



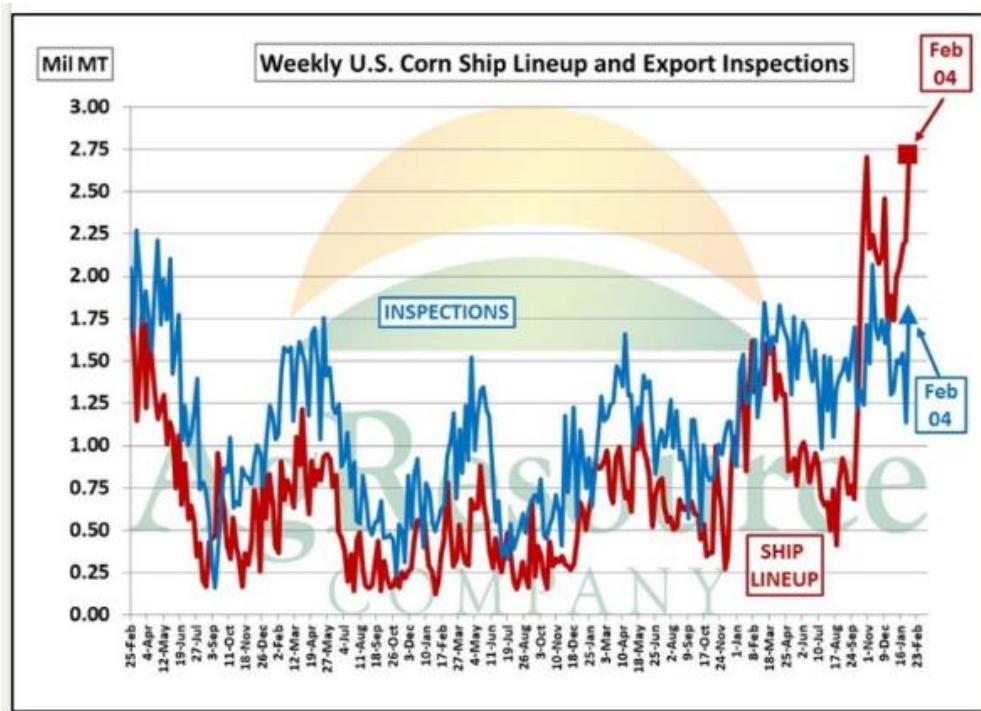
*A weekly Cornbelt digest of marketing, economic, agronomic, and management information.*

**Commodity Market Drivers—**

- **Soybean markets made substantial gains** at the end of the past week, after the White House expressed optimism that China would be buying an additional ~300 mil. bu. of soybeans soon. That pronouncement was termed "bullish" for the soybean market and it reversed a bearish trend at midweek and gained over 50¢ before trading closed on Friday. What did the White House know, or was it a way to make the market rise in value? At midweek, Reuters reported, "Is there a market logic at the moment for China procuring a bunch more U.S. soybeans, just as Brazil's harvest comes in? No," said Even Rogers Pay, director at Beijing-based consultancy Trivium China. "But could it smooth the path for an even more productive and lucrative state visit by Trump in April? Perhaps." China is considering buying 735 mil. bu. of U.S. soybeans in the current season, Trump said after talks on Wednesday with President Xi Jinping that he described as "very positive." China's state-run Sinograin and COFCO have already bought about 440 mil. bu. of U.S. soybeans since October trade talks with the United States, paying close to \$100 mil. more than they would for Brazilian beans, based on market prices. Private Chinese crushers have not bought a single cargo of U.S. soybeans in the season that began in September, preferring to turn instead to Brazil and Argentina, traders said. Rising prices of U.S. soybeans have widened the gap with Brazilian cargoes, which would force Chinese buyers to shell out far higher premiums than they have paid since November, traders said. U.S. soybeans for April shipment were quoted at \$2.08 to \$2.48 a bu. over the Chicago Board of Trade (CBOT) May soybean contract, including cost and freight to China, versus Brazilian shipments at premiums of \$1.18 to \$1.33 a bu. "The spread between Brazilian and U.S. is around \$50 per ton on FOB basis," said a Singapore trader. "It doesn't make commercial sense." At those levels, China would pay up to \$400 mil. more for 294 mil. bu. of U.S. soybeans than for Brazilian cargoes." If China does, the 350 mil. bu. US carryout diminishes rapidly.

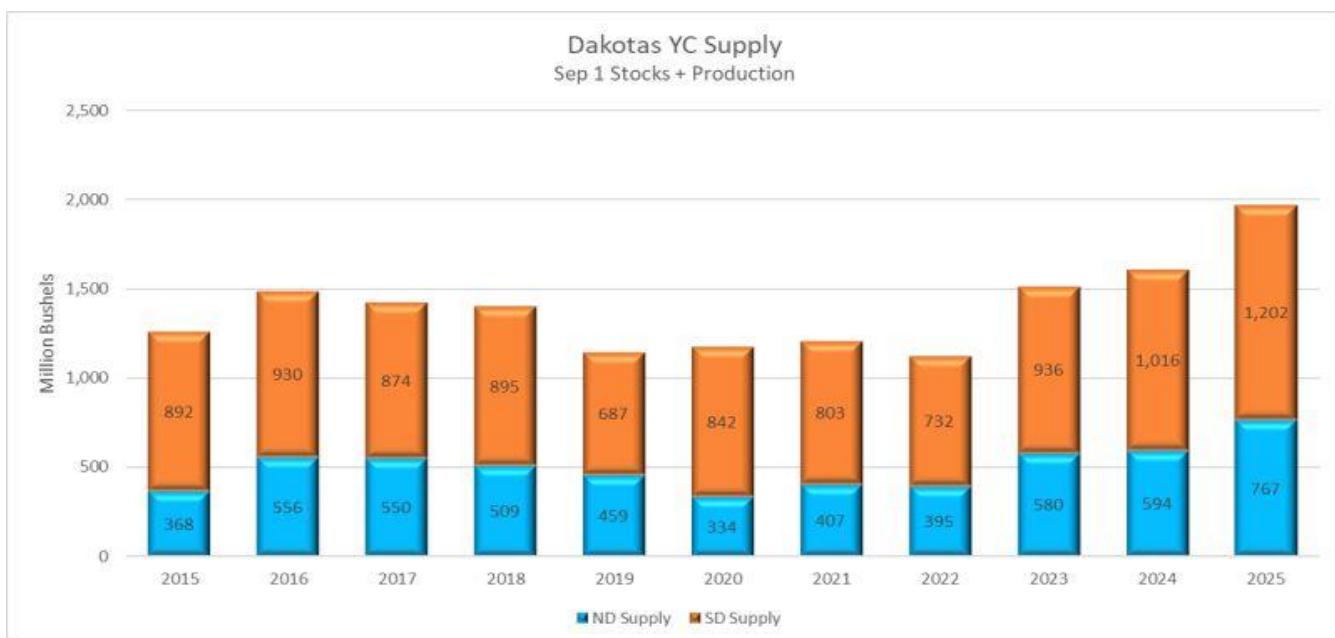
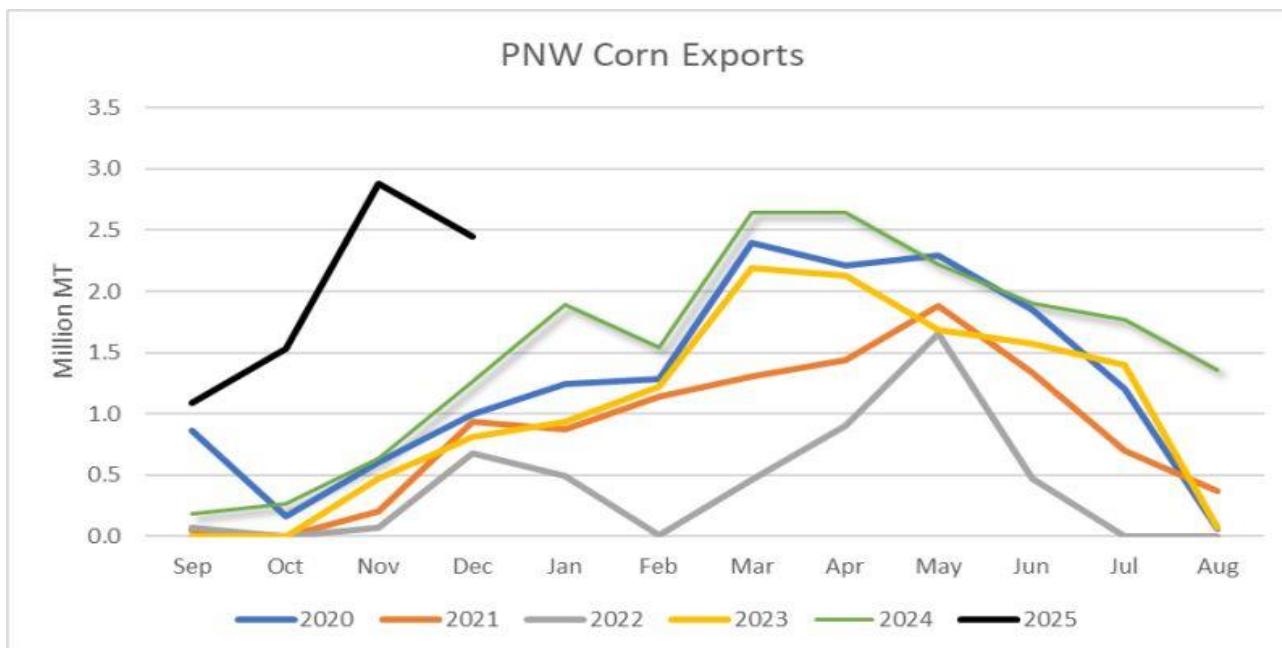
- **The US corn ship export lineup is record large.** February Census exports could be 285 mil. bu. Next week's corn export inspections could be 70 mil. bu. That would be up 56% from the previous week. This week's ship lineup is 107 mil. bu. That is a RECORD and is up 23% from the previous week.

There were 6 vessels waiting to load. That's down 4 from the previous week. February Census exports could be 7.25 285 mil. bu. In the January WASDE, the USDA left their projection of U.S. corn exports unchanged at a record 3.200 bil. bu. Last year's exports were a record 2.858 bil. bu. [Ag Resource](#) expects exports will be 3.100 bil. There have been no corn exports to China, however, in the past few months, China has booked over 90 mil. bu. of sorghum. It is likely that additional sorghum purchases have been made but they may currently be registered to "unknown" destinations.



- **Tuesday is WASDE.** USDA used January WASDE to clean up supply data from the 2025 crop, and Feb. 10 begins USDA's march toward rationing out the stocks on hand. As described in the chart above, corn exports have been farmers' best friend. But while exports are running more than 30% ahead of last year at this time, USDA will likely ration out its projections over the next few months of Supply-Demand reports. Late last week a survey of grain market analysts resulted in a projection of corn carryout next August of 2.26 bil. bu., which would be the largest in 9 years. Corn usage will get help from the biofuels demand, based on political indications, but will not get any help from feed demand, based on the continuing decline in the cattle herd. The corn trade will also be watching the expected growth in the South American corn crop. The soybean market got a boost last week when the White House forecast more Chinese purchases and are at the highest point since mid-November. The WASDE statisticians may not pay much attention to social media and prefer to wait on traditional drivers of demand. USDA's January WASDE projected a 1.575 bil. bu. export demand for beans, and the market will be focused on that number throughout the marketing. The market will also pay attention to the soybean crush, since there has been growing demand for exported meal, and fuel demand for bean oil.

- **A record supply of corn meets a record corn demand** at Pacific Northwest (PNW) terminals), says Ag Resource chief economist Bill Tierney. He says, "PNW Sep/Dec major grain exports (yellow corn, yellow soybeans, and wheat) are down 2.5% from the previous 5-year average. Not a bad performance given the lack of soybean shipments. Even with China back in the market, PNW soybean exports in Nov and Dec were 4 grain ships each. That's roughly 15% of normal flow. The headline continues to be corn shipments. Corn inspections are 348% of last year's Sep/Dec total. Corn shipments Sep/Dec are up 225 mil. bu. while soybean shipments in the same period are down 250 mil. bu. Concurrently, basis in MN/ND/SD corn markets has been amazingly restrained. We've seen record corn production in the Dakotas and corn supply is up 350 mil. bu. compared to 2024/25. This has been a story of record supply meeting record demand for WCB corn."



- **Corn and soybean grain market details from** General Manager Kevin Walker and staff at [Legacy Grain](#).

✓ **Soybean market drivers:** Soybeans fell off the intraday highs by 20+¢, into the Friday close, with contracts closing 2 to 3¢ higher. March was still 51¢ higher this week. Some spreading took place, with November up just 14¼¢ this week. The CmdtyView national average [Cash Bean](#) price was 1¾¢ higher at \$10.49¾. [Soymeal](#) futures steady to \$1 higher, with March up \$10 this week. [Soy Oil](#) futures were down 32 to 33 points in the nearbys, with March still up 182 points this week. The average close for November futures for February is used for determining the spring crop insurance price. Thus far the average close has been \$10.87, above the \$10.54 from last year. USDA's Export Sales data tallied soybean export commitments at 34.29 MMT, which is now down 20% from the same period last year. That is 80% of USDA's export projection, picking up on the 5-year average pace of 88%. Monthly WASDE data will be released on Tuesday, with analysts looking for no major changes to the US soybean stocks number, at 348 mil. bu., vs. the 380 mil. estimate in January. Commitment of Traders data from this afternoon showed a total of 11,511 contracts added to the managed money soybean futures and options net long position as of Tuesday, taking the position to 28,832 contracts. [Mar 26 Soybeans](#) closed at \$11.15¼, up 3¢, [Nearby Cash](#) was \$10.49¾, up 1¾¢.

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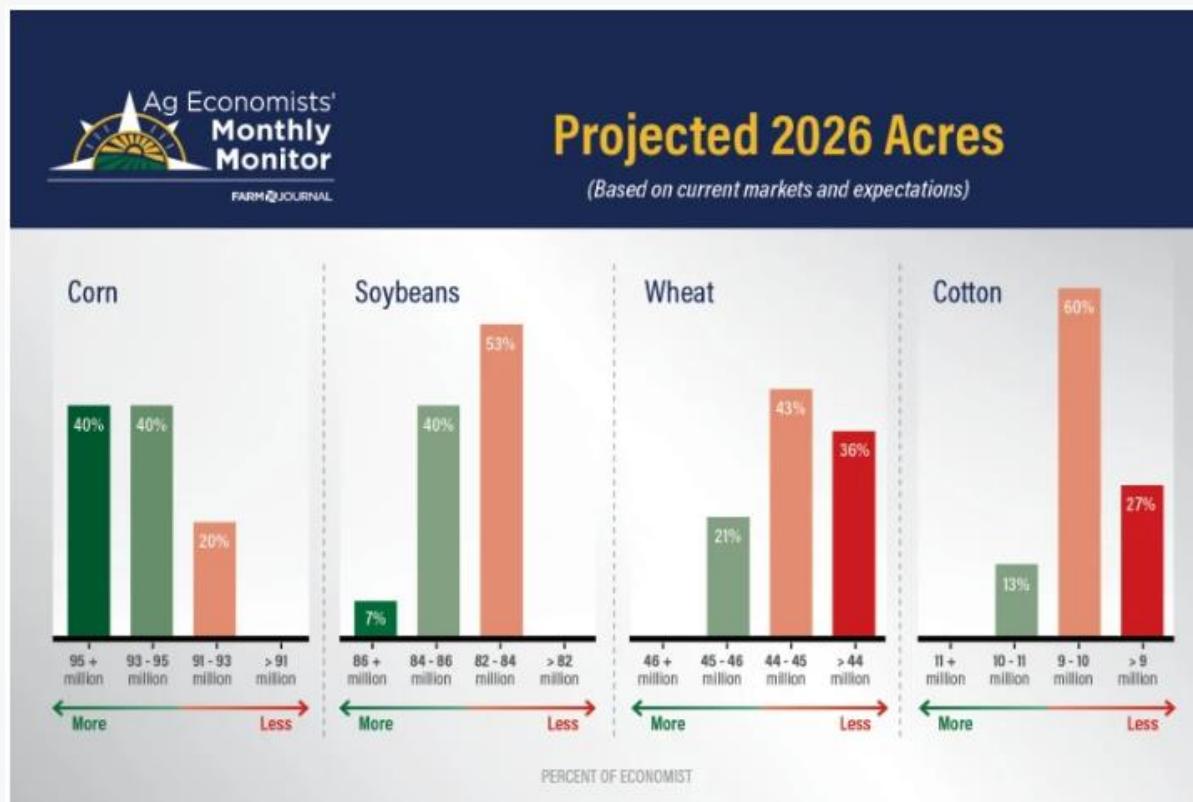


- ✓ **Corn market drivers:** Corn futures posted Friday losses of 4 to 5¢ across most contracts on Friday. March was still up 2¢ this week. The CmdtyView national average [Cash Corn](#) price was down 5¢ at \$3.97¾. The average close for December futures in February has been \$4.58, down from last year at \$4.70. Export Sales data shows total corn export commitments at 2.31 bil. bu., which is 31% above the same period last year. That is now 72% of USDA's export projection and ahead of the 71% average pace. USDA's WASDE will be out next Tuesday, with traders looking for no major changes to the US ending stocks number, with an average trade guess of 2.215 bil. bu. according to a Bloomberg survey. CFTC data showed a total of 3,464 contracts trimmed from the spec net short position in corn futures and options in the week of February 3. That net short stood at 68,786 contracts on that date. [Mar 26 Corn](#) closed at \$4.30¼, down 4¾¢, [Nearby Cash](#) was \$3.97¾, down 5¢.

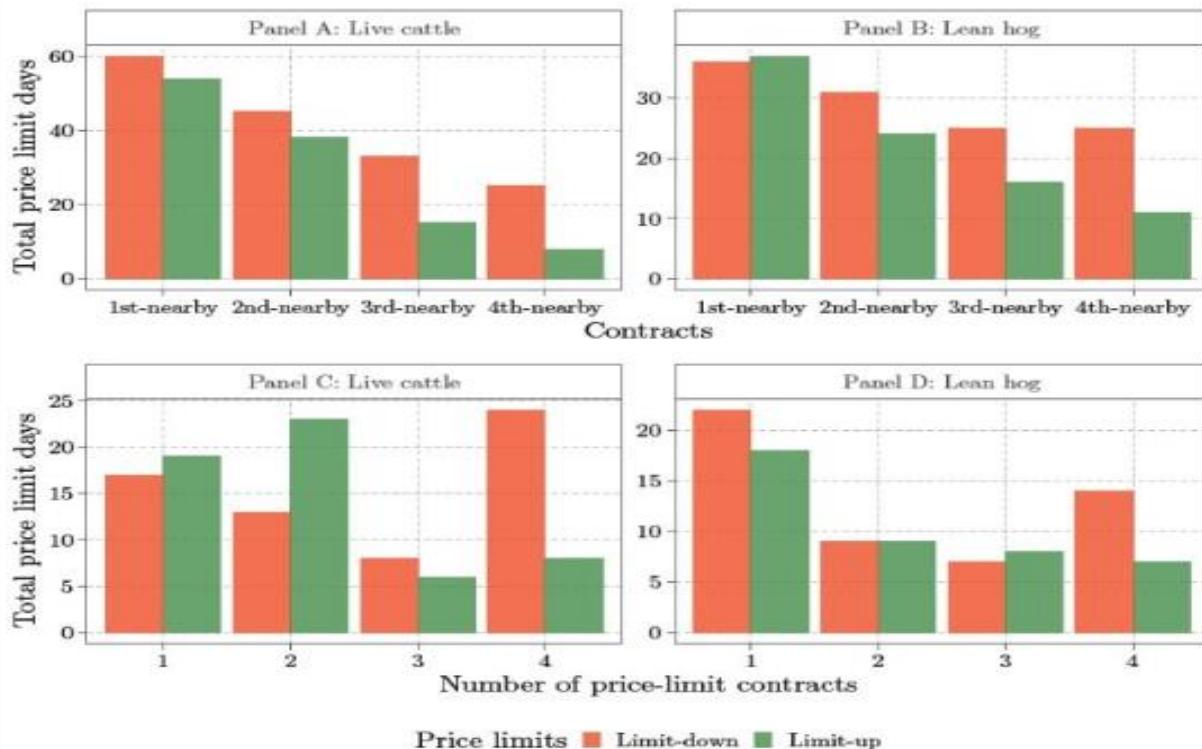
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- U.S. farmers are expected to trim corn acres next year after plantings in 2025 hit a nearly 90-year high, while soybean acres are seen posting a rise, according to Farm Journal's latest [Ag Economists Monthly Monitor](#). Views vary, however, on the size of those expected shifts. The November survey found 40% of economists expect corn acres to top 95 mil. in 2026, while another 40% see plantings coming in between 93 mil. and 95 mil. acres. 20% look for acres to fall to between 91 mil. and 93 mil., a sharp drop from the 98.7 mil. planted in 2025. Last year's figure was the highest since 1936, with plantings driven by a more profitable outlook for corn, signs of robust demand and crop rotations. Corn acres jumped 8.1 mil. acres in 2025, taking area away from other crops. Soybean acres fell around 6 mil. acres, with farmers in part spooked by rising trade tensions with China early last year. Those concerns proved well-founded. Crop rotation and input costs are likely to be a major driver in a pullback in corn acres relative to soybeans in 2026. Soybeans typically require less expense toward certain inputs like fertilizer, making them a more economically viable option as chemical prices remain well above a year ago. The survey found 53% of economists expect farmers to plant 82 mil. to 84 mil. acres of soybeans in 2026, up from 81.1 mil. acres in 2025. A significant minority expects a bigger increase, with 40% pegging plantings at 84 mil. to 86 mil. acres and 7% looking for a figure above 86 mil. Most economists expect total wheat acres to decline amid a weak profitability outlook. The survey found 43% see wheat acres between 44 mil. and 45 mil. versus 45.3 mil. in 2025, while 36% see total acres at less than 44 mil. The remaining 21% look for wheat plantings to total between 45 mil. and 46 mil. acres.



- **China released its annual rural policy blueprint**, pledging to strengthen food security, support farm incomes, and accelerate agricultural technology development. The plan, known as the “No. 1 Document,” prioritizes grain and oilseed production amid ongoing trade tensions and climate challenges. [According to Reuters](#), the document calls for stabilizing domestic soybean supplies through improved yields rather than expanded acreage. Officials also highlighted biotechnology, artificial intelligence and mechanization as key tools to boost productivity. The South China Morning Post reported that Beijing is also focused on managing pork and beef output to prevent price volatility. Analysts say the policy underscores China’s effort to reduce reliance on imports while maintaining flexibility in global agricultural trade.
- **Have you been unable to “figure out the markets?”** Univ. of IL Ag economist Richie MA has been working on that for you. The academic researcher says, “Current agricultural futures markets have set price limits that restrict extreme price movements. When price limits are triggered, it doesn’t mean markets are halted and no trades can happen. It “locks” 1-side of market. When quotes (limit orders) move away from limit prices, markets can resume 2-sided trading. A common characteristic is that price limits would “lock” markets when limit prices are reached. It does not mean markets are halted and no trades can occur, like circuit breakers. In fact, trades can still be executed except only for one side. Specifically, selling during limit-up days and buying during limit-down days. Livestock markets witness more price limit events than grain markets. Here is price limit event distribution during 2015-2019 in live cattle and lean hog markets. I found it is relatively hard to directly get accurate information of historical price limit events. I collect this information and would like to [share it at my website](#).”



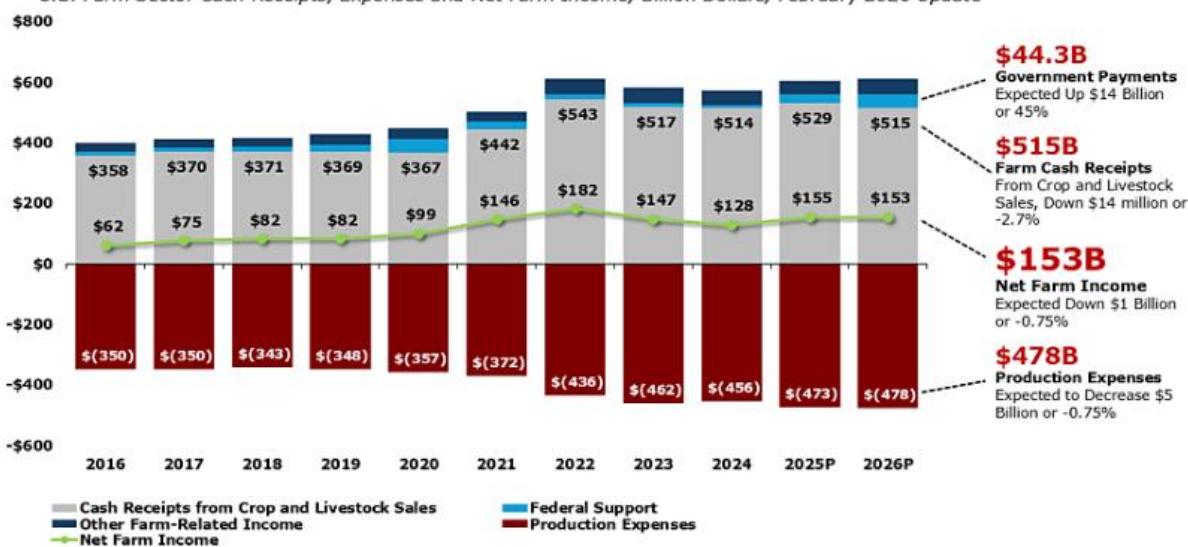
- “**When a monthly USDA crop report is released**, and the numbers are bearish,” says the Brock Report, “producers start looking for someone to blame. Most of the accusations are made from a misunderstanding of how the reports are compiled. First, and very importantly, the U.S. has one of the most capable and reliable reporting systems in the world for crop production. Crop reports have some similarities to weather forecasts. The further out the forecast, the less reliable the report. Hence the overreaction to the January crop report. The USDA has been accused by many people of manipulating the harvested acreage for shelled corn. Frankly, it caught us by surprise as well, but when you dig into the numbers, it is very reasonable to understand how the number went up. The U.S. has far fewer cattle on feed than in years past and corn yields for silage improved dramatically last year. The U.S. has far fewer cattle on feed than in years past and corn yields for silage improved dramatically last year. Those 2 factors resulted in a significant increase from normal of the percentage of the corn crop that was harvested as shelled corn versus silage. When translated into stocks-to-use, the 5-year average difference between the January projection and the outcome has been roughly 1.5 percentage points. We may not always agree with the final numbers but no one in Washington is using this system to manipulate prices. Since 1974 (52 years ago), the cash corn price has been above \$4.00 per bu. in 10 years. 42 years prices were under \$4.00 per bu. In no year has the cash corn market at the end of the year finished above \$7.00 per bu. Some readers will be quick to point out that costs have gone up even more, but the market does not care about that. The purpose of price is to ration supply. This past Wednesday was a good example. President Trump announced on social media that China would likely be buying a much larger quantity of soybeans than the previously announced 12 mil. metric tons. The market immediately rallied 40¢ per bu. There’s plenty of reason to question and be skeptical of Trump’s announcement. At the very least, it left unanswered questions about the timing and quantity of such purchases. But the news was clear that China is expected to buy more soybeans than previously anticipated. This was a demand factor that the market did not see coming. This is not uncommon. Making decisions in a stressful environment always gets complicated. Very few of us think as rationally as normal when stress is involved. The extreme competition from Brazil is not going to go away. We’ve all been through these situations before. It rarely turns out as bleak as it looks when the issue first hits. Some producers will be convinced that at these price levels the amount of planted acres will drop. That’s not what history shows. The land always gets planted. A large share of the land in the United States, particularly in the Midwest, is owned debt free. Even at today’s prices, many of those producers will be above breakeven if they do not include any cost for the land. There will be better pricing opportunities ahead.” For the complete commentary and charts go to [The Brock Report](#).

## Farm Economy—

- **Farm income with fall again in 2026** according to USDA's Economic Research Service. [In the latest ERS calculation of the farm economy](#), farm income will decline by \$4.1 bil. to \$153.6 bil. in the current year. That is a \$25 bil. drop from USDA's last farm income estimate in September. USDA does not say that, but the [American Farm Bureau does, in its analysis of USDA's Thursday report](#), the first since September, since USDA did not issue its scheduled report on the farm economy in December. Farm Bureau ag economists report, "Because USDA did not release its customary December farm income update, this February report marks the first update since September, and the changes are substantial. USDA now estimates that 2025 net farm income totaled about \$154.6 bil., down roughly \$25 bil. from the \$179.8 bil. forecast in September. Net cash farm income for 2025 was similarly revised down to about \$153.9 bil., nearly \$27 bil. below the \$180.7 bil. previously projected." The AFBF economics team reported, "USDA revised 2025 production expenses higher, to \$473.1 bil., while adjusting direct government payments lower, to about \$30.5 bil., roughly \$10 bil. below earlier expectations. Together, these revisions suggest the farm economy is experiencing a generational downturn rather than a temporary slowdown. Outside of the

## U.S. Farm Income and Expenses

*U.S. Farm Sector Cash Receipts, Expenses and Net Farm Income, Billion Dollars, February 2026 Update*

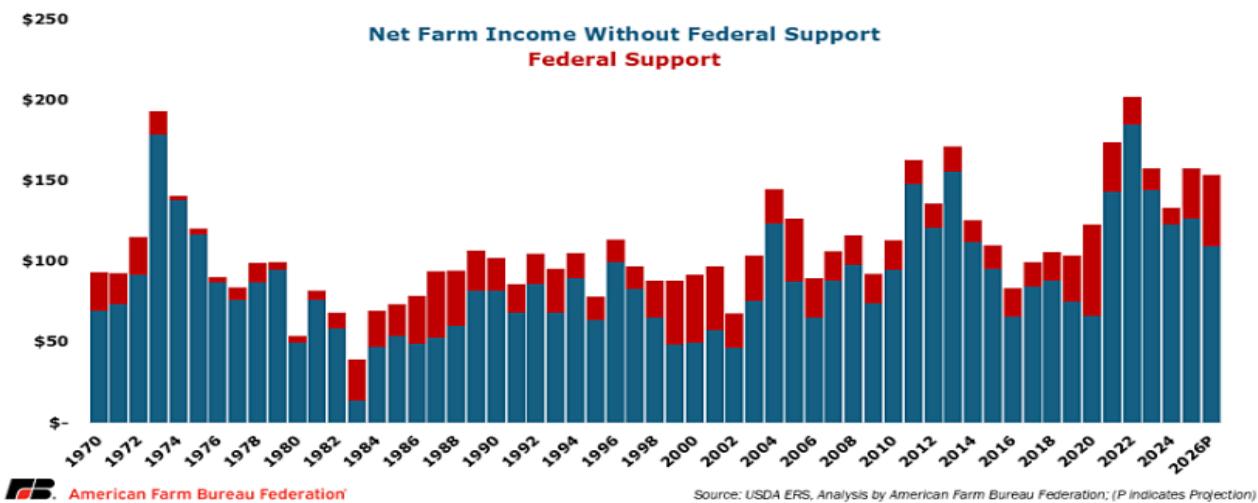


cattle sector, most commodity markets are weakening. The updated forecast further cements that the expectations of a strong income rebound for 2025 did not come to fruition and this reinforces that farm profitability last year was more fragile than previously believed." USDA now estimates direct government payments totaled \$30.5 bil. in 2025, down from the \$40.5 bil. forecast in September. This roughly \$10 bil. downward revision reflects, in part, that not all disaster assistance expected for 2025 was paid out during the year." With unpaid Supplemental Disaster Relief Payments in 2025, and the \$12 bil. "bridge" payment expected before the end of the month, USDA economists estimate federal payments to farmers in 2026 will be \$44.3 bil. That will include \$15.2 bil. in ARC and PLC payments next fall. All of mailbox money payments allowed USDA's estimate of net cash income to rise in 2026 at the same time net farm income was declining due to lower commodity prices. →

- **Despite record amounts of mailbox money** forecast in 2026, [American Farm Bureau ag economists](#), say the USDA cash will, “not fully offset the scale of losses farmers have absorbed in recent years. With production costs still high and market prices under pressure, many operations [remain below breakeven](#), even after accounting for disaster and economic assistance, leaving significant financial gaps.” Median total farm household income in 2026 is forecast at \$113,000 approximately, an increase of about 5%.”

## Generational Decline in U.S. Farm Income

*Inflation-Adjusted Net Farm Income and Value of Government Payments, 1970 to 2026P, Billion Dollars*

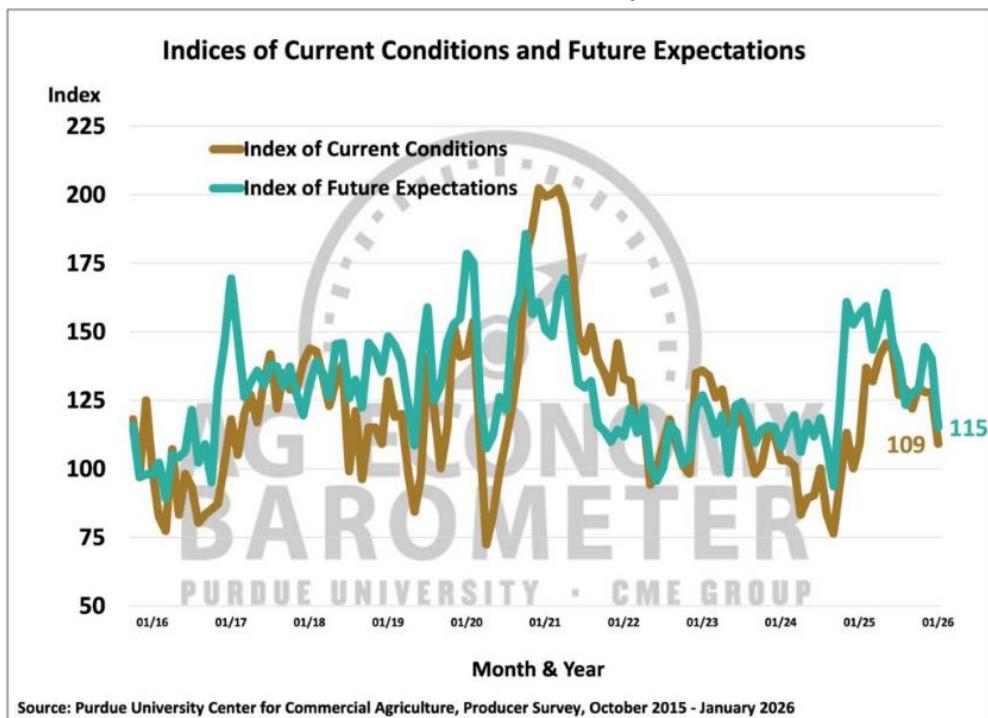


Source: USDA ERS, Analysis by American Farm Bureau Federation; (P indicates Projection)

- ✓ **Crop income:** USDA forecasts crop cash receipts will total \$240.8 bil. in 2026, an increase of \$2.8 bil. (1.2% from the revised 2025 estimate). After adjusting for inflation, however, crop receipts are projected to decline by about 0.7%, reflecting continued pressure across most crop markets. Corn is one of the few major crops showing growth in 2026, with receipts expected to increase \$2 bil. (3.3%), driven largely by higher quantities sold rather than price strength. Soybean receipts are forecast to remain near 2025 levels, while wheat receipts decline \$0.2 bil. (2.4%) due to lower sales volumes.
- ✓ **Livestock income:** total animal and animal product cash receipts will decline to \$273.9 bil. in 2026, down \$17 bil. (5.8%) from the revised 2025 estimate. After adjusting for inflation, animal product receipts are projected to fall 7.6%, marking one of the larger year-over-year declines in the farm income forecast. cattle and calf receipts are forecast to continue increasing in 2026, rising \$5.2 bil. (4.1%) as tight supplies support higher prices. Hog receipts are expected to decline slightly, down \$0.2 bil. (0.7%). Milk receipts are forecast to fall \$6.2 bil. (12.8%) as prices retreat from recent strength.
- **Where does that leave farm debt?** American Farm Bureau economists say, “USDA forecasts total farm sector debt will increase to \$624.7 bil. in 2026, up \$30.8 bil. (5.2%) from 2025. Both real estate and non-real estate debt are expected to rise as producers continue to rely on borrowing to manage elevated operating costs and uneven cash flow. Farm real estate debt is projected to reach \$404.3 bil., while non-real estate debt is forecast to climb to \$220.4 bil. As a result, USDA expects the farm sector’s debt-to-asset ratio to increase from 13.49% in 2025 to 13.75% in 2026.”

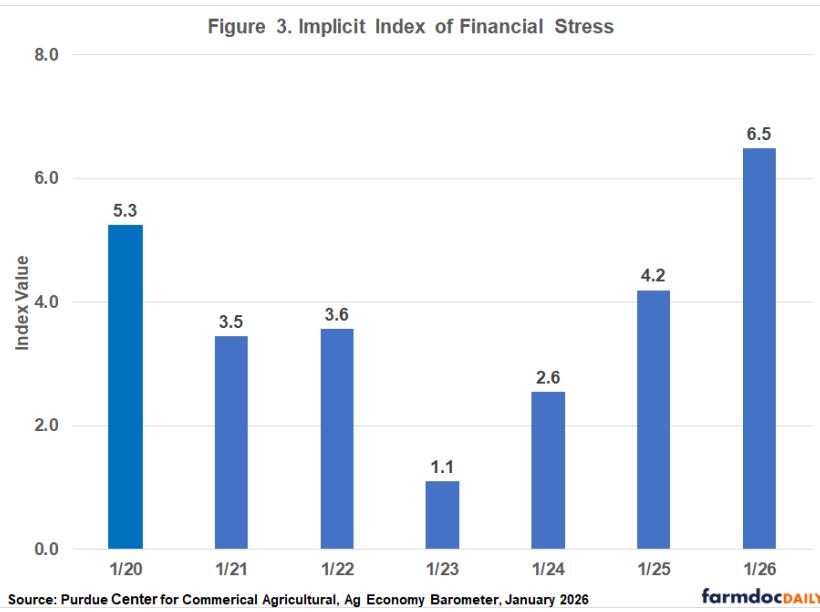
- **Danny Munch, an economist with the American Farm Bureau**, says farmers and ranchers are looking at a generational downturn, saying the farm income picture looks much different than the last time USDA made a projection in September 2025. We haven't had a picture of the 2025 net farm income number for a while. The biggest surprise from this report is how much weaker 2025 turned out to be. USDA revised their 2025 net farm income number down by \$25 bil. compared to its original forecast. So, moving from \$180 bil. that they forecasted in September for the year to just over \$154 bil." The problems with the farm economy have been well-documented, but [Munch says there are some potential solutions on the table](#), "Farmers need stronger market returns, so income comes from selling commodities, not that aid, and that means improving farm safety net through a fully passed Farm Bill, strengthening trade and demand and addressing rising inputs. And we need more durable policy fixes, or the financial situation in rural America is going to continue to deteriorate." (American Farm Bureau)
- **Farmer sentiment dropped sharply** in the January Purdue University/CME Group Ag Economy Barometer. One troubling trend in this month's farmer survey is the increasing size of operating loans in 2026. Michael Langemeier of Purdue Univ. said there are bigger loans in store for more farmers this year, "The first question asked if respondents expect the size of their operating loan to be larger, smaller, or about the same this year. You look at this compared to January '25, it was somewhat similar. We did see a slight uptick in the percentage who thought their operating loan was going to be larger; 21% in January '26 and 18% in January '25. This is the first question of a 2-question series. The 2nd question is usually more interesting. And what we do there is take a deep dive, and we look at the reasons why people expect a larger operating loan." The more important question is why those operating loans are getting larger, "It's one thing to expect a larger operating loan due to higher input costs than unpaid operating debt. There's a lot of difference between those two, so let me explain that a little bit. First of all, if we look at this over time into January '21, '22, '23, and '24, over 60% said they were going to increase their operating size because of higher input costs. Since January '25, that's been around 50 to 55% who say they're increasing the size of their loan because of an increase in input costs. Of course, break-even prices remain relatively high, particularly for crops right now, but also for quite a few livestock species. That's not really surprising. That would be the main reason why they expect a higher operating loan. What I want you to focus on now is the last one, that third one, which is unpaid operating debt." The growth in unpaid operating debt is particularly concerning, "Perhaps they're having some difficulty because of tight cash flow or low cash flow in repaying operating debt in a timely fashion. You can see that this has been a bit of a roller coaster over time. It was 35% in 2020. It dropped all the way to 5% in January 2023. It increased to 17% and 23% in 2024 and 2025, and then in January of 2026, that increased to 31%, which is slightly lower than the 2020 number, but pretty high compared to what it was even last year, and particularly high compared to what it was in '23. And so, if you're increasing the size of your operating room primarily due to unpaid debt, that's probably a signal that we're seeing more financial stress here in early '26 than certainly what we saw in '23 and '24, and so financial stress appears to be increasing." (NAFB News Service) →

- Farmer sentiment weakened sharply in January as the [Purdue Ag Economy Barometer](#) dropped from 136 in December 2025 to 113 in January 2026. The Current Conditions Index dropped 19 points while the Future Expectations Index dropped 25 points. Among the 5 indices that make up the AEB Index, the largest decline was in the question asking participants whether U.S. agriculture would have good times or bad times in the next 5 years. The index for this question fell from 122 to 88, marking its lowest point since September 2024. Respondents also expressed greater concerns about agricultural exports compared to last month.

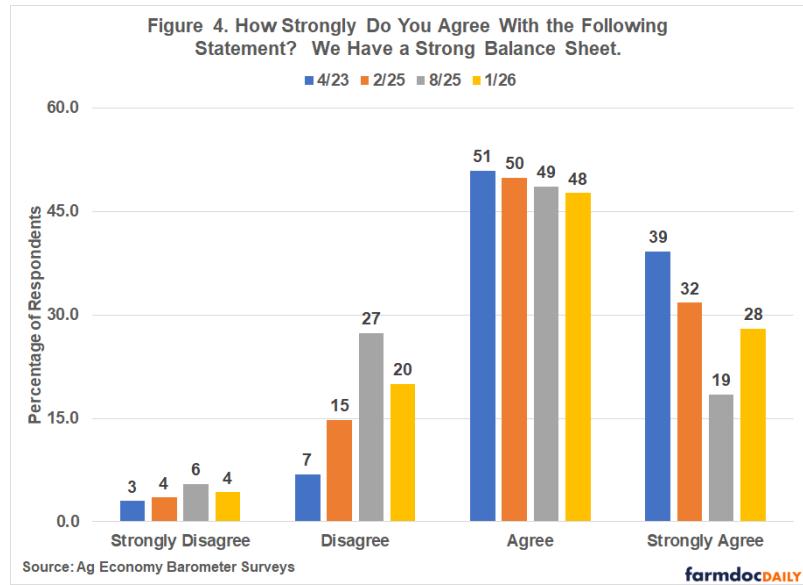


- 50% of the producers surveyed reported that their farm operations were worse off than a year ago. Moreover, looking ahead 12 months, 30% expected worse financial performance. 21% expect to have a larger operating loan this year, up from 18% last year. 31% of producers said it was because they were carrying over unpaid operating debt from the prior year, up from 23% in 2025, 17% in 2024, and only 5% in 2023.
- 16% of the respondents looked for exports to decline over the next 5 years. In contrast, only 5% of the respondents in December expected exports to decline. 21% of corn and soybean producers in January said they expect soybean exports to decline over the upcoming 5 years, up from 13% of growers who felt that way in December. 80% of corn and soybean producers said they were concerned about the competitiveness of U.S. soybean exports versus Brazil's, with 44% indicating they were very concerned.
- Farmers were asked about the use of Bridge payments. Over 50% of the respondents indicated that these payments would be used to pay down debt. 25% said it would improve working capital. 10% for family living and 12% for farm machinery.
- Producers were asked if the U.S. is headed in the "right direction" or on the "wrong track". 62% said the U.S. is headed in the "right direction," down from 75% in Dec.

- **After increasing by 9.1% in 2024**, current U.S. farm debt is expected to increase 3.8% in 2025 ([USDA-ERS, 2026](#)), say Purdue ag economists contributing to IL Farmdoc. Current debt includes operating loans and principal payments related to machinery, buildings, and farmland that are due within one year. As noted by the [Purdue Ag Barometer](#), “Over the last seven years, the percentage of respondents who indicated that they expected to have larger operating loans ranged from 15% in 2020 and 2024 to 27% in 2022. The survey respondents that answered “larger” increased from 18% in 2025 to 21% in 2026. An increase in input costs was the most common response in each of the years. However, there was a large range in the percentage of respondents who chose this response over time: over 60% in 2021 to 2024; in 2020, 2025, and 2026, it was 45 to 56%. On average, it is approximately 18% of the respondents. We can derive an implicit index of financial stress by multiplying the percentage of respondents with larger operating loans by the percentage of respondents that chose “unpaid operating debt from prior years” as their primary reason for having a larger operating loan,” as noted above. The Purdue ag economists began asking farmers, “if they had a strong balance sheet?” In April 2023, 90% of the respondents agreed or strongly agreed with this statement (right). This percentage dropped to 67% in August 2025 and then increased to 76% in January 2026. As a reference point, this percentage was 90% in April 2023, suggesting some weakening in financial positions more recently, despite federal assistance payments that have supported farm income.”



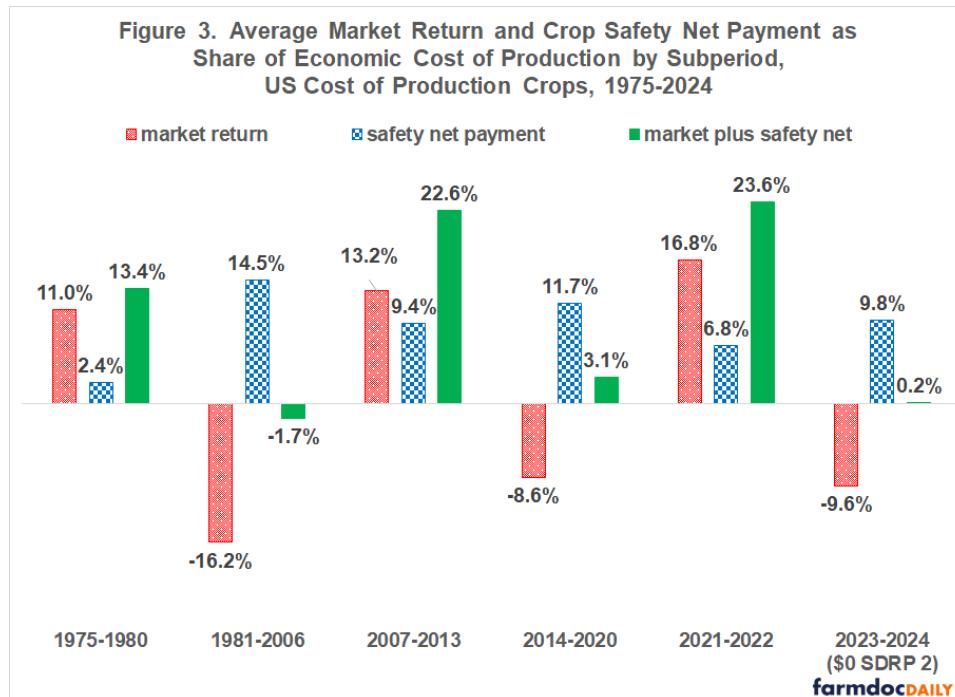
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- **The folks who know the farm economy**, don't like what they see. [A bipartisan group of former leaders](#) of America's major agricultural commodity associations and biofuels organizations, farmer leaders, and former senior USDA officials, sent a [letter to Congress](#) last week sounding the alarm about the current state of the farm economy and the potential for "widespread collapse of American agriculture." 27 former agricultural executives and officials with decades of experience detailed how current Administration policies have harmed the farm economy and the need to take substantial action. "First and foremost, what we want to do is to start a conversation," said past Renewable Fuels Assn. CEO Bob Dinneen. "Let's focus on the solutions. We outline what we think some of them might be, but we don't have all the answers. Let's figure that out. The bottom line is we're in a perilous state, and we say that without hyperbole or exaggeration. It is perilous. We need to figure it out." Dinneen says the group offered nine actions that can be taken to help restore the farm economy. "Let's end the tariffs on farm inputs. Let's try to open up markets elsewhere. Let's stop some of the chaotic trade policies that are out there.
  - ✓ The letter asked, "We urge your committees to hold hearings and urge individual members of congress, state departments of agriculture, and state and national agriculture associations to also convene meetings with farmers to discuss challenges that they are facing, gather input on additional policy solutions, and build momentum to address the farm crisis. At the same time, we will work with farmers and their organizations to create local opportunities for candid discussions to discuss the problems producers are dealing with on their farms and in their communities and to solicit their ideas on new and effective solutions. Hearing directly from farmers about the state of the farm economy, the causes of our current farm crisis, and the policy changes that are needed is a critical first step in restoring the short-term economic health and long-term competitiveness of U.S. agriculture."
  - ✓ The signatories include past presidents and CEOs of the American Soybean Association, National Corn Growers Association, National Pork Producers Council, National Barley Growers Association, National Milk Producers Federation, US Grains Council, and Renewable Fuels Association, past Directors of the IL and NE Departments of Ag, and other farm leaders and senior agricultural policy experts. The letter was sent to the Chairs and Ranking Members of the House and Senate Agriculture Committees. IL signatories included:
    - ✓ Donna Reifsneider, Past President, National Pork Producers Council and Former Administrator, Grain Inspection Packers and Stockyards Administration, George W Bush Administration.
    - ✓ Ron Warfield, Past President, IL Farm Bureau
    - ✓ Becky Doyle, IL Pork Producer, Former Director, IL Department of Agriculture, and Former Member of Governor Jim Edgar's Cabinet
    - ✓ Jonathan Coppess, Gardner Associate Professor of Agricultural Policy, Univ. of IL.

## ***Farm Programs—***

- **With the USDA's report** of more than \$44 bil. in farm program payments going to farmers in 2026, some ag economists are calculating that level of support to commodity market prices. [IL Farmdoc ag economists](#) compare payments to what USDA economists calculate is cost of production. They analyzed production costs for the 9 program commodities that include corn, soybeans, and wheat, and report, "Since 2000, annual



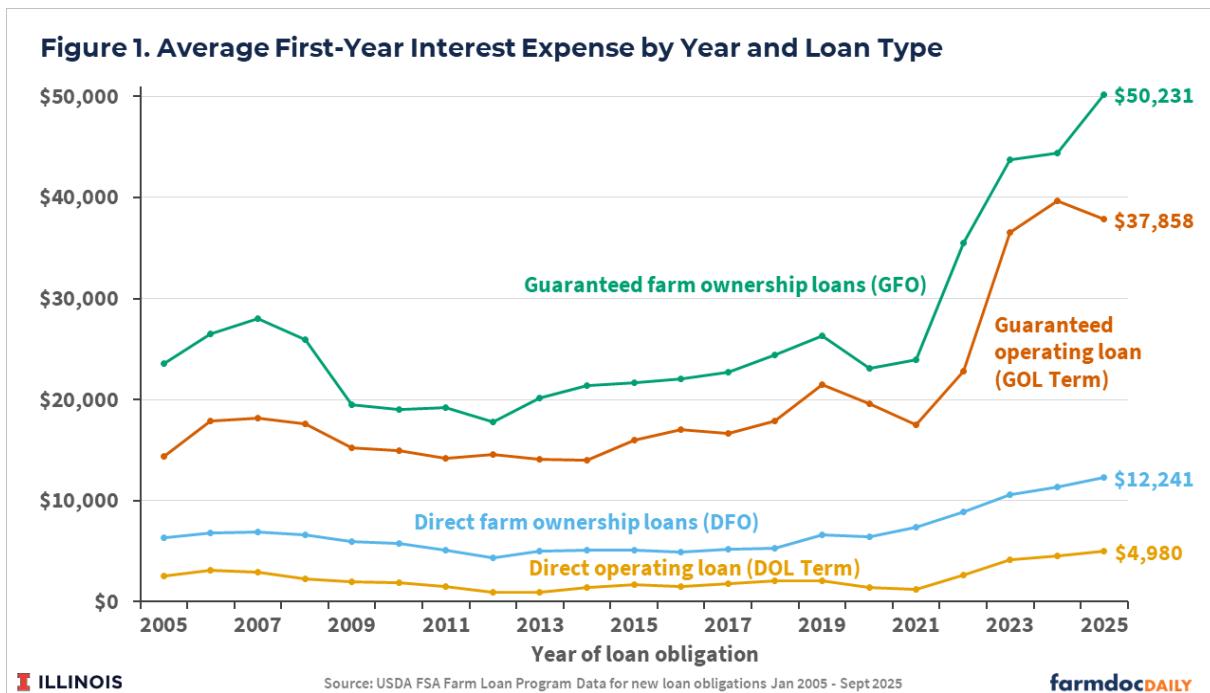
market net return on average fell 4.2% / year below economic cost of production for these 9 crops, but safety net payments averaged 12.7% / year of costs, more than triple the level needed to cover losses." safety net payment was large during the 21<sup>st</sup> Century crop prosperity periods of 2007-2013 and 2021-2022. The 2014 Farm

Bill terminated the fixed per base acre payment program largely responsible for safety net payment during 2007-2013, but *ad hoc* assistance kept safety net payment high during 2021-2022. Adding government payment to double digit market return is a recipe for excesses, especially when the safety net is more than covering loss when market return is negative. A treadmill of ever higher support seems inevitable as safety net payments above loss find their way into input and land prices. Debate is badly needed on when and how to curtail, even eliminate, crop safety net payment when market return is positive. This includes crop insurance subsidies. One option is a sliding scale of insurance premium subsidies and share of commodity program payment acres tied to market net return. Debate is also badly needed regarding what level of average sector loss overall is consistent with a safety net that does not impede needed market adjustments. The provision of additional *ad hoc* assistance for the 2025 crops is a critical test of whether the US and US crop agriculture are willing to allow crop sector loss to exist even for a year, consistent with being a competitive enterprise." So, what could be done to change this? The Farmdoc folks say, "Moving commodity program payment to harvest can be easily accomplished by using cash price at harvest rather than market year average price. Crop insurance payment, including from area insurance, needs to be made no later than January to better align assistance with need. Making these changes will also improve the information about other safety net payments when determining *ad hoc* assistance."

## The Business of Farming—

- **If you are getting commercial financing** for the 2026 crop year, USDA financial specialist and [IL Farmdoc contributor Sarah Atkinson, says prepare for a surprise.](#)

"Increases in both interest rates and average loan sizes have led to significant increases in both interest expenses and first-year loan payments faced by FSA farm loan borrowers over the last 20 years. These changes vary by program and loan type. Between 2005 and 2025, guaranteed operating loans faced the largest increase in total first-year interest expenses, increasing 97% on average. This contributed to an increase in average first-year loan payment levels for guaranteed operating loans of 91%. Similarly, interest rate expenses and first-year payments for guaranteed farm ownership loans increased 76% and 66%, those for direct farm ownership loans increased 66 and 87%, and those for direct operating loans increased 67 and 66%. These changes have impacted interest expenses and first year loan payments. First-year interest expenses for guaranteed farm ownership loans more than doubled during the given period, from \$28,000 on average in 2005 to \$50,000 on average in 2025. Similarly, the first-year interest expense on guaranteed operating loans more than doubled, from \$18,000 on average in 2005 to \$40,000 on average in 2024. The magnitude of interest expense increases was smaller for direct loans compared to guaranteed loans, mainly due to their smaller average loan size. The first-year interest expense for direct farm ownership loans increased from \$7,000 on average in 2005 to \$12,000 on average in 2025, and direct operating loan interest expenses increased from \$3,000 on average in 2007 to \$5,000 on average by 2025." Atkinson says, "The average first-year payment for



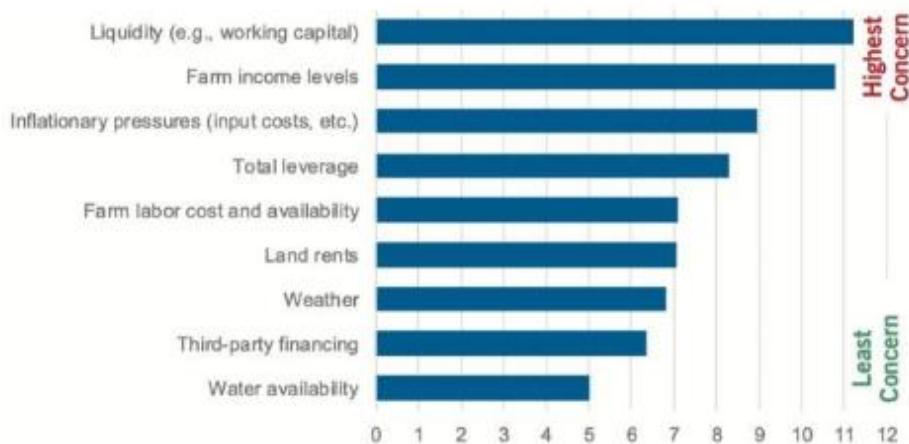
guaranteed operating loans more than doubled, from \$46,000 on average in 2005 to \$114,000 on average in 2025, and for guaranteed farm ownership loans almost doubled from \$36,000 in 2005 to \$70,000 in 2025. →

- ✓ So, what can farmers do when repayment terms are challenging? USDA's Atkinson says, "Producers can take steps now to mitigate the impact of higher loan costs. This includes focusing on controlling current expenses, carefully evaluating capital purchases and renting or borrowing instead of purchasing equipment if appropriate, timing purchases to take advantage of the best terms, carefully comparing options when undertaking vendor and other third-party financing, and taking advantage of off-farm earning opportunities to supplement income levels when possible."
- ✓ Importantly, producers need to employ greater diligence in evaluating land purchases. Purchasing high-cost land at high interest rates can burden the producer with large interest rate expenses, putting downward pressure on profitability as well as reducing the return on farmland investment.
- ✓ Finally, producers can seek out additional sources of credit or financing such state agricultural development programs or community supported agriculture programs which offer favorable rates and terms.
- ✓ Other credit options could include marketing loans to offer flexibility when crop prices are low or USDA FSA microloan programs, which provide lower loan amounts of up to \$50,000 but often have lower costs and require less time to obtain. Options such as short-term operating loans, loan modifications to more closely match cash flow and crop cycles, or refinancing should be kept on the table but evaluated with care. The key is to work closely with your lender to determine the best possible plan moving forward."

- **After 2 straight years of decline**, U.S. farm incomes are expected to rebound in 2025, driven largely by strong livestock profitability and a surge in government payments. [Crop producers, however, continue to face tight margins](#) as prices stagnate and input costs remain elevated.

Lenders are paying close attention: liquidity has been their top concern for the third year in a row, reflecting ongoing pressure on farm finances—especially for crop and specialty-crop operations. While conditions vary widely by region and producer type, farm income and profitability remain front and center across the agricultural economy.

**Lenders' Top Concerns for Producers in 2025**



Source: ABA-Farmer Mac Agricultural Lenders Survey, August 2025

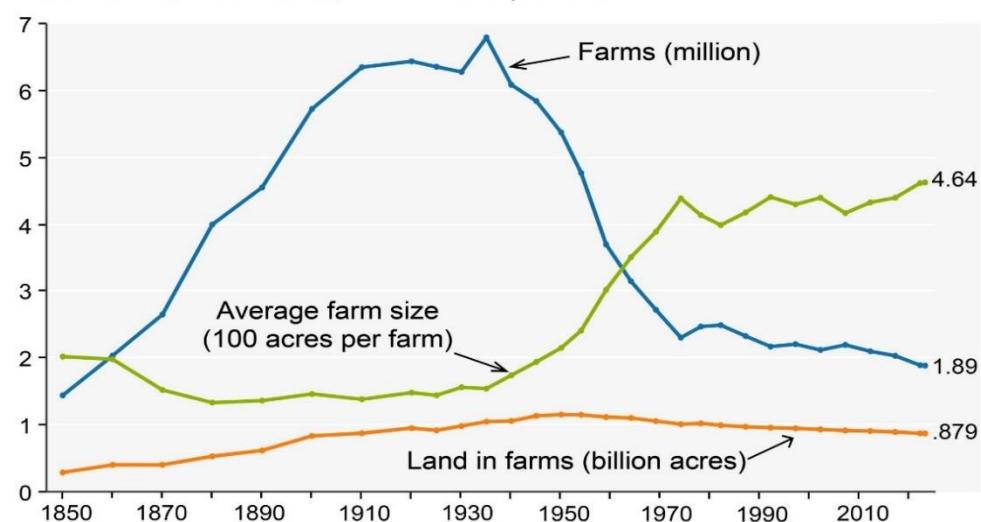
- **Tax season is upon Americans**, but there is some new tax relief in place this year for farmers, ranchers, and other Americans. Sen. James Lankford, R-OK, said he's hopeful for some relief across the country, "When we did the Working Families Tax Cut Act last July, people didn't realize how significant that really was. There were a lot of changes that got a lot of news, like no tax on tips, no tax on overtime for senior adults who are still working, and no tax on their social security. That's really significant help for a lot of those folks, but for farmers and ranchers, we also did a permanent change on the death tax to be able to make sure that farmers and ranchers can pass down their farm and ranch back to the next generation as well, with their equipment and everything else, and not have to sell it off just to pay Uncle Sam the tax burden on that. So that was a huge change that's made this year." Changes to expensing should be another benefit for farmers and ranchers, "I had a part of the bill that we passed last July that was mine as well, dealing with full expensing. If you buy a tractor, for instance, or a truck for your operations in the past, you had to depreciate that out over several years. Now you can write that off in your taxes the year that you buy it, as of this year, so you don't have to worry about if I buy a new piece of equipment, I've got to also borrow money to pay my taxes this year as well, because it takes so long to depreciate it out. That actually depreciates that year to be able to write it off. That's a big difference for a lot of small businesses and family operations, so it'll be a significant change. We hope it's a real help to the economy and to individuals." He's also hopeful that a change in reference prices will help ease the pressure on farmers' bottom lines, "Folks in farm and ranch country know full well that we changed reference prices. We did about half the Farm Bill in that bill last July that we're able to get done. Now we have more work to do on some of the policy areas, but some of the financial areas, that's a big change by the end of this year that people will feel in their reference prices." (Radio Oklahoma Network)

### ***Land Prices and Farmland Issues—***

- **The US is feeding 218 mil. more people** with fewer acres than we farmed 100 years ago, according to USDA data from the period Census of Agriculture, reporting acreage and US population. →

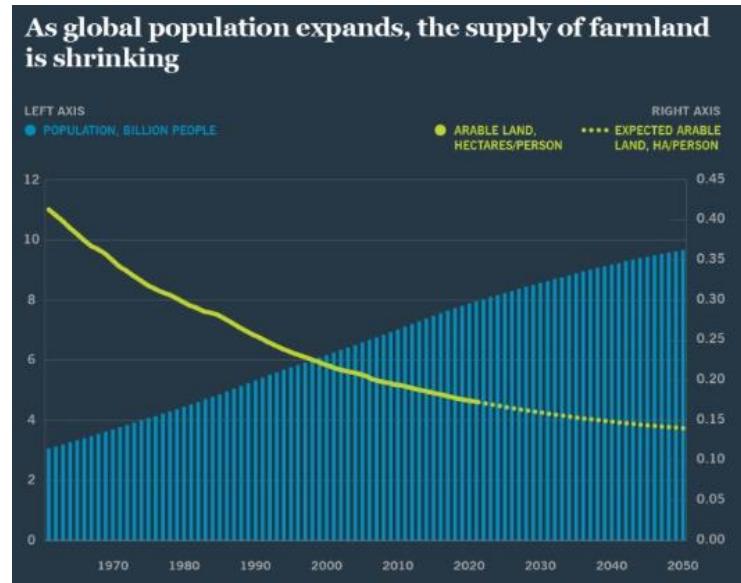
**Farms, land in farms, and average acres per farm, 1850–2023**

Million farms, billion acres, or 100 acres per farm



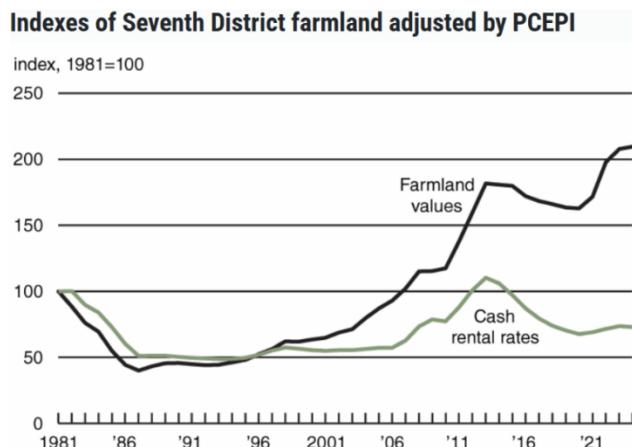
- **Drivers of farmland loss are likely to intensify** across all major agricultural production regions, though specific mechanisms will vary by geography, says [Marin Davies, head of Nuveen Natural Capital](#). Worldwide, the 3 primary sources of change are:

- ✓ Development pressure:  
Urbanization is a key driver worldwide, though emerging land-use change for renewable energy infrastructure and data centers are significant in certain areas.
- ✓ Land degradation and climate change: According to the [FAO](#), more than 20% of farmland worldwide (~2.4 bil. acres) has already been degraded due to unsustainable land-use and management practices. The increasing frequency and severity of climate hazards are expected to further degrade the supply of farmland globally.
- ✓ Geopolitical tensions and conflict: Farmland and food security are being increasingly threatened amid rising geopolitical tensions and social instability. The FAO reports that in 2023, conflict and instability affected approximately 40% of farmland worldwide (~4.56 bil. acres).



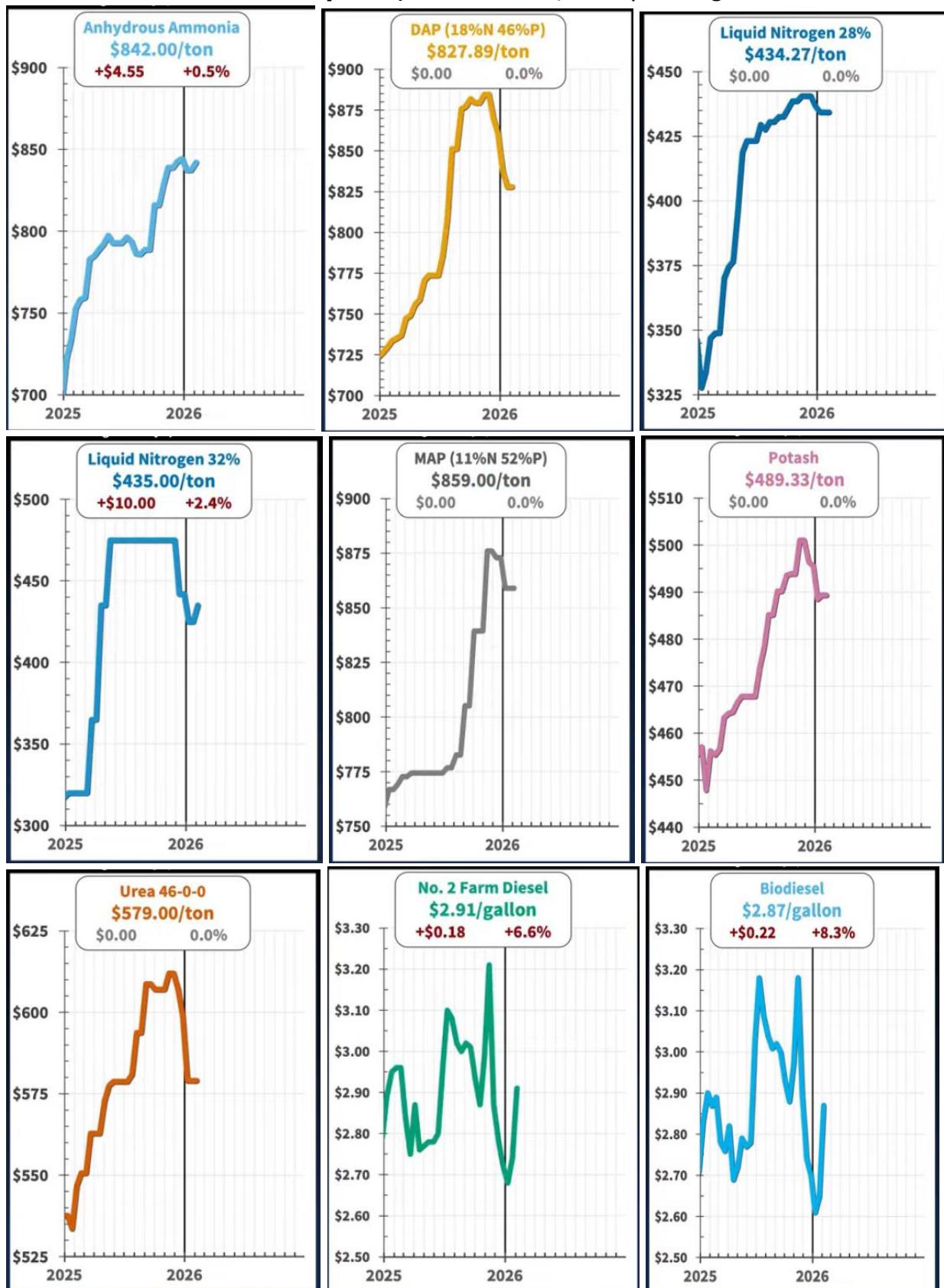
- **What was once “in the cloud,” is back on Earth.** And there may not be enough “earth” to hold it all. When a data firm opens a new facility to hold the output of everyone’s phones and computers, it usually clears off 100 acres for facility, utilities, parking, and drainage. One may be in your neighborhood, but if not, don’t fret, one will come soon, and want to pave your farm, and level your home, shops, machine sheds, and grain storage. You might get a nice check, but there are more downsides than upsides. When you ask a question on the web, it finds the storage unit somewhere in the world that knows the answer and lets you know the answer, with an offer to make a reservation, buy a ticket, or let someone know that you care. And that takes you to another data center, with a never-ending offer to enroll more computers in more data centers, on more neighbors’ farmland. Neighbors who have declined to upgrade their acreage beyond the terabyte scale, have probably become embroiled in drainage action against the data centers, which did not bother putting a creek bed through their computing floor. The data centers are not worried about surface water; they only want to tap the water table to draw water for cooling. “We’re really worried about how much water data centers use and what that is going to do to underground aquifers,” said [Taylor Hubbard, who tracks government affairs for the Virginia Grain Producers Association](#). Eventually, advanced cooling technology like closed-loop systems could reduce the amount of water that’s used.

- **What's really driving farmland prices** – income generated from an acre of farmland or the potential appreciation over the years? Income, or rent, from farmland has not kept up with the steep rise in land prices experienced during the past 2 decades, says [farmland value specialist Randy Dickhut of Agriculture Economic Insights](#). The gap between income and value could continue to widen if past trends extend into the future. Cash rental rates have increased on average by 3% per year, while land values have historically appreciated about 5.2% per year. The compounding effect kicks in to widen the gap if these averages are maintained. In a September 2025 article, I calculated a 20-year projection of rent and land values using the above percentage increases for each. The projection started year one with a \$10,000 per acre farm having a 2.5% gross cap rate, paying \$250 per acre cash rent. In year 21, the farm would be worth \$27,562 per acre with a 1.58% cap rate paying \$435 in cash rent. In an October 2025 [Farmdoc Daily article](#), the authors looked at historical land value and rent increases from 2005-2025 for excellent-quality IL farmland, which showed land values increasing 220% and rents 126% during that time. Using the same rates of increase, the study projected land values in 20 years. Initial land value was \$16,000 per acre, and cash rent \$332 per acre. Again, using the same rates of increase for the next 20 years as the previous ones, land values would be estimated at \$51,200 per acre and rents at \$750 per acre, resulting in a cap rate of 1.46%. Of course, many other economic- and ag-related factors would come into play over a period of 20 years and could change any estimate. The point is that income is not the biggest factor in the recent upward trends in land values and in investors' hopes for future growth in the value of a farm. Many factors beyond just cash earnings and potential appreciation drive farmland prices. Local supply and demand, general economic conditions, availability of attractive alternative investments, and each individual's goals for owning farmland. At this time, having a real property asset with a history of being safe, inflation-hedging, and long-term appreciating is the goal of many individual and institutional farmland investors. A friend once asked his father why he bought a farm. The father replied, "When you buy a farm, you can't imagine how you're ever going to pay for it. At the end of 20 years, though, you are glad you have it." Time will tell whether or not the expectation of rising land values taking precedence over underlying income will hold up and make the farm investment worth it. Will the hoped-for appreciation counted on by investors pan out to continue making farmland a solid, long-term investment, or will past trends not carry on in the same path? Or could global and local factors for food, fuel, and fiber propel farmland to new heights?



## Fertilizer, Fuel, and Other Inputs—

- Current fuel and fertilizer prices, via Jim Raftis, IL Dept. of Ag.



- **Fertilizer supply and price trends** from United Prairie, Tolono, IL, Feb. 9, 2026.



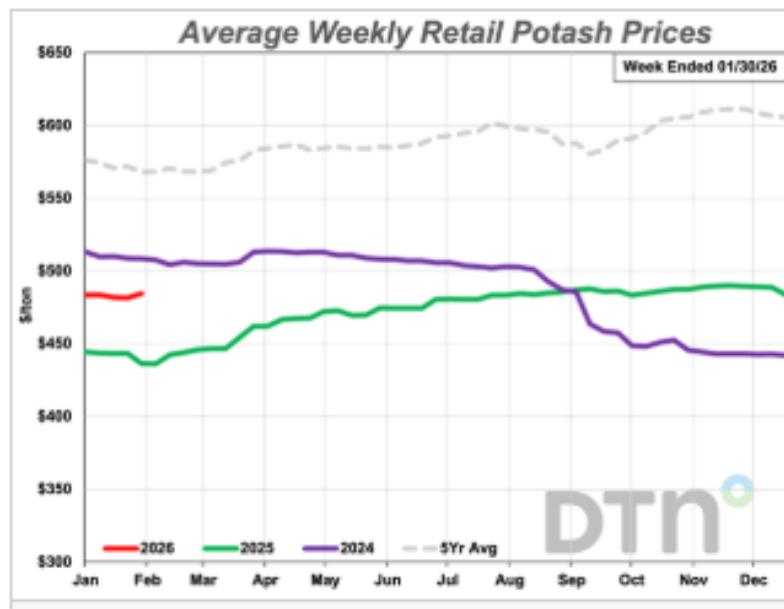
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MARKET REVIEW

February 9, 2026

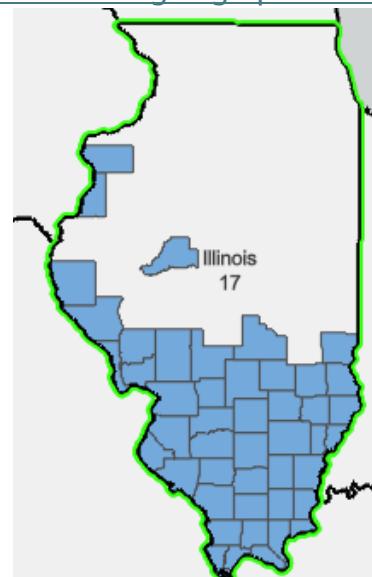
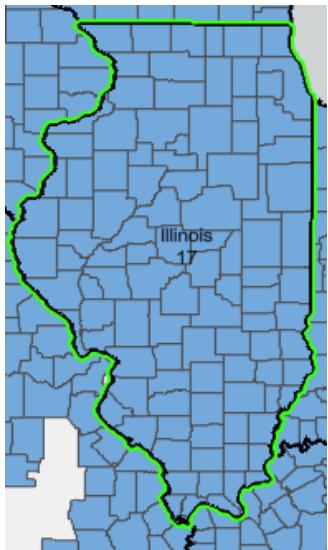
- ✓ **UAN:** US UAN pricing yesterday was unchanged. • European Union CBAM tariff exposure is hindering offshore nitrate and UAN business. Europeans are buying urea with a lower CBAM cost. • Canada UAN is trading at a discount to urea, very unusually and expected to change.
- ✓ **Urea:** NOLA values firmed further yesterday on rumors of India returning to the market over the next week. February barges touched a high of \$457/s.t., up \$2 from yesterday's high trade. • March noted similar strength pushing to multiple trades at a \$454/s.t. NOLA and up \$4 from yesterday. • W. Canadian prices continue to advance with Medicine Hat, yesterday referencing \$950/mt fob and up \$50/mt from earlier in the week.
- ✓ **NH3:** Middle East and eastern markets continue to show downward pressure as inventories lengthen. • Rumors swirling that Woodside Partner's new Beaumont, TX production expects to load its first cargo next month. Consistent production out of either Beaumont or Gulf Coast Ammonia is needed in west as availability remains constrained otherwise.
- ✓ **Phosphates:** Brazil MAP prices jumped \$30/mt, with forward offers as high as \$750/mt cfr. • NOLA phosphate trade has been active. March DAP was last done at \$640/s.t. and MAP at \$668/s.t.. • Morocco's OCP is expected to cut 2026 phosphate exports, down to roughly 65% of capacity. • India's DAP outlook is tightening as rising global DAP prices collide with a 20% cut in subsidy budget cut ahead of Kharif season.
- ✓ **Potash:** NOLA prices unchanged on steady trade offers. • Prices off the Mississippi River increase alongside domestic offers.
- ✓ **10-34-0:** Increased acid pricing has made little change in the market week over week. • Cold weather continues to hamper 10-34-0 reactions. Several cars being returned with measurable heel. • Nutrien and Itafos are without a spot acid offer. Simplot has had limited availability.

- **Retail fertilizer prices** were mixed the 4th week of January 2026, [according to sellers DTN surveyed](#). 5 fertilizers were slightly lower in price compared to the previous month while the remaining 3 were slightly higher. None were up or down a considerable amount. The nutrients posting lower prices were MAP with an average of \$866/ton, 10-34-0 \$665/ton, anhydrous \$856/ton, UAN28 \$408/ton and UAN32 \$464/ton. The 3 fertilizers which were slightly higher in price were DAP with an average of \$851/ton, potash \$485/ton and urea \$583/ton. On a price per pound of nitrogen basis, the average urea price was \$0.63/lb. N, anhydrous \$0.52/lb. N, UAN28 \$0.73/lb. N and UAN32 \$0.73/lb. N. All 8 fertilizers are now higher in price compared to 1 year earlier. 10-34-0 is 5% higher, MAP is 7% more expensive, potash is 11% higher, urea is 14% more expensive, DAP is 15% higher, anhydrous is 16% more expensive, UAN32 is 21% higher and UAN28 are 26% more expensive looking back to last year.



### ***Risk Management and Crop Insurance—***

- ...and if you did not already know, here are the [county deadlines for signing up for crop insurance](#). As always, the deadline for signing up your corn and soybean crops is Mar. 15, as is the deadline for sorghum producers. All IL counties have the same Mar. 15 dates for sign up (left). Sorghum can be produced with crop insurance in the designated counties as indicated on the map (right). Call your agent for an appointment, because the Mar. 15 deadline is a Sunday! He or she may prefer to get you enrolled and processed by Friday the 13<sup>th</sup>!



- **The premium support** on Supplemental Coverage Option (SCO) crop insurance policies from 65% to 80%. The Risk Management Agency of the USDA then [announced in August of 2025](#) that premium support would also be increased to 80% for the Enhanced Coverage Option (ECO) and other similar programs. [IL Farmdoc ag economists](#) say, "As a result, farmer-paid premiums for SCO and ECO will be reduced in 2026. If the Risk Management Agency (RMA) rates SCO and ECO properly, farmers should expect to receive more in insurance payments than they pay in premium over time in addition to the risk benefits the products provide. However, this has not been an experience to date for all crops and regions. Historic loss experiences suggest that the income-enhancing features associated with SCO and ECO are lower for Midwest farmers than implied by the direct premium subsidy rates. SCO and ECO are add-on crop insurance products that provide area-level coverage to supplement farm-level coverage. Note that in most cases the area coverage is based on a county and its expected yield. Farmers must first purchase a farm-level policy such as Revenue Protection (RP), RP with the harvest price exclusion (RPhpe), Yield Protection (YP), or Actual Production History (APH). SCO then provides coverage from 86% down to the coverage level of the underlying farm-level product. Farmers can also purchase additional coverage above 86% using the Enhanced Coverage Option (ECO), either to a 90% or 95% coverage level. Farmers with Revenue Protection (RP) have choices to make:

- ✓ RP farm-level revenue protection up to their elected coverage level, which can be as high as 85%,
- ✓ Supplemental area revenue SCO coverage from 86% down to the coverage level they selected for their underlying RP policy,
- ✓ Additional ECO area revenue coverage from 90% or 95% down to the SCO coverage of 86%.

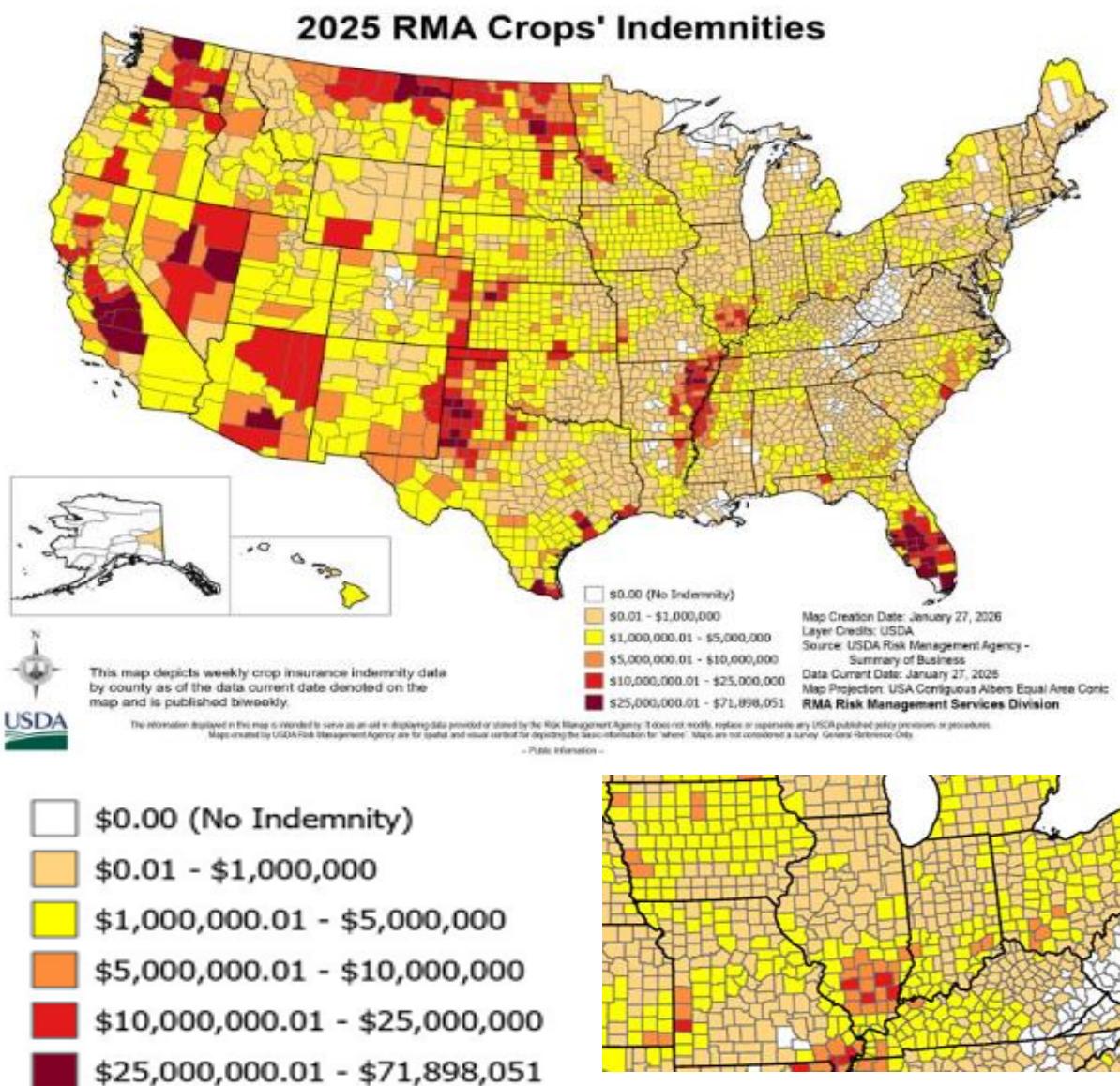
**And there are some issues** that have a "beware" sign:

- ✓ SCO and ECO policies are based on area-level revenue or yield rather than farm-level experience. Therefore, indemnities triggered by SCO or ECO will not always match losses experienced by the farm. A farmer could experience a farm-level loss and not receive a payment from the supplemental area products; or an SCO or ECO payment could be triggered even if the individual farm does not experience a loss (see *farmdoc daily* articles from [May 5, 2021](#) and [May 6, 2021](#)).
- ✓ SCO/ECO are based on expected yields, and the resulting actual area yields from RMA. The actual area yields used to determine losses are typically released in June following the year in which production and losses occurred, which delays payments relative to the underlying farm-level policies. That is, SCO/ECO payments for the 2026 insurance year will not be paid until June 2027 whereas payments from an underlying RP policy would typically be received months earlier, often in the year of the loss.
- ✓ Farmers do not have to purchase both SCO and ECO but can only purchase ECO or SCO with their allowable bands of coverage.

- **A Central IL farmer who has become a respected authority** on crop insurance and managing perennial changes for better management of risk, has been conducting dozens of farmer meetings. Vince Reinke, an agent for several companies has traveled widely to help farmers develop risk management strategies to protect the crop revenue. He says, "Recent federal legislation was designed to gain farm support with changes to the Federal Crop Insurance program. There were benefits for young farmers, increased discounts for ECO and SCO premiums, and changes in county corn and soybean yield estimates that could impact farmer decisions. He outlines those changes and addresses changes in ARC/PLC impacting farmer decision-making [in this 13-min. video](#).

- **Did you get a crop insurance indemnity check from your 2025 production?**

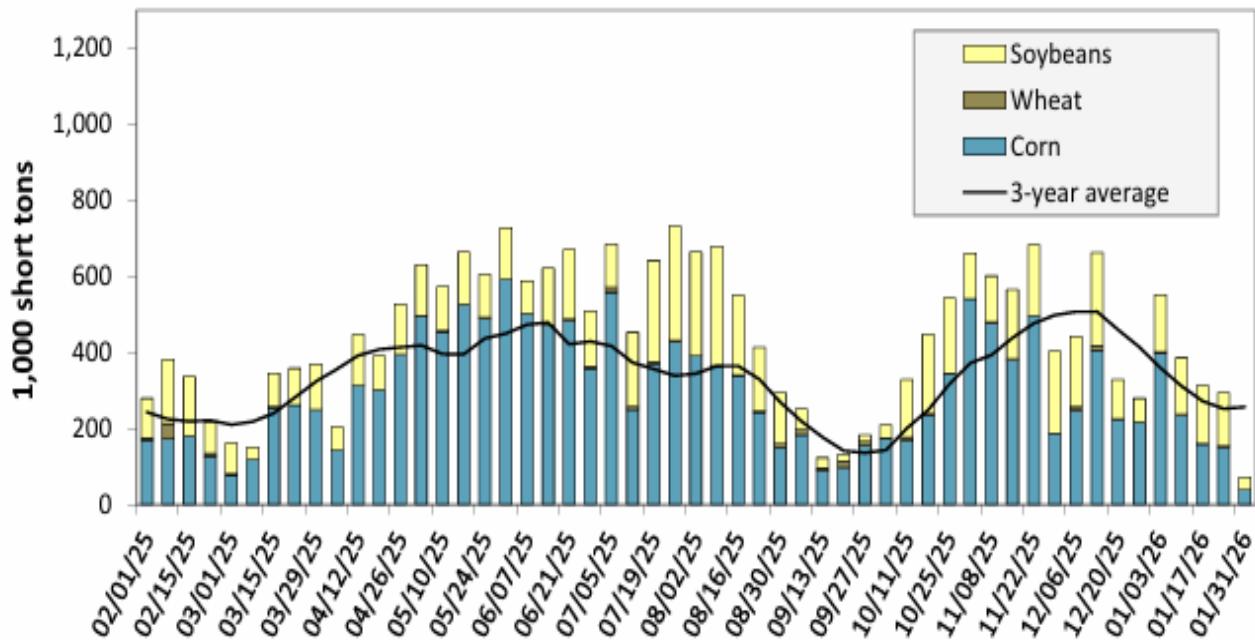
Crop indemnity map: January 27, 2026



## Transportation Issues—

- **Grain may be backing up** at elevators along the Mississippi River System. [USDA's transportation economists](#) report, "Barge volumes decline sharply after last week's winter storm. For the week ending January 31, 71,300 tons of grain passed through Lock and Dam 27—the southernmost lock on the Mississippi River. This total is down 75% from the same

**Figure 12. Barge movements on the Mississippi River (Locks 27-Granite City, IL)**



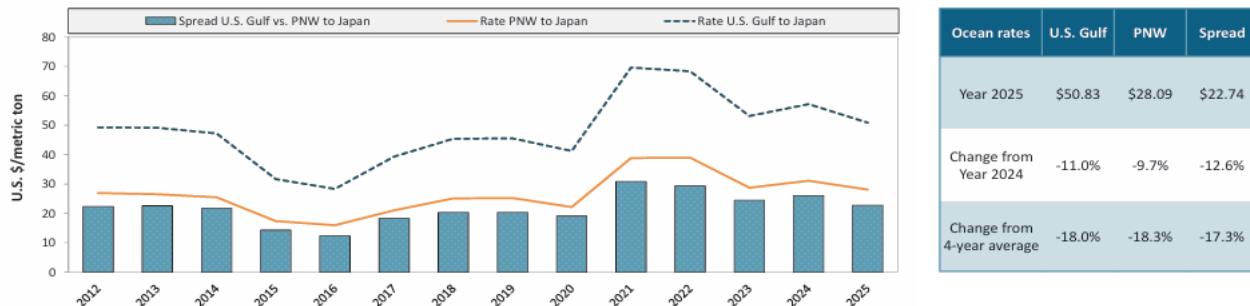
week last year and marks the lowest weekly total since September 2023. The sharp decline in barge volumes reflects the impacts of ice accumulation on the Mississippi River System. One barge operator, American Commercial Barge Line, is reporting minimal barge operations on the Illinois River. Operating conditions are expected to improve in the coming weeks as rising temperatures in the region melt ice accumulation. Logistical challenges on the Mississippi River System have led to increased barge rates. For example, the current southbound barge rate from St. Louis, MO, is \$24.66 (per ton). This rate is up 55% from the same week last year and up 57% from the 3-year average. (The current rate is a 62¢ hit to the corn basis and 67¢ dock on the soybean basis at St. terminals.)

**Table 9. Weekly barge freight rates: southbound only**

Measure	Date	Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Ohio River	Cairo-Memphis
Rate	2/3/2026	n/a	n/a	736	618	656	511
	1/27/2026	n/a	n/a	713	610	613	504
\$/ton	2/3/2026	n/a	n/a	34.15	24.66	30.77	16.05
	1/27/2026	n/a	n/a	33.08	24.34	28.75	15.83

- **Brazilian soybeans may be cheaper than US beans**, but maybe China should take transportation costs into consideration. [USDA's transportation economists](#) report ocean freight had been up in 2024 but declined in 2025 from the US to the Orient, for both the Gulf and the PNW routes. In 2025, the average ocean freight rate for shipping bulk grain (wheat, corn, and soybeans) from the U.S. Gulf to Japan was Figure 1 (below). Grain vessel

Figure 1. Grain vessel rates, United States to Japan



rates, United States to Japan \$50.83 per metric ton (mt)—11% less than in 2024. The rate from the Pacific Northwest (PNW) to Japan was \$28.09—13% less than in 2024. That works out to \$1.38 per bu. from the Gulf for soybeans, and 71¢ per bu. for corn from PNW terminals. The spread (or difference) between the U.S. Gulf- and PNW to-Japan rates averaged \$22.74 per mt—13% below 2024. The cost of shipping grain from the U.S. Gulf to Europe was \$23.69 per mt—12% less than in 2024. In first quarter 2026, ocean freight rates for shipping bulk commodities are expected to stay moderate, or even fall, because of seasonal market slowdown caused by the holidays around the world. However, looking further ahead in 2026, wild-card factors that may affect ocean freight rates include China's economy and economic policy. In addition, some analysts predict a slowing demand for commodities and growing global fleet particularly affect the Panamax and Supramax segments, and may further push down freight rates in 2026. Although slower sailing speed is expected to limit supply growth, the supply of dry bulk vessels is still forecasted to grow by 2.8% in 2026 and 2.7% in 2027. On the other hand, demand is forecasted to expand by just 1.5-2.5% in 2026 and 1-2% in 2027.

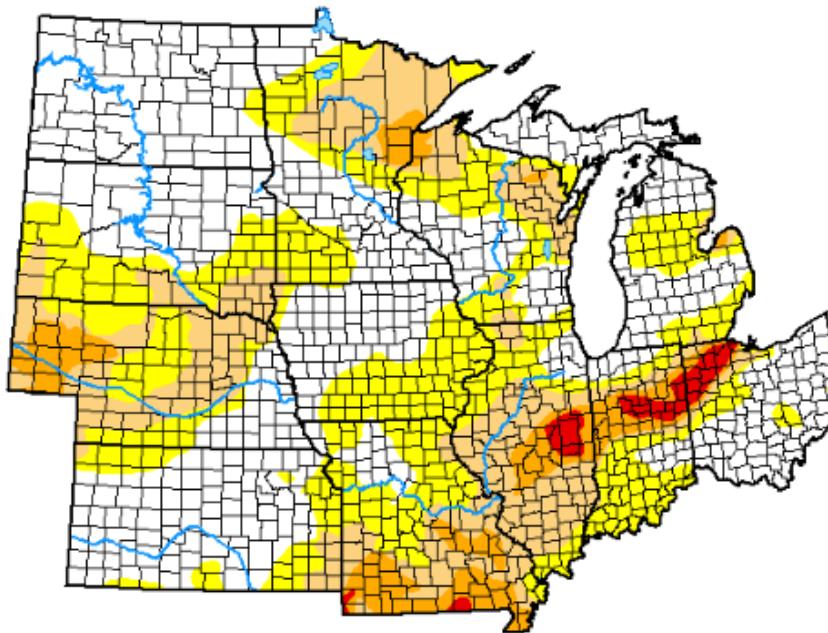
- **Have you heard about** the ["unexplained water loss in the Mississippi River."](#) A anonymous video of the Mississippi River drying up was received by the Waterways Journal and forwarded to Susan Olson, an authority on river issues, transportation, and commodity markets, who immediately pronounced it as a "deepfake video." "There were 2 or 3 signs that the voiceover [of the QuakeLore video] was AI," Olson said. "For instance, the voice pronounced 'Corps' as 'corpse.' The video made specific references to government programs that we could not find anywhere in existence. The names of the researchers at the universities did not match any of the professors at the institutions." "The statement about reduction in catfish farming, for instance, could not be discovered with basic internet research," Olson said. "In retrospect, I realized there were few/no interviews. The video appears to be constructed from existing clips and images. In several instances, the clips shown had little to do with the ideas being promoted. It was like a video of B-roll." The bottom line is that water moves, is measured, and tracked. "We don't lose water."

## Weather and Climate—

- **The Cornbelt is cooling off**, and drying up, according to the latest [Drought Monitor](#).

“Cold temperatures and limited frozen precipitation led to persistent conditions across the Midwest, outside of areas of localized changes. Cold conditions kept soils frozen across

northern portions of the Midwest, limiting infiltration and preventing recent moisture or snowmelt from entering the hydrologic system. As a result, short-term improvements to soil moisture and streamflows were minimal. Western MI saw a localized improvement where another week of snowfall along the Lake Michigan shoreline, combined with improving longer-term precipitation indicators,

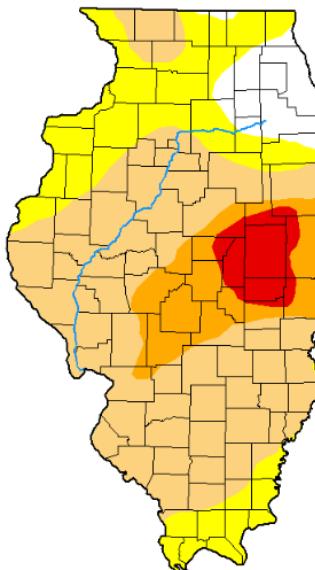


supported modest recovery. Across parts of the western and

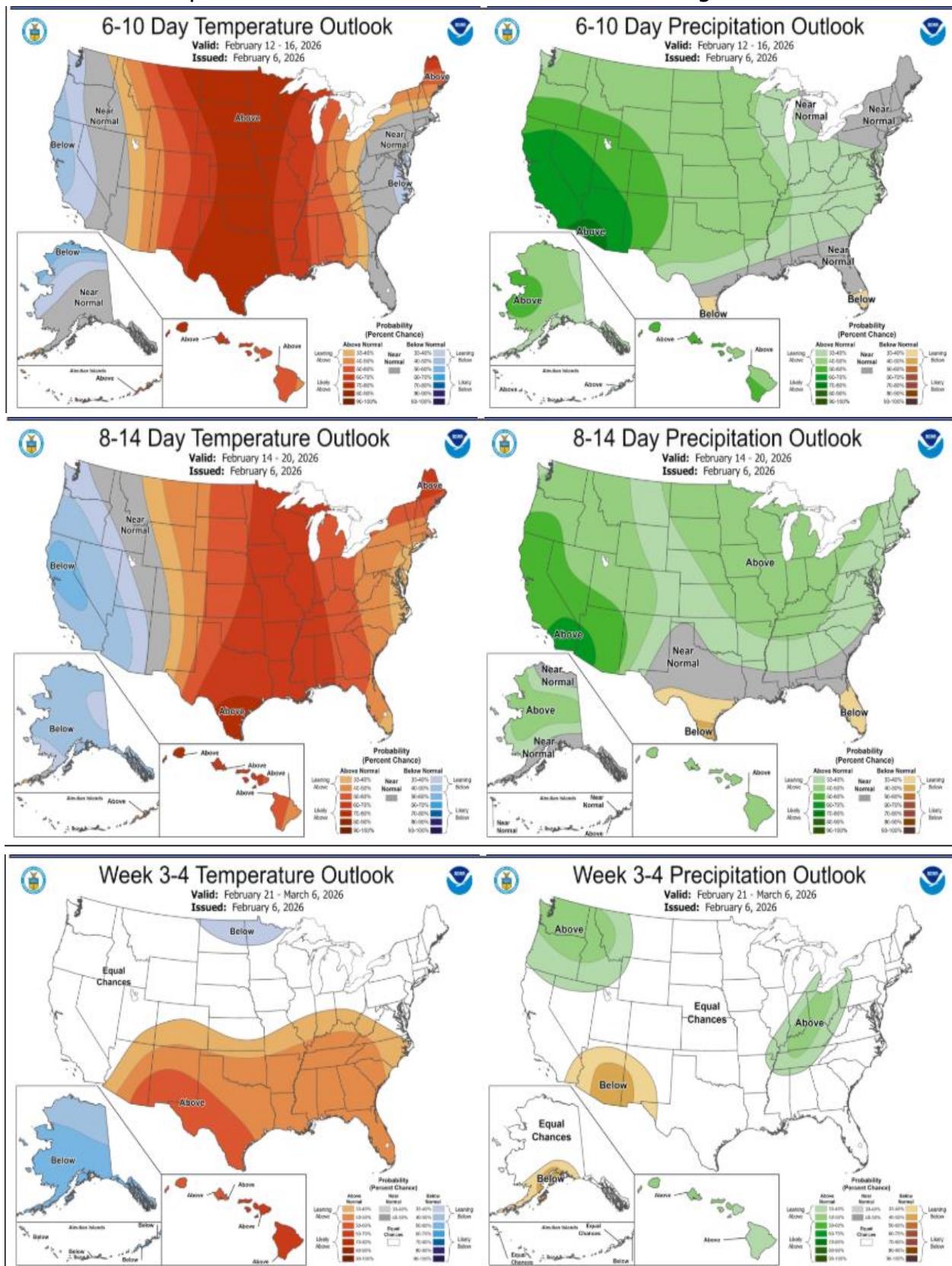
*Drought Conditions (Percent Area)*

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	6.94	93.06	68.75	16.75	5.40	0.00
Last Week 01-27-2026	6.94	93.06	63.80	16.75	5.40	0.00
3 Months Ago 11-04-2025	10.82	89.18	75.78	42.44	1.59	0.00

central Midwest, minor degradations were introduced as conditions continued to dry, including the introduction of extreme drought in southwest MO along the MO-OK border. In these areas, precipitation during the past several weeks has been limited, and short- and mid-term precipitation deficits continued to grow, combined with declining soil moisture and below-normal streamflows.” The extreme drought spot in East Central IL has not shown any signs of dissipating and has remained steady since Jan 1, but more than tripled in size since Nov. 1 (chart).



- **Would you prefer warmer and wetter weather?** That is the near term, says NOAA, before we can expect a return to more normal conditions heading into March:



- **"We had another cold and mostly dry week across the state,"** says IL State Meteorologist Trent Ford. "Average temperatures this week ranged from the low teens in northern IL to the high 20°s in southern IL, between 8° and 18° below average. A healthy snowpack in the southern half of the state helped push nighttime low temperatures well below 0°, including lows of -7° in Taylorville and -4° in Jerseyville. The cold end of January pushed the month as a whole to be around 2° below normal statewide. Precipitation was hard to come by once again this week, with most places receiving less than .10" of light powdery snow. January ended around 2" drier than normal statewide, and only parts of Cook and Will Counties were wetter than normal last month. The eye-popping snow totals in parts of southern IL were underwhelming in terms of liquid water equivalent. For example, Du Quoin had nearly 20" of snow last month, over 500% of normal for January. And yet all that snow yielded less than 1" of liquid water, which left Du Quoin 2" drier than average last month. Therein lies the problem with light snow and the lack of drought relief, especially in central and southern IL where soils remain very dry and streams very low. Once the snow melts this week, spoiler alert, we will get a better understanding of how much or, in reality, how little the snow has helped improve drought. Looking ahead, temperatures climb out of the teens and 20°s over the weekend and will peak in the 40°s and maybe 50s next week. Unfortunately, the warmer air does not bring a lot of humidity with it, so most places will get less than .10" of precipitation next week."

## ***Agronomy—***

- **The US EPA has finalized** a 2-season registration for over-the-top dicamba use on dicamba-tolerant soybeans, establishing the most restrictive label requirements in the agency's history. The new labels reduce allowable application rates and add expanded restrictions related to volatility reduction agents, temperature-based application limits, conservation practices, and recordkeeping. EPA says, "When applied according to the new label instructions, EPA's analysis found no unreasonable risk to human health and the environment from OTT dicamba use. EPA recognizes that previous drift issues created legitimate concerns, and designed these new label restrictions to directly address them, including cutting the amount of dicamba that can be used annually in half, doubling required safety agents, requiring conservation practices to protect endangered species, and restricting applications during high temperatures when exposure and volatility risks increase. This determination supports a time limited approval covering only the next 2 growing seasons and will be subject to further review. ([Here are use restrictions.](#))

- ✓ .5 lb. per acre per crop per year is maximum annual use.
- ✓ 40 oz./acre of approved Volatility Reduction Agent must be added to every application.
- ✓ Growers must achieve 3 runoff/erosion mitigation points on each treated field.
- ✓ Only 50% of acreage can be treated if forecast temperature is between 85-95°F on the day of or the day after application. Remaining acreage must wait at least 2 days.
- ✓ Only certified applicators may use this product, after mandatory annual training. Other restrictions from the 2020 dicamba registration are still in place, i.e. spray drift limits. →

- **The American Soybean Association (ASA) applauds** the Environmental Protection Agency (EPA) for finalizing a new dicamba label for Over the Top (OTT) use, an important step in preserving access to a critical weed management tool for soybean farmers. Dicamba remains an essential part of Integrated Pest Management Systems (IPMs), ensuring growers can maintain long-term control of destructive herbicide-resistant weed populations. This EPA action comes at an opportune time when growers are making critical decisions for the 2026 planting season. Without access to effective post-emergence tools, farmers face higher costs, reduced yields, and fewer sustainable options for protecting their crops. [ASA is eager to review the label and continue engaging with EPA](#) to ensure regulatory decisions support both environmental stewardship and the realities of modern agriculture.
- **American Farm Bureau** also gave the EPA announcement a “[thumbs up](#).” “EPA’s review and approval process, based on sound science, resulted in guidance that gives us continued confidence it can be safely applied. We look forward to helping ensure farmers clearly understand the updated label requirements. Farmers take seriously our responsibility to care for the resources we’ve been entrusted with, including the careful use of pesticides. Today’s announcement will provide farmers with certainty as they plan for this year’s planting season.”
- **Within a few hours of the EPA’s dicamba announcement**, Bayer had its [Public Relations team sending out emails](#) promoting Stryax, Bayer’s new dicamba formulation that already includes some of the EPA requirements, such as volatility reduction adjuvant and drift reduction agent. Bayer says it is complimentary to XtendFlex genetics.
- **Will the new dicamba formulation** help with your waterhemp problem? “Possibly,” is about the best answer some weed scientists want to commit. Back in 2021, weed specialists began finding waterhemp populations which were immune to dicamba, where dicamba had never been sprayed. “When we use herbicides, we select for plants that can survive those herbicides through a variety of mechanisms. Historically, that was target-site mutation, but now, more and more, we’re seeing metabolic resistance, where the weeds are [activating detoxification genes](#) before the chemicals can do harm. And so these weed populations are accumulating suites of genes that are active against various herbicides, and there’s cross-reactivity,” says Univ. of IL weed specialist [Pat Tranel](#), co-author on the [study](#). Tranel and his colleagues already knew waterhemp in the Champaign County population was [resistant to the synthetic auxin herbicide 2,4-D](#). Since dicamba is also a synthetic auxin, it’s not that much of a stretch to imagine the detoxification pathway might be the same. But waterhemp in the study population resists herbicides in 5 other site of action groups, so cross-reactivity could have come from anywhere. “At 65-75% control, a farmer might not realize they’re dealing with resistance and instead might just think they screwed up during application. Because they would see some activity. And these growth regulator herbicides can actually stimulate growth, causing the plant to twist up and thicken and never really die. They just kind of sit there,” Tranel says. “That makes it harder to quantify resistance.”

- **Can you cut nitrogen without killing your yields?** Mark Peterson with Practical Farmers of IA says the answer is yes. The southwest IA farmer said he's using cover crops to build organic matter, hitting 220 bu. of corn while keeping inputs low and proving that what's good for the environment can be even better for the bottom line. Peterson said he doesn't necessarily follow what conventional wisdom would be, "My nitrogen program is 100 lbs. of liquid prior to planting, and then, I'm not real proud of it, but right now, 50 lbs. broadcast pre-tassel. So, 150 total lbs., and not all of it was this good, but the best corn that we had was 228, across the scale. So, it's not record-breaking yields, but based on what we feel is what we want to use for inputs to be environmentally friendly, I'm very happy with how things went." He said several ag states like IA and IL are working on trying to better control nutrients leaving properties like farms. Peterson said IA is doing better than it has in recent years, "Are we where we need to be? No, because there's still water that is not in the shape that we need it. We, personally, between the lowered use of nitrogen, and then, I think, our pretty much frequent annual use of cover crops, we used to do water tests. We were consistently below the 10 parts per mil. discharge at our Tarkio River, and it got to the point where there's no reason to keep doing this, because we're there. It can be done. You can do it and be financially rewarding." He said it is possible to increase organic matter and have extra nitrogen through the proper use of cover crops, "We do not use any manure or anything like that. So that is it. And then the cover crops, you know, in either 7 or 8 years with use, particularly of a multi-species cover crop, in a longer time set, letting it grow for months rather than weeks, without getting too deep into it, we have increased our organic matter a full percentage point, and by doing that, that gives you an extra 20 pounds of nitrogen for release and an extra inch of water-holding capacity, which is huge in our part of the world." For more information on Practical Farmers, go to [practicalfarmers.org](http://practicalfarmers.org), where the 2026 N Rate Risk Protection Program enrollment is open. (WILL radio)

- **You are cold, your livestock are cold,** but how about the bugs in your fields? Let's ask Dr. Matt Montgomery of Becks Hybrids. "We note that many overwintering diseases are rather hardy when it comes to winter intensity. We also note that some diseases, like Southern Rust, overwinter down south - dodging winter conditions entirely. Likewise, we review insects - noting that more "occasional insect pests" may succumb to harsh winter conditions. However, the majority of "prime" row crop insects are rather resilient to arctic blasts (soil overwintering rootworm eggs - for instance) or are more influenced by early summer conditions (second generation corn borer - for instance). In many cases, this means winter weather impacts row crop pest pressure less than one might think. As always, feel free to pass this information along to others, and in all things... Live the Golden and Silver Rule of Ag. Do to others as you would want done to you. Hand it all off better than received." [His full article is available here.](#)



- **Buckle your seatbelt.** Univ. of IL corn breeders have made leaps and strides, and report, “Corn bred with genes from wild relatives can reshape soil microbial communities and reduce nitrogen loss — with no yield reduction.” The advancement marks the first time corn’s genetic makeup has been linked with inhibition of nitrifying and denitrifying bacteria, the microbes responsible for turning fertilizer nitrogen into forms that pollute water and contribute to climate change. “We’re already showing reductions in nitrification of up to 50% in field and greenhouse trials, which is awesome,” [said the study’s senior author, Dr. Angela Kent.](#) “We grow 97.3 mil. acres



of corn in the U.S. every year. If we were able to introduce that trait and reduce nitrification by 50% across that whole acreage, that would have huge impacts.” Multiple groups of soil microbes use nitrogen as an energy source, but two of those groups are wildly overrepresented in modern agricultural soils, and both contribute to fertility loss. Nitrifying bacteria turn ammonium from organic matter or fertilizer into nitrate, a form of nitrogen that readily flows through soil to pollute waterways. Denitrifying bacteria convert nitrate into gaseous forms. Often, denitrifiers produce harmless dinitrogen gas, but when soil oxygen is abundant or soil carbon is limited — not uncommon conditions in conventional agriculture — denitrifiers produce nitrous oxide, a potent greenhouse gas. The researchers say the Green Revolution and exclusive selection for aboveground traits in corn — ignoring traits related to the roots and rhizosphere, the microbe-rich zone surrounding roots — changed the crop’s relationship with the soil and created ideal conditions for nitrifiers and denitrifiers. “During the Green Revolution, we started applying so much nitrogen fertilizer that corn didn’t really need to compete with the microbes for nitrogen sources in the soil. There’s more than enough nitrogen applied to our field to make nitrifiers, denitrifiers, and the corn happy.” Researchers previously found that those traits already exist in teosinte, corn’s wild and weedy ancestor. When teosinte activates specific genes, its roots release chemicals that inhibit the activity of nitrifiers and denitrifiers in the rhizosphere. This keeps soil nitrogen in the form of ammonium, which is more likely to stay in the field. Although these traits are not quite market-ready, the researchers are optimistic about the potential for ancient genes to reshape the future of agriculture. “Agriculture remains the largest human impact on the global nitrogen cycle. Roughly 40% of applied nitrogen is lost from fields, even as many regions face nitrogen scarcity and food insecurity. This represents a waste of the energy used to create the fertilizer, as well as an environmental impact from nutrient pollution,” Kent said. (A year ago, USDA wanted to send these corn genetics at the Univ. of IL to IA St. Univ., but there was no space at Ames, IA, nor personnel for research.)

- **How can you farm and still lower production costs?** [Purdue agronomists provided some answers](#) that may work on your farming operation:
  - ✓ **Shaun Casteel, soybean specialist**, suggested, "We've seen very similar results in our trials from AMS or gypsum on early planted soybeans. Sometimes AMS yields may seem a tick better, but I can't tease out any significant difference. Here's my bottom line: It depends on the price point. If AMS is cheaper, I would go that way. If gypsum is the better deal by price, apply gypsum. As for residue concerns, our trials indicate sulfur is probably helping overcome the carbon penalty more than nitrogen for soybeans. So, again, it comes back to price points. Any soils with less than 2% organic matter are likely sandy textured, so think sulfur for sure. On these soils, we would suggest applying sulfur in the spring from March through planting when field conditions are fit. Occasionally, we've seen a 3- to 5-bushel-per-acre yield hit on heavier ground when we applied 200 pounds of 0-0-60 at planting. If you apply too close to planting. If you need potassium, apply at least a month before planting, especially on sandier ground. Rain dilutes chlorides. Otherwise, you risk burning root hairs, and that impacts nodule development. If you can't make the application in time, consider waiting until soybeans get established and then apply it over the top."
  - ✓ **Dan Quinn, corn specialist**, "One of the biggest pieces for me is genetics. We can treat various hybrids exactly the same and see 20- to 30-bu.-per-acre yield differences. Work with your seed reps and try hybrids from different companies. See what works best for you. Another key piece is likely sulfur, especially where nitrogen rates are higher. Perhaps you need more sulfur as well. Pay attention to interactions between nitrogen and sulfur, and nitrogen and potassium. One thing we're looking at is the possible benefit of applying boron at tasseling and pollination. There is interest in seeing if adding boron with a fungicide makes a difference. Right now, we do not know. One issue with some micronutrients and tissue tests is there isn't a lot of data calibrated with the field readings.
- **Farmers are paying \$1 per ton of fertilizer** in IL as part of a check-off that funds nutrient research at universities. The funding is allocated by the Nutrient Research and Education Council, but the NREC board members want to hear from farmers about what research they would like to see conducted at the Univ. of IL, SIU-Carbondale, and other locations to improve efficiency and protect environmental assets. [Take their survey](#). Early responses will get to the NREC board by Feb. 16, but later responses will still be considered. Visit the NREC web site to view past research projects, at [www.illinoisnrec.org](http://www.illinoisnrec.org).
- **Farmers are being invited to participate** in paid, on-farm trials for neonicotinoid seed treatments. It is sponsored by the World Wildlife Fund to better understand the agronomic, economic, and ecological impacts of neonicotinoid seed treatments in corn and soybeans. This multi-year study will look at how neonicotinoid seed treatments affect crop yield, farm economics, and beneficial insect populations. Over the next 3 years, 8–10 field trials per year will be conducted. Both replicated trials and split-field trials are welcome, and participating producers will receive \$1,000–\$1,500 per trial per year. Results will be shared through field days and partner meetings. An informational webinar is scheduled Feb. 11, at noon. [Registration information is here](#).

- **Dust storms. Highway fatalities. Lost soil.** All of those have made headlines, with increasing frequency. These incidents highlight that soil loss is not only an agronomic issue but also a public safety and environmental concern. Reduced tillage and cover crops are well-established practices to reduce wind and water erosion, and many Illinois growers are considering them. Yet, these systems are often associated with potential yield penalties, says [Univ. of IL crop production specialist Giovani Preza Fontes, and fertility specialist John Jones](#). Soybean establishment in high-residue systems, particularly after high-yielding corn or cereal rye cover crop, can be challenging. Heavy residue can slow soil warming and drying in the spring and around planting time. These cooler, wetter conditions slow the mineralization of organic matter, which in turn can limit early-season N and S availability. This situation can be exacerbated in no-till and cereal rye cover crop systems because the residue can immobilize some of the soil N that would otherwise be available to support early soybean development. In 2024 and 2025, we conducted field trials at 6 sites across central IL and north-central IA. All sites were located on productive soils with 3.7–4.2% organic matter. Grain yield was measured at the IA sites, while the IL sites also included detailed plant and soil measurements to better understand treatment effects during the growing season. The study evaluated four management systems: conventional tillage (CT; fall chisel plus spring field cultivation), fall strip-tillage (ST), no-tillage (NT), and no-tillage with a cereal rye cover crop (NT+CR). Each system was paired with three starter fertilizer strategies: an unfertilized control. Across our IL locations, soybeans generally showed an early-season response to starter fertilizer. Plants that received either N or N+S tended to have a greener canopy and produced greater early leaf area compared to the unfertilized control. Soybean grain yield ranged from roughly 60 to 95 bu. per acre across the 6 locations and 2 study years. Yield differences among tillage systems were also relatively small. When economic considerations are included, differences in partial net return became more pronounced due to the costs associated with each tillage system. This project will continue into its third year (2026).

## **USDA—**

- **The USDA announced a new agreement** with the United Nations World Food Programme (WFP) to deliver up to \$452 mil. in assistance under the Food for Peace (FFP) program. Early in 2025 the DOGE budget cutters eliminated Food for Peace, but apparently there has been a change of mind in the value of the program. An interagency agreement signed in December between USDA and the U.S. Agency for International Development (USAID) authorized USDA to carry out emergency food assistance under the program. That was good news to the American Soybean Assn. “ASA has long supported efforts to move the Food for Peace program to USDA’s jurisdiction,” ASA President Scott Metzger said. “We applaud today’s announcement between USDA and WFP. U.S. soybean farmers play an important role in helping to feed the world alongside other American-grown commodities, and we are glad that our crops will help feed the most vulnerable populations around the world.” ASA looks forward to continuing to support USDA efforts to combat global hunger by ensuring high-quality, high-protein U.S. soybeans and products made with them remain a key component of international food assistance programs.

- **Anyone have a question for the Secretary of Agriculture?** The chair recognizes Vanessa Kummer, ND representative to the United Soybean Board. Vanessa, go right ahead with your question. "I just heard from fellow soybean farmers that the Secretary of Ag denied the reappointments of 4 United Soybean Board directors - all of them are women. 2 of the women were on the executive committee - 1 as treasurer. She also did not appoint a woman who would have been a new director. The secretary took the states' second choices and in essence gutted USB of the diversity of women farmers. We are out here on the farms. We matter. Why is Brooke Rollins stripping us of our voices and our roles in leadership?" "The chair does not have an answer. The floor is open for discussion."
  - ✓ Sara, you are recognized. "I am one of the women who was denied a seat on the board. No one is ever given a reason from USDA/AMS as to why they were not selected. I would like to address a couple of comments. First, thank you Vanessa for talking about this. Second, USB/USSEC CANNOT comment on policy and thus the tariffs. That is up to the American Soybean Association, and they have been one of the few commodity groups to be vocal about the tariffs' impact on US farmers. USB/USSEC are doing an incredible job trying to keep up with all of the tariff restrictions while developing foreign and domestic markets. Yes, there have been times when the second choice from the state has been chosen over the first. (Mostly for political reasons) However not to this extent and not for this glaringly discriminatory reason. Finally, in regard to who is most qualified, I am pretty sure the states put through only qualified individuals, whether they are male or female. The states are the most qualified to determine who they want on USB. All of us who were not reappointed took our volunteer responsibilities very seriously to ensure the best use of checkoff dollars. I won't get reappointed to USB but I sure as hell am going to make some noise!"
  - ✓ The chair recognizes Shireen. "Makes me wonder what will happen in the upcoming years. What would happen if a state's 1st and 2nd were both women?"
  - ✓ Christie, you're next. "What in the world!? I wonder if that has happened before, not approving the states' first choice. What can we do, especially as women farmers, to express our frustration to this news."
  - ✓ The Chair recognizes Theresa. "This is a travesty. Regardless of gender, the states should be allowed to make the choice about their representation. These women are experienced leaders who play central roles in their farms and deserved to retain the seats they earned."
  - ✓ Jana, what is your comment? "There is almost no precedent for this, and it seems only politically motivated. Quality leaders were denied their seat at the table. Sick."

- **Are you (were you) a hemp producer?** After surprising legislation threatened the future of the hemp industry, the USDA's Agriculture Marketing Service has opened a public comment period on the Domestic Hemp Production Program through March 30, 2026. For anyone operating in hemp, cannabis, or regulated alternative wellness sectors, this is a critical opportunity to shape federal policy.

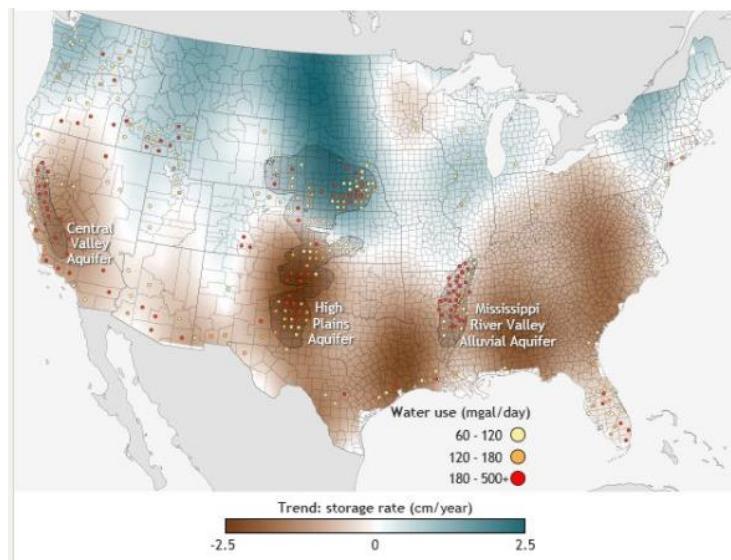
The comment period covers:

- ✓ Hemp licensing and approval processes
- ✓ Testing and compliance protocols
- ✓ State and tribal program oversight
- ✓ Disposal and remediation requirements

This affects producers, processors, handlers, and businesses across all 50 states and tribal territories. If you're in the industry, your input matters. [Submit comments](#) and Reference: AMS-SC-25-0980.

### ***Conservation, Environment, Carbon—***

- **The Ogallala Aquifer** continues to deteriorate. Portions of KS and TX are on pace for complete depletion in 20-50 years. Natural recharge is under 1 in. annually and full replenishment would take 6,000 years. The CA Central Valley, producing 25% of national food supply, pumps groundwater 5x faster than its rate of recharge, says [agronomist Sam Knowlton of Soil Symbiotics](#). US agricultural soils have lost 50% of original organic matter over the last century. Each 1% increase in organic matter allows soil to hold 20,000 additional gallons of water per acre. Losing 3-4% organic matter means farmland now stores tens of thousands of fewer gallons per acre, reducing drought resilience and increasing runoff. Unlike aquifer depletion, the small water cycle can be repaired rapidly. Continuous living roots maintain the pore structure for infiltration. Growing roots open channels, decaying roots leave voids, and root exudates feed aggregate-building microorganisms. A functional and diverse soil microbiome produces biological glues that create water-stable aggregates. These networks increase hydraulic conductivity while enhancing water storage. Permanent soil cover reduces evaporation, prevents raindrop impact from sealing surfaces, and maintains biological activity. Aquifer depletion, in large part, cannot be undone. But restoring the small water cycle offers an immediate opportunity to rebuild and maintain agricultural water security.



- **Are you a corn grower, soybean grower, carbon grower?** If the latter, the recently-implemented Clean Fuel Production Credit is a significant incentive for ethanol producers, renewable fuel facilities, and farmers navigating a period of policy uncertainty and market volatility. The proposed 45Z rule offers a clearer path forward by shifting federal fuel incentives toward lifecycle-based carbon scoring both at the production facility as well as in farming practices, opening new revenue opportunities for both processors and growers. Producers are especially well-positioned to benefit from this transition as the market begins to reward cleaner production, improved efficiency, and documented sustainability practices. Agricultural inputs become carbon assets: Carbon intensity (CI) of feedstocks — including corn, soybeans, animal fats, crop residues, and manure — are better positioned to directly influence the value of the credit, once the USDA ag practice model is finalized and incorporated into the 45ZCF-GREET model. Practices such as no-till, cover crops, improved nutrient management, and higher yields translate into premium low-CI feedstock contracts. There is finally a path of more certainty that farming practices will be included in the CI scoring. As 45Z places a tangible dollar value on carbon efficiency, farms adopting regenerative and low-emission practices will become preferred suppliers for biofuel processors seeking to maximize credit value. “How much of the 45Z credit value ultimately makes its way back to the farmer’s wallet is still a major unknown, and will likely vary by plant, contracting strategy, and regional supply dynamics,” cautions [Keaton Dugan, lead commodity crops advisor at Pinion](#). “At the same time, the specific farming practices that will be required to qualify for a certified carbon intensity (CI) score aren’t fully finalized, leaving producers evaluating which agronomic changes are worthwhile and which may not pencil out.” On the flipside, Dugan praises the movement, “Even with these uncertainties, it’s clear that farmers are becoming key players in the low-carbon energy economy — and that shift represents a major win for the American producer.”

### **Trade, Tariffs, (and USMCA!) —**

- **IL Soy Growers and USSEC were also** pushing soybeans, meal and oil at the International Production and Processing Expo. IL Soy Director Scott Gaffner (looking on,



below) said, “IPPE was a tremendous opportunity to connect with both new and existing customers of U.S. Soy. Conversations like these strengthen relationships and open the door to creating new markets around the world. It was great to see strong collaboration at the show, with the U.S. Soybean Export Council (USSEC), World Initiative for Soy in Human Health (WISHH),

and USA Poultry & Egg Export Council (USAPEEC) all well represented and working together to advocate for U.S. Soy. These partnerships continue to highlight the value, reliability, and sustainability that U.S. farmers bring to the global marketplace.”

- Despite the ambivalence of the White House about USMCA renewal, 40 agricultural groups have launched the [Agricultural Coalition for the U.S.-Mexico-Canada Agreement](#), underscoring the deal's vital role as an economic engine for the U.S. farm economy. The groups are calling for its renewal with targeted improvements. As part of the launch, the



**\$1.9T**

Total of goods and services traded under USMCA.



**\$60B+**

American agricultural exports to Canada and Mexico.  
Nearly 1/3 of all American agricultural exports.



**13M**

American jobs supported by trade with Canada and Mexico.

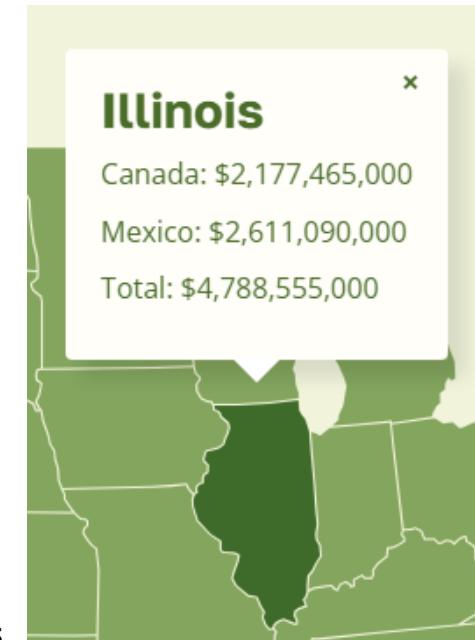


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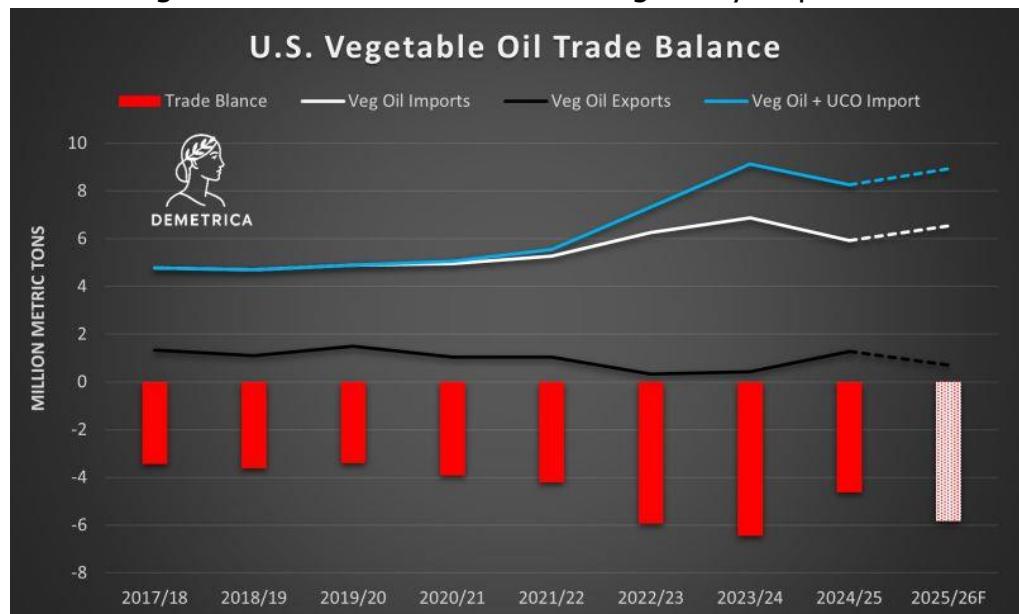
Of U.S. trade-related rail traffic is tied to Canada and Mexico under North American trade flows.

group unveiled a new website and kicked off an aggressive ad campaign in the nation's capital, all of which is designed to promote the benefits afforded to the U.S. ag sector as the administration approaches the mandatory 2026 review. "USMCA is one of the President's signature achievements and has significantly propelled the ag economy," said Bryan Goodman, a spokesperson for the new group. "We're not saying it's perfect, as some changes are warranted, but

we are saying it is of paramount importance to farmers that all 3 countries renew the agreement." The agreement has significantly increased U.S. agriculture exports to Canada and Mexico and provided more certainty between the 3 nations. Under the USMCA, \$1.9 tril. of goods and services have been traded, including \$60 bil.+ of American agricultural exports to Canada and Mexico, according to the coalition. Under the agreement, leaders of all three nations must begin a formal review by this July to determine whether to renew. If renewed, the agreement would remain in effect for an additional 16 years, with another review scheduled for 2032. If the countries fail to reach an agreement and move to terminate, USMCA will expire in 2036. The review could also enter a period of annual consultations with no clear path forward, creating significant uncertainty for the farm economy, the coalition said. The Trump administration, while indicating the renewal of USMCA is not guaranteed, has acknowledged it has been successful to a certain degree. The coalition includes: the American Feed Industry Assn., American Soybean Assn., Corn Refiners Assn., Growth Energy, North American Millers' Assn., North American Export Grain Assn., National Assn. of Wheat Growers, National Barley Growers Assn., National Grain and Feed Assn., National Corn Growers Assn., National Oilseed Processors Assn., National Sunflower Assn., Renewable Fuels Assn., USARice and US Grains & BioProducts Council.



- **The White House said the US will cut tariffs** on Indian goods to 18% after India agreed to stop purchasing Russian crude oil, marking what he described as a major new trade and energy deal between the 2 countries. In a social media post, Trump said India also committed to reducing its tariffs and non-tariff barriers on U.S. products to zero and to buying more than \$500 bil. worth of American energy, technology, agricultural goods, coal and other products over time. Indian Prime Minister Narendra Modi confirmed the agreement in his own post, saying tariffs on "Made in India" products exported to the United States would be reduced to 18%. The announcement drew an immediate reaction in commodity markets, with U.S. soybean oil futures posting solid overnight gains amid expectations of expanded agricultural trade with India, one of the world's largest importers of vegetable oils. Neither government released additional details on timelines or enforcement of the commitments.
- **Former USDA ag economist Agata Kingsbury** shed light on the importance of soybean oil in the Indian market. She says, "When it comes to bulk commodities, the path is narrow. India has one of the largest smallholder farmer populations, and food security remains politically sensitive. Allowing large volumes of GMO food crops would be controversial. GMO food use remains restricted, and any policy perceived as undermining domestic farmers would be politically explosive. India is largely self-sufficient in oilseeds (soybean and rapeseed) and does not need imported protein meal. [Where India is structurally short is vegetable oil](#). Palm and soy oil dominate imports. India already imports soy oil from Argentina, so sourcing from the U.S. would not be a regulatory leap. And in fact, it already happened. In 2024/25, the U.S. exported over 238,000 MT of soybean oil to India, a meaningful volume showing the trade lane can function under the right conditions. U.S. soybean oil exports once exceeded 1 MMT, then



plateaued, and eventually collapsed. Soy oil is the most plausible, but last year's shipments were enabled by temporary conditions, not structural surplus. Without policy clarity, additional crush, and competitive pricing, expectations for a large expansion in U.S. soy oil exports to India may be running ahead of reality.

- **The USDA's Undersecretary for Trade, Luke Lindberg,** arrived in Indonesia over the weekend to begin an agribusiness trade mission. The goal is to expand access to the country's markets for U.S. goods and boost agricultural exports. The delegation includes 41 agribusinesses, trade organizations, and representatives from 4 state departments of agriculture. "While Indonesia was our 11th-largest market in 2024, the opportunities here in the world's 4th most



populous nation can't be overstated," Lindberg said. Indonesia is an upper-middle-income country with a real GDP of \$4.1 tril., an annual growth rate of 5%, and a large, rapidly expanding middle class. The mission is also happening at a critical time, thanks to the landmark U.S.-Indonesia Agreement on Reciprocal Trade, which eliminates tariffs on nearly all U.S. agricultural exports and reduces long-standing non-tariff barriers. Participants include IL Soybean Growers and US Soybean Export Council (USSEC).

- **"For the third year in a row,** the United States will import more agricultural products than it exports. That fact alone should stop us cold. For decades, American agriculture was not just an economic engine—it was a pillar of global stability and a cornerstone of U.S. leadership. Today, that legacy is eroding, and much of the damage is self-inflicted," says Tony Clayton, Pres. of Clayton Agri-Marketing of Jefferson City, MO. "The Trump administration's trade policy did more than disrupt markets; it damaged the U.S. brand. Tariffs imposed one day and lifted the next created an atmosphere of uncertainty that global buyers cannot afford. Agriculture depends on trust, predictability, and long-term relationships. When trade policy swings like a pendulum based on political pressure rather than strategy, international customers don't wait around—they find new suppliers. That uncertainty exposes a deeper problem: the United States no longer has a coherent long-term trade policy. Farmers plan years ahead. Export markets are built over decades. Yet U.S. trade decisions have increasingly been made in news cycles, not time horizons. The result is a system where producers are told to be resilient while policy remains reckless. American farmers, often portrayed as rugged individualists, are not who we pretend they are under current policy. They are no longer competing freely in global markets; they are being backstopped by government checks to offset the damage caused by trade wars. This is not capitalism. It is a form of agricultural socialism—sustained by subsidies that attempt to paper over lost markets rather than restore them. Perhaps most alarming is the loss of America's role as a reliable food supplier. Trade policy is not just about dollars and bushels. It is about credibility, security, and leadership. If America wants to reclaim its role in global agriculture, it must choose strategy over spectacle, trust over tariffs, and long-term vision over political impulse. Otherwise, we will continue importing what we once exported."

- **IL soybean farmers' profit potential** stands to grow as the demand for U.S. poultry and egg exports increases. Growth of U.S. poultry exports is particularly important as the poultry industry is the largest user of soybean and meal among livestock groups, accounting for more than 60% of all the soybean meal produced in the U.S. The U.S. poultry industry exported 7.9 bil. lbs. of poultry and egg products, close to beef and pork combined which is equivalent to 127 mil. bu. of soybean equivalents worth over \$5.84 bil. in 2024, says the IL Soybean Assn.

01

## Soy Markets in Mexico

USAPEEC MEXICO IS WORKING TO INCREASE DEMAND FOR U.S. POULTRY AND EGG PRODUCTS IN MEXICO'S PROCESSING SECTOR AND, CONSEQUENTLY, BOOST THE USE OF U.S. SOYBEAN MEAL. USAPEEC MEXICO HAS IDENTIFIED MEDIUM- AND SMALL-SIZED FOOD PROCESSING COMPANIES INTERESTED IN EXPANDING THEIR PRODUCTION LINES WITH U.S. POULTRY AND EGG PRODUCTS AS MAIN INGREDIENTS. MEXICO IS THE TOP EXPORT MARKET FOR U.S. BROILERS IN VOLUME AND VALUE, HOLDING A MARKET SHARE OF MORE THAN 86%. THIS PROGRAM AIMS TO EQUIP MEXICAN INDUSTRY PROFESSIONALS WITH THE KNOWLEDGE AND SKILLS TO DEVELOP INNOVATIVE PRODUCTS USING U.S. POULTRY. IT ALSO AIMS TO BUILD STRONGER TRADE RELATIONSHIPS BETWEEN THE U.S. AND MEXICAN POULTRY SECTORS.

02

## Soy Markets in India

DEMAND FOR BRANDED, PACKAGED, AND FROZEN POULTRY IS RISING, PRESENTING SIGNIFICANT POTENTIAL FOR U.S. POULTRY, PARTICULARLY TURKEY AND DUCK, AMONG INDIAN CONSUMERS. THE PROJECT AIMS TO ENHANCE AWARENESS AND ADOPTION OF U.S. POULTRY IN INDIA BY POSITIONING IT AS A PREMIUM AND VERSATILE PROTEIN. THROUGH TARGETED OUTREACH AND SAMPLING, THE INITIATIVE PROMOTES THE USE OF U.S. TURKEY AND DUCK AMONG CHEFS AND HOSPITALITY PROFESSIONALS, ENCOURAGING THEIR INCLUSION ON MENUS. AT THE SAME TIME, PROGRAMS TAILORED FOR PROCESSORS WILL SUPPORT THE DEVELOPMENT OF VALUE-ADDED AND READY-TO-COOK FORMATS. THE PROJECT ALSO SEEKS TO EXPAND HOUSEHOLD CONSUMPTION BY SHOWCASING CONVENIENT FORMATS. BY EDUCATING FOOD SERVICE STAKEHOLDERS, CONSUMERS AND SUPPORTING PROCESSORS WITH INNOVATION AND TECHNICAL ASSISTANCE, THE INITIATIVE WILL CONTRIBUTE TO A BROADER MARKET SHARE FOR U.S. POULTRY IN THE COUNTRY.

### MAHA Brouhaha—

- **American Farm Bureau President Zippy Duvall** recently sat down with Make America Healthy Again advocate Robert F. Kennedy Jr. Duvall says farmers must be willing to reach out and engage with supporters and skeptics. "Policy doesn't move on its own. It moves when people show up, build relationships, and tell their stories. That's why engagement matters, especially in agriculture, where decisions are often made far from the farm gate. Recent conversations I've had with leaders like HHS Secretary Robert F. Kennedy, Jr., USDA Secretary Brooke Rollins, and the 4 leaders of the congressional agriculture committees reinforce the importance of having agriculture at the table early. These conversations don't happen by accident. They happen because Farm Bureau is a trusted voice. Our credibility is built on more than a century of grassroots engagement in every county and every state. If you want agriculture to be understood, respected and supported, we have to be willing to show up and speak up for our families, farms and communities." (American Farm Bureau)

- **The Make America Healthy Again Commission** last year released a sweeping strategy that laid out more than 120 initiatives aimed at improving public health, strengthening environmental sustainability and reforming farming practices. While the goals are ambitious, a major question hangs over the plan: How will these recommendations affect agricultural production? [Turner Bridgforth, right, EPA senior adviser](#) for agriculture and rural affairs, said open dialogue and collaboration are critical in sharing the story of agriculture. Bridgforth said he believes the dialogue helped change perceptions of attendees who may have come to the table with less-favorable views of agriculture. "That ability to have open conversation, that dialogue really moved the needle with some of those who have looked at agriculture in, maybe, an adversarial way," Bridgforth said. Bridgforth also encouraged farmers to actively engage in similar dialogue with policymakers and MAHA influencers. "Bring them to your operation. Show them what you are doing, so they have a better sense of it instead of reading a Tweet or something," he said. From an EPA standpoint, Bridgforth specifically spoke about pesticide regulations. He underscored that the agency understands that to have whole healthy plates of food, the U.S. must first have whole, healthy farmers. "You [farmers] must have the tools to compete because of pests and diseases," he said, adding that those types of agricultural challenges do not respect the bounds or timelines of political opinions. Brian Glenn, director of government affairs at the American Farm Bureau Federation, echoed Bridgforth's sentiments about the importance of farmer engagement in MAHA discussions. Looking ahead, Glenn highlighted the proliferation of MAHA-related state legislation, predicting a significant increase in state bills in 2026. He said Farm Bureau is actively tracking these bills and supporting states in managing them.
- **Defending against MAHA**, A coalition of [leading agricultural organizations](#) today sent a [letter](#) to EPA Administrator Lee Zeldin urging the agency to uphold its rigorous, science-based pesticide registration process and ensure timely reviews under federal law. The letter expresses support for the goals of the Make America Healthy Again (MAHA) movement and the MAHA Commission's Make Our Children Healthy Again Strategy, while emphasizing that access to safe, effective, and innovative crop protection tools is essential to achieving those goals. The organizations highlight that science-based pesticide approvals are critical not only to food security and affordability, but also to the long-term sustainability of U.S. agriculture enabling growers to protect yields, use inputs efficiently, reduce losses, and continue investing in environmental stewardship and innovation.



## Farm Bill 2.0—

- **House Ag Chair Rep. Glenn Thompson, R-PA, outlined his Farm Bill 2.0 priorities** at this year's annual meeting of the National Assn. of State Depts. of Agriculture. Thompson told the group, federal agency leaders, and industry stakeholders that his Farm Bill 2.0 draft will cover remaining policy issues.
  - ✓ "We're modernizing the credit title to help more producers have access to the capital that they need.
  - ✓ We're addressing a patchwork of state regulations that have sprung up over the years and overburdened producers. (CA Prop 12)
  - ✓ We're expanding investment into America's rural communities, making sure that they don't get left behind."
  - ✓ And Thompson said he aims to move a Farm Bill through his committee later this month,



"We all need a new Farm Bill. So, I'm going to ask you to keep that in mind as we go into the next couple of weeks and we get this thing across the finish line. The single most impactful thing that we can do to get everyone in agriculture back on track is passing a full 5-year Farm Bill that brings modern policy to the table." Ag Democrats

are skeptical of Thompson's February timeline and struck a preemptive note against controversial measures after earlier GOP efforts to cut SNAP food programs to boost farm program benefits. But Thompson's not backing down, "There's been some talk from my Democratic colleagues on the committee about wanting to avoid any controversial provisions in a new Farm Bill. And I respect them for not wanting to pick fights. But, as chairman of the House Committee on Agriculture, I see it as my responsibility to fight for the American farmer and the American rancher, whether it's controversial or not." Thompson lamented that producers have to wait until October



and the start of the next fiscal year to receive some \$65 bil. under last year's One Big Bill Act, and \$59 bil. of that will go to core farm safety net

improvements. (Berns Bureau, Washington)

- **Senate Ag Committee Ranking Member Amy Klobuchar, D-MN,** (right) appeared to bring some optimism to that goal of farm legislation this month by saying the leaders of each Ag Committee work well together despite the political divide in Washington, D.C. "What you probably heard is that Sen. Boozman, R-AR, (below) and I work really well together, and despite a lot of headwinds, that's putting it mildly, what everyone is facing right now. We have kept those relationships strong. Together, we've worked on bipartisan legislation to get whole milk into schools. We've passed through bills to better manage our forests, through the committees, reauthorize grain inspection, and of course, while we may have disagreed on that bill that passed this summer for various reasons, there were a number of proposals there that were bipartisan and supported by all 4 of us. And of course, our goal now, with all the crises and things that are going on, is that we're able to come together for a bipartisan Farm Bill." At the NASDA Winter Policy Conference, Klobuchar said it will take working together to overcome the challenges facing U.S. agriculture, "Our ability to work together is critically important given the challenges that we're facing right now in rural America. You look at what I already mentioned, the trade policy. I think you all know I am not a fan of the chaos in the commodity markets and the ups and downs and the drying up of markets due to these tariffs, especially hard in my state. We're the 4th-largest state for ag exports. More than one-third of our ag production is sold to customers abroad. Tariffs have made our crops less competitive in international markets, while making the cost of inputs like fertilizer and equipment more expensive." Farmers, ranchers, and all stakeholders in U.S. agriculture need more certainty to do business every day, "Farmers in my state are being asked, as I'm sure there are in many of yours, to make long-term decisions about planting and about what they're going to do and how much they're going to invest when the rules change by the week, or even sometimes by the day. And what I've heard time and time again is that people want certainty, and this has been the opposite. Canada, as I've mentioned before, is a huge problem for a lot of every state but the northern tier. We export more goods to Canada in my state than our second, third, and 4th-largest markets combined. And I have led the bill with Senator Tim Kaine and Senator Rand Paul, and it actually passed the Senate to overturn the tariffs on Canada." (NAFB News Service)



- **The Chairman of the House Agriculture Committee** knows that 2026 is going to be extremely busy. However, Rep. Glenn Thompson, R-PA, (speaking, above) said getting a Farm Bill finished is a top priority, "Our farmers, ranchers, and rural communities don't need another extension of the 2018 Farm Bill. What they need is for us to provide certainty and update our policies to fit current needs, and that means



passing a full 5-year Farm Bill. If you farm and ranch in 2026, things are different than what they were in 2018. Global markets have changed. State regulations are different. There are new Biosecurity threats. The fact is that new challenges require new policy." At one time, Thompson said he called it a "skinny Farm Bill." However, he told attendees at the National Association of State Departments of Agriculture's winter policy meeting that it wasn't the right description, "Early on, I called this remaining portion the Skinny Farm Bill. There's nothing skinny about it. You know, what we did in Farm Bill 1.0 was about 20 % of the policy, but 80% of the investment. And what we're doing now and what we will complete out of the committee by the end of February is 80% of the policy with 20% of the investment, but incredibly important. So, I wisely pivoted to what we're working on, Farm Bill, 2.0, and not the Skinny Farm Bill." There's a lot of work to do yet on completing a Farm Bill, "We're modernizing the credit title to help more producers have access to the capital that they need. We're addressing a patchwork of state regulations that have sprung up over the years and overburdened producers. We're expanding investment into America's rural communities, making sure that they don't get left behind. We're bringing costs down across the board for both consumers and producers, and we're providing greater certainty about the future across our entire ag supply chain." Will the 2 sides of the aisle be able to work out their differences, "There's been some talk from my Democrat colleagues on the committee about wanting to avoid any controversial provisions in a new Farm Bill, and I respect them for not wanting to pick fights. But as Chairman of the House Committee on Agriculture, I see it as my responsibility to fight for the American farmer and the American rancher, whether it's controversial or not. Everything we put in the new Farm Bill is the direct result of traveling around the country and listening to the needs of farmers and ranchers." (NAFB News Service)

## **Agri-Politics—**

- **Is anyone in Washington listening to pleas** from agriculture for help with the farm economy? [Reuters reports](#), "The chair of the U.S. Senate's agriculture committee warned on Tuesday that farmers were suffering heavy losses, while more than two dozen former industry leaders sounded the alarm about the risk of a "widespread collapse of American agriculture" ahead of a \$12 bil. government bailout expected to reach growers this month. Sen. John Boozman, R-AR, (left) said at a conference of state agriculture officials in Washington on Tuesday that farmers growing crops are "losing money, lots of money."
  - ✓ The Trump administration announced the \$12 bil. aid program last year, but it will only cover a fraction of farmers' losses, agricultural economists and bankers said.
  - ✓ The USDA said in a statement to Reuters that Trump was using every tool available to support farmers and ensure they have what they need to continue farming operations.
  - ✓ Bankers reported a nearly 40% jump in new farm operating loans in the fourth quarter of 2025 compared to a year earlier, according to a Federal Reserve survey.
  - ✓ The average size of such operating notes was 30% bigger during 2025 than a year earlier, according to the data by Federal Reserve Bank of Kansas City staff.
  - ✓ The percentage of farmers expecting bad financial times in the next year jumped to 59% in January from 47% in December, according to a survey released Tuesday by Purdue University and CME Group.
  - ✓ The percentage of producers who thought U.S. agriculture would have widespread bad times during the next 5 years climbed to 46% from 24% a month earlier, the survey found.
- **Biofuels secured a double win recently**, while other efforts to help struggling farmers remained unresolved.
  - ✓ A Treasury Department 45Z Clean Fuel Tax Credit proposal and a major new trade deal could give farmers a big boost in the new crop year.
  - ✓ Sen. Chuck Grassley, R-IA, expects India to import more U.S. biofuel, "In the area of energy, I think it includes a lot of ethanol."
  - ✓ Treasury's just-released 45Z Clean Fuel Tax Credit, once finalized, will make it easier for farmers to claim a bigger credit.
  - ✓ And there's a Farm Bill that House Ag Chair Glenn Thompson wants to mark up later this month and says could be a vehicle for year-round E15 and more farm aid.

But Senate Majority Leader John Thune says a filibuster fight over a voter ID bill could stall that and other bills, and we have a lot of things we have to do. There's a housing bill that's awaiting action, hopefully a market structure bill, possibly permitting reform, and a Farm Bill." And the Senate faces another funding cliff over Homeland Security; a fight that affects not just ICE but FEMA, TSA, and the Coast Guard. (Berns Bureau)

- **A broad coalition of trade groups** representing ethanol producers, petroleum refiners, farmers, and retailers sent a letter to the co-chairs of the new E15 Rural Domestic Energy Council calling for swift action on year-round E15 access. "The window for arriving at a recommended legislative solution is short, with the council expected to submit legislative solutions to the full House by February 15," the letter said. "We applaud this expedited time frame as fuel producers and retailers are making decisions now about product offerings over the next year, farmers are making planting decisions, and a legislative fix is needed as soon as possible to provide fuel producers and retailers with a predictable policy framework as we approach the summer driving season." To "achieve a solution in short order," the groups urged the lawmakers to build upon HR 1346, the Nationwide Consumer and Fuel Retailer Choice Act, which was amended and offered by Rep. Adrian Smith, R-NE. →
- **Year-round E15 legislation was sidelined last year** and still has bipartisan support in Congress, despite some concerns that a study panel to save the measure won't be bipartisan. Energy and Commerce Committee member Greg Landsman, D-OH, says the speaker-appointed council formed to find a new year-round E15 deal is about farmers, not party, "This will make a big difference for my farmers, and it will make a big difference for consumers who will pay less for gas." Joining Landsman before the powerful House Rules Committee recently was Rep. Gary Palmer, R-AL, "I think the point of the commission, as Mr. Landsman has pointed out, is to reach a bipartisan consensus, and then bring it through the committee process through regular order." Rules Committee minority leader Jim McGovern was asked if the new Rural Domestic Energy Council would be bipartisan since the Speaker would appoint members, "We're still addressing the details on this, but I anticipate that it will be bipartisan." Which Landsman told McGovern would speed things up if the bill comes back to Energy and Commerce before the House floor, "Whatever we can do to fast track this to get this done, since we're now a year past when it was going to pass, and to do it in a way where Democrats are involved in that, when it gets to E & C, if it does come back to receive regular order, that there are not a lot of debate or amendments, because we all agree to it." That's key, with a looming February 25th deadline to pass a House bill, lingering concerns by oil patch lawmakers, and criticism from biofuel and ag interests over studying year-round E15 further. (Berns Bureau, Washington) →
- **Ethanol backer Sen. Chuck Grassley, R-IA**, says a year-round E15 bill, if it gets out of the House, must be attached to another bill in the Senate to survive. Getting a reworked year-round E15 deal done and out of the House is hard enough given a February 25th deadline. But Grassley says getting it passed in the Senate is a whole other challenge, "Now the House could probably pass a separate bill, but I think that the only way you're going to get this through the United States Senate is part of a bigger bill." Grassley says that's not to get around oil patch senators who killed year-round E15 as part of an earlier spending bill. He says a deal is still needed to satisfy small refiners. Grassley says if that happens, the best vehicle to attach year-round E15 to will be one with the greatest chance of passing, "They're expecting more aid for farmers, part of that 'bridge' program we're debating."

- **On a different biofuel issue**, biofuel and commodity groups welcomed the Treasury Department's proposed 45Z Clean Fuel Tax Credit rule that will make it easier for farmers to claim the credit. The Renewable Fuels Association says the much awaited 45Z proposed rule will help provide the "clarity and certainty" that ethanol producers seek. Troy Bredenkamp is RFA's senior vice president of government and public affairs, "The proposal appears to resolve some of the previous confusion around what constitutes a 'qualified sale,' and begins to integrate the important improvements to 45Z, such as the removal of indirect land use change emissions from the carbon intensity scoring framework." Which will effectively double the value of the 45Z tax credit for soy-based biofuels and provide eligibility for other feedstocks like canola. But Bredenkamp says more work remains, "A new, revised version of the 45ZCF-GREET model. In addition, questions that remain to be resolved around the quantification of emissions related to low-carbon feedstock production at the farm level, and the implementation of the foreign feedstock prohibitions." The American Soybean Association, meantime, urged the EPA to finalize its overdue Renewable Fuels Standard with robust biofuel volumes. Together, ASA says the 45Z tax credit and robust RFS renewable volume obligations will ensure that federal biofuel policies support the farm economy and rural manufacturing. (Berns Bureau, Washington)
- **"Today's 45Z proposed rule is a step in the right direction** toward providing the clarity and certainty that ethanol producers are seeking," said [RFA President and CEO Geoff Cooper](#). "However, much work remains to be done and many questions still need to be answered. First and foremost, ethanol producers are anxiously awaiting a new, revised version of the 45ZCF-GREET model, which will help shed light and provide clearer direction on several critical issues." RFA initially filed detailed comments with Treasury in April 2025, stating that the final 45Z regulations must recognize the realities of today's biorefining and agriculture sectors and the complexities of our nation's transportation fuels marketplace. At the same time, we said, final regulations must maintain an intuitive and manageable approach to registration, reporting, and recordkeeping that creates the kind of dependable value that empowers businesses to invest. Since then, the passage in July of the One Big Bill Act made several changes to improve the tax credit, such as extending its duration and including feedstocks grown in Canada and Mexico. Importantly, it also harmonized indirect land use change emissions with actual data, resulting in zero ILUC penalty for corn ethanol.
- **"Today's long-awaited 45Z proposal** delivers certainty that agricultural and biofuels producers in my district have been waiting for," said Rep. Nikki Budzinski, D-IL (left). "By taking steps to lock in rules through 2029, this guidance will provide a long-term commitment that allows our ethanol and biodiesel producers to plan, invest, and fully benefit from the 45Z tax credit," said Budzinski. "While there is still work to be done to ensure growers producing low-emission feedstocks are rewarded, this renewed clarity is a strong foundation. Together, these policies will grow the biofuels sector, create economic opportunity, and deliver real support for rural America." Rep. Budzinski is co-chair of the US House biofuels caucus.



- **The National Corn Growers Association** reacted positively to a Treasury Department proposal for a tax credit designed to help the biofuel industry sell into the aviation sector. "This proposal is a step in the right direction and will allow corn growers to transition into and supply the aviation sector," said NCGA President Jed Bower (right). "Being able to get fuel into commercial planes with fuel derived from corn would be important to the long-term economic viability of farming." While the credit has been available since January 2025, producers and farmers have struggled to capitalize on it with only minimal guidance. "The agency responded to many taxpayer concerns and resolved some uncertainties from the guidance issued a year ago," said Kurt Kovarik, VP of Federal Affairs for Clean Fuels Alliance. "We anticipate this proposal will provide additional market certainty for biodiesel and renewable diesel producers."

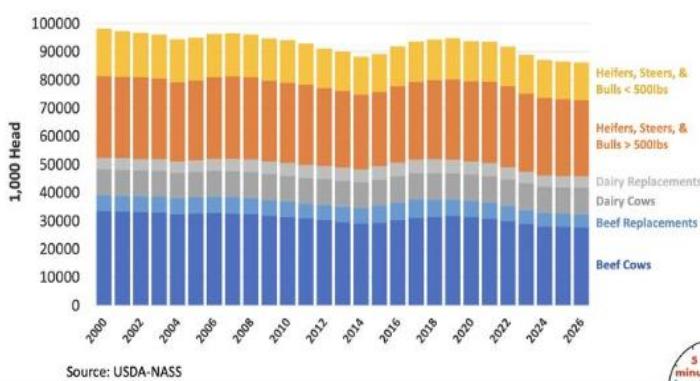


- **Groups representing fuel retailers** across America expressed serious concerns with the Section 45Z Clean Fuel Production Credit. The associations say that 45Z is a giant step backward for American biofuel policy. NATSO, representing truck stops and travel plazas, SIGMA, America's leading fuel marketers, and the National Association of Convenience Stores are urging Congress and the Administration to support simpler biofuel policies that would quickly reinvigorate biodiesel consumption and higher ethanol blends while enhancing the economy and energy market security. "The transition away from the Biodiesel Tax Credit to the 45Z production credit instituted a catastrophic decline in biofuels consumption that hurts the economy," said NACS Deputy General Counsel Matt Durand. "Congress can fix it by bringing back the Biodiesel Tax Credit, with a proven track record of delivering lower prices to consumers while benefiting farmers and biofuel producers."
- **Data from the Energy Information Administration**, analyzed by the Renewable Fuels Assn. for the week ending on January 23, showed that ethanol production dropped 0.4% to 1.1 mil. barrels a day. That's equivalent to 46.8 mil. gal. a day. Still, output was 9.8% higher than in the same week last year and 10.2% above the 3-year average for the week. The 4-week average ethanol production rate dropped 0.1 % to 1.13 mil. barrels a day. Ethanol stocks shrank 1.3% to 25.4 mil. barrels. Stocks were 1.3% less than in the same week last year but 2.4% above the 3-year average. The volume of gasoline supplied to the US market, a measure of implied demand, rebounded 11.8% to 8.76 mil. barrels a day in advance of the winter storm. Demand was 5.5% more than a year ago, and 5.3% above the 3-year average.

## Animal Agriculture--

- **Health Secretary Robert F. Kennedy Jr.** told [cattle producers at the NCBA CattleCon](#) that he wants everyone to eat real food, and cattlemen should grow their herd to be able to provide more beef for consumers. "Rewriting these guidelines took more than 11 months by a team of dieticians who studied his research to justify these changes," he said. Kennedy cleaned house of numerous eminent researchers and health advisors to make way for the recommendations he wanted. 20-plus research projects that were funded by the Beef Checkoff were used to help build the dietary guidelines. While Kennedy admitted President Trump has promised the consumer he will help lower the price of food at the grocery store, he also said no one in the administration wants to import beef. "We need a lot of beef, and we want to do that in America and not export it from other countries," he said. But an [executive order was signed last week](#) importing 80,000 tons of beef from Argentina, said to be an effort to lower consumer beef prices.
- **Like last year,** the USDA January Cattle Inventory report again confirms anticipated year over year drops across most inventory categories with fewer beef cows than any time since 1960 and the lowest total inventory since 1951, says [Farmdoc ag economist Jason Franken](#). He says that continues to impact US consumption, as well as exports, "In light of the smaller inventory numbers, beef production is anticipated to be 1.0% lower in 2026 than last year. Lower availability of beef is expected to constrain U.S. per capita beef consumption to about 58.9 lbs. per person in 2026, compared to 59.0 lbs. in 2025, or around 0.2% lower. Meanwhile, exports are projected to decline again this year, reflecting lower anticipated beef production and the net effects of changes in trade policies by the U.S., Mexico, and China that could result in more South American and Australian beef blocked from entering China and reverting instead to traditional U.S. customers in Japan and South Korea and more U.S. beef going to Mexico. All things considered, cattle prices in 2026 should again exceed last year's records. Quarterly forecasts for slaughter steer prices average \$235.43/cwt, \$243.48/cwt, \$239.33/cwt, and \$235.82/cwt, respectively, for the coming year. For 600–700-pound feeder steers, prices are forecast to average about \$395.23/cwt and \$400.05/cwt in the 1<sup>st</sup> and 2<sup>nd</sup> quarters, respectively, holding at

### January 1 Inventory of Cattle & Calves in U.S.



\$399.26/cwt in the 3<sup>rd</sup> quarter, and tailing off seasonally to \$390.74/cwt in the 4<sup>th</sup> quarter. These forecasts reflect currently low cattle supply and a likely prolonged return to industry expansion compared to the last cycle, as heifer retention still has not started nationwide. However, if domestic demand falters or ever-evolving trade policies further inhibit the

competitiveness of U.S. beef in the world market, then lower prices may be realized."

- **CattleCon 2026** broke the all-time event attendance record, with more than 9,400 cattle producers and industry stakeholders converging in downtown Nashville, TN. The largest event of its kind brings the cattle and beef industry together each year for business meetings, education, and engagement. “It is exciting to see thousands of producers gather together with the goal of moving our business forward,” said NCBA Pres. Buck Wehrbein. “The record attendance demonstrates the dedication our producers have toward driving beef demand and creating policy that secures a bright future for the next generation.” →
- **The CattleFax Outlook Seminar**, held as a part of CattleCon 2026 in Nashville, TN, said there are signals showing changes ahead in 2026. The US cattle and beef industry enters 2026 with strong but volatile market conditions, as historically tight cattle supplies, record-setting beef demand, and elevated policy and weather uncertainty continue to support prices, even as markets appear to be near cyclical highs. “Tight inventories and exceptional demand remain the dominant forces shaping the market,” said Mike Murphy, CattleFax Chief Operating Officer. “However, producer demographics, high input costs, and policy uncertainty point to a slow and measured expansion phase.” The Outlook Seminar’s weather forecast is calling for a transition out of La Niña. In the near-term, drought risks remain elevated across the Southern U.S. and Central Plains, with a 70% chance of intensification. A neutral spring setup may help distribute moisture more evenly, though lingering La Niña effects could limit precipitation in the West. And that is not friendly to the stressed rangelands which have caused the reduction in cattle herds. Dr. Derrell Peel, a livestock market analyst for Oklahoma State University, said the market is likely still trying to find a bottom. “We’re probably stabilizing, but it’s a very slow process,” Peel said. “We’re likely not going to rebuild very fast.”
- **Livestock and poultry producers** across the Midwest are stepping up biosecurity measures as highly pathogenic avian influenza (HPAI) continues to circulate among wild birds and commercial flocks. The USDA confirmed additional detections in poultry operations this week, while state agriculture departments urged producers to limit farm traffic and monitor animals closely. According to the Centers for Disease Control and Prevention, the risk to the public remains low, though outbreaks continue to disrupt egg and poultry supplies. Reuters reported that egg prices remain volatile as producers depopulate affected flocks and rebuild inventories. Industry groups say supply recovery could take months, particularly for smaller producers with limited resources. Farm organizations warned that continued outbreaks could strain rural economies and add costs throughout the food chain. Federal and state officials said they are coordinating surveillance, indemnity payments and response efforts to limit further spread during peak migration season.

- **USDA says it will release glow-in-the-dark sterile flies** along the U.S.–Mexico border to prevent the New World screwworm from spreading north and threatening American livestock. The flesh-eating parasite has recently been detected in northern Mexico, prompting renewed concern among cattle producers and animal health officials. USDA officials said the sterile insect technique, which was used successfully to eradicate the pest from the U.S. decades ago, disrupts reproduction and limits population growth. Ranchers have been urged to monitor herds closely and report suspected cases immediately. Reuters reported that limited production capacity for sterile flies could complicate containment efforts if infestations expand. Livestock groups warn that an outbreak could severely impact cattle supplies and drive beef prices higher.
- **Verified and third-party accountability** of animal well-being builds trust with supply chain partners who purchase U.S. pork for domestic and global consumers. Since 2014, a task force of industry experts has used a consistent, science-based audit grounded in U.S. production systems. The Common Swine Industry Audit, or CSIA, has been maintained and updated by this task force, including a recent update. Stephanie Wetter, director of animal welfare for the National Pork Board, said this audit serves as a single, common audit platform for the industry, “At its core, the CSIA serves as a common language for that understanding of animal welfare across our pork supply chain. It gives our producers, our packers, our processors, and our customers all in that chain a shared, science-based language to understand how our pigs are cared for. We also know that there's an emotional trust component to this. Audits like the Common Swine Industry Audit are going to protect our producers' freedom to operate by helping them to demonstrate that their animals are being cared for, and this is evaluated consistently and in a credible way based on science, rather than with shifting or duplicative expectations from different customers in their supply chain.” Wetter said one of the biggest takeaways from the latest CSIA audit was a shift toward using more positive, welfare-focused language when evaluating animal care, “So, this update to CSA is really flipping that script or that framing around it, and recognizing and measuring how our animals are doing well, not just how many are going to have issues. So, for our producer, this shift is going to better reflect what they're doing every day on the farm, and the hard work that they're doing caring for their animals. We know the vast majority of our pigs are going to be healthy, they're mobile, they're well cared for, and now the audit does a better job of capturing that reality and communicating it.” The CSIA audit is grounded in sound science and validated research methods, demonstrating on-farm practices and positive animal welfare standards that align with the global pork industry, “Over time, we know that these changes are really laying out their groundwork to align with other welfare frameworks like the 5 Domains. 5 Domains is the welfare framework that is internationally recognized by many of our customers and many of the countries that we export to. So, as we continue to align with these broader welfare frameworks, we're going to have, again, more of that consistent language to talk about animal welfare throughout our supply chain.” Producers are encouraged to read more about the Common Swine Industry Audit and updates to the audit at [porkcheckoff.org/CSIA](http://porkcheckoff.org/CSIA).  
(National Pork Board)

## ***Farm and Check-off Organizations —***

- **IL Corn Growers** did not have to look far to identify their IL and US legislative priorities for 2025. "As ongoing economic pressures are facing IL farmers, IL Corn Growers Assn. (ICGA) is advocating for demand growth and family farm profitability. "As corn farmers head into another year of economic downturn, advocacy becomes increasingly more important for agriculture. There are opportunities for our state and federal governments to grow demand for corn. It is the job of IL Corn Growers Assn. to identify, understand, and make these opportunities a reality," said ICGA president Mark Bunselmeyer.
  - ✓ **State issues include:** Renewable Fuel Infrastructure Program; Support Family Farm Preservation Act; Continued funding for the National Corn to Ethanol Research Center and Expansion; Support additional funding for conservation programs; and watching issues, such as: Wetlands; Make America Healthy Again (MAHA); and protect carbon capture & sequestration enabling the opportunity to grow the rural agricultural industry.
  - ✓ **US federal issues include:** Lock and Dam Funding; Farm Bill; Renewable Fuels; and Enforceable Trade Deals. ([more details here on both state and federal issues](#).)
- **The Radicle Corn Challenge** sponsored by state corn organizations is now open, if you have a [new idea for making corn more valuable](#). "We're inviting startups from around the world to apply for \$1.75 mil. in total investment to support technologies creating new demand for corn. The focus is on new uses and new value chains, from materials and chemicals to valorization of corn byproducts and emerging fuel pathways. The IL Corn Marketing Board is one of 11 state organization which have teamed up with the National



Corn Growers Assn. to create new uses for corn. "Corn farmers continue to lead the way in producing high-quality

corn, supplying feed, fuel, fiber and food around the globe," said Joe Roberts, IA Corn Promotion Board President and farmer from Belmond, IA. "As the corn industry continues to expand in Iowa and around the country, the surplus of corn carryout is forecasted to increase, challenging farmer profitability. That's why IA Corn, together with our corn state partners, is proud to sponsor the second Radicle Corn Challenge sponsored by US Corn Farmers. The challenge will once again spotlight breakthrough ideas and bold new demand opportunities for corn. I'm eager to see the startups and growth companies showcase their new technologies, while learning how we can work together to continue finding new uses for corn."

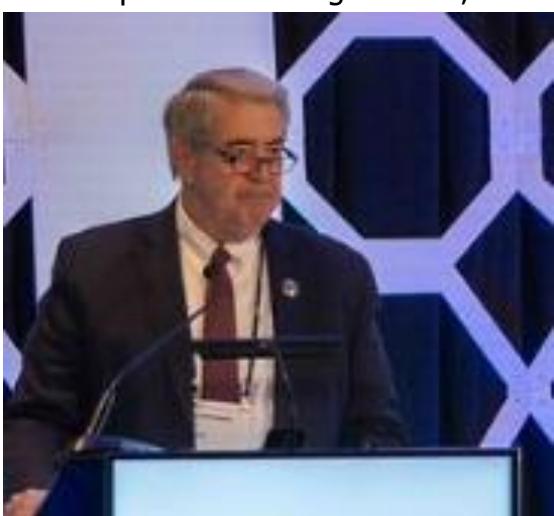
- **IL Corn Growers** expressed relief when a rule called 45Z came out of hiding in Washington, something anticipated over a year ago. Upon the U.S. Treasury's release of the long-awaited proposed final regulation for the 45Z Clean Fuel Production Tax Credit, [IL Corn is pleased to see acknowledgement of future opportunities](#) for farmer participation. Whether or not farmers can participate hinges on the timeliness of the final rule as 2026 management decisions are already made and planning for the 2027 crop will begin soon. IL Corn Growers Association President Mark Bunselmeyer (right) said: "In today's challenging farm economy, farmers need durable market signals and opportunities to build a positive balance sheet. When crafted appropriately, this tax policy can help. I would urge the USDA to finalize its guidance and Treasury to promptly adopt the language, because our members need opportunities to consider changes to their on-farm management that will result in financial gain. ICGA looks forward to continued engagement with agency officials regarding this rule and submitting formal comments to the docket."



- **IL Corn was proud** to join the [Waterways Council, Inc.](#) in Washington, D.C., advocating for long-overdue construction and investment to improve and maintain America's lock and dam infrastructure. Barges don't get a lot of headlines but they're a backbone of our nation's supply chain. America's inland waterways are an irreplaceable transportation network, and for IL corn farmers, they're essential. Nearly 50% of the corn grown in IL is exported out of state, and reliable rivers help keep U.S. agriculture competitive in global markets. Strong waterways = strong markets for farmers. The IL Corn and Waterways Council members lobbied Sen. Tammy Duckworth, Chicago Rep. Delia Ramirez, and Central IL Rep. Nikki Budzinski (pictured below, center).



- **The IL Soybean Assn. is beating its drum.** “IL soybean farmers are once again the top producers of soybeans in the U.S. In 2025, IL farmers harvested more than 639 mil. bu. of soybeans, securing IL the No. 1 slot. “Despite facing the challenges of low commodity prices, unfavorable weather conditions and trade wars, dedicated IL farmers continue to produce high-quality soybeans,” said [ISA Chairman Bryan Severs](#). “We are proud to once again be the top soybean-producing state in the U.S.” In 2024, IL farmers set a record in soybean production at 688 mil. bu. harvested and 10.8 mil. acres planted. In 2025, IL soybean farmers planted slightly less at 10.3 mil. acres of soybeans with an average yield of 62.5 bu. per acre. “Checkoff investments in research and production have equipped farmers with the tools to produce high-yielding, sustainable soybeans,” said Heath Houck, ISA Soybean Production Committee Chairman. Soybeans play a crucial role in the IL economy, serving as a key export commodity and innovation driver through biofuels and new uses being developed.” The runner-up in production was IA at more than 595 mil. bu. produced from 9.4 mil. acres planted.”
- **Precision Conservation Management is growing again.** It is expanding its impact in NE, with support from the [NE Corn Board](#). [PCM](#) is currently hiring 2 Precision Conservation Specialists to serve Nebraska producers in both the Beatrice, NE and Norfolk, NE regions. Those are the newest additions to the program that includes IL, KY, and MO. 12 regional specialists are helping farmers in those states with 10 years of data collected about tillage and fertility practices that are proven to reduce production costs and help profitability.
- **The National Association of State Departments of Agriculture** set its 5 primary policy issues for focus in 2026. They include agricultural labor reform, animal disease preparedness and traceability, the Farm Bill, pesticide regulations, and regional food procurement and distribution. “As the non-partisan, member-led association representing state departments of agriculture, we sit at a unique intersection, where federal policy meets

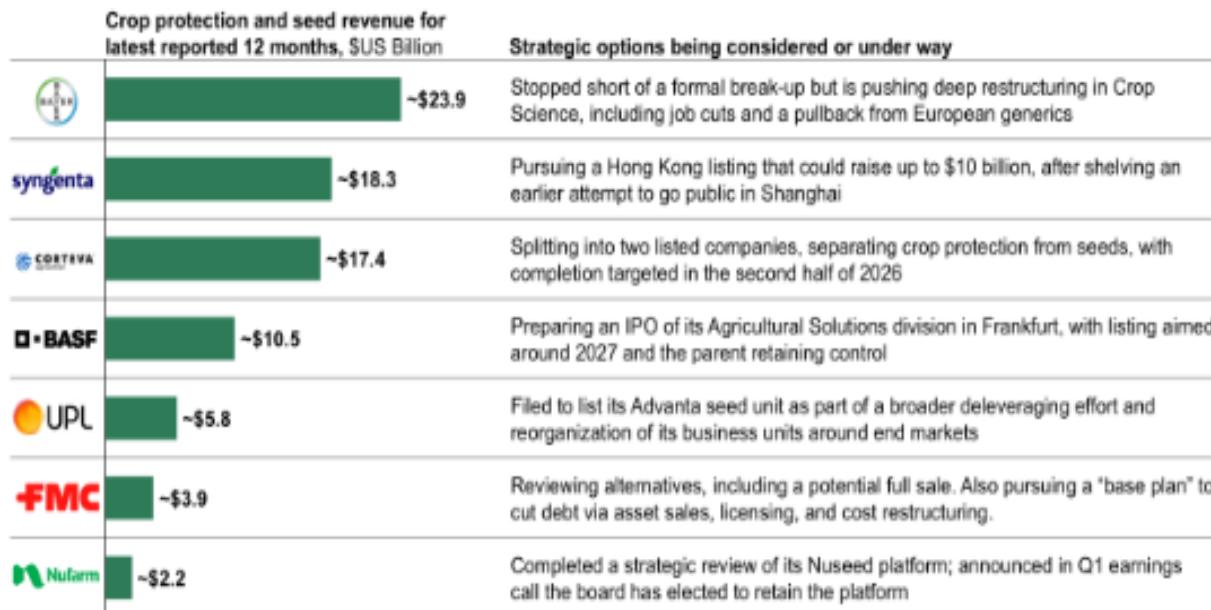


on-the-ground implementation, and where national priorities meet local realities,” said Amanda Beal, NASDA President, and Dir. of the ME Dept. of Agriculture. “These priorities are grounded in what works, what farmers need, and what states know.” NASDA CEO Ted McKinney (left) said the group’s members have designated these priorities as critical to farmers, ranchers, and consumers nationwide. “They also represent key areas where state departments of agriculture are uniquely positioned to lead policy solutions and serve communities across their states,” he said.

## Agribusiness—

- **Is agribusiness getting smaller?** Wesley Davis, chief economist of Meridian Ag Advisors believes, “We’re in the middle of the biggest structural reshuffle in crop protection and seed since the 2015–18 mega-merger wave... only this time the industry is unbundling, not consolidating. FMC just joined the list of companies exploring strategic options, and it’s not alone.” He says FMC just put itself on the auction block, (along with everyone else.)

### Annual revenue and strategic options being considered by major crop protection and seed companies



Source: Public company filings and earnings calls; Meridian Agribusiness Advisors (Data: Feb-26; Pub: Feb-29)



- **“The news about FMC exploring “strategic options,” including a possible sale, is another reminder of the moment we’re living through in the agricultural inputs space,” says [Jorge Fernandez Vidal, a former FMC board member and economic advisor](#).** “These are not easy years for anyone in crop protection or crop nutrition. Volumes are soft, pricing power has eroded, inventories are still working their way through the system, and capital markets have lost patience with volatility. FMC has been under pressure for some time (margin compression, debt, and a pipeline that needs time to mature). A strategic review was almost inevitable. Whether it ends in a sale or simply a reshaping of the portfolio, it speaks to a broader reality...this industry is being forced to rethink its structure. What worries me is that we may only be at the beginning. The combination of biologicals, regulation, shifting farmer economics, and geopolitical uncertainty is reshaping the sector faster than most boards expected. The next 24 months will likely bring more moves like this: reorganizations, carve-outs, mergers, and a few surprises. The reality is that the whole sector is being repriced. None of this is temporary. I think we’re moving into a world where the old assumptions about growth, margins, and global reach simply don’t hold in the way they used to.”

## **Technology—**

- **Farmers got what they had been asking for**, and [EPA Administrator Lee Zeldin](#) says they can make any engine and fuel adjustment they wish. The U.S. Environmental Protection Agency (EPA) released [guidance](#) to manufacturers reaffirming the agency's position that the Clean Air Act (CAA) supports—rather than restricts—Americans' ability to repair their own farm equipment. For years, prominent equipment manufacturers have interpreted the CAA's emission control anti-tampering provisions as preventing them from making essential repair tools available to all Americans. As a result, instead of making a repair in the field or at a nearby independent repair shop, farmers have been forced to take their equipment to manufacturer-authorized dealers to be fixed. Not only has this made repairs more costly, it has also caused many farmers to opt for older agricultural equipment that lacks modern emission controls simply because they can fix that equipment themselves. The guidance could not be more clear—manufacturers can no longer use the Clean Air Act to justify limiting access to repair tools or software. This includes making repairs to Diesel Exhaust Fluid (DEF) systems on nonroad diesel engines. EPA is working to build upon the DEF [guidance](#) it released last summer, which reversed deratements and protected diesel equipment operators from DEF system failures. In the meantime, the right to repair guidance will allow farmers to fix broken DEF systems at home or in the fields, saving them time and money.” →
- **A new federal clarification** has added momentum to the right-to-repair debate, with the Environmental Protection Agency confirming that farmers and independent mechanics can temporarily override emissions controls while repairing agricultural equipment. In guidance issued this week, the EPA said tools and software used to take equipment out of its certified configuration for diagnostics or repairs do not violate the Clean Air Act, as long as emissions systems are restored afterward. Supporters say the move removes a major legal gray area that has limited farmers' ability to fix modern tractors and combines without manufacturer-authorized dealers. The issue has been central to years of disputes between farm groups and equipment makers over access to repair tools, software and manuals. Industry groups have warned that broader repair access could lead to emissions tampering or safety risks. The EPA action comes as Congress weighs bipartisan right-to-repair legislation and several states move to expand repair access, signaling growing federal engagement in a long-running fight over equipment ownership and control. →
- **The Small Business Administration** estimates the change could save farmers up to \$48 bil. nationwide, cutting repair costs and reducing downtime during critical weather windows. Rollins said it shouldn't be a challenge for farmers to get their equipment repaired promptly, In America, the timely, affordable maintenance of agricultural equipment should not be a luxury. It should be a given.” Federal officials say the guidance takes effect immediately, giving farmers more flexibility to get equipment back in the field — when timing matters most. (KWMT radio)

- **Most farms are not asking the right question about autonomous machinery.** The issue isn't whether the technology works — it's whether it's economically competitive under real farm conditions. A new [Purdue analysis](#) used a whole-farm optimization model to compare autonomous machinery with conventional equipment on a Midwestern corn/soybean operation. Under current assumptions, autonomy generally doesn't outperform traditional systems unless labor wages reach very high thresholds. The findings suggest adoption is more likely to begin in specialized use cases or where labor constraints are binding — not as immediate whole-farm replacement. Under today's performance assumptions, labor wages would need to rise above \$140 per hour before autonomous machinery generates higher returns than conventional equipment. Instead of focusing only on engineering performance, the study looked at the full business picture, including:
  - Field efficiency of autonomous machines
  - Initial hardware purchases
  - Ongoing software or subscription fees
  - Labor requirements and wage rates
  - Machinery and whole-farm logistics

### ***The Labor Dilemma—***

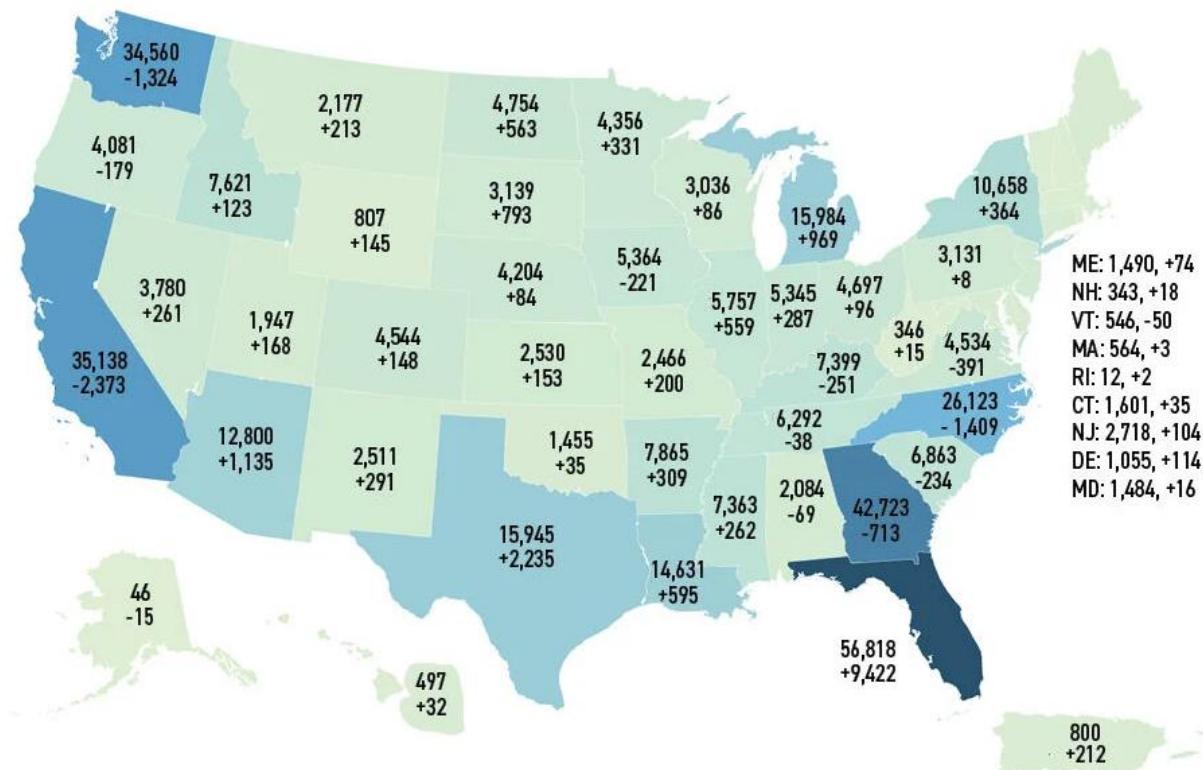
- **The shortage of a skilled and reliable workforce** is the single greatest threat to agriculture. That was the message American Farm Bureau President Zippy Duvall delivered to leaders of Congress last week., describing the challenges facing more than 5 mil. Farm Bureau members across the country. In a [letter](#) to Senate Majority Leader John Thune, Minority Leader Chuck Schumer, Speaker of the House Mike Johnson and Minority Leader Hakeem Jeffries, Duvall said a lack of workers will ultimately affect the availability of healthy food. “The problem is growing more urgent each year,” Duvall

said. “The Department of Labor’s National Agricultural Workers Survey shows that most agricultural workers are foreign-born, and many lack a stable legal path to remain working in U.S. agriculture. Meanwhile, the national labor market remains exceptionally tight, with low unemployment, low labor force participation and limited interest in agricultural jobs from domestic workers. U.S. agriculture simply cannot meet its entire labor needs to sustain production under the current system. Farmers and ranchers have been waiting for a comprehensive workforce solution for decades. With a secure border, broad support among stakeholders, and growing bipartisan interest in finding a permanent fix, this is the best opportunity in a generation to enact reforms that will strengthen the nation’s food supply, protect workers, and preserve rural communities.”



- Over 5,700 farm labor positions were certified in IL for the 2025 calendar year for foreign workers under the [H-2A program](#). That is a more than 500 people increase from the prior year. During fiscal year 2025, 559 more positions were certified in IL over fiscal 2024, bringing the total to 5,757, according to an American Farm Bureau. Nationwide, 398,258 positions were certified in fiscal year 2025 — 13,358 more positions than 2024. The H-2A program has grown 185% in the last 10 years. Nearly 50% of the certifications in 2025 work in just five states: FL, GA, CA, WA and NC. The primary requirement of any H-2A certification reaffirms that no domestic workers desire the position. Low unemployment, falling labor participation rates and general disinterest in agricultural work all continue to strain domestic labor shortages. The costs of using this program, from unpredictable wage increases to application costs and nonwage benefits, have also long been a barrier for many farmers. Recent changes to the adverse effect wage rate methodology seek to correct years of uncontrolled wage inflation and recognize the large nonwage costs of utilizing the H-2A program. House Ag Committee Chair Glenn Thompson, R-PA, said he plans to soon release a discussion draft on H-2A reform for review, with legislation possibly being introduced during the first quarter of 2026. (Map from American Farm Bureau.)

## H-2A Positions Certified FY 2025



- **The debate over immigration reform and ag labor** has some big holes on both sides of the argument. Washington Post columnist Megan McCordle was the keynote speaker at the Washington State Tree Fruit Association's Annual Meeting, and immigration was a key talking point. But the debate, McCordle says, has not been practical, "I think that the debate in Washington has been so theoretical. It has been, you know, progressives who have this 'moral' idea that we just owe everyone the opportunity to come here. I'm sympathetic to that. It's a beautiful sentiment. But you ask, okay, well if 300 or 400 mil. people showed up tomorrow, where would we put them?" Then Republicans want answers for our labor challenges, "If you don't get the guestworker programs right, if you don't get all of these details right, what happens to the food, to the housing that we want to build, to the voters who are going to be extremely angry if their grocery bills go up any further?" And their response is Americans should get those jobs, "The idea that you're just going to ship random people who've never done this out there. And also, our unemployment rate is 4.5%, so where are you getting all of these Americans? What other jobs do you not want them to do so that they can pick fruit?" McCordle says this just builds on everyone's frustration. (NAFB News Service)
- **Has ICE been to your farm looking for employees to deport?** [The National Agricultural Law Center conducted a webinar last week](#), featuring an attorney practicing employment-based immigration laws in agriculture, and how to prepare for worksite inspections and enforcement actions, strengthen hiring and Form I-9 practices, and establish internal protocols for unexpected government visits. Inquire if the free webinar was recorded.
- **Walt Duflock, senior vice president of innovation** with Western Growers, says it's a challenging time for ag labor. While the domestic labor supply has dwindled, more growers have used the H-2A guestworker program, he says. "Every time we turn around, we're talking about labor shortages in the fresh produce industry," he says. "How bad is it? It is bad, and it's not getting better." [Duflock, whose organization represents around 2,300 growers](#), says those growers using the H-2A guestworker program have additional regulatory costs, which have caused wages to skyrocket. "A lot of folks said, boy, when we get to \$20 an hour for farm labor, that's going to be Armageddon," he says. "Well, we zip right past that with H-2A because you throw an adverse effect wage rate, which is the minimum wage for those folks, into the mix. That's almost \$20. And then you house them, you transport them and you feed them. That's \$28 to \$30. So, the fastest growing percentage of CA labor right now is the highest cost part of it. And there's no end in sight." Duflock says an analysis by CA Polytechnic St. Univ. at San Luis Obispo, calculated the true costs of ag labor. In 2005, that figure was \$109 an acre. In 2017, that number jumped to \$977 an acre. In 2024, that figure came to \$1,600 an acre. "Same farmer, same operator, same crop, 20 years apart, \$1,600 per acre per year," he says of which is about 80% in labor. So, what is the industry to do? Duflock says it's simple: automate or relocate.

## ***Farm Family and Rural Life Issues—***

- **Federal lawmakers are demanding answers** from the National Future Farmers of America (FFA) over funding it gets from Syngenta, which the conservative members of the



House Ways and Means Committee characterize as a partnership with a Chinese Communist Party-controlled agribusiness. They are also attacking FFA for its philosophies that all students are welcome, which conflicts with White House policies against diversity, Equity, and Inclusion. House Ways and Means Committee Chairman Jason Smith, R-MO, and Reps. Tracey Mann, R-KS, and David Schweikert, R-AZ, sent a letter to National FFA chief executive Scott Stump

demanding documents and answers related to Syngenta's role in shaping internal policies and the FFA's compliance with federal tax law. The Congressmen wrote, "Working with our nation's foreign adversaries and prioritizing woke policies over your mission raises serious concerns regarding whether the National FFA is complying with the requirements to maintain tax-exempt status." The lawmakers devoted a significant portion of the letter to detailing Syngenta Group's ownership structure and its ties to the Chinese government. Syngenta has been wholly owned since 2017 by China National Chemical Corp., or ChemChina. Syngenta is a major supplier of many chemical products, and a majority of farmers have used one or more Syngenta branded products for the past 9 growing seasons. Seeds, such as Golden Harvest, NK, Northrup King, and many herbicides, such Accuron, Callisto, Dual, and Bicep, plus fungicides, and insecticides which protect crops. Against that backdrop, lawmakers said Syngenta's access to FFA leadership, programming and students raises concerns about the influence a Chinese state-owned company could exert over future American agricultural leaders. "The Chinese Communist Party has a well-documented history of economic espionage to steal biotechnology and agriculture-related intellectual property, and the fact that the National FFA has provided one of their state-owned companies direct access to the future leaders of America's farming industry is alarming," the letter states. The lawmakers also criticized [FFA's embrace of DEI initiatives](#), arguing the programs risk shifting the organization away from agricultural education and toward identity-based priorities that could divide students. They questioned whether Syngenta's role in DEI-related efforts gave the company undue influence over FFA's strategic direction. The National FFA quickly responded, "The [National FFA Organization](#) is a nonprofit, non-partisan organization that serves to make a positive difference in the lives of students by developing their potential for premier leadership, personal growth, and career success through agricultural education. While FFA accepts support from generous donors and sponsors throughout the agricultural and agri-business community, it does not and cannot advocate the views for any donor or sponsor. FFA has received a Congressional inquiry about one of our sponsors, and it intends to cooperate fully. As this is an ongoing investigation, FFA will have no further comment." ([WCIA/3 television video version](#))

- **The National FFA Organization is proud to announce** a new way for people to support the next generation for this year's Give FFA Day. It's called [ChapterBoost](#). The ChapterBoost program showcases local FFA chapters and their goals for hands-on learning, leadership development, and agricultural education, giving donors the opportunity to make an immediate impact by selecting a project to support directly through crowdfunding for an individual chapter. The annual Give FFA Day will be held on Thursday, February 26, during National FFA Week. "We're setting our most ambitious goal yet to raise \$1.75 mil. on Give FFA Day," said Kimberly Coveney, senior manager of individual giving for the National FFA Foundation. "Every dollar donated helps open doors for our more than one mil. members by funding programs, leadership development, and experiences that prepare them for careers in agriculture and beyond."
- **Are there any young folks in your family interested in agriculture?** 300 of them who attend IA community colleges or are high school seniors in FFA, reported their career preferences in a career day, organized by the [Agribusiness Assn. of IA](#):
  - ✓ Which area of agriculture interests you most?
    - 33% — Animal Science
    - 31% — Agronomy / Crop Production
    - 13% — Ag Business / Finance
    - 12% — Equipment / Precision Ag
  - ✓ Aside from pay, what matters most when choosing a career in agriculture?
    - 30% — Opportunities for Advancement
    - 19% — Job Stability
    - 17% — Making a Difference
    - 16% — Working Outdoors
    - 14% — Staying Close to Home



- **Rural Congress members from IL and KS** have introduced the More Behavioral Health Providers Act to expand access to mental health and substance use disorder care in areas struggling with a shortage of mental health professionals. The bipartisan legislation would expand eligibility for incentives under Medicare's Health Professional Shortage Area (HPSA) Physician Bonus Program to include physician assistants, nurse practitioners, mental health counselors, and other behavioral health professionals who provide mental health or substance use disorder services in a mental health HPSA. "Millions of Americans struggle to access mental health care, especially in the rural areas I represent in Central and Southern IL," said bill sponsor Rep. Nikki Budzinski, D-IL. "As demand for care grows, we need real solutions to help recruit and retain mental health professionals in the communities that need them most. Our bill will modernize Medicare's workforce incentives to better reflect how care is delivered and, in turn, increase access to these essential services." "Americans deserve access to affordable, quality care no matter their zip code," said the other sponsor, Rep. Tracey Mann, R-KS. "The More Behavioral Health Providers Act takes a practical step toward expanding access by ensuring qualified behavioral health professionals are eligible for existing Medicare incentives when they choose to serve in high-need communities. This bill strengthens the workforce we already have, respects scope of practice, and helps make sure patients can get the care they need close to home." You can find text of the More Behavioral Health Providers Act [HERE](#). A companion bill is pending in the US Senate.

### ***Food and Nutrition Issues—***

- **In the wake of the Superbowl**, the National Farmers Union called for a level playing field when it comes to food, and is launching its [Fairness for Farmers](#) campaign. The "Farmer's Share of the Food Dollar: Super Bowl Edition" report highlights how little family farmers earn compared to how much consumers pay at the grocery store.

Items	Retail Price	Farmer's Share
Chicken wings 48 oz.	\$13.99	\$0.21
Ground beef 1 lb.	\$5.99	\$2.21
Salsa 16 oz. jar	\$2.49	\$0.55
Soda 2 liter bottle	\$1.29	\$0.06
Sliced cheese 8 oz.	\$5.79	\$0.95
Beer 12 pack, 12 oz. bottles	\$16.99	\$0.11
Tostitos tortilla chips 10-12 oz. bag	\$5.49	\$0.21

- **While Sunday's big game was the main focus** for millions of people, what they ate during the game will be a close second. The NFL championship represents the second-highest day of food consumption, trailing only Thanksgiving. "As fans gather around their TVs on Sunday, it's worth remembering that every bite reflects far more than what's on the plate," said a Market Intel report from the American Farm Bureau. Farmers grow corn for tortilla chips, potatoes for potato chips, and poultry for chicken wings. Dairy farmers help provide ingredients for pizza, queso dip, and charcuterie boards. "Farmers are proud to grow the food America's families enjoy during their watch parties," said AFBF President Zippy Duvall. "There will only be one winner on Sunday, but everyone wins when we protect America's food supply chain and ensure that farmers can stay in business until markets improve."
- **New England is known for its clam chowder**, while Seattle is famous for salmon tossing in fish markets. However, when it comes to the Super Bowl, nothing is hotter than chicken wings. The National Chicken Council released its annual Chicken Wing Report, which projects Americans will eat 1.48 bil. chicken wings while watching the Patriots and Seahawks battle for the Lombardi Trophy. This figure represents an increase of about ten mil. more wings than last year's game. "Football is for food, especially when it comes to the Super Bowl, where wings rule the roost," said NCC Spokesman Tom Super. "For football fans looking to add protein to their spreads at an affordable price, wings are kings of the Super Bowl menu." Laid end to end, the 1.48 bil. chicken wings would stretch about 27 times from Gillette Stadium in Foxborough, Massachusetts, to Lumen Field in Seattle, Washington.
- **Super Bowl Sunday is consistently one of the highest demand days** for food across the U.S., supporting the farm economy. Faith Parum, an economist for the American Farm Bureau Federation, said Super Bowl Sunday can really reflect the abundance of American agriculture, "We have chicken wings, cheese, chips, pizza, guacamole, and all different kinds of snacks that Americans will eat this Sunday, and those are coming from farmers and ranchers across all of our 50 states and Puerto Rico, and so that's really helping show the diversity and strength of US American ag." However, as folks come together to watch the big game, it's important to remember that the farmers supplying the spread face rising production costs and tight margins, "A lot of farmers and ranchers across the system and the country are not making money. We can think about corn and wheat farmers who are projected to lose money per acre, and that continues across specialty crop growers like potatoes, tomatoes, avocados and so all of this is really showing the financial strain on the farm economy." Parum said something to keep in mind is that farmers receive only a small share of every food dollar spent at grocery stores, "They received about 15.9 cents for every dollar spent on food. The rest of that dollar spent went to things like marketing costs, processing, transportation, and so even though there's strong demand around the Super Bowl for U.S. ag products, not all of that is going to the farmers, and so financial pressure is continuing to build for farmers and ranchers across the country." (American Farm Bureau)

- **A shift in consumer demand** is sparking a significant change at the Associated Milk Producers, Inc. plant in Blair, WI. The plant will transition this year from traditional cheddar cheese production to high-capacity cottage cheese manufacturing. Sarah Schmidt, the vice president of marketing at AMPI, said they're very excited about the change, "It is a significant change for the Blair team, definitely recognizing that, but it's very exciting in the sense that we are moving from cheddar cheese to cottage cheese production, and that is absolutely a direct result of the growing demand for cottage cheese. My social media feed is filled with uses of cottage cheese, and that is directly connected to wanting to boost protein intake in our daily diet, and cottage cheese is one of those ways you can do that, and it definitely serves as a good ingredient." While they're excited about the change, it's going to be quite a process to accomplish it, "And that's why it is definitely impacting the team in Blair. We announced on Friday that the transition of production equipment will mean the plant will experience a temporary downtime. That downtime is going into effect on April 1. It does involve a temporary layoff of the employee team. The plan is for the equipment to arrive to be installed, quite a bit of different equipment, as you might imagine, in the production of cottage cheese, and the packaging that's needed for that cottage cheese. The project is scheduled to wrap up by the end of the year, such that we're back to regular production to begin 2027." Milk heading to the Blair plant will be sent to other locations, "And that's the beauty of having a co-op with multiple manufacturing locations. So AMPI has plants in Jim Falls, WI, Paynesville, MN, and Sanborn, IA. But you really want to get that milk to a processing plant within as few miles as possible. So, we're going to be working with area manufacturing plants to either sell the milk to another product or do a milk swap in other regions that are closer to AMPI plants. We're going to continue to receive all the milk that's being produced by AMPI members in that Blair area. It's just going to have a different endpoint for a period of time, but ultimately, their milk is going to be made into some of the best cottage cheese in the country and maybe even the world by the time we're done with it." They're also working with Blair employees to find new opportunities, So, we want to make sure that employees are aware of the resources the co-op is making available to them. First and foremost, there are other open opportunities at AMPI plant locations that they can consider, and that's something as close as Portage, Wisconsin, for example. Yep, it is a drive from the Blair area, but not too much of a drive if you want to maintain with AMPI. And the neat thing about the Portage plant is we are in the final days of completing a massive rebuild project at that plant." The layoffs will impact 86 employees as the facility is upgraded. Dairy Herd Management points out that the majority of affected workers are represented by the local Teamsters Union. Under their collective bargaining agreement, these employees maintain layoff and recall rights, ensuring they have a path back to their jobs once the plant resumes operations. (WRDN radio)

## **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, until 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](#).
- **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 from 11 am to 12 noon.
- **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](#).
- **IL Extension will host** the Dudley Smith Farm winter meeting Feb. 10 at the Christian Co. Extension office. Registration at 9 am, and program ends with lunch. Presentations will be on cattle production, profitability, market outlook, and a soil health panel. [Details here](#).
- **The National Farm Machinery Show** begins Feb. 11 at Louisville's KY State Fairgrounds. [Tractor pull ticket info](#). [Event details](#) . [Exhibitor list](#). [60<sup>th</sup> anniversary](#). Show ends Feb 14.
- **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.
- **IL Farm Bureau's Governmental Affairs Conference** is set for Feb. 17 at the BOS Center in Springfield, from 8 am to 2 pm. County Farm Bureau Offices have details.
- **The IL Pork Producers Assn.** has its annual meeting Feb. 17 at Springfield. Top leaders of the National Pork Board and National Pork Producers Council will speak, along with US House Ag Chairman Rep. Glenn Thompson. [Registration is required for the Swine Mixer](#).
- **The IL Soybean Growers** will hold a marketing webinar on Feb 17 from 10 am to 11:30 am. Univ. of IL Farmdoc ag economist Joe Janzen and Barchart senior economist Darin Newsom will discuss margins, price dynamics, and suggest marketing strategies. [Details](#).

- **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. Program details.](#)
- **The Illinois Beef Expo** is set for the [IL State Fairgrounds, Feb. 19-22, 2026](#). The IL Angus Assn. will hold its Annual Banquet and Conf. Feb. 20 at the IL Building, IL St. Fairgrounds.
- **The AISWCD** will be hosting an Advocacy Day on behalf of the Soil and Water Conservation Districts at the Capitol on Tuesday, February 24, 2026. For all registration-related questions, please reach out to [rebecca.sadaj@aiswcd.org](mailto:rebecca.sadaj@aiswcd.org).
- **Commodity Classic** is set for February 25-27 in San Antonio, TX, with a 30<sup>th</sup> birthday celebration. [Details \(to date\) and registration information are here.](#) The 2026 catch phrase is: “3 days. Thousands of farmers. 1 goal: leaving with strategies that actually work.”
- **Extension’s Crop Management Conf.** will be on-line this year, and available from Mar 1- Apr. 30 with the latest research updates to improve productivity and output of crop science experts. Full event details and registration are available at [go.illinois.edu/CMC](http://go.illinois.edu/CMC).
- **Sustaining your farm legacy** will be the focus of several 2026 meetings beginning Mar. 2 and on-line programs, being jointly presented by Extension and IL Farm Bureau, for IL farmland owners and agricultural stakeholders. [Details, dates, and registration are here.](#)
- **Farmdoc ag economists** will be the featured speakers at the WILL Agriculture Day Mar. 3 to be held at the Beef House in Covington, IN. Program from 7:30 am Central time to 2:30 pm. Topics cover: Weather, Markets, South America, Weeds, Budgeting, Crop Insurance. [Details and registration here.](#)
- **The Central IL Marketing Club** will hear from Dr. Joana Colussi of Purdue Univ. about Brazil’s ability to supply all of China’s soybean needs at its Mar 3 meeting. The Brazilian native, formerly with the IL Farmdoc staff, will address the Marketing Club via a video link at 6:30 p.m. Anyone wanting to view/listen, send a request to: StuAgNews@aol.com.
- **IL State Ag Product Expo** will be March 7 & 8 at the IL State Fairgrounds in the Expo Building on Main St. [Details and registered exhibitors are located here.](#) Event also features IL winemakers.



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