



MARKET SNAPSHOT ONIONS

Sept. 30, 2022

Executive Summary

Drivers in the industry include favorable prices, harvest delays and stable demand for onions.

- The 2022-23 Northwest onion production is lighter than historical averages, with spring planting issues causing harvest delays and impacting onion size profiles.
- Favorable onion prices placed Northwest growers in a strong financial position to mitigate elevated input expenses and 2023 production costs uncertainties.

12-Month Profitability Outlook



Northwest FCS' 12-month profitability outlook suggests profitable onion returns. Additional heat units in July and August improved onion quality. Market demand is stable for all onion colors. Jumbos and larger are in high demand. Producers with larger size profiles will benefit from high prices and strong demand.

Northwest Situation

In **Idaho and Malheur County, Oregon**, record setting August heat (with 23 days over 100°F), assisted onion growth. The summertime heat allowed onions to bulk up from planting delays and slowed initial growth due to cool spring weather. Onion harvest was delayed by three to four weeks in most areas. Yields are forecasted to be down 20% due to delays. Profile size has been a bit smaller with lots of medium onions, but quality is unaffected. All colors (yellow, red and some whites) are available.

The **Columbia Basin** had early demand pressures as shippers turned towards Washington onions to fill the market lull created by Idaho's late harvest. Washington was less impacted by cold spring weather. Harvest was delayed only by a week and shipping began in early August. Onion quality has been good and strong prices have offset increases in production costs. Medium yellows in the Columbia Basin are trading at mostly \$13 per 50-lb. sack, nearly double what they would have sold for a year ago.

Market demand slowed in mid-September with packing sheds responding by lowering prices. Jumbo yellow prices in Idaho softened the most, from \$22 per 50-lb. sack on Sept. 13 to \$18 per 50-lb. sack on Sept. 26. Northwest medium yellow prices decreased by \$5 in the final weeks of September to \$15 per 50 lb. sack. Prices for reds and whites also weakened. Even with prices softening, market demand is strong for large onions (jumbos or larger). Favorable onion prices have created tailwinds positioning Northwest growers to be able to manage rising costs.

While production expenses have declined from mid-summer highs, there remains uncertainty about what energy and fertilizer prices will do in 2023. Diesel prices have decreased for 14 consecutive weeks, declining by nearly a dollar since setting records in June 2022. In mid-September, diesel averaged \$5.49 in Washington and \$5.03 in Idaho, up 47.0% and 35.5% year over year, respectively. The decline in prices can be partially attributed to short term policies that opened the U.S. strategic oil reserves, flooding the market with 1 million additional barrels of oil daily. This policy is set to end in November. The ending of this policy and fewer covid lockdowns globally leave the future of diesel and fertilizer prices uncertain.

Washington, Oregon and Idaho Onion Prices

| Idaho & Malheur County, Oregon | | | | Columbia Basin, Washington & Umatilla Basin, Oregon | | |
|-------------------------------------|---------------|---------------|---------------|---|---------------|---------------|
| | Sept. 2021 | Aug. 2022 | Sept. 2022 | Sept. 2021 | Aug. 2022 | Sept. 2022 |
| Yellow Hybrid (50-lb. Sack) | | | | | | |
| Super Colossal | \$20.00-23.00 | \$24.00-32.00 | \$21.00-25.00 | | | |
| Colossal | \$16.00-18.00 | \$23.00-28.00 | \$22.00-26.00 | \$14.00-16.00 | \$22.00-24.00 | \$22.00-24.00 |
| Jumbo | \$12.00-15.00 | \$20.00-25.00 | \$20.00-22.00 | \$11.50-15.00 | \$19.00-22.00 | \$18.00-20.00 |
| Medium | \$4.50-6.00 | \$16.00-18.00 | \$12.00-15.00 | \$5.00-7.00 | \$14.00-17.00 | \$12.00-15.00 |
| Red Globe Type (25-lb. Sack) | | | | | | |
| Jumbo | \$7.00-8.00 | \$14.00-17.00 | \$13.00-16.00 | \$11.00-15.00 | \$10.00-15.00 | \$9.00-12.00 |
| Medium | \$6.00-7.50 | \$13.00-16.00 | \$10.00-14.00 | \$10.00-14.00 | \$9.00-14.00 | \$9.00-12.00 |

Source: National Potato and Onion Report, USDA Agricultural Marketing Service. Sept. 26, 2022.

National Onion Situation

In the Northwest, harvest delays caused shipments from Idaho and Oregon which are down 19% season to date. The Columbia Basin was the only major onion production region in the U.S. with increased shipments season to date, up 2.2% year over year.

National onion shipments are down 15.1% season to date. Shipments were down in the San Joaquin Valley, Georgia, and New Mexico by 15.7%, 7.2% and 26.1% respectively. Season to date onion imports increased by 2.1%, including nearly double last year’s volume from Canada.

Onion Imports by Volume, 2022-23 Market Year (January – July)

| | 2021-22 (1,000 lbs.) | 2022-23 (1,000 lbs.) | Change (1,000 lbs.) | % Year-over-Year Change |
|-------------------------------------|----------------------|----------------------|---------------------|-------------------------|
| Dried | 12,520 | 16,293 | 3,773 | 30.1% |
| Fresh or chilled (bulb) | 881,545 | 881,507 | -38 | - |
| Prepared or preserved (bulb) | 34,081 | 49,916 | 15,835 | 46.5% |
| Total overall | 928,146 | 947,716 | 19,570 | 2.1% |

Source: Economic Research Service (USDA), Onion Imports/Exports. Sept. 7, 2022.

Onion exports for the 2022-23 crop season to date are down 12.8% year over year. Dried onions were the only export category to increase following strong summertime demand from Japan (the largest export destination for U.S. dried onions), up 24.4% year to date. Fresh or chilled onion exports declined to 308.5 million lbs., down 53 million lbs. from 2021.

Onion Exports by Volume, 2022-23 Market Year (January - July)

| | 2021-22 (1,000 lbs.) | 2022-23 (1,000 lbs.) | Change (1,000 lbs.) | % Year-over-Year Change |
|------------------------------|----------------------|----------------------|---------------------|-------------------------|
| Dried | 36,857 | 38,805 | 1,948 | 5.3% |
| Fresh or chilled (bulb) | 361,667 | 308,564 | -53,103 | -14.7% |
| Prepared or preserved (bulb) | 2,347 | 2,304 | -43 | -1.8% |
| Total overall | 400,871 | 349,673 | -51,198 | -12.8% |

Source: Economic Research Service (USDA), Onion Imports/Exports. Sept. 7, 2022.

Transportation

On Sept. 15, an emergency board brokered an agreement avoiding a national rail strike by mere hours. Contract negotiations between rail companies and railroad unions representing over 100,000 workers reached a temporary resolution while negotiations remain ongoing. Rail plays a vital role for agricultural infrastructure, especially for Northwest onion growers who shipped 8% of onions via rail in 2021.

Share your feedback! [Click Here](#) to complete a two-minute survey about this Market Snapshot resource.

Additional Information

Northwest FCS Business Management Center
www.Northwestfcs.com/Resources/Industry-Insights

USDA National Potato and Onion Report
www.ams.usda.gov/mnreports/fvdidnop.pdf

The Produce News
www.theproducenews.com

The National Onion Association
www.onions-usa.org

Learn More

For more information or to share your thoughts and opinions, contact the Business Management Center at 866.552.9193 or bmc@northwestfcs.com.

To receive email notification for this and other market information in the form of an eNewsletter, visit www.Northwestfcs.com/subscribe or contact the Business Management Center.