

# DRY BEAN NEWSLETTER



August 2023

## Pool Payment Update

The final pool payments for black and navy beans were issued last week. A final payment of \$6 on black beans was paid out, settling the pool at \$44, and a final payment of \$2 on navy beans was paid out, settling the pool at \$38. We saw black bean prices fall some after harvest due to better than expected yields in the Minn-Dak and Manitoba regions. Prices did rebound as we got into the spring and summer which allowed us to pay out a strong pool price. The navy bean market also saw harvest pressure as strong yields in Michigan and Minn-Dak offset the decrease in acres. Unfortunately, due to disappointing export numbers, values did not rebound into the summer like we saw on black beans, which led to the pool settling lower than blacks.

## Acreage and Markets

Last Friday the USDA released their crop production report which was the first official acreage report that breaks down acreage by individual class. Starting with navy beans, the USDA has total acreage down 11% from last year at 144,200 acres. This will be the smallest navy bean planted acreage since the USDA started recording national acreage numbers by class in 1987. The question now will be where do yields come in at, and how will available supplies compare to demand. And more importantly, how aggressive of a demand will we see coming out of Europe, with U.S. demand virtually unchanged.

Looking now at black beans, U.S. acreage is up 9% from last year at just shy of 300,000 acres. Originally, we had expected the Michigan number to be closer to 135,000 acres, however the increase in acres we saw locally was mostly offset by a decrease in other parts of the state. Realistically the largest increase in black bean acres came in Minnesota, where due to weak kidney bean prices, farmers switched acres into black beans. The market will be focused on yields with the increased acreage being in the western growing regions, as well as Mexican demand. Dry conditions for their domestic crop have buyers very interested in U.S. crop as we approach harvest.

And finally on small red beans, overall acres are up significantly at 44% for a total of 52,300 acres. With strong demand coming from the Caribbean and Central America supporting high grower prices, we did see some growers switch acres from navies into small reds this year. Based off North Dakota's small red acres being up 63% alone and navy acres down 17%, it's a good bet that many growers there did the same thing. Despite the increase in acres, demand remains strong due to last year's smaller crop which should help support prices.

Looking at crop conditions, Minn-Dak are fair, with Minnesota in a little better shape. North Dakota dealers are expecting an average to slightly below average crop due to dry weather late in the growing season. Manitoba conditions are quite variable, with pockets receiving rain having very good beans and others that were drier are definitely showing signs of stress. This newsletter wouldn't be complete without touching on Michigan's conditions and the large amount of rain we've received since mid-July. On the western side of the Thumb growers couldn't seem to go a week without receiving rains totaling several inches, and sometimes getting that much in a few hours alone. These rains and the subsequent flooding and damage have created a large disparity in the crop. Beans on lighter soils that didn't see as much rain will have near record yields, while others that were flooded out several times will be close to zero. This range will make judging yields and the size of the crop very difficult until combines are rolling and we are well into harvest.

Stay tuned as we get closer to harvest on updates, about initial delivery pool payments and/or board prices as well as receiving locations. Also don't forget to attend one of the Michigan Bean Commission plot days which can be found on their website under the events and calendar tab ([michiganbean.com](http://michiganbean.com)).

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## USDA Crop Production Report

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### Michigan:

Blacks: 125,000 +2%  
Navies: 50,000 -17%  
Small Reds: 22,000 +47%

### Minnesota:

Blacks: 80,000 +20%  
Navies: 46,700 -3%  
Pintos: 12,000 -6%

### North Dakota:

Blacks: 77,000 +8%  
Navies: 45,000 -17%  
Small Reds: 22,100 +63%  
Pintos: 398,000 -4%

### U.S. Total:

Blacks: 298,200 +9%  
Navies: 144,200 -11%  
Small Reds: 52,300 +44%  
Pintos: 522,200 -8%

As always feel free to contact me with any marketing or contracting questions  
-Aaron Fahrner, Grain & Dry Bean Marketing Specialist