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

Commodity market price drivers—

- **WASDE is Tuesday.** The March version of the World Agricultural Supply-Demand Estimates will be released. But how much will the growing Mideast conflict impact the demand estimates for US corn and soybeans? That remains to be seen, and Tuesday certainly may not provide much of a reliable indication.
 - ✓ Corn has been pushing its head above water, but has the Iran conflict raised the level of the water? And the market will be watching for indications of acreage. USDA is likely to keep the acreage numbers projected by the new chief economist at the Outlook Forum, but grain traders were not ready to plant a stake in that estimate. Some expect acreage to be higher where farmers have improved markets, and others expect acreage to decline with the price threats to nitrogen that originated in the Mideast war zone. Traders surveyed by Dow Jones are looking for a 2.15 bil. bu. carryout, even though exports are on fire and some South American corn is not looking all that well currently.
 - ✓ The soybean market has been fueled by the demand for soybean oil as a feedstock for biofuels and with May futures over \$12 the bean market has taken a healthy skin color. Exports remain well behind last year, with Chinese business relying upon South American supplies, but a number of typically small soybean buyers seem to be more interested in US beans. Volumes remain to be seen. Traders are expecting the Sept.1 carryout to be 343 mil. bu., a number that China could gobble up if Trump cards are played correctly. With biofuels reaching significant levels of demand, the bean market could find strength, but large supplies of soybean meal remain a strong hitching post.

- **A lot of commodities remain in storage** because of low prices for corn and soybeans. Ed Usset, an Univ. of MN ag economist, said soybean prices have begun to bounce back after sinking in late 2025, "First of all, we had a wonderful rally in the world of cash soybean prices back in November, just 3 months ago. And about the time I started to talk about it, we were \$1 to \$1.25 off our harvest lows in mid-November. I started talking about it, and of course, it went away, and it faded back to where we were, you know, by early January. Well, we've got another rally. And in fact, right now, we're talking a cash price of \$10.50 a bu. in Southern MN. And that is the best we've seen since July of 2024." He said February isn't typically a great month to market grains, "We don't typically make highs in February, and we could make the argument that we should wait a little longer. But the fact is, last year, we did make highs in February, so things happen. This is a great opportunity for old crop sales, which leads to new crop. I'm looking at the November contract and, as I am talking, it's at \$11.26 a bu. That's 50¢ better than we saw last year." Farmers should look at marketing soybeans, but he's not quite as sure about the price of corn, "You've got to take a hard look at pricing some new crop soybeans at that level and hope the heck you're wrong if you do it. Now I got to tell you, I'm just not that enamored with corn prices. Yes, they are up modestly. We've got an opportunity, new crop December somewhere around \$4.65. Man, I have a hard time with it. I guess if you screw up the courage, you get a little bit sold, because I like to remind people that we went sub \$4 with each of the last 2 new crop December contracts in 2024 and '25." (WILL radio)

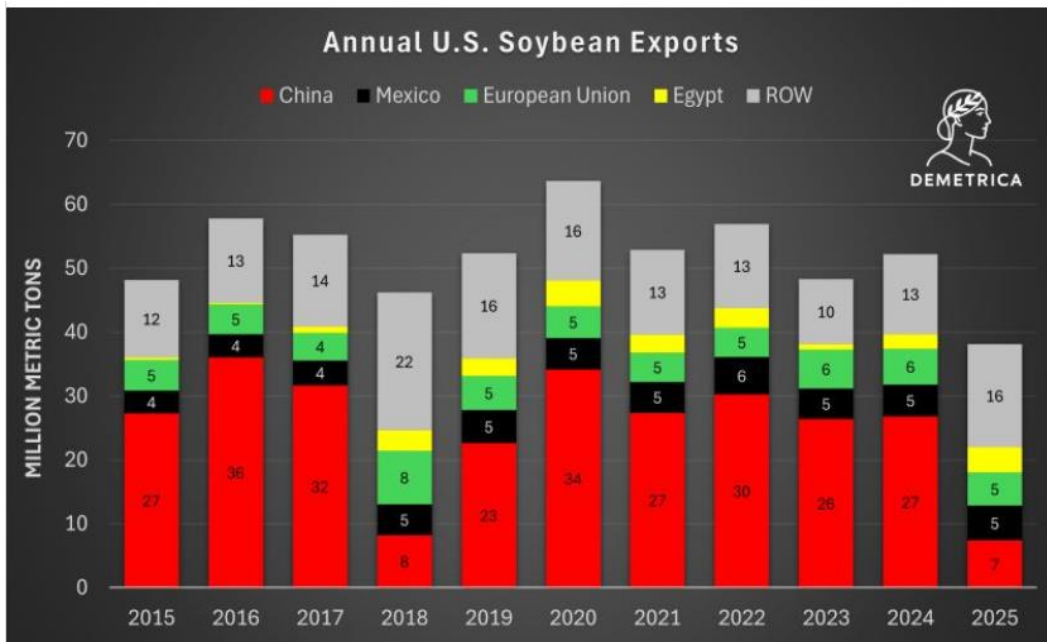
- **The ethanol industry now has another argument** for Congress to quickly approve year-round E15 sales, and that's the Iran-Middle East conflict, "It just speaks to the need for us to take every action we can to insulate ourselves from these kinds of geopolitical- induced price spikes." And with rising oil and gas prices now fueled by the Iran Conflict, Renewable Fuels' Troy Bredenkamp (left)



says Congress needs to approve year-round E15 sales, "If it were to be adopted nationally, it would remove or displace almost half of the volume that is coming from OPEC countries." While boosting corn demand as war fuels higher input costs, "At probably the worst time possible, you're going to see input prices going up, as well, for the American farmer." But ethanol's E15 war with mid-size refiners isn't over despite the president's backing of year-round sales, "Mid-size refiners, in particular, will have a very comfortable margin, regardless of what's happening in the Middle East." But not the consumer, which

is where Bredenkamp says year-round E15 comes in, "Every additional %age of ethanol that could be blended into gasoline is going to lower the price at the pump. That is our story...that is the one we will be trying to get through to Congress, and the need to get year-round E15 done." But not as part of the Farm Bill, though Bredenkamp expected someone to try, but Chair Glenn Thompson, R-PA, to rule it non-germane to the bill. (Berns Bureau, Washington)

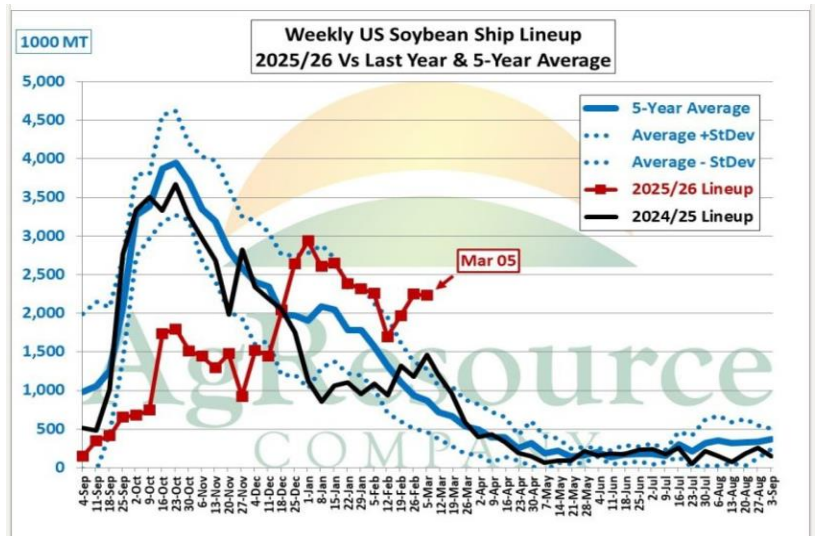
- **2025 was not a banner year for US soybean exports.** [Former USDA ag economist Agata Kingsbury](#) says the 1.4 bil. bu. exported is a 27% collapse from the 1.9 bil. in 2024. China bought 271 mil. bu., down from 984 mil. bu. in 2024. “We gained some sales to Egypt, Pakistan, Bangladesh, and slightly more to Mexico, Japan, and Vietnam. But the European Union? Exports



were actually down 7%, to 191 mil. bu. “Meanwhile, USDA is projecting 1.57 bil. bu. of exports for 2025/26. Under current conditions... does that sound realistic?” You can hope non-China markets will step up. But when 735 mil. bu. of potential exports disappear; the dream starts to look a little different. Hope isn’t a

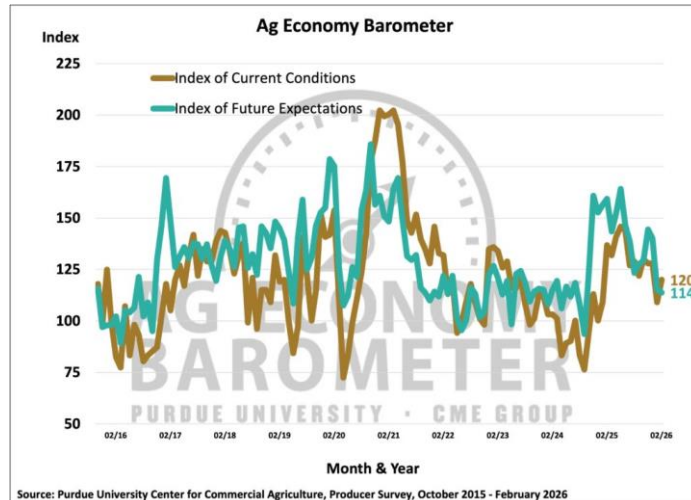
strategy.”

- **As of Mar 05, the U.S. soybean ship lineup** is estimated to be 83 mil. bu., down 1% from the previous week, says Ag Resource chief economist Bill Tierney. This week’s soybean export inspections could be 58 mil. bu. That would be up 39% from the previous week. There were 9 vessels in line for loading. That is unchanged from the previous week. The ship lineup suggests that U.S. March Census exports could be 191 mil. bu. In the February WASDE, the USDA left its projection for U.S. exports unchanged at 1.575 bil. bu. The export projection of Ag Resourced is 45 mil. bu. higher. Last year’s exports were 1.882 bil. bu. There were 6 vessels (12 mil. bu.) that departed for China and 27 vessels (65 mil. bu.) identified in the lineup that are destined for China. There are probably other vessels that departed or are destined for China which are listed as unknown.



Farm Economy--

- **Farmer sentiment improved in February** as the [Purdue Ag Economy Barometer](#) Index rose from 113 points in January to 116. The Current Conditions Index increased by 11 points, while the Future Expectations Index dropped 1 point. The Future Expectations Index this month was 45 points lower than last year's February index, reaching its lowest level since September 2024. Although concerns about agricultural exports moderated somewhat from the previous month, they are still higher than those expressed in December. In addition, the percentage of respondents who think the U.S. is headed in the "right direction" declined for the second month in a row.



- ✓ Approximately 44% of respondents indicated that their farm operations were worse off in February than they were a year earlier. Looking ahead 12 months, 29% expected worse financial performance, compared with 18% who expected better financial performance. Only 7% of survey respondents indicated that they plan to increase farm machinery purchases in the upcoming year.
- ✓ Approximately 15% of respondents indicated that they plan to reduce the size of their operation, and another 34% indicated that they do not plan to grow. 36% plan on bringing in another family member into the business within the next 5 years.
- ✓ Responding to a broad question about the future of agricultural exports, 14% of farmers in February expected exports to decline over the next 5 years, down from 16% in January and up from 5% in December.
- ✓ Respondents remained optimistic about short-term farmland values in February, but optimism regarding long-run land values continued to wane. Alternative investments, net farm income, and interest rates were cited as the three factors having the most influence on farmland values.
- ✓ Approximately 47% of respondents indicated that bridge payments would be used to pay down debt; 27% said it would improve working capital; 12% said it would be used for family living and 14% to invest in farm machinery.
- ✓ The percentage of producers who indicated the U.S. is headed in the "right direction" dropped from 62% in January to 59% in February.

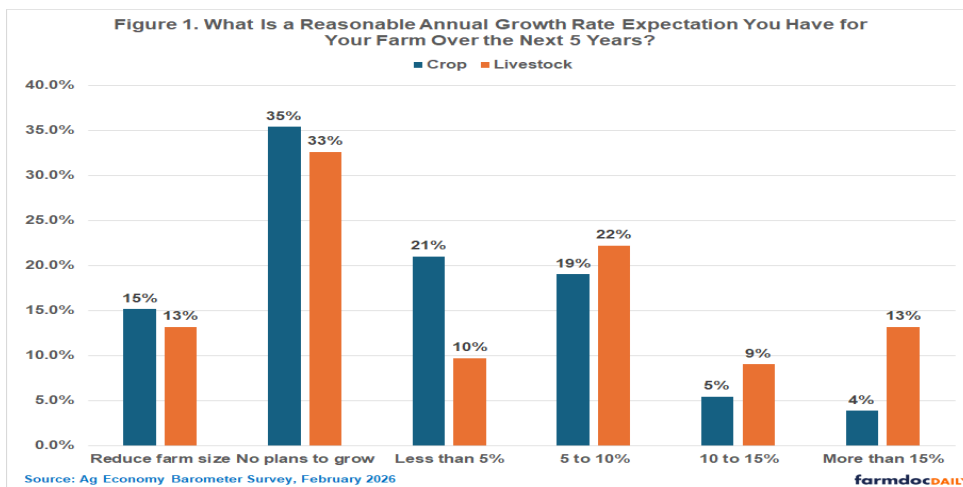
The Business of Farming—

- What is the future of your farm?** Are you the last operator? Will a son or daughter follow you as the chief operator of the farm? Will it expand, or shrink in size and scope, or change entirely, such as elimination of a livestock operation? [Purdue Ag economists share their findings about farm growth and transition planning](#). “The farm growth question was posed as follows: *What is a reasonable annual growth expectation you have for your farm over the next 5 years?* Potential answers include the following: reduce farm size, no plans to grow, 0 to 5% annual growth, 5 to 10% annual growth, 10 to 15% annual growth, and more than 15% annual growth. Summary information for the entire group of farms:

Variable	All Farms	Crop	Livestock
U.S. Headed in the Right Direction	58.6%	59.5%	56.9%
Plans to Reduce Farm Size	14.5%	15.2%	13.2%
No Plans to Grow my Farm	34.4%	35.4%	32.6%
Most Important Goal: Passing the Farm on to the Next Generation	38.9%	38.1%	40.3%
Plan to Bring Another Family Member into the Business in the Next 5 Years	35.9%	34.6%	38.2%
Number of Farms	401	257	144

for crop producers, and for livestock producers is presented in Table 1 and Figure 1. Approximately 51% of crop producers and 46% of livestock producers either plan to reduce their farm size or have no plans to grow. At the other end of the spectrum, a higher percentage of livestock producers (24% vs. 9%) intend to grow by more than 10%.” “Given the large difference in prices received

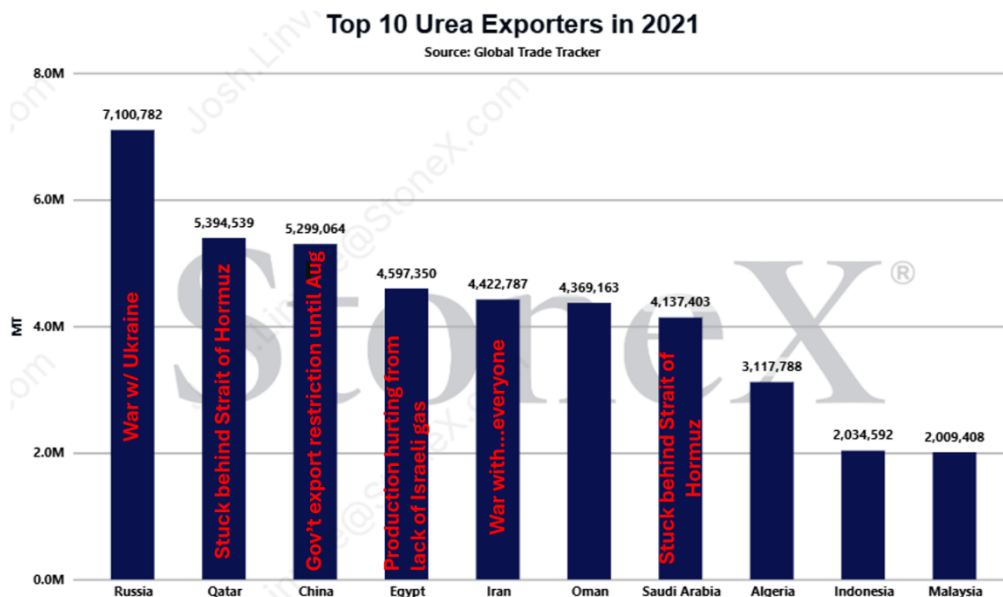
and projected net return prospects, it is not surprising to find a large difference in producer sentiment between crop and livestock producers in the February 2026 survey. In contrast to producer sentiment, farm growth and transition plans are similar among crop and livestock producers. Approximately



50% of respondents to the February 2026 survey plan to grow in the next 5 years, and about 36% of respondents plan to bring another family member into the business in the next 5 years.”

Fertilizer, Fuel, and Other Inputs—

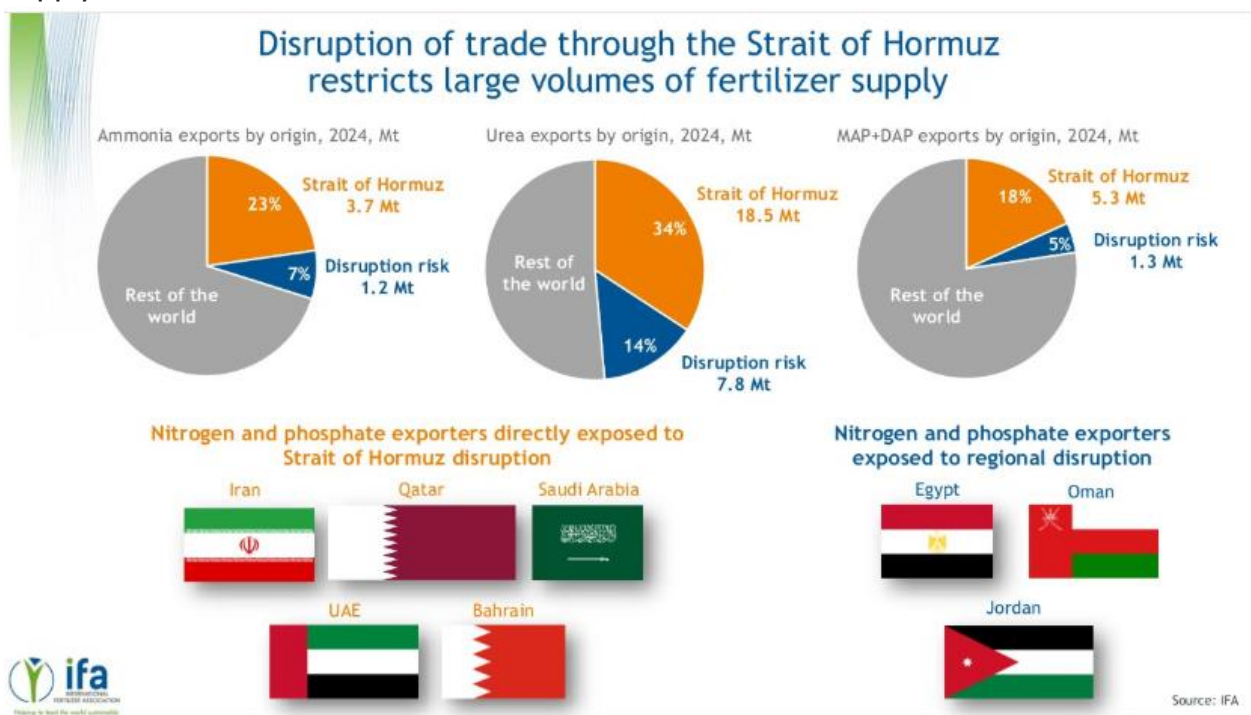
- Roughly 20% of the world's oil moves through the Strait of Hormuz** near Iran. War in that region will affect oil prices, which have responded accordingly by going higher, and fertilizer prices are responding too. Josh Linville, the vice president of fertilizer for StoneX, said there's obviously never a good time for war, "There are certainly worse times of the year, and this is one of them. When you sit there and think about the fact that we feel kind of in the lead-up to the spring season, but from a logistical standpoint, we're already there. It typically takes us about 30 days just to come from the loop and reach U.S. shores. And then those 30 days, or 2 full weeks, to get up the system. So, anything that would have shipped today is arriving on April one, April 7, in that first week. Well, that's what we really need for our spring lead-up, so this literally could not be happening at a worse time." He said the markets are already showing the pressure, "Those urea markets, as of this morning, are up over \$70 a ton from Friday trade, and that's how taken off guard this marketplace has been. I think everybody's watching it, but nobody expected it to happen this quickly and this severe." The world is already short on fertilizers, and slowdowns in the Strait of Hormuz will only make it worse, "It's not even just that body of water. We're already dealing with China not exporting. We're already dealing with European production rates being 75% of normal. Now we're losing the Strait of Hormuz, and all of a sudden, close to that body of water, Israel shut down their natural gas production. They see a lot of Egyptian production. They're a major player, so we are ticking off the top 10 List of urea exporters very, very quickly." Additionally, the now-closed Strait of Hormuz moves about 20 mil. barrels of crude oil and petroleum products daily, totaling about 20% of global demand, in addition to fertilizer exports also move through the Strait, including about 25% of the globally traded nitrogen market. Politico said the White House will offer naval escorts and political risk insurance for oil and gas tankers traveling through the Strait of Hormuz in a bid to slow down a surge in energy prices after Iran warned it will attack ships at a choke point in the Strait.



"The announcement brought some immediate relief to the overheated crude oil market," Politico reported. "If necessary, the U.S. Navy will begin escorting tankers through the Strait of Hormuz," Trump added. (American Ag Network) (The chart below reflects the last "normal" year of shipments.)

- **In June 2025**, [the Market Intelligence Service of the International Fertilizer Assn.](#) highlighted the concentration of fertilizer export flows in the Middle East and the potential risks associated with restricted access through key maritime routes. Recent events around the Strait of Hormuz further underline the risk to global fertilizer markets, particularly for significant volumes of nitrogen and phosphate fertilizers. 5 major fertilizer exporting countries - Iran, Qatar, Saudi Arabia, United Arab Emirates, and Bahrain - rely on the strait to transit exports to international markets. Collectively, in 2024, these 5 countries accounted for:
 - 23% of global ammonia trade
 - 34% of global urea trade
 - 18% of global MAP+DAP trade

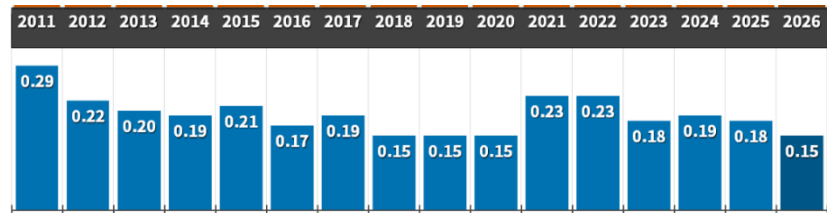
The wider Middle East region accounts for almost 30% of global export supply of major nitrogen, phosphate, and potash fertilizers. The weekend developments in the Strait of Hormuz, combined with ongoing risks in the Red Sea, now expose a substantial portion of global fertilizer supply to 2 trade chokepoints experiencing disruption. Urea remains the most exposed fertilizer product. In 2024, 18.5 Mt of urea were exported via the Strait of Hormuz, and nearly 50% of global urea trade originated in the Middle East during the same period. Neighboring producers such as Egypt also face feedstock supply risks, mirroring disruptions observed in June 2025. With natural gas representing 80-90% of ammonia production costs, the region's role in global gas supply is a critical factor for nitrogen economics, and with almost 50% of global sulphur flows passing through the strait, phosphate fertilizer raw materials are also impacted. Disruption to oil and gas trade flows through the Strait of Hormuz could therefore generate broader ripple effects across the fertilizer supply chain.



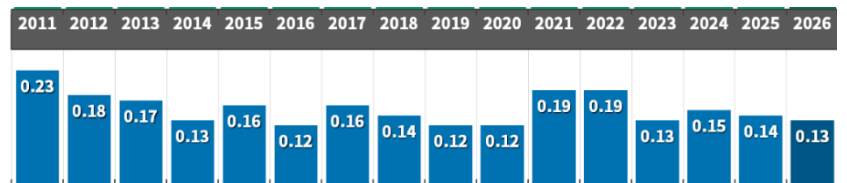
Risk Management and Crop Insurance—

- **The 2026 crop insurance Spring Guarantees** have been set and confirmed by the USDA's Risk Management Agency. Many farmers may have kept running totals of closing prices during February and had an idea of what the guarantee would be. But another factor is just as important, and that is the volatility of the prices in the last week of February, which are used to calculate a volatility factor that influences the premiums to be paid for crop insurance for 2026. IL Farmdoc Ag Economists have outlined the RMA's process that determines premium rates for the year.

- ✓ The 2026 Volatility Factor for corn is 0.15, down from a value of 0.18 in 2025. The lower Volatility Factor will lead to lower insurance premiums for revenue products this year, holding other factors constant. The 0.15 Volatility Factor matches the lowest values observed in the past 15 years.



- ✓ The 2026 Volatility Factor for soybeans is 0.13, down from 0.14 in 2025. This is the lowest Volatility Factor for soybeans since the 2023 crop year and only slightly higher than the lowest value of 0.12 over the past 15 years. The lower



Volatility Factor will tend to reduce premium costs for equivalent revenue policies compared with years with higher Volatility factors, assuming other premium pricing factors are the same.

Farmers happy with the spring guarantees and the premium costs need to firm up their 2026 crop insurance coverage with their agent. The deadline is March 15, but since that is a Sunday, the USDA's Risk Management Agency allows business to be finalized on March 16th, which is next Monday. Since prices, particularly for Nov. futures for soybeans, have been climbing lately, the Farmdoc ag economists say, "It is also important to recognize that the final Projected Prices are based on average settlement prices across the entire month of February, they may differ substantially from the current futures prices for the same crops at the time producers make their crop insurance purchase decisions. As of early March, November Soybean futures prices are substantially above the Projected Price for soybeans. One implication is that actual expected revenue is currently above insurance guarantee levels, resulting in insurance coverage being effectively lower than what is effectively implied by the coverage level times expected yield. On the other hand, current futures being above the average across February would suggest that Harvest Prices are more likely to be above Projected Prices and a greater likelihood for increased coverage in Revenue Protection policies whose guarantee adjusts to the higher price."

- **As spring planting gears up** across the country, the USDA's Risk Management Agency has officially announced crop insurance prices for 2026. Faith Parum, an economist with the American Farm Bureau Federation, says, "For 2026, spring prices were finalized at approximately \$4.62 per bu. for corn, \$11.09 per bu. for soybeans, and \$6.19 per bu. for wheat. Of course, there are other crops that have been finalized. Spring prices are set by the future prices through the month of February for these crops, and so this will be helpful in determining the coverage levels for crop insurance." Parum says these are slight changes from what farmers saw in spring 2025, "So, for corn, we see a price that's down about 1.7%. We also see prices for wheat being down about 5.5%, while soybean prices are up. It's important to know that this is the spring price, and so we'll have to wait to see what the harvest price looks like in the fall to know what coverage will be for crop insurance." She said farmers have a stronger safety net this year, thanks in part to the updates in last year's One Big Bill Act, "There are other risk management tools like ARC and PLC. ARC County prices this year will be set at \$5.03 for corn, \$12.17 for soybeans, and \$6.98 for wheat. There's also PLC set by the breakeven price. And so, these will provide a strong safety net for farmers across the country." (American Farm Bureau)

Transportation Issues—

- **"Getting it from there to here,"** has become a bigger problem than just the price of fertilizer. [World Grain reports](#), "An expanding military conflict across the Middle East following a coordinated attack on [Iran](#) by Israel and the US on Feb. 28 has disrupted commercial shipping in the Strait of Hormuz and other waterways in that region, with shipments reportedly being rerouted or delayed. Multiple commercial ships have been attacked in and around the Strait of Hormuz by Iranian drones and projectiles in recent days in response to the US-Israel offensive. It noted that several oil tankers and vessels with Western or Israeli links had been struck, causing fires, evacuations, and at least one fatality. The Joint Maritime Information Center (JMIC) on March 1 shifted the regional maritime security posture from "severe" to "critical." The JMIC said that while no formal legal closure of the Strait of Hormuz has been declared, the operational environment reflects active kinetic hazard



conditions in this area. Major shipping companies such as Maersk, MSC, Hapag-Lloyd and CMA CGM have issued statements about how the situation is impacting their operations. Maersk, a Denmark-based global, integrated container logistics company that manages about 15% to 20% of the world's container trade, including grain and fertilizer shipments, said it has paused its operations in that

region until further notice."

USDA—

- **USDA will be “putting on the dog,” later this month** as the National Ag Day celebration moves to the Washington, D.C. Mall. Leaders from across the agriculture sector will gather at the



USDA headquarters to celebrate National Agriculture Day, March 24, recognizing the vital role agriculture plays in providing food, fiber, fuel, and economic strength to communities across the US. National Ag Day, organized by the Agriculture Council of America, is observed annually to increase public awareness of agriculture’s contributions and the people who produce the nation’s food and resources. The 2026 celebration carries the theme “Agriculture: Together We Grow — Celebrating 250 Years of Progress in Agriculture.” A series of events will take place in Washington, D.C., and online throughout the day. The centerpiece event, Ag Day at USDA, will be held from 9:00 a.m. – Noon at USDA Whitten Patio. The program will feature remarks from agricultural

leaders. The program will also include student panel discussions, a commodity group discussion, and recognition of winners from the National Ag Day Essay Contest. For those unable to attend in person, the day’s activities will be available through a live virtual broadcast beginning at 9:00 a.m. Eastern, allowing audiences nationwide to take part in the celebration. The celebration will conclude with the Taste of Agriculture Reception, held from 5:30–7:00 p.m. in the Kennedy Caucus Room, bringing together agricultural leaders, policymakers, students, and industry partners. National Ag Day highlights the essential role agriculture plays in sustaining communities and the economy. From farmers and ranchers to researchers and agribusiness professionals, the day recognizes the individuals working together to produce safe, abundant, and affordable food while advancing sustainability and innovation. For information, visit agday.org.

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