

## U.S. DRY BEAN EXPORTS LIKELY TO REBOUND FOLLOWING 2001/02 DROP

Prospects for U.S. exports of dry beans are likely to improve in 2002/03 with greater exports to Cuba and some expanding markets in Africa, particularly Mozambique. Some of the less traditional markets are emerging with a greater share of U.S. bean exports as shipments to Mexico and the European Union lag behind earlier peaks. The much larger harvest of U.S. beans in the autumn of 2002 will provide supplies for greater exports. Traders with good export markets should help to keep farm prices for edible beans at rewarding levels for farmers.

A review for U.S. exports of dry beans in a recent twelve month period reveals that exports to Mexico, Japan, and most markets in Europe declined. During August-July of 2001/02, U.S. exports to dry beans declined 18.2 percent to 285,307 metric tons, valued at \$160.6 million. A rebound to possibly 380,000 tons for a value of about \$200 million may be possible for 2002/03. The average price for U.S. dry bean exports rose from \$522 per metric ton in 2000/01 to \$563 in 2001/02. Some decline for the average export price may emerge in 2002/03, depending on which type of beans have an increase in sales to foreign customers.

### Mexican Purchases Of U.S. Beans Declined in 2001/02

Mexico was a market for 80,151 tons of U.S. dry beans in 2000/01, but shipments to this major market declined by 15 percent in 2001/02. Mexico bought 68,086 tons of U.S. dry beans in 2001/02, which meant the NAFTA duty-free quota was met. Mexico's edible bean production increased 13 percent in 2001 to about 1 million tons. In the past, the level of purchases of U.S. dry beans by Mexico has had a strong influence on wholesale and farm prices in North America. Greater diversification of export markets will lessen the problem of depressed U.S. farm prices when Mexican purchases of beans are sagging.

## Sales To United Kingdom Down 32 Percent

The temporary boom in U.S. exports of navy pea beans to the United Kingdom pushed shipments to that market to 58,589 tons in 2000/01 (August-July) when Canadian supplies of some types of beans were nearly sold out. Then, U.S. shipments of edible beans to the UK fell 32.1 percent in 2001/02 as deliveries from Canada and some other suppliers rose. British importers made significant purchases of navy pea beans before damage from the 2001 drought on Michigan's yields pushed prices to a high level. This meant that the average price for U.S. dry bean exports to the UK remained steady at \$489 per ton in 2001/02.

## U.S. Bean Exports To Italy Tumbled 58.3 Percent

Italy was a larger importer of dry beans in the past, particularly when large purchases of broad beans from China arrived. Consumers in Italy use a wide range of beans, and large lima and Great Northern beans can be found at a number of restaurants and buffet selections. U.S. exports of dry beans to Italy declined 58.3 percent in 2001/02 to 5,895 tons, as a shift to other suppliers intensified.

## Greece Remained A Stable Market Recently

U.S. exports of dry beans to Greece declined only 0.6 percent in 2001/02 to 5,320 tons. Some beans shipped to Greece are canned and then shipped to customers in the Balkan countries. Greece could become a larger transit trader in beans in the future for Middle East customers.

## Spain Was A Growth Market In 2001/02

U.S. exports of dry beans to Spain increased 24.9 percent in 2001/02 to 5,769 tons, as the average export price fell slightly to \$539 per ton. Spain had some reductions in bean deliveries from suppliers in Latin America in the recent year.

Improved food marketing has contributed to strong consumer demand for beans in Spain.

#### French Purchases Declined Sharply In 2001/02

U.S. exports of dry beans to France dived 38.5 percent in 2001/02 to 8,110 tons. A lack of expected business for U.S. sales of Great Northern beans to France cause prices for that class of beans to lag in late 2001, when prices for pintos, navy pea, and black beans were rising to high levels. In the summer of 2002, prices for Great Northern beans rose as exports to some countries bordering the Mediterranean increased. Some rebound for Great Northern beans to France may come forth in 2002/03. France imports many different types of beans, although demand for large white beans is bolstered by the large number of workers from North Africa.

#### Algeria Bought More U.S. Beans In 2001/02

#### Algerian Market May Expand In The Future

Algeria was a market for 18,487 tons of U.S. edible beans in 2001/02, a gain of 3.4 percent above the previous period. Algeria needs larger imports of beans, peas, and lentils. Greater revenue from exports of petroleum and natural gas will enhance Algerian purchasing power in the coming year.

Private firms now handle most of Algeria's pulse imports.

#### Albanian Market Contributes To Demand For Great Northern Beans

U.S. exports of dry beans to Albania reached 3,970 tons in 2001/02, valued at \$2.05 million, with an average price of \$517 per ton. Since most of the U.S. beans shipped to Albania are Great Northern's, this extra market helps to lift prices a notch for bean traders and farmers in Nebraska, Colorado, and

Wyoming. Albania may make future requests for U.S. beans through food aid in order to enhance the protein content of the average diet.

#### Russian Bean Purchases Of U.S. Dived In 2001/02

U.S. exports of dry beans to Russia dropped 81.4 percent in 2001/02 to 1,514 tons, compared with the peak deliveries of 8,122 tons in 2000/01, for an average price \$329.74 per ton. Russia had larger harvest of cereals and dry peas in the recent year. Although the need for beans through food aid remains strong, Russia may be less eager to make requests when crops have been good and petroleum export values are climbing.

#### Japan's Purchases Of U.S. Beans Down By A Fifth

Japan's dry bean imports are dominated by China which delivers about 100,000 tons annually. U.S. exports of dry beans to Japan declined 20 percent in 2001/02 to 14,622 tons, for an average price of \$682 per ton. Japan is a leading customer for U.S. exports of lima beans.

#### U.S. Exports of Dry Beans To Canada Tumble As Their Crop Prospects For 2002 Improve

Canada nearly sold out of some types of white beans in late 2001, when yields in Ontario were hurt by drought. A strong rebound for Canada's 2002 bean crops will allow its exports to rebound. U.S. exports of dry beans to Canada fell 39.4 percent in 2001/02 to 14,686 tons.

#### Some Caribbean Markets Remain Important Customers

U.S. edible bean exports to Dominican Republic increased 28.4 percent in 2001/02 to 14,436 tons, as the average price for shipments fell by nearly a tenth to \$560 per ton. Dominican Republic is also a good market for edible beans exported from some countries in Latin America.

Haiti is a major food aid market for U.S. beans. U.S. shipments of dry beans to Haiti fell 19 percent to 17,315 tons in 2001/02. U.S. exports of dry beans to Jamaica more than quadrupled in the recent period, reaching 1,751 tons, valued at \$1.4 million.

#### Exports To Markets In Africa Rising

U.S. exports through food aid programs to some countries in Africa emerged in 2001/02. South Africa has been a market for over 20,000 tons of edible beans from China annually in the last five years, which accounted for about half its total bean imports. U.S. dry bean exports to South Africa increased 29 percent in the recent period to 990 tons.

Much greater shipments to Africa are likely in the coming year. U.S. edible bean exports to Mozambique reached 2,088 tons, valued at \$1.4 million during 2001/02. Food aid allocations for Mozambique for 2002 included 13,500 tons of red kidney beans and 9,500 tons of pinto beans, with the option to provide for sales of some other types of beans as desired by importers in Mozambique.. This means that a large increase for U.S. exports to Mozambique should come forth in 2002/03.

Malawi was a market for 697 tons of U.S. dry beans valued at \$1.057 million in 2001/02. Exports to Zimbabwe in 2001/02 were 697 tons, with an average price of \$501 per ton. Drought reduced yields for the major corn crop in Zimbabwe in the recent year, which also hampered yields for beans. Zimbabwe had been an exporter to beans to Mozambique and Malawi in some recent years. U.S. exports of dry beans to Angola fell by a fourth to 8,307 tons in the recent period.

#### Potential Extra Markets Might Be Developed Through Government Export Programs

On a strictly cash basis Cuba is expected to emerge as a significant new market for U.S. dry beans in 2002/03. A token 20 tons of U.S. dry beans were shipped to Cuba commercially in 2001/02. The inflow of cash into Cuba for tourism had increased sharply in recent years. The idea that Cuba could not buy U.S. beans because of restrictions on granting credit has floated away with the clouds as the money has poured into Cuba from Europe and North America for tourism and investments in remodeling some of the previously important hotels for foreign tourists.

Compared with a relative economic revival happening in Cuba, some markets in Africa are still suffering from a shortage of foreign exchange and inadequate supplies of pulses from local production. Food aid programs help to open U.S. exports of dry beans to some markets which may elude traders otherwise. There is a large potential demand for dry beans in some countries of Latin America and Africa which usually remains unmet. P.L. 480 financing for U.S. exports of dry beans to Angola for some relief agencies was recently reduced, apparently to provide money for some more urgent customers. Since Angola's income from petroleum revenues is rising, commercial imports of U.S. beans should be easy to arrange.