



## WEEKLY CORNBELT UPDATE

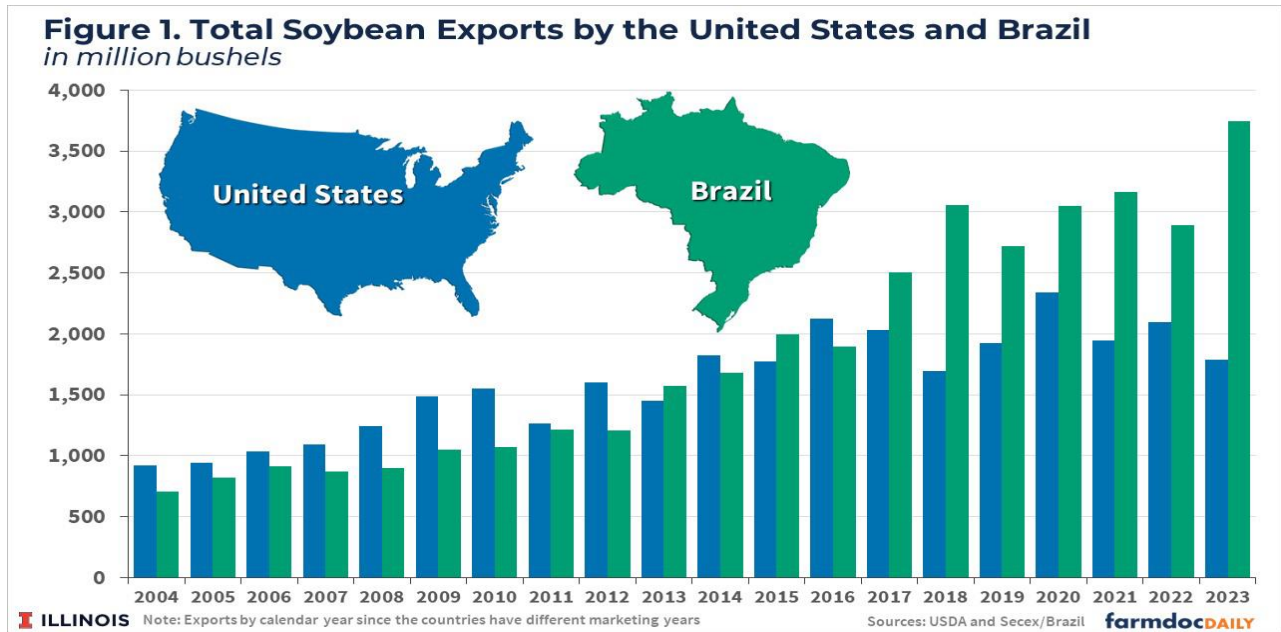
PRESENTED BY  
 LANAGAN State Bank

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

### **Commodity market price drivers—**

- **“The popularity of soybeans with US producers,** as they plant the 2024 crop, has put pressure on prices, particularly following an upward revision to the USDA’s planted area forecast. Big Brazilian and Argentine production at the same time as softening Chinese demand also contributed to the forecast,” says [World Grain](#). In a paper, “Grains and Oilseeds Outlook for 2024,” published Feb. 15 at the Agricultural Outlook Forum 2024, the USDA said: “Soybean area is expected to increase as demand for soybeans in the United States is expected to be driven by stronger demand for domestic crush — largely driven by growth in biofuel use — while exports likely face competition from supplies in South America during the 2024-25 US marketing year. In its Feb. 19 Arable Market Report, Britain’s Agricultural and Horticultural Development Board (AHDB) said that “pressure continued on Chicago soybeans futures (May 2024) as the contract ended down 1.2% across the week. Adding to price pressure was improved South American crop prospects, lackluster demand and insight into 2024-25 US soybean plantings,” the AHDB explained. “Widespread rains across Argentina’s agricultural region over the last 7 days has bolstered the soybean supply outlook. Many agricultural consultancies peg this crop at 1.84 bil. bu. or more; the Buenos Aires Grain Exchange estimates the crop at 1.93 bil. bu. Weather throughout the end of January and February has been ideal for growing conditions. This large crop is outweighing some of the crop losses from Brazil. At the same time, “demand, it has been weakening from China as a shrinking pig herd reduces demand for animal feed,” the AHDB said, noting that US soybean export sales for 2023-24 (through Feb. 8) were estimated at 12.5 mil. bu., up 4% from the previous week, but sales are down 23% from the prior 4-week average, and at the low end of trade estimates of 11 mil. to 30 mil. bu. The National Oilseed Processors Association (NOPA) reported the January US soybean crush figures at 187 mil. bu., explaining that “This is down 4.9% in comparison to December’s record and more than was expected, but the January 2024 figures remain up 3.8% from a year ago.”

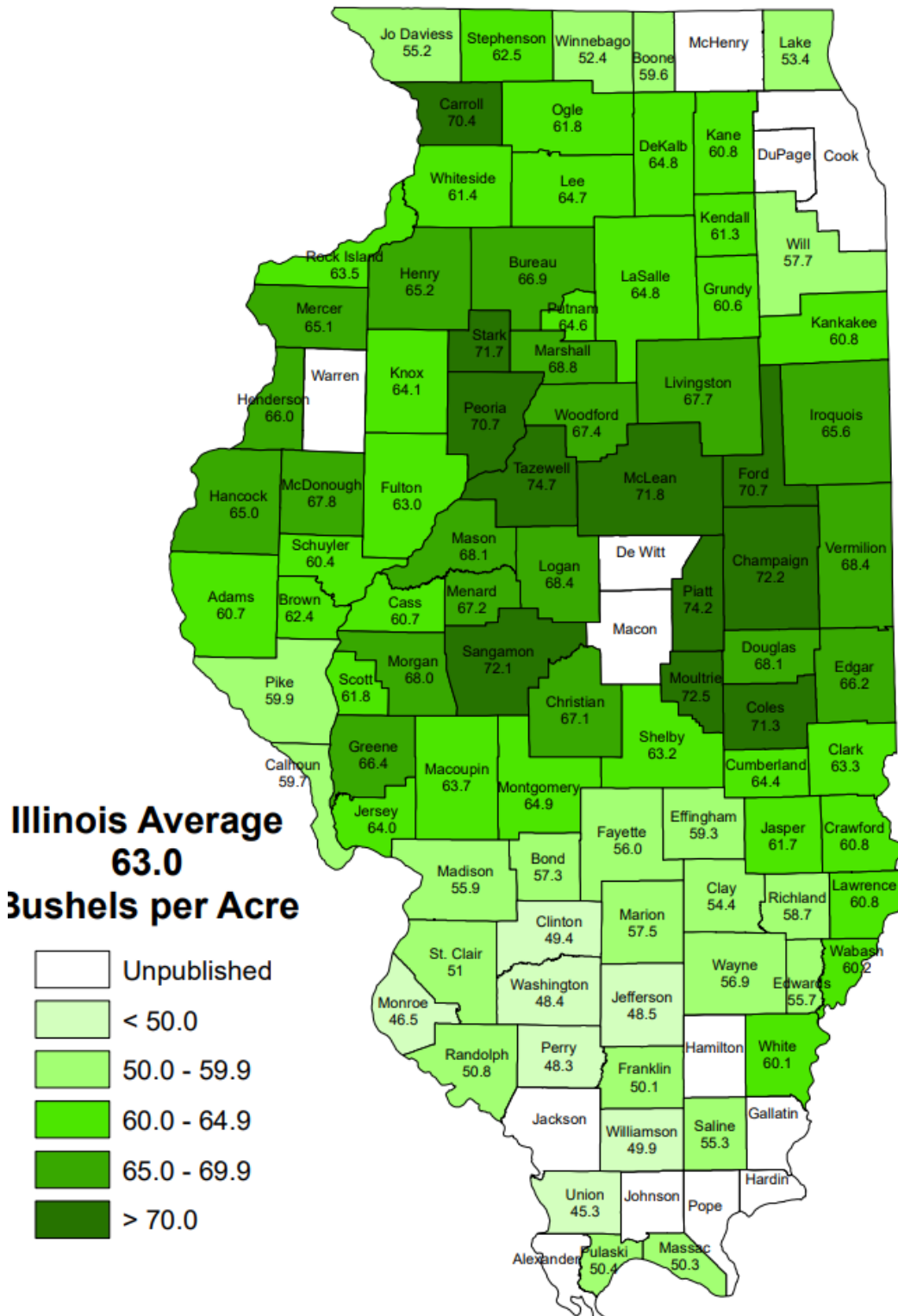
- **Brazil's 2023 soybean exports** reached a record 3.74 bil. bu., 29% higher than the previous year as Brazilian production hit record levels. Meanwhile, U.S. shipments dropped 14% to 1.78 bil. bu. in the same period. The 2 countries are major competitors and together ship over 80% of global soybean exports. Historically, the U.S. was the world's largest soybean exporter. Brazil surpassed the U.S. in soybean shipments for the first time in 2013. [The IL](#)



[Farmdoc ag economists](#) report over the last 20 years, Brazil's soybean exports jumped 431%, with the jump occurring mainly in the most recent decade. Brazil exports up to 60% of its domestic soybean production. During the past 2 decades, America's soybean exports have increased 94%. U.S. soybean exports have plateaued since 2016, with an average annual volume of 1.993 bil. bu. The U.S. exports 49% of its soybeans. "The decreased prominence of the U.S. in global soybean markets reflects in part the growth of domestic soybean demand. Soybean crush capacity in the United States has been steadily growing since 2021. According to the USDA's latest World Agricultural Supply and Demand Estimates, projected domestic US soybean crush use for the 2023/24 marketing year (which runs from September to August) stands at 2,300 mil. bu. This expansion is primarily fueled by the increasing demand for soybean oil, particularly from the renewable diesel sector. The US Environmental Protection Agency (EPA) continues to enforce biofuel blending targets for refiners and gasoline or diesel fuel importers, further driving this demand. It is important to note that after two decades of near-constant increases, China's soybean imports have seen periodic disruption since 2019. These fluctuations have been associated with the impacts of the COVID-19 pandemic and outbreaks of African swine fever within China's pork industry. There is a perspective among several analysts that China's soybean imports may have reached their highest point already. These trends coincide with China's official strategies to increase domestic soybean cultivation and decrease import dependency. As part of its Five-Year Agricultural Plan, which runs through 2027, China has prioritized increasing self-sufficiency in soybeans and other grains and oilseeds."



# 2023 Illinois Soybean Yield Estimates



Last Updated 2/23/2024

- **IL Ag Statistics Chief Mark Schleusener** recaps the numbers with his perspective [in this short video](#). He says IL soybean growers led the nation in yield.

## ***Environment, Regulatory, Carbon issues, Climate etc.—***

- **Carbon dioxide transmission pipelines** are not being laid only for environmental purposes, but for financial reasons for investors. [IL Farmdoc ag economist Scott Irwin](#), a biofuels authority, used a sharp pencil to determine the amount of carbon dioxide generated by an ethanol plant, and its value when it comes to pumping it across miles of farmland and then sequestering it in the earth. Irwin says the ethanol refining industry creates 42.4 to 48.9 mil. tons of CO-2 annually, one reason for the government to issue a tax credit for the sequestration efforts to remove CO-2 from the atmosphere. He estimates the 45Q tax credit provision in the Inflation Reduction Act to be \$3.75 bil. going to the pipeline companies that transport the CO-2 away from the ethanol refineries. He says, "This is a very large potential impact by any reasonable standard, even after considering costs that may be as much as half of the credit value."
- **Currently, Summit Carbon Solutions** is the only builder of CO-2 pipelines in the Cornbelt, and [CEO Lee Blank](#), speaking at the National Ethanol Conf. last week, said his company's own ongoing battles have stiffened resolve to build the carbon pipeline across Iowa, South Dakota, North Dakota, Minnesota and Nebraska. Similar battles regulators, environmental groups, and landowners have halted the Navigator pipeline from IA to Christian Co., IL, and the Wolf pipeline from IA to Macon Co., IL. "If you see the project and you support the project, it's no time to be meek and it's no time to be mild," Blank told ethanol producers and farmers during a panel discussion on Tuesday. "It really has just hardened our attitude towards accomplishing this project," he said. "I come from agriculture and so this is important to me as well. I think one of the reasons we're being successful is we're a partnership model and we're also an agricultural company delivering an infrastructure project and we start with that." Landowners have taken an adverse view of the CO-2 pipelines because of interference with drainage tile lines.
- **If you don't like CO-2 pipelines**, CO-2 minions will come to the rescue. When CO-2 is transported long distances to locations satisfactory to sequestrations, it is injected into the earth and years later it mineralizes. However, Scientists discovered bacteria capable of speeding up the mineralization process by a surprising amount, turning years into just a handful of days. [Researchers from the South Dakota School of Mines and Technology](#) claim that a certain *Geobacillus* bacteria species increases the mineralization of [CO<sub>2</sub>](#) when stored deep underground. Under ideal geologic conditions, crystallizing carbon dioxide takes 7 to 10 years. But this particular bacterium sped up the process to just 10 days using an enzyme called carbonic anhydrase. Simply ejecting gas into the ground comes with its own mess of problems—for example, [gas](#) has a tendency to leak. That's why rapid mineralization of carbon would be a total game-changer—it would increase the amount that could be stored while also preventing any CO<sub>2</sub> from escaping. The microbes responsible for this clever bit of rapid [geology](#) known as "carbon mineralization" were found 4,100 feet below the surface at the Sanford Underground Research Facility, located in a former Black Hills mining town in South Dakota. The [microbe](#) created a compound called carbonic anhydrase, and as the rock dissolved, it lowered acidity of the whole rock-and-CO<sub>2</sub> solution so that the magnesium and calcium leftovers eventually form carbonate minerals.



- **A newly released Life Cycle Assessment** found the U.S. soybean industry’s global warming potential profile decreased considerably in 2021 for whole soybeans, soybean meal, and soy oil compared to previously reported findings in 2015 and 2010. Commissioned by the United Soybean Board and the National Oilseed Processors Association, the [study](#) assessed the main drivers of the environmental impact, including soybean cultivation and harvesting, transportation, and energy usage in processing. [USB CEO Lucas Lentsch](#) says, “This body of research helps farmers better assess and understand soy’s contribution to the environmental impacts throughout the life cycle of the entire soybean value chain.” The study found that the soybean industry’s carbon footprint decreased considerably in 2021 for all U.S. Soy commodities compared to 2015, including a 19% decrease for U.S. soybeans, a 6% decrease for U.S. soybean meal, a 22% decrease for U.S. crude soy oil and an 8% decrease for U.S. refined soy oil. How did this change occur?
  - ✓ Land Management: Improving soil health and water quality.
  - ✓ Land Efficiency: Advances and improvements in seed quality have contributed to a 24% increase in yields since 2015.
  - ✓ Pesticide Application and Energy Consumption: Changing farming practices, such as decreased chemical application, implementation of no-till and expanded cover crops.
  - ✓ Manufacturing: Improving technologies and efficiencies at oilseed processing operations, such as switching from coal to natural gas fuel sources.
- **Not this week, but next week** will be observed as Soil Health Week in IL, for the third year. The [IL Stewardship Alliance](#), and its variety of partners have the week planned out.

**SOIL HEALTH WEEK 2024**  
MARCH 4 - 10

ILLINOIS STEWARDSHIP ALLIANCE

MONDAY MARCH 4	TUESDAY MARCH 5	WEDNESDAY MARCH 6	THURSDAY MARCH 7	FRIDAY MARCH 8	SATURDAY MARCH 9	SUNDAY MARCH 10
<ul style="list-style-type: none"> <li>The Art and Science of Soil Health Painting AISWCD 9am - 4pm</li> <li>Conservation Funding's Impact on IL Nutrient Loss Reduction Goals IL Stewardship Alliance 11am - 12pm</li> <li>Quad Cities Climate Assessment Prairie Rivers Network 12 - 1pm</li> <li>Illinois Nutrient Loss Reduction Strategy ISAP 1 - 2pm</li> <li>The Story of Healing From the Ground Up Basil's Harvest 2 - 3:30pm</li> <li>Regenerative Agriculture Climate Resilient Project 4 - 5pm</li> </ul>	<ul style="list-style-type: none"> <li>Natural Carbon Capture on Farmland YQNC 9 - 10am</li> <li>Protecting Healthy Soils by the Acre AFT 10 - 11am</li> <li>Continuous Living Cover 101 Green Lands Blue Waters 12 - 1pm</li> <li>From Field to River: Conservation in IL The Nature Conservancy 1 - 3:30pm</li> <li>Maintaining Healthy Soil With Crop Rotation and Native Cover Crops 3:30 - 4:30pm</li> </ul>	<ul style="list-style-type: none"> <li><b>SOIL HEALTH LOBBY DAY</b> Illinois State Capitol 10am - 6:30pm</li> <li>How Trees Improve Soil Quality Arbor Advocates 7 - 8pm</li> </ul>	<ul style="list-style-type: none"> <li>Intro to Soil Health Practices Guidebook ISAP 10 - 11am</li> <li>STAR Advocacy in Action Day AISWCD 12 - 1pm</li> <li>Healthy Farmers for Healthy Soils AFT 2 - 3pm</li> <li>Pantry Garden + Compost Demo IFSCC 3 - 4pm</li> <li>2nd Annual Southern IL Soil Health Symposium Class of '89 5:30 - 8pm</li> </ul>	<ul style="list-style-type: none"> <li>Top 10 Questions on Ag Carbon Markets AFT 9 - 10am</li> <li>Tour the Enos Park Neighborhood Gardens Enos Park Gardens 10 - 11am</li> <li>Soil Health with Perennial Bioenergy Crops American Farmland Trust 11 - 12pm</li> <li>Digging into Soil Health on IL Dairy Farms Midwest Dairy 12 - 1pm</li> </ul>	<ul style="list-style-type: none"> <li>Perspective From an Organic Grain Farmer Janak's Mill 10 - 10:30am</li> <li>The Intersection Between Urban Gardens, Soil Health, and Climate Resiliency Edible Evanston 10:30am - 12pm</li> </ul>	<ul style="list-style-type: none"> <li>Getting to Know Chicago Soil Advocates for Urban Agriculture 12 - 2pm</li> </ul>

REGISTER AT [ILSTEWARDS.ORG/SOIL-HEALTH-WEEK/](http://ILSTEWARDS.ORG/SOIL-HEALTH-WEEK/)

Legend: ● In-person event    ● Virtual event

NEXT WEEK: **Weds., March 13**  
Hempology 101  
Think ReHemption  
6:30 - 8:30pm

## ***Farm Bill and Farm Policy—***

- **American Farm Bureau President Zippy Duvall** says it's critical that Congress finishes a Farm Bill this year, "Well, there are only a few pieces of legislation that are more significant than the Farm Bill when it comes to helping our farmers secure our food supply. The Farm Bill is essential to our farmers and ranchers as it ensures funding for risk management tools that are important to them. Farming is difficult and risky business, and the Farm Bill helps farmers weather the storms. Even though Congress passed an extension of the 2018 Farm Bill, getting a new Farm Bill done is still a priority of ours. Farmers and ranchers need and deserve a modernized Farm Bill that reflects changes our industry has gone through in the last five years." [Duvall says Farm Bureau members](#) are sending a clear message to Congress: the Farm Bill can't wait, "We asked our members to step up to the plate to advocate for this issue, and boy, have they done that. Our members have sent more than 10,000 messages to their senators and representatives asking them to get the Farm Bill done. We've had messages from all over the country, in nearly every state. Our members from CA to FL to TX to MN have made their voices heard." He encourages all farmers and ranchers to get involved in Farm Bill advocacy, "The best thing you can do is reach out to your elected officials and tell them how the Farm Bill is important to your farm. You can share your story about how the Farm Bill has helped you, and what you would like to see written in the new Farm Bill. If you're not already a Farm Bureau member, we encourage you to join us by going to your local, county Farm Bureau and getting involved with grassroots." (NAFB News Service)
- **The Congressional clock is ticking as the ag industry watches** to see if a new Farm Bill is doable this session. Tyson Redpath, a contract lobbyist, says the Farm Bill is a resilient piece of legislation that isn't cheap, but has overcome many hurdles in recent years, including the pandemic, "Guess what, the Farm Bill withstood that incredible challenge, maybe the greatest challenge in certainly 100 years, and it came through that. So, we have to remember, yes, it's \$1.5 tril. Nobody is hiding from that." Especially when you consider, Redpath says our national debt of \$34.5 tril., "That is complicated. We must get real about debt. In fact, we're coming off an inflationary period largely driven by an era of non-stop stimulus, even before COVID, right. Just, there's a problem, we're going to pass stimulus spending. We can't do that anymore. We can't afford it." However, he believes Congress will pass a Farm Bill, "It will. I remain optimistic we'll get a Farm Bill, you know, because it is so important to so many folks. It touches so many Congressional districts. All 100 U.S. Senators have agriculture in their state. You know, over 90%, I believe it's 92% of program acres, so those commodity programs that comprise the safety net of American agriculture, 92% of those acres are in Republican districts." But, Repath says when push comes to shove for a new Farm Bill, "There is a realization that bipartisanship has to prevail and that doing a Farm Bill, you know, I think is among the very best within us to make sure the less fortunate are able to get a meal and to make sure that those who produce that meal know that the federal government is their backstop." Repath says the left-right coalition that put together the modern Farm Bill, going back to 1985 and beyond, is what he hopes is resuscitated this year. (Ag Information Network)

- **Congress faces daunting spending and Farm Bill challenges** when both chambers return next week from their Presidents Day holiday recess. The House and Senate still face doing their most basic responsibilities when they return just days ahead of 2 more shutdown deadlines March 1st and March 8th. Agriculture Secretary Tom Vilsack (right) on his priorities, "First a budget that doesn't require us to cut staff. The House Ag Appropriations Committee wants an 18% cut to our budget. Secondly, USDA wants to maintain the IRA funding" With its conservation payments to boost farm income, "Roughly 85-88% of farmers in this country today, require off-farm income to be able to keep the farm. But they don't have the income streams that support it. So, they must have an off-farm job. And to me, the key here, is creating opportunities for that farm to generate more revenue." Including, Vilsack argues, payments for environmental services like cover cropping, and creating wildlife habitats. A languishing Farm Bill would help, but lawmakers have so far failed to deliver there, also, "The failure to have a Farm Bill creates uncertainty, and that uncertainty makes it very difficult for producers to make decisions about their operations...to decide, whether or not, they're going to diversify their crop. It's difficult for the Chamber of Commerce and economic development offices across the counties to know whether, they need to plan for new opportunities. I mean the bottom line is, we've got to get it done." And Vilsack says it's not just a Farm Bill, but a rural development, conservation, nutrition, research, and trade bill—a bill, he says, about investment and stability in rural America. (NAFB News Service)
- **IL FSA State Director Scott Halpin** reminds IL farmers, who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2024 crop year have until March 15, 2024, to revise elections and sign contracts. Both safety net programs, delivered by USDA's Farm Service Agency (FSA), provide vital income support to farmers who experience substantial declines in crop prices or revenues for the 2024 crop year. In Illinois, producers have completed 104,564 contracts to date, representing 59% of the more than 177,000 expected contracts. "Many producers may be holding off on making your program elections pending planting decisions or maybe you're working with a local advisor to consider how changes in the effective reference price might impact your election decisions. Please contact your local FSA county office as soon as possible to set an appointment so you're on the books well in advance of the March 15 deadline." If producers do not submit their election revision by the March 15, 2024, deadline, the election remains the same as their 2023 election for eligible commodities on the farm. Also, producers who do not complete enrollment and sign their contract by the deadline will not be enrolled in ARC or PLC for the 2024 year and will not receive a payment if one is triggered. Farm owners can only enroll in these programs if they have a share interest in the commodity.





## ***IL Legislative Issues—***

- Agriculture leaders and organization lobbyists** are fighting hard against IL House Bill 1634, which would import CA regulations into IL to control emissions from vehicles on highways. The latest to rise in opposition was IL Corn, “We cannot allow another state the power to regulate IL,” IL Corn Growers Association President Dave Rylander said. Over 3,700 opposition slips were filed against the bill. ICGA sent [a letter](#) to the committee outlining the proposed legislation’s dangerous precedent and unrealistic implications. Reports indicate that trucks manufactured before 2010 could not be licensed for highway use, such a semi-trailer trucks hauling grain.
- Lawmakers in IL have the Governor’s proposed budget** up for debate, and funding for many agriculture programs will be on the table. Below is a chart of historical funding to the left and requested funding on the right for the fiscal year beginning July 1, 2024. Most are status quo, except a nearly 50% cut for funding of local Soil and Water Conservation Districts.

<b>Line Item</b>	<b>FY 2023 Actual Expenditure</b>	<b>FY 2024 Enacted Appropriation</b>	<b>FY 2024 Estimated Expenditure</b>	<b>FY 2025 Proposed Budget</b>
Cover Crop	660,000	\$660,000	\$660,000	\$660,000
Cook County Extension	\$2,449,200	\$2,449,200	\$2,449,200	\$2,449,200
State Cooperative Extension Service Trust Fund	\$10,994,700	\$10,994,700	\$10,994,700	\$10,994,700
Ag Extension - 4-H	\$786,400	\$786,400	\$786,400	\$786,400
SWCD Cost Share	\$3,500,000	\$3,000,000	\$3,000,000	\$3,000,000
SWCD District Operations	\$8,500,000	\$8,500,000	\$8,500,000	\$4,500,000
Co. Fair and Exposition Authorities	\$900,000	\$960,000	\$960,000	\$960,000
Co. Fair Rehabilitation	\$1,314,300	\$1,314,300	\$1,314,300	\$1,314,300
Co. Fair & Agriculture Societies	\$1,818,600	\$1,818,600	\$1,818,600	\$1,818,600
FFA Dues and Grants	\$550,000	\$650,000	\$575,000	\$650,000
Viticulture/Enologist	\$150,000	\$150,000	\$150,000	\$150,000
Administration of the Pesticide Act	\$5,426,000	\$7,700,000	\$6,517,000	\$8,500,000
Pesticide Control Act	\$385,000	\$724,900	\$420,000	\$750,000
Animal Disease Labs Act	\$0	40,000	\$800	\$40,000
Livestock Management Facilities Act Administration	\$479,900	\$630,000	\$630,000	\$700,000
Agricultural Education	\$6,976,000	\$7,050,000	\$7,050,000	\$7,050,000
Food Safety Modernization Initiative	\$134,600	\$200,000	\$164,000	\$100,000

Not included on the chart is the funding for Facilitating Coordination for Agricultural Education, which the Governor’s budget staff proposed static funding of \$7,050,000 for the next fiscal year. While most of those funds in the chart are within the IL Dept. of Ag, the FCAE funding is in the budget for the IL State Board of Education.

## ***And Finally, this—***

- ✓ **While politicians decide what to do about Ukraine**, Howard Buffett, (son of Warren), took matters into his own hands and applied his own financial resources to help the farmers and the needy in Ukraine. Buffett has



shipped 70 combines, 84 tractors, and numerous other pieces of farm equipment to Ukrainian farmers, to enable the planting of 180,000 acres and harvesting of 265,000 acres. [Buffett's Howard G. Buffett Foundation](#) has emerged as a stalwart ally to Ukraine since Russia's full-scale invasion, injecting \$521,779,225 into humanitarian assistance for Ukraine as of January 2024.

"The guy's got to be worn out," Buffett said

of Zelenskyy. "I don't know when he sleeps. He just is constantly going. He's been through 2 years of war, which is a living hell, and he's dealing with it every single day." While Buffett worries about Zelenskyy's exhausting schedule and sleepless nights, he is also concerned about "Ukraine fatigue" affecting its most important ally, the United States. "The most frustrating part is to watch the narrative in the US because you have congressmen and senators whose constituencies or districts are benefiting from this war," he said. Putting his money where his mouth is, Buffett said another \$300 mil. is budgeted for Ukraine this year, and for the last 2 years, the foundation exceeded the budgeted number. Buffett calls the war the "largest humanitarian crisis" that he's witnessed in his lifetime. His foundation focuses on conflict mitigation and food security, issues that converge in Ukraine. By the end of 2024, the foundation will give Ukraine at least \$800 mil. in humanitarian aid. Buffett's foundation has helped revitalize agricultural infrastructure, aid civilian areas affected by conflict, replace shattered windows, facilitate mine clearance efforts, and provide vital equipment for security officials and healthcare facilities. The foundation began by providing food kits to recaptured territories on the eastern front in 2022. They also dedicated themselves to de-mining efforts and boosting local agriculture by providing equipment, seeds, fertilizer, and vegetable seeds for home gardens.

For more than 110 years, Flanagan State Bank has been helping farmers and serving our communities. In good times and in bad, we have always been there and always will be. With the same name for over a century and the same family ownership since the 1930s we provide stability financial soundness and people you can count on when you need them.

Flanagan State Bank has had experience and produced results in tough Financial Times and our motto is "Farming with a Future." Our lenders will approach every farmer with a "how can we help you" attitude we will work to provide adjustments and solutions all while doing our best to improve your current situation. We will work together alongside you to get back and stay on track financially. We cannot grow and be profitable as a bank without our customers which means we succeed when our customers succeed.