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Farmer Bridge Payment Details—

- **New Year's Eve** brought financial details of the USDA's "Farmer Bridge Assistance" payment. Per acre rates for row crops are $44.36 for corn, $30.88 for soybeans, $39.35 for wheat, and $48.11 for sorghum. Big money went to cotton ($117.35) and rice ($132.89) farmers. Payments will have a $155,000 limit to farmers. USDA indicated funds should appear in bank accounts by the end of February. The funds to producers of primary row crops will total $11 bil. with another $1 bil. being allocated to producers of specialty crops and sugar. The formula for determining the per acre amounts was based on the World Agricultural Supply & Demand Estimate (WASDE) report, as well as reports on planted acres, and USDA's calculations of farm income. The formula was apparently similar to the formula used for the Emergency Commodity Assistance Program (ECAP) that was funded by an act signed by then-President Joe Biden in 2024. The administration said the funds were necessary because the "farm economy declined during the Biden administration." Nothing was indicated that current soybean prices may have been negatively impacted by tariffs on China last summer, which have pushed the top buyer of US soybeans toward South America. The farm economy reached a recent high in the middle of the Biden Administration; however, farm income went down as prices for crop inputs rose beginning in 2023 as farmers were more profitable. Payments will be going to those farmers who met the December 19th deadline to ensure their 2025 acreage had been certified. To be eligible for the Farmer Bridge Assistance funds, there is no requirement for farms to utilize federal crop insurance programs. Prevent plant acres are not eligible. (Farm organization reaction and more can be found in the Mailbox Money section.)

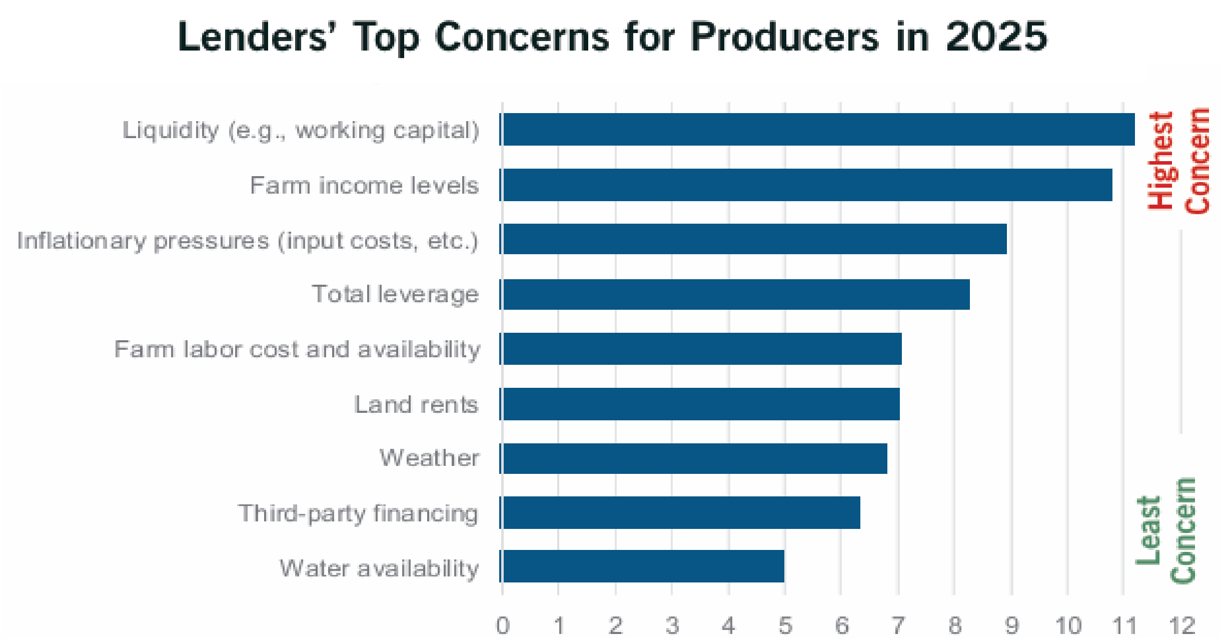
Commodity Market Drivers—

- **About 300 mil. bu. and counting**. That is the latest estimate of how many US soybeans have been purchased by China, since the trade tariff discussions were held at the end of October. Bloomberg reports China has bought at least 8 mil. tons (294 mil. bu.) of US soybeans this year, according to people familiar with the matter, putting the world's top importer on track to meet a pledge it made 2 months ago as part of an apparent trade truce with Washington. State-owned buyers have continued to book US cargoes into late December, sources said. That extends a buying spree that began in October and maintains a pace that has reassured American exporters, otherwise wary that Beijing's commitment might slip amid limited visibility and unclear deadlines. The shipments booked so far are mostly for loading between December and March, the sources said. The White House said after the talks between President Donald Trump and Chinese counterpart Xi Jinping that China had pledged to buy at least 12 mil. tons (440 mil. bu.) of US soybeans by the end of 2025, and 920 mil. bu. per year for the next 3 years. US officials later said 440 mil. by the end of February. Beijing has not confirmed the commitment, but the Chinese government has moved to reduce tariffs on the crop and lifted import bans on 3 American exporters. The return of Chinese buyers is welcome news for US exporters, and a reminder that buying patterns can change fast — but it is not yet a full reset. Even as Beijing takes US shipments, state-owned firms have bought large quantities of beans from Brazil and Argentina, the Chinese sources said. Commercial buyers in particular have stayed on the sidelines when it comes to US purchases. Almost 80% of Brazil's soybean exports went to China in 2025, with exports through November climbing 16% compared to the previous year. That trade continued in December, even in a period when sales are seasonally weaker, and Brazil's upcoming harvest is forecast to be a record. "We cannot confirm from China's side that anything beyond the 12 mil. tons has been pledged," said Ben Buckner, grains and dairy analyst at AgResource Co. The brokerage wrote in a note this week that China was seeking shipments and could reach a "soft target" of 300 mil. bu. in 2025, with an additional 75 mil. bu. in January. Without a formal deal confirmed by both sides, traders say uncertainty over future sales is reinforcing pressure on soybean prices. Futures in Chicago eased in the year's

final trading session Wednesday, on track to decline about 7% in December, the worst monthly performance since July 2024. Matt Bennett, a Windsor, IL, (left) corn and soy farmer, said many farmers have been "pleasantly surprised" with the steady flow of purchases from China so far, but added there has been frustration with the direction of soybean prices. "From our vantage point, once you quantify that they're going to buy 440 mil. bu., you need something in excess of that to get everyone excited," Bennett, of AgMarket.Net, said in a phone interview.

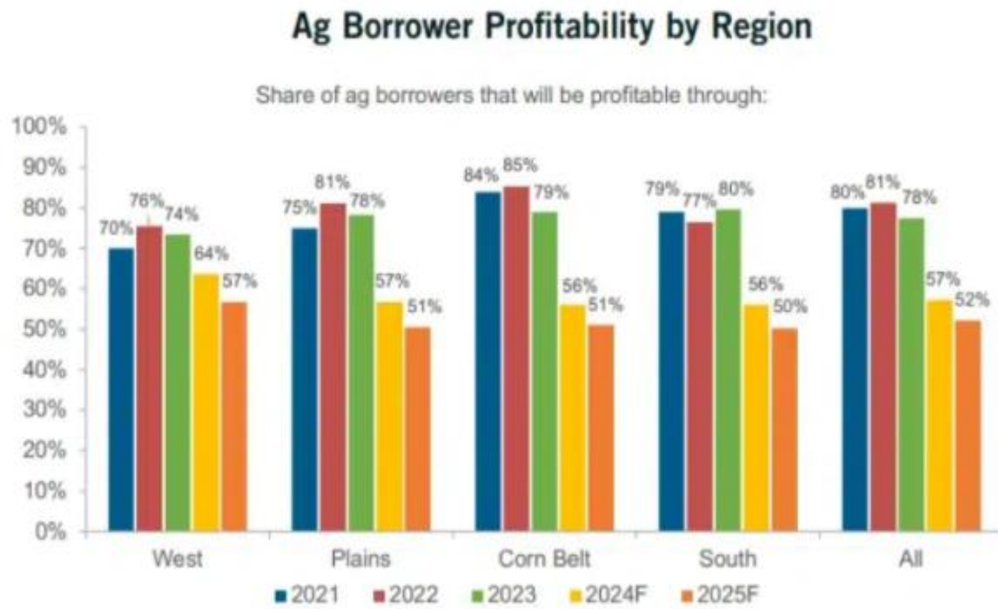
Farm Economy—

- **This is not good news.** There is probably no surprise that [agricultural bankers and Farmer MAC have compared notes about the farm economy] and the financial pit that has captured many farm operators due to high input costs, and tariff-impacted prices. They say, "Farm profitability was uneven in 2025 as producers across the various sectors faced ongoing shifts in supply, demand and trade relations. At the highest level, farm incomes are expected to bounce back in 2025, according to the USDA farm income projections. This welcome reprieve follows two consecutive years of declines. However, the bounce in 2025 can be traced almost solely to strong profitability in the livestock sector and a surge in government payments. Nearly all crop producers are facing significant downward pressure on profitability as stagnating prices and elevated input costs squeeze margins. Lenders remain acutely attuned to the challenges producers face. For the third consecutive year, they cited liquidity as their top concern in the survey. The last time liquidity did not top the list was 2022, when farm incomes were peaking and inflationary pressures dominated the economy. Inflation has remained a key concern each year since 2022, but to a lesser extent. Lenders' focus on liquidity spotlights the tight margins that many producers face.

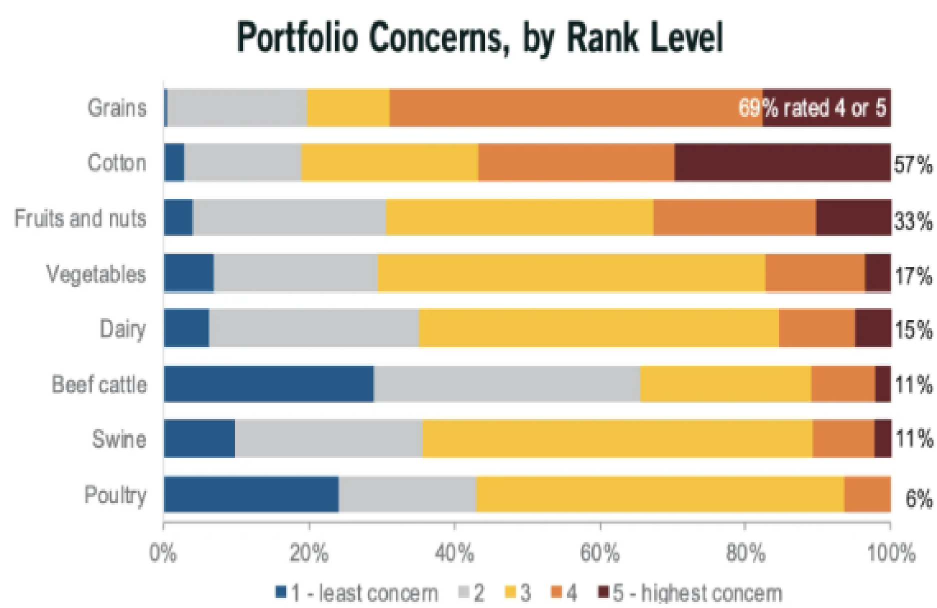


Agricultural lenders surveyed in the new [2025 ABA/Farmer Mac Agricultural Lender Survey] expect only 52% of U.S. farm borrowers will be profitable this year, signaling a sharp decline from recent years. It's also a sign that producers across major crop regions are continuing to navigate through a period of tighter margins and severe financial stress. 93% of ag lenders expect farm debt to increase over the next year, which is up slightly from 88% of lenders who responded that way last year. But the high number indicates there will be higher demand for farm loans, something that can be a hallmark of previous downturns. →

- **According to the American Bankers survey**, lenders say the 2025 farm economy is being shaped by soft commodity prices, high input costs and high interest rates — all working together to squeeze margins. “This is the tightest farm income environment we’ve seen since before the pandemic,” said an IA ag lender. Crop producers — especially corn, soybean and cotton operations — face the most pressure due to rising costs, lower commodity prices and declining working capital. Livestock operations, in contrast, remain relatively stable thanks to stronger protein demand and improved feed costs. Lenders forecast that just 52% of their borrowers will remain profitable this year— the lowest level since 2016. In the West: 57% expected to be profitable; Midwest: 52%; Plains: 50%; and the South: 45% expected to be profitable. The gap reflects commodity mix: diversified or livestock-heavy regions remain stronger than grain-dominant areas. “Margins are narrowing quickly, especially for grain producers. Working capital is eroding,” noted a Kansas lender. →



- **One result of tighter profitability conditions** is the expectation of increased loan demand. The survey found nearly 93% of responding lenders indicated they expect farm debt to increase over the next year. This would be only a slight increase from 2025, when approximately 88% of lenders reported an increase in farm debt.



Mailbox Money and Farm Programs—

- **Farm organizations had varying reaction** to the Bridge Payment announcement. They were all polite, but expressed disappointment at the USDA's Bridge program.
  - ✓ **The American Soybean Association** Pres. Scott Metzger, credited the Trump administration and USDA for recognizing the economic losses, but said, "The payment rate for soybeans will likely not be enough for soybean farmers to keep their operations financially solvent as we move into the next planting season." He said the $30.88/acre for soybeans 'will not cover the significant financial damage soybean farmers sustained this year due to the high cost of production and losses sustained during the China trade war." Ag economists estimated economic losses for soybean farmers were more than $100 an acre. Metzger said, "Farmers need strong, reliable markets to guarantee the long-term success of the U.S. soybean industry."
  - ✓ **The National Corn Growers** Pres. Jed Bower, also an Ohio farmer, had similar comments. He welcomed the assistance but said in a statement that "more work is needed to develop markets to provide 'long-term economic certainty. While this financial assistance is helpful and welcomed, we urgently need the administration and Congress to develop markets in the US and abroad that will provide growers with more long-term economic certainty," Bower said. "Corn growers have been sounding the alarm about the fact that farmers have been faced with multiple consecutive years of low corn prices and high input costs."
  - ✓ **Pat Clements, president of the National Association of Wheat Growers** (NAWG), said, "Wheat growers are closing the books on a difficult year marked by extremely high input costs and stubbornly low wheat prices," Clements said. "NAWG appreciates the Trump administration's response to the market challenges facing farm families and its efforts to deliver much-needed assistance. While the rates announced today do not come close to making wheat farmers whole for the per-acre losses experienced in 2025, the $39.35 per-acre payment for planted wheat will help lighten the blow of a challenging year."
  - ✓ **National Cotton Council** Chairman Patrick Johnson called the payment rate for cotton growers 'a welcome and much-needed level of assistance.' 'This support is critical for producers struggling to manage current economic pressures and will give lenders and growers the confidence to continue to invest in cotton,' Johnson said."
  - ✓ **National Sorghum Producers** Chair Amy France said the payments "provide near-term certainty while longer-term improvements to the farm safety net and risk management tools take effect. That stability matters as growers plan for the upcoming planting season and work through the impacts of a year of lost international trade."
  - ✓ **(It has been noted** in recent distributions of funding that the administration keeps close tabs on any positive, negative, or neutral expressions from farm organizations.)

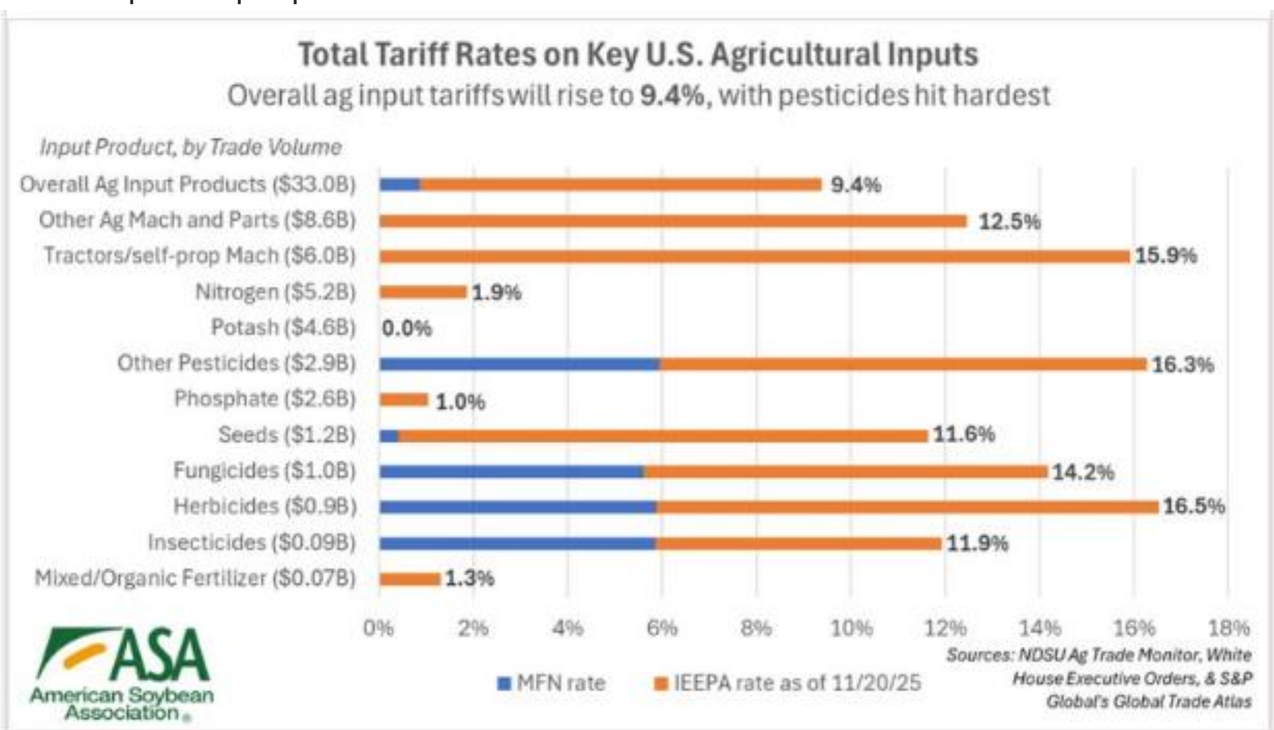
- **No additional farm aid** is expected next year despite earlier suggestions by President Trump and others that extra help is possible, given billions in continuing farm losses. Undersecretary for Farm Production and Conservation Richard Fordyce says his agency is not considering adding to the $12 bil. in farm aid announced recently, despite $44 bil. in farm losses this year. That, even as President Trump suggested openness to more aid and Senate Ag Chair John Boozman, R-AR, offered his help, "So, we look forward to helping you if we need some additional help, looking to Congress. We'll be there for you, sir." Undersecretary Fordyce told Reuters that he doesn't know what next year will bring, but "at this point, we feel like we've kind of done what we can do." That's because of budget limits and the fact that revenue from President Trump's tariffs is now on the line at the Supreme Court, "We have other methods, but they're not as powerful, not as quick. So, it's a very important thing…the decision of the Supreme Court is a very important thing. We can do it other ways, but it's slow, and it's cumbersome, and it doesn't have the power, it doesn't have the national security power." USDA also hoped to release, this week, the payment rate by crop per acre for the announced aid, with actual payments made by February 28th. Payments will be based on what producers planted and reported to the FSA in 2025, with aid serving as a "bridge" to new, higher reference prices next year. (Berns Bureau)
  - ✓ **What is ASA's response to no additional financial aid? "**With soybean production costs well above market prices and a $31 check per acre not making up the difference, what is the game plan? The soybean crushing industry is reminding the EPA that it has strongly supported biodiesel." And new President Scott Metzger of the American Soybean Assn. says, "While the assistance provides some relief, farmers need strong, reliable markets to guarantee the long-term success of the U.S. soybean industry. We urge the Trump administration to focus on immediate, achievable actions which will support domestic soybean markets, including finalizing policies that create a preference for soy-based biofuel feedstocks through the 2026-2027 Renewable Volume Obligations, robust biomass-based diesel volumes, and 45Z Clean Fuel Production Credit tax guidance. Reliable markets depend on policies that grow demand, strengthen rural economies, and provide certainty for the next generation." ASA's Metzger added**,** "ASA urges the administration to deliver long-term demand solutions by finalizing strong biofuels policy. Finalizing EPA's biofuel blending requirements as proposed, including the RIN credit discount for imported biofuel feedstocks that undercut domestic soybean demand, would prioritize American-grown feedstocks, support domestic energy production, and strengthen demand for U.S. soybean oil. Further, the swift finalization of 45Z tax guidance to ensure the positive changes created through One Big Beautiful Bill Act can be realized, is imperative to support biofuel industry investments. Putting these policies in place now will help ensure today's assistance is paired with lasting market opportunity for soybean farmers and rural communities." One soybean crusher says, "US Environmental Protection Agency (EPA) stand firm on your original proposal to support US farmers and US soybean crushing industry. We spent the money and have the talent and resources to "Crush This!" The time is NOW."

The Business of Farming—

- **Will you use your "bridge" payment** to avoid selling your stored grain? In the past, when there had been an ad-hoc payment, producers used those payments to not market a crop because they had something on hand in their cash supplies. That may not be the best option. Univ. of IL Farmdoc ag economist Joe Janzen (right) has been talking with farmers about payments that come in from the United States government. In the past, what do we know, particularly from the Trump administration's MFP, or Market Facilitation Program, about the payments that took place, which seem very similar to what this bridge payment might be, "Going back in history is a helpful guide, I think, in this case. What would farmers do with this money? Well, I think we know that they probably won't adjust production levels, right? It doesn't really change our incentive to plant a crop or not. But I think it can have an influence on marketing decisions, particularly the decision to hold grain for longer into the end of the marketing year. That's what we saw during the MFP era: the trade aid payments that were made in 2018 and '19. We saw the farmer being a much bigger holder of the crop in 2018 and '19, particularly for soybeans. Some of that was, yes, market conditions, but some of it, and we've done some research to show that some portion of those additional inventories that were held after harvest those years really were on-farm inventories held directly because of the money that was paid out by the administration for those payments." He said the logical question is, will we see that again? "I think anecdotal evidence suggests that may be the case. The farmer's already a pretty large holder from what we've heard ahead anecdotally. We'll get some confirmatory evidence of that when USDA releases its Grain Stocks Report in January. And the big concern is: what does that do? It kind of narrows the marketing window for the farmer. And the potential is that you're stuck holding a crop in, let's say, June and July, with a very short window in which to get that crop sold before we have a 2026 harvest." He said the USDA report in January is comprised of the grain stocks figures, the World Agricultural Supply and Demand Estimates, and the final crop production numbers, along with a winter wheat plantings and acreage figure. The fear is that those combined will set a tone for the marketplace, probably for the first quarter of the year. And if they don't change anything, producers will have missed opportunities to market a crop because they decided to hold at this point. Janzen said the changes could come, but the tone may very well not change very much, "I don't have a crystal ball into what that report will contain. And so, if we do, in fact, see that, and the farmer is a big holder of corn and beans after harvest, they have a bigger marketing challenge than they would in any other year." And that will present a big challenge, "In terms of how do we get that crop priced and not get pushed into a narrow marketing window where prices may not be what we would have hoped they would get to, where we would get sort of in terms of that typical seasonal improvement in price may not be there, given the big crop and the big farmer inventories and then whatever news we get about the size of the crop elsewhere in the world, principally South America." (WILL radio)

Trade and Tariffs—

- **Rising input costs for farmers** has been an issue the Trump administration has made a policy priority as it advances through its first year – and with good reason. Soybean producers are staring down the barrel of a 3rd year of negative market returns. ASA Economists Scott Gerlt and Jacquie Holland report, "Soybean growers find themselves in a precarious position as the 2025 harvest season wraps up. When harvest began in September 2025, November futures prices were between 25% - 30% lower than at the same point in 2022. The lower revenue levels limit the amount of liquid assets farmers have available to pay off 2025 expenses this fall. It's not just the revenue side of the income statement where soybean farmers are being squeezed. Farmers are facing elevated prices for land, machinery, seeds, pesticides and fertilizers. According to USDA, farm production expenses are expected to reach $467.4 bil. for 2025 – a $12 bil. increase over 2024. According to annual soybean cost of production reports published by USDA's Economic Research Service (ERS), land (28%), machinery and repairs (28%), seeds (12%), pesticides (7%), and fertilizers (7%) are the most critical inputs for soybean production and account for 83% of a soybean operation's annual expenses per planted acre."



"Soybean growers have faced revenue challenges this year with the trade war. This event caught farmers at a time when input costs were at levels that allowed no room in operating margins to absorb lower prices. Many factors have pushed up operating costs, including tariffs, regulations, lawsuits and the broader economy. The crop sector faces a phenomenon whereby input costs follow crop prices upward but tend to remain at elevated levels even after crop prices retreat. This has led to negative soy margins for the past three years. As international supply in the soy space continues to grow, controlling costs will be crucial to remaining competitive in foreign markets."

Food and Nutrition Issues—

- **MAHA is cutting grain farmers out of the food pyramid,** says Josh Sosland, editor of Milling and Baking News, in a column published in World Grain magazine. **"**With the impending release of the 2025-2030 Dietary Guidelines, Washington, DC, has been abuzz with speculation about changes that will be part of the government's guidance for healthy eating. A draft version of a graphic to accompany the Guidelines has been circulating. The changes it implies are as bad for grain-based foods as could be imagined. In the drawing, grains are relegated to a position just beneath sweets. Meanwhile, fats and oils, originally in the "use sparingly" category with sweets, would be promoted to the base, together with other proteins and dairy products. Robert F. Kennedy Jr., secretary of Health and Human Services, told Bloomberg a revised pyramid will be adopted again "one way or the other." Given Kennedy's willingness to buck the scientific consensus in dramatically changing infant and childhood vaccination guidance, it would be no surprise if his dietary agenda becomes reality. Government- funded school meals, billions per year, are required to comply with the Guidelines. One of 10 lunches consumed in America, nearly 30 mil., is a government-funded school lunch. The figure is 1 in 20 for breakfasts. Additionally, while most Americans disapprove of Kennedy's policies, upward of 40% approve, many passionately so, and may be more likely to embrace the secretary's disdain for grains. Already struggling with sagging demand, the proposed recommendations are the last thing needed by the grain-based foods industry. Industry groups are striving to ensure sanity prevails in the government's nutrition guidance. Even groups that seemingly would benefit from the changes, including certain meat groups, are wary of changes adopted on political whims, lacking scientific consensus. Without such consensus, they fear changes may be abruptly reversed if a different party gains political control. The stakes for all in ensuring rigorous science remains the basis for the Dietary Guidelines could not be higher." Breads, cereals, pasta, and other products made with flour, whether they are high fiber, high protein, or not, are being nearly eliminated by MAHA.

Farm Family and Rural Life Issues—

- **Of all the things to take care of on the farm,** your mental health may be the most important. American Farm Bureau President Zippy Duvall says no one needs to face mental health issues alone, "Farmers know what it means to work through tough times, but taking care of mental health is just as important as taking care of crops and livestock. Farm Bureau is proud to lead the Farm State of Mind Alliance, bringing together partners to make mental health resources easier to find and use. The Alliance offers free, confidential tools like Togetherall, a 24/7 online peer community moderated by licensed professionals, and resources connecting farm families to counseling and stress-management support. Farmers are facing challenges unlike any we've seen in a generation – but no one has to face them alone. It's okay not to be okay, and help is here when you need it. (American Farm Bureau)
- **"I grew up in the era of 'suck it up, buttercup. We'll get her done,"** says WA St. lawmaker and farmer Tom Dent. "That was… that's reality," he said, "That's what we grew up with." Agriculture, Dent noted, sits at the intersection of multiple stressors that amplify mental health risks. Regulatory pressure, volatile markets, rising input costs, and weather uncertainty all converge on farmers and ranchers. "The challenge that we're having in our industry right now is all the challenges we've talked about—the regulatory challenge, the financial challenges—from all angles coming at the people in the agricultural world," he said. He recalled legislation led by a colleague to examine mental health and suicide in agriculture. "That's where I really got immersed in this," Dent said. "We have to do something, because this is a major issue." According to Dent, agriculture has "the highest suicide rate of any sector in the United States of America." Dent believes the solution starts with honesty and compassion. "Any one of us can have a mental health issue on any one day," he said. "And it doesn't mean that we're not going to recover and be fine." He urges people to watch out for one another. "Don't be afraid to ask them. Don't be afraid to love them, don't be afraid to hug them, because that's what we all need."

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