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

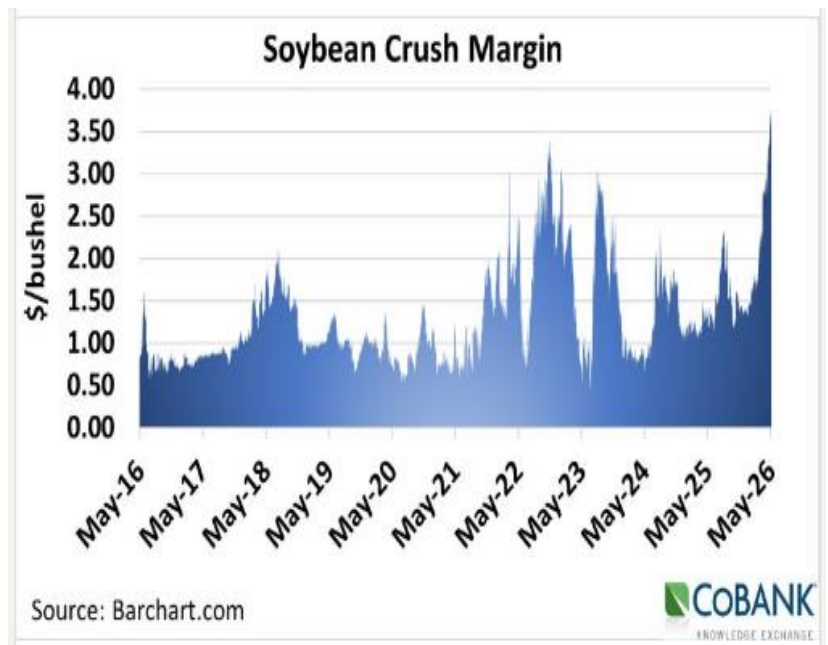
Commodity market price drivers—

- **Tuesday is WASDE** and USDA's World Outlook Board will provide its first projection of 2026/2027 supply and demand estimates.
 - ✓ **Demand for U.S. corn has remained firm** since the April report. Export shipments continue to run ahead of the pace needed to meet the USDA's projection for the 2025/2026 crop year. [Successful Farming predicts](#), If adjustments are made in May, then exports are the most likely category to be revised higher, with a potential offsetting reduction in feed and residual for 2025/2026. For 2026/2027, Grain Market Insider is projecting ending stocks to be between 1.8 and 1.9 bil. bu., assuming 95.3 mil. planted acres and a trendline yield of 183 bu. per acre (bpa). Corn reactions are evenly split between positive and negative outcomes, with an average absolute move of 7¢. Positive reactions average a 6¢ gain, while negative reactions average a 9¢ decline.
 - ✓ **U.S. soybean export shipments continue to lag** behind the pace required to meet the current USDA projection. Sales are at 92% of the forecast versus a 5-year average of 94%. With exports underperforming and crush strength offsetting, Grain Market Insider expects stocks to remain nearly unchanged in the May WASDE report. For 2026/2027, Grain Market Insider projects ending stocks between 330 and 370 mil. bu., based on 84.7 mil. planted acres and a 53-bpa yield, implying production near 4.43 bil. bu. Soybeans also show a 50/50 directional split. Positive reactions average a 19¢ gain, compared with an average 11¢ decline when the reaction is negative.
 - ✓ **Now let's consider managing your marketing risk...→**

- **Marketing advisor Naomi Blohm** suggests there are [3 primary considerations](#):
 - ✓ Understand what's coming. USDA's May reports create bearish momentum. Tuesday's report will deliver the first new crop projections using March 31 acres and relying on trendline yields. "Ending stocks likely on paper will still be viewed as comfortable amounts," Blohm warns. "That's not bullish potentially."
 - ✓ Don't count on bullish surprises. While a potential E15 decision and the Trump-Xi meeting could move markets, Blohm cautions against waiting for positive news. Congress has repeatedly delayed E15 action, creating "buy the rumor, sell the fact" scenarios. China's expected soybean purchases may already be priced in, and Brazilian beans currently trade \$1 cheaper than U.S. supplies.
 - ✓ Remember the seasonal pattern. Markets typically find spring price highs between Mother's Day and Father's Day. "We're in that window," Blohm emphasizes. Unless major weather problems develop—which likely won't be a concern until late June pollination—current prices could mark the highs.
- **And Naomi Blohm says** there are [3 marketing moves for consideration](#):
 - ✓ Consider cash sales now. December corn hit \$5 and November soybeans reached \$12 this week—price levels that seemed impossible in January and February. "This was the golden ticket of opportunity that farmers have been waiting for," Blohm said.
 - ✓ Target 1/3 to 1/2 sold on estimated 2026 production. Given the strong prices and seasonal timing, Blohm recommends this positioning to capture current value while leaving room to benefit if weather issues emerge later.
 - ✓ Set a price floor. Those hesitant to forward contract before feeling more confident about 2026 production can use put option strategies to protect against downside pressure. Find an approach that fits your risk tolerance, but lock in protection at current levels.
 - ✓ Ultimately, Blohm says, with comfortable supply projections likely coming Tuesday and multiple bearish scenarios possible, waiting could mean watching today's opportunity disappear. Crops are being planted in timely fashion, and the market knows it.
- **Grain traders surveyed by Dow Jones** think the old crop corn carryout will be 2.14 bil. and 2027 carryout will be 1.96 bil. based on new crop demand of 16.2 bil. bu. [The Dow Jones survey](#) has the global crop at 2.2 bil. bu. and up from 2 bil. in the April report. As a result, world corn ending stocks are expected to rise moderately to 296.5 mmt. For the new 2026-27 season, ending stocks are expected to fall to 11.7 bil., largely driven by the changes in the U.S. On the soybean side, the analysts surveyed by Dow Jones are expecting 347 mil. bu carryout on average. The Dow Jones survey estimated for 2026-27 ending stocks of 353 mil. bu. would imply demand near 4.453 bil., also 4% improved from 2025-26.

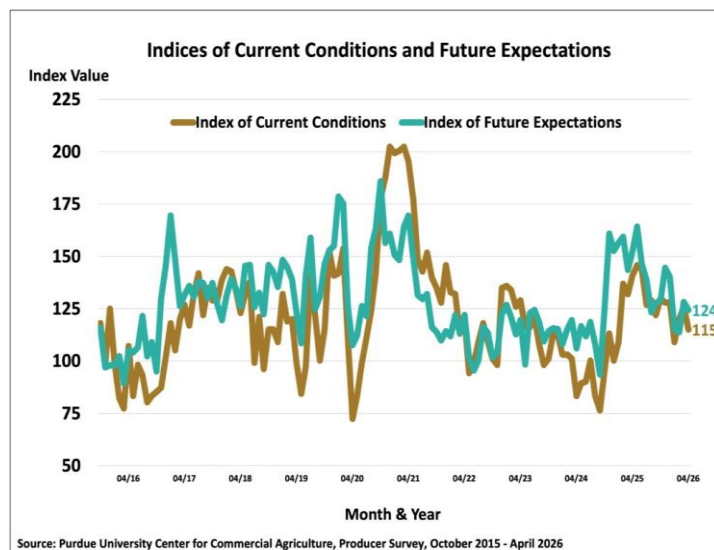
- President Donald Trump and Chinese President Xi Jinping** are scheduled to meet in Beijing this week on May 14 and 15. Jerry Gulke, a market analyst says the meeting will be important for the soybean market, "Apparently, we're anticipating good news, and we haven't heard about that 300 mil. bu that Trump would like to sell. We're behind about 300 to 360 mil. bu. on normal exports. So, a person could assume that the market is thinking that something good's going to come out of the meeting. However, I remember the Phase One meeting that they had back when Trump won his first term, and everybody's excited about that, but in that framework that we had and signed, there was a phrase in there that China agreed to buy X amount of dollars' worth of goods." While there was a Phase One agreement, it might not have been what the U.S. really needed, "They said, 'Yes, we'll buy your beans if they're competitive, and we'll buy them if we need them, but we won't throw our new friends under the bus,' meaning Brazil, where they've spent a lot of money on their infrastructure. So, the key I looked at was, well, what changed? Nothing really changed. Back then, they said that they would buy it if we were competitive and if they needed them. So now, we don't even have an agreement for the framework that was done back in October and November, and now we're looking at another meeting, and I'm afraid, or I'm concerned, that reality might not be as positive as the hype." Gulke wants to hear more about specific amounts of bushels that China intends to purchase, rather than dollar amounts, "They could very well talk about bushels, which will be positive, because the framework in November, Trump negotiated that framework deal and talked about 440 mil. bu. this marketing season, which they complied with, and then another 920 mil. bu. thereafter, for the next 2 years. He's talking bushels this time, and that's what we really want to see happen, is we want to see these bushels leave, whether it's corn or soybeans or sorghum, get them out of this country and not talk so much about dollars." (Backroads of IL Podcast)

- Not a bad time to be a soybean crusher.** Soybean crush margins are now record high, (chart, right) says Tanner Ehmke of CoBank..... that is unless you are a soybean crusher in China, where margins are negative (below).



Farm Economy--

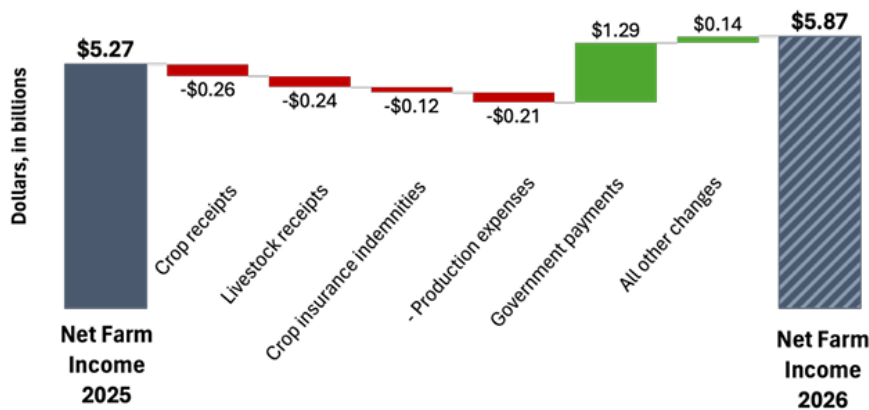
- **The Purdue Univ. Ag Economy Barometer** indicated [farmers were more down in the dauber than just a month ago](#). The percentage of respondents who listed high input costs as their biggest concern remained at 46% this month, while the percentage who listed input availability as their biggest concern increased from 11% to 14%. The percentage of respondents who think the U.S. is headed in the “right direction” and who expect land prices to be higher 5 years from now also decreased. The April barometer survey was conducted among 400 farmers across the nation from April 13–17, 2026.



- ✓ Only 15% of respondents indicated that their farm operations were better off in April than they had been a year ago. Looking ahead to the next 12 months, 28% expected worse financial performance, compared with 25% who expected better financial performance. The investment index dropped to its lowest level since Oct 2024.
- ✓ Approximately 2/3 of the respondents expected their net farm income to decline in 2026 due to the Iran conflict, impacting fertilizer and natural gas prices worldwide.
- ✓ Among respondents who planted corn in 2025, approximately 1/2 expected corn breakeven prices to increase by up to 6%, 14% expected breakeven prices to increase 6% to 9%, and 37% expected breakeven prices to increase 10% or more.
- ✓ When asked, do you have low per-unit fixed costs relative to your most efficient peers, approximately 58% of respondents agreed and 9% indicated that they strongly agreed.
- ✓ Producers were asked whether the U.S. is headed in the “right direction” or on the “wrong track.” The percentage of producers who reported that the U.S. is headed in the “right direction” fell from 65% in March to 57% in April.
- ✓ The percentage of producers who expected good times in the next 5 years was 37% in April, which is 19% lower than the April 2025 survey report. There continues to be a large disparity in expectations between crop and livestock producers. Approximately 31% of respondents expected good times for crop producers, while 69% expected good times for livestock producers.
- ✓ There was a lower percentage expecting land values to increase in the next 5 years, pointing to less optimism regarding long-run sentiment.

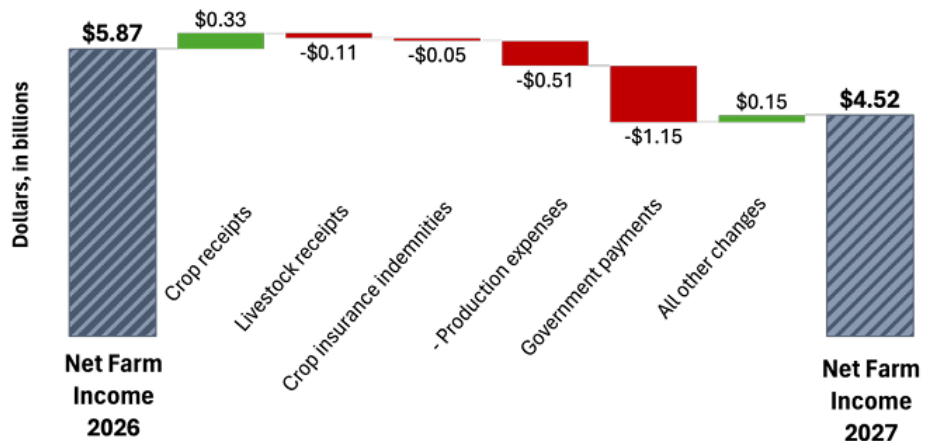
- **The IL farm economy** has been evaluated with 9 other states by the Rural and Farm Finance economists at the Univ. of Mo. [This is IL farm finances to outside economists.](#)

- ✓ **RaFF projects** IL NFI to increase by \$597 mil. (11%) to \$5.87 bil. in 2026. This growth is driven almost entirely by a \$1.29 bil. surge in government payments, which are expected to reach a record \$2.97 bil. due to increased Title I program payments under the One Big Bill Act (OBBA) and record-high disaster assistance payments. Partially offsetting these gains, production expenses are projected to rise \$215 mil. (1%) to \$19.70 bil., driven by sharply higher fuel expenses (25%). Crop insurance indemnities are projected to decline \$117 mil. (-27%), crop receipts to decline \$255 mil. (-1%) and livestock receipts to decline \$240 mil. (-5%), as



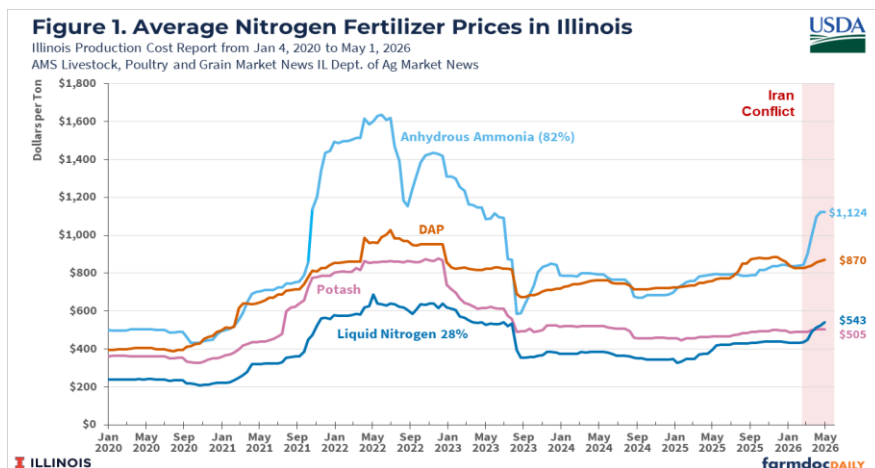
the sharp reversal in egg prices more than offsets continued strength in hog and cattle markets. The IL projected 11% increase contrasts sharply with the national forecast of a 1.5% decline in U.S. NFI by FAPRI-MU, reflecting the outsized impact of higher USDA payments on IL farm income.

- ✓ **Looking ahead,** IL NFI is projected to decrease by \$1.35 bil. (-23%) to \$4.52 bil. in 2027, marking its lowest level since 2020. The decline is primarily driven by a \$1.15 bil. (-39%) reduction in government payments, as the projected 75% drop in supplemental and ad hoc disaster assistance payments is only partially offset by a 47% increase in Title I program payments. A \$514 mil. (3%) increase in production expenses to \$20.22 bil. further reduces NFI. Crop insurance indemnities are projected to decline \$53 mil. (-17%) and livestock receipts to decline \$110 mil. (-3%). Partially offsetting these pressures, crop receipts are projected to increase \$331 mil. (2%) to \$17.39 bil. The projected 23% decline reflects the outsized impact of lower government payments and elevated input costs on IL farm income. Net farm income averages \$4.52 bil. across the 10-year baseline projection (2026-2035).



Fertilizer Costs and Supply—

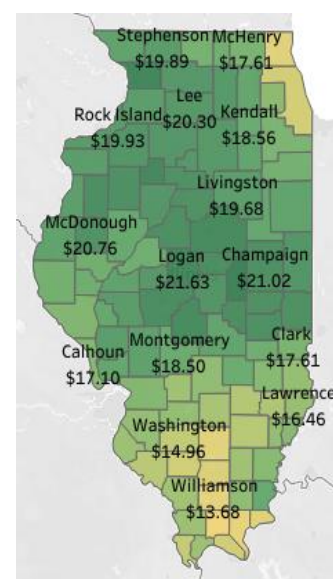
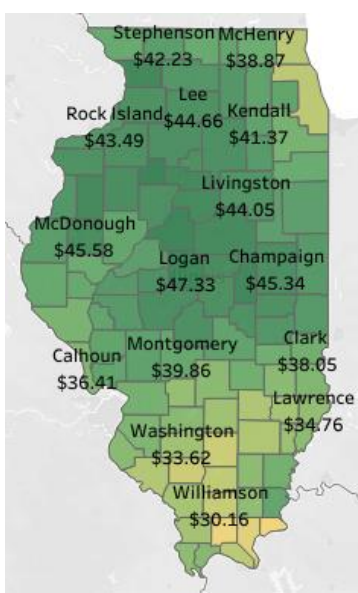
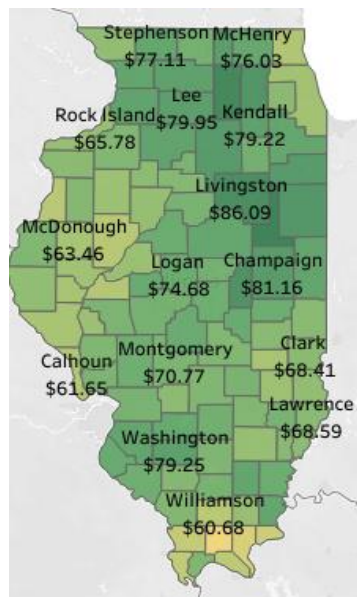
- **Fertilizer costs in central IL** have risen significantly following the onset of conflict involving Iran, calculate [Univ. of IL Farmdoc ag economists](#). Based on April pricing compared to the 6 months prior to the conflict, costs have increased by more than \$20 per acre. While many producers may see smaller impacts in 2026 due to pre-purchased inputs, the full effect of these price increases will be felt in 2027. These developments highlight the importance of actively managing fertilizer costs. The USDA Agricultural Marketing Service reported a price of \$1,123 per ton in its IL Production Cost Report, representing a substantial increase over the pre-conflict average. Similarly, 28% nitrogen solution prices rose significantly over the same period, increasing from \$436 for September-to-February to \$543 per ton as of May 1st, an increase of 25%. In contrast, phosphate (DAP) and potash prices have increased much less. DAP increased from \$862 pre conflict to \$870 in the May 1st report. Potash increased 2% from \$493 per ton to \$505 per ton. (Those may increase with fall demand.)



- ✓ For 2026 the Farmdoc advisors say: Some farmers with unpriced nitrogen may consider switching acreage from corn to soybeans to reduce nitrogen costs. At that point, changes in corn and soybean prices may enter into decisions as well. This week, fall delivery prices were \$4.60. Given an expected corn yield of 241 per acre, the higher corn price has increased expected revenue by \$96 per acre. The \$96 revenue increase is \$73 per acre more than the \$23 per acre increase in fertilizer costs. The forward price for beans this week is \$12 per bu. That price increase resulted in a \$72 increase in expected revenue. Soybean fertilizer costs have increased only \$2 per acre.
- ✓ For 2027: It is unlikely that nitrogen fertilizer prices will return to pre-conflict levels. Anhydrous ammonia prices will likely be significantly above \$1,000 per ton. Moreover, DAP supplies are reportedly tight, increasing the likelihood of higher phosphate prices as well, perhaps near \$1,000 per ton. Given these conditions, farmers may need to adjust fertilizer strategies. We suggest 3 considerations: Apply lower rates. Switch to Anhydrous Ammonia, Move anhydrous ammonia to post plant application. Higher nitrogen prices also suggest examining crop rotation decisions for 2027. Higher nitrogen fertilizer prices make corn less profitable relative to soybeans. However, there may be relative price changes between corn and soybeans to consider. Cropping decisions in Brazil will come into play. Higher farm input costs other than fertilizer should be anticipated for 2027.

Farm Programs and Mailbox Money—

- **Farmers are getting closer** to a farm program payment if they had their 2025 crops enrolled in an ARC or PLC program. KS St. ag economists say the Price Loss Coverage program is far enough along in the marketing year to predict an “in the ballpark” payment. The PLC payments will be made by FSA in October for the crop harvested last year. The PLC payment is based on marketing year average prices (still being determined), but the economists believe their estimates are reliable. (Wheat, left; corn, center; beans, right.)



The map shows estimated PLC payments per acre using county average program yields released by FSA. Actual farm payments will vary based on individual farm program yields established with FSA. Payments are calculated per acre and will apply to 85% of a farm’s base acres in that crop and be subject to a 5.7% budget sequestration, as shown in the detail of each county.

- **The IL Dept. of Ag** has a new farm program, which may be attractive to some IL farmers. The IDOA will distribute more than \$796,000 over the next 3 years to expand access to fresh, locally grown produce and boost the competitiveness of the state’s specialty crop industry. This funding is made possible through the USDA Specialty Crop Block Grant Program. An application for grant funding will be available on the [IDOA website](#) and must be returned to the Department by noon on June 5, 2026. Dir. Jerry Costello says, “Our goal is to strengthen local food systems, expand access to fresh, healthy products, and drive innovation in IL specialty crop industry.” Farmers’ markets, roadside stands and community-sponsored agriculture programs should consider submitting proposals to the USDA’s Farmers’ Market and Local Food Promotion Program. IL funding priorities include projects that benefit beginning farmers and first-time specialty crop producers (a beginning farmer is an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation), projects with educational programming to enhance knowledge and consumption of specialty crops, projects connecting specialty crops with nutrition and health outcomes, including food safety, projects that prioritize sustainability and conservation.

Farm and Check-off Organizations —

- **The IL Soybean Assn. Soy Innovation Center** is about more than scientific curiosity. It's about identifying new industrial scale uses for soy that could strengthen demand, create manufacturing opportunities closer to home and ultimately support long-term profitability for IL soybean farmers. The SIC exists to facilitate research, development and commercialization of new and innovative uses for soy at an industrial scale. The program is funded through the soybean checkoff. Of the many opportunities we evaluated, lubricants stood out immediately for one practical reason: Our own members would be natural early adopters. In January, we delivered the first 100 lbs. of soy-based grease to ISA board members for initial testing. A project was launched to explore the possibility of using soybean hulls as the input material for a sugar substitute. Commercial-scale production is currently targeted for 2027 following additional testing, food safety certifications and pilot-scale development throughout 2026. Then there are PFAS substitutes, soy magnets, plastics, rare-earth mineral processing, and many more. [Read about it all here.](#)
- **The American Farm Bureau** recently announced the members of its 13th Partners in Advocacy Leadership (PAL) class, a program designed to help agricultural leaders strengthen their advocacy and communication skills. AFBF President Zippy Duvall said strong leadership is essential as agriculture faces growing policy challenges. "Effective advocacy at the local, state, and national levels has never been more critical to advancing policies that support agriculture and strengthen rural communities," Duvall said. The 2-year program includes 4 intensive training modules focused on legislative policymaking, issues management, leadership development, media relations, and social media engagement. Participants gain hands-on experience designed to prepare them to advocate for farmers, ranchers, and rural communities. Members of PAL Class 13 represent AL, CO, IL, IN, MA, MN, MS, NC, and UT. Program co-sponsors include Farm Credit, Syngenta, John Deere, and Merck Animal Health.
- **The National FFA Organization's** 2025-26 National Officer Team recently returned from Japan after participating in the annual International Experience Program alongside the Future Farmers of Japan. The trip gave student leaders an opportunity to study Japanese agriculture, culture, and business practices while strengthening an international partnership that dates back more than 75 years. Officers visited farms, research facilities, schools, and historic sites in cities. "One of the most impactful parts of the trip was witnessing true hospitality," said Jael Cruikshank, FFA Western Region Vice President. "Even without understanding the language, their passion for agriculture was clear in the way they spoke and served with excellence." FFA leaders say the experience helps students develop global leadership skills and a deeper understanding of agriculture's international connections.



Farm Family Issues—

- **As May is Mental Health Awareness Month**, farm organizations are emphasizing the importance of mental health support for farmers and ranchers facing growing stress across rural America. The National Farmers Union says more than two-thirds of farmers and rural residents lack adequate access to mental health providers due to distance, workforce shortages, and ongoing stigma surrounding mental health care. Farm groups, including the NFU, American Farm Bureau Federation, and Farm Credit organizations, are working together to expand access to counseling resources, connect producers with nearby care options, and strengthen support systems within rural communities. “Farming is not a solo effort; neither is caring for your well-being,” the organizations said in a statement encouraging producers to seek help when needed. The initiative provides mental health resources, care location maps, and support tools tailored specifically to farmers and ranchers. Advocates say improving mental health access is critical as producers continue facing financial pressure, weather uncertainty, and rising operational stress.

- **Are you a veteran who farms?** [Sen. Tammy Duckworth of IL](#) (below) has an offer to benefit your farming operation with equipment from the US General Services Administration. These include farm tools and construction equipment, laptops and office furniture. They’ve gathered dust, unused and unseen, year after year. “I introduced the Veterans Small Business Enhancement Act in 2018. As a Veteran, I was proud to see it signed into law in 2019. This legislation helps Veteran small business owners, including farmers, access the resources they need to succeed.



Today, eligible businesses, including Veteran-owned farms, can access a wide range of surplus equipment through their state agencies. Although inventory is constantly changing, past items have included trucks, trailers, mowers, tractors, skid steers and backhoe loaders. It’s the kind of equipment that can make a real difference for ag operations,” says Sen. Duckworth. Here is how to begin the process:

- ✓ **Step 1:** Register your business Create a unique entity at SAM.gov.
- ✓ **Step 2:** Get certified. Apply for Veteran-Owned Small Business (VOSB) certification through the U.S. Small Business Administration.
- ✓ **Step 3:** Contact the IL Department of Central Management Services by calling 217-785-6903 or emailing cms.gsa@illinois.gov.
- ✓ **Step 4:** Apply for the Federal Surplus Program. Once approved, you can view and purchase available inventory online at cms.illinois.gov/business/surplus/fedsurp.html. You can then pick it up or pay to have it shipped, depending on the item.
- ✓ **Step 5:** Browse and request equipment. Inventory changes regularly, so check back often for new items.

Mark Your Calendar! --

- **IL Soybean Growers** will host a May 20 webinar about duties and tariffs that are hurting farm income, by disrupting exports. The presenter will be Virginia Houston of the American Soybean Assn. staff. [Register here for the 10 am webinar on May 20.](#)
- **Compeer Financial** is hosting a free agriculture-focused session designed to raise awareness about the mental health challenges farmers and rural communities face. It is set for May 20, at 1pm. [Registration and details are here.](#)
- **Pesticide safety applicator testing sessions** end May 26 at the IL Dept. of Ag in Springfield; and at the IDOA office in Dekalb May 27. [Details are here.](#)
- **Extension's Crop Management Conference** will be on-line this year, and available until May 31, with research updates to improve productivity and output of crop science experts. Full event details and registration are available at go.illinois.edu/CMC. CEU's available.
- **Opportunities for market premiums** for specialty crops will be the topic of a Farmdoc webinar June 4 at 11 am. Nick Paulson and Gary Schnitkey will be joined by Kelsey Graber from Clarkson Grain Co. to discuss premium markets, including how farmers can identify opportunities and details to be considered. [Registration and details are here.](#)
- **"Practices That Pay: What 11 Years of Data Reveals"** is the title of a PCM/Farmdoc webinar on June 11 at 11 am. Dr. Laura Gentry shares 11 years of PCM data on tillage, nitrogen management, and cover crops — and what's driving profitability in IL corn and soybean fields. [Details and registration.](#)
- **U of IL Extension Weed Science Field Day** will be June 24 at the Clem Farm, east side of Savoy, located at 1114 County Road 1200 East, Champaign. Preregistration is not required. Tour research plots, interact with weed science staff, compare favorite corn and soybean herbicide programs to other commercial programs and get an early look at a few new products that soon will be on the market. The tour will conclude around noon with a box lunch, \$10 charge for meal and book. CCA credits are available.

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.*