

# **The North American Market for Chihuahua Onions, Jalapeños and Beef Cattle**



<http://cnas.tamu.edu>

**Jesús Alejandro Varela Díaz  
Flynn J. Adcock  
C. Parr Rosson III**

**CNAS Report 2008-02**

**April 2008**



## Table of Contents

List of Tables	iv
List of Figures	v
Introduction	1
The Demographics and Economics of North America	1
Demographics by Country	2
Population	2
Income	3
Age Structure	3
Gender	4
Demographics by Metropolitan Areas	5
Population	5
Gender	8
Age Structure	9
Expenditures	11
A Closer Look to the U.S. Market... The Ethnic Market	16
Hispanic Market	17
Onions Market Windows	18
Pepper Market Windows	21
Competitors and Opportunities for Mexican Peppers Producers in the U.S. Market	23
Livestock Dynamics and Challenges to Chihuahua's Producers	26
Summary	30
References	33
Appendix A. U.S. Produce Brokers	35
Appendix B. Market Information for Leading U.S. and Canadian Metropolitan Areas	45
Appendix C. Chain Store Purchasing Contacts in Major Metropolitan Areas of the Southwestern United States	52

## List of tables

Table 1. Population by Country (thousand persons)	2
Table 2. Population Growth Rates by Country	2
Table 3. Gross Domestic Product per Capita, Current prices (U.S. dollars)	3
Table 4. Age Structure by Country (2006)	3
Table 5. Median Age by Country (2006)	4
Table 6. Population by Gender (thousand persons)	4
Table 7. Population by Gender (percentages)	4
Table 8. 2000 Population of Top Seven Mexican Metropolitan Areas	6
Table 9. Population of Zona Metropolitana, thousand persons (D.F., Edo. de Mex.)	6
Table 10. Population of Top Ten U.S. Metropolitan Areas, thousand persons (2006 estimates)	7
Table 11. Population of Top Ten Canadian Metropolitan Areas, thousand persons (2006 estimates)	7
Table 12. Proportion of Males and Females in Mexico, Year 2000 (metropolitan areas)	8
Table 13. Proportion of Males and Females in Canada, Year 2001 (metropolitan areas)	8
Table 14. Proportion of Males and Females in the United States, Year 2000 (metropolitan areas)	9
Table 15. Average Canadian Household Expenditures by Metropolitan Area, 2005 (U.S. dollars)	12
Table 16. U.S. Average Annual Expenditures of All Consumer Units by Metropolitan Area, 2003-2004 (U.S. dollars)	13
Table 17. Average Food Annual Expenditures of All Consumer Units by Metropolitan Area: 2003-2004	14
Table 18. U.S. chile pepper import value, 2003-05 1/	26
Table 19. Per Capita Beef Consumption in North America (kilograms per person per year)	30

## **List of figures**

Figure 1. Age Structure of Mexican Metropolitan Areas, Census 2000	9
Figure 2. Age Structure of Canadian Metropolitan areas, Census 2001	10
Figure 3. Age Structure of U.S. Metropolitan Areas, Census 2000	11
Figure 4. Minimum Wage Levels in Top Mexican Metropolitan Areas (2000)	15
Figure 5. Mexican Onion Production	19
Figure 6. 2005 Monthly Mexican Production of Onions	20
Figure 7. 2005 Monthly Chihuahua Production and U.S. Price of Onions	20
Figure 8. 2005 Monthly U.S. Shipments of Domestic and Imported Dry Onions and Chihuahua Production	21
Figure 9. Mexican Jalapeno Production	22
Figure 10. 2005 Monthly Mexican Production of Jalapeños	22
Figure 11. 2005 Monthly Chihuahua Production of Jalapeños and U.S. Import Unit Value of Peppers	23
Figure 12. U.S. Chili pepper production	25
Figure 13. Average cattle stock by country, 1990-2007	27
Figure 14. U.S. Imports of Live Cattle from Canada and Mexico, 1990 - June 2007	29



# **The North American Market for Chihuahua Onions, Jalapeños and Livestock**

## **Introduction**

Producers in Chihuahua, Mexico grow a varied array of agricultural products that have been greatly impacted by increased trade stimulated by the North American Free Trade Agreement (NAFTA). The products, including fruits and vegetables, meat and livestock, grains, and cotton, have seen increased competition as well as new market opportunities. The purpose of this research effort is to enable agricultural producers in Chihuahua to better take advantage of North American marketing opportunities which have arisen as a result of NAFTA.

In January 2006, a preliminary report highlighting the North American market for eight perishable and five non-perishable products was presented to Fundacion Produce. The approach for the perishable products was based on market window analysis and the approach for the non-perishable products was supply and demand balance. As a result of that report, a decision was made to conduct further research which would assist Fundacion Produce in marketing Chihuahuan grown onions, jalapeños and beef cattle throughout North America.

This report is divided into three parts. First, a demographic and economic overview of the United States, Canada, and Mexico, including focus on important metropolitan areas, will be discussed. Second, further analysis of the North American market for onions, jalapeños and livestock will be presented. Finally, implications and opportunities for Chihuahua products will be discussed. In addition, an appendix containing important contact and market information will be included.

## **The Demographics and Economics of North America**

In order to better take advantage of the opportunities brought about by NAFTA, it is necessary to determine the differences between the countries involved. Population and population growth rate, income, age structure, and gender are of special interest to understand the composition of the different markets and to design marketing strategies that will help the Chihuahua producers to commercialize its products.

Using the most recent demographic information available, including U.S. Census Bureau (Census) data, International Monetary Fund (IMF), projections from the Food and Agricultural Organization (FAO) of the United Nations, and the Central Intelligence Agency (CIA), a characterization of the United States, Canadian and Mexican markets was developed.

A presentation of the most important demographic facts is shown for each country and a comparison between countries is presented. Since important differences between metropolitan areas, market target of the present study, and the country as a whole exist, a detailed presentation of such variables is presented for the metropolitan areas as well.

## DEMOGRAPHICS BY COUNTRY

### Population

The population growth rates among the three countries under study are widely different. Mexico's growth was 1.15 percent, according to the Central Intelligence Agency of the United States. The United States and Canada each had a population growth rate of less than 0.9 percent (table 2).

**Table 1. Population by Country (thousand persons)**

Country	Est. 2007	2010	2015
Mexico	108,700.9	113,320	119,618
Canada	33,390.1	33,069	34,133
United States	301,139.9	314,921	329,669

*Sources: FAO and CIA*

**Table 2. Population Growth Rates by Country**

Country	Population growth rate (July 2007 estimates)
Mexico	1.153%
Canada	0.894%
United States	0.869%

*Source: CIA*

### Income

One of the most important variables in determining the attractiveness of a market is income. Higher income levels and the application of an appropriate marketing strategy facilitate the expansion of sales.

The United States has the highest income level of the three countries with US\$46,093 gross domestic product per capita in 2007, followed by Canada with US\$39,854. Mexico is far below both the United States and Canada with US\$8,246 for the same year (table 3). In the United States, households with income levels of US\$50,000 and above are more likely to purchase fresh produce such as onions and jalapeños, so advertising targeted to this population could increase exports from Chihuahua to the market.

**Table 3. Gross Domestic Product per Capita, Current prices (U.S. dollars)**

Country	2005	2006	2007
Mexico	\$7,297	\$7,925	\$8,246
Canada	\$35,064	\$38,658	\$39,854
United States	\$42,101	\$44,168	\$46,093

*Source: IMF*



## Age structure

Important differences in age between countries under study were found. Although most of the population was found in the range of 15-64 years for all three countries (table 4), the median age for Mexico was 25.3 years for 2006, well below the median ages in Canada (38.9), and the United States (36.5) (table 5). The age differences call for different marketing strategies as needs and wants tend to change drastically as people age. For instance, results shown in *The Packer 2008 Annual Consumer Survey* indicate that U.S. consumers ages 40 to 49 are most likely to purchase onions and specialty peppers such as jalapeños. Therefore, targeting these consumers with advertising materials could help increase sales of Chihuahuan onions and jalapeños to the United States.

**Table 4. Age Structure by Country (2006)**

Mexico	0-14 years	30%
	15-64 years	64%
	65 and over	6%
Canada	0-14 years	18%
	15-64 years	69%
	65 and over	13%
United States	0-14 years	20%
	15-64 years	67%
	65 and over	13%

Sources: FAO and CIA

**Table 5. Median Age by Country (2006)**

Mexico	Total	25.3
	Male	24.3
	Female	26.2
Canada	Total	38.9
	Male	37.8
	Female	39.9
United States	Total	36.5
	Male	35.1
	Female	37.8

Sources: FAO and CIA

## DEMOGRAPHICS BY METROPOLITAN AREAS

### Population

Since the products under analysis have low value, the implementation of marketing strategies which focus on areas where a high population concentration exists. This approach provides the opportunity to maximize the impact of such strategies at the lowest cost per unit. For that reason, information regarding the top metropolitan areas of Mexico, the United States and Canada are presented next.

In 2000, Mexico City had the largest metropolitan area (with a population of 17.8 millions) and encompassed districts and municipalities of the Federal District and Mexico state. The seven largest metropolitan areas in Mexico included 27.3 million people. In 2006, 79 million people resided in the top ten U.S. metropolitan areas. The New York metropolitan area alone included 18.8 million people followed by Los Angeles with a population close to 13 million. 2006 estimates showed that Canada's largest metropolitan area was Toronto, Ontario with a population of 5.4 million people, and second largest was Montreal, Quebec with an estimated population of 3.8 million.

Unfortunately, estimates for the "Zona Metropolitana" were not available for 2006, making it difficult to directly compare the two countries metropolitan areas. However, during 2000, there were seven metropolitan areas with more than a million people in Mexico with a total population of 27.3 million people (table 8). Given the enormous participation of the Mexican "Zona Metropolitana" in the Mexican population, a further detailed presentation of the entities included is presented to better direct the marketing strategies (table 9).

**Table 8. 2000 Population of Top Seven Mexican Metropolitan Areas (thousand persons)**

Zona metropolitana (D.F., Edo. de Mex.)	17,844.8
Guadalajara, Jalisco	1,646.2
Puebla, Puebla	1,271.7
Juarez, Chihuahua	1,187.3
Tijuana, Baja California	1,148.7
Zona metropolitana Monterrey	3,147.9
Leon, Guanajuato	1,020.8
<b>Total</b>	<b>27,267.4</b>

*Source: Inegi. Sistema Municipal de Base de Datos*

**Table 9. Population of Zona Metropolitana, 1,000 Persons (D.F., State of Mexico)**

**Grand Total 17,844.8**

<b>DELEGACIONES</b>	<b>8,605.2</b>	<b>MUNICIPIOS CONURBADOS</b>	<b>9,239.6</b>
Iztapalapa	1,773.3	Ecatepec de Morelos	1,622.7
Gustavo A. Madero	1,235.5	Nezahualcóyotl	1,226.0
Alvaro Obregón	687.0	Naucalpan de Juárez	858.7
Coyoacán	640.4	Tlalnepantla de Baz	721.4
Tlalpan	581.8	Chimalhuacán	490.8
Cuauhtémoc	516.3	Atizapán de Zaragoza	467.9
Venustiano Carranza	462.8	Cuautitlán Izcalli	453.3
Azcapotzalco	441.0	Tultitlán	432.1
Iztacalco	411.3	Valle de Chalco Solidaridad	323.5
Xochimilco	369.8	Ixtapaluca	297.6
Benito Juárez	360.5	Nicolás Romero	269.5
Miguel Hidalgo	352.6	Coacalco de Berriozábal	252.6
Tláhuac	302.8	Chalco	218.0
Magdalena Contreras, La	222.1	Paz, La	212.7
Cuajimalpa de Morelos	151.2	Texcoco	204.1
Milpa Alta	96.8	Huixquilucan	193.5
		Tecámac	172.8
		Zumpango	99.8
		Tultepec	93.3
		Others	629.6

*Source: Inegi. Sistema Municipal de Base de Datos*

It is important to note that in the “Zona Metropolitana,” two Federal Districts and two municipalities had more than one million people. Iztapalapa district had 1.77 million people while Gustavo A. Madero district had 1.24 million. During 2000, Ecatepec de Morelos and Nezahualcoyotl municipalities had 1.62 and 1.23 million people, respectively.

For the United States and Canada, it was possible to find 2006 estimates that can be used when creating market strategies to tap into these markets. The following tables present the findings.

**Table 10. Population of Largest Ten U.S. Metropolitan Areas, 1,000 Persons (2006 estimates)**

New York	18,818.5
Los Angeles	12,950.1
Chicago	9,505.7
Dallas-Fort Worth	6,004.0
Philadelphia	5,826.7
Houston	5,539.9
Miami	5,463.9
Washington	5,290.4
Atlanta	5,138.2
Detroit	4,469.0
<b>Total</b>	<b>79,006.5</b>

*Source: U.S. Census Bureau*

In 2006, more than 40 million people lived in the three largest U.S. metropolitan areas. New York was notably the largest U.S. Metropolitan area with an estimated population of 18.8 million people (Table 10). This population concentration can help to reduce distribution costs and, in some cases, help to implement other marketing strategies. For instance, there may be some advertising economies targeting higher density populations, but total marketing expenditures would likely be higher. For instance, a television, radio, or print advertisement in Houston or Miami will likely be seen or heard by more potential consumers than in Austin or Tampa; however, the advertisement will also cost more in the larger city than in the smaller city.

**Table 11. Population of Top Ten Canadian Metropolitan Areas, (2006 estimates)**

Toronto, Ontario	5,406.3
Montreal, Quebec	3,666.3
Vancouver, British Columbia	2,236.1
Ottawa, Ontario-Quebec	1,158.3
Calgary, Alberta	1,107.2
Edmonton, Alberta	1,050.0
Quebec, Quebec	723.0
Hamilton, Ontario	716.2
Winnipeg, Manitoba	706.7
London, Ontario	465.7
<b>Total</b>	<b>17,235.8</b>

*Source:* Statistics Canada, [www.statcan.ca](http://www.statcan.ca)

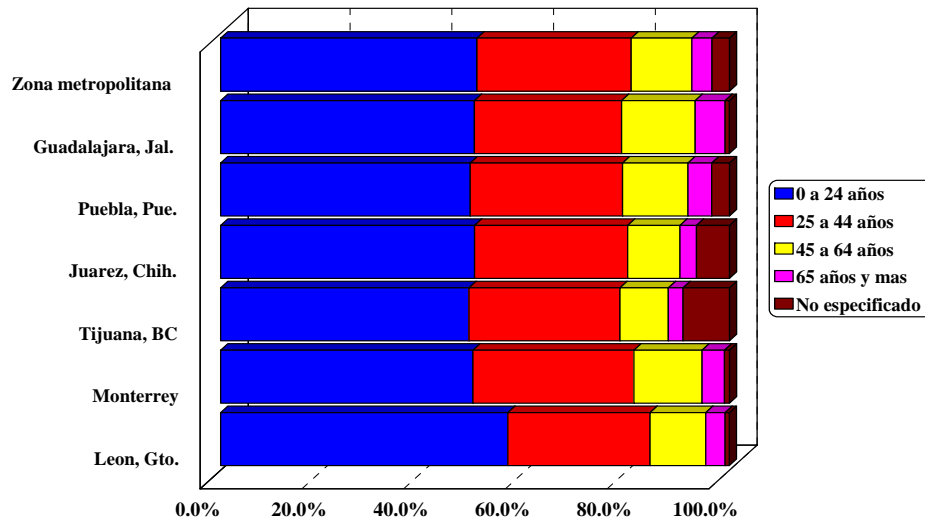
Canadian metropolitan areas are smaller in comparison to those of the United States. In 2006, only Toronto was larger than three of the top ten U.S. metropolitan areas (Table 11). It is important to note that if marketing strategies are directed to this market, the size of the Canadian metropolitan areas calls for a different approach than the one to be used in the United States.

### **Age structure**

As noted before, the population in Mexico is younger than the population in the United States and Canada. According the Census 2000, most of its population ranged between 0 and 24 years followed by the range between 25 and 44 years old (figure 1).

**Figure 1**

**Age structure of Mexican Metropolitan areas, Census 2000**



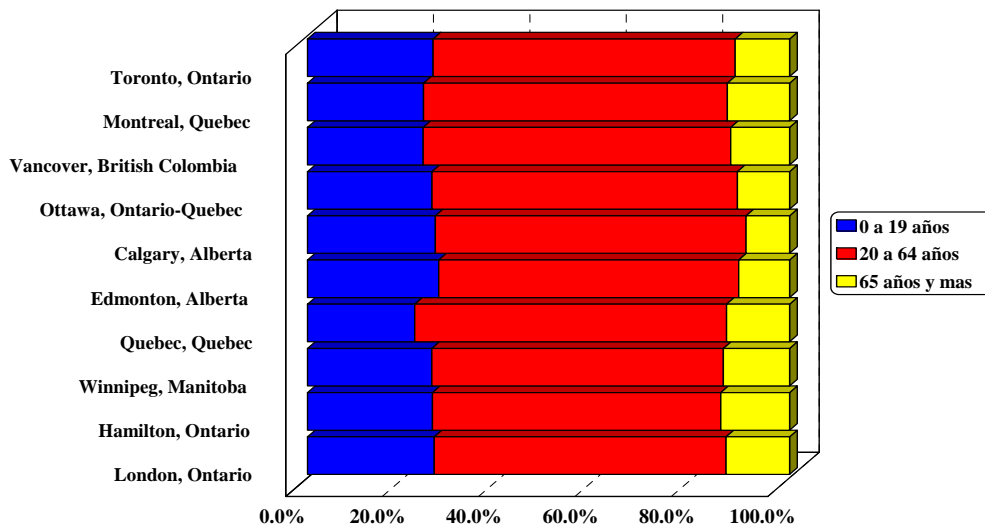
Source: INEGI

**Age Structure of Canadian Metropolitan Areas, Census 2001**

Different to the Census in Mexico and the United States, the Canadian Census 2001 groups the population in only 3 brackets. So comparison between Canada and the other countries considered in the study is difficult. As it is easy to observe from the graph that follows, most of the Canadian population had ages between 20 and 64 years (Figure 2).

**Figure 2**

**Age structure of Canadian Metropolitan areas, Census 2001**

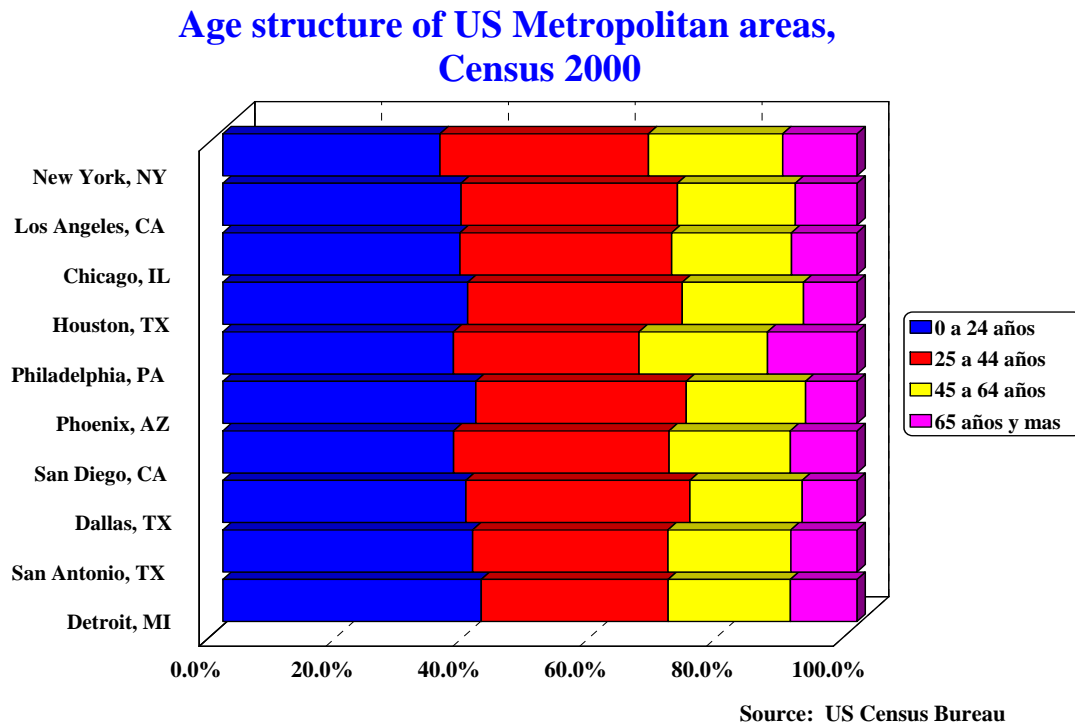


Source: 2001 Census of population- Statistics Canada

### Age Structure of U.S. Metropolitan Areas, Census 2000

In the United States, people with ages between 0 and 24 years represented the biggest proportion, people between 25 and 44 years old followed (figure 3).

Figure 3



### Expenditures

Ottawa-Gatineau had the highest expenditure level of all Canadian Metropolitan areas in 2005 with about US\$74,500 (table 15). Despite the higher expenditure level of this metropolitan area, other metropolitan areas such as Calgary, Toronto and Vancouver had

higher expenditure levels in regard to food. Although expenditures among the different metropolitan areas ranged widely, between US\$74,500 and US\$48,700, food expenditures showed a smaller variation ranging between US\$5,700 and US\$6,900. Of the top ten Canadian metropolitan areas in 2005, Calgary spent the most on food while Winnipeg spent the least.

**Table 15. Average Canadian Household Expenditures by Metropolitan Area, 2005  
(U.S. dollars)**

<b>Metropolitan area</b>	<b>Total expenditure</b>	<b>Food</b>	<b>Percentage</b>
Ottawa-Gatineau (Ontario Part)	\$74,458	\$6,633	9%
Calgary	\$73,398	\$6,947	9%
Toronto	\$73,029	\$6,893	9%
Vancouver	\$62,442	\$6,867	11%
Edmonton	\$61,955	\$6,499	10%
Winnipeg	\$55,122	\$5,669	10%
Montreal	\$49,467	\$5,995	12%
Quebec City	\$48,721	\$6,020	12%

Although it is hard to compare the average household expenditures of Canada with those of United States as information for the same year was not available, it is clear that proportion of food expenditure to total expenditures is consistently slightly higher in the United States relative to Canada.

In 2004, food expenditures in the United States ranged between US\$5,600 and US\$7,200 while total expenditures vary between US\$44,500 and US\$54,000 (table 16). The variation in food expenditures in Canada is slightly higher than the variation in the United States. Besides, the total expenditure range in the United States was narrower than the total expenses variation in Canada.

Los Angeles spent the most of the top ten U.S. metropolitan areas in food with US\$7,200 during 2003-2004. New York City followed closely with an average food expenditure of US\$7,000. Phoenix, Detroit and Houston were the three U.S. metropolitan areas with the lowest level of expenditures in food with only about US\$5,700 (table 16).



**Table 16. U.S. Average Annual Expenditures of All Consumer Units by Metropolitan Area, 2003-2004 (U.S. dollars)**

<b>Metropolitan area</b>	<b>Total expenditure</b>	<b>Food</b>	<b>Percentage</b>
San Diego	\$53,949	\$6,545	12%
Los Angeles	\$52,652	\$7,194	14%
New York	\$51,979	\$7,054	14%
Chicago	\$50,627	\$6,023	12%
Dallas-Fort Worth	\$50,304	\$6,111	12%
Houston	\$48,063	\$5,737	12%
Detroit	\$46,731	\$5,726	12%
Phoenix	\$46,628	\$5,698	12%
Philadelphia	\$44,484	\$5,622	13%

In the case of the United States, additional information about how Americans spent their money during 2003-2004 was available.

Since our interest is in finding ways to improve the commercialization of onions and jalapeño pepper, special attention should be put on the column “fruits and vegetables” as it reveals the expenses dedicated to the category were both are included (table 17). Once again, the Los Angeles metropolitan area is important, not only because it is the metropolitan area with the highest level of expenditure on food, but also has the highest fruit and vegetables expenditures, with about \$800 dollars per person. New York and San Diego followed with fruit and vegetable expenditures of \$735 and \$709, respectively.

**Table 17. U.S. Average Annual Household Food Expenditures on Food and Beverages by Metropolitan Area, 2003-2004**

Metropolitan area	Total food expenditures	Food at home						Food away from home	Alcoholic beverages
		Food at home, total	Cereal & bakery products	Meats, poultry, fish, eggs	Dairy	Fruits, vegetables	Other food at home		
Chicago	\$6,545	\$3,427	\$472	\$855	\$366	\$606	\$1,128	\$2,597	\$493
Dallas-Fort Worth	\$7,194	\$3,554	\$470	\$897	\$378	\$582	\$1,227	\$2,557	\$507
Detroit	\$7,054	\$3,287	\$470	\$863	\$339	\$542	\$1,073	\$2,439	\$380
Houston	\$6,023	\$3,107	\$429	\$813	\$343	\$535	\$987	\$2,630	\$297
Los Angeles	\$6,111	\$4,064	\$536	\$1,076	\$426	\$799	\$1,227	\$3,131	\$563
New York	\$5,737	\$3,879	\$573	\$1,102	\$433	\$735	\$1,036	\$3,174	\$563
Philadelphia	\$5,726	\$3,051	\$451	\$875	\$327	\$511	\$887	\$2,572	\$608
Phoenix	\$5,698	\$3,296	\$450	\$823	\$366	\$575	\$1,081	\$2,403	\$469
San Diego	\$5,622	\$3,472	\$463	\$818	\$357	\$709	\$1,126	\$3,073	\$445

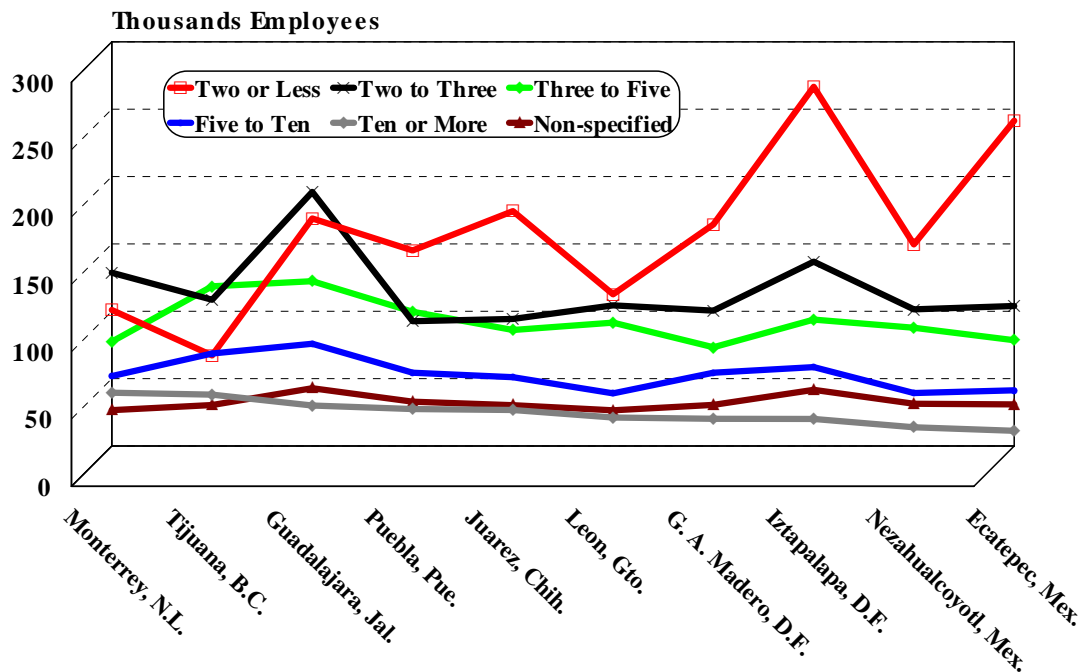
Source: Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov)

Since published expenditure patterns do not currently exist for Mexico, one way to approach the issue is to review information related to income ranges. Some of the metropolitan areas are highly industrialized and companies in the area hire unskilled workers who earn relatively low salaries. With 266,500 employees, Iztapalapa had the highest number of employees earning only one or two times the minimum wage in 2000, Ecatepec the Morelos followed very closely with 241,500 employees. Guadalajara accounted for the highest number of employees earning salaries varying from two to three times the minimum wage (figure 4).

On the other hand, Monterrey was the leading metropolitan area employing people earning more than ten times the minimum wage, while Guadalajara, with approximately 76,000 employees, had the largest number of employees earning between 5 and 10 times the minimum wage.

**Figure 4**

### Number of Employees in Mexican Metropolitan Areas by Multiple of Minimum Wage, 2000



Source: Secretaria de Trabajo y Prevision Social. Comision Nacional de Salarios Minimos

### **A Closer Look at the U.S. Market... The Ethnic Market**

An important ethnic food market has developed in the United States, influencing consumer purchasing patterns. In July 2005, over 30 percent of the people residing in the United States were considered ethnic. The largest group was Hispanics, followed by African Americans and Asian Americans.

Such a strong ethnic presence has resulted in a market for ethnic food products of about US\$75 billion per year in the United States, accounting for one out of every seven dollars spent on groceries. The ethnic food market is growing not only because of new immigrants, but also because many Americans prefer ethnic foods at least some of the time. In fact, 75 percent of ethnic food consumption comes from non-ethnic customers.

The growth of the ethnic market is strong as it is expected to increase by 50 percent over the next decade. Currently, 37 percent of all supermarket sales are composed of ethnic shoppers. However, this percentage is expected to increase as more retailers allocate additional shelf space for ethnic oriented products.

Food services are a major driver of the ethnic food market, representing 65 percent of the market. Furthermore, food services are also responsible for the introduction of new products and creation of trends. While U.S. supermarkets currently account for just 35% of the ethnic food sales, they are expanding participation in this market.

Although the newer ethnic products are not as mainstream as pizza or tacos, there is a strong growing demand by restaurants. Since potential profits are new entrants, more than 2,000 new ethnic products have been introduced since 2003.

As the popularity of ethnic foods increases and more people adopt the different foods of the world, the mainstream status is changing. Aside from Mexican and Italian foods, the most popular ethnic foods are Chinese, Japanese and Thai. Recent trends have also shown that Caribbean, African and Mediterranean foods as well as halal and kosher markets have an increasing consumer base.

It is important to note that ethnic foods have a wider consumer base in more affluent areas and television food shows, the internet, and new restaurant chains are key contributors to the ethnic influence on consumers. Moreover, this market is evolving. Future trends point to Australian, Brazilian, and Malaysian foods becoming increasingly popular with non-ethnic consumers.

## **Hispanic Market**

Among all the ethnic groups in the United States, Hispanics are of special importance. In fact, Hispanics are the largest ethnic minority group in the United States, representing 14.7 percent of the U.S. population in 2006. Thus, Hispanics are the largest potential ethnic food market. Not only are Hispanics the largest group, but they also are also the fastest growing ethnic group and the majority of these are Mexican. It is estimated that by 2012, one out of every five Americans will be Hispanic.

The economic power of Hispanic families is growing in the United States as well. Consumer expenditures by Hispanics increased from US\$504 billion in 2000 to over US\$750 billion in 2005. By 2008, it is expected that Hispanic Americans will have a purchasing power of US\$1.0 trillion. It is also estimated that Hispanics spend approximately US\$55 billion on food annually. Further, studies have found that Hispanic families spend approximately 7 percent more than the average American family on food and apparel.

The Hispanic consumer segment can be divided into many categories. One classification, however, is of special interest as it reflects important changes in consumption patterns. Native born Hispanics who have exclusively lived in the United States and immigrant Hispanics are the components of this classification.

Native born Hispanics usually speak fluent English and their consumer patterns are closely related to those of other Americans. Immigrant Hispanics are attracted to Spanish language media and consumption patterns reflect their heritage. These groups can be further broken down by country of origin. This is recommended since some differences between countries can help to build a better marketing campaign. It is estimated that 67

percent of Hispanics are Mexican, 14 percent are South American, 9 percent are Puerto Rican, 4 percent are Cuban, and 7 percent from elsewhere, including Central America and the Caribbean.

The following purchasing patterns were found for Hispanic families:

- Hispanic families are larger than the national average, and they prefer to prepare and serve food at home;
- Hispanics go shopping twice as often as the average American;
- Freshness and authenticity of fruits and vegetables are extremely important to the Hispanic consumer;
- Hispanics are attracted to bilingual packaging and Hispanic influenced promotional efforts; and
- Hispanic consumers are no more or less brand loyal than the average American consumer.

In order to effectively increase sales and market share, the strong and growing presence of Hispanics in the U.S. market should be an important element of any new marketing strategy, especially for onions and jalapeños. For instance, preferences for bilingual packaging, authenticity and freshness are aspects that can help increase sales for Chihuahuan producers, if correctly incorporated into marketing strategies

## **ONION MARKET WINDOWS**

To better understand the competitiveness of Chihuahua in the North American market, the following figures were generated using the most up-to-date information available related to production levels and prices.

Chihuahua is typically the second leading producer of onions in Mexico (figure 5). In 2005, Chihuahua was the leading onion producer, with 210,500 tons of production. Moreover, a growing trend in average Chihuahua onion production was discovered. In the period 1990-1994, Chihuahua's average onion production was 101,000 tons. For

2004-2005, average onion production in Chihuahua was 199,000 tons. Chihuahua production represents about 17 percent of total annual Mexican onion production.

Chihuahua's production occurs mostly from June to October, and represents 27 percent of Mexican production during that time (figure 6). Unfortunately, most Chihuahua production occurs when U.S. prices are declining and U.S. shipments are level (figure 7). Among main U.S. shippers during June-October are Texas, New Mexico, Georgia and Central California early in the period; and California, Washington, Oregon and Idaho, later in the period. Figure 8 shows how harvests seasons overlap between these states. Chihuahua onions produced earlier in the year would typically face much less competitive pressure, and therefore higher prices than the current market window. Exploration of earlier maturing varieties might be one option to consider in order improve market conditions and would result in a more orderly market situation.

In Appendix A, there is a list of various fruit and vegetable dealers and brokers, who can be contacted to improve the sales of onions by Chihuahua's producers.

**Figure 5**

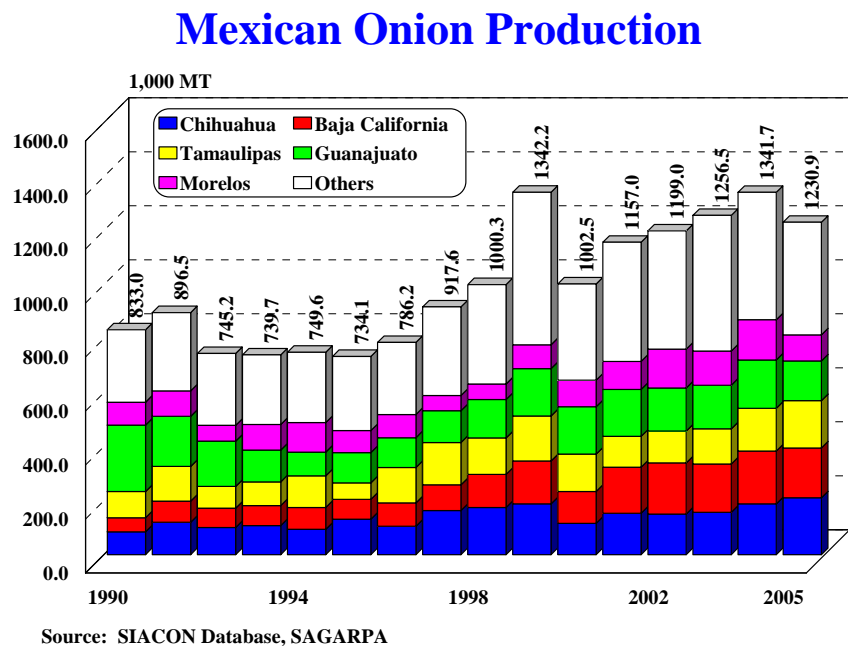
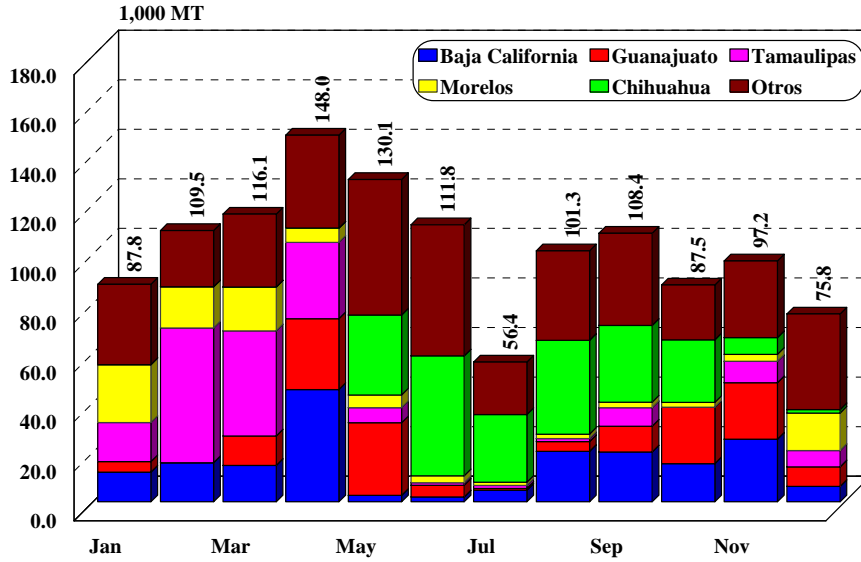


Figure 6

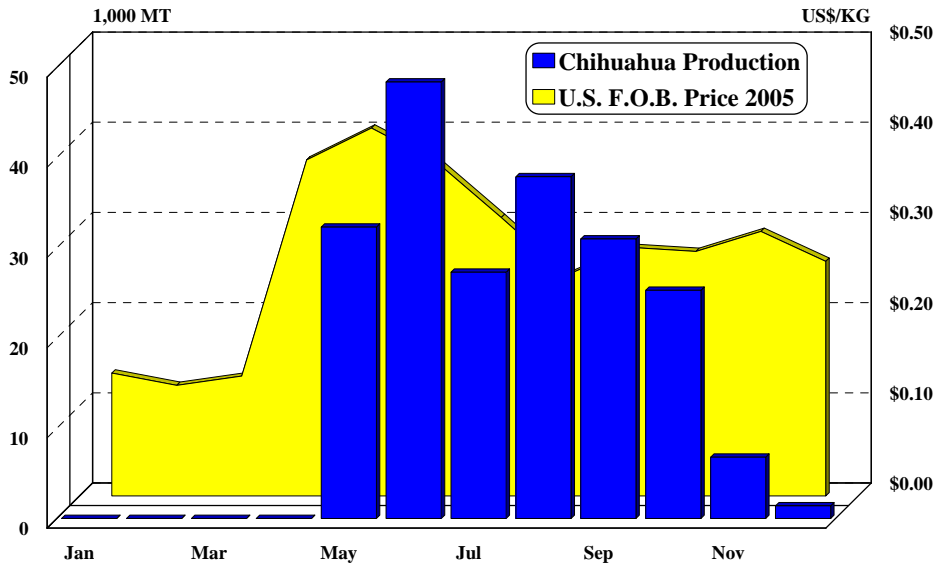
## 2005 Monthly Mexican Production of Onions



Source: SIACON Database, SAGARPA

Figure 7

## 2005 Monthly Chihuahua Production and U.S. Price of Onions

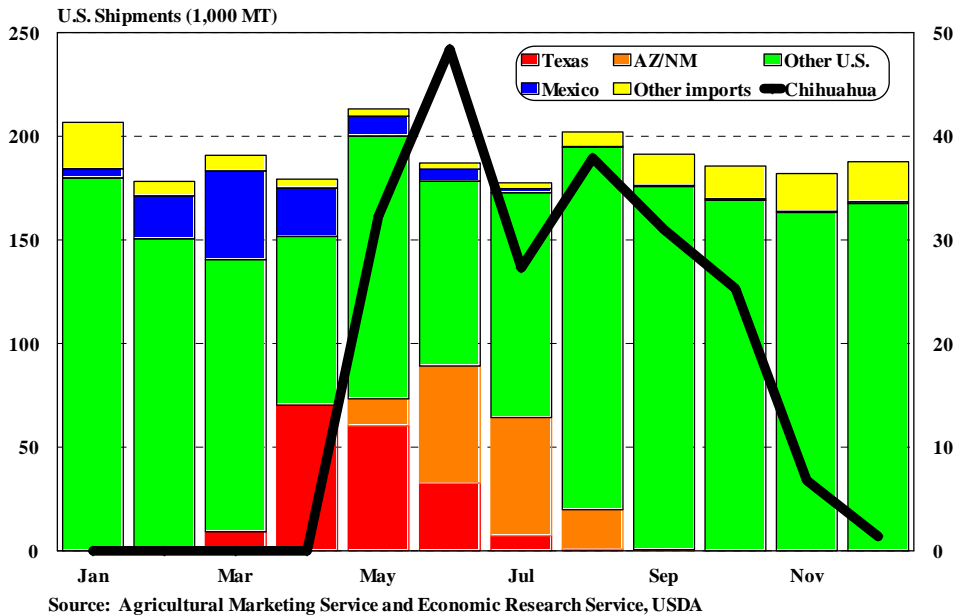


Source: FAS and NASS, USDA



**Figure 8**

### 2005 Monthly U.S. Shipments of Domestic and Imported Dry Onions and Chihuahua Production



### PEPPER MARKET WINDOWS

Information regarding jalapeños was not available since agricultural agencies in Mexico and the United States do not consistently report data for jalapeños peppers in a disaggregated form. However, the category of peppers as a whole can be considered to be a good proxy for such information when specific information regarding jalapeños is not available.

Chihuahua has been the leading producer of jalapeños in Mexico since 2002 (figure 9). Average Chihuahua production was 91.9 thousand tons in the period 1997-2005, and tripled to 279.7 thousand tons in 2005.

It is important to mention that Chihuahua pepper production typically represents 48 percent of Mexican pepper production and occurs from August through November.

Nevertheless, in August, more than 90 percent of the Mexican production is concentrated in Chihuahua (figure 10). Michoacan is Chihuahua’s main competitor within Mexico.

Similar to onions, Chihuahua’s peak jalapeño production occurs when U.S. import values are falling (figure 11). Earlier or later varieties, however, would be preferable in order to take advantage of higher prices and a less saturated market.

In Appendix A, there is a list of various dealers, who can be contacted to improve the sales of jalapeños by Chihuahua’s producers.

**Figure 9**

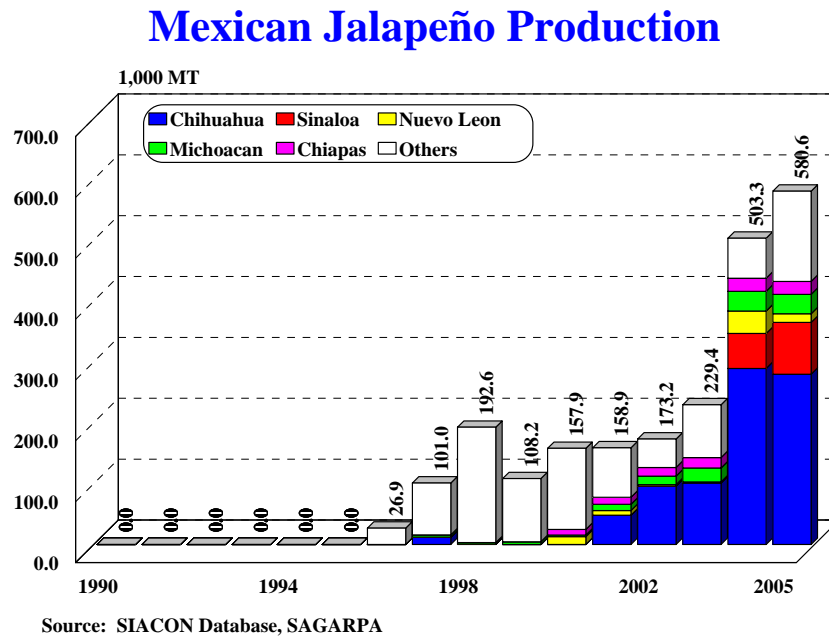
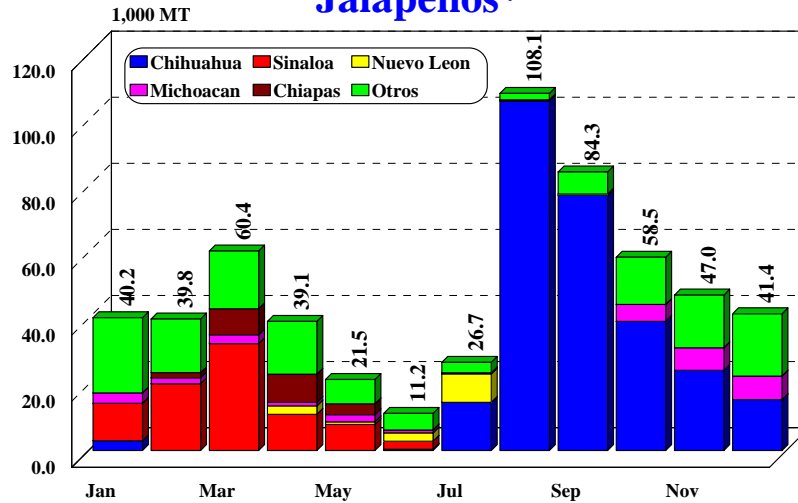


Figure 10

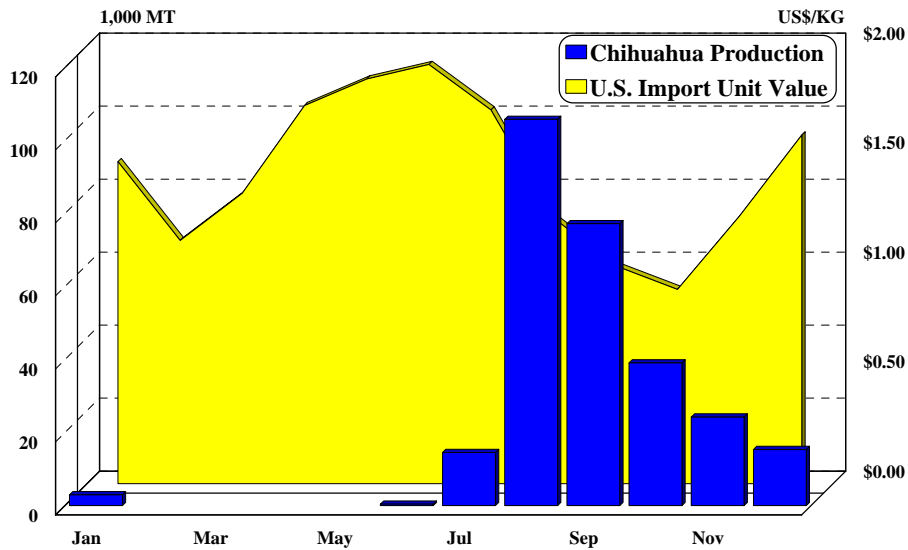
### 2005 Monthly Mexican Production of Jalapeños\*



Source: SIACON Database, SAGARPA  
 \*Based on seasonality of peppers production in general

Figure 11

### 2005 Monthly Chihuahua Production of Jalapeños\* and U.S. Import Unit Value of Peppers



Source: FAS and NASS, USDA  
 \*Based on seasonality of peppers production in general

## **Competitors and Opportunities for Mexican Peppers Producers in the U.S. Market<sup>1</sup>**

In 2006, the United States ranked as the sixth largest chili pepper producer in the world behind China, Mexico, Turkey, Indonesia, and Spain. One of the likely large competitors for Mexico and other pepper producers in the future is China. Output of all peppers in China has been rising steadily over the last decade. In fact, during 1993-95, China produced one-third of the world pepper output and by 2003-05, this country accounted for one-half of the world's production. In the future, China will have the capacity to increase its exports to the U.S. market. Nevertheless, thanks to the NAFTA and subsequent duty-free export opportunities, Mexico has been able to more than double the output of sweet and pungent peppers in the same period by expanding its market in Canada and the United States. It is also unclear whether Chinese peppers are equivalent substitutes for Mexican fresh peppers and how readily Chinese peppers will be accepted by U.S. consumers. Phytosanitary issues and compliance with U.S. regulations also could limit Chinese sales initially.

The use of chili peppers in the United States has increased 38 percent, moving from an annual average fresh-weight equivalent of 1.95 kilograms per person during 1993-95 to 2.68 kilograms during 2003-05. During the late 1980s and early 1990s, chili peppers were one of the fastest growing specialty produce items. Such growth resulted in a 25 percent increase in consumption during the 1990s compared to the 1980s. This positive trend continued until 2006, with consumption growth just below that of the 1990s.

According to the U.S. Census of Agriculture, 4,748 farms harvested chili peppers from 42,666 acres in 2002. This was up from 2,087 farms and 27,990 acres in 1987. Although 49 U.S. states produced chili peppers, the production was highly concentrated in just a few. The largest concentration of chili pepper acreage in the United States occurred in southern New Mexico, accounting for 39 percent of all chili pepper acreage in the United States. Most of the production in New Mexico was located in the Hatch valley and in the outskirts of the city of Las Cruces. The counties of Luna, Doña Ana, and Hidalgo

---

<sup>1</sup> In this section, the Chili peppers category is discussed. While this category includes jalapeños, it also includes other varieties of peppers.

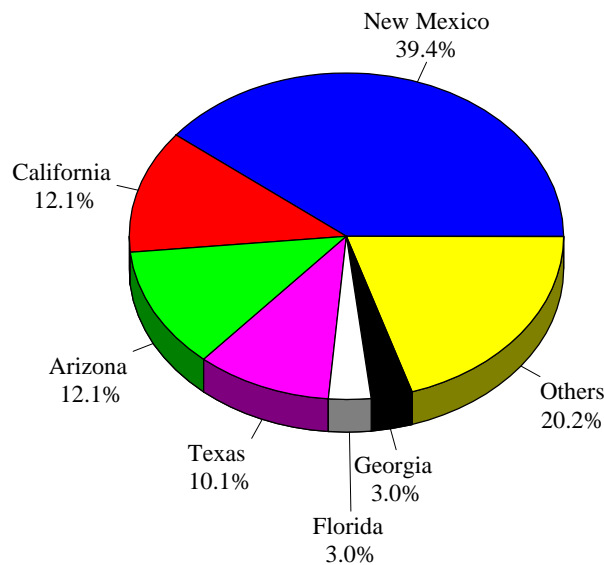
accounted for three-quarters of the state's chili acreage. It is worthy of note that 71 percent of the New Mexico chili acreage was dedicated for processing (figure 12).

California had the second highest chili pepper acreage. According to the 2002 Census of Agriculture, California accounted for 12 percent of all chili pepper acreage in the United States. However, different from New Mexico, chili production was widely distributed within the State, with about one-third in Monterey county and substantial area in both Ventura and Santa Clara counties. About three-fourths of the production was sold in the fresh market.

Other important U.S. chili pepper production states are Arizona, Florida and Texas. Eighty-one percent of Arizona's pepper production is used for processing. While two-thirds of the Texas crop is processed, most of Florida chili peppers are shipped into the fresh market.

**Figure 12**

### 2002 U.S. Pepper Acreage



Source: 2002 Census of Agriculture

The steady increase in demand for chili peppers in the United States has resulted in increased imports. Trade data, expressed on a fresh-equivalent basis, indicate that in the period 2003-05 imports represented 72 percent of the domestic supply, while the share of domestic use represented only 37 percent during 1983-85 and 44 percent during 1993-05. It is important to mention that fresh-market pepper imports to the United States are not broken down by sweet and pungent (such as jalapeños) types, which makes it impossible to analyze trade changes of jalapeños in particular. It is important to mention that most of those imports come out of Mexico. **In table 18, it is shown how the value of Mexican fresh chili pepper imports surpasses its competitors; however, other countries have overtaken Mexico for a larger share of the U.S. market for processed pepper imports.**

**Table 18. U.S. Chili Pepper Import Value, 2003-07 1/**

Item	2003	2004	2005	2006	2007
	-Million dollars-				
<i>Fresh market</i>					
Mexico	197.0	213.0	234.6	234.2	255.1
Canada	9.8	11.1	0.4	.8	.3
Dominican Republic	.2	.2	.5	1.3	3.5
Others	1.7	2.3	1.1	1.4	1.9
<i>Dried/dehydrated 2/</i>					
Mexico	25.2	19.5	25.2	19.7	17.5
India	16.6	22.8	20.1	19.5	31.1
China	16.1	20.7	17.8	17.0	24.0
Others	18.8	21.4	18.2	24.9	27.4
<i>Canned 3/</i>					
Mexico	6.3	6.8	9.0	8.3	4.9
Turkey	1.2	2.6	3.6	9.1	8.6
European Union	3.9	2.8	2.5	2.4	6.8
Peru	0.3	1.2	2.5	2.1	6.6
Others	1.5	1.3	1.4	1.6	4.4

1/ U.S. Customs value 2/Excludes Paprika powder 3/Excludes pimientos

Source: Bureau of the Census, U.S. Department of Commerce

### **Livestock Dynamics and Challenges to Chihuahua's Producers**

Globalization has caused major changes in many agricultural systems, including the beef cattle industry. Chihuahua cattle producers are no exception and will continue to be impacted by these changes. The market integration brought about by the NAFTA created both challenges and opportunities for Mexican cattle producers. The extent to which

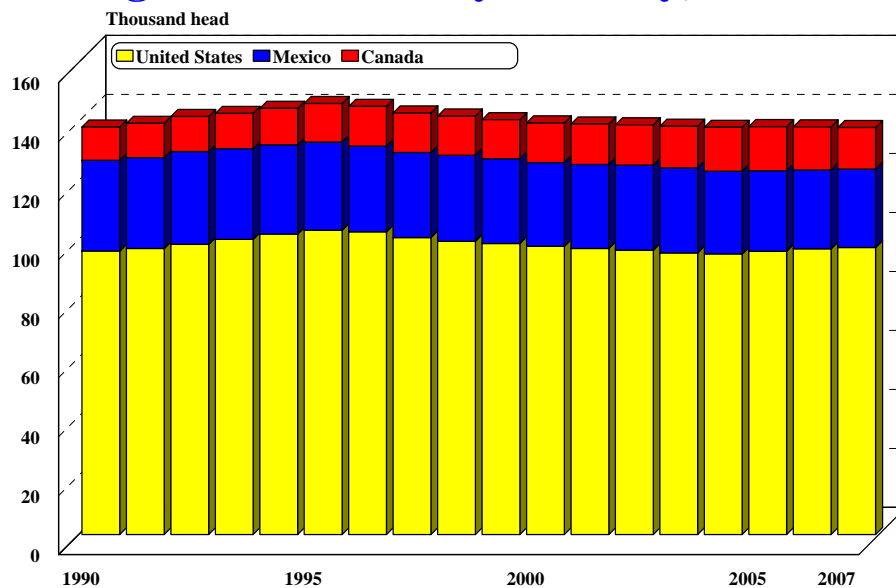
Chihuahua cattle producers adapt to these new conditions and learn how to take advantage of the new opportunities will ultimately determine their success or failure.

The most important issues surrounding the future of the North America cattle industry are discussed in a recent report issued by the Farm Foundation, *The Future of Animal Agriculture in North America*. Since Chihuahua producers are directly affected by the opportunities and challenges created as a consequence of market integration, a summary of the report findings follow.

It is important to mention the magnitude of the industry. In 2007, it was estimated that the United States, Mexico and Canada had an average combined cattle herd of 138 million head. The United States accounted for 71 percent of the total herd in North America, while Mexico accounted for 19 percent and Canada 10 percent (figure 13).

**Figure 13**

### Average Cattle Stock by Country, 1990-2007



Source: Production, Supply, and Demand Data, USDA, [www.fas.usda.gov/psdonline](http://www.fas.usda.gov/psdonline)

One of the most important trends in the North American cattle sector is the transition from a higher number of operations with smaller herds to a smaller number of operations with larger herds. The optimal size of cattle operations is expected to be increasingly driven by the extent to which economies of scale in production and marketing can be achieved. Effective supply chain management that improves cost efficiency and control, food safety and quality, and the ability to respond to consumer demands is part of this new trend. The role of technology as a means to increase efficiencies and provide information is also important to better manage the system.

Failure to implement changes in the Chihuahua cattle industry to adapt to these trends, making integration into the evolving supply-chain structures difficult, could put Chihuahua producers at a competitive disadvantage. One of the few options for small producers not integrated into the larger, cost efficient supply-chain structures is creating value-added niche markets. In these markets, consumers pay high enough premiums for differentiated products to offset the increased cost of production, grading, sorting, and distribution.

Another strategy could be for small and mid-size producers to form alliances or networks, letting them to act together as large producers in order to more effectively market feeder cattle. In both cases, a high level of cooperation and interdependence among producers would be necessary. Therefore, whichever path Chihuahua producers decide to take, being aware of new opportunities and challenges is a good starting point, and changes will be required.

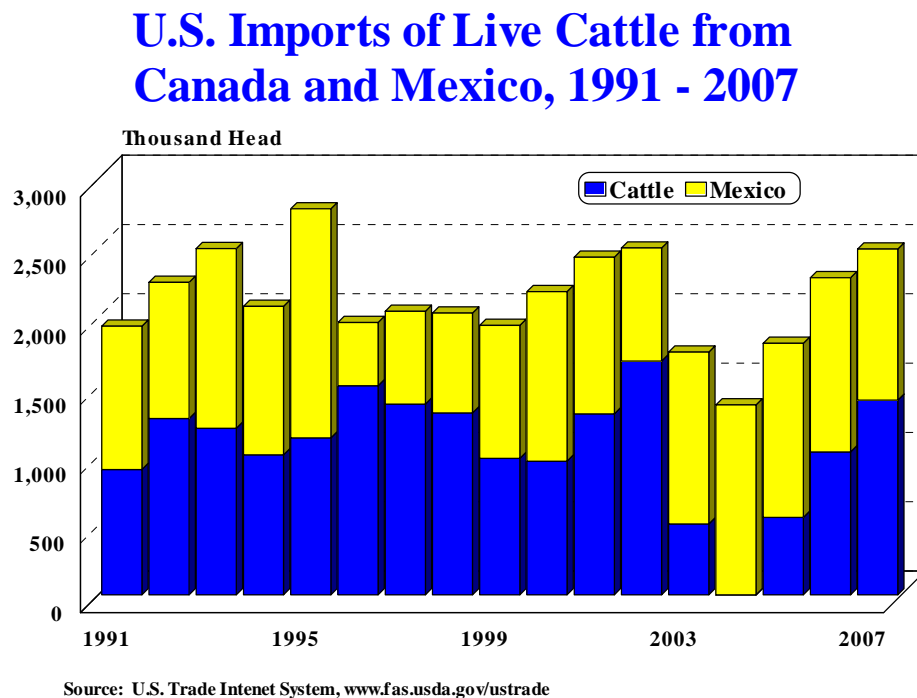
It is expected that interdependence between producers and processing plants will result in the development of production-processing centers and supporting infrastructure as the optimal strategy for growth and expansion in the industry. This integration is not only expected to bring economies of scale, but it can also be used to increase food safety, improve marketing of live cattle and meats, and may also create the perception that Chihuahua products represent a naturally produced, safe and a reliable source.



Food safety is thought to continue to be a paramount consumer expectation. Food safety failures will be increasingly less tolerated by consumers, and new regulations and product processing and packaging will continue to evolve to provide a better food safety. For some consumers, the ability to trace products and process attributes will be seen as a key element in their purchasing decisions. Then, it is likely that animal identification and traceability systems will have a key role in the future of the animal agriculture industry.

An example of the strong economic effects of food safety in North America occurred in 2003. The discovery of bovine spongiform encephalopathy (BSE) in Canada caused the United States to close its border to the imports of live cattle coming from that Canada, negatively affecting Canadian producers. The problem for Canada represented an opportunity to Mexico, which increased exports to the United States to substitute for the Canadian supply of live cattle and satisfy the demand in the U.S. market (figure 14).

**Figure 14**



NAFTA has helped the integration of animal agriculture among trade partners. However, the countries involved are not isolated from the rest of the world, leaving the door open to

more challenges. Two factors are primarily identified as the shaping forces in the North American exports of animal products: income of developing countries and trade agreements. Even though consumer income growth in the United States and Canada has slowed, consumer expenditures on beef have been relatively stable in recent years. These factors can change the per capita beef consumption patterns in the three countries. As of 2007, United States was the leading beef consumer in the North American market with an estimated 41.9 kilograms per person, with Canada and Mexico consuming 32.6 and 23.5 kilograms per person, respectively (table 18).

**Table 19. Per Capita Beef Consumption in North America (kilograms per person per year)**

Country	Year				
	2000	2004	2005	2006	2007
Canada	31.9	32.0	33.4	33.3	32.6
Mexico	23.3	23.0	23.3	23.9	23.5
United States	43.9	42.7	42.2	42.4	41.9

Carcass Weight Equivalent; *Sources:* FAOSTAT, Foreign Agricultural Service, and CIA World Fact Book

### **Summary and Options to Consider**

Chihuahua producers have been strongly impacted by trade resulting from the North American Free Trade Agreement (NAFTA). In addition, changes in the demographics have also raised additional challenges. For these reasons, it is important for Chihuahua producers to understand the demographics and its evolution for the three countries. In this regard, it was found that the people in Mexico tend to be younger than the people in the United States and Canada. Also, population growth rates were higher in Mexico compared to the United States and Canada. On the other hand, important differences in the income and concentration in metropolitan areas of the population in the United States and Canada can be useful to plan and implement marketing strategies that could help increase sales for Chihuahua producers.

Significant patterns in the trade of onions and jalapeños between Mexico and the United States were found. In both cases, the production of these crops in Chihuahua peaked when the import price started declining in the United States. This problem for Chihuahua producers calls for better ways to sell their products in the American market. For this reason, an attempt was made to identify and categorize some of the most important options to assist Chihuahua producers.

When considering options, Chihuahua onion, jalapeño and cattle producers should consider forming strategic alliances with other **producers, feedlots, and brokers**. For instance, as the number Chihuahua onion producers that participate in a marketing alliance increases, the ability of the group to assure buyers of consistent volumes grows. Further, buyers will have fewer sellers to negotiate with and play against each other. As a result, the prices received by the growers may increase. The same thought pattern applies to jalapeño and cattle producers.

Producers may also consider forming strategic alliances with brokers, food service suppliers, wholesalers, retail grocery chains, or even restaurants. By forming this type of alliance, relationships can be built over longer periods of time. Over the longer term, this can result in greater profits. To assist in this, Appendix A contains a list of vegetable brokers, including contact information and product coverage. It is not recommended to use a “shotgun approach” when contacting the brokers on the list, but rather focus on several firms with a more targeted approach.

Appendix B has information regarding major metropolitan areas in the United States and Canada. Included in this list are market shares of grocery retailers. A targeted approach to using this list would be effective, and geography should also be considered. The best approach may be to consider concentrating on Los Angeles, Houston, San Antonio, and Dallas-Fort Worth due to their proximity to Chihuahua. This would lead to lower transportation costs and less time in transit. Further, if only a few retail chains were targeted, such as HEB for San Antonio and Houston, Walmart for Dallas-Fort Worth, San

Antonio, and Houston, or Albertsons for Los Angeles and Dallas-Fort Worth, marketing efforts could be greatly multiplied.

Do not overlook the potential benefits of establishing relationships with smaller chains, such as Fiesta Mart in Houston and Minyard's in Dallas-Fort Worth. Each of these chains has about a ten percent market share of these areas, and may be a better fit for an alliance of Chihuahua onion and jalapeño producers than some of the larger stores

The integration of the North American market has caused important changes and will continue to shape agriculture in the three countries. The extent to which Chihuahua producers change and adapt to these changes will determine their success or failure in the future.

## References

Agriculture and Agri-Food Canada. *US Ethnic Food Market*. <http://www.ats.agr.gc.ca/>.

Canada's National Statistical Agency. <http://www40.statcan.ca/101/cst01/famil10c.htm>.

Central Intelligence Agency. *CIA World Factbook*. <https://www.cia.gov>.

Economic Research Service, USDA. *Vegetables and Melons Outlook. Livestock, Dairy, and Poultry Outlook*. [www.ers.usda.gov](http://www.ers.usda.gov).

Economic Research Service, USDA. *Livestock, Dairy, and Poultry Outlook*. [www.ers.usda.gov](http://www.ers.usda.gov)

Farm Foundation. *The Future of Animal Agriculture in North America*. <http://www.farmfoundation.org>.

Food and Agriculture Organization of the United Nations. FAOSTAT. <http://faostat.fao.org>.

Foreign Agricultural Services, USDA. *U.S. Trade Internet System*. [www.fas.usda.gov/ustrade](http://www.fas.usda.gov/ustrade).

Foreign Agricultural Service, USDA. *Production, Supply, and Demand Data*. [www.fas.usda.gov/psdonline](http://www.fas.usda.gov/psdonline).

Instituto Nacional de Estadística Geografía e Informática. Sistema Municipal de Datos. *XII Censo General de Población y Vivienda 2000. Cuaderno estadístico de la Zona Metropolitana de la Ciudad de México, 2005*. <http://sc.inegi.gob.mx/simbad>.

International Monetary Fund. <http://www.imf.org>.

National Agricultural Statistical Service, USDA. *2002 U.S. Census of Agriculture*.

Statistics Canada. *2001 Census of Canada*. <http://www12.statcan.ca/english/census01/home/index.cfm>.

Secretaria de Trabajo y Previsión Social. Comisión Nacional de los Salarios Mínimos.

Servicio de Información y Estadística Agroalimentaria y Pesquera of Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SIAP/SAGARPA), the Statistics Division of the Mexican Ministry of Agriculture.

The Packer. *2008 Fresh Trends Annual Consumer Survey*. Vance Publishing, Lenexa, KS, 2008.

U.S. Census Bureau. *County and City Data Book: 2000* <http://www.census.gov>.

**Appendix A**  
**U.S. Produce Brokers**



## **Appendix A. U.S. Produce Brokers**

### **SyKatz Produce Inc.**

Full line of Mexican Vegetables & Vine-ripe tomatoes

877-509-3630, 520-377-2000, fax: 520-377-0298

Owen Margolis, Jim Robertson Jr., Cal McLachlan

### **TDI Tanimura Distributing Inc.**

Hands-on quality control inspections on all commodities. Consolidation services available.

Nogales, Arizona	520-281-2600	Mario Arturo Rodriguez
Los Angeles, California	213-896-4300	President- Kirby Tanimura,
Sales- Chris Tagami, Daryl Tanita, Karl Horiuchi, Ross Huetinck, Jose M. Serrano,		
Arthur Duran		

### **WilsonBatiz**

Vine-ripe, roma and grape tomatoes, hot peppers, cucumbers, grapes, squash and mini sweet peppers. Greenhouse grown: tomatoes, cluster tomatoes, roma and grape tomatoes, cucumbers, mini sweet peppers, colored bell peppers and mini cucumbers.

Nogales, Arizona 520-375-5755, fax: 520-375-5855, warehouse: 520-375-5743

Enrique Arana ext. 2230, Eric Meyer ext. 2229, Alicia Bon Martin ext. 2231,

David Lundstrom ext. 2235

San Diego, California 619-710-2020, fax: 619-710-2039

Rudy Batiz ext. 2021, Dennis Hay ext. 2022, Isabel Pena ext. 2023

### **Thomas Produce Sales, Inc.**

All varieties. Tomatoes and all mixed vegetables

1-800-247-6608

1-800-247-6609 Chuck, Richard & Charlie



**Tepeyac Produce, Inc.**

Squash (italian), hot peppers, vine-ripe tomatoes, tomatoes, roma tomatoes, colored bell peppers, greenhouse bell peppers

Nogales, Arizona 520-281-9081, fax: 520-281-9732, warehouse: 520-281-9195

Sales- Ruben Pesqueira & Mark Jones, Warehouse- Richard Serrano

**Weis-Buy Farms** Tomatoes, peppers, romas, vegetables, cantaloupes, honeydew

Nogales Florida 800-910-7096, fax: 239-433-3773

Sales- Chuck, Hank, David, Mark, Brian K., Arthur, JoLene

**Veggies Inc.** Produce in general

Nogales 520-281-5900, fax: 520-281-5922, warehouse: 520-281-5908

**Old El Paso Z&S Fresh** Fruit and vegetables

800-346-9211, fax: 520-281-1579

**JPM Sales Co., Inc** Fruits and vegetables

Nogales, Arizona 520-281-1607

Jim Munguia, Francisco Hernandez, Reyes German Jr.

**Keith Connell, Inc.**

Mexican fruits and vegetables

Rio Rico, Arizona 520-377-2308, 888-477-2308

Jimmy Connell, Dan O'Neil, Victor Valencia, Danny Connell, German Gallego

**Maui-Fresh International**

Nogales, Arizona 520-281-2644

Javier J.J. Badillo, Marc Mendivil, Daniela Velasco, Justin Lombardi

Santa Paula, California 805-921-3200

Mike Angelo, Liz Badillo, Art Bruno, Andy Bruno, Sandy Eason, Joe Navarro

**Malena Produce, Inc.**

Various commodities

Nogales, Arizona

520-281-1533, fax: 520-281-2156

Danny, Saul, Gonzalo

**Meyer**

Tomatoes: mature green, vine-ripe, roma, cherry, greenhouse  
beefsteak tomatoes. Vegetables: Green bell peppers, greenhouse colored bells.

520-264-1111, 520-375-6524, 520-264-0011

John McDaniel, Raquel Mendivil, Steve Harsh

**L&M Companies, Inc.**

Fruits and vegetables

Nogales, Arizona

520-281-0114

**Prime Sales, Inc.**

Fruits and vegetables

Rio Rico, Arizona

520-281-1298, fax: 520-281-1055

Alonzo, Arnie, Ted, Neo

**Prime Time**

Red yellow and green peppers

Nogales, Arizona

760-399-4166, fax: 760-399-4281

**Performance Produce**

Nogales, Arizona

520-281-0700, fax: 520-281-0600

Alberto Puchi, Rudy Leal, Danny Puchi, Jerry Tabarez

**P.D.G. Produce Inc.**

Cucumbers, bell peppers, squash, tomatoes, cherry  
tomatoes, peas, watermelons, cantaloupes, eggplant & honeydews

Nogales, Arizona

520-281-2607, fax: 520-281-4306, warehouse: 520-281-1009

Paul Guy, Max Allen, Enrique Heredia, Javier Esquivias

**Omega Produce Co, Inc.** Cucumbers, grapes, green bells, italian squash, jalapenos, kabocha, red bells, romas, tomatoes, watermelons, yellow S/N, eggplant, tomatillo, yellow bells, honeydews, perisan pickles  
Nogales, Arizona 520-281-0410, warehouse: 520-281-1258  
Nick Gotsis, Toru Fujiwara, Paul Bachelier, George Gotsis

**Rene Produce** Eggplant, cucumbers, tomatoes, roma tomatoes, bell peppers, zuchini, green house bell peppers, green house tomatoes, european cucumbers, slicer cucumbers & cluster tomatoes  
Nogales, Arizona 520-281-9206, warehouse: 520-281-0806  
Jorge Quintero, Jaime Hernandez, Paula Condes

**Sigma Sales** Distributing a full line of fruits and vegetables  
Rio Rico, Arizona 520-281-1900, fax: 520-281-4468  
Mike Smith, Sean Barton, Steven V. Schmitz, Lou Morello and Patsy Norzagaray

**Nova Produce** Field-grown tomatoes and mixed vegetables  
Florida, Nogales, California 800-476-1141, 888-281-8988  
Gary Budd, Victor Dimes, Lorie Lubyk, John Luciano, Alonzo Moya, Holly Primmer, Jim Sparks

**Sucasa Produce** Cucumbers, eggplant, italian squash, yellow squash, bell peppers, roma tomatoes, chilis, tomatoes, watermelon, beans, pickles  
Old Tucson Rd. 520-281-1409, fax: 520-281-9467  
Rob Soto, Chris King, Billy Donnelly

**Seacoast Distributing, Inc.** Full line of fruits & vegetables  
Dana Point, California 949-496-3302, fax: 949-496-9514  
Vic Rodriguez, Vince Towles, Joe La Mesa, Brent Batali, Marianne Hamburger-Ridsdale

**Sunny Valley Organics**                      Greenhouse tomatoes, two-layer tomatoes, roma tomatoes, grape tomatoes, eggplant, greenhouse bell pepper, green beans, cucumbers, zucchini, mini sweet peppers  
520-281-2213, fax: 520-281-1399      Sunny, Miguel or Eduardo

**Appalachian Produce Co., Inc.**  
Rio Rico, Arizona                              520-281-1561, fax:520-281-4349  
Bobby Hanan, Jim Huber, Linda Hanan

**Big Chuy Distributors & Sons, Inc.**              Seeded & Seedless watermelon, winter squash, mini watermelons, cucumbers and mixed vegetables  
Nogales, Arizona                              520-281-4909, fax: 520-281-4835  
Jesus Lopez Jr., Mike Gerardo & Alex Lopez

**Bay Area Produce Inc.**                      Full line of fresh fruits & vegetables  
San Jose California                              408-395-1111  
Leo Goscila, Hank Imwalle, Ken Sato, Bob Loyst, Jack Holliday, Mike D'Antonio, Debbie Noyes, Steve Morris  
Nogales, Arizona                              520-761-1240  
Rosie Favela Cornelius, Jerry Meek, Ruben Zuniga, Luis Gonzalez, Pat Leal  
Grass Valley, California                      530-271-7017                              Larry Giacalone  
Rancho Santa Fe, California                      858-759-3489                              Dan Kerrigan  
San Clemente, California                      949-498-5942                              Dave Westendorf  
Visalia, California                              559-739-8747                              Tony Taviano

**Ciruli Bros Amex Distributing Co., Inc.**      Full line of Mexican fruits and vegetables  
Nogales, Arizona Donna, Texas      520-281-9696, fax: 520-281-1473  
Chuck Jr., Chris, Bert, Brian, Bernie, Ana, Susan, Steve, Maria, Hector

**Crown Jewels** Bell peppers, cucumbers, squash, eggplant, romas,  
grape tomatoes, chilis, watermelon, honeydew & grapes  
Nogales, Arizona 520-281-2325, fax: 520-281-2347  
Butch, Luis & Tobbie  
Fresno, California 559-438-2335, fax: 559-438-2341  
Rob, Steve P., Randy, George, Russ, Steve H. & Atomic

**Del Campo** Vine-ripe, roma and grape tomatoes, red bell  
peppers, eggplant, avocados, hydroponic beefsteak & cluster tomatoes, red, yellow &  
orange bell peppers, european cucumbers.  
Rio Rico, Arizona 520-281-4733, shipping: 520-281-4722  
Jim Cathey, Hector Sanchez, Patricia Lopez, Tony Grieb, Martin Ley, Jose Flores,  
Guillermo Brown

**The Giumarra Companies** Shipping watermelons, vegetables & tomatoes  
Rio Rico, Arizona 520-281-1981, fax: 520-761-3889  
John Corsaro, Nick Rendon, Ricardo Sanchez, Cesar Pacheco, Alan Durazo, Job  
Villanueva

**Arkansas Tomato Shippers** Tomatoes, cucumbers, bell peppers, squash, beans,  
mixed melons, hot peppers  
Nogales, Arizona 888-706-2400

**Bernardi & Associates, Inc.** Tomatoes, mixed vegetables and melons  
Nogales, Arizona 520-281-4011, fax: 520-281-2090  
Al Bernardi, Joe Bernardi, Manny Gerardo, Joseph de la Ossa, Alex Leon, Lenny  
Bracamonte, John Willis  
San Diego, California 858-279-5075, fax: 858-279-5097  
Turlock, California 209-669-3445, fax: 209-669-3746  
Fort Myers, Florida 239-334-8230, fax: 239-334-6756

**Damon** Tomatoes, romas, cherries, cucumbers, squash, eggplant, peppers, beans, oranges, chili peppers, cantaloupes, honeydews, watermelon  
Los Angeles, California 520-761-3055, 520-281-1682, 213-694-2810  
Michael Damon, Chris Damon, Ken Damon, Marcell Parra, Scott Melvin, Robert Quihuis, Gustavo Andrade, Marco Serrano

**Fresh Direct, Inc.** Vine-ripe tomatoes & mixed vegetables  
Nogales, Arizona 520-287-0754, fax: 520-287-0780  
Jorge Ruiz, Jason Martin, Freddy Pacheco, Tony Morales & Jorge Saavedra

**Grower's Pride, L.L.C.** Third-party food safety certified facility with customers tailored repack programs available. On-ground inspection, consolidation & in/out service available  
Rio Rico, Arizona 520-377-2740, fax: 520-377-2745  
J. Harry Ram, Jaime Contreras

**JMB Distributing, Inc.** Specialize in top-quality green beans  
Rio Rico, Arizona 520-281-9322, fax: 520-281-9352, warehouse: 520-980-5169

**Calixtro Distributing, Inc.** All melons, tomatoes and mix vegetables  
Rio Rico, Arizona 520-281-3432, fax: 520-281-3438  
Joe Calixtro, Richard Calixtro, Charlie Calixtro, Frank Calixtro, Bob Calixtro, Fernando Huerta, Rene Rodriguez, Mickey Bachelier.

**Covilli Brand Organics, Inc.** Organic mixed vegetables and melons  
Calexico, California 760-768-5440, fax: 760-768-5441 Alex Madrigal  
Nogales, Arizona 520-377-2202, fax: 520-377-2984

**Foodsource** Bell peppers, tomatoes, cucumbers, squash, chilies  
Nogales, Arizona 866-880-1952 Rod Sbragia

**J. Michael & Co.**

760-634-6420, fax: 760-634-6424

Full line of fruits & vegetables from Mexico

Waynee Nakaji & Ed Espinoza

**J.O.P. Distributing, Inc.**

Rio Rico, Arizona

All fruits and vegetables

520-281-9091, fax: 520-281-9194 Joe O. Puchi Jr.

## **Appendix B**

# **Market Information for Leading U.S. and Canadian Metropolitan Areas**





**Appendix B. Market Information for Leading U.S. and Canadian Metropolitan Areas (Source: *The Packer Newspaper*)**

City	Date	Highlights																												
<b>New York</b>	<b>02/28/2005</b>	<p>1.8 million people live in the metropolitan area, which includes parts of New York, New Jersey and Pennsylvania in 2000, according to the U.S. Census Bureau.</p> <p>New York city has five boroughs with 18,000 restaurants, according to <a href="http://www.iloveny.com">www.iloveny.com</a></p>																												
<b>Dallas-Fort Worth</b>	<b>02/07/2005</b>	<p>2000 population for the metro area, 5.2 million</p> <table border="1"> <thead> <tr> <th rowspan="2">City</th> <th rowspan="2">Store's name</th> <th colspan="2">Market share</th> </tr> <tr> <th>2002</th> <th>2003</th> </tr> </thead> <tbody> <tr> <td rowspan="7">Dallas</td> <td>Wal-Mart</td> <td>13.5%</td> <td>19.9%</td> </tr> <tr> <td>Tom Thumb</td> <td>18.5%</td> <td>17.7%</td> </tr> <tr> <td>Albertsons</td> <td>19.1%</td> <td>16.9%</td> </tr> <tr> <td>Kroger</td> <td>14.9%</td> <td>12.8%</td> </tr> <tr> <td>Minyard</td> <td>10.7%</td> <td>9.9%</td> </tr> <tr> <td>Brookshire</td> <td>4.4%</td> <td>4.1%</td> </tr> <tr> <td>Otro</td> <td>9.0%</td> <td>18.0%</td> </tr> </tbody> </table> <p align="right"><b>Source:</b> Shelby Report of the Southwest</p>	City	Store's name	Market share		2002	2003	Dallas	Wal-Mart	13.5%	19.9%	Tom Thumb	18.5%	17.7%	Albertsons	19.1%	16.9%	Kroger	14.9%	12.8%	Minyard	10.7%	9.9%	Brookshire	4.4%	4.1%	Otro	9.0%	18.0%
City	Store's name	Market share																												
		2002	2003																											
Dallas	Wal-Mart	13.5%	19.9%																											
	Tom Thumb	18.5%	17.7%																											
	Albertsons	19.1%	16.9%																											
	Kroger	14.9%	12.8%																											
	Minyard	10.7%	9.9%																											
	Brookshire	4.4%	4.1%																											
	Otro	9.0%	18.0%																											
<b>Houston</b>	<b>02/07/2005</b>	<p>2000 population for the metro area, 4.7 million</p> <table border="1"> <thead> <tr> <th rowspan="2">City</th> <th rowspan="2">Store's name</th> <th colspan="2">Market share</th> </tr> <tr> <th>2002</th> <th>2003</th> </tr> </thead> <tbody> <tr> <td rowspan="7">Houston</td> <td>Kroger</td> <td>29.4%</td> <td>26.2%</td> </tr> <tr> <td>Wal-Mart</td> <td>10.0%</td> <td>18.5%</td> </tr> <tr> <td>Randall's</td> <td>14.5%</td> <td>14.3%</td> </tr> <tr> <td>HEB</td> <td>14.1%</td> <td>13.1%</td> </tr> <tr> <td>Fiesta Mart</td> <td>10.4%</td> <td>8.9%</td> </tr> <tr> <td>Lewis Food Town</td> <td>2.5%</td> <td>2.4%</td> </tr> <tr> <td>Otro</td> <td>19.0%</td> <td>16.6%</td> </tr> </tbody> </table> <p align="right"><b>Source:</b> Shelby Report of the Southwest</p>	City	Store's name	Market share		2002	2003	Houston	Kroger	29.4%	26.2%	Wal-Mart	10.0%	18.5%	Randall's	14.5%	14.3%	HEB	14.1%	13.1%	Fiesta Mart	10.4%	8.9%	Lewis Food Town	2.5%	2.4%	Otro	19.0%	16.6%
City	Store's name	Market share																												
		2002	2003																											
Houston	Kroger	29.4%	26.2%																											
	Wal-Mart	10.0%	18.5%																											
	Randall's	14.5%	14.3%																											
	HEB	14.1%	13.1%																											
	Fiesta Mart	10.4%	8.9%																											
	Lewis Food Town	2.5%	2.4%																											
	Otro	19.0%	16.6%																											

City	Date	Highlights																																
San Antonio	02/07/2005	<p>2000 population for the metro area, 1.7 million</p> <table border="1" data-bbox="646 331 1446 753"> <thead> <tr> <th data-bbox="646 331 816 378">City</th> <th data-bbox="816 331 1065 378">Store's name</th> <th colspan="2" data-bbox="1065 331 1446 378">Market share</th> </tr> <tr> <td colspan="2"></td> <th data-bbox="1065 378 1256 424">2002</th> <th data-bbox="1256 378 1446 424">2003</th> </tr> </thead> <tbody> <tr> <td data-bbox="646 424 816 753" rowspan="7">San Antonio</td> <td data-bbox="816 424 1065 470">HEB</td> <td data-bbox="1065 424 1256 470">72.4%</td> <td data-bbox="1256 424 1446 470">67.1%</td> </tr> <tr> <td data-bbox="816 470 1065 516">Wal-Mart</td> <td data-bbox="1065 470 1256 516">9.2%</td> <td data-bbox="1256 470 1446 516">19.3%</td> </tr> <tr> <td data-bbox="816 516 1065 562">Military</td> <td data-bbox="1065 516 1256 562">5.8%</td> <td data-bbox="1256 516 1446 562">3.9%</td> </tr> <tr> <td data-bbox="816 562 1065 609">Bear County Mkts</td> <td data-bbox="1065 562 1256 609">4.1%</td> <td data-bbox="1256 562 1446 609">3.1%</td> </tr> <tr> <td data-bbox="816 609 1065 655">Kmart, Target</td> <td data-bbox="1065 609 1256 655">2.0%</td> <td data-bbox="1256 609 1446 655">2.3%</td> </tr> <tr> <td data-bbox="816 655 1065 701">Foodarama</td> <td data-bbox="1065 655 1256 701">1.5%</td> <td data-bbox="1256 655 1446 701">1.2%</td> </tr> <tr> <td data-bbox="816 701 1065 747">Otro</td> <td data-bbox="1065 701 1256 747">5.1%</td> <td data-bbox="1256 701 1446 747">3.1%</td> </tr> </tbody> </table> <p data-bbox="1133 758 1568 785" style="text-align: right;"><b>Source:</b> Shelby Report of the Southwest</p>	City	Store's name	Market share				2002	2003	San Antonio	HEB	72.4%	67.1%	Wal-Mart	9.2%	19.3%	Military	5.8%	3.9%	Bear County Mkts	4.1%	3.1%	Kmart, Target	2.0%	2.3%	Foodarama	1.5%	1.2%	Otro	5.1%	3.1%		
City	Store's name	Market share																																
		2002	2003																															
San Antonio	HEB	72.4%	67.1%																															
	Wal-Mart	9.2%	19.3%																															
	Military	5.8%	3.9%																															
	Bear County Mkts	4.1%	3.1%																															
	Kmart, Target	2.0%	2.3%																															
	Foodarama	1.5%	1.2%																															
	Otro	5.1%	3.1%																															
Los Angeles	08/09/2004	<p>The market totals \$11.6 billion.</p> <p>The retail grocery market is divided as follows:</p> <table border="1" data-bbox="457 984 1529 1407"> <thead> <tr> <th data-bbox="457 984 701 1077">Store's name</th> <th data-bbox="701 984 1008 1077">2004 market share</th> <th data-bbox="1008 984 1224 1077">2004 # of stores</th> <th data-bbox="1224 984 1529 1077">Jun-Ago 06 Market share</th> </tr> </thead> <tbody> <tr> <td data-bbox="457 1077 701 1123">Ralphs</td> <td data-bbox="701 1077 1008 1123">21.80%</td> <td data-bbox="1008 1077 1224 1123">150</td> <td data-bbox="1224 1077 1529 1123">20.40%</td> </tr> <tr> <td data-bbox="457 1123 701 1169">Vons</td> <td data-bbox="701 1123 1008 1169">16.60%</td> <td data-bbox="1008 1123 1224 1169">111</td> <td data-bbox="1224 1123 1529 1169">15.59%</td> </tr> <tr> <td data-bbox="457 1169 701 1215">Albertsons</td> <td data-bbox="701 1169 1008 1215">12.90%</td> <td data-bbox="1008 1169 1224 1215">87</td> <td data-bbox="1224 1169 1529 1215">11.76%</td> </tr> <tr> <td data-bbox="457 1215 701 1262">Food 4 Less</td> <td data-bbox="701 1215 1008 1262">7.10%</td> <td data-bbox="1008 1215 1224 1262"></td> <td data-bbox="1224 1215 1529 1262">8.00%</td> </tr> <tr> <td data-bbox="457 1262 701 1308">Smart &amp; Final</td> <td data-bbox="701 1262 1008 1308">4.40%</td> <td data-bbox="1008 1262 1224 1308"></td> <td data-bbox="1224 1262 1529 1308">4.11%</td> </tr> <tr> <td data-bbox="457 1308 701 1354">Stater Bros.</td> <td data-bbox="701 1308 1008 1354">3.60%</td> <td data-bbox="1008 1308 1224 1354"></td> <td data-bbox="1224 1308 1529 1354">4.05%</td> </tr> <tr> <td data-bbox="457 1354 701 1400">Otro</td> <td data-bbox="701 1354 1008 1400">33.80%</td> <td data-bbox="1008 1354 1224 1400"></td> <td data-bbox="1224 1354 1529 1400">36.13%</td> </tr> </tbody> </table> <p data-bbox="1182 1413 1568 1440" style="text-align: right;"><b>Source:</b> March 2004 Shelby Report</p>	Store's name	2004 market share	2004 # of stores	Jun-Ago 06 Market share	Ralphs	21.80%	150	20.40%	Vons	16.60%	111	15.59%	Albertsons	12.90%	87	11.76%	Food 4 Less	7.10%		8.00%	Smart & Final	4.40%		4.11%	Stater Bros.	3.60%		4.05%	Otro	33.80%		36.13%
Store's name	2004 market share	2004 # of stores	Jun-Ago 06 Market share																															
Ralphs	21.80%	150	20.40%																															
Vons	16.60%	111	15.59%																															
Albertsons	12.90%	87	11.76%																															
Food 4 Less	7.10%		8.00%																															
Smart & Final	4.40%		4.11%																															
Stater Bros.	3.60%		4.05%																															
Otro	33.80%		36.13%																															
Toronto	03/07/2005	<ul data-bbox="472 1551 1555 1814" style="list-style-type: none"> <li>• Toronto is Canada's largest retail market, representing \$33 billion or 14% of total Canadian retail sales.</li> <li>• Toronto's population is 2.5 million, making it Canada's largest city.</li> <li>• One quarter of Canada's population lives within a 100-mile radius of Toronto.</li> <li>• More than 100 languages and dialects are spoken in Toronto, and 43% of the population reported themselves as a visible minority.</li> </ul>																																

City	Date	Highlights																																																
Los Angeles	08/11/2003	<p>Los Angeles is the second-largest US metropolitan statistical area. The metro area's population increased more than 12% from 1990-2000, from 14.5 million to 16.3 million.</p> <p>The diverse population of Los Angeles today distinguishes the city as the cultural hub of the Pacific Coast. People from about 140 countries, speaking about 86 languages, call Los Angeles home.</p> <p>Individual city populations in Los Angeles are:</p> <table border="1" data-bbox="699 604 1252 1083"> <thead> <tr> <th>City</th> <th>Population (1,000)</th> </tr> </thead> <tbody> <tr><td>Los Angeles</td><td>3800.0</td></tr> <tr><td>Long Beach</td><td>472.0</td></tr> <tr><td>Santa Ana</td><td>343.0</td></tr> <tr><td>Anaheim</td><td>342.0</td></tr> <tr><td>Riverside</td><td>274.0</td></tr> <tr><td>Glendale</td><td>199.4</td></tr> <tr><td>Huntington Beach</td><td>193.7</td></tr> <tr><td>San Bernardino</td><td>191.6</td></tr> <tr><td>Oxnard</td><td>177.9</td></tr> <tr><td>Garden Grove</td><td>167.4</td></tr> <tr><td>Oceanside</td><td>165.9</td></tr> <tr><td>Ontario</td><td>165.0</td></tr> <tr><td>Invine</td><td>162.0</td></tr> <tr><td>Pomona</td><td>153.0</td></tr> </tbody> </table> <p>Area cities are among the leading US grocery markets sales:</p> <table border="1" data-bbox="570 1173 1419 1367"> <thead> <tr> <th>Nacional rank</th> <th>City</th> <th>Sales (billon)</th> </tr> </thead> <tbody> <tr><td>1</td><td>Los Angeles</td><td>\$11.5</td></tr> <tr><td>13</td><td>Riverside-Sand Bernardino</td><td>\$4.7</td></tr> <tr><td>14</td><td>Orange County</td><td>\$4.5</td></tr> <tr><td>15</td><td>San Diego</td><td>\$4.0</td></tr> <tr><td>72</td><td>Ventura</td><td>\$1.1</td></tr> </tbody> </table> <p><b>Sources:</b> Chain store guide 2003 directory of supermarket, grocery and convenience stores; <a href="http://www.gocalifornia.about.com">www.gocalifornia.about.com</a>; US Census Bureau.</p>	City	Population (1,000)	Los Angeles	3800.0	Long Beach	472.0	Santa Ana	343.0	Anaheim	342.0	Riverside	274.0	Glendale	199.4	Huntington Beach	193.7	San Bernardino	191.6	Oxnard	177.9	Garden Grove	167.4	Oceanside	165.9	Ontario	165.0	Invine	162.0	Pomona	153.0	Nacional rank	City	Sales (billon)	1	Los Angeles	\$11.5	13	Riverside-Sand Bernardino	\$4.7	14	Orange County	\$4.5	15	San Diego	\$4.0	72	Ventura	\$1.1
City	Population (1,000)																																																	
Los Angeles	3800.0																																																	
Long Beach	472.0																																																	
Santa Ana	343.0																																																	
Anaheim	342.0																																																	
Riverside	274.0																																																	
Glendale	199.4																																																	
Huntington Beach	193.7																																																	
San Bernardino	191.6																																																	
Oxnard	177.9																																																	
Garden Grove	167.4																																																	
Oceanside	165.9																																																	
Ontario	165.0																																																	
Invine	162.0																																																	
Pomona	153.0																																																	
Nacional rank	City	Sales (billon)																																																
1	Los Angeles	\$11.5																																																
13	Riverside-Sand Bernardino	\$4.7																																																
14	Orange County	\$4.5																																																
15	San Diego	\$4.0																																																
72	Ventura	\$1.1																																																
Québec	04/26/2004	<p>85% of business in Quebec comes from large retail chains, said Serge Desjardins, vice president of Michel Desjardins Ltd., with the rest comprised of smaller chains, independent retailers and foodservice accounts.</p> <p>The largest buyers in Quebec are Loblaw Cos. Ltd., Sobey's Inc. and Metro Richelieu Inc.</p>																																																

City	Date	Highlights												
Philadelphia	09/06/2004	<p>Population: (2003 estimate). 5.8 million for the metropolitan statistical area, which ranks fourth nationally and represents a 1.5% increase since 2000.</p> <p>Philadelphia is the nation's fifth largest city and has an estimated population of 1.48 million, a 2.5% decrease from the 2000 census.</p> <table border="1" data-bbox="483 512 1528 705"> <tr> <td>Persons per square mile: (Philadelphia county)</td> <td>11,233</td> </tr> <tr> <td>Education: (Philadelphia county). Bachelor's degree or higher, ages 25 and older</td> <td>7.90%</td> </tr> <tr> <td>Average age: (Philadelphia county)</td> <td>34.2</td> </tr> <tr> <td>Median household income: (Philadelphia county)</td> <td>\$30,746</td> </tr> <tr> <td>Housing units: (Philadelphia MSA) (million)</td> <td>2.54</td> </tr> <tr> <td>Average family size: (Philadelphia MSA) (Persons)</td> <td>3.16</td> </tr> </table> <p style="text-align: right;"><b>Source:</b> Census Bureau</p>	Persons per square mile: (Philadelphia county)	11,233	Education: (Philadelphia county). Bachelor's degree or higher, ages 25 and older	7.90%	Average age: (Philadelphia county)	34.2	Median household income: (Philadelphia county)	\$30,746	Housing units: (Philadelphia MSA) (million)	2.54	Average family size: (Philadelphia MSA) (Persons)	3.16
Persons per square mile: (Philadelphia county)	11,233													
Education: (Philadelphia county). Bachelor's degree or higher, ages 25 and older	7.90%													
Average age: (Philadelphia county)	34.2													
Median household income: (Philadelphia county)	\$30,746													
Housing units: (Philadelphia MSA) (million)	2.54													
Average family size: (Philadelphia MSA) (Persons)	3.16													

Philadelphia	09/04/2006	<ul style="list-style-type: none"> <li>• Population: Philadelphia is the 5th largest in the U.S. and second largest on the East Coast with 1.4 million people. The metro area is the Fourth-largest with 5.8 million residents.</li> <li>• About 45.7 million people live within 200 miles of downtown.</li> <li>• The annual income of the people within that 200 mile radius is \$1.3 trillion.</li> <li>• 2005 jobs: 2.9 million in the metro area.</li> <li>• Median income: \$30,746.</li> <li>• Fortune 500: Philadelphia companies on that prestigious list include: Comcast, Cigna, Lincoln Financial Group, Sunoco, Aramark, Crown Holdings Inc., Rohm &amp; Hass Co., GlaxoSmithKline, Pep Boys.</li> </ul>
--------------	------------	---

Chicago	01/13/2003	<p>Population metro area: 9.1 million.</p> <p>Average income: \$35,000.</p> <p>There are more than 230,000 people employed in the Chicago area's eating and drinking establishments.</p> <table border="1" data-bbox="678 1451 1312 1755"> <thead> <tr> <th>Retailer</th> <th>Market share</th> </tr> </thead> <tbody> <tr> <td>Albertson's (Jewel)</td> <td>25.8%</td> </tr> <tr> <td>Safeway (Dominick's)</td> <td>22.2%</td> </tr> <tr> <td>Sam's club</td> <td>8.0%</td> </tr> <tr> <td>Meijer</td> <td>5.1%</td> </tr> <tr> <td>Strack &amp; Van Til</td> <td>4.4%</td> </tr> <tr> <td>Aldi</td> <td>4.1%</td> </tr> <tr> <td>Supervalu</td> <td>3.5%</td> </tr> <tr> <td>Others</td> <td>26.9%</td> </tr> </tbody> </table> <p><b>Sources:</b> 2003 World Almanac &amp; Book of facts; 2002 supermarkets, grocery &amp; convenience store chains, convention &amp; tourism Bureau.</p>	Retailer	Market share	Albertson's (Jewel)	25.8%	Safeway (Dominick's)	22.2%	Sam's club	8.0%	Meijer	5.1%	Strack & Van Til	4.4%	Aldi	4.1%	Supervalu	3.5%	Others	26.9%
Retailer	Market share																			
Albertson's (Jewel)	25.8%																			
Safeway (Dominick's)	22.2%																			
Sam's club	8.0%																			
Meijer	5.1%																			
Strack & Van Til	4.4%																			
Aldi	4.1%																			
Supervalu	3.5%																			
Others	26.9%																			

City	Date	Highlights	
<b>Montreal</b>	<b>07/01/2002</b>	<b>Population</b>	1.8 million in the city; 3.4 million in the metropolitan area.
		<b>Households</b>	Two thirds of the city's households live in rented homes, and the rest own their homes.  There are mostly one-family households with a few multifamily households, although there is a large nonfamily household population as well.
		<b>Household income</b>	The average is \$44,593 for the metropolitan area; \$40,848 for the city proper. The average single income is \$20,000-\$24,000
		<b>Immigrant population</b>	About 586,000 in the metropolitan area; 462,000 in the city proper.
		<b>Labor force</b>	It includes 63% of those 15 and older in the metro area and about 60% in the city proper.
		<b>Age groups</b>	Largest age group is 25-44 followed by 45-64.
		<b>Source:</b> <a href="http://www2.wille.montreal.qc.ca">www2.wille.montreal.qc.ca</a>	

**Appendix C**

**Chain Store Purchasing Contacts in  
Major Metropolitan Areas of the  
Southwestern United States**





**Appendix C. Chain Store Purchasing Contacts in Major Metropolitan Areas of the Southwestern United States**

***Arizona***

*Bashas' Inc.*

Units: 155  
22402 S Basha Rd, Chandler, AZ 85248  
PO Box 488, Chandler, AZ 85244-0488  
Tel #: 480 895-9350 Fax #: 480 895-5394

<http://www.bashas.com>

Louie Macias - Specialist Floral, Produce;  
Clay Volz - Assistant Buyer Produce

*Safeway - Phoenix Division*

Units: 115  
2750 S Priest St, Tempe, AZ 85282  
Tel #: 480 894-4100 Fax #: 480 929-8006  
Richard Miller - Director Dairy, Frozen Food, Grocery

*Albertsons Distribution Center*

Units: 91  
400 S 99th Ave Ste 100, Tolleson, AZ 85353  
Tel #: 602 382-5400 Fax #: 602 382-5430  
Brian O'Connor - Manager Purchasing, Produce

*Fry's Food & Drug Stores of Arizona, Inc.*

Units: 115  
500 S 99th Avem Tolleson, AZ 85353  
PO Box 1043, Tolleson, AZ 85353-1043  
Tel #: 623 936-2100 Fax #: 623 907-7165

<http://www.frysfood.com>

Bill Wall - Director Floral, Produce

***California - Los Angeles Area***

*Northgate Market, Inc.*

Units: 22  
522 E Vermont Ave, Anaheim, CA 92805  
Tel #: 714 778-3784 Fax #: 714 778-3295

<http://www.northgatemarkets.com>

Lupillo Ramirez - Manager Ethnic Marketing; General Buyer

*Vons*

Units: 307  
618 Michillinda Ave, Arcadia, CA 91007  
PO Box 513338, Los Angeles, CA 90051-1338  
Tel #: 626 821-7000 Fax #: 626 821-7257  
Rick Cruz - Buyer Produce

*Tawa Supermarkets, Inc.*

Units: 27  
6281 Regio Ave, Buena Park, CA 90620  
Tel #: 714 521-8899 Fax #: 714 670-7799  
Chen Lee - VP Produce

*Smart & Final, Inc.*

Units: 252  
600 Citadel Dr, City of Commerce, CA 90040  
PO Box 512337, Los Angeles, CA 90051-0337  
Tel #: 323 869-7500 Fax #: 323 869-7858  
<http://www.smartandfinal.com>  
Kent Kuwata - Category Manager Produce

*Stater Bros. Holdings*

Units: 162  
21700 Barton Rd, Colton, CA 92324  
PO Box 150, Colton, CA 92324-0150  
Tel #: 909 783-5000 Fax #: 909 783-9120  
<http://www.staterbros.com>  
Roger Schroeder - VP Produce Division

*Ralphs Grocery Company*

Units: 425  
1100 W Artesia Blvd, Compton, CA 90220  
PO Box 54143, Los Angeles, CA 90054-0143  
Tel #: 310 884-9000 Fax #: 310 884-2525  
<http://www.ralphs.com>  
Dave Ackerman - VP Floral, Produce

*Albertsons - Southern California Division*

Units: 293  
1421 Manhattan Ave, Fullerton, CA 92831  
Tel #: 714 300-6000 Fax #: 714 300-6936  
Steve Lawler - Director Produce

*Trader Joe's Co.*

Units: 257

800 S Shamrock Ave, Monrovia, CA 91016

PO Box 5049, Monrovia, CA 91017-7149

Tel #: 626 599-3700 Fax #: 626 301-4431

<http://www.traderjoes.com>

Lori Latta - Senior Buyer Dairy, Fresh Floral, Fresh Produce

*Cardenas Market, Inc.*

Units: 16

1621 E Francis St, Ontario, CA 91761

Tel #: 909 923-7426 Fax #: 909 923-4665

<http://www.cardenasmarkets.com>

Jose Pina - Buyer Produce

*Super Center Concepts*

Units: 27

15510 Carmenita Rd, Santa Fe Springs, CA 90670

Tel #: 562 345-9000 Fax #: 562 345-9059

<http://www.superiorsuperwarehouse.com>

Larry Alhstrom - VP Floral, Produce

***Texas - Houston Area***

*Fiesta Mart, Inc.*

Units: 50

5235 Katy Fwy, Houston, TX 77007

PO Box 7481, Houston, TX 77248-7481

Tel #: 713 869-5060 Fax #: 713 869-6197

<http://www.fiestamart.com>

J. P. Rios - Buyer Produce

*Foodrama Market, Inc.*

Units: 16

10810 S Post Oak Rd, Houston, TX 77035

Tel #: 713 723-8948 Fax #: 713 723-5702

John Barron - Buyer Floral, Produce

*Gerland's Food Fair, Inc.*

Units: 15

3131 Pawnee St, Houston, TX 77054

Tel #: 713 746-3600 Fax #: 713 746-3621

<http://www.gerlands.com>

Richard Noeth - Senior VP Fresh Produce, Floral

*Kroger - Southwest Marketing Area*

Units: 212

19245 David Memorial Dr, Conroe, TX 77385

Tel #: 713 507-4800 Fax #: 713 422-8027

Mike Krell - Merchandise Manager Floral, Produce

*La Michoacana*

Units: 75

888 W Sam Houston Pkwy S Ste 1 Suite 150, Houston, TX 77042

Tel #: 713 668-3869 Fax #: 713 668-3869

<http://www.lamichoacanameatmarket.com>

Alvira Ortega - Treasurer; General Buyer

*Lewis Food Town, Inc.*

Units: 25

3316 S Shaver St, South Houston, TX 77587

PO Box 4410, Pasadena, TX 77502-0410

Tel #: 713 910-6767 Fax #: 713 910-7221

Jim Ward - VP Operation; Director Purchasing

*Randall's/ Tom Thumb*

Units: 116

3663 Briarpark Dr, Houston, TX 77042

PO Box 4506, Houston, TX 77210-4506

Tel #: 713 268-3500 Fax #: 713 268-3489

<http://www.randalls.com>

<http://www.tomthumb.com>

Gary Owen - Manager Operations, Grocery

*Sellers Bros., Inc.*

Units: 19

4580 S Wayside Dr, Houston, TX 77087

Tel #: 713 640-1611 Fax #: 713 640-1254

John L. Sellers - Buyer Produce

***Texas - Dallas/ Fort Worth Area***

*Albertsons Distribution Center*

Units: 153

7550 Oak Grove Rd, Fort Worth, TX 76140

Tel #: 817 568-3700 Fax #: 817 568-3890

John Gilmore - Manager Purchasing, Produce

*David's Supermarkets, Inc.*

Units: 22

313 E Criner St, Grandview, TX 76050

PO Box 350, Grandview, TX 76050-0350

Tel #: 817 866-2651 Fax #: 817 866-2659

<http://www.davidsfoods.com>

Lonnie Button - Buyer Produce

*Minyard Group*

Units: 65

777 Freeport Pkwy, Coppell, TX 75019

Tel #: 972 393-8700 Fax #: 972 393-8550

<http://www.minyards.com>

Doug Miniutti - VP Produce

*Super Mercado Monterrey*

Units: 6

300 E Jefferson Blvd, Dallas, TX 75203

Tel #: 214 943-7517 Fax #: 214 941-4403

Abelardo Galindo - General Manager; General Buyer

***Texas - San Antonio Area***

*Bexar County Markets, Inc.*

Units: 10

1500 S Zarzamora St Ste 512, San Antonio, TX 78207

Tel #: 201 227-8755 Fax #: 210 223-4976

Terry Warren - President; Director Marketing; General Buyer

*H-E-B*

Units: 303

646 S Main Ave, San Antonio, TX 78204

Tel #: 210 938-8000 Fax #: 210 938-7399

<http://www.heb.com>

Martin Otto - CFO; Senior VP Grocery

*Mass Marketing, Inc.*

Units: 48

401 Isom Rd Ste 100, San Antonio, TX 78216

Tel #: 210 344-1960 Fax #: 210 341-6326

<http://www.supersfoods.com>

Mike Toohey - Director Produce

***Texas - El Paso Area***

*Lowe's Big 8 Foods*

Units: 12

1480 George Dieter Dr Ste A, El Paso, TX 79936

Tel #: 915 857-6000 Fax #: 915 857-6026

Mark Henry - Buyer Produce

*Quality Food Mart, Inc.*

Units: 5

2700 N Piedras St, El Paso, TX 79930

Tel #: 915 565-7463 Fax #: 915 565-7475

Javier Silva - Manager Produce; Buyer Produce

***Texas - Other Area***

*Lowe's Food Stores, Inc.*

Units: 71

1804 Hall Ave, Littlefield, TX 79339

PO Box 1430, Littlefield, TX 79339-1430

Tel #: 806 385-3366 Fax #: 806 385-5438

Lester Headrick - Director Produce

*United Supermarkets Ltd.*

Units: 49

7830 Orlando Ave, Lubbock, 79423

Tel #: 806 791-0220 Fax #: 806 791-7480

<http://www.unitedtexas.com>

Darvel Kirby - Director Produce; Buyer Perishables

***Other***

*Wal-Mart Supercenters*

Units: 2,195

702 SW 8th St, Bentonville, AR 72716

Tel #: 479 273-4000 Fax #: 479 273-4000

<http://www.wal-mart.com>

Jeff Macho - Senior VP, Global Procurement;

Bruce Peterson - Senior VP; GMM Perishables

Source: 2007 Directory of Supermarket, Grocery & Convenience Store Chains, Lebhar-Friedman, Inc., New York, <http://www.csgis.com>