



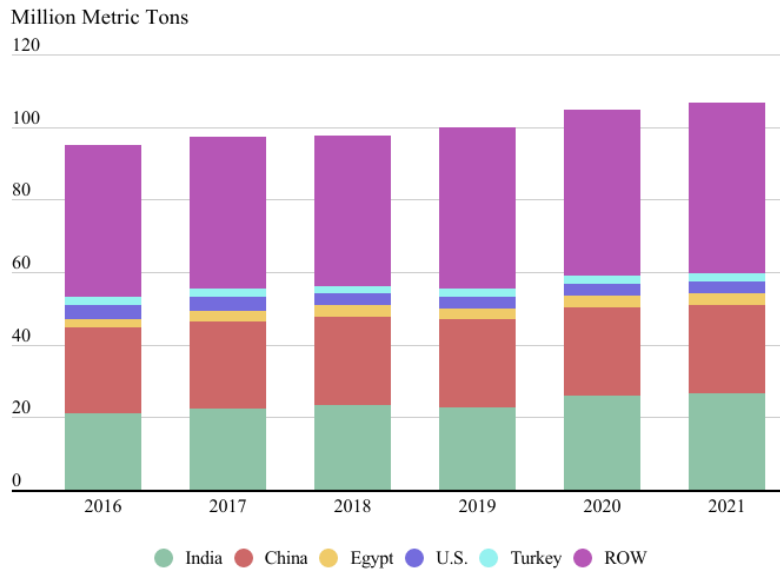
**GLOBAL MARKETS FOR TEXAS ORGANIC ONIONS<sup>1</sup>**

**CNAS Report 2023-03**

**World Onion Production**

In 2021, the world produced 107 million metric tons (MMT) of onions. Production for the world has increased every year since 2017 when onion production totaled 97.1 MMT. The largest producer in recent years has been India which grew 2.67 MMT of onions in 2021 and has grown between 22-25 percent of the world’s onions since 2017. Following is China, which held the title as the world leader in onion production before 2019, where 2.42 MMT of onions were grown in 2021. After these two, there is a steep decline in the next three major onion producing countries. Egypt, the United States, and Turkey all together makeup 891 thousand metric tons (TMT) of the onions grown in 2021. These five countries together account for 55-58 percent of the world’s onion production since 2017.

**World Production of Onions, 2016-2021**

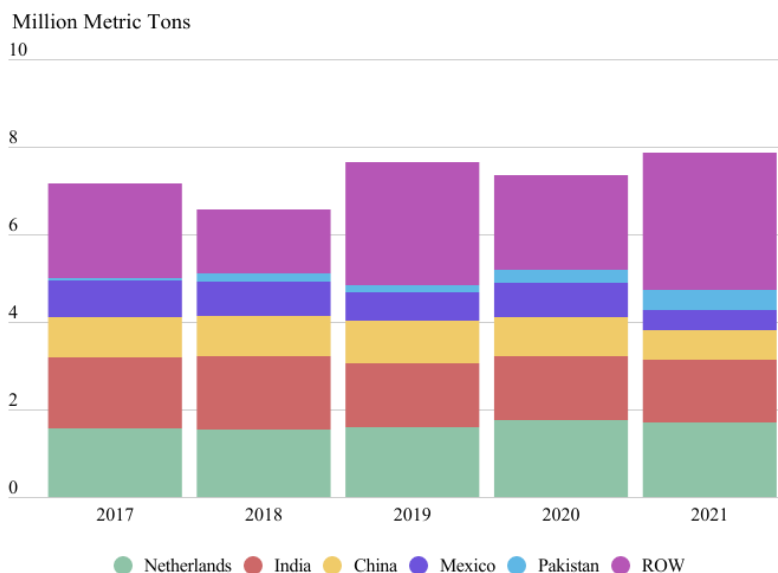


<sup>1</sup> *Global Markets for Texas Organic Onion* is a report of the project Organic Export Market Analysis for Selected Texas Commodities, funded by the Texas Department of Agriculture and Texas International Produce Association. For more information, please contact the Center for North American Studies, Department of Agricultural Economics, Texas A&M AgriLife Extension Service, College Station, TX, 77843-2124. 979-845-3070.

## Global Onion Exports

Over 8.26 MMT of onions were exported during 2022. India led the world for onion exports with 2.14 MMT exported after having an increase of 689 TMT after 2021. This pushed them ahead of the Netherlands which has been the world leader exporting onions and make-up 25.7 percent of the onions exported by all countries. The Netherlands has not exported less than 1.70 MMT of onions since 2020 and continued the trend exporting 1.73 MMT of onions in 2022. China ranks third and exported 835 TMT of onions in 2022 with Mexico and Egypt rounding out the top five markets for onion exports with 463 and 381 TMT exported, respectively. These five markets total 67 percent of all onion exports in 2022 and have ranged from 57-60 percent of the world's onion exports from 2018-2021.

### World Exports of Onions, 2017-2021



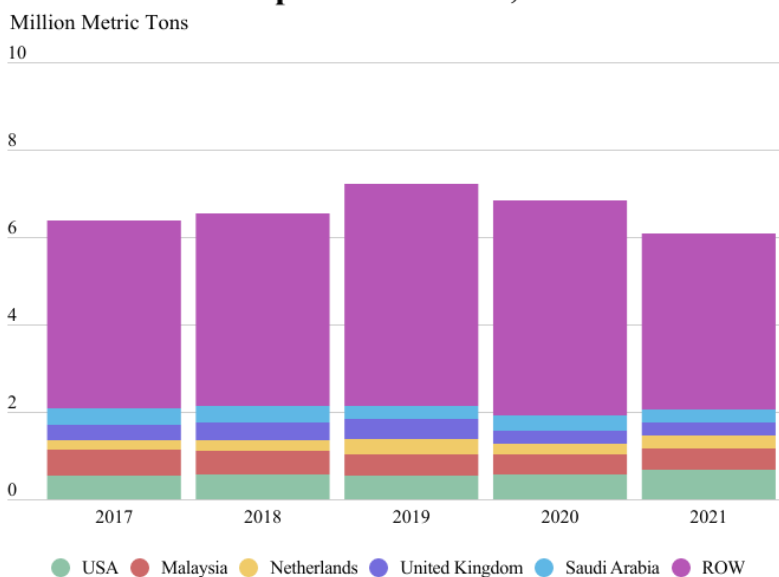
Source: FAOStat, Statistics Division/United Nations

## Global Onion Importers

The largest global market for onion imports is the United States with 660 TMT in 2021 and has imported between 543-666 TMT each year since 2017. Following is Malaysia which has imported between 480-580 TMT in this same period. The Netherlands and the UK hold the third and fourth position respectively for total onion imports with around 300 TMT apiece. The United Kingdom has seen a decrease in recent years of around 160 TMT while the Netherlands has increased by 90 TMT. Saudia Arabia imported a similar 300 MMT and ranked as the country to import the fifth most onion volume.

From 2017-2020 the onion imports for these five markets accounted for 18-24 percent of the global total, but in 2021 counted for 43.4 percent. There is also 2.6 MMT less onion imports than the year prior, a large portion of this can be attributed to a lack of reported import data for 2022. One example can be that Canada has historically had onion imports like the countries mentioned but has none reported for 2022. Malaysia, Saudi Arabia, and the United Arab Emirates are all also countries that have no values reported for 2022 but are major world importers. There is also some difference in export and import totals for each of the years, this also comes down to minor reporting errors between countries.

### World Imports of Onions, 2017-2021



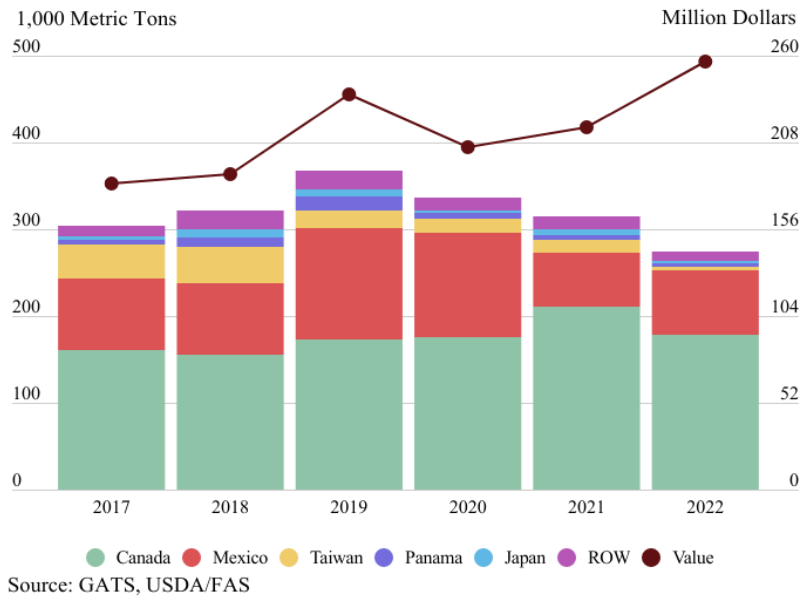
Source: FAOStat, Statistics Division/United Nations

### U.S. Onion Exports

In 2022, the United States exported 274 TMT of onions to global markets worth \$256 million, 41 TMT lower than the year prior with exports decreasing every year since 2019. The reason for this could possibly be derived from a higher share of U.S. grown onions being consumed domestically than previous years due to relatively higher cost than other markets producing onions.

The largest market for U.S. onion exports in 2022 is Canada which imported 177 TMT. Canada bolsters a large share of onion exports each year, 65 percent in 2022 and 47-67 percent of the total since 2018. Mexico is the second largest destination for onions from the United States, 74.4 TMT in 2022. These two combined account for 92 percent of the onions exported from the United States in 2022. Of the 21.8 TMT of onion exports remaining in 2022, 10.5 TMT are going to Taiwan, Panama, and Japan with the rest of the world accounting for 11.3 TMT. Taiwan, while still the third largest market for U.S. onions, has fallen from over 40 TMT of annual imports to 4.88 TMT. Cost of onions were a driving factor in the decline of imports by Taiwan who imported more European onions in place of U.S. onions.

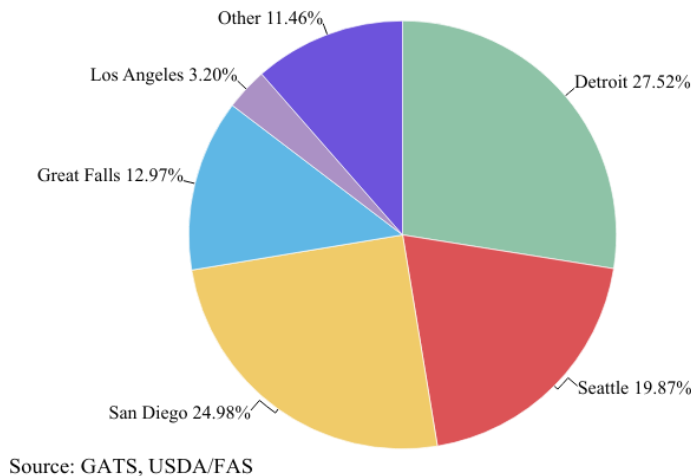
### U.S. Exports of Onions, 2017-2021



The leading port district for U.S. onion exports was Detroit with 75.5 TMT of onion exports, all of which were destined for Canada. San Diego followed as the second leading port district with 68.4 TMT, almost all these onions were exported to Mexico. Of the 54.5 TMT of onions exported from the Seattle district, 50.1 TMT went to Canada with the remaining 4.4 TMT going to Japan, Taiwan, and Panama. The fourth leading port district, Great Falls, shipped entirely to Canada similarly to Detroit.

### U.S. Exports of Onions by Port District, 2022

Total: 274,200 Metric Tons



In 2022, the United States grew 3.27 MMT of onions. California has led the country every year, growing 885 TMT of onions in 2022, slightly lower than previous years. Following are Washington, Oregon, Idaho, and New Mexico. These five together produced 85-87 percent of the onions grown in the United States. Texas ranked as the eighth producer of onions in the nation, behind Georgia and New York, growing 119 TMT of onions in 2022.

	2018	2019	2020	2021	2022
California	1,132	930	970	923	885
Washington	881	730	821	626	731
Oregon	789	760	831	792	695
Idaho	381	455	444	377	345
New Mexico	224	203	212	225	168
Other	533	481	488	515	453
Total	3,939	3,559	3,764	3,458	3,277

Source: NASS, USDA

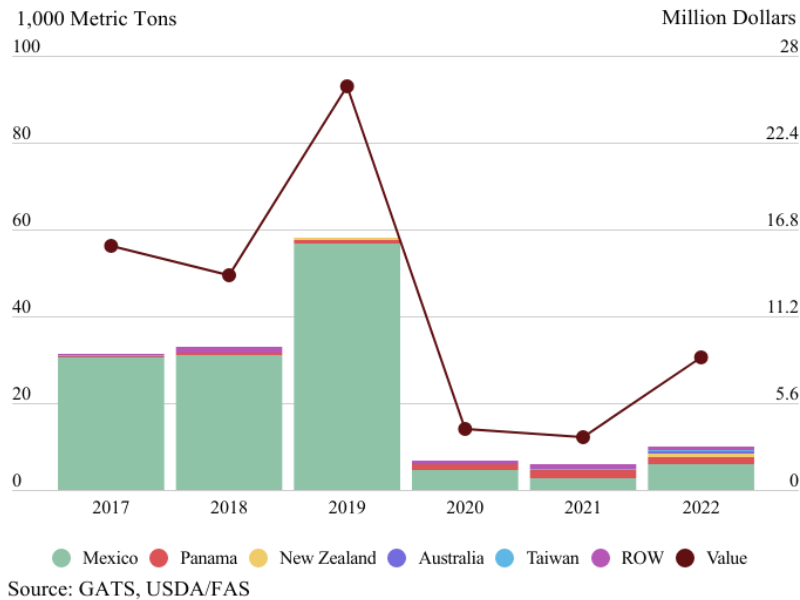
### U.S. Organic Onion Exports

There has been a massive decrease in exports of organic onions since 2019 when exports were over 58.2 TMT. Today, organic onions exported from the United States totaled 10 TMT worth \$8.5 million. This drop came solely from the Mexican Market which fell from 56.7 TMT in 2019 to 5.9 TMT in 2022.

In 2020, the year that organic onion exports to Mexico fell, there was still 120 TMT of U.S. onion imports by Mexico, only slightly lower than in 2019. A year later, in 2021 Mexican imports of U.S. organic onions fell by 58 TMT to 62 TMT. Organic onion exports to Mexico fell in 2019 but was replaced with traditional onion varieties. Meanwhile in 2021, those traditional varieties that replaced organics were not imported again. While the exact reason is not known, it could be that more domestic production was consumed in Mexico causing a drop in exports from 837 TMT in 2017 to 471 TMT in 2021.

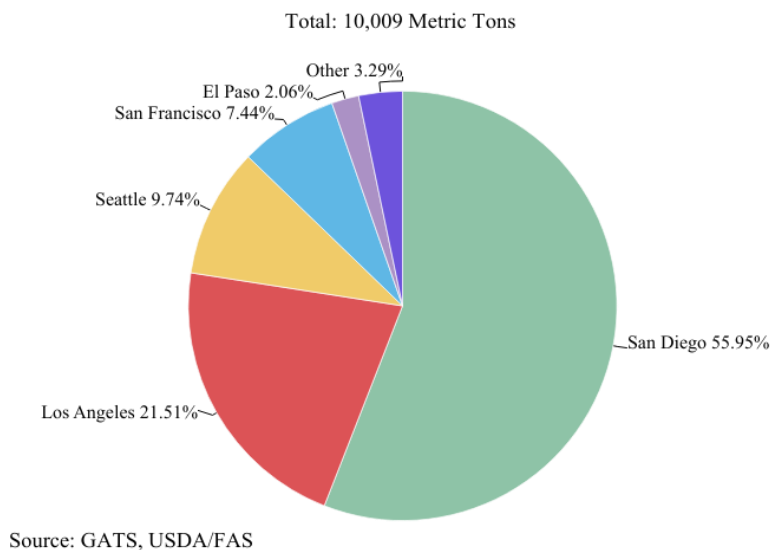
Before 2019, Mexico accounted for 94-98 percent of U.S. organic onion exports. Since then, it has been the destination of 43-67 percent of organic onions exported from the United States. Some of the other markets that have been importing organic onions from the United States in recent years are Panama, New Zealand, Australia, and Taiwan. In 2022, these four countries imported 32.7 percent of the organic onions exported by the United States.

### U.S. Exports of Organic Onions, 2017-2021



Over 96 percent of these organic onions passed through five port districts in the United States. San Diego was the source of 5.6 TMT of organic onion exports all destined for Mexico and was the source of most of the onions exported to Mexico before the drastic fall in 2019.

### U.S. Exports of Organic Onions by Port District, 2022



During 2021, organic onion production was 185 TMT. Production of organic onions in the United States was similar in 2019 where the two leading producers grew 39 percent of the

nation’s organic onions, 64.6 TMT, which totaled 168 TMT. U.S. organic onion production is done mostly in two states, California and Washington. In 2021 these two were the source of 47 percent of the organic onions that were grown in the United States.

Many states across the nation do have organic onion production, but the volume for many of them is withheld to prevent giving away information on individual producers. Those other states together account for between 53-62 percent of organic onion production from the United States which totaled 98.6 TMT in 2021.

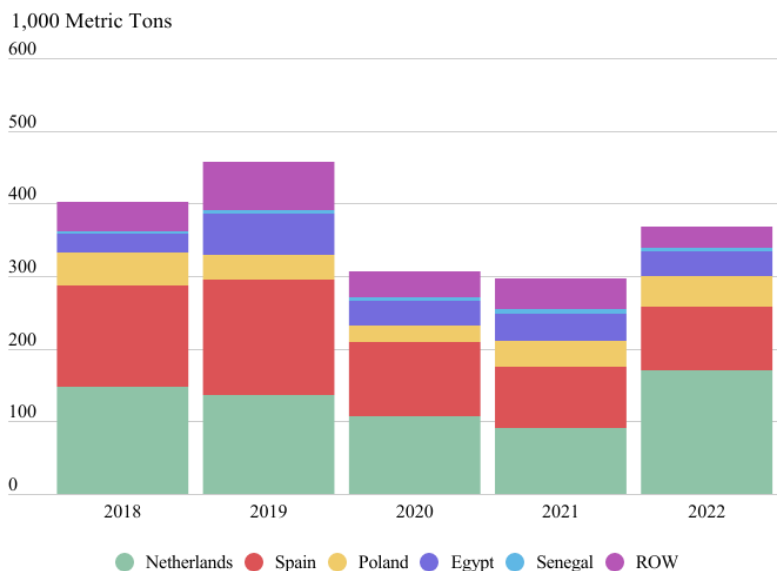
U.S. Organic Onion Production, TMT		
	2019	2021
California	41.7	50.8
Washington	22.9	35.3
Other	103	98.6
<b>Total</b>	<b>168</b>	<b>185</b>

Source: NASS, USDA

### **UK Market for U.S. Onions**

The United Kingdom imported 368 TMT of onions during 2022 and imports have ranged from 296 TMT to 457 TMT since 2018. Imports have been dominated by EU countries, primarily the Netherlands, Spain, and Poland. These three countries accounted for 82 percent of the onions imported by the United Kingdom in 2022. Leading this group was the Netherlands which exported 170 TMT, more than any previous year by 35 TMT. Spain falls into the position as the second largest onion exporter to the United Kingdom with 88 TMT. Poland also exported an additional 42 TMT bringing the total for these three countries to 300 TMT. Egypt is another large exporter to the UK with a similar volume as Poland.

## United Kingdom Imports of Onions, 2017-2022

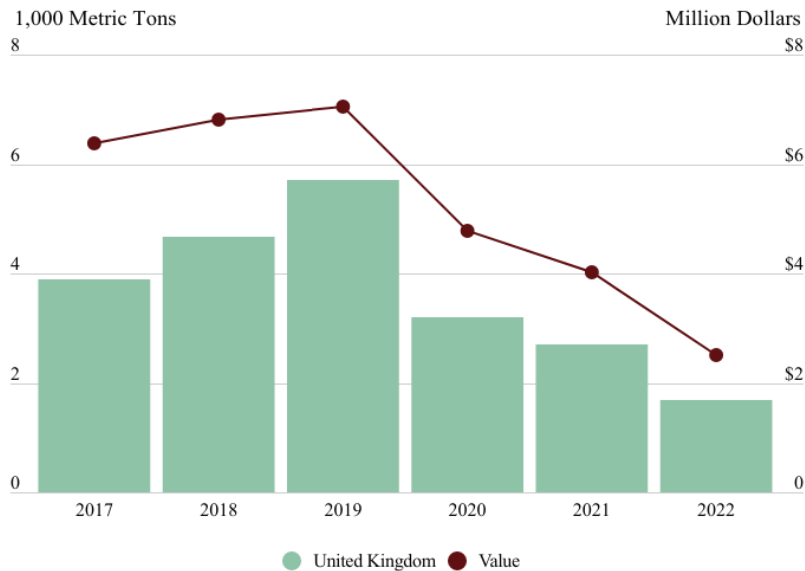


Exports of U.S. onions to the UK have decreased with exports overall in recent years. During 2022, 1.69 TMT of onions were sent to the UK from the United States worth \$2.5 million. Exports of onions to the UK peaked for the United States in 2019 with 5.71 TMT worth \$7 million.

Organic onions from the United States make up a small amount of the imports by the United Kingdom. During 2022, the volume totaled only 3.8 MT worth \$11,000. This is down drastically from the 338 MT worth \$511,000 exported in 2018, exports have decreased every year since this.

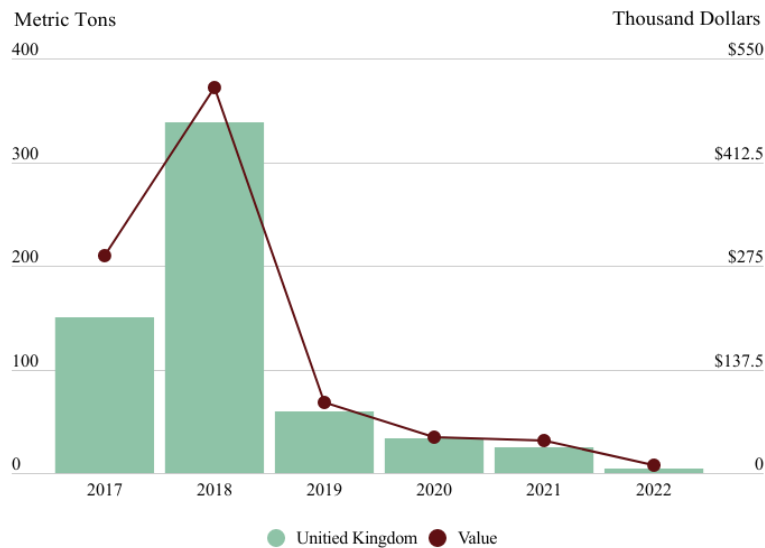


### U.S. Exports of Onions United Kingdom, 2017-2022



Source: GATS, USDA/FAS

### U.S. Exports of Organic Onions to the UK, 2017-2022



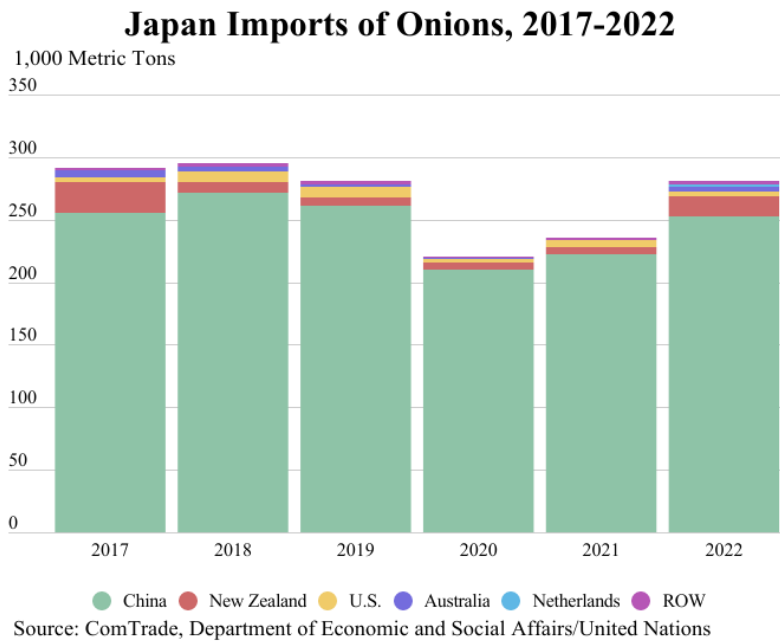
Source: GATS, USDA/FAS

The largest opportunity lies in the fact that the United Kingdom is a major global importer of organic products. Before leaving the EU, the UK led all EU countries when looking at organics imported. The countries interest in organic products, high income, and status as the fourth largest importer of onions globally solidifies them as a market with opportunity for U.S. exporters.

Despite these there are still barriers that exist hindering trade with the United Kingdom. First is an 8 percent tariff rate on all onions exported to the UK as well as requiring a phytosanitary certificate (PC) for shipments entering the country. The largest obstacle the United States faces in capturing a share of this market is competition from EU countries, which dominate the market.

### Japanese Market for U.S. Onions

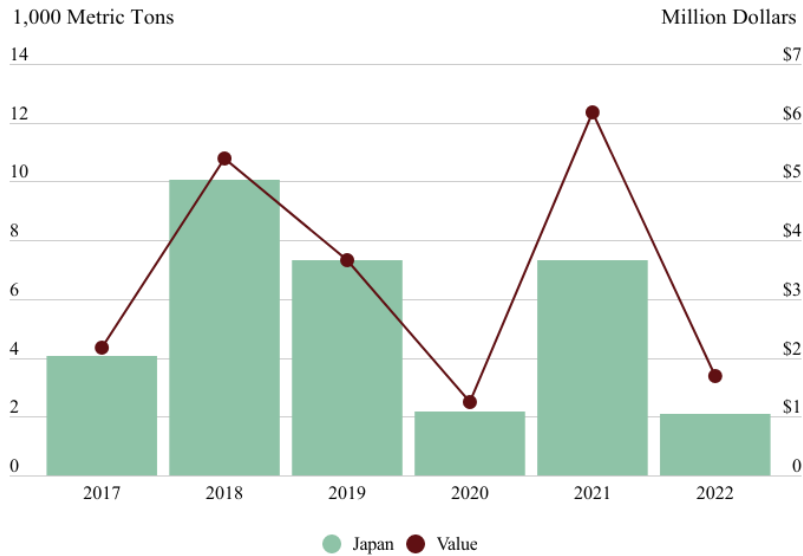
Over 281 TMT of onions were imported by Japan during 2022, around 60 TMT higher than previous years that have been weighed down from the impact of Covid-19. With Japanese onion import volume returning to pre-pandemic levels China has continued to hold their position as the primary exporter. During 2022, China exported 253 TMT of onions to Japan and since 2018 has been the source of at least 87 percent of the onions imported by Japan annually. In 2022, the rest of the world's exports of onions to Japan are only 28.2 TMT. New Zealand is the second largest exporter with the United States following.



U.S. onion exports to Japan have had their difficulties in recent years with exports ranging anywhere from 10 TMT during 2018 to 2.1 TMT valued at \$1.68 million in 2022. While exports of onions look to be varying wildly, the U.S. accounts for 1-3 percent of the total imports of Japan. The share of the market that is fulfilled by the United States could just be helping supplement production issues in China and New Zealand now.

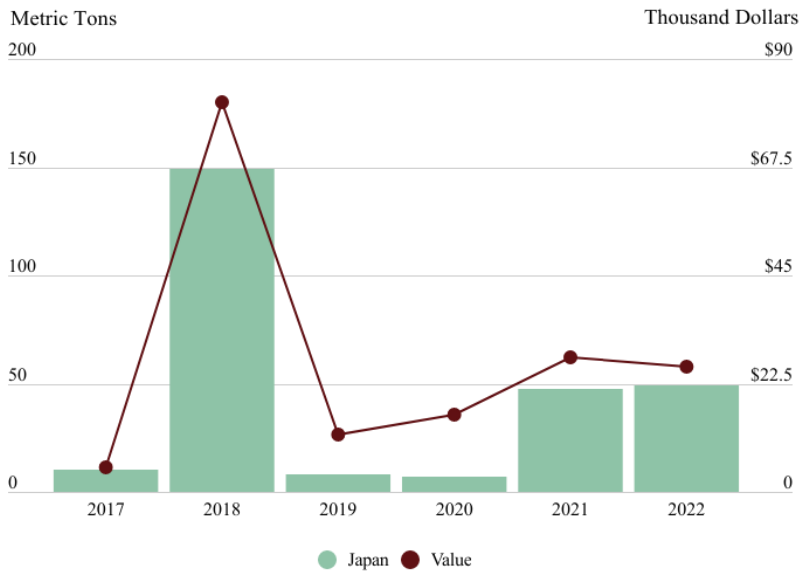
Organic exports to Japan were 49.2 metric tons in 2022 worth \$26,000. Since 2017, organics exported to Japan have not crossed 150 MT, in fact exports three of the past six years were 10 MT or less.

### U.S. Exports of Onions to Japan, 2017-2022



Source: GATS, USDA/FAS

### U.S. Exports of organic Onions Japan, 2017-2022



Source: GATS, USDA/FAS

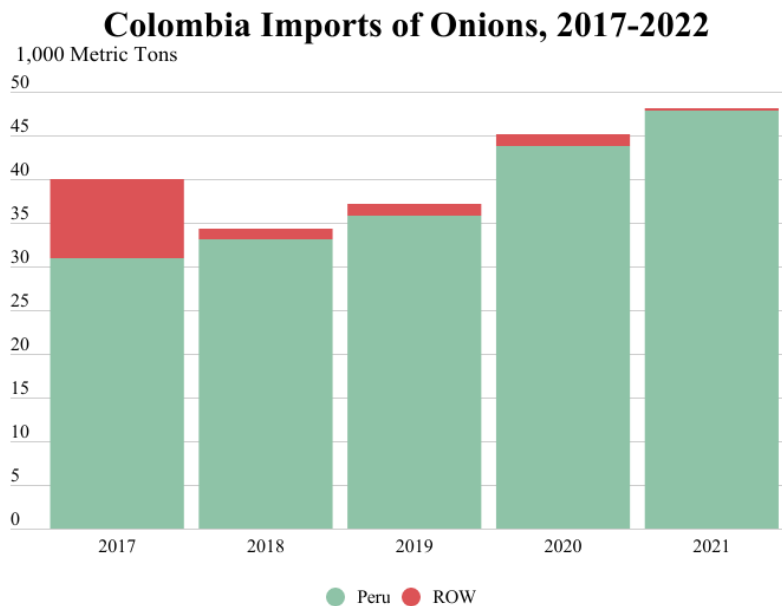
Though the United States is currently only supplying a small amount of the onions imported by Japan, there is potential for impactful growth in the market. The benefits from targeting Japan as a market to grow exports are three-fold. First, Japan is already a market where a lot of organic products have been imported in the past with lower volume in recent years. Japan imported half of the organic products by volume and value in 2022 compared to 2019 where organic imports peaked for the country before the Covid-19 pandemic. Japan also has a wealthy population with

a disposable income that should be able to justify the additional cost incurred from organic products. Finally, the size of the Japanese onion market allows U.S. exporters the ability to see growth without needing to take a large share from what China has been exporting.

Another benefit that U.S. exports have in the Japanese market is that it is a free-trade partner and there are no import tariffs placed on onions from the United States. Japan does require a PC for any onions exported from the United States though. The hurdle that is most impactful is the competition to supply Japan with onions and needing to take some of that demand from China or New Zealand.

### Colombian Market for U.S. Onions

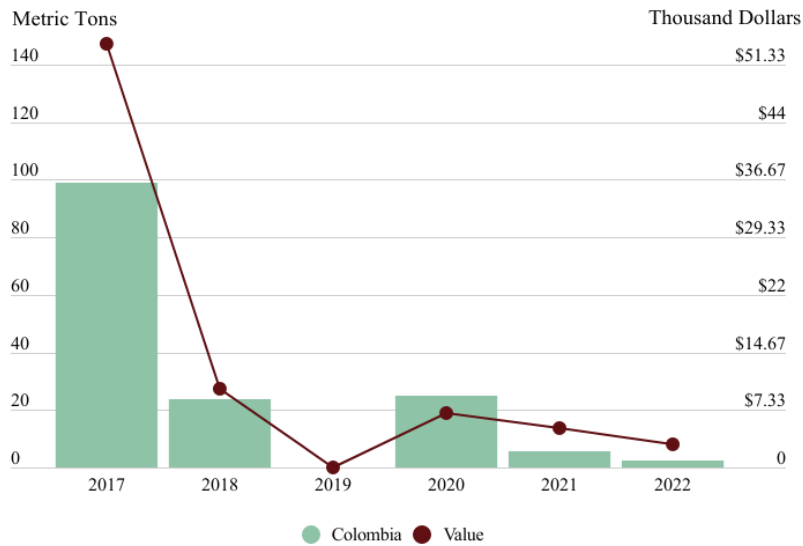
Colombia imported 48.1 TMT of onions in 2021, 47.8 TMT came from Peru with the remaining 280 MT coming from the rest of the world. Peru has grown their exports to Colombia every year since 2017 where 31 TMT of onions were imported from Peru, 41 TMT for all imports. In 2017, Peru was the source of 77 percent of the onions imported by Colombia and grew to 99.4 percent in 2021.



Source: ComTrade, Department of Economic and Social Affairs/United Nations

Onions from the United States to Colombia have totaled less than 100 MT since 2017. In 2022, onions to Colombia from the United States were valued at \$3,000 and had a volume of 2.3 MT. Since 2017, the United States has sent a total of 155.4 MT of onions to Colombia worth \$79,000. None of the onions exported to Colombia have been organic.

## U.S. Exports of Onions to Colombia, 2017-2022



Like Japan, Colombia is a free trade partner, but despite this there is a 15 percent tariff rate on U.S. onions as well as a requirement for a PC and an import permit (IP). The United States would face competition from Peru which shares a border with Colombia and supplies most of the onions imported. The short freight trip from the United States to Colombia should not be overlooked when examining new markets for the industry to become involved in. Since 2018, Colombia has increased imports of onions each year and if the trend continues the South American country could become a large importer of U.S. onions.

### Conclusion

The United States produced 3.27 MMT of onions in 2022 and was the world leader for onion imports. Despite that, the United States exported 274 TMT of onions to global markets worth \$256 million, including 10 TMT of organic onions contributing \$8.55 million to that total. Mexico and Canada have historically been the two largest markets for onions, Mexico has seen a drastic decline in organic onion imports while Canada has never been a key importer of organic onions.

The United Kingdom, Japan, and Colombia all have potential as new markets to expand exports for U.S. producers. In addition to the markets previously mentioned, Canada, Mexico, and Taiwan are markets where the onion market could grow current exports. Canada, despite being the largest importer of onions and the largest importer of U.S. organic products, imported no organic onions. Taiwan can be seen in similar circumstances, a large market for U.S. onions and a country that has historically imported a large volume of organic products but has not imported a large volume of organic onions. Mexico imported 55 TMT more organic onions from the United States than any other market in 2019, but since Covid-19 dramatically decreased organic imports and could be a market just needing to be revived.

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