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

Commodity market price drivers—

- **The USDA's June World Agricultural Supply and Demand Estimates Report** showed little change from the May WASDE report.
  - ✓ The 2026/27 U.S. corn outlook is virtually unchanged relative to last month. Fractionally higher beginning and ending stocks for 2026/27 reflect mostly offsetting trade and domestic use changes for 2025/26 with adjustments to imports, corn used for ethanol, and exports based on data to date. The 2026/27 season-average farm price received by producers is unchanged at $4.40 per bu.
  - ✓ U.S. 2026/27 soybean supply, use, and price projections are unchanged this month. For 2025/26, soybean crush is raised on higher soybean meal exports and domestic disappearance. Soybean oil for biofuel use is raised for 2025/26 while exports are lowered. Soybean exports for 2025/26 are reduced based on available U.S. Census data, offsetting the increase in crush and resulting in unchanged ending stocks. The U.S. season-average soybean price for 2026/27 is forecast at $11.40 per bu.
  - ✓ The U.S. wheat outlook for 2026/27 projects smaller supplies and, with no other changes to the balance sheet, lower ending stocks. Supplies are reduced by decreased output as all wheat production is projected at 1,543 bil. bu., down 18 mil. from last month largely on smaller Hard Red Winter wheat production. The all-wheat yield is down 0.5 bu. per acre to 47.0 bu. Exports are unchanged at 775 mil. bu., down 15% from the prior year. Projected ending stocks are reduced 18 mil. bu. to 744 mil., 20% below the previous year. The 2026/27 season average farm price is projected 50¢ per bu. lower to $6.00 based on expectations of futures and cash prices for the marketing year.

- **The wheat story's latest chapter** was written last week by the National Ag Statistics Service in the USDA's Crop Production report. The national yield projection dropped to 46.8 bu. from 54.9 bu. last year, due to the projection of the KS yield dropping to 31.4 bu. per acre.

	Planted (1,000 Acres)	Harvested (1,000 Acres)	Yield (Bushels/Acre)	Production (1,000 Bushels)
United States	**32,410**	**22,015**	**46.8**	**1,029,730**
% Change from Previous Estimate	NC	NC	↓ 1.7	↓ 1.7
% Change from Previous Season	↓ 2.2	↓ 13.7	↓ 14.8	↓ 26.5

Top 5 States - By Production

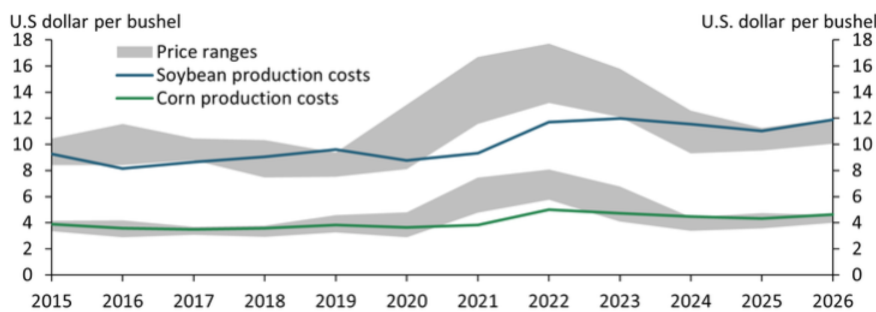
	Planted (1,000 Acres)	Planted % Δ PY	Harvested (1,000 Acres)	Harvested % Δ PY	Yield (Bushels/Acre)	Yield % Δ PY	Production (1,000 Bushels)	Production % Δ PY
Kansas	7,000	↓ 4.1	5,800	↓ 14.7	35.0	↓ 31.4	203,000	↓ 41.5
Washington	1,850	NC	1,800	↑ 0.6	68.0	NC	122,400	↑ 0.6
Montana	1,900	↓ 15.6	1,750	↓ 17.5	41.0	↓ 12.8	71,750	↓ 28.0
Idaho	810	↑ 3.8	720	NC	97.0	↓ 2.0	69,840	↓ 2.0
Oklahoma	4,400	↑ 6.0	2,300	↓ 17.9	28.0	↓ 26.3	64,400	↓ 39.5

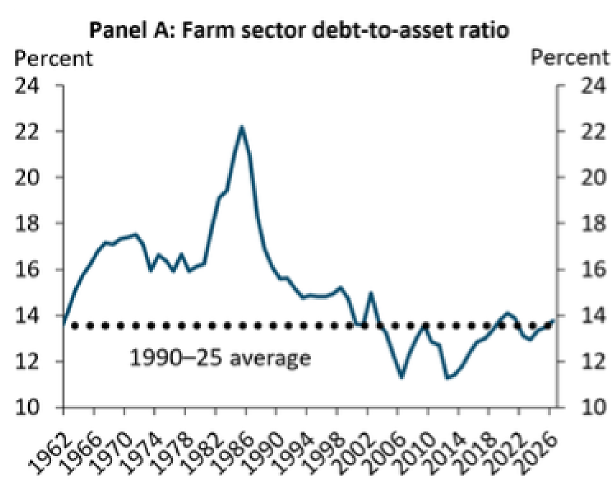
NASS crop surveyors projected the 2026 crop condition as only 25% good to excellent, a drop from 35% on April 5th, based on 348 field checks in KS and 231 in OK. Over 90% of the national crop is headed, about 1 week ahead of the average for this time of year. The national projected yield of 46.8 bu. per acre would be the least since 42.5 bu. in 2015. The IL winter wheat yield was projected by NASS at 86 bu. per acre, up 2.4 bu. from May, but down 2.3 bu. from 2025. Yields for the soft varieties in IL, IN, and OH, are all similar. Forecasted head counts from the objective yield survey in the 3 Soft Red Winter States (IL, MO, and OH) are all below last year's final head count. As of May 31, the winter wheat crop in IL, MO, and OH was rated in good to excellent condition at 70%, 68%, and 60%, respectively. In the Crop Production report, NASS reported, "Winter wheat production is forecast at 1.03 bil. bu., down 2% from the May 1 forecast and down 27% from 2025. As of June 1, the US yield is forecast at 46.8 bu. per acre, down 0.8 bu. from last month and down 8.1 bu. from last year's average yield of 54.9 bu. per acre. Hard Red Winter production, at 497 mil. bu., is down 3% from last month. Hard red winter wheat production is expected to be among the smallest crops in decades. Soft Red Winter, at 300 mil. bu., is down less than 1% from the May forecast. White Winter, at 233 mil. bu., is up less than 1% from last month. Of the White Winter production, 7.80 mil. bu. are Hard White and 225 mil. bu. are Soft White. Reuters reported wheat futures rose following the report as traders reacted to tightening supplies. Analysts interviewed by Agriculture.com said the lower production outlook could support wheat prices if adverse weather continues through harvest. USDA's next major crop update will come later this month when acreage and grain stock estimates are released, providing a clearer picture of overall U.S. grain supplies.

Farm Economy---

- **Individual farmers may feel financial pain**, but Federal Reserve economists say US agriculture has resilience. They report, "underlying data show that, in aggregate, the sector has remained resilient, and severe financial pressure has been limited. Relatively low crop prices and high costs have been a primary factor in recent weakness in U.S. agriculture. Since 2022, the prices of corn and soybeans have decreased by roughly 40% and 30%, respectively, while cotton and wheat have each dropped by 45%. At the same time, expenses have been elevated: From 2019 to 2022, total production costs in U.S. agriculture increased by 25%; since 2022, these costs have increased by an additional 10%. Chart 1 shows that the combination of lower crop prices (gray areas) and persistently high production costs (blue and green lines) has led to sharply lower profit margins for most producers. Although the tariff environment of the past year has often been cited as a leading cause of low prices in agricultural commodities, the economic reality is more complex. Following announcements of tariffs last year, China—a critical soybean trading partner in recent years—sharply curtailed purchases of U.S. soybeans. Despite reduced exports, the price of soybeans has remained higher than at the beginning of 2025. More recently, conflict in the Middle East has led to a surge in the cost of fuel and fertilizer, but the effects on crop producers have thus far been small in aggregate. Nevertheless, the near-term effects on profit margins have been relatively small. While the aggregate effects have been relatively small so far, tighter profit margins and unprecedented changes in global trade and geopolitical turmoil do place strain and uncertainty on U.S. producers. Although profit margins of U.S. crop producers are expected to improve compared with a year ago, they are substantially lower than the near-record levels of 2022 and their five-year average. Despite recent challenges, however, the aggregate financial health of the U.S. agricultural sector has remained relatively stable. Panel A (left) shows that the debt-to-asset ratio of the U.S. farm sector is expected to increase slightly in 2026 to 13.8% but remains near historical norms—and well below its level during the 1980s farm crisis.

Chart 1: Average profit opportunities for crop producers have been narrow alongside elevated production costs and relatively low crop prices



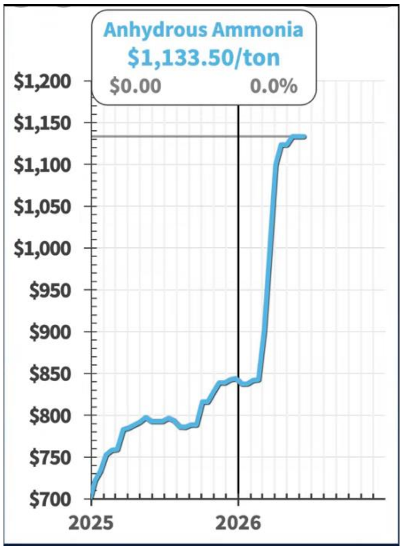


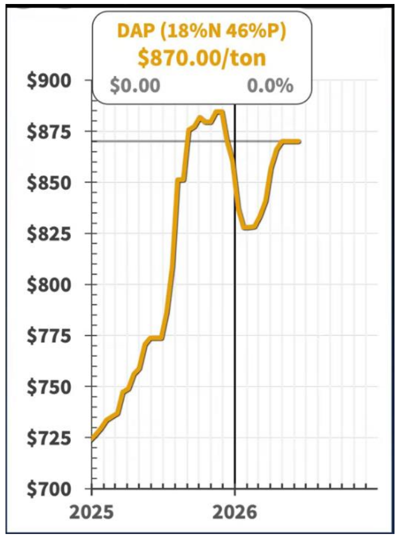
The Business of Farming—

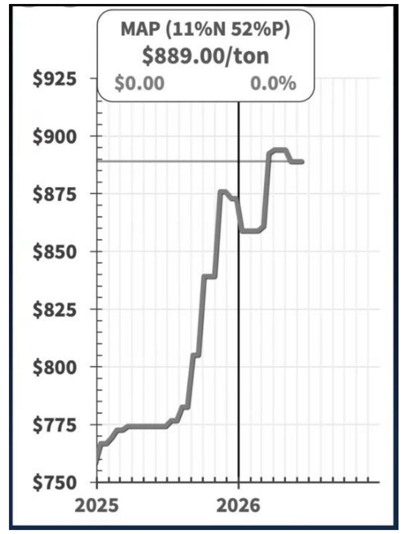
- **Crunching numbers and mitigating risk on the farm** has never been for the faint of heart. And in today's ag economy, young farmers in particular face a dizzying array of challenges including razor-thin margins, rising machinery costs and geopolitical shocks. But it turns out you don't need to be a spreadsheet genius to be a successful farmer. Instead, experts advise, you need to return to first principles. For IL soybean farmers, especially the next generation stepping into larger management roles, the challenge is to think both traditionally and differently simultaneously. Long-term profitability is still built on disciplined cost control, careful liquidity management and sober risk-taking. It also helps if you have the confidence to go against the grain when the crowd is chasing growth, expensive land or the latest shiny input without a clear return. "You operate in a commodity market… and margins in commodity markets, generally, historically have always been very thin, and I expect that to continue in the future," says Univ. of IL Farmdoc ag economist Dr. Scott Irwin. His colleague, Dr. Gary Schnitkey, says, "Cost management is key. We see large differences in cost management across [the Farm Business Farm Management (FBFM) program] grain farms, with lower-cost farms having much higher chances of profitability and financial success. If there is one reality both experts return to again and again, it's that farm finance starts with understanding the business you're in. IL soybean farmers operate in a global commodity market, so outside forces such as world events and domestic policy shifts can hit profitability fast. That's why cost control should be your first farm-finance priority. Profitability gaps between farms often come down to management of expenses, not simply gross production, Schnitkey points out. "I would suggest the emphasis should be on 'maximizing returns and not yields,'" he says. "It is quite easy to add a chemical treatment, fertilizer application or seed treatment that may contribute to yields but does not carry its weight in terms of returns." That mindset has implications all across your farm. It applies to fertility programs, pesticide passes, seed decisions, family living expenses and especially machinery, these experts say. "Our work here at the University of IL using FBFM records shows that the No. 1 predictor of profitability across farms in IL is machinery costs," Irwin says**.** That doesn't mean you should never upgrade equipment or invest in technology. It simply means right-sizing those investments based on the actual economics of the acres being farmed." They have many recommendations:
  - ✓ Liquidity and working capital deserve close attention alongside production costs.
  - ✓ Maintenance of a stable balance sheet is even more urgent if you are exploring ways to expand.
  - ✓ To smartly sell your soybeans and other commodities you raise, it's important to be clear about the game you're playing.
  - ✓ Your farm's finances also are susceptible to events beyond your control.
  - ✓ Successful transitions depend on honest conversations.

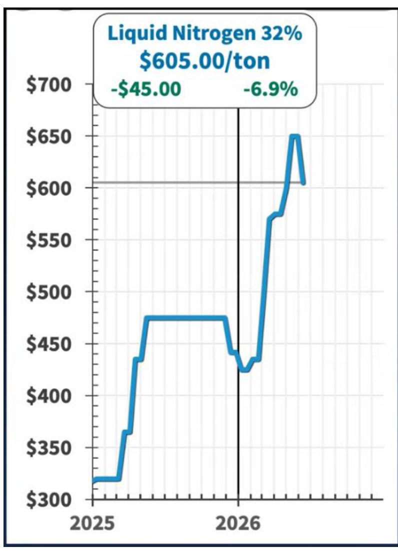
Fertilizer & Fuel Costs, Supply, and Dynamics—

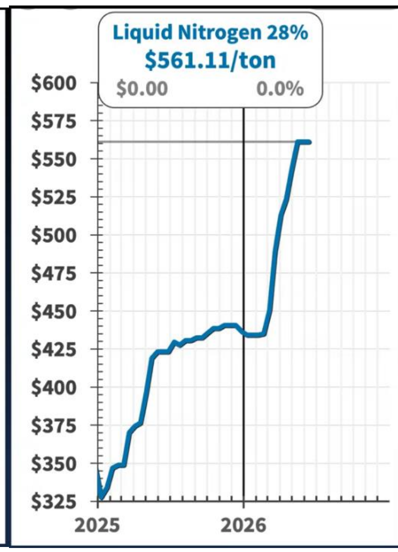
- **IL fertilizer and fuel cost report** from the IL Dept. of Ag ending June 12, 2026.

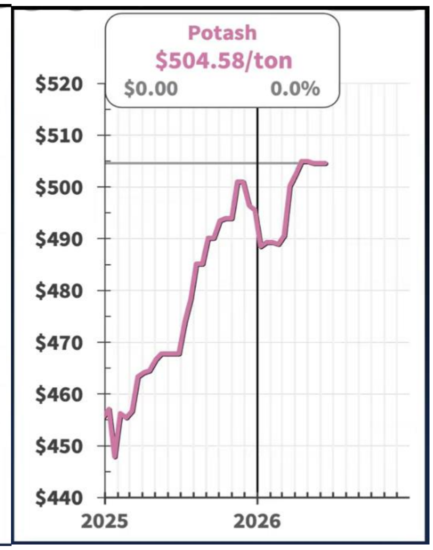


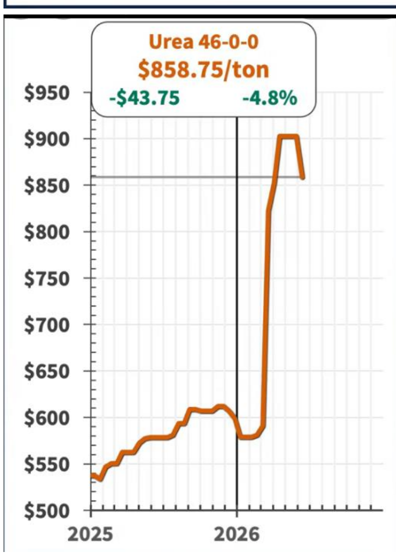


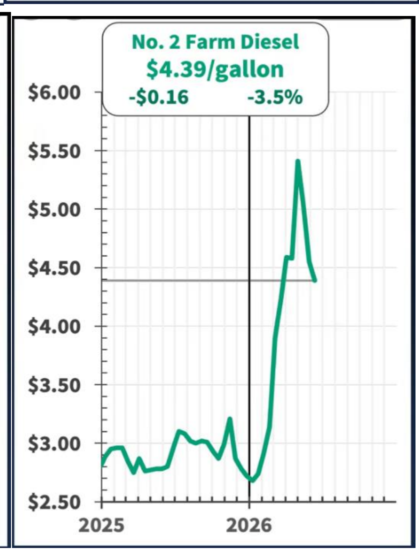












- **StoneX Fertilizer VP Josh Linville** says the markets think the war is ending.

  - ✓ **Nitrogen:** Everything in the markets is pointing to the agreement being real. However, we need to exercise caution. It would likely only take one errant attack by a small group in Iran or by Israel to disrupt the peace agreement. I think that is what vessel owners/Captains will be considering. It will be a very cautious approach…but at least they will be approaching it.
  - ✓ **NOLA urea:** values fell approximately $20 from Friday trade this morning. That equates to a roughly 5% drop. That also equates to a roughly 53% drop from the high this spring. Even with NOLA urea values dropping, the low corn price is offsetting the lower urea price. Today's values represent a ratio (number of bushels of corn to pay for 1-ton of urea) of 83.5. At the lower NOLA urea value, we would need new crop corn to rally back to $5/bushel. And that would only get it to the highest edge of the historic "normal" range.
  - ✓ **UAN:** NOLA UAN remains a MASSIVE premium to NOLA urea. So far, nothing has been seen for summer fill UAN, summer fill NH3, or fall prepay NH3 values. These are markets highly dictated by domestic manufacturers. The hope is that lower urea values will pull these programs lower than previously expected. But we have to wait and see.
  - ✓ **Phosphate:** Like nitrogen, the phosphate markets focus is likely on the peace agreement between the U.S. and Iran. If the Strait reopens, it means that sulfur exports can resume – bearish price. It means that NH3 exports can resume – bearish price. It means that Saudi Arabian finished phosphate exports can resume – bearish price. World demand has already been very low in response to the extremely high price of phosphate. Many have pointed to the demand destruction but missed the price floor. With production costs so high, if values fell, it was likely that more production would turn off. Now, if we see those input costs fall, it could make it much easier for phosphate values to fall as well. In terms of timing, we will have to see. Without a change/bearishness in the phosphate market, the fall demand expectation is that demand will plummet. Between current DAP and corn values, the current ratio is extremely close to matching/beating the all-time high set in 2008. For farmers struggling to survive financially, cuts will need to be made. Phosphate will likely be at the front of that line.
  - ✓ Potash summer fill price programs were released last week with very little change in value. Manufacturers felt that the price was already well valued. When corn (and other grain values) were higher, they were right. Unfortunately, grain values have plummeted and made decent values look poor. Today, when looking at the ratio comparison to corn, the ratio sits at 76. Removing 2021 and 2022, that would be near recent years highs. Also, to make the comparison, if corn was at $5/bushel the potash ratio would be a much more palatable 67. This is why we look at both sides of the equation.

Conservation, Environment, and Carbon—

- **Do you have a "rusty patch bumblebee"** on your farm? The US Fish and Wildlife Service, which is assisting the EPA to address endangered species, is prepared to implement its protection program for "rusty patch bumblebees." Effective July 1, 2026, the United States Fish and Wildlife Service (FWS) will designate more than 1.5 million acres of critical habitat for the endangered rusty patched bumblebee in Illinois, Iowa, Minnesota, Wisconsin, Virginia, and West Virginia. Although FWS listed the species as endangered in 2017, the agency declined to designate critical habitat in 2020 concluding at the time that doing so would be "not prudent." Following litigation challenging that decision, FWS reconsidered the issue, proposed critical habitat in 2024, and finalized the designation on June 1, 2026. The designation may affect permitting, funding, and other activities involving federal agency involvement within the designated areas. To learn more about the impact of critical habitat designations, click **here** to view NALC's ESA Manual.
- **In the past decade**, the U.S. Fish and Wildlife Service (USFWS) completed 129 wetland restoration projects totaling 2,087 acres on private land in IL. Through its Partners Program, the agency is now working with agricultural groups, including IL Farm Bureau, IL Corn and the IL Soybean Association (ISA), to expand voluntary wetland restoration efforts that improve water quality, enhance wildlife habitat and support conservation on working lands. "It's really taken off over the last 10 years, and we've been able to work with a ton of landowners to do these small wetland restoration projects on private lands," said Jason Bleich, a private lands biologist for the USFWS in IL. Bleich told FarmWeek he works with landowners who want to maximize their properties to attract wildlife, but he also works with farmers to "pinpoint wet spots and marginal acres in their farm fields" that are underperforming. Those areas can then be taken out of production and restored into wetlands, while still allowing farmers to efficiently work around them. In many cases, Bleich said, farmers can enroll those acres in farm bill programs such as the Conservation Reserve Program (CRP), which provides annual rental payments. But if CRP is not an option, taking marginal acres out of production can still benefit a farmer's bottom line. Beyond economic gains, environmental benefits are a central part of the Partners Program. Implementing wetland projects can improve water quality, Bleich said. Wetlands act as natural filters, reducing nutrient runoff before it reaches nearby streams and rivers. "Everything we do is tied to water quality," he said, adding the projects also contribute to the state's Nutrient Loss Reduction Strategy progress. "IL Soybean Association is proud to support this partnership that demonstrates Illinois farmers' commitment to practical wetlands restoration," said Kevin Johnson, ISA director of government relations and strategy. "Meaningful conservation progress requires practical and voluntary solutions for farmers, and strong public-private partnerships." State projects are currently concentrated in east-central IL, along the Illinois River and in the Quad Cities region, but could expand if USFWS "had the capacity to do so," Bleich said. Expanded partnerships are expected to help build that capacity and continue to expand the program into more areas across the state.

Farm Bill 2.0—

- **Senate Ag Committee Chair John Boozman, R-AR,** renewed his commitment to more farm aid during a committee hearing this week. Boozman says USDA's earlier $12 bil. in farm aid was a big help, but it's not enough, "I think we all realize that this is still not enough to stop the bleeding in farm country." Boozman (right) and Senate Ag Appropriations Committee Chair John Hoeven, R-ND, met earlier with House Ag Committee Chair Glenn Thompson, R-PA, on $15 bil. in possible new aid, "I remain committed to advancing the farm assistance package that Sen. Hoeven and I proposed in January. Many additional challenges have arisen to demonstrate the urgency to provide our producers, including our specialty crop producers, with more support." USDA Secretary Rollins said President Trump backed more aid during a farm event in WI, "He said at the event on Friday that he wanted to do more. And so, I think we can work arm in arm and hand in hand and across, hopefully, both sides of the aisle and get to another point where that is possible and feasible for our farmers." Bozeman claims his work on a bipartisan Farm Bill is about to bear fruit. Boozman says steep fertilizer and diesel prices, plus high labor and interest costs, continue to plague farmers, which are all reasons to update farm policy, "We have a tremendous opportunity before us to update farm policies in 'Farm Bill 2.0.' I look forward to releasing text very soon that incorporates many bipartisan measures, and just as importantly, the priorities of farmers." Ranking member Amy Klobuchar, D-MN, said recent Farm Bill talks have been positive, but GOP-led SNAP state cost sharing is still a sticking point, "I think people made it clear they're concerned about the inequity of the SNAP shifts to the states. The big error rate states getting off for 2-years and then, the entire Midwest, not." With Klobuchar hoping for Farm Bill changes once USDA issues final state SNAP error rates at the end of June. But Ag Democrats continued to complain to Secretary Rollins, the president's tariffs and Mideast war are largely to blame for lost farm income and bankruptcies. Klobuchar said, "Nationwide, Chapter 12 farm bankruptcies increased for the second year in a row, reaching 315 filings in 2025. This is a 46% increase from 2024." Sen. Peter Welch, D-VT, says farmers should not have to pay more than they're getting paid, "I am really concerned about the well-being of agriculture in this country. Our farmers create a tremendous amount of wealth. They just don't get any of it." Rollins countered the tariffs brought 19 new trade deals, cutting the Ag trade deficit nearly in half, "Corn exports are going to be record-breaking. We expect a 35% increase in volume in corn exports, dairy exports are going to be up almost 10%, sorghum is going to be up almost 100%, tree nuts up almost 11%, ethanol up at least 11%, and probably more. Wheat exports are up 8%, and soybean oil is up 129%." While Rollins told lawmakers the administration continues to push for greater domestic demand via E15 and 45Z tax credits. But Rollins admits the farm economy, with the loss of markets and high input costs, continues to face "serious headwinds." (Berns Bureau, Washington)

Farm and Commodity Organizations—

- **Congratulations to Minonk, IL, farmer Bill Leigh,** who is in the rank to become President of the National Corn Growers in 15 months. He begins as First vice president in October 2026 and will be NCGA President in Oct. 2027. "Being elected to this role by my peers is the honor of a lifetime," Leigh said. "I look forward to working alongside dedicated grower leaders and staff as we advocate for issues that are critical to the success of farmers, specifically growing and expanding demand for corn. Corn grower engagement is needed now more than ever, and I am thrilled that I will be serving on the front lines of these efforts." Leigh is a sixth-generation farmer who grows corn and soybeans in Marshall County, IL on his 150-year-old family farm. He and his wife, Debbie, have 2 sons, James, an engineer, and Christopher, who returned to the farm from service in the U.S. military. Bill went to Toluca High School and graduated from the Univ. of IL. Bill Leigh served as the 2020 IL Corn Growers Association (ICGA) President. Currently, Leigh is serving on the IL Corn Marketing Board (ICMB) representing District 4. Leigh (pictured left) closely follows Waterloo, IL farmer Kenny Hartman, (pictured right) who was NCGA President from 2024-2025.

All Things FFA—

- **The 2026 IL State FFA Convention** was everything that everyone hoped it would be.
  - ✓ **The major state officers** were installed immediately following the election and will serve the IL Association FFA for the next 12 months. Back Row: Treasurer Lane Perry of Marshall (Clark County) and the Marshall FFA Chapter; President Bryer Nelson of Canton (Fulton County) and the Canton FFA Chapter; Secretary Owen Rigg of Dahinda (Knox County) and the Williamsfield FFA Chapter. Front Row: Vice President Collin Johnson of Waverly (Morgan County) and the Franklin FFA Chapter; Reporter Haven Cash of Clay City (Clay County) and the North Clay FFA Chapter; Sentinel Levi German of Nokomis (Montgomery County) and the Nokomis FFA Chapter.

- ✓ **Illinois Star Awards** honor FFA members who have developed the organization's most outstanding agricultural skills and competencies through their Supervised Agricultural Experience (SAE). Pictured (from L to R) Ryker Beckmier, Molly McCalla, Toby Williams, Kolton Wiley. Ryker Beckmier was named the 2026 State Star Farmer from the Taylorville chapter, Molly McCalla was named the 2026 State Star in Agricultural Placement and is from the Staunton chapter. Toby Williams of the Stark Co. FFA chapter, was named the 2026 State Star in Agriscience. Kolton Wiley of the Sullivan chapter was named the 2026 State Star in Agribusiness. (All pictured below.)

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