



WEEKLY CORNBELT UPDATE

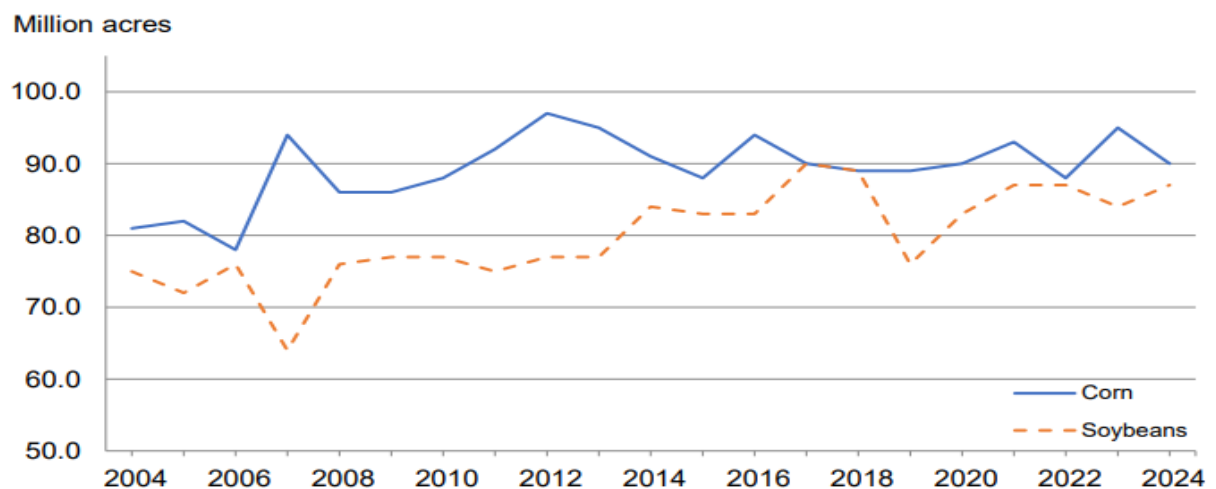
PRESENTED BY
 LANAGAN State Bank

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

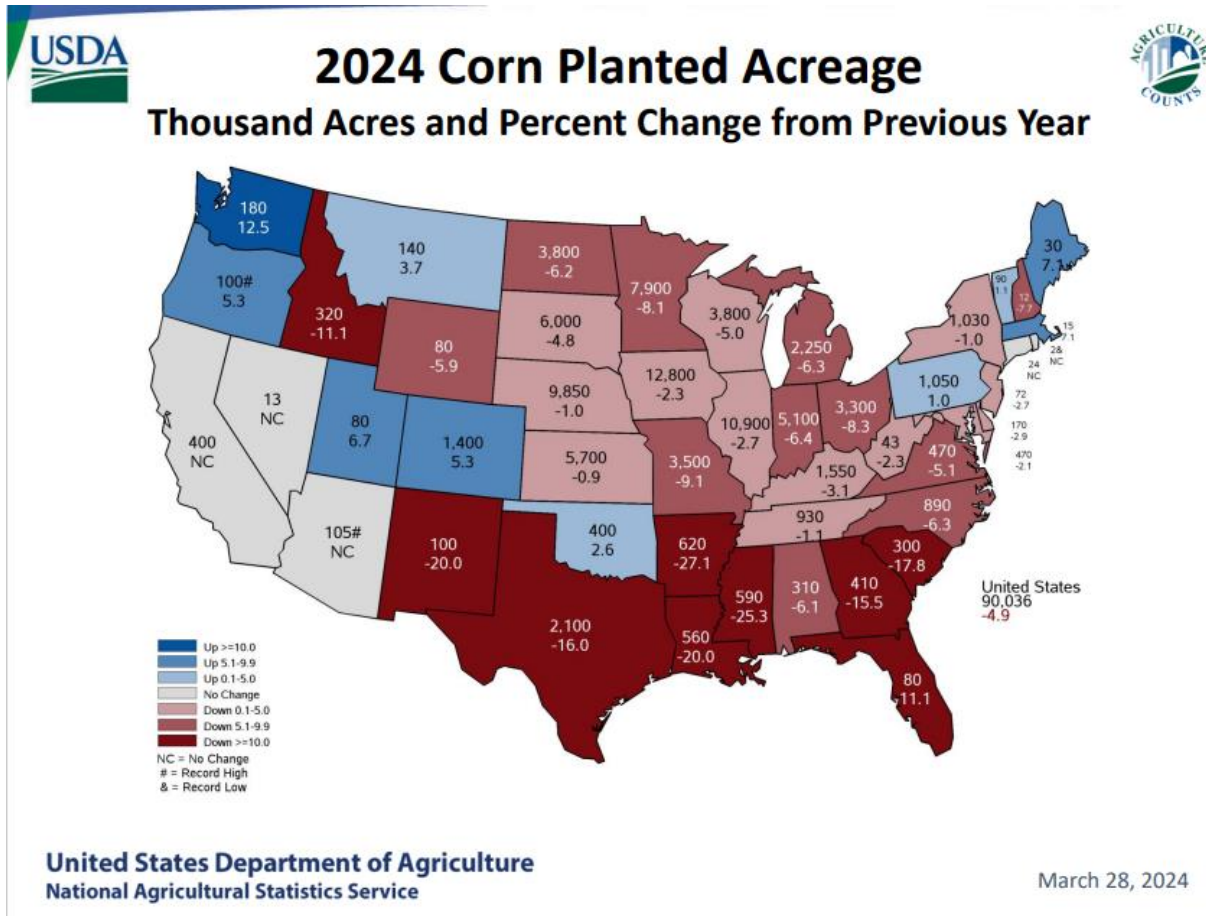
Commodity market price drivers—

- **A month ago**, when USDA surveyed farmers, they expected to plant more beans than last year replacing corn acres because of expectations of burdensome surpluses and low prices. [USDA's Prospective Plantings Report](#) Thursday projected corn acres down 5%, bean acres up 3%, wheat acres down 4% compared to 2023 planted acreage.
 - ✓ Corn planted acreage for all purposes in 2024 is estimated at 90.0 mil. acres, down 5% or 4.61 mil. acres from last year. Compared with last year, planted acreage is expected to be down or unchanged in 38 of the 48 estimating States.
 - ✓ Soybean planted acres for 2024 are estimated at 86.5 mil., up 3% from last year. Compared with 2023, planted acreage is up or unchanged in 24 of the 29 States.
 - ✓ All wheat acreage for 2024 is estimated at 47.5 mil. acres, down 4% from 2023 for comparable states. The 2024 winter wheat planted area, at 34.1 mil. acres, is down 7% from last year and down 1% from the previous estimate for comparable states. Of this total, about 24.3 mil. acres are Hard Red Winter and 6.26 mil. acres are Soft Red Winter.

Corn and Soybean Planted Acreage - United States

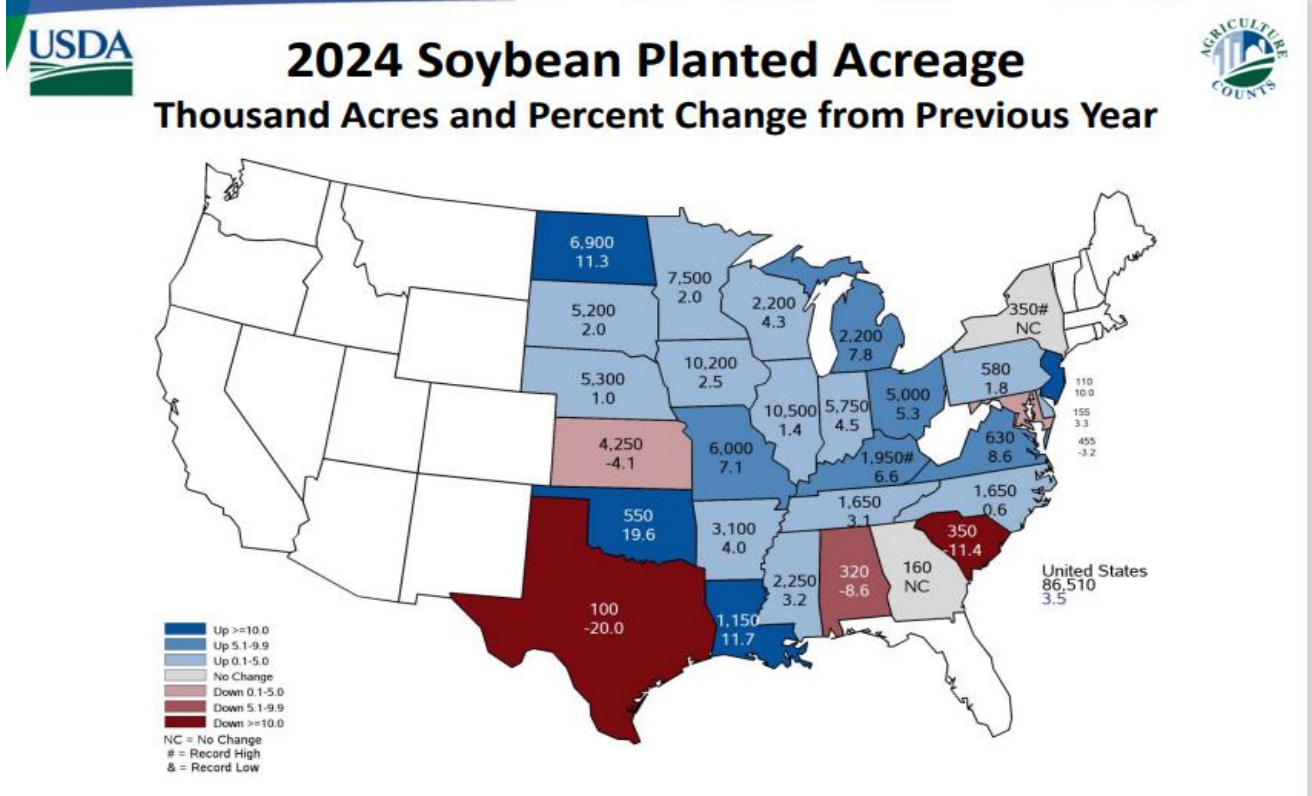


- **Corn acreage in 2024:** Acreage cuts were made in all Cornbelt states, with more than 2% cuts in IL and IA, and 6% in IN and 8% in MN.



- **Compared with last year**, corn plantings are expected to decline:
 - ✓ 300,000 acres in IL (to 10.9 mil. acres)
 - ✓ 350,000 acres in IN (to 5.1 mil. acres)
 - ✓ 300,000 acres in IA (to 12.8 mil. acres)
 - ✓ 50,000 acres in KS (to 5.7 mil. acres)
 - ✓ 150,000 acres in MI (to 2.25 mil. acres)
 - ✓ 700,000 acres in MN (to 7.9 mil. acres)
 - ✓ 350,000 acres in MO (to 3.5 mil. acres)
 - ✓ 100,000 acres in NE (to 9.85 mil. acres)
 - ✓ 250,000 acres in ND (to 3.8 mil. acres)
 - ✓ 300,000 acres in OH (to 3.3 mil. acres),
 - ✓ 300,000 acres in SD (to 6.0 mil. acres)
 - ✓ 200,000 acres in WI (to 3.8 mil. acres)

- **Soybean acreage in 2024:** Increased acreage is expected throughout the Cornbelt states, with more than 2% gains in IA and MN, 4.5% in IN, and a 1.4% gain in IL.



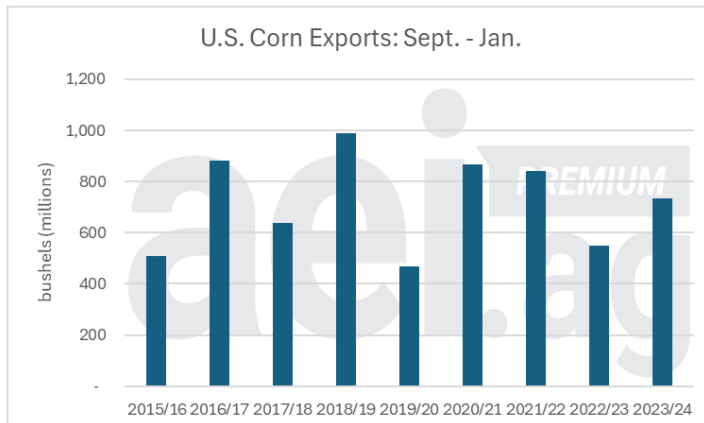
- **After the Planting Intentions report,** grain market analysts provided some perspectives:

- ✓ [Reuters commodity analyst Karen Braun](#) reported, "In the last 8 years, March corn acres fell outside the range of analyst estimates 6 times (not 2018 or 2023), though the bias was 50-50 on whether acres landed above or below the average trade guess. March soybean acres have a much more distinct trend, coming in above trade estimates only 3 times in the last 15 years (2014, 2017 and 2022). The 2022 instance should have never happened as final acres came in much lower than both USDA's March estimate and the average March trade guess. She says it was a ["Big day for new-crop CBOT corn futures"](#) as USDA projects 2024 U.S. corn plantings well below trade expectations. Dec corn surged 3.4% (best single day since July) and hit its highest price (\$4.81/bu) since Jan. 25. Settle of \$4.77¾ puts monthly gains at 3.1%."



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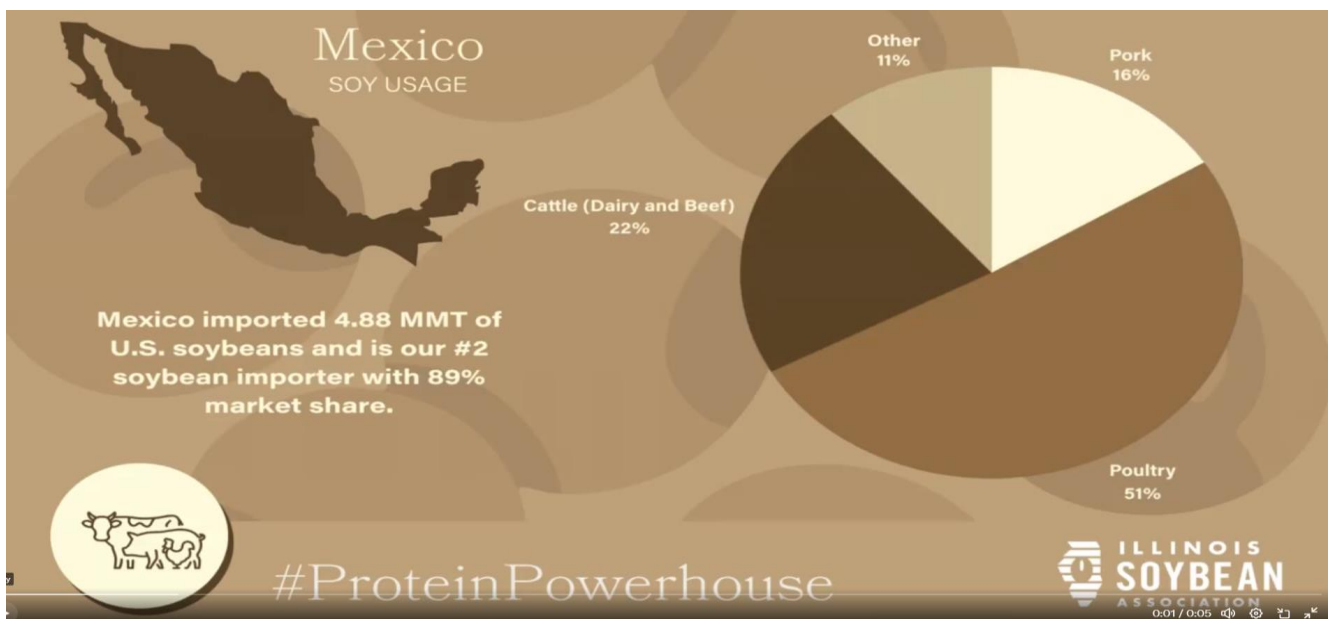
- **Buckle your seatbelt!** [Ag economist David Widmar of AEI.com](#) says China may not be



buying US corn, but apparently other buyers want it, and are pushing corn exports higher, and creating a better stocks-to-use ratio. "Of course, the 2023/24 data are projections as the marketing year is about half complete. Figure 2 shows reported corn exports for the first five months of each marketing year since 2015/16. These data confirm the upturn as current activity is 33% ahead of a year ago. Also worth noting is

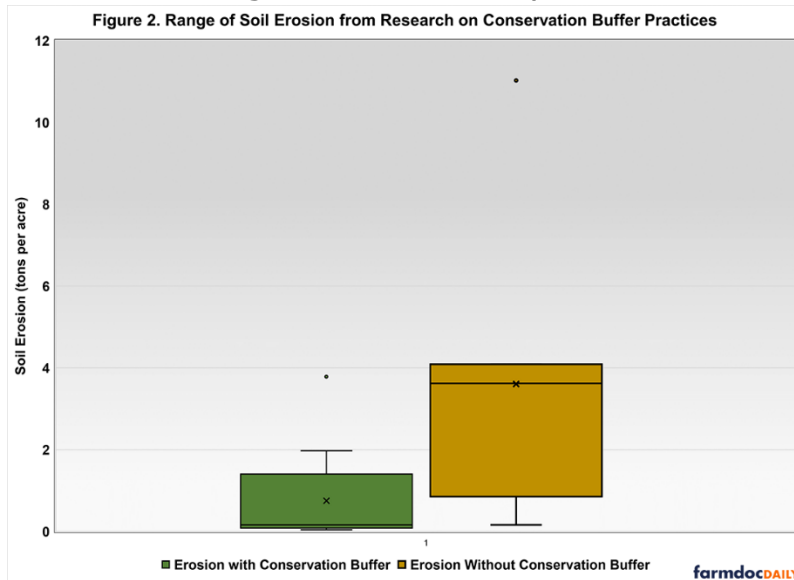
that the pace of exports has been faster on 4 occasions, and slower on 4 occasions. In other words, the 2023/24 activity hasn't been too hot or too cold. For a brief point in history, China was the largest buyer of U.S. corn (2020/21). After peaking at nearly 846 mil. bu., activity slipped to 305 mil. during the 2022/23 marketing year. The 64% tumble in just 2 years makes it seem like a short-term blip of activity, but China's purchases haven't exactly returned to the status quo either. To this point, China's purchases in 2022/23 (305 mil. bu.) were almost 5 times larger than all corn purchases made between 2015/16 and 2018/19. China's purchases this market year lagged by 101.2 mil. bu. However, more than offsetting China's dip has been Mexico's surge. Through January, corn exports to Mexico have been 110 mil. bu. higher. Most other buyers have also logged increased purchases. Across the 10 largest buyers, total purchases are up 104 mil. bu. In other words, after Mexico offset China's slump, the remaining top 10 buyers also stepped up in a big way. For instance, corn exports this marketing year to Canada, Colombia, Guatemala, and South Korea have doubled the activity a year ago.

- **The IL Soybean Association** reports Mexico is a customer of nearly 180 mil. bu. of soybeans, primarily for the poultry market, and is closing in on the Chinese market.



Environment, Conservation, Carbon issues, Climate etc.—

- **Decades of research has consistently found** that conservation buffers reduce soil erosion and nutrient losses. Conservation buffers are strips of vegetation placed in the landscape to influence ecological processes, and specifically work to reduce soil and nutrient loss, as well as improve water quality. The term includes many practices, including grassed waterways and vegetative filter strips. [IL Farmdoc policy specialist Jonathan Coppess](#) says, "Specification differences aside, all found conservation buffers to be an effective method in reducing sediment loss, regardless of variability in buffer attributes such as length, slope, vegetation,

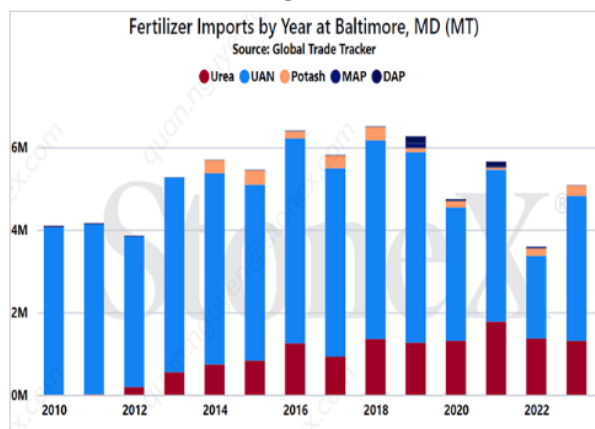


and soil saturation level. Across studies, buffers diminished sediment loss by 53 to 98%. Those farming systems without a buffer in place resulted in an erosion range of 0.85 to 11.03 tons per acre per year. Those systems with conservation buffer practices experienced an erosion range of 0.06 to 3.87 tons per acre per year. Actual tons of soil erosion varied across studies based on soil type, farming practices applied, climate, and rainfall, among

other incremental characteristics. It is important to note that although this range does consider fields with differing climate and soil characteristics from across the U.S., the ranges do not represent a binding estimate for soil erosion in any field or region. The calculated ranges demonstrate that conservation buffer practices decrease the risk of soil erosion. Figure 2 illustrates the calculated ranges of soil erosion from the research reviewed. The effectiveness of conservation buffers in removing suspended solids from runoff arises through the practice's ability to trap the nutrient in the suspended soil solid. In fact, research has found a reduction of phosphorus losses between 69% and 82% from buffer strips measuring 4.6 to 9.1 meters. Because nitrogen moves in a more soluble form, losses experienced an average reduction in runoff of between 63% and 76%, slightly less than phosphorus loss reductions. As to be expected, conservation buffers have limits under extreme precipitation events and cannot stop channelized rushing water. It is a difficult, important reality for all conservation practices facing increasing stress from extreme weather events that are becoming more prevalent. The ability of conservation buffers to decrease soil erosion between 53% and 98% on average from the studies reviewed translates into a potential value of the practices of between \$45.28 and \$83.73 per acre. In total, the initial updated cost of soil erosion was \$113.92 per acre with 75% borne by the farmer and 25% by society. With that, the reduction in soil erosion from adopting conservation buffers could provide an approximate savings to society between \$15.09 to \$27.91 per acre and a total savings between farmers and society that could range between \$60.38 to \$111.64 per acre."

Fertilizer Update—

- **Various fertilizer products enter the US** via the Baltimore harbor, but DTN fertilizer specialist Russ Quinn says UAN is the primary one. “While no one knows what the exact impact will be on the UAN market, fertilizer analysts believe there could be some short-term supply and price issues.” He adds, “The Port of Baltimore is an import terminal for UAN and takes in about 10% of the annual UAN imports to the United States; however, the port is not an important hub for any other types of fertilizer. The Port of Baltimore processed 351,000 tons (318,422 metric tons) of imported UAN, ranking it as the sixth largest UAN import port in the U.S. that year. These tons originated solely from Russia, he said. StoneX fertilizer specialist Josh Linville told Quinn, ““If those ships cannot unload, they now have to try to find alternatives, which likely means longer wait times (for UAN delivery) and higher freight costs,” he said.



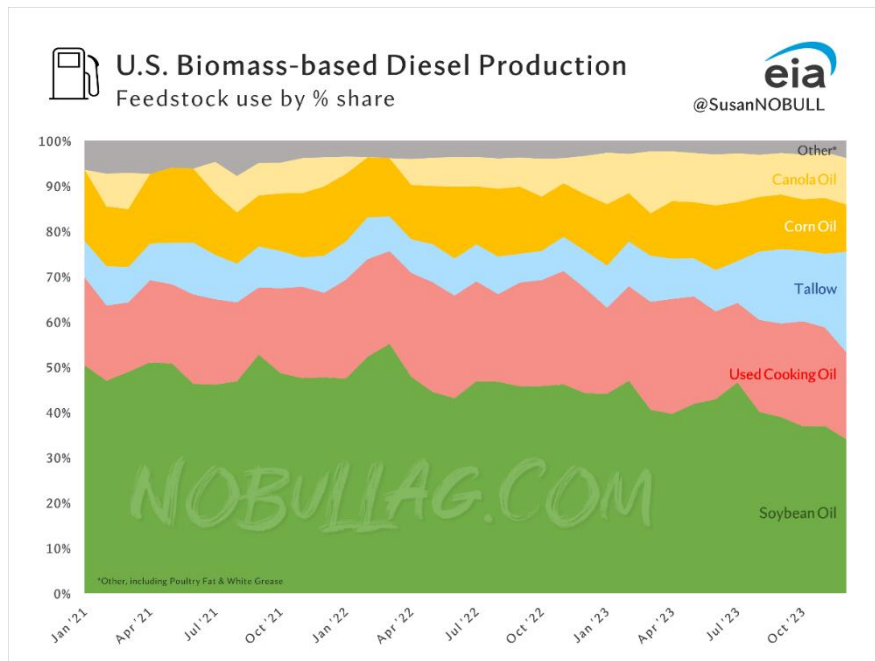
Trade and International Issues—

- **Soybean trade with China** was the primary focus of testimony of [President Josh Gackle of the American Soybean Association](#) when he recently [testified to the House Agriculture Committee](#). Other witnesses slammed China for its practices, but Gackle tried to put the brakes on that trend, indicating the importance of China as a trade customer, “Our strong appeal is that careful consideration be given to maintain, rather than alienate, the economic relationship when discussions move forward in addressing geopolitical and other significant issues. Soybeans are the country’s top agriculture export. In 2022-23, the US soybean export value totaled approximately \$32.6 bil. China accounted for more than \$18.8 billion, with the next destination trailing at around \$3.3 bil. Gackle explained the industry experienced not only an instant loss in market share in its largest export market but also an immediate price drop of \$2 per bushel with Pres. Trump’s 2018 tariff on all Chinese goods entering the US. The USDA’s Economic Research Service issued a report showing a 76% reduction in the value of US exports to China from 2017 to 2018 and estimating the trade war cost US agriculture more than \$27 bil. Soybeans accounted for 71% of those annualized losses. The ASA and its farmer leaders had worked 40 years to develop the China market from the ground up; tariffs that reached up to 27.5% during the height of the trade war immediately strained those relationships, altered global soy trade by opening the door for competitor countries — namely Brazil — to claim market share, and placed a reliance on short-term aid. The scars of the 2018 trade war are still fresh — and ongoing — for our farmers,” Gackle said. “Market access is one of the most important issues for US soy, and we need certainty that access to our largest trading partner will remain, despite ongoing geopolitical issues.”

- **When did this trade war with China get started?** The Agriculture Department's February 2024 forecast of a decline in agricultural exports from \$196 billion to \$170 billion is not due to lower prices but also due to significantly lower volumes being sold, said [TN ag economist Andrew Muhammad](#). "So, (Pres. Trump) imposed these tariffs in 2018 and 2019 on Chinese furniture that indirectly decreased China's demand for our logs and lumber. Then, when they imposed tariffs directly on our logs and lumber, that further decreased demand, and you can see we have yet to recover. At some point Brazil and the United States satisfied global markets equally," he said. "But, because of the trade war, China began to invest more in Brazilian production and infrastructure so that a lot of these export sales are through partnerships with Chinese companies and Brazilian companies. "And one of the things you could see here is that Brazil now beats the United States in terms of soybean exports with that gap appearing to get even wider each year. And this story is consistent not just for one commodity, but here's a look at beef where you can see the rise of Brazil as a major exporter. A lot of these exports are going to China."
- **Mexico cannot rid itself of glyphosate**, no matter how hard it tries. For the past several years, Mexico has declared it will not buy US corn, because of its biotech content that allows it to utilize glyphosate, and that debate is still an issue for the USMCA trade agreement. Now, the Mexican government has given up trying to ban glyphosate use in Mexico because it cannot find an alternative for farmers to use to kill weeds. [Reuters reports](#) Mexico had "set March 31, 2024, as the end of a transition period to revoke authorizations and permits to import, produce, distribute and use glyphosate, the weedkiller found in Roundup, a plan it has had since late 2020. In a statement late (last) Monday, the government said the decree could not be enforced because the conditions to replace glyphosate in Mexican agriculture have not been specified. "The interest of safeguarding the country's agri-food security must prevail," the statement said. Mexico's plan to phase out glyphosate is part of a decree that also seeks to prohibit the use of GM corn for human consumption, such as flour, dough, or tortilla made from the grain over health and safety concerns, an issue that has led to a trade dispute with its largest trading partner, the United States, from which it imports millions of metric tons of corn per year." Regarding that trade dispute settlement between Mexico and the US, it is still in progress, with the US and Mexico presenting their respective case to a panel of judges.
- **IL farm organizations** expressed their Farm Bill desires and concerns to Rep. Nikki Budzinski, D-IL, when she convened her agriculture advisory committee Saturday. "Fix immigration, our pork operation needs the help." "More money for university research." "We need more leadership in agriculture." "Farmers need a Farm Bill to provide certainty." "Export funding needs to be improved." "Keep the IRA \$19.5 bil. for conservation." There were many others, [says Rep. Budzinski, in this short video](#). "Farmers are facing, in the year ahead, some potential downturns economically," Budzinski said. "If we don't get a Farm Bill on time, that uncertainty creates anxiety in our markets and our agricultural industry." The video also contains specific requests from leaders of IL Soybean Association and IL Corn Growers.

Biofuels and New Bio-based Products--

- Sustainable aviation fuel** got plenty of attention recently at a conference sponsored by IL Corn Growers, and IL corn director Shane Gray says, "There's a lot of moving parts, but the demand is incredibly there, and you know something I heard that I thought I never really thought about is we know that there's a demand for this from the aviation side of it because these folks are coming to the table willingly. It's not like they're being forced to come here and they're like, hey, look, you've got something that we want? And it's going to help us all out, especially when it comes to carbon scoring or carbon intensity scores. So how do we make this work? IL Corn Marketing Board Chair Jon Rosenstiel says representatives from Exxon and Phillips 66 took part and it was great to see the collaboration that's going on here. The vice chairman of Exxon was here, and I was pleased to hear his comments that ethanol has a huge place at that table, but again it's a really, really big pie and there's any number of different avenues to produce SAF. We think that ethanol, as a jet fuel has a really big place in that. But again, heaven forbid we would have to provide it all because quite frankly, we can't."
- In the biofuels industry**, commodity analyst Susan Stroud of [NoBullAg.com](https://www.nobullag.com) reports, "Traditional biodiesel production has stagnated (and is likely to decline in 2024 with the announcement of two plant closures recently amid tight margins) while renewable diesel production smashes records. Annual production nearly doubled from 2021 to 2022 and saw a 75% increase from 2022 to 2023. This seismic increase in biofuel production has dramatically altered domestic soybean oil demand in recent years. A record 48% of US soybean oil will be used in biofuel production in the current marketing year, while exports sit at a record low for the 2nd year running. Soybean oil's share of biomass-based diesel feedstocks (what the fuel is made from) continues to shrink however, hitting a record low 34% to finish out the year. Soybean oil is losing ground to lower carbon intensity feedstocks like tallow and used cooking oil as both carry a much higher subsidy (policy incentive). Used cooking oil imports have surged as a result, increasing by 3.5X in 2023. China accounted for 60% of US used cooking oil imports - up from nothing the year prior. It's not just used cooking oil either, though. Tallow's share of the biomass-based diesel feedstock pie has more than doubled the past 6 months, only made possible by way of record imports."



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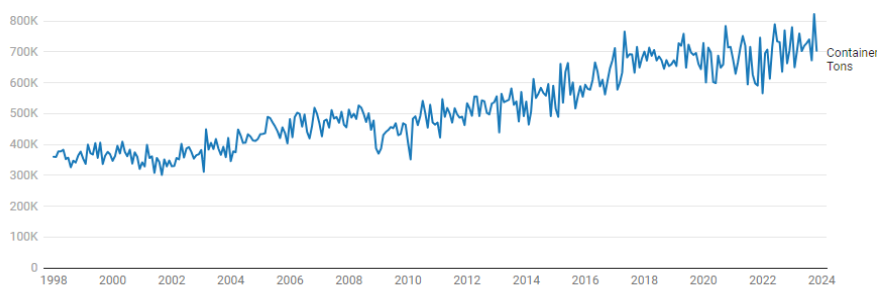
Transportation—

- **Although the Port of Baltimore** is on pause for the foreseeable future, it should have little impact on agriculture. [USDA's latest grain import/export data](#) for Baltimore is 2020, when it imported 6 mil. bu. of containerized soybeans, while exporting 5 mil. bu. of containerized soybeans. 1 shipload of 1.25 mil. bu. of bulk soybeans entered the port. By contrast, the Port of New Orleans handled 1.3 bil. bu. of bulk soybeans, says Mike Steenhoek, head of the Soy Transportation Coalition. He says, "The Port of Baltimore is the leading port for the import and export of automobiles and light trucks. While the Port of Baltimore is not a significant port region for soybeans and grain, it obviously is a significant resource for the broader economy. It also underscores the reality that while our oceans are vast and expansive, the ports that serve as the origins and destinations for global commerce can be vulnerable – whether due to weather, accident, or attack. Investing in, maintaining, and securing these essential links in our national and global economy must remain a national priority." →

- **The amount of cargo coming through the Port of Baltimore's** 6 public terminals has grown dramatically in the last 25 years, according to data from the [Maryland Port Administration \(MPA\)](#). The rises are evident across various types of cargo; container tons increased by over 92% from 1998 to 2022, according to the MPA data.

Container tons have nearly doubled over the last 25 years

Baltimore handled just over 360,000 container tons in January 1998. It handled over 780,000 in January 2023.



Over the same period, automotive cargo went up by 196% and roll on/roll off cargo — farm and construction machinery — went up by more than 113%. MPA Director of Communications Richard Scher said that's helped the port grow. "Baltimore has led the nation's ports in handling autos for 13 consecutive years and machinery for more than 20 years," he said in the email. 2023 saw a record 1.3 mil. tons of roll on/roll off cargo come through Baltimore's piers, he added. If you had ordered a Claas, Fendt, Kubota, or Deutz product, it may be awhile before delivery. Mahindra uses other ports. [DTN sources](#) also report the port serves both

inbound and outbund finished products, as well as inbound and outbound parts for farm equipment makers, Deere, Case IH, New Holland,

AGCO, and Komatsu. Their logistics staff members are all looking at other ports to replace Baltimore, at least temporarily. [USDA reported on a meeting with local and federal officials, along with numerous agricultural representatives.](#)

Farm, construction machinery flow through Baltimore's public terminals

In January 1998, the port handled 32,967 tons of roll on/roll off cargo. In January 2023, that number had increased to 107,506.



Commodity and Farm Organizations—

- **If you missed observing Grain Bin Safety Week**, there are 51 more opportunities between now and next year. While large feed and grain companies are participating in organized events around the country, Grain Bin Safety Week serves as an important reminder for farmers as well. And it all starts with putting grain in the bin that will not spoil, coagulate, and create havoc with lives and marketing plans. [Post your Grain Safety plan on each bin, and on your office door:](#)



- ✓ The first step for quality grain is to make sure your storage facilities are prepared for the grain going in.
- ✓ The condition of the corn as you harvest it is going to determine how well it's going to store.
- ✓ For long-term storage, you will need to dry grain to a lower moisture level.
- ✓ For soybeans, you will need to dry down a little bit more. 13% is what is typically done for storage in cooler months.
- ✓ Properly distributing fines with a grain spreader or by practicing repetitive coring will help improve aeration.
- ✓ You should be putting grain into a storage system that has a good aeration system so you can control the grain temperature.
- ✓ The recommendation has been to keep the grain cool, about 40°F., during spring and summer. Some are now suggesting warming the grain up to 50°F. for storage over summer.
- ✓ Some won't check it once a month. You need to be checking it weekly.
- ✓ Check grain frequently during the summer is to watch for insects.

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.