

Special sections

: Onions Marketing

Onion exports down slightly in 2009

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U.S. onion exports were down the equivalent of 866,000 50-pound sacks in 2009 compared to 2008, but that figure might drop even more if a retaliatory tariff isn't lifted from product shipped to Mexico, said Wayne Mininger, executive vice president of the Greeley, Colo.-based National Onion Association.

In 2009, U.S. onion shippers exported the equivalent of 11,373,000 50-pound sacks, down from 12,239,000 in 2008, he said.

With the tariff in place, the drop might have been greater had it not been for bad weather and limited crop availability in Mexico.

In 2009, Mexico slapped a 10% tariff on onions, along with several dozen other commodities, when Congress withdrew funding for a program that allowed Mexican truck drivers to deliver their goods throughout the U.S., well beyond the limited trade zone near the border crossings.

In 2009, "(Mexican buyers) needed onions, so they bought onions with the tariff imposed," Mininger said.

But growers may not be so lucky this year if yields in Mexico return to normal.

When prices are highly competitive, 10%, especially to a country that is not a wealthy country, "is definitely a negative," Mininger said. "It's not a trade enhancer. It's a trade inhibitor."

It's hard to say when the tariff issue might be resolved.

Mininger said he met with trade representatives in Washington, D.C., in late February.

"Basically, they told us that they didn't have anything new to report," he said.

Since then, he has heard that some high-level talks may be on tap, but he's not holding his breath in anticipation of a breakthrough. Members of the Obama administration promised in March 2009, when the tariff was imposed, that they were going to handle the issue quickly, Mininger said.

"Here we are, over a year later, and it's still not resolved," he said. "I'm glad it's on their radar screen. I wish it was occupying more of their interest."

Meanwhile, grower-shippers continue their export programs to Mexico and a variety of other countries.

Marty Kamer, partner and vice president at Keystone Fruit Marketing Inc., Greencastle, Pa., expects to see exports of sweet onions increase as sweets become one of the preferred items in the onion category.

Keystone exports from all of its growing areas to Europe, the Pacific Rim, Central America and South America, Kamer said.

Traverse City, Mich.-based Battle Produce Exchange ships about 7% of its crop to Europe from Texas as well as from Peru and Chile, said John Battle, president.

The company, which markets Oso Sweet onions including Oso Sweet Texas 1015s, was the first country to introduce sweet onions to Europe, he said. Today, the company sells to most of the major supermarket chains there.

Battle Produce Exchange provides banners and point-of-purchase materials in five languages, he said, and the firm's export program "is expanding very rapidly."

Peri & Sons Farms Inc., Yerington, Nev., exports onions year-round, said Teri Gibson, marketing and customer relations manager.

About a year ago, the firm hired Peter Ng as an export specialist, and he is developing a program in the Pacific Rim — mostly 50-pound sacks of yellow onions to Taiwan and Japan — Gibson said.

"We're just starting to grow that business," she said.

"We are seeing increased demand for our premium white onions in Europe and the Middle East," she said. "And in Central America, there is increased demand for our yellow and red onions."

Because of its relatively short life span, the company's Sweetie Sweet variety has not been a focus of its export deal, but that may change as technology improves, Gibson said.

"There is definitely interest in our sweet onions," she said. "I think we can make that happen."

The company exports up to 7% of its volume.

Canada, Japan, Mexico and Taiwan are the primary export destinations for U.S. onions, Mininger said.

The National Onion Association doesn't have a budget to promote onions abroad, so it's up to shippers to develop their own export programs.

Mininger said it's hard to forecast export volume for the coming season, since 180 countries grow onions, and how much they import from the U.S. typically depends on yields, quality and availability in various foreign growing areas.

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