

California Kiwifruit Commission
Mexico Bi-Weekly Report
March 31, 2010
Reported by Grupo PM



A. CURRENT MARKET CONDITIONS

During this period most fine fruits performed positively in the Mexican market. Wholesalers believe that warmer weather contributes to increasing consumption of these types of fruit, and a more stable exchange rate has translated into accessible prices. Unfortunately, California kiwifruits were, for the most part, the exception, maintaining higher prices which have affected sales. Price continues to be a major motivator in the market with sales of lower quality fruit outperforming higher-priced and higher-quality fruit.

Mexico City

In Mexico City, California kiwifruit had high visibility and availability but slightly lower than previous weeks. Sales remained constant mainly due to the fact that the California kiwifruit currently doesn't have a direct competitor. California kiwifruit quality was variable, with excellent quality at some displays, presenting firm pulps and optimum ripeness, and suspect quality at others with some bruises and softer pulps. Lower quality kiwifruit presented the highest sales as their price was much lower than top quality fruit. Most of the available fruit was from Air Chief and Sun Pacific in sizes ranging from 33 to 25, with the highest demand for 25's. Trade expects that California kiwifruit sales will go down as a consequence of the Easter vacations period.

Ranked In terms of availability:

1. Apples (WA & local)	6. Kiwifruit (CKC)
2. USA Pears	7. Nectarines (Chile)
3. Grapes (Chile)	
4. Strawberries (local)	
5. Peaches (Chile)	



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Guadalajara

The availability of California kiwifruit varied during this period but remained 100% of the kiwifruit market. Warehouses continued receiving product intermittently – 1 load every 10 days on average.

According to the trade, the end of the season is approaching, but they still have loads arriving in the upcoming days. Fruit is still available in the market, presenting good demand and retailers have continued purchasing kiwifruit but at lower volumes. Available qualities were CAT 1 and CAT 2; even though product presented good quality when it arrived to the warehouses, after a short time it started to show dehydration issues, making it more difficult for wholesalers to display higher volumes in their warehouses.

There is currently no alternate origin competition for California kiwifruit. However, it is very possible that Vidimport will start receiving Chilean fruit in the next couple of weeks. Other warehouses are not sure when they are going to start receiving Chilean kiwifruit.

Ranking availability, the city presented the following scenario:

1. Apples (WA)	5. Kiwifruit (CKC)
2. USA Pears	6. Strawberries (local)
3. Apples (local)	7. Peaches (Chile)
4. Grapes (Chile)	8. Pears (CA)

Monterrey

No new loads of California kiwifruit arrived to Monterrey during this past period. Wholesalers had previously mentioned that they were not expecting any more arrivals. Vidimport indicated that they are still waiting on one more load which they expect to be the last of the season as they are already looking into importing Chilean kiwifruit. Warehouses still have around 300 boxes left from previous shipments; this fruit still presented good quality and accessible prices, and trade expects all fruit to be sold this next weekend. The label that was available was Larkin Road Gold, sizes 30 and 33, quality grade #1. There was no direct competition for California kiwifruit fruit.

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

1. Apples (local)	5. Plums (Chile)
2. USA Pears	6. Kiwifruit (CA)
3. Grapes (Chile)	7. Pears (China)
4. Strawberries (local)	



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RETAIL LEVEL

Mexico City

California kiwifruit were available in large quantities in the retail market, particularly in supermarket stores where exhibitions were 1-2 boxes, with sales movement of 7-11 boxes per week/per store. Produce Category Managers indicated that California kiwifruit sales have been stable, despite higher prices and average quality. In traditional retailers there were fewer displays of California kiwifruit with higher volumes in stores in medium-high income level areas. Quality was good without any over-ripening, decay or dehydration issues.

Guadalajara

California kiwifruits were available in all supermarket chains with no direct competition, as California product was the only available fruit. According to Guadalajara produce managers, sales movement was good during the weekend and low throughout the week. Sales have decreased to 2-4 boxes per week/per store. There were reports of dehydration and over-ripening which limited sale volumes. Retailers in this city expect to continue to stock and sell California kiwifruit, but they expect volumes to slow a bit more during the Easter holidays.

Monterrey

California kiwifruit was available at all supermarket stores with average exhibitions of 3-4 boxes; sales continued being moderate: around 4 boxes per week/per store. The fruit quality was good, available in medium and big sizes at an acceptable ripe grade. There was no origin competition for California kiwifruit.



A.2. PRICES

Exchange rate: \$12.50

WHOLESALE LEVEL (US\$/BOX)

California Kiwifruit

Size	Weight	Mexico City		Guadalajara		Monterrey	
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F
20	20lb	--	--	--	--	--	--
22	20lb	--	--	--	--	--	--
23	20lb	--	--	--	--	--	--
25	20lb	--	22.40	--	--	--	--
27	20lb	--	--	--	26.40	--	--
30	20lb	--	--	--	26.40	--	22.40
33	20lb	--	17.60	--	26.40	--	22.40
36	20lb	--	--	--	25.60	--	--
45	20lb	--	--	--	--	--	--

Other Fruits

PRODUCT	ORIGIN	Mexico City		Guadalajara		Monterrey	
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F
Apples	California	--	--	--	--	--	--
	Chile	--	--	--	--	--	--
	Local	--	14.40	--	22.40	--	--
	Washington	--	28.00	--	27.20	--	28.00
Grapes	California	--	--	--	--	--	--
	Chile	--	28.00	--	23.20	--	17.60
	Local	--	--	--	21.60	--	--
Kiwis	California	--	20.00	--	26.20	--	22.40
	Chile	--	--	--	--	--	--
	New Zealand	--	--	--	--	--	--
Nectarines	California	--	--	--	--	--	--
	Chile	--	24.00	--	--	--	--
	Local	--	--	--	--	--	--
Peaches	California	--	--	--	--	--	--
	Chile	--	20.80	--	23.20	--	--
	Local	--	11.20	--	--	--	--
Pears	Argentina	--	--	--	--	--	--
	California	--	25.60	--	20.00	--	--
	Northwest USA	--	27.20	--	25.60	--	23.20
	China	--	--	--	--	--	28.00
Plums	California	--	--	--	--	--	--
	Chile	--	25.60	--	24.80	--	24.00
	Local	--	--	--	--	--	--
Strawberries	California	--	--	--	--	--	--
	Local	--	11.20	--	7.20	--	10.40



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RETAIL LEVEL (US\$/lb)

Supermarket Chains

Mexico City

Origin	Variety	Walmart		Superama		Soriana		Comercial Mexicana		Average
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F	
California	Hayward	--	1.45	--	1.63	--	1.38	--	1.30	1.44

Guadalajara

Origin	Variety	Comercial Mexicana		Walmart		Soriana		Aurrera		Average
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F	
California	Hayward	--	1.94	--	2.18	--	1.63	--	2.16	1.98

Monterrey

Origin	Variety	HEB		Walmart		Soriana		Sam's		Average
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F	
California	Hayward	--	1.81	--	2.14	--	1.63	---	2.14	1.93

Other Fruits

PRODUCT	ORIGIN	Mexico City		Guadalajara		Monterrey	
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F
Apples	California	--	--	--	--	--	--
	Canada	--	--	--	--	--	1.45
	Chile	--	--	--	--	--	--
	China	--	--	--	--	--	1.45
	Local	--	0.79	--	0.79	--	0.83
	Washington	--	0.90	--	1.08	--	1.20
Grapes	California	--	--	--	--	--	--
	Chile	--	1.45	--	1.95	--	2.23
	local	--	--	--	1.84	--	--
Kiwis	California	--	1.44	--	1.91	--	1.89
	Chile	--	--	--	--	--	--
	New Zealand	--	--	--	--	--	--
Nectarines	California	--	--	--	--	--	--
	Chile	--	1.27	--	1.81	--	1.81
	Local	--	--	--	--	--	--
Peaches	California	--	--	--	--	--	--
	Chile	--	1.27	--	1.98	--	2.53
	Local	--	0.90	--	--	--	1.60
Pears	Argentina	--	--	--	1.05	--	1.23
	California	--	1.27	--	2.18	--	2.18
	Northwest USA	--	0.98	--	1.00	--	1.30
Plums	China	--	--	--	--	--	1.56
	California	--	--	--	--	--	--
	Chile	--	1.38	--	1.75	--	1.78
Strawberries	Local	--	--	--	--	--	--
	California	--	---	--	--	--	--
	Local	--	1.63	--	2.86	--	0.72



Public Markets

Mexico City

Origin	Variety	Coyoacan		Mixcoac		Average
		1 st F	2 nd F	1 st F	2 nd F	
California	Hayward	--	1.81	--	2.17	1.99

Guadalajara

Origin	Variety	Calle 3		San Juan de Dios		Average
		1 st F	2 nd F	1 st F	2 nd F	
California	Hayward	--	1.45	--	1.63	1.54

Monterrey

Origin	Variety	San Luis		Juárez		Average
		1 st F	2 nd F	1 st F	2 nd F	
California	Hayward	--	--	--	1.01	1.01

Other Fruits

PRODUCT	ORIGIN	Mexico City		Guadalajara		Monterrey	
		1 st F	2 nd F	1 st F	2 nd F	1 st F	2 nd F
Apples	California	--	--	--	--	--	--
	Chile	--	--	--	--	--	--
	Local	--	0.69	--	0.73	--	0.54
Grapes	Washington	--	0.87	--	1.02	--	0.90
	California	--	--	--	--	--	--
	Chile	--	1.27	--	1.63	--	1.08
Kiwis	local	--	--	--	--	--	--
	California	--	1.99	--	1.54	--	1.01
	Chile	--	--	--	--	--	--
Nectarines	New Zealand	--	--	--	--	--	--
	California	--	1.45	--	--	--	--
	Chile	--	--	--	--	--	--
Peaches	Local	--	--	--	--	--	--
	California	--	--	--	--	--	--
	Chile	--	1.08	--	1.82	--	--
Pears	Local	--	1.08	--	--	--	0.90
	Argentina	--	--	--	--	--	--
	California	--	1.08	--	1.63	--	--
Plums	Northwest USA	--	0.87	--	0.91	--	0.90
	California	--	--	--	--	--	--
	Chile	--	1.34	--	1.63	--	0.90
Strawberries	Local	--	--	--	--	--	--
	California	--	--	--	--	--	--
	Local	--	0.87	--	1.63	--	.90



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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	58	261	45	176	36	45	51	Good sales turnover, medium availability
Guadalajara	24	106	25	98	12	25	28	Kiwi prices are still high; dehydration and ripening problems are more frequent
Monterrey	4	8	4	8	8	12	68	The trade mentioned that this might be the last load from CA; kiwis from Chile will be entering the market soon



Technical Support

6 seminars with 18 attendees, 35 audits and 35 technical visits were carried out in this past period.

In-store Promotions

During this period we covered a total of 100 stores of Walmart, Comercial Mexicana and Soriana chains located in 4 different cities, reaching 200 sampling days.



Development of New Recipes & POS Materials

We just developed 10 new kiwi recipes, as well as 10 new product shots. Recipes include a variety of dishes such as salads, desserts and drinks. On the other hand, product shots are intended to show how beautiful CA kiwis are with the objective of getting consumers' attention to their freshness and juiciness.

The following are some of these new photos:





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We also worked on the design of the Spanish version of the new CKC logo, as well as the design of new POS materials – recipe booklet, shelf talkers, price cards, danglers – to be used this upcoming season.



New Spanish logo



Dangler