

INTERNATIONAL OUTLOOK

CANADA-EUROPE-NORTH AFRICA

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STEELE & COMPANY

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Dry Edible Beans • Peas • Lentils



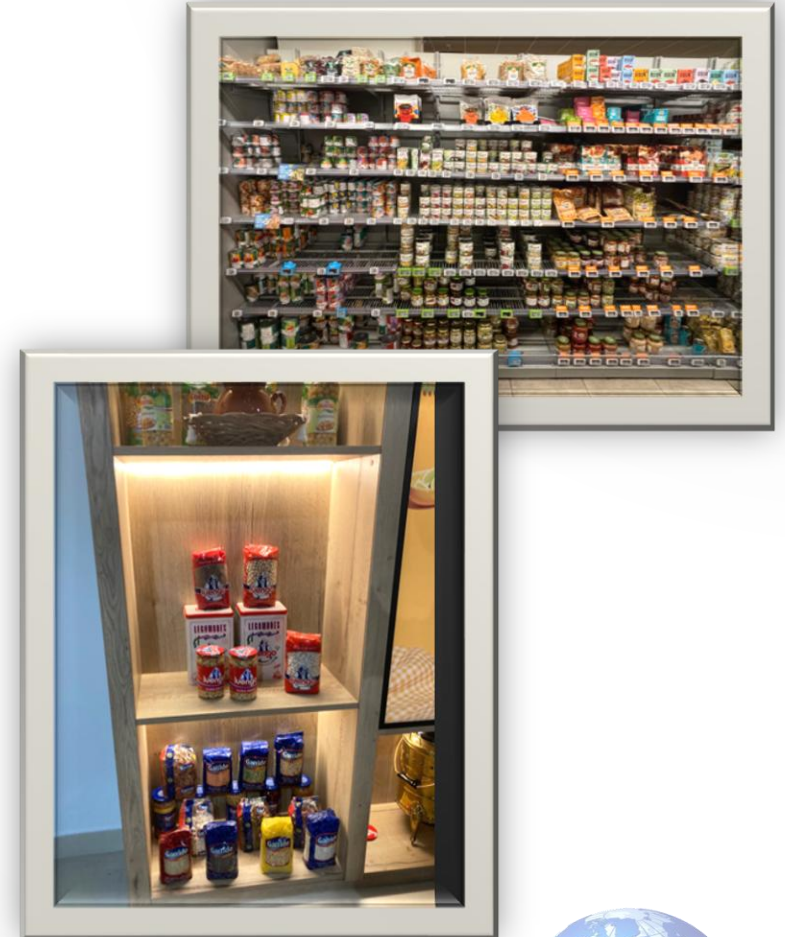
CANADA

- The United States is a leading exporter of dry beans to Canada; while U.S. is also the third-largest importer of Canadian pulses (since 2021), and the largest single importer of Canadian BEANS!
- Approx 30% of Canadian (bean) exports come to U.S., amounting to 2.3M cwt annually [5-year average].
- Canada is one of the leading importers of USA pulses, totaling 1.3M cwt annually and resulting in USA being net 1M cwt importer of Canadian beans.
- North American economies have become deeply intertwined under NAFTA/USMCA. Tariffs & retaliatory measures create defensiveness, anxiety, distrust and uncertainty in trade in North America and abroad.
- US tariffs are intended to help US Ag & Manufacturing, though a long-term disruption will likely have the opposite effect on North American Ag, including edible beans – in USA, Canada & Mexico



EUROPE

- European (EU/UK) market is the largest importer of US Dark Reds, Navies and Great Northern Beans.
 - DRK [+750K cwt]: Italy, Spain, Germany, Belgium, Netherlands, Poland, UK, France
 - Navy [500K cwt]: Italy, UK, Spain
 - GNB: Belgium, France, Germany
- EU is experiencing changes in consumption similar to USA, with growth in plant-based diets, transition towards whole foods & value-added & ingredient-based choices, migration/cultural influence
- European pulse production is limited; is heavily reliant on imports. Cannerys enjoy US quality and integrity of US partners but look to Canada & Argentina for cost advantage & risk mitigation.
- Importers push to expedite 2024 shipments, while pausing (further) forward contracts from USA amid uncertainties surrounding trade barriers and retaliation (April 2, 2025).
- Uncertainty surrounding trade barriers/tariffs on both Canada & EU will likely drive more direct trade between the two and leave US in jeopardy of (again) losing footing in European market.



EGYPT

- Egyptian white bean production on the rise over the past decade due to shifts in production in Argentina.
 - Larger bean, similar to Argentine Alubia or US GNB
- 2024 Summer Cycle (May/June) produced 130–150K metric tons; while Winter Cycle (December) produced 55–70K MT. (4.5 – 4.8M cwt)
- Principal (export) destination for Egyptian white beans: France, Italy, Spain; as well as other North African countries (Bosnia, Algeria, Libya, etc.)
- Production relies heavily on irrigation from the Nile; result is steady production and favorable over-all quality.
- Early 2025 pricing following Dec harvest, \$1,250-1300/mt CIF Europe; comparable to US (MI) Navies, but considerably cheaper than US GNB at \$1450-1500/mt

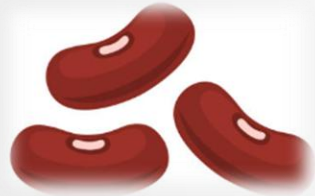


ETHIOPIA

- Ethiopian PEA/NAVY bean production in 2024 exceeded 750K MT w/90% being produced in summer cycle (Oct harvest); 10% during spring cycle (May harvest)
- Reportedly less than 40K MT were exported commercially. Considering INsignificant domestic consumption, this suggest majority are moving via undetected border trade or are held in unsold stocks/inventory.
 - Czech Republic, France and Belgian, (+/-) \$1000/mt
- 2025 production expected to be reduced 10-15%, as the region struggles

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- RED bean production (summer cycle/Nov harvest): South producing lower quality beans, small round & speckled type - Northeastern region producing higher grade larger kidney type.
 - 2024 Production last year exceeded 350K MT [7.6M cwt] with similar production expected for 2025.
 - Production is consumed domestically in large part, but some documented export activity to India, Kenya, Pakistan.





We can all appreciate an America First agenda and the intention behind it...

But broad stroke tariffs & retaliatory measures that ensnare basic food and dietary staples "appear" to move counter to the course... If they come to fruition however, I don't believe it means won't find a home for our beans, it means that we'll see a shift in trade patterns with opportunities to forge new relationships or resurrect those which have been less active in recent years.

Stay the course. Keep you chin up. EAT MORE BEANS!





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