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

Commodity Market Drivers—

- **Corn and soybean markets were hit hard** by the bushel of USDA reports. Those included the January World Agriculture Supply and Demand Report and the 2025 Annual Production Report and the Quarterly Grain Stocks Report. The grain trade was not anticipating so much more grain produced last year and in storage as the USDA reported Monday noon in Washington. The unexpected data deflated the markets, which had been higher for both corn and soybeans ahead of the data release. Suddenly, market screens turned from green to red across the board. (Mar corn left, Jan soybeans, right).

- **2025 corn production was estimated at 17.020 bil. bu**. with a national yield of 186.5 bu., compared to the 183.9 bu. yield anticipated by grain market analysts before the report. Instead of production dropping by 200 mil. bu from the December WASDE report, the USDA production estimate jumped 269 mil. bu., and that calculates to a more than 14% increase from the 2024 US corn crop. USDA's January WASDE report reported, "a 1.3-mil. acre rise in harvested area. Since the July 2025 WASDE, harvested area has surged 4.5 mil. acres. Notably, the record crop in 2025 exceeds the prior high set in 2023 by 1.7 bil. bu.

2025 Corn

Acreage, Yield, and Production

	Planted (1,000 Acres)	Harvested (1,000 Acres)	Yield (Bushels/Acre)	Production (1,000 Bushels)
United States	98,788	91,258	186.5	17,020,549
% Change from Previous Estimate	↑ 0.1	↑ 1.3	↑ 0.3	↑ 1.6
% Change from Previous Season	↑ 8.7	↑ 9.9	↑ 4.0	↑ 14.3

Top 5 States - By Production

	Planted (1,000 Acres)	Planted % Δ PY	Harvested (1,000 Acres)	Harvested % Δ PY	Yield (Bushels/Acre)	Yield % Δ PY	Production (1,000 Bushels)	Production % Δ PY
Iowa	13,550	↑ 5.0	13,200	↑ 6.0	210	↓ 0.5	2,772,000	↑ 5.5
Illinois	11,200	↑ 3.7	11,000	↑ 3.3	214	↓ 1.4	2,354,000	↑ 1.9
Nebraska	10,750	↑ 7.0	10,450	↑ 9.0	194	↑ 3.2	2,027,300	↑ 12.4
Minnesota	8,900	↑ 8.5	8,450	↑ 9.3	201	↑ 15.5	1,698,450	↑ 26.3
South Dakota	6,850	↑ 16.1	6,350	↑ 17.8	171	↑ 4.3	1,085,850	↑ 22.8

Of the total acres harvested, 415,000 acres were reported as remaining to be harvested when the survey was conducted

✓ **What will happen to all that corn**? USDA's WASDE report suggests, "Total corn use is raised 90 mil. bu. to 16.4 bil. Feed and residual use is up 100 mil. bu. to 6.2 bil., based on indicated disappearance during the September-November quarter as reflected by the Grain Stocks report. Food, seed, and industrial use is down slightly reflecting reductions in the amount of corn used for glucose and dextrose and high fructose corn syrup. USDA is forecasting corn exports to reach 3.2 bil. bu., unchanged from the December WASDE report. With supply rising more than use, corn stocks are boosted 198 mil. bu. to 2.2 bil. The season-average corn price received by producers is raised 10¢ cents to $4.10 per bu.

✓ **Global coarse grain production** for 2025/26 is forecast up 560 mil. bu. to 60.5 bil. bu. This month's foreign coarse grain outlook is for greater production, virtually unchanged trade, and higher ending stocks. Foreign corn production is forecast higher with an increase for WASDE-667-2 China, where production is raised to a record 11.8 bil. bu. based on the latest data from the National Bureau of Statistics. Foreign corn ending stocks for 2025/26 are higher, mostly reflecting an increase for China. Global corn stocks, at 11.4 bil. bu., are raised 460 mil. bu.

- **Soybean production in 2025** totaled 4.26 bil. bu., down 3% from 2024. The average yield per acre was estimated at a record high 53.0 bu. per acre, up 2.3 bu. from 2024. Harvested area, at 80.4 mil. acres, was down 7% from last year. U.S. soybean production is estimated at 4.3 bil. bu., up 9 mil., led by increases for KS, KY, and MN. Harvested area is estimated at 80.4 mil. acres, up 100,000 acres. Yield is unchanged from last month at 53.0 bu. per acre. U.S. soybean supply for 2025/26 is raised 17 mil. bu. on higher beginning stocks and production.

2025 Soybeans

Acreage, Yield, and Production

	Planted (1,000 Acres)	Harvested (1,000 Acres)	Yield (Bushels/Acre)	Production (1,000 Bushels)
United States	**81,215**	**80,437**	**53.0**	**4,261,858**
% Change from Previous Estimate	↑ 0.1	↑ 0.2	NC	↑ 0.2
% Change from Previous Season	↓ 6.9	↓ 6.7	↑ 4.5	↓ 2.6

Top 5 States - By Production

	Planted (1,000 Acres)	Planted % Δ PY	Harvested (1,000 Acres)	Harvested % Δ PY	Yield (Bushels/Acre)	Yield % Δ PY	Production (1,000 Bushels)	Production % Δ PY
Illinois	10,300	↓ 4.6	10,230	↓ 4.8	62.5	↓ 2.3	639,375	↓ 7.1
Iowa	9,450	↓ 6.0	9,380	↓ 5.8	63.5	↑ 5.8	595,630	↓ 0.3
Minnesota	7,150	↓ 3.4	7,070	↓ 3.4	52.5	↑ 16.7	371,175	↑ 12.7
Indiana	5,450	↓ 6.0	5,430	↓ 6.1	59.5	↑ 0.8	323,085	↓ 5.3
Nebraska	4,850	↓ 8.5	4,790	↓ 8.6	65.5	↑ 13.9	313,745	↑ 4.1

Of the total acres harvested, 241,000 acres were reported as remaining to be harvested when the survey was conducted

- ✓ **Soybean crush for 2025/26** is raised 15 mil. bu. to 2.57 bil. bu. on higher soybean meal domestic disappearance and exports. Soybean meal and soybean oil extraction rates are also revised based on early-season data. Soybean oil used for biofuel is lowered 0.7 bil. lbs. to 14.8 bil. on lower-than-expected use to date and strong use of tallow as a feedstock in recent months. U.S. soybean exports are revised 60 mil. bu. lower to 1.575 bil. on higher production and exports for Brazil. Soybean ending stocks are projected at 350 mil. bu., up 60 mil. The U.S. season-average soybean price for 2025/26 is projected at $10.20 per bu., down 30¢, reflecting reported NASS prices during the first quarter of the marketing year and expectations for future marketings and prices. The soybean meal price is forecast at $295 per short ton, down $5. The soybean oil price is unchanged at 53¢ per lb.

- **Dec 1 Grain Stocks were also higher than expected.**
  - ✓ Corn stored in all positions on December 1, 2025 totaled 13.3 bil. bu, up 10% from December 1, 2024. Of the total stocks, 8.70 bil. bu. are stored on farms, up 14% from a year earlier. Off-farm stocks, at 4.58 bil. bu., are up 4% from a year ago. The September - November 2025 indicated disappearance is 5.29 bil. bu., compared with 4.58 bil. bu. during the same period last year.

	December 1 Total (1,000 Bu)	December 1 On-Farm (1,000 Bu)	December 1 Off-Farm (1,000 Bu)
United States	**13,282,366**	**8,699,000**	**4,583,366**
% Change from Previous Season	↑ 10.0	↑ 13.5	↑ 3.9

	Top 5 States - By Total Stocks								
	December 1 Total			December 1 On-Farm			December 1 Off-Farm		
	(1,000 Bu)		% Δ PY	(1,000 Bu)		% Δ PY	(1,000 Bu)		% Δ PY
Iowa	2,277,129	↑	4.5	1,450,000	↑	7.4	827,129	↓	0.2
Illinois	2,040,505	↑	0.9	1,150,000	↑	1.8	890,505	↓	0.3
Minnesota	1,540,636	↑	15.8	1,200,000	↑	17.6	340,636	↑	9.6
Nebraska	1,527,152	↑	12.1	1,000,000	↑	20.5	527,152	↓	1.0
South Dakota	919,505	↑	20.5	630,000	↑	23.5	289,505	↑	14.3

  - ✓ Soybeans stored in all positions on December 1, 2025 totaled 3.29 bil. bu., up 6% from December 1, 2024. Soybean stocks stored on farms totaled 1.58 bil. bu., up 2% from a year ago. Off-farm stocks, at 1.71 bil. bu., are up 10% from last December. Indicated disappearance for September - November 2025 totaled 1.30 bil. bu., down 20% from the same period a year earlier.

	December 1 Total (1,000 Bu)	December 1 On-Farm (1,000 Bu)	December 1 Off-Farm (1,000 Bu)
United States	**3,290,076**	**1,576,000**	**1,714,076**
% Change from Previous Season	↑ 6.1	↑ 2.3	↑ 9.9

	Top 5 States - By Total Stocks								
	December 1 Total			December 1 On-Farm			December 1 Off-Farm		
	(1,000 Bu)		% Δ PY	(1,000 Bu)		% Δ PY	(1,000 Bu)		% Δ PY
Illinois	572,189	↑	5.1	260,000	↑	2.0	312,189	↑	7.9
Iowa	522,086	↑	3.1	215,000	↓	2.3	307,086	↑	7.2
Minnesota	288,226	↑	2.3	155,000	↓	8.8	133,226	↑	19.2
Nebraska	262,757	↑	16.2	83,000	↑	22.1	179,757	↑	13.6
Indiana	258,563	↓	1.6	150,000	↓	9.1	108,563	↑	11.0

- ✓ **The outlook for 2025/26 U.S. wheat** this month is for slightly larger supplies, lower domestic use, unchanged exports, and larger ending stocks. Beginning stocks are raised 4 mil. bu. on stock revisions in today's NASS Grain Stocks report. Feed and residual use is reduced 20 mil. bu. to 100 mil. based on smaller-than-expected first quarter disappearance and residual indicated in the same report. Seed use is lowered 1 mil. bu. to 61 mil., partly based on the NASS Winter Wheat and Canola Seedings report. Exports are unchanged at 900 mil. bu., but there are offsetting by-class changes. Projected ending stocks are raised 25 mil. bu. to 926 mil., up 8% from the previous year. The season-average farm price is lowered 10¢ per bu. to $4.90.
- ✓ All wheat stored in all positions on December 1, 2025 totaled 1.68 bil. bu., up 7% from a year ago. On-farm stocks are estimated at 446 mil. bu., down 4% from last December. Off-farm stocks, at 1.23 bil. bu., are up 11% from a year ago. The September - November 2025 indicated disappearance is 459 mil. bu., 9% above the same period a year earlier.

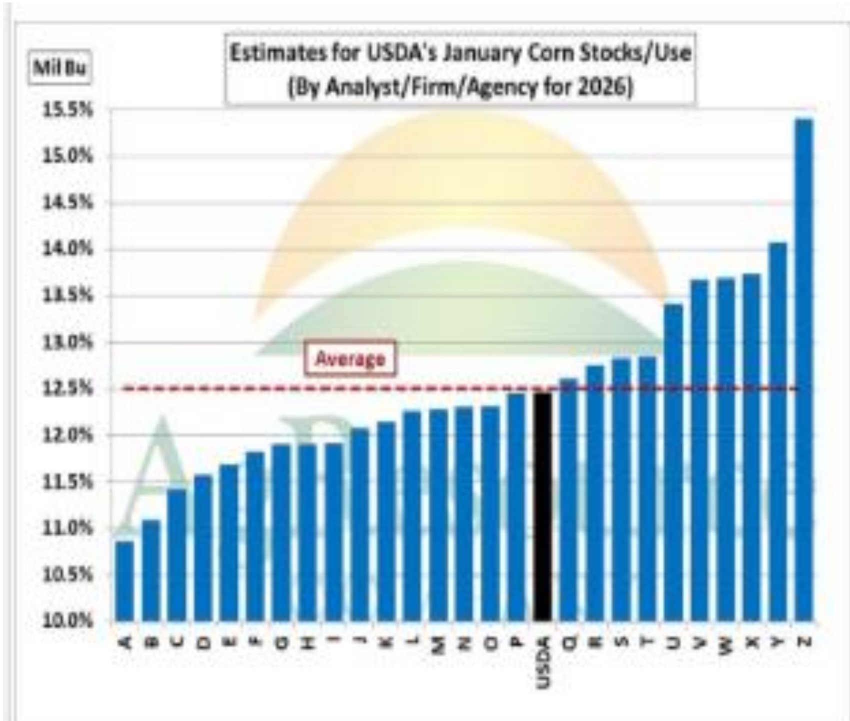
U.S. Wheat Supply and Demand

Item	2024/2025 estimate	2025/2026 forecast	Change from December 9	Change from 2024/2025
Planted area (million acres)	46.3	45.3	--	-0.9
Harvested area (million acres)	38.6	37.2	--	-1.4
Yield (bushels per acre)	51.2	53.3	--	2.1
	------------ *Million bushels* ------------			
Beginning stocks	696	855	4	158
Production	1,979	1,985	--	6
Imports	149	120	--	-29
Total supply	2,824	2,959	4	135
Food use	969	972	--	3
Seed	61	61	-1	**
Feed and residual	113	100	-20	-13
Domestic use	1,143	1,133	-21	-10
Exports	826	900	--	74
Total use	1,969	2,033	-21	64
Ending stocks	855	926	25	72
	---------------- *Percent* ----------------			
Stocks to use ratio	43.4	45.6	1.7	2.2
	------------ *Dollars per bushel* ------------			
Average market price	5.52	4.90	-0.10	-0.62

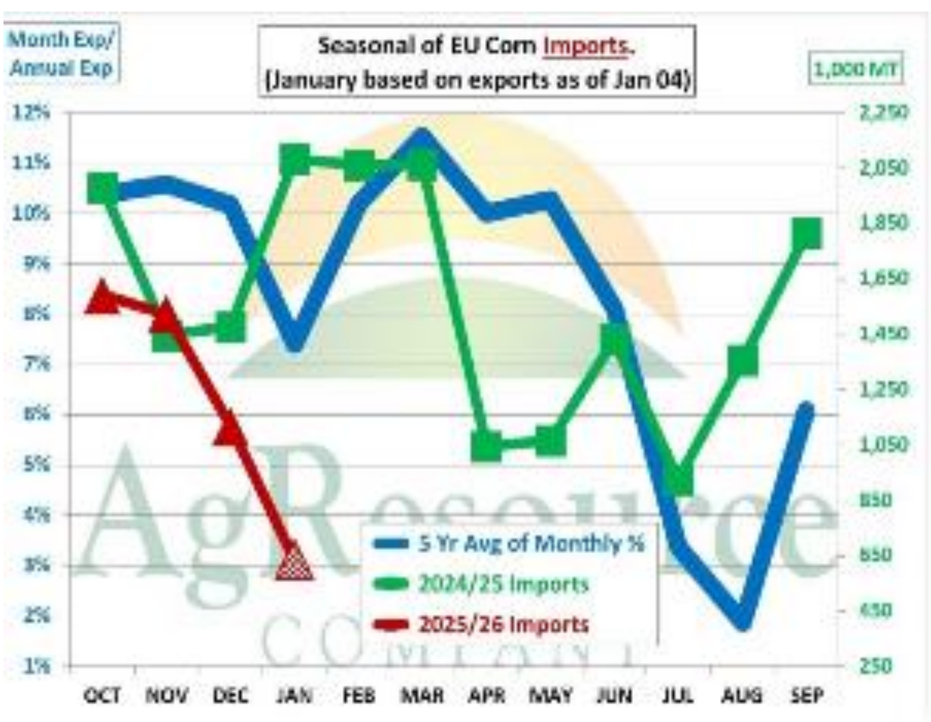
- **Grain Market details from** General Manager Kevin Walker and staff at Legacy Grain.
  - ✓ **Soybean market drivers**: Soybeans slipped off the midday highs this week with contracts up 1 to 1½¢ in the front months at the close. March was up 16¾¢ on the week. The CmdtyView national average Cash Bean price was 1½¢ higher at $9.90¾. Soymeal futures closed Friday with January down 40¢ and other contracts up a dime to $1.80, as March was up $7.70 this week. Soy Oil futures were 15 to 23 points higher on the day, as March was 39 points higher on the week. A private export sale of 7 mil. bu. of soybeans was sold to unknown destinations this morning according to the USDA. Wire sources indicated that China bought another 10 cargoes of US beans for April – May shipment on Friday. USDA Export Sales data now show 1.05 bil. bu. in US soybean export sale commitments as of 1/1, with 29% from the same week in 2024/25. That is also 64% of USDA's export projection and behind the 82% average sales pace. Shipments are down 45% from a year ago at 601 mil. bu., which is 37% of the USDA forecast and lagging the average of 57%. Sinograin, a Chinese state stockpiler, has issued an auction of 40 mil. bu. of imported soybeans (from 2022-2025) for January 13. Quarterly Grain Stocks data will be out on Monday, with a total of 3.25 bil. bu. of soybean stocks on December 1, according to a Reuters survey of analysts. The range of estimates is 2.95 to 3.445 bil. bu. Commitment of Traders data indicated spec traders cutting back 26,845 contracts from their soybean net long in the week ending on January 6. That net long was tallied at an 11-week low of 57,717 contracts of futures and options. Jan 26 Soybeans closed at $10.48½, up 1½¢, Nearby Cash was $9.90¾, up 1½¢.

✓ **Corn market drivers**: Corn futures rounded out the Friday session with contracts fractionally lower, as March managed to close the week with an 8 ¼ cent gain. Futures spent the session squaring up ahead of Monday's USDA report. The CmdtyView national average Cash Corn price was down ¼¢ at $4.07¼. After Thursday's Export Sales report, US corn export commitments are now 2.00 bil. bu. as of January 1, a 30% increase from last year. That is also 63% of the current USDA export projection for the marketing year and ahead of the 61% average sales pace. Actual shipments are 1.08 bil. bu., which is 34% of USDA's forecast and ahead of the 24% normal shipping pace. A couple South Korean importers purchased a total of 13 mil. bu. of corn in tenders overnight. USDA will release its quarterly Grain Stocks report on Monday, with a Reuters survey of analysts looking for December 1 corn stocks at 12.962 bil. bu., with a range of estimates from 12.05 to 13.31 bil. CFTC data from Friday afternoon showed managed money trimming 7,158 contracts from their net short in corn futures and options as of January 6, taking it to 16,426 contracts. Mar 26 Corn closed at $4.45¾, down ¼¢, Nearby Cash was $4.07¼, down ¼¢.

- **There were 26 analysts or firms** that released estimates of both U.S. corn production and ending stocks, says Ag Resource chief economist Bill Tierney. "Using those production and stocks figures, and adding beginning stocks and imports, an "implied" projection for the ratio of corn ending stocks/use can be calculated. This year, the estimates for January WASDE's corn ending stocks/use ranged from a low of 10.9% to a high of 15.4%. The average was 12.5%, the same as the USDA's December forecast. 61% of estimates were below USDA's December forecast with 39% being equal to or above the USDA's December forecast."



- **EU corn imports lagging behind the pace needed** to meet the USDA's projection, reports [chief economist Bill Tierney at Ag Resource](). "The EU is the world's 2nd largest corn importer. Mexico is the largest. In the December WASDE, the USDA lowered their projection for EU corn (maize) imports by 40 mil. bu. to 790 mil. bu. Last year's imports were 732 mil. bu. The largest imports, over the past 45 years, were 929 mil. bu. (set in 2018/19). "Pace" analysis "implies" that final imports this year will be 682 mil. bu.



- **USDA data said exports of corn and wheat** remain well ahead of year-earlier levels, while soybeans lag behind last year's pace through the week of December 18. Corn exports from the start of the marketing year on September 1 through mid-December stood at 986.7 mil. bu., up 67% year-over-year. Wheat shipments from the beginning of the marketing year through December 18 totaled 535 mil. bu., a 24% increase. Soybean exports from September 1 were reported at 523 mil. bu., down 46% on an annual basis. USDA said total commitments by overseas buyers to purchase U.S. ag products tell the same story. U.S. corn sales rose 31% year over year to 1.959 bil. bu., and wheat sales to offshore importers were up 18% to 20 mil. metric tons. Soybean sales were reported through December 18 at 986 mil. bu, down 32%.
- **Sinograin, China's state-run commodity buyer,** recently bought 10 U.S. soybean cargoes. 3 traders told Reuters that the world's biggest buyer of soybeans is continuing to purchase the commodity from the United States following a late October trade truce. 'The cargoes total almost 22 mil. bu. and will be shipped between March and May," Reuters said. "That timeframe happens to also be the peak season for Brazil, a rival supplier of the U.S." The total amount of soybeans China has bought from the U.S. is estimated between 312 mil. and almost 370 mil. bu. That number represents almost 80% of the 440 mil. bu. that Treasury Secretary Bessent said China had promised to purchase by February 28. In late November, Reuters cited a shipping schedule saying 2 cargoes would carry the first soybean shipments since May. However, those cargoes haven't arrived yet as they aren't on the customs website. Arlan Suderman, chief commodities economist, StoneX Group, Inc., recently told *Milling & Baking News*, that China doesn't have enough storage capacity to fulfill its US soybean commitment in addition to what it already purchased from Brazil. He said it would have to wash out some sales from Brazil, which would probably be picked up by other buyers, still negative for US export sales. Sinograin held three public auctions last month to make room for US shipments, *Reuters* reported. Despite a weakening US dollar, Brazilian soybeans were priced below US supplies in 2025, and even recent purchases of US soybeans by China could have been purchased cheaper from Brazil, trade sources said. The United States is forecast to export 1.62 bil. bu. of soybeans in the 2025-26 marketing year, according to the Foreign Agricultural Service of the US Department of Agriculture. If this projection is realized, it would be the lowest total since the United States shipped 1.33 bil. bu. in 2012-13.

- **There is a major policy change in Brazil,** which will have an unfriendly impact on US soybean growers. ABIOVE, the consortium of domestic and international grain trading and processing companies doing business in Brazil is withdrawing from a global agreement that restricts new soybean production on deforested land. ABIOVE informed the state government of Mato Grosso that the association and major traders intended to leave the nearly 20-year-old agreement, *Reuters* reported, citing a Jan. 4 announcement from Mato Grosso Governor Mauro Mendes. A change in state tax law was a key factor. ABIOVE, which includes ADM, Bunge Global SA, Cargill, COFCO and Louis Dreyfus Co., confirmed in a subsequent statement to *Reuters* it had "initiated talks" to exit the pact. The moratorium is credited by supporters with aiding preservation of the world's largest rainforest. *Reuters* reported last week that some of the world's largest soybean traders were preparing to withdraw from the deal to preserve tax benefits in Mato Grosso, where a new law eliminating the benefits for moratorium participants took force on Jan. 1. While conservation groups called the announcement a setback, Aprosoja-MT, an association representing farmers in Mato Grosso lauded the news. ABIOVE said companies will be individually responsible for fulfilling their own conservation commitments: "The legacy of monitoring and the expertise acquired over nearly 20 years will not be lost." The change in policy has the potential of soybean acreage expansion in Brazil, which had been limited somewhat by restrictions on deforestation. European soybean buyers are guided by the deforestation limits, but other nations, possibly China, do not have such policies.
- **The latest production report from Brazil** is for a 178 mil. ton soybean crop. That equates to 6.539 bil. bu. says South American crop specialist Michael Cordonnier. He says, "The increased production estimate is the result of good early yield reports out of Mato

Grosso and improved rainfall in the southernmost state of Rio Grande do Sul, which will likely be the second largest soybean producing state in Brazil this year after Mato Grosso. The soybean harvest has started in isolated areas of western Parana and western and central areas of Mato Grosso. Nationwide, less than 1% of the soybeans have been harvested and the harvest pace will accelerate in early January. The soybeans currently being harvested are early maturing varieties that were planted in early September. These soybeans will be followed by a second crop of cotton or corn in Mato Grosso and a second crop of corn in Parana. The early soybean harvest in Mato Grosso is concentrated in irrigated areas and yields are reported to be good with good quality and grain weight. After irregular rain during October and November, the weather has improved during December, but the final yield will depend on the weather during January, February and in some later areas, the first half of March.

- **There are a lot of confusing numbers** when you talk about where the U.S. stands in terms of soybean imports or exports to China. As far as where we stand today, there are a lot of confusing numbers. Some are at zero, some at 147 mil. bu., and some at 257 mil. bu. IA St. Univ. ag economist Chad Hart (right) talked about the numbers he is relying on, "So, in this case, I would say they're all technically correct, which, as an academic, we always love. But here's the deal: how do you get a zero right now? Well, 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 the USDA is catching back up on, that would show that China has purchased about 147 mil. bu. thus far, and 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 257 mil. bu. level because we have been seeing China being active, especially here in late November, early December, and those data will eventually show up in the weekly sales data, probably within the next couple of weeks." He said that it will also show up in the Chinese data within the next month or so. Hart talked about how the market seems to be viewing the soybean sales data, "I think as you look at it right now, it was one of those deals where we really traded up the rumor and then bid down the news. So, the idea is we saw the rally before any purchases were made, but when the agreement was sort of announced, and now with each resulting sale, the market's sort of discounting that along the way. And I think it's because the market is sitting here going, 'There's been an agreement, the agreement seems to be being held up here, but it also puts us still in a position to, you know, China agreed to purchase 440 mil. bu. here for 2025, but that would still only be about half of what they usually do." And so, hence the let's call it, lack of excitement." He said the marketplace has turned its collective gaze toward the Brazilian and Argentine crops, "It pretty much has. It's also looking to see whether we will see China 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, they can move to the Brazilian market if they find better prices there.'" (WILL radio)

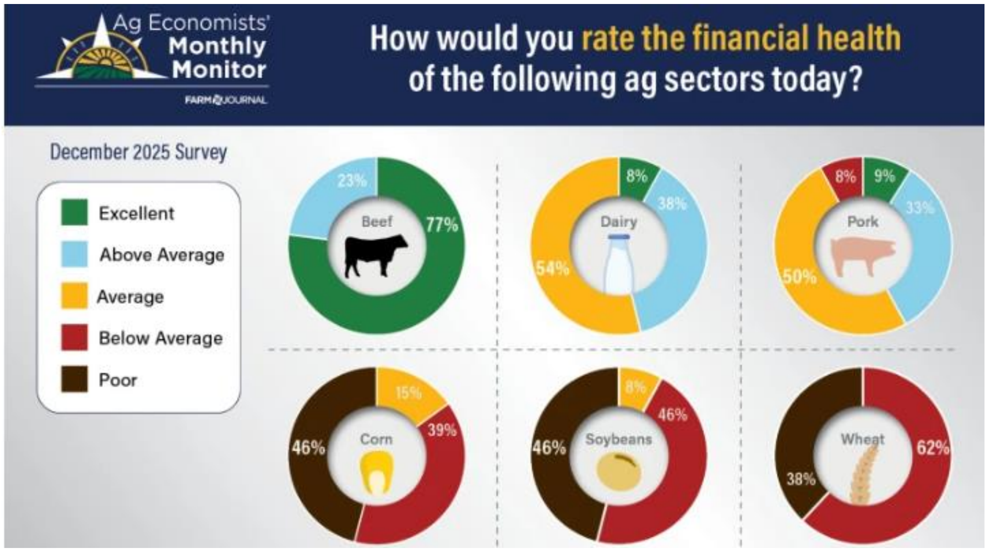
- **"The bull and bear cases for soybeans,"** says the Brock Report, includes Venezuela. "This is enormous news in many ways. Here are 3 issues we think are important: 1) The immediate response of many in this industry was that this move was going to be bullish for oil prices. Understandable when you have turmoil in a major oil producing country. But we disagree. We think this is very neutral to negative for oil prices. While it will be a long-term impact, rebooting oil refineries in Venezuela will eventually take place, increasing the world supply of oil and sending prices lower. 2) This move was very controversial with leaders in China, Russia, and across Europe. But it sends a signal to other world leaders that Trump means business, not business as usual. Energy controls the world. The more energy you control, the more power you have. The playing field on tariffs will now start to level off and will hopefully be a benefit to both U.S. farmers and U.S. businesses. 3) This will ultimately be bullish corn and soybean demand long term and could well be bullish many other ag commodities as well. Developed economies eat more food and eat more protein. This boosts demand for meat and dairy and the feed those animals consume. It's a bit early to say Venezuela is going to be a developed economy as a result of this, but they are anything but that at the moment. Will this speed negotiations over Greenland? Will China use the U.S. operation in Venezuela as an excuse to tighten its grip around Taiwan? This will undoubtedly contribute to an extremely volatile 2026 in both commodity prices and in the stock market….Starting with this year's soybean balance sheets these numbers will be revised by USDA Monday. Some will not change at all. Under the average scenario, we believe that would result in a carryover supply of approximately 342 mil. bu. The fundamental that is most significant in soybeans is the export number. The USDA has been estimating it at 1.635 bil. Many in the industry had thought that was much too high because China was not buying any soybeans from us. That has started to change, but perhaps too little, too late. Exports to countries other than China have been good, but not good enough to make up for this shortfall, with total marketing year to date commitments (sales) now 426 mil. bu. below last year, or down 29%. For now, we are leaving our estimate at 1.585 vs. the USDA's current 1.635 bil. bu. Don't be surprised to see this number drop further. Monday's report will be important in revising that number. For the bearish scenario, we plugged in 1.45 bil. bu. for exports and left the yield unchanged. This results in ending stocks of nearly 500 mil. bu. and a stocks-to-use ratio of 11.7%. We've been in that boat, most recently in the 2017/18 to 2018/19 marketing years. In those years, futures bounced between $8.00 and $9.50. Even if this bearish scenario plays out, we do not see futures drifting that low, but a $9.50 to $10.50 trading range is very possible. For the bullish scenario. Bump exports to 1.7 bil. bu. and drop the yield by half a bushel per acre and suddenly carryover drops to 187 mil. bu. with a stocks-to-usage ratio of 4.3%. That would result in soybeans over $12. We do not believe the bullish scenario is very likely for this year, but anything is possible, particularly with soybeans. Llet's move on to the 2026-27 marketing year. Under the average scenario, we are estimating a slight drop in soybean acres, down to 80.5 mil. acres. Too early to really tell. With that scenario and a yield of 53.5 bu. per acre and exports staying flat, carryover would be approximately 181 mil. That would mean next year's new crop soybeans, as of right now, are underpriced." For the complete commentary and charts go to The Brock Report.

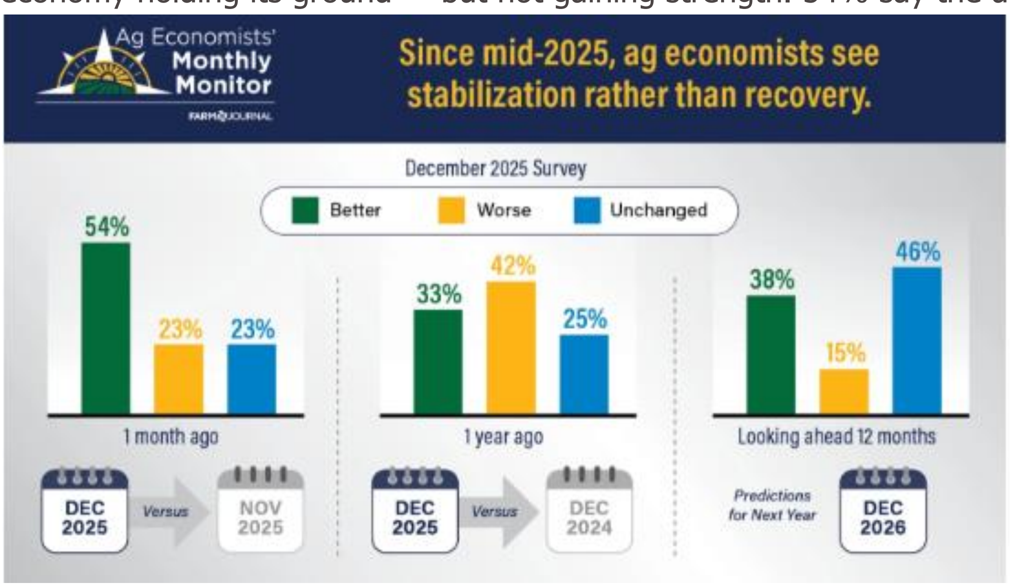
- **Marketing.** "Both corn and beans had a nice week after last week's rough go." -- Matt Bennett.
  - ✓ **Corn—futures**. March '26 corn had a nice week, rebounding from a tough one a week ago. March settled at $4.45¾, down ¼¢. This was 1¾¢ off the high and 2¢ off the low. March rallied 8¼¢ for the week. Technically, we rebounded well after breaking support a week ago. With a solid move higher on Monday, we set the tone for the week.
  - ✓ **Corn—cash and basis**. Basis was steady/improved. 19¢ over March (2¢ improved). Cash prices moved higher on the week. While we saw some basis widening, it didn't take all the rally away. Given the time of year, rallies are many times met with basis widening, but a good sign is the river actually narrowing.
  - ✓ **Corn—marketing strategy**. While I hope for a bullish report, I don't mind selling some cash in here and re-owning with Feb $4.50 calls. At 5¢ or so, it' s a cheap way to own corn if we happen to get a bullish report. If it's bearish, we'd be glad to have moved forward with making some sales and locking in worst-case scenarios.
  - ✓ **Corn—2026 crop.** December 2026 corn ended the week at $4.64, up 5½¢. Dec26 posted a nice recovery as well, but we're not quite where I want to be hedging. I'm hopeful we can see a rally on Monday and establish ourselves above $4.70, but there's no way to know just how this plays out. The issue with a bearish report, amongst the obvious, is it would likely set the tone for the next few weeks.
  - ✓ **Beans—futures.** Beans got some of what was lost the previous week with better markets this week. On Friday, March beans settled up 1½¢ at $10.62½. This was 6½¢ off the high and 1¢ off the low. Beans rallied 16¾¢ on the week. March meal settled $7.70 higher on the week at $303.70, while soy oil ended the week at 49.69¢, up .39¢.
  - ✓ **Beans—cash and basis**. Basis was steady/improved. 23¢ over the March (5¢ improved). Cash beans rallied on the week. With the higher board price, we didn't see basis get hit and in some cases it improved. This is a good sign. While crush in the US is solid as can be, the interior facilities aren't having to bid against the river due to the export program being subpart.
  - ✓ **Beans—marketing strategy**. I'm of the opinion a person have their offers in place on all but some gambling stocks. I struggle to get bullish beans, but if we can get a price you can live with or even break even with, I think we should take a strong look at it.
  - ✓ **Beans--2026 crop**. Nov 2026 beans settled at $10.71¾, up 9¢ on the week. While we were getting as close to $11 as we've seen in a couple of weeks, we can't seem to sustain any momentum with these new beans. I like selling some '26 beans on a rally up to and over $11 but only if it works on your farm. There's no doubt for some it may not work, so with us this far form harvest, I don't want to be locking losses in just yet.
  - ✓ **Price ratio—2026 crop**. 2.31/1, beans to corn, based on fall futures, unchg/week.

- **Market advisor's thoughts/suggestions**: Matt Bennett. "While I'd like to report a  change in direction, my gut tells me the buying we saw this week is positioning in front of the biggest report of the year here on Monday. Weather overall looks conducive to a big crop in South America, so no help there. We likely saw some position-evening going on with traders getting to a risk-averse position heading into the report. Estimates seem to agree on a neutral to friendly report with average ending stocks at 1.98 bil. bu. versus last month's 2.029 bil. as the trade is estimating corn yield at 184. While I hope we get a bullish report, it's tough to know either way. A supportive market is exactly what we need given how challenging these markets have been the last couple of years. However, if the USDA gives us a bearish report, it will set the tone for another rough go. If you need to manage some risk ahead of this report, you might consider selling/hedging what you need and buying a cheap call close to the market. We're looking at Feb calls as this report's reaction is likely to be a bit more volatile than what we generally see. Stay flexible but willing to hedge risk on rallies. I still like corn ownership longer-term as any hint of weather issues for the Safrinha or US crop would likely be met with solid buying. While flexibility is important, getting offers in at levels you can live with is just as important. Given we'll be likely carrying in way more corn into harvest than we did last year, with an average crop, I assume we'll see big carry again next fall……The bean market finally found some buying this past week. While weather overall in South America is too good to expect a big rally, we still see Argentina coming up short, especially in the southern half. This is likely the reason we saw some life in the meal market due to how much soybean meal Argentina typically exports-more often than not, they've exported over half of the world's meal. The report is thought to be mixed from the trade as they're predicting a yield adjustment lower from 53 to 52.7 bu. but for stocks to increase from 290 mil. to 303 mil. Many feel the demand could get adjusted lower, particularly export demand. Considering US beans are pushing $1 higher per bu. than Brazilian beans, that rationale is tough to argue with. Let's hope for a bullish USDA report, either for corn or beans. If it's for corn, I have to think we could see beans supported on a corn rally… As we all know, this bean market can rip higher when we least expect it. Fundamentally, the US has a fairly tight balance sheet while the world isn't seeing stocks go up...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.
- **"This week I talked about Monday's upcoming report** on Beck's podcast. Here is this past week's episode." – Grain Marketing Update with Matt Bennett (1/6/2026) - YouTube

Farm Economy—

- **The farm economy is stabilizing,** but it's a "work in progress." The December Ag Economists' Monthly Monitor shows month-to-month sentiment is improving, but deep structural strain remains — especially in row crops. Meanwhile, livestock markets continue to provide strength. Crop producers face another year of tight margins driven by high input costs, weak prices and unresolved trade and policy uncertainty. "There's cautious optimism," the economists say, "but very little belief that 2026 will bring a meaningful rebound without cost relief or stronger demand." Those themes mirror the perspective of Seth Meyer, former USDA chief economist and now director of the Food and Agricultural Policy Research Institute (FAPRI) at the Univ. of MO In a recent interview, Meyer connected the dots between narrow margins, policy responses and what might actually move the dial for U.S. agriculture heading into 2026. Economists see the ag economy holding its ground — but not gaining strength. 54% say the ag economy is somewhat better than one month ago. Compared with a year ago, 42% say conditions are worse; 33% say they are better. Looking ahead 12 months, 46% expect conditions unchanged, 38% expect improvement, and 15% expect conditions to worsen. Grant Gardner, assistant Extension professor at the Univ. of KY, says even with the $11 bil. in Farmer Bridge Program payments, it won't drastically change the outlook for the farm economy. →

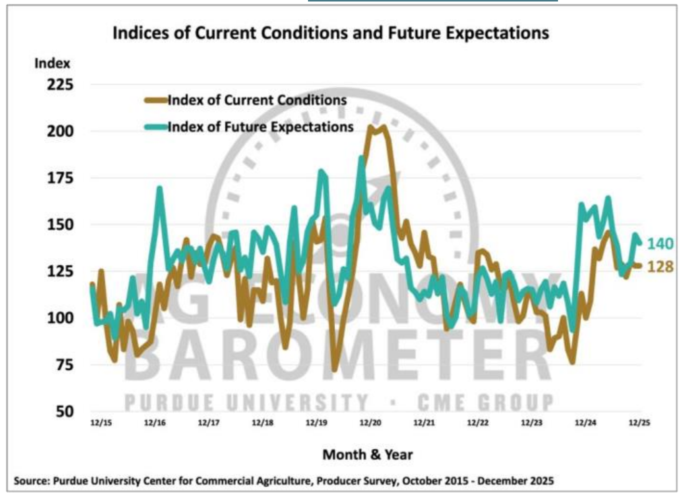




So where will the bridge money go? Grant Gardner of the Univ. of KY, says, "Purdue had a good survey about a month ago, where they looked at what were these payments going to go to, and research would show that a lot of these payments go into long-term assets, and so land tractors, but I think over 60% of producers right now are in such a tight cash crunch that you're going to see a lot of these payments go into that short-term debt," Gardner says. Economists are nearly unanimous that the crop sector remains under extreme financial stress. 83% say row crops are currently in a recession. That isn't about production declines — acres and yields haven't collapsed — but about persistently weak profitability. "Negative returns for at least the third consecutive year across nearly all row crops," one economist wrote in the survey. Another said: "Margins remain below full costs of production for many producers." Former USDA Chief economist Seth Meyer traces that back to how abruptly agriculture moved from the high prices of 2021 and 2022 into today's tighter margins. "We moved very quickly from a very high price environment and good profitability in 2022 to very tight margins," he says. "That usually happens coming off price peaks, but this time it happened really rapidly." A minority of survey respondents argued farms are "treading water," supported by strong land values and government aid rather than eroding further, which Meyer acknowledged aligns with how risk and safety nets have interacted this year.

But when you look at how the current stress in the farm economy could impact consolidation, the ag economists say it's the economic pressure combined with demographic trends causing the acceleration. In fact, 92% of them say consolidation is underway and unavoidable. Aging producers exiting and rent-heavy operations under pressure only add fuel to that trend, with one economist saying: "Consolidation happens because producers have to exit, not because they want to. When economists were asked to identify the two most important factors shaping agriculture's economic health today, their responses clustered around a familiar, but increasingly sharp, divide: strong demand in livestock and the protein sector versus persistent oversupply and cost pressure in crops, all layered with trade and policy uncertainty.

- **The Purdue Univ. Ag Barometer survey** for December found Farmer sentiment weakened slightly in December as the index dropped just 3 points in December to a reading of 136. Weakness in the barometer was attributable to a modest decline in producers' long-term outlook, as the Future Expectations Index fell to 140, 4 points below a month earlier. Meanwhile, the Current Conditions Index, at 128, was unchanged from November's reading. Angst about prospects for U.S. soybean exports amid increasing competition from Brazil contributed to a slightly weaker outlook for the future among crop producers.



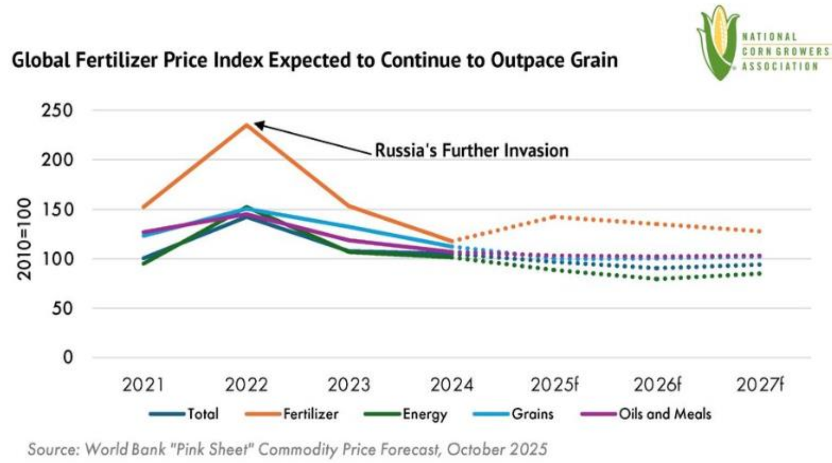
  - ✓ Producers' expectations for their farms' financial performance changed little compared to November. There was a shift toward more producers saying they expect this year's farm financial performance to be about the same as last year's. 60% of producers still said it was a bad time to make a large investment in their farms.
  - ✓ Producers provided one of their most optimistic outlooks of the year, with just 5% of producers looking for exports to decline over the next 5 years. However, 13% of corn and soybean growers said they expect soybean exports to decline over the upcoming 5 years, compared to 8% in November. Growers who expect soybean exports to increase in the next 5 years fell from 47% in November to 39% in December; with 84% of corn and soybean producers said they were concerned or very concerned about U.S. soybean exports competing with Brazil's, with 45% indicating they were very concerned.
  - ✓ Farmers remained optimistic about farmland values in December. But long and short term expectations about land values rose only 1%.
  - ✓ Farmers are losing their patience with Trump tariffs as a solution to export expansion. 54% of respondents said they expect the use of tariffs to strengthen the agricultural economy, down from 58% and 59% in October and November, respectively. Farmers who are uncertain about tariffs' long-run impact rose to 19% of respondents in December, up from 17% a month earlier. Uncertainty about how tariff policy will affect the agricultural economy in the long run has more than doubled since this question was first posed in the spring. However, when asked if the U.S. is headed in the "right direction" or on the "wrong track," 75% of respondents chose "right direction" in December, which was the highest percentage recorded since this question was first included in barometer surveys starting in July.

- **U.S. farmers are facing one of the widest gaps** between what they pay to produce food and what they earn from selling it. Investigate Midwest said New USDA data released on Dec. 15 show that by October 2025, the prices paid index had climbed to 154.6, while the prices received index had fallen to 120.5. The agency measures the indexes against 2011 levels, which are set to 100, making it easier to see how prices have changed over time. In practical terms, that means production costs were more than 50% higher than in 2011, while prices farmers received were only about 21% higher. That gap reached 34.1 index points in October, the widest spread in the data going back at least a decade, according to the data. The prices paid index tracks a wide range of expenses, from fertilizer and fuel to feed and labor. Meanwhile, prices for crops and livestock have slipped from their recent highs. This hasn't always been the case. In parts of 2021 and 2022, rising commodity prices helped close the gap. Since then, prices received have dropped faster than costs have come down, reopening the spread. These indexes don't measure profits directly, but they offer a clear signal of rising financial pressure on farm operations heading into the next season. "New USDA data released on Dec. 15 show that by October 2025, the prices paid index had climbed to 154.6, while the prices received index had fallen to 120.5. The agency measures the indexes against 2011 levels, which are set to 100, making it easier to see how prices have changed over time," Cross reported. "In practical terms, that means production costs were more than 50% higher than in 2011, while prices farmers received were only about 21% higher. That gap reached 34.1 index points in October, the widest spread in the data going back at least a decade, according to the data." Terrain Ag is projecting slightly higher operating costs for 2026 corn and soybean crops. Terrain Ag's Marc Rosenbohm reported that "given the current outlook for fertilizer and other input prices, Terrain projects slightly higher operating costs for the 2026 corn and soybean crops. A mix of potential tariff impacts as well as global factors could push overall crop production costs higher in 2026 than they were in 2025. Tariffs could impact some production-cost line items such as chemicals and repairs, while global factors have contributed to higher fertilizer costs. Overall, I project operating costs to be 4% higher for corn and 6% higher for soybeans in 2026 versus 2025," Rosenbohm reported. "These are above the USDA's estimates in June, by 2.2% for corn and 4.4% for soybeans."

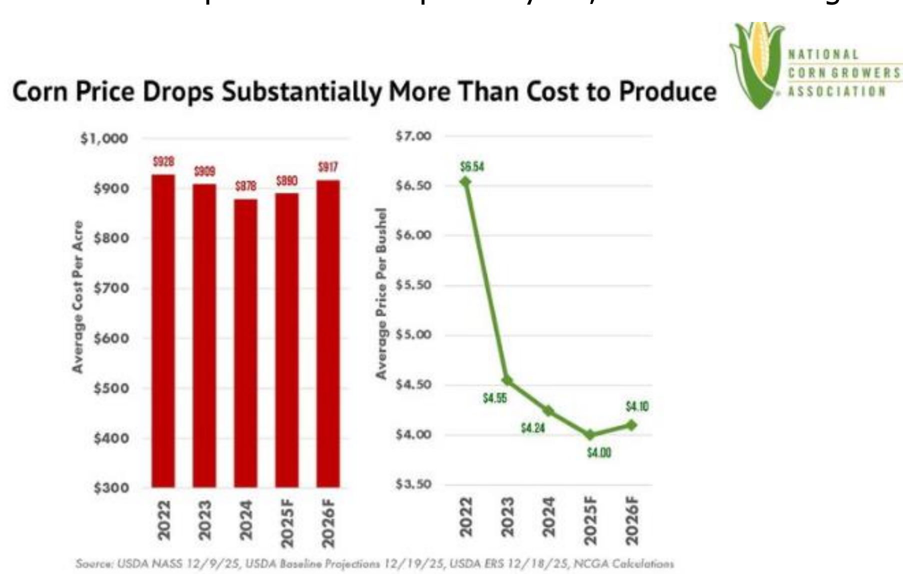
Source: Prices Paid and Received: All Farm Index by Month, US • chart by Lauren Cross, Investigate Midwest
Note: This chart uses price indexes rather than dollar values. All values are measured relative to 2011, which is set to 100, allowing prices paid and prices received to be compared over time. Data was released by USDA on Dec. 15, 2025. The most recent data point reflects October 2025.

- **While production costs remain stubbornly high,** corn prices have sharply declined, squeezing farm margins and prompting a push for long-term demand growth. Krista Swanson, chief economist with the National Corn Growers Association, outlines the association's upcoming Q1 economic outlook and what it signals for U.S. corn producers. "Costs have been a huge focus of ours over the past 6 months," she says, pointing to a plateau in production expenses that has held since 2022. While some minor easing has occurred, the USDA projects the cost to grow an acre of corn will average $917 in 2026—only 1% lower than 2022 levels. "Meanwhile, the market-year average price for corn is expected to be 37% lower than 2022," she adds. Swanson notes fertilizer makes up about a third of operating costs and draws much attention, but increases in seed, pesticides, land, and machinery are also significant. From an economist's perspective, she warns that continued government payments, such as the USDA's recent $44/acre "bridge" program, may also inadvertently contribute to price rigidity for those same inputs. Beyond costs, Swanson is focused on the demand side, where new market opportunities could change the trajectory. While year-round E15 ethanol remains a top short-term goal, she says longer-term strategies are being developed. "Ethanol isn't just a motor fuel… there are opportunities in maritime fuels, sustainable aviation fuel, and bioproducts," she explains. Diversification is another bright spot. Roughly 40% of U.S. corn exports go to Mexico, but Swanson says the broader export pie is well-divided, with markets like Japan, Colombia, and South Korea contributing to feed and fuel demand. As producers weigh planting decisions for 2026, the high cost of corn production versus soybeans looms large. Still, futures price ratios and farmer preferences continue to favor corn. Whether that holds, Swanson says, will be a key trend to watch as the new crop year unfolds. →
- **NCGA's first quarter economic outlook** has been developed by Chief Economist Krista Swanson. Her entire report is here.
  - ✓ "Since 2021, corn has followed an alternating pattern of higher and lower acres. The 95 mil. corn acres USDA projects for 2026 follows this pattern. Although the projection is 3.7 mil. acres less than planted acres in 2025, it would still be a high-acreage year by comparison and could mean U.S. corn production tops 16 bil. bu. again if 2025 yields are repeated. The soybean-to-corn price ratio is one signal for projecting 2026 acres. The ratio strongly favored soybeans for over 6 months ahead of 2024 planting, which was ultimately reflected in increased soybean acreage for the year. It similarly favored corn ahead of 2025 planting. The ratio for 2026 favors corn, further suggesting a high number of corn acres for the year ahead. Although farmers consider additional factors like agronomics, management capabilities, and profitability in their planting decisions – the price signal could indicate even fewer corn acres are trimmed in 2026. (Why It Matters: U.S. corn production is increasing with sustained high corn acres and productivity gains. Global corn production is at a record and growing. Without a shift in demand, rising domestic and global corn supply adds downward pressure on corn prices for U.S. farmers.)

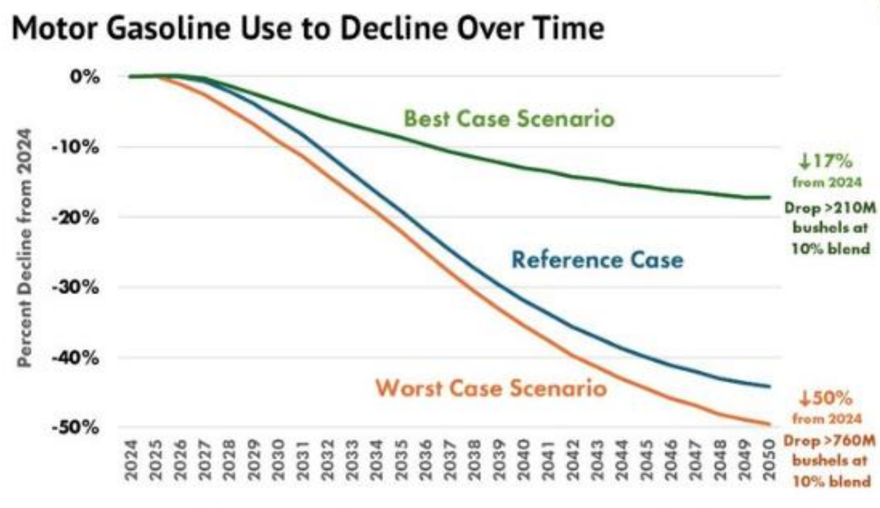
- ✓ A series of events roiled global fertilizer markets in 2025, including Chinese export controls, the ongoing Russia-Ukraine war, and logistical and supply chain disruptions in addition to U.S. tariffs. Tight global supply and demand balances were clearly evident in the prices paid by consumers, with the World Bank "Pink Sheet" (an index of nominal prices of the most-traded global flows for a given commodity) estimating a 20.9% increase in its fertilizer basket between 2024 and 2025. The same index sees slight relief in 2026, forecasting only a little over a 5% decrease from 2025. A few market constraints have been alleviated heading into the new year: Chinese exports are back in the market and, for U.S. growers, most fertilizer categories were exempted from tariffs in November 2025 (though importers will still need to play some catch-up on volumes).



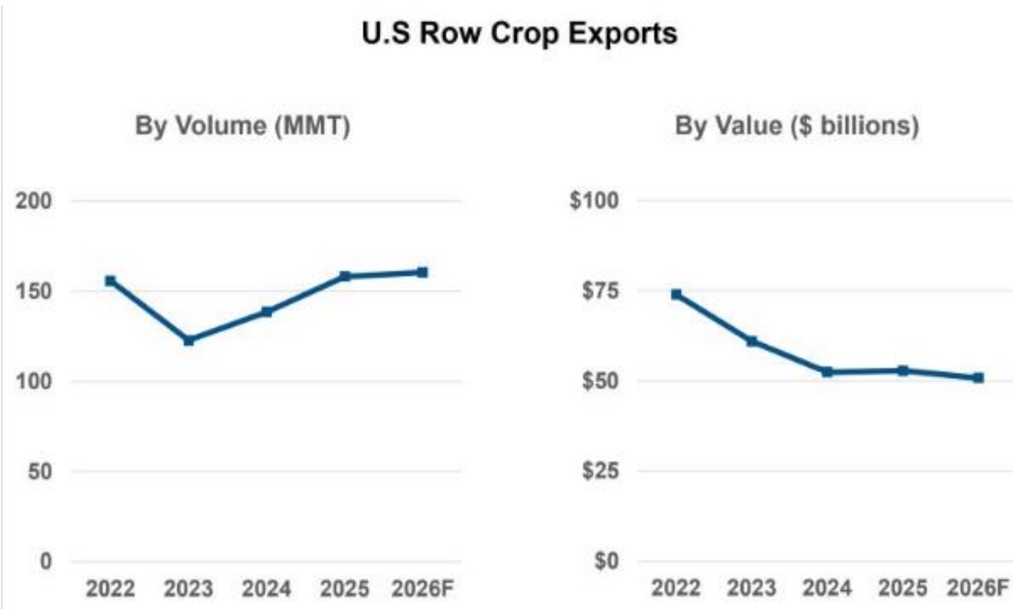
- ✓ It will cost a forecasted average of $917 to plant an acre of corn in 2026, a $27 per acre increase from 2025. The 2026 forecast cost is only 1% lower than the record of $928 per acre in 2022, but the forecasted $4.10 per bushel market year average corn price is 37% lower than $6.54 for the 2022 crop. Given the expected yield, each bushel of grain harvested would lose an average of $0.88, marking the fourth consecutive, worsening year of crop losses for corn. In other words, a farmer working to produce 1,000 corn acres would lose over $160,000 for the year. That's like losing the median household income of $83,730 - twice. Losses of this magnitude deplete working capital and drive increases in demand for [non-real estate loans](), as shown in the Federal Reserve District Surveys of Agricultural Credit Conditions for the [third quarter of 2025](). The survey also revealed farm income and loan repayment rates in the Midwest and Plains States continued to decline.



- ✓ The potential approval of higher blends of ethanol in motor gasoline offers a new opportunity to increase demand for corn in biofuel production. Based on current motor gasoline usage, a 5% increase in the national average blend rate would use 2.4 bil. more bushels of corn for domestic ethanol. This is why NCGA is calling for passage of E15 this month, which is the single fastest way to improve the short-term demand outlook for U.S. corn growers. Ethanol for motor gasoline is a critical demand driver for U.S. corn and will continue to be in the foreseeable future.



- **American row crop producers** will export 3% more by volume in 2026 than they did in the banner year of 2022 while earning far less from foreign trade, according to USDA, observes Tom Halverson, CEO of CoBank. He says, "The agency's latest outlook report for agriculture trade, published in December, says U.S. exports of major row crops (corn, wheat, soybeans, rice and cotton) should exceed 160 million metric tons in the current fiscal year. That compares to 156 million metric tons in 2022, when exports surged due to high demand driven by the Ukraine war and other factors. On a dollar basis, however, row crop exports will be down more than 30% from 2022 due primarily to a change in commodity mix and significantly reduced prices."



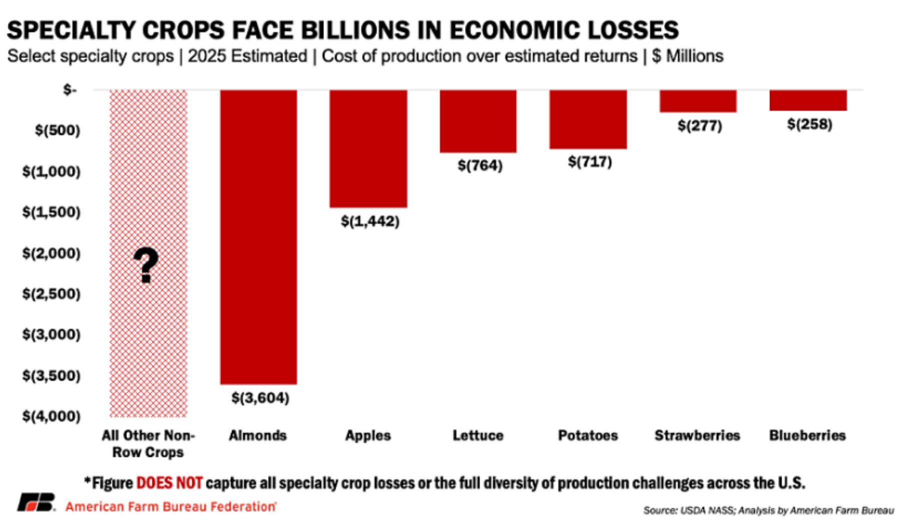
Sources: USDA, CoBank analysis. Years shown are U.S. federal government fiscal years (October 1 – September 30.).

Mailbox Money and Farm Programs—

- **USDA released details** about how much row crop farmers will receive this year from a $12 bil. aid program. However, U.S. soybean producers say the payments won't help farmers hurt by low crop prices and trade disputes. Meanwhile, IL Farmdoc Ag Economists say farmers are eligible for $44.36 per corn acre, $30.88 per soybean acre, and $39.35 per wheat acre. The overall payment limit is $155,000 per entity or individual. "A farm with 50% of its acres planted to corn and the other half planted to soybeans would receive an average FBA payment of $37.62 per acre (0.5 x $44.36 + 0.5 x $30.88). The average size of a grain farm enrolled in IL Farm Business Farm Management (FBFM) is roughly 1,500 acres. Total FBA payments for the average grain farm with only owned and cash rented acres in IL with 750 acres planted to corn and 750 acres planted to soybeans in 2025 would be $56,430 ($44.36 x 750 corn acres plus $30.88 x 750 soybean acres). For acres farmed under share rent leases, FBA payments would be split between the tenant and landowner based on the sharing arrangement." A farm business with a single operator would need to have more than 4,000 acres (assuming a corn-soy rotation) to reach the $155,000 payment limit. A farm business operated by a farming couple would need to have more than 8,000 acres to reach the payment limit. Thus, FBA payments will impact cash-based incomes for purposes such as 2026 income taxes but should be incorporated into 2025 accrual-based financials. Specifically, since payment rates were announced at year end, FBA payments will be included as an accounts receivable at the end of 2025, increasing 2025 income and current assets on a farm's balance sheet. While the FBA support is substantial, average return projections at or slightly above break-even levels suggest that a significant proportion of Illinois grain farms will still be facing negative returns for the 2025 crop year following negative average returns in both 2023 and 2024. Producers should take care and caution in how they utilize the FBA support they receive. Our next crop budget update, planned to be released in mid-January, is expected to show another year of negative average returns projected for 2026 as production costs continue to imply break-even price levels that exceed current market conditions for corn, soybeans, and wheat."
- **Sen. Chuck Grassley, R-IA, has doubts** about the administration's support for more farm aid but says the real answer to farmers' money problems is passing year-round E15 legislation. Grassley was asked about USDA Undersecretary Richard Fordyce's recent comment to Reuters that his agency is not considering more than the $12 bil. in farm aid just announced, "Sometimes I get the impression that the administration thinks that we don't need more help." Adding that, "I think that the people advising the president on farm policy aren't advising very well." Both Ag Chairs have said more farm aid will likely be needed. House Chm. Rep. Glenn Thompson, R-PA, suggested another $10 bil. Grassley says the real answer will be to pass permanent year-round E15 legislation as part of another bill, "But E15, I'm told, would take care of about $14 bil. of farmer income. So, see how important the marketplace would fill in for the corn producer, as opposed to getting a check from the federal government." Grassley says if corn got above $5, that would be a big help to farmers. (Berns Bureau, Washington)

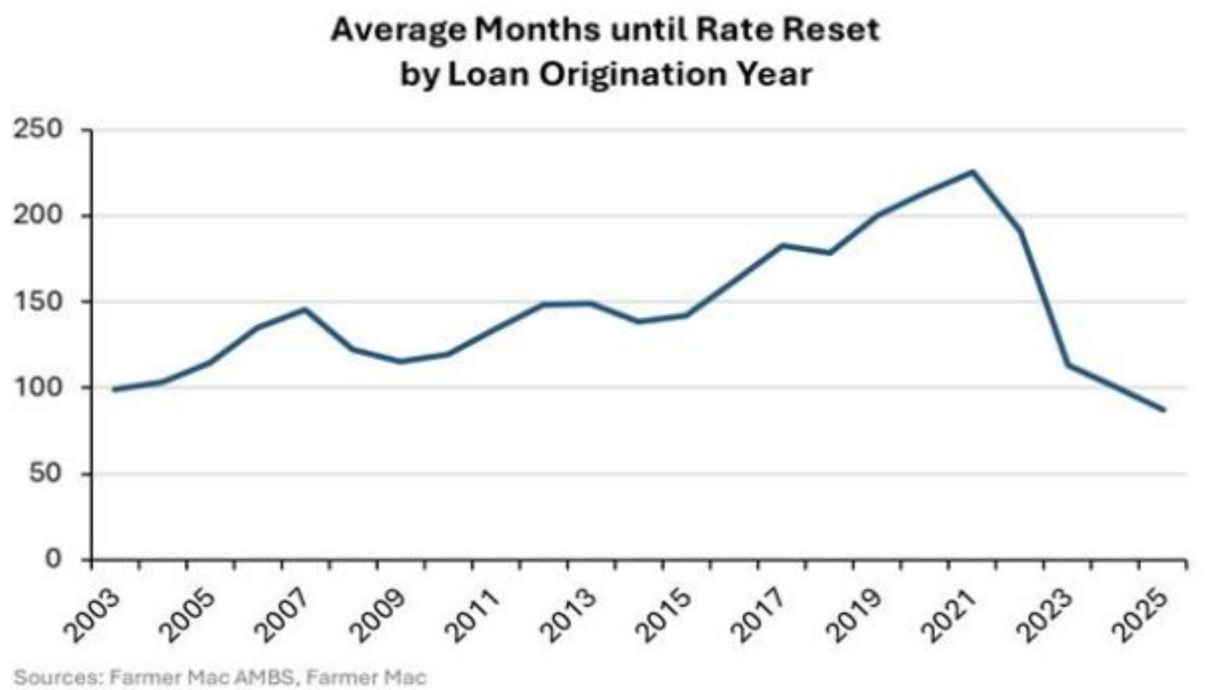
- **With farm organizations asking for more financial support,** how much is really needed? USDA says no more is coming. Congress says there are no funds to distribute. How much is really needed? IL Farmdoc ag economists calculated that amount, using the financial shortfalls in the 9 commodity crops that were included in the $12 bil. USDA said it would distribute at the end of February. The Farmdoc folks say, "Three variables have a combined explanatory power of 79%: last year's percent net return at harvest, last year's average return to storing US corn and soybeans, and the ratio of beginning world stocks to last year's use of the 9 crops. These variables forecast a percentage net return at 2025 harvest of -20%. This compares with -17% at 2024 harvest. Forecasted total net loss for the 9 crops combined is $36.4 bil. These crops are barley, corn, cotton, oats, peanuts, rice, sorghum, soybeans, and wheat. US private market net return at 2024 harvest was –17%. Average US net return to storing corn and soybeans during the 2024 crop year was -27%. The ratio of beginning stocks for the 2025 crop year to use during the 2024 crop year was 27%. Using these values results in a projected 2025 net return at harvest as a ratio of total economic cost of production of -20%, slightly lower than the -17% at 2024 harvest. The dollar value forecast is a combined loss to the 9 COP crops of $36.4 bil. Substantial payments were made to farmers for 2024 crops and substantial payments will be made to farmers for the 2025 crop.
- **6-7 weeks from now,** Farmer Bridge Assistance money will hit your mailbox or bank account. What have you decided to do with it? Buy 2026 crop inputs? Pay down the 2025 operating loan? Feed the livestock? Feed the family!? Univ. of IL Farmdoc ag economist Nick Paulson offers some thoughts that may help with decision making. "It depends on where you are and. In Northern and Central IL, the bridge payments combined with expected ARC and PLC support to be delivered next fall might push some averages to break even. However, for Southern IL, the outlook remains bleak. Southern IL, we're still looking at an average return that would be negative even with the bridge assistance and ARC and PLC and crop insurance. I'm trying to be more careful when we talk about those things because those are averages, there's half the farms are below that average roughly, half the farms are above that average, so there are definitely still farms that bridge payment will not make them whole. There are also farmers that, are going to be doing even better than break-even, um, be- because of these bridge payments." Unlike previous programs that were paid out in tranches, the FBA is expected to be issued in one full installment by the end of February. This immediate liquidity is critical, but Paulson cautions against using it for farm expansion or bidding up cash rents. Instead, he suggests farmers should use the funds to address existing debt or bolster working capital, as the 2026 forecast looks like a repeat of recent lean years. "Make sure that crop gets in the ground. But in terms of using these things to bid up cash rents, make further investments in the farm, if I was giving advice to a typical operation, particularly one that might be in more of a financially stressed situation right now, I'd be looking at probably paying down debt or if that's not necessary, you know, putting this into savings, holding it as working capital."

- **Should the bridge payment be used** as operating capital and defer the need to sell store grain, for example? Nick Paulson of the Univ. of IL Farmdoc staff says, "This is not going to be avoidable even if farmers held onto these payments or used them to pay down debt, I mean they're providing liquidity that wasn't there prior to the bridge program being announced or existing. And you know, I guess our thinking on this, and I think a lot of farmers realize this, I've even heard more farmers than even during the MFP years say this straight out is that they recognize that this is a short-term Band-Aid. Fact of the matter is we're still in a situation where we've got prices that are low, not by historical standards or even low relative to where we think global market fundamentals suggest they should be, but prices that are below break-evens based on what's implied by our current cost of production. So, we still have work to do to either try to bring prices up, ideally with some demand increases, or more realistically, we've got to keep chipping away at some of these production costs and get those down so we can get back into a longer-term situation of viability and profitability. Otherwise, we're going to be rinsing and repeating and looking for another bridge payment a year from now or even sooner than that.
- **Univ. of IL Farmdoc ag economist Nick Paulson** visited last week with members of the Central IL Marketing Club about numerous issues impacting farm budgets and business practices. Among those were the collapse of the variable cash lease as tool for managing financial risk in farm leasing, as well as strategies for utilizing the Farmer Bridge Assistance payments scheduled to be mailed by USDA to farmers at the end of February. That conversation with Nick Paulson was captured in this YouTube video.
- **USDA is mailing out farmer bridge assistance payments,** some $11 bil. to row crop producers and $1 bil. specialty crop growers. American Farm Bureau economist Danny Munch reports, "Different crops. Same economic reality: costs are rising faster than returns. Our latest analysis shows where specialty crop losses are already clear — and where data gaps mean the true hit is even larger." The pressures documented here, rising input expenses, tightening margins, weather and disease disruptions, labor expenses and constraints, and global trade instability, are not isolated problems but structural realities affecting a wide range of crops, including specialty. Even if fully directed toward specialty crops, the funding would still represent only a fraction of the sector's outstanding need.



The Business of Farming—

- **When you borrow money for buying farmland,** when do you want to repay the loan? Economist Blaine Nelson at Farmer Mac says, "A trend we've been watching for more than a year: farmers are increasingly choosing farmland loans with shorter interest rate resets. Are farmers convinced that long-term interest rates will decline in the coming years, and they'll lock in a long-term rate at that time? Or are compressed profit margins motivating farmers to choose the lowest loan rate in order to reduce interest costs? Potentially a little of both. Still, there are risks to shorter rate resets. A relatively new development in farm mortgage



loan selection has been a shortening of loan rate reset length. Data from the Federal Reserve Bank of Kansas City shows that, from 2003 through 2022, the average length of time between loan origination and the first rate reset increased relatively consistently from approximately 8 years to nearly 20 years. More recently, the trend has reversed. The average time to the first rate reset peaked in 2022 and has continued to decrease over the past three years. Through Q3 2025, the average has fallen to just over 7 years, which would be the lowest annual average in at least 2 decades. According to Farmer Mac Agricultural Mortgage-Backed Securities (AMBS) data, the average interest rate in 2025 on a farmland loan was approximately 100 basis points (or 1.00%) lower for loans with a rate reset of 5 years or less than for loans with a rate reset of 10 years or more. As such, many borrowers have begun selecting loans with shorter interest rate reset periods by a large margin. However, there's a non-zero probability that market interest rates will increase between the origination date and the rate reset date. Farm borrowers may continue to opt for the lowest-rate loan product available, with the goal of locking in at a lower rate later. This strategy might prove to be successful, but lenders should work closely with borrowers to educate them on the risks associated with such a strategy.

- **Most farmers are familiar with Dr. David Kohl,** an entertaining and informative authority on farm financial matters who has traveled 12-15 mil. miles to speak to farmers. Kohl says in 2026 there are issues to watch for, as well as to watch out for:
  - ✓ Production belts in the Global South are receiving adequate rainfall in a timely manner, thus providing the rest of the world with commodity options outside the U.S., Canada and other Western nations.
  - ✓ The U.S. Supreme Court holds an ace in the trade war. Its stance on tariffs imposed through executive orders under the emergency act could drastically alter prices received and the cost of imported inputs.
  - ✓ Interest rates likely will be lowered on the short end of the curve, reducing the cost of operating capital as the newly appointed Federal Reserve leader and other appointees face pressure from the current administration to lower rates.
  - ✓ The Farm Bill and related policies are on pause in the House and the Senate, where they are expected to linger pending the outcomes of the 2026 midterm elections.
  - ✓ Expect the transition in agriculture to accelerate in 2026. A key issue will be the ability of non-farm children to cash out or convert farm assets into alternative revenue streams such as energy, AI development and other emerging sectors.
  - ✓ Approximately 21% of American farms and ranches have no next generation, which may provide opportunities for young and beginning farmers and ranchers to enter the industry.
  - ✓ Marketing and risk-management plans also are a requirement – not an option – and they must be executed and monitored. This will be a true difference maker.
- **Ag economists are urging producers** to sharpen their pencils as they prepare for the 2026 planting season. On a recent webinar, Glennis McClure, Ag Economics Educator with the Univ. of NE Extension, offered some tips for financial resilience, including the importance of an up-to-date budget, "If you're working with enterprise budgets, you're starting with some real clarity on what your cost of production is. If you have that clarity, you can make some decisions based on that. So, if we have a run up in the market, and you know that you're covering your costs, that can help you make some decisions. "I'll know, if my costs are covered, I'm going to make some marketing decisions based off that." McClure also suggests keeping an eye on your working capital, "Watch your current ratio (current assets divided by current liabilities) so that you do have that working capital. We want to make sure that in the long run, as I talked about over time, we want to make sure that we are covering our economic costs so that we can have money to reinvest, keep our machinery updated, and so on, make sure that we're paying that long-term debt." The key, McClure says, is maximizing profits, not chasing yield, "So making sure that we're putting nutrients and crop protections on that is really going to be more profitable in the long run, scouting fields, optimize the need and timing of targeted pesticide applications, you can save cost by not necessarily applying just right off the bat, scouting fields, knowing when you need to do that. We hear that a lot from our crop specialists." (NAFB News Service)

MAHA Brouhaha—

- **There was a wide division of acceptance and rejection** over the new USDA dietary guidelines issued by health czar RFK, Jr. and his newly appointed panel which made major changes in the recognized food pyramid. When Kennedy was put in charge of US food, medicine, and health, he ousted professionals who were experts in nutrition, human health, and who studied research that had been underway for years. One of those was Dr. Sharon Donovan, (right) human nutrition specialist at the Univ. of IL. She had been part of 20 authorities who had invested 5 years of reviewing and evaluating recent and long-term nutrition research programs and were considering proposed adjustments in the food pyramid which is the basis for meals served to 30 mil. school children and all federally funded nutrition programs. Dr. Donovan and her colleagues were dismissed wholesale and replaced by 9 individuals who recommended preferences of Kennedy, without any background of research and impact on human health. Among those changes were diminished consumption of soybean oil, which is low in saturated fats, devoid of cholesterol, and high in heart-healthy fats. It was replaced by Kennedy's "tallow," better known as lard, a waste product of meat processing plants, which is saturated fat and high in cholesterol. Kennedy proudly announced, "We are ending the war on saturated fats." USDA Secretary Rollins cheered him on, called it, "a flipping of the narrative."

- **Kennedy's plan is in contrast** to the American Heart Association recommendation to "limit high-fat animal products including red meat, butter, lard and tallow, which are linked to increased cardiovascular risk." A Kennedy factsheet claimed that previous federal dietary guidelines have "demonized" protein in favor of carbohydrates. Here's what the science says, according to the AHA. "Protein was never demonized in U.S. dietary guidelines. As it is, Americans are consuming protein in amounts well above the amount that is necessary to sustain health and development," Marie-Pierre St-Onge, (left) a professor of nutritional medicine at Columbia University College of Physicians and Surgeons, told ABC News. Agri-Pulse reported, "While the guidelines themselves did not target seed oils, which Make America Healthy Again advocates have said cause inflammation, appendices to the DGA singled them out for further study. Seed oils contain unsaturated fatty acids, which are more prone to thermal oxidation than saturated fatty acids, says the document's Scientific Foundation for the Dietary Guidelines for Americans. The evidence indicates that thermally generated lipid oxidation products are bioavailable when ingested through food, and that they may impair cardiometabolic health.'"

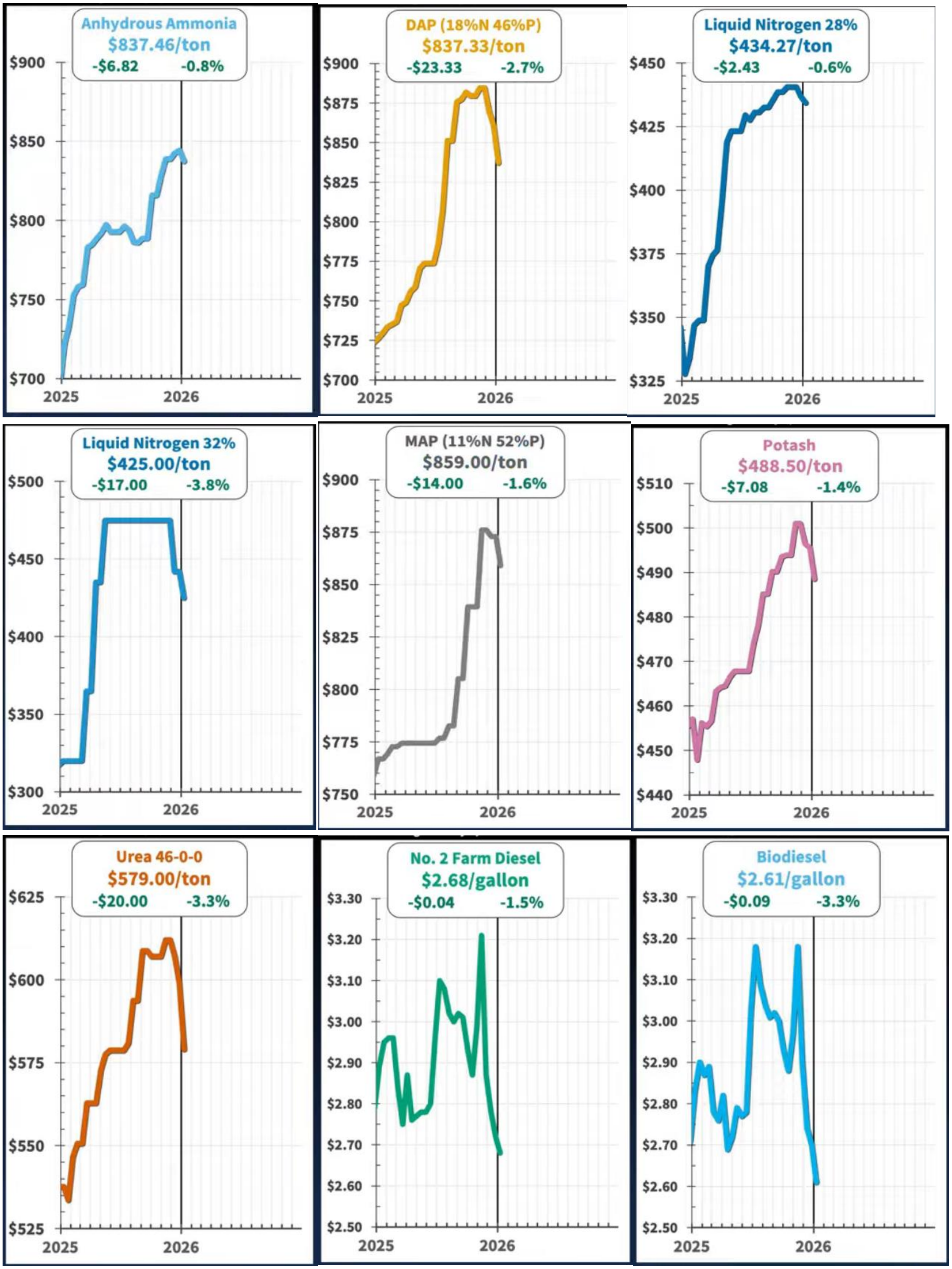
- **Some agricultural groups reacted negatively** to the Dietary Guidelines, particularly the American Soybean Assn. and the dairy foods industry. "Shortly after the guidelines and appendices were released, the American Soybean Assn. fired back: 'The new guidelines highlight the importance of increased protein consumption, including plant-based proteins such as soy-based foods,' the group's press release says," according to Agri-Pulse. "'They also emphasize prioritizing healthy fats, including oils rich in essential fatty acids like soybean oil. However, the report's addenda continue to call into question the process of soybean oil extraction, which is scientifically proven to be safe for human health.'" "The International Dairy Foods Association President and CEO Michael Dykes said the guidelines 'highlight dairy's central role as a protein source alongside healthy meats, eggs, seafood, and other protein foods.' But he also said in a press release that reference to highly processed foods could confuse consumers. Establishing dietary guidance around an undefined or inconsistently applied term risks discouraging consumption of nutrient-rich foods that are vital to public health.'"
- **Some agricultural groups reacted positively** to the new Dietary Guidelines for Americans issued by the USDA and Department of Health and Human Services. "The new Guidelines help families make the best decisions when shopping for nutrient-rich protein," said Kim Brackett, NCBA Vice President. Rob Brenneman, President-Elect of the National Pork Producers Council, said he appreciates the guidelines giving pork and other high-protein, nutrient-dense foods their due when it comes to Americans' diet health. Gregg Doud, president and CEO of the National Milk Producers Federation, said, "The new Guidelines, as shown by the continued recommendation of 3 servings a day, show recognition of dairy's health benefits at all fat levels." The Kennedy recommendations were nearly devoid of scientific reports, parallel to his earlier reports with AI-written factoids.
- **Trump administration officials** celebrated the release of the 2025-2026 Dietary Guidelines for Americans announcing a roadshow to promote the guidelines. Kyle Diamantis, the Food and Drug Administration deputy commissioner for human foods, announced that the Dietary Guidelines for America Roadshow will begin this week with an appearance by USDA Secretary Rollins in Pennsylvania."
- **American Farm Bureau** Pres. Zippy Duvall, in his national convention presentation Sunday, took the opportunity to publicly respond to MAHA's plans to change farmers' production practices. He said, "Our Promotion and Engagement Committee, now more than a decade old, is blasting through barriers in places like New York City and across the country to connect with consumers. That work is so important, especially with an increased interest in food ingredients and how our food is grown. The rise of MAHA, the Make America Healthy Again movement, presents an opportunity — and really *a mandate* — to engage with the administration, lawmakers and consumers. We all want to see healthier outcomes for our families and communities, but we need leaders to make decisions that are grounded in science. At Farm Bureau, it's our responsibility to explain what farmers are doing every day to grow a safe, healthy food supply—and, boy, did we go to work! We went into overdrive to tell the story of how farmers across the country are doing amazing work to produce safe food and care for our land."

Land Prices and Farmland Issues—

- **"If you ask me to summarize 2025,** I would call it *selective strength*. I say that because there weren't frenzied transactions like we saw post-COVID, but pricing for high-quality farmland was remarkably resilient in 2025." That is the analysis of Johnny Klemme, a farmland specialist in Lafayette, IN, who handles farmland transactions in IN, IL, and MI. "Overall, buyers were more disciplined and really decisive. A farm that's got strong soils, good drainage, the right location, and a clear legacy plan still saw aggressive competition. It wasn't like the market stopped. I think the market was just more discerning in the way buyers looked at farmland—a real flight to quality. There are some widening gaps between Class A farms and lower-quality farms." "Logic would suggest that lower commodity prices and higher interest rates mean land values will soften—and they have. But Class A soils and farms are kind of an asset class of their own because they hold their ground. There were plenty of buyers—whether farmers or investors—who were willing to wait on the sidelines for the right opportunity. And when that opportunity came along, they were not hesitant to buy. That confidence in the face of uncertainty was notable." For 2026, "I would say stability with pockets of strength. Definitely not a crash, and not broad double-digit appreciation. I think it's normalization. It really comes down to nuances like location—that makes all the difference—and quality. If you have the right asset, the value is there. But if it's marginal-quality ground, we could see some softening in 2026. I continue to see more investors enter the market—both individuals and institutions. There's plenty of participation from regional and out-of-state investors. They're looking for income-producing farms to diversify their portfolios, and many see this as a good time to enter the market."
- **More than 2,700 acres of Illinois farmland** are set to be auctioned in January 2026 according to data compiled by the Successful Farming® team. Listings range from more than 602 acres in Pike County, which will be divided into 5 tracts, to a 23-acre property in Adams County, with plenty of recreational opportunities. Five tracts of Pike County farm ground**,** totaling 602.18 acres, will be sold at a live online auction January 15, 2026. These parcels are all outside New Canton, IL, not far from the Mississippi River, and within 30 miles of Hannibal, MO. Sullivan Auctioneers will handle the sale on behalf of Kendrick Farms. 4 parcels, totaling 216.08 acres in Whiteside County, will be sold via sealed bid on January 20, 2026. This northwest IL farmland is located outside Morrison.

Fertilizer, Fuel, and Other Inputs—

- **IL Fuel and Fertilizer Cost Report for Jan. 9, 2026,** compiled by Jim Raftis, IDoA.



- **Fertilizer is the biggest expense** for a corn and soybean farmer currently, with price and supply trends in multiple directions with difficult risk management capability. Chris Janes of Keystone Co-op in IN spoke to east Central IL farmers January 9, and shared his information in this 14-minute video interview, at the United Prairie Co-op winter meeting.
- **Oil is now fueling a potential trade issue.** The Trump White House was full speed ahead this past week on reorienting Venezuelan oil exports to the US, promising this new source of oil would be "brought directly to unloading docks in the United States." It remains to be seen if the plan will be economical — especially if Trump's goal is to drive down global oil prices below $50 a bbl. — but it's an effort that could be complicated for one country in particular: Canada. The president made clear the focus and importance of this particular type of oil when he said that Venezuelan oil will come into the US because "we have the refining capacity," adding that US refining was designed "based very much on the Venezuelan oil, which is a heavy oil." That could be a direct challenge to Canadian oil producers. The markets have offered some initial verdicts. Notably, Canadian-focused producers were down in the last week while the overall energy sector was largely flat. →
- **With the recent incursion by the U.S. military into Venezuela**, Canada's oil industry has been analyzing just what impacts those events could have. Does the White House want Venezuelan oil since Canadian oil is destined for Europe and the Orient? Venezuela has the world's largest proven oil reserves. It has more than Saudi Arabia, and more than Canada, which has the world's 3rd-largest reserves. Also, geologists working in the oil patch say that Canada's heavy-grade oil is virtually identical to Venezuela's heavy crude. Jorge Hobles left Venezuela shortly after his country's industry was nationalized. Today, he works with the Canadian oil industry, operating his own engineering firm in Edmonton, Alberta. Hobles says that after nearly 25 years of neglect, Venezuela's production infrastructure is a shambles. Hobles says that much is being made of Venezuela's oil reserves, but its oil output has shrunk by more than 70%. Hobles believes the Canadian oil industry will see almost no serious competition from Venezuela in the short-term, "The reserves are nothing until you can produce them, transport them, and sell them. So, I would say that short-term, very little impact, almost nothing. It will take years for the Venezuelan industry to recover from the malpractices of 25 years." It's widely believed that, along with massive financial investments, it could take at least 10 years to revive Venezuela's oil industry. Patrick de Haan, head of petroleum analysis for GasBuddy, says that a resurgent Venezuelan oil industry is certainly a competitor to the Canadian industry. But he says Canada has other plans - and Venezuelan competition is a long way down the road, "That could have a major effect on Canada, but it's also something that's years from happening, even under the most optimistic scenario. Canada is already pursuing new pipelines to carry Canadian oil to its eastern and western coasts instead of southward toward the US. That solution, of course, takes years, but the threat of Venezuelan competition is also years away for the Canadian oil industry." (NAFB News Service)

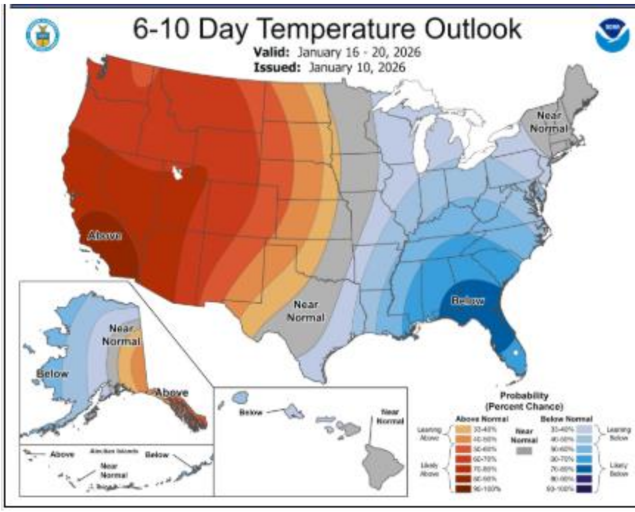
- **Oil Prices were much lower in late 2025** than where prices began that year. Patrick DeHaan with Gasbuddy.com says there were 2 key international issues that pushed oil prices lower in 2025: the ongoing war between Ukraine and Russia, and OPEC's progressive increase in oil production. So, for now, oil prices are still relatively low. That opened the door for falling gasoline and diesel prices, as well as jet fuel prices nearly coast to coast, with Americans and now nearly a dozen states able to fill up at least the cheapest station for below the $2-a-gal. mark." When it comes to the top news stories for 2025, DeHaan said the lack of turbulence is really what sticks out to him, "And it's been a remarkably balanced year. Gasoline prices, nationally, in the U.S. are remaining between a range of $2.75 to as much as $3.20, a relatively tight range, and a very quiet year." DeHaan added that some have said these lower gasoline prices in the U.S. indicate a looming recession. However, he said he doesn't see a recession in the cards, noting that gasoline demand is seasonally strong. (PNW Ag Network)

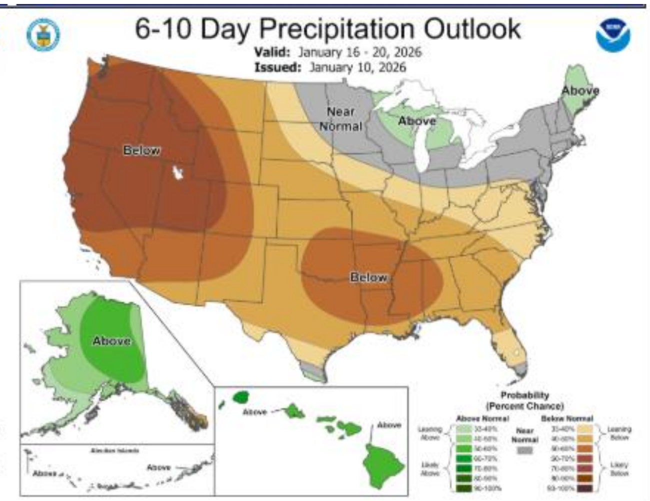
Risk Management and Crop Insurance—

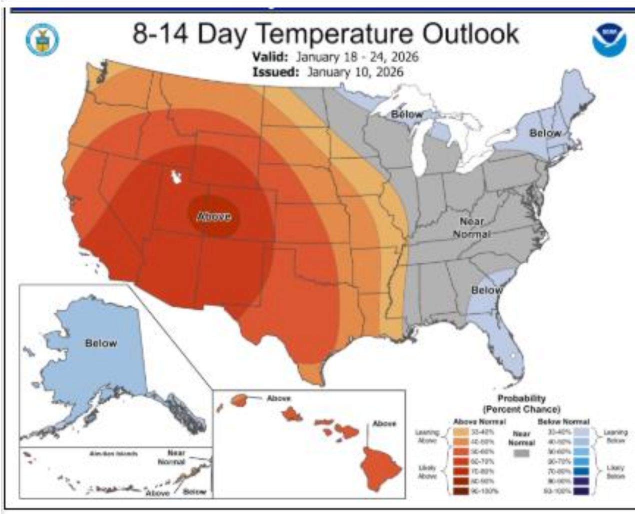
- **The increased double-crop acreage in IL** has gotten the attention of USDA's Risk Management staff in Springfield, which has issued new information about insuring soybeans after a wheat crop. "These efforts will help enable agricultural producers to produce two crops on the same land each year, such as spring-planted soybeans or grain sorghum following the harvest of a crop such as winter wheat. The Risk Management Agency (RMA) reviewed and updated the double crop Blanket Written Agreement (BL) counties in IL, IN, and OH for the 2026 crop year in which the Following Another Crop (FAC) practice is not available for the 2026 crop year. A BL Offer is a standardized written agreement offer prebuilt by RMA into the Regional Office Exceptions (ROE) System which allows for a producer to choose to insure their FAC soybeans. Since the written agreement offer is prebuilt by RMA, a producer does not have to go through an extensive underwriting process and can simply choose to insure their FAC crop by submitting the request with an actuarial change request (ACR) form through their agent and Approved Insurance Provider (AIP). Each county has a unique written agreement number that AIPs can access. The BL in each county provides the terms and conditions of insurance available to producers interested in insuring FAC soybeans in the states of IL, IN and OH for the 2026 crop year. The rates and T-yields for the FAC practice may vary by county just as they do for other insurable crops. The BL agreements available in IL, IN, and OH do not provide coverage for organic or specialty type soybeans. Coverage for these types can be requested through the traditional written agreement request process. Insureds can select a BL Offer by submitting a signed and dated ACR form for soybeans, where applicable, to their crop insurance agent by the sales closing date. For producers that may miss the sales closing date deadline, new type/practice (TP) written agreement requests may be accepted until the acreage reporting date for the crop if they did not utilize the BL Offer or have a T/P written agreement for the FAC practice in 2025. A crop inspection may be required if the producer applies after the sales closing date. The rates, T-yields, and dates offered under a TP written agreement request will be like those offered under a blanket written agreement. Not all IL counties are eligible. Those counties eligible for the provision are listed in the appendix here.

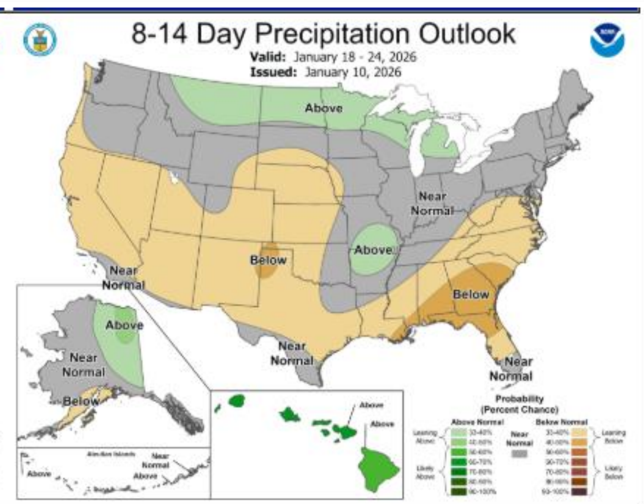
Weather and Climate—

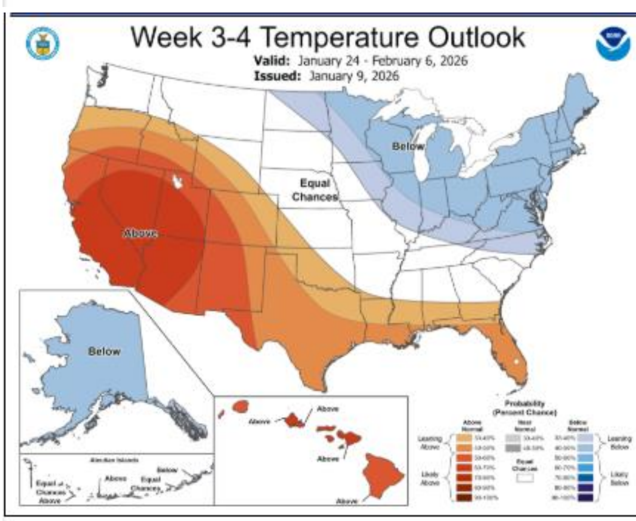
- **Winter temperatures and light precipitation** for the most part, but no storm systems. La Niña persists, followed by a 75% chance of a transition to ENSO-neutral during January-March 2026. ENSO-neutral is likely through at least Northern Hemisphere late spring 2026.

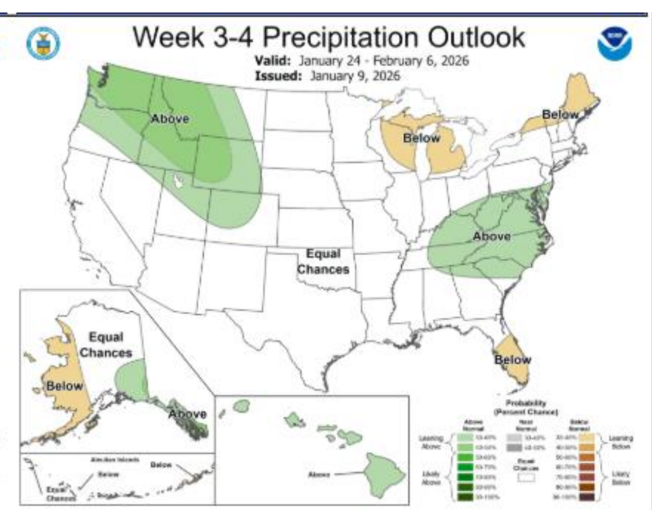




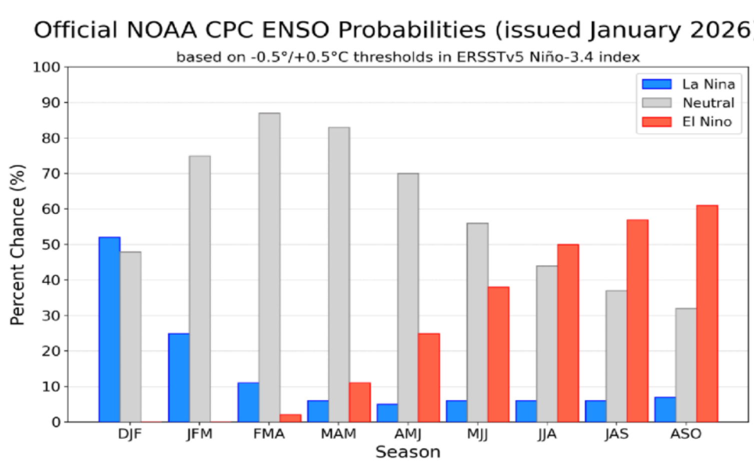




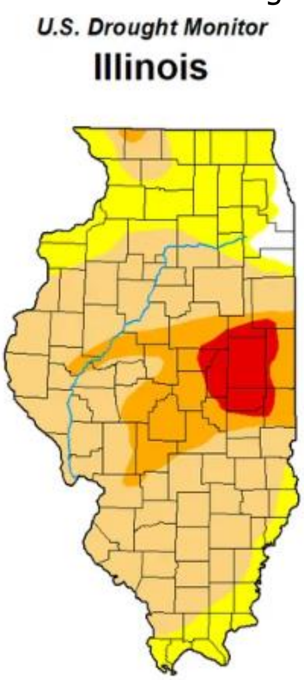


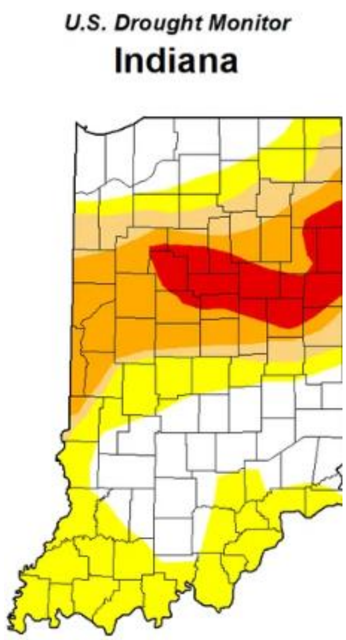


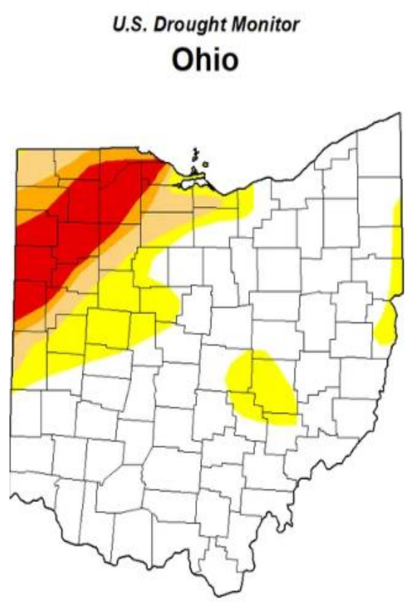
- **"December was around 2.5 degrees colder than normal statewide,** which was quite a contrast to a very warm fall season," says IL State Climatologist Trent Ford. "However, the average temperature in December doesn't tell the story of its huge temperature swings. Much of the state had temperatures that were 20 to 30° below normal in the middle of the month, followed by temperatures that were 15 to 25° above normal around Christmas. Despite the cooler end of the year, warmer weather in 2025 dominated, and the year ended around 1° warmer than normal statewide. December gave us a mixed bag for precipitation. Much of central and northern IL were very snowy last month, including parts of central IL that had 400% of normal December snowfall. However, the snow did not contain a lot of liquid water, so parts of the state that had nearly 20 in. of snow still ended the month slightly drier than normal. Overall, northern and western IL were 1 to 2 in wetter than normal last month, while eastern and southern IL were between 1 and 4 in. drier than normal. Last month was actually the 2nd driest December on record in Carbondale, with only .6 in. of an inch. 2025 was also quite a dry year statewide, with only April and July having above normal precipitation. Of course, this varied across the state, as southeast IL had 2 to 5 in. above average precipitation last year, while east-central IL was 10 to 15 in. drier than normal. 2025 was the second driest year on record in Champaign-Urbana with only 24.5 inches, and the driest year since 1894. Looking ahead, outlooks show a temperature roller coaster for the rest of January and into February. There are increasing signs of some serious cold coming in the last week of January, along with multiple clipper systems that could bring more snow to the state. As winter transitions to spring, forecasts indicate better chances of our La Nina conditions weakening and likely dying before we get too far into March. The most recent outlooks for early spring still show a strong La Nina signal for IL, with wetter weather, but that confidence really drops off between March and May as La Nina fades. Interestingly, models are increasingly bullish for a transition from La Nina to possible El Nino conditions by fall." →
- **The Climate Prediction Center is expecting ENSO-neutral** will emerge during January-March (JFM) 2026. The team favors ENSO-neutral to develop during JFM 2026. Even after equatorial Pacific SSTs transition to ENSO-neutral, La Niña may still have some lingering influence through the early Northern Hemisphere spring 2026 (e.g., CPC's seasonal outlooks). For longer forecast horizons, there are growing chances of El Niño, though there remains uncertainty given the lower accuracy of model forecasts through the spring. In summary, La Niña persists, followed by a 75% chance of a transition to ENSO-neutral during January-March 2026. ENSO-neutral is likely through at least Northern Hemisphere late spring 2026.



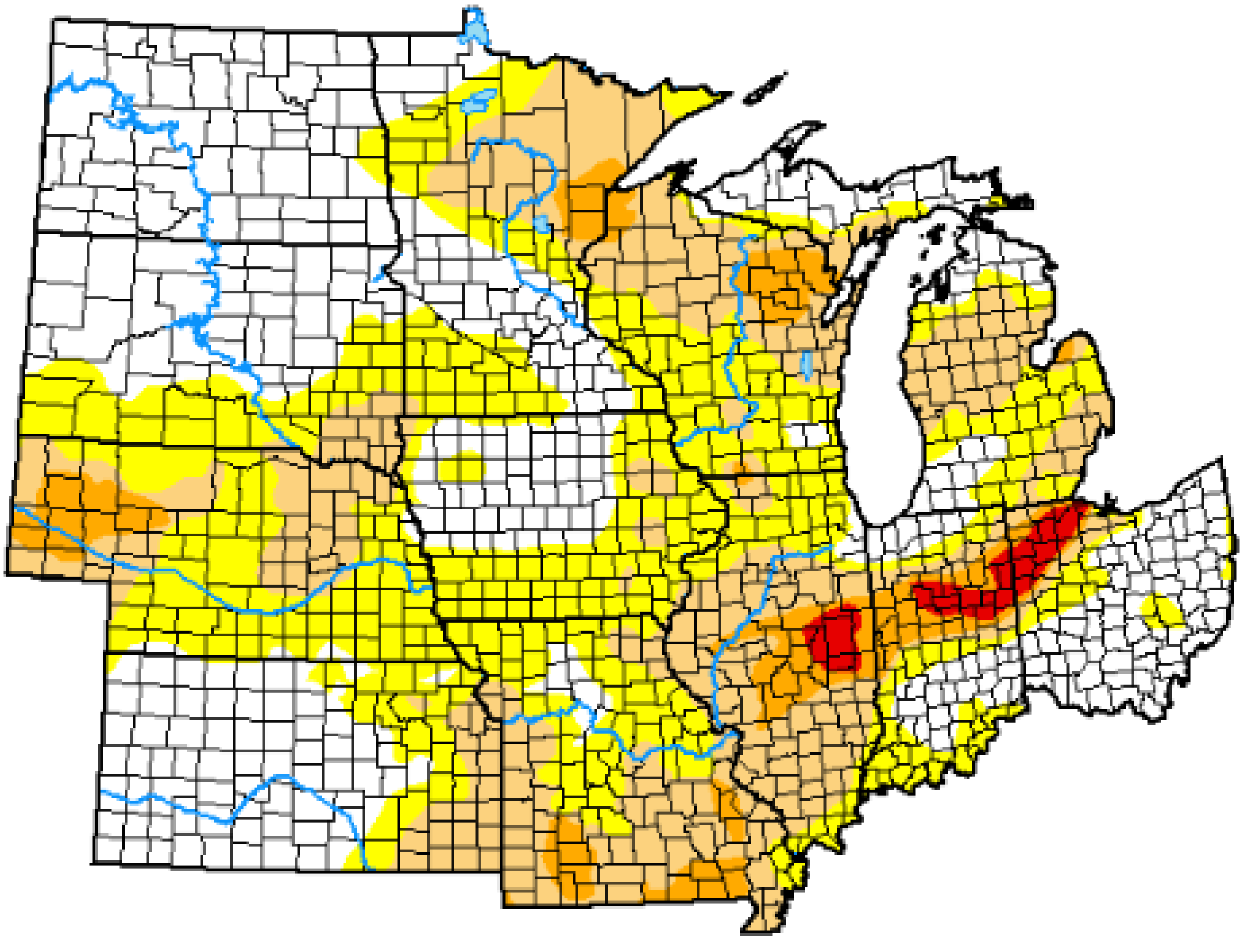
- **The first** U.S. Drought Monitor maps of 2026 were published on January 8. An analysis of the top 18 corn-growing states shows 5 key states have either D3 extreme or D4 exceptional drought at the start of the new year. Those 5 Include the eastern Cornbelt. Drought is generally more intense and widespread than at the beginning of 2025 in these states. More than 5% of IL reported D3 extreme drought, an increase from the last report of 2025. More than 14% of the state reported D2 severe drought conditions. Over half of the state is experiencing D1 moderate drought, according to the latest maps. Just 2% of the state is free of moisture stress. At the beginning of 2025 more than half the state was free of moisture stress. At that time, the most intense drought was D1 moderate drought, impacting less than 15% of IL. Drought conditions in IN also expanded as the calendar turned to 2026. Most of the moisture stress is reported in the northern half of the state. More than 9% of the Hoosier State reported D3 extreme drought in the map published Jan. 8. Nearly 17% of IN reported D2 severe drought. Almost 10% of the state is experiencing D1 moderate drought. Less than a third of IN is free of moisture stress. At the beginning of last year nearly half the state was free of moisture stress. At that time, the most intense drought was D1 moderate drought, impacting just over 2% of the state. More than 7% of OH reported D3 extreme drought in the latest publication. Most of the state's moisture stress is focused in the northwest region. Portions of a few central and eastern counties reported abnormally dry conditions. More than 70% of the state is free of moisture stress. At the beginning of 2025 more than 73% of OH was free of moisture stress. At that time, the most intense drought was D1 moderate drought, impacting slightly more than 6% of the state. Other drought-impacted states were TX and CO.





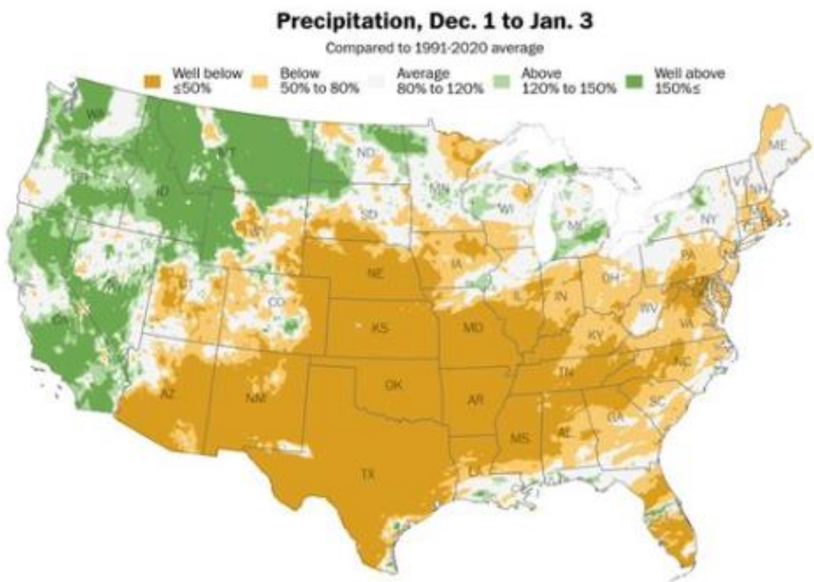


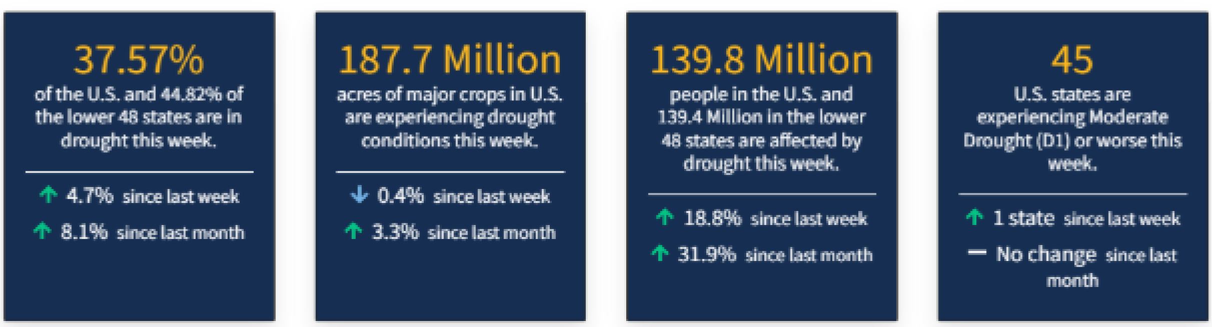
- **The Drought Monitor reports**, "Temperatures were cooler than normal across northern areas and near to above normal farther south. Western IA and southwest MN experienced temperatures 9–12°F above normal. Most of the region was dry, though above-normal precipitation occurred in northern and eastern MN, central WI, and both the Upper

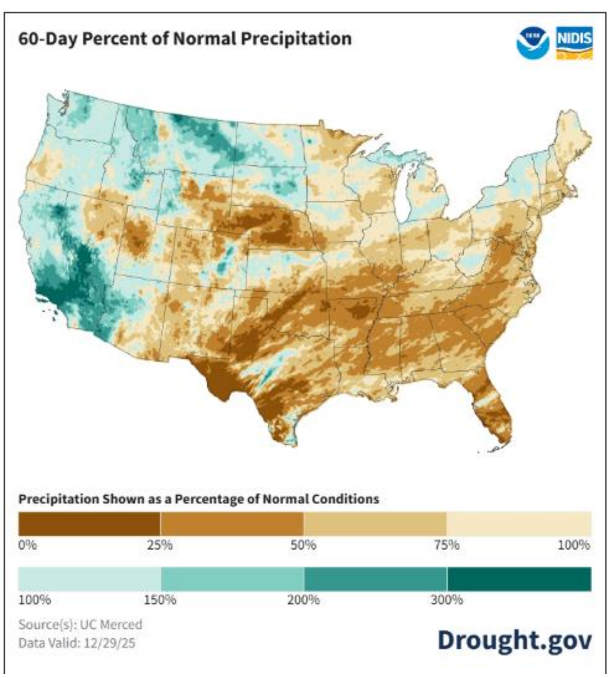


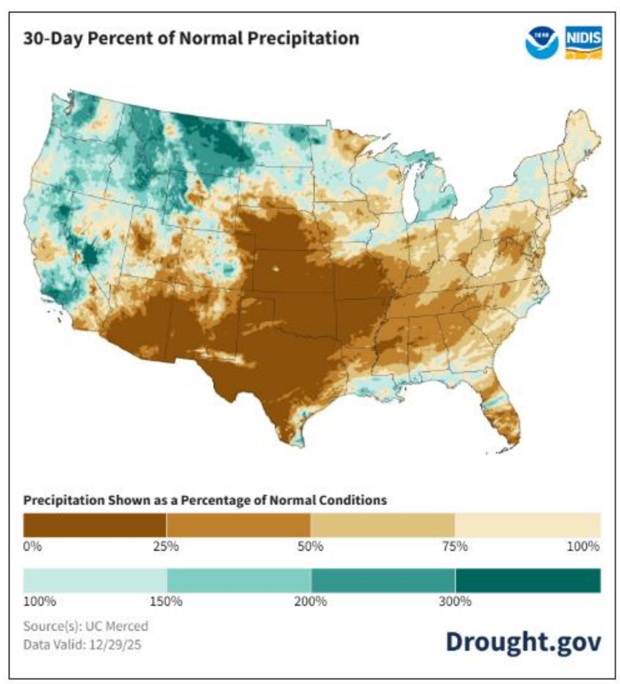
Peninsula and northern Lower Peninsula of MI. Despite localized precipitation, a generally warm and dry winter has allowed drought to continue developing. Abnormally dry conditions expanded across southern KY and along the IN border, with a new pocket of moderate drought in southeastern KY. Abnormally dry conditions spread across southern IN, while severe and extreme drought expanded in central portions of the state. Slight improvements to moderate drought and abnormally dry conditions were noted in southwest MI. Moderate drought and abnormally dry conditions improved over northwest IL, eastern IA, and southern WI. However, drought worsened across central and southern IL, where moderate and severe drought expanded. Moderate and severe drought also expanded across much of southern MO, while abnormally dry conditions increased over northwest MO and into southwest IA. Portions of east-central MN saw improvement due to a wet start to January."

- **Winter has so far been quite dry for large swaths** of the United States. It's been the 12th-driest year for the country as a whole, with several states experiencing record dryness, including KS, MO, MS, OK, and TX. In ID and MT, it's been the 2nd-wettest. This week's U.S. Drought Monitor shows improvements in large parts of the West. However, winter precipitation falling as rain rather than snow has led to widespread snow drought. The Eastern Rockies, Plains, Midwest, South, and East have all seen degradations this week. As of January 6, 2026, 37.57% of the U.S. and Puerto Rico and 44.82% of the lower 48 states are in drought, according to the U.S. Drought Monitor.







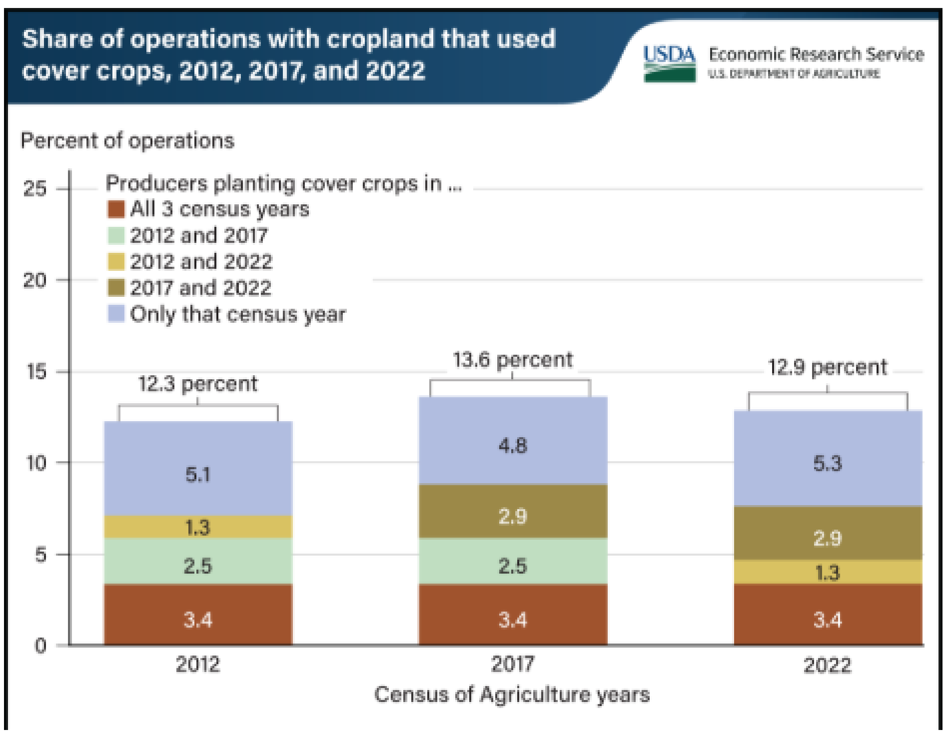


Agronomy—

- **Waterhemp won, but no one is cheering.** Weed scientists at the Univ. of IL and SIU-Carbondale recently announced the confirmation of glufosinate resistance in IL waterhemp populations, reports Univ. of IL weed specialist Aaron Hager. "Glufosinate is a non-selective herbicide most commonly applied postemergence in IL corn and soybean crops engineered with resistance to the herbicide. Use of glufosinate has increased over the past decade as the efficacy of other postemergence herbicides against waterhemp has been compromised through the evolution of resistance. This confirmation marks the first time that herbicides from all site-of-action groups previously effective for postemergence control of IL waterhemp have instances of resistance; in other words, waterhemp now has evolved resistance to every postemergence herbicide previously effective for its control in IL corn and soybean crops. Resistance to glufosinate was confirmed in 3 IL populations through greenhouse dose-response experiments and further supplemented with field research data for a northern IL population. Resistance ratios are relatively low compared with resistances to other herbicides but high enough to result in incomplete control. 20% of treated plants survived the 1x glufosinate rate applied in the field experiment. We do not know how extensive glufosinate resistance is in IL waterhemp populations, but we have no evidence to assume these are the only populations. Efficacy of glufosinate can be influenced by environmental conditions such as humidity, air temperature, solar radiation, etc., and previous research has demonstrated efficacy can be reduced when these and other environmental conditions are less than optimal. Not every instance of incomplete waterhemp control following glufosinate application is attributable to resistance, but applicators should be aware resistance has evolved and can be the primary (or contributing) factor of poor waterhemp control. Applicators should do everything possible to ensure glufosinate efficacy remains high, including selecting the appropriate application rate, carrier volume, spray additive, and herbicide tankmix partner(s). Previous research has demonstrated improved waterhemp control when glufosinate is combined with 2,4-D choline on Enlist crops compared with either herbicide applied alone. There are NO new post-emergence herbicides that will be commercially available within the next few growing seasons that provide effective waterhemp control. Weed management practitioners should strive to preserve glufosinate and 2,4-D choline as viable options for waterhemp control. Reducing or eliminating waterhemp seed production is the only effective method to ensure no change in resistance frequency occurs over time."

  - ✓ **Dr. Aaron Hager** discusses this development further in this 12-min. interview.
  - ✓ **Dr. Pat Tranel** presented a podcast sponsored by the IL Soybean Assn. that addressed inconsistent performance of glufosinate for waterhemp control.

- **The deadline is Thursday, January 15,** for the "Fall Covers for Spring Savings" Cover Crop Premium Discount Program managed by the IL Dept. of Ag. It is being offered to promote additional acres of cover crops that are not covered by other state and federal program incentives (e.g., EQIP, CSP and state cost share). The program is applicable for acreage in Illinois seeded to cover crops in the fall of 2025 that will be planted to an insurable crop in 2026. Eligible applicants will receive a premium discount up to a $5 per acre on the following year's crop insurance, depending on their crop insurance policy, for every cover crop acre enrolled and verified in the program. The program has been open since December, but applications are still being accepted through midnight Thursday. Application assistance is available through your local Soil and Water Conservation District (SWCD) office or the IDOA Bureau of Land and Water Resources at 217-782-6297.
- **Are you part of the (small) cover crop community?** To assess whether farm operations use cover crops persistently over time, researchers with USDA, Economic Research Service (ERS) analyzed farm-level data from operations that responded to each of the 3 most recent Censuses of Agriculture (2012, 2017, and 2022). They found that 3.4% of consistently tracked operations reported using cover crops in each census. A larger proportion used cover crops in 2 of the 3 Censuses or in only 1 Census year. Looking at data for 2022, a total of 12.9% of operations used cover crops. Of these, about 50% (the segments of 3.4% and 2.9%) reported using cover crops in the previous census year (2017). Another 1.3% of operations had used them in 2012 but not 2017, while 5.3% of respondents to all 3 censuses reported using cover crops only in 2022. Looking across all 3 census years, 25% of producers tried cover crops at least once. However, of the producers that tried cover crops at least once, about 1/8 used them persistently across all 3 census years. The data also suggest that over half of operations using cover crops in 1 Census chose not to use them in every Census year. This variation in the number of farmers using cover crops highlights the dynamic nature of producer decisions about when to implement cover crops and whether to use them in every year."

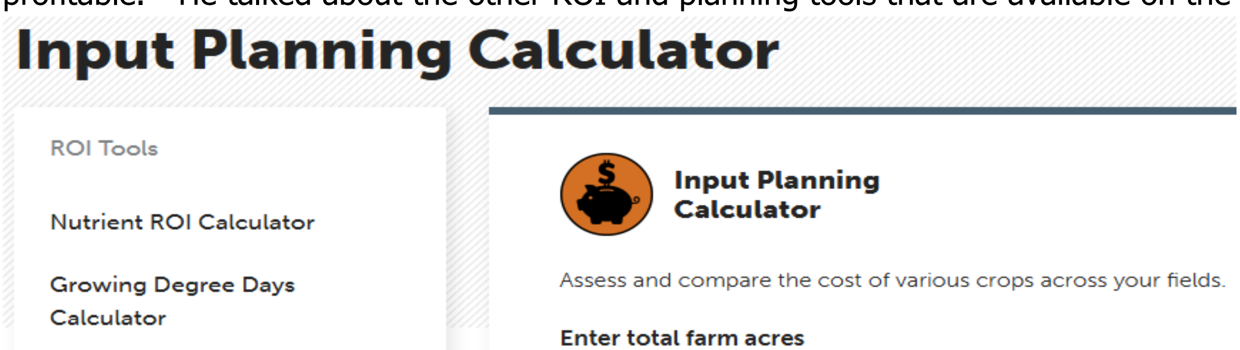


- **Univ. of IL crop physiologist Connor Sible** started a small collection of glass Mason jars with colored liquids and granules which he explained were new products called "biologicals." That was several years ago. Now there are thousands on the market and Sible no longer collects samples in pint Mason jars. But he wants farmers to know how to use them:

1. Cover basics of good crop management first. "Biologicals and biostimulants are a 'next step' input," Sible emphasized. "They're not a replacement for good agronomic management."
2. Know if product's active ingredient is alive or dead. "If the product contains living organisms, it requires commitment to make sure they remain alive from delivery until application," Sible said.
3. Know specifics about the product. "Go beyond the general category, like just knowing it is a nitrogen-fixing bacteria," Sible said. "How does this product differ from other similar products?
4. Don't overestimate the power of the product. For example, cutting nitrogen rate too much when using nitrogen-fixing microbial products may limit final yield potential in corn. Sible considers today's N-fixing inoculants as a third source of nitrogen. "They help supplement N for plants when N from the soil or supplied by fertilizer runs short," he said.
5. Place biologicals that influence phosphorus availability near roots. "Placing the product near roots increases chances for uptake of phosphorus before it is bound back to the soil," Sible said.
6. Biologicals for residue management have an uphill battle against carbon. Carbon-to-nitrogen ratios are high, and carbon-to-sulfur ratios are even higher. The C-to-N ration in cornstalks is about 57-to-1, and higher in wheat and rye straw at 80-to-1 and 82-to-1, respectively. Carbon-to-sulfur ratio in cornstalks can be as high as 350-to-1. "Pairing residue biologicals with nitrogen and sulfur fertility can be effective," Sible said. "Biologicals are best used in a systems approach."
7. Biologicals for residue management need time to work. Spray biologicals on a cloudy day or in the evening so overnight dew can work microbes into residue and soil, Sible said.
8. Expect more consistent results in corn vs. soybeans. "Corn makes yield decisions at key stages," Sible explained. "Soybeans make yield decisions every day."
9. Stress-mitigating biostimulants need to be proactive, not reactive. If you're using marine extracts or sugar to help plants through drought stress, apply before stress develops, Sible advised. "The crop needs time to build defenses so that it can tolerate stress when it arrives," he explained.
10. "The important thing is knowing whether the product you apply contains living organisms," Sible said. "If it does, handle it carefully so that microbes remain alive."

- **Alfalfa growers across the Midwest** are being asked about a growing challenge in the field. After a season of heavy pest pressure and reports of insecticide failures in IL and other states, researchers at the Univ. of MN and neighboring land-grant universities are launching a regional 'needs assessment.' Nick Seiter, a field crops specialist for the Univ. of IL Extension, says the goal is to determine if the Alfalfa Weevil—a pest with a long history of developing resistance—is adapting to current control methods, "Alfalfa weevil is an insect with a history of insecticide resistance development, and in recent years, they've confirmed pyrethroid-resistant populations of alfalfa weevil in the Western US. We want to know what the overall pattern is, and we want to document it formally with this needs assessment." Seiter says this Midwest-wide survey is the first step in documenting whether we are seeing a temporary spike in Alfalfa Weevil populations or a long-term shift in how we must manage this crop. The Land Grant researchers are looking for input from anyone who farms or advises on alfalfa production to help map out these control challenges before the spring 2026 scouting season begins, "We have a regional survey of insect pest management practices in alfalfa, and this is something that's being coordinated by our colleagues at the Univ. of MN, but it's designed to go out throughout the Midwestern U.S. to learn more about what's going on in alfalfa. What are the major insect management challenges we're seeing, what our control procedures look like, and if we're experiencing any issues, any challenges controlling insect pests that maybe didn't used to be a challenge for us." Ultimately, this survey serves as an essential early warning system for the industry. With insecticide failures already surfacing for IL farmers, researchers need your input to determine if the alfalfa weevil is officially outsmarting current control methods. If you farm or advise on alfalfa, take 5 minutes to share your experience and search online for "alfalfa pest survey," or take MN survey here, or the Univ. of IL survey here. Your feedback helps build a more resilient management plan for the 2026 season. (WILL radio) →
- **Here is the culprit.** The alfalfa weevil was introduced to the US more than 100 years ago and has become an important and widespread pest of alfalfa. Larva and adult weevils defoliate alfalfa plants by consuming leaf tissue. Foliage appears skeletonized or shredded, and plants may be stripped to the stems if feeding is severe. Feeding decreases alfalfa yield and nutritional value, reduces plant vigor, and can cause stand loss. In general, larvae cause the most plant injury and risk is most severe prior to the first cutting. Feeding by adults is typically minor, especially as they enter dormancy during the summer months.

- **To help farmers make decisions on crop inputs,** Nutrien has a new tool to help. Lyle Cowell, senior agronomist for Nutrien, said the new Input Planning Calculator, available at nutrien-eKonomics.com, will help farmers get a clear understanding of the cost of farming on their operations, so that's what it is. It's just a really easy-to-use tool that a farmer can input their own costs for their farm at a personal level to understand all the costs of not just producing a crop, so it's not just about fertilizer and pesticides and seeds, but what does it cost to run your farm, to grow a crop? And it's simple, and it's quick to use, and those are 2 key elements that we thought were very important." Not knowing the true cost of farming will cause producers to lose sight of their profit margins, "So not just your total profit, but your ability to continue into the future and be profitable on the farm. So, this forces a farmer, really, by answering those questions about all the different costs in their farm, so a farmer will immediately think of the cost of seed, the cost of fertilizer, the cost of pesticides, but this calculator takes you through all of your costs. So, you must understand, for example, your cost per year, per acre of fuel, consulting, repairs, your machinery equipment, machinery costs, land rent, insurance, and labor. It makes you think about all those costs, in addition to the agronomy costs of fertilizer, seed, and pesticides. If you can't turn the lights on in the morning, in the end, then you can't farm, and that makes sure that all the costs are accounted for." Cowell said the tool will also be valuable for a farmer's crop advisers, "A lot of farmers work with agronomists who give them advice, and sometimes, agronomists may become too focused on a particular input. If it's an agronomist who is mostly focused on seed, that may be all they think about in costs, and they need to piece all the costs together to make sure that each farmer is finding the right place to spend money on their farm and finding the right place to find profit. I have always said the economy is part of agronomy, and the key benefit is to help the farmer and any agronomist understand the cost of production, and the final benefit is to make sure that that acre is profitable." He talked about the other ROI and planning tools that are available on the



eKonomics website, "On eKonomics, we've put some focus on creating a number of tools that farmers care most about. We've recently also added in a calculator to understand dry fertilizer rates and understand the cost of blending fertilizers. For those farmers who use ammonia and hydrous ammonia, there are a number of calculators to help them understand the rates of application. We have what the farmers love to talk about most: weather. And there's a rainfall and growing-degree day calculator on the app. There's something there for everyone, I think." (Nutrien) (Extensive farm financial data is required.)

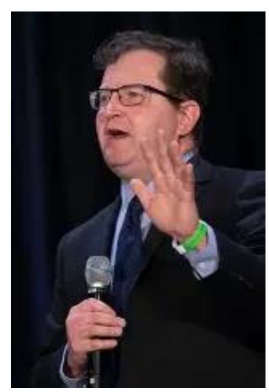
- **Farmers have long heard about "the 4 R's,"** referring to nitrogen application for a number of years. But why, just nitrogen? The answer was a presentation at the United Prairie Co-op winter agronomy meeting by its chief agronomist Kyle Meece. Meece says there is no reason to squander expensive nutrients in a time of tight budgets for crop production. His address to several hundred farmers focused on economy in a tight fiscal year. He recounts his presentation in this video interview.
- **IL Precision Conservation Management** has a new supply chain partnership with Kraft Heinz that will support IL farmers who implement in-field conservation practices like cover crops, reduced tillage, and nitrogen fertilizer reductions. The initiative, which launched ahead of the 2026 crop year, supports Kraft Heinz's sustainability goals to reduce greenhouse gas emissions and improve soil health. "This partnership reflects what PCM was built to do—ensure conservation is not just good for the land, but good for farmers' bottom line," said Greg Goodwin, Director of PCM. "We know IL farmers are willing to adopt conservation practices when they make sense financially. Our role is to connect farmers with end users who value sustainable practices and identify win-win scenarios without added complexity. Participation in PCM is available at no cost to farmers thanks to investment from the IL corn checkoff. In addition to creating cost-share programs like this one, PCM provides one-on-one guidance to participating farmers to help them identify which practices work best in their fields." Interested farmers are encouraged to reach out to their local PCM Specialist about enrolling.
- **With the current market conditions and overseas trade challenges**, many farmers are holding onto their grain for the right time to sell. But holding grain longer brings challenges that can impact its overall quality and value. Even small declines in quality and small amounts of shrink can quickly cancel out the benefits of waiting for a higher market price. John Mays, the senior director of specialty ag at Central Life Sciences, talks about how grain quality can decline during longer storage times, "Over time, we have found that at Central Life Sciences, working with universities and the USDA, even after 30 days, growers can see a 2.2% loss, which equates to real money. We're talking about 10¢ a bu. For longer storage time, say over 60 days, we've seen tests that start at 14¢ and go up from there as a per-bu. loss. And its real money we're talking about. And growers used to think that, oh, I deliver my grain soon enough, I won't have a problem. But really, what we've seen in our trial work is that if you store grain for any amount of time, it can be severely damaged by bugs." Growers who store grain for longer periods have options to protect their grain quality and give themselves more time to market it. Farmers should use a bin treatment. It can be put directly on the grain, it can be used as a perimeter treatment, and we found by using this in a grain protection protocol, if you will, it gives the growers a chance to store grain longer and protect their profits as they store and try to take advantage of market swings." Unfortunate geopolitical and trade tensions are also forcing farmers to hold onto their grain, "The U.S. growers are affected more by tariffs and other global market issues that we're facing. They're going to have to store grain longer than they normally have, and by doing so, that opens growers up to more risk of damage by bugs."

Conservation, Environment, Carbon—

- **Farmers need rules that clearly define** federal jurisdiction of the Waters of the United States, or WOTUS. The American Farm Bureau submitted comments to the Environmental Protection Agency and the Army Corps of Engineers. AFBF detailed the impact of WOTUS on farmers and elements that must be included in the new proposed rule to ensure it can withstand future legal challenges. "Farmers and ranchers support the creation of a legally durable rule that injects clarity into the regulatory process and does not leave landowners guessing what parts of their property are subject to regulation," wrote John Newton, vice president of public policy and economic analysis. Farm Bureau's recommendations for the rule included further defining "relatively permanent" to narrow the regulatory scope. The group also wants clarification of when wetlands should fall under WOTUS, continued exclusion of prior converted cropland, and exclusion of ditches from WOTUS jurisdiction.
- **The EPA will reassess the safety of herbicide paraquat,** its administrator Lee Zeldin  said on Friday, adding that the body is requiring manufacturers to thoroughly prove that current uses are safe in real-world conditions. Syngenta, which markets paraquat under the brand name Gramoxone, is facing several lawsuits in the U.S., where plaintiffs allege exposure to paraquat caused them to develop Parkinson's, a degenerative brain disease that leads to loss of muscle coordination. In agricultural settings, paraquat is mostly applied to soybean, corn and cotton crop fields to control invasive weeds and grasses, according to the Environmental Protection Agency.
- **CO-2 pipelines have been a lightning rod** for controversy for several years. While the biofuels industry needs them for carbon capture and transmission to storage points, they are not always welcome crossing farm fields where drainage is interrupted and land potentially devalued. The multi-bil. dollar IA project, Summit Carbon Solutions, was stymied in the IA legislature due to issues with eminent domain. But that may be history. Iowa's 2026 legislative session kicks off with a fresh twist in the years-long battle over property rights and eminent domain for carbon capture pipelines. New Senate Majority Leader Mike Klimesh has unveiled a proposal aimed at easing the deadlock: it would allow pipeline companies to amend approved routes to seek voluntary landowner easements instead of relying on eminent domain. It's a shift from past efforts and could shape whether the Summit Carbon Solutions project moves forward without state-imposed land access. Summit had planned to collect CO-2 from dozens of ethanol plants in a multi-state area and ship the CO-2 to a sequestration site in ND.

USDA—

- **"As you were" on ARC/PLC signup for 2026.** USDA says it is not ready, and has no idea when it might be ready. The expected time frame will be after spring planting, at the earliest. Agri-Pulse is reporting, "The changes, which take effect for 2026, include increases in reference prices for the Price Loss Coverage program and raising the Agriculture Risk Coverage program guarantee to 90% of the benchmark revenue," Agri-Pulse reported. "A 61-page final rule to be published in the Federal Register January 12 makes those and other revisions to ARC, PLC and the Dairy Margin Coverage (DMC) program that were required by the One Big Bill Act, passed by Congress in July. Richard Fordyce, USDA's undersecretary for farm production and conservation, said in an interview with Agri-Pulse that annual signup for DMC will start on Monday, but he had no timetable for enrollment in ARC and PLC for the 2026 crop year. We are going to have a signup period that is going to be certainly fair to producers (and) that will reflect the work … we've got to get done on the front end to get to the place where we can do that signup," Fordyce said. "By no means will the signup time frame put any producer in peril." Fordyce indicated that one issue delaying ARC and PLC enrollment is the workload in Farm Service Agency offices," Fordyce indicated. "The rule being published January 12 indicates that the ARC and PLC enrollment could be delayed significantly: 'Producers will know their 2026 production and yields before they decide whether to elect and subsequently enroll in ARC or PLC for the 2026 crop year**.'**" Fordyce also didn't have a timeframe for implementing the provision that allows enrollment of an additional 30 mil. base acres. However, the rule addressed a key issue – what kind of non-program crops could be eligible for program base. "Under the rule, acreage that had been planted to a wide range of non-program commodities would be eligible with the exception of tobacco, marijuana and cover crops, as well as land enrolled in the Conservation Reserve Program. "Under the law, acreage in trees, bushes and vines also is ineligible."
- **Dr. Seth Meyer (right) was thanked for his years of service** as the USDA's Chief Economist, and USDA announced Dr. Justin Benavidez



(left) as the new chief economist. Benavidez previously served as the Chief Economist for the Republicans of the House Committee on Agriculture. He provided economic analysis on Farm Bill policy, commodity markets, and agricultural legislation. As the new USDA Chief Economist, Benavidez will lead the Department's economic analysis and forecasting efforts, ensuring USDA's policies and programs continue to be informed by sound, data-driven economic research that supports America's farmers, ranchers, and rural communities. Before his work on Capitol Hill, he worked as an agricultural economist with Texas A&M AgriLife Extension, focusing on farm and ranch management, production economics, and policy analysis.

- **As part of a commitment** under the USDA's National Farm Security Action Plan, Secretary Rollins announced new actions to help American ag research and innovation stay in America or among our allies and not with hostile nations. The actions strengthen transparency around foreign ownership of U.S. agricultural land and ensure federal programs and purchasing preferences do not support supply chains controlled by foreign adversaries. "Strengthening national security starts with knowing who owns our farmland and where federal dollars are flowing," said Rollins. "These actions close longstanding gaps in oversight and enforcement by improving transparency around foreign land ownership and ensuring USDA programs support and prioritize American farmers and manufacturers." She also said entities linked to foreign adversaries currently control at least 277,000 acres of U.S. agricultural land, and each acre is a threat to our food supply chains and a potential vector for agroterrorism.

Trade and Tariffs—

- **Washington, D.C. reporters and all of agriculture** had their ears open Friday for word the Supreme Court had made its decision on whether the White House could "trump" Congress on the issue of imposing tariffs. The Court had indicated Jan. 9 would be the date for release of its opinion, but the sun set on Friday without an announcement. The White House is ready in case of an adverse ruling. In an interview with CNBC on Friday, National Economic Council Director Kevin Hassett said that the Trump administration could use alternative measures to arrive at the "same place" in terms of the deals that the United States has struck with other countries. "There are a lot of other legal authorities that can reproduce the deals that we've made with other countries and can do so basically immediately. And so, our expectation is that we're going to win, and if we don't win, then we know that we've got other tools that we could use that get us to the same place," Hassett said. Treasury Secretary Bessent also said last week there was plenty of money in the US treasury if the White House is ordered to refund the tariffs paid by importers.
- **China's new beef tariff** comes just as the new USTR chief ag negotiator settles into her job with a pledge to open that market to beef and other U.S. farm commodities, "China, across the board, has been weaponizing agriculture." That's Julie Callahan, speaking at her October Senate confirmation hearing. But China's commerce ministry insists its just-announced 55% above-quota beef import tariff is a "safeguard measure" to protect its domestic industry. Either way, it's a new challenge for Callahan, who vowed in October, "If confirmed, I am committed to reopening China's market to U.S. beef." Beef is part of a list of restricted farm products, "Sorghum, beef, a number of commodities, cotton, across the board." China imported just 138 thousand tons of beef from the U.S. in 2024, compared with over 1.3 mil. tons from Brazil. U.S. volume dropped to just over 55 thousand tons through last November after Beijing allowed permits to expire at hundreds of U.S. meat plants amid China's tariff war with the U.S. China's new tariff took effect on January 1 for 3 years, but with the total 2.7-mil.-ton quota set to increase annually. (Berns Bureau, Washington)

- **ND soybean growers** are on a "do-it-their-self-trip" traveling to new international markets to sell soybeans after disruptions from the 2025 trade war with China. Officials reported increased interest in ND soy on the global stage, with plans to promote exports to Southeast Asia, including Vietnam and Thailand. Trade delegates from the state are scheduled to visit that region this week to strengthen relationships with buyers and explore opportunities for long-term contracts, according to state agriculture officials. Producers hope the expanded penetration into Asian markets will help offset past volatility caused by geopolitical tensions and tariff barriers, which limited access to traditional customers. Market analysts say broader export diversification could help stabilize prices for soybean farmers and support rural economies. ND remains a leading soybean producer, and agricultural advocates say this push will reverse the nations' diminished agricultural exports.
- **Farmers have been incensed** by diminished export opportunities but so has the grain

industry. CEO Mike Seyfert (left) of the National Grain and Feed Assn. used the Grain Journal to outline what grain elevator and grain processing companies want Congress to approve and the White House to accept. He told the US Trade Representative, "The economic health of North American agriculture, and the communities we support, depends on an open, predictable, rules-based trading system." That principle is especially important because America's grain and feed industry touches every corner of the nation. There are 9,683 grain and feed facilities operating across the country, supporting 1.16 mil. U.S. jobs and generating $401.7 bil. in total economic impact. This positive contribution reaches every state and every congressional district. We appreciate President Trump and his administration's efforts to reopen the Chinese market to U.S. agricultural exports. China is a critical destination for U.S. commodities, and renewed access will bring meaningful opportunities for farmers, exporters, and transportation providers. Renewing USMCA for a stable future as we outlined in a recent filing with USTR – and as I reiterated in my oral testimony in December – NGFA fully supports a 16-year renewal of USMCA with no changes to the underlying agreement. But there is still room for improvement. One of the most significant areas is harmonizing grain inspection procedures between the Federal Grain Inspection Service (FGIS) and Mexico's SENASICA. Despite rigorous U.S. inspections, Mexico reinspects shuttle trains under a zero-tolerance soil standard that differs from U.S. practice. This leads to costly delays, rail congestion, and fumigation expenses that can reach $70,000 per train. These duplicative procedures are not science-based and function as barriers to efficient trade. We strongly urge the administration to address this inconsistency during the USMCA review. We also strongly support the administration's decision to suspend for one year the trade penalties tied to Chinese shipping vessels. This action is a significant win for U.S. farmers and agricultural exporters. The United States is well-positioned to expand its global leadership in agricultural trade, but only if we maintain science-based rules, predictable market access, and long-term trade agreements that growers, handlers, exporters, and customers can rely upon.

- **The US ethanol industry** cannot be better represented in international trade than with  this group, standing at a cold site in Ottawa, Canada, the largest market for US ethanol. Last week, U.S. Grains & BioProducts Council (USGBC) and U.S. ethanol association leaders traveled to Ottawa, to meet with key partners in the energy and fuel industries. Pictured from left to right are USGBC Chairman Mark Wilson of Toulon, IL; Renewable Fuels Association (RFA) President and CEO Geoff Cooper; USGBC President and CEO Ryan LeGrand; and Growth Energy CEO Emily Skor. (Mark was used to the cold, the others, not so much.)
- **Global farmers are incensed about trade issues.** French farmers drove tractors into central Paris and blocked major roads Thursday to protest a proposed European Union trade agreement with South American Mercosur nations, saying it threatens local agriculture and could undercut prices for beef, chicken and sugar. Organized by the Rural Coordination farming union, about 100 tractors entered the capital and gathered near landmarks including the Arc de Triomphe and the National Assembly despite a ban on such demonstrations, according to organizers. Farmers say cheaper imports under the EU-Mercosur pact, which would liberalize trade with Brazil, Argentina, Uruguay and Paraguay, would worsen already tight margins for European producers. French President Emmanuel Macron announced Thursday that France will vote against the deal at EU level, reflecting mounting political opposition at home, though the pact may still move forward with support from other member states. The protests mirrored actions by farmers in Greece, where rural groups blocked highways as part of broader discontent with rising production costs.
- **The USDA is still accepting applications** for its agribusiness trade mission to Manila, Philippines, taking place April 13–16. U.S. exporters that are interested in exploring trade opportunities in the Philippines' thriving market and rapidly growing economy must apply by Friday, January 9. "USDA agricultural exporters have an abundance of new opportunities in the Philippines," said Luke Lindberg, USDA Undersecretary for Trade and Foreign Agricultural Affairs. "This trade mission will connect U.S. producers with key buyers in the Philippines, expanding economic opportunities, supporting rural prosperity, and keeping American agricultural products globally competitive." The Philippines is the ninth-largest market for U.S. agricultural and food exports, averaging $3.6 bil. annually during the last 5 years. The trade mission to the Philippines will be timely, as 2026 marks 80 years since of the establishment of diplomatic relations between the 2 countries. The U.S. is the top supplier of food and beverage products in the Philippines.

- **The American Sheep Industry Association** has officially asked the U.S. Trade Representative's Office to investigate the impact of lamb imports on American producers. The American sheep industry faces increasing pressure from imported lamb, which threatens the stability and future of domestic producers. ASI members have made it clear that immediate action is critical to restore fair competition and protect America's sheep producers. To address this, ASI is working diligently to secure a Section 201 trade case investigation, a vital step toward leveling the playing field for U.S. producers. ASI is asking for producers to contact elected officials and their trade staff. For more information on how to get involved, go to sheepusa.org.

Farm Bill 2.0—

- **Agriculture policy analysts say 2026** could mark the end of the traditional 5-year U.S. Farm Bill era, as lawmakers struggle to produce comprehensive legislation. The most recent Farm Bill provisions expired in 2023, and Congress has extended them annually since, leaving perennial programs in limbo. Experts say shifting political priorities and White House-fueled partisan divides have complicated efforts to craft a broad farm policy package that addresses commodity support, conservation, nutrition and rural development. Without a full Farm Bill, many programs are funded through short-term fixes, delaying long-term planning for producers. Agriculture advocates warn that prolonged uncertainty could impact crop insurance, disaster assistance and trade programs. Some lawmakers are calling for scaled-down legislation focusing on critical elements, while stakeholders stress the need for stability in federal agricultural policy.
- **$12 bil. in bridge payments** will provide some relief for America's farmers. American

Farm Bureau President Zippy Duvall (left) says that for specialty crop farmers, the assistance will have minimal impact, "The $12 bil. in bridge payments for farmers that USDA announced last month was welcomed news in rural America. $11 bil. will begin to help row crop farmers. The remaining $1 bil. is set aside for specialty and sugar crops, which won't be near enough to address years of down markets. Specialty crops such as tree nuts, fruits, and vegetables have each lost hundreds of millions and even billions of dollars. And without clear eligibility criteria, the reach and impact of the $1 bil. remains uncertain. To address the challenges facing farmers, particularly specialty crop producers, we need additional economic assistance from Congress and long-term fixes like increased access to international markets and more affordable and reliable labor." (American Farm Bureau)

- **Senate Ag Chair John Boozman, R-AR,** said in a recent interview with Agri-Pulse that more farm aid will likely be needed this year, but can't say how much yet, "I think the question is, if we need to, and I think we probably will." Boozman told Agri-Pulse recently, "With high input costs, very low commodity prices, our markets not being as good as we'd like, it's made it very, very difficult. So, I think the commitment's there. I think Congress will step up. The question is just how much." Boozman would not offer a figure, while House Ag Chair Rep. Glen Thompson, R-PA, says at least $10 bil. more on top of the pending $11 or $12 bil. Though USDA Undersecretary Richard Fordyce did tell Reuters recently that his agency is not considering more farm aid, despite some $44 bil. in farm losses last year. Chairman Boozman agrees that money is a limiting factor, "What do we do? Can't keep throwing money at it. How do we increase our markets? What do we do to get farmers into a sustainable position?" Boozman said that the Senate Ag Committee will hold 1 or 2 hearings on that in the coming weeks. Meantime, Boozman says USDA and Capitol Hill will factor in existing aid, and the coming boost in farm supports to determine the unmet need. (Berns Bureau, Washington)

Agri-Politics—

- **Rep. Nikki Budzinski, (D-IL-13)** recently met with farmers and other individuals within agriculture about issues pending in Washington, as well as what they thought she might pursue in the US House. She revealed what they told her in this video. Included in the discussion were: farm economy, farmer bridge payment, tariffs driving up prices of inputs, financial pain of young farmers and her legislation to reduce the pain. Also discussed were the Farm loan modernization Act she introduced; potential for bi-partisan support on various farm issues; and getting a reset of support on a new Farm Bill.
- **The IA Corn Growers Assn.** formulated its state and national legislative priorities, many of which will likely show up elsewhere, and support from national and other state organizations provides more chance for passage. These are Congressional initiatives:
  - ✓ Carbon – Support carbon intensity reduction initiatives and credit programs for global market access.
  - ✓ Ethanol – Support a nationwide E15 fix and an Octane Bill. We support retaining the RFS.
  - ✓ Farm Bill – Improve crop insurance and protect/funding for Market Access Program (MAP) and Foreign Market Development Program (FMD) within the USDA process.
  - ✓ Trade – Expand new and protect existing bilateral and multi-lateral trade agreements.
  - ✓ Transportation – Improve transportation infrastructure including but not limited to locks and dams, roadways, etc.

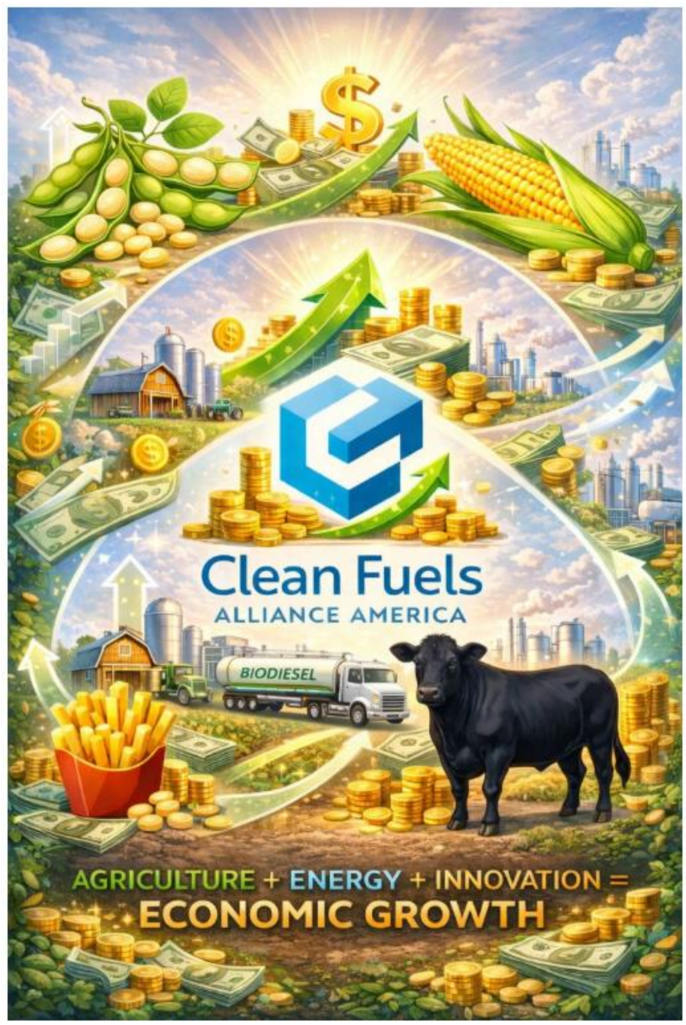
- **The U.S. pork industry has a busy to-do list of legislative issues** to advocate for or against in the new year. Lucy Russell, director of producer engagement with the National Pork Producers Council, talks about the work ahead in 2026, "I don't think that it's unique to the pork industry, but labor, of course. Trade, we can't go a minute in the news without hearing about trade, but the Make America Healthy Again (Commission) is a concern that we have. There are some challenges associated with that. And then, of course, Prop 12 and the Farm Bill." Russell said there are a couple of significant concerns with MAHA, "There is no current definition of ultra-processed food that is accepted at the national level. We are working with this administration to help develop that definition, and we are told that that definition will come out during the release of the Dietary Guidelines for America. We are also having some challenges around the generally recognized as safe provisions; all the products that were previously generally recognized as safe are all under subject to review. So, there are many things that we use to preserve the nutritional integrity of the products that we provide for consumers, but there are also items that we use to preserve stability and make them more shelf-stable, so that other communities that don't necessarily have access to perishable goods can continue to have access to safe and affordable protein sources." NPPC is working on some of the MAHA challenges at the state level, Specifically, some of the things that we're working with the states right now on are getting that definition of ultra-processed foods adopted at the state level. The Make America Healthy Again movement is an executive order, and all it takes to overturn an executive order is a new administration coming in and deciding that they're no longer going to pursue it. So, if we can work through the state legislative process, that will be a more permanent solution, and we want to make sure that those definitions are beneficial for consumers as well as all agriculture." (Mid-West Farm Report)

Biofuels News--

- **The White House hasn't yet endorsed year-round E15 legislation**, something one supporter argues could finally make such sales a reality and dramatically improve farmers' fortunes. Sen. Chuck Grassley, R-IA, says Trump's support for year-round E15 sales could be a legislative game-changer. The president asked an IA corn grower about the importance of greenlighting summertime E15 sales at Trump's recent announcement of farm aid. Grassley was asked about the president's uncertainty during a media call last Thursday, "I want you to know that I'm in regular contact with the White House on the importance of E15. In fact, I'll have an opportunity before the day's over to talk to people that are high up on these issues." Grassley says he's been told year-round E15 sales would add $14 bil. to farmer income, compared with the $12 bil. in bridge payments, while uncertainty lingers over administration support for more financial aid before improved support prices kick in next fall. As for a legislative solution, "I think it would have to ride on some other bill to get done. And it should ride on some other bill. We shouldn't have to spend a single minute to talk about E15 on the floor of the United States Senate. We shouldn't have to worry about getting 60-votes to get it up and all that sort of stuff." (Berns Bureau, Washington)

- **A coalition of more than 70 biofuel and agricultural organizations** sent a letter to congressional leadership calling for immediate passage of legislation to allow the year-round nationwide sales of an American-made E15 fuel blend. It would benefit drivers with savings of 10¢ to 30¢ per gal. and improve markets for American farmers. "The USDA projects a record 16.8-bil. bu. corn harvest in 2025, up roughly 13% from 2024, which intensifies pressure on corn prices and farm incomes," the groups wrote. "Expanding E15 access is one of the most immediate and practical ways to address this imbalance." The groups point out that when it's fully scaled, year-round, nationwide E15 is poised to create new domestic demand for billions of bushels of corn and sorghum, help stabilize markets, support farmers, and deliver consumer savings at the pump. The letter was led by Growth Energy, the American Farm Bureau, the National Corn Growers Association, and the Renewable Fuels Association. Is your Representative sponsoring E-15 legislation? →
- **Renewable Fuels Chief Economist Scott Richman** says air restrictions block E15 summertime sales in most of the country, "Because of those restrictions, it makes it difficult for fuel retailers in those areas, for about two-thirds of the gasoline sold in the United States, to offer ethanol on a year-round basis." RFA, Growth Energy, and a long list of farm groups argue in a letter to lawmakers that permanent year-round E15 sales would save drivers on gas and boost markets for America's farmers, and would do so by removing the year-to-year need for summertime waivers to get around the restrictions, "This is something that's an anachronistic regulatory issue, but it can't be fixed through regulatory means. So, what needs to be done is for a permanent legislative fix. Farmers cannot afford another season of uncertainty and negative margins."
- **Ethanol use topped 11% of the nation's gasoline** for the first time ever in October, based on the latest Energy Department Data. The ethanol "blend rate" came in at 11.06%, according to the Energy Information Administration, which was just enough for the ethanol industry to declare a big win. Renewable Fuels Association Chief Economist Scott Richman says the "blend wall" promoted by the oil industry was always a myth, "We've seen in recent years that ethanol has reached 10.3%, 10.4% of the gasoline pool. And that's proven that we can go beyond 10%." The 12-month average blend rate also hit a record of 10.5% in October, with expanding availability of the apparent driving factor and demand for flex fuels like E85. Also helpful is the administration's timely summertime fuel waivers, but that's not enough, "What needs to be done is for a permanent legislative fix is allowing E15 to be sold year-round in conventional gasoline areas. And we're hopeful that in the upcoming budget legislation that has to happen, that this language will be included," which RFA says would also open a badly needed new market for the nation's farmers, who are struggling with low crop prices. And it says continued E15 expansion depends, in large part, on the EPA finalizing robust RFS volumes for 2026-2027 and a full reallocation of small refinery exemptions for 2023 and later, "In order to maintain sales of E15 and to keep expanding sales, it's critical that small refinery exemptions not be granted en masse, and that if some are granted, the volumes are reallocated to other refiners." RFA says keeping an average 11% blend rate for a full year would yield 15 bil. gal. of domestic ethanol use. (Berns Bureau, Washington) →

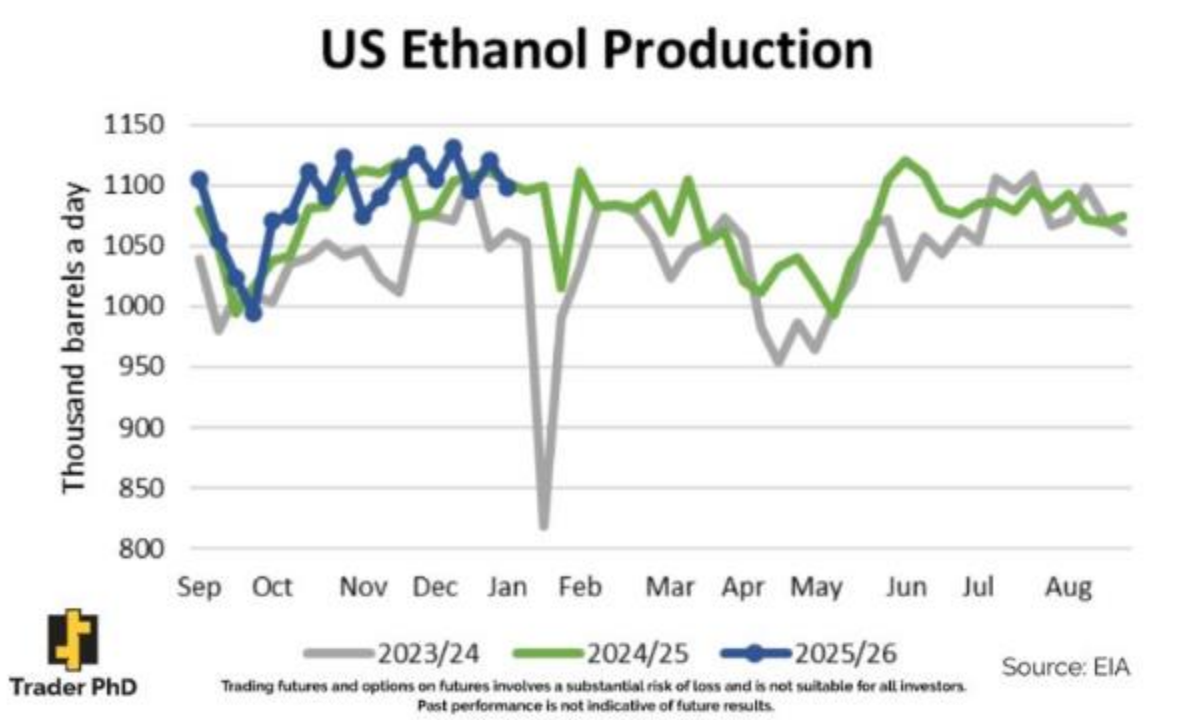
- **To be accurate, ethanol accounted for 11.06%** of the nation's gasoline in October 2025, marking the first time in history that the monthly blend rate has topped 11%. That's according to a release from the U.S. Energy Information Administration. The Renewable Fuels Association said the record-high blend rate reflects the expanding use of E15 and flex fuels like E85 and should put to rest the myth that the so-called "blend wall" prevents ethanol from making up more than 10% of the gasoline pool. "The new data provides clear evidence that ethanol is continuing to gain market share in the U.S. fuel market as drivers increasingly choose lower-cost, cleaner-burning E15 and flex fuels like E85," said RFA President and CEO Geoff Cooper. "The numbers also prove that the fictitious 'blend wall' is nothing but an imaginary barrier created by those who oppose American-made renewable fuels produced from American-grown crops."
- **What is Clean Fuels America all about?** Chief operating officer Doug Whitehead says, "Clean Fuels Alliance America sits at the center because it represents the market bridge—turning U.S. agriculture and waste streams into value-added energy products."



  - ✓ Soybeans: Primary feedstock for biodiesel and renewable diesel, drive higher crop demand, stronger prices, and rural income, and Creates value beyond food markets.
  - ✓ Corn: Supports livestock, produce byproducts used in clean fuels, and diversified farm revenue, and Keeps acres productive and communities economically resilient.
  - ✓ Animal fats, i.e. Cattle: Represents the livestock sector that benefits from feed crops, produces fats and byproducts in clean fuels, and closes the loop in the ag economy.
  - ✓ French Fries (used cooking oil originated by SOY (UCO)): Symbolizes recycled waste fats, turns a low-value byproduct into high-value fuel, Reduces costs, imports, and environmental impact
  - ✓ Clean Fuels: Creates domestic energy, stabilize fuel prices, supports jobs across farming, processing, trucking, and manufacturing, and Keeps dollars circulating in American communities

  This isn't just sustainability — it's profitability, jobs, and national competitiveness.

- **The clean fuels industry strengthened its foundation** in 2025 behind record policy targets, new engine capabilities, and proven performance, setting expectations for continued growth in 2026. "Government agencies, fleets, manufacturers, and consumers in 2025 recognized that biodiesel and renewable diesel have stepped forward and taken a leadership position in fueling our nation's transportation systems," said Clean Fuels Alliance America CEO Donnell Rehagen. "Clean fuel use has grown dramatically in recent years, and for the first time, policymakers took full account of that growth." Last year, for the first time in the history of the Renewable Fuel Standard, the EPA proposed robust biomass-based diesel volumes that accurately reflected the industry's potential. EPA proposed a renewable volume obligation of 5.61 bil. gal. for 2026, and a growth path of annual volume increases for 2027 and beyond. In doing so, EPA acknowledged the industry's investments in production capacity and domestic feedstock supplies produced by U.S. farmers. →
- **The Energy Information Administration** said ethanol production declined week to week while inventories rose to the highest level in 5 months during the week ending on January 2. Ethanol production dropped to an average of 1.098 mil. barrels a day, down from 1.12 mil. barrels a day during the previous week. In the Midwest, output dropped to an average of 1.041 mil. barrels a day from 1.063 mil.. That was the total losses as every other region's output was unchanged during New Year's week. In its report, the agency said ethanol stockpiles, meanwhile, jumped to 23.652 mil. barrels last week, the highest level since August 1. Dawson Schmitt of Trader PhD Ag Marketing, says, "We estimate that corn used for ethanol is at 1.892 bil. bu., 34% of the USDA's target, and on pace to meet the forecast of 5.6 bil. bu., and the USDA will likely keep the corn ethanol forecast unchanged based on the current crush pace. U.S. ethanol production has been on fire this year. "



- **POET, the nation's largest ethanol producer,** is doubling capacity at its Shelbyville, IN, plant. Jeff Lautt, president and chief operating officer, said, "By growing this facility, we're strengthening markets for local farmers, creating good-paying rural jobs, and ensuring we can meet the growing global demand for our suite of bioproducts." The expansion will double POET – Shelbyville's bioethanol production from 98 mil. gals. to 193 mil. The upgraded facility also will double its dried distiller's grains and corn oil output, add 20 new full-time team members, and grow local grain demand for area farmers with an additional 32 mil. bu. of corn demand. Target for completion is the fall of 2027.
- **The latest to join the "biofuel space"** is a joint venture between British Petroleum (bp) and Corteva. They have launched "Etlas, their new 50:50 joint venture that will produce oil from crops - including canola, mustard and sunflower - for use in the production of biofuels like sustainable (or synthetic) aviation fuel (SAF) and renewable diesel (RD). Etlas will harness both Corteva's century-long expertise in seed technology to develop crops ideally suited to produce SAF and RD as well as BP's expertise in refining and marketing fuel for the commercial transportation market. Etlas aims to produce 1 mil. metric tonnes of feedstock per year by the mid-2030s, which could produce over 800 thousand tonnes of biofuel. Initial supply is scheduled to begin in 2027 for use in co-processing at refineries as well as at dedicated biofuels plants. Leading industry estimates have global demand for SAF growing to as much as 10 mil. tonnes by 2030-- from about 1 mil. tonnes in 2024, while global demand for RD could rise to as much as 35 mil. tonnes by 2030 from approximately 17 mil. tonnes in 2024. Etlas is designed to provide a reliable, scalable supply of feed stock to help meet this expected demand. The feedstock Etlas uses will be harvested from crops that are grown on existing cropland, between main food cropping seasons. Such intermediate crops can help improve soil health while providing farmers with a new revenue stream. As they use existing cropland during unproductive times like a fallow or cover period, they also do not lead to additional demand for land."

Animal Agriculture--

- **TX officials are warning livestock producers** after a confirmed case of New World screwworm was found about 215 miles from the border in Tamaulipas, Mexico. The parasitic pest, which can cause serious livestock injury and economic loss, was detected in a 7-year-old bovine, according to the TX Dept. of Ag. which said there's no evidence that the pest has established a breeding population, but producers along the border should inspect animals daily for open wounds and report suspicious cases immediately. USDA's Animal and Plant Health Inspection Service is collaborating with Mexican animal health officials in monitoring and response efforts. (adult pictured)

- **Excitement continues to build around** the National Pork Board’s Taste What Pork Can Do® campaign, which is focused on making pork more relevant with Millennial and Gen Z  consumers. The campaign highlights pork’s bold flavor and versatility, showcasing how it fits into everyday cooking and modern meal occasions. Jennifer Tirey, (left) executive director of the IL Pork Producers Association, says the time is right to evolve the message and truly move the needle on domestic pork consumption. “I believe that the National Pork Board knew that this was something they needed to focus on. Looked into how we can make some shifts, not only national but also with state. We're looking at the whole hog now. We're looking at pork, maybe not always as the center of the plate, but as an ingredient. We're highlighting all the different flavors that pork offers.” Tirey adds that one of the most unique aspects of the campaign is the collaboration happening across the country, with state pork organizations working together and sharing creative assets to deliver a consistent, unified message to consumers nationwide, “We all need to drive consumption together. It's not an Illinois-only thing, or a Minnesota-only thing. We've got grocery stores now that are located across eight to ten states, so why would we not be working together and sharing assets? And so, that's really kind of at the core of the ‘Taste What Pork Can Do’ campaign. It's partnership and collaboration.” Retail partners and restaurants are welcoming the campaign as a fresh approach, featuring new recipes and eye-catching digital promotional assets. That energy is translating into increased consumer spending, and in turn, pork producers are seeing the benefits through stronger product movement and demand, “My pork producers are really wanting to see pork consumption increase, and so they're excited. They realize that we, in Illinois, are in a little bit of a unique situation because we've got Chicago. So, a lot of this campaign is focused on culinary adventures and focused on Asian cuisine and Hispanic cuisine, and we have a large demographic of those consumers in our state.” (National Pork Board)
- **Last year, Pres. Trump advocated importing beef** from Argentina to help lower beef prices at the grocery store. Chelsea Hajny, Vice President of the WA Cattlemen’s Assn., says those comments did not sit well with producers in the Northwest, “Rural America elected Trump. But I do feel like the ranchers were frustrated with the comments about importing Argentinian beef. You know, in our stance of the WCA, there is less government intervention. Just let the markets be the markets. And a misguided attempt to manipulate markets rarely has an impact on the consumer at the grocery store, which is what the intent behind that was.‟ Hajny added that marketing and advocating will be 2 priorities for the cattle industry going into 2026. (PNW Ag Network)

- **The IL Beef Expo** is back in Springfield, February 19-22 on the IL State Fairgrounds. For beef producers, the three sales offer everything needed to support a growing herd. The tradition of the IL Performance Tested Bull Sale on Thursday, Feb. 19. The Multi-Breed Female Sale offers heifer calves for any seedstock breeder and even includes a set of ready-to-show females. Finally, The Collection genetics sale is a great opportunity to stock up on leading genetics from across the country, making you ready for breeding season. Expo is bringing back the old tradition of cattle fitting contest on Friday, Feb. 20, in the Livestock Center. This is a great opportunity for juniors to be rewarded for their behind-the-scenes work and skill. [All you need to know is here](). All junior cattle shows will now be held in the Coliseum. The Trade Show will be relocated to the covered practice arena, conveniently situated between the Coliseum and the Artisans Building. This temperature-controlled facility will feature turf flooring to enhance the exhibitor and attendee experience.

- **It was quite a year for beef in 2025.** Bob Rodenberger of Stockman's Livestock Auction in Apache, Oklahoma, recapped a great year for beef prices, "Historical highs in the cattle business. I mean, we went from a year ago, we were trading feeder cattle at $2.60 to $2.70, and by June, I think, we were trading them at $3.80. At the end of 2025, we hadn't seen prices that high, and here we are. We put another $125-$130 on the value of an eight-weight steer. These calves, in the beginning, everybody made good money. The cow-calf man's still in the driver's seat as far as being able to get paid for what he's actually been doing the last 3 years, for sure. The stock operator, last year, made good money. His margin's been cut down now quite a bit because of what the cost, the first cost of calf is, versus what he's worth." Drought was a well-known factor in decreasing the size of the beef herd and driving up prices for the producer, "This is one thing we can say. You know, for years, I'd talk to the old timers, and I'd talk about drought, and they say, 'Son, you ain't seen a drought.' Until we got into the drought of 2012, then I'd have them call and tell me, 'Now you're in a drought.' So, there's nobody but this generation now that will be able to say, you know, we've never seen a market like this, but it's phenomenal. One thing to keep an eye on is when the USDA reopens the southern border to Mexican cattle imports. However, Rodenberger said the market won't feel that impact right away, "You know, there's a mil.-something cattle that cross at that time, and even if they open it up this month, I mean, we're still a year away from seeing any of that product hit the counters at the supermarkets."

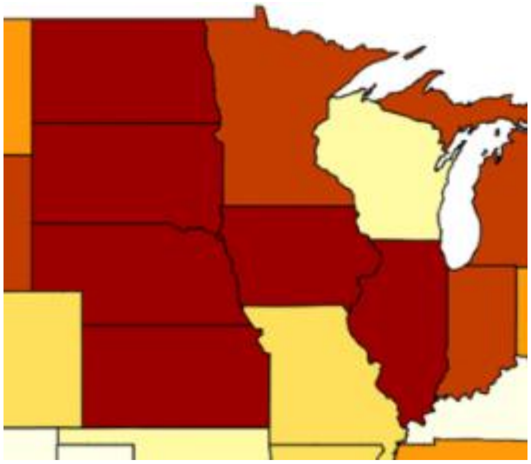
- **If a contagious swine disease outbreak** were to occur, efficient and accurate swine traceability may help reduce the number of animals impacted and the response time. Dr. Brent Pepin, director of swine health with the National Pork Board, emphasizes that show pigs may pose a disease risk due to their frequent travel, "I mean, show pig producers that move a lot of pigs, a lot of pigs, individually, in small groups, which is different from the commercial guys, and it's because the same pig might go to multiple locations. If there's ever sort of an issue or disease issue, the pig could have multiple contacts, and we need to be able to figure out where those contacts are for the protection of our whole swine industry." The National Pork Board is working to improve traceability efforts through

cooperative agreements with the USDA's Animal and Plant Health Inspection Service to distribute radio frequency identification (RFID) reader technology to exhibition sites, "Up to 4 handheld RFID readers that they can utilize for checking pigs into their exhibition sites. It's a very good opportunity to start making it easier to check in pigs at the show. First of all, it decreases the amount of time you have to spend looking at each individual pig's ID in their ear. You can just scan their RFID for your tag. You can pull up the individual animal number. You can send them on their way to get through the check-in process." Like exhibition sites, the National Pork Board is also addressing a gap in the traceability of cull sows. Each cull sow facility can receive up to 4 handheld RFID readers and 5 RFID reader panels. When pigs are unloaded from the truck, they pass by the RFID panels, where their numbers can be read if they have RFID 840 tags. Regardless, each exhibition or cull sow market site must have a valid Premise Identification Number to receive RFID equipment, "And for those locations, because they're going to bring in a high volume of pigs going through those sites, they actually qualify to get funding for panel readers. And what those are is they're stationary readers that pigs actually walk by, and then as the pig walks by, it pulls their tag information from that RFID tag." As the pork industry continues to improve its traceability

efforts, these cooperative efforts with the USDA represent a significant investment in the infrastructure to further protect the national swine herd. Eligible facilities and locations are encouraged to take advantage of this opportunity while funds remain available through September 2026 to help build a more responsive national system. Learn more at porkcheckoff.org. (National Pork Board)

Technology—

- **IL farms have a substantial depth of precision technology.** And that is good, because there is a better than average workforce to keep it running, and they are paid significantly to do that. That is the finding of a Univ. of IL Farmdoc research project. "The US Bureau of Labor Statistics (BLS) estimates that approximately 36,830 'Farm Equipment Mechanics and Service Technicians' were employed in the US in 2023." 36,830 technicians capable of keeping your precision farm equipment going across the US, and IL has a higher percentage than other states. IL and the Western Cornbelt have precision ag equipment on

  more than one out of 2 farms. When it comes to service, it is not just the dealership, but the number of trained and capable technitions per farm that is important. Where these workers are most prevalent, there are roughly 3-7 technicians per 100 farms. And in IL they are compensated at higher than typical rates of more than $60,000 per year. The IL researchers report, "The results suggest that there is small, positive correlation between state-level precision agriculture adoption and both farm service technician wages and technician employment. This result is consistent with the idea that precision agriculture adoption shifts the demand for technician labor and results in supply response: more technicians are employed per farm and they are employed at higher wages." Higher precision adoption is associated with higher technician wages on average. This indicates that technician pay may reflect both technology-driven demand and broader labor-market conditions (cost of living and competition from adjacent sectors), rather than precision adoption alone. Taken together, the 2 charts imply that precision adoption is moderately related to technician employment capacity and higher wages; however, local workforce pipelines and market structure likely play an important independent role.They further report, "we find that higher precision agriculture use is associated with greater technician employment per farm and higher wages at the state level. This is consistent with a labor supply response to shifting demand caused by the development of new technologies. Precision agriculture is changing the nature of agricultural labor demand. However, the relationships are far from one-to-one. The imperfect nature of these relationships between precision agriculture adoption and technician employment and wages implies that labor supply may be constrained; a farm service technician shortage is real, at least at wage rates near current levels. Efforts to develop a technician and service ecosystem may be needed to sustain existing precision agriculture use and enable the adoption of any new precision agriculture technologies. Remaining cross-state variation indicates that wages and staffing are also shaped by broader labor-market conditions rather than precision adoption alone."

- **Buckle your seat belt!** As quick as the Trump administration banned foreign-made drones, it lifted has lifted the ban. The Federal Communications Commission's December ban on DJI and other Chinese made drones used in agriculture has been lifted by the Commerce Department without reason, according to Reuters. "The White House and Commerce held meetings on the drone proposal through December 19 and met with DJI officials on December 11, according to records posted online. DJI told officials that imposing blanket restrictions on drones manufactured in China would be "unnecessary, conceptually flawed, and would be extremely harmful to U.S. stakeholders." The move comes as Washington has frozen some actions targeting China ahead of President Donald Trump's planned meeting with Chinese President Xi Jinping in April. A government official briefed on the matter said it appeared the decision to withdraw the drone rule was tied to that effort. Neither the Commerce Department nor DJI immediately responded to requests for comment." Subsequently, new products and repair parts should again be available.

Farm and Check-off Organizations —

- **U.S. Wheat Associates** released its annual Crop Quality Report, bringing together producers, researchers, and industry professionals before taking the findings on a global tour to meet directly with customers. Ralph Loos, director of communications and global outreach with U.S. Wheat Associates, says, "This year, we had a big year. We reached, by our calculations, more than 1,700 millers and bakers in different parts of the world. We conducted 37 seminars in 45 countries. It's the highest attendance we've had in over 5 years, which is good news. And our response from the people who were there was really encouraging. You know, there's a lot of competition US wheat is facing right now, and they're seeing that in the pricing right now. There's just a lot of wheat on the market. There's a lot of competition. So, these kinds of seminars, these crop quality seminars. It's beneficial to us, because no other country does that, and our customers really appreciate it." Loos said USW will be working this year with USDA's Trade Promotion Program to enhance export opportunities for U.S. wheat producers in 2026. (KSIR radio)

- **The American Farm Bureau Federation Convention** is offering multiple livestream opportunities for people who couldn't travel to the CA event. Niki Jones, director of event marketing for IDEAg, says Farm Bureau wants to offer a first-class experience to those tuning in from home, "There are 3 general sessions, one Sunday morning, one Sunday afternoon, and one Monday morning that people can tune into live on fb.org. In addition, the Cultivation Center Stage will also stream live. That stage showcases TED-style talks on a variety of ag-related topics during the trade show hours." She said the livestreams will offer a variety of content for farmers, ranchers, and anyone interested in keeping up with agriculture's latest hot topics, "Streaming content live will allow them to stay up to date on topics such as empowering young leaders, fertilizer, mental health, or the grassroots efforts and successes of Farm Bureau members from across the country. They can also hear President Zippy Duvall's keynote address or hear from Secretary Rollins." Jones said the easiest way to find more information is on the convention website, "If interested in streaming the convention content, you can go to annual convention.fb.org, and navigate to the schedule of events. Presentations on the Cultivation Center Stage and at the general sessions will be featured on the livestreams this Saturday, Sunday, and Monday."

The Labor Dilemma—

- **Lately, it appears Congress has been recognizing** the many challenges farmers and ranchers are facing these days, like the recent changes made to the way the Adverse Effect Wage Rate is calculated, which should help cut the cost of labor. But Rep. Dan Newhouse,

R-WA, (left) a farmer himself, says that didn't just happen by chance, "I want to make sure I say this as often as I can to encourage more of it. Growers around the country have been reaching out to their members of Congress to let them know that this is still a very big part of the reason that farmers are having a hard time finding profitable situations on their farms. The high cost of labor or the unavailability of labor to begin with is a huge issue." And that comes with a lot of influence from knowledgeable folks within, "We have been making some progress, too, as I think we've talked about before. Chairman of the Agriculture Committee, Rep. Glenn Thompson, R-PA, has been very good about putting together ideas from different members of Congress on what we should be doing in legislation." So, Newhouse's message to farmers is to please keep it up, "Thank you to all the producers out there that have been taking the time to reach out and continue doing so. We have to keep raising the level of urgency here in Washington, D.C. on this issue." (NAFB News Service)

Agribusiness—

- **IL Soybean Assn., turned its agribusiness focus** toward several of its supporters:
  - ✓ **Valent BioSciences, with headquarters in IL,** develops research-based biological and biostimulant solutions. They shared that artificial intelligence, precision technology and data are a trend they expect to continue in 2026. "Farm operations are evolving into powerful data engines," said Drew Harmon, Midwest Technical Agronomist, Valent BioSciences. "Every piece of equipment, from planters to combines, can now generate real-time information through onboard sensors, satellites, drones and localized weather stations. Artificial intelligence can help translate that flood of data into actionable insights." Valent BioSciences notes that, unfortunately, the farm economy outlook points to another year of tight margins, with commodity prices expected to be far from spectacular. Profitability will once again depend on extracting more bushels from the same acres and ensuring that every dollar invested in crop inputs delivers a measurable return on investment. "In this environment, success hinges on making informed, data-driven decisions that minimize waste and maximize performance," said Harmon.
  - ✓ **Beck's Hybrids, based in IN,** flagged that some growers have seen 40% to 60% yield loss from red crown rot. In some cases, entire fields have dropped from 60 bushels per acre to bushels in the mid-teens. The disease progresses quickly during the late season, is difficult to identify early and is even more difficult to manage. As is the case with many soilborne pathogens, there is no simple solution for management. That's why Beck's is investing in research to better understand this disease, working with industry partners to evaluate seed treatment combinations, monitoring field spread and connecting with soybean pathologists and research groups across multiple states. "True management of this disease will ultimately come from a combination of methods including varietal tolerance, enhanced seed treatments and improved agronomic practices," said Matt Montgomery, Beck's Agronomy Education Lead and IL Soy Envoy. A team of researchers at Beck's is using machine learning and computer vision to measure soybean seed size at harvest time for new experimental soybean varieties. This is being conducted with a camera system that collects images and phenotypic characteristics to help select high-performing soybean varieties. The image datasets are used to train computer-vision models to measure and count plants and pods to further understand experimental soybean varieties.

- ✓ **HELM Crop Solutions, based in FL**, anticipates the "biologicals boom" continuing in 2026. "Biologicals have the ability to lower input waste, increase return on investment and provide resilience in uncertain times," said Mark Heineman, HELM Technical Sales Agronomist. Biologicals and biostimulants help crops absorb and use nutrients more effectively, reducing the need for excess fertilizer and minimizing losses to leaching or volatilization. This doesn't mean that you need less fertilizer. Instead, HELM advises focusing on creating a more efficient plant to uptake available nutrients. By improving nutrient uptake, stress tolerance and crop quality, biologicals help growers achieve better yields and marketability without increasing input costs. Nutrigenomics, the study of how genes interact with food, is one area that HELM said allows it to validate the effectiveness of product performance. With commodity prices under pressure, biologicals offer a way to protect yield potential and profitability, even when cutting back on traditional inputs. "It's important to find the right biostimulants for your on-farm goals while simultaneously getting more out of the inputs you're already using," said Ben Runge, HELM Plant Advantage Marketing Manager.
- ✓ **"There are increased pressures for farmers** to produce more with less—less time, fewer resources, and tighter margins," said Ryan Stien, Precision Ag Marketing Manager, John Deere. "John Deere recognizes this challenge and offers precision ag technologies and precision upgrade solutions that help farmers maximize their existing equipment and improve operational efficiency." One example is John Deere's Precision Essentials kit, which gives farm operations of all types and sizes the tools they need to meet today's challenges and take hold of tomorrow's opportunities, helping them ensure long-term success in an increasingly competitive and diverse ag market. Precision Essentials offers farmers more ways than ever before to get started in precision ag technology or upgrade the aging technology they have on their farms. John Deere noted that Precision Essentials is a tool for those farmers who are looking for a low-upfront-cost technology package that gives them the latest core technology components, a G5 or G5Plus display, Starfire 7500 receiver and a JDLink modem.

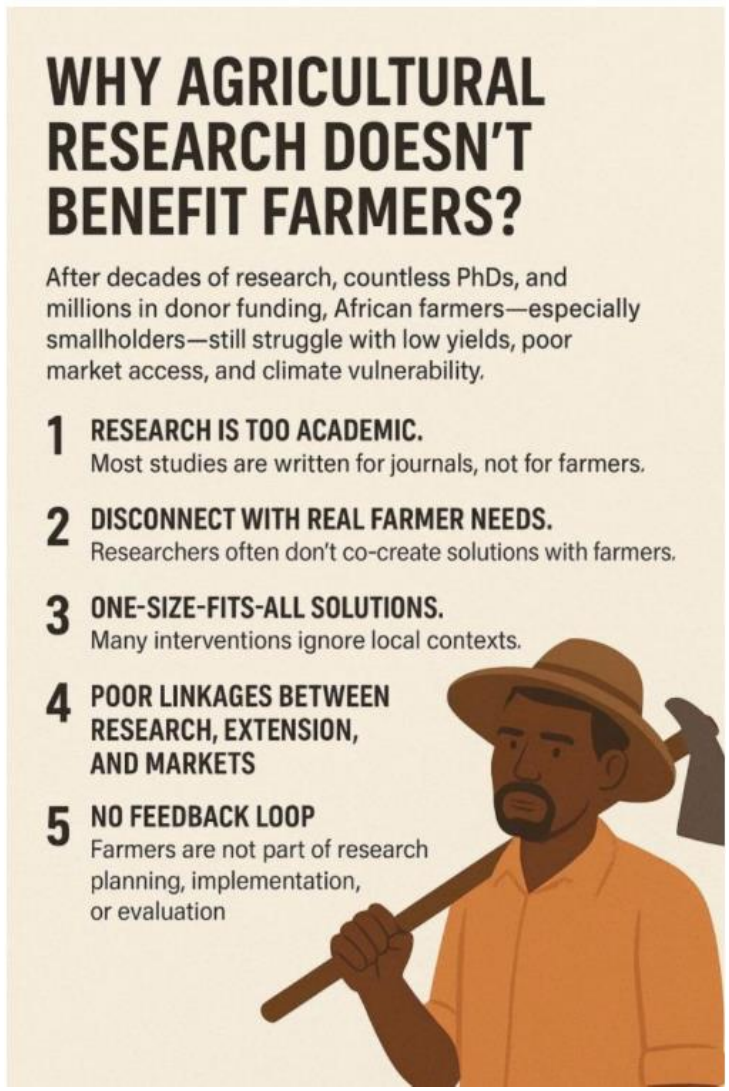
Food and Nutrition Issues—

- **The USDA's Economic Research Service** said 13.7% of U.S. households, or 18.3 mil., were food insecure in 2024. Food-insecure households, or those with low or very low food security, had difficulty at some time during the year providing enough food for all their members because of a lack of resources. The prevalence of food insecurity in 2024 was similar to the 13.5% of households in 2023 and the 12.8% in 2022. In 2024, 5.4% of U.S. households had very low food security, statistically similar to the 5.1% in both 2023 and 2022. In this more severe range of food insecurity, the food intake of some household members was reduced, and normal eating patterns were disrupted at times due to limited resources. Children were food insecure at times during 2024 in 9.1% of U.S. households with children, a total of 3.3 mil. households.

- **World food prices fell for** the 4th consecutive month in December, but overall, 2025 food costs remained higher than the previous year, the United Nations' Food and Agriculture Organization reported Friday. The FAO's Food Price Index, which tracks a basket of key food commodities, dropped to its lowest point since January 2025, reflecting easing cost pressures for staples as markets adjusted. Dairy prices led the December decline with a 4.4% drop, driven by increased cream availability in Europe, while meat and cereal prices also pulled back slightly from earlier highs. Despite the recent declines, prices for many categories remained elevated for the full year: dairy up more than 13% and meat up about 5% compared with 2024. Vegetable oil prices stayed at multi-year highs amid tight supplies, and cereal prices rose modestly on concerns over Black Sea export constraints. The FAO said ongoing geopolitical instability and strong global demand continued to influence markets.

And Finally, This—

- **Ssshhhhhhh....don't show this to any research acquaintances** at a university!!!! C.S. Liew, of Singapore, Director and shareholder at Pacific Agriscience Pte Ltd., may be seen as a rabble-rouser when the research community at colleges and universities sees what he shared on the social media Linked IN. Liew says, "The huge difference between academic research and private sector research (done by agricultural inputs innovators and suppliers) is that the latter has a commercial and results focused. It has the farmers' interest and farm-gate ROI impact in mind. The research data is then demonstrated at farm level to the absolute target in mind—THE FARMER! The practical result is US $300 bil. annual sales worldwide (fertilizers and pesticides, not including seeds), clearly demonstrating the successful application and adoption of research, of the practical kind! Having said that, I will not belittle the research carried out by academics. Many of the private or commercial sector research rode on, selectively, the work and results of the academic research community."



Mark Your Calendar! --

- **Pesticide safety education programs** are underway 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 are underway and will be held through March 10.
- **If you are a candidate to be** a Certified Crop Advisor, CCA information is here. Registration period extends through Jan 26, for the exams conducted Feb. 4-18.
- **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.
- **A cover crop and soil health webinar** on Jan. 21 at 11 am will address how cover crops can affect fertilizer needs, nutrient availability and soil moisture across tillage systems. The soil health segment will focus on practical soil testing tools, how organic matter contributes nutrients, and an overview of biological products and mycorrhizal fungi, including potential benefits and ways to evaluate them in the field. Details and registration information.
- **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. Farmers looking for alternative income will find numerous information resources.

- **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.
- **Precision Conservation Management** has scheduled 6 bi-monthly webinars to help farmers leverage field data for profitability, and how PepsiCo is rewarding conservation practices like reduced tillage, cover crops, and nutrient efficiency. Registration here. The first will be February 3, and all are in the 11 am to 12 noon time slot.
- **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.
- **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.
- **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.
- **Don't miss the Paxton-Buckley-Loda** Annual Farm Toy Show, set for Feb. 14, 9 a.m. to 2:30 p.m. at the PBL Gym in Paxton. Exhibits, competition, trophies, pedal tractor pull. For more information, check out the flyer! FFA Show tractor is a Case 430 $75, only 100 made.
- **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.

ILLINOIS SOYBEAN ASSOCIATION

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