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

Commodity market price drivers—

- **Traders with knowledge of the deal** [told Reuters](#) that China bought at least 14 cargoes of U.S. soybeans. It's the largest Chinese purchase since early in 2025 and the most significant since a summit between President Donald Trump and President Xi Jinping during October in Busan, South Korea. "China is buying the soybeans to meet the pledges it made to Washington D.C., even though the cargoes are more expensive than the prices Brazil charges for similar shipments," Reuters said. "The bigger round of soybean buys from the US is no longer a goodwill gesture, but manifestation of China's commitment to the Busan, South Korea meeting's terms." China's state-owned grain trader COFCO bought at least 31 mil. bu. for shipment in December and January. During the government shutdown, USDA data showed China bought 8.5 mil. bu. of soybeans, bringing the total to almost 40 mil. bu.
- **"The White House announced a trade agreement** with China in October in which China agreed to purchase at least 440 mil. bu. of U.S. soybeans by the end of 2025, and at least 920 mil. bu. each year through 2028." "Asked what would happen if China does not meet the 440 mil. agreement by the Jan. 1 deadline, a USDA spokesperson wrote that the 'farm economy is in a difficult situation' and Trump is 'utilizing all the tools available to ensure farmers have what they need to continue their farming operations. The USDA will 'continue to assess the farm economy and explore the need for further assistance, however, there is nothing new to share at this time,' the spokesperson wrote in an email. Even if purchases fall short of the 440 mil. bu. that [U.S. Treasury Secretary Scott Bessent announced](#), the uptick in sales has buoyed crop prices. Some Chinese traders also cashed in after booking long positions when prices slumped, but any American farmers who sold their crop before the Chinese purchase deal was announced did not benefit. →

- **The announcement triggered a flurry of sales by farmers,** like Ryan Frieders (below) of

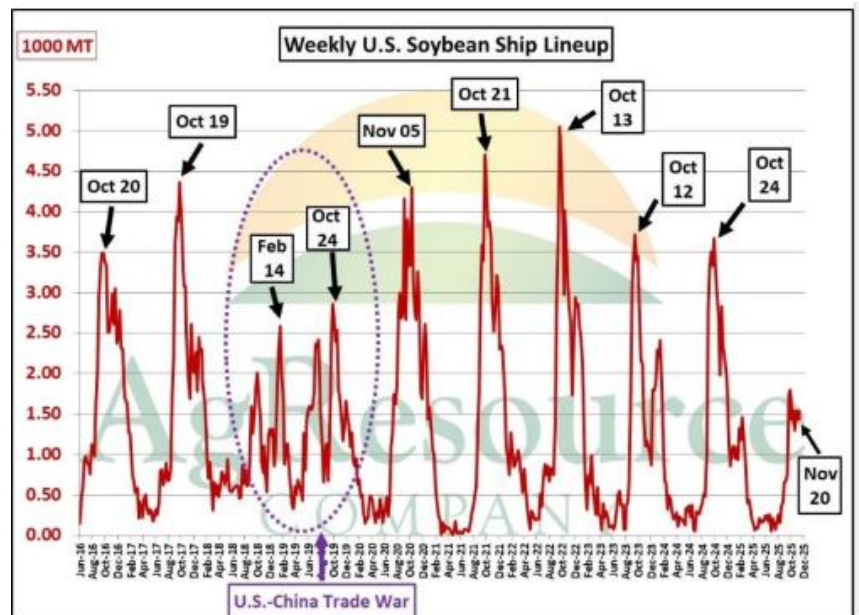


Waterman, IL, who were holding their crop hoping for such an uptick. It remained unclear how quickly China would reach the target that U.S. officials said Beijing has agreed to. The confirmed purchases of nearly 59 mil. bu. in 3 days sent U.S. prices sharply higher to a steep premium over shipments from rival exporter Brazil. That has made U.S. soybeans

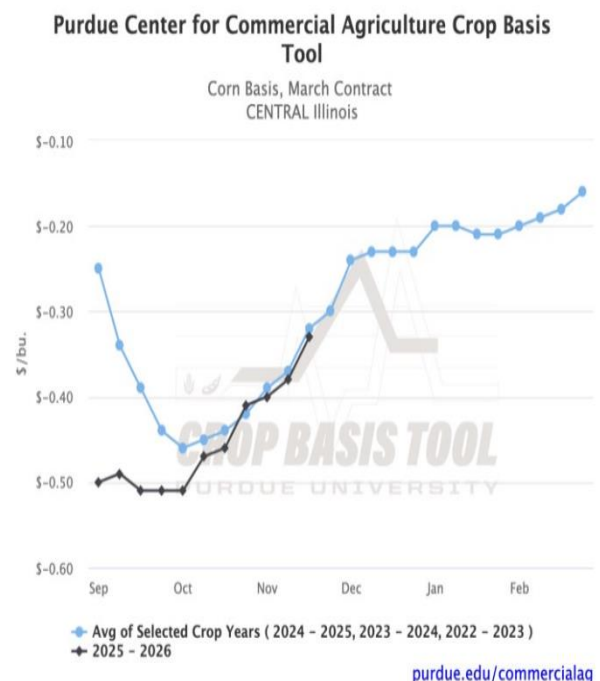
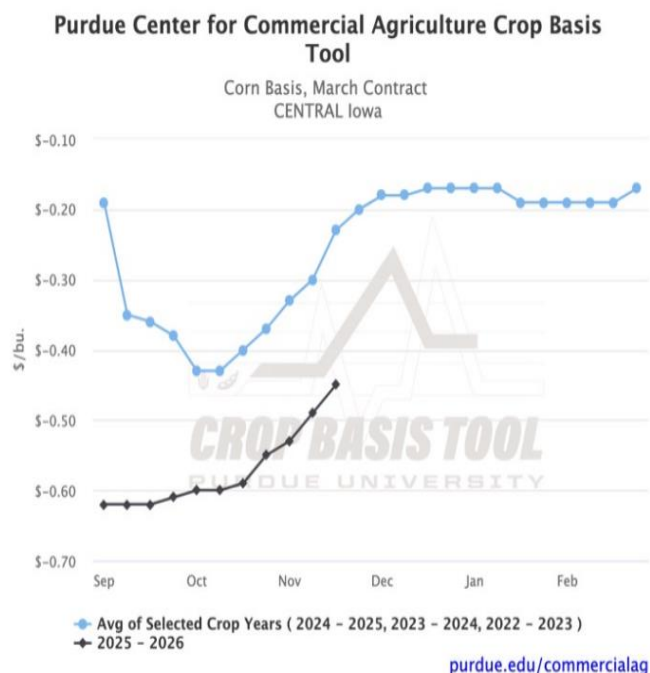
uncompetitive for other importers like Turkey and Vietnam. It also creates a problem for Beijing, which does not now need more beans after major purchases of South American crops. China must empty some of its national reserves to make space for the U.S. shipments.

- **For the first time in months,** 2 vessels carrying soybeans destined for China have appeared in the U.S. ship departure lineup says AgResource chief economist Bill Tierney. As of November 20, the U.S. soybean ship lineup is estimated at 54 mil. bu., reflecting a 14% increase from the previous week. This week's soybean export inspections are projected to be 25 mil. bu., which would represent a 43% decrease from last week. There are 10 vessels to be loaded, down 5 from the previous week. The current ship lineup indicates that U.S. November Census exports could reach 156 mil. bu. In the November WASDE report, the USDA reduced their projection for U.S. exports by 50 mil. to 1.635 bil. bu., while the export projection by AgResource is 165 mil. bu. lower. Last year's exports totaled 1.893 bil. bu..

Notably, there were no vessels identified that departed for China this past week, although 2 vessels are currently in the lineup destined for China. It is possible that additional vessels have departed or are heading to China but are listed as unknown. The USDA has maintained their projection of China's imports at 4.1 bil. bu. in the November WASDE, with last year's imports estimated at 3.8 bil. bu.



- Is the basis your marketing game?** Many farmers can forecast it nearly to the penny because they have played the game for many years. But could 2025-2026 marketing year be different. [Ag economists in the Purdue Center for Commercial Agriculture](#) say, "Stop assuming the basis will simply follow the historical average. Across the Eastern Cornbelt, corn and soybean basis have moved noticeably higher as harvest wraps up. Central OH corn basis to March futures is about \$0.30/bu above trend, and west central IN soybean basis has climbed roughly \$0.46/bu in the past 4 weeks. IA, meanwhile, continues to lag, with several locations still near 7-year lows. As we head into winter, historical patterns point to slower movement — but this year's deviations highlight the importance of tracking your local basis rather than relying solely on seasonal norms. The Purdue economists have created a "crop basis tool," and say, "In contrast to the substantial basis increase in the easternmost states monitored in the Crop Basis Tool, IA has experienced a more gradual post-harvest improvement. While basis has increased across much of the state, a weak start to the marketing year has kept several locations at 7-year lows. Figure 3 (left) provides an example using



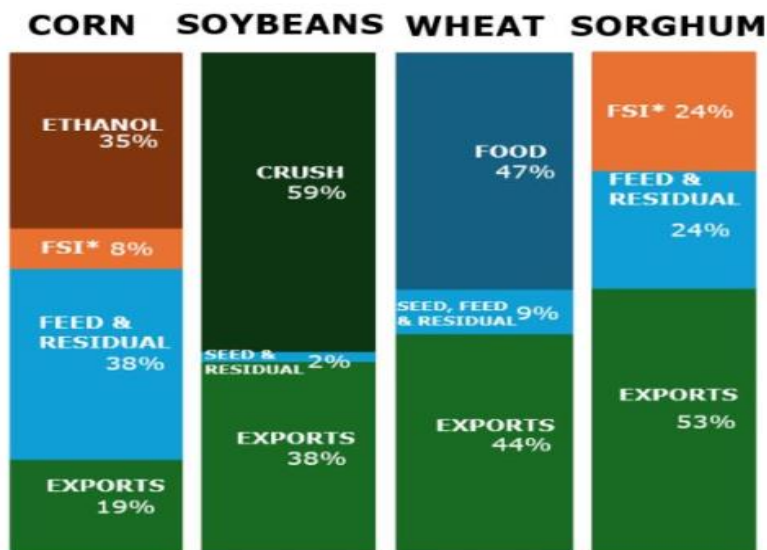
the central IA corn basis to March futures.

Although the basis for the third week of November is a marketing year high, it is still \$0.22/bu below the 3-year average. In IL, we observe a transition from the below-trend basis in IA to the above-trend basis in IN. The basis is below the historical average in the southwestern part of the state and above it in the southeastern part. In the rest of the state, both corn and soybean basis are within a few cents of the historical trend. For example, corn basis in central IL has been within \$0.02/bu of the historical average since the second week of October (Figure 4, right). When we look at Figures 3 and 4 together, we see that the historical corn basis to March futures in central IA and central IL are very similar. In fact, the IA historical trend is slightly higher than the IL, further highlighting this year's relative weakness in IA.

- **A new Reuters poll** said soybean processors likely crushed a record number of soybeans in September as new facilities ramp up operations. That poll took place as market watchers continued relying on private estimates during the government shutdown. According to a note to clients from CoBank, the crush totaled 205.4 mil. bu. in September. If that's accurate, that would be a 10% month-over-month increase, and the highest on record for the month. On a daily basis, the poll said crush likely rose 7.8% to 6.847 mil. bu. a day. USDA's Fats and Oilseeds Report, which is usually released monthly, has been nonexistent for the past 2 months due to the government shutdown. The National Oilseeds Processors Association said earlier this month that it estimated the September crush at 197.9 mil. bu. during the month, up almost 12% year over year and a record for the month.
- **U.S. soybean exports might be getting all the media attention**, but the year-round domestic demand for U.S. grain and oilseeds is also worthy of headlines, says [Terrain Ag commodity economist Bree Baatz](#). She says, "Corn feed, ethanol, and industrial consumption account for over 80% of the U.S. demand balance sheet. The soybean crush is nearly 60% of overall consumption of U.S. soybeans, surpassing exports. Despite the focus on exports to China, we need biofuel policy at home to support the continued record crush pace. Wheat and sorghum aren't just export stories. They are feed and food staples too. These lesser told datapoints in agriculture are just as important to U.S. farmers' marketing strategies as the news headlines. For more key grain and oilseed insights following the November WASDE report.

U.S. Grain & Oilseed Demand

USDA's 2025/26 November Consumption Forecast

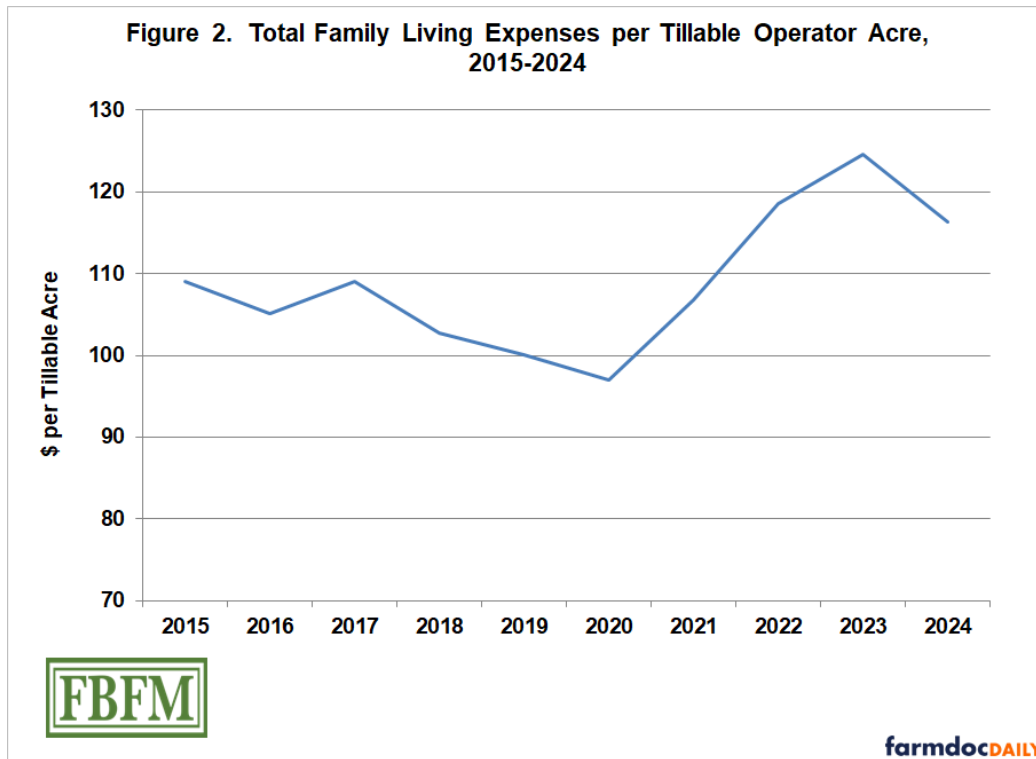


*Food, Seed & Industrial (FSI), Corn excludes Ethanol, Sorghum includes Ethanol
Source: USDA, Terrain Analysis

- **Southern IL farmer Ken Hartman** of Waterloo, has just concluded a year as President of the National Corn Growers Assn. He says the past year held more surprises and events than anyone might have imagined. He recounted many of those events and looked forward to what is facing corn growers in 2026 [in this short video](#).

The Business of Farming—

- **Farmers need new tools periodically**, and farm families need new dishes periodically, and the financial liabilities and taxes need to be addressed, says [IL Farm Business Farm, Management](#), which says that is 50¢ per bu. “In 2024, the total noncapital living expenses (car, furniture, groceries, etc.) averaged about \$8,000 per month, down about 1% from 2023. Income and social security tax payments decreased 1.2 percent in 2024 compared to the year before. The amount of income taxes paid in 2024 averaged \$37,279 compared to \$37,673 in 2023. Net non-farm income increased, averaging \$64,881 in 2024. Net non-farm income has increased \$24,219, or 60% in the



last 10 years. Figure 2 shows total family living expenses (expendables plus capital) divided by tillable operator acres from 2015 to 2025. In 2015, family living costs averaged about \$110 per acre. This fell to \$97 per acre in 2020, then rose to \$125 per acre in 2023 before easing to \$116 in 2024. The 10-year average was \$109 per acre. Over the same period, the 10-year average net farm income was \$154 per acre,

meaning family living expenses accounted for 71% of the net farm income per acre. The average year-to-year change in family living costs per acre over the past decade was 0.21% while the 5-year annual change was higher at 3.3%. To put this in context for crop budgeting, the 2024 family living costs of \$116 per acre is equivalent to 50¢ per bu. on 230 bu. per acre corn. After subtracting net non-farm income from total family living expenses, the amount that must be covered by farm income was \$43 per acre in 2024, compared with a 5-year average of \$48 per acre. In addition, farm income must also cover Social Security and income taxes, which amounted to \$42 per acre in 2024 (5-year average: \$36 per acre). In pricing terms, the 2024 family costs per acre that must be covered by farm income is equal to 19¢ per bu. on 230 bu. per acre. When taxes not covered by non-farm income are added, the requirement increases to 37¢ per bu.” ([More fascinating data right here.](#))

- **This is the time of year for farmers to begin preparing** for an operating line of credit for 2026. Austin Peiffer, an associate attorney with Ag and Business Legal Strategies in Cedar Rapids, IA, says lenders will want to see, among other things, a cash flow projection for next year, "What are you going to plant, how much it's going to cost to put in, how much do you expect to make taking it out. They want to see that you have a good margin in that you're not just barely scraping by, but you've got enough profit so that there's some protection for the bank if things turn south." Peiffer says your banker will also need to see your up-to-date balance sheet, "They want to see that you've got more than enough money to meet your short-term obligations with short term assets. in general, they'll want to see that you're solvent, too. They've got ratios. They're looking for that their regs and policies provide for that say, okay, when these numbers are in this range, the loan is probably going to be good." As always, you should consult a CPA or tax attorney for further assistance. (NAFB News Service)
- **Farmers will have money coming in** and going out, but how does economist David Widmar suggest that it be balanced. He's with Agricultural Economic Insights and suggests that farmers make a plan for use of the mailbox money before it arrives. And what does he think lenders will be looking for when farmers seek financing for 2026? [His answer is in this short video.](#)

Land Prices and Farmland Issues—

- **Farmland prices are going in every direction,** but what can potential buyers and sellers trust? That is the question for Randy Dickhut, former head of Farmers National, and more recently with Agriculture Economic Insights. What does he foresee moving ahead? And does he really agree with the Chicago Federal Reserve that land prices have risen 3% in the past 3 months? [The conversation is in this short video.](#)
- **South central IL farmland owners** may have thought the [Grain Belt Express](#) was destined for history, instead of operation, but they are finding the controversial power line still has a spark of life. The project initially was proposed to convey direct current electricity from KS windfarms to a substation near Mt. Vernon, IN, just across the IL border. It would have crossed farms in over a dozen IL counties. The most recent action occurred in the IL Supreme Court where attorneys argued whether the project had sufficient funds to start and finish the project, after a nearly \$5 bil. federal loan was cancelled in July when federal energy officials said the wind power was not needed. The project has been opposed by IL landowners and landowner groups, including IL Farm Bureau, due to the construction that would interrupt crop production and cross hundreds of farms. The legalities of the project in IL include whether the IL Commerce Commission had the authority to approve the project of a non-public utility, as well as other courtesies provided by the IL General Assembly even though none of the energy would reach any IL customers.

Agronomy—

- **Such a deal the IL Soybean Assn. has for farmers!** ISA has embarked on an ambitious research program to help members and other soybean growers with production challenges. The focus is expanding university research in small plots to farm field scale research around IL. ISA research and production director Abigail Peterson outlines the plans for the on-farm trials [in this short video](#) and invites farmers to discuss projects and expectations.
- **2025 has been anything but typical.** Commodity prices are at 5-year lows, fertilizer prices are continuing to trend upwards, a trade war directly affecting sales, and overall storage space is taking place, and one of the most challenging economies within the past decade. Add all that together, there's a lot of uncertainty heading into the 2026 season. Blake Miller, Syngenta Service Representative in western IL, suggested farmers should be thinking about their weed control strategies, especially as it relates to fertilizer investment, "The dynamics right now, financially at the farm gate, are a little challenging, so the utility of those fertilizer dollars is ultimately very important. When we think about that, fertilizer is relatively high right now. That investment, typically, for a corn acre, could be over \$200 an acre, and that's from some Univ. of IL work from agricultural economists over there, so just rough numbers, right, but it's a bit higher than we want it to be relative to commodity prices. So, what we know from that is we need to protect that investment. What's that mean? That the weeds aren't consuming the fertilizer, and that's the real key piece that we want everyone to think about as we move through that." He talked about strengthening weed control as a way to help save on fertilizer investments, "There's been a lot of work done, studies with multiple locations looking at various weed species, densities, and how much N, P, and K they're consuming. When you look at fertilizer prices today, 2-to-4-inch weeds might cost you something around \$16 an acre. So, you know current commodity prices, that's a couple bu. of corn when you want to put it in that kind of perspective. So, it's really important that the fertilizer dollars go into the crop and not to feed the weeds." Miller said fertilizer is worth the investment and talked about his recommended herbicides to help manage fertilizer and yield-robbing weeds, "I think, for a period of time now, there's been some studies done where we're probably not replenishing the soil with the N, P and K. Let's back up with P and K based on the yields that we're getting today. So yes, fertilizer is worth the investment to fuel this crop. That's really, really important from that standpoint." Again, he said that by eliminating early-season weed competition, you'll discover more ROI potential. (Syngenta)
- **GROWMARK has created a new carbon program** to pull payments from multinational companies and channel those payments to farmers for reimbursement for their agronomic expenses. Market Development Director Lance Ruppert outlines the program and explains how farmers are compensated for changes they make in their production practices. [His comments are in this short video.](#)

Conservation, Environment, Carbon—

- **U.S. Environmental Protection Agency** (EPA) and U.S. Army Corps of Engineers (USACE) on November 20th released the proposed rule revising the definition of “waters of the United States” (WOTUS) applicable to all Clean Water Act (CWA) programs, reports the IL Farm Bureau governmental relations staff. Specifically, the proposed rule would:
 - ✓ Define “relatively permanent” as waters that are standing or continuously flowing year-round or at least during the “wet season.” This would be applicable to the tributaries and lakes and ponds categories.
 - ✓ Define “tributary” to ensure only those relatively permanent bodies of water that meet specific be considered jurisdictional.
 - ✓ Define “continuous surface connection” to require wetlands to meet a new two-part test to be jurisdictional. They must abut a jurisdictional water, and they must have surface water at least during the wet season.
 - ✓ Remove interstate waters from the categories of jurisdictional waters to make clear that such waters no longer gain jurisdiction by simply crossing state lines.
 - ✓ Clarify what constitutes “excluded ditches” through a proposed definition of ditch to distinguish these features from other types of waters and exclude those ditches constructed or excavated in dry land.
 - ✓ Also, the proposed rule would revise two existing exclusions associated with the definition of WOTUS, delivering clarity to the agricultural community:
 - “Excluded prior converted cropland:” The proposal provides clarity of a definition and allows EPA and USACE to identify prior converted cropland and to ensure that prior converted cropland only loses its designation when it has been abandoned and reverts to wetlands. The definition provides additional context on abandonment to ensure agricultural producers do not inappropriately lose the exclusion under the act for doing good work on their lands.
 - “Excluded waste treatment systems:” The proposal clarifies direction as to the breadth of systems that meet the exclusion.
 - ✓ In addition, the proposed rule would reintroduce the exclusion for groundwater, including groundwater drained through subsurface drainage systems, such as tile drains from agriculture. This proposed rule would not change the exemptions under CWA section 404(f), which relieve farmers and ranchers of the need for authorization for many routine types of agricultural discharges into waters of the United States.

USDA—

- **USDA has begun signups** for the second round of disaster payments covering 2023 and '24, as the department readies its much-awaited tariff relief package expected out in December. The Farm Service Agency will accept applications for Supplemental Disaster Relief and other loss programs from now through next April 30th. Farm Production and Conservation Under Secretary Richard Fordyce, "SDRP 1 and 2, the Milk Loss Program, the On-Farm Stored Commodity Loss Program." Fordyce says the programs cover a wide range of disasters, "like wildfires, hurricanes, floods, derechos, excessive heat, tornados, winter storms, freezes, smoke exposure and other related conditions that occurred, again, in that calendar year 2023 and 2024." The second round of aid adds to the more than \$9.3 bil. USDA issued earlier this year as part of the Emergency Commodity Assistance Program or 'ECAP', plus over \$700 mil. for Emergency Livestock Relief. Additionally, USDA will announce long-awaited tariff relief the first week of December, \$3 bil. in CCC funds, that we will move out under the current plans. But that is not the plan under the China compromising our soybean farmers' access." December aid is still warranted despite China's renewing soybean buys but may not make farmers whole. Early estimates put the new help at \$10-14 bil. The future Stage 2 rollout is expected to cover shallow or uninsured losses, broadening access to those who did not receive full compensation previously. USDA officials say the program is designed to minimize overlap with other disaster assistance payments and to deliver funds efficiently. Despite the massive size of the relief effort, farmers have voiced concerns about how quickly the money will reach their accounts, particularly given lingering operational disruptions from the shutdown. (Berns Bureau)
- **Undersecretary Richard Fordyce issued [some tips to farmers about what to expect](#):**
 - ✓ He adds that the stage 2 program is specifically geared toward losses that fell through the cracks of traditional programs.
 - ✓ If you are in an area that had a weather disaster in 2023 and 2024, if you're a producer, you think back, did I have a severe weather event, right? Hurricane, wildfire, derecho, freeze, drought, whatever, and it impacted my crop, then you're probably eligible."
 - ✓ And then, contact that local FSA county office, go to the website. There are resources on that website as well and be thinking about documentation that could prove that loss.
 - ✓ "What we think will be crops that will probably have a higher subscription rate through this program are going to be specialty crops. So, it'll be again what you think of as conventional specialty crops, you know, grapes, so it's trees, vines, bushes would be probably more of those crops that would be included."
 - ✓ Unlike Stage 1, USDA is not mailing pre-filled applications. Producers must go to their FSA county office and work through the application with staff. [USDA has created a clear and concise checklist to help](#).
 - ✓ USDA has published a detailed checklist at [FSA.usda.gov/SDRP](https://fsa.usda.gov/SDRP), and Fordyce encourages producers not to wait.
 - ✓ SDRP Stage 2 is part of the \$30 bil. Congress appropriated back in December. The first \$10 bil. was the economic aid program, then \$6 bil. for SDRP Stage 1. When we wrap up SDRP Stage 2, we will have administered all \$30 bil. in disaster and economic relief.

- **Farmers may make better trade negotiators** than politicians. Take Jeff O'Connor for example. He raises soybeans and that is what Indonesia wants. On Monday, O'Connor, a member of the IL Soybean Assn. board, along with ISA Director of Market Development, Todd Main, and International Markets Specialist, Caitlyn Abbey, attended a meeting at the



Indonesian Consulate in Chicago to discuss soybeans with the Under Secretary of State from the Indonesian Ministry of Foreign Affairs as well as members from the Indonesian Dept. of Agriculture. They discussed ag-tech and the expanding soybean market in Indonesia, and a good order for IL soybeans should be arriving soon. (By

the way, Jakarta, the Indonesian capital is now the world's largest city with a population of 42 mil. people. Moreover, urbanization will continue to accelerate, catalyzing people to earn higher incomes, which in turn, demands different diets and energy compositions. Moreover, as humanity urbanizes, their diets evolve to more ready-to-eat meals that contain higher quantities and qualities of protein (especially animal proteins) while being cooked in veg oils. Does O'Connor grow enough soybeans, or will he need your help now and then?)

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