

MARKET SNAPSHOT
ONIONS



Dec. 31, 2018

Executive Summary

Drivers in the industry include quality, demand and production.

- Northwest growing conditions resulted in a larger onion size.
- High yields and greater proportions of larger onions in the Northwest are impacting product sales and pricing.
- Onion production across Europe as well as southern regions of the U.S. experienced low yields.

12-Month Profitability Outlook



Northwest FCS' 12-month outlook is for slightly profitable returns for onion producers. Pricing for jumbo and larger onions will remain moderate amid higher yields. Market demand for medium onions will support increasing prices.

Northwest Situation

Favorable growing weather across the Northwest resulted in higher yields of larger onions, which is comparable to the 2016 growing season. Supply of medium onions is low compared to demand, strengthening prices. Those who had a supply of medium-sized onions sold early in the marketing window, capitalizing on higher prices.

The Treasure Valley of Idaho/Oregon rebuilt storage facilities after snow storms destroyed them in January 2017. According to industry sources, new facilities significantly improved storage capabilities

resulting in increased quality during storage and pack outs. Most storage areas are full due to the increased production across Idaho and Eastern Oregon, even with the growth in storage capabilities.

Season-to-date onion shipments in Idaho are up 9 percent. Both rail and truck shipments may slow due to increased transportation regulations and limited rail terminals. In the Washington Columbia Basin, production trended lower compared to 2017; season-to-date onion shipments are down 10 percent.

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Washington, Oregon and Idaho onion prices

	Idaho & Malheur County, Oregon			Columbia Basin, Washington & Umatilla Basin, Oregon		
	Dec-16	Dec-17	Dec-18	Dec-16	Dec-17	Dec-18
Yellow Spanish Hybrid (50 lb. sacks)						
Super Colossal	\$4.50-6	\$11-13	\$5.50-6.50	---	---	---
Colossal	\$3.50-5	\$10-11	\$5-6	\$4-5	\$9-10.50	\$5-6.50
Jumbo	\$3.50-4	\$8.50-10	\$4.50-5	\$3.50-4.50	\$8-9	\$4.50-5.50
Medium	\$4.50-5	\$5-6	\$5.50-6	\$4-5	\$5-6	\$5.50-6
White (50 lb. sacks)						
Jumbo	\$10-11	\$17-18	\$10-12	\$11-12	\$17-18	\$10-12
Medium	\$9-10	\$15-16	\$9-10	\$10-11	\$15-17	\$9-10
Red Globe (25 lb. sacks)						
Jumbo	\$5-6	\$8.50-10	\$7-8	\$3.50-4.50	\$6.50-8	\$5-7
Medium	\$4.50-5	\$6-8	\$6-7	\$3.50-4	\$6-7	\$4.50-6

Source: [National Potato and Onion Report](#), USDA Agricultural Marketing Service. Dec 12, 2018.

National Situation

Onion production nationally was comparable year over year with a slight 1 percent increase. Production was stable in most onion-growing regions apart from Idaho and Eastern Oregon, which realized a 3 percent increase in production, and Washington and New York with a 2 percent decrease.

Southwest growing regions throughout California and Colorado experienced quality issues, as did growing regions in Georgia. Industry reports noted smoke inhibited onion growth throughout California’s growing regions and onions were unable to cure properly. Northwest and New York growing regions had overall good-quality onions and yields.

Central California and Imperial Valley onion shipments April to November ended up 13 and 2 percent, respectively. Shipments in Southern California January through November are down 44 percent year over year. Likewise, Colorado shipments are down 31 percent January through November and Georgia is down 10 percent April through September. Lower shipments correlate with lower production.

Dec. 1 onion production and inventory

	Production		Inventory as Percent of Annual Production Dec. 1		Inventory Change Year Over Year as of Dec. 1
	2017-18	2018-19	2017	2018	2017 to 2018
Idaho/Eastern Oregon	28,803,000	31,850,000	47.9%	48.7%	12.3%
Washington	32,480,000	30,740,000	55.0%	56.2%	-3.2%
West/Central Oregon	8,850,000	10,440,000	71.4%	67.8%	12.0%
Nevada	5,334,000	6,750,000	39.8%	54.1%	72.1%
New York	8,541,000	6,587,000	58.8%	53.1%	-30.4%
California	3,932,500	4,137,000	43.3%	39.0%	-5.2%
Colorado	3,569,000	2,176,000	37.7%	25.0%	-59.7%
Utah	1,536,000	2,090,800	54.4%	46.6%	16.8%
Michigan	1,940,000	1,776,000	47.0%	42.2%	-17.8%
N. Dakota/Minn./Ohio	1,440,000	1,330,000	66.6%	61.8%	-14.3%
Wisconsin	1,322,000	1,313,000	59.8%	61.5%	2.2%
Other	888,000	801,000	58.4%	66.0%	1.9%
U.S. TOTAL	98,635,500	99,990,800	52.9%	53.1%	1.7%

Source: National Onion Association

Global Situation

Growing regions throughout Europe, including the Netherlands, Spain and France, experienced unfavorable weather that decreased their crop yields. Reports suggest Dutch production decreased 40 to 50 percent. With a smaller crop, U.S. shippers are reporting increased export inquiries from these regions throughout Europe and Japan, but have not realized increased movement to date. The market could experience increased movement through winter and spring.

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

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.

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