

OVERVIEW GLOBAL ONION MARKET

More onions, larger sizes, better quality. After the dramatic 2018 season in Europe and the almost empty market in 2019, this year's yields are again average. The cold stores in Europe being filled with a new stock of onions also entails that the markets that benefited from last year's shortages will now export less. China is exporting less to Europe, although lower volumes on the Indian market have resulted in the export level of red onions suddenly increasing considerably. Chile benefited from the empty European market last year and as a result, after years in a downward trend, it saw the volume of onions increase by 7%. These went mainly to the Spanish and British markets.

The Netherlands: Enough onions after unusual season with shortages

Following a strange year with little supply and sky-high prices, the situation for Dutch onion exporters is normal once again. Despite the dry conditions, this year's harvest is looking good. VTA estimates published this week showed that the average yield stands at 59.6 tons per hectare, which is in line with the long-term average. In 2018, it had dropped to 41.4 tons per hectare. This means that the yield per hectare is currently more than 44% higher than in the previous season. Export figures show that fewer onions were exported during the first eight weeks of the season, but exports to Brazil increased strikingly. Last year, Brazil did not purchase any onions at all during those weeks, but this year it has actually made the Dutch onion season viable during those first weeks. In recent months, it has become clear that there are already regions where weather extremes have led to substantial shortages of local production. Africa and the Far East are now also on the market. There is also a remarkably early demand from Eastern Europe. The price per pack oscillates between 0.17 and 0.19 Euro; a price with which both growers and traders should be able to make some profits. Last year, onions seemed to suddenly be able to arrive to Europe from all over the world, but given the good quality (the harvest is currently being harvested



under excellent conditions) and a competitive price, the Dutch hope to regain their export share again soon. This is desperately needed, as due to the good yields and the greater acreage, there are a lot of onions to sell.

Belgium: Difficult season that has yet to pay off

It is fairly quiet on the Belgian onion market. The demand is lagging behind and prices are lower than expected. Producers have had a difficult growing season. A lot of water was needed and due to the dry weather, the risk of diseases, such as Fusarium, has been high. But these efforts have yet to pay off. Traders hope that the market will pick up again when all the seed onions have left the ground and exports start, but that remains to be seen.

France

Despite the dry weather in France, there is a reasonable onion production. The use of irrigation has helped in this regard. The onion harvest has taken place between June and September. The price for French onions is strongly determined by that in other producing countries in Europe. Still, the prospect is that prices will fall, since there will be more onions on the market. The supply may be greater than the demand.

Germany : Onion market stable again after difficult first semester

Due to the heat recorded in 2018 and the resulting market shortage, the German onion market was exceptionally empty in the first half of 2019. The lack of domestic onions resulted in a switch to imported products. The onions from Italy and other countries have been in great demand in the German market. "I'd dare to name this the best season in the last 30 years," reports a specialized onion importer.

The domestic harvest is currently in full swing and imports have faded into the background. In contrast to last year, there is an average harvest in the German growing regions, so the season has so far been developing without any significant peaks or troughs. "In a week or two, however, we'll be able to give a definite answer about the harvest estimate and we'll have an idea of what the next season is going to be like," said a trader.

Austria: Prices remain stable

In Austria, the main harvest has been quickly resumed after a short break. The supply of onions for domestic consumption is large, but price pressure is not yet an issue. The domestic demand is satisfactory, in line with the season, with retail ads giving an extra boost. With regard to exports, there is relatively little movement: The prices remain stable, with between 23 and 28 Euro / 100 kg paid for cleaned and sorted goods.

Spain : European harvest causes downturn for Spanish onion prices

The heavy rains in Valencia, Alicante, Murcia and part of Albacete have delayed the onion harvest. The season had been ahead of schedule prior to the damaging weather. This was especially true in Albacete, one of the few onion producing areas where the weather has been very mild so far and there has been very little rain. For now it is expected that there will be no negative influences on the production's quality due to the weather since the onion growing areas haven't flooded and the rains have not been accompanied by hail. However, there will be a delay in the harvest, since the onion can't be harvested if it is wet.

Last season was characterized by unusually high prices in the markets due to an almost worldwide shortage of onions. This year, there is an abundant supply in all producing countries and there are higher quantities of onions available, with bigger sizes and better quality than last year. The prices were very good until they suddenly collapsed in July, which caused an instability in sales. Once the prices hit bottom, they stabilized and so far they have remained without fluctuations. The market has returned to normal now, though prices are still low and not much profit is being made. The Spanish producers hope that once the onion harvests for storage ends in all producing areas, this trend will begin to change and prices will start to increase.

Italy: Market prefers domestic onions

The production of onions in Emilia-Romagna, in the north of Italy, has exceeded that of 2018. The prices are good in general. Still, there have been some quality

problems affecting red and white onions due to the bad weather just before the harvest, and the shelf life of those onions has been affected. The prices paid to the growers have oscillated between 0.18 and 0.22 € / kg in the case of golden onions and between 0.25 and 0.30 € / kg in the case of the red and white ones. Growers have been enjoying good sales and they will be able to keep them up. Most onions are sold on the domestic market. All sales channels, from wholesalers to retailers, prefer Italian onions.

Onions are sold on the Italian wholesale market for between € 0.50 and € 1.80 / kg, depending on the variety and origin. In addition to the Italian, French and Dutch onions are also available. "The prices stand within the average margin. Some days, we have to deal with oversupply and it is difficult to sell; however, the sale of onions stays more or less the same throughout the year," says a wholesaler.

Greece: Better results after a poor harvest

Onions are harvested twice a year in Greece, in April and in August. By keeping them in cold storage, onions can be sold all year round, but the export season runs from April to the end of the summer. So far, the harvest has gone well, which is nice, given the poor harvest in Europe last year as a result of the heat wave. The prices are a bit on the high side, which is good news for exporters, but bad news for importers. The demand remains at the same level.

India: Highest prices in three years

"This season, the prices paid for Indian onions are the highest in 3 years," says an Indian trader. "Last year, growers received a poor price for their onions, so less was sown this year. However, the demand has remained the same locally and that has pushed prices up this season. The new campaign will start at the end of October, so it is mainly the traders and stockholders who are profiting. This is noticeable on the market of Lasalgaon, the largest onion market in Asia, where prices this week have risen by 500 INR (to € 6.33 / 100 kg). The price differences between sizes are also smaller than last year due to the shortage on the market. However, this makes Indian onions less attractive for exports this year, competing mainly with China in terms of prices. In addition to the lower acreage, we are also dealing with excessive rainfall and flooding in Maharashtra, the largest

onion producing region in India.” The main export markets for India are Bangladesh, Sri Lanka, the UAE, Malaysia and other Asian countries. “We are basically talking about those markets where European and American onions won't arrive because of the distance they have to travel. In any case, I expect good quality onions in the upcoming season.”

China : Export of red onions has risen sharply due to shortages in India

The Chinese onion market has changed compared to last year. Whereas last year there were still a shortage of Dutch onions and Chinese onions were able to fill that gap, there is no shortage of onions in the Netherlands this year. As a result, the export of Chinese onions has fallen compared to last year, even though it remains at a similar level to that of previous years. Chinese onions have also had to deal with extreme weather. As a result, prices have gone up, but as more production areas started supplying their onions, the price fell again.

At the moment, the price for red onions is very high. This is due to the fact that India has been dealing with extreme weather for some time. This has taken a toll on its own production of red onions and the volume has shrunk considerably. China is now filling this gap, but the price keeps rising due to the high demand.

United States : Export potential for larger supply

Onion prices have been high in the spring and summer, but changes in the market are imminent with the arrival of the new harvest. "We are seeing good stocks coming in at the moment," says a trader. "Things should be better now than last year." The weather hasn't caused any trouble and the harvest started on time in the Northwest. In California, the production volume is comparable to last year's. The harvest is being carried out until mid-November. The new season will kick off at the end of April 2020. Whereas the demand for onions in the retail is somewhat lower at the moment, this is not the case in the Foodservice. The demand for sliced onions is stable. Products here should not only taste good, but also be visually attractive.

There is export potential given the larger supply of onions. "I think exports start as soon as the supply increases," says a trader. “Shipments go mostly to Panama,

Guatemala, Honduras, South Korea, Taiwan, Hong Kong and the Dominican Republic. There are even opportunities to export to Mexico. "The prices are good at the moment, but lower than last year's. The prospect is that prices will fall a little further as the volumes available increase.

Peru: A normal harvest is expected after El Niño

Due to Peru's geography, onions can be harvested several times a year in this country. The first harvest starts at the end of June in Ica and Olmos, while the coastal region starts harvesting at the end of November. The harvest has been turbulent in recent years as a result of El Niño. This year, onion producers seem to be having a normal season again, with average quality, normal volumes and large sizes. Local growers are the main competition in the country. Peru's export market mainly fills the gaps in the US market and some European markets. As soon as the onion season ends there, exports can begin.

Chile : Poor harvest in Europe entails opportunities for Chilean onions

The harvest for export starts at the end of February and continues until the end of April. Due to the favorable weather conditions, the harvest can last for several months longer and the export season can be extended with the volumes kept in cold storage. The Chilean market has been affected by developments in the European market, especially when it comes to better technologies for the storage of onions. This is taking a toll on the country's export potential, which is increasingly reduced. Chile is focusing on the medium and large formats in order to fill in the off-season gap of Spanish onions. However, the Chileans have had a good season this year due to the poor harvest in Europe last summer, which gave Chile an opportunity to fill the gap in the market. For the 2019 season, the production increased by 7%, after having shrunk in the previous 9 seasons. The most important export markets for Chile are Spain, Brazil and the UK, which together account for 80% of the volume of Chilean onions.

Australia: Exports have grown

Australian onion exports are growing. By the end of June 2018, there was a 23% increase in the total volume. The value of exports has increased by 20%. According to a grower, this increase has been mainly due to the dramatic season on the European market in 2018. Nevertheless, it is believed that this growing trade can continue. Imports fell by 34% last year.

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