- Farm Real Estate
- Farm Appraisals
- Auctioneer Services
- Operating Loans
- Agribusiness Loans
- Farm Management
- Trust Services

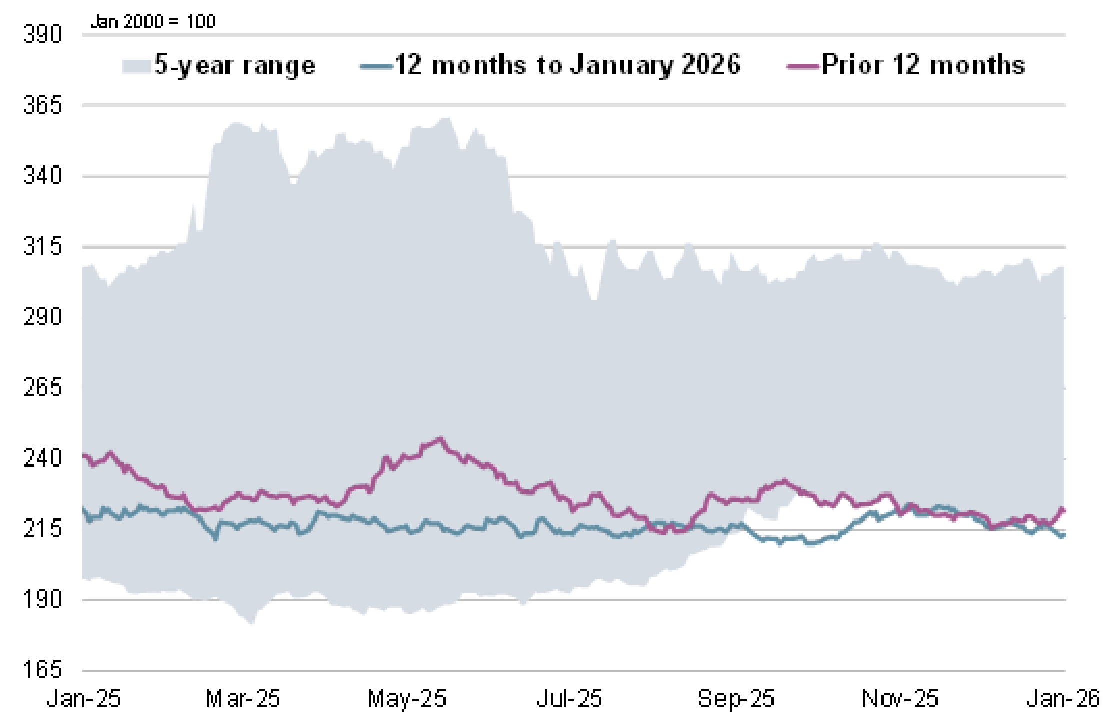
Heartland Bank and Trust Company

833-797-FARM (3276) | hbtbank.com

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

Commodity market price drivers—

- **With global total grains production forecast** at a record 93.5 bil. bu., carryover stocks for the 2025-26 marketing year are expected to reach the highest level in 9 years, according to the latest International Grains Council (IGC) Grain Market Report. The IGC, which released the report on Jan. 15, revised total grains (wheat and coarse grains) production up 1.2 bil. bu. from its projection in November, while increasing the carryover estimate to 24 bil. bu. Total grains output is forecast to increase 6% year on year. Spurring the upward revision are upgraded outlooks for corn, mainly in the US and China, wheat, led by Canada and Argentina, and larger barley crops in Canada and Australia. Global soybean production in 2025-26 is forecast to decline slightly from last year's peak to 15.7 bil. bu., the IGC said. Consumption is seen rising 3% year on year to a record 15.9 bil. bu. "stemming from expanded uptake across feed, food and industrial segments."



- **There is a lot of global soybean trade,** but the US still has a good share of it, says [CEO Jim Sutter of the US Soybean Export Council.](#) The end of the 2024/25 marketing year has brought some exciting news for U.S. Soy: preliminary data from the USDA Global Agricultural Trade System database (December 2025) shows we exported significantly more soy in 2024/25 than the previous year, even as lower global prices trimmed our total export value. In fact, total exports of the U.S. soy complex reached 2.52 bil. bu., up 12.8% from last year, 2.95% above the 5-year average and 3% over the 10-year average, showing just how strong global demand for U.S. Soy remains. (Sutter, right, is pictured above with IL farmer Stan Born, past chair of the US Soybean Export Council). The big story? Soybean meal and soybean oil.

✓ Soybean meal exports hit a record 16.3 MMT, up 13.9% year-over-year. 27% above the 5-year average and a whopping 34% over the 10-year average.

✓ Soybean oil shipments jumped 304% over last year (and a 70% and 34% increase over the 5-year and 10-year averages, respectively! For a total of 1.1 MMT - the highest in years - as global supply dynamics and sustainability policies opened new doors for U.S. suppliers.

While China is still our largest buyer, this year was a case study in action of shifting global markets and the importance of diversification. We're seeing impressive growth for U.S. Soy complex (whole beans, soybean meal and soy oil combined) in places like Vietnam, Venezuela, Colombia, Bangladesh and Turkey – markets that are investing in new crush facilities, modern feed industries and protein production to meet local demand. A few notable highlights:

✓ Bangladesh saw a 52% increase in U.S. whole soybeans from the previous year, fueled by crush industry expansion.

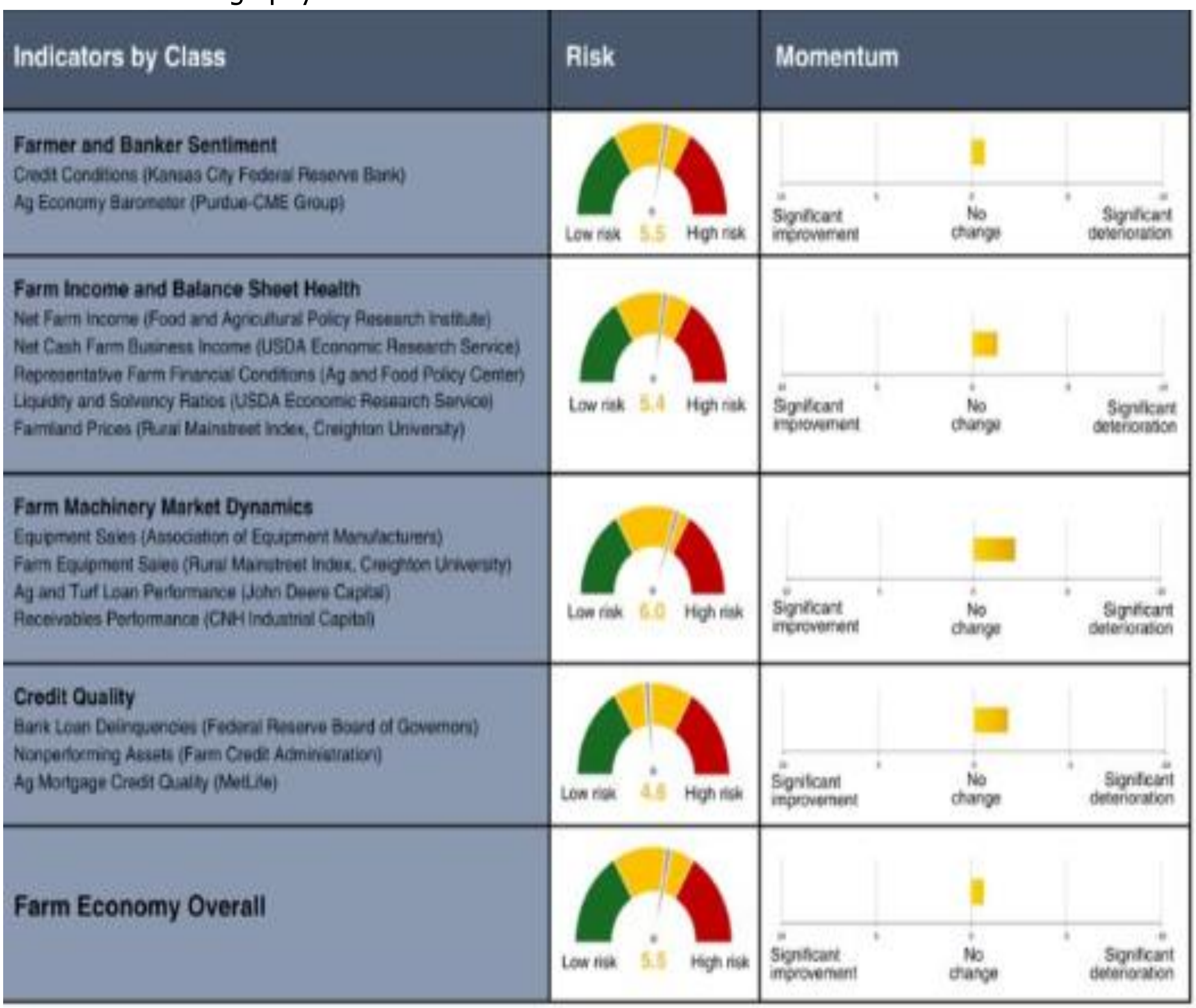
✓ Venezuela's feed and poultry sectors helped boost imports. Growth in the poultry sector is supported by investments in infrastructure, technology, and genetics, with continued growth expected in 2026. Rising per capita consumption of chicken and eggs supports sustained feed demand in the market.

✓ And India—the world's largest importer of vegetable oil—saw U.S. soy oil exports climb as shifts in palm oil availability drove demand.

Whether driven by shifting oil markets, protein demand, or sustainability priorities, one thing is clear: U.S. Soy is growing its global footprint in more diverse, dynamic markets than ever before. The U.S. Soy Advantage - quality, reliability and sustainability equaling value - give us an edge, even when our competitors are priced lower."

Farm Economy—

- **Aggregate indicators of the farm financial health** remain mixed and relatively stable, says [KS St. ag economist Jennifer Ifft](). "Compared with fall 2025, some farm financial health leading indicators have improved, some have declined, and others have stayed flat. The graphic below captures how a panel of agricultural economics perceived the indicators after reflecting on them. [Based on the indicator data](), the panelists on average viewed the farm economy overall to have moderate risk in winter 2026 and somewhat lower overall risk than in fall 2025. Momentum measures how indicators have changed since the last period when data were reported. The participating economists shared they thought the indicator data suggested slight deterioration overall. Of the 4 indicator classes, the one for farm machinery market dynamics carried the highest level of risk and had deteriorating momentum, according to the participating panelists. The indicators in this class communicate the state of equipment sales and repayment performance on equipment loans. Importantly, the indicator data presented in the brief would not have captured effects of the bridge payments announced in late December 2025."



Mailbox Money and Farm Programs—



- **Keep the door on your mailbox oiled.** There are indications that Congress heard farm organizations were grateful for the Trump handout, but disappointed in its minimal impact. The Washington news source Politico reported 3 key Republican leaders in Congress met Wednesday to discuss adding $15 bil. in farmer aid to appropriation bills Congress is looking to pass this month." They included "Sen. John Boozman, R-AR, (top) chairman of the Senate Agriculture Committee, and Rep. Glenn Thompson, R-PA., (middle) chairman of the House Agriculture Committee, met with Sen. John Hoeven, R-ND, (bottom) who chairs the Senate Appropriations Subcommittee for Agriculture." "Democrats on the House Agriculture Committee also announced their own proposal Thursday, 'The Farm and Family Relief Act,' which would provide $17 bil. in additional aid to farmers beyond FBA payments." Politico reported, "A final number is still up in the air, but they're eyeing about $15 bil., according to a person with knowledge of the discussions who was granted anonymity to discuss the planning," Politico reported. "The talks come after the Trump administration's December announcement of $11 bil. in aid for row crop farmers and $1 bil. for specialty crop farmers." "Boozman said in a brief interview that the group is hoping to finalize the plan 'fairly shortly,' which will be crucial given the Jan. 30 deadline for passing the broader federal funding package. The 3 negotiators still need to get buy-in from GOP leadership in both chambers, according to the person close to the talks."
- **Sen Amy Klobuchar, D-MN,** ranking member of the Senate Ag Committee, led 11 of her colleagues in pushing Ag Secretary Rollins to expedite and increase payouts in disaster and economic assistance programs. They're pressing for a faster payout because of the numerous headwinds challenging them. "As farmers face continued trade uncertainty, rising input costs, and natural disasters, we encourage you to speed up the economic disaster assistance that will benefit all farmers, including specialty crop growers," the Senators wrote in a letter to the Secretary. "While significant assistance flowed quickly to farmers in the summer and fall, payments were limited to 35% of approved applications." They also said, as a result, less than $6 bil. out of the $16 bil. available has been paid out to farmers more than a year after Congress provided the funds and nearly 3 years after some farmers faced losses.

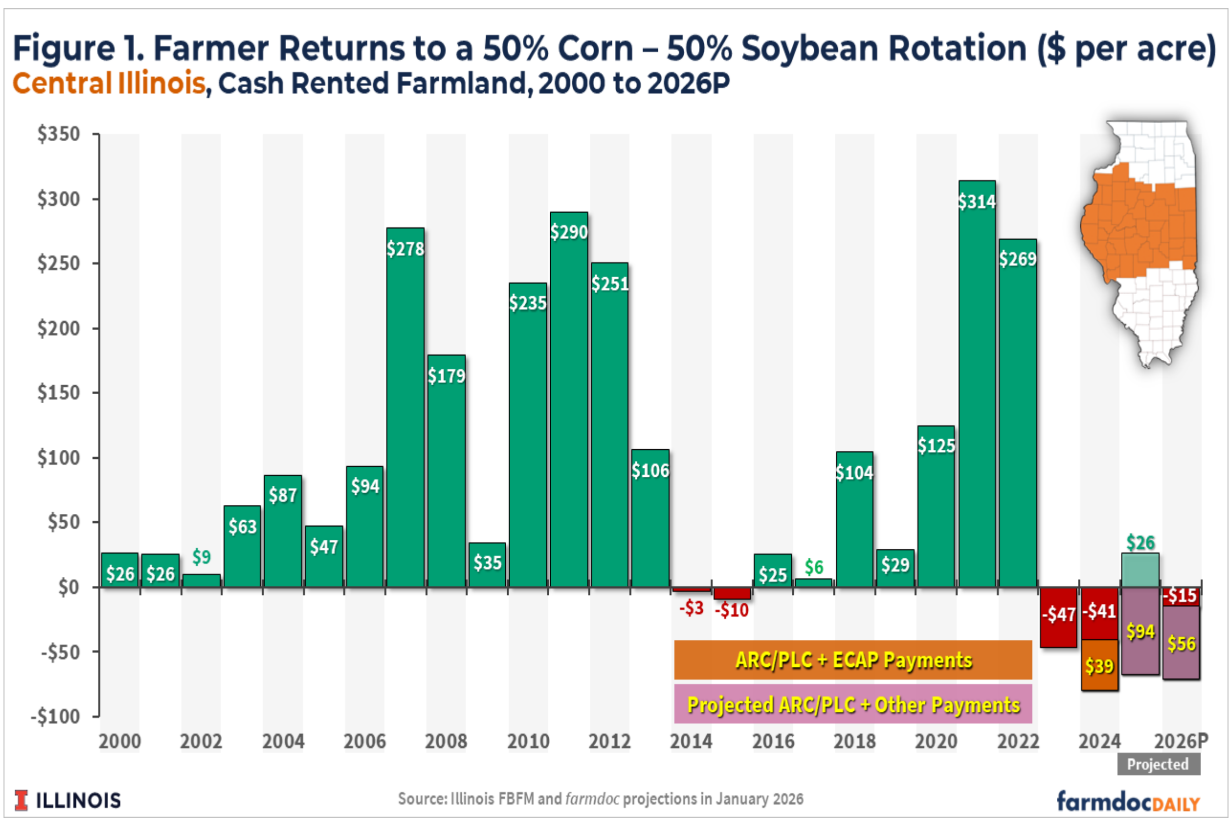
- **For many corn and soybean producers,** 2025 was a year of tightening margins and negative returns. USDA's announcement on December 31st confirmed help is on the way in the form of flat-rate per-acre cash payments. Corn will receive $44.36 per acre, while soybeans sit at $38.88. Univ. of IL ag economist Nick Paulson (right) says the checks will provide much-needed clarity for farmers and their bankers, "I don't know if the specific numbers themselves are as important, it's just now we sort of have the certainty in terms of the level of support that producers can expect—and maybe even more importantly, that producers' lenders can expect to receive from this bridge program here in the next 6 to 7 weeks." According to Univ. of IL Farmdoc Daily team, an average 1,500-acre IL grain farm can expect to receive just over $56,000 in total support. But does this bridge actually lead to profitability? Paulson said it depends on where you are, and he uses IL as an example. In Northern and Central IL, the bridge payments, combined with expected ARC and PLC support to be delivered next fall might push some averages to break even. However, for Southern IL, the outlook remains bleak, "Southern IL, we're still looking at an average return that would be negative, even with the bridge assistance and ARC, PLC, and crop insurance. You know, but again, I'm trying to be more careful when we talk about those things because those are averages, and so, you know, there are — you know, half the farms are below that average, half the farms are above that average, so there are definitely still farms that that bridge payment will not make them whole. And there are also farmers that, you know, are going to be doing even better than break-even because of these bridge payments." Unlike previous programs that were paid out in tranches, the Farm Bridge Assistance program is expected to be issued in one full installment by the end of February. This immediate liquidity is critical, but Paulson cautions against using it for farm expansion or bidding up cash rents. Instead, he suggests farmers should use the funds to address existing debt or bolster working capital, as the 2026 forecast looks like a repeat of recent lean years, "You know, they recognize that this is a short-term Band-Aid. You know, there's no doubt that a lot of farm businesses are going to benefit in the short-term and arguably need this support to get through to the 2026 crop year, make sure that crop gets in the ground. But in terms of, you know, using these things to bid up cash rents, make further investments in the farm, you know, if I was giving advice to a typical operation, particularly one that might be in more of a financially-stressed situation right now, I'd be looking at probably paying down debt or, if that's not necessary, you know, putting this into savings, holding it as working capital." That's because the outlook for the 2026 crop year appears to be a continuation of the financial challenges seen from 2023 through 2025, with many Midwest row crop grain farms facing projected negative average returns. (WILL radio)

The Business of Farming—

- **IL Farmdoc ag economists** say "things" are getting "a little" better. But it's not yet time to do any "high-fives." "Revision to IL crop budgets show improved return prospects due to slight increases in projected prices based on recent market information and significant federal support from the Farmer Bridge Assistance and ARC/PLC programs. Due to the bridge program payments, return projections for 2025 are now slightly above break-even levels in northern and central IL but remain negative in southern IL. Updated 2026 crop budgets, which include expectations for significant ARC/PLC payments, suggest another year of negative average returns to corn-soybean rotations." There are improvements, but 2025 income returns are still below long-term averages.

  ✓ For corn, per acre returns improved by $70 per acre or more across each region of IL. Return projections on cash rented farmland for corn in northern IL are now marginally positive at $12 per acre. Return projections remain negative for central (-$8 for high productivity, -$24 for low productivity) and southern IL (-$48 per acre).

  ✓ For soybeans, per acre return projections improved by $40 per acre or more across each region of IL. Return projections on cash rented farmland for soybeans in IL are now above break-even, ranging from $17 per acre in southern IL to $61 per acre on high-productivity farmland in central IL.



Remember, that is for 2025. What does 2026 look like to the IL Farmdoc folks? →

- **The IL Farmdoc ag economists** say, "Return projections for 2026 have improved marginally compared with projections made in August. Average return projections remain negative across all regions on cash rented corn acres. Soybean return projections on cash rented farmland for 2026 are marginally positive for northern and central IL regions but remain marginally negative for southern IL. Corn minus soybean returns range from -$55 per acre for northern IL to around -$80 per acre for central and southern IL, suggesting a potential shift towards more soybean acres for 2026. Overall, current projections for the 2026 crop year are similar to those for 2025 without FBA program support. While prices are expected to be marginally higher in 2026 than in 2025, they are offset by small increases in overall costs with yields at trend levels. Break-even prices to cover all costs (non-land plus land) without government support are in the $4.70-$4.90 range for corn and $10.80-$11.25 range for soybeans, well above current market prices and pricing opportunities for the 2026 crop. So, in summary, "small increases in projected prices and significant federal support payments for 2025 result in higher return projections for corn and soybean acres in IL. The FBA payments, in addition to the significant ARC/PLC support expected for 2025, may result in returns close to or slightly above break-even levels for corn-soybean rotations in northern and central IL. Production costs in 2026 are projected to increase slightly from 2025 levels and, despite the potential for significant ARC/PLC support for 2026, average return projections for the 2026 crop year are negative for corn across all regions. The expected ARC/PLC payments imply projected returns on soybean acres are just above break-even in northern and central IL, and negative in southern IL. This suggests negative average returns for corn-soybean rotations in 2026 and the potential for continued calls for additional ad hoc assistance."

Table 1. 2026 Corn and Soybean Budgets for Northern, Central, and Southern Illinois

	Northern		Central-High		Central-Low		Southern	
	Corn	Beans	Corn	Beans	Corn	Beans	Corn	Beans
Yield per acre	232	70	241	76	228	69	198	61
Price per bu	$4.25	$10.40	$4.25	$10.40	$4.25	$10.40	$4.25	$10.40
Total overhead costs	**$125**	**$98**	**$111**	**$110**	**$120**	**$119**	**$120**	**$104**
Total non-land costs	**$789**	**$476**	**$808**	**$494**	**$819**	**$490**	**$789**	**$505**
Operator and land return	**$255**	**$310**	**$272**	**$352**	**$202**	**$280**	**$101**	**$177**
Land costs (cash rent)	293	293	327	327	274	274	182	182
Farmer return	**-$38**	**$17**	**-$55**	**$25**	**-$72**	**$6**	**-$82**	**-$5**
Breakeven price to cover:								
Non-land costs	$3.40	$6.80	$3.35	$6.50	$3.59	$7.10	$3.98	$8.28
Total costs[1]	$4.66	$10.99	$4.71	$10.80	$4.79	$11.07	$4.90	$11.26
Corn minus Soybean Return	-$55		-$80		-$78		-$77	

[1] Equals non-land costs plus land costs.

farmdocDAILY

USDA—

- **Enrollment for the USDA's ARC and PLC Programs** will not open until after the 2026 planting season. The announcement comes as USDA readies a 61-page final rule implementing updates required by the One Big Bill Act of 2025. Key changes include higher PLC reference prices, a 90% guarantee level for ARC, and expanded base acre eligibility for farmers with historically non-program crops. USDA Undersecretary for Farm Production and Conservation Richard Fordyce said the delays are due to the Farm Service Agency workload and the complex nature of implementing the new federally mandated provisions. According to the rule, farmers will likely know their 2026 production and yields before enrolling in PLC and ARC – a significant shift in timing that could allow more informed decisions but may compress the planning window for each U.S. producer. The USDA eliminated several thousand FSA employees in the DOGE personnel cuts early last year, and an insufficient number have accepted invitations to return to work.
- **National Assn. of Wheat Growers CEO Sam Kieffer** was pleased USDA will be operating the Food for Peace Program. Kieffer said the Food for Peace Program has embodied the best of American leadership for decades, delivering life-sustaining food around the world while supporting American farmers at home. "We're thrilled to see this agreement between USDA and the State Department and thank the administration for initiating this common-sense move," said Kieffer. "Having USDA manage Food for Peace strengthens the program's stability, ensures continued market opportunities for American-grown crops, and safeguards in-kind food aid for the people around the world who need it the most." Kieffer also said the agreement provides near-term certainty, and his group is calling on Congress to pass legislation permanently transferring Food for Peace to the USDA. The DOGE budget cutters in the early Trump administration did not know what the program did, so Food for Peace and parallel programs were all eliminated.
- **With numerous political issues arising daily at USDA**, the 2026 USDA Outlook Forum may be the place for a farmer focus on Feb. 19 and 20. Whether attendance in person or online, the event could provide a glimpse into the economics that drive policy. The Forum program will feature a presentation on the 2026 outlook for the U.S. agricultural economy and trade by USDA Chief Economist Justin Benavidez, a keynote address by Secretary Rollins, and a plenary panel of distinguished speakers who will discuss Agricultural Trade Under Trump's Trade Agenda. The program also includes 22 breakout sessions organized by USDA agencies that will explore a wide range of current issues. More than 80 experts from government, industry, and academia will provide insights on key topics such as commodity and food price forecasts, farm income, U.S. and global agricultural trade, the future of biofuels, and AI applications in agriculture. Details and free registration are here.

Agri-Politics—

- **Agriculture groups sounded an alarm** about the economic crisis in rural America in a letter sent last Thursday to Congress. 56 organizations representing a cross-section of agriculture signed the letter, sending a strong message to Congress. "America's farmers, ranchers, and growers are facing extreme economic pressures that threaten the long-term viability of the U.S. agriculture sector. An alarming number of farmers are financially underwater, farm bankruptcies continue to climb, and many farmers may have difficulty securing financing to grow their next crop. Farm losses are the result of a multitude of challenges over several years of downturns that have led to devastating farm losses. The letter goes on to say, "For the last 3 to 4 years the reality of record-high input costs and rapidly declining and historically low crop and specialty crop prices have culminated in many U.S. farmers experiencing negative margins and losses approaching $100 bil. nationwide… These trends aren't just statistics; they represent an economic crisis in rural America." The letter also notes, "losses for commodity crops and specialty crops remain deep and the gap needs to be closed, saying, "In addition to continuing to pursue federal policies to increase long-term domestic demand for U.S agricultural commodities, we urge Congress to provide immediate economic support to fill in the gap of remaining losses for both field and specialty crop farmers."

Multi-Media Resources—

- **Will IL Weather Be Friendly This Spring?** Spring of 2025 kept Southern IL farmers out of the field because of incessant rain. Many Central IL farmers are hoping to get a portion of that because of drought, which is approaching the "exceptional" label. La Nina has said "So long!" but El Nino is a long way away. Trent Ford, IL State Meteorologist has the "big picture" and shares his perspectives in this video.
- **Using drones to solve a difficult problem in drainage ditches.** Agriculture has been one of the most welcoming industries for drone technology. Mapping, locating cattle and intruders, crop protection, and many other uses have become commonplace. But Silas Steiner of Thrive Drone Services spoke to the IL Assn. of Drainage Districts to tell commissioners how to use drones to control unwanted brush and other vegetation in drainage ditches that were otherwise inaccessible. His suggestions are in this short video.
- **How can a soybean crop be saved from the unexpected?** Shaun Casteel is one of the more popular agronomy researchers from Purdue Extension and visited last week with IL Soybean Assn. farmers and agronomy consultants about saving soybean crops that might be challenged for one reason or another. A few of his suggestions are in this short video.
- **Sulfur? For Soybeans? Yep!** More and more farmers are paying attention to their corn crop's need for sulfur, and they should also be paying attention to their soybean crop. That is the opinion of Stephanie Porter, Outreach Agronomist for the IL Soybean Assn. She escorted farmers, agronomists, and crop advisors down the sulfur path at a state meeting recently and shared her advice in this short video.

- **PCM visited with the Drainage District Commissioners, but why?** Precision Conservation Management enjoys growing popularity among farmers in IL and a handful of other states. But PCM could grow its relationship with others in agriculture, says Aiden Walton, a PCM field specialist in Central IL. He spent the day recently with IL Drainage District Commissioners discussing where PCM's objectives of reduced crop nutrient loss benefits drainage district objectives also. Here is that conversation in a short video.
- **How are Central IL farmers doing financially?** Data from across the Cornbelt daily indicates tougher times for farmers, and fewer solutions for their predicament. Farm Credit clients were invited to a meeting recently where speakers addressed many of those concerns but also provided information about managing production and marketing risk. One of those was Matt Hardecke, regional manager for Farm Credit Illinois. He provided an assessment of the financial challenges to farmers in this video conversation.
- **Grain prices are not only "under water,"** but consider the flood of dynamics impacting grain prices in a negative way. That is what Greg Johnson of TGM Grain Marketing at Champaign, IL, shared with farmers recently. Those not only included foreign issues, but US domestic issues, and a big one from Mother Nature. His analysis is in this video conversation.
- **Lots of good fertilizer money is washing away**. Univ. of IL fertility specialist Dr. Andrew Margenot has become widely known for having a grip on where N, P, and K are disappearing through field tiles, down drainage ditches, and eventually into the Gulf of Mexico, where environmental concerns are increasing. Margenot spoke to the IL Assn. of Drainage Districts and told commissioners about the crop nutrients that are flowing through their tiles and drainage ditches. He also shared his research on nutrient movement in waterways in East Central IL, where drought is approaching the "exceptional" category. His perspectives are in this video conversation.
- **USDA crop insurance programs have changed for 2026, but how?** That question was posed to Lee Waters, crop insurance specialist with Farm Credit Illinois, who was strongly in support of the higher rates of subsidy for the SCO and ECO programs that reduced premiums paid by farmers. Waters also provided his thoughts about making ARC and PLC choices when farmers can eventually sign up for them. He indicated the recently announced delays were beneficial to making those decisions. His thoughts are in this short video.