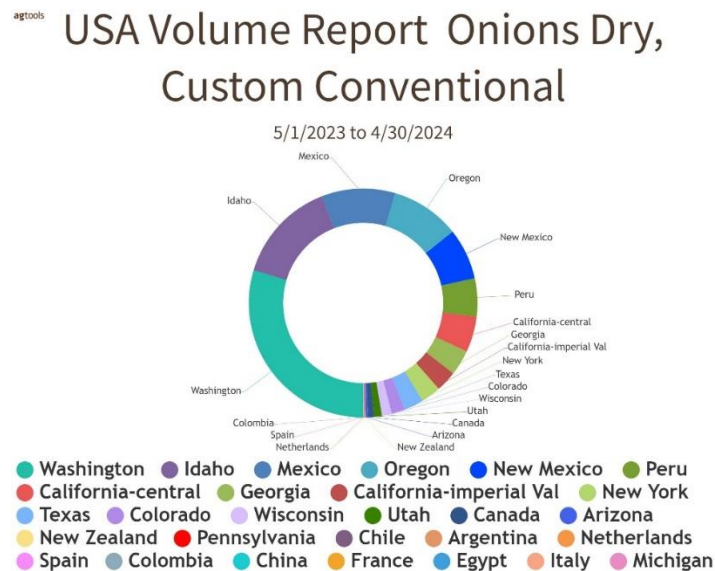


## ANNUAL REPORT ON THE ONION MARKET IN THE UNITED STATES

Onions in their different varieties are one of the most widespread consumer products in the United States market, as they have endless uses, however, for several years the market has not shown growth, which contrasts with the increase that the produce sector has had and especially since the COVID-19 pandemic. The consumption of vegetables grew significantly, which was not reflected in this vegetable.

This report considers an analysis of the conventional onion market in the United States in the period from May 1<sup>st</sup>, 2023, to April 30<sup>th</sup>, 2024. It also includes all varieties of this product, yellow, white and red.

### MARKET SHARE CHART BY SUPPLIER REGION OF ONIONS



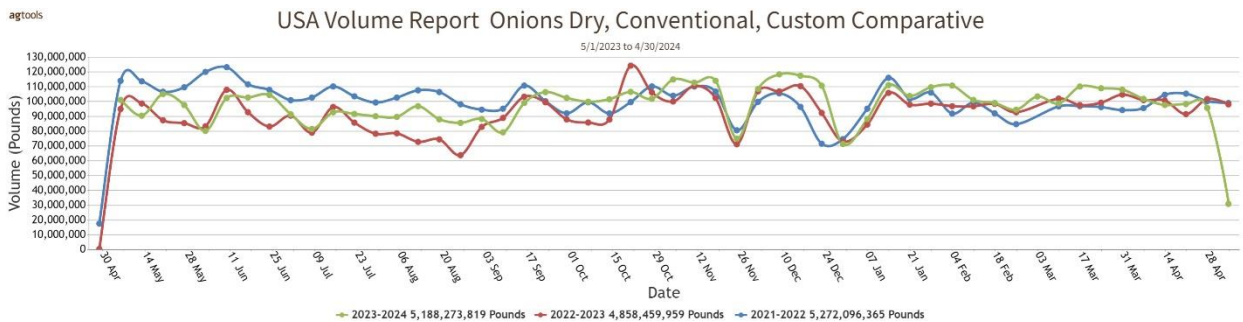
Onions are one of the products in the United States market that has the largest number of supply regions throughout the year, as it is grown in several regions of the country, in addition to also arriving from other areas such as Europe, South America, Africa and Asia, adding up to a total of 28 different regions that supply the needs of the market. Likewise, unlike other products, the market share is more fragmented, since to guarantee the supply to 85%, 8 different regions are required, leaving the rest of the market for the remaining 20 producing areas. The Northwest is the one that concentrates the largest production within the United States, with the states of Washington, Idaho and Oregon being the main producers. Mexico and Peru are the external regions with the largest market share.

## COMPARISON OF GROWTH BY THE MAIN REGIONS

GROWTH COMPARATIVE BY REGION OF ONIONS FROM MAY 1ST 2023 THRU APRIL 30TH 2024						
REGION	2024-2023	PART %	VAR LBS	VAR %	2023-2022	PART %
Washington	1,536,585,710	29.6%	261,380,350	20.5%	1,275,205,360	26.2%
Idaho	751,535,350	14.5%	143,856,550	23.7%	607,678,800	12.5%
Mexico	540,674,634	10.4%	(17,136,781)	-3.1%	557,811,415	11.5%
Oregon	507,632,500	9.8%	91,132,600	21.9%	416,499,900	8.6%
New Mexico	373,726,550	7.2%	47,164,000	14.4%	326,562,550	6.7%
Peru	281,035,489	5.4%	(36,789,771)	-11.6%	317,825,260	6.5%
Central California	261,293,360	5.0%	(28,273,740)	-9.8%	289,567,100	6.0%
Georgia	186,573,240	3.6%	(41,683,160)	-18.3%	228,256,400	4.7%
Imperial Valley California	152,425,720	2.9%	2,705,705	1.8%	149,720,015	3.1%
New Yprk	145,667,600	2.8%	11,826,600	8.8%	133,841,000	2.8%
Texas	144,255,895	2.8%	(40,305,160)	-21.8%	184,561,055	3.8%
Colorado	97,027,950	1.9%	(1,857,050)	-1.9%	98,885,000	2.0%
Rest of the 16 regions	209,839,821	4.0%	(62,206,283)	-22.9%	272,046,104	5.6%
<b>TOTAL (Lbs)</b>	<b>5,188,273,819</b>	<b>100.0%</b>	<b>329,813,860</b>	<b>6.8%</b>	<b>4,858,459,959</b>	<b>100.0%</b>

In the period between May 1, 2023, and April 30, 2024, the onion market reached a volume of 5.188 billion lbs., a growth of 6.8%, that is, 329 million lbs. more than the previous year, when the volume reached 4.858 billion lbs. When reviewing the growth by region, we find mixed results, as Washington grew 20.5%, three times more than the total market, so its share grew by almost 3.5 points. Idaho had a similar performance, growing 23% and increasing its share by 2 points. Oregon also had significant growth of nearly 22%, but its share only increased by 1.2 points. Among the main regions, Mexico ranks as the one with the negative performance, as it fell more than 3% compared to the previous year, so its market share fell 1.1 points. The rest of the regions had mixed results, which caused the good performance of the main regions to be reduced in the total market.

### 3-YEAR COMPARISON OF TOTAL ONION VOLUME IN THE U.S. MARKET FROM MAY 1<sup>ST</sup>, 2023, TO APRIL 30<sup>TH</sup>, 2024



When reviewing the performance of the total market, we can see that we are facing a market with practically no growth, but rather with ups and downs between the years, as there is no visible trend. In 2022 the total volume was higher than that of the last two years by reaching 5.272 billion lbs., since in 2023 it barely reached 4.858 billion lbs. and in the current period it reached 5.188 billion lbs., but still 84 million lbs. less than two periods ago. In the graph it can be seen that the season of greatest volume loss is between the months of May to August, since in the rest of the months the market behavior is

similar between those years, so those spring and summer months stand out as those of low volume and growth opportunity.

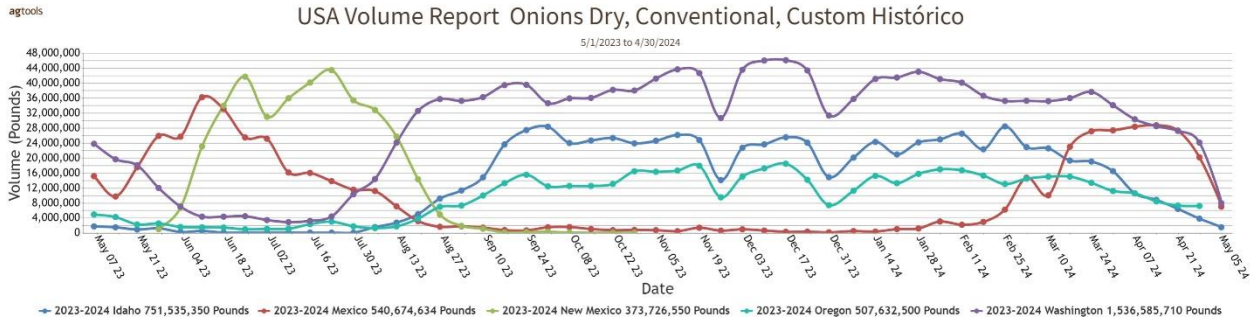
### COMPARISON OF TOTAL VOLUME IN POUNDS OF THE LAST 7 PERIODS

PERIOD	VOLUME LBS	GROWTH LBS	GROWTH %
2017-2018	5,249,559,781		
2018-2019	5,447,141,657	197,581,876	3.8%
2019-2020	5,288,145,456	(158,996,201)	-2.9%
2020-2021	5,432,864,629	144,719,173	2.7%
2021-2022	5,272,096,365	(160,768,264)	-3.0%
2022-2023	4,858,459,959	(413,636,406)	-7.8%
2023-2024	5,188,273,819	329,813,860	6.8%

When reviewing the behavior of the total volume of the market in the last 7 periods, we can see that this market has no real growth, as it has fluctuated between 4.8 and 5.4 billion lbs. in these years.

However, it is noteworthy that after two periods with a decrease, 2021-2022 of 3% and 2022-2023 with 7.8%, in this current period, a positive result of 6.8% is remarkable, as much of the volume lost in the previous two years is being recovered. A significant amount of this recovery is observed precisely in the months of August and December.

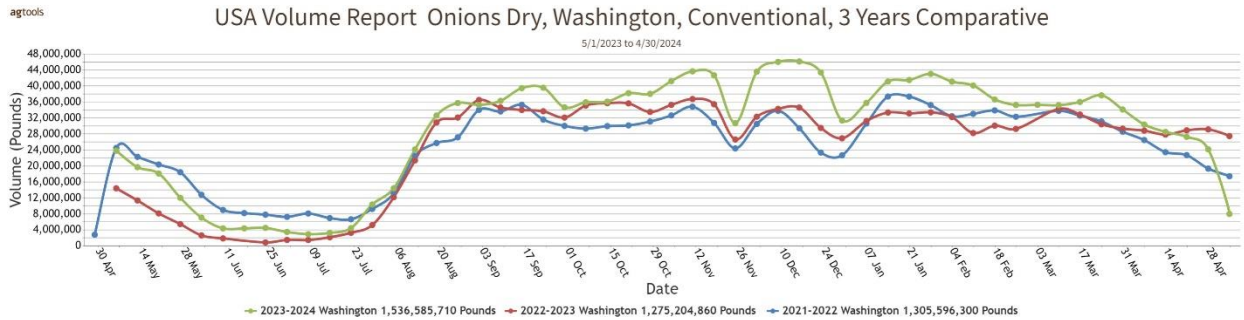
### WEEKLY VOLUME BY PROVIDER REGION



Reviewing the behavior of the five main regions in the last twelve months, we can locate that the season with the greatest decrease coincides with the supply seasons of Mexico and New Mexico, which are also the shortest. When these regions are in their closing stage, the other three major regions are just beginning their season and that is why an area of opportunity for growth is created. Once the three major regions have started their season, the supply normalizes.

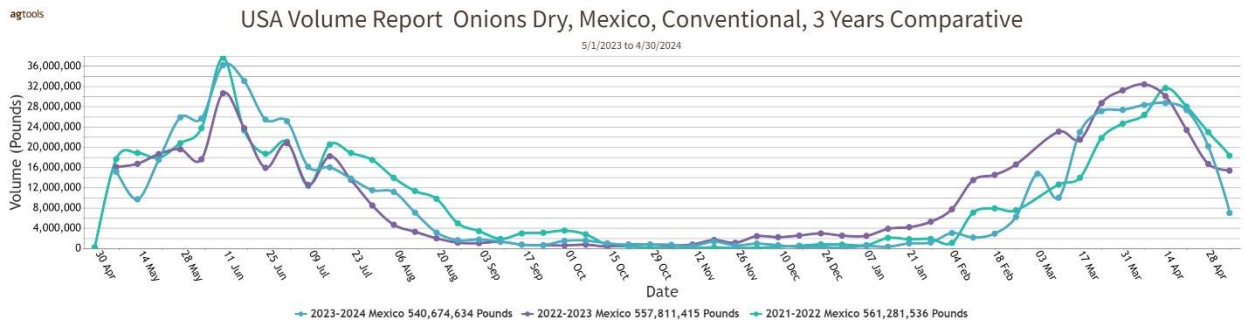
It is also important to remember that these five regions contribute 75% of the total volume, so, to counteract the decrease, there are even more regions that could increase their volume to make up for this lack of volume.

### 3-YEAR COMPARISON OF TOTAL VOLUME OF WASHINGTON ONION IN THE U.S. MARKET FROM MAY 1<sup>ST</sup> 2023 TO APRIL 30<sup>TH</sup> 2024



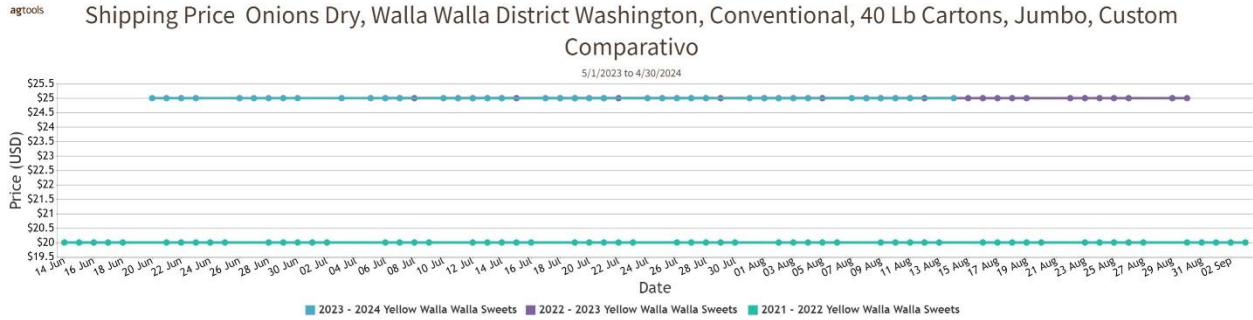
In the last three years, the production of the Washington region has also presented important ups and downs, since in 2021-2022 the volume reached 1.305 billion lbs., where a strong volume between May and July stands out, but a low performance during the strong time of the season. For 2022-2023, the lowest volume was recorded in the months between May and August, but at the time of highest production it had a better performance than the previous year and despite that, the total volume of the previous year was not equaled, as it only reached 1.275 billion lbs. In the 2023-2024 season it had a higher volume than the previous one in the spring months and this differential increased between September and March, so the total result was an excellent season, with more than 29% growth. A very important performance for the region, reaching 1.536 billion lbs.

### 3-YEAR COMPARISON OF TOTAL VOLUME OF ONIONS FROM MEXICO IN THE UNITED STATES MARKET FROM MAY 1<sup>ST</sup> 2023 TO APRIL 30<sup>TH</sup> 2024



In contrast to the performance of the Washington region, Mexico has had a poor performance in the last three years, as it has had a negative trend. In 2021-2022 it reached a total volume of 561 million lbs., this being the best season of the three presented here, with a good performance in the months of July and August, but with low volume between February and March. For 2022-2023 it had lower volume between May and August, but recovered between December and April, so the total season reached 557 million lbs., a slight setback compared to the previous season. In the period of 2023-2024, a very good performance was observed in the months of May to August with growth over the previous year, however, between January and April the volume fell significantly, resulting in a total season of 540 million lbs., 3.1% less than the previous season. This result in contrast to the market growth of 6.8% indicates that this region is ceding market share to the rest of the regions, however, there is an opportunity to reverse this result, since its production season coincides with the lower availability of the large regions, except New Mexico, which is also competing to fill the product shortage.

### 3-YEAR ONION PRICE COMPARISON IN WASHINGTON



In relation to Washington yellow onion prices, it is observed that this product has a very stable performance, although in 2021-2022 it was very low, in the following season it registered a strong increase of 25% over the previous year, and also remained stable throughout the season. For the last season there was no change in price, as it was the same as in the previous year.

### 3 YEAR COMPARISON OF ONION PRICE FROM MEXICO IN PHARR TEXAS.



Unlike Washington's onion, the price of Mexico's product in the Texas market is more moving. February 2022 saw the highest price in the last three seasons, followed by weekly downward adjustments. In 2023, the lowest price level of these three years was recorded and although it was relatively stable, by the end of the season it had a sharp fall. In contrast to previous years, 2024, which has been the one with the lowest volume, has been reflected in the price, as it started higher than the previous year and in the month of February had a significant increase that was almost maintained until the end of the season, which also ended later than previous years.

The onion market in the United States is practically shrinking, because while the total industry registers growth year after year, the onion category is in a growth/decrease cycle, where the result of the last seven years is that the volume sold is the same as it was 7 years ago. Therefore, it can be indicated that this category is losing share in the total sales of the fruit and vegetable department. This may be larger due to changes in traditional consumer behavior, as well as different performances and habits of the new generations that now have a strong purchasing power and that will set the trends for the coming years.

These changes in market behaviour will also have some impact on the producing areas, as well as on the distribution of market shares, as many regions are involved in this difficult situation.