

U.S. Spring Onion Planted Acreage and Estimate of Production Down Market Outlook Good

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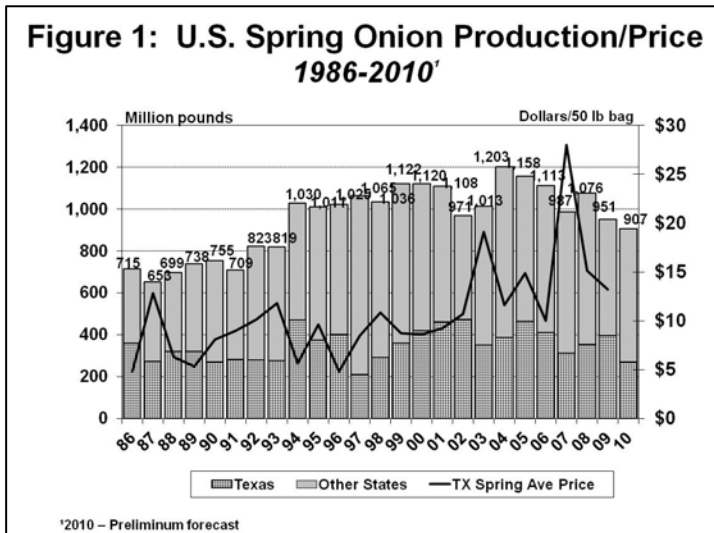
The initial U.S. spring onion planted acreage estimate of 29,000 acres is down 1,100 acres (3.7 percent) from 30,100 acres planted last year and down 2,200 acres from 31,200 acres planted in 2008. Early estimates of spring onion production, based on estimates of acres for harvest by region, and/or the historical ratio of planted-to-harvested acreage and average yields of the past 10 years, at 907.6 million pounds is down 4.6 percent from last year's crop of 951.5 million pounds. (See Figure 1).

According to the National Onion Association, carry-in storage onion stocks, as of February 1, 2010, at 20.4 million 50 lb bag equivalents are down 14.2 percent from carry-in stocks of 32.1 million 50 lb bag equivalents on February 1, 2009. Carry-in stocks plus the estimate of spring onion production will bring total U.S. onion supplies this spring to about

1.93 billion pounds, down about 9.9 percent of last year's estimate of supplies at this same time to just above 2007's storage and spring onion supplies when prices reached record highs.

Early estimates indicate that storage onion supplies may be exhausted by early April and may not overlap the peak of the spring onion harvest in Texas.

The spring onion market outlook appears bright at this time as sweet onion supplies are limited. Producers are hoping for good market prices, especially as producers are facing increased production costs. Storage onion jumbos are currently selling in Texas for about \$15 per 50 pound sack compared to yellow sweet jumbos coming primarily from Peru which are selling for about \$20-\$24 per 40 pound



carton. White jumbos are scarce and selling for about \$33 per 50 pound carton. Sweet onion imports from Mexico are gradually increasing, while supplies from Peru are drying up quickly. Early estimates indicate that supplies from Chile are ahead of last year at this same time.

Acreege Down

The U.S. estimate of spring onion plantings at 29,000 acres is down 1,100 acres (down 3.7%) from last year. The estimate of acreage for harvest at 26,877 acres is down 1.3 percent from last year's harvest of 27,200 acres. (See Table 1). Note: Acres planted and for harvest in Arizona are estimated as estimates from USDA-NASS were discontinued in 2010.

TABLE 1. U.S. SPRING ONION ACRES PLANTED AND HARVESTED								
	2008	2009	2010	Percent Change	2008	2009	2010 ¹	Percent Change
STATE	Acres Planted				Acres Harvested			
ARIZONA	1,500	1,600	1,000	-37.5%	1,500	1,600	1,000	-37.5%
CALIFORNIA	6,700	6,200	6,000	-3.2%	6,500	6,000	5,777	-3.7%
GEORGIA	12,000	12,000	12,000	0.0%	11,500	10,500	11,500	9.5%
TEXAS	11,000	10,300	10,000	-2.9%	8,900	9,100	8,600	-5.5%
Lower Rio Grande Valley	9,200	8,200	8,200	0.0%	7,500	7,600	7,100	-6.6%
Winter Garden/Laredo ²	1,800	2,100	1,800	-14.3%	1,400	1,500	1,500	0.0%
TOTAL	31,200	30,100	29,000	-3.7%	28,400	27,200	26,877	-1.2%

Source: Vegetables report, USDA-NASS, January 11, 2010; Acres planted/harvested for Arizona estimated
1/Preliminary estimate of 2010 acres for harvest.
2/Includes San Antonio and Eagle Pass, and the Coastal Bend areas.
Note: The South Texas Onion Committee reported 11,294 acres planted (including reds, whites and yellows) for the 2009-10 season on Jan. 11, 2010 (8,726 for the lower R.G. Valley and Coastal Bend; 2,531 for the Laredo-W.G Region) compared spring onion acres planted indicated in this table for the 2010 season.

Spring Onion Production in Texas

Spring onion production is decreasing significantly in Texas, especially acres for harvest in the Laredo-Wintergarden region of Texas (See Figure 2). Spring onion plantings in Texas are down to record lows from their hay-day in the mid-1930's when 50,000-80,000 acres were harvested annually. This season, some fields experienced some damage from the recent cold spell and may experience an increased incident of bolting (flower stem emergence). Also, the cold weather slowed crop progress in both Texas and Mexico and may delay the harvest.

Reduced spring onion plantings, lower spring onion acres for harvest, combined with average yields of the past nine years indicates that spring onion production in Texas this spring will approximate

271.9 million pounds, down 31.3 percent from 395.9 million pounds produced last year. This estimate is just ahead of California's production estimate of 262.5 million pounds. The production estimate for Texas currently accounts for about 30.0 percent of the 907.6 million pound, U.S. spring onion production estimate, compared to 41.6 percent of 2009's production of 951.5 million pounds.

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

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