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The Northarvest Bean Grower is published five times a year by the Northarvest Bean Growers Association, 50072 E. Lake Seven Road, Frazee, MN 56544, Phone: (218) 334-6351, Website: www.northarvestbean.org, Email: nhbean@loretel.net.

Send editorial materials to Don Wick or Mike Hergert, Ag Information Services, Inc., 1407 24th Avenue So., Suite 235, Grand Forks, ND 58201, don@rrfn.com or mike@rrfn.com. Send advertising materials to Marlene Dufault, Prairie Ag Communications, 2607 Wheat Drive, Red Lake Falls, MN 56750, 218-253-4391, mdufault@gvtel.com. Publication of editorial or advertising material in the Northarvest Bean Grower magazine does not imply endorsement by the Northarvest Bean Growers Association. Check agronomic advice with local sources and always read and follow product labels.

VOLUME 17 ISSUE 3

## 'Gentlemen, start your engines.'

The green flag has dropped and the 2011 NASCAR season is underway. Drivers like Jimmie Johnson, Kyle Busch, Jeff Gordon, Dale Earnhardt, Jr. and Kevin Harvick are battling it out at Daytona, Bristol, Talladega and other big races for the year ahead. It's a long season, continuing until late November.

For those of us in the farming business, another high-octane season is also ready to begin. The markets are volatile and we are facing many obstacles, including the weather and global uncertain-



ties. In this edition of *BeanGrower*, you'll find many of the issues facing the dry bean industry discussed. From weed control and crop diseases to the new dietary guidelines and farm policy, you'll find a wide variety of issues addressed in this issue.

Springtime is always exciting. Let's hope the weather and the spring melt cooperates so we can get into the fields on a timely basis. Let's drop the green flag, smell the freshly-turned soil and see the diesel smoke in the air. I'm wishing you a high-yielding, profitable season!

*Don Streifel, President*

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# U.S. Government: Eat More Beans

According to USDA and the Department of Health and Human Services' *Dietary Guidelines for Americans, 2010*, eating and physical activity patterns that are focused on consuming fewer calories, making informed food choices, and being physically active can help people attain and maintain a healthy weight, reduce their risk of chronic disease, and promote overall health.

The *Dietary Guidelines for Americans, 2010* exemplifies these strategies through recommendations that accommodate the food preferences, cultural traditions, and customs of the many and diverse groups who live in the United States.

By law, *Dietary Guidelines for Americans* is

## FOODS TO INCREASE

Individuals should eat a variety of vegetables, especially dark-green, red and orange vegetables and beans and peas.

Consumers should choose a variety of protein foods, which include seafood, lean meat and poultry, eggs, beans and peas, soy foods and unsalted nuts and seeds.



reviewed, updated if necessary, and published every five years. The U.S. Department of Agriculture (USDA) and the U.S. Department of Health and Human Services (HHS) jointly create each edition.

Dietary Guidelines recommendations traditionally have been intended for healthy Americans ages two years and older. However, *Dietary Guidelines for Americans, 2010* is being released at a time of rising concern about the health of the American population. Poor diet and physical inactivity are the most important factors contributing to an epidemic of overweight and obesity affecting men, women and children in all segments of our society. Even in the absence of overweight, poor diet and physical inactivity are associated with major causes of morbidity and mortality in the United States.

The Dietary Guidelines recommendations encompass two overarching concepts:

**Maintain calorie balance over time to achieve and sustain a healthy weight.** People who are most successful at achieving and maintaining a healthy weight do so through continued attention to consuming only enough calories from foods and beverages to

meet their needs and by being physically active. To curb the obesity epidemic and improve their health, many Americans must decrease the calories they consume and increase the calories they expend through physical activity.

**Focus on consuming nutrient-dense foods and beverages.** Americans currently consume too much sodium and too many calories from solid fats, added sugars, and refined grains. These replace nutrient-dense foods and beverages and make it difficult for people to achieve recommended



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## EASY CHEESY BEAN SOUP

**Nutrition Note:** This recipe makes 8 servings. Each serving has 390 calories, 15 g fat, 23 g protein, 44 g carbohydrates, 12 g fiber, 312 mg calcium, 18 mcg folate, 10 mg potassium, and 580mg sodium.

### Ingredients:

- 1 pound (2 cups) dry white beans, great northern, cannellini or navy
- 6 cups water
- 1 tablespoon canola oil
- 1 cup finely chopped onion
- 1 cup packaged cabbage coleslaw, chopped fine
- 1 tablespoon chicken flavor base
- 1 teaspoon turmeric
- 8-ounces (12) American cheese slices
- 2 cups croutons
- 1 cup fried, crumbled bacon or bacon bits

nutrient intake while controlling calorie and sodium intake. A healthy eating pattern limits intake of sodium, solid fats, added sugars, and refined grains and emphasizes nutrient-dense foods and beverages, vegetables, fruits, whole grains, fat-

free or low-fat milk and milk products, seafood, lean meats and poultry, eggs, beans and peas, and nuts and seeds.

The Guidelines say beans and peas are unique foods. Beans and peas are the mature forms of legumes. They

include kidney beans, pinto beans, black beans, garbanzo beans (chick-peas), lima beans, black-eyed peas, split peas, and lentils. Beans and peas are excellent sources of protein. They also provide other nutrients, such as iron and zinc, similar to seafood, meat and poultry. They are excellent sources of dietary fiber and nutrients such as potassium and folate, which also are found in other vegetables. Because of their high nutrient content, beans and peas may be considered both as a vegetable and as a protein food. Individuals can count beans and peas as either a vegetable or a protein food.

Beans and peas confer health benefits as sources of important nutrients such as dietary fiber. Dietary fiber is the non-digestible form of carbohydrates and lignin. Dietary fiber naturally occurs in plants, helps provide a feeling of fullness, and is important in promoting

healthy laxation. Some of the best sources of dietary fiber are beans and peas, such as navy beans, split peas, lentils, pinto beans, and black beans. Additional sources of dietary fiber include other vegetables, fruits, whole grains, and nuts. All of these foods are consumed below recommended levels in the typical American diet.

Dietary fiber that occurs naturally in foods may help reduce the risk of cardiovascular disease, obesity, and type 2 diabetes.

The adequate intake for fiber is 25 g per day for women, and 38 g per day for men, but most Americans greatly under-consume dietary fiber. Usual intake averages only 15 g per day. To meet the recommendation for fiber, Americans should increase their consumption of beans and peas, other vegetables, fruits, whole grains, and other foods with naturally occurring fiber.



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## EASY CHEESY BEAN SOUP

### Method:

1. In a 6-quart pan, bring 6 cups cold water to a boil. Add cleaned, rinsed dry beans. Simmer for 10 minutes. Pour into a crockpot. Cook on Low 8 – 10 hours.
2. Remove half of the beans and mash or puree with a processor, blender or large spoon. Return to crockpot, increase crockpot heat to High.
3. Sauté onion and cabbage in oil. Stir chicken base and turmeric into vegetables, add to beans. Mix well.
4. Separate slices of cheese, break each slice into small pieces, stir into bean soup, melting cheese. Taste before adjusting seasoning, cheese and chicken base contain lots of salt.
5. Garnish each bowl of soup with 2T. Croutons and 1 T. fried, crumbled bacon or bacon bits.
6. Serve hot.



## BEANS ON BROADWAY

Look for some familiar faces on the Northarvest Bean Growers Association's website. The Northarvest board of directors recently viewed, and approved the final version of a 10-minute video, produced by Media Productions, designed

as a marketing tool for potential customers. The video, shot during the 2010 growing season, features Northarvest growers and describes the impact of dry edible bean production in this region, from planting through exporting.

## RECIPES FOR HEALTHY KIDS CHALLENGE

In response to the challenge from First Lady Michelle Obama's "Let's Move" campaign, the Burleigh County (ND) Extension Service recruited local chefs and nutrition professionals to participate in the Recipes for Healthy Kids challenge. Two classrooms were chosen to partner with a local chef and nutrition professional. Students received a nutrition lesson on the importance of whole grains, leafy greens, orange vegetables and dry beans and peas from a Registered Dietitian and then received a lesson from a local chef about cooking techniques, flavors and how to use these ingredients in healthy recipes. The students were provided recipe

books from the Northarvest Bean Growers Association and the North Dakota Wheat Commission to give them examples of recipes, and to emphasize the preference of using local products. The students were also given blank recipe books to record the recipes they prepare, provided by the Northarvest Bean Growers Association. Students were challenged to go home and create their own recipes using these ingredients with the help of their family. At St. Mary's Elementary School in Bismarck, "Missouri Valley Medley" was chosen to be submitted to the national competition. The medley is a mixture of garbanzo beans, black beans, orzo, fresh vegetables and seasonings.

## NORTHARVEST PARTICIPATES IN LIVING AG CLASSROOM



During the KMOT Ag Expo in Minot, North Dakota, elementary students had the opportunity to learn about the food on their family table. The Living Ag Classroom highlights the many products produced from the commodities grown in North Dakota, including dry edible beans. Over the life of the program, over 15,000 students have learned about agriculture in this effort.

The Northarvest Bean Growers Association was one of the many organizations involved in the Living Ag Classroom



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# High Disease Potential in 2011

North Dakota State University Extension plant pathologist Sam Markell is telling bean growers the Northarvest region is in the crosshairs of a rust epidemic. In 2010, rust was found in multiple counties in North Dakota, and Markell says the next time we have a favorable environment (lots of dew and some warmth) we'll have an epidemic of the new race of rust. "Every variety we grow is susceptible, but the good news is, we have fungicides," says Markell.

Markell says it doesn't matter how much rain you get, it's how much dew you have in the canopy. "If you've got dew, and fog, and your boots are wet at 10 or 11 o'clock,

that's really favorable for rust." Markell thinks growers should be prepared to scout because rust has spread, and they should be ready to pull the trigger on it if they get it. Moderate to warm temperatures are usually favorable for rust.

Rust first shows up in hot spots, not evenly across the field. Look for dusty, cinnamon-brown pustules, with a yellow halo. Rub off the spores and you will usually see the pustule base, kind of a cream-colored ring. Markell says rust is hard to see and is usually in the middle of the canopy. "When you start to see it in the upper leaves, you might be looking at a little

damage."

As for management of rust, Markell says it is most important to identify it correctly, and if rust is detected, apply fungicides soon.

Since the new race of rust was found in 2008, Markell and other NDSU researchers started fungicide trials in three locations: Fargo, Langdon and Carrington, comparing all the different chemicals and the timing of application. The non-treated control has shown a much higher disease severity than the rest of the chemicals. But Markell says the triazoles and strobilurins work pretty well. Triazoles include Folicur and the generic tebuco-

nazoles (Tebuzol, Orius, Monsoon, Onset, etc.) and Proline; Strobilurins include Headline and Quadris. Preventive fungicides were not as effective.

Markell thinks timing is more important than the fungicide that is applied. He compared a non-treated control, a rate and timing. The rust was pretty high in the non-treated trial. The preventive application 10 days before rust showed up helped a little bit, but Markell says it was much more effective to wait until rust was detected. "I will say you have to get the fungicide on quickly after you start to see rust. You don't need to put preventive applications on if you're scout-

*When scouting for rust, look for dusty, cinnamon-brown pustules with a yellow halo.*







*Anthrachnose was identified in Wells County, North Dakota in 2010.*

ing, so wait until you find rust.”

Markell says there is also a high inoculum potential for white mold in 2011. “If we are wet before bloom, we’ll have to seriously consider fungicides.” There was considerable white mold in 2009, and some again in 2010. “This is a concern, because the inoculum is building.”

Conditions that are most favorable for white mold are one to two inches of rain, one to two weeks before bloom, with moderate temperatures. “So, the weather on the 4th of July could be an indicator, as that is usually about two weeks before bloom,” says Markell. There is limited resistance to white mold in our current bean varieties. Rotation is helpful, but there are so many crops that get white mold, the sclerotia can survive for many years. Fungicides are the only option to control white mold, and they need to be applied at early bloom. If you wait until

R3, starting pods, you’ve missed the window.

In trials conducted since 2007, a single application of Proline or Topsin, reduced the incidence of white mold, and a double application reduced it even more. There was also a yield response. With high disease pressure, Markell says two fungicide applications may make sense. “But, if you get a really nasty epidemic, I don’t know that it matters a lot which product you use; white mold can overcome them all.”

Anthrachnose was discovered in a few fields in Wells County, North Dakota, in 2010. It attacks pods and the beans in the pods. Fungicides do not work that well on anthracnose, and seed treatments don’t help. Markell is warning growers who had it not to use that seed this year, or they will create an epidemic. There are different races of anthracnose, but Markell says growers should assume their bean varieties have some susceptibility.

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# Bean Briefs

## BEAN DEALERS RE-ELECT THREE

The North Central Bean Dealers Association elected new officers at its meeting during Bean Day weekend in Fargo. Nick Shockman, plant manager of Larson Grain Company in Englevale, North Dakota, is the new president. Shockman grew up on a farm outside of LaMoure, ND where he graduated from high school. He then went on to Valley City State University where he received his bachelors in business management. After college, Shockman worked in retail, in home improvement, for nine years before taking over as the plant manager for Larson Grain Company, where he's worked for six years.

Shockman says the biggest issue facing dry bean dealers right now is trying to compete for acres with the other high priced commodities.

Gary Fuglesten, manager of Central Valley Bean Cooperative at Buxton, North Dakota, is the vice-president of the NCBDA.

## BACK TO CUBA

Northarvest Bean Growers Association directors Todd Sorsenson and Alan Juliusen are planning a return trip to Cuba in late March. Sorsenson and Juliusen were part of a delegation, headed by North Dakota Agriculture Commissioner Doug Goehring, that met with Alimport, and other Cuban officials in Havana, in November 2010. Northarvest Sales Representative Fradbelin Escarraman and Stephanie Sinner, from the North Dakota Department of Agriculture, are helping Northarvest develop a marketing strategy to improve on the existing relationship and business understanding.



*Joe Griebbe, Brownnton, Minnesota, won the \$300 gift card door prize at Bean Day. Tim Courneya of the Northarvest Bean Growers Association, made the presentation on behalf of AgCountry Farm Credit Services.*

## BEANS, PEAS HAVE CLOUT

A list of North Dakota's top commodities shows wheat is far and away the number one commodity

in terms of dollar value. Citing 2007 data from USDA's Economic Research Service, wheat was valued at \$1.58 billion, or nearly 29 percent of total cash receipts in North Dakota. Soybeans ranked No. 2, at \$790,000, followed by cattle and calves, with \$741,000. Corn, sugarbeets, barley, canola, sunflower, dry edible beans and potatoes round out the top ten. North Dakota State Board of Agricultural Research and Education (SBARE) member, and former Northarvest Bean Growers Association board member, Mike Beltz points out that if dry edible beans and dry edible peas are combined, the total value of \$315 million would rank as the No. 4 crop in North Dakota, surpassing sugarbeets.



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# Everything's on the Table in Washington, D.C.

"The federal budget is in disarray, at the same time the farm economy cannot get any better." That message from Dale Thorenson, with Gordley Associates, which represents the Northharvest Bean Growers Association on Capitol Hill. Speaking to growers at Bean Day in January, Thorenson said, "everything's going to have to be on the table; you're going to have to have everything touched to get this problem solved."

But Thorenson thinks Congress has already started kicking the can down the street by extending tax cuts and a few other things for two years. That increased the debt projection by about \$859 billion. That vote occurred just a week after the



DALE THORENSEN

because it would have raised taxes, while some Democrats didn't like it because it touched Social Security.

Republicans who campaigned in 2010 on cutting \$100 billion are now talking in terms of a \$60 billion spending cut the rest of this fiscal

President's debt commission failed to get the necessary votes to cut \$4 trillion of the deficit over the next 10 years. Some Republicans did not like the proposal

year, and a \$100 billion cut in Fiscal Year 2012, which begins October 1st. But Thorenson says the tax relief bill passed into law in December increased the deficit for this fiscal year by \$390 billion.

Sometime this spring, the federal government will reach its debt limit of \$14.3 trillion. Currently, government spending exceeds income by about \$100 billion per month. So, when the debt limit is increased, conventional wisdom says Congress will have to begin reining in spending. "The question," says Thorenson, "is, whose spending, and whose ox is going to be gored?"

Thorenson says farm policy and farm spending will be a target, and a "big, juicy one." In fact, the Continuing Resolution passed by the House in late February cut \$61 billion, or 9.2 percent, in non-defense spending for the final seven months of this fiscal year. A \$5.21 billion, 22.4 percent cut was targeted towards USDA.

When it comes to cutting farm programs, Thorenson thinks there are two choices: direct payments or crop insurance. Direct payments total about \$5 billion a year, and crop insurance is currently estimated at a little less than \$8 billion per year. Other programs, such as ACRE, marketing loans and counter-cyclical payments are not paying out much money.

Crop insurance already received a cut last year of about \$4 to \$6 billion with the Standard Reinsurance Agreement negotiations. Thorenson made bean growers aware of the

*Continued on Next Page*



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risk involved with further cuts to crop insurance. Farmers' crop insurance premiums currently cover about 31 percent of the cost of the total program, or about \$37 billion over 10 years. The premium subsidy, paid by the federal government, makes up about 48 percent, or \$57 billion. Plus, there are delivery costs and underwriting gains that the crop insurance companies receive, at \$13 billion, and \$10 billion, respectively, or 11 and 8 percent of the total cost of the program.

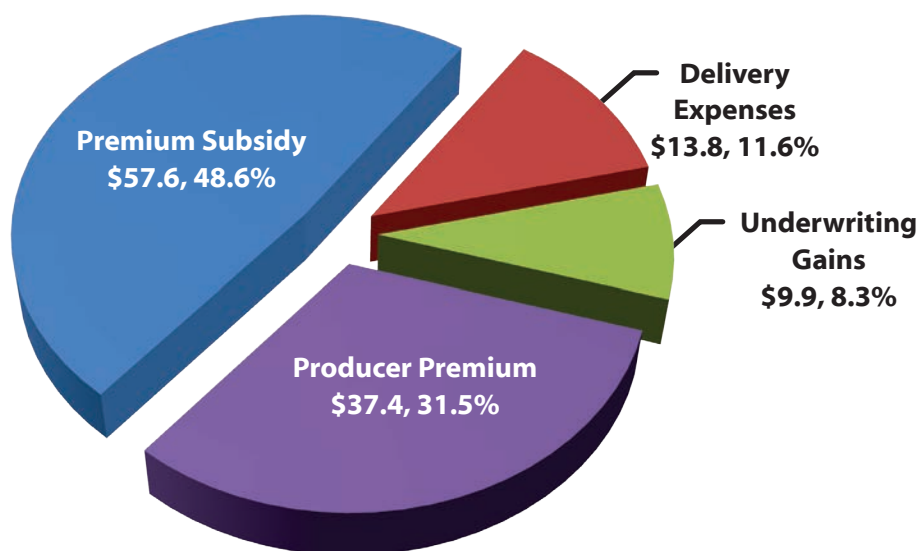
According to Thorenson, "the total cost of the crop insurance program, including the premiums farmers pay, is about \$118 billion, and if you did not have the Federal Crop Insurance Corporation managing this, if it did not exist, that would be the premium farmers would pay."

While there are those that favor getting out of the crop insurance business, Thorenson contends that if he had to pay triple his current premium, it's unlikely he would participate at all on his farm. "Participation would plummet, you wouldn't even have a product that could be delivered by anybody; there wouldn't be any crop insurance. Once the crop insurance program is gone, you'll never get it put together again."

Thorenson says his biggest job is to convince lawmakers that the farm groups he represents do not want a disproportionate cut to agriculture. He says it's not out of the realm of possibility that we could get hung up and lose the \$5 billion in direct payments. "And if you lose that \$5 billion out of the baseline, you're never going to get it back."

While the farm economy is very healthy now, Thorenson reminds that it was also healthy when Congress passed the 1996 farm bill,

## 2011-2020 COST BREAKDOWN OF FEDERAL CROP INSURANCE (\$ Billions, Aug CBO 2011-2020)



which phased out deficiency payments and replaced them with AMTA, or transition, payments. When the farm economy fell apart, extra AMTA payments were made, pushing total farm payments up to

about \$22 billion for about two to three years. "What I'm trying to say," says Thorenson, "is just because the farm economy is good right now, it doesn't mean it's going to be good in a few years."

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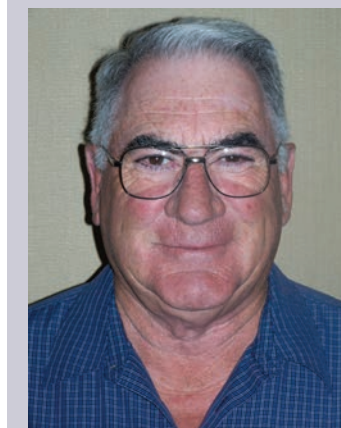
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# Three Northharvest Directors Re-elected

Three directors have been re-elected to the Northharvest Bean Growers Association board. Dan Webster, Penn, ND, represents District 3; Don Streifel, Washburn, ND represents District 6; and Mark Streed, from Milan, MN represents District 9. All were re-elected based on a recent mail ballot, tabulated by the Northharvest nominating committee on January 20th, and all are serving their final, three-year term.

Streifel currently serves as President of the Association. He has farmed for 34 years, and also worked



**DON STREIFEL**

as a crop insurance agent for 25 of those years. Prior to farming, Don worked as an FmHA supervisor for 17 years. Streifel's main priorities for Northharvest



**MARK STREED**

are funding promotion and research, as well as developing a revenue crop insurance product for dry beans.

"Trying to educate the



**DAN WEBSTER**

world on the health benefits of beans, and the revenue crop insurance are probably more important now than when

*Continued on Next Page*



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I became president last spring. As commodity prices go higher, it makes it harder to sustain (dry bean) acres," says Streifel. But he points out that the push to get crop revenue coverage is not being done to increase acres. "The Northharvest board is trying to get the highest prices we can, which is why we go all over the place, to see if we can influence a few people."

Webster is currently Northharvest's alternate delegate to the U.S. Dry Bean Council. Dan came home to farm in 1979, after getting his agricultural economics degree from North Dakota State University. He now lives on his grandfather's farm, as

his home place has been swallowed up by Devils Lake. In fact, Webster has about 2000 acres he has not farmed for 10 years or more, and some has not been farmed in 17 years. This year, it looks like he could lose another 2000 acres to the rising lake. "It's a bummer," says Webster, "because these are the best opportunities to make money since I've been farming, and I don't have the acres to be able to take advantage."

Webster has been growing edible beans since about 1995, and says he has enjoyed his time on the board, met a lot of good people and learned a lot about the bean business. Webster is also ex-

cited about the revenue insurance product, but one of the immediate concerns facing the industry is the competition with other crops, and trying to maintain bean acres.

Down the road, at the national level, Webster says the GMO issue is one of the hot topics. "End users are really concerned because buyers are saying they don't want it. But then, on the growers' side, they want to be able to solve problems like white mold and some of the other disease and insect problems. So, they're working on the bean genome, so they don't have to call it transgenic."

Webster says the

Northharvest board is looking at different ways to deal with the color issue for pinto beans, both on the genetic side, and the promotion side. He also thinks growers need to be more conscious of the color issue, and grow the right varieties. "We could see some discounts down the road for color, because consumers want that bright color. Although, as far as nutritional value, it doesn't matter; it's all in the perception."

Streed started farming in 1978, one year after graduating from Moorhead State. He began raising navy beans in 1983. Streed, who also grows corn and soybeans, says



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navies are the only dry bean he raises because of his close proximity to a processing plant.

Streed has served as treasurer, vice president and president of the Northharvest board, and as an alternate and now the delegate to the U.S. Dry Bean Council. Streed serves on the USDBC's membership, international promotions and executive committees.

"It's a challenge for the dry bean industry to compete with other crops right now, and that is one reason Northharvest is working to create bet-

ter crop insurance for dry bean growers," says Streed. "I would like to see the Northharvest area be the No. 1 choice for importers to source beans from. To accomplish this, we need to keep supporting research to develop a whiter, brighter pinto bean."

Streed also supports Northharvest's promotional efforts, nationally, and internationally, to tell people about the nutritional and health aspects of our beans and the continued effort to increase consumption.

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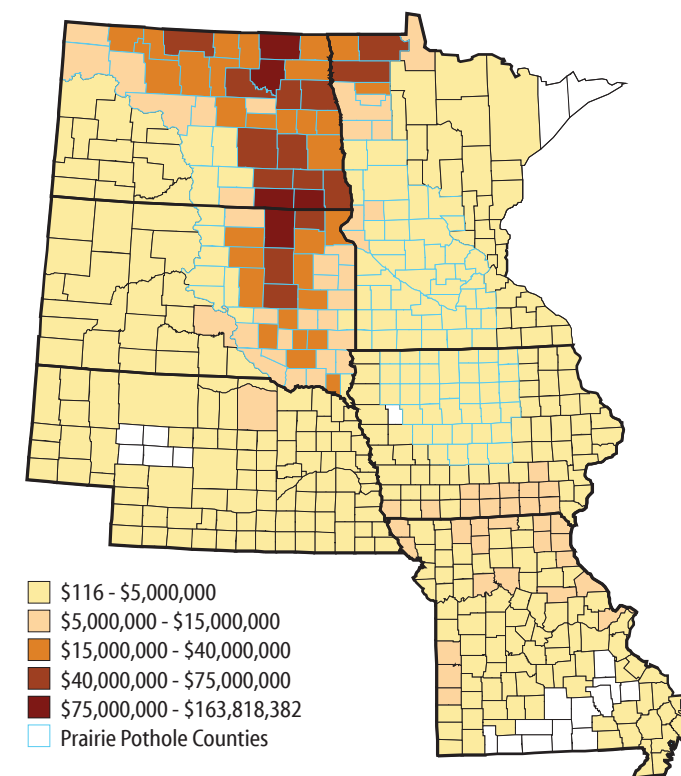
# Prevented Planting Changes Coming

The Risk Management Agency will be changing the crop insurance policy provisions for prevented planting, beginning in 2012.

Beginning in 2012, in accordance with RMA policy provisions (which in this case speaks to acreage that is or is not eligible for prevented planting coverage), acreage “physically available for planting” means such acreage is free of trees, rocky outcroppings, or other factors that would prevent proper and timely preparation of the seedbed for planting and harvest of the crop for the crop year. Additionally, acreage **not** considered physically available for planting includes, *but is not limited to*, the following:

***Any acreage not planted and harvested in at least one of the three most recent crop years, using recognized good farming practices, unless such acreage was planted to an insured crop that was damaged by an insured cause of loss and appraised for purposes of a claim under the Federal Crop Insurance program...***

According to the Manager of RMA's Billings Regional Office, Doug Hagel, such acreage would no longer be eligible for prevented planting cover-



*This map shows prevented planting total indemnities paid in each county from 1993-2010. the blue outlines each county that lies in The Prairie Pothole Priority Area.*

age and eventually will no longer be insurable. This is because RMA policy provisions also state that for acreage to be insurable it must have been planted and harvested or insured (prevented planting coverage meets the definition of “insured”) in at least one of the previous three crop years. Once the acreage loses eligibility for prevented coverage and it is not being planted and harvested, after three years it is no longer insurable.

At a crop insurance conference in Fargo this winter, Hagel said pre-

vented planting is a very emotional issue for a lot of people, and it gets to be a moral issue for the taxpayers. Since 1993, five counties in the Prairie Pothole Region have each received in excess of \$75 million in prevented planting payments. Thirteen counties received more than \$40 million in PP payments. (see map).

The Northarvest Bean Growers Association board met with RMA officials from Billings and St. Paul recently, and asked them to consider changing the PP provisions to “at least one of the previ-

ous five crop years”, instead of three. Northarvest crop insurance committee member Scott Mund, from Milnor, North Dakota, says RMA must not realize what the last three years have been like—extremely wet! “Some guys are paying cash rent on ground that’s been under water, that’s normally not under water, but the FSA (Farm Service Agency) says they’re tillable acres, and most landlords aren’t going to want to take less.”

Crop insurance committee chairman Tim Smith, from Walhalla, North Dakota, says he can see where RMA is coming from. “It’s a huge expenditure and they feel like some of this ground shouldn’t qualify anymore. I can’t say I completely disagree with them.” Smith says the problem RMA is aiming at is the ground that’s basically been in PP for 10 to 12 years now.

If not agreeing to go to one of the previous five crop years, Smith says another suggestion Northarvest has for RMA is to require farmers to buy-up their prevented planting coverage for three, or five years. This may prevent farmers from buying-up only in years they know they’re not going to get their crops planted.

*Continued on Next Page*

Hankinson, North Dakota grower Joe Mauch also serves on Northarvest's crop insurance committee. Mauch doesn't like RMA's change in PP provisions, but says something has to be done. "We've got so many sloughs, we can usually get them worked, but haven't always gotten them planted in the last five, six, or seven years. Mauch thinks maybe prevented planting payments should be reduced, so that only a farmer's expenses would be covered.

Mund says if growers are not able to PP some ground that's under water, it will reduce the amount

of crop insurance they'll buy. "It's getting to the point that crop insurance is going to be a null and void factor, other than for lending institutions to make sure they're willing to borrow us the money."

According to the RMA's Hagel, "we don't insure soil, we insure crops, so the prevented planting cycle is about a two-year cycle, per event." Hagel says if growers have not been able to get in and plant ground in the last three, four or five years, there's a good chance they didn't get paid on it last year, and won't get paid on it again this year.

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## An Interview with Minnesota Agriculture Commissioner Dave Frederickson

Minnesota Governor Mark Dayton appointed Dave Frederickson to the agriculture commissioner post in January. For more than 20 years, Dave and his wife, Kay, operated a farm in Murdock. Frederickson was elected to the Minnesota State Senate in 1986 and was reelected in 1990. From 1991 to 2002, Frederickson served as president of the Minnesota Farmers Union. He served as president of the National Farmers Union from 2002 to 2006. Most recently, Frederickson was an agriculture outreach director for U.S. Senator Amy Klobuchar.

**Bean Grower:** Dave, what are your goals for your time in the Commissioner's office?

**Frederickson:** As you know, I've been kicking around this public policy and ag policy arena for many years and I'm just honored to be asked by the governor to serve in this capacity. Gene Hugoson served honorably as commissioner for 15 years so it has taken some getting used to by the people at the Department to see a new face as commissioner. I've been welcomed



DAVE FREDERICKSON, COMMISSIONER  
MINNESOTA DEPARTMENT OF AGRICULTURE

warmly by everyone here and my goals are to understand each and every department and what role they have and reinforce the work they do at the Department.

**Bean Grower:** The budget situation certainly will be a difficult situation.

**Frederickson:** It is going to be hard. We're looking at a \$6.2 billion shortfall and we have to have a balanced budget. They're going to ask us at the Department of Agriculture to make some sacrifices. They're going to ask us to do more with less and I think we're up to that. We've had a hard look at where we spend resources and we can tighten that

up a little bit. You constantly have to look for efficiencies and I pledge to do that.

**Bean Grower:** Minnesota agriculture is very diverse. One part of that picture is specialty crops. How important are specialty crops, in your mind?

**Frederickson:** It is very important. You only have to look back to the 2008 Farm Bill when specialty crops were at the table as we discussed, debated and eventually, came out of Congress with a farm bill. Many of the issues that specialty crops, in particular, edible beans, addressed in the last farm bill were included in the final law. My guess they

will continue to be at the table when we talk re-doing the next federal farm bill. Certainly, from a state perspective, edible beans are a key and critical part of the state's economy.

**Bean Grower:** Dave, in many areas of Minnesota, there will be water issues this spring. Whether it is river flooding or overland flooding, I'm sure you'll be dealing with that.

**Frederickson:** It is as perennial as the tulip coming up in the spring, the fact that we're going to have flooding occur in some part of Minnesota, particularly in the Red River Valley. I've been part of that process of reacting and responding to floods with Senator Klobuchar's office in the past and I expect I'll get a little more of a front-row seat this year as the commissioner of agriculture. We are preparing. Hopefully, the legislature is preparing early on to address these concerns.

**Bean Grower:** Any final thoughts as our growers head into spring?

**Frederickson:** What I'm hopeful for is good weather, not only in the spring, but through the entire growing season. Be safe.



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# USDA Special Report on NAFTA

According to USDA's Economic Research Service, liberalization of U.S.-Mexico dry bean trade, as part of the North American Free Trade Agreement, has enabled U.S. dry bean producers to provide a steadier and larger portion of Mexican bean needs.

The last transitional tariff-rate quotas (TRQ's) on U.S.-Mexico (and Canada-Mexico) dry bean trade were removed at the start of 2008, in accordance with NAFTA. As a result, the USDA report says, the outlook for the U.S. and Mexican dry bean

sectors is now shaped by more fundamental forces of supply and demand, rather than anticipated reductions in regional trade barriers.

Mexico produces about 50 different varieties of dry beans, and these may be divided into four major groups. Black has the largest share of total consumption (38 percent), followed by pintos (26 percent), pink (20 percent), and yellow (16 percent).

Mexico is the destination for about 35 percent of U.S. dry bean exports and 10 percent of U.S. dry

bean production, while Canada receives about 10 percent of U.S. dry bean exports and three percent of its production. For Mexico, imports from the United States account for about 10 percent of national dry bean supply, stabilizing consumption when downturns in production occur. For Canada, exports to the U.S. and Mexico combined to account for about 14 percent of dry bean production.

According to Mexican trade statistics, the United States is Mexico's principal supplier of dry beans, with a 95 percent

share of Mexico's total dry bean imports. According to available data, black beans were the leading dry bean class exported to Mexico during U.S. marketing years 2006/07 to 2008/09, accounting for 52 percent of U.S. dry bean exports to Mexico. Pinto beans accounted for 32 percent.

Since NAFTA's implementation, U.S. dry bean exports to Mexico have become far more consistent, averaging about 116,000 metric tons per year during 2006/07 to 2008/09. Nevertheless,

*Continued on Next Page*

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trade continues to fluctuate in response to weather conditions in either country.

Mexico and the United States are similar dry bean producers in terms of total output. Mexico ranks sixth among the world's leading dry bean producers, with average annual output of 1.05 million metric tons during agricultural years 2007-09; the United States ranks fifth, with average annual production of 1.16 mmt during those same years.

One key difference between Mexico and the U.S. is the scale of a typical dry bean operation. A typical U.S. dry bean producer works about five times as much land as a typical

Mexican producer who is focused primarily on the commercial market—about 250 acres in the United States, compared with roughly 50 acres in Mexico. Moreover, Mexico has a large number of dry bean farmers who operate on an even smaller scale and thus have limited marketable surpluses. According to Mexico's 2007 Agricultural Census, about 622,000 farms grow dry beans in Mexico, with an average area planted of 3.1 hectares (7.6 acres).

Over the past 20 years, dry bean production in the U.S. and Mexico has become concentrated on a smaller number of farms. In the U.S., the number of farms produc-

ing dry beans dropped from about 15,900 to 6,200 between 1987 and 2007, while the area of dry beans per farm more than doubled. In Mexico, the decrease in the number of farms growing dry beans has coincided with a decrease in the area planted of this crop. An analysis of production trends at the state level reveals that a consolidation of the Mexican dry bean sector has taken place in two of the leading producing states.

In Mexico, area planted with dry beans has trended downward, from 2.2 million hectares in 2002 to 1.7 million in 2009. In light of the perceived importance of the dry bean sector, the Mexican

government operates a number of programs designed to increase its productivity, focusing on direct income support, commercialization, access to credit, adoption of superior technologies, and the organization of productive chains and product systems.

Long-term prospects for U.S. and Mexican dry bean demand will depend on future dietary patterns in each country. Currently, annual per capita consumption of dry beans is about 11 kilograms in Mexico, compared with 3 kilograms in the United States. Nevertheless, the long-term tendency is indicative of lower dry bean demand in Mexico. Be-

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tween 1992 and 2008, real per capita expenditures on dry beans decreased at a compound annual rate of 2.7 percent.

In the United States, the future of dry bean demand hinges largely on the extent to which people adopt diets that feature higher levels of dry bean consumption. Annual per capita availability of dry beans in the U.S. peaked around five kilograms in 1942 and has never approached the level currently observed in Mexico. Still, U.S. dry bean producers face a challenge similar to that of their Mexican counterparts—little if any demand growth in their domestic market.

## CONCLUSIONS

Today, imports supply about 10 percent of Mex-

ico's dry bean consumption, compared with five percent during the decade that preceded NAFTA.

USDA says Mexico will remain a major destination for U.S. dry bean sales given Mexico's high levels of per capita dry bean consumption, the close proximity of Mexico to the U.S., and the duty-free access to Mexico afforded by NAFTA.

However, prospects for demand growth are challenging both in Mexico and the United States. Per capita consumption of dry beans in Mexico is likely to decline even further as consumers diversify their diets and shift away from the traditional staples of beans and tortillas. U.S. per capita consumption of beans is relatively stable but only at about one-fourth of Mexico's average level.

# Dry Bean Market Frustrations

*From the Michigan Bean Commission News, February 7, 2011*

The competitiveness of dry beans and their ability to retain acres in Michigan and other areas will certainly be challenged this year.

Current projections for Michigan dry bean acres indicate a 25% to 30% reduction, taking the state from 235,000 acres in 2010, to possibly 165,000 acres in 2011. And by no means is Michigan alone in this reduction. North Dakota, currently the largest state for dry beans, is indicating a similar 25% to 30% reduction, as are Minnesota, Nebraska and Colorado.

Reasons are the same in every location: the competitiveness of dry beans versus alternative crops. Besides the current pricing problems between other crops and dry beans, with soybeans at \$12.50, corn at \$5.30 and wheat at \$8.00, all per bushel, the lack of available new crop prices at any level has made growers not take that second look at dry beans. Now add in that, currently, new

crop prices for wheat are available for 2011, 2012 and 2013.

Why the lack of available new crop dry bean prices? Seems many in the industry believe that between Michigan, other states, and Canada, there remains a large carryover potential that will mitigate the lack of production in 2011. Then add in the current posture of buyers, both here and abroad, a reluctance to be wrong in the market. They would rather pay high prices next fall than to contract at current levels and have the market fall.

So why grow beans in 2011? 1. You never know about the dry bean market. 2. Is the big perceived carryover real? 3. Is the quality of that carryover usable by all buyers? 4. Small grains are making a comeback in the west. 5. Always good to have diversification of your production. 6. It's not in the bag yet.

A reminder from Murphy's Laws for commodity traders: any time something must happen, it won't! And any time it can't happen, it will!



*Northarvest bean growers visited with Guillermo Marcide Cano, from Veracruz, Mexico at the recent U.S. Dry Bean Congress in Puerto Vallarta. Marcide only buys black beans and expects U.S. black beans to dominate the Mexican market because of the quality and service. Consumers, says Marcide, prefer U.S. beans even though they are higher priced than Mexican beans. More on the Mexico Bean Congress can be found on page 30.*

# Dark Color Costing Northharvest Pinto Bean Growers

For the second straight year, dark color is a big market factor for pinto beans grown in the Northharvest region. Because of the darker color, prices for pinto beans grown here have been priced as much as \$8 per cwt less than pintos grown in western states.

Multiply that by the tonnage of pintos grown here, and Northharvest Bean Growers Association Executive Vice President Tim Courneya estimates losses at approximately \$20 to \$60 million a year, over the last two years, because of color. There is a major project underway at North Dakota State University with incorporation of a slow darkening gene into commercial material, and Courneya says the Northharvest board of directors will make sure the color issue is part of that portfolio.

Northharvest is also funding research by NDSU dry bean breeder Dr. Juan Osorno to address the darker color of Northharvest pinto beans. Osorno says the main reason for the darker color is environmental. "We get rains when we're not supposed to, usually during harvest. We put windrows in the field, then get two



**DR. JUAN OSORNO**

inches of rain."

Osorno is proposing an integrated approach combining genetics, with harvest techniques, desiccant technology, and storage management. From a genetic standpoint, Osorno specifically mentions three lines that have a slow-darkening gene, which he has been crossing into NDSU's commercial material for the last three years.

"The first slow-darkening line was discovered around 2004, but the actual genetic control wasn't understood until around 2008. That's why we just started working with this gene three years ago," says Osorno.

White Mountain (a.k.a. 1533-15), from the University of Saskatchewan, was in Osorno's trial last year at Johnstown, North

Dakota. It has good color, but yields poorly. Pinto Saltillo, from Mexico, has photo period sensitivity and will never flower if grown in the climate here in Northharvest, according to Osorno. The third line with the slow-darkening gene is SDIP (Slow Darkening Idaho Pinto) from the University of Idaho, which is also a poor yielder when compared with varieties commonly grown in the Northharvest region.

Even when crossing pinto beans with pinto

beans, Osorno says you get a lot of segregation for commercial type. "The real challenge is blending everything into the same plant. It has to yield well, be upright, have some disease resistance, be early, and be slow darkening." Osorno says the commercial requirements in dry beans for shape, size, and color make genetic progress go slower compared to corn or soybeans.

"Incorporating the slow-darkening gene will be something that will, in the

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long term, probably be a significant help.” However, Osorno says even if you successfully incorporate the slower-darkening gene into a variety that yields, with the wrong environment, we’ll still have the problem.

Regarding harvest, Osorno says we can try to come up with alternatives so those beans don’t stay in the fields longer than we want. “Direct harvesting may help, but I’m not saying it will solve it.” Upright architecture of the bean plant is also helpfully helping. Seeds from lower pods usually get darker because they have more moisture.

One part of the solution

may be the use of dessicants that allow uniform drydown and more control of harvest dates. Anti-shattering/pod sealant chemicals that are now being offered by several companies could also help minimize the oxidation process in the seed coat.

Osorno also thinks we need to be careful about the way we store our beans. “Long-term storage has an effect on the color of beans, and we know that low light, low moisture and low temperatures are ideal to keep those beans in good shape.”

Research using nitrogen in the gas form on stored



*NDSU has conducted research on the coloring issue at Fargo and Prosper, ND. The earlier harvest dates in both locations had a color advantage.*

beans, to reduce oxygen, also seems to be helping beans retain color over time. Some packagers are also using modified atmosphere packaging to maintain the bright color of pinto beans.

The Northharvest Bean Growers Association is planning to survey consumers in certain countries to learn more about their perception of color in relationship to the price of pinto beans.



*Osorno credits upright architecture for improved harvest efficiency. The lower pods get more moisture.*



# Dry Bean Growers Have Good Dessiccant Choices

BASF's Sharpen herbicide was released in 2010, and the company quickly sought registration for dry bean desiccation. That registration is expected before the 2011 use season. Sharpen is also a dessiccant for sunflowers, and, according to North Dakota State University Extension weed specialist Rich Zollinger, is a very effective one.

Zollinger's research has shown Sharpen to be equal to, or greater than,

the standards on the market: Valor, Gramaxone, and glyphosate. "With those four, we will have an excellent array of products (dessiccants) to use."

Thanks to Zollinger's push, FMC has gotten Spartan Charge registered again in North Dakota and Minnesota, only. Originally registered in 2004, Spartan's label was pulled after some growers in the Midwest found crop injury in coarse-textured soils with very low organic



**RICHARD ZOLLINGER**

matter. Zollinger successfully showed FMC that the heavier-textured soils

in Minnesota and North Dakota, and especially the higher organic matter in our soil, imparts a significant safening effect on the herbicide.

Zollinger says Spartan is very good on small-seeded broadleaf weeds, and Permit, which is hoped to be registered by the 2011 use season, is very effective on large-seeded broadleaf weeds. "So, you could put those two together as a pre-emergence, or a soil appli-



*Uneven dry down at harvest*



cation, and you have very serious, and effective, full-spectrum broadleaf weed control at your fingertips."

Looking at the nine worst weeds in dry beans, Zollinger says Spartan and Permit complement each other; what one doesn't control, the other one does.

Zollinger is also continuing to fine-tune the use of micro-rates of herbicides for dry beans. "We have four or five really good products, and Dr. Al Dexter made micro-rates work in sugarbeets, so we've kind of done the

same thing. If you know your weeds, and you know which herbicides are good on which weeds, you can put Basagran, Reflex, and Permit together, and use lower rates of each but get a well-rounded spectrum of weed control, either pre-emergence with the Spartan and Permit, or post-emergence with Reflex, Basagran and Raptor."

At Bean Day, Zollinger introduced Warrant, which he calls a "concept" for dry bean growers he'd like to pursue. "What we're lacking is a residual

product that will give up to seven weeks of residual weed control, after the first post-emergent application. Zollinger intends to show that Warrant and pyroxasulfone, when it is registered, will give eight weeks of residual control of lambsquarter, pigweed, wild mustard, foxtail and wild oats. Warrant is a Monsanto product currently registered on soybeans to help control resistant weeds, and targeted at amaranth and lambsquarter.

"But pyroxasulfone has a much broader spectrum

of weed control and it has at least twice the residual activity of Warrant, so that's why I'm very excited about pyroxasulfone." Zollinger expects registration sometime this year in corn, soybeans and wheat, but 2012 will be the launch year for pyroxasulfone. "That will give me time to do this research to show dry bean safety and residual control and then I'll go back to the manufacturers and show them this potential use and hopefully they'll support the concept."



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## Northarvest Participates in 2011 U.S. Dry Bean Council Congress

The 2011 U.S. Dry Bean Council Congress was held in Puerto Vallarta, Mexico, February 10-13. The annual event is held in Mexico because it is one of the world's largest bean producers and also the largest export market for U.S. dry beans.

A total of 69 exporters and 100 importers attended the event which included a full day of presentations from representatives of the U.S. dry bean industry and other U.S. specialty crop orga-

nizations. Buyer/seller meeting sessions are an important component of the event. A total of 300 meetings were conducted during a 6-hour session. Groups of buyers and sellers meet for 25-minute sessions throughout the day, during which interpreters are available to help facilitate discussions.

Representing Northarvest at this year's Congress were Don Streifel, (Washburn, ND); Tim Courneya, NHB Executive Vice President; Mark Streed (Milan,

MN); and Jason Mewes, (Colgate, ND). They had the opportunity to meet one-on-one with buyers from a number of countries including Mexico, the Dominican Republic, Russia, and Ireland.

Guillermo Marcide Cano, a black bean buyer from southern Mexico, told Northarvest that he expects U.S. black beans to continue to dominate the Mexican market because of the quality and service. He indicated that Mexican production of

beans doesn't match U.S. quality, and consumers prefer U.S. beans even at prices that exceed domestically produced beans.

Discussions with both Mexican and Dominican buyers revealed concern over dark-colored pinto beans. German Corcino, a buyer from the Dominican Republic said, "A bean that is too dark in color indicates that it is old and will not cook easily." He was happy to learn of Northarvest's initiative to help move darker pintos



Northarvest growers were well represented at the 2011 U.S. Dry Bean Council Congress held recently in Mexico. In the photo to the left, Don Streifel, (Washburn, ND); Tim Courneya, NHB Executive Vice President; Mark Streed (Milan, MN); and Jason Mewes, (Colgate, ND) visit with German Corcino, a buyer from the Dominican Republic as part of the one-on-one buyer/seller meeting session held at the event.

in the DR.

Olga Kurbatova, a senior pulse buyer from Russia told Northarvest that pulse consumption will increase in Russia because of its health attributes. Her company is looking to source approximately 300 tons of small reds.

David Smith, a canner from Dublin, Ireland says that although they cur-

rently source their navy and dark red kidney beans from Canada, he is interested in opportunities to work with Northarvest growers as well. The Northarvest team indicated they would work to arrange a trade visit to elevators in this region so their buyers can become more acquainted with the facilities and production in the Northarvest region.



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**SAM MARKELL**

Extension Plant Pathologist  
North Dakota State University



**Tell us about your involvement in the dry bean industry?**

I grew up on a small farm in Minnesota, at least for my first ten years. My parents moved off the farm after that. I got back into agriculture when I came to NDSU. Beans are a good system to work on; they are a good crop. When I got this job, I knew beans would be a big part of what I do.

**You seem to work on a variety of crops.**

I really focus on eight crops, if that isn't an oxymoron. There are a couple others I can work on, but I have help from other people, so I focus on the ones that are under-represented.

**What do you enjoy most about working with dry bean growers?**

It is really rewarding to show them something that is useful in the real world. A lot of time when you're standing in front of

a crowd talking, you can see the light bulbs go off and every time you can make an impact like that, it is very rewarding.

**What are your hobbies? What do you do in your spare time?**

I try to stay physically active; I work out quite a bit. I play a couple musical instruments—the guitar and mandolin. I also have three little kids, twin daughters, who just turned five and a son, who is almost two. A lot of what we do is child-oriented. That being said, we usually go camping a half a dozen times together each summer.

**If you could go on a trip anywhere in the world, where would you go and why?**

I guess I would go to Ireland. I'm half-Irish. My family emigrated a century or century and a half ago, like all the other Irish. I would like to go back and see my roots. I'm just curious.

**DAVE BRITTON**

Britton Transport  
Grand Forks, North Dakota



**How did you get involved in this industry?**

I started in 1980 in the basement of our house as a truck broker. I grew up around the grain business that my dad was involved in and never had much interest in the dirty end of a shovel or loading boxcars. He always had a truck and I had more interest in trucking. I got the opportunity after being in the Army and eventually ran a trucking company for Art Greenberg in Grand Forks for six years. I left that to sell semi's for the Rydell Truck Store. In 1979, another fellow and I were laid off and decided to get our real estate licenses. We were going to be real estate magnates, but didn't pay attention to the fact that interest rates were creeping up to 18, 19, 20 percent and that didn't work out very well. I got down to about \$500 in the savings account and had a young three-month old daughter

when I got a call from Forsberg Manufacturing in Thief River Falls to move a 1,200 pound conveyor to Topeka, Kansas. I knew there was a grower in Hoople that had trucks and was going to Topeka. I called him and asked if he wanted to make a little extra money. I brokered the deal and the rest is history.

**I would have to think your industry has changed since you started in 1980.**

To find trucks, I used to go to the truck stops in Grand Forks every morning and write down the names of trucks and where they were from. I'd go back and call them to see if I could broker a load and that was an effective way to do things. I also had a post card and I'd write down sample loads and got other truck stops to post them up on their bulletin board. Of course, this was before



computers. Nothing is done by mail anymore, nor are there independents, to speak of, in the truck stops. Things have really changed in how you source the trucks.

**What is the biggest challenge in your business?**

There is absolutely a transition going on in the industry right now. Trucks are becoming tight and it's not just a seasonal shortage anymore. There is a capacity problem and it hasn't really shown itself drastically, but it will soon. There is a perfect

storm coming together. The average age of drivers is about 56 and the baby boomers will impact the number of drivers available. And the government regulations, hours-of-service, in particular, and what is known as CSA-2010. It is projected we'll lose 10 to 15 percent of the driver population, in addition to normal attrition. As our economy creeps out of recession, there is more volume and demand and capacity isn't growing anywhere close to that same rate. Trucks

will be short and rates will go up. The cost of transportation will absolutely increase.

**You have a unique hobby?**

My father owned a few single elevators, one at a time. He specialized in barley and screenings. I didn't think I had much interest back then, but now I take pictures of old elevators. They bring back such good memories.

**How many photos of old elevators have you taken?**

I have in excess of 1,800

locations in the country photographed. The number of images is close to 30,000 I suppose.

**Any other hobbies?**

I play a little tennis and I play hockey a little bit.

**If you could travel anywhere in the world, where would you go?**

I love western North Dakota and I've had the luxury to travel to places like Canada, Alaska, Turkey, Mexico, and Italy. I just love rural America, western North Dakota, in particular.



**Gary W. Fuglesten,  
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# Dry Bean Prices Moving Higher, But Smaller Area Likely

After stalling for several months, dry bean prices have been rapidly moving higher over the past several weeks. USDA analysts say it appears dry bean markets are finally mounting a challenge to other crops for which potential returns are at historic highs.

Although bean prices have risen, potential returns for several classes appear to lag other crops. Pinto bean prices have moved from their seasonal low of \$18.17 per cwt in September, to \$25 per cwt. This price is still below the average of the three previous February's and is more in line with price levels seen in 2006, when corn was half its current price.

Given the strong interest in other crops, and the prevailing price relationships, USDA projects a 20 to 25 percent decline in dry bean acreage this year. According to USDA's latest Vegetables and Melons Outlook, this may be a conservative estimate given the current price relationships and historical precedence.

The lowest U.S. dry bean area in the past 20 years was 1.346 million acres in 2004, which produced a

crop of 17.7 million cwt. Dropping to the 2004 level, this year would represent a 30 percent decline from a year earlier. However, USDA says, given the need for increased output for some classes, a 20 percent decline seems more likely. This would largely return dry bean acreage to the "maintenance" levels experienced during the 2005-09 period when production averaged around 25 million cwt annually.

## CROP VALUE UP IN 2010

According to USDA, the farm value of last year's dry bean crop is expected to rise six percent, to \$838 million, following a decline in 2009. The value of North Dakota's crop rose 16 percent from a year earlier, to \$264 million and accounted for 31 percent of the U.S. crop value. Michigan's dry bean crop is valued at \$122 million. Minnesota ranks third at \$86 million.

## EXPORT VOLUME UP 10 PERCENT

With greater garbanzo and navy bean export volume this season, U.S. dry bean exports increased 10 percent during September to December 2010. Fourth

quarter volume was also the highest in the last decade. While exports to Mexico (down 18 percent) and the United Kingdom (down 11 percent) each dropped, movement to Canada (up 53 percent), the Dominican Republic (up 38 percent), and Spain (up 164 percent) increased.

Export movement was improved for most classes, but there were sizeable reductions in pinto beans, Great Northern beans, and light red kidney

beans. Pinto bean export movement was down 36 percent due largely to reduced demand from Mexico and fewer foreign aid shipments. The Dominican Republic accounted for 40 percent of total pinto bean export volume.

Despite much lower domestic prices, the average export unit value for all dry beans was up 2 percent from the previous year, to about 34 cents per pound.

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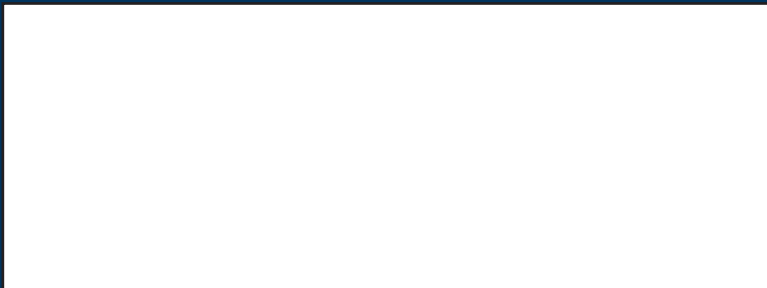




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