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

Commodity market price drivers—

- **A week ago**, plans for a Trump/XI summit March 28-29 were in jeopardy. And with a lot of soybeans on the table, the soybean market expressed its concern about the future of that meeting over the past week. But ahead of that possible meeting, US and Chinese government officials met to discuss “what might be discussed,” if/when Trump and Xi meet. [Reuters reported](#), “Top US and Chinese economic officials held ‘remarkably stable’ talks in Paris on Sunday that touched on potential areas of agreement in agriculture, critical minerals and managed trade for U.S. President Donald Trump and Chinese President Xi Jinping to consider in Beijing, two sources familiar with the talks said. The Chinese side showed openness to potential additional purchases of U.S. agricultural goods including poultry, beef and non-soybean row crops, one of the sources said, adding that China was still committed to buy 920 mil. bu. of American soybeans for each of the next 3 years,” Reuters reported. “Chinese officials left the talks in Paris without speaking to reporters. The discussions follow several meetings to ease tensions last year between Treasury Secretary Scott Bessent, Chinese Vice Premier He Lifeng, U.S. Trade Representative Jamieson Greer and Chinese chief trade negotiator Li Chenggang.” “All these meetings were to create stability, and today was remarkably stable, one of the sources said of the talks,” Reuters reported. “Spokespersons for the US Treasury and the U.S. Trade Representative’s office declined to characterize the discussions.” But the key, question is whether the “big” meeting will actually occur March 28-29 in Beijing. The Mideast conflict has a lot of impact on the outcome of the meeting, and whether it would even be held. China has a significant interest because it imports oil from the region and is not happy about the military conflict.

- **The war with Iran is causing upheaval in the commodity markets.** The early volatility has seen an increase in the price of corn and soybeans but has included sharp setbacks. More concerning is the risk presented to U.S. farmers and consumers as the conflict in the Middle East drives energy and fertilizer prices higher. The chairman of the Federal Reserve addressed this



during his news conference on Wednesday. Jerome Powell (left) says the impact is concerning, "There are just lots of ways that oil and derivatives of oil get into the production and transportation of many, many things. So, those are big effects in headline inflation, but things like that leak into the core as well. And the effects may not be as big, but they're quite real and there, they're material. So, we are aware of that, and we're watching it, but, you know, we're right at the beginning of this, and we don't

know how big it will get, we just don't know how big this will be, and how long it lasts. You know, it may or may not be something that really makes a big imprint on the U.S. economy. We're just going to have to wait and see." While oil price spikes immediately drove up headline inflation, which includes volatile energy prices, those costs eventually "leak", said Fed chairman Jerome Powell, into core inflation. It strips out energy and food prices as the cost of producing other goods rises. For corn and soybean growers preparing for spring planting, that 'wait and see' approach means keeping a very close eye on how headline inflation and rising fuel and fertilizer expenses will impact their bottom line in the coming weeks. (WILL radio)

- **The war in Iran is having a significant impact** on U.S. energy and commodity markets. Ed Usset, an ag economist with the Univ. of MN, said the impact is mixed, "This war is really hard on the equity markets. You look at the stock indexes and oil prices going up. It's hard on the stock market. It's good for commodities, soybean prices, and corn prices. Driving the soybean market is soybean oil and renewable diesel. A lot of what drives the corn market is the demand for corn in ethanol production. Those are fuels. Those are energy markets, and this is good for soybean and corn prices, and what the heck, even wheat is following up. It's creating opportunities for both old and new crop sales." He's concerned about the availability of enough nitrogen for the intended corn acres, "It's an issue, and we'll see it. I don't know if we will see it in the Planting Intentions Report, because these surveys had gone out, many of them, before this war started. So, the data that comes out with the planting intentions report might be a little dated and not up to speed, so we must be cautious about what we see in that." That could mean some corn acres switching to soybeans this spring, "I have thought for some time, and even more so, now, that the soybean market and prices for new crop in 2026 favor a few more soybean acres, and we're going to see that." (Backroads of Illinois Podcast)

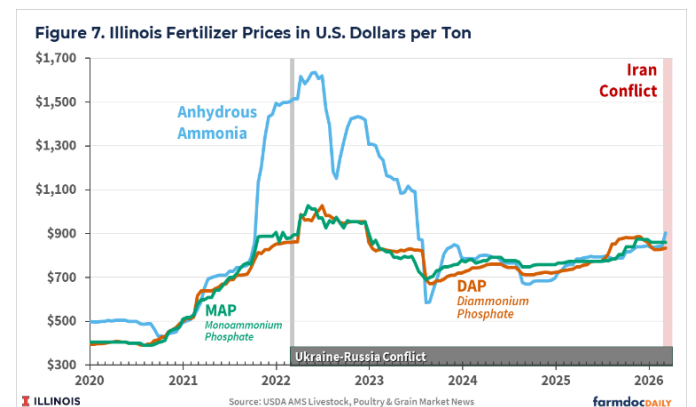
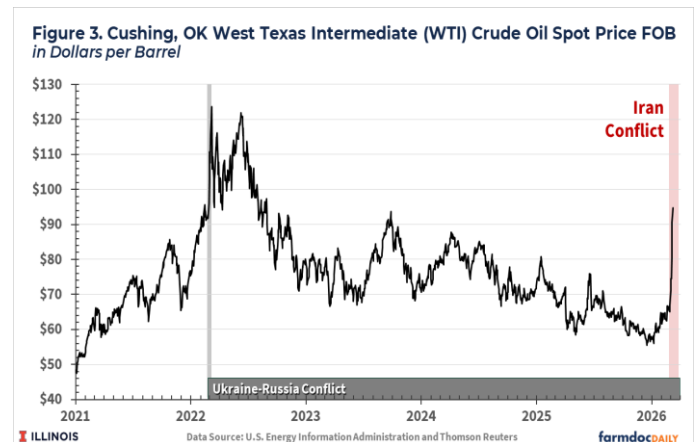
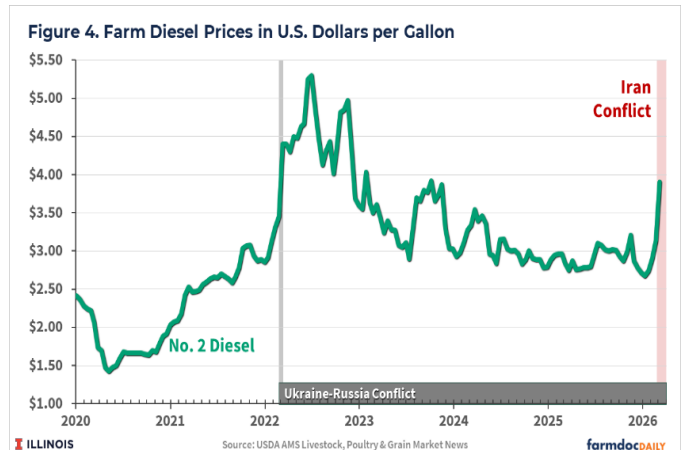
- **A surge of U.S. soybean shipments to China in February** is providing a boost to export demand, even as uncertainty grows over the future of trade talks between the 2 countries. Recent export activity shows increased volumes of U.S. soybeans moving to China, the world's largest buyer, as previously arranged purchases are fulfilled. Bloomberg reports the shipments come amid shifting global competition, particularly from Brazil, and reflect continued reliance on the Chinese market for U.S. growers. However, market sentiment has been tempered by delays surrounding a potential summit between U.S. and Chinese leaders initially set for next weekend, raising questions about future trade policy and demand stability. Analysts say uncertainty over negotiations could weigh on soybean prices and influence farmer marketing decisions. China remains the top destination for U.S. soy exports, making trade relations a key factor for the farm economy. Any disruption or delay in talks could have ripple effects across commodity markets.
- **Export inspections of corn and soybeans** were stronger week-over-week during the 7 days ending on March 12. A report from the USDA said corn inspections totaled 65 mil. bu., up from 60 mil. during the previous week. However, that was down slightly from 66.5 mil. bu. assessed during the same week last year. Soybean assessments hit 35.5 mil. bu., up from 32.6 mil. bu. the previous week and higher than the 24.4 mil. bu. inspected at the same time in 2025. Examinations of wheat fell to 12.6 mil. bu., down from 18.3 mil. bu. a week prior and 18.2 mil. bu. during the previous year. Since the start of the marketing year, the agency said USDA has inspected 1.69 bil. bu. of corn and 1.03 bil. bu. of soybeans, which were higher and lower, respectively, than during the same time last year. Wheat assessments reached 715 mil. bu., 3 mil. higher than last year at the same time.
- **The Mideast war has interfered** with oil and fertilizer commerce, but the [International Grain Council](#) says if the conflict is prolonged it will have an impact on agricultural supply chains of grains and other food products. "Although most Northern Hemisphere grains and oilseeds producers are assumed to be sufficiently well covered heading into the spring fieldwork period, an extended crisis might affect planting decisions elsewhere later on in the year, with parts of Asia and Africa especially dependent on Gulf fertilizer supplies," the IGC said in its March Grain Market Report. "More broadly, a prolonged disruption could lead to a revaluation of fertilizer application rates, with possible implications for yields and crop quality." The IGC said the conflict also has exposed regional food security vulnerabilities, noting that on average 76 mil. bu. of grain, oilseeds and associated products are delivered monthly to the Persian Gulf through the Strait of Hormuz. "Although only accounting for around 3% of total trade, Persian Gulf countries are highly dependent on imports, with elevated per capita consumption of wheat and rice also notable in some countries," the IGC said. "While local reserves should provide a short-term buffer, food supply challenges could build should disruptions extend beyond a few months."



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The Business of Farming—

- **The Middle East** is a major supply region for crude oil, natural gas, and fertilizers. As in the past, conflicts in the Middle East threaten global energy supplies and increase economic uncertainty, thereby increasing global prices. Although a major supplier of energy-related products, the Middle East is not a large producer of agricultural products and, in fact, imports many agricultural products. [Univ. of IL Farmdoc ag economists](#) say, “The 2026 U.S. planting season is very near, and most farmers have already made most production decisions. Major shifts in acreages are unlikely, as the majority of inputs have been priced and ordered. Fuel for spring operations is in place on many farms. Most P & K fertilizers have been applied. Spring and post-plant nitrogen will still need to be applied, but those inputs may already be priced in most situations. On many farms, the costs of seed, fertilizers, and chemicals have largely been determined. Still, some farmers still need to purchase inputs. Moreover, fuel and other inputs for the summer and fall still need to be purchased in most forms. Most Middle East conflicts affect energy markets, and this one is no exception. Crude oil prices have increased precipitously (top). In February, spot crude oil prices in Cushing, OK, (middle) averaged \$64.51 per barrel, with a price of \$66.96 on February 27. Since February 28, crude oil prices have increased to over \$90 per barrel. The length of the Conflict and its impact on the Strait of Hormuz could see higher crude oil prices, with oil executives warning of a prolonged period of higher prices than before February 28. If crude oil continues to rise, diesel fuel prices could be above \$4.50 per gallon, similar to the last time crude oil prices exceeded \$120 per barrel. Obtaining a firm price on nitrogen at this point may be difficult. Farmers in this situation may decide to switch some acreage from corn to soybeans, as soybeans do not require nitrogen. With planting very near, most inputs are already in place, and large shifts in planting intentions seem unlikely. Still, some acres could switch, with the most likely direction being away from corn to soybeans.” (bottom)



- **Farm Futures is warning farmers** about the impact of the Middle East conflict on fertilizer prices on your farm. [It has re-published a Bloomberg article](#) addressing the economic impact. “The conflict in Iran threatens to disrupt a major fertilizer production and shipping hub, raising the risk of higher crop costs and food inflation. The Gulf region is home to some of the world’s largest fertilizer plants, and the Strait of Hormuz handles about [one-third](#) of the global trade for the nutrients. Prices were already high before the latest conflict in the Middle East erupted, and the fresh tensions come as Northern Hemisphere farmers are set to start applying the products to their fields. The timing of the conflict “literally could not be worse” for the industry, Josh Linville, vice president for fertilizers at



brokerage StoneX Group, (left) said by email. “There is never a good time for war, but this couldn’t be much worse.” The conflict is already impacting the market. On Monday, Qatar shut down liquefied natural gas production at the world’s largest export facility after it was targeted in an Iranian drone attack. Natural gas is a crucial input for nitrogen-based fertilizers. Prices for granular urea in Egypt have surged by \$60 a metric ton since the effective closure of the Strait of Hormuz, and buyers are already looking for other suppliers in North Africa and Southeast Asia, Bloomberg Green Markets

reported. Meanwhile in New Orleans, the price of March barges for urea — the most widely used nitrogen fertilizer and one crucial to corn fields — were \$60 to \$80 higher on Monday compared with Friday prices, and there is “potentially hundreds of dollars per ton increases in the coming days,” said Taylor Eastman, a fertilizer trader at Andersons Inc. Supplies of urea were already tight before the Iranian conflict, and geopolitical risks were high. Drone damage to a Russian nitrogen had spurred bullish sentiment in the market. Russia and Qatar are the 2 biggest urea suppliers to the U.S., according to the USDA. While the U.S. does not import much of the crop input from Iran directly, significant flows come from other Middle Eastern countries through the Strait of Hormuz. 3 out of the world’s 10 largest ammonia exporters and 1 in 5 top phosphates suppliers rely on the waterway to get the product out, according to StoneX. Even if supplies continue flowing through the strait, the cost of freight insurance could become “economically unviable,” Scotiabank analyst Ben Isaacson wrote in a note. Iran controls 10% to 12% of the global urea trade, while Israel’s declaration of a state of emergency could interrupt gas deliveries to Egypt and therefore fertilizer production, he said. Fertilizer stocks soared before paring some gains. Yara International ASA rallied to a three-year high. The company said that although it has “limited exposure to the region,” the Strait of Hormuz is a “critical chokepoint.” CF Industries Holdings Inc., the world’s [largest ammonia producer](#), jumped as much as 8.3% to the highest since late 2022, while the broader S&P Composite 1500 Fertilizers and Agricultural Chemicals Index touched the highest since July.

- **"This conflict obviously is having an immediate impact** on fuel and fertilizer prices, and we now see anhydrous ammonia over \$900 a ton," says IL Farmdoc ag economist Gary Schnitkey. "And anhydrous ammonia and all the fertilizers were going up before this, but the conflict has increased that cost. So, first thing you would want to think about is if you haven't had all your nitrogen priced, are you stuck on corn? And if so, you are going to have to think about making those decisions here shortly. I'm somewhat of the opinion that this is going to be a longer-term conflict. Even if it ended today, there is going to be disruptions in that area, and so we can think about this being a longer-run conflict. So, you know, the fertilizers will be the first thing, and again it might be the time if you haven't already moved back to lower nitrogen rates and the MRTN, you know, 180 pounds per acre level. After that we're going to be looking at higher fuel prices, and again those are increasing. That, as the Federal Reserve Chairman Jerome Powell said, will leak over into other prices or cost, and so we're, we're probably again looking at a longer-term impact on inflation. So, we're thinking that there's much less chance of cost coming down and in fact are going to likely increase more into the future. And with commodity prices, we don't see a positive impact for this, or we see those prices roughly remaining the same. The Middle East isn't a large area of production, so over the long run we're looking at higher cost with the immediate impact being fertilizer and fuel." How should producers think about marketing their new crop for both corn and soybeans in that case? Schnitkey says: "I have the impression that many farmers did the ECO 95% for crop insurance, so if you're in that position, let's say you've taken ECO 95%, and we have a very good safety net in place. I would note that prices are above those levels now. And let's begin pricing that 2026 crop. There's not a lot of optimism to think it's going to increase. Obviously, we can have a weather event but start pricing it. And there are risks that this could be much lower in the fall, and, you know, a good round of yields here like we've had in the past couple years could contribute to that as well. So, start pricing."

Farm Programs and Mailbox Money—

- **Federal farm support programs** are playing an increasingly central role as U.S. producers navigate a period of economic uncertainty marked by high costs and weak commodity prices. Programs administered by the USDA, including income support and disaster assistance initiatives, have provided a financial backstop for many farmers facing tight margins. Recent enrollment in aid programs has remained strong, reflecting ongoing stress in the agricultural sector. Industry groups say current conditions, including elevated fertilizer and fuel costs, have made federal assistance essential for maintaining operations. Some policymakers, however, are debating whether existing programs provide sufficient coverage, particularly as Congress works to finalize a new Farm Bill. Analysts say continued reliance on federal support underscores broader structural challenges in agriculture, including price volatility and rising production expenses.

Farm Bill 2.0—

- **Lawmakers from both parties** voiced support for U.S. farmers during a Senate Agriculture Committee hearing focused on expanding domestic agricultural production, as producers face rising costs and financial pressure. At the hearing, titled “Increasing Domestic Production of U.S.-Grown Agricultural Products,” members heard testimony from agricultural trade group leaders on challenges facing the farm sector. Republicans emphasized expanding domestic and export markets, reducing regulatory burdens and advancing policies such as biofuels and the Buy American Cotton Act to improve profitability. Democrats focused on strengthening nutrition and specialty crop programs, making year-round E15 fuel sales permanent, addressing farm labor shortages and ensuring equitable distribution of federal aid. Lawmakers from both parties also raised concerns about tariffs, global conflicts and consolidation in agriculture, as well as the need for labor reform and increased research investment. The hearing underscored broad agreement that federal policy will play a key role in supporting long-term resilience in U.S. agriculture. →

- **At that same Senate Ag Committee hearing,** some would say things just went from ‘bad to worse.’ Among them, Sen. Roger Marshall, R-KS, (left) said,



“Chemicals and fertilizer, they would be the big chunk of input costs...certainly, diesel fuel is in there, as well. But, until 9 days ago, diesel fuels were coming down. And even interest is a huge expense for farmers.” Farm leaders told Marshall the war with Iran and other global events have compounded farmers’ plight...adding to high borrowing, labor, equipment and other costs. National Corn Growers President Jed Bower said, “With a lot of the things

happening around the world, our ability to source fertilizer and inputs has really declined, and we’re left, stuck with what we’ve got.” Bower blames corporate consolidation and the war in the Middle East, where about 25% of globally traded nitrogen fertilizer and 20% of the oil passes annually through the Strait of Hormuz. Meanwhile, producers are fighting regulations at home. Sen. Deb Fischer, R-NE, (right) says Nebraska’s cattle ranchers need relief, “When you’re looking at putting up those smaller packing plants that can help smaller communities and still be able to thrive in a marketplace with the big 4.” Senators also attacked facilities that produce and transport LNG used to make urea, power irrigation, some farm equipment, and heat greenhouses. (Berns Bureau, Washington)



Illinois issues---

- **The top agricultural priority in the IL Legislature** may be the need to change the estate tax. Most farm organizations are chiming in with support because of advantages to farm families. It is formally titled "Family Farm Preservation Act – SB 2970 (Sen. D. Turner) and HB 4736 (Rep. Chung)". Getting the Family Farm Preservation Act passed remains the top legislative priority for IL Farm Bureau for the 2026 spring legislative session. Over the past 2 years, the bill has garnered widespread, bipartisan support. With your help, we will seek to get it to the governor's desk this year for his signature. The legislation makes the following changes for estates that claim the IRS agricultural Special Use Valuation Rule for IL Estate Tax purposes. Estates are not required to make the special use election for federal estate tax purposes. Changes the current IL \$4 mil. threshold in 3 ways:
 - ✓ a. Raises it to \$6 mil.
 - ✓ b. Makes it an actual exemption, not a threshold. Only dollars over \$6 mil. will be taxed, as opposed to the current law where the entire estate is taxed if the \$4 mil. threshold is breached.
 - ✓ c. Ties the \$6 mil. exemption, including any portable exemption amount, to inflation.
 - ✓ Portability: Allows any unused exemption amounts to be transferred to the surviving spouse, thus ensuring the doubling of the exempted amount for a family to \$12 mil. plus inflation.
 - ✓ Updates the agricultural special-use valuation, for IL Estate Tax purposes, to reflect modern farm estates and farm family descendants.

This has been a politically challenging issue to tackle because it directly impacts revenue collected by the state, especially considering the vast majority of the General Assembly does not represent agriculture or have any real ties to rural communities. Most legislators simply represent and are elected by a different constituency and therefore may have different fiscal priorities. However, IL Farm Bureau has strongly advocated for this legislation and has secured support from a wide range of legislators across the entire state. We have secured bipartisan, bicameral support from Democratic leadership, Republican leadership, Cook County, suburban, and downstate rank and file legislators. We anticipate that this issue will not be decided through the passage of any one individual bill. Tax issues generally occur at the end of the session during budget negotiations. SB 2970 is in the Senate Revenue Committee. HB 4736 is in the House Revenue & Finance Committee. As this legislation impacts revenue, standard procedure for all revenue bills is to work to have a subject matter hearing. As such, we do not expect these bills to move through the standard legislative process. Please continue to discuss with your local legislators and/or adopted legislator the importance of the Family Farm Preservation Act and encourage them to discuss this with their caucus leader and the top budget negotiation leader to include this in the budget negotiation process.

Biofuels News--

- **Farmers waiting for strong biofuel-blending rules** from the Environmental Protection Agency and pro-E15 legislation from Congress may not have to wait much longer. Agri-Pulse reported that during a speech at the Univ. of AR, USDA Deputy Secretary Vaden said the wait may be coming to an end soon. The EPA's final biofuel regulations for this year and the next will likely be the "most pro-biofuel rule put in place by any White House," Vaden said during his speech. "This will help drive momentum for Congress to finally pass legislation to allow year-round sales of higher ethanol fuel blends, known as E15." Vaden said he's also optimistic about the demand outlook for airplane fuel made from U.S. agricultural products. Japan's recent agreement to buy American sustainable aviation fuel has already led to at least one proposal to build a SAF plant in the United States.
- **6 trade Assns. wrote a letter to the White House** asking to unleash U.S. biodiesel and renewable diesel production to bolster America's energy security during the Iran conflict. The disruption in the global oil market is constraining diesel fuel supplies, which threatens to raise the cost of all U.S. consumer goods and further harm the U.S. agriculture sector as farmers start the season's planting. Immediately finalizing the 2026 and 2027 Renewable Fuel Standards would encourage the U.S. fuel industry to quickly ramp up enough production capacity to meet 3% of the nation's demand for diesel. [The letter was signed by Clean Fuels Alliance America, the American Soybean Assn., and many other groups.](#) "The biodiesel, renewable diesel, and the SAF industry is ready to meet the challenge of providing crucial supplies of diesel fuel free from overseas threats," the groups wrote in the letter. "The RFS rule should be finalized as quickly as possible. Continued delays in finalizing and publishing the RFS rule would extend market uncertainty for farmers and stakeholders across our value chain as well as exacerbate the recent spike in diesel fuel prices." The groups said the disruption in the global oil market is "constraining" diesel fuel supplies, which "threatens to raise the cost of all U.S. consumer goods and further harm the U.S. agriculture sector" as farmers start this season's planting.
- **The Renewable Fuels Assn. released a comprehensive "What They're Saying" report** on E15. It features dozens of statements from members of Congress, President Trump, administration officials, Governors, and industry leaders on the urgent need to pass year-round E15 legislation immediately. "As this report shows, there is broad bipartisan support and growing urgency for legislation that would finally allow year-round, nationwide sales of lower-cost E15," said RFA President and CEO Geoff Cooper. "There is widespread agreement that the time to act on E15 is right now. "He also said for the sake of America's farmers and consumers facing higher prices at the gas pump, Congress must act immediately to allow non-fettered access to E15. Cooper noted that drivers who have access to E15 today are saving as much as 10–40¢ per gal., on average, with some stations offering even larger discounts.

Farm and Check-off Organizations —

- **IL corn farmers are at the table in Washington, D.C.** and this week, ICGA's farmer volunteer leaders made sure their voices were heard. Meeting with 19 members of Congress and more than 60 partners, they shared real on-farm perspectives while advocating for critical priorities including lock and dam funding, Farm Bill, renewable fuels, and USMCA renewal. In addition, 8 [Grassroots Orientation to Washington D.C. \(GROW\)](#) applicants applied and were chosen by IL Corn to learn more about how ICGA leads in D.C. The GROW program builds leadership skills among general farmer members by joining ICGA leaders at tables throughout Washington, D.C., to advocate for IL farmers.



Illinois farmers and Sen. Tammy Duckworth



Micheal Lash and Rep. Nikki Budzinski



GROW: Andrew Jolly, Madison Shultz, Mike Hannah, Audrey Hannah, Micheal Lash, Makenna Frantz, Garrett Williams, and Adam Johnson



Keith Sanders, Dan Parker, and Shane Gray



Jon Hurst, Rep. Eric Sorensen, and Makenna Shultz



Sen. Dick Durbin and Illinois farmers

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).

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