



United States Department of Agriculture

U.S. Dry Bean Market Update: 2019

Susan Proper and Jennifer Bond
U.S. Dry Bean Convention
Aspen, CO
July 20-23, 2019

The findings and conclusions in this presentation are those of the author(s) and should not be construed to represent any official USDA or U.S. government determination or policy. This presentation was supported by the USDA Economic Research Service.



Projected 2019 U.S. Dry Bean Crop at a Glance

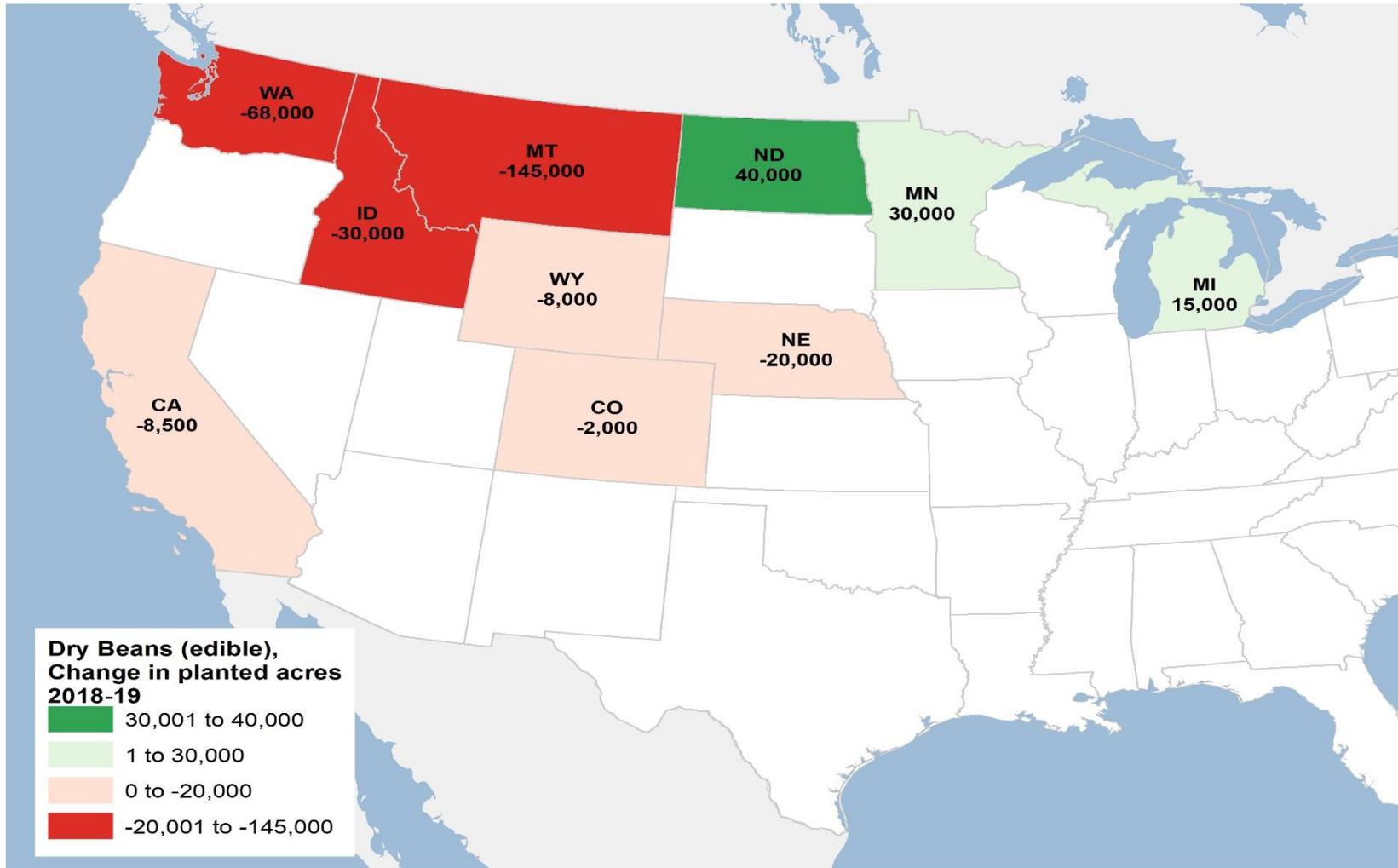
Production	34.07 million cwt
Area planted	1.86 million acres
Area harvested	1.81 million acres
Yield	18.86 cwt/acre

2019 all dry bean production forecast down 10%:

- When garbanzo area is included in the total, area harvested and planted is down year-over-year.
 - Garbanzo bean area is sharply lower (-35%).
 - In 2019, NASS started reporting garbanzo bean area harvested and planted separately from all dry beans.
 - Independent of garbanzo bean data, for 2019, all dry bean area is up from the adjusted 2018 all dry bean figure.



2019 U.S. all dry bean area (including garbanzo beans) down in nearly all States from 2018



Source: USDA National Agriculture Statistics Service



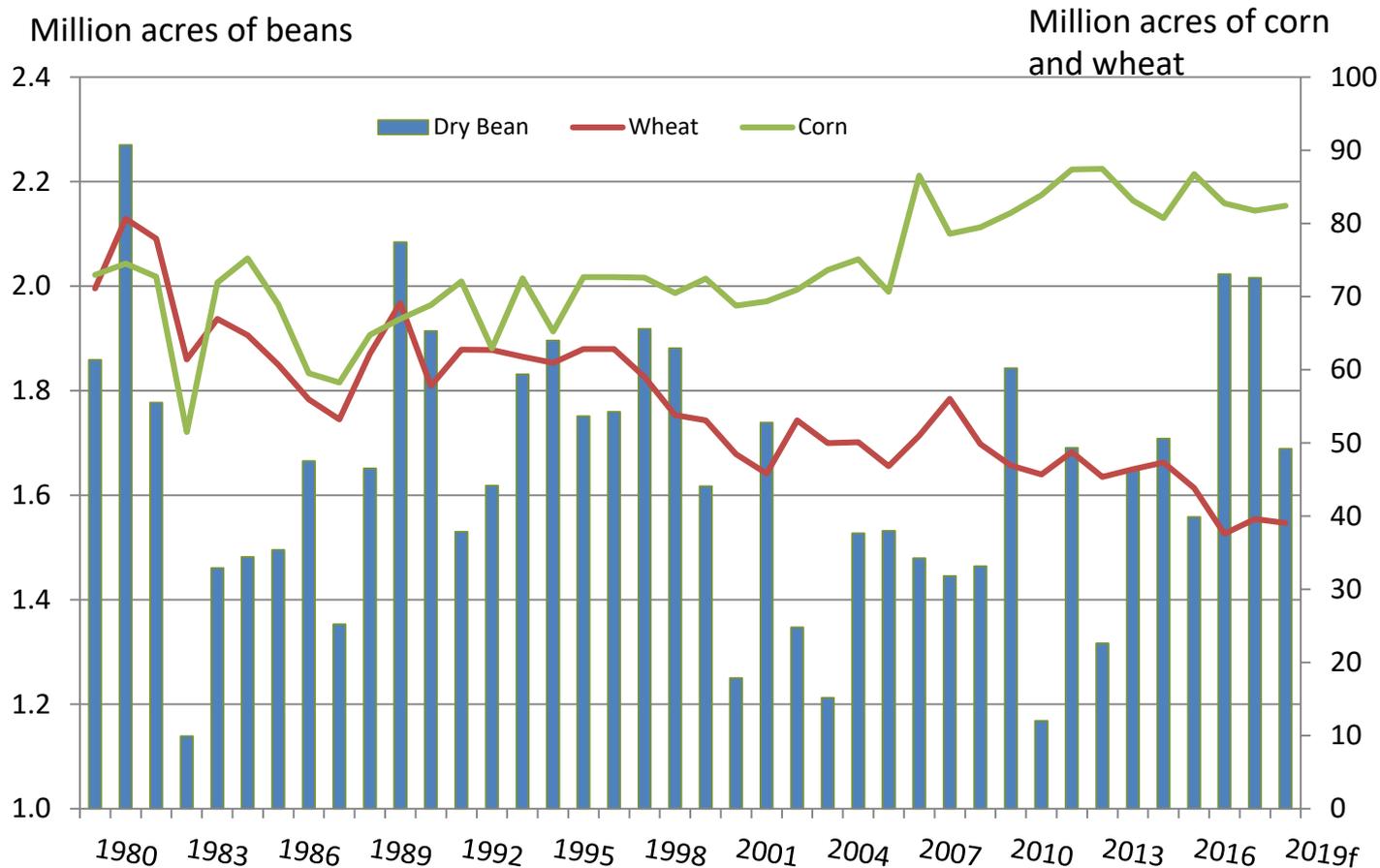
Crop Condition*

State	Very Poor	Poor	Fair	Good	Excellent
CO	0	4	28	65	3
ID	0	0	43	49	8
MI	4	9	23	46	18
MN	2	4	30	53	11
NE	2	6	31	56	5
ND	0	2	21	70	7
OR	2	6	28	52	12
WA	0	7	15	68	10
WY	0	13	14	72	1

*Share of Crop, late-July, reported by USDA National Agricultural Statistics Service.



U.S. all dry bean area is highly variable while corn plantings expand and wheat shrinks



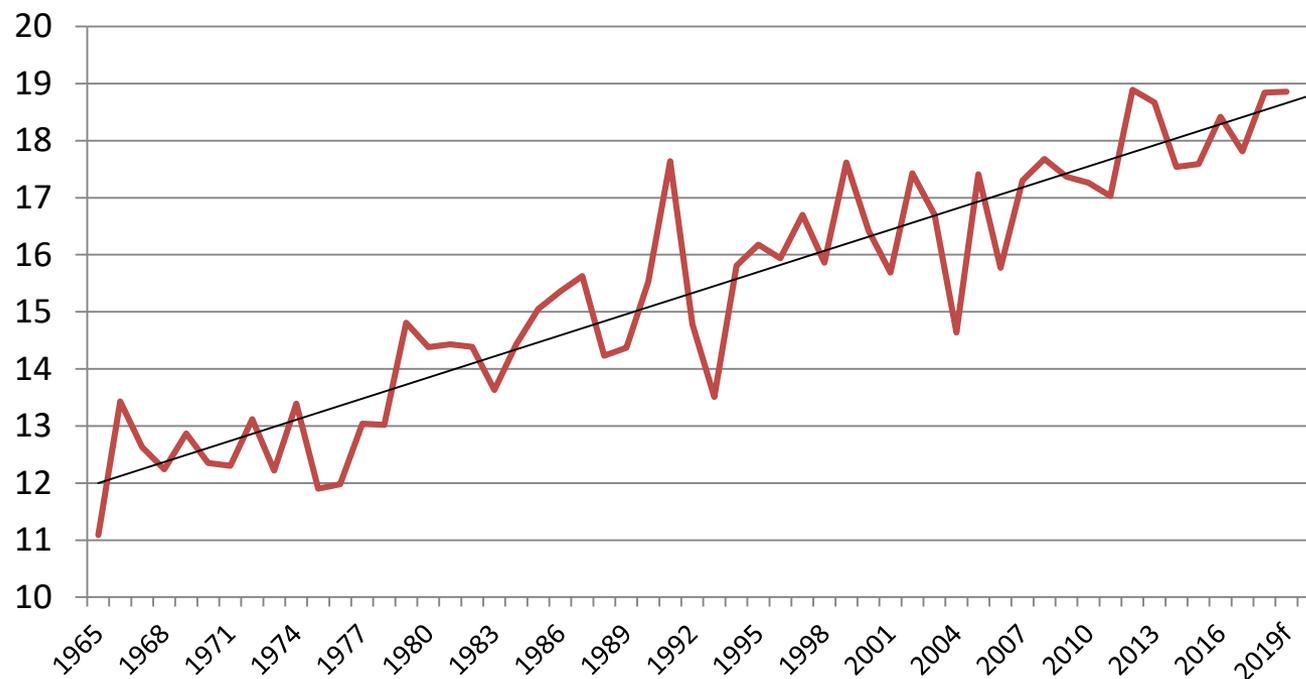
2019f:
 Dry bean harvested area forecast to decline by 10 percent, largely on sharp drop in garbanzo bean area.

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.



U.S. all dry bean yields generally rising over long term

Cwt per acre



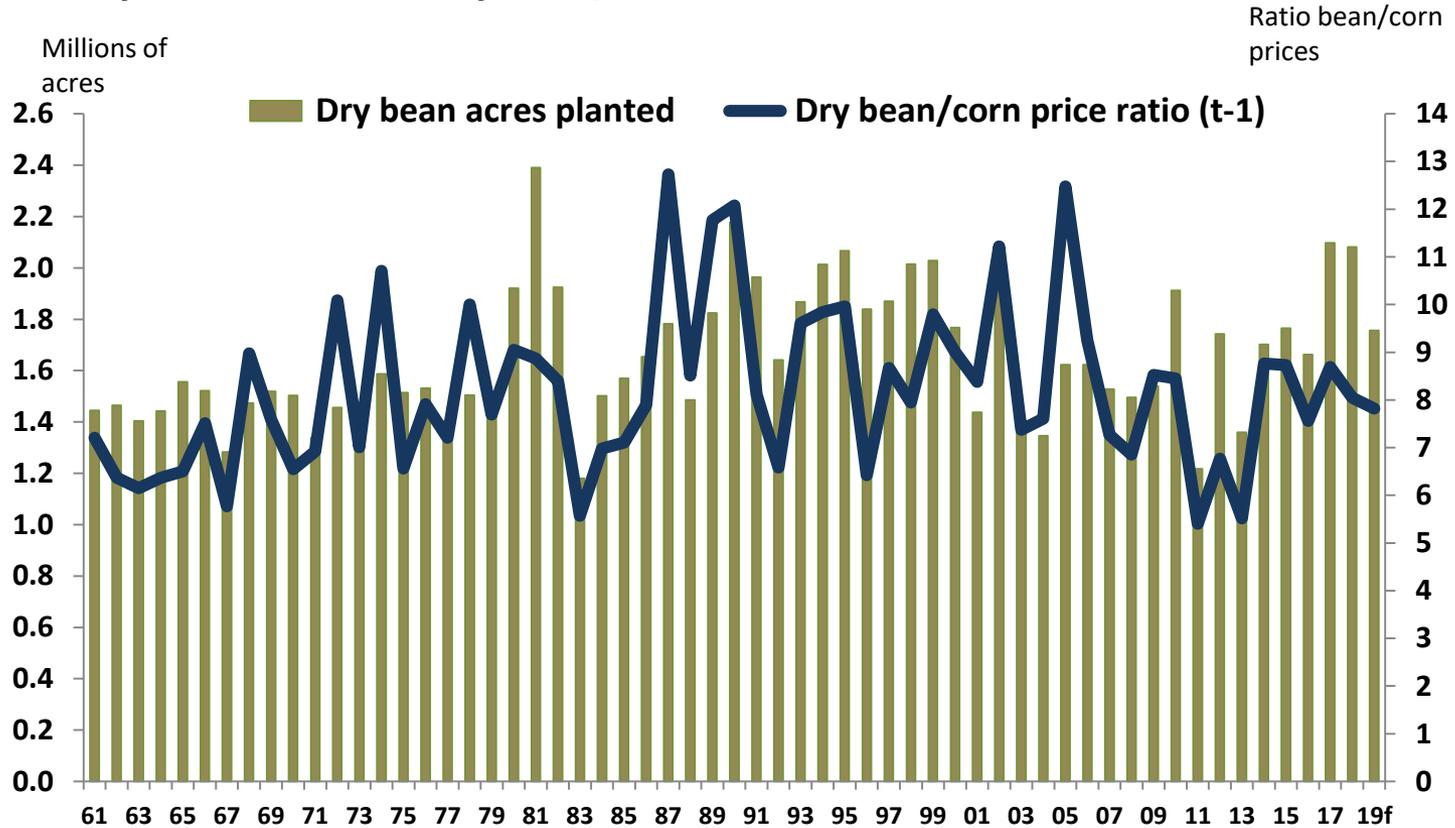
2019f: Yields essentially level with 2018 under assumption of normal weather. Not captured yet: wet conditions in central U.S and Great Lakes; dryness in Northern Plains

Source: Prepared by USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.



U.S. dry bean planted area is positively correlated with the dry bean/corn (previous year) price ratio

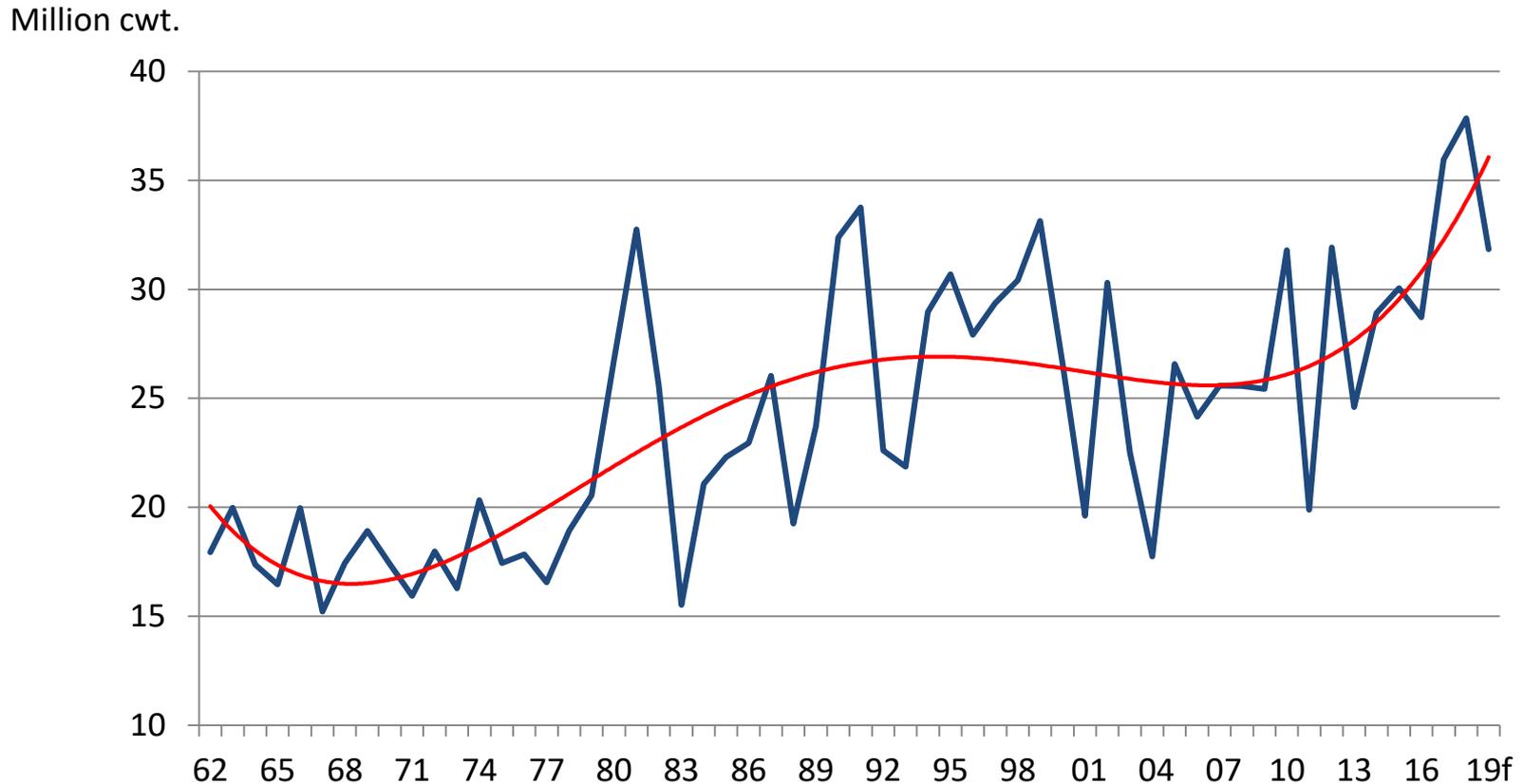
U.S Dry Bean Acres and Dry Bean/Corn Price Ratio



Data Sources: USDA, Economic Research Service (price ratio) and USDA, National Agricultural Statistics Service (acres planted).



U.S. all dry bean (including garbanzo) production reached a new high in 2018



Source: Prepared by USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.



S&U: Dry Beans (supply)

Year	Production	Imports	Beginning Stocks	Total Supply
	--Million lbs--	--Million lbs--	--Million lbs--	--Million lbs--
1980s	2357	59	1171	3587
1990s	2911	87	1388	4385
2000s	2440	245	1091	3830
2010-18p	2997	320	1157	4474
2019f	3407	317	1484	5208

Source: USDA, Economic Research Service. 2019 values are forecast and noted with an "f"; 2018 values are preliminary.



S&U: Dry Beans (utilization)

Year	Exports	Seed Use	Ending Stocks	Domestic Use
	--Million lbs--	--Million lbs--	--Million lbs--	--Million lbs--
1980s	887	92	1156	1452
1990s	857	97	1466	1965
2000s	742	83	1082	1923
2010-18p	1065	89	1211	2109
2019f	1288	116	1607	2498

Source: USDA, Economic Research Service. 2019 values are forecast and noted with an "f"; 2018 values are preliminary.



2019 USDA New Programs for Dry Beans

- Market Facilitation Program - \$16 billion total for all eligible crops
 - Dry beans, including garbanzos, are eligible for direct payments for trade harm
 - Producers will receive a rate that is determined at the county level, not the crop type, so dry beans will get the same rate per acre as soybeans in that county
 - First round of payments will be available after FSA final crop acreage reporting (Form 578) in July
 - Implementing regulation is already at OMB for review
 - Funding will also be available for domestic food aid purchases and trade promotion assistance through FAS



2019 Disaster Aid

- \$3 billion available for supplemental prevented planting payments, and compensation for damage to stored crops and other weather disaster events in 2019
- Will be administered by FSA/CCC
- Similar 2017 program provided coverage for losses in counties that received a Presidential or Secretarial Disaster declaration, and also documented losses in other counties
- Implementing rulemaking in progress



ARC/PLC, with 2018 Farm Bill Changes

- Large and small garbanzo beans are covered commodities
- Producers with base acres may elect to participate in either ARC or PLC
 - 107,701 base acres of garbanzos elected to participate in 2014/2018 ARC/PLC
- Producers are not required to plant those crops on the base acres to be eligible for payments
- Signup deadline is September 1, 2019

2014 Farm Bill ARC/PLC	2018 Farm Bill ARC/PLC
Large and small garbanzos are covered commodities	No change
Producers must elect either ARC-CO, ARC-IC, or PLC for all 4 crop years	Producers must elect ARC or PLC in 2019 for 2019 and 2020 crop years, then can change election each year for 2021 to 2023
Reference price is same for all 4 years	Effective reference price has “escalator” if annual prices are consistently above statutory reference price
ARC has county or individual farm options for yield guarantee	ARC is county level yields only



Dry Bean Trade



Imports comprise an increasing share of U.S. all dry bean supplies; share of supplies exported rising since 2000s



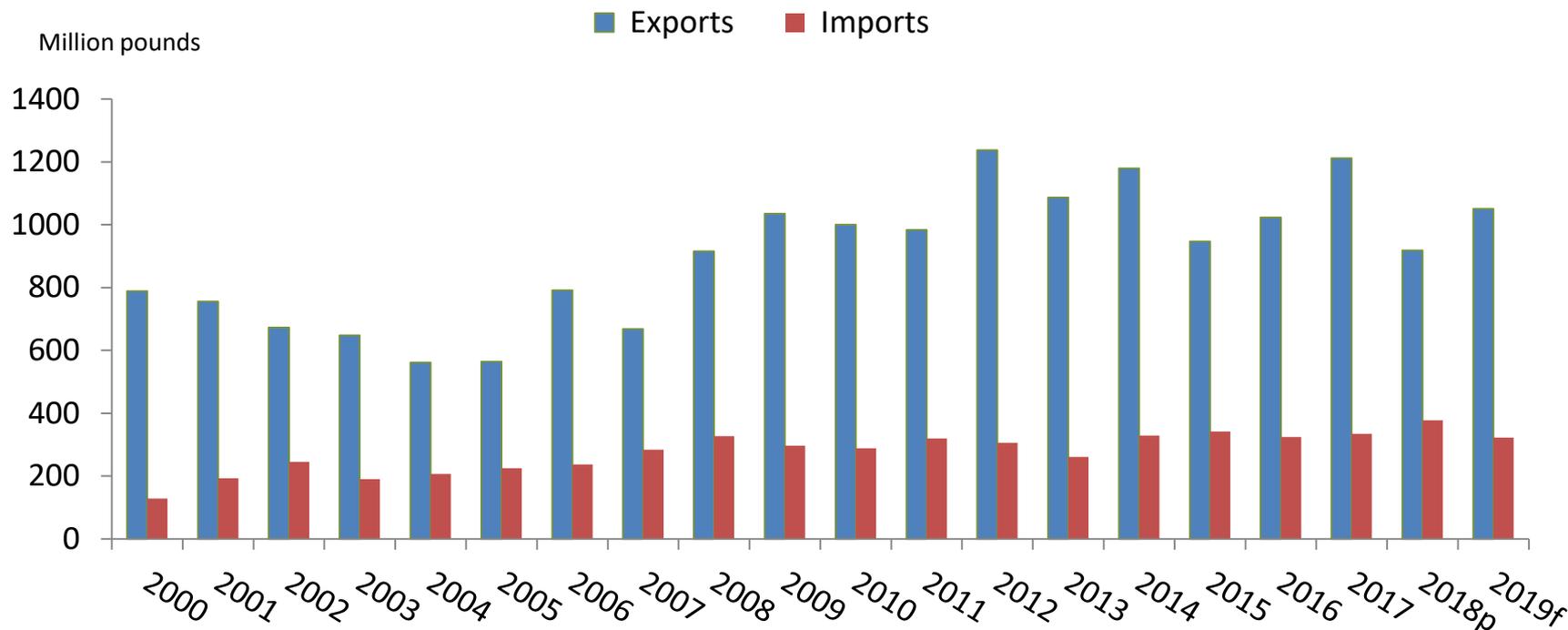
1/ Calendar year basis.

Source: Prepared by ERS using data of the U.S. Department of Commerce, U.S. Census Bureau



Since early 2000s, U.S. dry bean exports have averaged 2-3 times the volume of dry bean imports

U.S. all dry bean trade

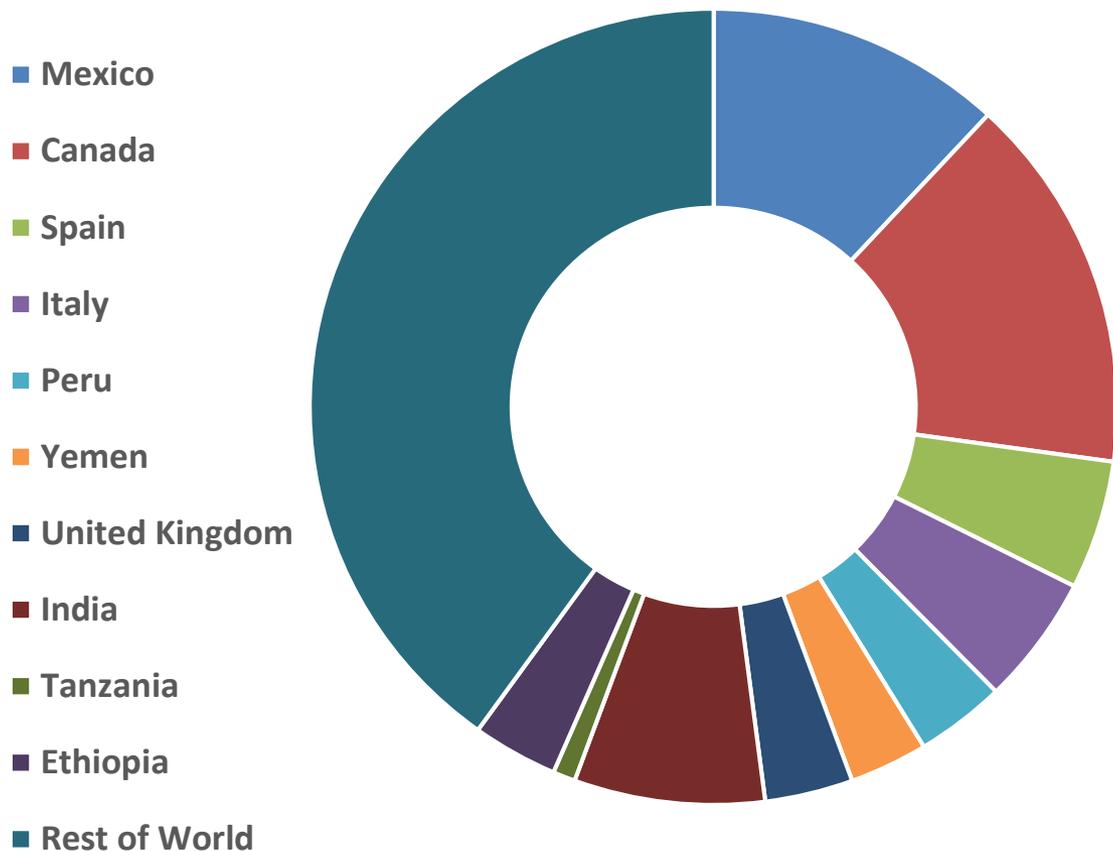


1/ Calendar year basis.

Source: Prepared by ERS using data of the U.S. Department of Commerce, U.S. Census Bureau



Canada and Mexico were the top 2 destinations for U.S. dry beans in 2018



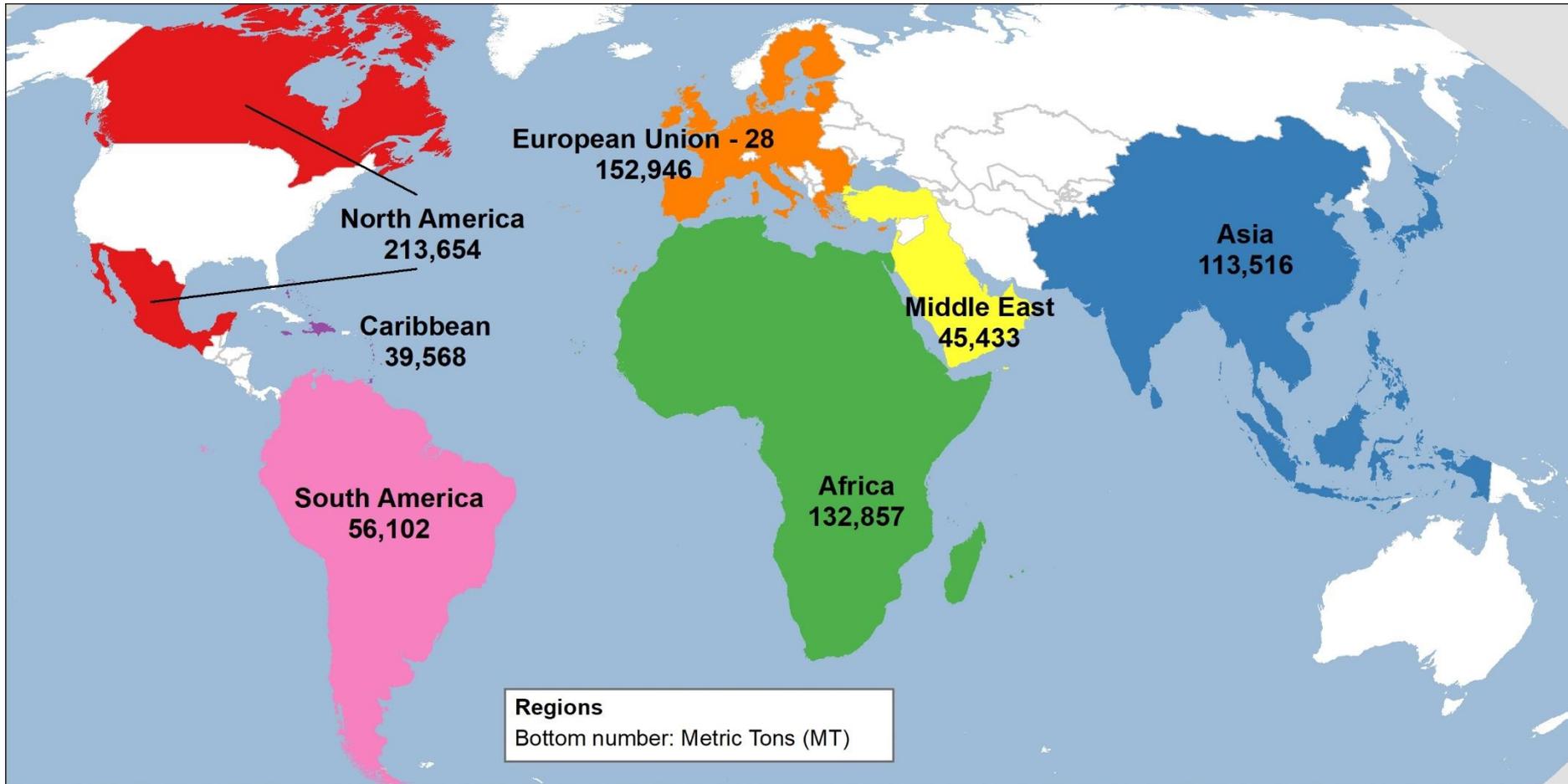
The top 10 export destinations for U.S. dry beans accounted for 60% of all exports in 2018.

India accounted for nearly 30% of U.S. dry bean exports in 2014; in 2018 India accounted for just 4%.

Source: Prepared by ERS using data of the U.S. Department of Commerce, U.S. Census Bureau



U.S. Exports to World Regions, 2018



1/ Calendar year basis.

Source: Prepared by ERS using data of the U.S. Department of Commerce, U.S. Census Bureau



2018 Dry Bean Import Statistics – Top Importers from All Sources

- Top 10 countries for 2018 Dry Bean imports
 - India
 - China
 - EU28 (external to EU trade)
 - Pakistan
 - U.S.
 - Turkey
 - Mexico
 - Kenya
 - Sri Lanka
 - Norway
- Top 10 countries for 2018 vs 2017 dry bean import growth
 - Argentina
 - Nicaragua
 - Ukraine
 - EU28 (external to EU trade)
 - China
 - Norway
 - Georgia
 - Morocco
 - Mexico
 - Paraguay

Sources: Official trade statistics of reporting countries for HTS code 0713



2019 Trade Issues for Beans

- EU retaliatory tariffs remain
- India tariffs remain unpredictable in implementation
- USMCA doesn't change tariffs for beans
 - So far, only Mexico has ratified USMCA
 - Canada and U.S. legislatures unlikely to ratify before fall 2019 because of recesses, other legislative agenda items
- MFP includes more \$\$ for trade promotion activities and food donations
- Countries with largest growth in dry bean imports include some surprises like Norway that may require some creative marketing
 - But also some temporary disruptions, such as particularly poor weather in Norway



Trade opportunities for beans

- Opportunities to expand existing markets
 - Developed countries as a healthy food choice
 - “grain bowl” entree can include beans
 - Meat alternatives that use bean and pea proteins
 - Developing countries as traditional foods
- Opportunities for new markets
 - China, Norway, Mexico, and EU are both large importers and fastest growing importers of dry beans
 - Largest percentage increase in dry bean (HTS 0713) imports for 2018 vs 2017 were Nicaragua, Ukraine, and Argentina
 - Includes developed and middle income countries that may be seeking new healthy food choices outside their food traditions

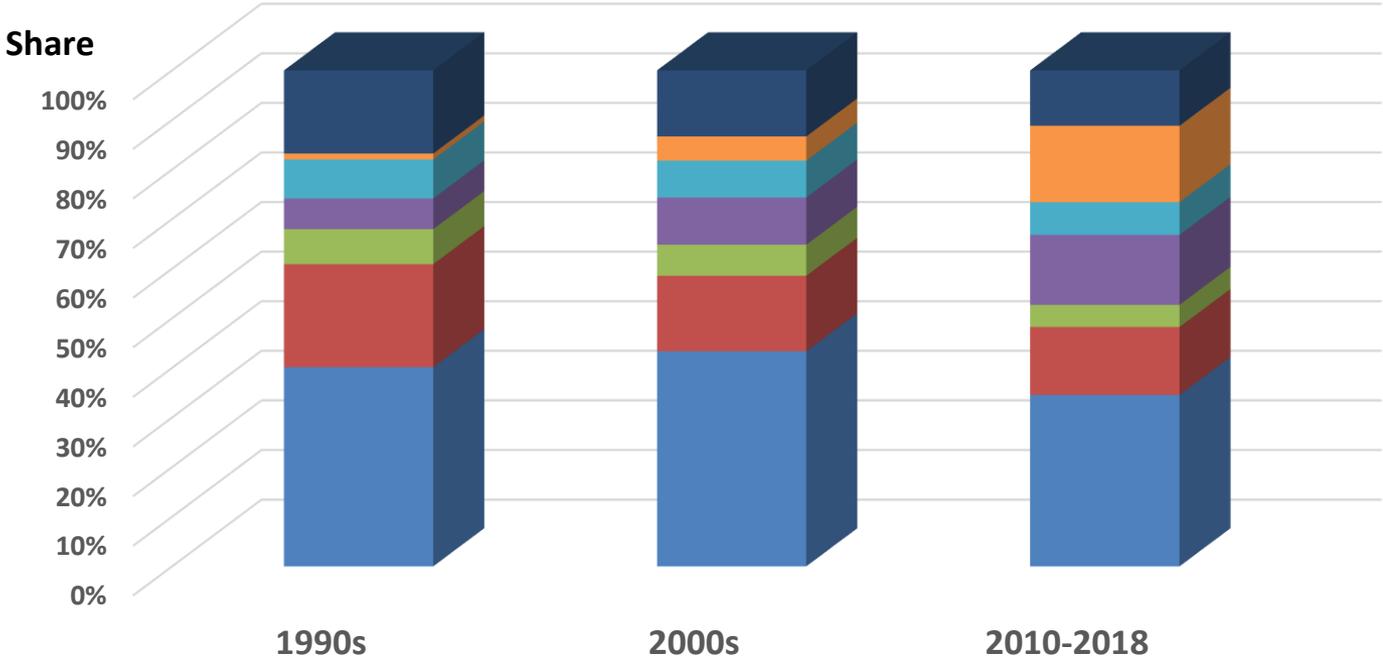


Dry Beans by Class



Since the early 2000s, Garbanzo beans have comprised an increasing share of U.S. all dry bean production

■ Pinto
 ■ Navy (pea)
 ■ Great Northern
 ■ Black
 ■ All Kidney
 ■ Garbanzo
 ■ Other

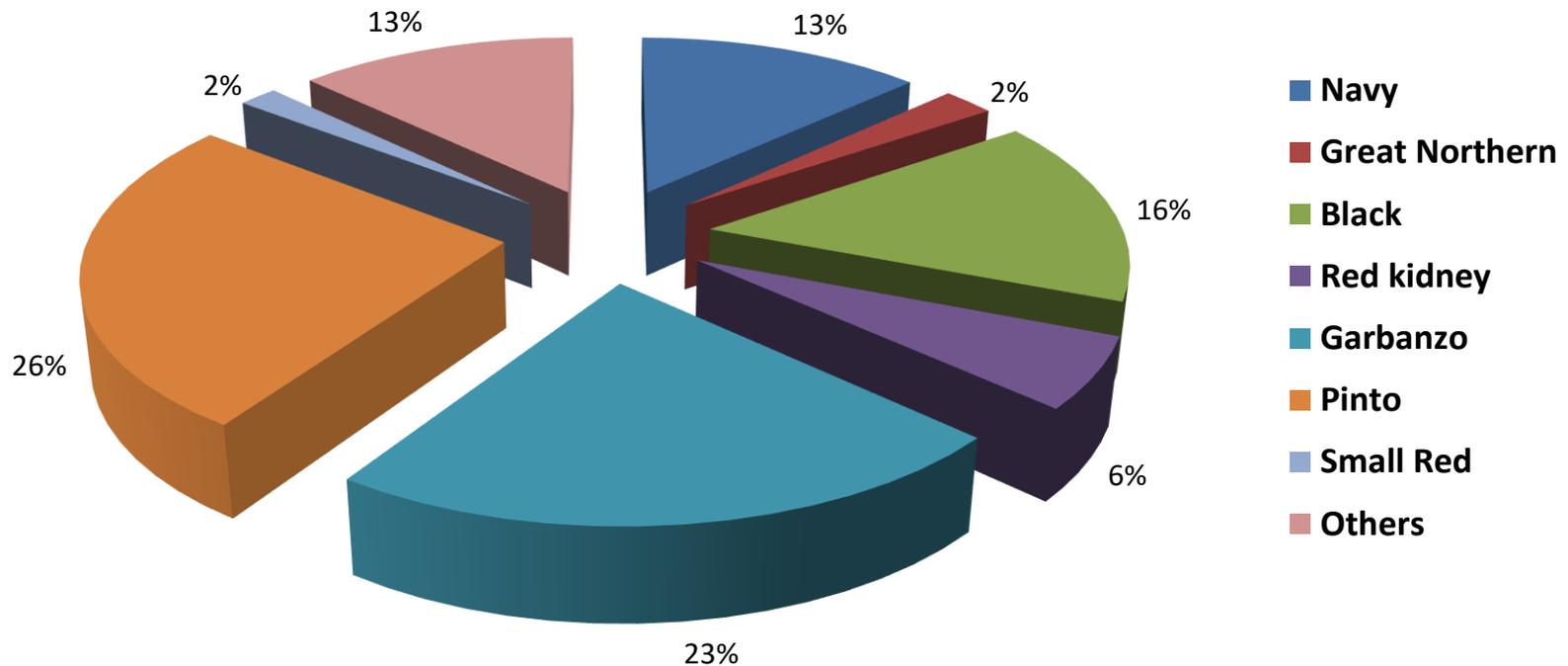


Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service. 2018 values are forecast.



In 2019, Pinto (26%) and Garbanzo (23%) bean production is forecast to comprise half of all U.S. dry bean production

Projected 2019 Dry Bean Production by class



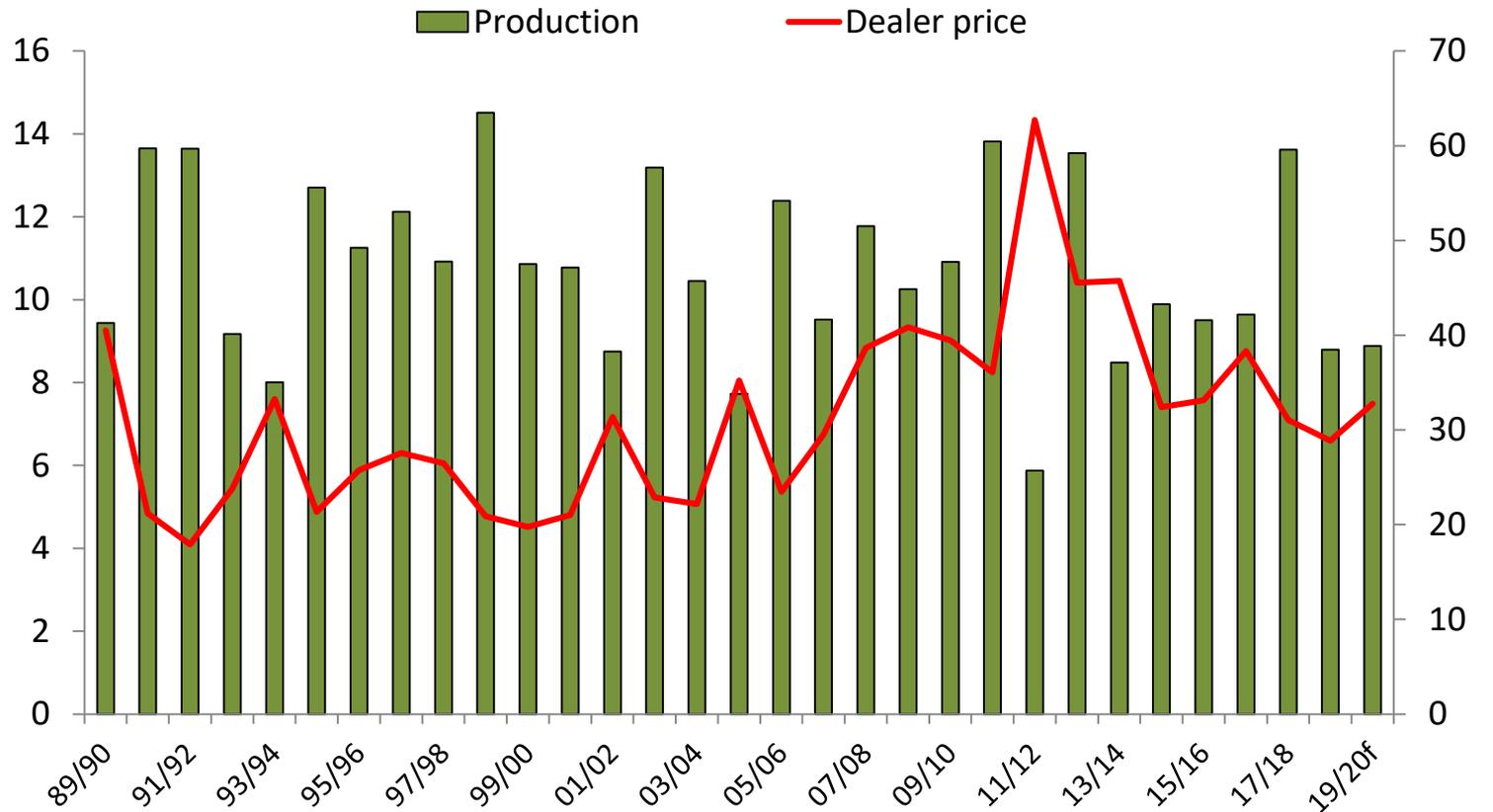
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service. 2019 values are forecast.



2019 U.S. pinto bean price and production forecast nearly level with 2018 figures¹

Production in million cwt

Price (\$) per cwt

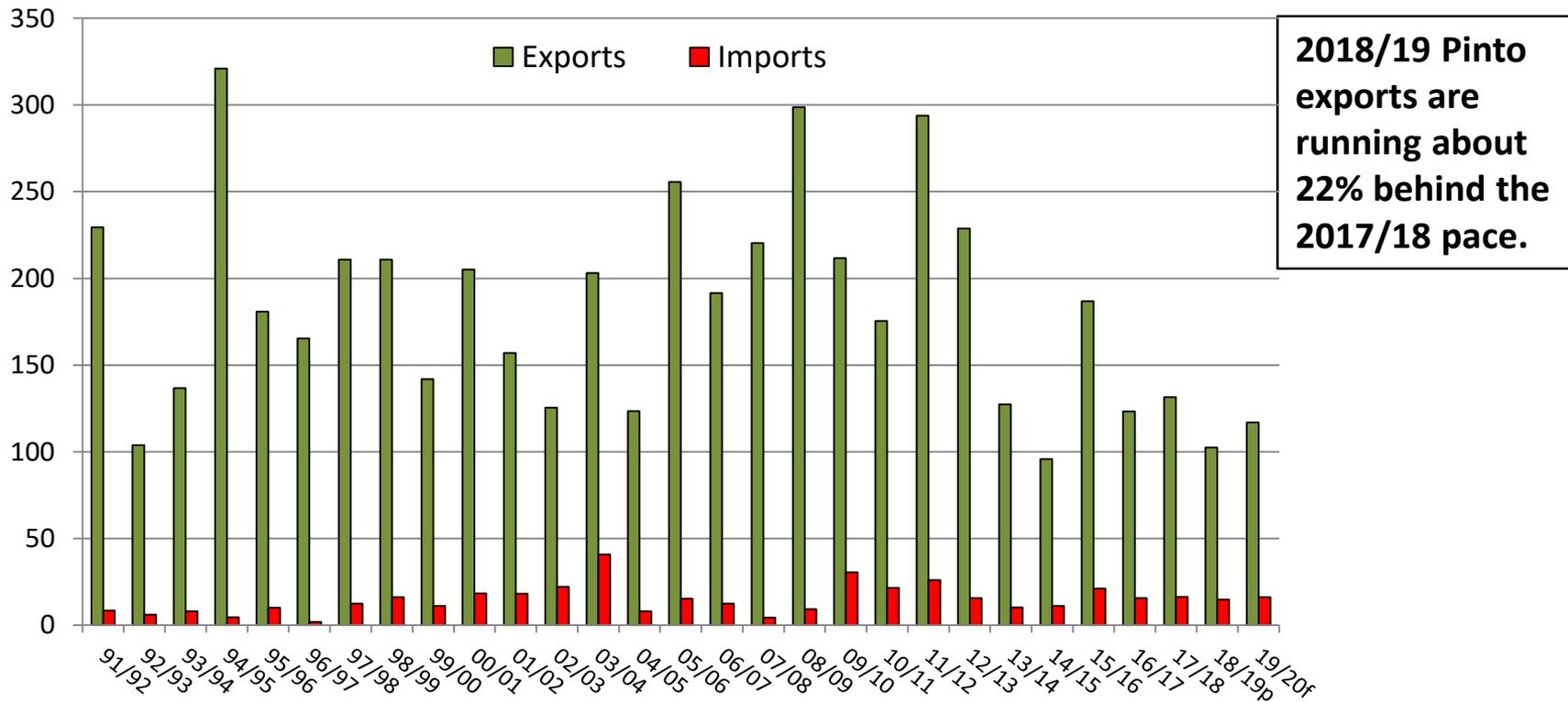


2019f production up slightly (1%); Dealer price up ~1% on rising corn prices

¹Dealer Price is from Northeast Colorado. Data Sources: USDA, National Agricultural Statistics Service (production); USDA, Agricultural Marketing Service (prices). 2019 values are forecast and noted with an “f”; 2018 values are preliminary.



U.S. Pinto bean marketing year exports for 2019/20 forecast to rebound after falling in 2018/19¹

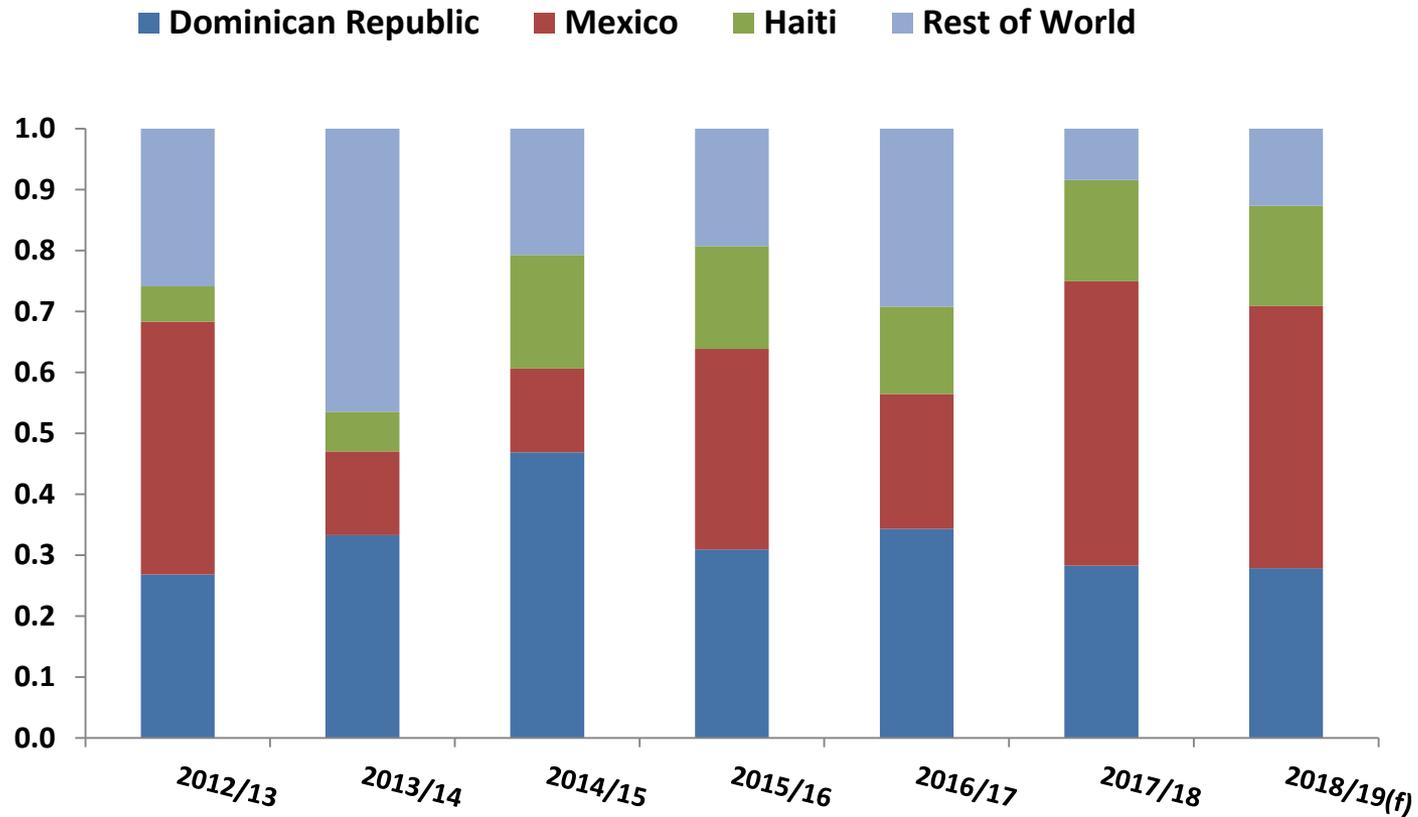


¹2018/19 Data are projected for the marketing year based on total sales through May of 2019.

Source: Prepared by USDA, Economic Research Service using data from U.S. Dept. of Commerce, U.S. Census Bureau.



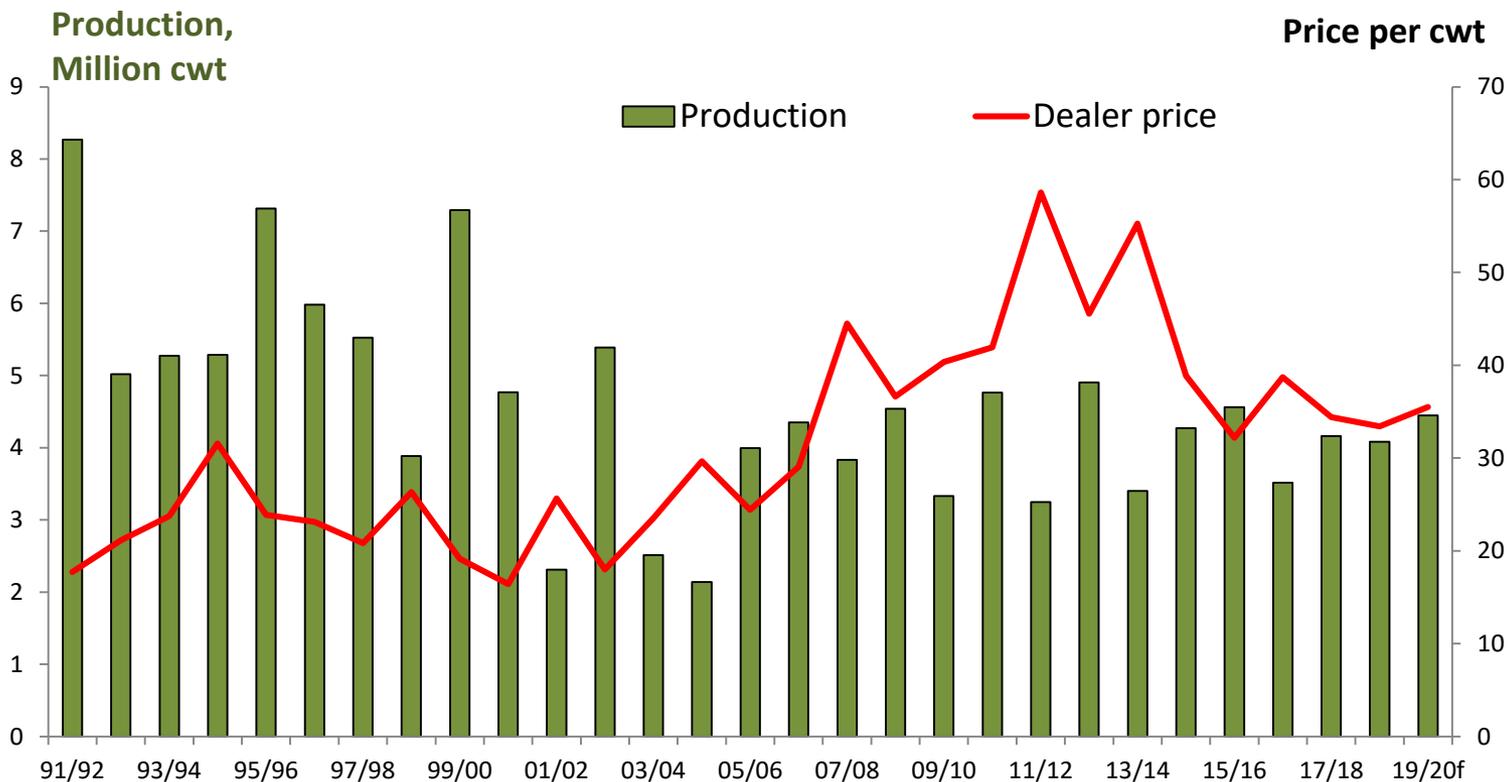
Three countries account for nearly 85 percent of all U.S. pinto bean exports in 2018/19 YTD



Source: Prepared by USDA, Economic Research Service using data from U.S. Dept. of Commerce, U.S. Census Bureau. 2018/19 is a forecast based on statistics for Sept-May.



U.S. Navy bean production and price forecast to rise in 2019¹



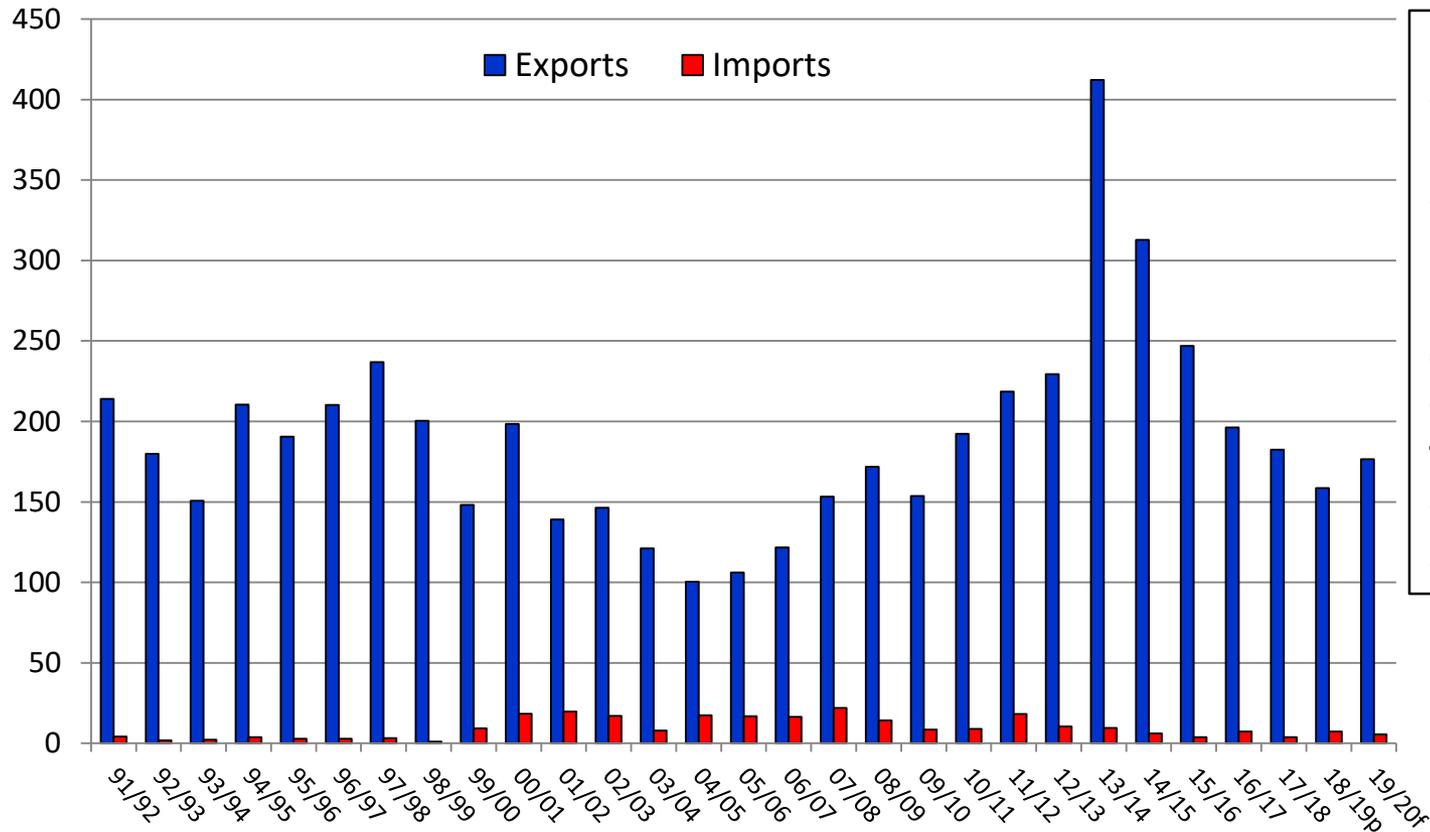
2019:
 production increase of about 9 percent from 2018 but 2019 projected down. Tighter supplies and rising grain prices help to lift navy bean dealer prices by ~6%

¹Dealer Price from Michigan

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service (production) and USDA, Agricultural Marketing Service (prices). 2018 values are forecast and noted with an "f"; 2017 values are preliminary.



U.S. Navy bean marketing year imports projected lower on increase in domestic production



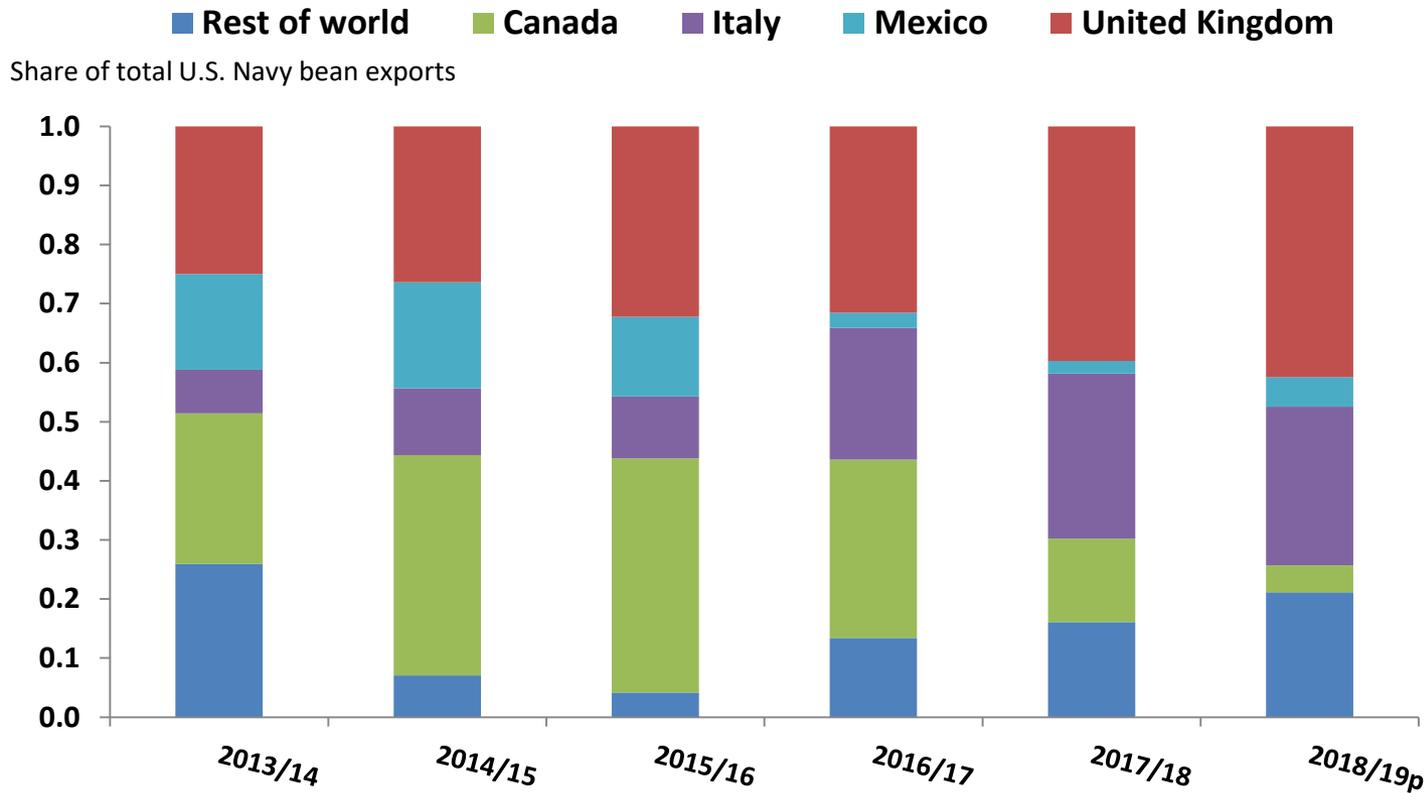
2019/20 import demand down on increased domestic production; 2019/20 exports are projected up on expectations for greater exportable supplies.

1/ 2018/19 Data are projected based on total sales through May of 2019.

Source: Prepared by USDA, Economic Research Service using data from U.S. Dept. of Commerce, U.S. Census Bureau.



Nearly 43 percent of U.S. Navy bean exports sold to UK so far in 2018/19

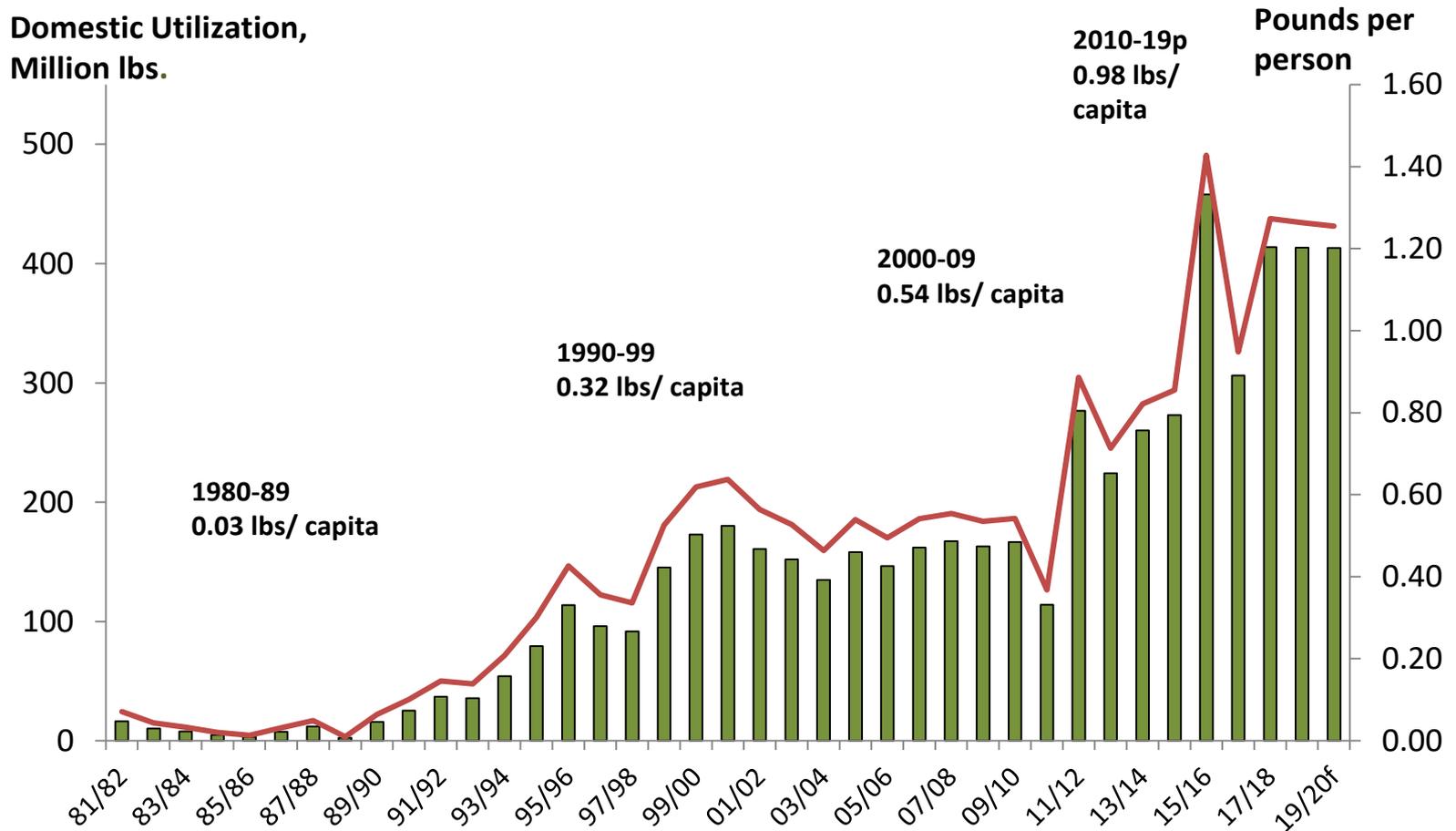


Despite additional tariffs, EU market is an increasingly important market for US navy beans

Source: USDA, Economic Research Service using data from U.S. Dept. of Commerce, U.S. Census Bureau. 2018/19 is based on partial year (Sept-May).



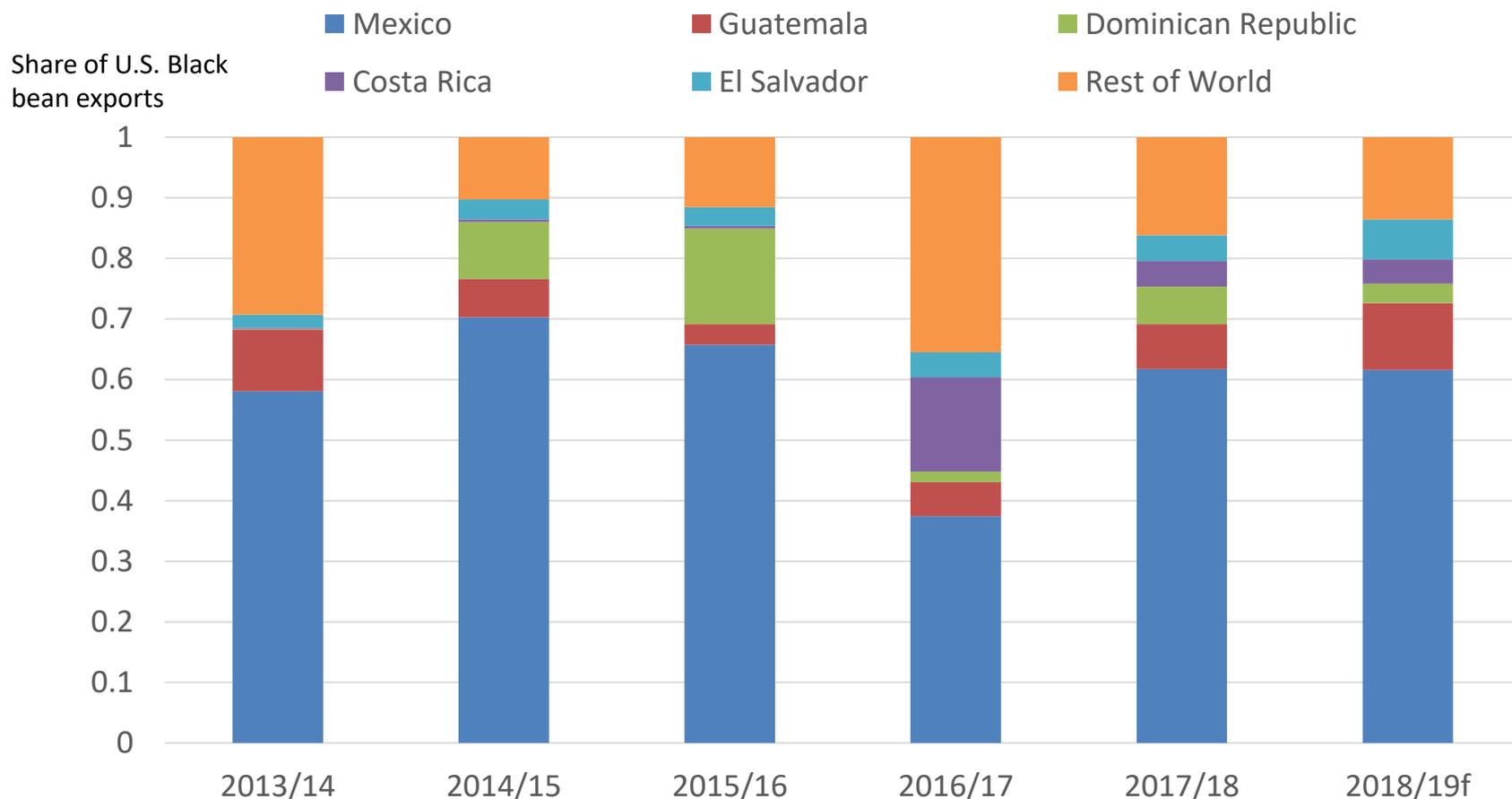
U.S. Black bean per capita availability and domestic utilization projected to fall slightly in 2019



Source: USDA, Economic Research Service. 2019 values are forecast and noted with an "f"; 2018 values are preliminary.



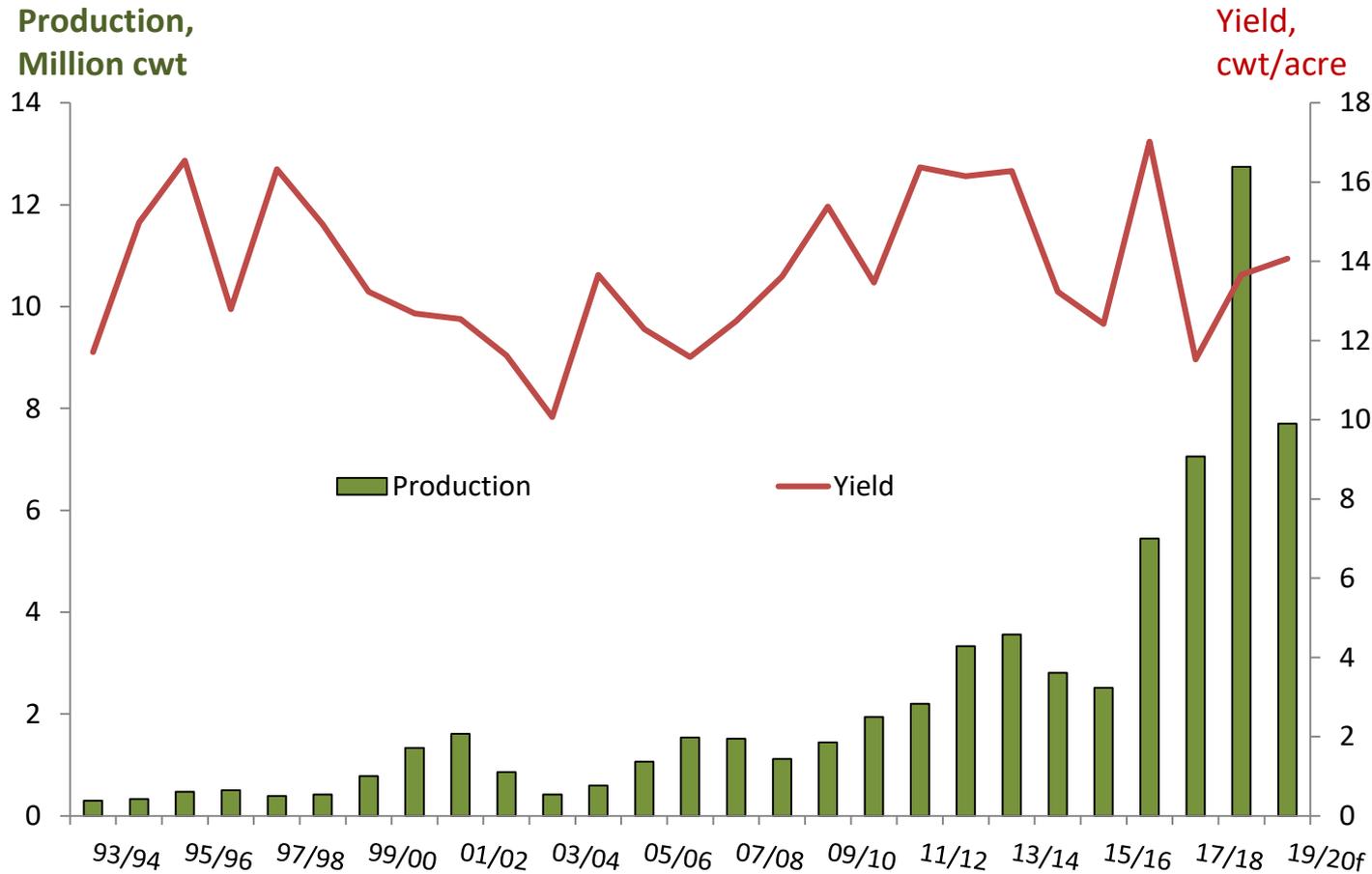
Mexico remains top U.S. Black bean export market in 2018/19



Source: USDA, Economic Research Service using data from U.S. Dept. of Commerce, U.S. Census Bureau. 2018/19 is based on partial year (Sept-May).



2019 U.S. Garbanzo bean production down sharply on steep decline in planted, harvested area

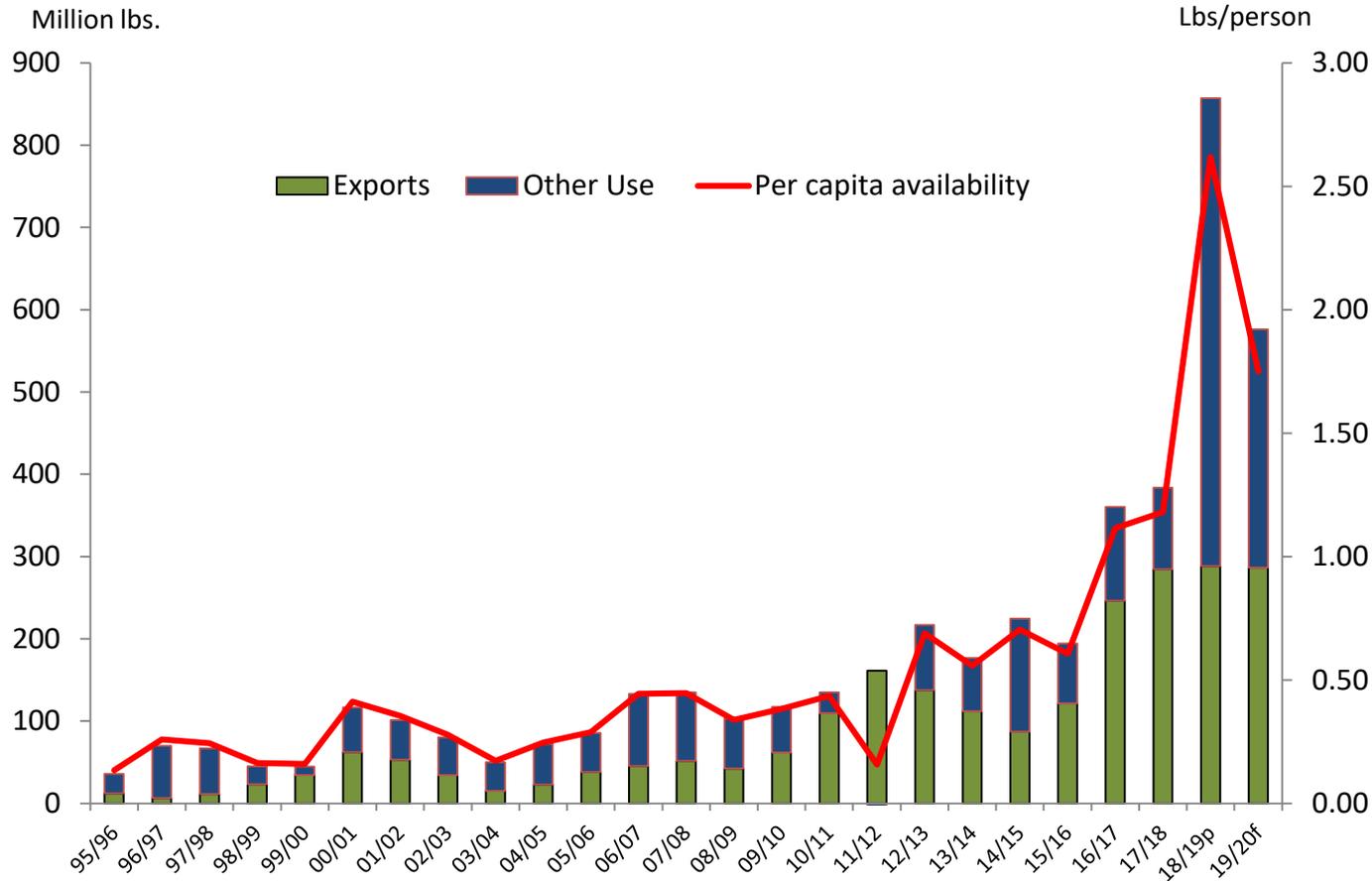


In 2019, USDA NASS reports farmers expect to harvest 35% fewer garbanzo bean acres.

Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service.



U.S. Garbanzo bean domestic use forecast down in 2019/20 while exports forecast near 2018/19 level

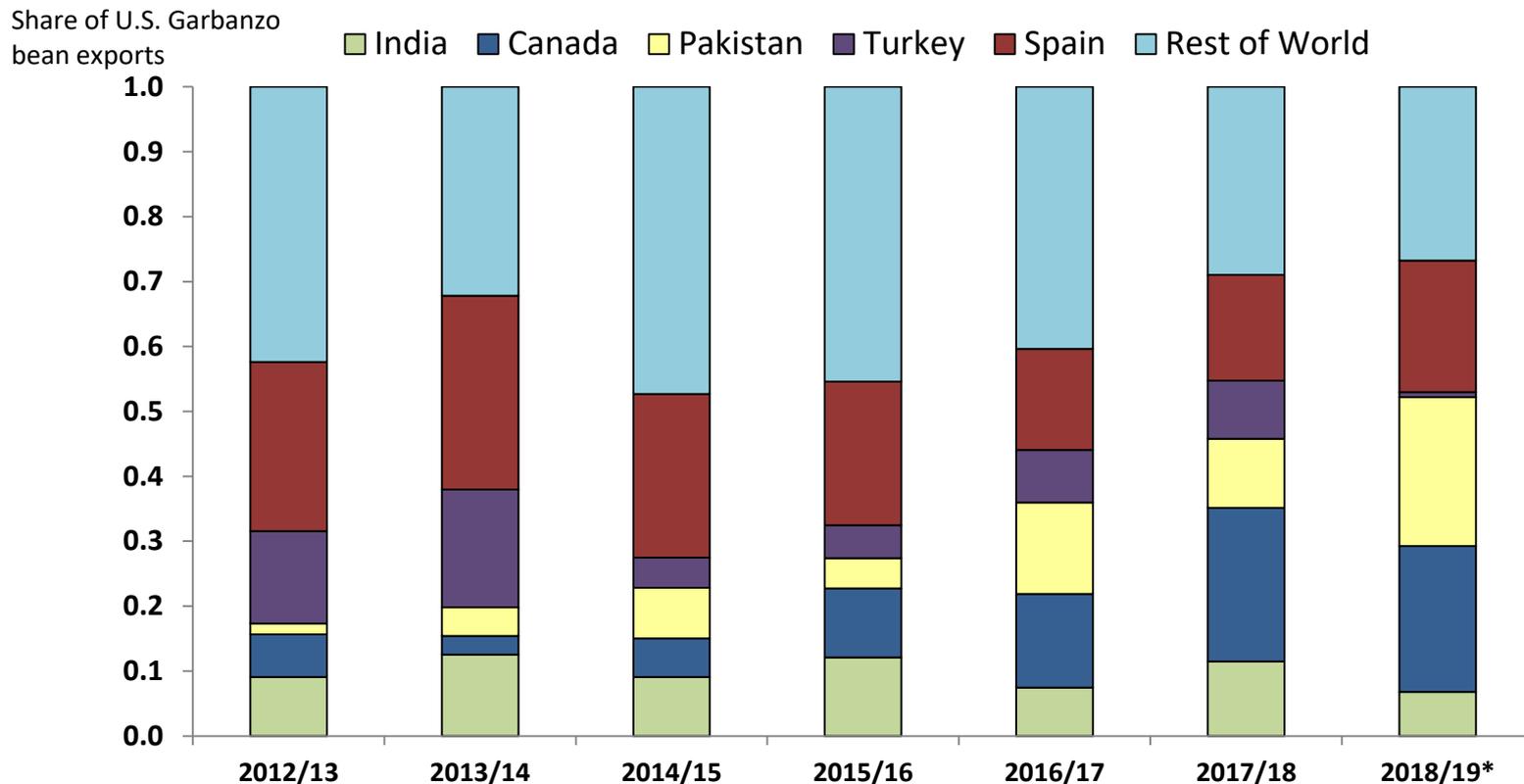


For 2019/20, sharply lower production reduces supplies available for domestic use; marketing year exports expected to remain on par with 2018/19 values on expectation of ongoing Indian tariffs.

Source: USDA, Economic Research Service. 2019 values are forecast and noted with an “f”; 2018 values are preliminary.



Pakistan and Spain comprise larger share of U.S. Garbanzo bean exports as sales to India shrink



Source: USDA Economic Research Service using data from U.S. Dept. of Commerce, U.S. Census Bureau.

* 2018/19 Trade data available through May 2019; ROW=Rest of World.

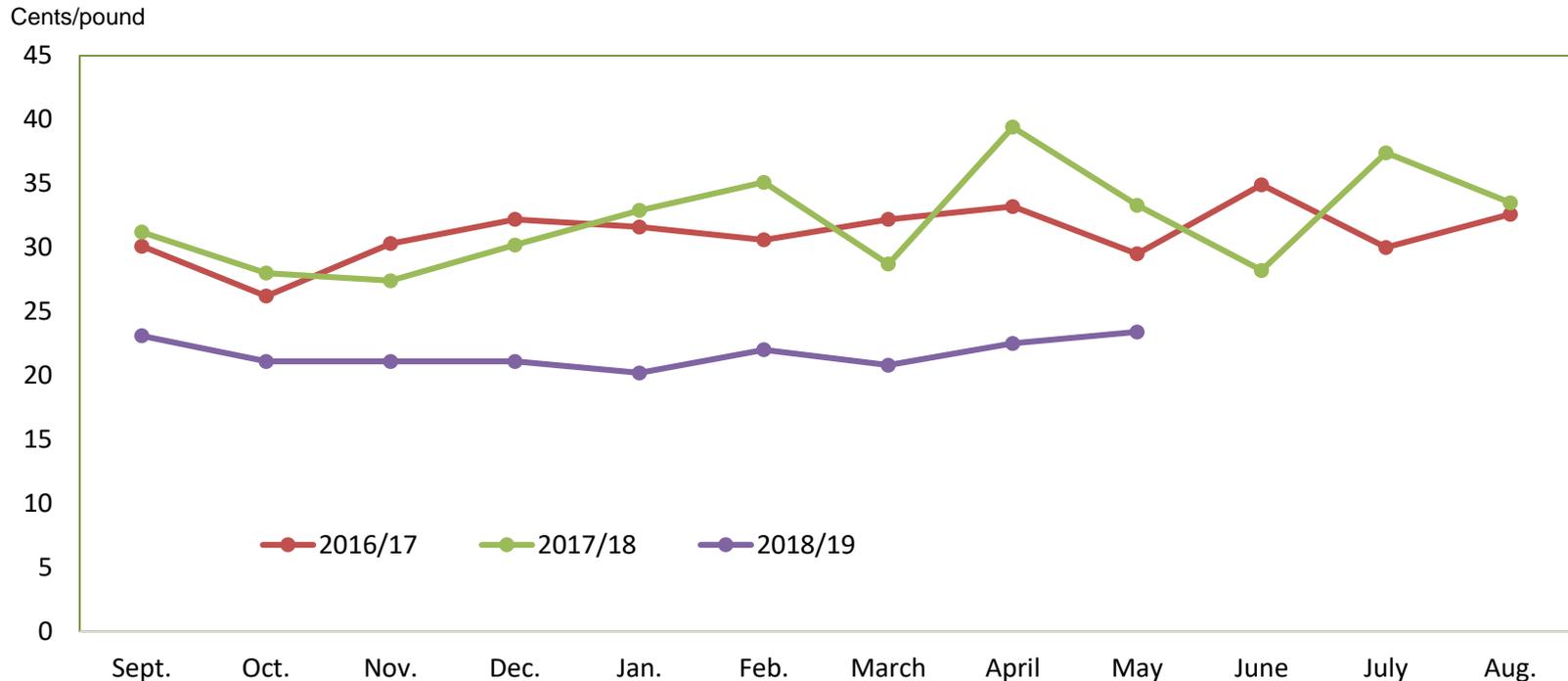


Grower Prices



2018/19 U.S. all dry bean prices trending well below 2017/18 and 2016/17 monthly prices

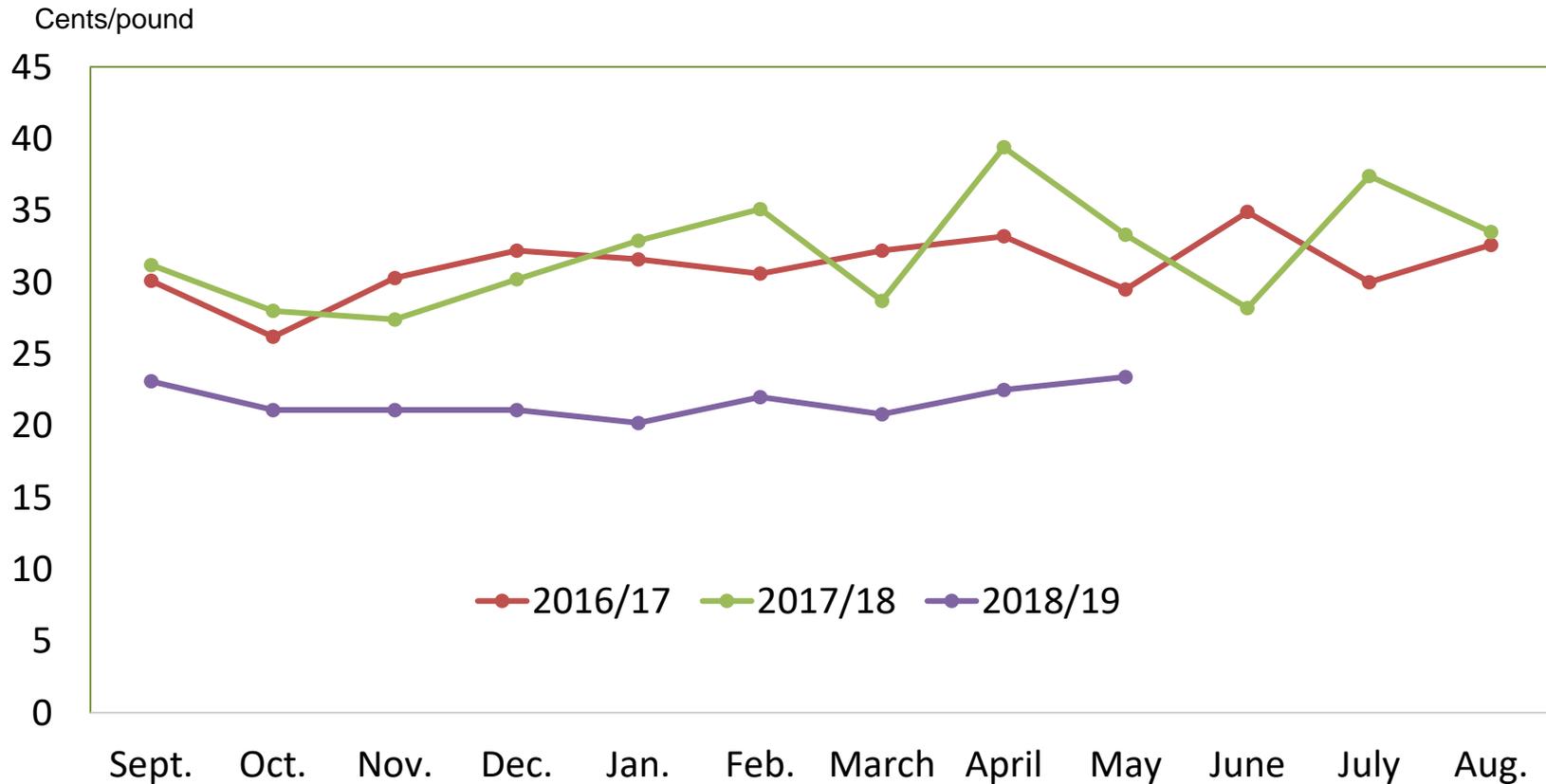
U.S. dry edible beans (excluding chickpeas): Average monthly grower price



Source: USDA, National Agricultural Statistics Service, *Quickstats* database.



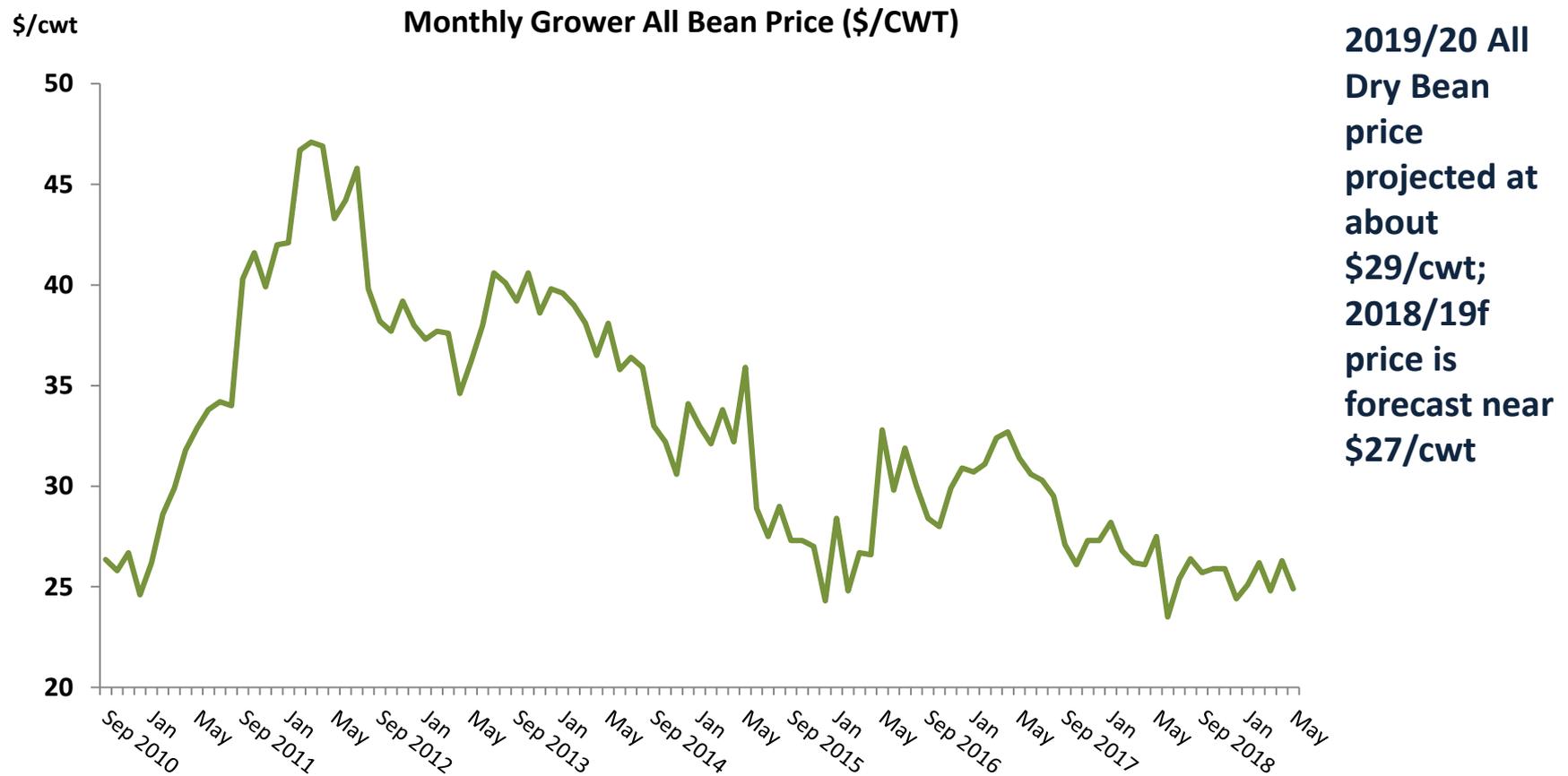
Garbanzo bean prices down sharply in '18/19



Source: USDA, National Agricultural Statistics Service, *QuickStats* database.



U.S. Dry Beans, All: Monthly Grower Prices



Source: USDA Economic Research Service using monthly data from USDA, National Agricultural Statistics Service through May 2019. 2018/19 and 2019/20 MY price forecast by ERS.



Grower Prices: Producer Bid Level

Variety (Location)	2017 (\$)	2018p (\$)	2019 (\$) forecast
Navy (MI)	30.55	27.4	30
Pinto (ND/MN)	28.60	21.8	25
Black (MI)	35.29	28.8	31
Light red kidney (MN/WI)	32.75	35.0	37
Dark red kidney (MN/WI)	34.57	34.6	33
Garbanzo	31.13	31.7	27
Great northern (NE/WY)	28.88	21.8	28
Small red (WA/ID)	27.79	27.8	31
Pink (WA/ID)	31.00	29.8	30

Note: 2018 prices rounded to the nearest dime; 2019 forecast rounded to the nearest dollar.

Source: USDA, Economic Research Service using data from USDA, Agricultural Marketing Service.



Summary

2018 crop:

All dry bean production (including garbanzos) up 5 percent from 2017
Significant gains garbanzos (+35%), limas (+11%), kidney (+22%),
small red (+61%), and others

Total supplies up 343 million pounds with exports forecast down (~-20%)
leading to increase in ending stocks (+~18%)

2019 crop:

Area planted to dry beans down more than 10% y-o-y, mostly due to
fewer garbanzo acres

Production forecast down 377 million pounds (~10%), but sizable
beginning stocks from 2018 means supplies are down about 200
million pounds or only ~4%

Ending stocks forecast to decline modestly from 2018 level on expected
rise in exports

Modest tightening of the all dry bean balance sheet combines with
forecast for rising corn prices to support increase in all dry bean price
to \$29/cwt





United States Department of Agriculture

Thank you
<http://www.ers.usda.gov/>

For more information, please contact

Susan Proper, susan.proper@usda.gov, or
Jennifer Bond, jkbond@ers.usda.gov

