



2026 Illinois Crop Budgets

Nick Paulson and Gary Schnitkey

Department of Agricultural and Consumer Economics
University of Illinois

Bradley Zwilling

Illinois FBFM Association and Department of Agricultural and Consumer Economics
University of Illinois

Carl Zulauf

Department of Agricultural, Environmental and Development Economics
Ohio State University

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Today's *farmdoc daily* article highlights our first release of 2026 crop budgets for Illinois. Despite significant increases in expected Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) payments due to passage of the One Big Beautiful Bill Act (OBBBA), negative average returns are expected to continue for the fourth straight crop year for producers using corn and soybean rotations on cash rented farmland across all Illinois regions.

Illinois Crop Budgets and Historic Revenues and Costs

The [Illinois Crop Budgets](#) publication has been updated to include projections for the 2026 crop year. Budgets are provided for corn, soybeans, and wheat in northern, central, and southern Illinois. Double-crop soybean budgets are also provided for all regions except northern Illinois. For central Illinois, two budgets are provided based on farmland productivity - high-productivity farmland and low-productivity farmland.

The [Revenue and Costs for Illinois Grain Crops](#) publication has also been updated and now includes historic information for the 2019 to 2024 crop years and projections for 2025 and 2026. Adjustments were also made to 2025 projections, and cost estimates for the 2024 crop year have been revised to reflect experience on grain farms enrolled in [Illinois Farm Business Farm Management](#) (FBFM). Because the Illinois revenue, costs, and returns information is put together on an accrual basis, additional changes to 2024 returns can still occur. For example USDA's [Supplemental Disaster Relief Program](#) (SDRP) could provide additional assistance payments as that program continues to be implemented.

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Adjustments to 2025 Crop Budgets

The corn and soybean prices used in the 2025 budget projections have been revised down to \$3.95 and \$10.15 per bushel, respectively. Prices used in the May 2025 release were \$4.20 and \$10.25, respectively. The downward adjustments reflect recent market conditions, with the lower corn price being driven by the combination of excellent U.S. yield prospects and larger acreage expectations (see *farmdoc daily* from [August 18, 2025](#)).

Corn yield projections are increased relative to regional trend levels for northern and central Illinois due to good growing conditions reported across much of these regions this summer, and are reduced below trend for southern Illinois based on poor growing conditions reported across much of the region throughout the summer. Soybean yield expectations remain at trend levels in northern and central Illinois but have been reduced for southern Illinois.

Payment projections from the ARC and PLC commodity programs have increased due mainly to the changes to those programs that resulted from passage of the OBBBA in July. For 2025, producers will receive the larger payment triggered by the two programs regardless of what they elected for their base acreage in the spring. Expected support levels are \$65 per acre in central Illinois on high-productivity farmland (see *farmdoc daily* from [August 5, 2025](#)). Producers are reminded that these payments, if triggered, will not be received until October of 2026. The 2025 projections also include expectations for some relatively small average crop insurance payments in northern and central Illinois, primarily associated with price declines relative to projected insurance prices and higher participation in supplemental plans such as the Enhanced Coverage Option (ECO) which offers up to a 95% coverage level (see *farmdoc daily* from [July 2, 2025](#)). Larger average crop insurance payments are expected for southern Illinois due to the expected yield losses combined with lower prices, as well as losses associated with prevent plant and replanting.

Some relatively minor adjustments were also made to various production cost categories resulting in relatively small increases in total non-land costs in northern Illinois and larger increases in the central and southern regions. Overall, farmer return prospects have improved relative to the May 2025 budget update (see *farmdoc daily* from [June 3, 2025](#)). However, projected average returns to a 50-50 corn-soybean rotation on cash rented land remain negative for 2025 across all Illinois regions (see Table 2 and Figure 1 below for central-Illinois high productivity soils).

2026 Illinois Crop Budgets

The 2026 corn and soybean crop budgets are reported for all regions in Table 1. For the initial release, we assume trend yield levels for corn and soybeans in all Illinois regions. The corn and soybean prices for 2026 are set at \$4.15 and \$10.30 per bushel. These prices reflect recent fall 2026 and spring 2027 futures market bids, adjusting for average historical basis levels, and would represent some reversion back towards the longer-term price projections in [USDA's most recent baseline](#).

Table 1. 2026 Corn and Soybean Budgets for Northern, Central, and Southern Illinois

	Northern		Central-High		Central-Low		Southern	
	Corn	Beans	Corn	Beans	Corn	Beans	Corn	Beans
Yield per acre	232	70	241	76	228	69	198	61
Price per bu	\$4.15	\$10.30	\$4.15	\$10.30	\$4.15	\$10.30	\$4.15	\$10.30
Crop revenue	\$963	\$721	\$1,000	\$783	\$946	\$711	\$822	\$628
ARC/PLC	47	47	50	50	47	47	45	45
Ad hoc Federal payments	0	0	0	0	0	0	0	0
Crop insurance proceeds	0	0	0	0	0	0	0	0
Gross revenue	\$1,010	\$768	\$1,050	\$833	\$993	\$758	\$867	\$673
Fertilizers	207	55	229	61	229	59	221	65
Pesticides	95	61	112	69	110	70	105	70
Seed	124	78	123	79	132	69	116	71
Drying	20	0	20	0	20	0	20	0
Storage	9	4	9	4	9	4	9	4
Crop insurance	27	16	26	12	27	12	27	14
Total direct costs	\$482	\$214	\$519	\$225	\$527	\$214	\$498	\$224
Machine hire/lease	31	27	22	19	21	19	17	15
Utilities	7	6	6	5	7	6	7	6
Machine repair	41	35	42	35	43	38	47	42
Fuel and oil	24	21	24	20	24	20	24	23
Light vehicle	2	2	2	2	2	2	2	2
Mach. depreciation	77	69	79	72	75	67	81	83
Total power costs	\$182	\$160	\$175	\$153	\$172	\$152	\$178	\$171
Hired labor	28	24	28	25	27	27	27	25
Building repair and rent	12	6	6	10	7	7	7	5
Building depreciation	17	8	16	15	18	18	19	12
Insurance	13	13	14	15	16	16	16	16
Misc	10	10	10	12	13	12	12	12
Interest (non-land)	45	37	37	33	39	39	39	34
Total overhead costs	\$125	\$98	\$111	\$110	\$120	\$119	\$120	\$104
Total non-land costs	\$789	\$472	\$805	\$488	\$819	\$485	\$796	\$499
Operator and land return	\$221	\$296	\$245	\$345	\$174	\$273	\$71	\$174
Land costs (cash rent)	293	293	327	327	274	274	182	182
Farmer return	-\$72	\$3	-\$82	\$18	-\$100	-\$1	-\$111	-\$8
Breakeven price to cover:								
Non-land costs	\$3.40	\$6.74	\$3.34	\$6.42	\$3.59	\$7.03	\$4.02	\$8.18
Total costs ¹	\$4.66	\$10.93	\$4.70	\$10.72	\$4.79	\$11.00	\$4.94	\$11.16
Corn minus Soybean Return	-\$75		-\$100		-\$99		-\$104	

¹ Equals non-land costs plus land costs.

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A \$50 per acre ARC/PLC payment projection is included in the 2026 budgets for central Illinois, with slightly lower payments for the other regions. Even with improved price prospects relative to 2025, the OBBBA changes to ARC and PLC would suggest fairly large payment potential associated with the 2026

growing year. However, we caution that these estimates are subject to uncertainty given their timing and much could change between now and the 2026 crop and marketing years.

Overall, non-land production costs are expected to increase slightly from 2025 to 2026. Nitrogen fertilizer prices suggest slightly higher fertilizer costs for corn in 2026 (see *farmdoc daily* from [August 12, 2025](#)), while lower potash prices suggest slight lower fertilizer costs for soybeans. Power costs are projected to remain relatively stable with small increases in machinery repairs and hire/lease offsetting lower economic depreciation per acre. Overhead costs are expected to rise, led by continued increases in labor and interest costs due to greater credit needs and interest rates that have remained relatively stable at higher levels over the past few years.

Net farmer returns for 2026 are projected to be similar to those for 2025, with slightly lower returns on corn acres and a slight improvement in soybean returns. Projected farmer returns on corn acres range from -\$72 per acre in northern Illinois to -\$111 per acre in southern Illinois. Projected farmer returns on soybean acres are marginally positive for the northern and central-high regions, and marginally negative for the central-low and southern regions.

Breakeven prices to cover non-land costs and average cash rents for corn range from \$4.66 (northern) to \$4.94 (southern), and from \$10.72 (central-high) to \$11.16 (southern) for soybeans – well below current price expectations. These break-even price calculations do not include other revenues such as support payments. However, even with the projected support payments from the ARC/PLC programs, a 50-50 corn-soybean rotation results in negative expected farmer returns on cash rented farmland for all regions (see Figure 1 for central Illinois high-productivity). Break-even prices to cover non-land costs remain well below current price expectations, resulting in positive expected returns to farms with lower land costs such as owned farmland that is no longer financed or share-rent arrangements.

Discussion

Low prices and persistently high production costs – often referred to as a cost-price squeeze – is projected to continue into the fourth straight year for corn and soybean producers in 2026. Negative farmer returns on cash rented corn acres have persisted across Illinois regions since 2023 (see Table 2 for 2024 to 2026P). Following negative average farmer returns in 2023 and 2024, soybean production on cash rented farmland is expected to be closer to break-even returns in 2025 and 2026.

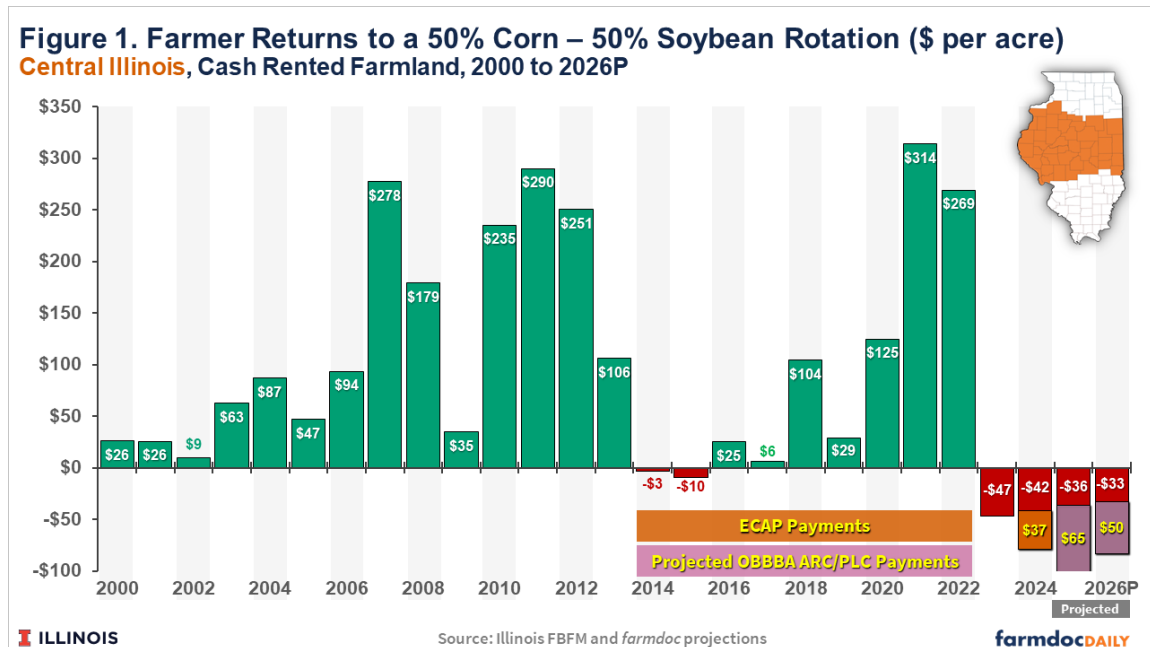
Continued low average farmer returns are expected even with the increased support provided by ad hoc Emergency Commodity Assistance Program (ECAP) payments for financial losses in 2024 (see *farmdoc daily* from [March 25, 2025](#)), and larger support payments projected for 2025 and 2026 due to strengthened ARC and PLC programs. As illustrated in Figure 1, average farmer returns would be considerably lower without the support from ECAP in 2024 and projected returns for 2025 and 2026 would be much lower without the expected ARC/PLC payments.

Table 2. Corn and Soybean Returns, Central Illinois with High-Productivity Farmland

	Corn			Soybeans		
	2024	2025P	2026P	2024	2025P	2026P
Yield per acre	244	246	241	75	75	76
Price per bu	\$4.30	\$3.95	\$4.15	\$10.05	\$10.15	\$10.30
	\$/acre	\$/acre	\$/acre	\$/acre	\$/acre	\$/acre
Crop revenue	\$1,049	\$972	\$1,000	\$754	\$761	\$783
ARC/PLC	3	65	50	2	65	50
Ad hoc Federal payments	43	0	0	30	0	0
Crop insurance proceeds	10	10	0	9	0	0
Gross revenue	\$1,105	\$1,047	\$1,050	\$794	\$826	\$833
Fertilizers	218	218	229	65	62	61
Pesticides	118	112	112	71	69	69
Seed	127	124	123	81	80	79
Drying	19	20	20	0	0	0
Storage	16	9	9	9	4	4
Crop insurance	26	26	26	10	11	12
Total direct costs	\$524	\$509	\$519	\$236	\$226	\$225
Machine hire/lease	22	22	22	19	19	19
Utilities	6	6	6	5	5	5
Machine repair	39	41	42	33	34	35
Fuel and oil	23	23	24	20	19	20
Light vehicle	2	2	2	2	2	2
Mach. depreciation	87	82	79	76	75	72
Total power costs	\$179	\$176	\$175	\$155	\$154	\$153
Hired labor	26	27	28	24	24	25
Building repair and rent	7	6	6	11	10	10
Building depreciation	16	16	16	15	15	15
Insurance	14	14	14	15	15	15
Misc	10	10	10	12	12	12
Interest (non-land)	33	35	37	29	30	33
Total overhead costs	\$106	\$108	\$111	\$106	\$106	\$110
Total non-land costs	\$809	\$793	\$805	\$497	\$487	\$488
Operator and land return	\$296	\$254	\$245	\$297	\$339	\$345
Land costs (cash rent)	337	332	327	337	332	327
Farmer return	-\$41	-\$78	-\$82	-\$40	\$7	\$18
Break-even price to cover	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu	\$/bu
Non-land costs	\$3.32	\$3.22	\$3.34	\$6.63	\$6.49	\$6.42
Total costs ¹	\$4.70	\$4.57	\$4.70	\$11.12	\$10.92	\$10.72

¹ Equals non-land costs plus land costs.

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Most grain farms in Illinois and across the Midwest were in very strong financial positions at the end of 2023 due to the excellent returns earned in 2021 and 2022 (see *farmdoc daily* from [October 18, 2024](#)). However, four consecutive years of negative average returns on cash rented land will quickly erode those financial positions, with evidence of this deterioration beginning to emerge in agricultural credit markets (see [Kreitman, 2025](#)). Farms with owned farmland that is no longer financed have a significant buffer to continue to manage through this low return environment (see *farmdoc daily* from [April 1, 2025](#)). Operations utilizing share-rent agreements on some of their rented land are also better positioned during periods of low returns. In contrast, farmers with large amounts of cash rented farmland are facing difficult decisions and may require re-financing after the 2025 growing season.

While much could still change, current projections for 2025 and 2026 suggest a continuation of negative average returns to cash rented land and low to negative net farm incomes for some grain operations. If these projections hold, financial stress will be most acute on farm businesses that are highly leveraged and/or highly reliant on cash rented farmland.

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