



MARKET SNAPSHOT ONIONS

Dec. 31, 2021

Executive Summary

Drivers in the industry include demand for remaining large onions, rising input costs and weather.

- Tight supplies led to a rise in onion prices. Northwest producers with remaining large onion stocks are benefiting.
- Rising input costs will require attentive management decisions in 2022.

12-Month Profitability Outlook



Northwest FCS' 12-month profitability outlook for onions suggests breakeven returns. Producers with remaining 2021 large onions in storage will be well positioned to capture higher prices. Profitability in 2022 will depend on growing conditions; increased moisture is needed to make up for 2021 shortages. Rising input costs will create headwinds for producer profitability.

Northwest Situation

Shortages in the Northwest have made it difficult for producers to take advantage of higher prices. Heat stress in the summer caused a reduction in size and yields for the 2021 onion crop. A shortage of large onions has skyrocketed prices for super colossal, colossal and jumbo onions. Prices for jumbo yellow onions are trading at \$15-\$16 per 50-lb. sack in Idaho and Oregon, more than double last year's price. In the Columbia Basin, prices for jumbo red onions are \$13-\$15 per 25-lb. sack. Demand for remaining large onions is strong. Medium and small yellow onion demand and prices remain stable.

Adequate growing conditions and ample rainfall are needed in 2022 to make up for onion shortages in the 2021 growing season. La Niña weather patterns are expected throughout the winter and to last into the spring of 2022. The projected wet and cold winter should replenish soil moisture levels. If soil moisture levels are not replenished, it could produce headwinds for onion profitability.

Rising input costs are adding pressure to producers' break-even costs. Headline inflation was 6.8% in the last year. Anecdotal reports indicate Northwest producers are expecting 20%-30% total expense increases attributed to rising prices of fertilizer, fuel, labor and other expenses. Nitrogen fertilizer prices skyrocketed from under \$225 per ton in November 2020 to \$570 per ton a year later. Machinery and drip irrigation costs reached an all-time high in November. Onion producers will need to carefully manage their expenses to remain profitable in 2022.

Washington, Oregon, and Idaho Onion Prices

	Idaho & Malheur County, Oregon			Columbia Basin, Washington & Umatilla Basin, Oregon		
	Dec. 2020	Nov. 2021	Dec. 2021	Dec. 2020	Nov. 2021	Dec. 2021
Yellow Hybrid (50-lb. Sack)						
Super Colossal	\$6.50-8.50	\$20.00-23.00	\$20.00-23.00			
Colossal	\$6.00-7.50	\$16.00-18.00	\$16.00-18.00	\$6.50-7.00	\$15.00-16.00	\$15.00-17.00
Jumbo	\$5.00-6.50	\$14.00-16.00	\$15.00-16.00	\$5.50-6.50	\$13.00-14.00	\$13.00-14.00
Medium	\$6.00 -7.50	\$6.00-7.00	\$7.00-8.00	\$6.00-8.00	\$7.00-8.00	\$7.00-8.00
Red Globe Type (25-lb. Sack)						
Jumbo	\$5.50-6.50	\$15.00-17.00	\$15.00-17.00	\$5.00-6.00	\$13.00-15.00	\$13.00-15.00
Medium	\$5.00-6.00	\$13.00-15.00	\$13.00-16.00	\$5.00-6.00	\$11.00-12.00	\$10.00-13.00

Source: [National Potato and Onion Report](#), USDA (United States Department of Agriculture) Agricultural Marketing Service.

National Onion Situation

Onion shipments remain low in the Northwest. Shipments in Idaho and Oregon are 32% lower seasonally from a year ago and Columbia Basin shipments are down 9%. Seasonal shipments have decreased throughout the U.S. Central California and Colorado are the only production regions with moderate increases in seasonal shipments. Despite increased imports from Canada and Mexico, 376% and 149% respectively, the total U.S. onion supply is 14% lower year over year.

In November, the USDA issued a salmonella recall of onions imported from Chihuahua, Mexico, that are marketed by a few U.S. businesses. The salmonella outbreak resulted in 900 illnesses across 38 states. Although the contaminated onions were not grown in the Northwest, consumers were encouraged to throw out all onions of unknown origins. Even with recalls, national onion demand remains strong.

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

Federal Reserve Economic Data
<https://fred.stlouisfed.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.