



JUNE 2023

Bean Pool Payment Update

Two weeks ago the third 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 \$38/cwt and navy beans to \$36/cwt. As a reminder, there will be one final pool payment made on August 20th that will reflect the total amount for 2022 dry beans.

Crop Progress and New Crop Markets

Turning towards new crop markets, not a ton of movement in prices as everyone continues to monitor bean planting progress. Here in Michigan we are getting rolling with around 10-15% planted. In the western growing regions Minn-Dak is closer to 75-80% complete with Manitoba wrapping things up with over 90% complete. Dry weather in the last few weeks has allowed Minn-Dak growers to make significant progress in planting corn, soybeans, and especially dry beans. That same dry weather is no stranger to Michigan growers as many planting beans into very dry conditions. With no rain in the forecast for the foreseeable future, there is definitely some cause for concern among growers.

Based on seed sales and conversations with growers it does appear there will be quite a few black bean acres that will get planted in Michigan this year (possibly up 10-15%). Early estimates have North Dakota black bean acres down some, but Minnesota up. Overall U.S. acres will most likely be up some, but by how much is going to depend on how acres shake out in Minn-Dak. Demand has remained strong despite a slow start from Mexico. Domestic customers seeing the price spread between old crop and new crop were more aggressive in contracting this year than previous years. Small red bean demand has slowed some after a very strong spring. Domestic customers, and Caribbean and Central American buyers have been active at forward contracting this year to ensure they are able to get supply. It looks like U.S. acreage will be similar to last year, with Minn-Dak acres potentially up some. Finally on navy beans, we are starting to see old crop values strengthen some. This should be somewhat bullish for new crop prices as the weak old crop price has had a cap on new crop prices thus far. Acres are lower here in Michigan and also in Manitoba, however early indications have Minn-Dak acres up some. Here in Michigan it seems like a majority of acres were contracted early, so price will be very dependent on whether end users push to buy acres during the season or wait until harvest.

One of the outside factors the market is continuing to monitor is Argentina's dry bean production. You've probably heard about the drought situation in Argentina and how it's impacted the corn and soybean markets over the past few months. It is also impacting their dry bean production. Argentina is one of the largest dry bean exporters after the U.S. and Canada and compete with the U.S. on black bean market share particularly in Central America. If they do have a smaller crop available for export, that could create some new demand for U.S. beans, helping prices. Early estimates have their black bean production down 11-12% from last year.

And finally, Mexico has also remained quiet in the market lately. Inflation and pressure from the government to keep prices low have impacted demand. Very dry conditions occur in much of Mexico, with four of their top five bean growing states under 100% moderate-severe drought. Their spring-summer bean crop planting is just getting started and will continue through July, however with dry conditions lower production is expected. Other than the U.S. and Canada, Mexico also imports beans from Argentina, so a decrease in production will influence prices, potentially increasing demand for U.S. crop.

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

As always feel free to contact me with any marketing or contracting questions

-Aaron Fahrner, Grain & Dry Bean Marketing Specialist