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

Commodity market price drivers—

- **Trade developments, biofuel policy and upcoming government reports** remain the primary forces influencing U.S. grain markets as producers head into the heart of the growing season. Market analysts say uncertainty surrounding export demand, renewable fuel policy and crop production estimates continue to create price volatility for corn and soybeans. USDA's new Regenerative Feedstock Rule and President Donald Trump's executive order supporting regenerative agriculture have renewed attention on potential long-term demand for crops used in ethanol and biodiesel production. Pro Farmer reported Friday that grain futures remained cautious as investors weighed favorable growing conditions against uncertainty over the upcoming data release. Analysts say weather, exports and federal energy policy will likely continue driving grain prices through the summer. Currently, grain traders are positioning for one of the most closely watched government report releases of the year as USDA prepares to issue its Planted Acreage and Quarterly Grain Stocks reports on Tuesday. Market analysts say the reports could significantly influence corn, soybean and wheat prices by providing updated estimates of planted acreage and remaining grain supplies. A recent survey by Kluis Commodity Advisors and Successful Farming suggested farmers planted more corn acres and fewer soybean acres than USDA projected in March, potentially affecting market expectations. Futures traded cautiously Friday as investors balanced favorable crop weather with anticipation ahead of the June 30 reports. Analysts say the reports traditionally create heightened market volatility because they often reshape production and supply expectations entering the critical summer growing season. Weather forecasts and export demand also remain key factors influencing grain prices. (NAFB reporting)

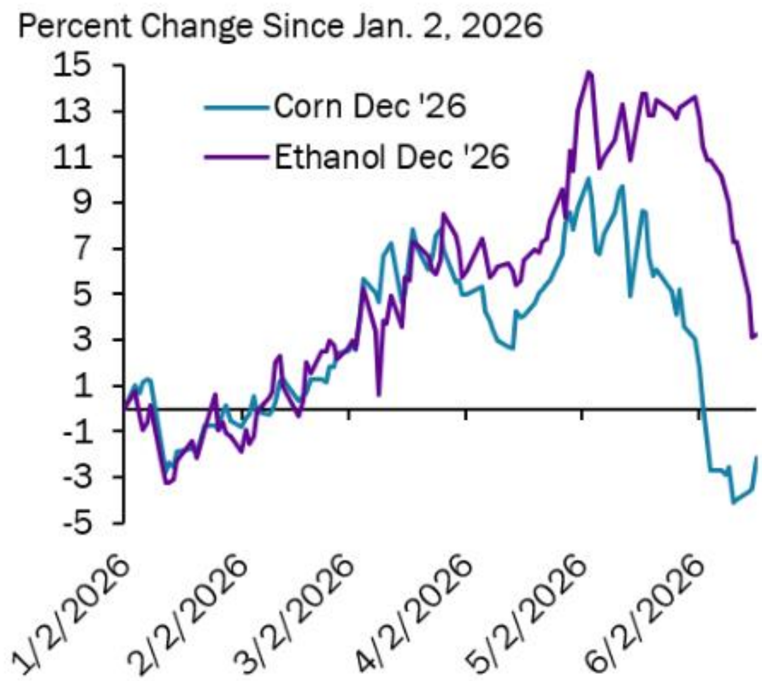
Farm Economy---

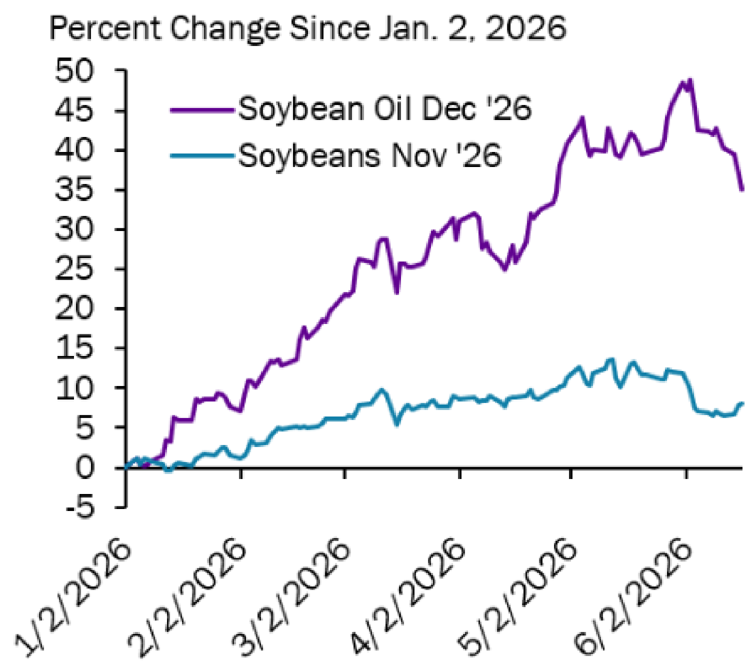
- **The June 2026 Rural Mainstreet Index rose to 52.6,** its highest reading since July 2023 — the first time the index has crossed above growth neutral in 4 months. Creighton University's Ernie Goss reports, "The overall index was 52.6, highest reading since July 2023. But he quotes bankers as saying the pressure isn't over. Goss cites improvement in the Iran War situation--including possible peace talks--as one reason for the index's bounce. Another factor involves improved trade conditions. "Some of it is just due to improved trade numbers," said Goss. "We're seeing trade looking somewhat better. For example, some of the expansions in China, we're seeing some growth there, but still, not back to our 2024 lows on our trade with China." Data from the International Trade Association indicates regional exports of agriculture goods and livestock for the first four months of this year climbed by 4.8% to $3.86 bil., compared to that same time period in 2025." June 2026 Rural Mainstreet Index highlights:

  - ✓ **Overall index:** 52.6, highest reading since July 2023
  - ✓ **Tariffs:** 41.9% of bankers name lower global tariffs as top federal priority
  - ✓ **Cash rent:** $251/acre, nearly flat from $250 in 2022
  - ✓ **Farm equipment sales:** 34th consecutive month below growth neutral
  - ✓ **Farm and ranchland prices:** Above growth neutral for the second consecutive month
  - ✓ **Weak grain prices** cited by 56.6% of bank CEOs as the top factor constraining farming financial conditions.
  - ✓ **Elevated agriculture input costs** spilling over into rural business operations.
  - ✓ **47.8% of bankers** report that farmers' financial positions had deteriorated from 2025 to 2026.

  But Goss says ITA data also indicates the regional export of agriculture goods and livestock to China is still lower than 2 years ago. "When we look at what we're selling in agricultural goods in China," he said, "it's still down about 68% compared to the same period in 2024. We've improved over 2025 numbers. Again, when you compare it to 2024, we've still got a long way to go, particularly on soybean and pork. Pork could be a number 2 product there." Goss says the Trump Administration's tariffs, coupled with the continuing Iran conflict, are still driving up farmers' costs. "What's going on there with the Straits of Hormuz," said Goss, "that's pushing up commodity prices. For example, fuel. Diesel fuel has come down, of course, but we'll have to wait and see what happens there. The cost of lubricants, the cost of anything like fertilizer costs, the inputs that farmers and ranchers have to purchase, those are being pushed up. So, it's putting a real squeeze on the farmer." For the second straight month, the farm and ranchland index increased from 50.1 in May to 55.3 this month. Farm equipment sales also increased slightly to 28.9 this month, up from May's 18.2. It's the 34th straight month that index has fallen below growth neutral.

- **Differences in the path of prices for corn and soybeans** in the first half of 2026 have been, in part, due to different stages of development in their respective biofuel markets. [That is the analysis of the Kansas City Federal Reserve ag economics staff.](#) Following a rally with the onset of conflict in the Middle East, the price of corn has fallen to a level slightly below the start of the year. The well-established role that corn plays in ethanol production creates significant co-movement with ethanol prices and, by extension, oil prices. In contrast, the price of soybeans has increased at a relatively modest and stable pace since January. With large increases in mandated biofuel production for 2026 and 2027, biomass-based diesel production capacity is expanding. Domestic soybean processing has been further bolstered by higher energy prices supporting soybean oil coupled with strong demand for its byproduct soybean meal as animal feed. While favorable planting conditions and substantial carryover from previous large harvests put downward pressure on both crop prices in late spring, expanding biomass-based diesel production likely prevented a steeper decline in the price of soybeans. (Note: Panel A (top) depicts the percent change in the daily price from January 2, 2026, for December corn and ethanol futures. Panel B (bottom) depicts the percent change in the daily price from January 2, 2026, for November soybean and December soybean oil futures.)



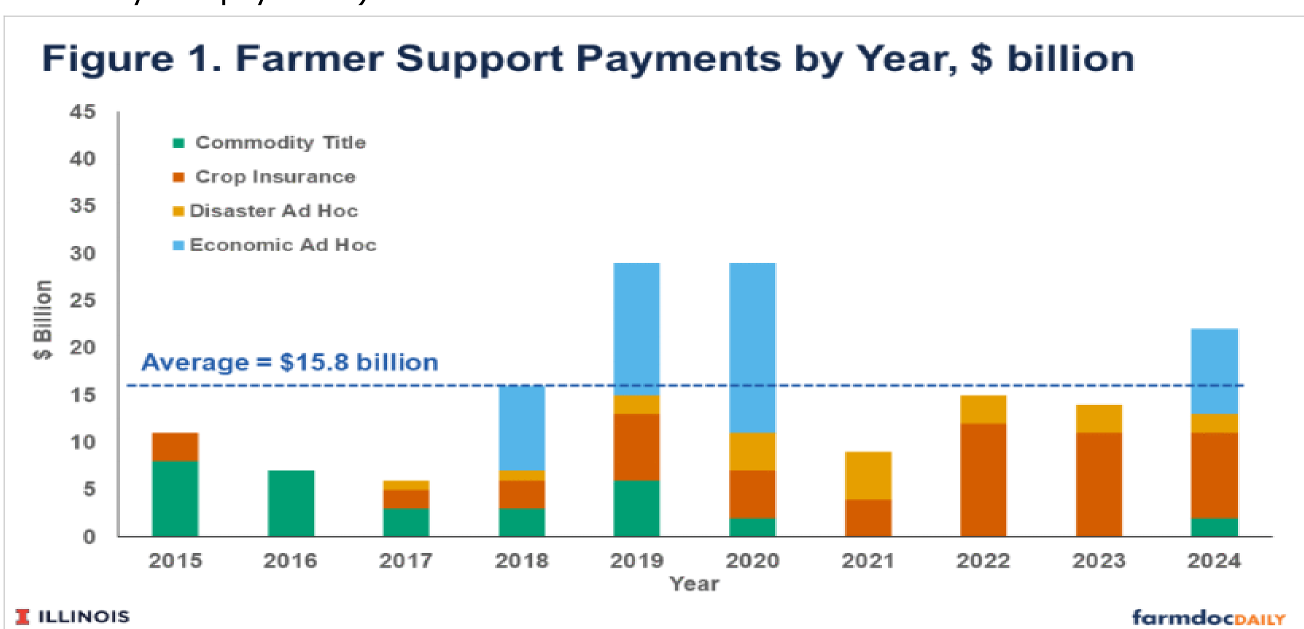


The Business of Farming—

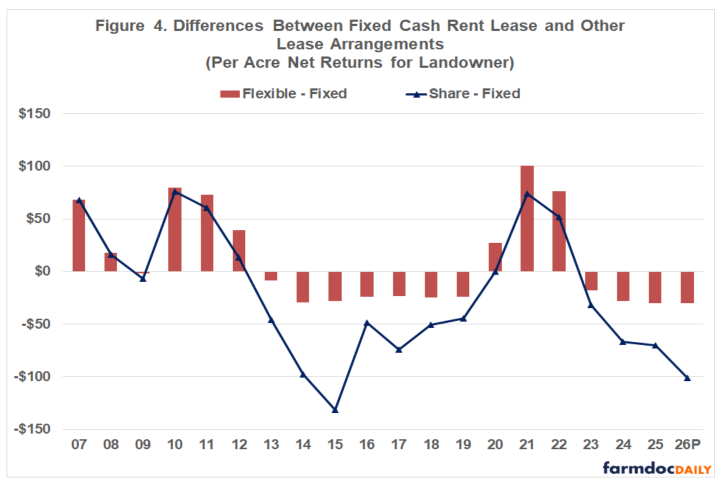
- **What is the difference between** high profit and low profit IL farms in the past 20 years? [Brad Zwilling of Farm Business Farm Management] analyzed the data from nearly 5,000 farms throughout IL**.** Farm size seems to be a contributing factor to the profitability as the higher profit farms were larger, generally from 275 to 500 more acres. depending on the period and the region in the state. The larger farms can spread their labor and machinery costs over more acres contributing to lower costs per acre and higher profitability. When looking at the 20-year average the largest difference in tillable acres is in southern IL with 493 more acres for higher profit farms, while the smallest difference was for the central IL farms with the lower soil rating with 273 more acres. The higher profit farms generally had higher corn yields. For the most recent 20-year period, the higher profit farms had higher corn yields ranging from 9 bu. per acre more in northern IL to 14 bushels per acre more in southern IL. The higher corn yields were a main factor for crop returns being $102 per acre in central IL with higher rated soils to $125 per acre higher in southern IL for the higher profit farms for the 10-year average from 2006 to 2025. For the 2006 through 2025 average, higher profit farms had a lower percent of their tillable acres planted to corn, except in southern IL where higher profit farms had 1% more of their tillable acres planted to corn.
    - ✓ Crop costs on average made up about 28% of the total non-feed costs for the 2006 to 2025 20-year average. This cost was $35 to $44 per acre less for the different regions for the 2006 through 2025 average for higher profit farms. The largest share (30%) of expenses was power and equipment costs. They ranged from $37 to $45 per acre less for the 20-year average comparison. The next largest expense category was land costs at 14%. Of these 3 main costs, land costs varied the most among regions, going from $8 per acre less in southern IL to $32 per acre less in central IL with the higher soil ratings. Total non-feed costs for the most recent 20-year average ranged from $109 less in southern IL to $145 per acre less in northern IL.
    - ✓ Economic management returns are calculated by subtracting interest on equity capital and unpaid labor charges from accrual net farm income. Higher crop returns, combined with lower economic costs per acre, produced significantly higher management returns for the more profitable farms. For the 2006 through 2025 average, management returns were $232 to $258 per acre higher for higher profit farms.
    - ✓ Many factors contribute to some farms being more profitable than other farms. A few of these factors, such as weather, farm operators cannot control. However, many factors, such as crop and machinery costs, operators can control. As in past studies of this type, not one single factor is the main contributor to the difference in profitability, but many factors are put together. Over the last 20 years we have had 2 periods of record high incomes, but overall, the main characteristic of a higher profit producer is lower costs. Careful analysis of your farm business records on at least an accrual adjusted basis over time can help individual farmers look at their own trends to help find ways to work toward higher profitability.

Mailbox Money and Farm Program Payments—

- **The White House is seeking $11.1 bil. in emergency assistance for farmers** within a broader $87.6 bil. supplemental request. Linked to war funding: The package is primarily aimed at replenishing Pentagon resources for the Iran conflict, making the farm aid part of a politically complex proposal. With the prospect of more money flowing to farmer bank accounts through the Senate's version of the Farm Bill, Univ. of IL Farmdoc ag economists began calculating federal financial support to farmers over the past 10 years. "From 2015 to 2024, $15.8 bil. per year was provided to U.S. farmers, with substantial year-to-year variability. Slightly over one-half of this support came from standing programs offered through the Commodity Title of the Farm Bill and crop insurance. Slightly less than one-half came through ad hoc programs. Changes made to commodity title and crop insurance programs in the One Big Bill Act will increase potential support from those programs starting with the 2025 crop year. Whether those changes will reduce the need for future ad hoc payments, shifting the balance of total support back to standing programs, is an open question. Overall, economic ad hoc programs were associated with only four years: 2018, 2019, 2020, and 2024. However, over the entire ten-year period from 2015 to 2024, economic ad hoc payments averaged $5.0 bil., or 32% of farmer support. Overall, ad hoc economic programs provided a large amount of support, and their payments magnitude could continue into the future. In 2025, for example, the Farmer Bridge Assistance (FBA) program made another round of economic ad hoc disaster assistance. While annual support across the 4 categories of programs discussed in this article have averaged $15.8 bil., farmer support has varied by year (below). The highest level of program support across these four categories was associated with 2019 and 2020, when $29 bil. was provided. In 2019, much of this was economic ad hoc assistance in the form of MFPs. In 2020, much of it was ad hoc economic disaster assistance in the form of pandemic-related (CFAP) payments. The lowest years in terms of total support were in 2017 ($6 bil. across commodity title, crop insurance, and disaster assistance) and 2016 ($7.4 bil. mainly from commodity title payments).



- **Farm operators and landowners probably agree** it is never too early to begin working on details for the next year's lease. The only unknown is the outcome of the current lease, and from one year to the next there is no guarantee that one leasing arrangement will be the best for both sides of the agreement. Purdue ag economist Michael Langemeier submitted a [Farmdoc analysis]() comparing 4 different arrangements, based on a farm in West Central IN, likely comparable to central IL.
  - ✓ "With the crop share lease the landlord received 50% of all revenue (crop revenue, government payments, and crop insurance indemnity payments).
  - ✓ In addition to providing the land, the landowner paid 50% of seed, fertilizer, and chemical (herbicides, insecticides, and fungicides) expenses as well as 50% of crop insurance premiums. The case farm participated in government programs (e.g., ARC-CO and PLC programs) and purchased 85% revenue protection coverage.
  - ✓ The flexible cash lease arrangement used a base cash rent that was 90% of fixed cash rent. In addition to the base case rent, the landowner received a bonus of 50% of the revenue above non-land cost plus base cash rent if revenue exceeded non-land cost plus base cash rent.
  - ✓ All cash and opportunity costs, except those for land, were included in the computation of non-land cost.
  - ✓ Differences between the fixed cash rent lease and the other two leasing arrangements are illustrated in Figure 4. What about differences in the potential net returns for the 3 crop leases in 2027? Early projections for 2027 show a potential bonus for the flexible cash rent lease of $0. The crop share lease is also projected to have lower net returns than both the fixed cash rent lease and the flexible cash rent lease. Continued high input prices and relatively low crop prices are adversely impacting potential net returns for crop share and flexible cash rent leases. Of course, the projections for 2027 are sensitive to income and cost budget assumptions. The average net returns to land from a landowner's perspective were similar among the three lease arrangements. The flexible cash lease mimicked the ups and downs of the crop share lease. However, the upward and downward spikes for the flexible cash lease were less pronounced than those for the crop share lease. Choosing among the leases depends on a landowner's desire to capture improvements in crop share revenue and ability to withstand downside risk. The crop share and flexible cash leases allow landowners to more fully capture annual improvements in crop revenue but also increase the probability of downward movements in annual net returns.



Conservation, Environment, and Carbon—

- **In concert with ethanol tax credits and 45Z biofuel regulations,** the National Corn Growers Assn. told the Trump administration, "We appreciate the recognition of the value biofuels provide for our country's energy supply and security. For decades, corn farmers have provided a renewable, domestically produced energy source for our nation's drivers and we are ready to provide even more for many years to come. We also appreciate the administration's recognition that farmers have always cared for their land. This is true of every farmer I know. As noted by USDA, it's also true we have for years embraced many practices that are considered regenerative, with nearly 70% already implementing at least one practice. Thanks to wide-scale adoption of precision agriculture tools by corn farmers, we are more efficient and effective with our resources than ever before. We welcome further investment in this space that will continue our ability to efficiently produce food, fuel and fiber for our world. We additionally welcome expeditious EPA reviews of new pesticide products that will continue supporting our efforts. Corn growers have been and continue to be open to ongoing dialogue and engagement on this important topic, and we look forward to closely reviewing the Regenerative Feedstock Rule." →
- **USDA has released agricultural rules** that enable corn and soybean farmers to qualify for biofuel tax credits. IL Corn Exec. Dir. Rod Weinzierl says the Energy and Treasury Departments are expected to be in lockstep. The rules will be in effect for corn delivered to ethanol plants in 2027, and when all rules are in place, some 2026 corn may also qualify. Soybean production will also qualify for biodiesel production tax credits that will work their way down from biofuel users through refiners and eventually to farmers. This has been a long time in coming. Weinzierl's detailed explanation is in this 12-minute video. →
- **National Corn Growers went another step. "**For decades, corn farmers have provided a renewable, domestically produced energy source for our nation's drivers and we are ready to provide even more for many years to come. We also appreciate the administration's recognition that farmers have always cared for their land. This is true of every farmer I know. As noted by USDA, it's also true we have embraced for years many practices that are considered regenerative, with nearly 70% already implementing at least one practice."
- **The American Soybean Assn. is also pleased** with the new biofuel regulations and policy. "ASA applauds USDA for finalizing the Regenerative Feedstock Rule, which will unlock a new premium soybean market by empowering farmers to produce value-added biofuel feedstocks using on-farm conservation practices," said Scott Metzger, ASA President. "Domestic markets, bolstered by biomass-based diesel industry expansion, improve basis and expand a reliable, local customer base for our soybeans. The domestic biomass-based diesel industry is poised for significant growth this year, with expanded capacity to process an additional 140 million bushels of soybeans expected by the 2026 harvest.

Farm Bill 2.0—

- **Calling it the "Agricultural Act of 2026,"** Senate Ag Committee Chair John Boozman, R-AR, released his Farm Bill discussion text last week. Boozman said it's "built for farmers, ranchers, and producers." It improves existing commodity, dairy, standing disaster, and crop insurance programs, while expanding opportunities tailored to the unique needs of specialty crop producers. The legislation also streamlines and strengthens conservation programs and bolsters Buy American requirements across nutrition programs. There is support for rural communities, including improved access to USDA Rural Development programs and private capital. The bill is also "built for the future" as it modernizes farm loan programs, more than doubles the funding for the Market Access and Foreign Market Development programs and defends the security of U.S. agricultural land from foreign ownership. It also enhances the Farm and Ranch Stress Assistance Network to expand access to critical mental health care in rural communities.
- **Some of the initial reaction came from the National Corn Growers,** which saw some potential issues. "We appreciate Chairman Boozman's effort to advance farm bill legislation in the U.S. Senate. Corn growers continue to call for this effort to be bipartisan and to ensure USDA programs become more effective, efficient and responsive through long-lasting policy enhancements. NCGA and our affiliated state associations are actively reviewing the documents released today, and we look forward to providing input. As the process moves forward in the Senate Committee on Agriculture, Nutrition, and Forestry, NCGA will continue to advocate for policies that reflect corn growers' priorities. "While this Congress has few legislative days left, there is still a lengthy to-do list for agriculture, including action on the farm bill, securing Senate passage of year-round E15 and the renewal of the U.S.-Mexico-Canada Agreement. Corn growers from across the country will be in Washington, D.C., the week of July 13 to advocate directly with members of Congress on these priorities." And the American Soybean Association also noticed the politics. "ASA is hopeful this discussion draft will facilitate bipartisan negotiations to secure a pathway toward final passage in the Senate."
- **Controversial CA Prop 12 was not addressed in the Boozman proposal.** Boozman says the committee votes aren't there yet to restrict CA animal confinement standards, "We're going to need more votes in order to get this passed on the floor. I'm personally for it. I think the pork producers don't gain anything if you have a vote and it's just a party-line vote." More than 300 farm groups have asked Senate Ag Committee to follow suit after the House passed a Farm Bill that restricts Prop 12 from impacting how hogs and other livestock are raised in other states. CA represents 12% of the pork market, so producers don't have a choice between doing business in CA or not. The Supreme Court ruled it was up to Congress to address Prop 12 and its impact on how pork and other livestock is raised outside CA for sale in that state. (Berns Bureau Washington)

Agribusiness—

- **The Supreme Court** ruled that one lawsuit, not hundreds per state, should be the process in resolving glyphosate health complaints against Monsanto and Bayer. The Supreme Court ruled that federal pesticide law limits certain state-based lawsuits alleging pesticide makers failed to warn users about health risks not recognized by federal regulators. The Court sided with Monsanto in a case involving Roundup herbicide. The lawsuit was brought by Missouri resident John Durnell, who claimed the company failed to warn consumers about a cancer risk associated with glyphosate and was awarded $1.25 mil. under state law. The Court found that the Federal Insecticide, Fungicide, and Rodenticide Act, known as FIFRA, prevents states from imposing labeling requirements that differ from those approved by the EPA. The case centered on whether plaintiffs can sue pesticide companies in state court if they don't warn of health effects that go beyond those formally recognized by the EPA. The ruling is expected to have significant implications for future pesticide litigation and could provide greater legal certainty for manufacturers operating under federally approved labeling standards. And with that, the responses flooded forth from individuals, organizations, and a raft of others weighing in.
  - ✓ **IL Stewardship Alliance**: "The decision represents a setback for transparency and accountability at a time when many farmers are seeking greater access to information about the products they use and the risks they may pose. This decision moves us in the wrong direction."
  - ✓ **The American Soybean Assn**. is praising a U.S. Supreme Court ruling that federal pesticide labeling requirements take precedence over state failure-to-warn claims. "Farmers depend on clear, consistent labeling and a uniform regulatory framework to use pesticides safely and responsibly," ASA said in a statement. The organization added that the decision reaffirms the role of science-based regulation in pesticide oversight.
  - ✓ **National Corn Growers Assn.** said, "Today's decision reaffirms that FIFRA is the law of the land and states cannot add undue and unproven requirements not backed by science. Without today's decision, pesticide manufacturers could have been forced to manage state-based labels that contradict federal findings for all products in all 50 states, which would likely have led to increased costs, reduced product availability for farmers and diminished innovation."
  - ✓ **The IL Soybean Assn**. said, "Farmers rely on clear, consistent pesticide labels and predictable rules to make informed decisions," said IL Soybean Board Chairman, Bryan Severs. "The Court's ruling provides clarity on federal pesticide regulation and the role of EPA-approved labels. EPA has concluded that glyphosate, when used according to the label, does not pose a cancer risk. State-level requirements that differ from science-based EPA-approved labels can create confusion, weaken confidence in the regulatory process, and limit farmers' access to important crop protection tools."

- **Central IL soybean farmers** have a stronger market for their crop with the doubling of the size of the Incobrasa crushing plant at Gilman. The $250 mil. project, celebrated with a June 22 ribbon-cutting, includes a 170,000-square-foot facility to meet the growing demand for Incobrasa's soybean crushing services. The new plant can process nearly 100 mil. bu. of soybeans annually, converting soybeans into soybean meal used for animal feed and soybean oil that may be refined into biodiesel and other renewable fuel products. "Incobrasa's new crush plant is the single largest extraction process in the country," said Kerry Fogarty, quality control manager at Incobrasa, at the June 22 ribbon cutting. "Requiring 300,000 bushels per day, it will provide a stable market for 7,000 local family farms. By producing oil for biodiesel production and soy protein for animal feed, the process will reduce greenhouse gas emissions and lower the cost of food. It is a great win for the people of IL."

- ✓ Details, presentations, and ribbon cutting are on this 17-min. video.
- ✓ The Backstory on Incobrasa's plant and location at Gilman are on this 5.min. video.
- ✓ The Incobrasa expansion helps the IL soybean economy says ISA chm. Bryan Severs.