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

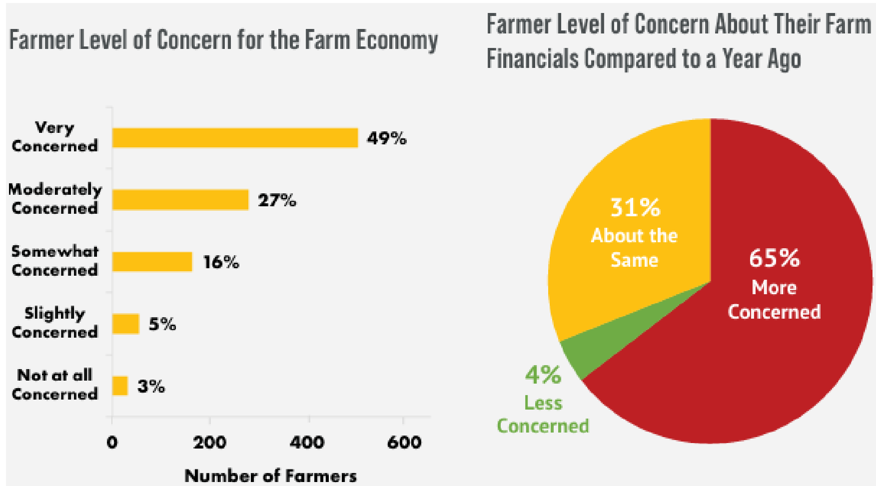
Commodity market price drivers—

- **Is China waiting for the US Supreme Court** to decide whether the White House really has the authority to impose all of the tariffs that have been levied world wide before it acts on any of its promises to buy US soybeans? Chinese buyers have begun some modest purchases of U.S. wheat and sorghum as China's cabinet on Wednesday announced it will suspend a 24% retaliatory tariff on U.S. goods and roll back duties of up to 15% on some American agriculture shipments starting Nov. 10, while retaining a 10% base levy. But there have been no substantial purchases of US soybeans. China's trading company COFCO announced 9.2 mil. bu. of US soybeans purchased simultaneously with the Trump-Xi meeting, but none since the meeting. The wheat and sorghum purchases, unveiled after high-level talks between the United States and China, signals a thaw in agricultural trade tensions. But for soybeans, the benefit remains muted: Beijing will keep a 13% duty on U.S. soybeans, making them less competitive than Brazilian supplies. "We don't expect any demand from China to return to the U.S. market with this change," one trader at an international company said to Reuters. "Brazil is cheaper than the U.S., and even non-Chinese buyers are taking Brazilian cargoes." Reuters reports U.S. soybean futures reached their highest level since June 2024 on hopes of renewed Chinese demand. Traders caution, however, that significant recovery in U.S. shipments hinges on China lifting the remaining premium. Following the Trump-Xi meeting the legal challenge to Trump tariffs has been moving through the courts at a rapid pace, and Friday reached the point of arguments in front of the Supreme Court, where justices substantially questioned Trump's authority for his global tariff plan. The Supreme Court's decision could reshape U.S. trade policy and the president's economic powers or force a fallback to more cumbersome, time-consuming trade laws to reduce trade barriers. →

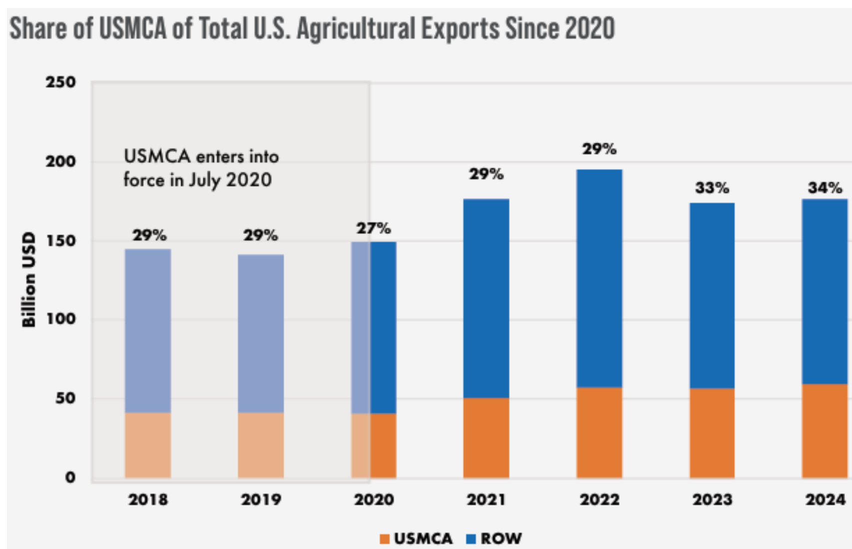
- **IF and WHEN,** China makes a move to purchase US soybeans, the US Soybean Export Council will be announcing it. Anticipating some announcement this past week, a delegation of USSEC members were in China, including Director Scott Gaffner (second from left, bottom row) of the IL Soybean Assn. for the China International Import Expo. "A full and productive morning in Beijing for the U.S. Soybean Export Council (USSEC) team and the U.S. Agricultural Trade Mission group as we continue our high-level engagements. We were honored to hold a constructive meeting with China's Ministry of Commerce (MOFCOM), building directly on the dialogue from our 2023 visit. Our sincere thanks to Mr. Li Chenggang, Vice Minister of Commerce, Ministry of Commerce of the People's Republic of China (MOFCOM), for his support. USSEC CEO, Jim Sutter, reiterated the deep, long-term commitment of U.S. soybean farmers to the Chinese market. This ongoing conversation is a cornerstone of our efforts to foster mutual understanding and stable, open agricultural trade. Following the MOFCOM meeting, we proceeded to the U.S. Embassy for further discussions. Coordinating with our government partners is vital as we work to advance shared interests and address opportunities in the U.S.-China agricultural trade relationship. Days like today, filled with direct, meaningful dialogue, are essential for building partnerships that support a resilient, sustainable future for agriculture. We are now on the high-speed rail to Shanghai, the host city of the China International Import Expo (CIIE). The journey symbolizes the speed and efficiency of modern trade connections, and we're excited to arrive at the heart of the action." Also representing US farmers was Mark Wilson of Toulon, IL, Chairman, US Grains and Bioproducts Council (third from right, bottom row.)

- **A highlight on E15 wins** for corn growers, consumers, and the economy comes from the economics staff of the National Corn Growers. Economists Krista Swanson and Gretchen Kuck report on a trio of initiatives that point to higher corn prices and corn demand.

✓ "Talking higher corn price and increase corn use in ethanol, a 25¢/gal. savings at the fuel pump and adding $25.8 bil. to U.S. GDP full implementation, plus more jobs and higher incomes. A reminder of corn farmers concern for the ag economy despite what top-line national U.S. farm income numbers show and the importance for market-based demand solutions. Tough times in the U.S. agricultural economy underscore the importance and urgency of passing permanent E15 legislation."



✓ There's a look at the 6 years of USMCA success, which has represented nearly $60 bil. in value annually for U.S. ag, up from about $40 bil. annually in the years before the deal was implemented.



✓ A spotlight on southeast Asia market potential. Recent trade developments represent promising opportunities to build demand outside of the U.S. – export inspections to destinations like Malaysia, Thailand, and Vietnam."

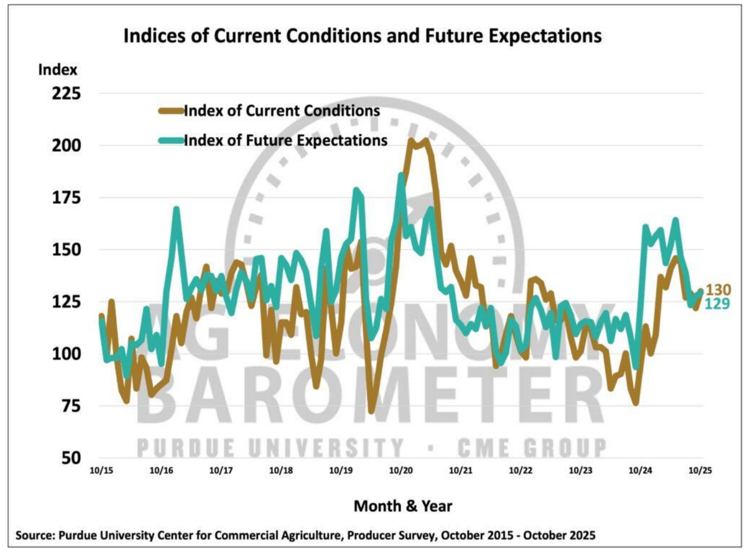
Corn Export Inspections: 2025-26 Marketing-Year-To-Date Highlights

- Corn Export Inspections to Malaysia up 60% from same period last year
- Corn Export Inspections to Thailand up 25% from same period last year
- Corn Export Inspections to Vietnam up 14% from same period last year
- Total Corn Export Inspections up 5% from same period last year, up 26% from same period two years ago

Data as of 10/23/25

Farm Economy—

- **There was a modest uptick in U.S. farmer sentiment** in October as the [Purdue Univ. Ag Economy Barometer] index of 129 was 3 points higher than September's reading. The slight rise in the barometer was fueled primarily by an increase in the Index of Current Conditions. Meanwhile, the Index of Future Expectations was virtually unchanged. Farmer's appraisal of current conditions on their farms continues to be a tale of 2 economies. Livestock producers remain very optimistic about conditions on their farms, but poor profit margins across all major crop enterprises lead crop producers to provide a notably more pessimistic view of the current situation on their farms.



  ✓ Farmers' financial performance expectations fell sharply over the course of late spring and summer. In May, the financial index stood at 109, 31 points higher than in October, and proceeded to fall throughout the rest of the spring and summer.

  ✓ There was a big disparity in financial performance expectations among crop and livestock producers. Despite weakening financial expectations, the Farm Capital Investment Index. Once again, a more optimistic view was provided by livestock producers than crop producers, thereby providing a boost to the investment index.

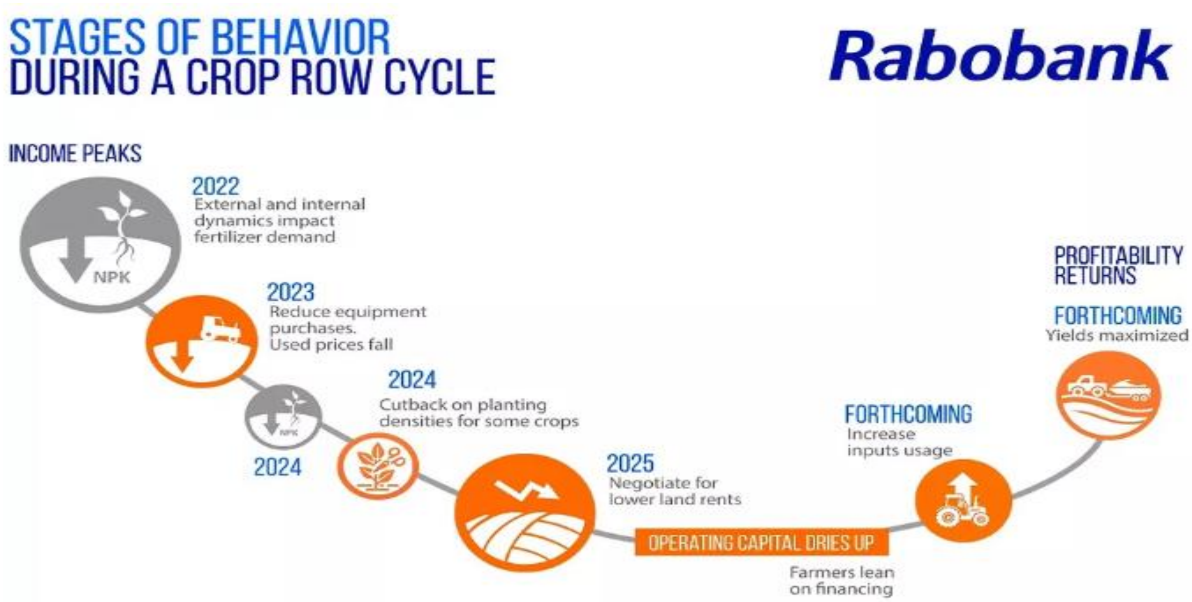
  ✓ In previous barometer surveys, producers overwhelmingly said they expect the USDA to provide compensation for weak commodity prices, similar to the 2019 Market Facilitation Program (MFP). This month's barometer survey asked producers how they planned to use a supplementary payment from the USDA on their farms. 53% of respondents said it would be used to pay down debt, while 25% said it would be used to strengthen their farm's working capital position. 12% of farmers said they would use it to invest in farm machinery, and 11% planned to cover family living expenses.

  ✓ The Short-Term Farmland Value Expectations shift upward was driven by producers expecting values to increase, the opposite of what took place in September. 30% said they expect farmland values to rise in the upcoming year, up from 24% a month earlier, with 17% saying they expect weaker farmland values in the year ahead.

  ✓ While 30% don't plan to make any changes in their production practices, 29% plan to reduce applications of phosphorus. 27% plan to adopt lower-cost seed traits or varieties. 16% plan to reduce nitrogen and 11% plan to reduce their corn seeding rates in 2026.

  ✓ 58% expect tariffs to strengthen the farm economy, down from 70% last spring.

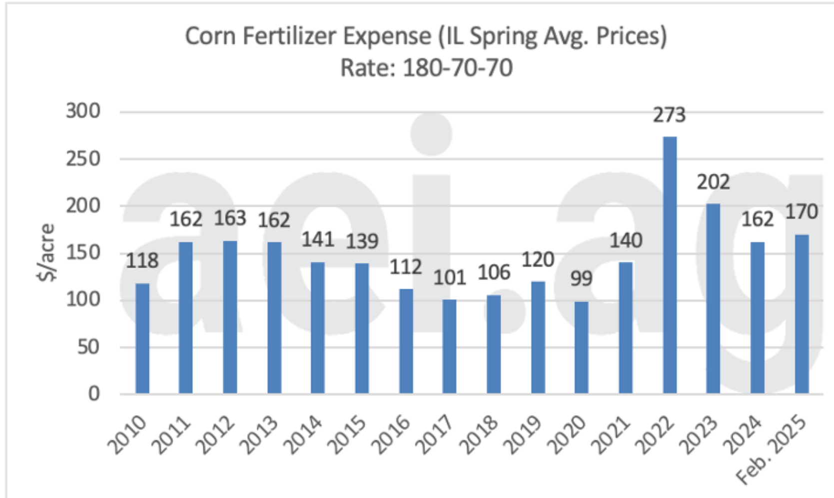
- ✓ **A fall harvest outlook does not provide farmers** with a great deal of hope that prices will improve anytime soon. Steve Nicholson, Global Sector Strategist for Grains and Oilseeds with Rabobank, says their latest report indicates prices are currently in the bottom of a cycle, "Farmers have said no more capital expenditures machinery. They've tried to mine the nutrients out of soil to reduce fertilizer costs. You know, probably been a little more selective on their spraying for herbicides. And now it's, can we get cash rents down a little bit. So, you're in the bottom of that trough of where there could be, we could be here for a little while longer, maybe a couple years." Nicholson says there's a variety of factors working against agriculture at the moment, "When you look at farm machinery, it was high priced to start off with. But the fact is, now they have to deal with a 50% tariff on aluminum and steel coming in, let alone what other things are bringing in the United States to manufacture the machinery you use. So, you know that's not going down in price. And then you have the whole chemistry. And you look at fertilizers, you know, chemistry, we rely on China for a lot of the active ingredients, and so that, obviously, that's gotten tinged with the tariff as well." And he says policy issues are also at play, "We've seen covid payments. We've seen MFP payments back in the first Trump years. And now we're, you know, kind of maybe on the verge of that again. We've seen the ECAP payments for last year. And so, we have these ad hoc programs that are coming into agriculture, and what that's doing is that these high support payments are kind of adding to the inflation of everything agriculture." (NAFB News Service) →
  - ✓ **Two more crop cycles could pass** until US agriculture returns to a break-even point in 2027-28,

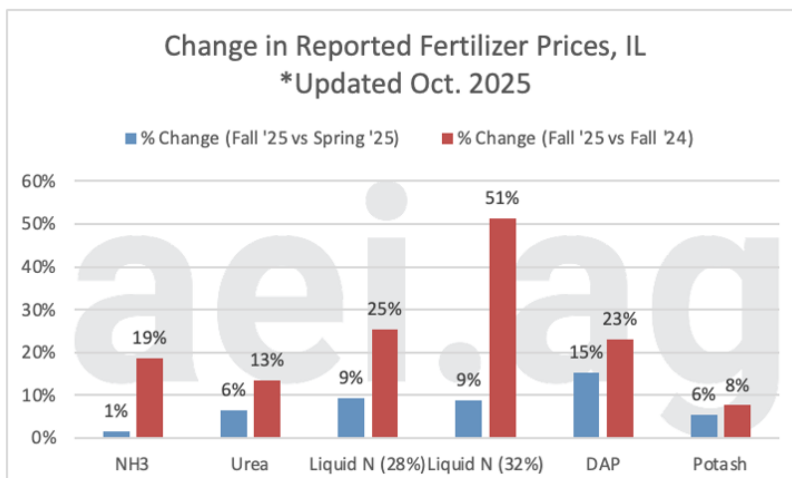


according to the [2025 Fall Harvest Outlook from](#) [Rabobank](#). Steve Nicholson, global sector strategist for grains, oilseeds and farm inputs at Rabobank, said US agriculture is in year 17 of a lengthening macro cycle of 20 to 25 years. Wider price ranges during these cycles have significantly increased volatility, he said, with record-large global supplies partly to blame, although the rate of growth and production has begun to slow. "You would expect that as that number, that underlying denominator, gets bigger, but the fact is you do see it slowed down a little bit; we don't see as rapid a pace as we have over previous time periods," Nicholson said.

The Business of Farming—

- **Producers hoping for crop budget relief** won't find any help from fertilizer prices, says [ag economist David Widmar]. Variable expenses, including fertilizer, have been relentless in recent years, accounting for most of the increase in total production expenses. [For corn, variable expenses were 80% of the upturn in total production costs since 2020]. If your 2026 corn budget is a yield of 200 bu., current prices translate into 52 bu. earmarked for fertilizer alone. During that 2010 to 2022 era, which would have only been 38 bu. At current prices, a 180-70-70 corn fertilizer blend costs $170/acre (right). This blend uses anhydrous ammonia, which has avoided some of the recent price increases (lower right). Current prices are higher than Spring 2024 prices, which were $162/acre. The biggest price shock, however, is for producers who priced fertilizer a year ago. While not shown, that 180-70-70 blend would have cost $144/acre last fall. On a year-over-year basis, fertilizer expense is +18%. There are several possible ways to frame current prices compared to the last 15 years. First, prices are considerably lower than the 2022 peak ($273/acre). However, prices are still the third highest since 2010. Before 2020, when the blend cost just $99/acre, we would have concluded that prices in an extreme condition would be in the $160/acre range, as observed between 2011 and 2013. Today, $160 feels like the floor. For nitrogen, the price story also varies by product. Comparing current prices to those reported last fall and earlier in the spring, Liquid 28% and 32% nitrogen prices have jumped the most. Producers that rely on those products will face prices that are 25% to 50% higher than a year ago. Current prices suggest another year of higher fertilizer expenses. Potentially the third-highest expense in sixteen years of data. For the crop budget, the degree of change will depend on the timeframe compared and the products used.



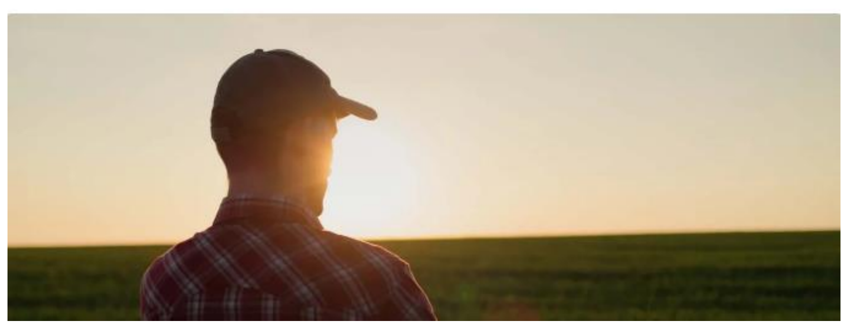


November 10, 2025

- **Besides hugging your folks and eating more ice cream**, what should a young farmer do? Popular financial speaker and advisor David Kohl says there is a trio of practices that will point a young farmer toward success.

    1. About two-thirds not only know the cost of production and breakeven but also execute and monitor these metrics throughout the year and year over year. This performance is much improved compared to farmers and ranchers at the turn of the century. As producers today attempt to navigate economic cycles and extremes, tracking and monitoring financial performance is highly relevant, particularly to those who rent and lease assets or carry large levels of debt. One proud fellow shared a spreadsheet featuring breakeven levels for various enterprises and his strategies for reducing the cost of production. His strategies included dropping landlords, better utilizing assets, and eliminating inefficient machinery, equipment and capital assets. He said: "Tough times call for tough decisions."
    2. Another impressive management practice is the participants developed, executed and monitored cash flows on a monthly or quarterly basis. They aren't just doing it for the lender. They use that information to better manage their business. At one time, they recalled, lenders developed cash flows for mom and dad or grandma and grandpa. But this group felt more in control when they organized their financials and followed an operational plan. With a mix of row crop and livestock producers at both ends of the spectrum in the economic cycle, it turns out some were monitoring cash flow losses and withdrawals on working capital. Others, particularly the beef producers, said cash flows are imperative when purchasing high-priced cattle and juggling the range of margins and outcomes.
    3. I was impressed to discover that nearly half of the group develops, executes and monitors a marketing and risk management plan. Knowing the cost of production and breakeven levels with a quarterly cash flow assisted them in making objective versus emotional marketing and risk management decisions.

- Many of the participants do not have the land equity or balance sheet cushions that shield many management mistakes. However, a solid positive amid the negative news and headlines in agriculture today is that young producers are using tools that place the odds in their favor.



November 10, 2025

Risk Management and Crop Insurance—

- **With the conclusion of trading on new crop contracts** for the month of October, fall harvest prices for corn and soybean crop insurance guarantees were established. Early in the trading period it was easy to see there would likely be no celebrations at the end of the month. Univ. of IL Farmdoc ag economists say, "Harvest prices are $4.22 per bu. for corn and $10.35 per bu. for soybeans. Both are below their projected prices. The corn harvest price is 10.2% lower; the soybean harvest price is 1.8% lower. For individual revenue policies, yields will need to be below a farm's actual production history (APH) guarantee yield to trigger payments. For the Enhanced Coverage Option (ECO) on corn acres, payments are likely in counties with average corn yields near trend guarantees for 90% coverage and yields slightly above trend guarantees for 95% coverage. Payments from SCO on corn acres and from SCO or ECO on soybean acres will require average county yields to be below trend guarantees. Overall, insurance payments will occur for some IL farms and counties but are not expected to be widespread or large."
    - ✓ The 10.2% price decline on corn implies that an individual farm's yield for an insurance unit would need to be: 1) more than 5.3% below its APH yield to trigger payments on an 85% revenue protection (RP) or revenue protection with the harvest price exclusion (RP-HPE) policy, or 2) more than 10.9% below APH to trigger payments on revenue policies with an 80% coverage level, and 3) more than 16.5% below APH to trigger payments on revenue policies with a 75% coverage level.
    - ✓ The 1.8% price decline for soybeans implies that an individual farm's yield for an insurance unit would need to be: 1) more than 13.4% below the APH yield to trigger payments on an 85% revenue protection (RP) or revenue protection with the harvest price exclusion (RP-HPE) policy, 2) more than 18.5% below APH to trigger payments on revenue policies with an 80% coverage level, 3) more than 23.6% below APH to trigger payments on 75% coverage level policies.
    - ✓ Coverage levels of 95% and 90% are available for ECO coverage while the SCO policy provides 86% coverage. Both ECO and SCO provide area-based coverage. Payments are not determined until the Risk Management Agency finalizes and releases area (in most case county-level) yields, which typically occurs in June.
    - ✓ The latest 2025 yield estimates for IL from the USDA are 219 bu. per acre for corn and 65 bu. per acre for soybeans. Both would represent record yields for the state and are above simple trend yield estimates based on the previous 30 years (1995-2024) of 212.3 and 63.8 bu. per acre. As always, yield experience across individual farms and counties across IL (and in other states) will vary considerably. Payments will occur for some farms for individual insurance coverage, but payments are not expected to be widespread in IL given expectations for excellent yields. The most likely chance for insurance payments in IL is for 95% ECO coverage on corn acres.

Agri-Politics—

- **The developing Congressional agreement** to end the government shutdown contains numerous issues for agriculture. With the Senate vote end the stalemate, apparently Senators retrieved many of their agricultural priorities to include in the legislation. There is a 1-year extension of Farm Bill programs that were left out of a budget reconciliation bill earlier in the year. One item extends the Grain Standards Act to Jan. 30, to allow USDA to continue grain inspection and weights. Trump's OBBA increased funding for USDA programs, but did not authorize them to continue, such

as the Conservation Reserve, and that will be fixed. The bill would provide $903 mil. for conservation programs while rejecting the White House's demand to scrap discretionary funding for conservation technical assistance," Fired USDA workers will be rehired (if available.) Politico news services in Washington also reported, "Congressional appropriators have released the first final spending bills of the fiscal 2026 cycle, including legislation to fund the USDA. Lawmakers on Sunday unveiled their Agriculture and other Legislative Branch bills. The idea is to pass them along with a stopgap for other agencies to end the government shutdown. The Agriculture-FDA bill includes $26.7 bil. in discretionary spending and rejects many cuts proposed by the White House and House appropriators. With potential positive impact for the Univ. of IL, "The House-Senate compromise bill released Sunday also would direct USDA to work with the State Department to prepare a process to transfer the Food for Peace food aid program from State to USDA. The former U.S. Agency for International Development had managed the delivery of food commodities." The Univ. of IL had provided research, personnel and management for the Soybean Innovation Lab, which was designed to convert Africa into a major new market for soybeans. However, DOGE budget cutters eliminated the funding without understanding the reason for the project. The Soybean Innovation Lab operations were halted only briefly until a funding source was identified and agreed to maintain the research. Agri-Pulse is also reporting, "Agricultural research programs would get $3.8 bil., including $1.8 bil. for the Agricultural Research Service and $1.7 bil. for the National Institute of Food and Agriculture, while cutting funding for USDA's climate hubs," Brasher reported. "USDA's Animal and Plant Health Inspection Service would be funded at $1.2 bil. for APHIS, the same amount requested by the White House, and the agency would get $13.5 mil. to help ranchers offset the cost of electronic ID tags. The legislation also retains a longstanding prohibition of the closure of Farm Service Agency field offices."

Mark Your Calendar! --

- **Farm Business Summit meetings** have been scheduled by the IL Soybean Assn. Nov. 18 at Beck's Hybrids at Effingham, and Nov. 19 at Kishwaukee College at Malta. Both sessions are in-person from 8 am to 12:30 pm. Presentations include family succession planning and options, estate tax legislation, crop input economics, farm conservation legacy planning, and tax strategies to grow your farm. No cost, free meal, register here.
- **The IL Beef Foundation** will hold its 2025 Cattlemen's Gala and Fundraiser Nov 21 in Springfield. A dinner, program, auction, and raffle will precede entertainment. Details and tickets are available here.
- **IL Corn Growers** will hold their annual meeting Nov. 25, at the AgriCenter in Bloomington. The meeting begins at 8 am with organizational updates, and remarks from NCGA Pres. Jed Bower of OH. Awards will be given out to honor contributions to the IL Corn industry. Details and Registration will be announced later.
- **The 2025 Farm Assets Conference** is scheduled for Friday, December 12 at the Agri-Center, on Carroll Drive, off Route 9 on the west side of Bloomington. The Farmdoc program starts at 8:00 a.m. Registration is $80 per person through noon December 8 and $100 thereafter. Register here for the Farmdoc Farm Assets Conference and get details.
- **The Illinois Farm Economics Summit** addresses current economic conditions and policy issues impacting global, US, and IL agriculture. They include Farmdoc presentations, discussion, and Q&A on grain and livestock markets, farm financials and profitability, farm and risk management, farmland values and leasing, farm policy, and more. Preregistration for the 2025 IFES meetings is $80 per person through December 7th. Registration is $100 per person after Dec. 7th. Register for Dec. 15 Dekalb, Dec 16 Peoria, and Dec. 17 Mt. Vernon