MICHIGAN BEAN COMMISSION

Bean Commission News

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Mexico: 2010 Production and Trends

From: USDA Gain Report #MX1017

Special points of interest:

- Michigan To decrease Planted acres by 24%
- Michigan acres drop from 236,000 in 10' to projected 180,000 in 2011
- North Dakota has biggest drop of 46%, going from 800,000 acres in 10' to projected 450,000 acres 2011

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The Mexican edible dry bean production forecast for MY2010/11 (Marketing Year) is estimated at 950,000 metric tons (MT), 5 percent lower than the last estimate for MY2009/10. the main reason for the decline is lower planted area which official sources stated is a result of lower producer prices.

According to official preliminary information, **Zacatecas**, the major dry bean producing state, indicates that the 2010 spring/summer dry bean crop reach 264,300MT, which is similar to the previous years production. Approximately 68% of this production constitutes black bean varieties. SAGARPA officials stated that 602,012 hectares were planted, which is greater than the original intended bean plantings of 524,694 hectares because unseasonably late rainfalls caused a shifting of hectares from corn to dry beans, mainly black beans. Another factor in the increase in hectares was the disappearance of the support program to promote the transition of marginal bean areas into other products, such as barley and forage grasses. When the support was canceled, the dry bean hectares went up. State wide yield was stated as 4.8 bags per acre with a current price of 30 cents a pound.

For **Durango**, the second most important dry bean state in Mexico, the spring/summer crop for 2010 was 100,000 MT, about 28% lower than the previous year. Initial rains got this crop off to good start, but lack of rain on the later end of the growing season was scarce or non-existent. Approximately 80% of this crop is pinto beans, black beans represent about 5%. Yield was pegged here at 4.6 bags per acre.

IN **Chihuahua,** the major production state for the spring/summer cycle, is also the their largest state for production of beans. Most of this production is pinto beans (99%) with 28% of the hectares irrigated. This area is noted for its sophisticated growers who use hybrid seed, automated irrigation and advanced agronomic practices. Chihuahua registered good weather conditions and as a result, production quality and volume was good.

Consumption: The forecast for dry bean consumption is 1.18 MMT (about 26 million bags) approximately 1.2% over last year's revised estimate. This increase is driven by population growth expectations. Dry beans continue to be a basic staple in Mexico, despite the fact that Mexico has experienced a decline in per capita consumption over the last few years. Increasingly both parents work outside of the home in Mexican families, which is forcing a change n the food consumption habits of many Mexicans.

Trade: The import forecast is 120,000 MT in the MY 2011/12, a slight increase of 5000 MT from the previous year, as a result of the lower expected domestic production. Trade estimate for the 2009/10 MY estimate was 172,000 MT. Another interesting number is that U.S. imports into Mexico for the 2009/10 MY accounted for 86% of

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Intentions to Plant as of March 31, 2011

Dry Edible Bean Area Planted - States and United States: 2009-2011
[Excludes beans grown for garden seed]

State	Area planted			
	2009	2010	2011 1/	Percent of previous year
	1,000 acres			percent
Arizona	15.5	13.0	10.0	77
California	71.0	63.5	50.0	79
Colorado	57.0	70.0	49.0	70
Idaho	100.0	135.0	90.0	67
Kansas	8.5	9.5	8.0	84
Michigan	200.0	236.0	180.0	76
Minnesota	150.0	185.0	140.0	76
Montana	11.9	18.8	27.0	144
Nebraska	130.0	170.0	125.0	74
New Mexico	12.5	13.8	12.0	87
New York	16.0	15.0	12.0	80
North Dakota	610.0	800.0	450.0	56
Oregon	6.4	7.1	4.5	63
South Dakota	10.3	12.5	14.0	112
Texas	37.0	21.0	20.0	95
Washington	60.0	86.0	70.0	81
Wisconsin	6.4	6.2	5.0	81
Wyoming	37.5	49.0	37.0	76
United States	1,540.0	1,911.4	1,303.5	68

1/ Intended plantings in 2011 as indicated by reports from farmers.

Chickpea (Garbanzo Bean) Area Planted - States and United States: 2009-2011
[Chickpea acres included with dry bean acres]

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the total imports that year, while for both the 2010/11 and expected 2011/12 year U.S. imports are projected at 93% of total imports.

Exports: Exports continue to play a small role in the dry bean situation in Mexico. Exports of 15,000 MT are expected in 2011/12 as compared to 2010/11 of 29,000 MT and 2009/10 of 20,000 MT. U.S. statistics would indicate that virtually all of those exports go to U.S. markets.

Stocks: Stocks are expected to be at their lowest in the last three years with ending stocks projected to be 125,000 MT for the 2011/12 MY. That is 10.5% of current yearly estimated consumption of dry beans. For the year 2010/11 the ending stocks were 250,000 MT or about 21 percent of annual consumption. For comparison the ending stocks in 2009/10 were 329,000 MT or 28 percent of annual consumption.

Policy: In June, 2010, SAGARPA announced specific guidelines for the regulations of marketing dry beans. These guidelines are part of the Mexican government effort to stabilize the dry bean market and production. The first notice provided additional support of 2,000 peso's per metric ton sold and tested in terms of Net Review Weight (NRW). The NRW defined as a metric ton of beans, reduced in weight by moisture, FM, and other damage.

Bean Bites

Capitol Ag Day: Held on March 17th this year, the event was again a great opportunity to discuss Michigan Agriculture with our state legislators. And the reception was certainly a lot more positive this year as Agricultural Environment around the capitol is likewise, a whole lot more positive.

USDA announced the value of dry bean production in Michigan was $122.2 million in 2010 as compared to 2009 of $117.6. U.S. value was posted at $838 million in 2010 as compared 2009 of $790 million. Price per bag fell from 09's $33.50 to $28.90 in 2010 for Michigan and likewise, the U.S. value per bag fell from $30.00 in 09' to $26.00 in 2010.

FSA-USDA announced a tender for reply April 5th for 790 metric tons of beans. There were 670 tons of pinto beans and 120 tons of small red beans. The last tender for small red beans was not fully offered. The small reds are destined for Niger and the pinto beans are destined for Malawi.

Dry Stocks report for Michigan was released on March 21, 2011. The stocks were released as of January 31st, 2011. the report indicated that Michigan had in elevators 972,000 bags of navy beans, 201,000 bags of small reds, 1,552,000 bags of black beans and 131,000 bags of all others.

ERS State Facts for Michigan:
Population 9,969,727 (Est. 2009)
Poverty Rate 16.1% (Est. 2009)
Not Completing High School 16.6%
Federal Fund Per Person $8,999.
Organic Operations 256 (2008)
Organic Acres 58,077 (2008)
Farm Acres 10,031,807 (2007)
% of total land 27.7 5 (2007)
Avg. Farm Size 179 (2007)
Avg. operator age 56.3 (2007)
Number of Farms 54,800 (2009)

Highest importing countries of dry beans in 2008, according to FAO, Part of the United Nations:

INDIA 604,518 MT (13.3 M bags)
U.S. 166,783 MT (3.7 M bags)
U K 148,055 MT (3.3 M bags)

Bean Production High & Low by Year NASS (1919 to 2010)

Type	Highest Year of Production	Production in CWT	Lowest Year of Production	Production in CWT
Total Beans	1991	33,765,000	1921	5,772,000
Black Beans [1]	2010	4,654,000	1955	29,000
Cranberry	1939	671,000	1920	25,000
Navy	1991	8,268,000	2004	2,142,000
Great Northern	1948	4,039,000	1919	10,000
Kidney [2]	1994	2,808,000	1920	219,000
Pinto	1981	14,593,000	1922	352,000
Small Red	1959	1,490,000	1920	30,000
Yellow Eye [3]	1938	191,000	1969	20,000

[1] Black Bean breakdown started in 1953.

[2] Dark & Light Red Kidney were reported together through 1989—for this report I have continued that method.

[3] The last year Yellow Eyes were reported separately was 1969.

Varner's Voice

The following notes on Narrow Row Dry Bean Production were taken from the Dry Bean Day on February 22 and a research priority meeting. Planters have consisted mostly in 22, 20 and 15 inch row spacing. The John Deere planters are mainly the CCS model with a central seed delivery system. Monosem and CaseIH planters are also equipped with narrow rows. A positive aspect for central fill seed system is you have more uniform depth of seed placement as compared to changing depth as the hopper empties with seed. The negative of extra weight is remedied by tilling with knife in wheel tracks, planting a little deeper in tracks and some growers have put tracks on planters. Growers have also put liquid fertilizer saddle-tanks on their tractors to avoid weight on the planter. Planting populations of 120,000-125,000 for navy and black beans is adequate. We will continue to research different populations. Small reds and pinto bean populations should be 95,000-105,000. About 50% of producer's band fertilizer at planting and others spread fertilizer or use liquid nitrogen with their pre-plant herbicides. Some research has shown higher yields when fertilizer is broadcast than when banded at planting time. Many feel bean roots will grow to the band and not develop a deep, spreading root system in the soil profile. Rolling the field after planting, aids in pushing stones, large dirt clods and root balls in the soil. Rolling, levels the soil surface for closer cutting and less harvest loss. Rollers being used in Michigan are usually 30-45 feet. Rolling one to three days after planting will help reduce surface crusting and soil compaction because of dryer soil. Timing of rolling still has to be done weather permitting. There have been cases of dry beans already emerged and growers still rolled them with little to no damage. The seed furrow is lower and the roller cannot flatten the small bean plants as it is riding on the higher pushed up soil created by the tire tracks. The beans are literally bent over and pop back up. Reducing tire pressure of 8-10 lbs when rolling helps with wheel track problems. Narrow tires will sink more than wider tires will. Some have used terra-gators to avoid compaction problems. Some farms are relying on soil applied pre-plant herbicides. A combination of Outlook, Eptam and Prowl has given good season long control in clean fields. Most growers have had to rely on additional post herbicides of Reflex, Raptor and Basagran to control escaped weeds. White mold fungicides are used on most narrow row production with some exceptions like drought and poor growing beans. Endura is the leader with most used and Omega has good control like Endura. Desiccants used for harvest aid is essential for quality dry beans. Some beans did not receive a desiccant in 2010 because of the fast dry down in early September. Aim and Valor was rated a good. Aim and Gramoxone was rated lower because of inconsistent dry down later into the harvest season. Roundup can be used as a harvest aid, but has slower dry down. New product called Sharpen looks very good and may be available for the 2011 growing season. For harvesting, AWS air reels and Dura Twin Knife does a great job. Crary air reels are also on some combines. Make sure the air is hitting the cutter bar correctly. Combines should have Slow Speed Kits. In CaseIH, flipping the cutter bar and installing a stainless steel pan across the header did a great job harvesting.