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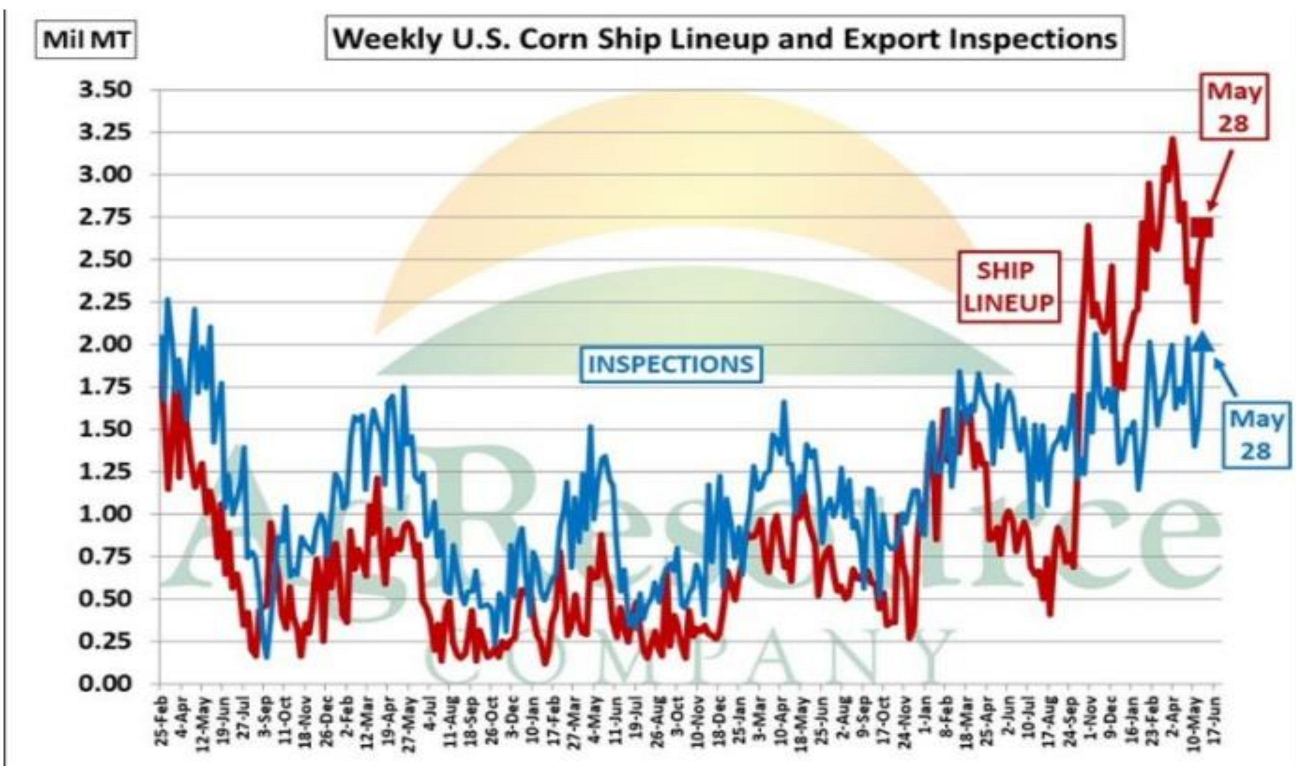
EQUAL HOUSING LENDER

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

Commodity market price drivers—

- **Load 'em up, ship it out!** Grain ships are busy distributing US corn around the World. Chief economist Bill Tierney of AgResource reports, "As of May 28**,** there was over 105 mil. bu. of corn scheduled to load corn in the lineup of ships waiting at the docks. (see chart below). That is up 8% from the previous week. A year ago, the lineup was 38 mil. bu. Next week's corn export inspections could be 80 mil. bu. That is up 28% from the previous week. Based on the recent pace of inspections May Census exports could be 304 mil. bu. In the May WASDE, the USDA left its projection of U.S. corn exports unchanged at a record 3.300 bil. bu. Last year's exports were a record 2.858 bil. bu. AgResource calculations projects exports for the current marketing year will be 3.250 mil. bu.



- **Over the past month, corn and soybean basis** has strengthened in much of the Eastern Cornbelt. Josh Strine of the Purdue Center for Commercial Agriculture (CCA) said while the strengthening was broad, the strongest increase was in the eastern states, "Corn basis to July futures strengthened in all but 3 crop reporting districts tracked by the crop basis tool over the past month. The basis weakened in southwest IL, southwest MI, and east central OH. The largest decrease occurred in east central Ohio, where basis fell by 9¢ per bu. The greatest strengthening occurred in south central Ohio, where basis increased by 23¢ per bu., pushing local basis even with July futures. The most defining feature of the current corn basis map is the continued shift in basis strength from the west to the east. In OH and MI, corn basis is above the 3-year historical ave. in all but 1 crop reporting district. South Central OH stands out with the current basis at 25¢ per bu. above its historical ave. In IN, most districts are near or slightly below historical norms, and several districts along the Ohio River are carrying positive basis." Further west, the basis isn't quite as strong, "In IL and IA, basis remains well below the 3-year ave. Northwest IA is the most extreme example, with corn basis currently at negative 40¢ per bu., 57¢ below its historical ave. As with corn, IA has the weakest soybean basis in the region. Central IA soybean basis stands at negative 72¢ per bu., 13¢ below the historical 2-year ave. For context, that is after a 15¢-per-bu. increase this past month. IL is tracking much closer to historical levels. While central IL soybean basis is negative 30¢ per bu., it's only 3¢ below its historical ave." But Strine said the soybean picture is mostly positive, "Soybean basis to July futures increased in all but 1 crop reporting district tracked by the crop basis tool. The exception was southwest MI, where basis fell by 6¢ per bu., well below the historical trend of a 14¢ per bu. increase. Gains elsewhere range from 8¢ per bu. in west central OH to 26¢ per bu. in central MI. Basis along the Ohio River was the standout this month. Looking at the ave. of river terminals in OH and IN, soybean basis increased by 19 ¢ per bu., more than double the historical trend of 8¢ per bu. River basis now stands at a positive 14¢ per bu., 13¢ above the 2-year historical ave. In southeast IN, basis strengthened by 23¢ per bu. to positive 2¢ per bu., 9¢ above the historical norms. Southwest IN is even with July futures, 10¢ above its historical ave." Looking ahead through June, the historical trends suggest a mixed outlook for both corn and soybean basis to July futures, "For corn, the historical ave. points to modest weakening across most districts through late June, representing a reversal of recent gains across the region. For soybeans, the historical trend suggests continued strengthening in southern IL and IN through early June, particularly along the Ohio River, while MI and parts of OH may give back some of the recent above-ave. gains. It is worth keeping in mind that the July future basis has shown sharp week-to-week swings in late May in the past couple of years. This serves as a reminder that the monthly trend can mask significant short-term volatility." (NAFB News Service) Strine's basis maps are a regular feature in CCA's monthly updates. Subscribe to access them.

- **Prospects in agriculture are "looking up,"** at least to [IA St. Univ. ag economist Chad Hart.]() He says after the Outlook Forum and the May WASDE report, "we've seen the results of the Prospective Plantings and Grain Stocks surveys, along with observations on the first couple of weeks in the main window for planting. Add to that mix, there have been significant shifts geopolitically; the war with Iran, the continued shifts on tariff and trade policy, and the lingering concerns about inflation and global economic growth. Thus, USDA revised their forecasts, lifting the prospects for stronger prices for the 2026 crops. For 2026, USDA had originally anticipated a larger shift away from corn planting. But the March Prospective Plantings report showed a smaller shift. There is still a question about the size of the shift as the increase in fertilizer and diesel prices may be impacting crop choices this spring. But the speed of national planting this year favors corn. Compared to the corn usage projections released at the Ag Outlook Forum, the latest update was encouraging, but supplies captured a bigger shift. Corn production increased 240 mil. bu., corn feed and residual use increased 100 mil., and corn exports were boosted by 50 mil.. Corn use for food, seed, and other industrial uses has retreated by 15 mil. bu. and that change has impacted both the 2025 and 2026 corn crops. So overall, the corn use projection rose by 135 mil. bu. Thus, compared to the February estimates, the 2026/27 corn ending stock estimate is rising. But compared to the 2025/26 stocks, 2026/27 projected ending stocks are set to decline to 1.95 bil. bu. And for the first time in a few years, USDA increased its season-average price estimate to $4.40 per bushel for 2026/27, which is a 20¢ gain from the February forecast and a 25¢ gain from 2025/26. The 2025 soybean market has seen supplies and usage basically match each other. National soybean production came in at 4.262 bil. bu., down roughly 100 mil. bu. from the previous year. Meanwhile, soybean usage totaled 4.272 bil. bu., down roughly 250 mil. bu.. So 2025/26 soybean ending stocks are only 15 mil. bu. higher than the previous year, at 340 mil. bu.. However, based on recent growth in soybean crushing, USDA has increased its 2025/26 season-average price estimate to $10.40 per bu., up 10¢ from the previous estimate and up 40¢ from last year. The 2026 soybean projections show supplies and usage increasing significantly. The increase in acreage, along with the trendline yield, is putting production projections in record territory. And the usage growth is strong enough to threaten the record there (4.5 bil. bu. in 2020/21). Current futures have been running at or above USDA's estimates, with corn floating in the $4.80 range and soybeans around $11.40. And for those producers that were able to lock production costs before the Iran war started, the price improvement has translated into margin improvement. ISU's production cost estimates are based on input costs gathered in the early winter. For the 2026 growing season, those production costs were roughly $4.40 per bu. for corn and $11.15 per bu. for soybeans. So the USDA price projections and the futures-driven price estimates would cover costs. However, for those producers that had to be more just in time with their input purchases, the jump in input costs likely swallowed up all the gains from higher crop prices."

Farm Programs and Mailbox Money—

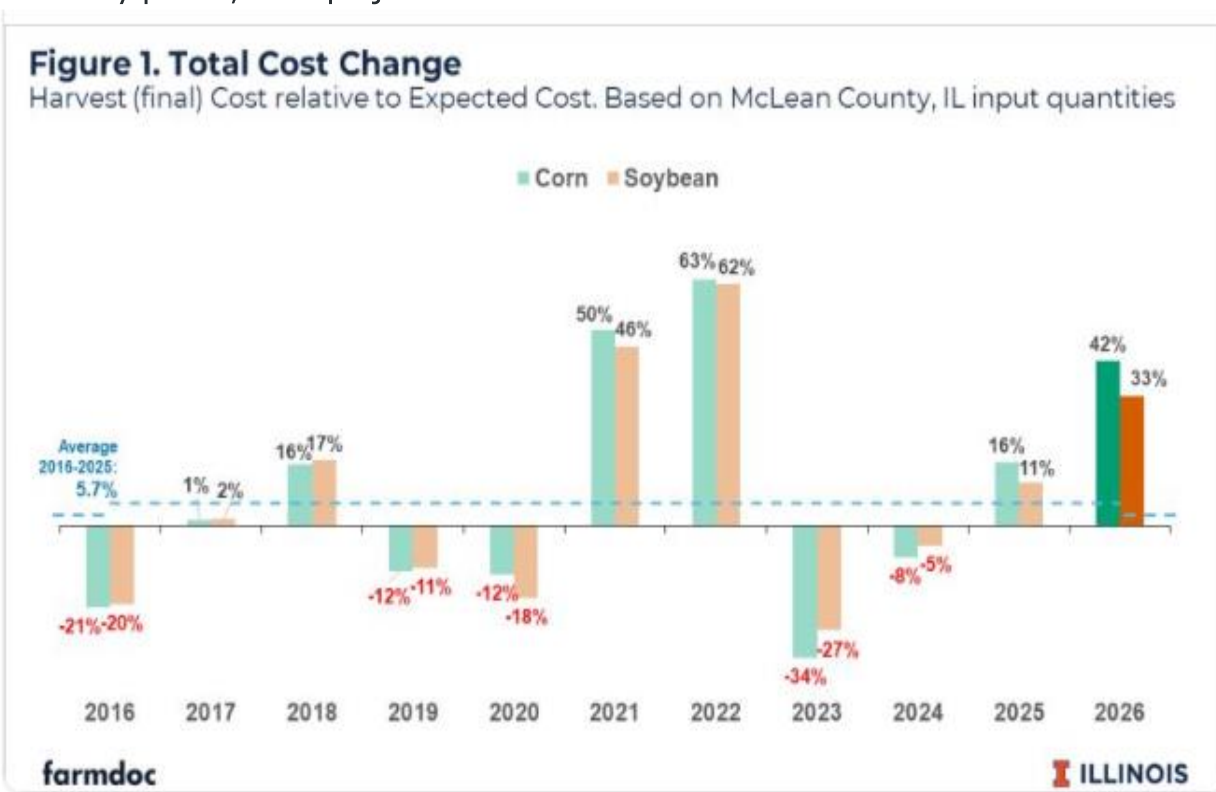
- **Beginning June 1 and extending through Aug. 31** farmers will need to respond to the Farm Service Agency about base acre increases on their farm, IF the FSA has allocated any. Some farmers will gain some, others won't, and the FSA's distribution of 30 mil. base acres has been a process kept with the confines of USDA in Washington. Legislation in 2025 authorized 30 mil. base acres added to program crops, which would potentially provide added funds that would be paid in the fall when ARC and PLC payments were distributed. FSA began notifying eligible landowners by direct mail, that Base Allocation Summaries outlining potential base acre updates will be available for review beginning June 1, 2026. These Base Allocation Summaries can be accessed online at fsa.usda.gov/arc-plc using a Login.gov account. Landowners who do not currently have a Login.gov account are encouraged to contact their local FSA county office to obtain their Base Allocation Summary beginning June 1, 2026. The Base Allocation Summary should be reviewed and any necessary actions completed by Monday, Aug. 31, 2026. Early communication between landowners and farm operators will ensure the Base Allocation Summary is accurate and all necessary actions are completed by the deadline. To be eligible for new base acres, a current covered commodity must have been planted or prevented from being planted on the farm during the 2019 through 2023 crop years. The farm's average planted and prevented planted acres during that period must exceed the total existing base acres for all covered commodities in effect on Sept. 30, 2024, excluding unassigned base acres. FSA farm total base acres cannot exceed the farm's total cropland acres. If eligible requests exceed the nationwide cap of 30 mil. acres, USDA will apply an across-the-board, prorated reduction to all approved new base acres. Questions should be directed to county FSA offices. Notices from FSA will go to landowners, not to farmers operating leased land. This is the first chance for adding base acres since 2002. FSA Administrator Bill Beam said, "These base acre improvements will help strengthen the farm safety net for producers across the country and help them better manage risk by providing greater flexibility for operations that have expanded or diversified since the last time we revisited base allocations."

The Business of Farming—

- **While 2026 may be looking "slightly" better financially**, what will keep you operating in 2027? A target of some lenders might be having working capital at 30% of revenue, for example. "What does 30% actually mean? Brad Zwilling, vice president of data analysis at IL Farm Business Farm Management, explained it this way: A farmer with 30% working capital could produce only 70% of their normal crop and still have enough cash to cover expenses. In the high-income years of 2021-22, some Illinois farmers built working capital to 100% or more of gross revenue, meaning they could have skipped an entire crop year and still covered all expenses, Zwilling added. That cushion is now eroding, making the 30% benchmark especially important." To make payments to lenders to cover operating loans, sufficient capital is required for repayment capacity in addition to cover family living expense. "Farmers need a minimum ratio of 1 to meet payments, though Zwilling said he'd like to see a minimum of 1.2, with the ideal target closer to 1.5 and anything above indicating a strong financial position." Regardless of how many lenders might be used by a farming operation, all of them will know about the others, not just providers of cash, but also providers of credit, and Brad Zwilling says, "Be as open and honest as you can," Zwilling said. "Just like you share information with the landlord, make sure you're sharing information with the lender. Zwilling said borrowers who have a solid understanding of their numbers and how they're calculated stand out. Keep accurate records and be able to show how you came up with your calculations. This will give lenders confidence in your business plan. According to Zwilling, if you can show an accurate number for family living expenses, that will work in your favor. "Lenders will plug a number in for you, but if you're showing them truly what that number is, that'll make your numbers better," he said. When margins tighten and prompt tough conversations, lenders remember the borrowers who openly communicated, knew their numbers and treated the relationship as a partnership."
- **The Federal Trade Commission** has opened an industrywide investigation into fertilizer prices after sharp increases during spring planting. Reuters reported that FTC Chairman Andrew Ferguson (right) said the agency is using civil investigative demands to gather documents and testimony. The probe comes as growers face higher fertilizer and fuel costs, drought in parts of the Plains and another year of narrow margins. Reuters said urea prices have climbed 55% since shipping through the Strait of Hormuz was blocked, while another nitrogen fertilizer rose 33%, citing KY Farm Bureau testimony. The USDA, cited by Reuters, said fertilizer has been the largest increase in farm input costs since 2020. The American Farm Bureau reported in an April survey that many farmers could not afford all the fertilizer needed this season. A coalition of corn organizations and commodity groups hosted a listening session in Texas Thursday on competition issues in the fertilizer market. Federal Trade Commission Chairman Andrew Ferguson delivered keynote remarks at the event. NCGA President Jed Bower said (left), "We are also calling on the administration to remove countervailing duties on phosphate fertilizer imported from Morocco, which have hampered supplies and raised costs for farmers who can't solely rely on domestic supply. A resumption of phosphate imports from Morocco would offer some relief to U.S. farmers while global fertilizer supplies are constrained."

Risk Management and Crop Insurance—

- **Has your crop insurance agent** put a bug in your ear about the USDA's Margin Coverage Option? He or she may not be trying to gain more commission but make a recommendation about a coverage that could be beneficial but totally unknown to many farmers. [Univ. of IL Farmdoc ag economists addressed MCO several weeks ago], saying, "The Margin Coverage Option (MCO) is an endorsement product introduced last fall and offered to producers for their 2026 crop year. MCO covers operating margin at a county level. The margin is a function of county yields and crop and input futures prices. Projected prices for 2026 were set last fall both for crop and inputs. Harvest prices for inputs were finalized at the end of April and are substantially above projected prices. That results in a cost shock to margins, increasing the likelihood of payments. Harvest crop prices and yields remain uncertain. Higher prices, excellent yields, or both could potentially offset the higher costs in the final margin calculation. Additionally, higher input prices may also affect interest and use of MCO for the 2027 crop year. If the Middle East conflict persists into the 2027 input-price discovery period, MCO projected costs could be set at elevated levels.



Depending on if or how quickly input prices fall toward pre-conflict levels, MCO may become less attractive because coverage would be based on temporarily high projected costs." But in the past several weeks some of the economics have changed, observes Jennifer Ifft, ag economist at KS. St. Univ. She says, "I expect more interest in [MCO] this fall. Final input prices for this year's crop were much higher than expected prices. Final payouts will also account for final crop yields and prices."

Illinois Issues—

- **The IL General Assembly finished its spring session** in the early morning hours with passage of the new state budget. Despite the efforts of thousands of farm families and farmland owners, it did not include provisions sought by IL Farm Bureau and other ag organizations for estate tax relief. The budget totals $55.9 bil., supported by a similar amount of revenue. The spending plan included an $830 mil. supplemental current-year spending plan, meaning the upcoming fiscal year 2027 budget is essentially flat. Democrats also sought to include at least a few measures that address affordability. It froze the 1.3¢ gas tax increase that's slated for July 1, pushing it to January. It also creates a sales tax holiday on school supplies from Aug. 7-16. No Republicans voted for the plan, though some House lawmakers said they were at least more involved in budget negotiations than in recent years. The spending measure, House Bill 111, passed the Senate 37-21 after 3 a.m. Monday morning. The House followed around 4:15 a.m. with a 76-39 vote, followed by the budget implementation bill. The budget would establish a program to help people who have lost Supplemental Nutrition Assistance Program, or SNAP, benefits as the federal government institutes new restrictions on eligibility. Under the new Families Receiving Emergency Support for Hunger, or FRESH Program, people who have lost or seen their SNAP benefits reduced would be eligible for a one-time $400 payment. The program is scheduled to last just 1 year and is estimated to cost about $70 mil.
- **Kevin Semlow, head of IL Farm Bureau Governmental Affairs** said IL Farm Bureau "continued to champion the passage of the Family Farm Preservation Act. We have been actively advocating with the Governor's office and the leaders of each caucus as to the importance of providing changes to the state estate tax for farmers. Issues that deal with taxes, like the Family Farm Preservation Act, are held until they build the budget. This practice has evolved over the years because the taxation side generates the funds that can be appropriated, so they see them going hand in glove."
- **The IL Dept. of Rev. reset the value of farmland**, as it pertains to tax purposes. "The values for all cropland soils increased $62.38. That increase is equal to the legislative limit of 10% of the preceding year's median PI 111 soil Productivity Index Certified Value—as required by the Farmland Assessment Law. The 2027 Certified Values will be used for taxes payable in 2028. The values were published by IDOR, and the information can be found by clicking here: Farmland Assessment Values. Your Chief County Assessment Officer (CCAO) should be scheduling a meeting of the County Farmland Assessment Review Committee (FARC) to review the newly Certified Values. Information on the meeting should be published in the legal notice section of your local newspaper. Keep an eye out for that notice or contact your local CCAO office for more information. Please note that some counties may have already held their FARC meeting. The role of the FARC is to approve the 2027 values and advise the CCAO on the application of the Certified Values and local farmland valuation procedures to be implemented in the county. This meeting is open to the public. By law, these meetings should happen on or before June 1. However, it's not uncommon for the CCAO to postpone the meeting until after the busy planting season.

Farm Family Issues—

- **In a poignant "Letter to the Editor"** IL Dir. of Agriculture Jerry Costello addressed the significance of month of May being Mental Health Awareness Month:

  Dear Editor:
  In agriculture, we often pride ourselves on resilience. Farmers work through long hours, rising costs, severe weather, uncertain markets, and other circumstances outside their control. But the pressures facing agriculture today are unlike anything we have seen in 40 years. Across Illinois, farmers are navigating financial uncertainty and the mental strain that comes with an increasingly unpredictable industry. These challenges do not stay in the field or the barn. They follow farmers home, impacting stress levels, family relationships, and mental health. The numbers don't lie: farmers are 3.5 times more likely to die by suicide than the general population. Yet too often, the stigma surrounding mental health treatment prevents farmers from asking for help, and they suffer in silence. That mentality needs to change. Seeking support is not a sign of weakness. It is a sign of strength. No one should feel they have to carry these burdens alone. While May is Mental Health Awareness Month, these conversations have to occur all year long. That is why the Illinois Department of Agriculture (IDOA) is proud to support the Farm Family Resource Initiative (FFRI), a confidential program and toll-free help line that connects Illinois farm families with mental health resources and support services tailored specifically to the agricultural community. By calling 1-833-FARM-SOS, farmers, spouses, and family members can access telehealth counseling at no cost from professionals who understand the unique challenges of farm life. Together we can continue breaking down barriers, reducing stigma, and ensuring that every farm family knows help is available. For more information on FFRI, visit the IDOA website at agr.illinois.gov or go directly to the FFRI site at siumed.edu/farm.
  Warm regards,

  Jerry Costello II, Director

On the Ag Sports Page--

- **The Prospect League** provides an early look at future MLB players and has 2 teams which should generate a lot of attention with IL corn and soybean growers. The Bloomington-Normal Cornbelters (3-3) have drawn IL Corn Grower Assn. support for several years. Now the Decatur Bean Ballers (2-4) have made their home in the Soybean Capitol playing at Workman field on the Millikin Univ. campus. League play began last week with all 20 teams in the Prospect league playing every night Tuesday through Sunday, with an All-Star break scheduled July 7-8. The regular season ends Aug.1 with a playoff tournament the following week. Not to ignore the other IL-based Prospect League Teams, they include Danville Dans, Springfield Lucky Horseshoes, Alton River Dragons, IL Valley Pistol Shrimp at Peru, O'Fallon Hoots, Quincy Doggy Paddlers, and Thrillville Thrillbilies at Marion. Cheer 'em on! And head to Decatur June 23rd when the Bean Ballers host the Cornbelters. Will there be an IL Commodity Traveling Trophy or just "Bragging Rights"?

Mark Your Calendar! --

- **Opportunities for market premiums** for specialty crops will be the topic of a Farmdoc webinar June 4 at 11 am. Nick Paulson and Gary Schnitkey will be joined by Kelsey Graber from Clarkson Grain Co. to discuss premium markets, including how farmers can identify opportunities and details to be considered. Registration and details are here.
- **U of I Crop Science Small Grains Field Day** will be June 4 at the Seed House on the South Farm beginning at 8:30 am. Speakers will cover wheat pathology, wheat breeding, oat breeding, and oat-pea intercropping research. Register for the event.
- **The 98th annual state FFA convention** will be held June 9-11 at the Bank of Springfield Center in Springfield. The Schedule is here. Details are here. More info is added daily.
- **What happened with conservation** in the IL General Assembly spring session? The IL Sustainable Ag Partnership will conduct a webinar at 9 am on June 9. Register here.
- **"Practices That Pay:** What 11 Years of Data Reveals" is the title of a PCM/Farmdoc webinar on June 11 at 11 am. Dr. Laura Gentry shares 11 years of PCM data on tillage, nitrogen management, and cover crops — and what's driving profitability in IL corn and soybean fields. Details and registration.
- **The U of I Summer Horticulture Field Day** will be June 11, 8:30 am to 3 pm, at the Rader Farm, 1312 Ropp Rd. Normal. Speakers will address best practices in disease and pest management, focusing on specialty crops. Register upon arrival.
- **June 17** will be an IL Extension water quality plot tour and field day at the Dudley Smith Farm near Pana, beginning at 9 am. Several IL Extension specialists will address a variety of agronomic issues including nutrient losses, bioreactors, conservation management, cover crops and other issues. Details here and register.
- **Nutrient Stewardship Summer Field Days**, sponsored by County Farm Bureaus, begin June 23 and extend through Sept. 11. Each has a different program, speakers, and focus. Check for your county on this list and register to attend.
- **U of IL Extension** Weed Science Field Day will be June 24 at the Clem Farm, east side of Savoy, located at 1114 County Road 1200 East, Champaign. Preregistration is not required. Tour research plots, interact with weed science staff, compare favorite corn and soybean herbicide programs to other commercial programs and get an early look at a few new products that soon will be on the market. The tour will conclude around noon with a box lunch, $10 charge for meal and book. CCA credits are available.
- **Sustaining your farm legacy** will be the focus of several 2026 meetings and on-line programs, being jointly presented by Extension and IL Farm Bureau, for IL farmland owners and agricultural stakeholders. 6/30 Sycamore, 8/25 Mt. Vernon. Details.

- **Assn. of IL SWCD's** will hold its summer conference in East Peoria, July 13-15. Registration information is here. Early bird rates are available until June 1.
- **July 15 will be the Research and Field Day** at the Orr Agricultural Center at Baylis, beginning at 8:30. Watch for details.
- **The 2026 Heart of America Grazing Conference** is coming to Effingham, on July 15–16. The schedule includes a farm tour, keynote speaker Steve Campbell (the "cattle Coach"), and tech sessions on virtual fencing, cropland grazing, and multi-specie grazing. Details and registration are here.
- **July 16 will be the field day** for the IL Soybean Assn. Agronomy team. It will be held at the ISA Agronomy farm, along Route 51 between Wapella and Heyworth.
- **The Research and Field Day** at the Monmouth Extension Center is set for July 22, beginning at 8:30 am. Mark your calendar and watch for details.
- **Aug. 6 will be the Crop Physiology Field Day** at the U of I South Farms. Mark your calendar for the daylong event.
- **Aug. 6 & 7 will be the National Strip Till conference** being held at the BOS center in Springfield. General and breakout sessions with multiple speakers, sponsored by Strip-Till Farmer magazine. Program is here. Register here.
- **The Alma Mater Plots** (U of I Morrow Plots offspring) will be the focus of a daylong event Aug. 11 at 4202 South First St. Champaign. University researchers are seeking farmer input for what research should be conducted in the new research farm.
- **Aug 26 – 29 will be the 1st International Miscanthus Summit.** It will be held at the IL Conference Center, 1900 S. First St. Champaign. Registration information here.
- **All summer,** check the U of I Agronomy events calendar for updates and details.