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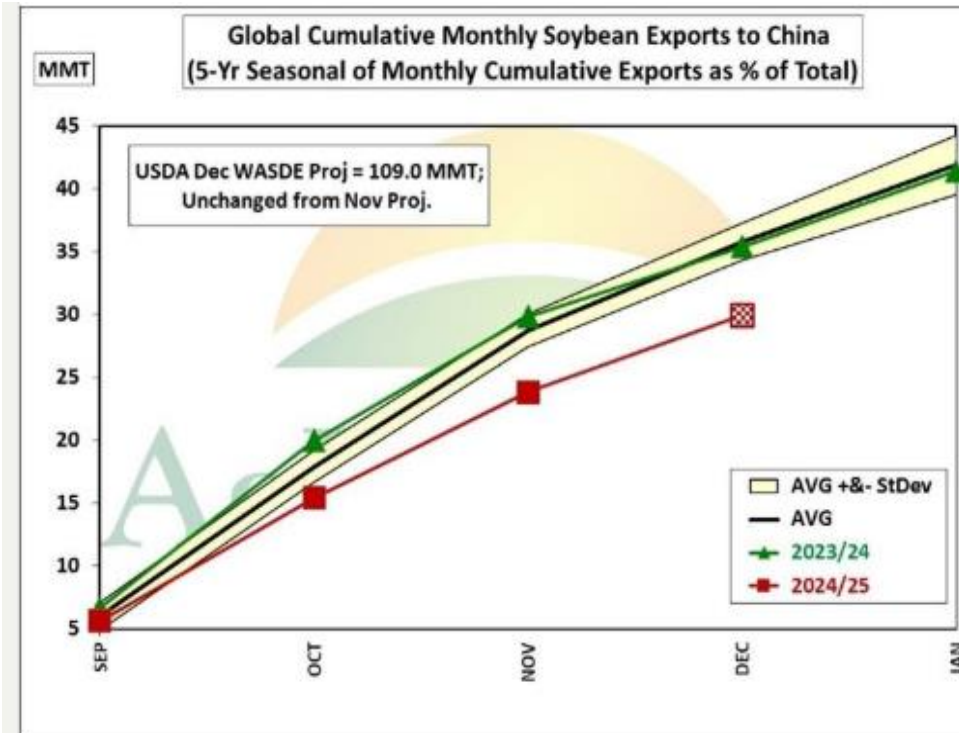
A weekly Cornbelt digest of marketing, economic, agronomic, and management information.

Commodity market price drivers—

- **Corn growers have received a great Christmas present!** The trade dispute with Mexico over genetic modification of exported corn has concluded. You won!! And Mexico agrees!!! [Reuters](#) reported late Friday, "A trade-dispute panel ruled on Friday that Mexico's restrictions on U.S. genetically modified corn exports violate the U.S.-Mexico-Canada Agreement, handing the Biden administration a major trade victory in its final weeks. The U.S. Trade Representative's office said the panel ruled in favor of all 7 U.S. legal claims in the long-running case. It said the panel found Mexico's restrictions are not based on science and violate the USMCA's chapters on sanitary and phytosanitary measures and on market access and national treatment. The corn dispute began 6 months after USMCA came into force when then-President Andres Manuel Lopez Obrador initiated a decree in December 2020 that GM corn be banned by the end of 2024, a move largely targeting U.S. corn exports. His successor, President Claudia Sheinbaum, had supported the policy. "The panel's ruling reaffirms the United States' longstanding concerns about Mexico's biotechnology policies and their detrimental impact on U.S. agricultural exports. Mexico's economy and agriculture ministries said in a statement that they disagreed with the ruling but would respect the decision."
- **Reviewing Friday's corn market,** commodity advisor Matt Bennett said, "One bright spot of news announced after the close was that the US had won a dispute with Mexico over them banning GM corn as it violates the free trade agreement. This could be a boon for an already strong export program but begs the question of how much of a win it is if they don't actually want this corn for what was reported to be their food-grade industry. Either way, it is thought to be a supportive development. There is certainly plenty of corn right now, as evidenced by talk Mexico will be slowing down purchases as they get caught up with a glut of trains. Mexico has bought nearly 1 bil. bu. of US corn in 2024 to its feedlots due to a droughty Mexican crop.
- **President Ken Hartman,** National Corn Growers Association, said, "This is an incredible development for the nation's corn growers and rural communities. This outcome is a direct result of the advocacy efforts of corn grower leaders from across the country. We want to thank the nation's growers for speaking out and U.S. officials for listening and acting. NCGA has been active each step of the way, sounding the alarm about the impact Mexico's actions are having on farmers," Hartman said. "This win illustrates the power of corn advocacy."

- China's Sinograin** bought almost 18.4 mil. bu. of soybeans from the U.S. for shipping in March or April. 2 [US traders familiar with the purchase](#) say Sinograin paid more for American supplies for its state reserves rather than buying cheaper beans from Brazil. China is the world's number 1 soybean buyer and an important market for both the U.S. and Brazil. The industry is closely watching sales and the flow of trade to China ahead of President-elect Donald Trump's inauguration on January 20. There is significant industry concern that another round of trade tariffs between the 2 nations would erode the value of U.S. soybeans. Soybean prices hit lows not seen in 4 years because of trade tensions, high stockpiles in the U.S., and a possible record harvest in Brazil. Reuters says Sinograin, China's state-run grains trader and reserves manager, recently bought 27.5 mil. bu. for shipping from January through March. Those are modest volumes for Sinograin, China's state-run grains trader and strategic reserves manager, which typically buys millions of tons at a time, the traders said. Sinograin prefers U.S. beans when it is buying for storage because they are less prone to spoilage than those from Brazil, traders said. Sinograin bought at around 90¢ a bu. over Chicago Board of Trade March futures and 80¢ over May futures on a free-on-board (FOB) basis, according to one trader, around 80¢ to \$1 above Brazilian FOB prices for that period. Chinese purchases of the most recent U.S. soybean crop for shipment through next summer are running about 6% behind last year, compared with forecasts for a mere 2.6% drop in Chinese imports of soybeans, according to USDA data. The purchases may be intended as an olive branch to trade hawks in the incoming U.S. administration, the traders said. But market analysts said they were more likely intended to replenish the country's strategic reserves, because the volumes were not big enough to score political points.

- China's soybean imports may potentially fall** below 3.67 bil. bu. this year, with estimates suggesting a decrease in global soybean exports to China from September to December by 202 mil. bu. compared to the previous year, says [AgResource chief economist Bill Tierney](#). The current pace analysis indicates that final annual Chinese imports could reach 3.35 bil. bu. based on the observed trend. Despite 8 months remaining in the shipping season, the risk of shipments to China dropping below 3.67 bil. is a real possibility. It is noteworthy that the USDA



projects China's imports to be at 4 bil. bu.

Farm Economics and Lending—

- **Challenges in the farm economy** have come to the attention of Wall Street. [The Wall Street Journal](#) reports, “Those challenges are expected to continue next year. Some of the world’s largest grain shippers and pesticide suppliers are girding for a shrinking farm economy by cutting costs or laying off workers. Per-acre losses for corn growers are expected to be steeper in 2025 than the prior two years, according to the National Corn Growers Association, a trade group. President-elect [Donald Trump](#) has also [pledged tariffs on Mexico and China](#), key importers of U.S. crops, and [Canada](#), a major fertilizer producer. Government policies that subsidize biofuel production, which can boost crop prices for farmers, could also be in flux under the new administration, analysts and company executives said. In IA, the top corn-producing state, farmland values decreased by 3% this year, breaking a five-year streak of rising prices, according to an annual survey by IA St. Univ. Farmland value often represents the largest portion of a farmer’s assets, making up roughly 80% of their total wealth, according to the USDA. The Ukraine war [pushed up prices](#) for wheat and corn, contributing to [rising global food prices](#). It also pushed net [farm income to a record](#) in 2022, the USDA said. Since then, grain exports have [resumed via the Black Sea](#), and better weather in key growing regions in South America helped bolster global crop supplies, pushing prices down.
 - ✓ Agriculture giant [Bayer](#), maker of the world’s most-used weedkiller, Roundup, cut its full-year earnings forecast in November as farmers pulled back spending on some seeds and pesticide products.
 - ✓ Grain traders such as Cargill, [Bunge](#) and [Archer Daniels Midland](#) have also been under pressure, posting sharply weaker sales or profits.
 - ✓ Cargill, [one of the world’s biggest](#) privately held companies, said earlier this month that it [is laying off 5%](#) of its global staff, or roughly 8,000 workers. Cargill reported \$160 bil. in revenue in its most recent fiscal year, compared with \$177 bil. the prior year.
 - ✓ Shares in St. Louis-based [Bunge](#) and Chicago-based ADM have both fallen by more than a fifth this year. [Bayer](#)’s stock, which trades in Germany, is down about 40% over the past year.
 - ✓ The latest federal spending bill called for \$10 bil. of support to farmers. The bill also includes about \$21 bil. in natural disaster aid for farmers and ranchers affected by drought, wildfires and hurricanes over the past 2 years. Agricultural groups are also looking for other means of support.
 - ✓ Chuck Magro, chief executive of the Indianapolis-based [Corteva](#), said that the farm economy is mixed, with some growers willing to spend more on cutting-edge seeds to boost harvests while prices are low. Even if Trump’s actions spur another trade war, Magro says it is unlikely farmers will cut production.

Transportation Issues—

- **Now what?** [President-elect Trump](#) is demanding return of the Panama Canal from the nation of Panama. "We will demand that the Panama Canal be returned," Donald Trump declared over the weekend. Trump on Saturday took to his own social media site, Truth Social, to issue a threat to local Panama officials about the famous Panama Canal. "The Panama Canal is considered a VITAL National Asset for the United States, due to its critical role to America's Economy and National Security. A secure Panama Canal is crucial for U.S. Commerce, and rapid deployment of the Navy, from the Atlantic to the Pacific, and drastically cuts shipping times to U.S. ports," Trump wrote, adding that "Teddy Roosevelt was President of the United States at the time of its building, and understood the strength of Naval Power and Trade." "If the principles, both moral and legal, of this magnanimous gesture of giving are not followed, then we will demand that the Panama Canal be returned to us, in full, and without question. To the Officials of Panama, please be guided accordingly!" →
- **Trump said Saturday** that the [Panama Canal](#) is charging "exorbitant prices and rates of passage" on US naval and merchant ships, and he demanded that fees be lowered or else Panama should return the canal to the US. The US is the canal's biggest customer, responsible for about [three quarters](#) of the cargo transiting through each year. A [prolonged drought](#), however, has hampered the canal's ability to move ships between the Atlantic and Pacific.
- **Panama's president rebuffed Donald Trump's threat** to reimpose US control over the Panama Canal, saying its shipping tolls aren't inflated and that sovereignty over the waterway isn't negotiable. "Every square meter of the Panama Canal and its adjacent zones is part of Panama, and it will continue to be," [President José Raúl Mulino](#) said Sunday in a [video statement](#) on X, the social platform. After Mulino's retort about continued Panamanian control, Trump said, "We'll see about that!" on his Truth Social platform. China doesn't control the canal, as Trump alleges, though a Chinese company — a subsidiary of Hong Kong-based CK Hutchison Holdings Ltd. — has 2 of the 5 ports adjacent to the canal, one on each side. Under Panama's constitution, the canal is managed by the Panama Canal Authority, with some of the tolls going into the national treasury. The authority said last week that it had deposited almost \$2.5 billion in the last fiscal year. After raising the issue on his social platform, Trump claimed Sunday that the canal was "falling into the wrong hands." Chinese Foreign Ministry spokesperson Mao Ning said later that "the canal is not directly or indirectly controlled by any major power." "China will, as always, respect Panama's sovereignty over the canal and recognize it as a permanently neutral international waterway," she said at a regular press briefing in Beijing on Monday, according to a video clip posted online by state broadcaster China Central Television. It's unclear what circumstances would allow Trump to invoke control over the canal, which the US built at the start of the last century before returning it to Panamanian control 25 years ago under a set of 1977 treaties signed by then President Jimmy Carter. However, a US-Panamanian treaty establishing the canal's [permanent neutrality for transit](#) by all nations remains in effect — a fact cited by Mulino on Sunday. Mulino suggested that Trump's comments were out of line.

- **Mississippi River levels** are at low stage at St. Louis and Memphis, restricting normal barge commerce that includes southbound grain shipments to Gulf grain terminals.

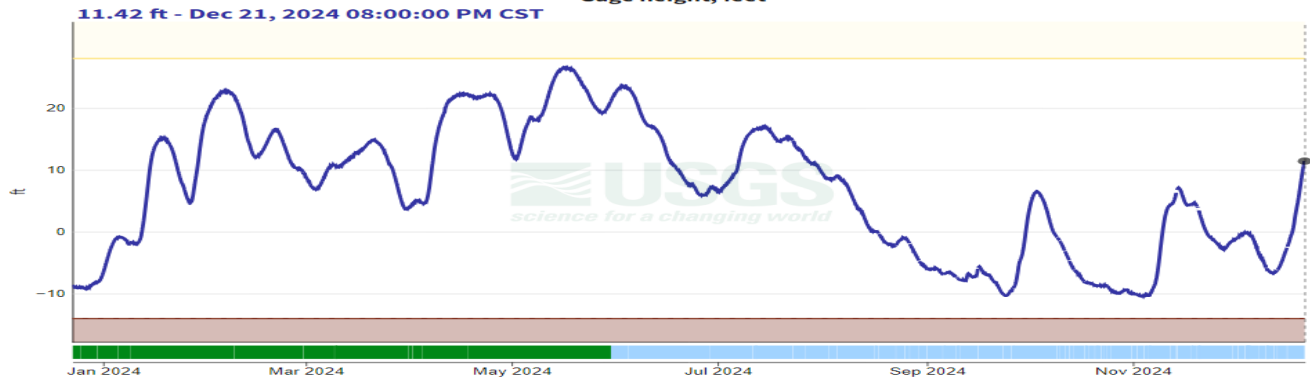
Mississippi River at St. Louis, MO - 07010000

December 22, 2023 - December 21, 2024
Gage height, feet



Mississippi River at Memphis, TN - 07032000

December 22, 2023 - December 21, 2024
Gage height, feet




- **The Senate last week** passed the Water Resources Development Act (WRDA) of 2024, following its earlier passage by the House of Representatives on Monday, December 9. The bill garnered overwhelming bipartisan support, with 97 senators voting in favor and only one senator opposing the legislation. The final WRDA 2024 bill includes a pivotal provision, which permanently adjusts the inland waterways cost-share formula for construction and major rehabilitation projects. The new ratio—75% general revenues and 25% Inland Waterways Trust Fund (IWTF)—replaces the previous 65%/35% split. This change is a significant win for the future of inland waterways infrastructure. The adjustment unlocks an estimated \$1.4 billion in additional funding over the next decade for Energy & Water Development appropriations that support the U.S. Army Corps of Engineers. Specifically, with annual IWTF revenues averaging \$115 million, the 75%/25% cost-share increases available appropriations to \$460 million—a \$131 million boost compared to the previous formula. “This is a big win for IL farmers,” said [Pres. Garrett Hawkins, ICGA President](#). “It allows IL farmers to remain competitive in the global marketplace.” IL Corn has invested decades of effort into advocating for legislation like WRDA, collaborating with partners such as WCI and numerous legislators.

Farm Bill Action/Non-Action--

- **Another 1-year Farm Bill extension is now law.** The deal for a 1-year farm bill extension comes a little more than a week before key farm safety net programs would start to expire and revert back to Depression-era law, which experts warned would radically raise food prices and upend agricultural operations. [The drive toward a new 5-year bill begins](#), and the proposals in the House and Senate for the last effort may be trashed. "Since partisan divides over funding for climate and anti-hunger programs have stalled negotiations, and a new Congress next year could mean months before an agreement is finalized. Congress will need to reform agriculture committees, and the makeup of these panels could determine the shape of a new bill. "The reorganization in the House always takes some time, there's some delay until the committees are actually appointed," House Agriculture Chairman Glenn "GT" Thompson said earlier this year, responding to a question about challenges Congress would face if it had to [approve a new farm bill](#) in 2025. Thompson said in [a statement on Tuesday](#) that he hopes to pass a farm bill next year that addresses the ongoing decline in farm income. Beyond a delay in passing the bill, the final text could also look much different than current proposals with Republicans set to control all three legislative branches. Critically, around \$20 billion in additional funding for the farm bill from the Inflation Reduction Act could disappear as Trump vows to roll back unspent dollars under Biden's flagship bill.

Continuing Budget Resolution--

- **The third time was the charm,** as the House and then the Senate passed stopgap funding legislation with farm and disaster aid to avert a midnight Friday government shutdown. Plan 'C' made it across the finish line 366 to 34, clearing a 2/3 'yes' vote threshold to speed passage and send the package to the Senate for final okay as a midnight shutdown deadline neared. Farm groups, led by the American Farm Bureau, prevailed in a last-ditch high-pressure campaign to include economic help for struggling producers. House Appropriations Chair Tom Cole, R-OK, (left)  said, "The bill also provides \$10 bil. in economic assistance for our farmers and ranchers. In the wake of many natural disasters and a difficult farm economy, our farmers and ranchers are in dire need of economic assistance." Cole echoed the clarion call of farm leaders that the aid was necessary to save family farms in danger of failing amid yet another extension of the 2018 Farm Bill, "This aid will mark a vital step forward and preserve family farms and ranches across the country, while also continuing to ensure food and agricultural security for our nation." The package also included \$21 bil. in farm disaster aid due to hurricanes. "The new legislation included a 1-year extension of the 2018 farm bill but did not earmark funding for a series of smaller expired programs that would have been provided money through the original version of the legislation," Agri-Pulse reported. "Also absent from the GOP bill was a provision that would have restored SNAP benefits to people who were victims of theft." (Berns Bureau Washington)

- **A high-pressure lobbying** effort by farm groups and ag lawmakers, toward House Speaker Johnson, has paid off. He said, "What you'll see reflected in this final package is \$10 bil. to start that. In addition to that, the USDA moved some things around and they've added \$2 bil. for specialty crops that they announced in late November. So, help is on the way." Johnson says a great sigh of relief's gone up in farm country, "And I've talked in the last 24 to 48 hours to several leaders in the Ag community who say they are relieved by that. They understand it's not everything, but it is something to bridge that gap and allow the lenders and the creditors to help those who are preparing to put the crops, plant the crops, in the spring." While removing a key stumbling block to securing the votes to keep the government funded into next year and again extend the 2018 Farm Bill. Speaker Johnson says, while not the \$15 to \$20 bil. the American Farm Bureau wanted, the new burst of aid still comes not a minute too soon, "We think we're giving them a big boost of relief at exactly the right time, just in time, frankly. So, there's always more to do. There's always more to do. But this is an important step for Congress. I think the people involved understand that, and it sends a signal to lenders and creditors that Congress will not abandon our food producers." Johnson acknowledges few families go into farming today and that many run 3rd, 4th, and 5th generation farms, and once gone, that's it. He says food is national security, and America can't depend on other countries to supply its food. Several farm organizations were grateful for the funding:

- ✓ **President Caleb Ragland** of the [American Soybean Association](#) said, "Congress has come through with a bipartisan solution that not only keeps our government open but keeps our farms going. While we of course had our hopes set on a new five-year farm bill in 2024, we are grateful for this one-year extension and will urge Congress to pass an improved farm bill in the new year.
- ✓ **President Zippy Duvall** of the [American Farm Bureau](#) said, "Farm Bureau thanks the House and the Senate for finding common ground and passing legislation that will keep the government open and help farmers who are struggling with natural disasters, high supply costs and out-of-reach interest rates. For many farmers, the disaster relief provided through the CR will be the difference between planting for another year or going out of business."
- ✓ **President Ken Hartman** of the [National Corn Growers](#) said, "NCGA is appreciative of House and Senate Agriculture leadership and other champions who worked hard to extend the farm bill and provide much needed economic and disaster assistance to farm country. This assistance will help growers reeling from natural disasters and multiple years of low crop prices paired with high input costs. Corn growers are deeply disappointed that a permanent, year-round E15 solution was not included in the end-of-year legislation package. This no-cost provision would have provided a market-driven solution to farmers experiencing low corn prices. We call upon legislators to address this matter quickly in the start of the new Congress and fix this issue once and for all." →

- **So, what is included in the billions going to farmers?** The final text of the legislation has not yet been written or released, reports [Agriculture Dive news service](#).
 - ✓ "The final spending bill ultimately removed provisions that Trump and Musk opposed, additionally striking a proposal to allow for E15 ethanol fuel sales year-round. It still includes over \$100 bil. for disaster aid requested by President Joe Biden, with \$10 bil. to be set aside for one-time farm economic payments.
 - ✓ The extension ultimately includes \$10 billion in one-time economic payments for farmers as well as an additional \$20 billion for producers to recover from drought, hurricanes and other natural disasters over the last two years. Critically, farms can receive aid even if they do not have access to federal crop insurance programs.
 - ✓ Farms can qualify for aid if the gross return for an eligible commodity is less than the expected cost of production, according to the bill. The amount of assistance provided will be calculated by multiplying a farm's economic loss by the number of acres, with the payment equaling 26% of that final number. Acres can include 50% of land that could not be planted during the 2024 crop year due to drought, floods or other natural disasters.
 - ✓ The USDA will have 90 days from the enactment of the bill to make the payments. Payments will be capped at \$125,000 for farms whose agricultural operations make up less than 75% of average gross income from the 2020 through 2022 tax years. Farms whose gross income is above 75% for those years can receive a maximum of \$250,000.
 - ✓ Overall, farmers have nearly \$31 bil. in aid spelled out in the package, [calculates DTN](#). The bill provides \$20.78 bil. to help producers with disaster losses during the past 2 years. The disaster funds would cover losses from an array of natural disasters in 2023 and 2024 -- droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornados, winter storms, freeze events and excessive moisture. Among those funds, \$2 bil. is set aside for livestock producers impacted by losses in 2023-24 due to drought, wildfires and floods.
 - ✓ The bill provides \$10 bil. in economic assistance through a formula laid out in the bill. The legislation creates one-time payments to producers based on 100% of planted acres and 50% of prevented-planting acres for the 2024 crop year. The payment rates are not final and are subject to USDA discretion but estimates from House and Senate Agriculture committee staff break down as follows for major crops: -- Corn, \$43.80 per acre; -- Soybeans, \$30.61 per acre; - - Wheat, \$31.80 per acre. Those payments would be subject to \$125,000 payment limits that could increase to \$250,000 for producers who receive 75% or more of their gross income from farming.



- **Year-round E-15 ethanol use did not make it** into the final legislative continuing resolution. Ethanol advocates Growth Energy and Renewable Fuels Assoc. both worked hard to keep the provision in the pared down bill that passed the House. Growth Energy, the nation's largest biofuel trade association, had urged lawmakers to support a year-end funding package that included a legislative fix that would allow for the year-round sale of E15, which is a blend of gasoline and 15% American bioethanol that costs less than standard fuel, lowers emissions, and can be used in 96% of all cars on the road today. When the measure was not in the final package, [Growth Energy CEO Emily Skor](#) said, "Leaving E15 on the cutting room floor is like putting coal in the stocking of America's drivers, farmers, and the rural communities that depend on American bioethanol. Congressional supporters of E15 and American biofuels should pressure their leadership to return the language allowing for the year-round sale of E15 to this legislation. We cannot afford to shortchange farmers at a time when they're facing major financial stress and undermine President Trump's stated goal of establishing American energy dominance. There still is time to do the right thing and reverse course—we urge Congress to act now to preserve the original bill's E15 provision and finally make year-round E15 the law of the land." (Growth Energy)
- **The American Farm Bureau** mounted an 11th-hour pressure campaign to get billions of dollars in economic farm aid into the Congressional spending bill to avert a government shutdown this week, "It is not acceptable for Congress to tie up their business at the end of the year and not recognize the need for, not just disaster assistance but economic assistance," said AFBF. President Zippy Duvall says that Farm Bureau and other ag groups were creating a high-stakes pressure campaign after Capitol Hill talks to include farm aid in a stopgap agency funding bill collapsed, "Since early Saturday morning, we've had over 3,000 messages sent by farmers to Congress, to the Congressional leadership there, to ask them to contact their speaker and say this is a necessity and tell him they won't support it unless a disaster package and an economic package is in a year-end package." Some House and Senate members indicated they won't vote for the must-pass bill to keep the government funded after Friday: a sign farm groups' 'hard-ball' play had results. Partisan differences over how to pay for a \$10 bil. farm aid package torpedoed a deal over the weekend. Duvall says economists feel the real need is \$30 bil., "Of course, that's going to be difficult for them to produce that. But the \$10 bil. would do some good across farmland, across the country." Duvall says without help, many farmers may not be able to secure new operating loans.
- **The National Association of Farm Broadcasting's** Board of Directors pleaded for Congressional leadership to keep the AM Radio for Every Vehicle Act included in the Omnibus Continuing Resolution, but that was for naught. Their request noted that for over 80 years, the NAFB's broadcasters have worked hard to serve rural and urban residents with timely and accurate information in daily programming. "Failure to approve this critical AM Radio for Every Vehicle Act will allow automakers to eliminate access to critical information to the people we serve," the letter says. "Rural and urban residents should not be forced to subscribe to an unreliable data stream for urgent information." Radio access is especially important for America's producers and rural audiences in times of emergency. For people working out in the open and miles from home, response time is critical. However, like the biofuels, pork's Prop 12, and many other issues, it was not included after Elon Musk insisted they be removed.

Agri-Politics and Policies—

- **Agricultural organizations and agribusinesses** say they are pleading with Trump representatives to halt many of his announced plans that will hurt the farm economy. [Bloomberg](#) reports they are talking with “Trump’s transition team in a bid to advocate for the food business as the president-elect pledges tariffs and mass deportations. Groups including the [National Grain and Feed Association](#), which represents agriculture powerhouses such as [Archer-Daniels-Midland Co.](#) and [Cargill Inc.](#), and the International Fresh Produce Association, were among those involved in the discussions, according to people familiar with the matter. The National Council of Agricultural Employers also has a meeting on the books. The groups are prioritizing topics such as Trump’s promised tariffs, which could upend trade with key commodity buyers like China and Mexico, as well as immigration, with US agriculture becoming more reliant on foreign labor. Some industry advocates are lobbying for the expansion of a visa program for temporary workers, and others want China to stick to crop purchases pledged during the “Phase One” trade deal negotiated by Trump in his previous term, said the people who asked not to be named citing private talks. While many farmers make up key blocs of Trump’s supporters, his policies sometimes run counter to the agriculture industry’s economic interests. At the same time, some industry leaders are also worried about Trump’s plans for mass deportations. If the president-elect follows through with his plan to send millions of undocumented workers out of the country, it will have repercussions across the farming world, exacerbating a decades-long labor-shortage problem. The situation could be especially acute for growers of fresh produce including tomatoes and lettuce. “There are real opportunities to work with the incoming administration to achieve positive trade-related outcomes for the feed and grain industry,” Mike Seyfert, NGFA’s president, said in a statement to Bloomberg. [Short Seyfert video interview](#).

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