

# AG-ECO NEWS

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## **U.S. Spring Onion Acreage for Harvest Down 9%; Estimate of Production Down 8% Record High Market Price Bids; Market Outlook Bright**

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The Spring onion harvest in Texas opened in late March to excellent price bids and the market outlook appears bright as onion supplies are down significantly. Bad weather in the U.S. and Mexico which began last summer affected storage and spring onion plantings. Reduced storage/spring onion production combined with a worldwide shortages as a result of continued adverse winter weather, has reduced supplies and pushed onion prices to record levels. White jumbos were trading at record high prices of about \$55/50 lb sack this past week, compared to \$7-\$8/50 lb sack a year ago at this time. Yellow jumbos were trading for about \$26-\$28/50 lb compared to \$6-\$7/50 lb sack a year ago at this time. Super Colossals were trading for about \$35.50/50 lb sack this past week, compared to about \$10/50 lb sack a year ago at this time. The excellent market should extend through the U.S. spring onion season.

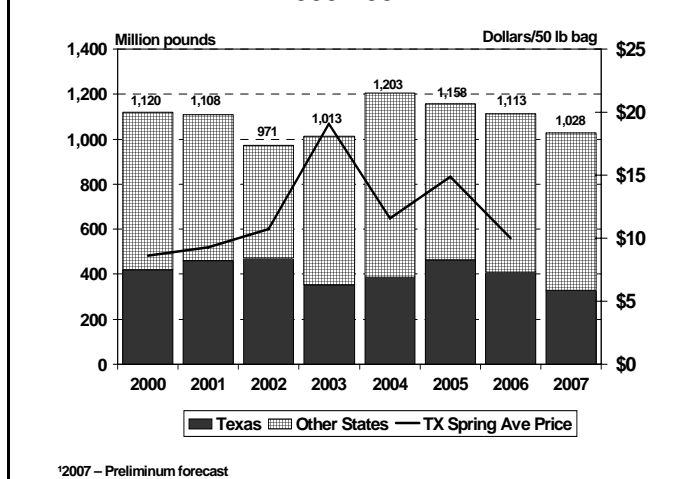
According to USDA-NASS April 3, 2007 Vegetables Report, spring onions are expected to be harvested from 31,600 acres in 2007, down 8.7 percent from 2006.

### **Spring Onion Production Down**

Early estimates of spring onion production, (see figure 1) based on estimates of acres for harvest by region, and estimated yields (GA and TX) and average yields of the past 10 years (AZ and CA), at 1.028 billion pounds is down 7.7 percent from last year's crop of 1.113 billion pounds and down from 11.2 percent from 2005's crop of 1.158 billion pounds when prices improved.

### **Harvest in Texas**

**Figure 1: U.S. Spring Onion Production/Price 2000-2007**



The harvest from the lower Rio Grande Valley of Texas is slightly behind schedule, after a slow crop start, as a result of cloudy, cold, wet weather on young, tender spring onion plants in south Texas during January '07. As of Monday, April 9, 2007, only 564 loads had been shipped from the lower Rio Grande, compared to 1,688 at this same time a year ago. Georgia, whose harvest officially started on April 10, actually began shipping shortly after March 20, 2007, as farmers attempted to capture excellent U.S. spring onion market prices.

### **Spring Onion Production in Georgia and Texas**

Combined production in Georgia and Texas is forecast at 617.4 million pounds, 16 percent below last year. In Texas, significantly reduced plantings, lower acres for harvest and a production forecast of 329.4 million pounds, down 19.4 percent from 410.4 million pounds produced last year, indicates that Texas will drop to second place, behind California's production estimate of 353.4 million pounds. The production estimate for Texas currently accounts for about 31.2 percent of the 1.028 billion pound, U.S. spring onion production estimate, compared to 36.9 percent of last year's production of 1.113 billion pounds.

### **Acreage Down**

Spring onion plantings decreased across the U.S. spring onion belt, except in Arizona, which planted 1,200 acres, up 20% from 1,000 acres planted last year. Plantings in Texas dropped to 12,500 acres, down 29.4 percent from 17,700 planted last year. (See table 1). So far, except for increased irrigation requirements due to the very dry fall/winter weather and a slightly higher incidence of disease and potential flower stem problems from the effects of higher humidity levels and the cold, cloudy weather in January, the crop in Texas has experienced a relatively good growing environment this season. The situation could change, especially as the potential effects of the recent adverse weather are manifested and as the season progresses.

The estimate of acreage for harvest in the lower Rio Grande Region of Texas at 8,200 acres is down 29.9 percent from 11,700 acres harvested last year.

The estimate of acres for harvest in the Laredo/Wintergarden region at 2,600 acres is down 900 acres from 3,500 acres harvested last year. Hail in parts of the Winter Garden of Texas during early April caused some damage and while the April 7-8, 2007 cold spell slowed growth progress, the cold spell does

not appear to have caused major problems.

TABLE 1. U.S. SPRING ONION ACRES PLANTED AND HARVESTED												
	2003	2004	2005	2006	2007	Percent Change	2003	2004	2005	2006	2007	Percent Change
	Acres Planted						Acres Harvested					
STATE												
ARIZONA	1,500	1,600	2,000	1,000	1,200	20.0%	1,500	1,600	2,000	1,000	1,200	20.0%
CALIFORNIA	7,700	7,300	8,200	8,100	7,800	-3.7%	7,500	7,100	8,000	7,900	7,600	-3.8%
GEORGIA	14,000	16,500	13,500	14,000	12,500	-10.7%	12,500	14,500	10,500	10,500	12,000	14.3%
TEXAS	12,800	14,500	17,000	17,700	12,500	-29.4%	11,000	12,500	15,500	15,200	10,800	-28.9%
Lower Rio Grande Valley	8,300	9,100	12,500	13,600	9,500	-30.1%	6,900	7,800	11,400	11,700	8,200	-29.9%
Winter Garden/Laredo <sup>2</sup>	4,500	5,400	4,500	4,100	3,000	-26.8%	4,100	4,700	4,100	3,500	2,600	-25.7%
TOTAL	36,000	39,900	40,700	40,800	34,000	-16.7%	32,500	35,700	36,000	34,600	31,600	-8.7%

Source: Vegetables report, USDA-NASS, April 13, 2007  
<sup>1</sup>/Preliminary estimate of 2007 acres for harvest.  
<sup>2</sup>/Includes San Antonio and Eagle Pass, and the Coastal Bend areas.

Spring onion plantings in the Imperial Valley of California, whose harvest competes directly with production in the Winter Garden of Texas, experienced some similar cold weather problems.

### Supplies Down

While 800-900 loads of storage onion supplies remain stored in the Washington State, storage onion supplies are, for all practical purposes, exhausted. The market will be driven by reduced spring onion supplies. Overall, the spring onion industry remains very optimistic about the market outlook.