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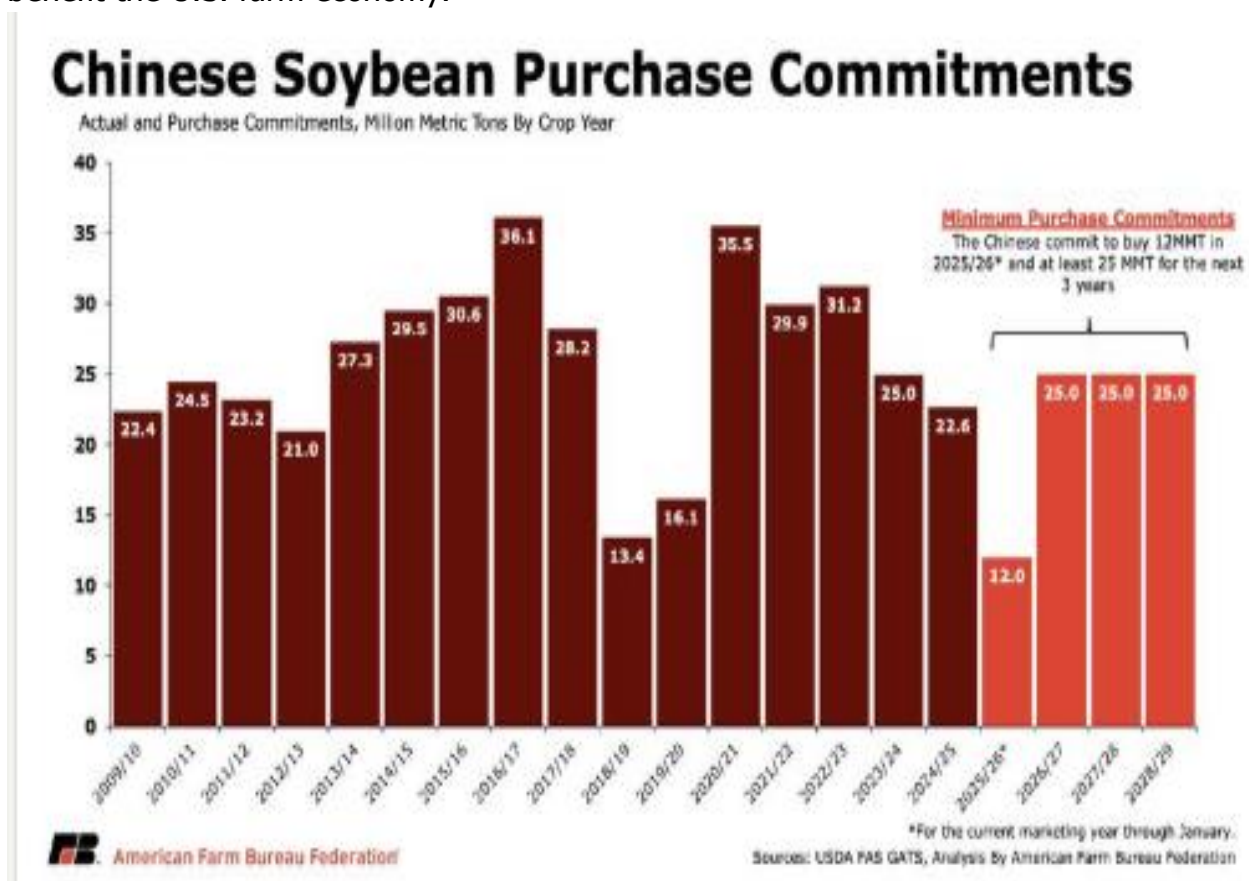
A weekly Cornbelt digest of marketing, economic, agronomic, and management information.

Commodity market price drivers—

- **US Trade Representative Chief Ag Negotiator** nominee Julie Callahan says the soybean trade negotiation with China is far from complete, despite the apparent deal President Trump announced with China's Xi Jinping on soybeans. Callahan (right) says the effort to bring down China's trade barriers isn't over, even after it agreed to end its retaliatory boycott of U.S. soybeans, "Sorghum, beef, cotton, across the board, but China has been weaponizing agriculture." President Trump agreed to reduce tariffs on China by 10 percentage points to 47% in return for China resuming soybean purchases and other moves. China already sourced much of its needs this year from South America, but the latest deal calls for 440 mil. bu. to be purchased by China yet this year. China normally buys about 1 bil. bu. of soybeans from the US and has agreed to a floor of 920 mil. in the next 3 years. Callahan also reassured farm state lawmakers of both parties she'd pursue better market access in China for beef, "If confirmed (by the Senate as chief ag negotiator), I am committed to reopening China's market to U.S. beef. China's behavior can be explained by only 1 word, and that's retaliation." Callahan, an Assistant US Trade Rep. for Ag, worked on implementing the Phase I China deal and helped provide weekly reports to the president on China's compliance. Trump has acknowledged the latest deal must still be finalized. (Berns Bureau, Washington)
- **The USDA's National Agricultural Statistics Service** plans to release 2 key agriculture reports at the end of next week, (Nov. 14). Those will be the monthly crop production report, which will update USDA's projections for acreage, yield, and total crop production that was not issued in October due to the government shutdown [according to Reuters](#). NASS will release its World Agricultural Supply and Demand Estimates (WASDE) on November 14, according to a post on its website. The reports had been scheduled for next Monday (Nov. 10). The reports will provide the government's first estimate of U.S. corn and soybean production since September, when most of the Cornbelt harvest was in early stages. Many farmers and farm organizations have contended that USDA's yield projection was much too high. The USDA's monthly cattle on feed report will be released on schedule on November 21, NASS said, after the October report was not released.

- **Digging down into the announcement** and the follow-up reports, [questions remain](#):
 - ✓ Caleb Ragland, current president of the American Soybean Assn., said the "devil is in the details" when it comes to interpreting the scope of sales and trade relationships with China going forward. "We've still got a lot of uncertainty and clarification to get through," Ragland said in an interview with DTN. "We want to be positive and hopeful, but we have got to trust but verify as well. A lot of this is still unanswered, unfortunately."
 - ✓ The enthusiasm about the announcement also doesn't negate the fact that soybean farmers are still projected to lose \$109 per acre this year. As Ragland testified just Tuesday in a U.S. Senate Judiciary Committee hearing, the losses stem from high input costs as much as they do commodity prices. Tariffs have added about 12% to the costs of various inputs, he said.
 - ✓ In the 2024-25 marketing year that ended Sept. 1, USDA reported China bought 826 mil. bu. of soybeans. That was down from 2 years earlier, 2022-23, when China bought 1.15 bil. bu. No official statements or details of the trade agreement were released Thursday by the White House, Treasury or the U.S. Trade Representative's Office.
 - ✓ On social media, Trump repeated that China would buy "massive amounts of soybeans, sorghum and other farm products." Trump added, "our Farmers will be very happy! In fact, as I once said before my first Administration, Farmers should immediately go out and buy more land and larger tractors."
 - ✓ The Chinese Ministry of Commerce statement mentioned the two countries "reached consensus" when it comes to "expanding agricultural trade" and cooperating on fentanyl but did not go into any details. The U.S. agreed to drop the 10% tariff on fentanyl, and a 24% "equitable" tariff imposed on Chinese goods will be suspended for another year. China agreed to "adjust its countermeasures" accordingly. The Chinese statement also said the U.S. would suspend its 301 investigation into China's maritime and shipbuilding industries. That would suspend \$46-per-ton port fees that the Trump administration had begun to impose on Chinese ships starting Oct. 14.
 - ✓ Bessent said China would immediately buy 440 mil. bu. of soybeans between now and January. Rhett Montgomery, DTN's lead analyst, said it will be interesting to see how China meets the goal of 920 mil. bu. of soybeans for next year. Ultimately, the market should settle into a normal pattern of China purchasing U.S. soybeans as prices decline heading into fall harvest to bridge the gap before the South American harvest in spring.
 - ✓ Just 2 weeks ago, the American Farm Bureau Federation and National Farmers Union each wrote Trump and Congress stressing the need for an aid package. Rabobank analysts earlier this week also said input prices would continue to drag down the prospects for profitability, barring a major supply shock globally.

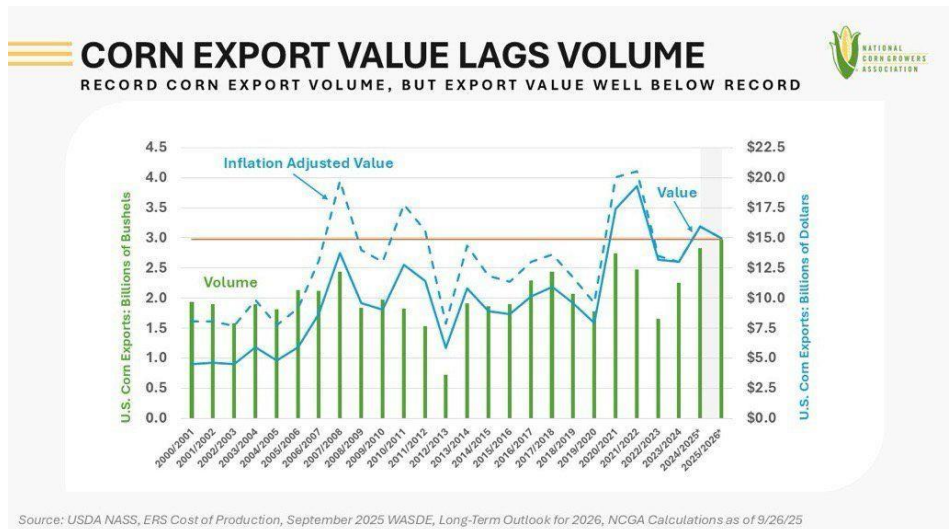
- "Farm Bureau is encouraged** by China's commitment to import soybean and sorghum from the United States," said [American Farm Bureau President Zippy Duvall](#). "Trade disputes dealt a blow to farmers who have already been hit hard by high expenses and historically low commodity prices. Today's 3-year agreement comes within days of announced trade deals with Malaysia and Cambodia, along with frameworks with Thailand and Vietnam. Expanding markets and restoring purchases by China will provide some certainty for farmers who are struggling just to hold on. We appreciate the administration for listening to the needs of America's farmers. As additional details are made known, we look forward to evaluating how these agreements will benefit the U.S. farm economy."



- Chinese crushing plants have been processing** 350 mil. bu. of soybeans monthly since record-large Brazilian supplies began arriving in May, says [retired USDA China specialist Fred Gale](#). The crushers are pumping out huge volumes of soybean meal for the Chinese feed manufacturing industry which is also producing at record levels. Soybean oil is also flooding the market and keeping a lid on prices, contributing to China's emergence as a significant soy oil exporter for the first time this year. Trouble is, China's soybean processors are not making money. With Brazilian soybean prices edging up and prices weak for soybean meal and oil, the crushers have had negative margins for several months. Market reports from China indicate

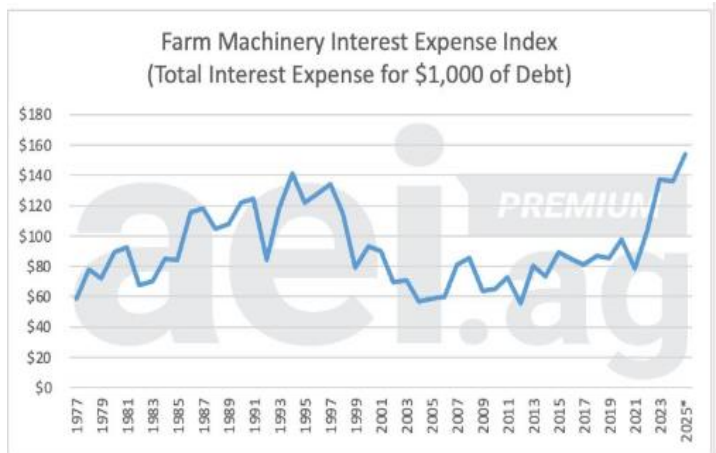
availability of cheaper U.S. soybeans would be welcomed by crushers who have been watching losses pile up.”

- **Corn exports continue to increase** at record high volumes, [but the value is at a stark low, says IL Corn](#). Burdensome global supplies of corn have weighed on markets. Despite the strong export demand, the average price of corn received by IL farmers in marketing year 2024/2025 decreased 16¢ per bu. from marketing year 2023/2024—a 4% decrease. U.S. corn remains competitive in the global market, but its value has not been sufficient enough to cover farmers' expenses. Farmers are still facing high input costs that haven't returned to pre-pandemic levels, making the current price decline especially painful. World Agricultural Supply and Demand Estimates (WASDE) are on hold due to the government shutdown. Once those reports are released, corn prices may shift. Until we can read the WASDE report again, investigate corn and corn co-product exports for yourself using the [U.S. Grains and BioProducts Council's tool](#). As it stands now, U.S. corn exports are expected to be another record-setting volume at 2.97 bil. bu. for the 2025/2026 marketing year, compared to the 2024/2025 record at 2.83 bil. Despite a high expected volume of 2025/2026, the expected value is lower at \$14.9 bil., compared to 2024/2025 exports at \$15.9 bil. IL exports a larger share of its corn than most other Midwestern states—about 30% of our corn crop is destined for foreign markets. A significant portion of our ethanol, dried distiller's grain solubles (DDGS), and pork production leaves the state as well. The IL natural resources and infrastructure help make us a top origin for foreign and domestic shipments. Lower crop values are hindering farmers' ability to profit despite the export market demand. Farmers need competitive, market-driven demand to provide outlets for corn at profitable prices. Opportunities to grow demand must include high-volume markets that will lead to a significant enough demand to increase corn prices. A domestic opportunity to drive demand is expanding the use of higher ethanol blends, including passing legislation like the Nationwide Consumer and Fuel Retailer Choice Act of 2025 (year-round E15). IL Corn continues to push Congress to pass legislation that will benefit corn farmers, despite the government shutdown. We will continue to monitor the effects of the government shutdown on farmers as well as legislative opportunities to drive U.S. corn demand. “The single greatest thing that Congress can do to support the American corn farmer today is to pass year-round nationwide E15. It's that simple,” says Neil Caskey, CEO of the National Corn Growers Association.



The Business of Farming—

- **Important math formula:** Higher interest rates + long repayment periods = record borrowing costs. That is from your economics instructor, [David Widmar of AEI.ag](https://www.aei.org/). He says, “In 2025, every \$1,000 of farm machinery debt will rack up nearly \$160 in interest expense over the life of the loan. This is the highest cost since the late 1970s and nearly double the expense from just a few years ago. For the first half of 2025, the cost was \$154 for every \$1,000 borrowed. Going back to 1977, producers have never spent this much to finance \$1,000 of farm equipment debt. In recent years, the measure was approximately \$135 in 2024 and 2023. In 2022, the expense was \$100, and only \$79 in 2021. At first glance, the 2025 record may be surprising as it doesn’t align with the 1980s, when the average interest rate on a farm machinery loan approached 18% in 1981. Back then, the total interest expense for the life of the loan remained low because the average duration was short, usually 11 months. By the first half of 2025, the average loan maturity was 45.3 months. To be clear: interest rates have been much higher, but the repayment period was much shorter. producers financing machinery in 2025 will make more payments and incur record-high interest expenses over the life of the loan. Today's combination is unique... and expensive.”
- **Machinery costs on the farm**, including repairs, fuel, and oil, have significantly increased by 21% over 3 years, with no expectation of a decrease. Gary Schnitkey, IL Farmdoc farm management specialist, said this rise in costs, coupled with higher prices for new machinery, poses a challenge for producers, “We calculate the cost of machinery operation, and particularly combine operation, and we’ve been doing that. If you operated the combine on over 3,600 acres, it would be \$40 per acre. So, the machinery cost, 3,600 acres, 60% corn, 40% soybeans, it was \$40 per acre. Just to give you a feel, if you went back to 2017, which isn't all that long ago, but \$40 would be at the same level as a 1,600-acre operation.” So, operating costs have increased significantly since 2017, making it more important to maximize the number of acres a machine covers. The agricultural economist says farmers can harvest over 3,600 acres with one combine, using a grain cart and semis to keep the process efficient, “Yes, you can. And we actually do see farmers do that and put many more acres than 3,600 on 1 combine. Again, when you look at the curves associated with the cost, they just go up and up and up when you run fewer and fewer acres. In our low, low price, high-cost environment, this is one area where you can get savings if you run that machine over more acres.” To do this, sharing equipment like combines among multiple farmers might be necessary, especially for younger



producers facing financial constraints. The average grain farm size in the IL Farm Business Farm Management record-keeping system is 1,500 acres, suggesting 2 average-sized farms could share one combine. (WILL radio)

Agronomy—

- **"I look at it as my friend in the field ...** my local [Precision Conservation Management](#) representative gives me the information I need to help my farm," said PCM farmer Dale Haudrich. "I have definitely made some changes to my farm, and it's all for the better." PCM is a farmer-led program that helps producers identify their most profitable practices on a field-by-field basis. Over 500 farmers across four states have already enrolled in PCM. Many of your neighbors are already taking advantage of PCM to maximize profitability. PCM now has 10 years of data from hundreds of farmers verifying the financial results from changes in tillage and other agronomic practices, says PCM director Greg Goodwin. And his colleague, Dr. Laura Gentry [compiled the data that indicates reduced agronomic costs](#), which will be important in tight economic times for farmers.

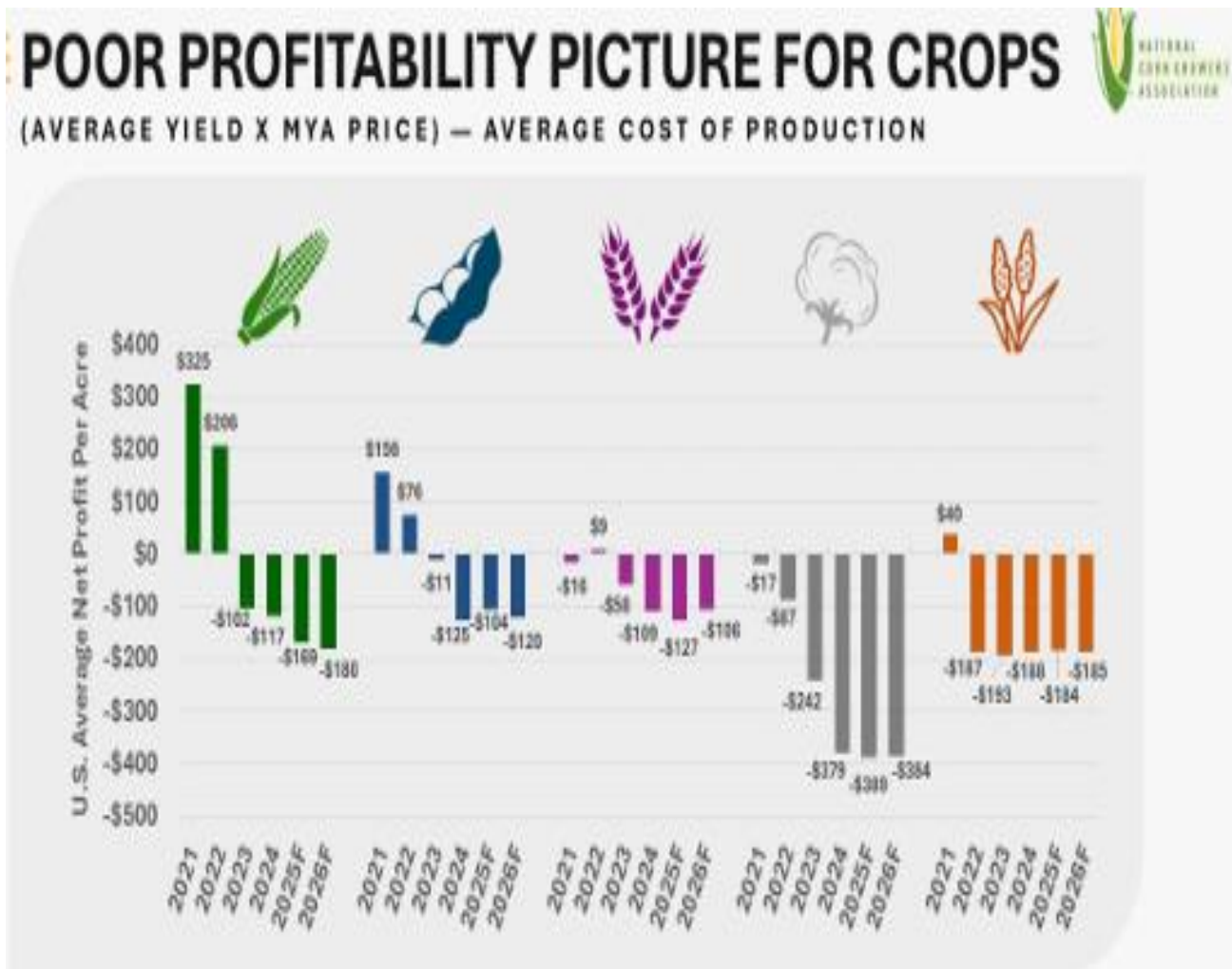
Corn HIGH-SPR 2015-24 AVG VALUES	NO-TILL	STRIP-TILL	1-PASS LIGHT	2-PASS LIGHT	2-PASS MODERATE	2+ TILLAGE PASSES
# of fields	1,534	2,102	2,310	835	986	131
Yield per acre	221	224	224	229	229	226
GROSS REVENUE	\$948	\$958	\$956	\$978	\$980	\$971
TOTAL DIRECT COSTS*	\$447	\$467	\$442	\$455	\$463	\$461
Field work	\$0	\$22	\$12	\$26	\$30	\$43
Other power costs**	\$113	\$106	\$109	\$108	\$106	\$110
TOTAL POWER COSTS	\$113	\$128	\$121	\$134	\$136	\$153
OVERHEAD COSTS	\$41	\$41	\$41	\$41	\$41	\$41
TOTAL NON-LAND COSTS	\$601	\$636	\$604	\$630	\$640	\$654
OPERATOR & LAND RETURN	\$347	\$322	\$352	\$348	\$340	\$315
Estimated soil Loss (tons/a)	0.68	0.63	1.93	1.83	1.62	2.21
Soil Carbon Index (-1 to 1, higher=better)	0.72	0.81	0.55	0.59	0.57	0.49
GHG emissions (metric tons CO ₂ e/a)	0.69		0.85		1.00	

- **Soybeans need sulfur**, says Univ. of IL crop physiologist Connor Sible. "Soybeans are increasingly showing responses to supplemental sulfur, making it a nutrient that can no longer be ignored. As soil sulfur availability declines, deficiencies are becoming more common and can limit yield potential. In this (Nov. 6, 1 pm) webinar, Dr. Connor Sible will discuss the nutritional role of sulfur in soybeans, why it is becoming a critical issue, and how supplementation strategies can ensure this

nutrient doesn't become the next barrier to productivity. ([details and registration.](#))

Agri-Politics—

- **The president of the National Corn Growers Association** said today that Congress and the administration can support farmers through the ongoing difficult economic circumstances through a combination of market expansion and a bridge assistance program. "Opening new foreign markets and expanding access to higher ethanol blends year-round are not only NCGA's top priorities, but they are also important to the survival of the nation's corn growers," said [OH farmer and NCGA President Jed Bower](#). "Recognizing that market expansion takes time and farmers need help now, corn growers support the development of a bridge program to help navigate this difficult economy." NCGA has intensified its call for new and improved markets in recent months. Corn grower leaders have urged Congress to pass the Nationwide Consumer and Fuel Retailer Choice Act of 2025, which would expand year-round nationwide consumer access to fuels with a 15% ethanol blend, also referred to as E15. They have also supported the Trump administration's efforts to open new trade markets. [A recent economic analysis, released by NCGA](#), showed if the E15 legislation were to pass, corn use in ethanol could increase by 50%, supporting a higher market price for corn and energy stability for Americans.



Illinois Issues--

- Standing in front of a tractor on the Curtin Family Farm** near Taylorville, Gov. JB Pritzker addressed the continuing [challenges facing the agricultural economy](#). "We are going to continue to use every tool at our disposal to support our farmers," Pritzker said. The governor directed the IL Dept. of Agriculture and the Dept. of Commerce and Economic Opportunity through executive order to take immediate steps to strengthen domestic markets for agricultural commodities. The executive order was announced Oct. 29 at the Ben Curtin farm. "Governor Pritzker's [executive order](#) Thursday solidifies our commitment to ag and is meant to send a message to our ag community we're here for you in any way that we possibly can be to support our No. 1 industry and the backbone of the United States," said Jerry Costello II, director of the IL Ag Dept. IL Beef, Corn, and Soybean Assn. leaders were also on hand to detail the Trump tariff impact on IL farm commodities.



- ✓ **Falling Soybean Prices and Collapsed Exports:** IL, the nation's #1 soybean producer, is seeing soybean prices fall below break-even levels, leaving farmers with losses of \$100–\$200 per acre. At the same time, China, the state's largest soybean buyer, has purchased limited U.S. soybeans this year despite purchasing \$1.4 bil. in IL soybeans last year, erasing decades of market development and cutting off the lifeline farmers depend on.



- ✓ **Rising Production Costs and Strain on Rural Communities:** Due to Trump's tariffs, IL farmers are paying more for agricultural machinery, fertilizer, diesel, and other essential inputs, putting financial pressure on local businesses and workers that depend on agriculture. As a result, more IL farmers are being forced to sell their farms or declare bankruptcy. →
- ✓ **Global Competition and Unequal Relief:** While farmers continue to suffer, Brazil and Argentina have rushed to fill the void, seizing long-standing relationships and selling into markets that once belonged to IL. The Trump Administration provided a \$20 bil. bailout to Argentina as IL farm families continue to wait for meaningful relief.
- ✓ **Setbacks for IL Beef Farmers:** The Trump administration plans to import tariff-free beef from Argentina, threatening 10,713 IL beef farms and roughly 333,000 head of cattle by reducing beef prices and undercutting the future of IL beef producers.

Noteworthy—

- **IL Corn's Executive Director Rodney Weinzierl** (far left) and Managing Director Jim Tarmann (far right) were each awarded the Honorary American FFA Degree during the National FFA Convention in Indianapolis (one of the organization's highest honors), along with National Corn Growers Chairman Ken Hartman of Waterloo, IL (center). Their leadership and the FFA to DC program, supported by the IL corn checkoff, have provided FFA students with real-world

experiences that strengthen the future of agriculture. This distinguished honor is one of the highest recognitions presented by the National FFA Organization, celebrating individuals who have provided exceptional service to agriculture, agricultural education, and the FFA on a national scale. "Jim



Tarmann is more than a supporter," said Mindy Bunselmeyer, Executive Director of the IL FFA. "He is a champion of FFA leadership development. Each year, he is revered by the IL FFA leadership team for the profound impact he has on their growth as advocates for agriculture. His service has strengthened the entire organization. His role in their leadership journey is a game-changer." Bunselmeyer added, "Rod's leadership has directly strengthened FFA's mission by providing students with real-world experiences that prepare them for careers in agriculture. His efforts have helped shape the next generation of agricultural leaders and advocates, ensuring FFA members have the tools, knowledge, and connections to influence

agricultural policy and industry advancements." Congrats to all 3!

- **IL FFA members brought home 2 of the 4 "Star" awards** presented last week at the national FFA convention in Indianapolis.

- ✓ **Blake Twenhafel** (left) is the *American Star in Agribusiness*. Twenhafel owns and operates BT Lawn Care, established in 2018. He credits his FFA experiences for helping prepare him to become a business owner. Twenhafel is a member of the Wesclin FFA Chapter in Trenton, IL.

- ✓ **Nevin Erbsen** (right) was named the *American Star in Agricultural Placement*. Erbsen's Supervised Agricultural Experience (SAE) includes working for 4 agricultural businesses, including his family's 100-cow dairy, Gunderson Dairy Farms, C&A Acres, and Kimberley Ag. He says his SAE has helped prepare him for a career in the ag industry. Erbsen is a member of the Eastland FFA Chapter at Lanark, IL.



- **12 IL FFA members were National Finalists for agriculture proficiency:**

- ✓ Taylor Crouch, Maroa Forsyth
- ✓ Chelsey Stotler, Stark County
- ✓ Kamber Kilgus, Prairie Central
- ✓ Justin Myers, Forreston
- ✓ Bond Knodle, Nokomis
- ✓ Hannah Miller, Prairie Central

- ✓ Kadie Hummel, Tri-Point
 - ✓ Molly McCalla, Staunton
 - ✓ Toby Steffen, Newark
 - ✓ Tucker Snook, Cambridge
 - ✓ Mason Riebe, Tri-Point
 - ✓ Ellis Rogers, Williamsfield
- **9 IL FFA projects were selected National Finalists in the Agriscience Fair:**
 - ✓ Isabelle Morrow & Carter Nieders of Taylorville
 - ✓ Tinley Wold of Somonauk-Leland-Sandwich
 - ✓ Jake Primo of Stark County
 - ✓ Charles Anderson of Somonauk-Leland-Sandwich
 - ✓ Toby Williams & Danlis Knobloch of Stark County
 - ✓ Chelsey Stotler of Stark County
 - ✓ Preston Hillier of Stark County
 - ✓ Henry Waters & Bryson Stickler of Pleasant Plains
 - ✓ Emma Howell & Addison Nowlan of Stark County
 - **3 IL FFA chapters were National Finalists for the Model of Excellence Award**
 - ✓ Blue Ridge FFA
 - ✓ Goreville FFA
 - ✓ Streator FFA

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).

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