

COOPERATIVE ELEVATOR CO.

Bean Pool Payment Update

Within the last few weeks the second pool payments for 2022 dry beans were issued. An additional \$4/cwt was paid on black beans and an additional \$3/cwt was paid on navy beans. This brings the total paid out so far on blacks to \$34/cwt and navy beans to \$33/cwt. As a reminder, there are scheduled to be two additional pool payments made on May 20th and August 20th. Black bean demand continues to strengthen after falling slightly after harvest. Mexico, as well as other export markets have been consistent buyers at these strong prices. Navy bean demand has started to increase again, however prices have remained mostly flat. Europe has become a more active buyer in the last several months, helping to stimulate the market.

New Crop Markets

Looking at new crop markets, black bean demand continues to lead the way. Over the past few months, we have offered several \$40 black bean contracts that have seen significant grower interest. Domestic customers as well as some export markets have shown strong interest in contracting new crop. Part of this is because of the high old crop values that have helped create a floor price for new crop. However as of now, the \$40 value on new crop black beans seems to be steady. It appears there will be quite a few acres of black beans that get planted here in Michigan. As a result, most end users don't see the need to increase the price, or essentially "buy" more acres at this time. The next large driver in the markets will be spring weather. Currently, most of the Minn-Dak and Michigan bean growing areas are under a moderate drought. If this drought persists into spring we could see some acres switch crops or even go unplanted. Turning to navy beans, as mentioned earlier, navy bean demand is slowly starting to come around. With the price spread between black and navy beans last fall, we heard from several growers that were looking at switching acres from navies to blacks. While some acres will probably switch, it does appear a fair amount of navies will still be planted this spring. For those that have some undecided acres, we do have some acres open on our small red bean contract. That is a total production contract at \$44/cwt. If you're uncertain about the future of the black and navy markets, this total production contract may be a good option to consider as we approach spring.

Going forward, we will continue to keep you updated as additional new crop contracts come available.

Last week, several of us from the marketing department attended the Bean & Beet Day at the Double Tree in Bay City. This event is always a great opportunity to network with the vendors and farmers who attend. As usual there were several presenters covering topics such as marketing, weed control, and cover crops. New this year, the CEO of Goya Foods gave a brief update on their company and the importance of Michigan's bean industry. If you're not familiar, Goya is one of the largest brands of packaged and canned beans in the country, and they purchase a variety of black, navy, small red, and organic beans from Michigan.



AS ALWAYS FEEL FREE TO CONTACT ME WITH ANY MARKETING OR CONTRACTING QUESTIONS

-AARON FAHRNER, GRAIN & DRY BEAN MARKETING SPECIALIST

