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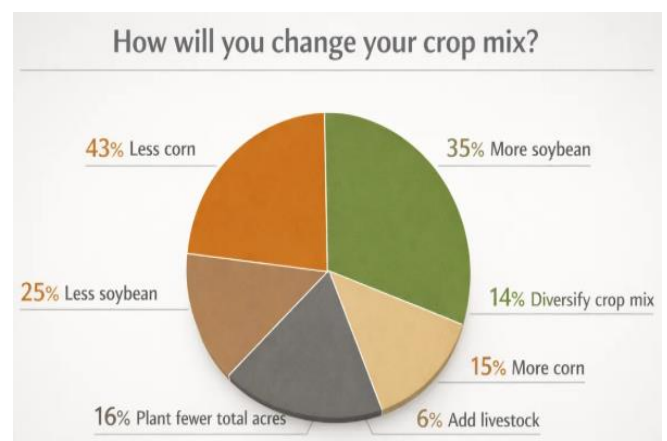


*A weekly Cornbelt digest of marketing, economic, agronomic, and management information.*

### ***Commodity market price drivers—***

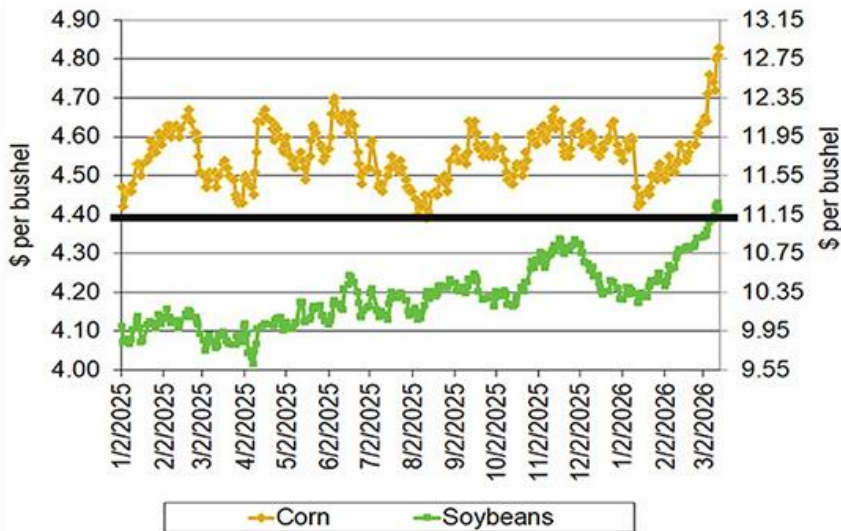
- **Corn futures closed 3-5¢ lower Friday**, and soybeans were 8-14¢ lower, discounting the expanded ethanol and biofuel targets being announced in Washington as “old news.” Although the market was looking for increased reliance on ethanol and biodiesel to displace higher-priced petroleum, the numbers released by the EPA were pleasing to corn and soybean leaders assembled for a late “National Agriculture Day.” The standards call for 15 bil. gal. of conventional ethanol in 2026 and 2027 and nearly 11 bil. advanced biofuel RINS by 2027...plus 70% reallocation of renewable fuel volumes lost to small refinery exemptions from '23 to '25—making up 2 bil. lost gal. Renewable Fuels Assn. CEO Geoff Cooper, said, “EPA described today’s numbers as historic, and they truly are historic. We’ve never seen (renewable fuel volume targets) this high since the program began over 20 years ago.” The news comes at a time of war-driven high energy and fertilizer prices on top of years of high input costs and low crop prices. National Corn Growers Assn. President Jed Bower called the new quota “a positive move.” Scott Metzger, president of the American Soybean Assn., said: “U.S. soybean farmers needed a win to boost domestic markets this year.” The White House predicted, “These new standards will generate over \$10 bil. of rural economic benefit, create an estimated 100-thousand new jobs, and massively increase our nation’s energy supply. It’ll come right out of the farms.” The new rules are estimated to add \$3 to 4 bil. in net farm income and \$31 bil. in corn and soybean oil biofuel value this year, as biodiesel and renewable diesel use could soar by over 60%. Cooper called the announcement timely, “We think this is going to create tremendous growth opportunities for our industry. It’s going to boost farm income and really provide a boost to the farm sector when it really needs it.” (NAFB News Service)

- As expected, EPA released** its finalized renewable volume estimates for 2026 Friday morning, with bio-mass based diesel set at 8.86 bil. RINS (not gallons) with the 2027 total at 8.95 bil. RINS. That exceeded the 7.12 and 7.5 bil. RIN (respectively) previously proposed RVOs. The small refinery exemption reallocation takes that to 9.07 bil. RINS for 2026 and 9.2 bil. RINS for 2027. They also announced that in 2028, foreign fuel and feedstocks will only receive 50% of the RIN value, vs. this year as previously proposed. The regulatory requirement for U.S. refiners to [blend billions of gallons of biofuel into](#) motor fuel is closely watched by corn and soybean farmers. (A RIN represents biofuel that has been produced and blended into transportation fuel. RINs are tradable, and the market price of RINs plays a central role in the functioning of the RFS. If the dairy industry had tracking numbers similar to RINS, your gallon jug of milk would have a RIN number code on the label. But if that gallon of milk instead was processed into butter and cheese, the cheese and butter packaging would carry the same number as the original gallon of milk. The dairy RIN would indicate the processor, the dairy farm of origin and possibly the cow number. Please do not suggest dairy RINS to the Dept. of Health and Human Services or USDA.)
- What will happen Tuesday**, when USDA's National Agricultural Statistics Service releases its projection for 2026 corn, soybean, and other crop acreage? With NASS getting criticism from past reports, the Acreage Intentions report will be met with some degree of skepticism in some quarters. U.S. farmers are expected to plant fewer corn acres this spring and shift more land to soybeans as rising input costs continue to pressure farm budgets, analysts say. Higher fertilizer and diesel prices, driven in part by global geopolitical tensions, have made corn more expensive to produce than soybeans, which require less nitrogen. As a result, producers are adjusting planting decisions to manage financial risk, according to Reuters. The shift comes as farm income is projected to decline for a 4th consecutive year, according to economists. Lower commodity prices and elevated input costs have squeezed margins across much of the farm sector. Market analysts say the acreage changes could influence grain supplies later this year, potentially supporting corn prices if production falls. Planting decisions remain fluid, however, as farmers weigh weather conditions, input availability and market volatility ahead of the spring planting season. In the NASS March Intentions data traders are looking for 85.55 mil. acres of soybeans planted this spring.
- [A Farm Progress survey led by Farm Futures Magazine](#) indicated a few more corn acres than the USDA Outlook projected in February, but still fewer than in 2025. Bruce Blythe, senior editor at Farm Futures said A 2.4% drop in corn acreage from 2025 would result in farmers planting about 96.4 mil. acres, over 2 mil. lower than the USDA's February prediction. Soybean acres could be up 1 mil. acres from the USDA's estimate and possibly reach over 86 mil. acres. "Southern acres appear set to shift from unprofitable cotton and rice to more soybeans," Blythe said.



- “Every month USDA provides an update on the corn and soybean markets,”** says [IA St. Univ. marketing specialist Chad Hart](#), “USDA’s outlook for corn and soybeans has remained remarkably stable. For the 2026 marketing year, USDA’s early projections show an echo of 2024. Corn supplies are projected to decline, as USDA expects fewer corn acres. Corn usage is expected to exceed production, leading to lower corn stocks and slightly higher corn prices. If USDA sticks with their Ag Outlook Forum 2026 corn estimates, then farmers will plant 94 mil. acres of corn. At trendline yields, that results in 15.755 bil. bu. of corn. Meanwhile, total corn usage is projected at 16.07 bil. bu. Feed and residual usage is projected to decline by 200 mil. bu., with the vast majority of the decline coming from the residual (lower harvest and storage losses). Corn usage for ethanol is held steady at 5.6 bil. bu. Food, seed, and other uses are also steady at 1.37 bil. bu. And the export engine slightly slows down with a 200 mil. bu. decline, to 3.1 bil. bu. Lower stocks tend to lead to higher prices and USDA’s early estimate for the 2026 marketing year average price is \$4.20 per bu., 10¢ above the current year’s price. The sizable swings in corn acreage are mirrored in soybeans. In 2024, soybean acres rose and soybean production climbed to 4.37 bil. bu. But growth in domestic crush facilities and gains in soybean exports meant usage grew slightly more than production. However, the tightness in the US soybean market, with stocks at 325 mil. bu., didn’t translate to higher prices. The outlook for 2026 soybeans shows production and usage boomeranging back higher. Farmers are projected to plant 85 mil. acres of soybeans. At trendline yields, that leads to a 4.45 bil. bu. soybean crop, roughly 200 mil. bu. above 2025. Soybean usage expands, as domestic crush is set to add 80 mil. more bu. to reach 2.655 bil. bu. Soybean exports are also expected to grow, reaching 1.7 bil. bu. With the projections for soybean production and

**Figure 1. 2026/27 projected season-average prices (Derived from futures).**



usage basically equal, stocks and prices hover around current levels in the USDA projections. So, USDA’s current outlook maintains the low crop prices we have experienced over the past couple of years. But the futures markets are currently providing more optimism for pricing the 2026 crops. Figure 1 displays the futures-based estimates for the marketing year average prices. While USDA is currently projecting \$4.20 corn and \$10.30 soybeans, futures are running higher. Once the markets absorbed the January

figures for production, both markets have been marching slowly and steadily higher. The geopolitical uncertainty from the Iran war has boosted the pace of those price gains.”

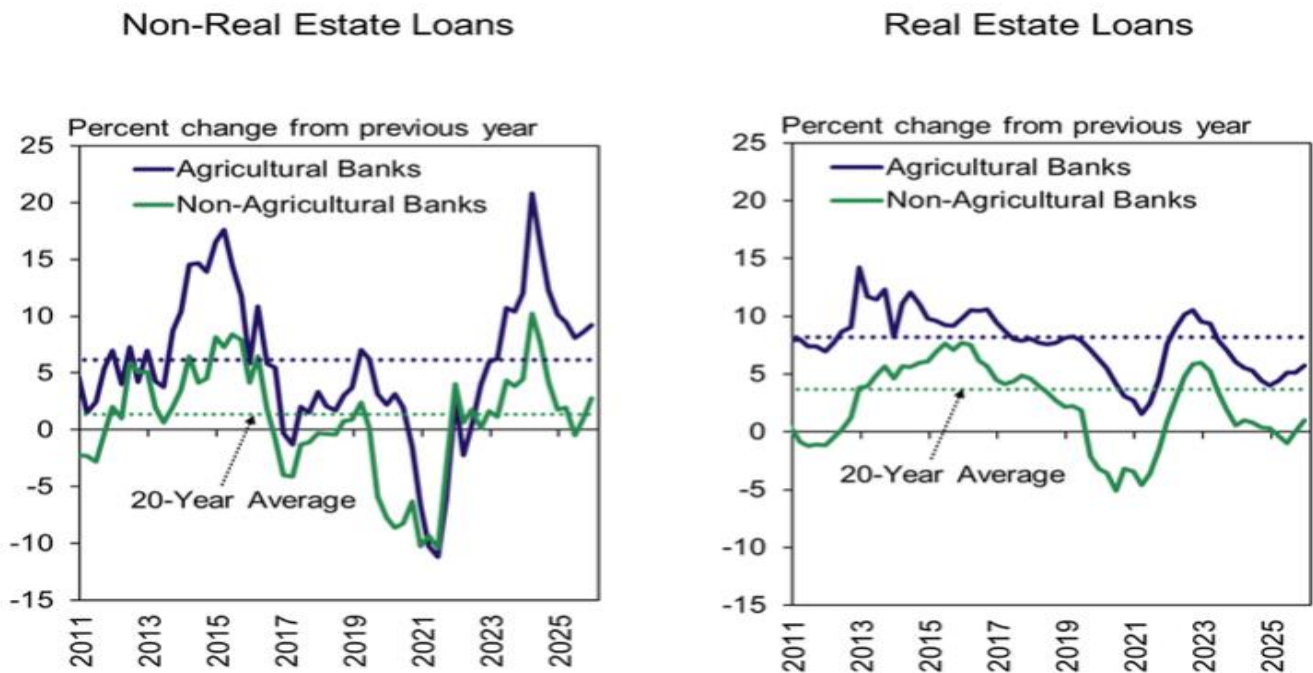
## **Farm Economy--**

- According to the latest monthly survey of bank CEOs** in rural areas of a 10-state region dependent on agriculture and/or energy, the overall Rural Mainstreet Index (RMI) dropped below growth neutral for March to its lowest level since October 2025. The region's overall reading for March plummeted to 40.9 from February's 47.9. This marks the 13th time since January 2025 that the index has moved below the growth neutral threshold. The index ranges between 0 and 100, with a reading of 50.0 representing growth neutral. Weakness in farm commodity prices and elevated agriculture input costs are spilling over into the business community. Approximately, 27.2% of bankers reported that small businesses in their area were experiencing declines in business activity," said Ernie Goss, director of the survey. After falling below neutral growth for January and February, the March farm and ranchland index rose to 50.2 from 45.5 in February. "Farm and ranchland prices have been holding up much better than farm income," said Goss. A central IL banker reported that "Recent rains in our area have improved farmers' moods, but subsoil moisture is very low, and timely rains will be needed to raise the 2026 crops." Another IL banker said, "The communities we serve are totally dependent on the Ag economy. That said, our small businesses on Main Street are suffering along with our grain producers. We are now in our 4th year of tough local economic times due to this sustained downturn in the Ag economy." The March farm equipment sales index increased to a very weak 28.6 from 16.7 in February. "This is the 31st straight month that the index has fallen below growth neutral. "The 2026 conflict in Iran has created even more volatility in the agricultural sector, primarily impacting agricultural equipment sales by tightening farmer operating margins, increasing input costs and shifting farmer planting decisions," said Goss. Despite weak farm income, farm loan delinquency rates remained well contained with more than half, or 52.4%, indicating no change or even declines in delinquency rates, with 47.6% reporting that loan delinquency rates increased modestly. The IL March Rural Mainstreet Index (RMI) sank to 39.1 from 45.8 in February. The farmland price index for March climbed to 48.3 from February's 43.8. According to trade data, IL exports of agriculture goods and livestock for the first month of 2026, compared to the same period in 2025, fell by 25.0%. Compared to the first month of 2024, the IL exports of agriculture and livestock for the first month of 2026 sank by 50.2%.

	Percentage of Bankers Reporting					
	Significant Decline	Moderate Decline	Stable	Moderate Growth	Strong Expansion	
How are small businesses in your community performing?	4.6%	22.7%	68.2%	0.4%	4.1%	
	Percentage of Bankers Reporting					
	Agriculture	Manufacturing	Energy	Services/ Retail	Construction	Government/ Health/ Education
What sectors of your local economy are currently driving growth?	45.5%	0.0%	0.0%	4.6%	36.4%	13.5%

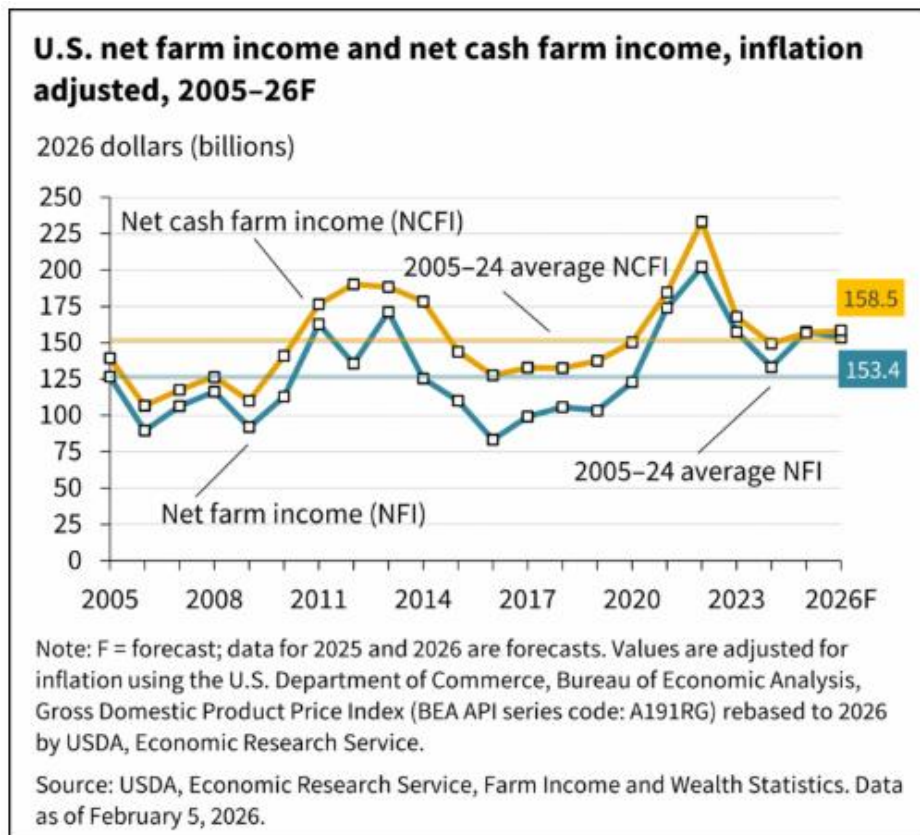
- There are pluses and minuses to the farm economy.** Farmers are not doing well. The [Kansas City Federal Reserve](#) says bankers are doing quite well, thank you. "Earnings performance at agricultural banks improved in 2025 alongside strong growth in farm loans. According to Reports of Condition and Income, farm loan balances at agricultural banks increased about 7% from the previous year and returns on average assets also rose notably. Strong loan growth and favorable loan yields boosted net interest margins, and bank liquidity tightened modestly. Delinquency rates increased slightly over the past year but remained low despite ongoing challenges for many crop producers. The outlook for the U.S. agricultural economy remained subdued and uncertainty was heightened alongside recent volatility in commodity and fertilizer markets. Profit opportunities in the crop sector remained limited despite recent increases in crop prices as concerns surrounding a surge in fertilizer and fuel prices weighed on sentiment. Demand for lending grew and credit conditions tightened gradually alongside reduced working capital for crop producers over the past year. Despite persistent challenges, financial stress has remained limited with support from resilient farmland values, direct government assistance and strong cattle revenues in some regions. Farm debt grew considerably at agricultural banks in 2025. Outstanding balances of non-real estate and real estate loans at agricultural banks increased about 9% and 6% from the previous year, respectively (below). Growth was more constrained at non-agricultural banks but picked up slightly compared with earlier in the year. Farm loan delinquency rates increased slightly but remained low. Just over 1% of all agricultural loan balances were past due more than 30 days at the end of 2025. About a quarter of all agricultural banks had a farm loan delinquency rate above 1% and half had negligible or no delinquent farm loans."

**Chart 1: Farm Debt Outstanding at Commercial Banks**



## The Business of Farming—

- **Farmers may be getting substantial mailbox money this year,** but that apparently does not

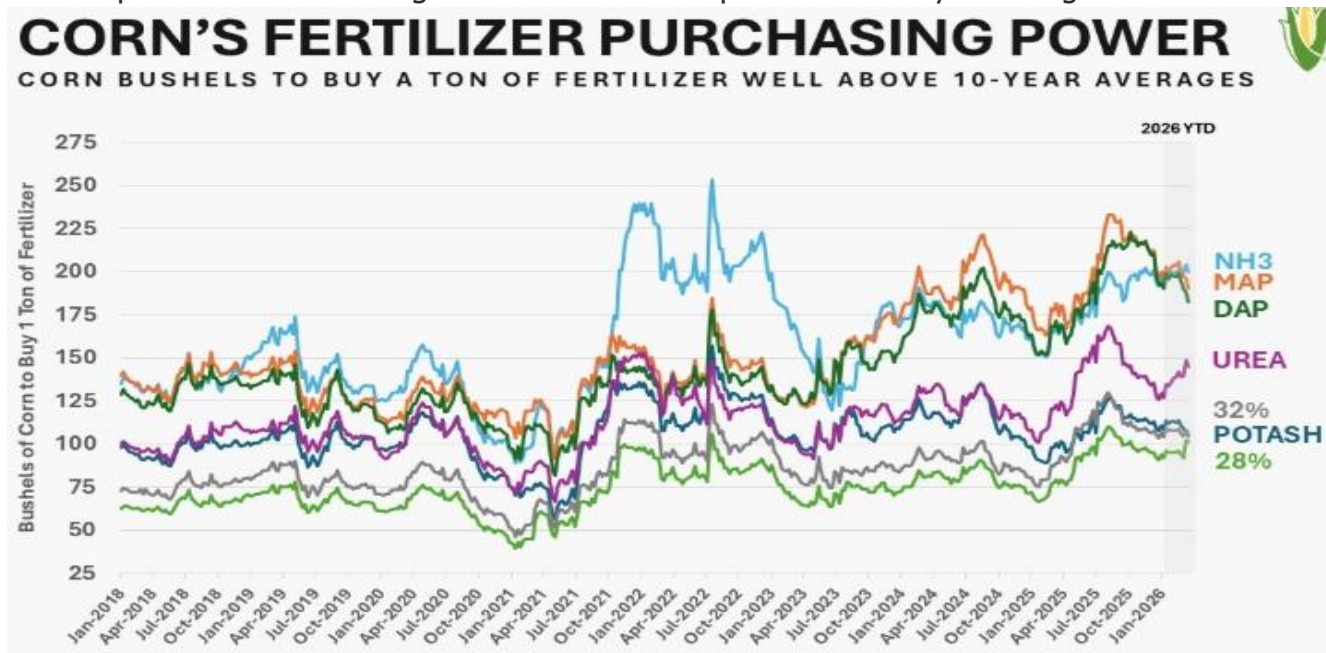


mean any will get rich.... or break even. [Reuters' P.J. Huffstutter](#) reported that "in a sign of growing stress for U.S. farmers, the Agriculture Department forecast on Thursday that U.S. net farm income would fall 0.7% this year, despite near-record government payments that are expected to account for nearly 29% of producers' bottom line." "Net farm income, a broad measure of profitability in the agricultural economy, is forecast to drop 0.7% to \$153.4 bil. in 2026 from the year before, USDA said," Huffstutter reported. "When adjusted for inflation, net farm income is projected to decrease by \$4.1 bil. or 2.6%."

"Government payments are doing a lot of the work in supporting crop producers," said Wesley Davis, a partner at Meridian Agribusiness Advisors, an agricultural economics consultancy in New York City. But farmers, economists and lawmakers warn that even more government support may be needed to offset the impact of low crop prices, a global grain glut, rising operational costs and lost export sales due to Trump-era trade and economic policy changes. Many farmers are increasingly dependent on federal support to pay their bills - while also taking on record levels of debt - even as government payments near record levels, economists said. USDA forecasts that producers will receive \$30.5 bil. in direct payment support in 2025 and \$44.3 bil. in 2026, excluding additional payouts from federal crop insurance indemnities. Such levels have not been seen since 2020 and 2021 amid COVID-19 pandemic upheaval and trade disruptions during President Donald Trump's first term. USDA forecast that farmers' cash receipts - what they get paid for their crops - would rise this year for corn, hold generally steady for soybeans and fall for wheat. Livestock receipts are expected to drop due mainly to lower egg and milk prices, while cattle receipts will continue to increase. The chair of the [U.S. Senate's agriculture committee](#) [said](#) on Tuesday that many farmers were suffering heavy losses, while more than two dozen former USDA officials and industry leaders cautioned lawmakers that U.S. agriculture faced the risk of a "widespread collapse" in part because of the Trump administration's policies.

## Fertilizer, Fuel, and Other Inputs—

- **Economists Krista Swanson and Gretchen Kuck** of [National Corn Growers](#) may think there is no end in sight to the negative dynamics of fertilizer prices. They report: “Several fertilizer products trade as Chicago Board of Trade (CBOT) commodities, which means prices can react in real time, indicating how markets are responding to global geopolitical developments. Urea showed an immediate move following the start of the war: the nearby Gulf Free-On-Board (FOB) March 2026 contract jumped \$128 per ton between February 27 and March 3. The May 2026 urea contract rose more slowly at first, but the rally then continued ahead. The contract’s March 19 close of \$681 per ton is an increase of \$276 per ton (68%) from the end of February. At \$681 per ton, urea is elevated but not at a record high. In April 2022, prices surpassed \$1,000 per ton. Since the end of February, the Gulf FOB April 2026 contract for diammonium phosphate (DAP) has increased \$40 per ton (6%). The move is smaller than the price response seen in urea contracts but is still concerning given DAP’s sustained high price level in recent years. DAP prices were already relatively high prior to the Strait of Hormuz constraints, reflecting existing market supply restrictions. Like urea, DAP reached highs of \$1,000 per ton in 2022, and prices have been slow to decline from their peak. Before the hikes seen in March 2026, DAP was persistently pricing at \$600 per ton, while urea had fallen over time to below \$500 per ton.” Today, the nearby (May 2026) corn contract is about \$4.70 per bu. The relationship between these 2 commodities is an important indicator of how market conditions will be felt in the farm economy. Looking at the decisions farmers are facing right now, current May contract prices it takes roughly 145 bu. of corn to buy 1 ton of urea versus about 125 bu. in April 2022—even though the urea Gulf FOB price was nearly 50% higher at the time.



As can be seen, fertilizer has been high in the price of corn for an extended period *before* the further dramatic spikes of the beginning of March, particularly for anhydrous ammonia and phosphate products. This trend unsurprisingly coincides with the fourth straight year of projected negative returns.

## **Trade, Tariffs, (and USMCA) —**

- **The USDA launched a Trade Reciprocity** for U.S. Manufacturers and Productions Mission to Vietnam last week to open new markets, strengthen export opportunities, and secure fair and reciprocal trade for American farmers, ranchers, and producers. “American farmers, ranchers, and producers thrive when they have strong, reliable markets for their high-quality products,” said USDA Under Secretary Luke Lindberg, who’s leading the mission. “By strengthening our trade relationship with Vietnam, we’re opening doors for U.S. agriculture, ensuring they have a fair chance to compete and succeed.” In 2025 alone, agriculture, fishery, and forest product exports surged by 45 % to a record \$5.6 bil., making Vietnam the eighth-largest market for the U.S. The mission’s goal is to expand on the momentum by expanding market access, connecting suppliers with new buyers, and advancing negotiations for America’s farmers and ranchers. USDA will return to Vietnam later this year for a broader agribusiness trade mission to continue expanding opportunities.
- **Is Thailand a market for US soybeans?** One can ask either Jim Sutter, CEO of the US Soybean Export Council, or the 450 folks pictured below wanting to buy US soybeans. They wanted to hear what Sutter and US soybean growers, such as Vice Chair Roberta Simpson-Dolbeare, or Secretary Scott Gaffner, both of IL had to say last week. “The conference in Bangkok saw strong engagement across market outlooks, supply chains, sustainability, and trade dynamics—highlighting how U.S. agriculture continues to deliver consistent, reliable value to Southeast Asia. With Southeast Asia’s demand for food and feed continuing to grow, the importance of collaboration, reliability, and long-term partnership remains clear. We look forward to building on these engagements.”



- **IL Farm Bureau members just returned** from Mexico, where trade issues were explored ahead of the plan for the US, Mexico, and Canada to consider [continuation of the USMCA agreement this summer](#). While Estefanía Perez, deputy director for the U.S. Grains and BioProducts Council (USGBC), said agriculture was not expected to be discussed when the first round of USMCA talks began March 16, she said the industry remains a major



component of the negotiations. “The agricultural chapter is not within the first round of conversations,” Perez said, noting other trade items like automobiles and electronics are first on the discussion list. “We are pending ... (and) are just ready for when they will talk about these (agriculture) topics.” U.S. agricultural exports to Canada and Mexico have risen by \$20 bil. since USMCA took effect July 1, 2020, reaching \$60 bil. in 2024, as reported by the [Agricultural Coalition for the USMCA](#), which is made up of 40 farm and agricultural groups, including the American Farm Bureau Federation. Mexico and Canada account for roughly one-third of U.S. total agricultural exports, and IL farmers across commodity sectors rely on this North American trade to support prices and demand. Mexico alone accounts for over 17% of U.S. agricultural exports. The country relies heavily on imported grains and pork to meet domestic demand, with U.S. agricultural exports to Mexico valued at \$30.6 bil. At the U.S. Embassy in Mexico City, Director of the USDA Agricultural Trade Office and Foreign Agricultural Service in Mexico Sean Cox told IFB members Mexico ranked among the top destinations for U.S. corn, soybeans and meat exports in 2025. Corn and soybean exports totaled more than \$8 bil. in value, while meat exports, including pork, beef and poultry, reached nearly \$6 bil.

- **But on the dark side...** Mexico has launched [trade complaints against US pork producers](#). “In 2024, exports to Mexico were over \$2.6 bil. In addition, Mexico’s geography creates the possibility of land exports, which is a unique export market condition for the U.S. pork industry. Mexico then initiated 2 cases on U.S. pork in December. The first case alleges that the U.S. was dumping product (selling below fair value) during a 3-year time period (2022-2024) into Mexico on hams and shoulders specifically. The 2nd case alleges that the federal government and 5 state governments (IN, NC, IA, IL and MN) gave subsidies to grain producers and pork producers and processors. They claim this created an unfair advantage to the U.S. because producers may have received funds from the federal government and packers may have received some benefits to modernize a packing plant, which went on to lower the price of U.S. pork hams and shoulders exported to Mexico. If Mexico reaches an adverse determination, tariffs could be applied to U.S. hams and shoulders.

## ***Biofuels News--***

- **The U.S. Environmental Protection Agency** has finalized new renewable fuel standards that increase biofuel blending requirements and aim to strengthen domestic energy production, according to a federal announcement. The rule, part of the federal Renewable Fuel Standard program, sets new volume targets for 2026 and 2027 and is expected to boost demand for ethanol, biodiesel and other renewable fuels. Officials said the standards are designed to reduce reliance on foreign oil while supporting U.S. farmers and rural economies.
- ✓ **Rep. Nikki Budzinski, D-IL**, Co-Chair of the bipartisan Congressional Biofuels Caucus, led 48 Members of Congress in a letter to EPA Administrator Zeldin expressing support for their proposed rule, which is now reflected in the final version. "I'm glad the EPA listened to our bipartisan coalition, putting rural communities and farm families first."
- ✓ **Mark Bunselmeyer, Pres.** IL Corn Growers said, "Today, the U.S. Environmental Protection Agency announced it will use its existing authority to ensure continued access to E15 (often marketed as Unleaded 88) this summer - a move that helps protect consumers from losing access to a lower-cost, lower-emission fuel option." He emphasized both the opportunity and the challenge ahead. This decision provides short-term certainty at the pump.
- ✓ **Sarah Hastings, chair of the industrial committee** of the IL Corn Growers Association, says the biofuels announcement Friday was a positive step. Demand for corn, and likely increase price, will result from the EPA announcement about increasing renewable volumes of ethanol flowing into the US motor fuel supply, along with a step toward increased volumes of 15% ethanol availability during summer months. [Her analysis is included in this short video.](#)



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