

### Pool Payment Update

The final pool payments for 2023 black and navy beans were issued last week. A final payment of \$6.39 on black beans was paid out, settling the pool at \$47.39, and a final payment of \$3 on navy beans was paid out, settling the pool at \$38. Strong demand from Mexico on black beans after harvest and into the winter and spring pushed prices higher, leading to a strong pool payment. Navy bean demand continued to lag through the winter along with strong yields last year offsetting the lower acres.

### Acreage and Markets

Last week, the USDA released their crop production and FSA acreage reports which gives us the first official acreage breakdown by individual bean class. Starting with black beans, the USDA has total black bean acres up 51% from 2023 at a staggering 435,000 acres. This is 100,000 acres higher than the previous record of 334,500 planted acres in 2020. Michigan did see a significant increase of about 25%, however the huge increases in both North Dakota (64%) and Minnesota (70%) led to such a large influx in acres. Pinto beans also saw a huge increase of 52%, with a majority of those additional acres coming from North Dakota. These increases did not come as much of a surprise. With the huge demand we saw coming from Mexico on both black and pinto beans last year, the high beans prices and disappointing competing crop prices led growers everywhere to plant more beans. On navy beans, acres are down 8% from 2023, with Michigan acres virtually unchanged at 45,000, and North Dakota's acres also only down slightly. Minnesota saw the largest cut in acres, with many of those switching over to black beans. Finally on small reds, total acres are up about 15% or 7,000 acres from 2023. Michigan is up just shy of 5,000 acres, accounting for a majority of that increase. This is also the largest planted acreage of small reds, beating the previous record of 53,700 set in 2015. When looking at acreage swings, it's interesting to point out that in Minnesota, the additional dry bean acres came from a decrease in corn acres. Last year we saw traditional kidney bean growers plant black beans due to strong prices, however this year both black bean and kidney bean acres increased in Minnesota, as growers chose to plant more dry beans across the board. In Michigan, we saw growers cut back on corn acres and plant more soybeans and dry beans. We also saw some wheat acres that didn't get planted last fall being planted to beans as well. The majority of the increase in Michigan's acres came from normal growers increasing their acres, but we did see some new growers plant dry beans this year due to the high dollar contracts available over the winter.

Looking at the markets, both pinto and black bean prices will be very dependent on Mexico's demand. With their current crop in better shape than last year, it's likely they won't need to buy as many beans as last year, but with the increased acreage here in the U.S. it will be very important that they continue to buy some. The low carryover stocks coming into harvest on both black and pinto beans will help somewhat offset the increased production, however initially it appears there will be sizeable carryover stocks going into next year. On navy bean, exports compared to this time last year are up 29%. Part of this is increased demand, particularly from Europe, but also contracts from last year that didn't ship rolled into this year and now buyers are finally taking shipment on. This movement along with lower production should help reduce carryover stocks. Finally on small red beans, demand remains very strong, particularly from Central America and the Caribbean. Overall small red exports are up 16%, however, domestic demand has slowed as of lately. The large production of black beans this year will likely to put pressure on small red prices, as export markets may switch to cheaper options like black beans, decreasing the price spread between the two.

Stay tuned as we get closer to harvest for updates about initial delivery pool payments and receiving locations.

### USDA Crop Production Report

<u>Michigan:</u>	<u>Minnesota:</u>	<u>North Dakota:</u>	<u>U.S. Total:</u>
Blacks: 154,400 +25%	Blacks: 135,000 +70%	Blacks: 117,200 +64%	Blacks: 435,700 +51%
Navies: 45,000 -1%	Navies: 37,200 -19%	Navies: 40,800 -2%	Navies: 123,200 -8%
Small Reds: 25,500 +23%	Pintos: 20,300 +61%	Small Reds: 19,000 -9%	Small Reds: 54,800 +15%
		Pintos: 532,000 +42%	Pintos: 738,900 +52%

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

*-Aaron Fahrner, Dry Bean Marketing Specialist*