



MARKET SNAPSHOT

Onions

September 30, 2023

Executive summary

AgWest Farm Credit's 12-month outlook for onions suggests slightly profitable returns. Despite a slow start to the growing season, onion quality has been good across the Northwest. Producers benefited from delayed harvest which helped to keep onion prices profitable for the start of the Northwest's shipping season.

Industry drivers

Onion quality unphased by weather delays

Despite several weather challenges, **Idaho and Malheur County, Oregon** expect average yields and good onion quality. A wet, cold spring delayed initial planting and crop development. Farmers planted most acres by early May, with only isolated incidents of hail and wind damage. There were a few hot days in July and August when hot temperatures slowed onion growth. In late August, Hurricane Hilary rains caused major delays to the start of onion harvest in Idaho. The Treasure Valley received between 1.5 to 3.5 inches of rain, more than 30% of the region's annual rainfall. By September 17, Idaho was behind schedule with only 15% of onions harvested, less than half the normal amount. However, onion quality was better than expected. Average yields will allow Idaho onion growers to fulfill market demand and harvest will be completed on time in mid-October.

In **Washington's Columbia Basin and Oregon's Umatilla Basin**, onion crop growth was delayed by cold weather in the spring but caught up over the summer. The warmer summer days in July created ideal conditions for onion growth, leaving onions ready to ship in early August. The 2023 crop is in excellent condition. Producers experienced greater weed pressure during the growing season, increasing production costs to manage them. Onion bulb production has been good with decent tonnage and larger size profiles.

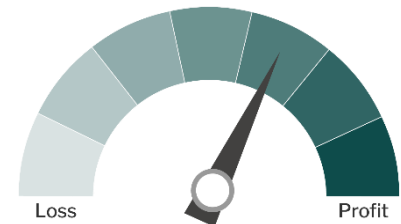
Rain delays prevent shipping overlaps

Western onion growers benefited from rain delays that prevented shipping overlaps with California and New Mexico. Hurricane Hilary made landfall on August 16 in Southern California, but it avoided the San Joaquin Valley, California's largest onion-producing region. Instead, Hurricane Hilary brought significant rainfall to Idaho's Treasure Valley, causing major delays in harvest. This pushed back the Idaho shipping timeline by about 10 days and prevented overlaps between shipping regions. Less shipping competition helped the Northwest maintain competitive prices.

Profitability

Onion profitability will require diligent management decisions from producers as inflation continues to be a persistent headwind. Onion price ranges narrowed from August to September. In 2022, strong prices for jumbo or larger onions supported growers' elevated input costs. This year, producers continue to face tight margins from high production costs with lower onion prices. Inflation has been the hardest challenge impacting nearly every aspect of onion production and cutting producers' margins. Anecdotal reports indicate that increases in pack-out charges are also affecting producers' profits. While fuel and fertilizer costs had softened from 2022 highs, prices have been on the rise. West Texas Intermediate Crude Oil prices reached over \$90 per barrel in late September, highs last seen in June. Higher fuel and natural gas prices could put upward pressure on fertilizer prices (see the [Crop Inputs Snapshot](#) for more information). Trucking availability has greatly improved but remains expensive. Growers who can manage their costs and produce a high-quality crop are likely to be profitable.

12-Month Profitability Outlook



Washington, Oregon and Idaho Onion Prices

	Idaho & Malheur County, Oregon			Columbia Basin, Washington & Umatilla Basin, Oregon		
	Sept. 2022	Aug. 2023	Sept. 2023	Sept. 2022	Aug. 2023	Sept. 2023
Yellow Hybrid (50-lb. Sack)						
Super Colossal	\$21.00 - 24.00	\$13.00 - 15.00	\$11.00 - 13.00			
Colossal	\$18.00 - 23.00	\$12.00 - 14.00	\$10.00 - 12.00	\$16.00 - 22.00	\$11.00 - 13.00	\$10.00 - 12.00
Jumbo	\$17.00 - 18.00	\$10.00 - 12.00	\$9.00 - 10.00	\$14.00 - 17.00	\$9.00 - 11.00	\$8.00 - 9.00
Medium	\$8.00 - 10.00	\$9.00 - 10.00	\$8.00 - 9.00	\$8.00 - 10.00	\$7.00 - 9.00	\$7.00 - 9.00
Red Globe Type (25-lb. Sack)						
Jumbo	\$10.00 - 13.00	\$11.00 - 12.00	\$10.00 - 12.00	\$10.00 - 13.00	\$10.00 - 11.00	\$10.00 - 11.00
Medium	\$9.00 - 12.00	\$10.00 - 12.00	\$9.00 - 10.00	\$9.00 - 12.00	\$9.00 - 11.00	\$9.00 - 10.00

Source: National Potato and Onion Report, USDA Agricultural Marketing Service.

Share your feedback! [Click here](#) to complete a two-minute survey about this Snapshot.

Additional information

AgWest Business Management Center

www.AgWestFC.com/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

Learn more

For more information or to share your thoughts and opinions, contact the Business Management Center at 866.552.9193 or bmc@AgWestFC.com.

To receive email notifications about Northwest and global agricultural and economic perspectives, trends, programs, events, webinars and articles, visit www.AgWestFC.com/subscribe or contact the Business Management Center.