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

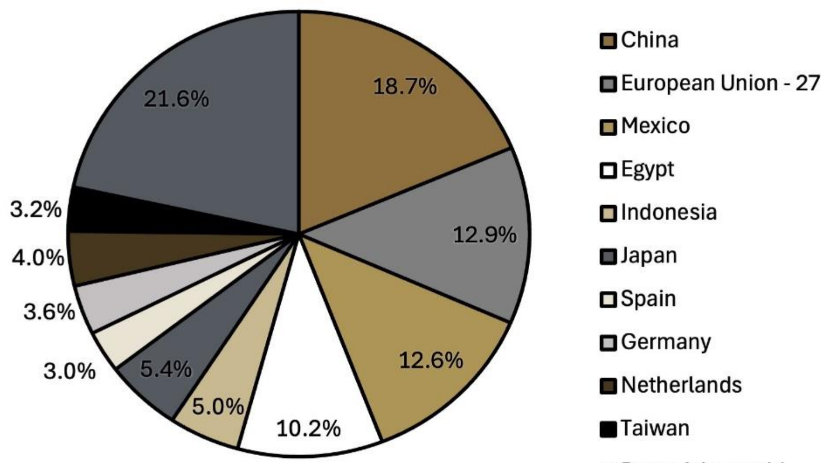
Commodity Market Drivers—

- **Demand for US corn and** soybeans will continue to rise in Mexico, thanks to the growing popularity of meat products, which will support imports of US feed ingredients, according to a report by Terrain grain and oilseed analyst Bree Baatz. Mexico is already the top agricultural export market for the United States, with a value of over $30 bil. in 2024 (up nearly 7% from 2023), according to the USDA. US products account for 75% of Mexico's agricultural imports, which Baatz said underscores "the deep trade integration." "Over the coming decades, Mexico will remain a key source of growth for US grains and oilseed exports due to Mexico's strong fundamentals and the US's logistics advantage over competitors like Brazil," Baatz said. The report noted that over the past 25 years total meat consumption in Mexico — the world's fifth largest animal feed producer — has nearly doubled, due in large part to population growth and an average growth of 3% in per capita GDP during that time. "The increase in per capita GDP has significantly expanded the purchasing power of its population and consequently expanded the consumption of higher-value protein," Baatz said. In the 2024-25 marketing year, Mexico was the top export destination for US corn and distiller's dried grains with solubles (DDGS), a corn ethanol byproduct. It also was the No. 2 destination for US soybeans and soymeal exports. The US market share of Mexico's imports of DDGS and soy meal was 100% in 2024-25, with market share at 90% for corn, 85% for sorghum and 80% for soybeans. These numbers reveal that there is no more important export market for US grains and oilseeds than Mexico, Baatz said. And unlike China, which has reduced its dependence on US soybean and corn exports in recent years, shifting to Brazil as its primary supplier, Mexico has increased its purchases of those commodities from the United States, a trend that Baatz said likely will continue for the foreseeable future. →

- **Mexico could be a brand new market for....** non-GMO white corn, says Bree Baatz of Ag Terrain. While Mexico produces a significant amount of corn, about 80% of it is white corn for food consumption. (While China's population is declining, Mexico's population is forecast to grow by at least 1 mil. annually over the next 5 years, according to the International Monetary Fund, and isn't expected to peak for another 30 years.) Mexico's economy also is expected to grow at a healthy rate. During the recent trade dispute over GMO US corn, "About 99% of what the US has historically exported to Mexico is yellow No. 2 corn for feed," Baatz said. "The whole rub on the Mexico side was they didn't want GM corn in human consumption, and so they made a conscious effort to grow as much white corn as possible." Baatz sees an additional opportunity for US corn producers. "Given that Mexico's domestic production is pretty limited and they have all these huge variables in their domestic production because of drought problems, why wouldn't US producers consider diversifying a portion into non-GMO white corn if you have a customer that has a need and is willing to pay premium?" said Baatz, adding that in NE, where she is based, some Farm Credit farmers have begun doing just that. Despite all its inherent advantages, the United States should not take the Mexican market for granted, Baatz said. In recent years, Brazil and Canada have made a concerted effort to increase grain and oilseed shipments to Mexico, which is in the process of expanding its East Coast ports. "As Mexico expands vessel port infrastructure, Brazil will be well-positioned to compete against the US (for soybean market share)," Baatz said. "However, given the US's geographic and logistical advantage, the US will likely remain the primary supplier of Mexico's future soybean import needs. With thoughtful trade policy, the US-Mexico agricultural partnership is well-positioned to remain mutually beneficial for decades to come," she said. IL Corn's export director Collin Watters is aware and who knows what might develop. Stand by.
- **Brazil sets a new all-time soybean production record** and continues to consolidate its leadership in the global soybean market. According to the latest update from AgRural, the country's 2025/26 soybean harvest is now estimated at 6.63 bil. bu., the largest volume in history. AgRural notes that while weather conditions have been favorable across much of Brazil so far, final production will still depend on January - February weather, and in some late-planted areas, early March conditions. A further revision is expected in the second half of January. Early harvesting has already begun in western Paraná and parts of Mato Grosso, though a more substantial harvest pace is expected only in January, weather permitting. Brazil's expansion contrasts with developments in Argentina. According to the Buenos Aires Grain Exchange, soybean area is projected to decline. The reduction is mainly driven by a shift toward corn and sunflower plantings. Brazil's soybean complex continues to expand in scale and productivity, reinforcing its dominant role in global oilseed supply, while neighboring Argentina faces a more constrained outlook this season. Also on the decline is the Brazilian corn crop, down an estimated 2% this year. Harvest will be down due to weather, despite increased acreage. USDA says Brazilian corn exports will be 1.7 bil. bu.

- **China's need for US soybeans may be in question,** but Purdue economists point to a number of alternate destinations that are growing year to year for US soybean farmers. The biggest change in U.S. soybean exports between 2024 and 2025 has been the diversification of destination markets. While 2025 soybean export totals are tracking below 2024 levels, and given historical seasonal patterns, are unlikely to reach last year's volumes even with November and December data, the diversification has helped moderate what could have been a far more severe reduction. The 2025 export profile demonstrates a restructuring of U.S. soybean export markets. China's share declined dramatically to 18.7%, a reduction of 28 percentage points, while the "Rest of the world" category surged to 21.6%, becoming the largest category (see Figure 2). The European Union increased its share to 12.9%, and Mexico expanded to 12.6%. Additional gains came from include Egypt

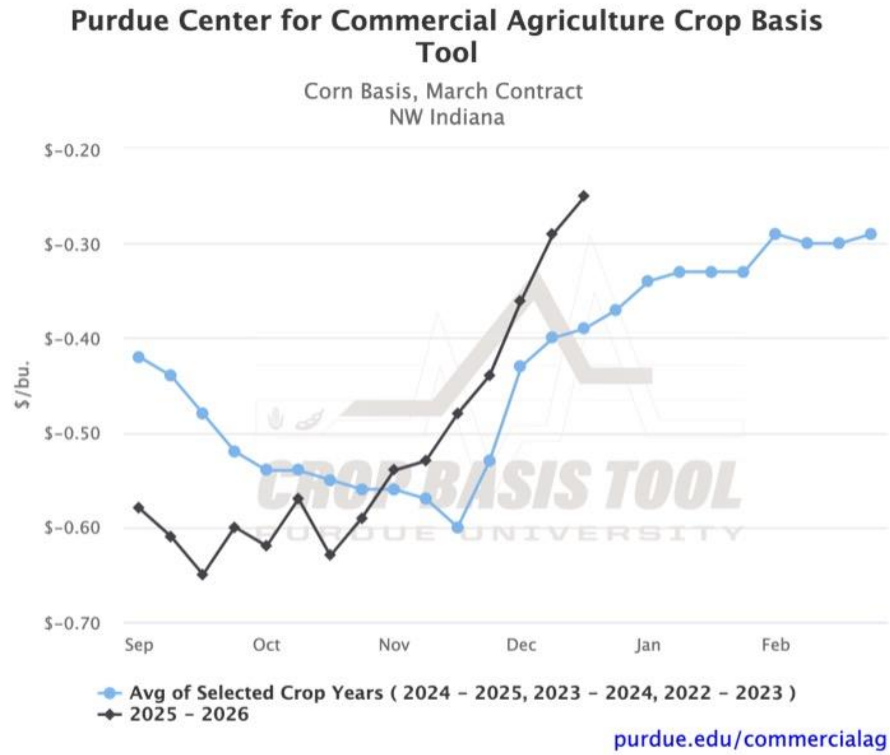
Figure 2: U.S. Soybean Exports Destinations, 2025*

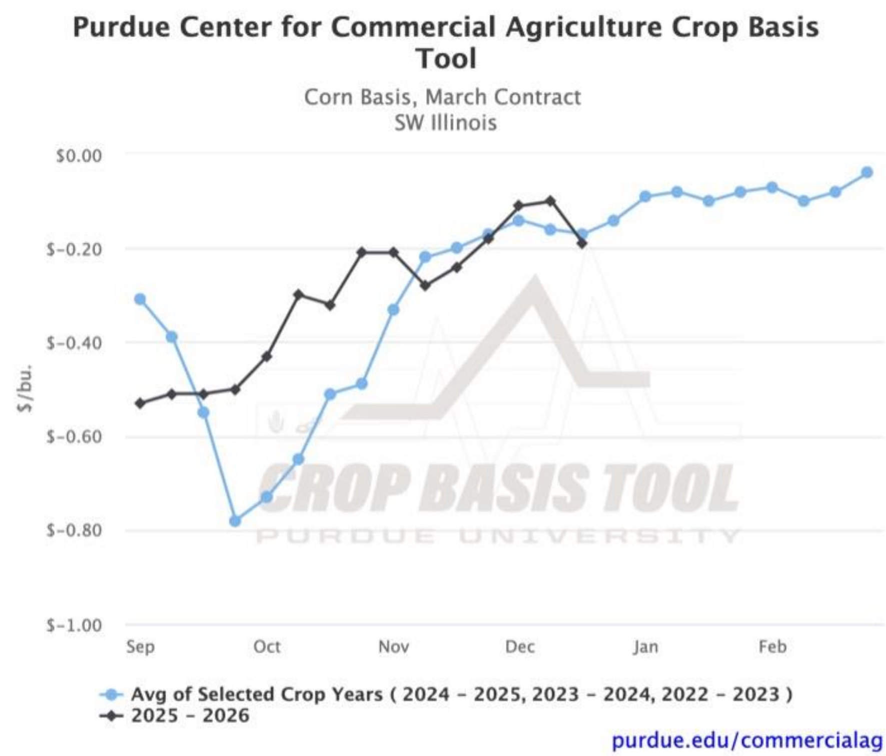


*Latest data available: 11/06/2025
Data Source: USDA Foreign Agricultural Service, Export Sales Query System

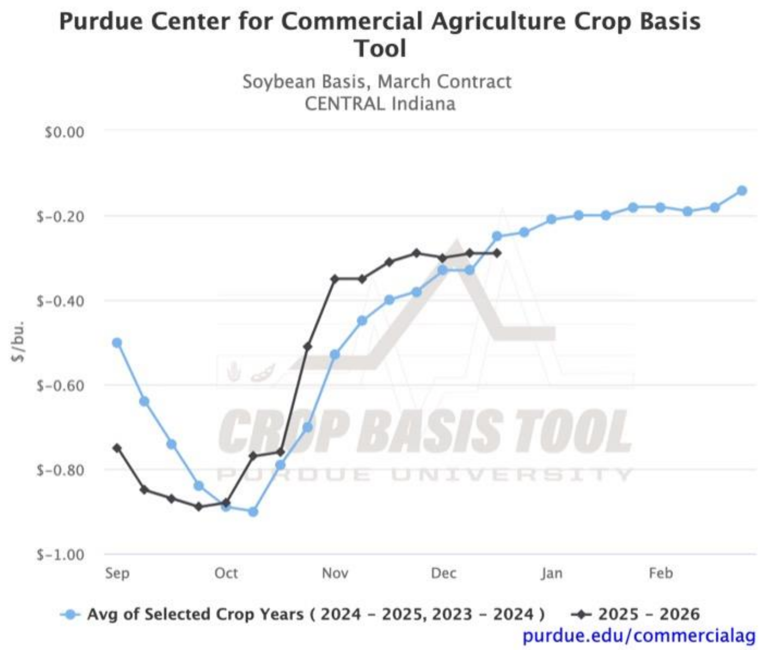
(10.2%), Japan (5.4%), and Indonesia (5.0%). This shift has proven important as overall U.S. export volumes have declined in 2025, with China reducing its import volumes substantially due to the second round of the trade war. This heavy reliance on China created vulnerability to market disruptions and policy changes in that single destination. Total U.S. soybean exports are projected to total 1.635 bil. bu. in 2025, representing 38% of total soybean production and a decrease of 13% compared to 2024 (WASDE-USDA, 2025). While some months in 2025 show lower volumes when compared to 2024, the magnitude of decline has been moderated by gains in alternative markets. October 2025 stands out as the month with the largest year-over-year difference, coinciding with the peak of the soybean harvest and zero purchases by Chinese buyers until then. If China reduced its purchases to the same absolute level observed in 2025, but the U.S. market structure remained as concentrated as in 2024, the overall decline would have been catastrophic. Instead, the expansion into Southeast Asia, North Africa, Europe, and Latin America absorbed a substantial portion of the displacement, transforming what could have been a market crisis into a manageable contraction.

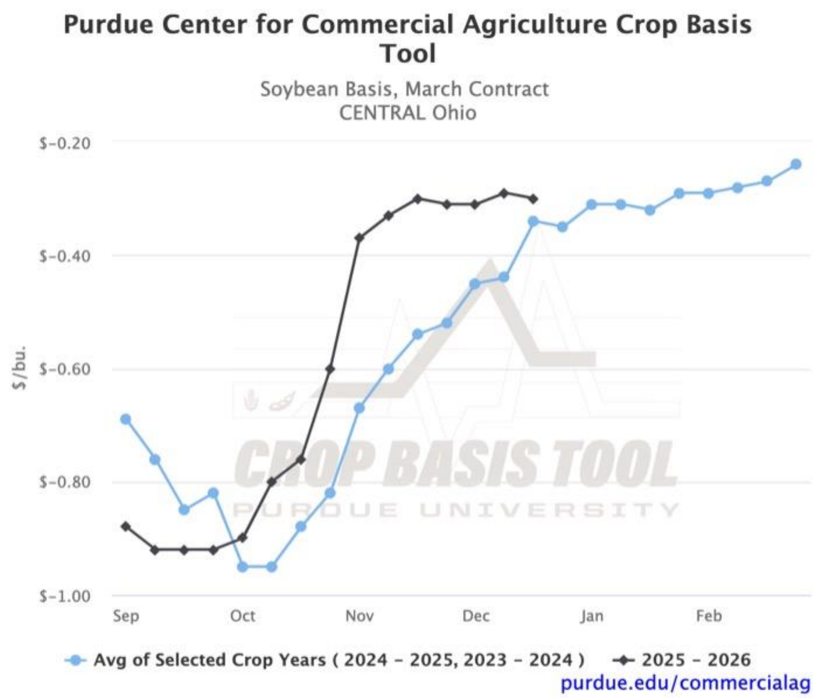
- **Across the Eastern Cornbelt,** local corn basis has become more volatile, while soybean basis levels continue to stabilize, says Purdue ag economists. "Until recently, we had observed consistent strengthening in corn basis across the region. In some areas, this pattern has persisted. For example, in Northwest IN, the basis to March futures has increased by 23¢/bu to -25¢/bu in the past 4 weeks (top). This continued strengthening can be found across North and Central IN and OH and all of MI and IA. While basis continued to increase in IA over the past month, local basis levels in the state remain the lowest in the region and below the 3-year average. In Southern IN and OH, basis strengthening has slowed since the beginning of December. In fact, the 5 local basis levels tracked for the southern parts of IN and OH have stayed within a 2¢/bu range over the past 3 weeks. While a stable or slightly strengthening basis can also be found in IL, it is the only state with predominantly weakening local basis levels. For example, corn basis to March futures has weakened by 4¢/bu in Northwest IL, and by 8¢/bu in Southwest IL (bottom) since the first week of December. →





- **Now, taking a look** at what Purdue ag economists have discovered for the soybean basis in the Cornbelt, they report different dynamics. "While corn basis across the region is highly variable, local soybean basis trends are much more consistent. Across the Eastern Cornbelt, local soybean movement has leveled off from the consistent strengthening that started in October. In Central IN, Soybean basis to March futures has remained within a 2¢/bu range since the third week of November and currently stands at 29¢/bu (top). As a result of recent stability, the local basis is below the 2-year average for the first time since the first week of October. Due to recent stability across Indiana, the local soybean basis is below the two-year average in each part of the state. In Central OH, we see soybean basis movement very similar to Central IN (bottom). Since the third week of November, the basis has stayed within a range of 2¢/bu and currently sits at 30¢/bu to March futures. Looking at the basis of March futures, basis volatility appears highest between September and December, based on historical trends. Therefore, we may expect to see continued stability as we head into the new year. However, the recent weakening of corn basis in parts of IL runs counter to historical trends and may warrant caution. An additional concern for future local soybean basis in OH and IA may arise from soybean processor basis that has decreased over the past 6 weeks, which again goes against the historical trend. To stay up to date on your local corn or soybean basis, you can visit the [Purdue Center for Commercial Agriculture's Crop Basis Tool](#).





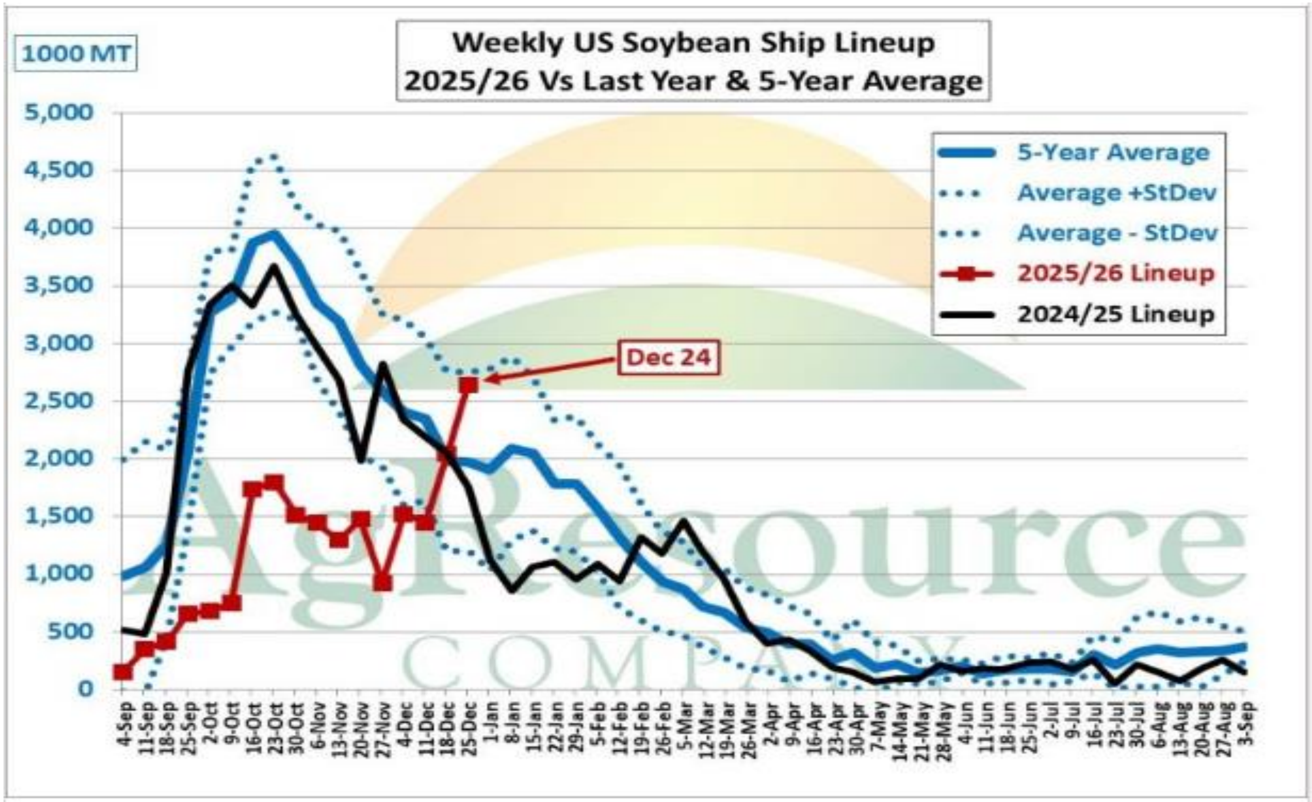
- **Grain Market details from** General Manager Kevin Walker and staff at Legacy Grain.
  - ✓ **Soybean market drivers**: Soybean futures slipped back on Friday with front months 3 to 4½¢ lower, as January was 9½¢ higher. The cmdtyView national average Cash Bean price was 4¢ higher at $9.88½. Soymeal futures were down 50¢ to $1/ton, as January held onto a $6.10 gain this week. Soy Oil futures were down 30 to 35 points, with January up 82 points on the week. Little news was from the government as they pushed back reports due to the holiday declared for Friday. The next Export Sales release for the week ending on 12/18 will be out this Wednesday. Thinner trade also limited movement to close the week. Jan 26 Soybeans closed at $10.58¾, down 4½¢, Nearby Cash was $9.88½¢, down 4¢.

  - ✓ Soybeans started the day higher but couldn't hold on as contracts were pressured by the lower moves in bean and crude oil. There haven't been any new export sales reported since early in the week. While there has been some improved purchasing from China recently, soybeans are still more than 30% behind last year's pace. The trade continues to monitor crop development weather in South America, which so far has been decent. Analysts at this point are expecting another record-large Brazil crop.

- ✓ **Corn market drivers**: Corn futures closed the Friday session with contracts fractionally to 1¢ lower in the nearbys. March corn was up 6¼¢ on the short. The CmdtyView national average Cash Corn price was down 1¢ to $4.06¾. Futures got some spillover weakness from crude oil losses of $1.45/barrel. Thin trade for the shorter session after Christmas likely also had an impact. Reports from the government were pushed back due to the holiday declared for Friday. EIA will be released on Monday, with the next Export Sales release for the week ending on 12/18 out on Wednesday. Mar 26 Corn closed at $4.50, down 1¢, Nearby Cash was $4.06¾, down 1¢.

- ✓ Like soybeans, corn couldn't hold on to the early gains as it struggled to find any news to drive the markets. Crude oil was lower Friday. Corn export sales continue to outpace 2024 by a significant amount and inspections are exponentially higher than year-ago levels. There are some other global issues that are continuing to impact the market. Tensions between Ukraine and Russia have been escalating and infrastructure has likely been damaged from recent attacks. The trade is also monitoring crop development weather in South America as recent rainfall is supportive of yields.

- **As of Dec 24, the U.S. soybean ship lineup** is estimated to be 97 mil. bu., up 29.4% from the previous week. Next week's soybean export inspections could be 955,000 35 mil. bu. That would be up 10% from the previous week. The ship lineup suggests that U.S. December Census exports could be 162 mil. bu. In the December WASDE, the USDA lowered their projection for U.S. exports by 50 mil. bu. to 1.635 bil. bu. Last year's exports were 1.882 bil. bu. There were 3 vessels 7.3 mil. bu. that departed for China and 22 vessels 52.5 mil. bu. identified in the lineup that are destined for China, according to Ag Resource Chief Economist Bill Tierney.



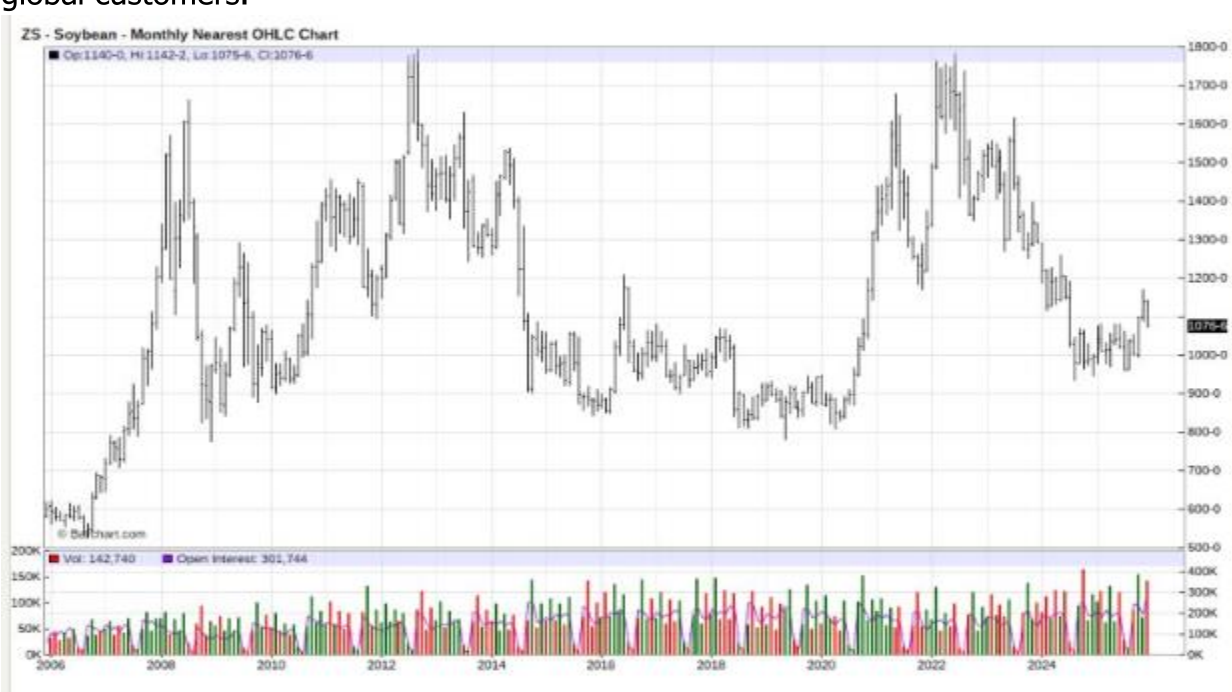
- **For the week ending December 11,** unshipped balances of corn, soybeans, and wheat for marketing year (MY) 2025/26 totaled 1.63 bil. bu., up 5% from the week ending December 4 and up 4% from the same time last year. Net corn export sales for MY 2025/26 were 68.5 mil. bu., up 18% from the week ending December 4. Net soybean export sales were 88 mil. bu., up 54% from the week ending December 4. Net wheat export sales were 15.8 mil. bu., up 13% from the week ending December 4.
- **Corn may decline as a Brazilian export.** In just a few years, corn's share in Brazil's ethanol feedstock composition grew from 2% in 2019 to a projected 23% by 2025. This shift reflects more than just agricultural flexibility — it shows the impact of second-crop efficiency (safrinha), infrastructure investment, and a growing demand for low-carbon biofuels. While sugarcane still leads (77%), corn ethanol is no longer a niche — it's becoming a key piece of Brazil's bioenergy future.

- **China could be dialing back its soybean imports** after a record volume in 2025. That is the forecast of Argentine grain market specialist Esteban Moscariello. "China set new soybean import records in 2025, yet market signals now point to a moderation in demand toward year-end, reshaping global trade flows. 3.51 bil. bu. was imported by China from Jan – Oct 2025, up from 3.30 bil. bu. in 2024 and 3.10 bil. bu. in 2023. These record volumes were achieved despite limited U.S. shipments, with Brazil and Argentina filling the gap. By this time last year, China had already purchased over 440 mil. bu. of U.S. soybeans in 2025, and doubts persist whether similar volumes will materialize by late winter. Analysts expect slower imports ahead, supported by high inventories, weaker soybean meal demand, and cooling crush margins. South America's export boom continues: strong Brazilian

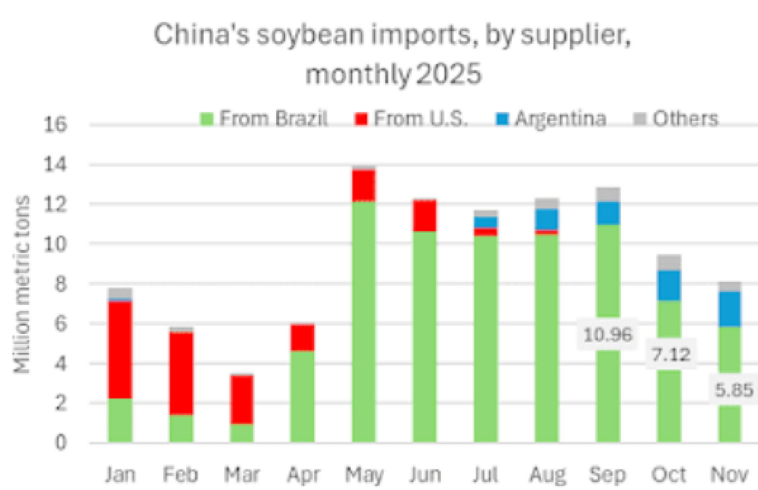
shipments and a sharp rebound in Argentine exports are redirecting global flows toward the world's largest buyer. There are market implications, with the potential rise in U.S. ending stocks if Chinese buying underdelivers. Also, currency moves (weaker Brazilian *real*), South American weather, and upcoming USDA WASDE updates remain key price drivers. Politics and macro factors are increasingly steering sentiment alongside fundamentals." He says the bottom line is that "China's record imports underscore its scale and influence - but the anticipated slowdown suggests a more selective, inventory-driven phase, with South America consolidating its supplier role."

- **Corn production for Brazil in marketing year 2025-26** is expected to decline by 2% from the previous year due to lower yields, though higher carryover from a strong 2024-25 harvest will support increased exports, according to a USDA FAS report. FAS revised its corn production forecast for 2025-26 (March 2026-February 2027) to 5.2 bil. bu., down 2% from the production estimate of 5.35 bil. bu. for 2024-25 (March 2025 to February 2026). Total planted area for Brazil's 3 corn cultivation seasons is projected at 54 mil. acres, up slightly from 53.5 mil. acres last year.

- **Jim Sutter may be more patient** than many soybean farmers. Although he may not have unsold soybeans in the bin, Sutter has been promoting soybean exports for several decades. The head of the US Soybean Export Council says, "It's certainly understandable that U.S. farmers are concerned. But if history tells us anything, it's that the global soy market is cyclical. What goes down will come back up again (and vice versa). Just this past week, I was looking back at the 20-year chart of soybean futures, a clear reminder that price swings are part of the rhythm of agriculture — driven by weather, supply shifts, global demand, and sometimes, just timing. None of us can predict when the next impactful event will come or what it will look like, but history shows us that when it does, prices will reset. In soy's case, the most historically likely event is a weather-related one. On that front, we're overdue – we've had multiple years now of record soybean harvests on a global level. For now, prices are sitting in the middle of a long-term trend that offers both perspective and opportunity. Global demand for soy is strong. Consumption continues to rise, and inclusion rates in feed and food products around the world are increasing. That's not a bad thing. With today's lower prices, producers of livestock and aquaculture feed globally are enjoying healthy operating margins, affording them the opportunity to grow their industry, invest in their capacity building, and lock in future demand. As I've shared with our teams, now is exactly the time to lean into conversations with our customers and partners that transcend 'prices' and lean into 'value.' Each discussion we have today helps position us stronger when the market inevitably turns upward again. The value of U.S. Soy - from its consistency and quality to its sustainability and reliable supply - is what sets it apart. That message must stay front and center, especially in times like these. Soy is a cyclical business, and this is just one point in an ongoing journey. At USSEC, our mission remains the same regardless of where we are in the price cycle: to differentiate U.S. Soy, ensuring it remains the supplier of choice for our global customers."



- **China is clearing out old soybean reserves** to make room for U.S. soybeans it has been buying since late October, suggesting American beans are bound for Chinese warehouses rather than processing plants, says retired USDA China specialist Fred Gale. "Last week, Sinograin--China's reserve company--auctioned 19 mil. bu. of imported soybeans--of which 14.5 mil. sold. This was the first in a series of auctions that is expected to clear out 147 mil. bu. of soybeans to make room for newly purchased U.S. beans expected to arrive in China over the next couple of months. A second auction was scheduled for December 16. Market prices indicate purchases of U.S. soybeans are still at a price disadvantage versus Brazilian beans for China's private-sector buyers, given the extra 10% tariff China imposes on U.S. products. In contrast, the old beans auctioned from reserves are a bargain for private sector crushers. The auctions help sustain monthly crush of 300-330 mil. bu. of soybeans which now exceed monthly imports. Prospects of a big Brazilian crop are keeping a lid on prices that have been creeping upward since June. These auctions are costly, though. Sinograin is selling beans for less than in paid. The average sale price at last week's auction was about $100/ton less than the cost of importing them at peak prices in 2022 and 2023. Interest and storage costs could add another $100-plus to the cost of auctioned beans. Sinograin might have lost more than $80 mil. on last week's auction." [Gale's regular report on Chinese commodities] says, "Chinese authorities are orchestrating these auctions and imports to satisfy crushing demand for beans while insulating the domestic soybean crop--now being marketed--from lower international prices. The Chinese market built up stockpiles of beans and meal during summer and early fall months when imports exceeded monthly crush. China's monthly soybean imports dropped from 474 mil. bu. in September to 349 mil. bu. in October, and 297 mil. bu. in November. Over those same months the average cost of imported soybeans indicated by customs data ratcheted up from $447 per ton to $467 per ton. Meanwhile, China's own soybean crop is being marketed. Authorities hope to nudge domestic soybean prices higher.



The price of domestic beans exceeds the price of imported beans, so no auctions of reserves were held in main production areas of Heilongjiang, Jilin, and Inner Mongolia. They probably want to slow the pace of imports while the domestic crop is being marketed to keep the general level of prices up. Market news reports say Chinese customs authorities are also preparing to slow-walk inspections of imported soybeans, extending the time needed for customs clearance to 25 days. Authorities previously delayed inspections during the first months of 2025, then returned to normal when Brazilian beans began arriving in April. China's soybean imports dipped to 297 mil. bu. in November 2025, and the calendar year total for January-November hit 3.81 bil. bu.

- **When it comes to Chinese purchases of US soybeans**, IA St. Univ. marketing specialist Chad Hart says, "If you look at the Chinese data as far as U.S. beans that have hit their shores, we're still at zero. When I look at the weekly export sales data that USDA is catching back up on—given the delays during the government shutdown—that would show that China has purchased about 150 mil. bu. thus far and, you know, while those haven't hit the shore yet, they will be moving along that way. And for those eagle-eyed observers that have been tracking the daily sales that are reported under USDA's system, you could get yourself up to about that 250 mil. bu. level because we have been seeing China being active, especially here late November, early December, and those data will eventually show up in the weekly sales data, probably within the next couple of weeks, and then they'll show up in that Chinese data within the next month or so." The grain market is beginning to turn its attention toward South America. "It's also looking to see if China will go beyond what they agreed to, and I think they're betting right now the answer is no because of what we see coming out of South America. That when you're looking at global soybean supplies, while that total global number is smaller this marketing year, it's not necessarily the case when we look at South America. That we continue to see Brazil growing by leaps and bounds there and therefore keeping downward pressure on soybean prices because no matter what we say about this deal with China, we do know that they usually have a clause in there that says, hey, you know, they can move to the Brazilian market if they find better prices there." When China is finished buying the new South American crop, US sales may not be there, says Hart, "If you think about it, I think they're going to sort of argue, okay, you know, this is on a marketing year basis as opposed to a calendar year basis. And so we could see them slide back to zeros late spring, early summer again as they find those Brazilian soybeans, like I say, probably more attractive from a price perspective, but then start to maybe load up again on ours as we approach our harvest again. Sort of like we're seeing this year but hopefully moving a bit earlier than China moved this time around. Because if you think about the timing of our sales, we do tend to see more purchases from China traditionally starting around August 1st and then sort of working its way into February. That's the 6 months where we tend to be the major supplier during that part of the year, and then South America tends to dominate the other 6 months." Regarding the January WASDE, Hart expects USDA changes. "I do expect the yield to slide some and production to slide, but as soon as that happens, I also expect that feed and residual number to move. Because as you look at USDA's numbers right now, they've got about 600 mil. bu. worth of growth in feed and residual, yet when we look at the livestock industry, feed demand is flat at best. So, I know that's the number that's going to move there. Soybeans, I think in this case there's still the, you know, the idea of that China in 2026 is going to fulfill that agreement, but it's likely going to be, like I say, on a marketing year basis as opposed to a calendar year. So that demand will come in later. To me, the big wildcard there will be biofuels: do we see soybean oil filling more of that renewable diesel guideline, especially as we look forward 2026 and 2027, given the Trump administration's announcement on what they would like to see with the renewable fuel standard?" (WILL radio)

- **"Market disappointment** on Friday," says the Brock Report. "Friday's price action was a bit disappointing with corn futures fading off their early highs, but futures had a good short trading week from a technical standpoint. On the weekly most-active corn futures continuation chart, the close was the highest since late April. All of this suggests that corn futures are breaking out to the upside. However, Mar. futures remain inside of the sideways trading range they have occupied for about 2 months and will need to break out of the top of that range to confirm a new upward move. Nearby chart resistance for Mar. corn is now at $4.53, and the market still needs a close above $4.57 to open the door for a possible move into the $4.70-$4.80 range. Trading is likely to remain choppy next week, with many market participants likely staying out of the market through the New Year's holiday. Strong export demand should remain a supportive market factor, offsetting pressure from large U.S. supplies. Cash corn movement should stay slow through the holidays, but farmer sales should pick up after the first of the year, especially if prices continue to work higher. Favorable crop prospects in Argentina and indications U.S. corn acres will remain high in 2026 may cap further price gains. There may be little fresh news to start the week. The export sales report for the week ended Dec. 18 will be released on Wednesday and CFTC Commitments of Traders data for the week ended Dec. 23 will also be released on Wednesday. The CFTC is now virtually caught up its releases in the wake of the government shutdown.

  Soybean futures failed to hold early strength and pulled back 1¾¢ to 4½¢ under pressure from strong S. American crop prospects, a lack of fresh demand news and year-end position evening. Soybean futures started out higher Friday morning on follow through to the "Santa Claus" rally they staged on Christmas Eve but could not maintain the strength and finished the session poorly from a technical standpoint. Most-active Mar. soybeans settled 10 cents off a 7-session high and posted a hook reversal lower. For the week, Mar. beans did wind up 13¢ higher, ending a string of 3 straight weekly losses. Mar. soybeans now have nearby chart resistance at $10.82½, with nearby support at $10.63-$10.65 and $10.57¼. Tuesday's gains came in the lowest trading volume since Nov. 28 and a slight decline in futures open interest. Soybean futures open interest has been declining since early December but may be nearing a seasonal low as traders exit Jan. futures positions ahead of the Jan. delivery period, which begins next Friday. The S. American weather outlook remains mostly favorable for soybean production prospects. Beneficial rainfall will reach east-central Brazil during the coming week, restoring favorable topsoil moisture after recent warm, dry weather there. Southern Argentina and far northeastern Brazil will see the greatest drying over the next week. Temperatures will remain warm in Brazil. this." For the complete commentary and charts go to The Brock Report.

- **Marketing.** "Both corn and beans posted gains on the holiday-shortened trading week." -- Matt Bennett.
  - ✓ **Corn—futures**. March '26 corn had another weekly higher close-second week in a row. March settled at $4.50, down 1¢. This was 3¢ off the high and 1¼¢ off the low. March rallied 6¼¢ for the week. Technically, this corn market looks like it has a low in place for the time being. We have solid demand for corn with both exports and ethanol grind.
  - ✓ **Corn—cash and basis**. Basis was steady/improved. At St. Louis terminals, 18 over March (7¢ improved). Cash prices were higher on the week. While the board rallied, we didn't see basis widen. As we get into the new year, I would expect some basis widening is possible, especially if we continue to see prices move higher.
  - ✓ **Corn—marketing strategy**. My thought on wanting to keep corn ownership remains, but to see corn rally, a person may have to be patient. For bushels getting sold or moved, I like owning a July call or call spread to keep a toe dipped in the water. If we see a weather event, I must think we'll be glad to be in ownership of some corn.
  - ✓ **Corn—2026 crop.** December. December 2026 corn ended the week at $4.68½, up 6½¢. Dec26 is coming back up on $4.70, which is the level I didn't want to be selling under. I would be ok possibly selling some corn in here as a true hedge for those bushels going in the bin next fall. If we can roll those to the July next fall for 30-35 cents, we could have some $5 corn basis the July.
  - ✓ **Beans—futures.** Beans finally posted a weekly rally. On Friday, March beans settled down 4¢ at $10.72½. This was 10¢ off the high and 1¾¢ off the low. Beans rallied 13¢ on the week. March meal settled $2.60 higher on the week at $303.70, while soy oil ended the week at 49.22¢, up .78¢.
  - ✓ **Beans—cash and basis**. Basis was steady/improved. At St. Louis, river basis was 28¢ over the Jan (10¢ improved). It was nice to see basis improved in some areas, even as we saw a rally on the board. Given that a ton of beans will be moving over the next few weeks, I would expect bean basis to be a bit on the weak side.
  - ✓ **Beans—marketing strategy**. With crush margins staying positive, those close to a crush plant might see those cash bids stay strong. It's safe to say the bean ownership is much lower than corn at this time, but for those with beans to sell, I'd keep offers in place at levels you can live with.
  - ✓ **Beans--2026 crop**. Nov 2026 beans settled at $10.82¼, up 14½¢ on the week. It was good to see '26 beans finally catch a bid. While we're still 40¢ below the high for Nov26, it's not hard to imagine a rally back close to and potentially over $11. We must know at what level we can sell and scratch out a profit.
  - ✓ **Price ratio—2026 crop**. 2.31/1, beans to corn, based on fall futures, unchg/week.

- **Market advisor's thoughts/suggestions**: Matt Bennett.

"Christmas gave us a little gift from the markets, this year was nothing major, but a rally, nonetheless. With excellent demand of late, but there was no real weather story to buy. With world and US demand for corn at all-time records, we definitely need to see big production this coming year. Given how much the big-money players want to own commodities, mostly precious metals right now, I must think they could end up viewing our ag commodities as a buy as long as they get a story to get them interested. Any weather event in South America or here in North America would likely be viewed as a reason to put weather premium in our markets. Therefore, I still view corn ownership as something I'd like to retain, either physical or on paper. Given how much corn there will be moving, I doubt the end-user will feel much need to bid up for bushels until the winter rush dies down. I know many growers have the bin doors locked shut, but we all have some bills to pay at the same time. For those wanting to lock in some worst-case scenarios, I still like having an aggressive floor with a ceiling up at $5.50 or somewhere in that vicinity. We can get an aggressive strategy on a percentage of bushels fairly cheap. I like keeping flex once again, as I could see this corn market getting some life on any world weather event. However, I don't want to be bullish without managing some risk if and when we get a rally....The bean market looks like it may have bottomed out for now. Given that some good solid buying has come into an oversold market, I suppose we could look at some sideways trading as additional rallies may be tough to come by without a good weather story out of South America. Right now, southern Argentina is the only problem area, but if it remains dry, there's no doubt we could see bean meal, and then beans, see some solid support. My best guess is beans struggle without a weather story, but IF we can see corn rally, there's no doubt a corn rally could drag beans along to an extent. I'm not real bullish beans, but I could see a spike higher here and there. If you have your offers in place, you just might get them filled. It's the time to do your homework if you haven't already, to know at a reasonable yield what price you need to lock in. I'd like to have some flex with beans as well, so let us know if we can help you set up a marketing plan that has your worst-case scenarios locked in, while not putting all your eggs in one basket.…If you need help with your marketing plan, let us know. I recommend using either the Profitability Calculator on the Channel website or the AgMarket.Net Profitability App. The AgMarket.Net® App, with revised MyFarm software, is now available on Google Play and the Apple App Store as a mobile app. A desktop version is available through the AgMarket.Net® website. Find it at https://www.agmarket.app/app/ to get help on budgets and your marketing plan." Click here to learn more.

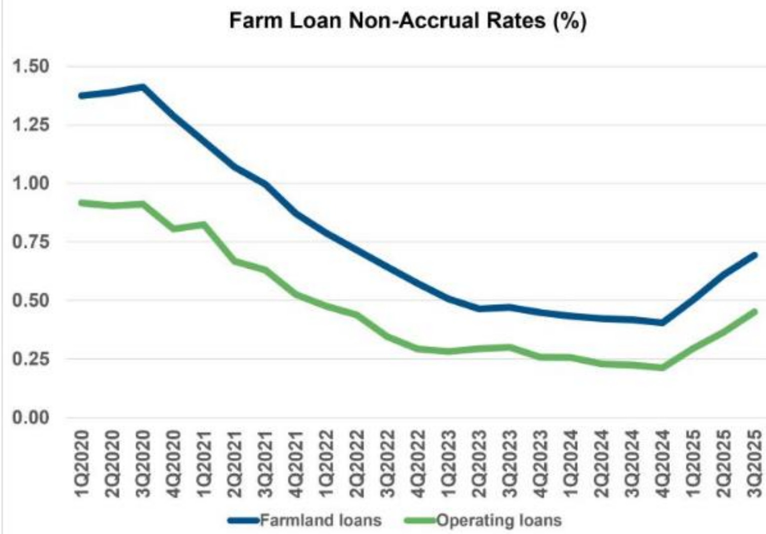
Farm Economy—

- **For only the second time in 2025**, the overall Rural Mainstreet Index (RMI) climbed above growth neutral 50.0, according to the monthly survey of bank CEOs in rural areas of a 10-state region dependent on agriculture and/or energy. The region's overall reading for December increased to 50.1, its highest reading since July 2025, and was up from November's 44.0. The index ranges between 0 and 100, with a reading of 50.0 representing growth neutral. "Weak agriculture commodity prices and high input costs for grain producers continue to restrain economic activity in the 10-state region," said Survey Dir. Ernie Goss of Creighton Univ. When asked to identify the most effective policy changes to boost farm income, half of the bank CEOs named the reduction of farm tariffs and trade restrictions as the most effective or useful. Fewer than 1 in 5 named the passage of a 5-year Farm Bill, and almost the same share identified the recent $12 bil. farm aid program as a top priority. A Central IL banker said, "Low grain prices and higher input cost continue to plague our area farmers. The Trump $12 bil. payment to producers will help but is not a cure." Jeffrey Gerhart, former Chairman of the Independent Community Bankers Association said, "Tariffs continue to be a negative factor for the farming sector. We've worked hard to build good trading relationships with our trading partners across the globe, only to see it torn apart in less than 12 months." The IL December Rural Mainstreet Index (RMI) advanced to 53.4 from 42.9 in November. The farm and ranchland price index for December jumped to 53.2 from November's 42.5. The state's new hiring index for December slumped to 46.9 from 48.7 in November. According to the latest ITA trade data, IL year-to-date exports of agricultural goods and livestock were $2.3 bil. in 2025, down 28.9% from $3.3 bil. during the same period in 2024.

Table 2: The Rural Mainstreet Economy, December 2025

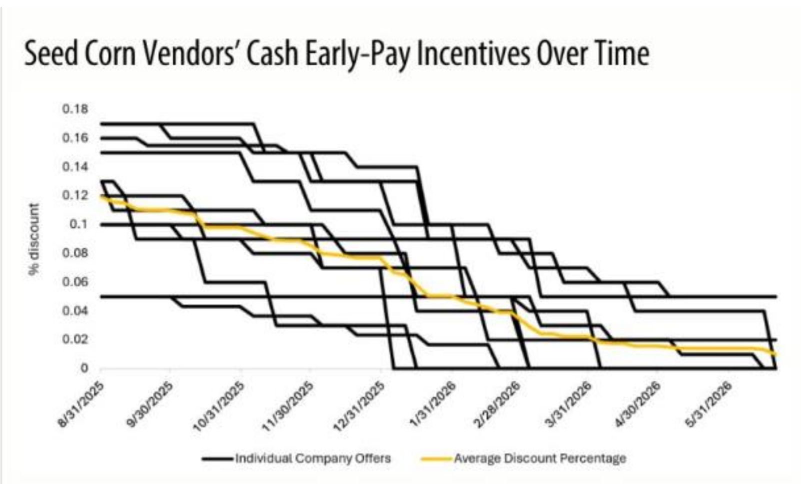
	Percentage of Bankers Reporting			
	Lower (Down 5% to 10%)	Little or No Change	Moderately Higher (1% to 4%)	Higher (5% to 10%)
Your bank loan delinquency rates over the past six months are:	4.8%	57.1%	33.2%	4.9%
	Percentage of Bankers Reporting			
	Lower Interest Rates	Recent $12 Billion Farm Support Program	Passage of 5-year Farm Bill	Reduce Tariffs & Trade Restrictions
Which of the following would, or will better serve the interests of farmers in your area:	13.6%	18.0%	18.4%	50.0%
	Percentage of Bankers Reporting			
	No Change	Tightened		
Compared to this time last year, which of the following best describes farm loan credit standards at your bank:	66.8%	33.2%		

- **Non-accrual rates for U.S. farm loans** have increased for three consecutive quarters, according to new data from the Federal Reserve Bank of Kansas City. The bank tracks call reports for the nation's agricultural lenders and released updated delinquency data through 3Q25 earlier this week. Though current non-accrual rates remain well below their recent highs, the sharp upward trajectory throughout 2025 for both farmland and operating loans indicates a higher level of financial stress for farmers struggling with the impacts of tariffs and other headwinds. This trend bears watching going forward, says Tom Halverson, CEO of CoBank.



Source: Federal Reserve Bank of Kansas City

- **"Hey, we can finance that for you!"** If a seed or equipment dealer offers that in a tight financial time (like now), is that a good deal to take? The ag economists at [The Univ. of MO Rural and Farm Finance Policy Analysis Center (RaFF)]() reviewed 21 seed vendor financing programs. If farmers finance corn seed through the vendor, their analysis compares the cost of credit of vendor programs and traditional bank operating loans. Vendor financing in agriculture inputs has surged to $40 bil. annually. Nutrien, the largest ag retail network in the U.S., [eyes growth via offering its financing offer via the Nutrien Hub](), its online portal for farmers and its retail network. For both bank operating loans and vendor supplied financing, the analysis assumed the full borrowed amounts would be due in December 2026. For the vendor financing, the scenario considers the advertised interest rate plus the associated early-pay incentives, which for the 2026 growing season began Aug. 31, 2025. For the bank operating loan, the analysis used an 8.07% interest rate, which was sourced from the ag lending survey from Federal Reserve Bank of Kansas City. The bigger takeaway is the earlier the seed order, the more savings experienced—regardless of credit source. In the earliest time frame for orders, the vendor financing gave a slight advantage—a little more than $5 per acre. The analysis also shows financing having an advantage over cash discounts. [Read the full report here.]()



- **The farm economy is similar to a year ago,** and in other ways, very dissimilar. That is the observation of Doug Hensley, President of Hertz Real Estate Services. Hensley says, "First, the land market has been remarkably stable. According to several land value surveys, the market is flat or maybe a couple percentage points down year-over-year, depending on the exact timing comparisons. Second, while the Fed has cut short-term interest rates twice this fall, long-term mortgage rates have not changed all that much across recent months. Talking to most lenders, you still see a range of 6.5% to 7.5% for longer term fixed rate mortgages. Third, profit margins are very tight, just like in 2024. Relatively low commodity crop prices, and still sticky input prices, have compressed margins to near-breakeven levels, assuming average production. Regarding differences from year to year, first, we changed Federal Administrations early this year, and most things changed. Would you disagree with me if I said 2025 has been "all Trump, all the time"? Whether good or bad, it's been a rollercoaster, including in commodity crop agriculture and our export business. This was a change from 2024, and the differences negatively impacted grain markets, especially for soybeans. There have been some positive rumblings from Trump's late-October trade swing through Asia, including China's messaged commitment to buy our soybeans. Time will tell. The second difference I see and sense in late 2025 is the continued drawdown in working capital for farming businesses. We entered the current cycle downturn a couple years back, with very strong crop sector finances. But we're beginning to see them tested. I suspect that many farm lenders will be having different conversations around operating lines of credit this winter. And some farming businesses may need to consider different ways to recapitalize their balance sheets, in order to build a bridge to better operational days."

Mailbox Money and Farm Programs—

- **Many U.S. farmers say a newly announced $12 bil. federal aid package** will not be enough to offset mounting financial pressure caused by weak commodity prices, high input costs and lingering trade disruptions. The assistance, unveiled by the Trump administration, is designed as a temporary bridge for producers facing declining export demand and rising expenses. But farm groups and economists warn the payments may only partially cover losses, particularly for growers hit hardest by reduced overseas sales. Soybean producers remain among the most affected after years of reduced purchases from China, once the largest buyer of U.S. soybeans. Corn, wheat and specialty crop producers have also reported narrowing margins. USDA officials say the aid is intended to stabilize farm income while longer-term policy changes take shape. Still, some farmers argue the package does little to address structural trade challenges, including market access barriers and growing competition from foreign exporters. "Congress needs to provide at least $10 bil. in additional aid to farmers to supplement the $12 bil. being provided by the Trump administration through its Farmer Bridge Assistance Program, House Agriculture Committee Chair Glenn Thompson tells *Agri-Pulse*.

- **The USDA does not plan** to issue additional emergency farm aid beyond the recently announced $12 bil. assistance package, even as financial stress deepens across the farm sector, said Richard Fordyce, (right) USDA's undersecretary for farm production and conservation. The payments are intended to help producers cope with low commodity prices, elevated production costs and reduced export demand tied to ongoing trade tensions. But economists and farm advocates warn many operations may continue to struggle without further support or stronger export growth. U.S. agriculture has traditionally posted trade surpluses but rising imports and slowing exports have pushed the sector into a widening trade deficit. That shift has weighed heavily on farm income, particularly for row-crop producers dependent on foreign markets. USDA officials say budget constraints and existing authorities limit the department's ability to offer more aid in the near term. Many farmers, however, say long-term relief will depend less on direct payments and more on expanded trade opportunities.

- **Will your bridge payment in February affect your planting decision** for 2026? Jerry Gulke, president of the Gulke Group, says the FBA program will impact his planting decisions for the 2026 crop season. A $46-per-acre payment on corn is woefully inadequate for him to plant corn next spring. "This is like a bridge to nowhere," he says. Gulke says it's politically popular for the administration to keep food prices as low as possible and still keep farmers in business. However, a $46 payment will barely cover his nitrogen fertilizer costs. While the $25 per acre bridge payment on soybeans also falls short for farmers, Gulke (above) says the cost of production is lower, making this option more attractive to him for 2026. Gulke says the logical choice for his operation is to plant soybeans, which take fewer inputs and labor. "I'll plant soybeans, and I can combine them with a 40-foot head. I'm done pretty fast, I can put them in the bin, and I can cut my labor and some of my machinery costs," he adds. Those farmers who didn't apply anhydrous last fall still have options. "I'm not opposed at all to planting beans on beans. I did that two years ago, and I didn't suffer much of a loss at all," Gulke says.

Commodity Economic Outlook for 2026 Q1—

- **Ag economists at Terrain Ag have prepared** an economic outlook on commodities within their specialty, including price swings, exportability, and 2026 challenges.
  - ✓ **"Corn markets** are likely to remain well-supplied until next harvest even if the USDA cuts the 2025 crop's yield in January. At least small profits are projected for some farmers in 2026. However, volatility from weather, trade and policy means risk management remains important. The amount of corn used to produce U.S. ethanol is expected to remain stronger than a year ago, as ethanol margins are currently forecast to remain positive. The USDA's feed and residual use estimates may be overstated. Despite only a 1% increase in animal units, corn feed use is projected to increase 11.6%, likely exceeding reality. Exports remain one of the bullish factors supporting corn prices. The USDA's record forecast for 2025/26 exports was again revised higher to 3.2 bil. bu. in December. Given this record start to the marketing year, and weather uncertainty for South American production, any continued strength in export commitments will likely support prices. Watch export sales data as they catch up in the weeks ahead for pricing opportunities. I project the 2025/26 season average cash price for the 2025 harvested crop to be $4.15/bu., with a range of $4/bu. to $4.30/bu. However, final U.S. production numbers from the USDA, Brazil's second corn crop, more corn acres than currently expected this spring, or other factors could influence prices in the final two-thirds of the marketing year. An unchanged U.S. production estimate would likely lead to some weakness in nearby corn futures in the months ahead, as there would be an increased likelihood of ending stocks exceeding the USDA's estimate. At $4.15/bu., 2025 farm program payments (paid in late 2026) are expected to average at least $32.80 per corn base acre at the national level, and range from a minimum of $14/base ac. to $25/base acre for individual counties in major corn-producing states based on average enrolled program yields. The average payment projected at this price level for these major states ranges from $26/base acre to $36/base acre and totals about $3 bil.. These estimates account for the 85% payment factor but not sequestration. Markets appear to have moved back toward favoring corn over soybeans, as futures prices for corn have gained relative to soybeans in recent weeks. I project 2026 corn acreage at about 94 million acres, with the potential to be even higher if U.S. soybean exports fail to materialize, ending stocks grow, and futures prices for soybeans fall as we move into spring. While input prices have risen slightly since our Q4 2025 outlook, I forecast current market revenues are near 90% of projected full economic costs for 2026 at trend yields. For some farmers, this offers the potential to lock in profits, since many producers will be at or near break-even levels as we approach 100% of economic costs. I encourage farmers to consider risk management strategies that protect downside risk without significantly limiting upside potential as we look to 2026."
    - Marc Rosenbohm.

- ✓ **Soybean Markets:** "The U.S. soybean market currently depends on clarification of domestic biofuel policy and China's progress in meeting its soybean purchase commitments. Both factors will weigh heavily on old-crop prices and spring planting decisions. Longer run, fostering alternative export outlets for soybean and soymeal and strengthening domestic consumption will be essential for U.S. farmers to maintain profitability and competitiveness in the global oilseed market. According to the USDA's monthly Fats and Oils report, the October 2025 soybean crush hit a record 237 mil. bu., a daily average of 7.65 mil. bu., up 10% year over year (YOY). To secure soy oil's role as the preferred feedstock in biofuel production, U.S. Congress must enforce 45Z tax credit restrictions to North America only, and the Environmental Protection Agency must finalize renewable volume obligations (RVOs) for 2026 to 2027, resolve small refinery exemptions (SREs), and cap renewable identification number (RIN) credits at 50% for imports. As important as the soy oil component is to crush profitability, about 80% of a crushed soybean is soymeal. October stocks increased slightly YOY, underscoring the importance of finding export outlets for soymeal to support the future crush pace. Global soybean buyers are heavily concentrated among five countries, accounting for nearly 80% of global imports. In contrast, soymeal has a much broader and diversified customer base of nearly 80 countries, with the top 20 accounting for 80% of global utilization. Combined with Argentina's unexpected soybean exports to China during the U.S. peak window, this creates an opportunity for the U.S. to backfill traditional Argentine markets for soymeal. As domestic crush sets new records, I expect U.S. soymeal exports to gain momentum, especially as global protein consumption continues to rise. As we move into the back half of the crop year, look to countries in the EU, Southeast Asia and the Middle East to increase purchases from the U.S. instead of Argentina. Persistent global oversupply, led by Brazil, and China's declining demand require a strategic pivot toward other markets. As of the December WASDE report and current pace of export sales commitments for whole-bean soybeans, I estimate the USDA's 2025/26 export forecast of 1.635 bil. bu. is overstated by 150 mil. to 200 mil. bu., even if China meets 440 mil. bu. (or 12 MMT) in the short term. Unless domestic crush continues to break records, the export shortfall will put downward pressure on soybean prices. The shortfall will go directly to domestic ending stocks exceeding 400 mil. bu.. Farmers should be ready to reward market rallies related to headlines that China is buying U.S. soybeans. Markets will be otherwise challenged if 2026 U.S. soybean acreage reaches the USDA's preliminary baseline projection of 85 mil. acres (up 5% YOY). South America's current weather outlook is favorable, and Brazil's soy moratorium (rainforest deforestation) decision in late December could further boost global supply. Farmers must stay agile, know their production break-even costs, and capitalize on price rallies amid volatility. Futures prices will likely continue to hover around $10/bu. to $10.50/bu. until China confirms a trade deal, South America has a weather threat, and/or biofuel clarity unfolds." –Bree Baatz

The Business of Farming—

- **How much are you spending to own and maintain equipment?** Apparently, that depends on the size of your farm. Purdue ag economists say smaller farms spend more on equipment per acre than larger farms, or at least those over 2,000 acres. Purdue's Michael Langemeier says, "Two decades of benchmarking data tell a very different story: larger crop farms consistently invest far less per acre in machinery. In 2024, farms over 2,000 acres averaged $668 per acre, while smaller farms were above $800—and that gap grows when you look at net annual investment. These differences compound into higher depreciation, interest, and machinery costs per acre for smaller operations. Understanding where your farm fits can be a powerful planning tool."

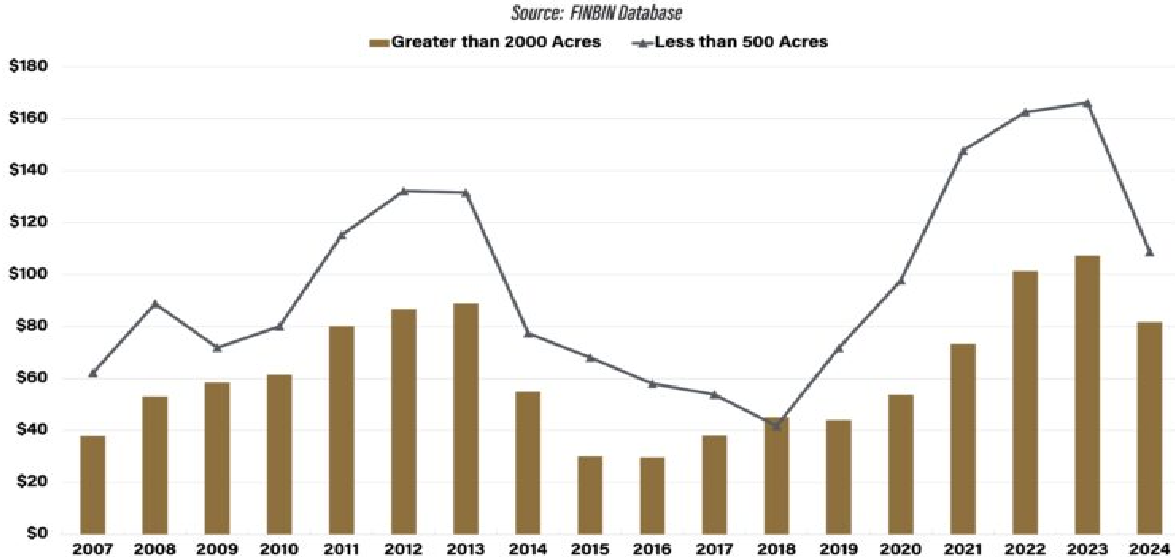
Table 1. Machinery Investment per Acre by Farm Size Category, Crop Farms

Crop Acres	2024	2020 to 2024	2007 to 2024
Less than 500 Acres	847	788	668
500 to 1000 Acres	873	779	637
1000 to 2000 Acres	807	676	548
Greater than 2000 Acres	668	563	439

On average, small farms spent $96 per acre on machinery and equipment while large farms only spent $63 per acre, a difference of $33 per acre. As with the results for machinery investment per acre, the results for net investment per acre suggest that there are strong economies of scale related to net investment per acre. The large difference in net investment over time translates into large differences in economic depreciation, interest, and machinery costs per acre between small and large farms.

Figure 2. Net Machinery Investment per Acre

Source: FINBIN Database



- **If you are looking to diversify your farm** from raising only corn and soybeans, there is a lot of head scratching required. What do you raise? What are production requirements? Where is it sold? Is it lucrative? Those questions and all the others you are asking yourself could be answered at "Everything Local." At this website you can meet all 40 consultants, read all the breakout session topics, learn about the keynote speakers, discover more about the pre-conference workshops and so much more. Here are some reasons to attend:
  - ✓ 3 Engaging Keynote sessions
  - ✓ 94 Breakout sessions with over 120 speakers on a range of topics.
  - ✓ Over 85 tradeshow vendors
  - ✓ 40 registered consultants ready to provide 1:1 technical assistance on a wide range of topics.
  - ✓ 3 optional pre-conference workshops (included in registration fee) Produce Safety (includes cost of manual $60 and certification $35) led by Univ. of IL Extension, Fearless Farm Finances led by Compeer Financial and Food Finance Institute, and the Healing from the Ground Up Summit (food as medicine summit) led by Basil's Harvest and IA St. Univ. Extension Farm Food and Enterprise Development.
  - ✓ 4 Locally Sourced Lunches ($55+/meal), 1 Dinner ($75+), 2 Networking Events ($40+), Coffee and Baked Goods ($30/break), and Snacks (the costs do not include the purchases of the food from local farms and businesses, that is in addition)
  - ✓ An exclusive to attendees meet-the-buyer networking event to engage with institutional buyers coming in for another event organized by The Land Connection.
  - ✓ An Awards banquet highlighting those impacting the industry and food system.
  - ✓ The Official Annual IL Cider & Hard Cider Contest
  - ✓ Multiple organizational annual meetings for: Farmer Veteran Coalition of IL, IL Specialty Growers Assn., Central IL Young Farmers Coalition, IL Herb Assn., IL State Horticulture Society, IL Vegetable Growers Assn., and Midwest Organic Improvement Assn.
  - ✓ Special meetings for Institutional Purchasers led by IL Farm to School Network, Feeding IL Food Bank Meeting, and several IL Food System Roadmap activities.
  - ✓ A fundraiser mixer for IL Farmers Market Assn. (purchase ticket on their website).
  - ✓ It is crazy to think you get all this for just $100 if you are a member of one the hosting organizations: IL Farm Bureau, IL Specialty Grower Assn., and IL Farmers Market (If you aren't a member joining will save you money).
  - ✓ There are also $4 mil. in IL grant funds available to get started or expand.

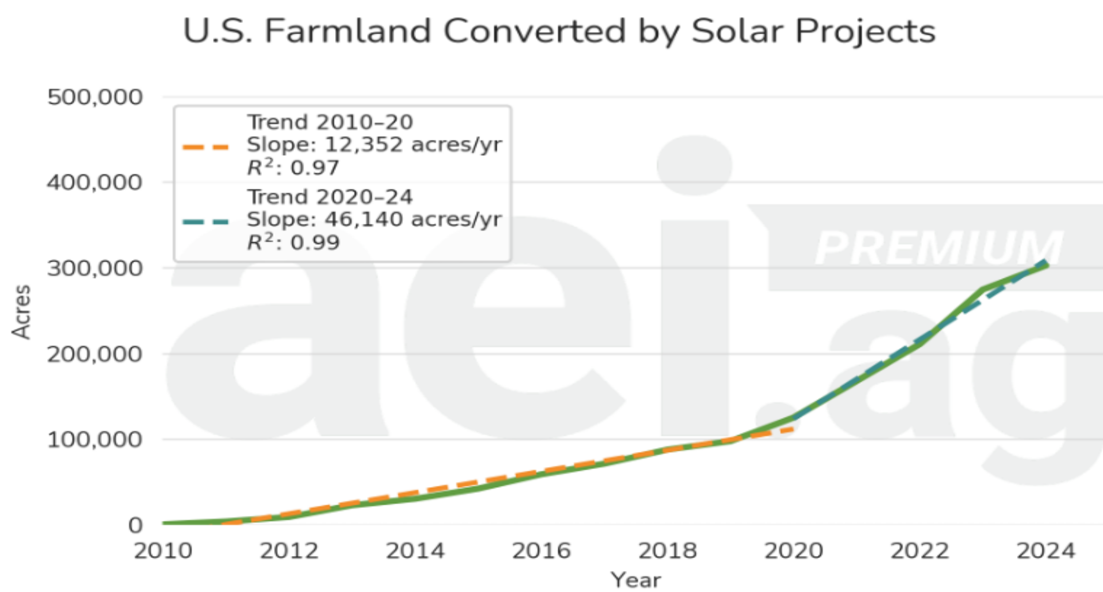
Farm Financial Issues for 2026—

- **With 2026 around the corner,** farm financial issues are changing, and you'll have to determine how your farming operation is affected, plus or minus. Farm Business Farm Management specialists provide the insight, and your local FBFM staff members can help.
  - ✓ Farmers will now be able to write off the full cost of assets purchased after Jan. 19, 2025. Depreciable assets placed in service prior to Jan. 19, 2025, remain subject to the previous 40% bonus depreciation limitation.
  - ✓ The Section 179 deduction cap has been bumped to $2.5 mil. for 2025 filings. That's double the previous cap and means farmers will be able to more quickly deduct the full cost of their equipment purchases. IL allows zero bonus depreciation, while also permitting the full federal 179 deduction.
  - ✓ Federal tax rates for income brackets will stay the same. The IL flat tax rate is unchanged for 2025 at 4.95%.
  - ✓ It's important to build a tax plan that incorporates both income and personal property tax changes.
  - ✓ Filing your taxes isn't just about one calendar year. Farmers should prioritize multiyear tax plans. That means working with an adviser who understands how to leverage this year's rules to set up your operation for success in the long run.
  - ✓ Identify your options to counter any net operating losses. If your operation brought in less income in 2025, or even recorded losses, certain tax strategies can help. Ask your tax adviser how to leverage your use of zero bracket amounts,
  - ✓ Machinery sales are eligible for the qualified business income deduction — an often-overlooked tax benefit on returns.
  - ✓ Ask your adviser if income averaging could be helpful. If your income changed drastically in 2025 (up or down), these can be valuable strategies.
  - ✓ Ask your advisers how your transition planning might shift based on estate tax changes. Starting in 2026, there will be a higher federal estate tax exemption level at $15 million per individual, as well as higher annual gifting limits of $19,000 per person. The higher limits will impact farmers wanting to pass their operation on to the next generation. This exemption was originally set to decrease in December 2025. But the July tax law instead raised it to $15 million, the highest it's ever been.Knowing this heading into 2026 provides a little more certainty for farmers who want to build an estate tax plan.

Land Prices and Farmland Issues—

- **The combination of land values, interest rates,** and multi-generational farm families mean future transfers from one generation to the next are trillion-dollar transfers year after year. That is the analysis of [Ron Diamond, a family financial advisor], whose optimism about the American economy, however, is paired with realism, especially when it comes to asset classes like real estate. Diamond sees opportunity in areas that have been hampered by rising borrowing rates. The U.S. is in the midst of what Diamond calls "the largest transfer of wealth in the history of the world." Trillions of dollars could move baby boomers to the next generation, much of it concentrated in family offices. "By definition, a lot of these people will be younger," he said. That generational shift matters because younger investors come of age in a very different financial world. "I'm dealing with some people who are in their early 30s, and all they knew were things that kind of went straight up and interest rates real low," Diamond noted. Perspective, he said, is crucial. "4% is not a crazy interest rate. 5% is not a crazy interest rate. Keep it in perspective," Diamond advises. Beyond markets, Diamond believes wealth transfer could have profound social implications. He acknowledged current imbalances. For agriculture, this perspective matters. Farmland, rural communities, water, climate resilience, and food systems are increasingly on the radar of family offices looking for both returns and impact. As wealth moves to a generation that asks not just *what* they're investing in, but *why*, agriculture may find itself uniquely positioned. "I don't think a lot of these solutions are going to come from the government," Diamond said. "And I don't think it's going to come from corporate. I think many of them are going to come from family offices, and that's why I'm optimistic."
- **If 2025 was supposed to be the year farmland values** either took a sharp turn up or down, [the data delivered a different story]: most land markets largely held their ground. Nowhere was that clearer than in IA. According to the [IA St. Univ. Land Value Survey] released earlier this month, average farmland values rose just 0.7% in 2025—an $83 per-acre increase that left values still below the 2023 peak. However, despite the overall slight uptick, there was a lot of variation in values depending on where you live. Some counties—particularly in northeast IA—posted solid gains, while others slipped, especially after factoring in inflation. IN land value growth has been steadier than neighboring states, and [Purdue Univ Farmland Values and Cash Rent Survey] showed continued increases across all land classes. At the same time, brokers noted a clear shift. Buyers are more cautious with lower-quality ground, while top-tier acres continue to sell at or above expectations. Limited supply and ongoing 1031 exchange activity helped support prices, even as interest rates remained elevated. [Farm Credit Services of America's benchmark data] echoed the same theme: modest gains overall, slight declines in IA and NE, and expectations that large price increases are unlikely in the near term. Economists increasingly described the market as "cooling"—not reversing but no longer accelerating. Taken together, the story of farmland values in 2025 is modest movement. Rising interest rates and weaker commodity prices applied pressure, while limited supply and long-term confidence in land as an asset provided support. The result was a market that became more selective and more regional, rewarding quality and fit rather than lifting all acres equally.

- **With the White House war on wind power,** will solar be next, and will it impact installations already in place? Agricultural Economics Insight staff reports:
  - ✓ 302,000 acres of U.S. farmland were covered by solar panels at the end of 2024.
  - ✓ Utility-scale solar projects cover nearly 650,000 acres across the U.S., meaning 47% of solar development has occurred on farmland.
  - ✓ The rate of farmland conversion is more than 46,000 acres per year since 2020.
  - ✓ The expansion of farmland since 2020 has been nearly three times the pace observed in previous years.
  - ✓ The accelerated expansion of solar production has been driven by larger projects, which averaged 270 acres in size in 2024.
  - ✓ The distribution of solar projects varies considerably across the US and within states.
  - ✓ Solar leases are a new demand on farmland and agricultural resources broadly. While policymakers and society will debate the appropriateness of converting farmland to electricity production, the acreage magnitude, even if the U.S. were 100% solar production, will likely be limited in scope.
  - ✓ Expansion was initially 4,700 MW/year but has tripled to 14,000 MW/year since 2000.
  - ✓ In 2019, fewer than 100,000 farmland acres were covered by panels, meaning most of the conversion and development have occurred in recent years (below). Before 2020, the conversion rate was 12,000 acres of farmland annually. Since 2020, the pace has exceeded an average annual rate of 46,000 acres.



Farmland leases for utility-scale solar projects are a new demand on agricultural resources. However, that new demand doesn't benefit all segments or producers. Currently, the benefits of the new demand are accruing to farmland owners with solar leases. The first wave of tension can be expected between the landowners and producers leasing land. Solar leases are often long-term and at rates well above prevailing crop leases, making a competitive bid impossible.

Fertilizer, Fuel, and Other Inputs—

- **Fertilizer trend dynamics,** compliments of United Prairie, Tolono, IL, as of 12/22/2025.

United Prairie

FERT SOURCE

MARKET REVIEW December 22, 2025

- ✓ **UAN:** UAN values remain stable with little purchasing as we head to the holidays. Prepay dollars as slowly arriving. • Canada and Europe are quiet as retailers are content. • Producer order books are comfortable to get through the holidays. Expecting pricing to remain unchanged in the near term**.**
- ✓ **Urea:** NOLA trade has gone quiet as the week closed. The only trade noted on yesterday was for February barges between $375-376/s.t. and down $4-5 from yesterday • Overseas activity has been limited ahead of India's January 2nd tender. However, some smaller short covering has been noted in N. Africa, where Egyptian urea was seen trading at a $440/mt fob for January. • The Canadian market saw some modest adjustments over the past 48 hours with the general delivered market now referenced at a $760/mt del SK, up $15-20 from offers seen last week.
- ✓ **NH3:** The January value for Tampa ammonia is expected to range from a rollover down to $20. • Koch has a vessel headed to Gulf Coast Ammonia to load, which is their second cargo within the last month. The plant is reportedly running well. Their offtake agreement with OCP has been called into question due to the first two cargoes going to Nutrien and Koch. • Yara's Ferrara facility in Italy has gone down unexpectedly. They produce 600k mt of ammonia a year.
- ✓ **Phosphates:** NOLA DAP trade is slightly higher for prompt ship. MAP is unchanged at $615. • US P2O5 stocks throughout the third quarter were down 22% year-over-year at 352k s.t.
- ✓ **Potash:** Potash prices were unchanged this week in the Midwest • Canadian fill programs are now expected in early January.
- ✓ **10-34-0:** Eastern acid will hold flat for January and February. No word yet from western suppliers. • 10-34-0 pricing is now reflecting a slight carry for spring with higher ammonia costs. • Inquiries for prepay starters have picked up over the last week as prepay decisions are being made before year end.

- **Once again, 6 fertilizers** were slightly lower while the remaining 2 fertilizers were a little higher, as tracked by DTN. 3 fertilizers were considerably lower. DAP had a 6% decline in price compared to last month. The phosphorus fertilizer had an average price of $873/ton. Both potash and urea were 5% less expensive looking back a month. MAP had an average price of $884/ton while urea was at $567/ton. The remaining 2 nutrients slightly higher in price were 10-34-0 at $674/ton and anhydrous at $864/ton. On a price per pound of nitrogen basis, the average urea price was $0.62/lb. N, anhydrous $0.53/lb. N, UAN28 $0.73/lb. N and UAN32 $0.73/lb. N. All 8 fertilizers are now higher in price compared to 1 year earlier: both MAP and potash by 9%, 10-34-0 by 10%, urea by 16%, DAP by 18%, anhydrous by 20% and both UAN28 and UAN32 by 28%.
- **Jim Raftis at the IL Dept. of Ag assembled the following report:**

USDA

Illinois Production Cost Report (Bi-weekly)

Agricultural Marketing Service
Livestock, Poultry, and Grain Market News

Fri Dec 26, 2025

Email us with accessibility issues with this report.

Report for week ending 12/26/2025

Fertilizer (Synthetic)

Distributor (Dollars Per Ton)

Class	Sale Type	Package	Price Range	Average	Change	Freight	Delivery Period
Anhydrous Ammonia	Ask		780.00 - 925.00	844.27	1.36	F.O.B.	Current
DAP (Diammonium Phosphate 18-46-0)	Ask		785.00 - 920.00	860.67	(9.44)	F.O.B.	Current
Liquid Nitrogen (28-0-0)	Ask		415.00 - 450.00	436.70	(3.90)	F.O.B.	Current
Liquid Nitrogen (32-0-0)	Ask		442.00	442.00	0.00	F.O.B.	Current
MAP (Monoammonium Phosphate 11-52-0)	Ask		725.00 - 1,020.00	873.00	0.00	F.O.B.	Current
Potash (White 0-0-62)	Ask		450.00 - 530.00	495.58	(0.83)	F.O.B.	Current
Urea (46-0-0)	Ask		575.00 - 625.00	599.00	(8.00)	F.O.B.	Current

Fuels

Fuel Distributor (Dollars Per Gallon)

Class	Sale Type	Package	Price Range	Average	Change	Freight	Delivery Period
No. 2 Diesel (Farm)	Ask		2.55 - 2.83	2.72	(0.06)	F.O.B.	Current
Biodiesel (Farm)	Ask		2.49 - 2.82	2.70	(0.04)	F.O.B.	Current

- **The outlook for the global potash (K) fertilizer market** is much more positive compared to the nitrogen and phosphorus outlooks for 2026. Global potash supplies are expected to continue to be high and might even increase. Affordability is optimistic, unlike the other major nutrients, and this is expected to continue into the new year. While the potash outlook is mostly positive, there are potential clouds on the horizon. At the top of that list are various geopolitical issues occurring internationally. Increases in global fertilizer usage are expected to be seen between 2025 and 2029, though at a slower pace than the past 2 years, according to International Fertilizer Assn. With an annual growth rate projected between 1% and 2%, total use is forecast to be 224 mmt by 2029, an increase of 18 mmt compared to 2024. The supply forecast for potash fertilizers continues to be positive, according to IFA. Additional, potash production in Canada and Laos increased by 8% and 20% respectively compared to 2023, according to IFA data. Global potash capacity is projected to increase by 20% between 2024 and 2029, reaching 77.4 mmt globally. IFA reports Canada, Russia and Laos are expected to be the primary contributors to this growth. IFA reports the potash balance between supply and demand is expected to remain well balanced during the next five years after being relatively tight before 2023. The theoretically available surplus is projected to remain relatively stable, at 14% of supply capability in 2029, compared to 13% in 2024. Samuel Taylor, Rabobank Research analyst, (right) Farm Inputs, told DTN potash is extremely affordable when you factor fertilizer prices and commodity prices. This is the complete opposite when compared to nitrogen and phosphorus fertilizer, he said.

- **China's November export data is in**—and the numbers reinforce just how significant China's role has been in global fertilizer trade this year. In November alone, China exported 4.44 mil. tonnes of fertilizers, including 600,000 tons of Urea, 2.21 mil. tons of ammonium sulfate, 450,000 tons of DAP and 280,000 tons of MAP. The additional 600,000 tonnes of urea shipped in November pushed China's 2025 urea export total to approximately 4.62 mil. tonnes, marking one of the most aggressive urea export years on record. From January through November 2025, China exported a total of 42.86 mil. tonnes of fertilizers, representing a +46.4% year-on-year increase; but DAP was down 24% and Map was down nearly 5%. China's 2025 fertilizer export story is being driven overwhelmingly by nitrogen, particularly urea, while phosphate exports remain comparatively restrained. With record-level growth in urea shipments and strong overall export value expansion, China continues to exert a decisive influence on global fertilizer supply, pricing dynamics, and trade flows as the year draws to a close. December data will be critical in determining just how far China pushes total 2025 exports beyond already historic levels.

- **What is the threat to fertilizer** within the Russia/Ukraine conflict? Josh Linville of StoneX (left) has a good handle on that given Ukraine attacks on Russian infrastructure. "I still think it's a very low probability. I mean, you think about the number of vessels that head into and out of Russian ports every single day, week, month, year. I mean, for Ukraine to be able to go out there and target every single one and be able to know, don't touch this one, but let's go after that one. You're talking about an impossible task. But I think it highlights something that's very, very important. I think it needs to be at the height of kind of our point of view because yes, these attacks that we saw towards the close of last week, they attacked a Russian oil tanker that was part of their shadow fleet as we've been seeing throughout the news. And there was also an attack directly against a nitrogen production facility within Russia. Obviously, that attack on the Russian facility is what the fertilizer market focused on what's the damage? Today, we still don't know the extent of the damage. Today, we still don't know how long that plant will be down for, if at all. This is across every single major fertilizer product out there. Urea, they're the biggest global exporter, and a single nation exporter. UAN, they're the second largest UAN exporter. The only reason they're not number one is because their only major demand destination is US. They've made everybody else angry and they won't do trade with them. And anhydrous in 2024, they were the eighth largest. Well, put an asterisk on that. They used to be number one back when they were in good nature with Ukraine. But from that point, they've fallen all the way back number 8. Potash is number 2. So, if we continue down this road and we get into a situation where they start attacking more of these vessels and some of them are bulk, I think we need to watch the fertilizer market very, very quickly. This will be something it's not just an individual product. This is something that's going to hit every single major one out there. Yeah, I certainly would not want to send my ships over if I knew there was even a possibility of that happening. We also saw strikes on facilities in the Taman region overnight, which is a major hub for Russia's ammonia exports. We've been watching a new anhydrous export facility being always talked about is anhydrous say you go out there and you start to make that plant operational and it's full of anhydrous and Ukraine makes a decision we're going to attack that. Anybody who has ever run a tool bar, anybody who has applied or worked with anhydrous, you know how incredibly dangerous, how incredibly bad this stuff is when it leaks out into the air. I mean, you talk about a small hose breaking. My dad's got tons of stories of hoses breaking and you having to crawl away uphill, upwind, trying to get away from it or you're going to suffocate. You think about the scale of a facility that's loading vessels to go around the world. This is a big reason why we don't think it's operational. Russia has basically said, "No, this is too close. It is well within the wheelhouse of Ukraine to strike if we have this thing operational." The strikes over a weekend just prove that is absolutely possible. If they can strike an oil facility the size of this place that they hit, they can absolutely hit an anhydrous export facility."

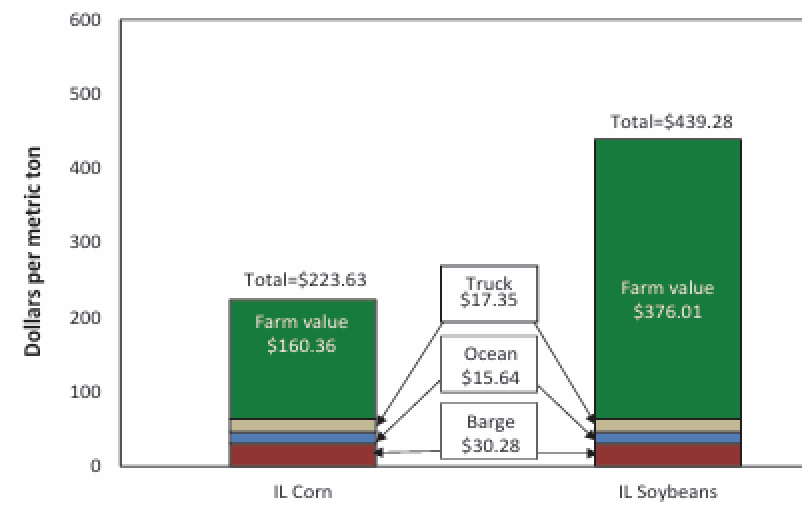
  

Risk Management and Crop Insurance—

- **Can you cut farm operational budget numbers** when it comes to managing risk? Crop  insurance is costly and rarely pays off in IL. In some states it always pays off, and they are subsidized by IL farmers who use it, explains IL Farmdoc ag economists. But it is needed when the risk is realized and the crop is hurt by drought, derecho, or devastation of some other ilk. Purdue Extension educator Mark Evans, (left) says, "Unless your farm can survive a multiyear disaster, cutting crop insurance isn't viable. Despite no 2025 benefit payment, crop insurance isn't priced like auto insurance where "no claim" indicates low risk. It's  meant to protect from price collapse, yield loss, county-level disasters and/or multiyear drought or consequences of extreme weather." Busey Ag Services chief Steve Myers (right) says, "Analyze numerous alternatives for coverage along with your insurance provider and banker. The answer could be a combination of tweaks involving picking the right percentage coverage level and unit structure. These coverages are subsidized, so this is a rare opportunity to "guarantee" a return on your farm at a subsidized rate. Yes, you can be insurance-poor or have excessive add-ons. Yet the biggest questions are why you are securing coverage in the first place and how much risk you are willing to accept. Review, assess, gather opinions, decide and move on."
- **If your response to unprofitable grain prices is to diversify,** USDA's RMA has an idea for you. Whole-Farm Revenue Protection (WFRP) provides a risk management safety net for all commodities on the farm under 1 insurance policy and is available in all counties nationwide. This insurance plan is tailored for any farm with up to $17 mil. in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.
  - ✓ Whole-Farm Revenue Protection Pilot Policy 26-0076
  - ✓ Micro Farm Policy Provisions 25-MF-WFRP
  - ✓ Whole-Farm Revenue Protection Pilot Policy 25-0076
  - ✓ PM-25-053.1 Whole-Farm Revenue Protection Pilot Policy and Micro Farm Program Changes Effective for the 2026 and Succeeding Crop Years
  - ✓ Producer Perspectives
  - ✓ Introduction to WFRP and Micro Farm Pilot

Transportation—

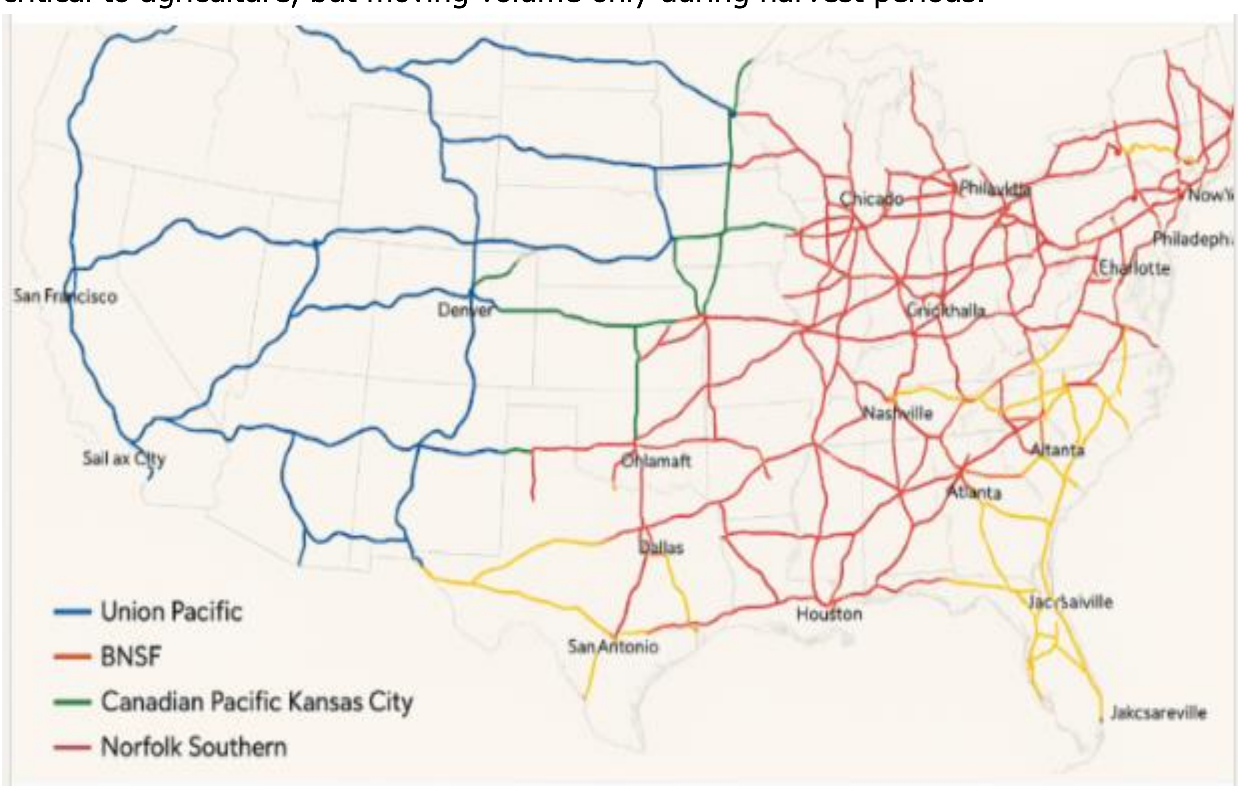
- **It is getting cheaper to ship corn to Mexico** which is the top grain export market for US (and IL) farmers. USDA's Grain Transportation economists report, "The competitiveness of U.S. grain (corn, soybeans, and wheat) exports to Mexico and elsewhere depends on low transportation and landed costs. U.S. grain is transported to Mexico, either across the land border or by sea to Mexican ports for inland distribution. From second quarter 2025 to third quarter 2025 (quarter to quarter), total transportation costs rose for all grain by water routes, reflecting increases in barge and ocean freight rates. Barge rates rose in response to reduced shipping capacity as water levels sank to critical lows in the Mississippi River. Rising ocean freight rates reflected strong movements of bulk items, especially imports of iron ore and coal by China and sustained demand for grain shipments out of the U.S. Gulf. Also, quarter to quarter, total transportation costs fell for soybeans and wheat shipped by land routes, reflecting lower rail freight rates. Railroads reduced wheat rail tariff rates in June and soybean rail tariff rates in September. From third quarter 2024 to third quarter 2025 (year to year), total costs of shipping corn and soybeans to Mexico by the water route rose, because of higher barge rates. For water-route wheat, the decreases in truck and ocean freight rates outweighed the increase in barge rates, thereby lowering total transportation costs. Transportation costs increased for land-route corn, but fell for land-route soybeans and wheat because of falling rail tariffs. Quarter to quarter, landed costs fell for all grain shipped by water and land routes. For water route grain, landed costs dropped because of declining farm values. For land-route soybeans and wheat, landed costs fell because of declines in both transportation costs and farm values. For land-route corn, landed costs fell because of declining farm values. The share of landed costs comprising transportation ranged from 14 to 28% for the water routes and from 13 to 30% for the land routes. For water-route corn, soybeans, (graph) and wheat and for land-route corn, transportation's share of landed costs increased because of both rising transportation costs and falling farm values. For land-route wheat, transportation's share of landed costs rose marginally as farm-value decreases exceeded transportation-cost decreases. Year to year, except for water-route corn, landed costs fell for all grains shipped to Mexico via both water and land routes. For land-route corn and water-route soybeans, landed costs fell because of lower farm values. In the cases of wheat by both routes and land-route soybeans, both lower transportation costs and lower farm values pushed down landed costs.



- **Two railroad companies** submitted a comprehensive application to the Surface Transportation Board (STB) requesting approval to combine two major freight railroads into what would be the first transcontinental railroad in America. Union Pacific and Norfolk Southern filed the request late last week, representing what could be a landmark development in the U.S. They're proposing to create a unified rail network across the nation from coast to coast. Freight Waves reports that the almost 7,000-page application gives a specific explanation on how the combination would enhance competition throughout the freight industry while delivering public benefits to their customers, employees, and communities across the country. The merger agreement, which outlines that Union Pacific is acquiring Norfolk Southern, was put in place on July 29, 2025, setting the stage for the regulatory application. Authors of the UP-NS proposed merger provide an [extensive list of benefits which have been published in the Grain Journal magazine.]

  - ✓ **The move isn't without critics**, since it has drawn opposition from trade groups, unions representing engineers and track workers, and rival carrier BNSF. →
  - ✓ **Fertilizer folks vote no.** The Fertilizer Institute released a statement in response to the application submission with the Surface Transportation Board requesting approval of a merger between the Union Pacific and Norfolk Southern railroads. "The Fertilizer Institute relies heavily on rail, and many shippers already operate with limited transportation options, increasing costs, and continued service challenges, all with a 'take-it-or-leave-it' approach from railroads," the statement said. "Our priority is a rail system that provides reliable service and a balanced relationship between carriers and carload shippers, with accountability for systemic rail service failures and a rate review process that's efficient, timely, and economical." The Institute also said that while it's still reviewing the filing, it's "difficult" to see how any coast-to-coast merger would improve this imbalance or meet the standard set out in the Surface Transportation Board's merger rules. "Railroads hold all the cards, and larger mergers only stack the deck," the Institute added.
  - ✓ **The grain industry** is still evaluating the proposal and surveying its members whether to support or oppose the planned merger. Grain elevators have a lot at stake.

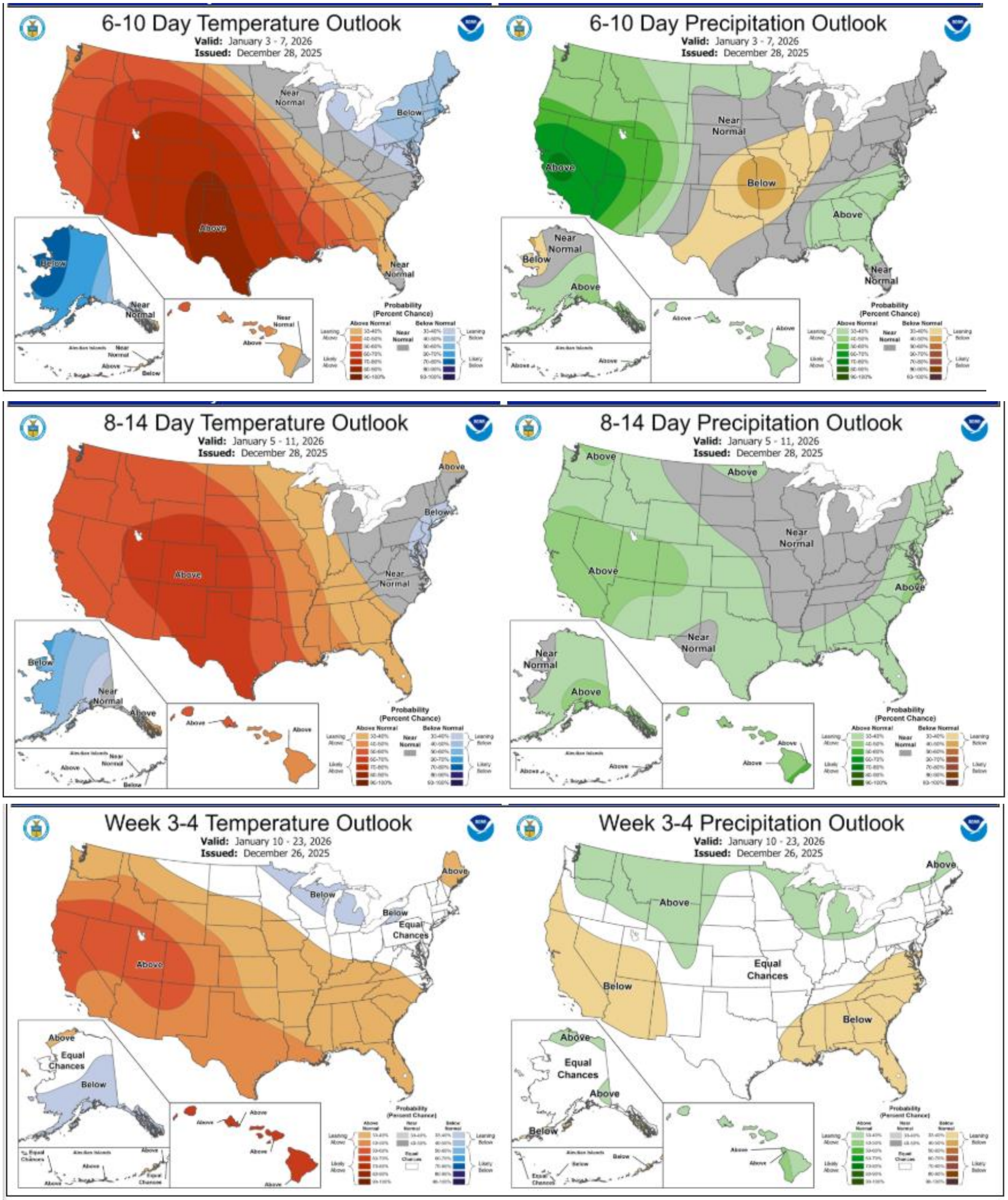
- **USDA transportation economists say, "**If STB approves a UP-NS merger, the new firm would be the first single-company, East-West transcontinental railroad in the United States. According to STB service metrics (available on [AgTransport](#)), UP and NS handled (originated and received) 43% of all Class I rail traffic in 2024—including 34% of all grain carloads and 42% of all grain mill product carloads (e.g., soybean meal, corn syrup, flour, and distiller's dried grains).
- **In addition to fertilizer and grain shippers**, [there are others concerned about the impact of the proposed rail merger.](#) "What happens to America's 600+ short line and regional railroads when the Class I carriers consolidate? This is a great breakdown not just of how the Surface Transportation Board may treat the proposed Union Pacific-Norfolk-Southern merger in terms of competitive concessions, but how the knock-on effects of network rationalization and any STB divestiture mandate could trigger a short line gold rush. This could result in direct impacts on ag shippers that otherwise are not in the crosshairs of losing competitive options from the merger. [Daniel Bostek](#) argues that "Class I carriers will use the merger as justification to rationalize their networks voluntarily." More specifically, "post-merger, UP-NS will likely divest or abandon" low-density branch lines that serve rural grain elevators and seasonal or sporadic traffic lanes critical to agriculture, but moving volume only during harvest periods."



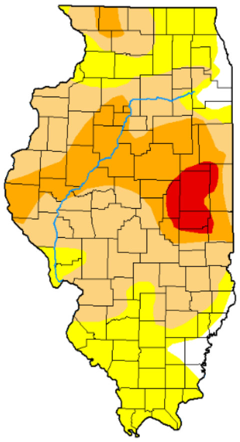
- **Half the Mississippi River is frozen or closed, and the other half is nearly dry**. Subsequently, grain barge traffic is minimal. USDA transportation economists report, "For the week ending December 20, barged grain movements totaled 503,972 tons. This was 42% less than the previous week and down 37% from the same period last year. For the week ending December 20, 317 grain barges moved down river—244 less than last week. There were 866 grain barges unloaded in the New Orleans region, 28% more than last week. That also means, fewer ocean grain freigters are departing Gulf terminals. For the week ending December 18, 30 oceangoing grain vessels were loaded in the Gulf—14% fewer than the same period last year. Within the next 10 days (which started Dec. 19), 42 vessels were expected to be loaded—2% fewer than from the same period last year. As of December 18, the rate for shipping a metric ton of grain (37 bu. of beans, 39 bu. of corn) from the U.S. Gulf to Japan was $54.25, down 3% from the previous week. The rate from the Pacific Northwest to Japan was $29.50 per ton, down 5% from the previous week.
- **With record cold temperatures** throughout much of the Midwest, ice accumulation on the Mississippi River System (MRS) has challenged barge operations since the start of December. USDA grain transportation economists report, "Since barge navigation on the Upper Mississippi River (UMR) ended on November 25, ice formation has slowed navigation on the Illinois River. According to the American Commercial Barge Line, barges on the Illinois River have required ice couplings since December 5. The warmer temperatures of recent days are expected to melt some of the ice. Ice formation on the UMR and Illinois River contributes to low water on the Lower Mississippi River (LMR), where water levels have been near the "low" threshold since September. The Mississippi River at St. Louis currently measures –3.2 feet, just above the threshold. One operator, the American Commercial Barge Line, has implemented draft and tow size restrictions on the LMR, but the U.S. Coast Guard has no low water restrictions currently in effect."
- **Northern Plains grain farmers can't get a break.** After the tariff war shut down nearly all demand for grain from MN and the Dakotas, floods in the PNW have halted rail traffic into Vancouver and other grain ports. USDA grain transportation economists report, "Last week, December 8-11, an atmospheric river brought heavy rainfall to western OR and WA State—between 10 and 17 inches, in some areas. In 5 locations in western WA, river levels set new records. Last week, additional rain in the region exacerbated flooding. As a result of the flooding, multiple BNSF Railway subdivisions were out of service last weekend which provide access to grain export terminals on Puget Sound. Both subdivisions have since reopened. BNSF's Seattle Subdivision—which serves grain elevators on the Columbia River— never closed, though BNSF closely monitored the route for flooding. The Pacific Northwest (PNW) is the second largest gateway for U.S. grain exports. Over the last 4 weeks, grain export inspections from PNW export terminals have been 8% above the prior 3-year average."

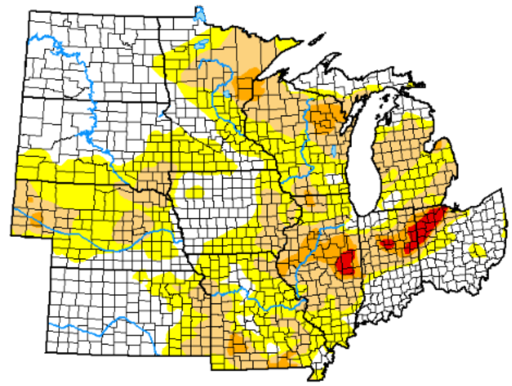
Weather and Climate—

- **The Midwest is drying out over the next couple weeks,** with temperatures expected to be seasonal to warm going into the first week of January.



- **Across the Midwest,** clipper-type systems brought snowfall along the US-Canada border, with some Lake Effect snows falling across Michigan, according to the Drought Monitor. Mostly dry conditions were observed for the remainder of the upper Mississippi Valley, IA, and western MO. Light precipitation fell east of the Mississippi River, with accumulations increasing towards the east. Overall, only small changes in the drought depiction were made across the region. A reassessment of impacts from prior precipitation led to reductions of moderate drought and abnormal dryness for northwestern IA, and a localized area of 0.5 inch precipitation following up on snowfall in early December allowed some modest reductions of moderate drought across southeastern IA and western IL. A small reduction of abnormal dryness also occurred across central OH, where accumulations exceeded 1 inch. In contrast, drier conditions and above-normal temperatures led to some degradation across south-central MO and far southern IL. No change in drought depiction was made across the upper Great Lakes region, where streams and soils have mostly frozen over. The extreme drought designation in East Central IL has remained for nearly 3 months, but has extended northward.





Agronomy—

- **Pioneer agronomists always have seed recommendations,** but what do they say about fertility requirements in corn? Pioneer agronomists Matt Essick and Matt Clover, both in IA, responded to Prairie Farmer questions from Tom Bechman:
  - ✓ Some farmers use yield maps to identify high- and low-yielding areas. What if you don't have yield maps? Essick: Use your knowledge of past production trends within each field. Even if you don't print maps, you may see yield monitor numbers across the field. Utilize soil maps to help break out higher- and lower-producing areas. Try accessing satellite images of your fields too.
  - ✓ Can I drop P and K fertilizer rates if I strip-till and band nutrients? Clover: Crop needs don't change just because you strip-till. However, banding tends to be more efficient. Especially if you overapplied in the past, you could likely back off rates. Just don't go lower than what the crop needs.
  - ✓ Why shoot for higher yields in a tight margin year? Why not plan to cut costs? Essick: It comes down to return on investment and making smart decisions that drive ROI. If you cut costs that reduce yields, you could lose significant income. For example, if you cut N too much, you may save upfront, but overall yield may be much lower. If you invest in N at profitable rates, you will see a return on each dollar spent.

- **The fall window for planting cover crops may have closed,** but now is the perfect time to learn what impact they had on cash crops during the 2025 growing season. IL Soybean Assn. agronomy staff report seeding rate is a big question because fall weather ultimately decides when we can get into the field. We can't always control planting date, but we *can* control how much seed goes in the ground. The key is to understand how those rates behave when planted at different times of the year.
  - ✓ The results of this study uncovered 2 major trends relating to cover crop growth:
  - ✓ Biomass production essentially doubled when rye was allowed to reach maturity instead of being terminated at 24 inches, regardless of planting date.
  - ✓ Planting date influenced biomass more than seeding rate, with earlier planting resulting in greater biomass production across all treatments.

  Single species cover crops and cover crop mixes were also evaluated for both their biomass production as well as their impact on soybean yields. The data showed that every cover crop mix resulted in a soybean yield that was numerically higher than the control plot, where cover crops were not planted (Table 1). All seed mixes of 2 or more species, apart from the cereal rye and rapeseed blend, resulted in a soybean yield that was significantly higher than the control plot (Table 1).

Table 1. Cover crop biomass and grain yield of soybean in 2025 at Belleville, Illinois.

Cover Crop Treatment	Cover Crop Biomass	Soybean Yield
	lb. dry biomass/acre	bushels/acre
No cover (Control)		42.1
Cereal rye	4367	47.2
Winter wheat	4258	45.9
Annual ryegrass (ARG)	5761	46.6
Cereal rye + Rapeseed	2773	48.2
Cereal rye + Hairy vetch	2962	49.2*
Wheat + Radish + Balansa	3732	48.8*
ARG + Rapeseed, Balansa	5133	49.2*
Cereal Rye + Winter oats + ARG + Hairy vetch	6272	49.3*

* Significantly different from the control

In the fall, every day of growth matters so take advantage of any early planting window you get. Also, pay close attention to spring weather since warm and dry conditions often call for earlier termination.

- **In 2025, soybean growers faced high pressure** from multiple yield-robbing diseases. Matt Geiger, an agronomy service representative with Syngenta, talked about what those diseases were and which ones growers will likely face again in 2026, "It's really geography dependent. For some parts of my area, Red Crown Rot was a big player. The closer you get to the metro, east of St Louis, it is very devastating. You start to get it in high numbers. There are certain parts of the soybean-growing regions where Sudden Death Syndrome is an issue. It seems like it's more dependent on the growing season, whereas Red Crown Rot seems like it's a more predictable pathogen. The year-in, year-out stuff for all soybean growing regions are Pythium and Phytophthora. So those are two early-season soybean diseases that can wipe out your stand in spots. And then, foliar diseases. Every year it seems like you'll see Septoria Brown Spot. And then, depending on your geography, as well, you can see Frogeye Leaf Spot as well. And then you get to the North, where it's cooler, more moderate temperatures, white mold can be an issue to the North as well, which is a very devastating pathogen if you get it." He said the best way to prepare for next season is to make plans soon after wrapping up the current season, "So, you know which fields were affected by what pathogens, if you will. You know certain fields, like if you had Red Crown Rot on a few acres, you certainly need to use a treatment for that pathogen on those fields. Say you have Soybean Cyst Nematode on a certain field, because let's just say it's surrounded by trees and doesn't raise very good corn, so it's been bean-on-bean for a long time, you'd probably want to make sure you're using a nematicide. But the moral of the story is that you need to learn from years past and learn your field histories and utilize the technologies we have available to control whatever pests that you may be encountering on a consistent basis, whether it's SDS, nematodes, Red Crown Rot, foliar diseases, etc." Geiger talks about products that will protect those soybean yields from diseases in 2026, "Obviously, it depends on your pathogen. So, if you're in an area that's having issues with Sudden Death Syndrome, Red Crown Rot, or nematodes, you want to look at a new product that we just launched, by the name of Victrato. It's a new seed treatment that we've been waiting for many, many years, and we finally just got registration. The reason that we were willing to take the risk is because of the performance that we've seen in our research trials on those 3 pests. And if you have issues with foliar diseases like Frogeye Leaf Spot or Septoria, you want to look at Miravis Top fungicide. You know, if you're to the North, you want to look at maybe Miravis Neo on your soybeans as well. You can start to see some white mold when you get to the North, and that product, at a higher rate, can do a pretty decent job on white mold as well." Foliar diseases, you'll see on Victrato's label, are going to be Septoria Brown Spot, Frog Eye Leaf Spot, and Target Spot, but it's not a replacement for an R3 application like you usually do. It's basically a setup for that. At R3, you should have cleaner plants for your fungicide to be able to work a little bit better at that standpoint, because you're coming on to a clean slate, hopefully, when you use Victrato on the seed. So, think of its kind of as a supplement to your R3 fungicide." (Syngenta)

- **Some farmers have it, others don't,** but more are finding soybean yields are impacted with red crown rot. IL Soybean agronomist Stephanie Porter says, "Early signs appear below ground, with reddish discoloration on roots as early as the V2 growth stage. Foliar symptoms—yellow blotches between leaf veins—typically emerge after R1. Depending on environmental conditions, these may be visible during scouting or from the sprayer cab at R2 but often aren't noticeable from the road until later. Additional stresses, such as soybean cyst nematode (SCN), soil pH issues, deep planting, compaction or other root diseases, can intensify symptoms. Early infestations often appear in patches, so yield maps may show yields from 0 to 50 bushels in small areas while overall field averages look good. Over time, however, losses can be severe—40% to 60% in heavily infested fields, and in extreme cases, up to 80% in localized spots under high disease pressure. RCR is one of the most challenging soybean diseases because *there's no cure once it infects your field*. There's no silver bullet yet, so the best defense is an integrated strategy:

  ✓ Improve Field Conditions--Enhance drainage, reduce compaction and fix low spots to prevent waterlogging—conditions that favor RCR.

  ✓ Reduce Plant Stress--Manage SCN and other root diseases. Maintain proper soil pH and fertility to keep plants resilient.

  ✓ Choose the Right Soybean Varieties--Talk to your seed company about variety performance in RCR-prone areas. Pressure them for more insights.

  ✓ Consider Seed Treatments--While seed treatments won't eliminate the pathogen from soil, they can reduce early infection.

  ✓ Rotate Crops--Plant non-host crops like corn or small grains. Avoid legumes such as alfalfa, clover, vetch, and lupine, which can harbor the pathogen.

  ✓ Sanitize Equipment--Clean soil and residue before moving between fields, especially if one is infected—to prevent spreading microsclerotia.

  IL Soybean Assn. (ISA) is investing checkoff dollars to advance detection and management strategies. Current projects include using satellite imagery to identify RCR hotspots, evaluating commercial products and studying how treatments influence interactions between RCR and SCN. Collaboration is also ramping up. The United Soybean Board recently hosted an RCR meeting, bringing together plant pathologists from across the Midwest to share research updates, outreach plans, and set priorities for future studies, many of which will require additional funding. One major hurdle remains: finding infested fields for trials. To help, some growers, including myself, are volunteering fields confirmed with RCR, ensuring research moves forward. Researchers need your help now. If you have soybean fields showing signs of RCR, volunteering a site for research is critical to developing rapid diagnostics and effective treatments before this disease causes widespread losses.

- **Growers are looking ahead to next season,** and their weed management plans for 2026. One tool growers rely on for early-season pre-emergence weed control is pyroxasulfone. However, without a safener, it can cause significant injury to corn. TJ Binns, an agronomic service representative with Syngenta, says avoiding crop injury and controlling tough weeds is needed all the way to canopy, "Early-season weeds start impacting the potential as soon as that crop comes out of the ground. It'll actually change its leaf orientation. One of the important things to remember is that it not only impacts the above-ground portion, but it's actually affecting your roots. It's going to reduce the amount of root mass on that crop, so any stress that comes on later in the season will actually have a detriment, just because you've already got less of a root mass there to be able to pick up your nutrients, moisture, and everything else." Of course, crop safety is vitally important to corn and its yield potential, "Crop safety is important because, once again, any time that plant is working a herbicide or anything, really, I mean, any stress through its system, it's taking its effort away from growing the plant material we need. You know, if it's trying to work that through its system, it's not developing the roots. It's not developing leaves, which is what we're needing later on in the growing season to be able to collect that moisture, be able to collect that sunlight, to produce the grain. But that's really what we're worried about." Binns recommends control of tough weeds without damaging your crops, "We're just trying to get rid of, or highly reduce, the amount of competition from the weeds out there. Those weeds are stealing our moisture, our nutrients, and our sunlight away from the crop, and that's what reduces the grain."

Conservation, Environment, Carbon—

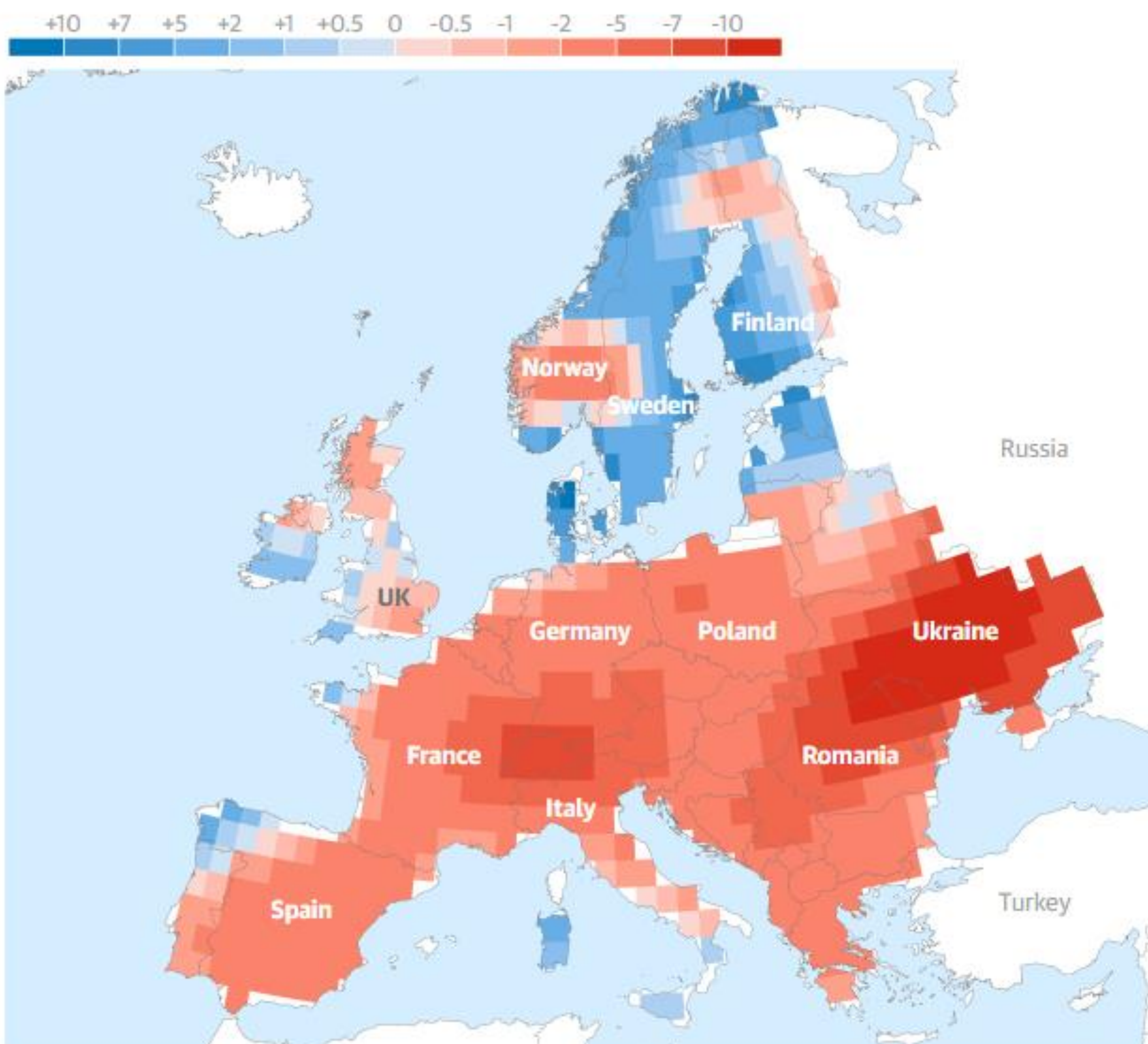
- **The IL Nutrient Loss Reduction Strategy (NLRS)** has launched a new online Data Portal, providing partners—such as IL SWCD's—with an improved way to explore, understand, and share progress toward statewide nutrient reduction goals. It is a dynamic, interactive platform that preserves the structure and science behind the Strategy while improving accessibility, transparency, and usability for conservation professionals, partners, and decision-makers. The Portal was developed in cooperation with the National Great Rivers Research and Education Center (NGRREC) and the Univ. of IL National Center for Supercomputing Applications (NCSA). The NLRS Data Portal includes Sector implementation data, research updates, and partner information through 2022**;** Water quality data through the 2021 water year; and an interactive map displaying point source sector metrics. During 2026, data will be made current and will include Interactive maps for the agricultural and stormwater sectors, and Statewide water quality data. Districts and partners are encouraged to explore the NLRS Data Portal and become familiar with the available tools and datasets. As an evolving resource, partner feedback is essential to ensuring the Portal remains useful, accurate, and relevant for conservation work on the ground. Click **HERE** to explore.

- **There was a flavor of pork** at the recent global environmental conference, COP30. Last month's United Nations Conference of the Parties, or COP30, was attended by an estimated 50,000 people from around the globe. Maddie Hokanson, (bottom right) a 7th-generation MN pig farmer, participated in several panels. With representation from industry sectors such as agriculture, energy, transportation, and non-governmental organizations, U.S. pork ensured producers had a seat at the table to share their We Care® commitment. Jamie Burr, (right, and below left) chief sustainability officer for the National Pork Board, recounted her remarks, "Farmers get up every day to protect their family, protect resources, produce a safe, abundant supply of food, and being able to have a producer share her individual life and family story of progress, of continuous improvement, was just invaluable, because she can bring more of that emotional piece versus the data-science piece to the story." Events like COP30 convene experts to strategically identify and address key issues that could threaten producers' freedom to operate. For Burr, it created space to listen and learn from peers around the world, while also providing an important opportunity to share the U.S. pork industry's commitment to progress, "You know, I have not visited with a single farmer ever that has not said, you know, we just need to do a better job of sharing our story. I couldn't agree more with that, but we have to share that story with data, with true facts. Our detractors have their own data." 673 mil. people are undernourished, meaning they are not getting enough to eat. That's a compelling reminder of the role animal-based protein can play in delivering essential nutrition. By staying attuned to anti-meat strategies and shifting global perspectives, the industry can deliver clear and transparent messaging that demonstrates its ongoing stewardship. Visit porkcheckoff.org for a written note from Jamie about COP30. (National Pork Board)

- **A climatic challenge** [is confronting European agriculture](). "Europe is running out of groundwater — and faster than most realize. New analysis shows that nearly every European country has faced below-average groundwater levels since 2018, driven by recurring droughts, rising temperatures, and decades of over-extraction. Groundwater provides 65% of the EU's drinking water and a quarter of its agricultural irrigation. When these reserves collapse, so do communities, food systems, and regional economies. This isn't a distant scenario — it's already visible from Spain to Germany to Romania, where some aquifers haven't recovered from droughts 20 years ago. The takeaway: Europe must treat groundwater as the finite strategic resource it is. Smarter water governance, restored landscapes, and efficiency in agriculture aren't "nice to haves" — they're survival strategies."

Much of Europe has been getting drier

Change in groundwater storage from Apr 2002 to Dec 2024, mm a year



- **Atmospheric scientist Ben Santer** is taking issue with the Trump administration and the EPA, he says, "I've spent the last 40 years working on the nature and causes of climate change, together with hundreds of scientists around the world. The work of this entire community is now being erased at the U.S. Environmental Protection Agency. It's sad to witness the systematic dismantling of climate science in the United States. It's sad to witness this regression to a baser, meaner state. It's sad to watch the embracing of willful ignorance by your own government. It did not even take one year to purge websites, turn off satellites, cut funding for basic research, and fire thousands of dedicated scientists. To cause lasting harm to the U.S. scientific enterprise. But in the end, science can't be extinguished. Not even by the U.S. President. The desire to understand how and why the world is changing is unquenchable. It's an integral part of what it means to be human." →

- **Politico reports, "EPA has scrubbed references** to people's contribution to rising temperatures from some of its climate change webpages. The agency modified sections of its website by deleting information about human-created greenhouse gases and the role they play in warming the planet. It also removed links to scientific data and information. The website now directs visitors to a subsection on climate "causes" that mentions only natural phenomena as the drivers of warming, like changes in the Earth's orbit and variations in solar activity. Two subsections titled "Climate Change Indicators" and "Climate Change Impacts and Analysis" have been removed.

- **WOTUS is becoming "a thing."** And farmers and landowners need to put their antenna up regarding changes in federal interpretation of judicial interpretation of Waters of the US laws. This proposed WOTUS rule marks a significant step toward clarity in regulations, clear definitions, and lower legal risks for agriculture and rural landowners. If adopted as written:
  - ✓ Routine ditches, drainage systems, tile drains, and farmland conversions will likely be excluded from federal jurisdiction.
  - ✓ Many producers won't need a lawyer just to determine whether their land falls under WOTUS.
  - ✓ States, tribes, and local authorities will have more authority over local water regulation.

  This could lead to smoother operations, fewer compliance issues, and more predictability for expansion or upgrades of livestock, feedlot, dairy, or feed-crop operations, especially those managing drainage, irrigation, or pastureland. Here is more you need to know.

USDA—

- **USDA is inviting farmers in 22 IL counties** to apply for financial assistance as a result of drought. A federal designation allows the USDA's Farm Service Agency (FSA) to extend much-needed emergency credit to producers recovering from natural disasters through emergency loans. Emergency loans can be used to meet various recovery needs including the replacement of essential items such as equipment or livestock, reorganization of a farming operation, or to refinance certain debts. FSA will review the loans based on the extent of losses, security available, and repayment ability. Primary counties include Champaign, Coles, DeWitt, Douglas, McLean, Moultrie, Piatt, and Shelby. Secondary (adjacent) counties which are eligible, include Christian, Clark Cumberland, Edgar, Effingham, Fayette, Ford, Livingston, Logan, Macon, Montgomery, Tazewell, Vermilion, and Woodford. On farmers.gov, the Disaster Assistance Discovery Tool, Disaster Assistance-at-a-Glance fact sheet, and Loan Assistance Tool can help you determine program or loan options. To file a Notice of Loss or to ask questions about available programs, contact your local USDA Service Center. According to the U.S. Drought Monitor, these counties suffered from a drought intensity value during the growing season of 1) D2 Severe Drought for 8 or more consecutive weeks or 2) D3 Extreme Drought or D4 Exceptional Drought.
- **The USDA has received a lot of criticism** for the way it handled reductions in its workforce after President Trump took office for his second term. USDA's Office of Inspector General says, by some estimates, the department has lost as many as 21,000 employees through reduction-in-force measures, the Deferred Resignations Program, and through other means. The Office of the Inspector General released a report examining the staffing levels across the agency for the first half of this year. After analyzing available data, the OIG found that between January 12 and June 14, 2025, USDA lost a total of 20,306 employees during that time. That's a loss of 18% of its total workforce of 110,384 people on January 11. Some agencies and states fared worse than others. RI had the most losses at 38% of its agency workforce. KY had the fewest losses at 12%.
  - ✓ The biggest staffing cuts came at the U.S. Forest Service, which lost 5,860 employees, or about 16% of the total workforce.
  - ✓ Rural Development took a steep cut, losing 1,745 employees, or 36% of its employees.
  - ✓ The Farm Service Agency (FSA) had 806 people leaving while FSA county offices lost 1,082 people out of 15,837 total staff -- reflecting a smaller percentage loss than other agencies.
  - ✓ At the Natural Resources Conservation Service (NRCS), 2,673 employees, or 22% of staff, left the agency.
  - ✓ The Animal and Plant Health Inspection Service (APHIS) lost 2,105 employees, or 25% of its workforce.
  - ✓ Another 1,647 employees at the Agricultural Research Service (ARS), or 23%, also left.
  - ✓ The National Agricultural Statistics Service (NASS), which is responsible for a steady flow of USDA data and reports, saw 275 people, or 34% of staff, leave the agency. →

- **Along with slicing staff at USDA**, Department of Government Efficiency (DOGE) cut budgets, with DOGE staff not asking what the budget funded, and the purpose of the Congressional appropriation. While trying to tackle avian influenza, USDA fired researchers who were working on the disease. At least 28 people were initially fired at the country's brand-new $1.25 bil. National Bio and Agro-Defense Facility (NBAF) in KS -- the country's only level 4 biosecurity facility for foreign animal diseases. A few weeks later, speaking to state agricultural directors, Rollins acknowledged some firings were rash though she backed efforts to slash USDA programs. "I am proud to work with the Department of Government Efficiency, with DOGE, to streamline inefficiencies across the USDA," Rollins said. DOGE initially moved to close 111 USDA office contracts across 9 agencies, which included 36 NRCS offices and 22 Farm Service Agency offices. At one point, DOGE's website claimed it had canceled rental contracts in every federal office in 1 Arkansas county. DOGE's role at USDA reached a point in late April that any FSA loan of $500,000 or more, or any loan to a corporate entity, would need approval by both the Secretary's office and DOGE. At the 100-day mark of the administration, Rollins said her staff had canceled 3,000 contracts and grants totaling $5.5 bil. Conservation program payments to producers were also frozen as USDA tried to separate program dollars that came from the Farm Bill from those that came from the Inflation Reduction Act (IRA). In early March, more than 10,000 farmers who grow food to sell locally lost $1.13 bil. in federal support when USDA stated it would not honor Local Food Purchase Assistance (LFPA) and Local Food for Schools (LFS) cooperative agreements. At the same time USDA was championing the importance of whole foods as part of the "Make America Healthy Again" agenda. The federal government's biggest organization for humanitarian assistance, the U.S. Agency for International Development (USAID), was dismantled with more than 80% of its programs eliminated. That forced Congress to move nearly $2 bil. in annual farm commodity purchases for foreign aid to USDA as a way to try to ensure some food aid continues to flow. The full scale of cuts to USAID has not been made public. One of those was elimination of funding to the Univ. of IL for the Soybean Innovation Lab, which developed soybeans to be grown in Africa to aid African nutrition. What happened to the USDA employees and why were they terminated? How many IL FSA and other USDA offices were affected by the employee cutbacks and put into the "DRP" (Deferred Resignation/Retirement Program)?

State or Equivalent	Abbr.	Retirements	Resignations	External Transfers	Terminations	Others	DRPs	Total Attrition	Starting Employee Counts	Percent Employee Attrition
Illinois	IL	21	23	3	38	5	323	413	2,432	17%
Totals		**1,280**	**1,996**	**175**	**1,636**	**105**	**15,114**	**20,306**	**110,384**	**18%**

Trade and Tariffs—

- **The USDA is forecasting** that the agricultural trade deficit will shrink in 2026 more than previously anticipated. Agri-Pulse said USDA expects the trade deficit to drop from $43.7 bil. in fiscal year 2025 to $37 bil. in fiscal year 2026. That's according to the Quarterly Trade Forecast published on Tuesday. During a previous report released in August, the USDA originally predicted a trade deficit of $41.5 bil. in this fiscal year. Driving the adjusted outlook are factors like larger-than-expected exports. USDA's export prediction during FY2026 is now $173 bil., up from the projected $169 bil. in August. However, even with the revision, exports are still set to contract year-over-year after the U.S. recorded $175.6 bil. in exports during fiscal year 2025. "A significant portion of the better outlook can be attributed to improvements in the Chinese market," Agri-Pulse reported. "Exports are also projected to improve in South Korea, Japan, Mexico, and Southeast Asia." "The value of US exports rose 3% to the second-highest level on record, fueled by non-monetary gold and pharmaceutical preparations. Imports increased by a more modest 0.6%. The figures aren't adjusted for inflation," Bloomberg reported. "On an inflation-adjusted basis, the merchandise trade deficit narrowed to $79 bil. in September, the smallest in nearly 5 years. Exports of consumer goods, after adjusting for price changes, were the largest on record." "The September report showed the US exported a record value of goods to Switzerland, leading to the largest-ever trade surplus with the European nation, according to the Commerce Department," Niquette reported. "Meanwhile, the merchandise-trade shortfall with China, when adjusted for seasonal fluctuations, narrowed to the second-smallest back to 2009. The deficit with Mexico widened to a record, and the shortfall with Canada also grew."
- **The White House and some members of Congress** criticized the prior administration for the agricultural trade deficit and are trying to erase it. But respected independent economists at the Peterson Institute say trying to fix it is a "fool's errand." "China's dramatic pullback in its purchasing of U.S. soybeans and other food products has contributed to the $50 billion agricultural trade deficit forecast for this year, the largest in modern U.S. history. For an administration obsessed with trade deficits, this isn't good news. For farmers, it is far worse. The U.S. has been in a growing agricultural trade deficit since 2021. Reversing that trend would run up against global economic forces far larger than any single policy dispute. Chasing balanced agricultural trade is like chasing a white rabbit, one that will ultimately prove elusive. The agricultural trade deficit partly reflects Americans' immense purchasing power and their preference for year-round dietary variety. U.S. agricultural exports of bulk commodities, such as corn, wheat, and soybeans, are also facing stiffer competition. But there are also self-inflicted wounds: tariffs. China has shifted purchases away from the U.S. and toward alternative suppliers as a result of Trump's trade war. This is a regrettable but predictable outcome of weaponizing trade policy. Unfortunately, U.S. agriculture is wide open to retaliation because alternative supply sources are readily available elsewhere. Finally, there is the strength of the U.S. dollar. When the dollar appreciates, U.S. goods become more expensive for foreign buyers, reducing export competitiveness. At the same time, imported products become cheaper for American consumers.

- **The Office of the U.S. Trade Representative** welcomed Julie Callahan as its new Chief Agricultural Negotiator. The U.S. Grains and BioProducts Council applauded the news, saying, "She's a seasoned professional with years of experience in sensitive trade negotiations and will continue to be a great advocate for U.S. agriculture." The National Cattlemen's Beef Association reacted positively to the announcement. "The White House has made it a priority to open new markets to high-quality American beef, and we look forward to working with Ambassador Callahan," NCBA said. The National Sorghum Producers Council also noted that Callahan's confirmation comes at an important moment for U.S. ag. "Her experience and leadership will be critical as we work to strengthen existing markets and pursue new opportunities for U.S. farmers," said NSP Chair Amy France.

- **The USMCA must be reviewed by July 2026.** Dave Salmonsen, senior director of government relations for the American Farm Bureau Federation, said preparations are already underway, "The U.S. Trade Representative's Office has solicited comments from all kinds of people in industry, what they think of the opportunities for changes in the agreement. Our Trade Representative, Ambassador Greer, (right) has been briefing the various committees on what the objectives of the government will be going forward." Salmonsen said the upcoming renegotiations are a great opportunity to improve the agreement between the 3 North American neighbors, "We were not satisfied with how Canada implemented any improvements in dairy product access from the U.S. in the USMCA. We also have had problems over the many years with seasonal import surges, primarily seasonal produce from Mexico. That is what we want to see addressed when the countries come together." He said the 3 countries will meet behind the scenes during the runup to July, "Folks from the various trade and other agencies and their governments will get together to work on the issues and prepare, hopefully, an agreement that they can discuss in July. And in Congress, they'll expect hearings from the House Ways and Means Committee and the Senate, from the Finance Committee, perhaps other committees." (American Farm Bureau)

- **Mexico has launched an investigation into U.S. pork trade,** alleging that unfair pricing and government subsidies may be harming Mexican producers and processors. Mexico's Secretariat of Economy said it initiated antidumping and countervailing duty probes after Mexican pork producers, processors and trade groups complained that imports of U.S. hams and pork shoulders surged and were sold at less than fair value. The complaints allege the imports pressured domestic prices and hurt profitability. The ministry will examine alleged dumping and subsidies from 2024 and assess potential injury to the domestic industry from Jan. 1, 2022, through 2024. The subsidy investigation will review federal and state-level grants and payments. Under World Trade Organization rules, countries may impose duties if dumped or subsidized imports cause material injury. Any duties would apply prospectively after a preliminary finding. Mexico is the top export market for U.S. pork, importing about 1.15 mil. metric tons valued at nearly $2.6 bil. in 2024. The National Pork Producers says, "Mexico is a major consumer of pork, and the U.S. pork industry has decades-long partnerships with buyers there to satisfy demand for high quality, readily available pork products. NPPC has been working with experts including lawyers, economists and government affairs officials on a coordinated producer strategy. NPPC has been party to trade cases in Mexico and elsewhere in the past and will lead efforts with U.S. and Mexican government officials."
- **U.S. farm and food product exports** create a lot of value and generate economic activity within and outside of the agricultural sector. In general, increased exports of agricultural products lead to higher demand for transportation services, packaging materials, and the additional employment and activities required to ship exports. In 2023, the value of U.S. ag exports, comprising commodities and food products, reached $175.5 bil. In turn, these exports generated an additional $186.9 bil. in economic activity. Exports of bulk, unprocessed commodities like soybeans and corn, valued at $74.2 bil., generated an additional $66.2 bil. in economic activity in 2023. Including the value of the exports themselves, U.S. agricultural exports generated a total economic output of $362.4 bil. in 2023. Put another way, every $1 of U.S. agricultural products exported generated a total of $2.06 of domestic economic activity, on average.
- **A new USDA labeling rule** takes effect Jan. 1, tightening standards for when meat, poultry and egg products may be identified as a "product of the United States." Under the regulation, finalized in March 2024, companies may use labels such as "Product of USA" or "Made in USA" only if the animals were born, raised, slaughtered and processed in the United States. Meat from animals imported live for feeding or processing no longer qualifies. Products that are minimally processed may use qualified claims, such as noting they were sliced or packaged domestically using imported meat. The rule does not require companies to use U.S.-origin labels, but any firm that does must maintain records supporting the claim. USDA will generically approve labels without additional verification programs. The regulation applies only to domestic sales, not exports. Critics warn it could strain trade ties, particularly with Canada and Mexico, and discourage imports of live animals.

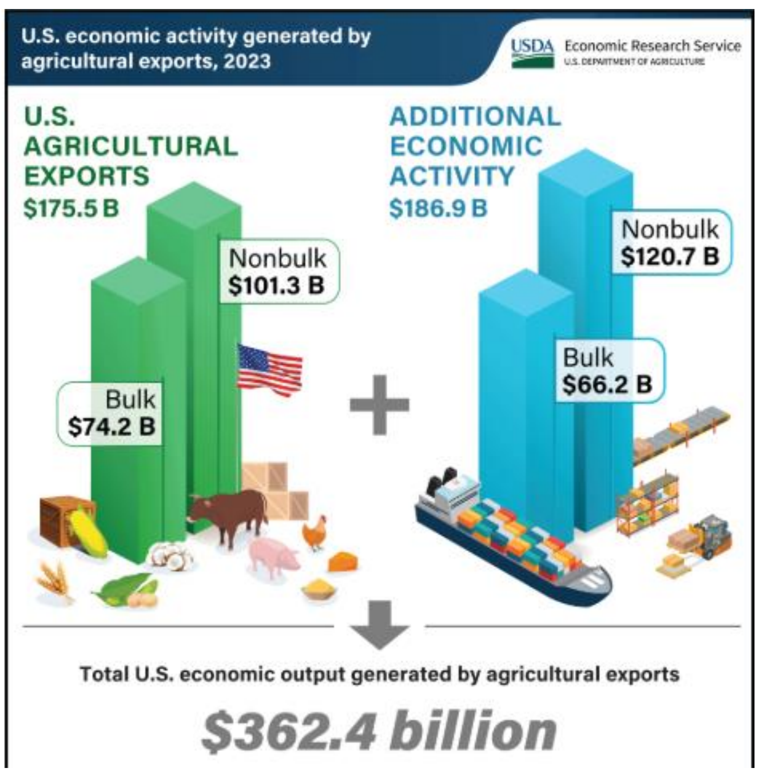
- **Talks on a tariff and trade deal** between Indonesia and the U.S. appeared to be on the brink of collapse earlier this month, but The Business Standard said the issues appear to finally be resolved. Indonesia's chief trade negotiator said the 2 sides have agreed on "all substantial issues" for a tariff deal, paving the way for an agreement signing by the end of January. Indonesia's senior economic minister said the main challenge was providing balanced market access for American products, and at the same time, market access for Indonesia into the U.S. market. "There is no factor that can hinder the signing of this Agreement on Reciprocal Trade," said the minister. From January through October, trade between the 2 countries was worth $36.2 bil., with Indonesia carrying a $14.9 bil. surplus. Data shows the U.S. is Indonesia's second biggest export market.
- **The US and European Union remain at odds** over European timber rules that have a direct bearing on farm exports. The EU is trying to minimize deforestation by restricting farm products imported into Europe. But that isn't buying them many friends here in the US. General Farm Commodities Sub-Committee Chair Rep. Austin Scott at a recent White House farm aid meeting with the president, "They are imposing on our landowners rules that were established for Brazil…and now they are telling the American farmer what they can and can't do on their own land." Scott says Europe is trying to dictate American farmers land practices from afar, "They are telling the American farmer that if their timber is cut and they are going to use that land for pastureland or for production agriculture, that they will not take the timber or the byproducts from the sale of that timber." The regulation is part of the EU's biodiversity strategy and is set to enter into force December 30th, with an extra 6 months for small entities. President Trump vowed to act, "We're always helping them and they do this kind of stuff. They pass literal regulations that cost billions of dollars. It takes them 2 minutes to do it, they do it. Very tough, no good. You give me a couple of paragraphs, that's all. We don't have to do a lengthy study…and I'll get that changed." The White House has now complained to the EU about the impact of the new rules on US farm and timber exports, pressing for exemptions. The European Commission has promised talks to avoid undue restrictions but not to give up its rules entirely. ((Berns Bureau, Washington)
- **Vietnam wants more of your soybeans.** Vietnam Agribusiness Ltd. (VAL), a joint venture between US-based Bunge Global SA and Singapore's Wilmar International Ltd., recently inaugurated its second soybean crushing line, adding 4,000 tonnes to its daily processing capacity with the $100 mil. project. Combined with Line 1, which has been operating since 2011, the company's total crushing capacity is now 286,000 bu. per day marking a significant milestone that strengthens Vietnam's strategic raw-material security for its livestock and food industries, said VAL, which is focused on oilseed processing for food and feed products. Annual capacity is 95 mil. bu. of soybeans for the company.

- **After the tariff brouhaha for the past year,** the USDA says it will visit a half dozen nations in the coming year to discuss agricultural trade. Trade missions have been set for:

  ✓ Jakarta, Indonesia: February 2026
  ✓ Manila, Philippines: April 2026
  ✓ Istanbul, Turkey: May 2026
  ✓ Australia and New Zealand: August 2026
  ✓ Saudi Arabia: September 2026
  ✓ Vietnam: November 2026

  Farm organizations wanting to send participants can find additional information about USDA trade missions can be found at https://www.fas.usda.gov/topics/trade-missions.

- **US farm and food product exports** create value and generate economic activity within and outside of the agricultural sector. In general, increased exports of agricultural products lead to higher demand for transportation services, packaging materials, or financial services across the supply chain, with additional employment services and economic activities required for exports. USDA's Economic Research Service (ERS) estimates the additional value of economic activity generated annually by agricultural exports using an agricultural trade multiplier model. This model measures the employment and output effects of trade in farm and food products on the U.S. economy. In 2023, the value of U.S. agricultural exports, comprising commodities and food products, reached $175.5 bil. In turn, these exports generated an additional $186.9 bil. in economic activity. Exports of bulk, unprocessed commodities such as soybeans and corn—valued at $74.2 bil.—generated an additional $66.2 bil. in economic activity in 2023. Non-bulk exports—a broad category of intermediate commodities and consumer-ready products such as soybean meal, ethanol, meats, almonds, and distilled spirits—require additional processing or special handling, adding substantial value beyond the value of the product. Non-bulk exports valued at $101.3 bil. in 2023 generated an additional $120.7 bil. for the U.S. economy. Including the value of exports themselves, U.S. agricultural exports generated a total economic output of $362.4 bil. in 2023. Put another way, every $1 of U.S. agricultural product exported generated a total of $2.06 of domestic economic activity, on average.



Farm Bill 2.0 —

- **Congress has failed for yet another year** to pass a new 5-year Farm Bill, forcing another extension. Lawmakers extended the 2018 Farm Bill a third time through next September 30thin a continuing appropriations bill, despite key price support improvements made separately. But large parts of the Farm Bill extension covering agriculture, nutrition assistance, conservation, and rural development are now well-outdated. Sen. Chuck Grassley, R-IA, had hoped in November that a Farm Bill was still possible, "There's two things I'd like to get done yet this year: The 5-year Farm Bill and reducing pharmaceutical prices." Grassley complained there was no reason to sideline agriculture, "The Congress of the United States could be working on a Farm Bill. There's nothing with the government shutdown that keeps us from doing that. We ought to be doing all these things." But the best lawmakers could do was pass a partial funding bill covering USDA and a handful of other areas. That leaves most of the government still unfunded when an extension of those functions expires on January 30th—again risking a government shutdown if they're still short of a deal on healthcare. The cuts to the SNAP food assistance program are the primary Farm Bill barricade. (Berns Bureau, Washington)
- **Congressional Republicans** plan to revive stalled Farm Bill negotiations in January after failing to pass a new measure by year's end, extending uncertainty for farmers facing high costs, inflation and trade disruptions. House Agriculture Committee Chairman Rep. Glenn Thompson, R-PA, said he hopes to schedule a committee markup ahead of a Jan. 30 funding deadline, though he acknowledged it may be difficult to attach the bill to must-pass spending legislation. The delay means Congress will enter a third year without updating major agriculture policy. Lawmakers remain divided over whether a traditional 5-year Farm Bill is still achievable. Thompson and Senate Agriculture Chairman John Boozman say progress remains possible, even in an election year. "'If you spend any time at all in farm country, it doesn't take a genius to figure out that it's difficult,'" Hart reported. "The One Big Bill Act signed into law earlier this year included some farm bill provisions, but others couldn't be addressed with reconciliation. Boozman says that includes addressing loan limits. 'All of those limits and things don't work anymore, so we've got to increase those. That doesn't cost a lot of money. You know that's the good news, but it can be very helpful to our farm community. Those are the things that we got to get straightened out.'" But some policy experts are skeptical, noting that recent budget legislation sharply expanded farm subsidies while cutting food assistance, weakening the longstanding political link between the 2. Congress extended the 2018 Farm Bill for another year in November, giving lawmakers until Sept. 30, 2026, to enact a replacement. →
- **Probable realist,** Jonathan Coppess, Farmdoc policy specialist and veteran of USDA and Congressional staff, says, "This is the end of the Farm Bill as we've known it,' Coppess said. 'For 50 years, the core deal has been food assistance paired with farm programs. That deal is now broken. OB3 is the fatal, final blow**.** Diving into specific policies, Coppess said the farm policy changes in OB3, combined with a growing reliance on ad-hoc aid, are a bad mix of costly farm policies."

Agri-Politics—

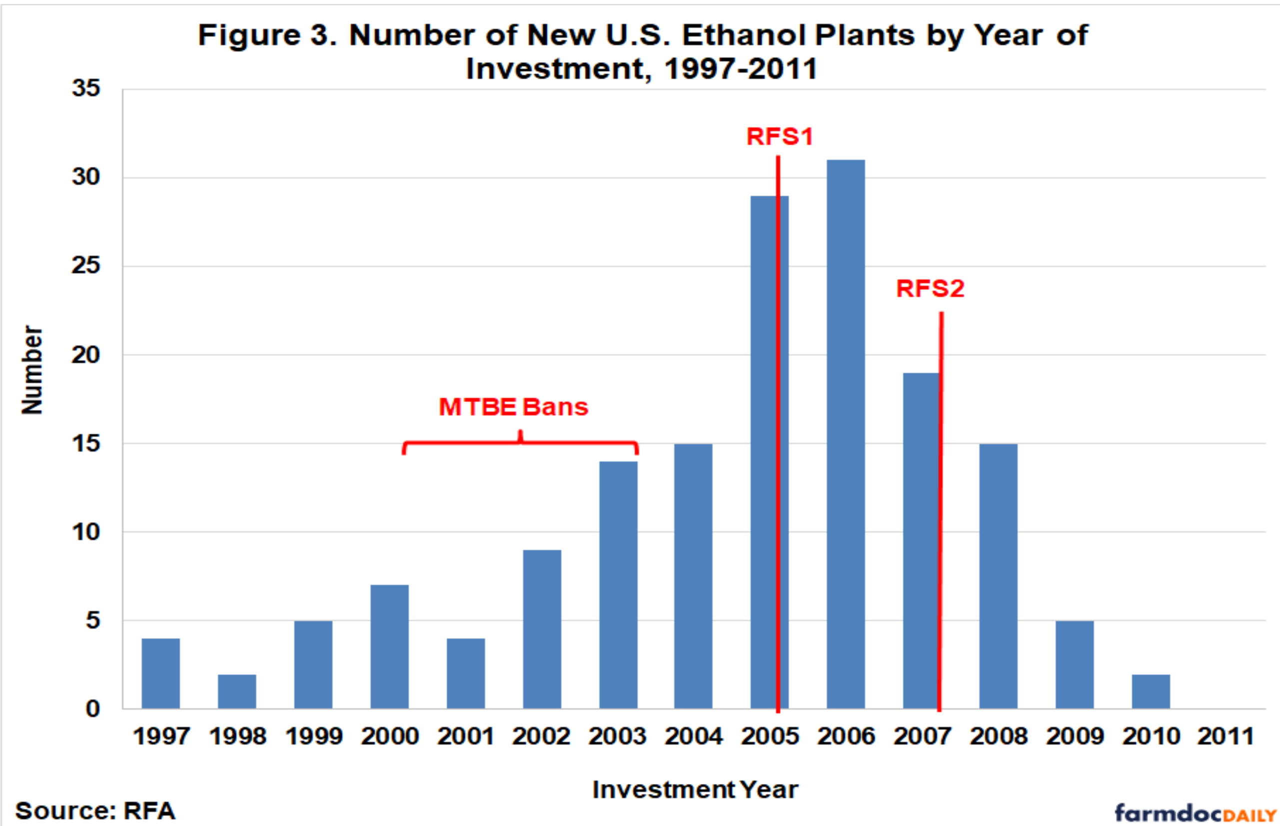
- **The Fertilizer Institute applauded** the House of Representatives for passing HR 4776, the Standard Permitting and Expediting Economic Development (SPEED) Act. The bipartisan legislation is focused on taking important steps to modernize the federal permitting process while maintaining strong environmental protection. "Fertilizer production is highly capital-intensive and requires long-term investment in mines, manufacturing plants, and processing facilities," said TFI President and CEO Corey Rosenbusch. "Even with additional projects in development, after extensive environmental analysis, these projects too often face years of uncertainty due to duplicative reviews, poor coordination, and permitting-related litigation." The bill modernizes and reforms the National Environmental Policy Act review process, codifying a recent Supreme Court decision clarifying that environmental reviews should focus on impacts with a reasonably close causal relationship to the project under review. That will help return NEPA to its intended role as a procedural statute rather than a tool for indefinite delay.

Biofuels News--

- **E15 is a part of the White House energy plan**, and it's time for Congress to pass legislation to allow for its year-round sale, says Growth Energy. It's a common-sense solution that lowers costs and the pump and strengthens America's energy dominance. Growth Energy CEO Emily Skor said now is the right time for it to happen, "There's real momentum right now to get this across the finish line, and we're looking to capitalize on it. President Trump has made it clear that expanding E15 year-round is a priority, and Congress has an opportunity to deliver a common-sense solution that lowers fuel costs for consumers while strengthening American energy. We've done the work, we know it's a smart choice for consumers and the economy, and now the political stars are aligned to get this done." Skor said year-round E15 will help the President meet his energy and economic goals, "E15 directly supports the President's America First energy agenda and his domestic goals. On the economic side, it delivers immediate savings at the pump — often up to 30 cents per gallon. That helps families and businesses manage everyday costs. From an energy perspective, E15 strengthens U.S. energy dominance by expanding the use of homegrown fuels and reducing our reliance on foreign oil. It's a win for drivers, for farmers, and for American energy security. E15 keeps dollars in rural America. It supports ethanol plants, grain handlers, transportation jobs, and local businesses that rely on agriculture. When farmers have strong markets for their crops, that economic activity ripples through small towns and rural communities across the country." Skor talked about where people can go to learn more on the topic, "Go to GrowthEnergy.org/E15Now to make your voice heard. We want everyone to tell their elected officials that year-round E15 lowers prices and drives economic growth. The more people they hear from, the more likely it is that we can get this common-sense fix over the finish line." (Growth Energy)

- **The American Coalition for Ethanol** is actively engaging the Environmental Protection Agency on the Renewable Fuel Standard, seeking final volumes and the reallocation of waived gallons to prevent demand destruction for ethanol producers and farmers, "EPA released their volumes for 2026 and 2027 this year. So, ACE and others have been participating in that rulemaking process, and one of the things is that there's a Small Refinery Exemption Program with the RFS, and the EPA this year proposed to reallocate gallons that they've been waiting for the small refinery exemption. So, we need those gallons reallocated, so demand destruction doesn't happen, and we keep those renewable volumes whole. And so, we're still waiting for the EPA here to finalize that rulemaking and give our farmers and biofuel producers some clarity here, and then they need to reallocate those gallons and follow through on what they propose by 100% reallocation." Katie Muckenhirn, vice president of public affairs for the American Coalition for Ethanol, says requiring fuel processors to blend in biofuels has always been a point of contention, "That's been a struggle throughout the years, and what the EPA has said, and what we know to be true, is that refineries can recover the costs of biofuel through the RINs. And so, yeah, there's a cost to comply, but then they recover those costs through a RIN value, so the struggle is the play over market share." ACE is also pushing Congress to pass the Nationwide Consumer and Fuel Retailer Choice Act to secure year-round E15 access across all states, which is vital for utilizing the nation's record corn crop, "Absolutely, those 8 Midwest states do have E15 year-round, but we need it nationwide, and there is bipartisan, bicameral legislation in Congress, the Nationwide Consumer and Fuel Retailer Choice Act, led by Sen. Deb Fisher, R-NE. And we need that legislation to be passed to ensure that all states can sell E15 nationwide without waiting on those summer waivers that we've had to do for the last 4 summers. So, you know, the time is ripe for that, even more than ever now, with farmers having a record corn crop coming in. We need outlets. We need markets." Additionally, the industry is focused on realizing the immense market potential of sustainable aviation fuel (SAF), especially with the extension of the Clean Fuel Production Tax Credit (45Z). (American Coalition of Ethanol) →
- **The White House Office of Management and Budget** has not always been friendly to agriculture, and it is now evaluating biofuel policy that could be a windfall or a washout for farmers. It revolves around the biofuel rule known as 45Z, first proposed by the Biden Administration, but was still pending final approval at the end of January. The 45Z tax credit is applied when the liquid used to make the fuel comes from agriculture and varies depending upon the carbon intensity (CI) of the production. No-till corn and soybeans would have a better CI score than corn or soybeans produced with full tillage. Thus, the refiner that makes the fuel would have more tax credits to share with a producer based on a lower CI score. The policy has arrived at the OMB for approval, change, or rejection, and it could be months before something is published by the OMB to become policy.

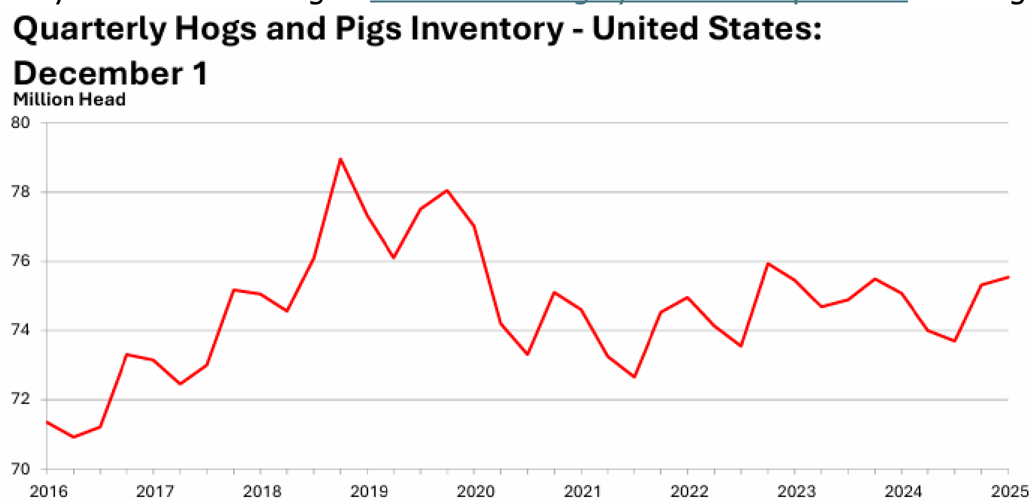
- **Defining ethanol plant construction investment** has a dramatic effect on the timing of the ethanol boom relative to the policy drivers under consideration says Univ. of IL biofuels economist Scott Irwin. "Figure 3 shows the number of new ethanol plants in the U.S. by year of investment, which is defined as two years before a plant begins operation. Note that Figure 3 shows the increment of new plants, not total plants in operation. Investment in 20 new ethanol plants occurred in the 2 years after passage of second Renewable Fuel Standard. By contrast, investment in 44 new plants occurred in the 2 years after MTBE bans and 50 the 2 years following passage of first Renewable Fuel Standard. With investment in 3.5 bil. gals. of new capacity following the MTBE bans and over 5 bil. gals. following RFS1. Investment in less than 2 bil. gals. of new capacity occurred in the 2 years following the passage of RFS2. The change in timing for defining ethanol plant investment suggests a different conclusion than what was reached earlier: the main driver of the ethanol boom was the effective ban on MTBE and its codification in RFS1. It shows that the



annual blend rate for ethanol began increasing in parallel with state-level MTBE bans and well in advance of the passage of either of the 2 RFS laws. In 2000, the blend rate was just 1.3%, ticked up to 2.1% by 2003, and increased to 2.9% in 2005. It is clear that the transition to ethanol as an oxygenate and octane additive replacement for MTBE was well underway before RFS1 was passed in August 2005. The blend rate reached 4.8% in 2007 and jumped again to 7.0% in 2008. This once again demonstrates that RFS2 played at most a secondary role in the U.S. ethanol boom."

Animal Agriculture--

- **The U.S. hog inventory is growing.** As of December 1, there were 75.5 mil. hogs and pigs on U.S. farms, which is up one % from December 2024 and slightly higher than the numbers on September 1, 2025. That's according to the Hogs and Pigs report published by the USDA's National Agricultural Statistics Service. Other key findings in the report included that of the 75.5 mil. hogs and pigs, 69.6 mil. were market hogs, while 5.95 mil. were kept for breeding. Between September and November 2025, 35 mil. pigs were weaned on U.S. farms, up slightly from the same period a year earlier. During the same timeframe, hog and pig producers weaned an average of 11.92 pigs per litter. Producers also intend to have 2.89 mil. sows farrow between December 2025 and February 2026, and 2.91 mil. sows farrow between March and May 2026. IA, MN, and NC had the most hogs.
- **A "bearish hogs and pigs report"?** "Normally when setting a new record, in anything, it's by a razor-thin margin. Records are highly context-dependent. Setting a new one isn't just about talent or hard work. It also often takes a syzygy of good circumstances and good luck. How often do all the right variables align? For the number of pigs saved per litter, it appears favorable conditions are aligning more often than not and that is expected to continue." - Lee Schulz Ever.Ag



- **A great, big biological circle.** Scientists at the Univ. of Cal-Riverside have developed a small-scale system that transforms food waste into high-protein animal feed and fertilizer. The system uses black soldier flies, which offer a sustainable solution to an environmental problem. Black soldier flies have long been used by cities and industry to break down food scraps and agricultural waste. Compared to industrial-scale operations, which require significant infrastructure and staffing, the system is far more affordable and accessible. The setup lets people recycle food waste right where it's produced, either on a farm, in a greenhouse, or even at a large residence. Scientists ran their experiment using food waste from a campus dining hall. Black soldier fly larvae are sought after as a protein-rich feed for poultry and fish. Their manure, called frass, is a valuable soil additive. Scientists added that this project isn't just waste management, it's also resource creation, taking what people don't want and turning it into something they do want.

- **The development of the producer-driven** National Swine Health Strategy is guided by both the National Pork Board and the National Pork Producers Council, with the assistance of an advisory group. Aiming to be approved in March 2026, the goal is to bring coordination, clarity, and a long-term vision to the industry's disease preparedness and health management efforts. Dusty Oedekoven, DVM, chief veterinarian for the National Pork Board, says the process started with feedback loops, "That has led to the development of a survey that we conducted over the summer months. So, from June to August, we gathered survey responses from producers and other stakeholders in the industry. We also conducted over 47 listening sessions, really trying to get an understanding from producers, just a couple of things: what is their major swine health challenge that they see, and how can we address those challenges in the coming years?" After compiling all the survey data, the advisory group identified 2 key goals." One goal centers on preventing the introduction of diseases not currently present in the U.S., as their detection would have serious trade-limiting consequences, "We're typically talking about 3 diseases, one that we're familiar with because we've been talking about it for years, and that's African swine fever virus. Another is classical swine fever virus, really two different viruses, and then Foot and Mouth Disease. So, we'll continue our efforts to prevent the introduction of those pathogens and to help our producers be prepared if we are to get an incursion of those. The second priority under that first goal is to keep an eye out for emerging diseases, and emerging diseases are those that may not necessarily bring along the trade-limiting impact, which may be concerning for the industry." Another important goal of the National Swine Health Strategy identified by producers centered on managing endemic diseases, "We've got diseases like PRRS, PED virus, and others, which have a major economic impact every day on the farms here in the United States. And so, it's not surprising you know that one of the biggest responses when we asked producers, what's your number one health concern, is PRRS, you know, and that

was overwhelmingly the big response that we got to the second goal of helping limit the losses and help address these endemic diseases that we have. The priorities were bold. One priority is to identify and limit the spread of endemic diseases among the US. swine herd." The National Swine Health Strategy aims to align the industry, ultimately creating a healthier U.S. herd that supports better pig welfare, improved producer profitability, and a stronger, more resilient pork industry. (National Pork Board)

- **The National Pork Board** has a comprehensive business intelligence team analyzing data throughout the supply chain, including consumer preference, volume and value, and purchase trends. Kiersten Hafer, vice president of business intelligence and innovation, said they bring together all the information that matters most for growth in the industry, “Things are changing dramatically by the day; the way that consumers consume food and make food choices, the accessibility of food and protein in particular, some of the things that drive them change pretty quickly. So, we want to be on top of that and stay ahead of where they're going next and make sure that pork is able to be a part of those conversations and consideration.” The extensive data collected by Hafer and her team played a critical role in shaping the Taste What Pork Can Do® consumer brand campaign. Those data-driven consumer insights helped guide messaging, creative, retail strategy, and digital strategies to truly meet consumers where they are, “It's a really important time for us now to be thinking about the campaign, and how do we take all of those things and come at the consumer in the way that they're thinking about food and the way that they're thinking about meat and pork and just putting a meal on the table at the end of the day. It allows us to tie all of that together into something that's quick and easy.” (National Pork Board)
- **It’s important for pig farmers to take a close look** at the balance sheet because it helps set the fundamental outlook moving forward into the coming year. Lee Schulz, chief economist with Ever.Ag, says one of the key highlights has been production, which was projected to be down about 1.2%. That decline has tracked closely with year-to-date numbers, and the same can be said for U.S. pork exports, which have also remained largely in line with expectations, “Exports have been down 2% as well. And I think, you know, as we look at the export picture, I think, even down 2%, that's off a record level in 2024, and given the kind of uncertainty we've seen in 2025, especially the first quarter, I think that's still a pretty robust number when we look at it from an export standpoint. Now, the positive side, you know, we have seen prices stronger than in 2024, so overall, we've seen about an 8% increase in prices in 2025 compared to 2024. Certainly, that's come as we've seen a little bit tighter production. But you also have to point to the demand side of things, which you know demand has held to allow us to see those prices, especially in the third quarter, and we've seen prices much stronger than a year ago.” “There is less margin for error,” Schulz says. “Profitability levels in 2026 are forecast to be about half of what they were in 2025. While profits may be available, the difference between profit and loss is much closer. High profit margin situations can better withstand market shocks, volatility, production hiccups, and hesitation in managing risk because there is a larger cushion.” Producers are encouraged to continue collaborating with professionals on their risk management plans. (National Pork Board.)

- **Charles Krause, of Krause Holsteins in Buffalo, MN,** is the Chair of the Midwest Dairy Board. Throughout 2025, Midwest Dairy worked hard on behalf of dairy farmers. Krause shares how the checkoff worked to "Make Every Drop Count" by effectively investing checkoff contributions in projects and activities to grow trust and sales in dairy regionally, nationally, and globally, "As a farmer leader on the board of directors, which is all led by farmers, developing partnerships to foster trust and increase dairy sales, and then also conduct research to continue advancing the dairy sector in a positive direction. That's the goal of the farmers and the goal of Midwest Dairy." He talked about the retail partners Midwest Dairy worked with in 2025, and what the impact was on dairy sales, "We focused our retail work on key moments throughout the year, including Dairy Strong in Quarter One, National Dairy Month in the second quarter, Back to School in the third quarter, and tailgating at college and football games in the fall in the 4th quarter. Midwest Dairy also supported research initiatives over the past year, "We invest checkoff for resources into research designed to tackle industry challenges and innovate dairy technologies, and the last thing we want to do is create regional and global opportunities for Midwest Dairy farmers. Our Incubator Program, a Midwest Dairy accelerator, delivered big wins for dairy innovation this past September. It successfully discovered and supported food and beverage entrepreneurs. The success of this pitch competition highlights the entrepreneurial spirit of our participants and the potential for innovation in the dairy industry, motivating us to keep supporting these ventures into the future." Krause talked about what he's looking forward to in 2026 that will continue amplifying the dairy farmers' voices, "A couple of things that I did this last year on my farm, alone, was we did a project where we brought influencers onto our farm and gave them a one-day boot camp on where their food comes from. And these ranged anywhere from an Olympic athlete to a husband and wife couple to a nutritionist and people in the healthcare industry. We gave them the ability to amplify the dairy story. And then we also, on my farm, brought registered dietitian students from the University of Minnesota onto our farm to teach them the nutritional sustainability that dairy offers. So, these are some of the things we look forward to amplifying and continuing into the future in 2026 in the Midwest Dairy 10 state region." Midwest Dairy's 10-state region includes AR, IL, IA, KS, MN, MO, NE, ND, OK, and SD. (Midwest Dairy)
- **Higher milk prices and lower feed costs** helped IL dairy producers post positive cash returns in 2024, but operations continued to face negative economic returns, according to the IL Farm Business Farm Management Association. The average net milk price was $21.63 per hundredweight, up 79¢ from 2023, exceeding feed and cash operating costs of $17.43 but falling short of total economic costs of $23.56. On a per-cow basis, producers averaged $5,090 in milk returns compared with production costs of $5,499, resulting in a net loss of $409 per cow. Milk production averaged 23,530 pounds per cow, up 549 pounds from a year earlier. Feed costs declined to $11.64 per hundredweight, while nonfeed costs rose to a record $11.92. Despite improvement from 2023, returns have not exceeded total economic costs in the past decade. USDA projects lower milk prices in 2025 and 2026, suggesting continued negative economic margins for IL dairy farms.

The Labor Dilemma—

- **Another year has come and gone** without farm labor reforms, and a Senior Senator is  as frustrated as any over Congress' decades' long failure to reform the H-2A guest worker program. Sen. Charles Grassley, R-IA, (left) says, "It makes common sense that agriculture needs workers year-round, not seasonal workers, particularly if you're in animal agriculture, as one example." More than 350 food, farm, and farmworker groups came together on a 2022 bill sponsored by Sen. Michael Bennett, D-CO, "Increases the number of H-2A visas and opens the program up to year-round jobs for the first time ever. It creates wage certainty for farmers to protect them from harmful swings in labor costs." And Bennett claims it would have saved farmers $23 bil. over 12 years, or $2 bil. more than a House-passed version. But it was not approved in the Senate, where, 3 years later, Grassley says the same issues still stand in the way, "There are people on the right who aren't going to vote for anything, unless you deport 12 mil. people, and that isn't feasible. And then, there are people on the left who won't vote for anything that you don't make people citizens, yesterday." The earlier bill tried to strike a compromise by creating a temporary, renewable legal status for farm workers already here, with an option to earn permanent legal status. (Berns Bureau, Washington)
- **The Farm Workforce Modernization Act** has had trouble gaining traction in recent years because, in part, of problems with border security. Rep. Dan Newhouse, R-WA, (right) who just announced he'll not be seeking reelection next year, said it's become easier to get conversations on the act moving now that the border issues are being addressed, "The answer is yes. That is helping. Those that told me they couldn't support increasing the  number of people coming into the country while our border was so porous and in crisis, that is helping them get to a point where, okay, now we can look at the needs we have in agriculture." But then, Newhouse says border security isn't the only issue some have with the bill, "There's still concern by a number of members that they want to make sure that Americans are not being denied employment opportunities. Why are we bringing in more foreign workers when there are a lot of people unemployed here? Of course, we have a story to tell there that most Americans don't want to do the farmwork that we have to have done, and so that's part of the educational challenges that we have." However, the border situation is helping the conversation, "But I think, overall, yes! The better situation at the border is working in our favor as we push to get this done." The Farm Workforce Modernization Act has been a passion for Newhouse as he pushes to get it passed before the end of his final term. (NAFB News Service)

- **Earlier this fall, the U.S. Department of Labor** proposed significant changes to the federal H-2A policy. While details still need to be determined, Austin McClister with the OR Farm Bureau says these changes are good news for the state's Ag industry. McClister says the Oregon farming sector has been struggling for quite some time, "We say 69% of farms are operating in net cash loss. What this does is it decreases your labor costs by upwards of 20%, which is what we're looking at for that H-2A program. So, we have that AWER, the adverse effect wage rate, sitting at like $19.82 an hour. This is going to drop that down. It'll never be lower than the state minimum wage. But it's going to drop it down to a point where, for some counties, you're going to see $15.25 an hour for that H-2A wage rate." The Labor Department's proposal also looks at dividing jobs by skill levels, which McClister said will benefit the farming industry as well. He said the H-2A program has become so expensive over recent years that many producers don't use the program unless they have to, "You have to provide housing, you have to provide transportation. You know, when you do the math on what that looks like, and you say, like, housing is 30% of your income and transportation is another 10%, if you add that on top of this wage rate, you say, like, you know, some farmworkers are making upwards of $27 an hour. That's what the farmers are paying them to use this program. So, I don't know if it increases the use of the H-2A program because the program itself is so expensive." So, if this lower rate makes the H-2A program more palatable for Oregon farmers, will that hurt local workers trying to get a job? "This is not taking the jobs of domestic farmworkers because a farmer has to hire a domestic worker over an H2A worker, and that's called the drive up. So, if somebody drives up to an H2A job and wants that job, that farmer has to hire that person." McClister stressed that these changes will fix a problem that has existed for a long time, pushing labor rates extremely high. (NAFB News Service)
- **The farm labor crisis has now reached the grocery store.** A new Grow It Here report released today finds that the worsening agricultural labor crisis is directly increasing production costs and contributing to higher prices at grocery stores nationwide, placing additional strain on American families. The report, "Analysis of the Effects of Reduced Domestic Farm Employment on Food Prices," provides new data showing how persistent labor shortages – driven by limited domestic labor supply, and rising needs across specialty crop and livestock sectors – are raising costs throughout the supply chain. These pressures are pushing some growers to cut production, leave crops unharvested, or close operations altogether, further affecting consumer food prices. The report highlights several major impacts of the labor crisis, including the finding that a 10% decline in domestic farm employment would lead to an increase in labor-intensive crop prices, which would cause the American food bill to increase by $3.4 bil. over the course of a year. Brandon Raso, Grow It Here spokesman and a 4th-generation NJ blueberry farmer said, "The cold, hard truth is that we don't have enough U.S. workers to keep American farms thriving, and automation is simply too expensive or not an option for the vast majority of farmers. This report shows exactly how labor shortages ripple across the food supply chain and ultimately hit American families."

Technology—

- **What will the tariff be on a Zoomlion?** Ag tech specialist Patrick Honcoop says, "At Agritechnica, one of my key takeaways was the growing confidence of Chinese agricultural manufacturers, not just in guidance and drones, but increasingly in equipment, including higher-horsepower segments traditionally dominated by Western OEMs. We've seen a similar shift in the automotive industry, where China moved from low-cost manufacturing to becoming one of the world's largest car exporters and a global EV leader in less than a decade. That raises important questions: Could the same dynamic play out in ag machinery? And is the Western equipment industry taking this shift seriously enough? He writes about farm equipment being developed and used in China, and ready for shipment to the US and delivery to your farm." Some of the names you might see in your neighbor's field could be:

✓ **YTO Group:** Founded in 1955, YTO is China's oldest and largest tractor manufacturer and a state-owned enterprise under the Sinomach Group. The company produces a full range of agricultural machinery, including tractors, combines, and diesel engines, and sells in more than 100 countries.

✓ **Foton Lovol:** Founded in 1998, Lovol is one of China's most commercially aggressive agricultural machinery manufacturers and has been majority-owned by Weichai Group since 2020. Lovol produces tractors, harvesters, and construction equipment, and is a market leader in China by volume.

✓ **Zoomlion:** Founded in 1992, Zoomlion is a diversified Chinese heavy machinery group best known for construction equipment, with a rapidly expanding agricultural machinery division. Its growth in agriculture accelerated after acquiring Chery Heavy Industry's farm equipment business in 2014, and later the German implement manufacturer Rabe, strengthening its European foothold.

✓ It is realistic that, within the next 6 to 10 years, Chinese manufacturers could command at Agritechnica a level of attention comparable to that of established Western OEMs and begin to be recognized as true global players. They bring speed, a strong technological base, and long-term strategic thinking, which gives them a credible path forward."

- **Farmers can use their DJI drone until it breaks**, but will have to discard it because parts will not be eligible for import. The new federal rule-making is being led by the Federal Communications Commission because the Trump administration is concerned your farm data is being collected by China, and farmers should be using US-manufactured drones. Bloomberg reports, "According to a public notice, the agency will generally prevent non-domestic drones and drone parts from gaining equipment authorization for sale in the U.S. — a certification most electronics must receive through a routine process before they are sold to consumers. The rules will only apply to future drone imports and sales, not those that have already been sold or are in use. Several Chinese and Russian companies including Huawei Technologies Co., ZTE Corp. and AO Kaspersky Lab are already on the FCC's covered entity list, making them ineligible for equipment authorizations. Banning at least one Chinese drone maker, DJI, has been a years-long priority for FCC Chairman Brendan Carr, who pushed for the move in 2021. Congress passed a law last year that said DJI would be added to the FCC's covered entity list by Dec. 23, 2025, barring intervention from national security officials. No information has been released regarding what information was used by the executive branch in reaching its determination," a DJI spokesperson said. "Concerns about DJI's data security have not been grounded in evidence and instead reflect protectionism, contrary to the principles of an open market." →
- **Whoa! Time out!** Says the American Soybean Assn. on the anti-drone policy. ASA says, "Precision agriculture tools, including drones, are essential for today's farmers to manage costs, monitor crops, and operate efficiently. Foreign-manufactured drones represent a significant majority of the agricultural drone market, and sudden restrictions on their use without available domestically manufactured alternatives risk adding new financial and operational burdens for farmers already facing tight margins and market uncertainty. "Soybean farmers depend on modern technology to stay competitive, efficient, and sustainable," said Scott Metzger, president of ASA and Ohio farmer. "While we recognize the importance of addressing national security concerns, it's critical that policymakers fully consider the real-world impacts these decisions can have on farmers who rely on these tools every day. Taking proven technology out of farmers' toolboxes without workable alternatives only adds cost and uncertainty at a time when farmers can least afford it."

Farm and Check-off Organizations —

- **Precision Conservation Management** has been expanding rapidly in the Cornbelt, and had also made headways into KY, when the distillers trade organization wanted to promote the quality of the corn that makes its way to the distilleries. Their corn suppliers would need to participate in PCM programs to make the grade and be able to deliver corn. But last week, the New York Times published the headline, "Jim Beam, America's largest bourbon distiller, is closing its flagship operation for 2026 after more than 2 decades of rapid growth for the industry." That has an impact on the hundreds of farmers supplying corn to the spirits industry. So, will that impact Precision Conservation Management? PCM Director Greg Goodwin says, "No, I'm told this will not impact us." (Whew!)

- **IL Farm Bureau leaders** will be seeking backup help from the American Farm Bureau in January when several IL policy initiatives will be considered at the national level. Among those are labor and technology. "Labor has been a topline issue for both AFBF and IFB in recent years. Two policy submittals from IL will be debated by AFBF delegates, including support for streamlining the H-2A application process by using electronic application filing and lengthening the term of stay for H-2A workers. Access to dependable, legal labor is a challenge for farmers across the country, IL Farm Bureau President Phil Nelson (right) said. "It's tough to hire people on the farm today and to get people that can do what you need to do in your farming operation, and I've heard that from a whole host of people," Nelson said. Another is the federal plan to prohibit the use of foreign-made drones and other technology. "IFB policy proposals that advanced to the point of consideration by the American Farm Bureau include opposing the proposed Federal Communications Commission bans on equipment used for agricultural purposes until American technology matches the quality, reliability and performance of such technology, and supporting the use of science-based conservation evaluation tools to assist in the implementation of voluntary conservation practices." AFB policy has more clout on Congressional legislation than does policy from an individual state.

- **We think we know our neighborhood, but maybe not,** suggests farm succession specialist Mike Downey. He says, "A new piece posted on Morning Ag Clips highlights how common assumptions about rural communities are more myth than reality — and getting these facts right matters for better programs, policies, and supports.
  - ✓ Not disappearing — While many rural counties lost population from 2010–2020, about one-third actually grew, especially near metro areas or natural amenities.
  - ✓ Farm jobs ≠ majority — Only about 6% of rural jobs are in agriculture; manufacturing and services now dominate.
  - ✓ More diverse than assumed — Roughly 1 in 4 rural residents are nonwhite, and diversity is increasing.
  - ✓ Health outcomes lag — Rural life isn't automatically healthier — rural communities face higher mortality rates.
  - ✓ Family structures vary — Rural children are less likely than urban kids to live with married parents, and poverty rates remain high.
  - ✓ Political patterns are long-term trends — Rural voting behavior reflects decades of realignment, not sudden revolts. Rural America continues to evolve — in ways that matter for how we think about economic opportunity, community supports, and structural change."

- **The National Corn Growers** recognized 3 IL photographers for their efforts in the 2025 Fields of Corn photo contest.

✓ First Place – "It Takes a Village"
Todd Wachtel – Altamont, IL (below)

✓ Second Place – "Top Down Harvest"
Mac Steen – Naperville, IL (below)

Second Place – "American Dream"
Michaela White – Pecatonica, IL (above)

- **The memory of the late Dave Loos**, IL Corn's Director of Biofuels and Research, was recently honored with a plaque at the Hormel Institute recognizing his many years of dedicated research, leadership, and collaboration. The plaque serves as a lasting tribute to Dave's profound impact on biofuels innovation and his commitment to advancing science-based solutions that benefit farmers and the agricultural community. Throughout his career, Dave was a trusted partner to researchers, institutions, and industry leaders, including Hormel Institute. His work consistently reflected a deep belief in the role of biofuels and agricultural research in strengthening rural economies and creating sustainable opportunities for future generations. Loos died earlier this year.

Farm Family and Rural Life Issues—

- **As families broke bread this holiday season,** how often did American consumers think about the farmers who make that meal possible? And how many consumers think about the tools in the farmer's toolbox to keep that food affordable? Jessica Christiansen, Head of Bayer Crop Science Communications, says most consumers don't appreciate how challenging food production is. One of the keys to success, she notes, is innovation, allowing farmers to produce more per acre while using fewer inputs and, ideally, being profitable, "If those things don't happen, then food prices will continue to be pressured at the end of the chain in the grocery store. Innovation is super critical to that. I mean, farming's hard, as I said. So, a farmer has to deal with weeds, diseases, bugs, and changing weather patterns. So, we have to, like Bayer, companies like Bayer, that's what we do. We have innovation at our heart, and we have to provide a continuous toolbox for our farmers to really be able to combat all these problems and pressures they have." Christiansen added that innovation plays a key role, allowing farmers to stay ahead of the many curveballs Mother Nature tries to throw each and every year. That means inputs need to evolve as well, "If we don't keep that funnel open, you know, just in that crop protection example, if we didn't have crop protection tools, it could cost American families up to $10 bil. more a year, $10 bil. more a year in food costs. That's how important innovation is." Christiansen says this holiday season, while you're enjoying all of that great food, she asks everyone to think about the role science, technology, and innovation play in everyday life. And she asks everyone to thank farmers for all the hard work they do. (NAFB News Service)

And finally, this—

- **U.S. agriculture saw many new developments in 2025**, such as a new administration, a new Ag Secretary, and new policies, with more to come in the new year. USDA Chief Economist Seth Meyer suggests it's been a turbulent year for American agriculture, "There's been a lot of things this year that have affected the overall market…there's been a lot in the kind of typical stuff that we talk about, in terms of straight weather...there's been unusual events in terms of animal diseases." Including the spread of avian flu here and the New World Screwworm northward in Mexico. And then, there were President Trump's reciprocal tariffs that boomeranged at U.S. soybean and other producers, spurring more planned farm aid, "A lot of action on the trade front in terms of policy, other policies like ad hoc disaster assistance being rolled out in the last year…and pending bridge payments to be provided in the new year…and a lot of the things that describe or influence the health of the Ag sector, as well." Including the high cost of farm inputs and the continued lack of a new Farm Bill, but legislated improvements in reference prices. That, as the corn harvest hit a record, and corn and soybean prices hit new lows, as doubts continued over China fulfilling its soy buying commitments. And the new year will see a review of the USMCA with the U.S.'s other 2 most important Ag trade partners—Canada and Mexico. (Berns News Bureau)

Mark Your Calendar! --

- **Pesticide safety education programs** start Jan. 6 and extend through April 8 at numerous locations around IL. The Illinois Pesticide Safety Education Program is for those needing an operator or applicator license, with on-line access. Private applicator training clinics are in-person at these locations and dates. Commercial Applicator/Operator In-Person Clinics will be at 9 locations through March 10.
- **IL Soy begins 2026 with a trio of webinars** on "Rethinking How IL Farm Economics Work." Univ. of IL Ag economists Gary Schnitkey and Nick Paulson present the strategy from 2-3 pm each day. Jan. 6: cash rent decisions, Jan. 7: re-evaluating farm investments, Jan 8: stronger secondary revenue. Details and registration are here.
- **If you are a candidate to be** a Certified Crop Advisor, the IL Certified Crop Advisors Assn. will host a study session on January 8 for the next exam opportunity. CCA information is here. Registration period is Jan 7-26, for the exams conducted Feb. 4-18.
- **The National No-Tillage Conference** will be held at Hyatt Regency St. Louis at The Arch St. Louis, MO, Jan. 6-9, 2026. It will be your chance to learn from the top minds in no-till and connect with fellow innovators. Download the Updated Program Register here.
- **The Purdue Top Farmer Conference** will be Jan. 9 at Purdue's Beck Agricultural Center in West Lafayette. The conference will stimulate your thinking about agriculture's future and how you can position your farm to be successful in the years ahead. Register and details.
- **Extension Agronomy Summits** will be in 8 locations, Jan 12-Feb. 24. Speakers will provide research updates from university experts to gain insightful tips for making informed decisions around farm management. Dates, locations, and registration details.
- **A Field Advisor Forum** will be held by the IL Soybean Assn. Jan. 15, at the U of I Atkins Golf Club at Urbana. Speakers will address "economic chaos," weather, and a wide variety of agronomic issues and challenges during the 8 am to 3 pm program. Detailed agenda, and registration are here. (Program can be accessed virtually.) CCA credits are available.
- **The winter convention** of the IL Fertilizer and Chemical Assn. will be Jan. 20-22 at the Peoria Civic Center. Agenda, registration and other details are here. There are numerous presentations on agronomic and regulatory issues of farmer interest during all 3 days. →
- **Cattlemen in northern IL** can join colleagues from IA, WI, and MN at the Driftless Region Beef Conf. Jan 22-23 at Dubuque, IA, with topics on profitability. Details and Registration.
- **The annual meeting and auction** of IL FFA will be held at the President Abraham Lincoln Hotel, Springfield on January 23-24, 2026. The annual meeting registration form is now available. The hotel room block is open until January 2, 2026. All the details are here.
- **The 2026 IL Soybean Summit** will be Jan. 27-28 at the I-Hotel in Champaign. There are a multitude of reservation choices here. The event will be all day Tuesday, a dinner event for ISA members on Tuesday night, and the morning of Wednesday.

- **Everything Local** is set for Jan. 27-30 at Springfield's BOS Center. Specialty Growers will meet Jan. 30 at 1 pm, Herb and Vegetable Growers, along with the IL Hort Society, will have meetings at 4:30 on Jan. 29. Exhibit hall hours will be from 8 am to 6 pm on Jan 28 and 29 only. Breakout sessions with speakers Jan 27 through Jan. 30. Program details and conference registration are here.
- **AgMarket.Net** conference, Farming for Profit not Price, will be Feb 1-2 in Nashville, TN. It is designed to educate and provide tools and resources we have for farmers and producers across the country. Details, speakers, topics, and registration are here.
- **CattleCon 2026** will be in Nashville, Feb. 3-5. Programs will focus on government policy, and cattle family sustainability. National Environmental Stewardship Award and the Beef Quality Assurance Awards will be handed out. Details and registration are here.
- **Feb. 3 begins month long opportunities** for livestock producers needing certification for livestock management. The Livestock Management Facilities Act requires facilities designed for 300 or more animal units to have at least one employee certified in environmentally aware manure management techniques. Facilities with more than 1,000 animal units must have a certified livestock manager attend a workshop and pass the IDOA exam or complete the online training and pass the online test. Details, dates, and locations.
- **The IL Dairy Summit** will be Feb. 4 at Highland Community College in Freeport. This year's theme is Foraging Profitability. There is no fee to attend the summit, but registration is required. To register, visit www.illinoismilk.org.
- **2026 USDA Agricultural Outlook Forum** will be Feb. 19-20. USDA's annual Agricultural Outlook Forum—this year themed "Meeting Tomorrow's Challenges, Today"—offers opportunities for exchanging ideas, information, and best practices among producers, processors, policymakers, government officials, and nongovernmental organizations. Details and free registration, with participants in person and on-line.
- **The Illinois Beef Expo** is set for the IL State Fairgrounds, Feb. 19-22, 2026. The IL Angus Assn. will hold its Annual Banquet and Conf. Feb. 20 at the IL Building, IL St. Fairgrounds.
- **The AISWCD** will be hosting an Advocacy Day on behalf of the Soil and Water Conservation Districts at the Capitol on Tuesday, February 24, 2026. Details, including registration information, will be shared after the start of the new year. They are seeking displays that visually showcase the important soil and water conservation work in IL.

ILLINOIS SOYBEAN ASSOCIATION

- **Cornbelt Update is a weekly service of the Illinois Soybean Association and provided to Illinois Soybean Growers.**
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