



WESTERN HARVEST BEAN

Dry Bean Newsletter



As spring quickly approaches, I wanted to send a newsletter reviewing 2023 crop production, market trends, and then give a bit of an outlook for 2024. By far the largest story in the dry bean market currently is Mexico's drought last summer that had their domestic black bean production down 45%, and pinto bean production down 66%.

Looking at U.S./Canadian production, first on pinto beans, production was down 2.1 million cwt in the U.S. due to fewer planted acreage, along with lower yields in North Dakota. U.S. pinto bean acres were down 67,000 in 2023, while Manitoba pinto acres were up 16,000 (+25%). As a result of the lower production, and Mexico's large demand we saw prices rise after harvest. To put this large demand into tangible numbers, U.S. pinto bean exports from September-November 2023 were over 5 times that of the same period in 2022, with 92% of those exports going to Mexico. Mexico is also a very important customer for Manitoba pinto beans as well, primarily on the slow darks. Conventional pinto demand remains strong as well, led mostly by canning markets both in the U.S./Canada and also in Europe. On black beans, acres were up 19,000 in the U.S. and 8,000 in Manitoba. With these additional acres, the U.S. saw a record average yield of 22.2 cwt, along with overall national black bean production topping 6.7 million cwt for the first time ever (up 729,000 cwt from 2022). On the demand side, U.S. black beans exports from September-November 2023 were double that of 2022, with Mexico taking 61% of those beans. After Mexico, the Dominican Republic and Costa Rica are the number two and three destinations for U.S. black beans exports, however for Manitoba production Mexico is by the far the largest customer with Europe and domestic (U.S./Canadian) demand behind that. On navy beans, in 2023 Manitoba acres were only down about 1,000 acres, while in the U.S. navy acres fell by 25,300 from 2022, down to 134,600 (lowest since at least 1987). As a result of the lower planted acreage, U.S. navy production fell about 400,000 cwt. Despite these cuts in production, carryover remains an issue, with nearly 60% of the 2022 crop navy beans still in elevator's bins when the 2023 harvest began. Part of this is a lack of demand from Europe and other markets, and the other is end users remain slow to take deliveries of purchased beans due to slower demand numbers than expected. As far as European demand, after talking with buyers there it seems like they are fairly well supplied with white beans from other origins like Ukraine, Ethiopia, and Argentina at cheaper values. I do think eventually these continued cuts to production will help return supply and demand back to an equilibrium, however it remains to be seen how long before we get back to that point. Until then I do think we will continue to see pressure on prices, and limited support from end users for new crop. And then briefly on the specialty classes, kidney and cranberry acres in Manitoba were very similar in 2023 as 2022. In the U.S. acres fell significantly on both light and dark red kidneys as result of lower prices and high carryover stocks. The USDA did announce a food aid tender for both dark and light red kidneys to help use up some of the surplus. Talking to dealers in Minnesota, where a majority of acres for both classes are grown, they expect 2024 acres to be similar to last year. Strong black bean and pinto bean prices will continue to create competition on some of those irrigated acres that tend to be kidney beans, due to a narrower price spread between them.

Looking ahead to the 2024 crop year, weaker competing crop values like canola and soybeans have increased interest in growing beans for many Manitoba farmers. We are seeing similar trends in both Michigan and Minn-Dak as traditional bean growers look to increase their acres, and new growers look to try beans as a more profitable alternative to corn and soybeans. In Michigan the increase in acres is expected to be led by black beans, with the western growing regions expected to have additional pinto and black bean acres. Recently a few of us on the marketing team met with a producer/exporter from Argentina who farms 40,000 acres of corn and black beans, and expects black bean acres there to increase as a result of higher prices compared to white beans. Currently they're planting their bean crop that will be harvested in June-July, so as the season progresses we'll have a better idea of what kind of acreage of each variety they planted. With that I think it's important to look back at last year where despite the larger production of black beans, the additional Mexican demand bought up most every black and pinto bean available. However, if Mexico's domestic production wouldn't have been down 50%, they wouldn't have had the additional demand and we would be in a very different situation.

Please contact Justin or Tina with any questions on new crop contracts and prices
-Aaron Fahrner, Dry Bean Marketing Specialist Cooperative Elevator Co.