



To Our Valued Customers, Partners, and Friends in Agriculture:

At CBI Bank & Trust, our vision for the last 100 years has been to “Do the right thing, all the time”. This means getting to know our customers and understanding their challenges, as well as taking time to celebrate their successes. It means partnering with our customers in times of growth and prosperity as well as working through challenging times too, and coming out the other end stronger and together.

Growing up in rural Iowa during the 1980’s taught me many life lessons that stick with me to this day. Times were tough on the farm, but the people were “Stronger”. The economy was difficult, but the “Will” of the farmer was greater.

The work was unmeasurable, and its purpose to feed the world was no greater. The value of “Perseverance” was defined by what I witnessed first-hand, through the work of the American Farmer, and for that I am forever indebted.

By working together for the long haul, we create relationships that are time tested and allow us to support what you do every day. When Banking is done right, it provides the lifeblood necessary to support healthy communities and strong local economies. We invest in our local communities and our team is entrenched in providing service to local non-profits, boards, and schools to ensure the high quality of life in our communities is preserved.

We know the industry and economy will continue to change and evolve. We are committed to navigating the journey with you. Agriculture has been a core part of CBI Bank & Trust’s roots for over 100 years. Thank you for your trust and confidence in us. We greatly appreciate it, and your partnership will not be taken for granted.

At your service.

A handwritten signature in black ink that reads "Dwayne W. Sieck". The signature is written in a cursive, flowing style.

Dwayne W. Sieck
Chief Executive Officer
CBI Bank & Trust

From the desk of
Bryan Hofmann

Western Illinois Market President, Joy, IL



In December, I was asked to write a short message for our February newsletter. “No problem,” I thought—until I realized how much changes in ag over two months. As I write this, we face an uncertain farm bill, trade issues, talk of shifting crops, global conflicts, and even unidentified objects overhead.

One thing that will remain constant in February is uncertainty. It may look different, but it will still be with us. What I can offer is assurance. Growing up on a farm and spending 27 years as an ag banker, I understand the drive to grow and pass farms down to the next generation in a healthy position. Our team is here to support you through the highs and lows.

We appreciate your business and loyalty. If we haven't yet earned your trust, we'd love the chance. Blessings to you and your family in 2025, from the CBI Bank & Trust Ag Department.

Impacts of Economic Assistance Payments

In December, the U.S. Congress passed legislation that 1) continued the current farm bill into 2025, 2) appropriated \$20.78 billion for disaster aid to farmers, and 3) appropriated \$10 billion in economic assistance payments to farmers.

Continuing Legislation

On December 21, 2024, the U.S. Congress passed, and President Biden signed into law, the American Relief Act of 2025. The legislation provides funds for the federal government's continuing operation through mid-March 2025. It also extends the 2018 Farm Bill into 2025, meaning the current commodity programs will continue for the 2025 production year. By March 15th, farmers will again be allowed to choose between Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC) for the base acres on their farms.

The Act also contained nearly \$31 billion in ad hoc disaster aid to farmers divided into two portions:

- \$20.78 billion will aid farmers who have suffered natural disasters in 2023 and 2024, including droughts, wildfires, hurricanes, floods, derechos, excessive heat, tornados, winter storms, freeze events, and excessive moisture. The U.S. Department of Agriculture has not announced the mechanisms by which this aid will be distributed. These funds could be similar to recent disaster assistance programs that have been delivered using crop insurance as the design foundation such as the Wildfire and Hurricane Indemnity (WHIP+) and Economic Relief (ERP) Programs.
- \$10 billion in economic assistance payments. The Farm Service Agency will distribute this aid, likely in the first part of 2025. More detail and payment estimates are provided below.

Economic Assistance Payments

The legislation contained considerable detail on how the \$10 billion in economic assistance will be distributed, thus allowing estimates of payments to be calculated. The economic assistance payments are intended to partially offset estimated economic losses for eligible crops associated with the 2024 production year. The maximum number of payment acres of corn and soybeans to reach the \$125,000 limit using our per acre payment estimates are; Corn — 2,941 acres (\$125,000 / \$42.51) and Soybeans — 4,236 acres (\$125,000 / \$29.50).

Commentary

Ad hoc Federal aid contained in the American Relief Act of 2025 will help farmers by partially offsetting losses and reducing the erosion of their financial positions resulting from lower commodity prices and continuing high costs. As such, many farmers and lenders will welcome it. The economic aid will make financial planning and loan renewal easier for the 2025 production year.

As always, Federal responses have unintended consequences. This economic aid will likely slow the cost adjustments that need to occur given current commodity price levels. For example, the economic assistance could make landowners less inclined to lower cash rents. Similarly, input suppliers may see reduced pressures to lower input prices.

To read the complete article, go to: <https://farmdocdaily.illinois.edu/2025/01/impacts-of-economic-assistance-payments.html>

Paulson, N., G. Schnitkey, C. Zulauf and J. Coppess. “Impacts of Economic Assistance Payments.” farmdoc daily (15):4, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, January 7, 2025.

Long Term Market Update

By Nichols Ag

As we all know, the price of grain has been falling steadily. What are the macro trends that are causing this problem? First, inflation or perceived value of inflation is a huge driver of commodity prices. The following equation sums up how our pricing works. Price = (supply-demand) x money flow. Money flow is always the wild card. What is money flow? It is the flow of money from Wall Street investors. Right now, we have ample supply, mediocre demand and perceived high inflation with restrictive interest rates. This means meager money flow and poor prices.

If you look at the charts for corn and soybeans below you can see the difference of low production years and high productions years. Oversupply market years previous to 2020 were in the \$3.20 to \$4.00 range on corn and \$8.50 to \$9.90 range on soybeans. The money flow along with low world production post 2020 to 2023 gave us the large run up prices. The money flow loves to chase a story, and we had a lot going on with short South American crops, Covid and the Ukraine war.



Considering the current state of money flow, supply and demand we should stay in the new ranges of grain pricing until something changes. These new ranges are somewhere in the 9.50 to 11.50 for soybeans and 3.75 to 4.80 for corn. Who knows what the next black swan event will be, but the typical oversupply market can last several years. In oversupply markets, sell ahead and sell the carry. The spot market does not normally appreciate the forward carry. If you would like to discuss these markets further, please contact Nichols Ag at 319-723-4221. We have a great team ready to assist you with a variety of marketing ideas. We offer HTA's, direct ship, deferred pay, accumulators and logistics support.



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2025 Crop Insurance- Looking Ahead

By Lee Agency

Crop insurance is more than a financial product; it's a lifeline that helps farmers face uncertainties with confidence. As the Midwest prepares for the challenges of 2025, farmers with crop insurance will be better equipped to protect their livelihoods and support their communities.

Preparing for the 2025 Crop Year

- **Revenue Protection (RP):** RP combines yield and price protection, compensating farmers if market prices fall below the annual Spring Price. Farmers can insure up to 85% of their Expected Revenue per acre, calculated from their Annual Production History (APH) and the Spring Price. The Spring Price is based on February averages of December corn futures and November soybean futures.

Historic Pricing

Corn			Soybeans		
Year	Spring Price	Harvest Price	Year	Spring Price	Harvest Price
2023	\$5.91	\$4.88	2023	\$13.76	\$12.84
2024	\$4.66	\$4.16	2024	\$11.55	\$10.03
2025	?	?	2025	?	?

- **Private Products:** These unsubsidized options that go by many different names, allow farmers to lock in higher yield or revenue guarantees—up to 95% coverage. This additional coverage can provide 10% more revenue coverage, helping offset rising input costs. Private products also enable farmers to adjust the Spring Price or select pricing periods beyond February and October. These options offer flexibility for enhanced revenue or yield protection.

Corn Guarantee Example

Spring Price.....	\$4.66.....	\$4.66.....	\$4.66
APH.....	220.....	220.....	220
Coverage.....	80%.....	85%.....	95%
Guarantee/Acre	\$820.16.....	\$871.42.....	\$973.94

Grain Marketing Opportunities

With revenue protection, farmers can confidently forward-sell grain before planting or harvest, using crop insurance indemnities to cover unsold bushels in case of crop failure. This strategy allows producers to capitalize on high prices without risking having undelivered grain on contract. Consult with your crop insurance agent to manage the risks of pre-selling.

Key Steps for Iowa and Midwest Farmers

- **Assess Individual Needs:** Evaluate your crops, input costs, profitability goals, and past losses.
- **Consult Experts:** Partner with experienced crop insurance agents who can tailor policies to your farm's unique needs.

Early planning is critical for safeguarding your 2025 crop year. Lee Agency has been a trusted partner by many farmers in Eastern Iowa and Western Illinois since 1978. If you have any questions regarding Crop, Farm, or Business insurance please contact Rob Schmidt or Logan Lyon 563-263-9252 or info@leeagencyinc.com



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Evaluating Your Estate Plan: Estate Planning Goals

Estate planning is a process. Estate planning is not a simple act of drawing up a will or trust document. Rather, estate planning involves the careful consideration and arrangement for the orderly transfer of assets at the time of death. But complete estate planning may include some lifetime decisions that will allow you to retain control of assets but also determine who will make decisions on your behalf should you be unable to do so in the future. Estate planning generally involves the drafting of a portfolio of legal documents intended to accomplish a variety of goals. Your estate plan should not be standardized, but individualized - based upon your unique goals and circumstances.

Estate planning is for everyone. Whether you are male or female; married, widowed, divorced or single; middle class or wealthy; young or old - each individual and family benefits from the process of estate planning. If you own property, you need an estate plan. Depending on your life circumstances, the plan may be quite simple or very complex.

Motivations for estate planning: Most people engage in estate planning for both rational and emotional motivations. Commonly, individuals wish to provide for loved ones after death and ensure that their property is distributed in a timely manner. For many, the minimization of expenses and taxes is an important goal. However, estate planning is often guided by emotional motivations. It gives one a sense of comfort and security knowing that their loved ones will be provided for and that stress for those loved ones will be minimized because of pre-planning. Also, individuals feel a sense of peace when they know that their property will be distributed as desired.

What are estate planning goals? A goal is a general guideline or statement of what you want to achieve. During your lifetime, you accumulate property, both real and personal, tangible and intangible. As you begin the process of estate planning, it is extremely helpful to think

about what you would like to have happen to those items of property, both during future stages of your life and after death. More than that, it is useful to think about what kind of legacy you would like to leave, both within and outside of your family.

Get started now: Do not be one of those individuals (or families) who fail to complete an estate plan. Start now by setting goals for what you would like to see happen with various items of property (real, personal, tangible, intangible) both during your lifetime and after death. Think about what you would like to see happen in terms of health care planning, asset planning and your family farm or other business. Consider family relationships and the legacy that you would like to leave within your family and the community in which you live.



For questions regarding estate planning, please contact Dale Schlotz, Trust Officer and Farm Management Specialist, at (563) 262-3124.

O'Rourke, Melissa O'Rourke. "Estate Planning Goals." Accessed January 6, 2025. <https://www.extension.iastate.edu/agdm/wholefarm/html/c4-58.html>

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