U.S Dry Bean Council Update

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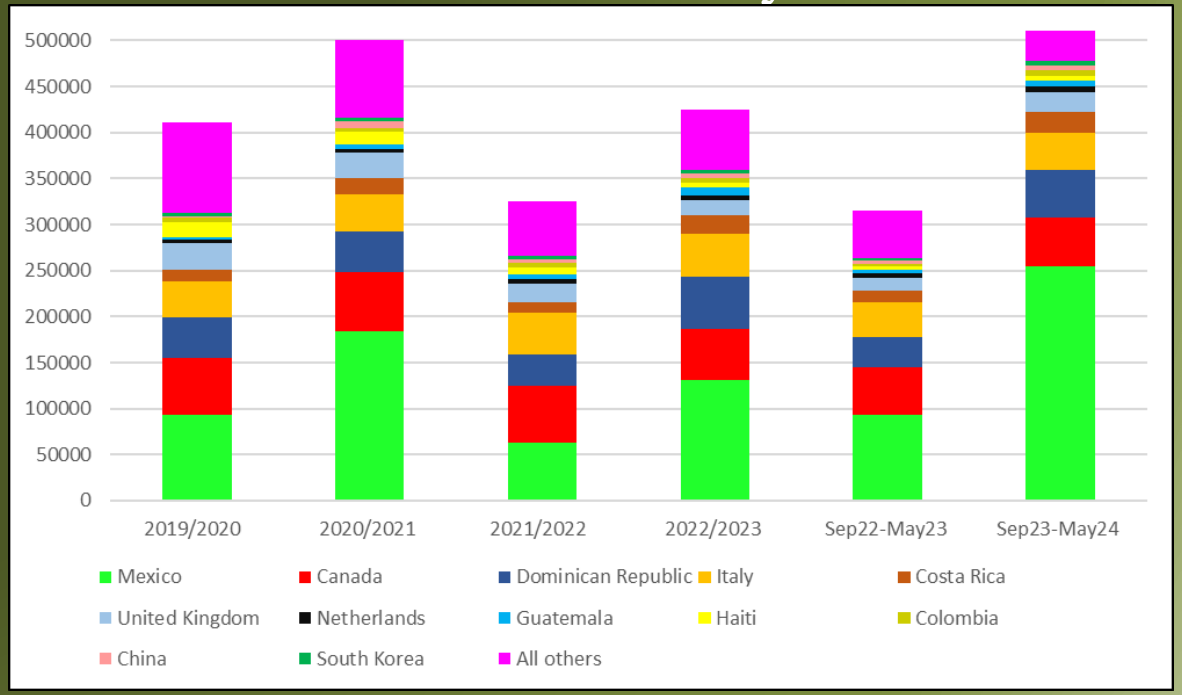
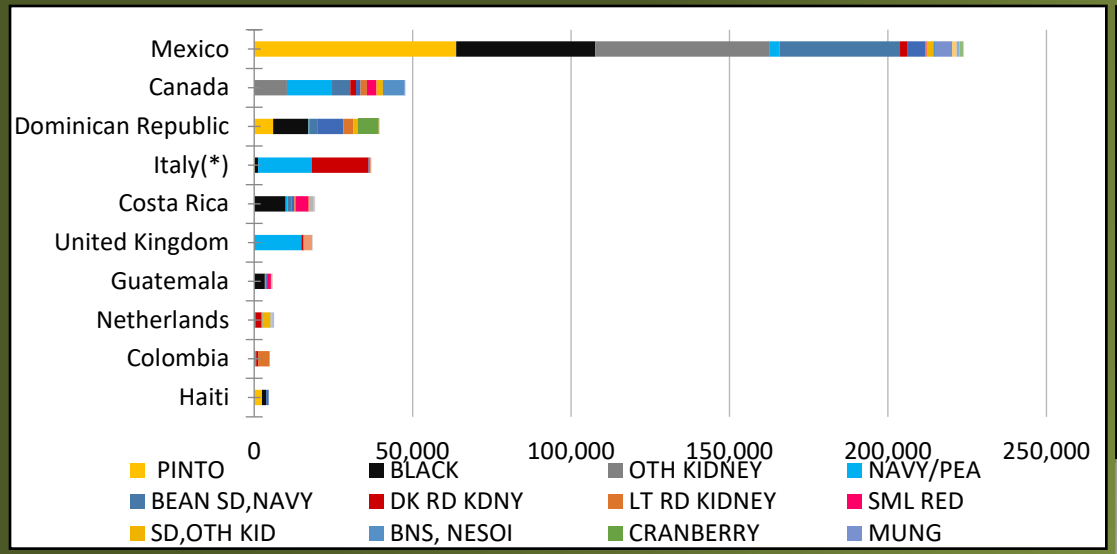
Quality Grown in the U.S.A.
U.S. Dry Bean Exports

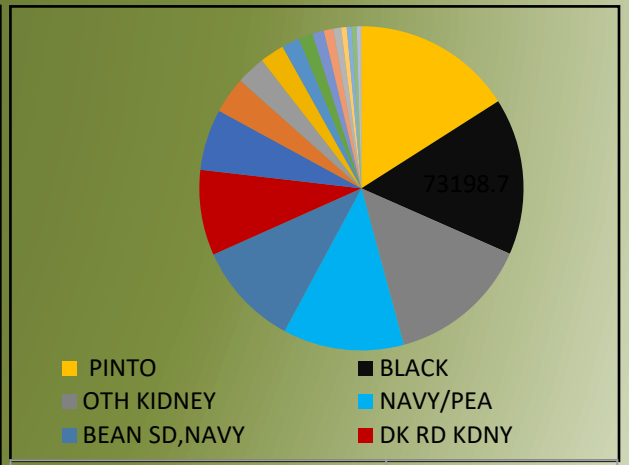
U.S.A. Worldwide Dry Bean Trade



- **+ 70% exports compared to the same period last year. 2024 consolidating as the best export year of the past 24 years.**
- **Main driver, historical drought in Mexico**

Main Bean Types Exported Sep23 – Aug24



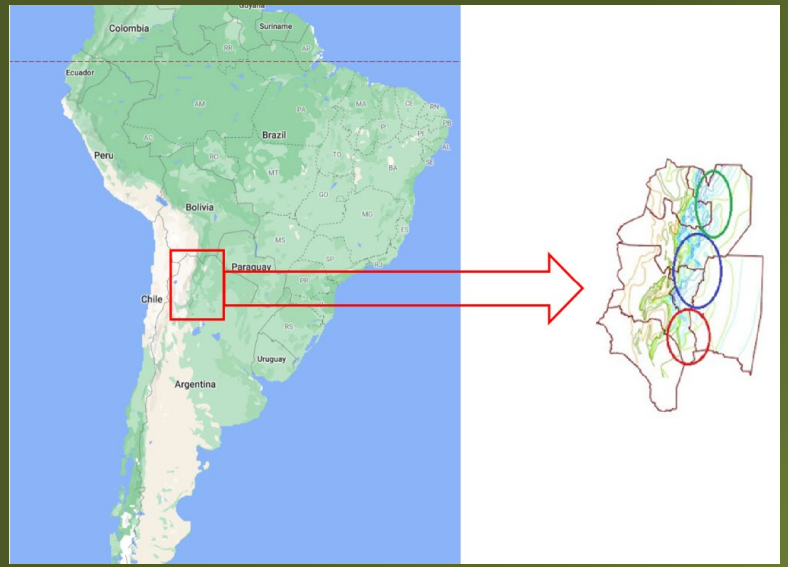


KIDNEY BEANS (ALL)	**29,2%**
PINTO	**16,0%**
BLACK	**15,6%**
NAVY/PEA	**12,1%**

- Kidney beans, black beans, pinto beans, and navy beans, accounted for 72.9% of exports in 2023/24 MY
- Small red bean exports increasing as they gain MS in the past years, especially in Central America

Production Overview: Argentina, Brazil, Mexico

Bean Production: Argentina



- Argentina produces 450,000 MT of dry beans on average, most destined to the export market
- Main competitor in many markets. Black beans in CA and Mx, Kidneys in EU and Colombia

	Southern	Central	Northern
Planting window	Jan. 5 – Feb. 20	Jan. 15 – Feb. 25	Feb. 10 – Mar. 20
Share of planted area	30%	30%	40%
Main bean classes	Mostly blacks, and also DRKB, LRKB and mung beans	Mostly blacks, and also DRKB and LRKB	Mostly alubia, and also cranberry, mung, DRKB and LRKB

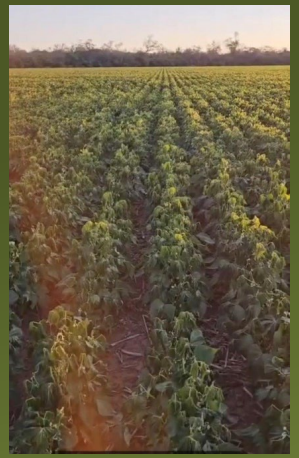
Dry Bean Production: Argentina

- Extremely challenging crop to assess because of the succession of weather-related problems. Planting season started nicely, with increased planted area intentions compared to last year.
- Very dry conditions prevailed in the Northern growing region, generating 2 different scenarios between the Southern and Central/Northern regions.

- Juxtaposition of a black bean field in the central growing area, where crops rate very good, and a bean field in the northern growing area, where rainfall has been spotty since February 24.

Dry Bean Production: Argentina

- Because of the dry spell, many fields were planted late. Two frost events hit Argentina's bean-growing area on May 18 and May 28. In the northern subregion, the damage was extensive; some growers reported crop losses of up to 40% in some lots. In the South, quality was extensively affected.
- A third frost took out what was left of the late plantings in the North



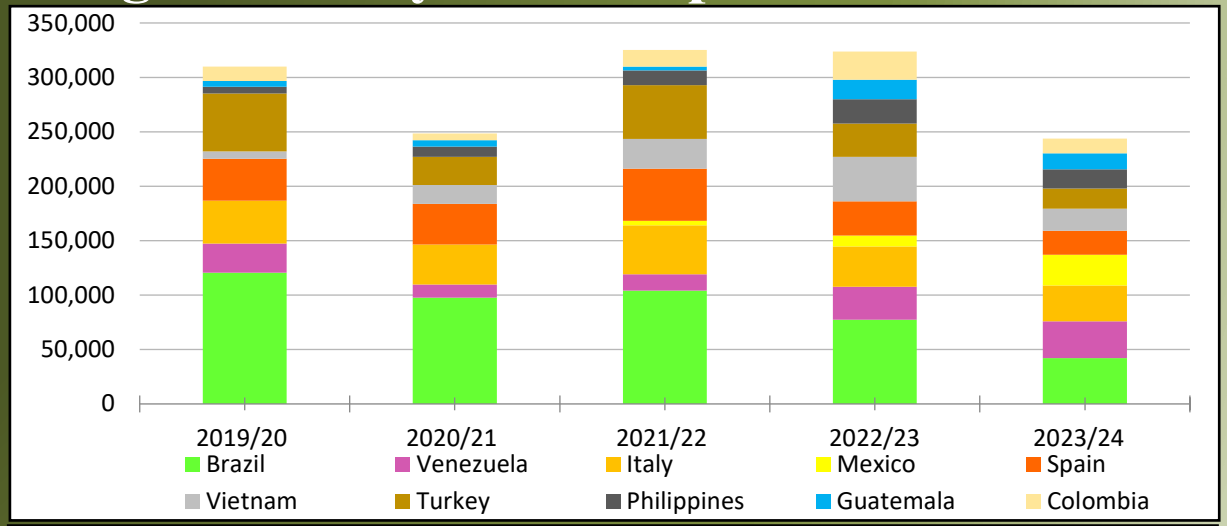
Dry Bean Production: Argentina

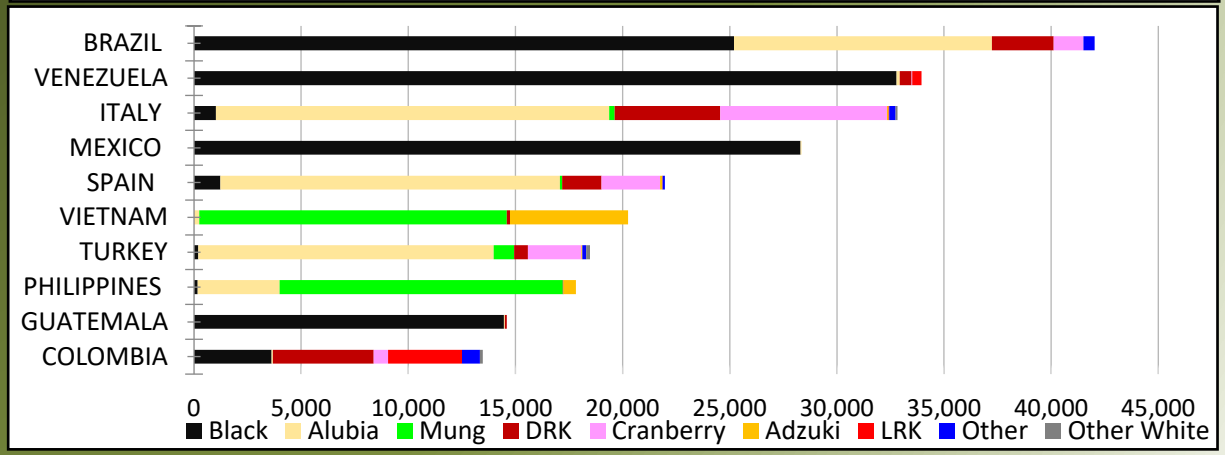
Bean Class	Planted Area (Hectare)						Yield (MT/Ha)					
	2021	2022	2023	2024	2023/24 % change	2024/5-year average % change	2021	2022	2023	2024	2023/24 % change	4-year average
Black	160 000	185 000	185 000	195 000	5%	18%	1,20	0,90	0,80	0,90	-11,1%	1,14
Alubia	183 750	170 000	142 000	140 000	-1%	-17%	1,20	1,00	1,00	0,70	0,0%	1,15
Cranberry	28 000	37 000	40 000	33 000	-18%	11%	1,15	1,00	1,10	0,70	10,0%	1,14
DRK	35 000	45 000	45 000	50 000	11%	49%	1,25	1,00	1,00	0,70	0,0%	1,14
LRK	11 000	15 000	17 000	14 000	-18%	17%	1,20	1,00	1,10	0,70	10,0%	1,15
Mung	55 000	60 000	70 000	70 000	0%	23%	1,05	1,05	1,00	0,80	-4,8%	1,05
Total	**472 750**	**512 000**	**499 000**	**502 000**	**1%**	**8%**	**1,18**	**0,99**	**1,00**	**0,75**	**-25,00%**	**1,14**

Bean Class	Gross Production (MT)						Exportable Supply (MT)					
	2021	2022	2023**	2024	2023/24 % change	4-year average	2021	2022	2023**	2024	2023/24 % change	4-year average
Black	192 000	166 500	148 000	175 500	19%	169 255	172 800	149 850	133 200	131 625	-1%	152 330
Alubia	220 500	170 000	142 000	98 000	-31%	181 250	191 835	153 000	127 800	68 600	-46%	160 028
Cranberry	32 200	37 000	44 000	23 100	-48%	33 250	28 014	33 300	39 600	16 170	-59%	29 535
DRK	43 750	45 000	45 000	35 000	-22%	40 038	38 063	40 500	40 500	24 500	-40%	35 508
LRK	13 200	15 000	18 700	9 800	-48%	15 625	11 220	13 500	16 830	6 860	-59%	13 703
Mung	57 750	63 000	70 000	56 000	-20%	62 688	50 243	56 700	63 000	39 200	-38%	55 536
Total	**559 400**	**496 500**	**467 700**	**397 400**	**-15,03%**	**502 105**	**492 174**	**446 850**	**420 930**	**286 955**	**-31,83%**	**446 638**

Argentine Dry Bean Exports

- Brazil decreasing imports
- Kidney and cranberry beans production increasing yearly
- Diversification of bean classes and destinations
- Elections in Venezuela. Government purchases of black beans rocketed.

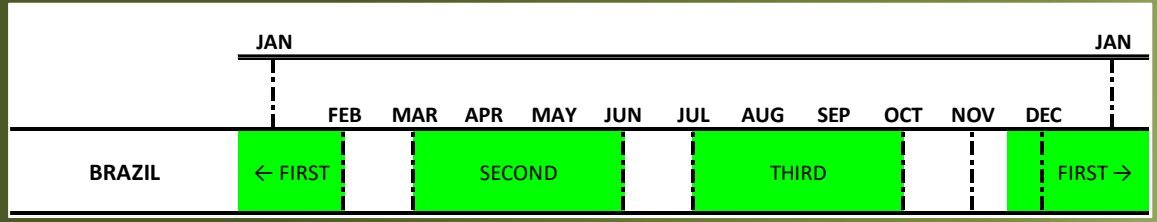




Looking ahead

- For all bean classes, a higher than usual amount of product is being set aside as **seed for next year** not only because of the below-average production this year but also because of an outbreak of maize leafhoppers. Corn planted area in norther Argentina will decrease sharply in 2025.
- For black beans, exporters were heavily contracted before harvest because of **high demand from Mexico, Venezuela and CA**. Argentina is expected to be **sold out very early** in the season. **Brazil** still didn´t appear in the market.
- **Alubias and kidneys** are scarce and most of the **production will be destined to fulfill existing contracts** and seed for 2025.
- No carry in + High prices + lower corn area = **more edible beans planted in 2025**

Dry Bean Production: Brazil



Brazil 2023/24 Colored Bean Crop, CONAB June 2024 Estimates

Ha. 2022/23	Ha. projected 2023/24	% Change	Production 2022/23 (MT)	Production projected 2023/24 (MT)	% Change
344,600	343,300	-0.4%	585,500	571,300	-2.4%
351,200	349,700	-0.4%	577,500	558,600	-3.3%
443,600	408,800	-7.8%	752,700	728,600	-3.2%
1,139,400	1,101,800	-3.3%	1,915,700	1,858,500	-3.0%

With over 2.2 MMT of edible beans (adding vignas and Phaseolus) produced every year, Brazil is the biggest dry bean producer and consumer in America and third after India and Myanmar

- In Phaseolus vulgaris exports, Brazil is a sleeping giant with massive processing and export capacity
- Exports compete with its own domestic market

Brazil 2023/24 Black Bean Crop, CONAB June 2024 Estimates

Crop	Ha. 2022/23	Ha. projected 2023/24	% Change	Production 2022/23 (MT)	Production projected 2023/24 (MT)	% Change
First	133,400	124,700	-6.5%	219,600	186,100	-15.3%
Second	202,400	331,000	63.5%	332,300	589,400	**77.4%**
Third	14,400	19,400	34.7%	14,600	14,500	-0.7%
Total	350,200	475,100	35.7%	566,500	790,000	39.5%

Dry Bean Production: Brazil

Brazil Dry Bean Imports vs. Exports by Calendar Year Over Past 15 Years (MT)

Source: Trade Data Monitor and CONAB.

- In 2024, Brazil consolidated itself as a black bean exporter with over 20,000 MT exported until June 24, mainly destined to Mexico.
- Key advantage over Argentina: Brazil can export black beans in May, one month earlier than Argentina
- Second harvest is completed, availability for the export market is now very limited
- Import demand focused on alubias and dark red kidney beans

Looking ahead

- Will Brazil become a **steady exporter** or will it only export when they have a surplus in the domestic market?
- Brazil can grow prime quality **kidney beans** under irrigation and is already exporting small amounts
- Can the U.S. take part in Brazilian domestic MS? The Biggest challenge for the U.S. is shipping time. Brazil has **3 crops per year and is extremely dynamic**.

Market: Mexico - Facts

- Largest Single Export Market for U.S dry beans, -black and pinto-, historic average imports of 120 thousand MT representing 15% to 20% of the year's consumption
- Dry bean producer-consumer-importer-exporter
- Produces around 1 million MT in two cycles: Fall-Winter 25% and Spring-Summer 75%, 90% rainfed - 10% irrigated, highly vulnerable to weather events
- Five commercial bean producing states of black, pinto and colored beans are: Zacatecas, Durango, Chihuahua, San Luis Potosi and Guanajuato in SS. Yellow and black beans: Sinaloa and Nayarit in FW. However, dry beans are planted year-round in the 32 states across the nation for self-consumption
- Price-sensitive and speculative market. Prices and exchange rate play a big role
- Decreasing consumption due to lifestyle changes, and increasing bean prices to final consumer, switching to less nutritious but convenient fast food
- Consumption decreased over 50% in the last 20 Y, and has averaged 800 thousand MT in the last 5Y

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Market: Mexico-Context 2022-2023 Production

- Mexico suffered an extreme drought that started in the Summer of 2022 and extended until few weeks ago in June 2024, affecting two consecutive Spring-Summer cycles - rainfed, that provide 75% of the black, pinto and colored beans
- Fall-Winter prodution in 2022 and 2023 was average, as Sinaloa beans are moslty irrigated and Nayarit rainfed beans received enough water
- Planted areas were reduced and the year's production decreased obtaining around 800 thousand MT, and in 2023 obtaining around 460 thousand MT, close to -70% less than the 2016-2022 Mexican government average production number of 1.07 million MT per year, in the two cycles
- Other factors that contributed to the low production were the high cost of inputs, due to geopolitical conflicts after the Pandemic, lack of government support to producers, as the current administration eliminated agricultural programs that helped to provide cultivation products and other resources
- Mexico lacks of timely planting-production information, for that reason, the USDBC conducts a Spring-Summer dry bean assessment of the Mexican bean crop, that provides an early planting and production estimation, important information to help project the U.S bean production and exports

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Market: Mexico-2023 SS USDBC Assessment Estimation

CYCLE/STATE	MEXICO'S BEAN PRODUCTION MT				AVERAGE 2016-2022 (SIAP)	VARIATION (%)		
	2022		2023 1/					
	SIAP	REPORTED	Sept. SIAP Estimation	Report 2 September Estimation		Report 2.EST-2023/ SIAP-2023	SIAP-2023/ AVERAGE	Report 2.Sept. Est-2023/ AVERAGE
SPRING-SUMMER								
Chihuahua	69,135	48,978	60,664	5,589	78,011	-90.8	-22.2	-92.8
Durango	57,487	57,884	89,219	38,752	92,018	-56.6	-3.0	-57.9
Guanajuato	48,292	21,881	25,888	12,791	49,115	-50.6	-47.3	-74.0
San Luis Potosí	19,415	23,402	37,076	12,223	31,912	-67.0	16.2	-61.7
Zacatecas	307,495	216,912	214,026	121,825	372,875	-43.1	-42.6	-67.3
Other States	145,732	117,103	93,496	83,025	167,754	-11.2	-44.3	-50.5
SUB-TOTAL	647,556	486,159	520,368	274,204	**791,685**	**-47.3**	**-34.3**	**-65.4**
FALL-WINTER								
Sinaloa	162,047	162,047	92,535	62,258	132,953	-32.7	-30.4	-53.2
Nayarit	71,403	71,403	69,246	50,670	67,577	-26.8	2.5	-25.0
Other States	83,694	83,694	82,883	75,425	84,054	-9.0	-1.4	-10.3
SUB-TOTAL	317,144	317,144	244,664	188,353	**284,585**	**-23.0**	**-14.0**	**-33.8**
TOTAL	**964,700**	**803,303**	765,032	462,557	**1,076,270**	**-39.5**	**-28.9**	**-57.0**

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Market: Mexico 2024 FW – SS Agricultural Year

2024 Fall- Winter Beans and Garbanzo commercial production.

- The cycle looked complicated, with low water availability. However, they were able to get a bean and garbanzo good crops, as producers switched from corn mainly, to less water demanding crops
- **Sinaloa** around 170 thousand MT, of mostly yellow beans
- **Nayarit:** reported a production of around 55 thousand MT, 50% Jamapa black and 50% of colored, yellow and pintos and around 12 thousand MT of pintos . **National:** 340 thousand MT including Sinaloa and Nayarit.
- **Sinaloa Garbanzos:** *Planting resumed December, harvesting ended May.* Estimated production 250 thousand MT, double of the average

STATE	2024 Fall Winter+ Spring-Summer - until June 30th				
	Intention has.	Planted has.	Harvested has.	Yield kg	Production MT
Zacatecas	548,180	23,142			
Durango	170,493	6			
Chihuahua	55,825	7,170			
Chiapas	72,541	56,011			
San Luis Potosi	67,180	2,915			
Guanajuato	46,125	19,497			
Sinaloa	73,668	92,293	85,615	2,190	187,665
Nayarit	54,382	64,109	61,114	1,110	67,835
Other States	242,448	166,081	98,237	1,533	85,424
Total	**1,330,823**	**431,224**	**244,966**	**1,795**	**340,924**

IN PROGRESS

Source: SIAP, ONLY DRY BEANS

Market: Mexico 2024 Spring-Summer Beans

Commercial Production – July 31st situation

- Despite of the unclear situation due to the extended extreme drought that Mexico was experiencing, the raining season arrived strong and on time, in the second week of June
- It allowed bean planting in the five commercial bean states followed by the USDBC, within the reccommended dates June 25-July25
- Until this date, planting progress is estimatedd at:
- **Zacatecas: 85% planted – 65% black, 25% pintos, 10% colored beans**
- **Durango: 50% planted – 75% pintos, 20% black, 5% colored**
- **Chihuahua: 70% all pinto beans**
- **San Luis and Guanajuato, 75% planted black and colored beans**
- The government increased last week production estimation from 687 thousand MT to 803 thousand MT, in light of good precipitations and timely planting

Potential Complications:

- Precipitations have been abundant to the point that it has been difficult for Zacatecas and Durango, to complete the bean areas, due to excess of humidity. Chihuahua on the other hand, stopped receiving precipitations and stopped planting beans
- The seed used was low quality, and scarce, potentially will affect yiels and quality
- Farmers lack resources for cultivation inputs
- There is no information about the size of the bean planted areas, that information will be available until the first USBC Mexico bean planting assessment report is completed.
- June 30th government report, expects the planting: 548,180 has. Zacatecas; 170 thousand has. Durango; 56 thousand has. Chihuahua; 67 thousand San Luis and 66 thousand has Guanajuato, however, these numbers may be too high considering the low availability of seed

Market: Mexico 5 Years Ag. Year – Two Cycles

Commercial Production – July 31st situation

- The followig figure,is the apparent dry bean supply-demand in the last 5 years. The numbers used are Falll-Winter and Spring Summer Beans - Agricultural Year Official SIAP-Government production numbers, which are usually higher than the USDBC assessment
- Blue numbers are deductions. Import-Export numbers are customs numbers

MX DRY BEANS HISTORIC - AGRICULTURAL YEAR TWO CYCLES - SEPTEMBER TO OCTOBER NEXT YEAR MT									
	2020	Variation	2021	Variation	2022	Variation	2023	Variation	2024 until June
Carry in est.	335,000	10.18%	369,089	71.58%	633,273	-19.37%	510,582	-45.12%	280,199
Ag.Y Production	1,056,071	10.89%	1,171,108	-17.57%	965,371	-25.04%	723,642		pending
Imports	116,392	95.67%	227,742	-70.26%	67,730	150.96%	169,975	136.81%	402,518
Total Supply	1,507,463	17.21%	1,766,939	-5.69%	1,666,374	-15.73%	1,404,199		pending
Annual Demand EST.	1,098,000	0.00%	1,098,000	0.00%	1,098,000	0.00%	1,098,000	0.00%	1,098,000
Exports	41,734	-14.54%	35,666	62.04%	57,792	-55.01%	26,000	-33.28%	17,346
Carry Over (EST)	368,089	72.04%	633,273	-19.37%	510,582	-45.12%	280,199		pending

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Market: Mexico – 5 Y US Bean Imports

- Bean imports soared as a result of the low production in 2022 and 2023
- **Record-high US bean imports in the September-June 2024 period, reached 299,721 MT / US$363,482,379**, with 75% market share

2020-2024 September to August - U.S. DRY BEANS to MEXICO - USDA COMMERCIAL YEAR IMPORTS according to Mexican data										
	2020		2021		2022		2023		2024 Until June	
TARIFF CODE / DESCRIPTION	MT	US$	MT	US$	MT	US$	MT	US$	MT	US$
Black, pinto, white and other beans 0713.33.99	1,161	1,117,717	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	62,281	52,557,222	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	44,262	38,875,962	210,016	188,214,078	61,622	69,555,586	145,773	171,509,346	299,721	363,482,379
TOTAL	116,302	91,006,829	210,016	188,214,078	61,622	$69,555,586	145,773	171,509,346	299,721	363,482,379

- Accumulated **bean imports from all origins** including Canada, Argentina, Brazil, in the September-June period, reached 402,518 MT, US$489,114,880
- **Imports seem to be taking a slower pace**, and in June, Mexico imported 31,352 MT / US$39.5 M total from all origins, down from 38,926 MT in May and 44,459 MT in April, the third consecutive month with smaller imports
- In the coming weeks-months, imports could continue decreasing, in observance of the current season's progress. The exchange rate, that passed from under MX$17 in June, to close to MX$19 in July, will be a factor
- **SPECIAL THANKS TO MERCALIMENTOS FOR THE MEXICO MARKET ASSESMEN!!**

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Market drivers ahead

- If the EU re-imposes **tariffs** to the U.S., competitors' position will strengthen
- Increasing **logistics costs and unreliable shipping schedules** complicate trade
- Canada, Brazil, and Argentina competing for **MS in Mexico**, although South America will likely be sold out months before the 2025 crop becomes available
- Argentina won´t have enough beans to supply it´s traditional markets, Venezuela, Cuba, and Brazil. Alubia consumers might look for options as well.

Recommendations

- While the U.S. can´t always compete in price, **quality, reliability, and service** remain as **key values** of the U.S. dry bean industry
- Keep working on increasing **dry bean per-capita consumption**. Or in some cases as Mexico and Central America, reverting the downward trend
- **The competition landscape is changing**. Market intelligence and production assessments are vital to foresee market trends
- Pursue export opportunities in **Venezuela and Cuba**, as it is very likely that Argentina will have a deficit to supply those markets

THANK YOU!

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