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

Commodity market price drivers—

- **Since ethanol has a positive impact on corn prices**, what happens to corn prices with the fluctuation of oil prices vis-à-vis the Middle East war and its future? [Chief economist Bill Tierney of AgResource](#) ruminates on that issue,
 - ✓ “Bullish Case (Oil shock persists → Brent Sep or Jul futures stays \$100+): July corn should trade \$5.20–5.80 at current 12.9% S/U (stocks to use). Ethanol crush margins are extraordinarily profitable at \$109+ Brent — plants will run at max, tightening corn S/U further. If S/U tightens to 10% AND oil stays near \$109, model implies \$6.09 July corn. Current July corn is at \$4.88 — potentially \$0.32–\$1.20 undervalued relative to nearby oil prices.”
 - ✓ Bearish Case (If Sep or Jul futures \$86 is correct then the risk premium collapses): July corn fair value is \$4.64–4.80 at 12.9% S/U — essentially where it is now. Sep futures are telling you the market doesn't believe \$120 oil persists into summer. Demand destruction at \$120 could pressure feed use and ethanol blend wall — reducing corn demand. The \$4.88 current price may already have a geopolitical premium baked in.
 - ✓ The Wildcard — Supply Side Shock: The March 1 Iran strike likely disrupted Middle East oil and global supply chains. If sustained oil above \$100 triggers a global recession (2008 analog), corn demand destruction could outweigh the ethanol margin boost. In 2008: Brent hit \$143 in July and July corn hit \$7.69 — BUT the market subsequently crashed to \$3–4 range as demand destruction hit. The Apr-Jun high captured the panic peak perfectly, but it didn't last. The July corn futures market faces a fundamental dilemma: which Brent price to believe?

- ✓ **U.S. grain export sales came in broadly supportive** for U.S. grain markets, with [corn delivering a blockbuster week and wheat outperforming on all fronts](#). Corn weekly sales were 83.7 mil. bu. with the marketing year to date 3.144 bil. bu., 95% of USDA target. Soybean exports were 12.9 mil. bu. with the year to date at 1.447 bil., 95% of the USDA target. The market is watching whether soybeans can close their 27.3 mil. bu gap in the remaining 15 weeks of the marketing year. New crop 26/27 soybean sales are gaining momentum, a signal that buyers are positioning early. Soybean Meal is having a record export season with weekly sales of 476 thousand metric tons, and the year to date of 15.486 mil. metric tons, which is 86% of the USDA target. Meal is 8% ahead of USDA estimates and pace target fully met. Top buyers are Philippines, Mexico, and Colombia. Soybean Oil is the weakest link in the export chain with only 68% of projected export sales made, and 8% below the pace needed to catch up. Wheat has export strength in all types. All Wheat: 921 mil. bu. sold (101% of USDA projection) and +7% ahead of the pace. HRW: 324 mil. bu. exported (101% of the USDA projection) HRS: 242 mil. bu. exported at 105% of the USDA projection.



Farm Economy---

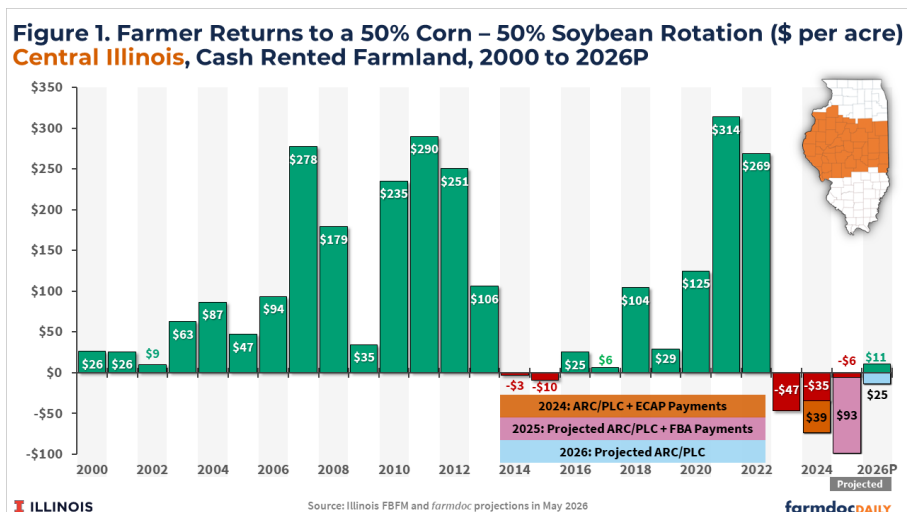
- According to the May survey of bank CEOs in rural areas** of a 10-state region dependent on agriculture and/or energy, the overall Rural Mainstreet Index (RMI) dropped below growth neutral for the fourth straight month. The region's overall reading for May dropped to 45.7 from April's 47.9. This marks the 15th 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 rural business community. Approximately, 47.8% of bankers reported that the financial position of farmers in their area had deteriorated in 2026 from 2025," said [Ernie Goss, director of the Creighton Univ. Rural Mainstreet Index](#). One IL banker reported that, "Crops in our area of Central IL are mostly planted. Recent rains have improved ground moisture levels. Timely rain will still be necessary to raise a good crop. The combination of low grain prices and higher fuel and input costs have all our farmers worried." Regional exports of agriculture goods and livestock to China for the first quarter of 2026, compared to the same period in 2025, rose by 76.9% to \$206.7 mil. The May farm equipment sales index slumped to a very weak 18.2 from April's 26.1. This is the 33rd straight month that the index has fallen below growth neutral. "The war in Iran has added volatility to an already-pressured agricultural sector, with rising input costs squeezing farmer operating margins, dampening equipment sales and reshaping planting decisions heading into the season." "In spite of the potential for year-round E-15 ethanol sales, weak grain prices, higher input prices and expected negative farm cash flows continue to weigh on banker confidence," said Goss. This month, approximately 47.8% of bank CEOs reported that financial conditions for farmers and ranchers had deteriorated in 2026, compared to 2025. The IL May Rural Mainstreet Index declined to 41.4 from 43.4 in April. The farm and ranchland price index for May increased to 45.1 from April's 43.2. The state's new hiring index for May sank to 37.3 from April's 42.9. According to trade data from the ITA, IL exports of agriculture goods and livestock for the 1 Qtr. of 2026, compared to the same period in 2025, expanded by 3.5% to \$807.3 mil.

Table 2: The Rural Mainstreet Economy, May 2026

	Percentage of Bankers Reporting			
	Higher Fuel Costs	Soaring Input Costs	Drought/ Weather	Low Grain Prices
Regarding recent negative impacts on farms in your area, which of the following has had the greatest harmful effect on the farm economy:	8.7%	13.1%	21.7%	56.5%
	Lower Interest Rates by ¼%	Leave Interest Rates Unchanged	Raise Rates by ¼%	
What action should the Fed take at their next meeting on June 16-17?	12.9%	73.9%	13.2%	

The Business of Farming—

- **Change is in the works, so sharpen your pencils,** and recalculate your crop production budgets for this year. [Univ. of IL Farmdoc ag economists](#) say, “Return projections for 2026 are higher because of increases in expected prices for corn, soybeans, and wheat compared with the last crop budget release in January despite higher cost projections. Projected net returns to a typical corn-soybean rotation



(The far right is where the action is.) Figure 1 shows historical net returns to a 50-50 corn-soybean rotation for central IL high-productivity farmland at average cash rent levels. Average net farmer returns were negative from 2023-2025 even with large government support payments from ARC/PLC and *ad hoc* programs in 2024 (ECAP) and 2025 (FBA). Net returns are projected to be positive in 2026 but just \$11 per acre. This includes an expected \$25 per acre in ARC/PLC payments which would not be received until October 2027. Despite being positive, this return level remains well below the longer-run historical average return of around \$100 per acre.

- ✓ Projected prices are increased to \$4.50 for corn from \$4.25 in January, \$11.50 for soybeans (\$10.40), and \$6.60 for wheat (\$5.20). Expectations for 2026 ARC/PLC payments are lowered compared with January estimates based on the higher prices.
- ✓ Total nonland cost projections are higher, with the increases spread fairly evenly across the direct, power and overhead cost categories. Fuel and fertilizer prices have increased significantly over the past 3 months. The impact on average fertilizer costs for 2026 crops are expected to be relatively small. Larger percentage increases are applied to projected fuel costs for 2026. Average land costs are projected down slightly.
- ✓ Projected returns for corn remain negative across all regions ranging from -\$45 to -\$53 in northern and central IL with larger losses of -\$91 projected for southern IL. Projected soybean returns exceed those for corn by \$97 to \$121 per acre. Break-even prices for corn to cover all production costs, including average cash rent, range from around \$4.80 per bushel in northern and central IL to over \$5 per bushel in southern IL. Break-even prices for soybeans range from \$10.95 for central IL to \$11.38 in southern IL.
- ✓ Crop budgets for 2027 will not officially be released until August but conditions would suggest another year of negative returns unless corn and soybean prices increase further or the cost of fertilizers, fuel and other inputs come down from current levels.

- **The fuel and fertilizer spikes squeezing U.S. agriculture** are not a regional story but are hitting farm balance sheets from the Mid-South to the Midwest. Dr. Michael Deliberto, an agricultural economist from the AgCenter at LA St. Univ., said the squeeze isn't just a regional problem, "This isn't a LA thing or a Mid-South thing. This issue is very real, and it's resonating across farm country right now. In LA, we were lucky, I guess, because last year we had some really good crop conditions here. We had record yields for cotton in our state. The rice crop did fairly well, too, but now that we enter 2026, the agricultural lending environment was tight. I think the consensus was, okay, inputs are going to be up, we're optimistic about market conditions, we've got an improved safety net with the One Big Bill from the policy front, and I think everybody knew 2026 was going to be a challenge." Global geopolitics are only making it worse, "The geopolitical mess, or debacle, however you want to say it, into this discussion, now is a time where, even though we're seeing rewards in the market, right, you know, we got our first glimpse at early new-crop pricing, you know, even though the run up and futures have been great, we still got a long way to go to get some of these costs absorbed, especially for us here in the Mid-South." He said, like other producers around the country, Southern corn farmers are especially feeling the squeeze, "There's a lot of concern right now in our corn sector here in the Mid-South. Here in Louisiana, we had to replant about half of the corn acres that went in the ground. We had to replant about 200,000 acres of corn in our state. We plant corn early here in LA, and the fertilizer price squeeze is very real for our corn producers in Northern LA. Typically, as a farmer in the Mid-South, we're going to rotate corn predominantly with soybeans. Our cotton acres have gone down over time, so predominantly our growers are corn-soybean rotations, a little bit of cotton, maybe a little bit of furrow-irrigated rice, in our northeastern portion of our state, which we call the Delta, due to its proximity to the Mississippi River." Deliberto said the price of nitrogen jumped significantly in the South in just a few months, "When you look at the fertilizer recommendations that our agronomists put forward at LSU every year, depending upon the soil texture, we're anywhere between 200-250 pounds of N, and when you translate that to where we were in early January versus where we are here at the end of April, anywhere from a \$66 to \$83 increase just in the cost of nitrogen. You know, it's not just the fertilizer price increases, but it's the diesel fuel price spikes that we're seeing now from the Strait of Hormuz being closed."
- **Univ. of IL Farmdoc ag economists have been busy creating** financial tools for farmer success. Here is a new trio of tools.
 - ✓ **Farm Projection Tool.** "This program calculates per-acre budgets for different crops and a whole farm budget and includes "break evens." Projected financial statements and return sensitivities are available. The effects of farm level crop insurance and hedging can be analyzed." [Download it here.](#)
 - ✓ **Farm rent evaluator.** "This tool compares the risks and returns of different leases." [Download it here.](#)
 - ✓ **Planting Decision Model.** "With this program, the user can: 1) estimate the costs of planting corn and soybeans by planting date, 2) estimate the net returns from replanting, 3) prevented planting payments, and 4) compare crop rotations." [Download.](#)

Illinois Issues—

- **Most farmers may not be as concerned about agriculture** as is Rep. Sonya Harper, D-Chicago, chair of the House Agriculture and Conservation Committee in the IL General Assembly. “95% of food consumed in the state of IL is imported. If there were any type of natural disaster, IL only has enough food that will last us for 3 days.” [That spurred the media which watches the General Assembly](#) to quickly publish a report about the lack of soybeans in IL. Even though IL grows more soybeans than any other state, the concern was focused solely on edible soybeans, specifically edible for humans. Harper said more effort and massive investment are needed. She sponsored the Local Food Infrastructure Grant program, which provides local farmers with small grants for processing, storage and distribution. She worked closely with the IL Stewardship Alliance, a policy advocate for local food and farm communities, to build legislative momentum. “We have some of the best soil, the best farmland,” Harper said. “No matter where you are, urban, suburban and rural — we need to be producing more food in the state.” She described local food production as a win-win that will help create jobs and generate revenue. The committee’s minority leader, Rep. Charlie Meier, R-Okawville, a farmer himself who raises about 1,000 acres of soybeans every year, noted that farmers follow price signals. Food-grade soybeans require older genetics that yield 10 to 15 fewer bushels per acre. Jeff O’Connor, a northern IL farmer, and IL Soybean Assn. Director, who has grown food-grade soybeans, said his commodity soybeans averaged in the low 70 bu. per acre last year. His food-grade soybeans, which use varieties more than a decade old, yielded in the low 60 bu. range. Weed control is another issue. Unlike commodity soybeans, which allows for certain herbicides, food-grade soybeans are non-GMOs, so farmers can’t use any of those chemicals. Furthermore, fields often look weedy. “You can’t do that again,” one landowner told O’Connor after a season of raising food-grade soybeans. “I don’t care if we made a little more money. They looked terrible.” The gap in IL is widening. Demand for soy milk and tofu is growing: Phoenix Bean (right) is currently expanding its USDA-certified organic soybean products from Whole Foods shelves in the Midwest and Northeast to Sprouts shelves in CA, distributed nationwide. “It’s very difficult to find an organic farmer,” said Jenny Yang, a Chicago tofu and soymilk maker. For Harper, the Local Food Infrastructure Grant is a long-term investment, not a quick fix. The program’s [\\$3.6 mil](#) is a fraction of what is needed. “Food prices are rising across Illinois and investing in local food infrastructure is essential,” she said. “But we are still far away from actual investment and implementation.” Temporary relief for IL soybean farmers is scarce. The gap between what IL grows and what IL eats remains wide. Shifting IL soybean production toward the domestic food market seems difficult in the short term. The question lingers: Can IL feed itself its own soybeans? “You have to start somewhere,” Harper said.



- **Over the past 2 weeks**, employees and members of the Assn. of IL Soil and Water Conservation Districts have continued building momentum at the Capitol in support of sustainable Soil and Water Conservation District funding and increased FY27 appropriations, says Exec. Dir. Eliot Clay. "Legislative hearings on both HB 4755 and SB 4044 provided important opportunities to highlight the growing needs of Illinois' SWCD system and the critical conservation work being carried out across the state. AISWCD Board President Dale Shumaker joined Rep. Sharon Chung in presenting HB 4755 before the House Appropriations – General Services Committee. The legislation proposes setting SWCD operations funding for FY27 at \$10 mil. AISWCD also appeared before the Senate for a subject matter hearing on SB 4044, legislation aimed at creating sustainable long-term funding for SWCD operations. Sen. Dave Koehler presented the legislation and received encouraging bipartisan feedback from committee members, including comments from Sens. Joyce and DeWitte emphasizing the importance of continuing these funding discussions as part of broader state budget negotiations. While no formal vote was taken due to the nature of the hearing, the conversation reinforced growing support for sustainable conservation funding solutions. AISWCD also highlighted HB 5593, companion legislation intended to create a dedicated funding source for SWCD operations through an agricultural land conservation fee. Referring to the proposal demonstrated AISWCD's continued commitment to pursuing fiscally responsible, long-term funding mechanisms while strengthening the credibility of current appropriations requests. More than 250 proponents filed witness slips in support of HB 4755 with less than 24 hours' notice, followed by an additional 310 proponents supporting SB 4044 — participation levels that significantly exceeded those seen for many other bills heard during the same time period."

Farm Bill 2.0—

- **Senate Majority Leader John Thune, R-SD**, says he and colleagues are actively working to pass House-approved year-round E15 and a Farm Bill, both of which are otherwise facing a 60-vote threshold in the Senate. Reminded that the House GOP had separated year-round E15 from the Farm Bill to secure House passage, which created new hurdles in the Senate, Senate Majority Leader Thune said he's working on a strategy, given the 60-vote Senate threshold needed to clear the now freestanding bills, "We're having a robust discussion about it. I'm hopeful and confident that, in the end, we'll be able to succeed and pick up what the House did, figure out how to pair it with the Farm Bill that they sent over here, and try and get a result for the American people and, more specifically, for the farmers all across this country." Many of whom, Thune pointed out, won't be able to stay in business given the continuing farm crisis, "So, we want to do what we can to create additional demand for American agricultural products. Some of that, obviously, is trade related. I was pleased to hear some of the news that came out of the president's visit to China last week, but E15 is also a way of creating additional demand for agricultural commodities in this country and creating additional supply when it comes to fuels." Which would help to reduce prices. He did acknowledge senators like John Barrasso, R-WY, Assistant Majority Leader, have refineries in their states, which is also a factor he admitted in the E15 "conversation." (Berns Bureau, Washington)

Agribusiness—

- **The U.S. Justice Department on Wednesday** announced it has reached an agreement with Bayer CropScience involving the company's loyalty program. The agreement was announced as the federal government continues to sue some of Bayer's biggest competitors -- Corteva and Syngenta - - over their loyalty programs. [The Justice Department stated in a news release that Bayer agreed](#) to remove "potentially anticompetitive provisions" from its seed loyalty program. DOJ stated the agreement came as part of the Antitrust Division's "ongoing investigation into exclusionary conduct in corn and soybean seed markets." The Justice Department stated Bayer made 2 changes to its "Premier Performance Program." First, Bayer's Premier Performance Program previously required independent seed companies to meet sales targets for both corn and soybeans to achieve discounts under its loyalty program. This contractual restraint raised concerns that Bayer was anticompetitively tying corn seed and soybean seed. "Bayer's U.S. Seed Licensing Business has long offered the Premier Performance Program to its corn and soybean licensees. The program offers licensees the opportunity to earn financial incentives for selling and promoting products licensed from Bayer," a Bayer spokesperson told DTN. "In 2025, Bayer decoupled the corn seed and soybean seed incentive for the 2025 planting year. In late February of this year, Bayer communicated to licensees that it is eliminating the "Performance Incentive" element of the program for Fiscal Year 2027." Deputy Assistant Attorney General Nicole Sarrine said, "Loyalty programs that discourage customers from switching to alternative sellers pose a danger to competition. We are pleased that Bayer has taken these actions addressing competitive concerns of the Division about Bayer's loyalty program."
- **A federal court has granted preliminary approval** to John Deere's proposed antitrust settlement with farmers who filed right-to-repair lawsuits, giving producers until September 2026 to file objections. [DTN reports](#), "The U.S. District Court for the District of Northern IL on Monday granted preliminary approval to Deere's proposed \$99 mil. settlement to resolve numerous farmer-initiated lawsuits filed in 2022. Those lawsuits alleged the company monopolized the repair market by limiting farmers' access to diagnostic tools for equipment they own. The court found on Monday the proposed settlement meets all legal requirements and is likely to be granted final approval. Subject to further consideration at the fairness hearing, the court finds that the settlement encompassed by the settlement agreement is fair, reasonable, adequate, and in the best interests of the settlement class, raises no obvious reasons to doubt its fairness, and raises a reasonable basis for presuming that the settlement and its terms satisfy the requirements of due process," the court said in its ruling. Producers have until Sept. 14, 2026, to object to the settlement ahead of a fairness hearing scheduled for Oct. 29, 2026. Deere agreed to pay \$99 mil. into a settlement fund for farms and farmers that are part of a class action over costs and access to repairs. The case is part of broader scrutiny in the U.S. over some manufacturers limiting competition by controlling access to repair tools and software." The company also agreed to provide farmers access to digital diagnostic and repair tools for large agricultural equipment for the next 10 years.

Farm Family Issues—

- **Not much can get done on the farm today without a tractor**, but working around tractors can result in some of the most serious injuries or deaths on the farm if care is not taken. John Shutske, the agricultural safety and health specialist for the WI Extension Service, said accidents are especially common in the spring and fall when farm machinery takes to the roads, “Accidents and injuries and collisions on the highway, this time of the year, which is absolutely huge. You know, you’ve got to have the slow-moving vehicle emblem. You’ve got to have, even though the state law does not require it on all machinery, flashers, amber flashers, visible always, night and daytime, and those should also double as turn signals.” He said falls off tractors are a common type of on-farm injury, “Actually, our most common cause of lost time work injuries is falls. Falls that happen when you’re getting onto and off of tractors and equipment. If you fall just a couple of feet, yeah, you could sprain ankles, you could break legs. When you’re getting on and off that equipment, we always talk about 3 points of contact. You always want to maintain that stability by going from 2 to 3. You increase your stability by 50%, and if you do slip or fall, you’ve got some additional points of balance. We always want to think about a 3-legged stool, and it’s exactly the same when you’re getting onto and off equipment. It’s tempting, if you’re in a hurry, to jump from that second or third step from the top, and that’s when we see the sprained ankles and torn ACLs.” Use extra care around spinning PTOs, “We still do see these incidents. Even though they are fewer and they’re further apart, we don’t see as many per year. When they do happen, people underestimate how incredibly powerful, even something like a 45-horsepower-utility tractor, you compare that to me as a typical human being, I can generate about a tenth of a horsepower when I’m out there working. If you become entangled with that piece of equipment, if it’s a piece of clothing, if it’s the string



from like a hoodie, if I start to get wrapped up, I actually begin to rotate with that shield.” Rollovers are still the number 1 cause of death in farm accidents, “That’s still a leading cause of death, although thanks to the rollover protective structure or ROPS, we’ve made a lot of progress compared to when I was a young farm safety specialist. Compared to now, like 35 years later, we’ve seen a dramatic reduction in farm fatalities, and that’s largely because of rollover protection. At the same time, we still see a lot of tractors out there without ROPS. Tractors can roll over either sideways, which typically involves

either rough terrain, people hitting a rut, or driving over a stump or rock or, more often, a slope. Any slope that’s greater than, I would say, 12° to 15° is potentially dangerous.” (Mid-West Farm Report)

Mark Your Calendar! --

- **May 28 is the next webinar for the Rural Minds series.** It will focus on Removing Stigma & Building Mental Wellness in Farm Communities and will be at 6 pm central time. This free, 1-hour educational webinar will discuss learning more about the challenges facing farmers and farm communities, along with ways rural residents can support each other and promote mental wellness. Register to attend [here](#).
- **May 28 begins a webinar series for farmland management**, presented by Illinois Farmlink, an organization linking owners and operators. You'll hear from experts across the Midwest including [Land Stewardship Project](#), [Progressive Agronomy](#), [Full Circle Designs LLC](#), [CommonGround](#), [Farm Commons](#), [Peoples Company](#), and more! Several landowners like yourself and the tenant-farmers they're working with will share their stories and lessons learned. Webinars are 11:30 am to 1 pm., May 28-June 25. [Details and register 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](#).
- **U of I Crop Science Small Grains Field Day** will be June 4 at the Seed House on the South Farm beginning at 8:30 am. Speakers will cover wheat pathology, wheat breeding, oat breeding, and oat-pea intercropping research. [Register](#) for the event.
- **What happened with conservation** in the IL General Assembly spring session? The IL Sustainable Ag Partnership will conduct a webinar at 9 am on June 9. [Register 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](#).

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.*