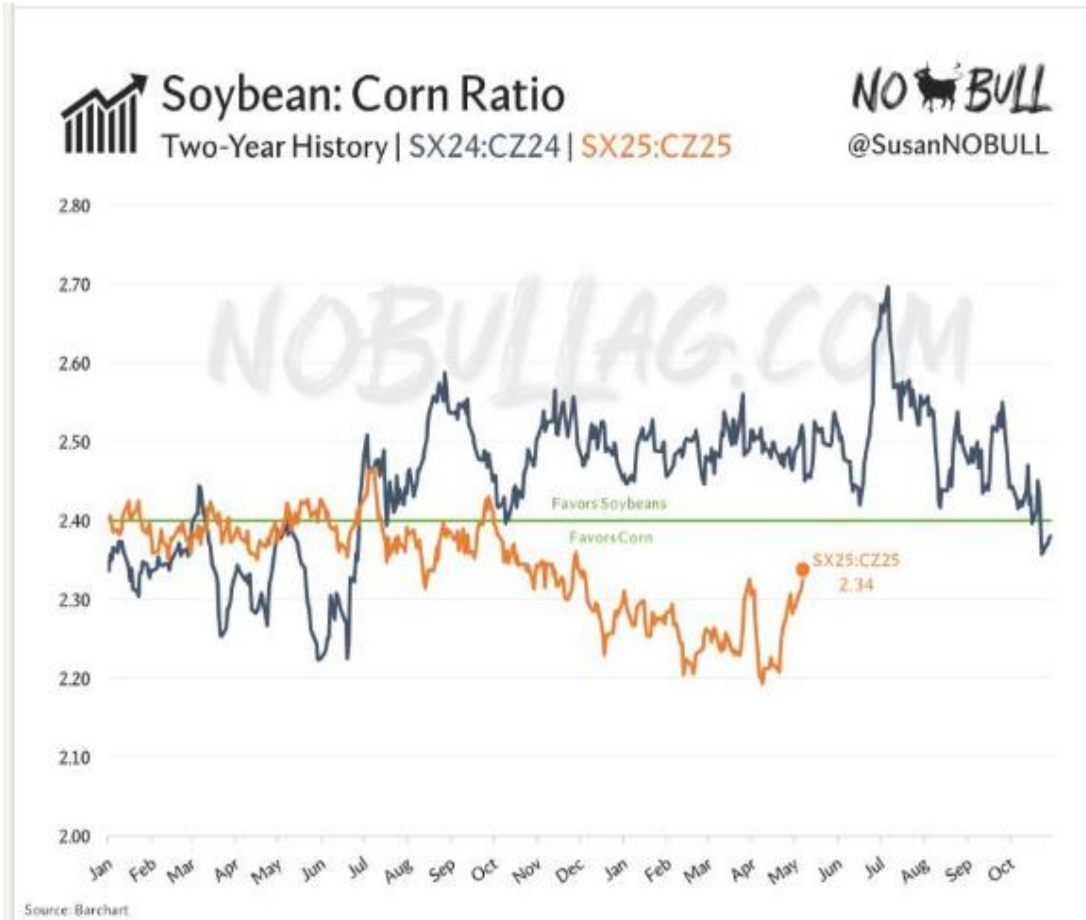
A weekly Cornbelt digest of marketing, economic, agronomic, and management information.

Commodity market price drivers—

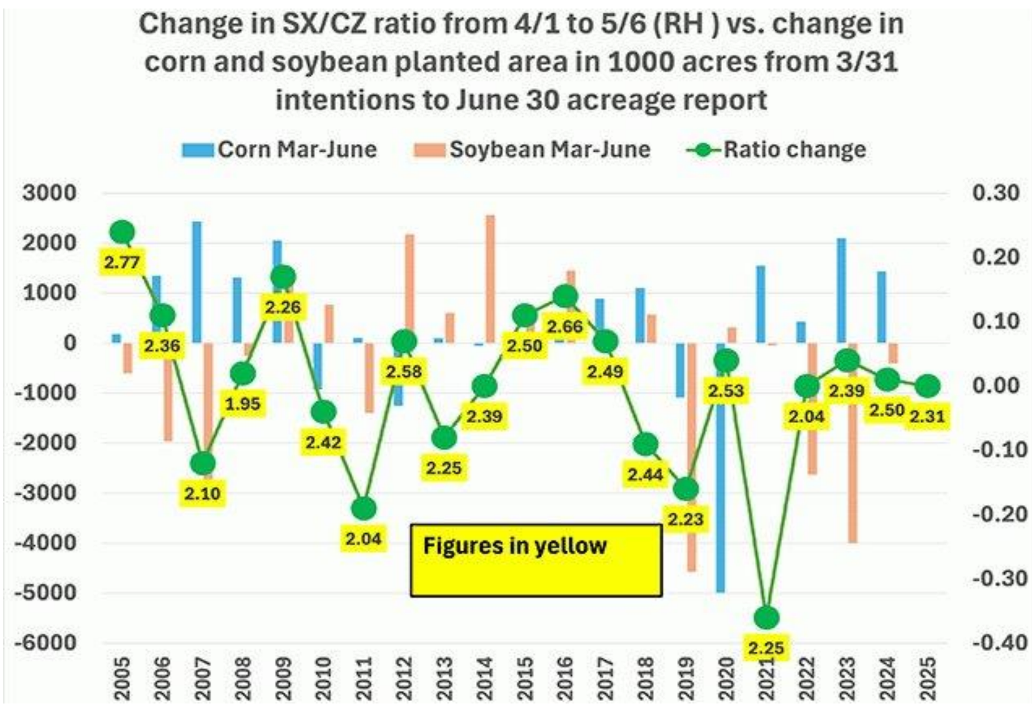
- **Is there a possibility that Brazil will phase out** of the corn export business and give it to the US farmer? Brazil's corn production is growing, driven by the ethanol and animal protein industries. IL Farmdoc ag economist Joanna Colussi says Brazil's ethanol industry is expanding quickly, "Brazil has seen a significant expansion of corn-based ethanol processing plants across the central-west states, where the second crop, the Safrinha production, has grown very fast over the past decade. So, as a result, the corn crush for ethanol production has grown, for example, from 16 mil. bu. in 2015-16 to over 700 mil. bu. in the current crop season." Those 700 mil. bu. makes up about 15% of the country's total corn production. Colussi says the possible implications of Brazil consuming more of its corn impact the world market, "If you look at Brazil keeping more corn in the domestic markets, whether for ethanol production or to feed the animal protein industry, we can see that it is shifting the expectations of Brazil's role in the international market, which has expanded over the past 5 years. But in the last 2 years, especially in 2024, Brazil reduced its exports of corn, especially because of the recovery of corn production in main supplier countries such as the United States and Argentina, and Ukraine, and because of low demand from China." She says a natural consequence is likely to be a decline in Brazil's corn exports in the coming years, reducing the competition with U.S. corn exports in the global markets. Brazil also needs more corn because the country's ethanol blends are between 18% and 27%. As a result, Brazil's increasing corn consumption may mean more export opportunities for the U.S. in the future, "That's a possibility because of the competition. We know the United States is the number 1 in corn exports. But given this situation that the corn has good prices in domestic markets in Brazil because they have more use either in ethanol production or in meat production, we can expect that the amount of corn, at least from Brazil, in the international market, will decline. And if that happens, the United States will have even more room to export corn. (WILL radio)

- **The corn-soybean price ratio** has made quite a move in the past 2 weeks, benefitting soybeans to the detriment of corn. [Commodity analyst Susan Stroud]() says its "price relationship on the CME has lifted the 2025 ratio to its highest since late Nov." Did the corn-soybean price ratio guide your planting decisions this spring? Stroud says, Monday's May WASDE will use the Mar 31 acres. Resurveying begins the last week of May for the Jun 30 update."



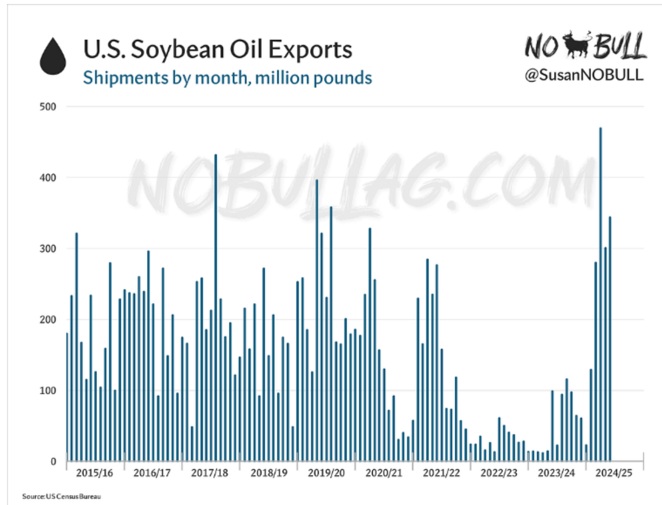
- **Commodity brokers weighed in** on the trade announcement with Great Britain but were not overly excited about benefiting grain. John Stewart and Associates said, "The deal is probably not going to have too much of an impact on grains, but the UK removing tariffs on U.S. ethanol expands access to what is an already good export market for the U.S., which saw exports to them in 2024 hit 244 mil. gals., up from 160 mil. in 2023. We saw 2 flash sales of corn Thursday morning, one being 8 mil. bu. to Mexico (80% for the new crop), and 4.5 mil. bu. of old crop to unknown buyers. U.S. corn sales for the week ending May 1, 2025, exceeded market expectations, reaching 65.4 mil. bu. This marked the highest sales in 15 weeks and brought the 4-week average to 53.1 mil. bu. per week, considerably higher than last year's average. Total commitments rose to 2.378 bil. bu., representing a 27% year-over-year increase versus the USDA's projected 11% increase, the largest in 10 weeks. Many inside the trade are anticipating the USDA possibly revising their export projection higher in Monday's WASDE, and last week only supported that thought more. Large sales included 9.5 mil. bu. to Spain, 8.5 mil. bu. to Taiwan, 6 mil. bu. to Japan, and 18.5 mil. bu. to unknown destinations. New crop sales came in at the bottom of the range of expectations at 700,000 bu., bringing total sales to 88 mil. bu. vs 86 mil. this time last year.

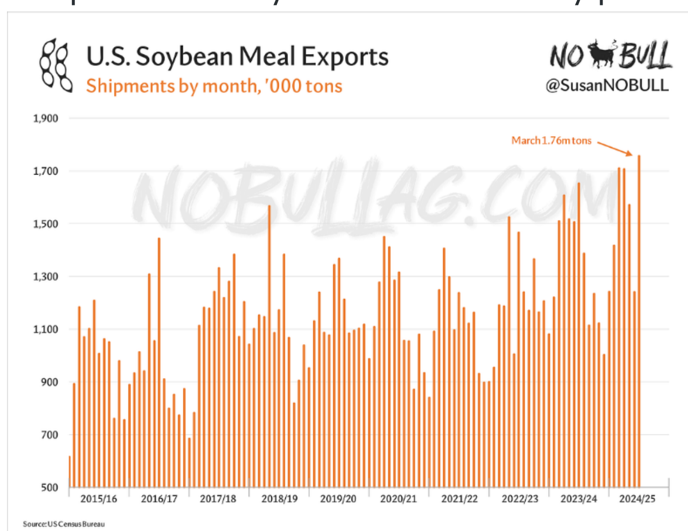
- **There were a number of reasons** why U.S. farmers planned to increase their corn seedings at the expense of soybeans this year, including better prospective per-acre returns for corn as opposed to soybeans, reports DTN. Also, corn yields have held up better than soybeans in recent seasons, with back-to-back years of record-high corn yields and no soybean record yield seen since 2016. Add to those, ideas that corn values will fare better in the current trade war environment as a far smaller %age of U.S. production is exported as opposed to soybeans. Along these lines, the accompanying chart shows the change in the November soybean/December corn ratio from April 1 to May 6 since 2005 on the righthand axis while on the lefthand axis is the change in U.S. corn and soybean planted area in 1000 acres from the March 31 Prospective Plantings to the June 30 Acreage Report. The figures in the yellow rectangles are the SX/CZ ratios as of May 6. A closer look at the SX/CZ price ratio action shows that from April 1 to April 7 the ratio went from 2.31 down to 2.20. Since then, however, it has spiked to 2.34 through Friday's action, seemingly in reaction to ideas that the June acreage report -- based on weather, the ongoing trade war and the final results on the South American harvest -- will increase 2025 corn acres further and soybean planted area will, perhaps, decline even more from the year-ago level.



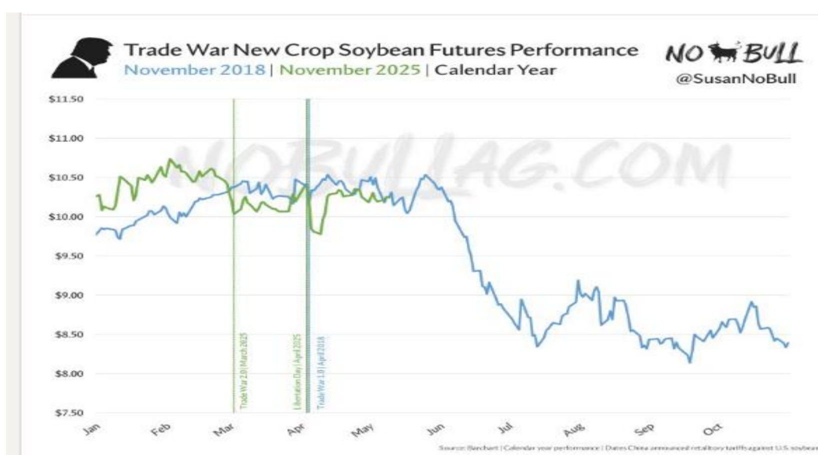
- **Soybean export sales last week** were minimal at 13.8 mil. bu. for soybeans, within expectations. Mexico was the largest buyer. Exports of 9.5 mil. bu. were a marketing year low – no surprise after Monday's inspections report showed a marketing year low. Meal sales were below the range of estimates as Argentina has recently been offering some cheap meal. And oil sales were within the range of estimates. Total soyoil sales now stand at 2.18 bil. lbs. vs the USDA estimate of 2.3 bil. lbs., though palm oil has weakened significantly in recent weeks and may pose some competition going forward. Monday could show us a volatile trade as trade negotiations with China are set to commence over the weekend and add to that the May WASDE on Monday. Average estimate for old crop ending stocks is at 368 mil. bu. for soybeans vs 375 mil. bu. in April. New crop ending stocks are forecast at 375 mil. bu. on 4.34 bil. bu. of production. World ending stocks are estimated to swell to 4.67 bil. bu. in 2025/26, up from the latest estimate of 4.5 bil. for 2024/25.

- **US soybean exports may not be setting records,** but US soybean product exports certainly are doing just that. Apparently, whole beans may not be as desirable as soybean meal and soybean oil, which is good news for the US soybean processing industry. [Susan Stroud of NoBullAg]() reports, "The United States exported 343 mil. lbs. of soybean oil in March, marking a 15-year high for the month. March was also the third consecutive month with exports exceeding 300 mil. lbs. – a feat last accomplished in late 2010. Cumulative marketing year exports have reached 1.545 bil. lbs., a 5-year high and the largest volume since the renewable diesel boom began. This resurgence in U.S. soybean oil export sales and resulting shipments followed a period of nearly eight months where U.S. soybean oil was the cheapest vegetable oil in the world. The fun is coming to an end, however, as U.S. Gulf soybean oil has now moved to a significant premium over Argentine soybean oil and Malaysian palm olein. Soybean oil isn't the only product we are exporting in notable quantities as soybean meal shipments set an all-time record in March at 1.76 mil. tons. Notably, the first half of the 2024/25 marketing year has seen monthly records broken 4 times, including 3 months exceeding 1.7 mil. tons for the first time in history. Not to rain on the parade… but this isn't *new* news. In fact, it is expected (and necessary, for that matter) as the soy crush is slated for its 4th record year in a row amid ongoing capacity expansions.



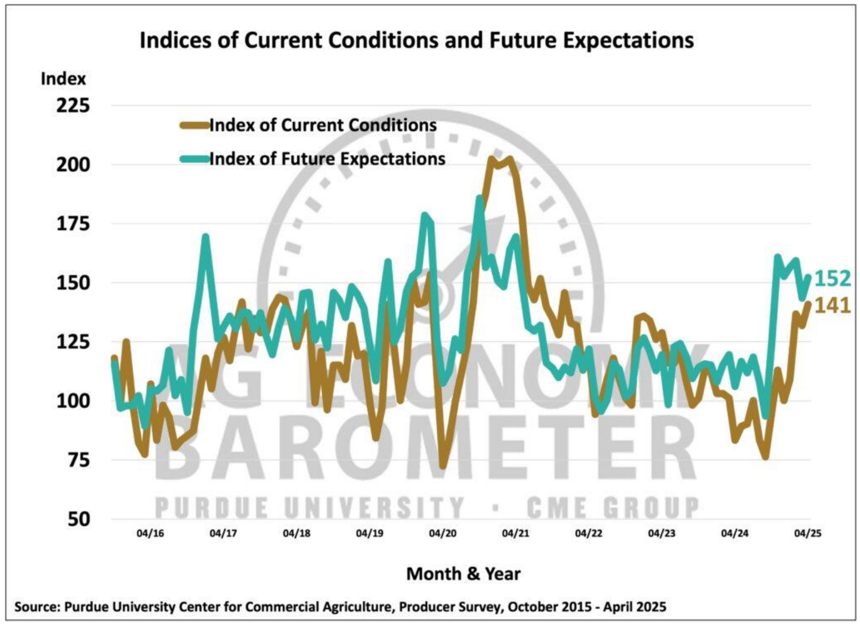


- **While meal and oil are being exported instead of soybeans**, "It remains nothing short of bizarre that new crop Nov beans are trading at the exact same spot as they were 7 years ago amid 2018's US-China trade war, says [commodity analyst Susan Stroud.]()



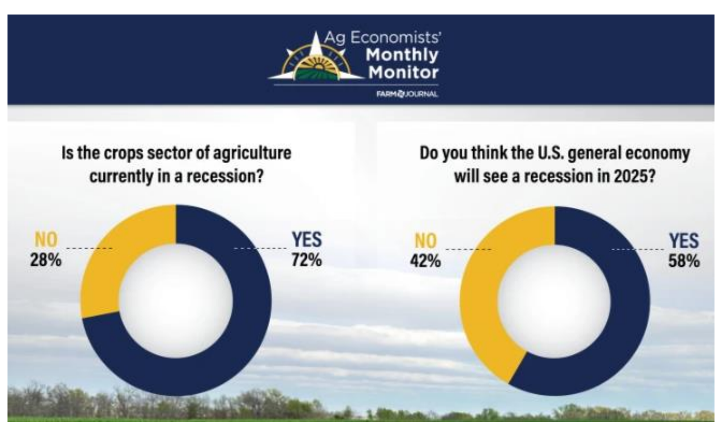
Farm Economics and Lending—

- **Farmer sentiment improved in April** as the [Purdue Ag Barometer] climbed 8 points to a reading of 148, boosted by higher scores for current conditions and future expectations. Somewhat surprisingly, this month's improvement in farmer sentiment occurred despite ongoing trade disputes with many of U.S. agriculture's largest trading partners, including Mexico, Canada and China. However, producers responding to the April survey overwhelmingly reported that they expect the increased use of tariffs by the U.S. to prove beneficial to the U.S. agricultural economy in the long run.



  - ✓ The Farm Capital Investment Index reached the highest investment index reading since May 2021. This month, 1 out of 4 respondents said it was a good time to make large investments, nearly double the %age of respondents surveyed last year.
  - ✓ Although 25% of respondents this month reported that it's a good time to invest, nearly two-thirds of producers in this month's survey still said it was a bad time to invest, and that group's view appears to be the driver behind weak new farm equipment sales. For example, the Assn. of Equipment Manufacturers reported that first-quarter 2025 sales of tractors over 100 horsepower declined 19% compared to 2024's first quarter, while new combine sales fell 38% below a year earlier.
  - ✓ The Farm Financial Performance Index changed little in April. At a reading of 101, the index was just 1 point below a month earlier. April marked the 4th month in a row that producers expect financial performance this year to equal or slightly exceed 2024.
  - ✓ The Short-Term Farmland Value Expectations Index weakened in April. The decline was primarily attributable to fewer producers reporting that they expect farmland values to increase, with a comparable increase expecting values to remain about the same.
  - ✓ Farmers are still concerned that the U.S. government's tariff policy will have a negative impact on farm incomes. 56% think the U.S. tariff policy will have either a negative or very negative impact on their farm's income in 2025. 53% expect an increase in tariffs on imports to make it more difficult to obtain inputs from their suppliers this year: fertilizer, parts for farm machinery and electronics and crop chemicals.

- **White House tariffs** are upending crop trading, delaying tractor purchases and constraining imports of chemical supplies into the US. That's the main message from big agricultural businesses as they report their quarterly earnings, giving an early glimpse into the far-reaching impacts of the US president's trade war. The disruptions in global trade threaten to extend a years-long slump in the US farm industry, which had already been struggling with ample supplies, depressed crop prices and rising competition from Brazil. Lack of clarity on how the Trump administration will address much-needed incentives for crop-based fuels in the next few years has added to concerns. Grain traders, ADM, Bunge, and The Andersons all reported diminished profits (See Agribusiness Section). Tractor makers CNH Industrial NV and AGCO Corp. also reported lower first-quarter sales and warned of the potential of reduced demand for farmers, which would give them less to spend on machines to plant, harvest and treat their fields. Both companies have raised prices to ease the impact of tariffs on costs. Duties also threaten to curb imports of some fertilizer and pesticide supplies. Shipments of phosphate — a key crop nourishing ingredient — into the US, have trailed last year's levels because vessels have been diverted to other countries to avoid the nation's 10% tariff, Mosaic Co. said in its earnings statement. Farmers are expected to pay more for pesticides as the US relies on tariff-hit countries such as China and India for some of its supplies. Nutrien Ltd. said its branded products could potentially cost as much as 7.5% more, with even higher adjustments expected for generic ingredients, as a result. "Long story short is, we're going to see price increases," Jeff Tarsi, Nutrien's president of global retail, said on a Thursday call. "Our plan is to pass those price increases through to our customers." Brazil is emerging as a winner from the trade tensions. Minerva SA said tariff turmoil drove increased Chinese demand and higher export prices for South American beef in the first quarter, helping lift profits for the Brazilian supplier. Meanwhile, China has effectively shut its market for US meat exporters including Smithfield Foods Inc.
- **Agricultural economists are growing even more pessimistic** as the latest Ag Economists' Monthly Monitor shows the majority are concerned President Donald Trump's tough stance on trade could push agriculture deeper into a recession while also giving Brazil more of a competitive edge. As one economist stated, the stakes are high, and the key is whether Trump's policies push ag deeper into a recession, and if U.S. agriculture can survive without China. This month, 72% of those surveyed say the row crop side of agriculture is in a recession, up from 62% last month. 82% of economists also think this could force more consolidation in agriculture. In the survey, 42% of economists said the current state of the ag economy is "somewhat worse" than a month ago, while 26% said it's unchanged. But when you compare outlooks to a year ago, 58% of economists responded that the ag economy is somewhat worse.



The Business of Farming *–*

- **There's money to be made** with specialty soybeans, says the Specialty Soya and Grains Alliance. "Global demand for specialty and non-GMO soybeans is on the rise in places such as Japan, South Korea and the European Union. Thanks to a longtime partnership between IL Soybean Association (ISA) and Specialty Soya and Grains Alliance (SSGA), IL soybean farmers, the top producers of specialty soy in the U.S., are well positioned to grow their share of supply to this growing market. SSGA also receives support from the soybean checkoffs of MI, MN, MO, ND, OH, SD and WI. This year, the partnership is focused on 3 key areas:

  ✓ Continuing to differentiate specialty IL soybeans via SSGA's U.S. Identity Preserved (IP) Assurance Plan for premium prices and to counterbalance tariffs or economic challenges.

  ✓ Engaging with more international customers to keep growing demand abroad

  ✓ Building out domestic transportation systems that provide the backbone to trade.

  Several factors are driving continued strong demand for IP and specialty soybeans. Collectively, they reflect a market that's become more focused on product quality, more stringent in its documentation and reporting requirements, and more receptive to paying top dollar for sustainable soy. Here's a closer look at some of the biggest trends lifting non-GMO and IP soybeans in the U.S. and abroad:

  ✓ **Premium Prices:** Farmers can often get a higher price for specialty soy compared to conventional commodity soy. That profitability depends on carefully segregating their crop to avoid commingling with other grain and on managing logistics efficiently.

  ✓ **Contract Buying:** We encourage customers to consider forward contracting versus spot purchasing to ensure they are getting the product they request. This also allows farmers to be more strategic about planting.

  ✓ **Supply Chain Shifts:** There's increasing discussion about ways to build and protect dedicated supply chains for specialty soy to avoid commingling from storage to transportation.

  ✓ **Sustainability and Traceability:** Today, more buyers are looking to purchase soybeans that come with sustainability certifications and verifiable traceability. And while climate policies and carbon footprint considerations might push some buyers to source soy closer to home, programs such as the U.S. Soy Sustainability Assurance Protocol (SSAP) ensure American farmers are meeting the expectation of sustainability.

  ✓ **Policy and Trade:** Regulations are constantly evolving, meaning farmers should stay engaged with organizations such as ISA, which monitor trade agreements, labeling laws and sustainability requirements to help farmers stay ahead of potential shifts.

IL farmer Bryan Severs (center) is chair of the SSGA board.

Agronomy—

- **Will you have a bad case** of red crown rot this year? With wet weather in many areas of the central Cornbelt, the environment has been set for familiar soybean seedling diseases, says Univ. of IL. Plant Pathologist Boris Camiletti. But the critical nemesis will be red crown rot. He is working with colleagues to address the issue of how to find it in a field, and spot treat it.....with satellite technology. Camiletti shares information about that on this short video.
- **Speaking of soybean seedling diseases**, the Crop Protection Network has just published you handy field guide for them. It will allow you to self-diagnose your soybean disease issue, and begin a treatment, if practicable. The big 4 are: Fusarium root rot, Rhizoctonia seedling blight, Phytophthora root rot, Pythium seedling blight. (Also addressed are planting issues, but you are good, and don't have any of those!)
- **Soybean cyst nematodes may be interfering** with your soybean profitability by reducing your yield. So why cannot researchers find a way to just kill them? Well, that is underway and one of those researchers is Univ. of IL nematologist Nate Schroeder, who has several research projects in his lab that are designed to make life easier for soybean farmers, including work to prevent nematodes from living constantly whether a field is in soybeans, corn, or cover crops. This short video tells his story.
- **Soybean cyst nematode** prevents farmers from achieving higher soybean yields. There is nothing to kill SCN and may not be for years to come. So, what can be done? Univ. of IL nematologist Nate Schroeder offers his suggestions on SCN management if you have high egg counts in soil samples. But do you even know? He may have some suggestions for you to deploy this year in this short video.
- **Are you planting expensive seed corn** with Bt genetics; but you are unsure of your corn rootworm population? Or are you planting Bt seed corn in Northern IL where the CRW population is high and unsure of its benefit. Univ. of IL entomologist Nick Seiter offers to help farmers conduct their own on-farm research to identify corn rootworm populations and how to best manage that undesirable issue in this short video.
- **If insects are decimating your crops**, how will you control them in future crop years? That depends on the research conducted this year. The IL Soybean Association is sponsoring several insect research studies with Univ. of IL entomologist Nick Seiter. And he says there is also a wide range of other Cornbelt research that needs farmers to help with. Seiter discusses those issues in this short video.
- **Are corn leaf aphids on your radar this year?** They were not this year, and their arrival surprised everyone, including entomologists. Nick Seiter is one of those and leads the Univ. of IL effort to help farmers respond to such issues. Should you be worried about a reprise this year? No, says Univ. of IL entomologist Nick Seiter. The invasion of aphids into Cornbelt fields was not the beginning of a perennial problem, but only a coincidental combination of an aphid outbreak ahead of a weather system that carried them to Midwestern cornfields at the right time in their life span. Don't spend money to prepare a 2025 battle with corn leaf aphids. He outlines the issues in this short video. So far, they have only been reported in 6 counties in TX.

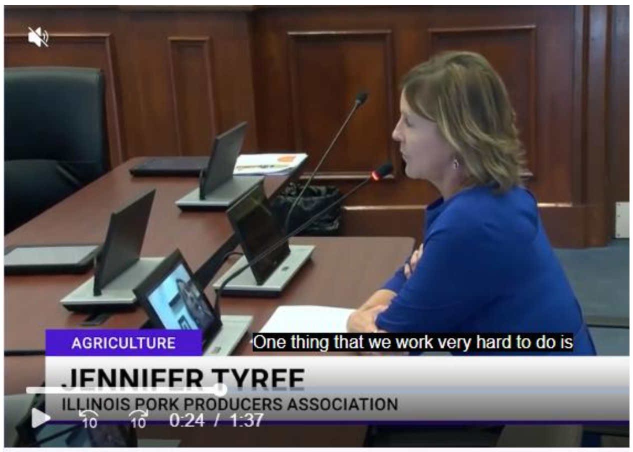
- **Early season insect pests** could be more problematic in fields this year, says Univ. of IL entomologist Nick Seiter. He says they will have the biggest impact on fields that are emerging slowly due to inclement weather. Fields emerging slowly should get thorough scouting to ensure the insects are not winning the race, until the weather warms up and the crops can outgrow the hunger of the insects. He outlines that in this short video.
- **Tarspot was a no-show** for many farmers in 2024 who prepared for it after suffering yield losses in prior years. Its arrival is difficult to predict, says Univ. of IL plant pathologist Boris Camiletti. He is working with colleagues to develop predictive technology, as well as with industry to test fungicides. Camiletti also says he's working on the issue of mycotoxins in corn that creates adversity in ethanol refining. All of that is on this short video.

USDA—

- **USDA Secretary Rollins told Senate Ag Appropriators** USDA won't close any FSA offices, despite more than a thousand FSA staffers taking financial buyouts But she told senators, "The FSA operators that are working with our farmers and our ranchers every single day…it is not in our plan to close any of those offices. There are 45 hundred, I think total, across the country." Rollins says she recently signed a memorandum ensuring FSA offices are fully staffed—even if it takes rehiring some staff who took deferred resignations, "We are actively looking and recruiting to fill those positions." Some 1,100 FSA workers are included in the 15,000 at USDA who took buyouts, or close to 15% of USDA's workforce. →
- **The nearly $21 bil. of USDA mailbox money** will require an application process, and payment is based on natural disasters in 2023 and 2024. Eligible perils will include droughts, hurricanes, floods, wildfires, and other extreme weather events. "Of those funds, $2 bil. is earmarked for livestock losses attributed to droughts wildfires and floods. There is also an allocation of $220 mil. that will be distributed through block grants to smaller agricultural states with limited farm income and acreage. "We are within days of announcing the application process," Rollins said. "Of course, that's a little more complicated because we don't have the specifics, and it isn't, as Sen. John Hoeven, R-SD, mentioned, in ND. 15,794 of your farmers and ranchers have received money through that first tranche, through the first $10 bil., the emergency aid. On the weather-related programs, that application opens in the next week or 2. And we will be moving very, very quickly." the disaster aid is intended to cover losses in revenue, production quality, and infrastructure for crops, livestock and timber. And most of the aid is expected to be administered through USDA's Emergency Relief Program (ERP), which has been used for similar disaster relief in previous years. However, USDA has indicated the new program will be more farmer-friendly than the Biden administration's implementation of the last ag disaster funds. →
- **USDA's Emergency Commodity Assistance Program (ECAP)** has distributed $7.3 bil. to 487,177 farmers across 49 states. USDA announced plans to expedite $21 bil. in disaster assistance. Farmers receiving livestock relief for drought and wildfire can expect to receive payments as soon as the end of this month. "While we aim to move all payments out expeditiously and to cut timelines where possible, it is important to note that some elements of the Congressionally appropriated assistance are more specific and labor intensive and were also not statutorily required, therefore will take a bit more time," says USDA.

IL Issues—

- **IL lawmakers wanted to know** the tariff impact on IL agriculture and summoned the IL Pork and Beef Association executives to share the tariff impact on their members. Jennifer Tirey and Josh St. Peters testified to the IL lawmakers about the state of the meat industry. Tirey said 25% to 30% of IL pork is exported and if that share is lost, it is hard to get it back. St. Peters said IL is one of the few states with increased beef production over the past 3 years while adjacent states are seeing declines. He said beef production has been profitable, beef prices have helped farms financially, but we do need help maintaining that position.



- **IL Pork Producers had their day** in the Capitol building on May 7. "Hooray, hooray, for the 7th of May, its Pork Producers' Bacon Day!" The IL General Assembly declared May 7, 2025, to be Bacon Day, and the IL Pork Producers Assn. handed out dozens of BLT sandwiches to state senators and representatives. IPPA Pres. Josh Maschhoff presided over the 3rd annual event, and State Senator Chapin Rose, brought it to a close in this short video.