

AG-ECO NEWS

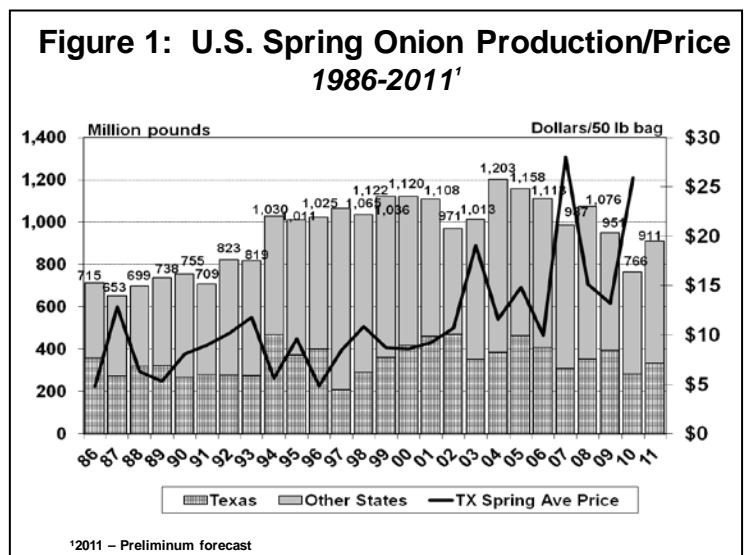
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**U.S. Spring Onion Planted Acreage Up 14.1 Percent,
 Estimate of Production Up 19.0 Percent**
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The initial U.S. spring onion planted acreage estimate of 32,400 acres is up 4,000 acres (14.1 percent) from 28,400 acres planted last year and close to the 31,200 acres planted in 2008 when markets weakened. Early estimates of spring onion production, based on estimates of acres for harvest by region, and/or the historical ratio of planted-to-harvested acreage and average yields of the past 5 years, at 911.3 million pounds is up 19.0 percent from last year's crop of 765.6 million pounds when markets were at near record highs (See Figure 1).



While this initial production estimate is higher than last year, the spring onion market outlook appears relatively bright. Except for last year's low crop, the new production estimate is the lowest since 1994 and 7.7 percent lower than the 987 million pound crop produced in 2007 when prices reached record highs. In addition, carry-in storage onion stocks may be low this spring. According to USDA-NASS, October 2010 Vegetable report, storage onion production in 2010 at 5.47 billion pounds was down to 4.7 percent from 5.74 billion pounds produced in 2009. This would indicate that storage onion supplies may be reduced significantly by early April when the harvest in Texas starts.

Producers are hoping for good market prices, especially as producers are facing increased production costs. While much lower than last summer's excellent spring onion prices, medium yellow imports from Mexico are currently trading for about \$10-\$12/50 lb bag. Medium storage onion yellows are trading for about \$10-\$11/50 lb bag.

Potential imports from Mexico remains as the wild card in relation to early spring onion supplies and market prices. Early reports indicate that spring onion plantings in Mexico are down slightly from last year.

Acreage Up

The U.S. estimate of spring onion plantings at 32,400 acres is up 4,000 acres (up 14.1%) from last year. The estimate of acreage for harvest at 28,733 acres is up 10.9 percent from last year's harvest of 25,900 acres (See Table 1). NOTE: USDA reports of acres planted and for harvest in Arizona were discontinued in 2010.

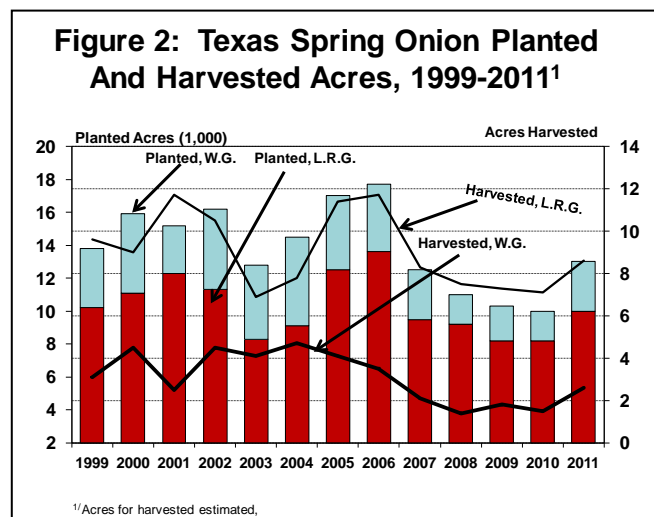
	2008	2009	2010	2011	Percent Change	2008	2009	2010	2011 ¹	Percent Change
STATE	Acres Planted					Acres Harvested				
ARIZONA	1,500	1,600	N/A	N/A	0.0%	1,500	1,600	N/A	N/A	0.0%
CALIFORNIA	6,700	6,200	6,400	6,900	7.8%	6,500	6,000	6,200	6,644	7.2%
GEORGIA	12,000	11,800	12,000	12,500	4.2%	11,500	10,800	11,100	10,889	-1.9%
TEXAS	11,000	10,300	10,000	13,000	30.0%	8,900	9,100	8,600	11,200	30.2%
Lower Rio Grande Valley	9,200	8,200	8,200	10,000	22.0%	7,500	7,300	7,100	8,600	21.1%
Winter Garden/Laredo ²	1,800	2,100	1,800	3,000	66.7%	1,400	1,800	1,500	2,600	73.3%
TOTAL	31,200	29,900	28,400	32,400	14.1%	28,400	27,500	25,900	28,733	10.9%

Source: Vegetables report, USDA-NASS, January 8, 2011
¹Preliminary estimate of 2011 acres for harvest.
²Includes San Antonio and Eagle Pass, and the Coastal Bend areas.

Spring Onion Production in Texas

The estimate of acres for harvest in Texas combined with average yields of the past five years indicates that spring onion production in Texas will approximate 336 million pounds, up 18.4 percent from 283.6 million pounds produced last year and up 11.9 percent from 300.3 million pounds produced in 2009. Increased production in Texas is primarily

attributed to an increase in plantings after several years of gradual reduction in plantings. After showing a significant planting decline since 17,700 acres were planted in 2006, spring onion planting in Texas for the 2011 harvest at 13,000 acres is up 30.0 percent from 10,000 acres planted last year (See Figure 2). The spring onion crop was planted on time in Texas and is making excellent progress under excellent growing conditions.



If realized, Texas will lead the nation with about 36.9 percent of the 911.3 million pound, U.S. spring onion production estimate.

Overall, the spring onion industry remains optimistic about the market outlook.

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