Hispanic specialties of a generation ago—such as avocados, chile peppers, and cilantro—are now staples in produce departments, appealing to shoppers of all ages and ethnicities. Although consumers have embraced many of these fruits and vegetables, the trend is primarily driven by the palates of younger, millennial Hispanic shoppers who have not only proven immensely powerful in building interest in these specialty items, but in using their considerable influence and spending power to get these items into retailers across the country.
Imports from Mexico

Promoting specialty produce is only half of the equation; getting these fruits and vegetables into grocery stores and supercenters is another. Mexico, the U.S.’s top source for Hispanic commodities, has undergone tremendous change in the last 20 years, building on the historic North American Free Trade Agreement of 1994. From innovations in the field and high-tech greenhouses to food safety protocols and streamlined logistics, Mexican suppliers have upped their game to keep up with demand.

“There has been a tremendous rise in imported volume, especially avocados,” remarks Bret Erickson, director of the Texas International Produce Association. “We’ve seen double-digit growth through Texas ports across the board.”

And there’s no end in sight: avocado import volume, for example, rose 35 percent from 2011 to 2012 and 18 percent for 2013 and 2014 according to the U.S. Department of Agriculture (USDA), while mango shipments from Mexico jumped 35 percent in the first quarter of 2015 alone. Pepper imports through Texas are on the rise, according to Erickson, and the USDA also reports steady quantities of chayote, jicama, malanga, and taro root coming from Mexico.

Growing & Production

Improvements in growing technology are helping producers keep a steady supply of fruits and vegetables moving across the border. Central Mexico’s protected agriculture industry, including greenhouses and hoop houses, continue to expand in size and scope, shipping more and more volume to California, Texas, and Arizona.

A new irrigation district, in the tropical part of southern Sinaloa along Mexico’s western coast, could help increase tropical volume from the country. Lance Jungmeyer, director of the Fresh Produce Association of the Americas (FPAA), based in Nogales, AZ expects to see more citrus, mango, papaya, and lychee exports from Sinaloa. “This irrigation district is much, much closer to the United States than other tropical districts in Mexico,” he explains.

“I’ve seen many more people growing in Sinaloa than before,” confirms Cristina Lopez, U.S. sales director for Alamo Produce, LLC in Los Angeles. Alamo sources mainly from three growing families in Sinaloa, on the western coast of Mexico,

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Government subsidies are also attracting new farmers, especially in tomatoes, while more established growers are using technology to increase production. Other commodities enjoying surges in demand include the aforementioned avocado, as well as berries, citrus (especially limes), mangos, and papaya. Fresh fruit exports from Mexico to the United States doubled from 2006 to 2010, and continue to rise an average of 10 percent annually, rising from $2.4 billion in 2010 to $3.8 billion in 2014.

Not all exports are grown in Mexico, however, as it serves as a conduit for trade from Central and South American countries as well. Other significant suppliers include Peru (avocados), Costa Rica (cassava and chayote), and the Dominican Republic (jicama).

Shipping & Logistics

Better transportation options, including construction of new roadways and bridges as well as state-of-the-art reefers, are also boosting trade volume. “There are better highways,” agrees Lopez, and most importantly for perishables, “there is better control of temperature.” Lopez has seen a number of improvements in truck shipments from three years ago, when Alamo first established a U.S. presence.

A big factor: the 1,300-foot high Baluarte Bridge, now connecting Sinaloa and Durango along the Durango Mazatlan highway. This span of steel shaves half a day or more off transport time from Sinaloa. Another factor is Mexico’s investment of $1 billion into Highway 15, the major North-South roadway. “This is a major, major improvement,” Jungmeyer points out.

Phytosanitary Requirements

Even after fruit and vegetables are grown, packed, and shipped to the border—there’s no guarantee these perishables will reach U.S. or Canadian retailers and ultimately consumers. Stringent pest and disease regulations, especially for fruit, limit availability of Hispanic mainlines and specialties alike. Currently, the USDA limits Mexican avocado imports to those grown in Michoacán, but the agency has proposed opening the door to imports from any Mexican state that can meet phytosanitary requirements for entry.

Volume from qualifying Jalisco growers would be enough to help maintain avocado quantities for better year-round supply. Jungmeyer says the FPAA has “commented in support of [the USDA’s] proposal,” and is anticipating approval of the measure. Other interested parties, such as industry powerhouse Calavo Growers, Inc., based in Santa Paula, CA, announced it would construct a 70,000-square-foot avocado packing plant in Guzmán, Jalisco to get a jump on production and shipping.

For mango exports, fruit flies remain the top concern impeding access to U.S. and Canadian markets. Shippers are required to run fruit through hot water baths (for 65 to 90 minutes, at temperatures above 115°F), then depending on ripeness, they are sent to either ripening rooms or direct to retailers.

Mangos have also benefited from improvements in handling, including temperature monitoring and controlled atmospheres to lengthen shelf life and improve flavor. It is interesting to note that while mango sales are slowly climbing in North America, in the rest of the world, they have been the most consumed fruit for years. Suppliers believe the top
impediment to mass appeal is flavor, which is often harmed during the shipping process due to chilling injury. As a tropical fruit, mangos are very sensitive to cooler temperatures, and long-distance shippers often lower temperatures hoping to extend shelf life—which it may—but at the expense of flavor.

**Food Safety & Vertical Integration**

As with any type of perishable, food safety is a constant concern. Suppliers looking to import specialty produce rely on Global GAP certifications or sophisticated traceability processes to help ensure quality. For some businesses, this means cultivating direct relationships with grower-shippers in Mexico and Central America, or establishing their own growing operations.

Daniel Blazer, imports manager for Dekalb Farmers Market, Decatur, GA, says the family-owned retailer took a big step last year. “We developed our own sourcing program,” he notes, “shipping weekly from southern Mexico on a boat that docks at Port Manatee, Florida.”

The fruit comes from Dekalb’s own packinghouse in southern Mexico. The ability to supervise packing, handling, and shipping has already paid off, Blazer says. “You can make sure different crops are packed right, [to maintain] the best container temperature and atmosphere.” The company has plans to expand operations into northern Mexico too.

Hispanic produce can create unique challenges for suppliers—from shipping point to on-floor promotional displays. Blazer says it’s important for distributors and retailers alike to have a basic understanding of postharvest handling for less familiar commodities. A salmonella outbreak in 2011, in the popular maradol papaya, still makes growers cautious. “Some growers are choosing not to ship papayas in the wet season,” explains Blazer, who sources papaya from growers in Mexico and Guatemala.

**Category Management**

Another unique requirement: different Hispanic items may require different sources. “Just because a supplier offers cilantro does not mean they’ll have jicama,” says Jeff Brechler of J&D Produce, a South Texas grower-shipper focused on greens. Brechler, whose company has long shipped cilantro, offers product mixes fitting numerous ethnic groups. From his perspective, changes in Hispanic and other ethnic produce volumes are driven more by retailers operating by category management, rather than consumer diversity. “Retailers know the volumes and mixes their target market can handle,” he notes, such as recent increases in kale volume. In turn, he observes, “Growers respond to that retailer demand.”

Some industry specialists see opportunities for category management to extend back to the grower-shipper, with increased collaboration between suppliers and retailers. By sharing scanner sales data and customer loyalty card data with key preferred suppliers, retailers can gain their analytical support in optimizing product assortment on a store-by-store basis.

This is backed up by Roberta Cook, an extension specialist in the marketing of fruits and vegetables with the Department of Agricultural and Resource Economics at the University of California, Davis. “We can increase efficiency and reduce shrink through better coordination of supply and demand,” she explains. “This makes produce more affordable for more consumers, expanding demand.”

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**Future Trends**

So what does the future bring for sourcing Hispanic specialty fruits and vegetables? Dave Hahn, director of procurement at Four Seasons Produce, Inc. in Ephrata, PA believes more product will come through Texas. McAllen is becoming a hub for East Coast distributors, such as the already booming avocado pipeline, and improved warehousing and inventory control can make shipments more available. “We’re now able to fill avocado orders for other wholesalers in the Northeast when they’re short of supply,” says Hahn.

Hahn predicts rising volume in tropical or exotic fruits, having seen supplies of yuca (also known as cassava), batata/boniato, and taro root increase. He sees shippers expanding both volume and variety availability. Another trend is more organic; shippers say the increase in Mexican organic volume is coming mostly from established growers. Last May, the USDA and SAGARPA (the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food—Mexico’s agricultural agency) announced ongoing efforts to harmonize organic certification requirements between the two countries.

Are any Hispanic specialties poised to become the next avocado? This seems unlikely, though Jungmeyer sees solid growth for mangos. “The avocado board’s ripe-and-ready program really increased avocado volumes,” he observes. “I could see mango volumes building with a similar effort.” Other contenders include the purple mangosteen and guava. “We’re seeing more mangosteens from Mexico too,” Jungmeyer notes.

Import figures from the USDA show rising export volumes for chayote, jicama, malanga (also called yautia), and cassava since 2010. Shipping volume for the first quarter of 2015 jumped 19 percent for chayote and 23 percent for jicama, and the mango/mangosteen/guava category is also increasing, due mainly to mango volumes.

Lopez, in Los Angeles, says she’s started seeing another Mexican standard appearing in some stores here: **guanábana** or soursop. “Guanábana is very popular in Mexico,” she explains, and is generally used as a dessert. “I have also seen guanábana leaf now in the United States, too.” While frozen soursop is more widely available, USDA/APHIS listed Grenada as the only authorized source for imports in mid-2015. Fresh-cut and frozen **nopales** (prickly pear cactus), as well as agave leaves, are also beginning to appear in more U.S. retailers.

Rising Hispanic population rates will continue to influence North American culture, especially in the consumption of what most Americans and Canadians consider exotic or specialty produce. Prescient suppliers and retailers—those willing to experiment and stock an ever-expanding array of unusual fresh herbs, fruits, and vegetables—will reap the rewards.

Matthew Ernst has written about agriculture for 15 years. Based near St. Louis, he specializes in writing and reporting about farm business management.

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