

Bean Commission News

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Special points of interest:

- Stocks on August 31, 2011 in Michigan stands at 1,095,000 bags
- Zacatecas Plants only 165,000 hectares on time, balance either late or unplanted
- U.S. Dry Bean Exports down slightly

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Dry Edible Beans

By Gary Lucier and Lewrene Glaser, Economic Research Service

Production To Drop Sharply

Driven by sharply lower planted area, the U.S. dry edible bean crop is forecast at 20.5 million hundredweight (cwt) this fall, down 36 percent from a year earlier. With the exception of Washington, output is expected to decline from year-earlier levels for each of the 18 surveyed States. The five largest producing States—North Dakota, Michigan, Nebraska, Minnesota, and Idaho—are collectively expected to account for 73 percent of the 2011 crop, down from 77 percent in 2010. Assuming normal late

summer and early fall weather, harvested area is expected to decline 35 percent from a year earlier to 1.19 million acres. Although the crop got off to a late start due to the cool, wet spring, subsequent hot weather has allowed growth in many areas to catch-up to the 5-year average. With the majority of the crop in good to excellent condition as of mid-August, the first forecast of national yield was 17.2 cwt per acre—down less than 1 percent from 2010 but on the long-term trend.

Output of Most Classes To Decline

Planted area for all dry

beans was projected to be 1.27 million acres, down 34 percent from the previous year. As indicated by the planted area estimates released in August and yield patterns in major States, with the exception of dark red kidney, small red, and cranberry beans, production is expected to decline for most dry bean classes. Lower output is expected for pinto, navy, black, Great Northern, and light red kidney beans—which account for more than three-fourths of the U.S. dry bean crop. USDA will release the first official estimate of production by class in the De-

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PHI mentioned in Committee Bill

The Senate Ag Appropriations Committee passed the FY2012 Ag Approp's Bill out on September 8th.

The following Pulse Health Initiative (PHI) Language was included

in the bill that was passed.

Pulse Health Initiative.—The Committee continues to recognize the need to investigate the ability of pulse crops—dry beans, dry peas, lentils, and chickpeas—to

provide solutions to critical health issues including, but not limited to, obesity, diabetes, cardiovascular disease, and cancer; and to increase the consumption of pulse crops by improving their functionality in baked

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cember 11 *Crop Production* report.

Prices Surge With Small Crop, Good Demand

During the first 11 months of 2010/11, grower prices across all classes of dry beans averaged \$29.23 per cwt—about the same as a year ago. However, a year earlier dry bean prices were on a downward trend as opposed to the upward trend that has been in place since last December. With open market (non-contract) volume relatively thin (or nonexistent) for many dry bean classes, grower prices are currently averaging above a year earlier in every major dry bean State. In North Dakota, the all-class dry bean price reached a seasonal low of \$20.70 per cwt in December and has continued to push higher each month (\$33.20 per cwt in July) in anticipation of the new smaller crop. Despite the upward price trend, September-July grower prices in North Dakota still averaged 1 percent below a year earlier, as prices did not exceed those of the previous year until April. Similar patterns were observed in most other States.

In the coming year, prices for virtually all dry bean classes are expected to average above a year earlier. With continued strong corn and soybean prices likely plus dwindling dry bean stocks and good dry bean demand expected for this year's small crop, aggregate dry bean prices will likely strengthen into mid-2012. The season average price across all bean classes is expected to easily exceed the nominal dollar (unadjusted for inflation) record of \$34.60 per cwt set in 2008. After adjusting for inflation, the 2011/12 season average dry bean price will likely be the highest since

1989 but will remain well below the all-time high set in 1973. As a result of higher prices and exhausted stocks for most all classes, area planted to dry beans is expected to surge next spring to nearly 2 million acres.

During the second quarter of 2011, the Producer Price Index for canned dry beans averaged about the same as a year earlier. During the same period, the retail price for dry packaged beans also remained even with a year earlier. Retail prices for dry packaged beans were relatively steady from December to April but began to move higher in May and June. In July, consumers paid an average of \$1.38 per pound for packaged dry beans, the same as a month earlier but up 5 percent from a year ago. Although the July price was the highest of the year, it was still 3 percent less than the highs reached 2 years ago. The high dry bean retail prices experienced in 2008/09 will likely be exceeded in the 2011/12 marketing year.

Export Volume Down 1 Percent

Given surging higher dry bean prices, dwindling stocks, and a smaller crop in prospect, the pace of exports slowed a bit in May-June from that of a year earlier. As a result, during the first 10 months of 2010/11 (September-June), the volume of dry bean exports fell 1 percent from a year ago. Through June, the value of all dry bean exports was \$260 million—nearly identical to a year earlier. The unit value (export price) across all classes of dry beans shipped through June was up 1 percent to 33.6 cents per pound. Among the volume leaders, export movement through June is down for pintos, black, and Great Northern. Great Northern exports were lower for the major markets including France, Japan, and Tur-

key (which is a transshipment point into Northern Iraq). Exports through June were higher for garbanzo beans and baby limas, with baby lima exports to Japan (the traditional top market for baby limas) up 243 percent. Across all dry beans and top destinations, sales improved to Canada, the Dominican Republic, Italy, and Spain while declining for Mexico and the United Kingdom. The volume shipped to top market Mexico dropped 27 percent due mostly to reduced movement of black beans (down 20 percent) and pinto beans (down 56 percent).

In calendar 2010, the United States exported about 20 percent of its dry bean supplies (production, stocks, and imports), compared with 24 percent a year earlier. During the first 6 months of 2011, with dwindling free stocks and surging prices in anticipation of a small 2011 crop, export movement has begun to slow. Although the pace of exports is likely to slow further with tightening supplies and strong prices during the last third of 2011, export share of supply is expected to remain near the average of the past 10 years (20 percent).

Although dry bean imports during September-June were down 13 percent from a year earlier to 2.3 million cwt, the pace of imports has picked up a bit (especially for garbanzo beans) with shrinking stocks and the prospect for a smaller crop this fall. Black beans (down 10 percent) remain the top import class through June but garbanzos may have overtaken them by the time August data are released.

Old Marketing saying: When the plate of cookies goes around the table, don't forget to take a few.

Mexico Bean Crop Has its Problems

By Raul Caballero, Mexico U.S. Dry Bean Council Representative

The month of August was not much different from July in terms of precipitation in Mexico. The first two weeks September saw rains in the three major growing states in Mexico, but not enough to be optimistic about production of beans and other crops.

Zacatecas: We have confirmed that 466,000 hectares were planted of which only 165,000 hectares were planted on time. Those planted on time are expected to be fine and have a "normal" yield. The balance of 300,000 hectares that were planted late still need rain all the month of October need to be free of frosts that can happen the last week of September. Hope is that

the delayed rain will delay the frost as well. A total of 604,000 hectares were programmed (Prospective plantings) for Zacatecas.

Durango indicates that 157,000 hectares of dry beans were planted. It is anticipated 110,000 hectare of that planted quantity will produce a normal crop. They are also worried about frosts as September temperatures have started to drop at night. This state was expected to have 225,000 hectares of beans this year.

Chihuahua seems to have its challenges as well. It is expected that Chihuahua will produce only 48,000 metric tons of pinto beans from the 74,000 hectares there.

They have received only 50% of the historic average of rainfall.

It was also estimated that 150,000 hectares of corn were not planted in Durango and the corn planted there will not be anywhere near normal in yield.

Prices have started to react to the lower expected bean production and prices have increased from 20 to 35 percent. At the same time there is great concern about possible Chinese imports and their ability to gain a foothold in the future.

Mexico consumes approximately 1.2 million metric tons of beans per year.

Stocks Report Released

Dry Bean stocks as of August 31, 2011 were released on September 29, 2011. The stocks report shows all beans in commercial storage. Black beans led the way with 518,000 bags as compared to last year's 250,000 bags. Navy beans a close second with 497,000 bags as compared to last year's 454,000 bags. The only other class broken out was small reds with this year's 57,000 bags far behind last year's 245,000 bags. Total stocks for this year was 1,095,000 bags compared to stocks in 2010 of 992,000 bags and stocks in 2009 of 828,000 bags.

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highest yielding trial in 2011. The Tuscola location is the only trial where I will be able to rate for white mold. The white mold infection is not severe, but the susceptible varieties are showing many infection sites on the plants. Very few, if any, dry bean fields in Michigan have white mold disease. A high temperature year does not allow white mold to develop early and cause high yield losses.

2011 Pythium root rot flourished in many fields throughout the growing season. I am wondering if our wet May and late June set the stage for this disease or if some of our new varieties are more susceptible to Pythium. We know Merlot small red are more susceptible than our navies and blacks. I received many calls on Pythium root rot from all areas of Michigan. This disease has been around the bean area a long time and has been considered very minor compared to Fusarium root rot.

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goods and end use as a food and food ingredient through the study of milling, extrusion, extraction, and cooking properties. The Committee also recognizes the potential to improve the sustainability of agricultural rotations and reduce green house gas emissions by improving the nitrogen fixing abilities of pulse crops. The Committee recommends ARS provide adequate funding to establish the Pulse Health Initiative.

Research Facilities.—The Committee concurs with the budget.

Although there is no dollar amount with this language it does direct ARS to fund the PHI.

The PHI is a partnership between the U.S. Dry Bean Council and the USA Pea & Lentil Council to promote the use of Pulse Crops in addressing three critical challenges for our nation and the global community:

- Obesity and Chronic Disease
- Global Hunger and Functionality
- Environmental sustainability

The PHI goal is to help raise awareness of the vital role pulse crops can play in meeting these three challenges.

For every expert that says the market is going up, there is one who says it's going down.

Varner's Voice

Michigan's dry bean area experienced timely rains on July 18 and 28 along with rains in the first three weeks of August. These rain events and cooler temperatures did allow the dry beans to set pods and produce very respectable yields. The big problem of high temperatures during blooming caused the bean plants to shut down or poorly set a few small pods. The July 21 temperature of 99-100 degrees was the example to too much heat for proper pod setting. The hot streak in July hasn't happened since the mid-1950's where we had 6-8 days of 90 degrees and higher. We have to go back to 1988 as the last time we had dry bean plants shut down and delay their maturities. When dry beans shut down, they still produce vegetative growth. This extra growth has caused many dry bean varieties to lodge and lean over. The dry beans don't have the normal plant habits of most years. The north central and

north east Huron County dry beans still did not have adequate rainfall to produce excellent yields. The Huron Dry Bean Variety Trial between Kinde and Port Austin received 1 inch of rain from June 25 thru August 14. These rains came at only one, two and three tenths at a time. The Michigan August Crop Report estimated dry bean yields at 1750 pounds as of August 1. I do believe we will be higher than this estimate because of the favorable weather after August 1. I myself was wondering if the dry bean varieties of today would recover the way they did. I received many phone calls in middle to late July from growers telling me they didn't have many pods and the pods on the plants had one, two and three beans. The 2011 dry bean year will show most beans did recover and produced average to above average yields. There was some frost on September 15 in Gratiot, Montcalm and places North. This frost seemed to have helped maturity rather than hurt the overall quality in these fields. Here's a summary of my trials at this time: Bay-this severely damaged and root rotted trial recovered to produce 15 cwt. This was the

poster child for bad beans in early July. I really didn't know if we should have a tour at this location noting back to when a dry bean grower from Bay County told me to not have a tour if you can't show me anything. Gratiot-harvested pintos have hit the 30 cwt mark and the navy and blacks will be close behind. The cranberry and kidney beans were in the 15-20 cwt range. These bush types did not recover from the heat stress like the upright short vine beans. Huron-a few small rains have kept this trial looking good, but overall plant growth is less than adequate. I have not harvested anything in this trial. Montcalm irrigated trial had lower than normal cranberry and kidney bean yields. The high temperatures have reduced yields on these bush type beans. Sanilac-was completely harvested on September 15. Yields will be in the 20-23 cwt range. Tuscola-a few small rains kept this trial in fairly good shape. I have not harvested anything in this trial. The August rains provided excellent pod setting and this June 14 planted trial will be the

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