IL Corn – Farm Economy

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Overview:

Congress must protect our family farms amid declining commodity prices and destruction of corn demand.

Main Points:

- Input Costs Remain Stubbornly High
- Low Commodity Prices
- Policy Uncertainty Limits Demand Growth

Low Commodity Prices are Hurting Farmers as Input Costs Remain High

- Agricultural economists at the University of Illinois forecast **losses of $45-$91** on every acre of corn produced in Illinois in 2026 (*farmdoc May 19, 2026*)
- This is the fourth consecutive year of <u>losses and markets indicate that losses will continue into 2027 unless corn and soybean demand grow quickly and dramatically</u> or input prices begin to drop substantially

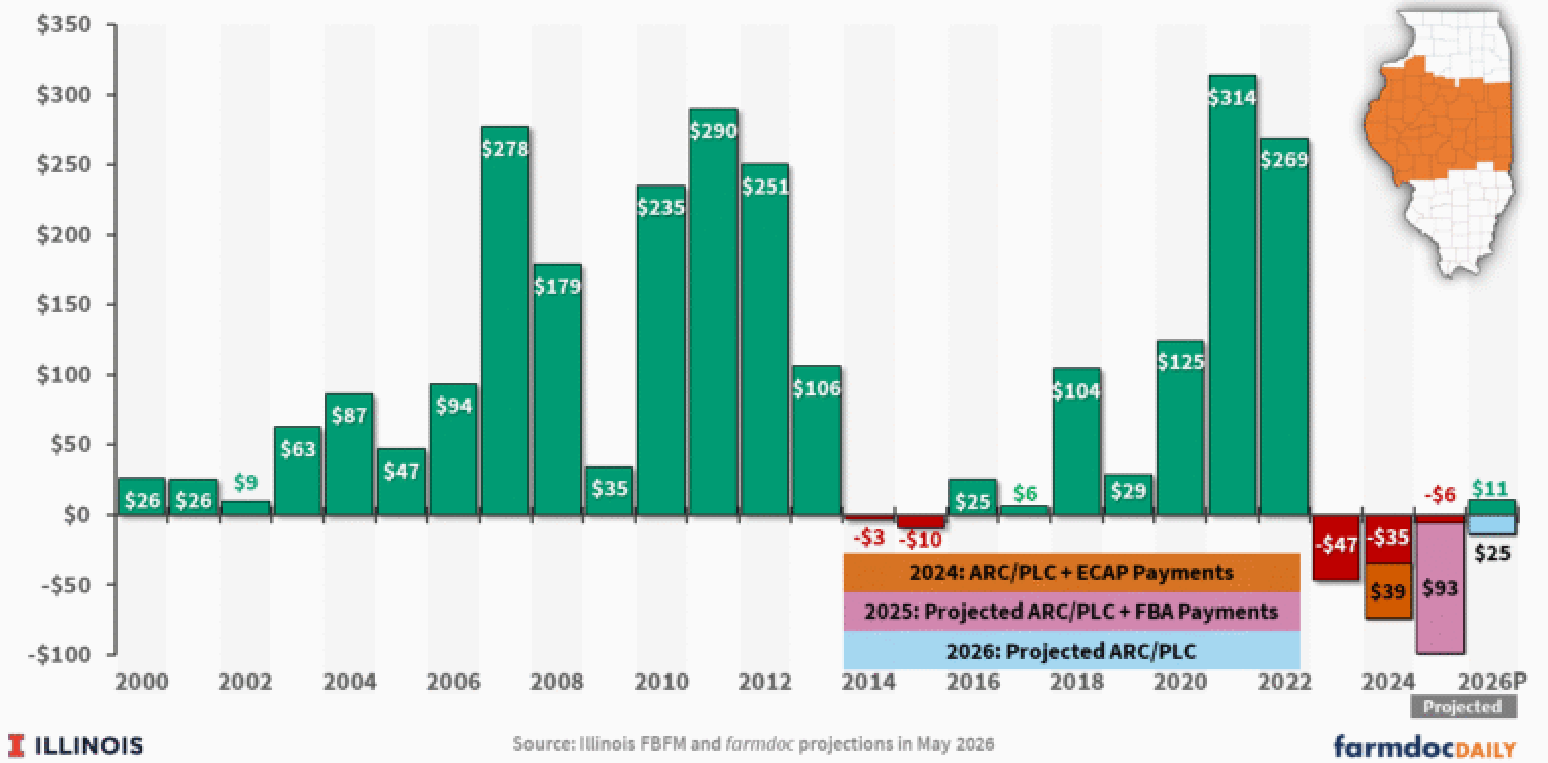


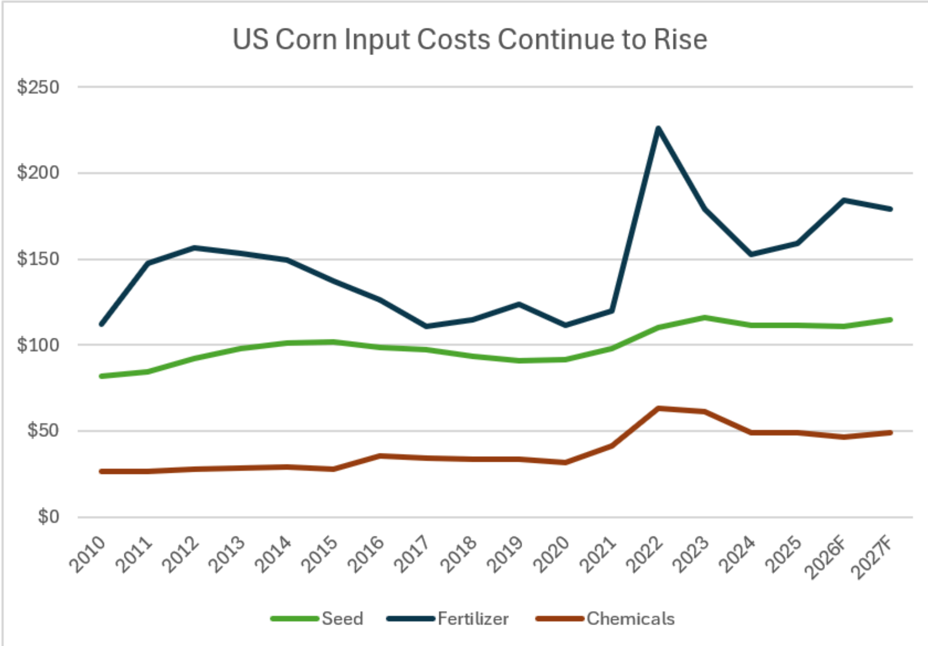
Figure 1. Farmer Returns to a 50% Corn – 50% Soybean Rotation ($ per acre) Central Illinois, Cash Rented Farmland, 2000 to 2026P

Policy Uncertainty Limits Demand Growth

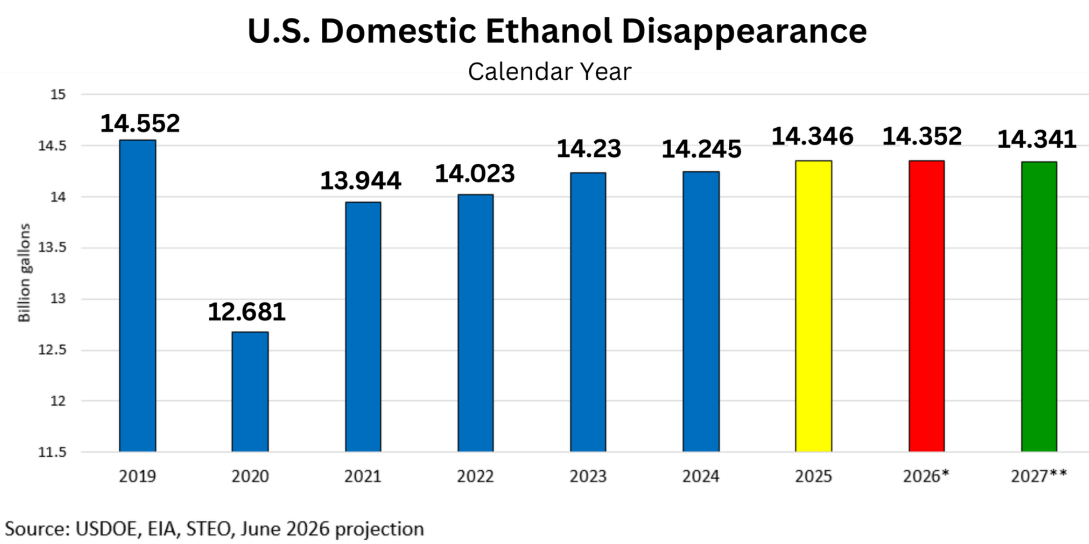
- U.S. corn farmers are the most efficient and productive in the world, delivering more and more corn for food, feed, and fuel using the same or less farmland
- Additional demand for corn must accompany the increasing supply, otherwise prices will fall below profitable levels - as we have seen in the last few years
- Provide policy certainty to the marketplace to help ensure the competitiveness of the U.S. farm sector

July 2026

- Input Costs: Costs of production – fertilizers particularly - have outstripped farm revenues and are projected to be higher in 2027
    - Support legislation that incentivizes new domestic fertilizer production and provides more transparency into fertilizer markets
    - Ad hoc farm payments tend to support higher near-term input costs and extend high price periods



- Ethanol: Demand is declining while corn yields continue to increase, leading to financial losses for farmers
    - Support permanent, year-round E15 sales in the Senate
    - Support high-octane fuel legislation
    - Support incentives for Maritime and Sustainable Aviation Fuel (SAF)



- Exports: Uncertain global trade policies are problematic for exports of corn and corn products
    - No guarantee these markets will be open to our exports in the future
    - Ensure trade agreements that deliver long-term certainty and benefits to U.S. farmers
- Processing: Uncertainty around U.S. regulations of food products like corn sweeteners and oil will limit the ability of food processors to plan and make investments that will drive more corn demand
    - Ensure that sound science is the basis for food regulations and markets for processed corn products are not harmed by unnecessary regulations.

Illinois farmers seek profits from the market – not the government. Farmers need policies in place to bolster export and domestic demand while protecting the agriculture industry.

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