

# Early-season onions from Gansu will soon enter the Chinese market in large volumes

## Detail Introduction :

The onion harvests in Shandong, Henan, and Jiangsu are more or less over. However, major onion production areas in Jiangsu have not yet begun to supply the market. There is a temporary shortage of onion supply in the Chinese market. But traders with stock in storage are not eager to empty their warehouses right now, so the price of onions remains steady.

Mr. Li is the spokesperson for an onion export company in Shandong. He first talked about conditions in major production areas. "The harvest in major onion production areas is already over, so traders primarily rely on onions from dry storage. The price of top-quality onions remains firm. The export price of yellow onions from Shandong in 8kg bags or smaller is 1-1.3 yuan [0.15-0.19] per 0.5 kg, and the export price of red onions from Shandong in 8kg bags or smaller is 0.5-0.7 yuan [0.08-0.10 USD] per 0.5kg."

"Gansu province is one of the main onion production areas in China. The weather and the soil there are excellent for onion production. Gansu produces large volumes of onions, and the product quality is good. The onions from Gansu are popular with overseas clients. The overall surface area devoted to red onion plantation in Gansu expanded this year, but the overall surface area of yellow onions shrunk. Weather conditions in production areas are great. And conditions in the onion market are not bad. The first Gansu onions of the season will soon enter the market," said Mr. Li.

Although the purchase price of onions is rather low this season, traders with storage space are not too keen to buy onions. They purchase fewer onions than around this time last year. "There are several reasons for this development. First, onion traders made very little profit last year, and some even suffered significant losses. They are unable to take many risks because they lack capital. Some traders shifted to different products. Although the cost of stocking storage with onions is lower than last year, traders are still not eager. Second, many production areas enjoyed abundant harvests. Add to that the expanded surface area for red onion plantation in Gansu, one of the main onion production areas, and the market supply volume is much larger than before. That also makes traders hesitate before they stock their warehouses with onions," said Mr. Li. "However, since the purchase price is low, some new traders in the market will try their hand at onions." "As for export, the onion harvest in Europe just started, so European demand for Chinese onions decreased. The current price of peeled onions is 3,600 yuan [537 USD] per ton," said Mr. Li. "The cost of shipping onions came down. The shipping cost from Qingdao to Europe is around 8,500 USD per container. However, the product value of onions is very low, so the shipping cost still makes up a large percentage of the overall cost."