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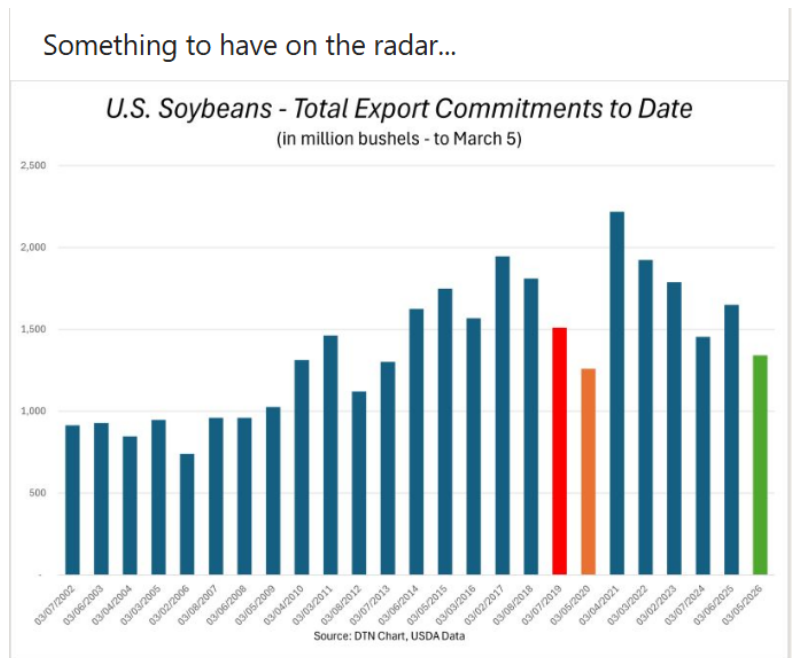


A weekly Cornbelt digest of marketing, economic, agronomic, and management information.

Commodity market price drivers—

- **U.S. grain prices have surged** since the Iran war began, triggering a flurry of corn and soybean sales by farmers who stored last year's harvests due to weak prices, [reports Reuters](#). Since the U.S. and Israel attacked Iran, farmers across the Midwest have capitalized on climbing prices by selling corn, soy and wheat from storage bins to ethanol producers and major traders including ADM and Bunge. Growers also raced to sign contracts to pre-sell crops they have not yet planted and expect to harvest this year. The rally was a welcome surprise for farmers and allowed many to lock in modest profits to cover soaring fertilizer, chemical and seed bills, though they said the gains were not enough to end a downturn in the agricultural economy. Dave Kestel, a farmer in Manhattan, IL, said he sold about 40% of the corn and soybeans he harvested last year and roughly 10% of what he expects to harvest in 2026. Soybean futures touched a May 2024 high above \$12 per bu. on the Chicago Board of Trade on Thursday. Corn futures reached the highest point since May 2025 this week, while wheat set the highest level since June 2024. "We are basically filling all of our grain elevators in North America and in South America as we speak," Julio Garros, Bunge's chief operating officer, said during an investor event on Tuesday. The gains were generally enough to allow farmers to make money, though break-even levels vary, said Angie Setzer, partner at advisory firm Consus Ag Consulting. "When the market rallied big, it provided a lot of opportunities that they had been waiting for," said Setzer, whose customers sold corn, soybeans and wheat. As of December 1, growers were storing 14% more corn on farms than a year earlier and 2% more soybeans, USDA data show. The next Grain Stocks report will be with the Prospective Plantings Report Mar. 31.

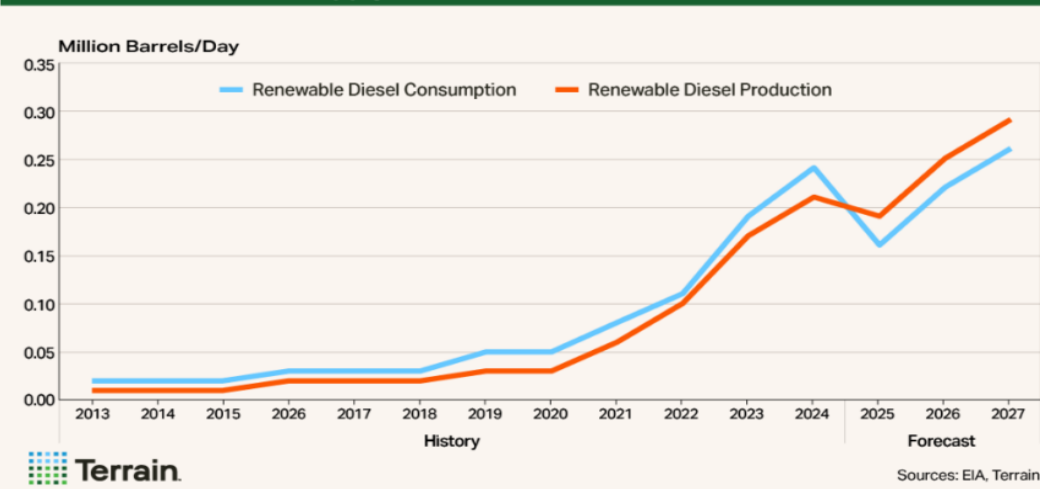
- With word that Cargill has halted soybean exports from Brazil to China** (temporarily) due to quality concerns, [it would make sense that demand for U.S. soybeans may rise](#). Especially if the primary reason is the soybean quality downgrade in Brazil that was being reported on -- from the wet harvest conditions and delays. The market certainly seems to think there could be something to it as May soybean futures just set a new contract high on the CME. This is a look at the soybean export commitments to date (accumulated exports plus outstanding sales) -- compared to the past 25 years at the same point of the marketing year. What is important to notice is that the current level already exceeds that of the 2019-20 season by 82 mil. bu., with total exports that year ending up at 1.683 bil. bu. USDA's current estimate of 2025-26 exports is 1.575 bil. bu. or 108 mil. bu. less. Should the pace of U.S. export commitments pick up due to quality issues with this year's Brazilian soybean crop, the data suggests exports could easily be underestimated by 190 mil. bu. or more. With the current soybean ending stocks estimate of 350 mil. bu. and record crush needing to be maintained to supply soybean oil for biofuel production (amid soaring energy prices), a decline to 160 mil. bu. of ending stocks would be quite problematic.



- “U.S. Treasury Secretary Bessent,** Trade Representative Greer and China’s Vice Premier He Lifeng spent the weekend in Paris preparing for a Beijing meeting at the end of the month between Trump and XI [to resolve a wide range of trade issues](#). They are expected to focus on shifting U.S. tariffs, the flow of Chinese-produced rare earth minerals and magnets to U.S. buyers, American high-tech export controls and Chinese purchases of U.S. agricultural products, primarily soybeans. U.S.-China trade analysts said that with little time to prepare and Washington's attention focused on the U.S.-Israeli war with Iran, prospects for a major trade breakthrough are limited, in Paris or at the Beijing summit. Trump may want to come away from Beijing with major Chinese commitments to order new Boeing aircraft and buy more U.S. liquefied natural gas and soybeans, but to get that he may need to offer some concession on U.S. export controls. Trump and Xi could potentially meet 3 other times this year. China also agreed to buy 440 mil. bu. of U.S. soybeans during the 2025 marketing year and 920 mil. bu. in the 2026 season, which will start with the fall harvest. U.S. officials, including Bessent, have said that China has so far met its commitments under the deal, citing soybean purchases that met initial goals.

- **Biofuels, especially renewable diesel,** have become a major driver of U.S. soybean oil demand, says [Terrain Ag commodity analyst Bree Baatz](#). Renewable diesel stands out for its chemical similarities to petroleum-based diesel and ability to replace fossil diesel one-for-one (unlike biodiesel, which requires additional blending). This makes it an ideal candidate for use by large states that involve heavy transportation, and a win for the farmers who grow crops for the feedstocks — especially soybeans. Between 2022 and 2024, renewable diesel consumption almost doubled before collapsing in 2025 [because of uncertainty around federal biofuel tax credits, feedstocks and producer eligibility](#). The switch from a blender’s to producer’s tax credit, along with a lack of guidance from the Treasury and IRS, has caused widespread disruption to renewable diesel production. In 2025, production declined 10% from 2024, according to the Energy Information Administration (EIA), idling plants. Fortunately, biofuel policies should become somewhat clearer in

U.S. Renewable Diesel Supply and Demand



2026. The Environmental Protection Agency (EPA) is expected to issue final Renewable Volume Obligations (RVO) in the coming weeks, including clarification on whether imported fuels and feedstocks receive 50% RIN (Renewable Identification Number

credits tied to biofuel production). More clarity is also expected on the treatment of past and future small refinery exemptions (SREs) — waivers that have historically reduced overall volume blend obligations. The Treasury and IRS issued [proposed regulations for 45Z](#) in February and affirmed that the maximum \$1 per gallon clean fuel tax credit ([as outlined in the One Big Bill Act](#)) will apply to fuel produced in the U.S. from January 1, 2025, and sold by December 31, 2029. This is only a proposal, and next steps include a public hearing on May 28. The American Soybean Association estimates that soybean-based credits will double based on the removal of the Indirect Land Use Change penalties, with the renewable diesel fuel tax credit increasing from 20¢ per gal. to 40¢. This change will help shift demand back toward domestically produced feedstocks like soyoil. States can also have their own biofuel tax credit policies, which can differ from federal policy but can be stacked with 45Z. The biggest winners will be farmers who are located near both soybean crush plants and the renewable diesel plants that rely on soyoil from those local crush plants as the primary feedstock. If federal and state policies move toward alignment and prioritize domestic feedstocks, the U.S. is positioned for stronger crush demand in the latter half of 2026 and beyond.”

- **Export Sales data from Thursday** brought the marketing year corn export commitments to 2.62 bil. bu., which is 32% larger than the same period last year. That is 79% of USDA's export number and near the 80% average pace. Shipments at 1.64 bil. are now 50% of USDA's number and running ahead of the 43% average pace.
- **Corn basis levels** across much of the Eastern Cornbelt have remained relatively steady in recent weeks, while soybean basis has shown greater volatility across the region, according to a new market update from Purdue University's Center for Commercial Agriculture. As grain markets transition to May futures contracts, local corn bids have held firm in many areas, with particularly strong basis levels reported in parts of IN and OH. Soybean basis, however, has varied widely between regions, with some districts experiencing weaker bids as processors adjust demand. The report notes that ethanol plants have continued to offer competitive premiums for corn relative to nearby elevators, supporting local cash prices in some markets. At the same time, soybean crush plants have softened bids in several areas, contributing to the uneven soybean basis environment. Agricultural economists say tracking local basis remains critical for marketing decisions because regional demand from ethanol plants, processors and exporters can create significant differences in cash grain prices.
- **Ending stocks for corn, soybeans, and wheat** were left unchanged in the March World Agricultural Supply and Demand Estimates report, called a "non-event" by some analysts. There were no changes to the 2025-2026 U.S. corn outlook relative to last month. The season-average corn price is unchanged at \$4.10 per bu. The biggest change was in global coarse grain production, which was forecast to be 2.7 mil. tons higher at 1.593 bil. The U.S. soybean supply and use projections included increased imports and crush, and unchanged ending stocks. Soybean imports and crush were raised by 5 mil. bu. The season-average soybean price is unchanged at \$10.20 per bu. There were no changes this month for the 2025-2026 U.S. wheat supply and use categories. The season-average farm price is up a nickel to \$4.95 per bu. on NASS prices reported to date and price expectations for the remainder of the year. The next report of substance will be Acreage and Stocks Mar. 31.
- **Now entering its fifth year**, the Russia-Ukraine war has so far failed to derail grain production in either country. Yet behind resilient harvest figures, farmers on both sides of the front line are increasingly paying the price — through rising fiscal pressure, labor shortages, energy disruptions, and growing logistical risks, as the conflict shows little sign of easing and new fronts of economic strain continue to emerge. In Russia's grain industry, a widening gap has emerged between the narrative promoted by government officials and the assessments of farmers and independent analysts. For the last 4 long years, Ukrainian agriculture has been in survival mode, and though the grain industry is not in immediate danger, the overall picture is worrying.

Farm Programs and Mailbox Money—

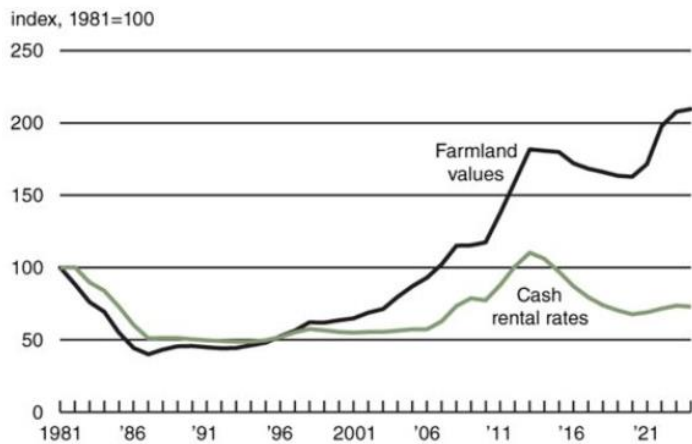
- **The USDA has already allocated over \$6 bil. in payments** under the Farmer Bridge Assistance Programs. Payment rates for specialty crops under the program are due in early April. “I believe we’ll have those payment rates in place by early next month,” Deputy Ag Secretary Stephen Vaden told Politico. “We’ll publish those payment rates as soon as we have them, and then quickly get going on the payment part of it.” He added that sugar beets, cotton, and rice are the commodities in the most financial distress because of their high production costs and trade issues. In fact, because of those issues, Senate Ag Chair John Boozman recently told Bloomberg that he’s calling for new federal aid to farmers in the wake of a spike in gasoline, diesel, and fertilizer prices resulting from the military action against Iran. “I think they’re definitely going to need more assistance,” Boozman said.

Land Prices, Farmland Issues, and Data Centers—

- **How widespread is the opposition** from people who don’t want farmland converted to data centers, are concerned about the water use from those facilities, oppose taxpayer subsidies for data centers, or a combination of those 3 complaints? It is so much so that [nearly one in four states](#) have considered moratorium legislation on new data centers, [according to Good Jobs First](#), a nonprofit organization that tracks government subsidies, actions that it considers corporate misconduct, and government subsidies. Good Jobs First cited legislation in 12 states that could impede data center expansion. The states, which represent both Republican and Democratic-led areas, are looking at a series of restrictions that could enact a moratorium on data center projects. In some cases, the moratorium would not take effect if the legislature took additional action in other areas that could be impacted by the presence of a data center. Opposition is rising in:
 - ✓ GA: Bans most new data center projects until March 1, 2027.
 - ✓ MD: Prohibits new data center projects unless General Assembly also approves legislation for “co-location” with new or existing energy sources.
 - ✓ MI: Moratorium on new data centers and temporary pause on state incentives for data centers.
 - ✓ MN: No new data center permits until 1 yr. after a state-wide plan is adopted.
 - ✓ NH: No new data center construction for a year, pending environmental study.
 - ✓ NY: Creates a statewide moratorium on data centers, pending energy considerations.
 - ✓ OK: Sets a moratorium on new data centers until Nov 2029, requiring comprehensive plan on water, power, utility rates, property values.
 - ✓ SC: No new permits, approvals, or incentives for data centers until January 1, 2028.
 - ✓ SD: Forms a 1-year moratorium pending impact study on energy requirements.
 - ✓ VT: Temporarily banning new data centers until July 1, 2030.
 - ✓ VA: Local permission is banned until impact on power grid is known.
 - ✓ WI: Statewide moratorium without legislative approval requiring study on impact of energy and water requirements are known.

- **“What’s really driving farmland prices,”** rhetorically asks farmland value specialist [Randy Dickhut, a member of the economics team at Agricultural Economics Insights](#). “Income versus Appreciation? Income generated from an acre of farmland or the potential appreciation over the years? Income or rent from farmland has not kept up with the steep rise in land prices experienced

Indexes of Seventh District farmland adjusted by PCEPI



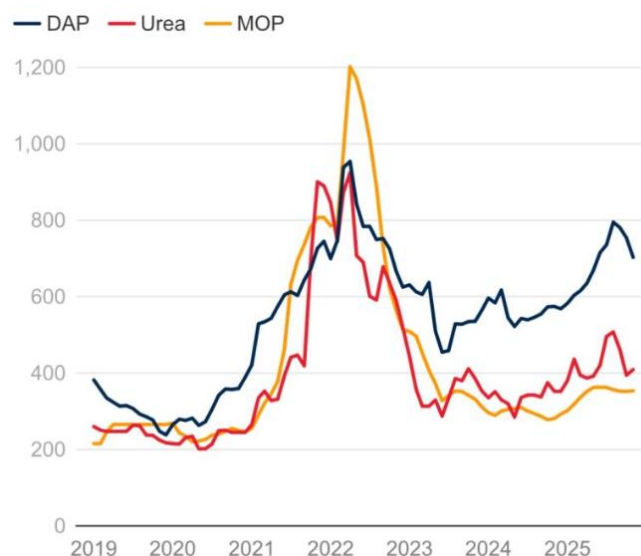
during the past two decades. What’s really driving farmland prices? This chart from the Chicago Federal Reserve demonstrates the widening gap between the income generated by farmland represented by cash rent paid to landowners versus the rise in farmland values. Note how the gap really widened into and especially after the early 2000’s runup in land values. Current income was obviously not the only driver of what people would pay for farmland. Of course, very low interest rates accelerated land values in recent years

regardless of the rent or income. The gap between income and value could continue to widen if past trends extend into the future. Cash rental rates have increased on average 3% per year while land values have historically appreciated about 5.2% per year. The compounding effect kicks in to widen the gap if these averages are maintained. In a September 2025 article I calculated a 20-year projection of rent and land value using the above percentage increases for each. The projection started year one with a \$10,000 per acre farm having a 2.5% gross cap rate paying \$250 per acre cash rent. In year 21, the farm would be worth \$27,562 per acre with a 1.58% cap rate paying \$435 in cash rent. Of course, many other economic and ag related factors would come into play over a period of twenty years that could change any estimate. The point is that income is not the biggest factor in the recent upward trends in land values and in investors’ hopes for future growth in the value of a farm. According to AcreTrader in their recent article, 85% of the return on 15 full cycle AcreTrader Management farm investments was from appreciation during the hold periods averaging 2.6 years with only 15% of the return provided by rental income. Many factors beyond just cash earnings and potential appreciation drive farmland prices. Local supply and demand, general economic conditions, availability of attractive alternative investments, and each individual’s goals for owning farmland. At this time, having a real property asset with a history of being safe, inflation hedging, and long-term appreciation is the goal of many individual and institutional farmland investors. Time will tell whether the expectation of rising land values taking precedence over underlying income will hold up over the coming years and make the farm investment worth it. Will the hoped for appreciation counted on by investors pan out to continue making farmland a solid, long-term investment or will past trends not carry on in the same path? Or will global and local factors for food, fuel, and fiber propel farmland to new heights?”

Fertilizer, Fuel, and Other Inputs—

- **Potash has been the least expensive nutrient**, but what is making its price rise? One answer comes from [fertilizer analyst Dennis Steinherz](#). “Over the past 12 months the global fertilizer market—especially potash—has quietly undergone a structural reset. What we are seeing today is not simply a price cycle but a reconfiguration of supply chains, geopolitical alignments, and trade routes. Potash remains one of the most concentrated commodity markets in the world. Canada, Russia and Belarus continue to dominate global export supply. Canada remains the most politically stable anchor of the market, while Russia and Belarus have managed to restore a significant share of their export volumes by redirecting logistics toward Asia, Latam and Africa. At the same time, new production geography is slowly emerging. Projects in Laos, Canada and several developing regions are beginning to reshape expectations about mid-term supply growth. However, most of these projects require years before meaningful volumes reach the market. What has changed most over the past year is not production capacity but trade flows. 3 structural shifts are now visible.
 - ✓ First, sanctions and trade restrictions have accelerated the fragmentation of fertilizer markets. Europe is actively reducing dependence on Russian and Belarusian fertilizers, while countries such as Brazil, India and several Southeast Asian economies have increased purchases from these suppliers.
 - ✓ Second, the industry is moving from a simple “volume market” toward origin diversification. Large agricultural importers increasingly want supply security from multiple sources rather than dependence on a single producing region.
 - ✓ Third, logistics has become a strategic variable. Freight costs, access to ports, container availability and geopolitical shipping routes now influence fertilizer pricing almost as much as the underlying commodity itself.






These changes are opening several new niches. One opportunity lies in multi-origin trading strategies, where traders combine Canadian, Middle Eastern and other supply streams to reduce geopolitical exposure for buyers. Another is the growing demand for specialty fertilizers and tailored blends. Instead of simply selling MOP in bulk, suppliers are increasingly offering crop-specific or region-specific formulations for horticulture, irrigation systems and high-value agriculture. Finally, the fastest growth in demand continues to come from import-dependent agricultural economies such as Brazil, India and parts of Southeast Asia”



- **Urea prices are high now** and will be for some time to come. [That is the contention of agronomic advisory service Terensis.](#) With warfare continuing in the Middle East, urea prices — a key nitrogen fertilizer — are likely to remain elevated for some time. In our last post, we discussed the potential implications for farmers’ planting decisions and the possible effects on [corn](#) and [wheat](#) acreage and yields. This time, we looked at historical data using ~60 years of statistics. Using a long time series of [USDA](#) PSD data (1960–2024) and fertilizer prices from The World Bank, we built a simple statistical model (Random Forest regressor) with planted area as the dependent variable. We then examined the variable importance of the 3 main fertilizer groups in the model: potassium, nitrogen (urea), and phosphate. For corn and wheat in both the United States and Australia, nitrogen fertilizer prices showed moderate to low importance in explaining planted area. Historically, nitrogen price movements appear to have had a smaller influence on acreage decisions than potassium and phosphate prices. Importantly, this finding applies only to planted area — not yields. Achieving the high yield levels seen in the past two decades requires substantial nitrogen inputs, especially for modern corn and wheat varieties. To fully estimate the potential impact of current price levels, additional factors must be considered — including existing urea stocks and the duration of the conflict. Based on the information currently available, our preliminary assessment is:
 - Moderate downside risk for corn planted area.
 - Small impact on spring wheat planting
 - Potentially larger downside risk for yields

High urea prices — will farmers plant less corn and wheat?

We tested the relationship using 1960–2024 data.

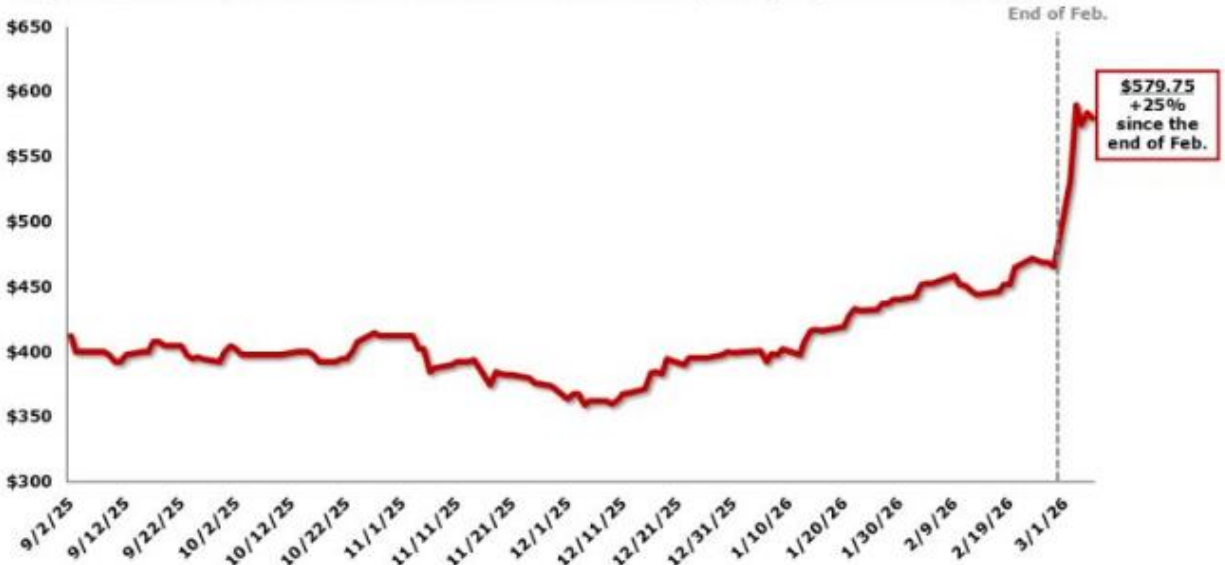
Country	Commodity	Fertilizer	Variable Importance (%)
 USA	 Corn	Potassium	13
		Nitrogen	3
		Phosphate	21
	 Wheat	Potassium	2
		Nitrogen	2
		Phosphate	3
 Australia	 Wheat	Potassium	18
		Nitrogen	3
		Phosphate	4



- **Urea prices**, a key nitrogen fertilizer used across major crops, have surged in recent days as markets react to geopolitical risks around the Persian Gulf and the Strait of Hormuz, a critical shipping route for energy and fertilizer. Because fertilizer markets are global, disruptions anywhere in the system can quickly translate into higher input costs for U.S. farmers. With planting underway and margins already tight, volatility in fertilizer prices could impact farm budgets and planting decisions this season.

Urea Prices Climb Above \$500 per Ton

Daily Last Trade Price, Urea FOB U.S. Gulf March 2026 Futures Contract (JCH26), Sept. 2, 2025–Mar. 6, 2026



American Farm Bureau Federation

Source: barchart; Analysis by American Farm Bureau

- **Global tensions in and around Iran** are already having an impact on fertilizer prices and availability as farmers prepare for spring planting. Faith Parum, an economist for the American Farm Bureau, said the Middle East plays a major role in the worldwide supplies of fertilizer, "Countries exposed to disruptions around the Persian Gulf account for about 49% of global urea exports and roughly 30% of global ammonia exports. And so, as those shipments move out of that area, they're obviously at risk. About 20% of the world's global petroleum comes through the Strait of Hormuz, which is right in the area." As the shipping risks and shipment insurance costs rise, there is an important step that could alleviate at least some of the supply tightening, "A very important step would be to keep these shipping lines open and make sure there's safe passage for fertilizer ships. There have been promises of safe passages for crude oil and oil ships, but we also need to make sure that fertilizer is getting out of this region." She said fertilizer is truly a global marketplace, so U.S. farmers will continue to see the impacts of events domestically and abroad, "These markets will remain sensitive to these events. We can all remember in 2022, when Russia and Ukraine started their conflict, how fertilizer prices spiked upwards and have taken a long time to return back to normal. And so, we could see similar issues here. And so even though we produce some of that fertilizer domestically, we still are in a global marketplace, and so, we'll continue to see volatility throughout the season." (American Farm Bureau)

Meet the Cream of the Crop—

- **Farm Progress** staff and outside advisors selected Master Farmers for 2026, honoring them with plaques at a luncheon March 12, an annual tradition since 1925. They were:
 - ✓ **Steve Hettinger** of Philo. (short [Video](#))
 - ✓ **Mike and Lynn Martz** of Maple Park (short [Video](#))
 - ✓ **Doug Winter** of Mill Shoals (short [Video](#))
 - ✓ **Mike Pratt** of Dixon (short [Video](#))
 - ✓ **Mark Gebhards** was named as an Honorary Master Farmer following a lengthy career with the American Soybean Assn., IL Pork Producers, and IL Farm Bureau.
- **IL FFA has selected its “Stars.”** They will be honored at the IL FFA Convention in June and vie for the honor as FFA National Star in November.
 - ✓ **Justin Myers**, Ogle County is the IL Star Farmer, from the Forreston FFA
 - ✓ **Benjamin Biros**, LaSalle County is the IL Star in agribusiness, from the Seneca FFA
 - ✓ **Jaron Black**, La Salle County is the IL Star in Ag Placement, from the Streator FFA
 - ✓ **Kade Boatman**, Ogle County is the IL Star in Agriscience, from the Byron FFA

Mark Your Calendar! --

- **Pesticide safety education programs** are underway and extend through April 8 at numerous locations around IL. The [Illinois Pesticide Safety Education Program](#) is for those needing an operator or applicator license, with on-line access. [Private applicator training clinics are in-person at these locations and dates.](#)
- **Extension’s Crop Management Conf.** will be on-line this year, and available from Mar 1-Apr. 30 with the latest research updates to improve productivity and output of crop science experts. Full event details and registration are available at go.illinois.edu/CMC.
- **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. [Details, dates, and registration are here.](#)

Understanding the rapidly changing agricultural industry can be a daunting task. At Heartland Bank, our team of ag specialists will work with you to meet the goals of your farming operation. With over 160 combined years of agricultural service experience, we are focused on providing outstanding service and results throughout Central and Northern Illinois. Whether it’s farmland real estate, operating and equipment loans, or farm management expertise, we have the professionals who you can trust to improve your farmland’s productivity and asset value. Contact one of our knowledgeable experts today at 309-661-3276 or toll free at 1-833-797-FARM (3276). *This newsletter is provided as an informational source by Heartland Bank and Trust Company and is not intended to be and should not be treated as advice.*