

# The price of yellow onions is greatly affected by exports, and the export market is still unstable

## Detail Introduction :

The onion storage work in various places has been completed gradually and is expected to be completed by the end of this week. The mentality of the storage companies is different. At present, some storage companies still have a wait-and-see attitude towards the market this year, mainly due to the following factors:

(1) Area expansion of red and purple onion in Gansu weakens the enthusiasm for storage

The area expansion of red and purple onion in Gansu further weakened the enthusiasm for companies to store. Because yellow onions are mainly used for export, red and purple onions are mainly sent to the domestic market, and domestic cold-stored onion is also mainly red and purple. Gansu, the leading onion producing area in China, will have a certain impact on the cold-stored onions when the fresh onions enter the market. Although the cost of storage this year is lower than last year, the increase in the area of red and purple onions in Gansu still discourages some companies.

(2) Companies that stored the onions suffered serious losses in 2021, and they will be more cautious

In 2021, the price failed to meet expectations due to the high storage cost, and most companies that stored the onions suffered serious losses. Some experienced ones gave up storing onions this year and turned to invest in other products. But considering the low cost of warehousing, low price means low risk, and newbies also enter the market. Due to many uncertain factors, this year's earnings of companies that stored onions need to pay attention to the market outlook.

(3) The price of yellow onions is greatly affected by exports, and the export market is still unstable

Since 2021, the onion export market has been sluggish, and the export volume has been unstable. The export of fresh or refrigerated onions in 2021 was 645,600 tons, significantly lower than the average of the previous years. The export situation from January to April this year is also not optimistic. The export market can affect the price of domestic yellow onions, and the prices of domestic red and yellow onions are mutually restrained. Due to the reduction in yellow onions this year, some companies that chose to store onions believe that the profit margin of yellow onions in the later period is relatively large. However, the export market is still unstable, and most companies are cautious.

The price of onion-producing areas is expected to continue to be high in the short term. Fresh onions from the Baiyin producing area of Gansu are expected to start harvest in late June. Before that, there was still room for the price increase of onions in Shandong, Henan, Jiangsu, and other places.