

Markets leap on onions

Detail Introduction :

The markets have jumped up on onions this week.

John Harris of Fort Morgan CO-based Paradigm Fresh notes that on average, the markets rose by about \$4/bag across the board. "The expectation was that the entire market was going to go up and be on the upward swing," says Harris. "The onion market has steadily fallen over the last month. It wasn't a shock that has been a bit of a surprise that is slipped as much as it did."

That fall was largely due to the volume coming out of Mexico. "What we're marketing it at now is what we expected the market to maintain, so now we're back to those levels," he says.

Harris says now, that buyers are likely to stay with new crop onions, despite the fact that some storage crop is left, for a variety of reasons. "The quality was already going down a bit. And, especially in your warmer regions, you worry a lot about sprouting issues. Most people, especially on the East coast, are primarily buying new crop onions at this point. And demand is overshadowing the supply on new crop now," he says.



Slightly lower storage supplies

Currently, there are approximately 5 million bags of storage crop remaining. Last year at this time it was 6 million bags. "Those who have storage onions left are expected to have them available through May and the first part of June," says Harris.

On colors and sizing, medium sizes are hard to access and red onions are going to become short supply again, which means pricing will likely pick up on those. "We'll likely be back to mixer quantities only on reds again maybe until California gets started," says Harris. He also adds that there could be an oversupply of Supers and Colossal yellows this week and on white onions, while the storage crop is done, pricing is at \$20 and \$18 FOB on medium and jumbo whites out of Texas.

"Mexico has wrapped up its major volume and Texas is picking up the slack," says Harris, who notes that there are reports that labor has been complicated out of Texas in the packing sheds and fields. "They also had a pretty cold weather a few months ago for about a week and at that time in the growing season, it produced a few more seeders than they wish they'd had. They're doing their best to leave those in the field or some of them out at the packing level," he says.

As for California, it's expected to start harvesting the last week of April and then have marketable supply by the first week of May. That's when Texas will be wrapping up. "They had a colder than usual growing period this spring so that delayed things between 10-days to two weeks," says Harris.

Stabilizing trucking rates

Meanwhile, Harris reports that freight challenges aren't quite as great as they had been recent. "The rates aren't cheap but they have stabilized," he says, noting that while some lanes are cheaper than others, generally the expectation now is that rates aren't going to swing upwards significantly week to week as they had been doing. Trucks have also become more available.

Looking ahead at the rest of the country's growing season, planting is underway for crops later this year, though some regions such as Idaho and Oregon have flagged water as a major concern. But will this affect plantings? "I've heard conflicting reports. Some say because they're so worried about the water, fewer crops will be planted because they won't be able to finish the crop," he says. "Others are going to focus more on crops like onions and devote water to that and steer away from corn and sugar beets and things like that. I anticipate there will be a typical crop planted this coming spring."