

Bean Commission News

Volume 17, Issue 8

August 1, 2011

Special points of interest:

- GM Rice in China - An interesting story that hopefully won't be repeated!
- Canned Bean Value rising.
- 2010/11 show dry bean exports were up.
- August 11th next crop report—acres by class and yield estimate.

Inside this issue:

Varner's Voice

4

Published by the:

Michigan Bean Commission

1031 S. US 27

St Johns, Michigan 48879

989 224 1361

Email: green@4wbi.net

Web site: www.michiganbean.org

Bean Prices Higher

By Gary Lucier & Lewrene Glaser (From Vegetables & Melons Outlook)

Cool, wet weather in the Pacific Northwest and northern Plains States has delayed planting and crop development. North Dakota experienced heavy rains, saturated soils, and flooding earlier in the spring. Despite intermittent warm, dry weather in the State during the last couple of weeks—allowing producers to catch up on field work—planting remains behind average. In other States, producers have been able to plant but below-average temperatures have limited plant growth. For example, 53 percent of dry beans had emerged in Idaho as of June 19, compared with a 5-year average of 77 percent.

The March *Prospective Plantings* report from USDA's National Agricultural Statistics Service (NASS) indicated that producers intended to plant 1.3 million acres of dry beans,

down 32 percent from 2010's high levels and the lowest planted area since 1983. However, weather delays may favor dry beans, which have a shorter growing season than corn and soybeans. NASS's June 30 *Acreage* report will provide survey-based estimates of planted area. (See July Newsletter)

Trading remains light in U.S. dry edible bean markets as the industry awaits the completion of planting. In general, grower and dealer prices have been rising steadily since the beginning of the year—consistent with overall higher commodity prices. In May, the preliminary grower price for all dry beans hit \$31.70 per hundredweight (cwt), up 14 percent from a year earlier and 30 percent higher than December's season low of \$24.30 per cwt. May price estimates were above a year

earlier due largely to higher prices in Michigan, North Dakota, Nebraska, and Idaho. State price changes reflect the predominance of the dry bean classes marketed in each State.

The initial estimate for the 2010/11 season-average grower price for all dry beans was \$26.00 per cwt. Given the monthly prices now in the books, the season average will likely be closer to \$28 when the final estimate is released. In the coming year, expectations for a smaller dry bean crop should push the current dollar (unadjusted for inflation) season-average dry bean price to levels around 2008's \$34.60 per cwt. Dealer prices for all classes are up from the beginning of the marketing year in September, except for large lima beans. With intended area for dry beans down

(Continued on page 2)

GM Rice Spreads, Prompts Debate in China by Boris Cambreleng With intro by David Bennett, Western Farm Press

Late in the summer of 2006, the USDA announced trace amounts of unapproved GM traits had been found in several rice varieties being grown in the United States.

The reaction was swift and unequivocal. Not

only did the rice price drop precipitously but trading partners were lost and the rice industry and regulatory agencies scrambled to undertake a clean-up effort to remove the traits from the rice supply. Litigation between pro-

ducers and Bayer, which owned the GM traits, continues to this day.

Not to exonerate the United States but to point out it was hardly the worst offender on the GM rice front, many pointed to China. "You

(Continued on page 3)

(Continued from page 1)

and weather delays in some regions, dealer prices have continued to rise in May and early June for pinto, Great Northern, light red kidney, dark red kidney, pink, and garbanzo beans while holding steady for navy, black, small red, and large lima beans.

Exports Up Slightly

During the first 8 months of 2010/11, U.S. export volume of dry edible beans was up 1 percent from a year earlier to 6.59 million cwt. Movement to foreign nations increased notably for baby lima, garbanzo, small red, blackeye, and navy beans, but declined for most others including Great Northern, pinto, cranberry, and pink beans. The September-April value of dry bean exports also rose 1 percent to \$221 million. A higher average unit price for black beans offset a lower export volume and pushed the value of U.S. black bean exports up 20 percent. On the other hand, a lower unit value for pinto beans combined with a smaller export volume dropped the value of pinto bean exports 40 percent during the first three-fourths of the marketing year. The direction dry bean exports will take in the remaining 4 months is uncertain—given large stocks, a weak U.S. dollar but also rising prices.

Through April, Mexico accounted for 27 percent of total U.S. dry bean export volume, down from 38 percent a year earlier but in line with the September-April average for the prior 5 years. Black beans (79 percent), pinto beans (10 percent), and navy beans (3 percent) accounted for the majority of Mexico's purchases. Year to-date movement of all three bean classes to Mexico was below year earlier levels. Navy and miscellaneous beans accounted for more than three-

quarters of U.S. bean exports to Canada. Although year-over-year export volumes were up for navy and miscellaneous beans, shipments of garbanzo and small red beans to Canada were up substantially from a year earlier—accounting for 18 percent of U.S. exports during the first 8 months of the marketing year, compared with a 5-percent share for the same period in 2009/10. Larger exports of garbanzo and navy beans were responsible for the increase in movement to Italy, Spain, and the United Kingdom. Given the large size of 2010/11 production and stocks, it is no surprise that U.S. dry bean imports for the first 8 months of the marketing year are 17 percent below a year earlier. At 1.72 million cwt, import volume is the lowest it has been in 10 years when September-April 2000/01 imports equaled 1.41 million cwt. Import volume is down for all classes, except mung and urd beans. Canada (30 percent of the year-to-date total), Mexico (25 percent), and China (24 percent) remain top U.S. suppliers. By class, 92 percent of black beans came from China and Canada, 89 percent of mung and urd from China and Thailand, and 71 percent of garbanzo beans from Canada and Mex-

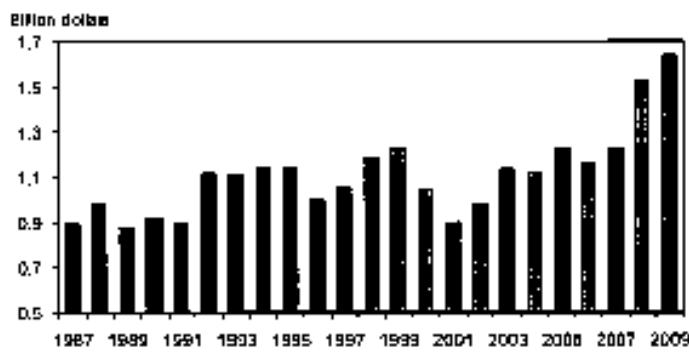
ico. In calendar year 2010, imports accounted for about 13 percent of dry bean net domestic use, down from 16 percent in 2008 and 2009 but up from 6 percent in 2000 and 4 percent during the 1990s. With dry bean production projected lower in 2011/12, import penetration during 2011 may rise to 18 percent.

Value of Canned Dry Bean Shipments Up

The latest U.S. Census Bureau product-shipment data from the annual Economic Census were released on December 3, 2010, and cover 2009. Collected annually since 1949, the value of product shipments in the survey represents estimates of the total value of manufacturer shipments of all canned dry beans. At \$1.639 billion, the value of canned dry bean shipments in 2009 rose 7 percent from 2008, similar to the growth rate in 2007, but substantially below 2008's 25-percent gain (which likely reflected high food and commodity prices). The value of manufacturer shipments in 2010 (data are scheduled to be released in the fourth quarter of 2011) may increase by a similar percentage as lower dry bean prices offset only some of the higher input costs for energy and metal. The value of manu-

facturers' canned dry bean shipments (in nominal unadjusted dollars) most recently troughed in 2001 at \$900 million. However, the industry has seen the value of shipments move higher since then with increased costs and the introduction of new products.

U.S. canned dry beans: Value of product shipments



Source: U.S. Department of Commerce, U.S. Census Bureau, Annual Survey of Manufactures: Value of Product Shipments, product code 5114227.

(Continued from page 4)

cated at Northwest corner of Walker Road on the West side of Shinevale Road. 6 miles Northwest of Kinde. Planted June 8. Tour on August 23 at 6:00 p.m.

Montcalm- Brian Stratton Farm- Located 1/2 mile South of Lake Montcalm Road on the West side of Pine Grove Road. 5 miles Southwest of Vestaburg. Planted June 13. Tour on August 24 at 6:00 p.m.

Sanilac- J-Rod Farms (Jared Heilig)- Located 1/2 mile North of Robinson Road on the East side of M-19 (Uby Raod). 3 1/2 miles North of Argyle. Planted June 3. Tour on August 30 at 6:30 p.m.

Tuscola- Mark Bauer Farm- Located 1/4 mile West of Bradleyville Road on the North side of M-81. 3 3/4 miles East of Reese. Planted June 14. Tour on August 31 at 10:30 a.m.

Editors Note: Nominations Meeting: Mike Sahr, District #8,

Saginaw County, is the only term that expires this year. A nominations meeting will held immediately after the Saginaw/Tuscola plot tour at a place to be named.

Commission eligibility: To be nominated and appointed to the Michigan Bean Commission you must be a grower of beans and you must live in the District you represent. One district is open this year.

(Continued from page 1)

know," I heard from more than a handful of folks, "China is already growing GM rice."

Well, it appears those claims were right. According to a Wednesday report by Agence France-Presse (see below) Chinese have had GM rice seed since 2005. Communist state officials claim the rice is available and being grown in several provinces due to "weak management."

Further, "according to the website for the European Union's Rapid Alert System for Food and Feed, European countries found foodstuffs from China containing GM rice 115 times between 2006 and May (2011)."

European nations are the ones who kicked up such a fuss when tiny amounts of GM traits were found in exported U.S. rice. Let's see how they react to this report.

June 15

BEIJING - Genetically modified rice has been spreading illegally for years in China, officials have admitted, triggering a debate on a sensitive aspect of the food security plan in the world's most populous nation.

Two strains of GM rice were approved for open-field experiments but not commercial sale in 2009. In January, the agriculture ministry said "no genetically modified cereals are being grown in China" outside the test sites.

But in April, an environment ministry official told the weekly Nanfang Zhoumo that a joint investigation by four government departments had found that "illegal GM seeds are present in several provinces because of weak management".

The agriculture ministry did not respond to an AFP request for clarification.

According to the website for the

European Union's Rapid Alert System for Food and Feed, European countries found foodstuffs from China containing GM rice 115 times between 2006 and May this year.

The campaign group Greenpeace says GM rice seeds have been in China since 2005, and were found at markets in Hubei, Hunan and Jiangxi provinces last year, Fang Lifeng, a Chinese agriculture specialist with the group, told AFP.

Beijing is pro-biotechnology and has already allowed several GM crops to be grown, including cotton, peppers, tomatoes and papayas, and has authorized imports of GM soya and corn for the food industry.

But rice -- the key staple in the diet of the country's more than 1.3 billion people -- is a much more sensitive question.

"Two-thirds of Chinese eat rice every day," said Tong Pingya, a highly respected agronomist who blasted Chinese scientists for "treating the people like guinea pigs" at a conference in May chaired by Vice-Premier Li Keqiang.

"China does not need this genetically modified rice, as it produces enough and even exports a bit," Tong told AFP.

When the National People's Congress, China's rubber-stamp parliament, met last year, around 100 researchers wrote to deputies asking them to revoke authorizations for the use of experimental GM grains, including a strain of corn as well as the two rice types. They also demanded a public debate and clear labeling of products containing genetically modified organisms.

Backers of GM rice argue that it is more drought-resistant, offers better yield, and -- in the case of the variety containing the Bt gene -- allows pesticide use to be dramatically cut.

"It should be possible to authorize commercialization around 2012-2013, but the state will probably not allow them to be used on a wide scale" in the near future, said Ma Wenfeng, a grain market analyst with the consultancy CNagri, which has links to the agriculture ministry. According to Ma, the new varieties represent "an advance in biotechnology" and will ultimately be accepted.

For their part, environmentalists and some Chinese scientists warn against the as-yet unknown long-term consequences of using GM rice for biodiversity and human health.

Whether using them is in farmers' interests is an open question, according to Greenpeace's Fang, because "GM seeds cost two to five times more than ordinary seeds" and "in terms of yield, there isn't really a difference".

GM rice strains developed in Chinese laboratories also raise questions about intellectual property.

The Bt gene is patented by the US agribusiness giant Monsanto, which could demand royalties and compensation from China if that variety is commercialized.

(Where do we stand on GM Dry Beans? Reports continue that Brazil is situated to release a Genetically modified bean, the Carioca. It was scheduled for a 2010 release but do to the inability to get it increased sufficiently and Brazilian Government intervention, the release has been delayed. Also it is reported that both Mexico and a research center in Shanghai, China are currently working on a genetically enhanced bean as well as a number of Universities in the U.S. Currently, the customer base for U.S. beans world wide is against any Genetically enhance dry bean being released.)

Varner's Voice

Since the big rain on June 21-22, the 2011 season has remained dry and hot in most of the dry bean areas of Michigan. The single event of too much rain hurt better than 50% of the dry beans in Michigan. Some timely rains in areas have improved beans greatly. A few areas like Gratiot County have not received any rain or very little since June and all crops are showing moisture stress. The dry bean root-rot has subsided in many fields and timely rains will still make lots of beans. Michigan has not had the overall general rain where every grower throughout the bean growing area receives a half to one inch. The dry bean varieties of today can tolerate more moisture stress than the Seafarer beans. Here's a summary of my trials at this time: Bay-4 inches of rain June 21-22, severe damage and root rot. Beans are green and growing back slowly. Gratiot-3-3.5 inches of rain and growing back slowly due to very dry conditions since the big rain. I would predict yields will still be very respectable. Huron-a few small rains

have kept this trial looking good. Huron and the Sanilac trials are my best trials at this date. Montcalm irrigated trial looks very nice at this time. Sanilac-like Huron, there has been some small spot showers that have helped this trial along. Tuscola-on the dry side, we did receive a half inch or so on July 18 to break the drought for a few days. Trial still has excellent potential if timely rains come in August.

From Dr. Chris Difonzo-BEANS: Dry beans are more of a puzzle, since the canopy is not closed in some fields. Last week, we found that egg masses didn't hatch when pinned in short late-planted beans lacking a canopy, likely due to extreme heat coming off the soil. It is doubtful a female moth would even choose such a field for egg laying. However, for early-planted fields with a lot of growth (nearly closed canopy), especially if irrigated, and a high trap catch nearby, I suggest a spray window starting at the end of this week, in central Michigan and the UP. The insecticide will kill any young larvae in the canopy, and the residue will kill larvae hatching for another 7 days. We'll have to keep an eye on the shorter dry land beans for

the next few weeks to see if those fields also should be treated.

As in past years, we will be having tours at the dry bean variety trials in late August. Dates and times are listed below. The County Extension Offices and dry bean elevators will have information on these tours.

2011 Michigan Dry Bean Variety Trial Locations

Bay- Meylan Farms- Located at Northeast corner of Wheeler Road on the East side of Garfield Mile Road. 2 miles North of Auburn. Planted June 4. Tour on August 31 at 5:30 p.m.

Gratiot- Hrabal Farms- Located Northeast corner of McClelland Road on the North side of Olive Road. 1/2 mile North of Breckenridge. Planted June 11. Tour on August 29 at 5:30 p.m.

Huron- Leonard Knoblock Farm- Lo-

(Continued on page 2)