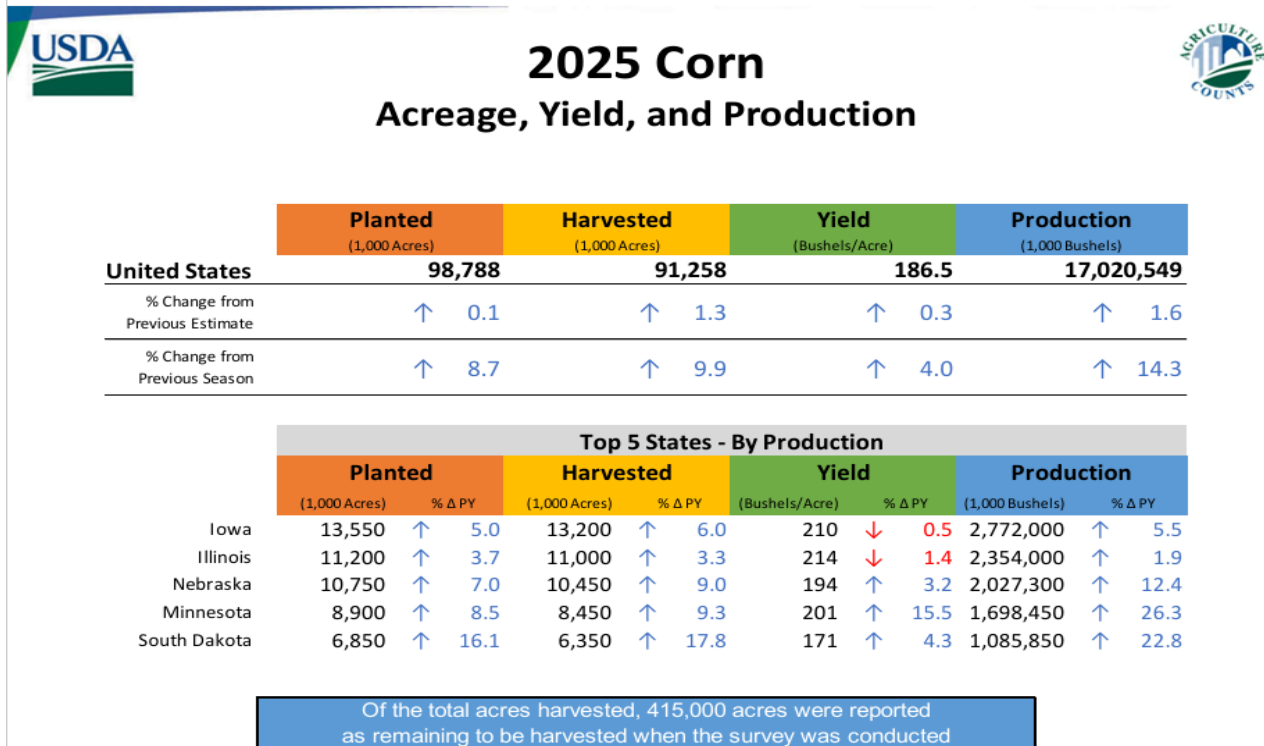
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- **2025 corn production was estimated at 17.020 bil. bu.** with a national yield of 186.5 bu., compared to the 183.9 bu. yield anticipated by grain market analysts before the report. Instead of production dropping by 200 mil. bu from the December WASDE report, the USDA production estimate jumped 269 mil. bu., and that calculates to a more than 14% increase from the 2024 US corn crop. USDA's January WASDE report reported, "a 1.3-mil. acre rise in harvested area. Since the July 2025 WASDE, harvested area has surged 4.5 mil. acres. Notably, the record crop in 2025 exceeds the prior high set in 2023 by 1.7 bil. bu.



- ✓ **What will happen to all that corn?** USDA's WASDE report suggests, "Total corn use is raised 90 mil. bu. to 16.4 bil. Feed and residual use is up 100 mil. bu. to 6.2 bil., based on indicated disappearance during the September-November quarter as reflected by the Grain Stocks report. Food, seed, and industrial use is down slightly reflecting reductions in the amount of corn used for glucose and dextrose and high fructose corn syrup. USDA is forecasting corn exports to reach 3.2 bil. bu., unchanged from the December WASDE report. With supply rising more than use, corn stocks are boosted 198 mil. bu. to 2.2 bil. The season-average corn price received by producers is raised 10¢ cents to \$4.10 per bu.
- ✓ **Global coarse grain production** for 2025/26 is forecast up 560 mil. bu. to 60.5 bil. bu. This month's foreign coarse grain outlook is for greater production, virtually unchanged trade, and higher ending stocks. Foreign corn production is forecast higher with an increase for WASDE-667-2 China, where production is raised to a record 11.8 bil. bu. based on the latest data from the National Bureau of Statistics. Foreign corn ending stocks for 2025/26 are higher, mostly reflecting an increase for China. Global corn stocks, at 11.4 bil. bu., are raised 460 mil. bu.

- **Soybean production in 2025** totaled 4.26 bil. bu., down 3% from 2024. The average yield per acre was estimated at a record high 53.0 bu. per acre, up 2.3 bu. from 2024. Harvested area, at 80.4 mil. acres, was down 7% from last year. U.S. soybean production is estimated at 4.3 bil. bu., up 9 mil., led by increases for KS, KY, and MN. Harvested area is estimated at 80.4 mil. acres, up 100,000 acres. Yield is unchanged from last month at 53.0 bu. per acre. U.S. soybean supply for 2025/26 is raised 17 mil. bu. on higher beginning stocks and production.



2025 Soybeans Acreage, Yield, and Production



	Planted (1,000 Acres)	Harvested (1,000 Acres)	Yield (Bushels/Acre)	Production (1,000 Bushels)
United States	81,215	80,437	53.0	4,261,858
% Change from Previous Estimate	↑ 0.1	↑ 0.2	NC	↑ 0.2
% Change from Previous Season	↓ 6.9	↓ 6.7	↑ 4.5	↓ 2.6

Top 5 States - By Production								
	Planted (1,000 Acres)		Harvested (1,000 Acres)		Yield (Bushels/Acre)		Production (1,000 Bushels)	
		% Δ PY		% Δ PY		% Δ PY		% Δ PY
Illinois	10,300	↓ 4.6	10,230	↓ 4.8	62.5	↓ 2.3	639,375	↓ 7.1
Iowa	9,450	↓ 6.0	9,380	↓ 5.8	63.5	↑ 5.8	595,630	↓ 0.3
Minnesota	7,150	↓ 3.4	7,070	↓ 3.4	52.5	↑ 16.7	371,175	↑ 12.7
Indiana	5,450	↓ 6.0	5,430	↓ 6.1	59.5	↑ 0.8	323,085	↓ 5.3
Nebraska	4,850	↓ 8.5	4,790	↓ 8.6	65.5	↑ 13.9	313,745	↑ 4.1

Of the total acres harvested, 241,000 acres were reported as remaining to be harvested when the survey was conducted

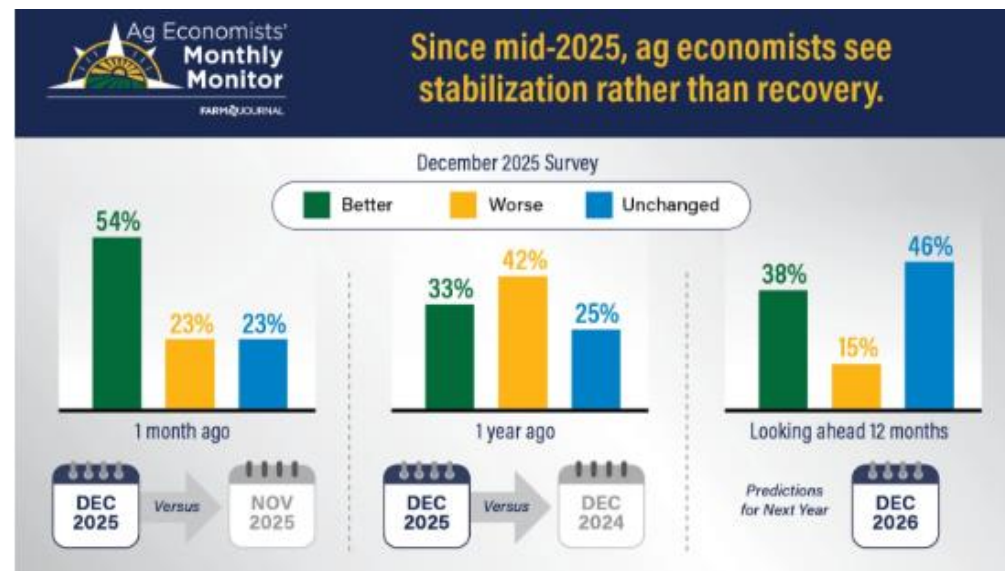
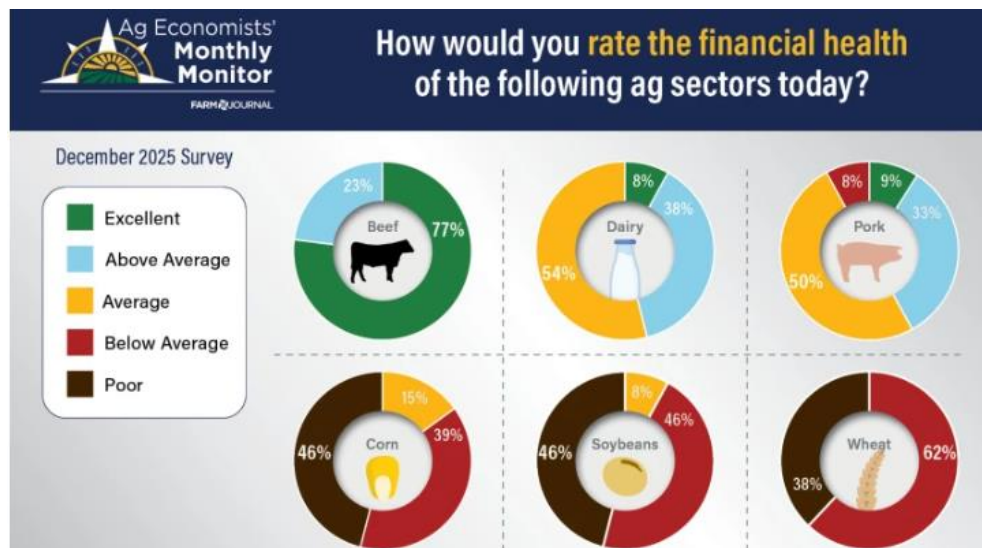
- ✓ **Soybean crush for 2025/26** is raised 15 mil. bu. to 2.57 bil. bu. on higher soybean meal domestic disappearance and exports. Soybean meal and soybean oil extraction rates are also revised based on early-season data. Soybean oil used for biofuel is lowered 0.7 bil. lbs. to 14.8 bil. on lower-than-expected use to date and strong use of tallow as a feedstock in recent months. U.S. soybean exports are revised 60 mil. bu. lower to 1.575 bil. on higher production and exports for Brazil. Soybean ending stocks are projected at 350 mil. bu., up 60 mil. The U.S. season-average soybean price for 2025/26 is projected at \$10.20 per bu., down 30¢, reflecting reported NASS prices during the first quarter of the marketing year and expectations for future marketings and prices. The soybean meal price is forecast at \$295 per short ton, down \$5. The soybean oil price is unchanged at 53¢ per lb.

Farm Economy—

- **The farm economy is stabilizing**, but it's a "work in progress." The [December Ag Economists' Monthly Monitor](#) shows month-to-month sentiment is improving, but deep structural strain remains — especially in row crops. Meanwhile, livestock markets continue to provide strength. Crop producers face another year of tight margins driven by high input

costs, weak prices and unresolved trade and policy uncertainty. "There's cautious optimism," the economists say, "but very little belief that 2026 will bring a meaningful rebound without cost relief or stronger demand." Those themes mirror the perspective of Seth Meyer, former USDA chief economist and now director

of the Food and Agricultural Policy Research Institute (FAPRI) at the Univ. of MO In a recent interview, Meyer connected the dots between narrow margins, policy responses and what might actually move the dial for U.S. agriculture heading into 2026. Economists see the ag economy holding its ground — but not gaining strength. 54% say the ag economy is somewhat better than one month ago. Compared with a year ago, 42% say conditions are

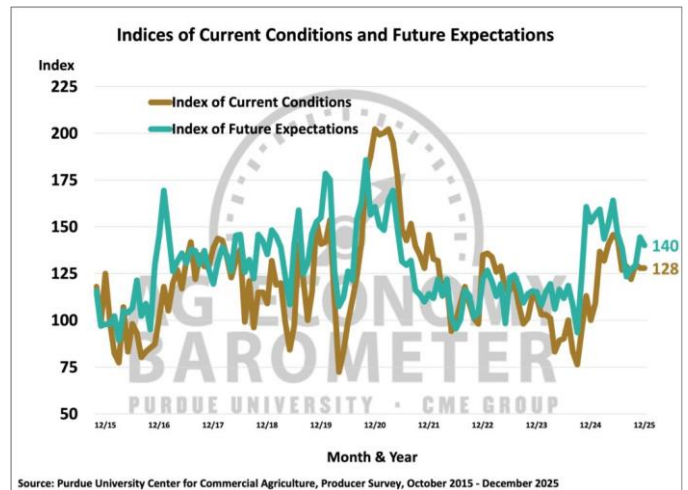


worse; 33% say they are better. Looking ahead 12 months, 46% expect conditions unchanged, 38% expect improvement, and 15% expect conditions to worsen. Grant Gardner, assistant Extension professor at the Univ. of KY, says even with

the [\\$11 bil. in Farmer Bridge Program payments](#), it won't drastically change the outlook for the farm economy.

- **The Purdue Univ. Ag Barometer survey**

for December found [Farmer sentiment weakened slightly in December](#) as the index dropped just 3 points in December to a reading of 136. Weakness in the barometer was attributable to a modest decline in producers' long-term outlook, as the Future Expectations Index fell to 140, 4 points below a month earlier. Meanwhile, the Current Conditions Index, at 128, was unchanged from November's reading. Angst about prospects for U.S. soybean exports amid increasing competition from Brazil contributed to a slightly weaker outlook for the future among crop producers.



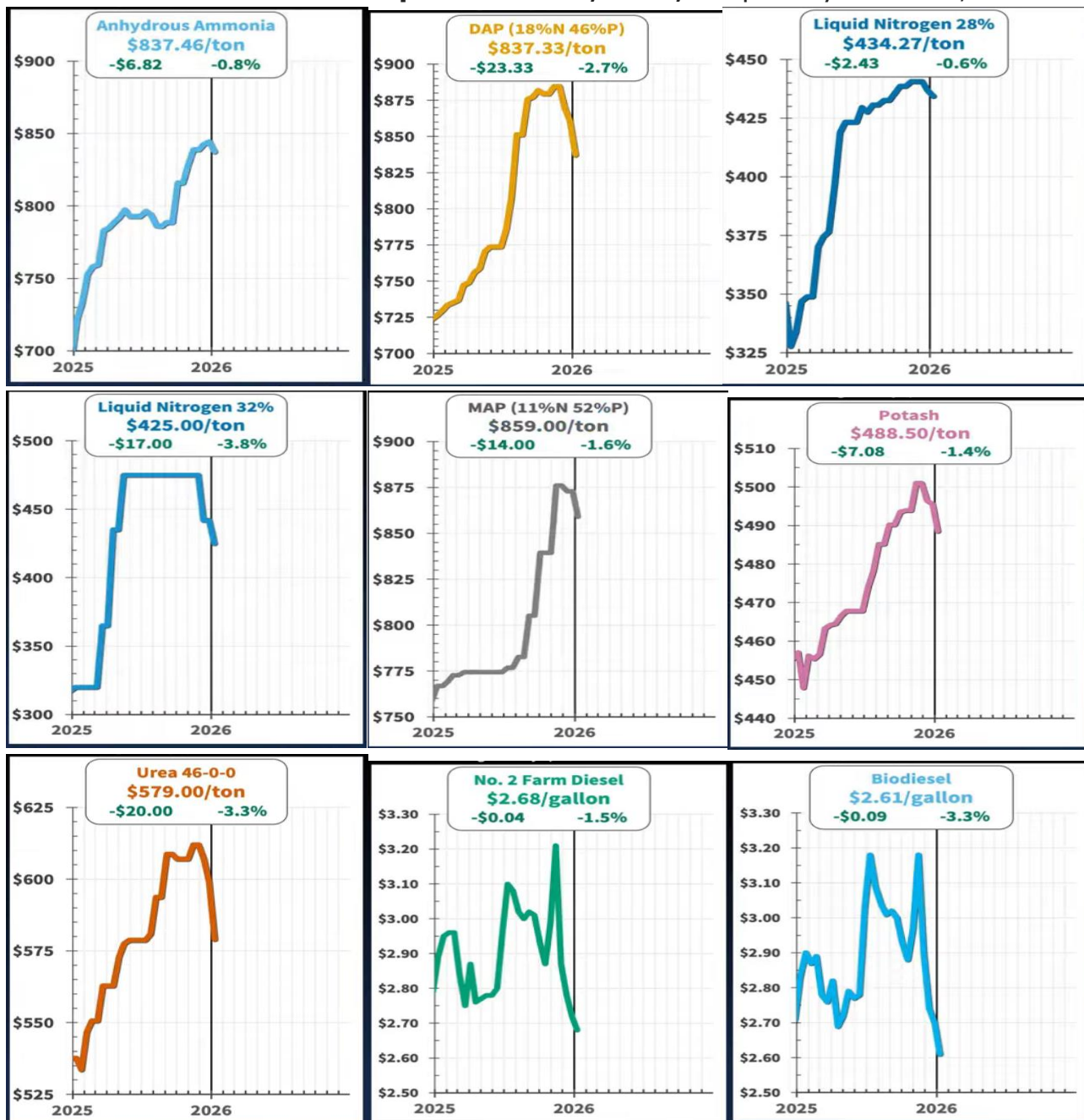
- ✓ Producers' expectations for their farms' financial performance changed little compared to November. There was a shift toward more producers saying they expect this year's farm financial performance to be about the same as last year's. 60% of producers still said it was a bad time to make a large investment in their farms.
- ✓ Producers provided one of their most optimistic outlooks of the year, with just 5% of producers looking for exports to decline over the next 5 years. However, 13% of corn and soybean growers said they expect soybean exports to decline over the upcoming 5 years, compared to 8% in November. Growers who expect soybean exports to increase in the next 5 years fell from 47% in November to 39% in December; with 84% of corn and soybean producers said they were concerned or very concerned about U.S. soybean exports competing with Brazil's, with 45% indicating they were very concerned.
- ✓ Farmers remained optimistic about farmland values in December. But long and short term expectations about land values rose only 1%.
- ✓ Farmers are losing their patience with Trump tariffs as a solution to export expansion. 54% of respondents said they expect the use of tariffs to strengthen the agricultural economy, down from 58% and 59% in October and November, respectively. Farmers who are uncertain about tariffs' long-run impact rose to 19% of respondents in December, up from 17% a month earlier. Uncertainty about how tariff policy will affect the agricultural economy in the long run has more than doubled since this question was first posed in the spring. However, when asked if the U.S. is headed in the "right direction" or on the "wrong track," 75% of respondents chose "right direction" in December, which was the highest percentage recorded since this question was first included in barometer surveys starting in July.

Mailbox Money and Farm Programs—

- **USDA released details** about how much row crop farmers will receive this year from a \$12 bil. aid program. However, U.S. soybean producers say the payments won't help farmers hurt by low crop prices and trade disputes. Meanwhile, [IL Farmdoc Ag Economists](#) say farmers are eligible for \$44.36 per corn acre, \$30.88 per soybean acre, and \$39.35 per wheat acre. The overall payment limit is \$155,000 per entity or individual. "A farm with 50% of its acres planted to corn and the other half planted to soybeans would receive an average FBA payment of \$37.62 per acre ($0.5 \times \$44.36 + 0.5 \times \30.88). The average size of a grain farm enrolled in IL Farm Business Farm Management (FBFM) is roughly 1,500 acres. Total FBA payments for the average grain farm with only owned and cash rented acres in IL with 750 acres planted to corn and 750 acres planted to soybeans in 2025 would be \$56,430 ($\44.36×750 corn acres plus $\$30.88 \times 750$ soybean acres). For acres farmed under share rent leases, FBA payments would be split between the tenant and landowner based on the sharing arrangement." A farm business with a single operator would need to have more than 4,000 acres (assuming a corn-soy rotation) to reach the \$155,000 payment limit. A farm business operated by a farming couple would need to have more than 8,000 acres to reach the payment limit. Thus, FBA payments will impact cash-based incomes for purposes such as 2026 income taxes but should be incorporated into 2025 accrual-based financials. Specifically, since payment rates were announced at year end, FBA payments will be included as an accounts receivable at the end of 2025, increasing 2025 income and current assets on a farm's balance sheet. While the FBA support is substantial, average return projections at or slightly above break-even levels suggest that a significant proportion of Illinois grain farms will still be facing negative returns for the 2025 crop year following negative average returns in both 2023 and 2024. Producers should take care and caution in how they utilize the FBA support they receive. Our next crop budget update, planned to be released in mid-January, is expected to show another year of negative average returns projected for 2026 as production costs continue to imply break-even price levels that exceed current market conditions for corn, soybeans, and wheat."
- **Sen. Chuck Grassley, R-IA, has doubts** about the administration's support for more farm aid but says the real answer to farmers' money problems is passing year-round E15 legislation. Grassley was asked about USDA Undersecretary Richard Fordyce's recent comment to Reuters that his agency is not considering more than the \$12 bil. in farm aid just announced, "Sometimes I get the impression that the administration thinks that we don't need more help." Adding that, "I think that the people advising the president on farm policy aren't advising very well." Both Ag Chairs have said more farm aid will likely be needed. House Chm. Rep. Glenn Thompson, R-PA, suggested another \$10 bil. Grassley says the real answer will be to pass permanent year-round E15 legislation as part of another bill, "But E15, I'm told, would take care of about \$14 bil. of farmer income. So, see how important the marketplace would fill in for the corn producer, as opposed to getting a check from the federal government." Grassley says if corn got above \$5, that would be a big help to farmers. (Berns Bureau, Washington)

Fertilizer, Fuel, and Other Inputs—

- IL Fuel and Fertilizer Cost Report for Jan. 9, 2026, compiled by Jim Raftis, IDoA.



- Fertilizer is the biggest expense** for a corn and soybean farmer currently, with price and supply trends in multiple directions with difficult risk management capability. Chris Janes of Keystone Co-op in IN spoke to east Central IL farmers January 9, and shared his information [in this 14-minute video interview](#), at the United Prairie Co-op winter meeting.
- Why do “the 4 R’s,”** only apply to nitrogen? At the United Prairie Co-op winter agronomy meeting its chief agronomist Kyle Meece said there is no reason to squander expensive nutrients in a time of tight budgets for crop production. He recounted his presentation [in this video interview](#).

USDA—

- **“As you were” on ARC/PLC signup for 2026.** USDA says it is not ready, and has no idea when it might be ready. The expected time frame will be after spring planting, at the earliest. Agri-Pulse is reporting, “The changes, which take effect for 2026, include increases in reference prices for the Price Loss Coverage program and raising the Agriculture Risk Coverage program guarantee to 90% of the benchmark revenue,” Agri-Pulse reported. “A 61-page final rule to be published in the Federal Register January 12 makes those and other revisions to ARC, PLC and the Dairy Margin Coverage (DMC) program that were required by the One Big Bill Act, passed by Congress in July. Richard Fordyce, USDA’s undersecretary for farm production and conservation, said in an interview with Agri-Pulse that annual signup for DMC will start on Monday, but he had no timetable for enrollment in ARC and PLC for the 2026 crop year. We are going to have a signup period that is going to be certainly fair to producers (and) that will reflect the work ... we’ve got to get done on the front end to get to the place where we can do that signup,” Fordyce said. “By no means will the signup time frame put any producer in peril.” Fordyce indicated that one issue delaying ARC and PLC enrollment is the workload in Farm Service Agency offices,” Fordyce indicated. “The rule being published January 12 indicates that the ARC and PLC enrollment could be delayed significantly: ‘Producers will know their 2026 production and yields before they decide whether to elect and subsequently enroll in ARC or PLC for the 2026 crop year.’” Fordyce also didn’t have a timeframe for implementing the provision that allows enrollment of an additional 30 mil. base acres. However, the rule addressed a key issue – what kind of non-program crops could be eligible for program base. “Under the rule, acreage that had been planted to a wide range of non-program commodities would be eligible with the exception of tobacco, marijuana and cover crops, as well as land enrolled in the Conservation Reserve Program. “Under the law, acreage in trees, bushes and vines also is ineligible.”

Farm Bill 2.0—

- **Agriculture policy analysts say 2026** could mark the end of the traditional 5-year U.S. Farm Bill era, as lawmakers struggle to produce comprehensive legislation. The most recent Farm Bill provisions expired in 2023, and Congress has extended them annually since, leaving perennial programs in limbo. Experts say shifting political priorities and White House-fueled partisan divides have complicated efforts to craft a broad farm policy package that addresses commodity support, conservation, nutrition and rural development. Without a full Farm Bill, many programs are funded through short-term fixes, delaying long-term planning for producers. Agriculture advocates warn that prolonged uncertainty could impact crop insurance, disaster assistance and trade programs. Some lawmakers are calling for scaled-down legislation focusing on critical elements, while stakeholders stress the need for stability in federal agricultural policy.

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, Jan 12-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](#).
- **A Field Advisor Forum** will be held by the IL Soybean Assn. Jan. 15, at the U of I Atkins Golf Club at Urbana. Speakers will address “economic chaos,” weather, and a wide variety of agronomic issues and challenges during the 8 am to 3 pm program. [Detailed agenda, and registration are here](#). (Program can be accessed virtually.) CCA credits are available.
- **The winter convention** of the IL Fertilizer and Chemical Assn. will be Jan. 20-22 at the Peoria Civic Center. [Agenda, registration and other details are here](#). There are numerous presentations on agronomic and regulatory issues of farmer interest during all 3 days.
- **A cover crop and soil health webinar** on Jan. 21 at 11 am will address how cover crops can affect fertilizer needs, nutrient availability and soil moisture across tillage systems. The soil health segment will focus on practical soil testing tools, how organic matter contributes nutrients, and an overview of biological products and mycorrhizal fungi, including potential benefits and ways to evaluate them in the field. [Details and registration information](#).
- **Cattlemen in northern IL** can join colleagues from IA, WI, and MN at the Driftless Region Beef Conf. Jan 22-23 at Dubuque, IA, with topics on profitability. [Details and Registration](#).
- **The annual meeting and auction** of IL FFA will be held at the President Abraham Lincoln Hotel, Springfield on January 23-24, 2026. [The annual meeting registration](#) form is now available. The [hotel room block](#) is open until January 2, 2026. [All the details are here](#).
- **The 2026 IL Soybean Summit** will be Jan. 27-28 at the I-Hotel in Champaign. [There are a multitude of reservation choices here](#). The event will be all day Tuesday, a dinner event for ISA members on Tuesday night, and the morning of Wednesday.
- **Everything Local** is set for Jan. 27-30 at Springfield’s BOS Center. Specialty Growers will meet Jan. 30 at 1 pm, Herb and Vegetable Growers, along with the IL Hort Society, will have meetings at 4:30 on Jan. 29. Exhibit hall hours will be from 8 am to 6 pm on Jan 28 and 29 only. Breakout sessions with speakers Jan 27 through Jan. 30. [Program details and conference registration are here](#). Farmers looking for alternative income will find numerous information resources.
- **AgMarket.Net** conference, Farming for Profit not Price, will be Feb 1-2 in Nashville, TN. It is designed to educate and provide tools and resources we have for farmers and producers across the country. [Details, speakers, topics, and registration are here](#).
- **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 in the 11 am to 12 noon time slot.

- **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.
- **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.
- **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. Details, including registration information, will be shared after the start of the new year. They are seeking displays that visually showcase the important soil and water conservation work in IL.
- **Commodity Classic** is set for February 25-27 in San Antonio, TX, with a 30th birthday celebration. [Details \(to date\) and registration information are here](#). The 2026 catch phrase is: "Three days. Thousands of farmers. One goal: leaving with strategies that actually work for your operations."

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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