

Economic factors force some growers to leave region

By Abraham Mahshie
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High costs, low profit margins and the risks associated with a volatile U.S. economy have led several suppliers to exit the Central American winter melon market this year, but some growers see reason to stay.

"The price to grow and ship the imported melons has increased, and with the economy being down you would see less consumer dollars available for melons," said Lee Anne Oxford, marketing director for L&M Cos., Raleigh, N.C. "This may not be a banner year for imported melons."

Oxford said the cost of transportation and production had gone up, meaning higher f.o.b.s. L&M is instead investing in its eastern program, including farms in Florida, Georgia and North Carolina for the spring.

Charlie Eagle, vice president of business development for Southern Specialties, Pompano Beach, Fla., said Southern Specialties imported melons mostly from Guatemala last year, where it also grows snow peas and sugar snap peas. However, Eagle said inconsistent quality

and melon arrivals to different ports than the rest of the company's produce were reasons for the exit.

"We have a lot of products on our plate and we were working out of Corpus Christi and Tampa, the only products out of all our imports that were arriving there," Eagle said. "We'll be glad to entertain it again but we need to have a consistency of quality. We didn't really feel that we had the consistency that our team demands."

John McGuigan, vice president of sales and marketing for Dulcinea Farms LLC, Ladera Ranch, Calif.,

said his team decided to import from just Mexico this year instead of including Central America again.

"We took a look at the production out of Central America and Guatemala and some other areas last year and we preferred the shorter supply chain coming out of Mexico instead of putting it on a boat and going for over a week to the East Coast. The product stays a lot fresher," he said.

McGuigan said Dulcinea is still growing trials in several areas to determine the best places for possible future production.

Rex Lawrence, director of sales

and finance for Timco Worldwide Inc., Woodland, Calif., gave several reasons for staying in Central America, including the geographic dispersion of Timco throughout many states and countries.

"We have good growers and good land," he said. "We partner with growers that are professionals, that know their business, and we've had our lessons in Central America over the years."

Lawrence said customer rela-

tions are another reason the company has remained in Central America, explaining that Timco has developed repeat business and a strong reputation on the basis of its Central America product.

"We think Central America is the place to be," he said. "We have a 12-month program."

Michael Warren, president of Central American Produce, Pompano Beach, Fla., said transit time from Central America is just as fast as for produce coming in from Mexico.

"Fruit arrives almost as quickly from Central America as it will come from southern Mexico because it's a two- or three-day ride," he said. "There is plenty of shipping out of Central America."

"In our particular case, we have the infrastructure in place," said Lou Kertesz, vice president of Fresh Quest Produce Inc., Pompano Beach, Fla., to establish why Fresh Quest is in the region.

"There are fewer suppliers. People are moving out. They can't afford to stay in. Because we are an established supplier, we are in good shape."

Kertesz also said low fuel rates have helped some.

"Hopefully we can get through the season without any drastic changes."



Courtesy Timco Worldwide Inc.

One of the reasons Timco Worldwide Inc., Woodland, Calif., is staying in Central America is the company's network of growers and land throughout many of the region's countries, says director of sales and finance Rex Lawrence.

