California Kiwifruit Commission
Mexico Monthly Report
February 4, 2010
Reported by Grupo PM

A. CURRENT MARKET CONDITIONS

Fine fruits' sales volumes in general continued at a moderate pace as a result of the current economic situation. More specifically, kiwifruit prices increased during the last period and, according to the trade, this was a consequence of a shortfall of product compared with overall demand.

Mexico City

The availability of California kiwifruit decreased during this period as a result of its low sales movement and lack of rotation, resulting in a presence of ripe to overripe product in the pipeline. Thus, imports have slowed until the fruit that is currently available is sold. Kiwifruit prices increased as a result of the lack of product, according to the trade. Their quality and prices were variable, finding fruit with an advanced ripe grade that has been sold at low prices and product with good conditions available at higher prices.

New Zealand kiwifruit is still available but at very low volumes, being found only in Outlandish and Moderman warehouses. Prices were 50-100 pesos per box (around US$ 4-8) and their quality was bad; these warehouses had stopped their arrivals for the season.

In terms of availability, this city presented the following scenario:

1. Washington & local apples	6. Chilean nectarines
2. USA Pears	7. California kiwifruits
3. Chilean grapes	8. California grapes
4. Local strawberries	9. New Zealand kiwifruits
5. Chilean peaches	

Guadalajara

The availability of California kiwifruit was good, reaching a 100% market share. The sales volume was reported as moderate but constant with average arrivals of 1 load per warehouse. Quality has been going diminishing uring the last days, what has been affecting sales; however, their availability continued to be good. Prices increased in some warehouses, and that lead to stronger sales for some warehouses that offered lower prices. Warehouses such as Dubacano Tarahumara and Premier indicated that they felt that California kiwifruit availability might go down by the end of February as a result of the end of season and the end of availability of product.

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Available sizes available were 23 to 33 with Cat 1 and Cat 2 quality grades. The trade reported short shelf, so they were forced to move the product faster, resulting in lower prices.

In terms of availability, this city presented the following scenario:

1. Washington apples	5. California Kiwifruits
2. USA Pears	6. Local strawberries
3. Chilean grapes	7. Chilean peaches
4. Local apples	8. California pears

Monterrey

California kiwifruit demand went decreased 15%; according to the trade this was mainly caused by the low temperatures that have been registered in the city and is not related to either quality or price; wholesalers have been monitoring their retail clients and they have indicated that the demand reductions are weather-related.

Due to the fact that the trade considered this as a temporary situation, new arrivals will continue getting to the market. During this period, one load of the Air Chief label arrived to the market in 25-27 sizes, quality no.1. The trade mentioned that sales of previous arrivals are around 85%, so new arrivals are expected. California kiwifruit quality was good, presenting consistent sizing and ideal firmness for the wholesale sector; their prices are competitive compared with other fruits and the trade expects a sales recovery.

New Zealand kiwis are no longer available in the wholesale sector. In this way California kiwis' main competitor are currently Washington apples with moderate but constant sales and northwest pears that offer good quality and variety.

In terms of availability, this city presented the following scenario:

1. Washington apples	6. California kiwifruits
2. USA Pears	7. Local strawberries
3. Chilean grapes	8. Local apples
4. Chilean peaches	
5. Chilean plums	

RETAIL LEVEL

Mexico City

The highest availability of California kiwifruit was registered at the supermarket sector with exhibitions of 1 to 3 boxes. According to the produce department staff, California's sales volume was moderate compared with past weeks. The Bodega Aurrera chain has been selling kiwis by piece –instead of by kilo– with very good results. Their quality can be considered as good in general terms; however, it was also possible to find fruit that presented an advanced ripe grade. California's sales volume was 5 to 8 boxes per week/store. At the traditional channels their availability was moderate as a result of their high prices which affected sales.

Guadalajara

The availability of California kiwifruit at the retail stores has been decreasing; exhibitions go from 2 to 4 boxes per store with sales of 8 to 10 boxes per week/store. The prices of California kiwifruit have been high and their quality was fair – shrinkage problems and short shelf life – affecting sales. Traditional channels also reduced their availability as a result of their fair quality. In this sector, sales went from 3 to 5 boxes per week.

On the other hand, New Zealand presented irregular availability at Soriana and Comercial Mexicana chains, but this was fruit from past arrivals, presenting bad quality.

Monterrey

California kiwifruit registered a 99% market share, presenting higher availability at supermarket stores with sales volumes of 2 to 3 boxes. Their quality was good, but with high prices that complicated sales.

New Zealand presented low availability at some Soriana stores, presenting small exhibitions and mixed fruit with California.

A.2. PRICES

Exchange rate: $12.92

WHOLESALE LEVEL (US$/BOX)

California Kiwifruit

		Mexico City		Guadalajara		Monterrey	
Size	**Weight**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**
20	20lb	--	--	--	--	--	--
22	20lb	--	--	--	--	--	--
23	20lb	--	--	19.35	--	--	--
25	20lb	27.08	--	18.96	--	20.12	--
27	20lb	26.31	--	18.96	--	20.12	--
30	20lb	19.34	--	18.58	--	--	--
33	20lb	15.47	--	17.80	--	--	--
36	20lb	27.08	--	--	--	--	--
45	20lb	--	--	--	--	--	--

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Competition Zespri

		Mexico City		Guadalajara		Monterrey	
Size	**Weight**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**
23	22lb	--	--	--	--	--	--
25	22lb	--	--	--	--	--	--
27	22lb	3.86-7.73	--	--	--	--	--
30	22lb	--	--	--	--	--	--

Other Fruits

		Mexico City		Guadalajara		Monterrey	
PRODUCT	**ORIGIN**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**
Apples	California	--	--	--	--	--	--
	Chile	--	--	--	--	--	--
	Local	15.47	--	--	--	13.93	--
	Washington	27.08	--	27.86	--	26.32	--
Grapes	California	30.95	--	24.77	--	--	--
	Chile	27.08	--	21.67	--	23.99	--
	Local	--	--	--	--	--	--
Kiwis	California	22.05	--	18.73	--	20.12	--
	Chile	--	--	--	--	--	--
	New Zealand	5.79	--	11.61	--	--	--
Nectarines	California	--	--	--	--	---	--
	Chile	21.67	--	--	--	--	--
	Local	--	--	--	--	--	--
Peaches	California	--	--	--	--	--	--
	Chile	21.67	--	21.67	--	21.67	--
	Local	14.70	--	--	--	--	--
Pears	Argentina	--	--	--	--	--	--
	California	21.67	--	--	--	26.32	--
	Northwest USA	27.08	--	25.54	--	23.22	--
Plums	California	--	--	--	--	--	--
	Chile	--	--	--	--	25.54	--
	Local	--	--	--	--	--	--
Strawberries	California	--	--	--	--	--	--
	Local	10.83	--	6.97	--	26.32	--

RETAIL LEVEL (US$/lb)

Supermarket Chains

Mexico City

		WalMart		Superama		Soriana		Comercial Mexicana		Average
Origin	**Variety**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**	
California	Hayward	1.33	--	1.47	--	1.19	--	1.30	--	1.32
New Zealand	Hayward	--	--	--	--	--	--	--	--	----
Chile	Hayward	1.33	--	1.47	--	1.19	--	1.30	--	1.32

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Guadalajara

		Comercial Mexicana		Walmart		Soriana		Aurrerá		Average
Origin	**Variety**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**	
California	Hayward	1.32	--	1.23	--	1.40	--	1.22		1.29
Chile	Hayward	--	--	--	--	--	--	--	--	--
New Zealand	Hayward	1.32	--	--	--	1.40	--	--	--	1.32

Monterrey

		HEB		Walmart		Soriana		Sam`s		Average
Origin	**Variety**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**	
California	Hayward	---	1.75	---	1.75	---	1.76	---	---	1.75
Chile	Hayward	---	---	---	---	---	---	---	---	---
New Zealand	Hayward	---	---	---	---	---	---	---	---	---

Other Fruits

		Mexico City		Guadalajara		Monterrey	
PRODUCT	**ORIGIN**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**
Apples	California	--	--	--	--	--	--
	Chile	--	--	--	--	--	--
	Local	0.77	--	0.72	--	--	--
	Washington	0.91	--	1.16	--	1.33	--
Grapes	California	2.10	--	2.11	--	--	--
	Chile	1.33	--	2.21	--	2.46	--
	local	--	--	--	--	--	--
Kiwis	California	1.32	--	1.26	--	1.75	--
	Chile	--	--	--	--	--	--
	New Zealand	--	--	1.26	--	--1.76	--
Nectarines	California	--	--	--	--	--	--
	Chile	1.33	--	1.76	--	1.76	--
	Local	--	--	--	--	--	--
Peaches	California	--	--	--	--	--	--
	Chile	1.40	--	1.86	--	1.75	--
	Local	--	--	1.76	--	--	--
Pears	Argentina	--	--	--	--	--	--
	California	--	--	--	--	2.19	--
	Northwest USA	0.91	--	1.02	--	1.98	--
Plums	California	--	--	--	--	--	--
	Chile	--	--	2.11	--	1.93	--
	Local	--	--	--	--	--	--
Strawberries	California	---	--	--	--	--	--
	Local	1.75	--	1.18	--	1.26	--

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Public Markets

Mexico City

		Coyoacan		Mixcoac		Average
Origin	**Variety**	**1st F**	**2nd F**	**1st F**	**2nd F**	
California	Hayward	2.10	--	1.75	--	1.92
Chile	Hayward	----	--	---	--	------
New Zealand	Hayward	----	--	----	--	--

Guadalajara

		Calle 3		San Juan de Dios		Average
Origin	**Variety**	**1st F**	**2nd F**	**1st F**	**2nd F**	
California	Hayward	1.27	--	1.34	--	1.30
Chile	Hayward	--	--	--	--	--
New Zealand	Hayward	--	--	--	--	--

Monterrey

		San Luis		Juárez		Average
Origin	**Variety**	**1st F**	**2nd F**	**1st F**	**2nd F**	
California	Hayward	-	-	---	1.57	1.57
Chile	Hayward	--	--	--	--	--
New Zealand	Hayward	--	--	--	--	--

Other Fruits

		Mexico City		Guadalajara		Monterrey	
PRODUCT	**ORIGIN**	**1st F**	**2nd F**	**1st F**	**2nd F**	**1st F**	**2nd F**
Apples	California	--	--	--	--	--	--
	Chile	--	--	--	--	--	--
	Local	0.66	--	0.67	--	0.52	--
	Washington	0.94	--	0.84	--	0.87	--
Grapes	California	--	--	--	--	--	--
	Chile	1.40	--	1.58	--	1.05	--
	local	---	--	--	--	--	--
Kiwis	California	1.92	--	1.30	--	1.57	--
	Chile	--	--	--	--	--	--
	New Zealand	--	--	--	--	--	--
Nectarines	California	--	--	--	--	--	--
	Chile	1.23	--	1.41	--	--	--
	Local	--	--	--	--	--	--
Peaches	California	--	--	--	--	--	--
	Chile	1.47	--	1.58	--	1.05	--
	Local	0.98	--	--	--	--	--
Pears	Argentina	--	--	--	--	--	--
	California	--	--	--	--	--	--
	Northwest USA	0.87	--	0.63	--	1.05	--
Plums	California	--	--	--	--	--	--
	Chile	--	--	--	--	1.05	--
	Local	--	--	--	--	--	--
Strawberries	California	--	--	--	--	--	--
	Local	0.66	--	0.84	--	0.87	--

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C. LIST OF TRADE CONTACTS

Mexico City

Wholesale Level
Martín García, Warehouse K-69
Jesús Mena, Warehouse K
Juan Luis García Sámano, Warehouse L-113
Javier García, Warehouse Q-178
Jaime Jiménez, Warehouse L-84

Retail Level
Germán Guzmán, Mega
Justino Gómez, Aurrera
Porfirio Ramírez, Superama
Tomás García, Wal-Mart
Gerardo Guzmán, Mixcoac Public Market
Aurelia Hernández, Mixcoac Public Market
Gregoria Campos, Coyoacan Public Market
Graciela Vivanco, Coyoacan Public Market

Guadalajara

Wholesale Level
Juan Gallardo, Warehouse #409
Arturo Delgadillo, Warehouse #423
Carlos Camarena, Warehouse #427
Juan Navarro, Warehouse #431

Retail Level
Víctor Rojas, Comex
Faustino López, Soriana
Carlos Corona, Alcalde Market
José Luis Zamudio, Calle 3 Public Market

Monterrey

Wholesale Level
Héctor Rodríguez, Warehouse L351-338
Carlos García, Warehouse L-255

Retail Level
Ernesto Garza, HEB
Federico García, Soriana

Activities

Merchandising

City	Public market	Stalls	Street Market	Stalls	Warehouses	Fruit stores	Stores Supermarket	Comments
Mexico City	56	215	45	176	36	45	51	Moderate availability, high prices for good quality product
Guadalajara	22	97	15	69	14	15	40	High prices, fair quality affecting sales
Monterrey	2	6	5	6	9	8	64	Good availability at the retail sector and moderate at the wholesale market

Technical Support

14 seminars with 71 attendees, 39 audits and 39 technical visits.

In-store promotions

We are going to cover 51 stores of Soriana chain in 15 cities, reaching 102 sampling days.

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