

Large volumes of Yunnan onions have entered the Chinese market, but at a higher price

Detail Introduction :

The supply volume of Yunnan onions is gradually increasing and, contrary to what would be expected, their price has not gone down, but has gone up. This is due to a variety of factors, including reduced production volume, pandemic control measures, increased transportation costs, and reduced supply volume from cold storage. Consequently, some exporters have had to delay their export plans. Wang, and onion exporter from Shandong, talks about the current conditions in the domestic and export markets for Yunnan onions.



The Shandong and Gansu onion sales season is about to end. The price of yellow onions in storage is going up. Only Yunnan is harvesting fresh onions. The market demand is huge. "The onion harvest in Yunnan was a little late this year. Yunnan onions normally enter the market in large volumes in mid-March, but this year it was in late March," Wang explains.

"The price is relatively high because the weather conditions were not good, which lowered the overall production volume. The current price for 80mm warehouse red onions is around 2.0-2.2 yuan [0.31-0.35 USD] per kilo, while the price of yellow onions is around 2.8-3.0 yuan [0.44-0.47 USD] per kilo."

"The prices of various vegetables rose as a result of the snowfall in Yunnan, as well as the pandemic control measures earlier in the season. The increase in the price of onions is relatively small compared to other types of vegetables. In addition, the relatively low price stimulates market demand, so the movement of domestic products is fast.

As for export, the relatively high price creates difficulties for onion exporters. According to Mr. Wang, "The factory price for peeled onions is normally around 300-400 USD per ton. The current price is around 800 USD per ton. The high price is the result of reduced volume, and pandemic control measures. Many production areas are going through temporary lockdowns, and difficulties with harvesting, processing, and distribution are causing the price to rise. On the other hand, oil prices are rising and that affects transportation costs, which in turn affects the price of almost all products."

Yunnan's onion production volume is relatively small, but there are no other production areas that supply the onion market at the same time. That is why the market demand is strong. Yunnan mainly exports onions to Korea, Japan, and Southeast Asia. "We expected the price of onions to drop at the end of March as the supply volume grew, so we started preparing for the first export orders, but the price went up. We have no choice but to delay our export plans Wang laments.