

The past few months have been a bit of a rollercoaster after a record black crop last fall. Then we saw depressed grain prices, followed by a big rally after the January USDA report. And then the new Trump administration came in and brought tons of questions about tariffs and their impact on beans, grains, and the economy as a whole. In this newsletter I'll break down the production numbers from last harvest, take a look at demand, and try to unpack some of these other topics.

2023 was a year of records, and 2024 brought much of the same. In 2024 we saw similar yields as 2023, but planted acres were up a staggering 47%. This combination resulted in 2024 black bean production at a **record 9.2 million cwt**, up **2.5 million** from 2023 (+37%). As a result we saw prices fall at harvest before stabilizing as the market digested just how large of an effect this increase in production had on things. At the same time, buying trends from the domestic market and export sales numbers show very strong black bean demand, as canners report strong sales, and export numbers for September-December 2024 were up 34% from the previous year. Exports to all major destinations including Mexico, Dominican Republic, Costa Rica, and Guatemala all show increases from the same period last year underlining the fact that demand has not been an issue. What is important to note is some of the increase in exports is a result of customers advancing shipments to ship through expensive contracts before prices fell as a result of the large 2024 crop. These advanced shipments in the case of Mexico, were also in hopes of getting ahead of the volatility in the U.S. Dollar-Peso exchange rate we'd seen since the election, and the never ending threat of tariffs. At the end of the day despite the very strong demand, the increase in production is too drastic for demand and industry processing capacity to support. As we started the 2024 harvest, roughly 500,000 cwt of black beans from the 2023 harvest were still in elevator storage. As we look ahead to the harvest this fall that number is probably going to be 2-2.5 million cwt. Looking now at navy beans we saw U.S. production fall by 18% in 2024. This was mostly due to acreage cuts in Minn-Dak, as Michigan production was only down 2% from 2023. Large price gaps between navy and black beans in 2023 pushed many growers in Minn-Dak to switch their acres from navies to blacks in 2024. On the demand front, navy exports were down 5% in September-December 2024 compared to 2023. The United Kingdom had the largest cut in navy imports, down 44%. What's interesting to note is Argentina had a poor bean crop last year due to early frosts and dry conditions affecting both yields and quality. As a result there was talk of Europe needing to increase bean imports from the U.S. particularly on kidney and navy beans to make up for less kidney and alubia beans coming from Argentina. Right now Argentina is planting their bean crop and will harvest in June, so we will have to see if there is an uptick in navy exports as we work through the Spring months. What's also interesting to note is the Trump administration is putting tariffs on steel and aluminum imports again, which is what caused the issues related to tariffs on beans to Europe during his first administration. Finally on small reds, we saw national production up by 16%, mostly led by increased acres in Michigan. In 2024 Michigan production topped 600,000 bags, breaking the previous record of 551,000 set back in 2015. Despite small red production increasing the last several years, we have not seen significant carryover. Small red demand remains very stable as the domestic market is heavily led by canning which has been trending flat the last few years. On the export front, exports from September-December 2024 were up 6% compared to 2023. This was led mostly by continued strong demand from Costa Rica and Jamaica making up for slower exports to other markets like Canada. What will be important is decreasing or stabilizing production in 2025, as we've seen in the past the small red market is very sensitive to being oversupplied. Especially when such a large percentage of the crop is exported, and those markets are dependent on their own local production.

To wrap things up we will continue to closely follow the volatility and see how things will impact the markets. And as always will keep you posted as additional new crop contracts come available. Lastly on the pool, the second pool payment for black beans was issued last month at \$5, bringing the total paid so far to \$21.

## 2024 USDA Crop Production Report Numbers

### Navy Beans:

Michigan Harvested Acres: 45,700  
Michigan Yield per acre: 24.8 cwt  
National Yield per acre: 21.5 cwt  
Michigan Production: 1,133,000 cwt  
(1,154,000 cwt in 2023) -2%  
National Production: 2,634,000 cwt  
(3,208,00 cwt in 2023) -18%

### Black Beans:

Michigan Harvested Acres: 154,500  
Michigan Yield per acre: 24.7 cwt  
National Yield per acre: 21.9 cwt  
Michigan Production: 3,816,000 cwt  
(3,095,000 cwt in 2023) +23%  
National Production: 9,200,000 cwt  
(6,702,000 cwt in 2023) +37%

### Small Red Beans:

Michigan Harvested Acres: 26,800  
Michigan Yield per acre: 22.6 cwt  
National Yield per acre: 22 cwt  
Michigan Production: 606,000 cwt  
(482,000 cwt in 2023) +26%  
National Production: 1,248,000 cwt  
(1,074,000 cwt in 2023) +16%

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

*-Aaron Fahrner, Grain & Dry Bean Marketing Specialist*