



**National Watermelon Promotion  
Board:  
Market Assessment- Mexico 2024**

Prepared by North Hill Group  
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# Summary

## + Organization Submitting Report

The North Hill Group with Imalinx created this market assessment for the National Watermelon Promotional Board (NWPB). North Hill Group is a mission-driven firm that specializes in regulatory, government, and consumer affairs for the food and agricultural sectors. While our work is complex, our mission is simple: we help companies and organizations **engage governments, navigate regulations, and understand consumers**. NHG services fall under three broad categories including Market Development and Market Access. NHG designs and executes global market development and market access services to increase food and agricultural exports. For this report, NHG has teamed with Imalinx, a food and beverage Go-To-Market firm based in Mexico with operations in eight countries in Latin America with the following services:

- Market intelligence. Provide relevant information to our clients combining formal resources and field information to take the best decisions related to our influence markets.
- Trade Servicing. Maintain constant contact with key players in target markets to understand their requirements, exchange information and identify business opportunities.
- Trade Missions. Facilitate contact between farmers, processors and their buyers. Identify potential business relationships and facilitate the process understanding cultural and trade barriers and the best way to overcome them in benefit of our clients.
- Creation of Go To Market strategies. Understand the main goals of our accounts and create a pragmatic step-by step program to increase share in Latin America.
- Communications and public relations programs. Ensure proper communication to industry, trade and consumers of activities and core messages to create awareness and preference.

North Hill Group has worked with a variety of clients across the food and agricultural value chain including the National Pork Board, American Egg Board, The Hazelnut Marketing Association, Ball Helix, Biotechnology Innovation Organization, Corteva Agriscience, Genus plc, CropLife International, Pairwise, and Tropic Biosciences Ltd.

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In-country representative currently represents Western United States Agricultural Trade Association, Southern U.S. Agricultural Association, California Milk Advisory Board, California Raisin Administrative Committee, California Table Grape Commission, Idaho Potato Commission, U.S. Popcorn Board, California Pomegranate Council, Idaho-East Oregon Onion Committee among others.

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## +Methodology for Mexico: Market Assessment

Conducted market research to identify long-term export opportunities for U.S. watermelons in the Mexican market. The study covers the retail and wholesale segments, identifying sourcing and consumption patterns, key players, market access strategies, and potential promotional activities to boost U.S. watermelon purchases and consumption in Mexico.

The research includes an analysis of relevant macroeconomic data, such as economic, trade, and consumer trends. Additionally, it examined domestic watermelon production in Mexico, as well as imports from the United States., trends, and major importers. To complement this analysis, 25 interviews were conducted with Mexican growers, retail produce buyers such as Costco Mexico, Soriana and Walmart Mexico and key importers with experience with U.S. watermelons such as GYS, Grupo MLA, Comestibles Maldonado and MGM; trade associations such as UNCOFYL (Produce Trading Association) and IFPA (International Floral and Produce Association) in Mexico; U.S. and Mexican official entities including APHIS (Animal and Plant Health Inspection Service), Agricultural Trade Office of the U.S. Embassy in Mexico and SADER (Mexico's Secretary of Agriculture)- Government Affairs Office.

## + Products of Interest

Tariff Code:080711 Watermelon Fresh

## + Executive Summary

The following document presents an assessment of the Mexican market with opportunities for U.S. watermelon exports. Exports to this market have been inconsistent, affected by COVID-19, weather and increasing production in Mexico of 21.2% from 2023 to 2024, and an increase in yield up to 33.5 tons per hectare. Despite Mexico's growing domestic production, U.S. watermelon exports still hold significant potential in this market with its predominant middle class, highest fruit consumption in Latin America, proximity and robust trading relationship with the United States.

Exports to this country have been irregular in the past 10 years as Mexico has ramped up its domestic production and the global pandemic disrupted trade. Moving forward, this report highlights the importance of factors such as quality, price, and consistent supply in gaining market share. U.S. growers can capitalize on their competitive advantages in seedless, specialty, and organic varieties by building relationships with Mexican retailers and distributors. U.S. exporters can regain market share by leveraging the seasonality gap and price differential between U.S. and Mexican production.

As a starting point, building strong relationships with Mexican importers and distributors is crucial for long-term success to take advantage of windows of opportunity when Mexican product is scarce or expensive due to supply or weather conditions. Understanding Mexican seasonality will enable U.S. suppliers to take advantage of supply windows in specific areas mostly in Northern Mexico and Cash-and-carry formats such as Costco specially during the summer. Opportunities for U.S. exporters lie in targeting specific market segments, such as high-end retailers and differentiated produce importers that set apart their offering with new or unique products. Emphasizing superior quality, unique varieties, seedless varieties, or organic options could differentiate U.S. watermelons.

To further capitalize on the Mexican market, U.S. exporters should also focus on understanding regulatory requirements that, while minimal, could be the difference between a good sale and a rejection; and developing effective marketing strategies starting with outreach to the Mexican trade to develop awareness of the availability of U.S. watermelons along with varieties that could be interesting for higher-income outlets such as retails and their premium formats.

## Market Assessment Mexico

### + Introduction

This market assessment takes a fresh look at the Mexican market to understand the market potential and growth for U.S. watermelons. Exports to this country have been irregular in the past 10 years with an average volume of 500 metric tons per year from 2014 to 2019. The COVID-19 pandemic interrupted international trade and volume shipped to Mexico stopped in 2021 without a relevant recovery since. Mexico steadily increased its production reaching 1.4 million metric tons in 2023 and is expected to increase in 2024 21.4% in volume and 36.3% in value with a yield of 33.5 tons per hectare. Given this increase in domestic production, it is critical that U.S. suppliers act quickly to recapture market share.

This market has a great potential for U.S. growers specially in seedless, specialty varieties and organic which can be achieved by developing relationship with retailers and regional distributors to take advantage of the seasonality of U.S. watermelons and price window created between the reduction of production of main growing states in Mexico and those U.S. growers in the border, mainly California, Arizona and Texas. To date, all U.S. watermelon imports have shipped through Nogales, Arizona so there is a longer-term opportunity to develop Laredo, Texas and other entry points as alternatives to service retailers in the Northwestern region of Mexico such as HEB and Soriana. That could benefit growers based in Texas and potentially Georgia and Florida.

## +Mexican Economy

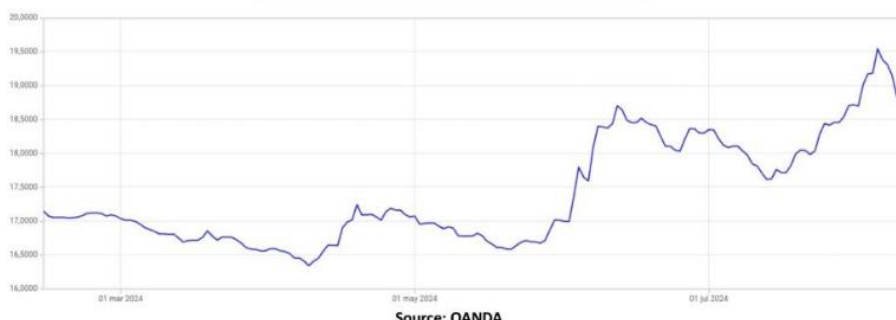
Mexico has a population of 130 million people and is the 13th largest economy in the world and a the main trading partner with the United States. The country has a Gross Domestic Product (GDP) of \$1,269 billion USD, with GDP per capita of \$9,946 USD. The country benefits from strong macroeconomic institutions, an open trade policy and a diversified manufacturing sector integrated into global value chains.

Mexico is one of the world's most open economies, with minimal trade restrictions and access to 50 countries through Free Trade Agreements (FTAs) that include Pacific Alliance with Latin America and Caribbean; Free Trade Agreement with European Union (EU); and most important, the United States-Mexico-Canada Agreement (USMCA) that represents 28% (\$24 trillion USD) of global GDP.

Over the past decade, Mexico's economy has grown at an average annual rate of 2.1%, despite global economic challenges. The country's economic strength is supported by conservative economic, financial, and commercial policies designed to enhance domestic market stability. Strategies include strengthening internal consumption through social programs and financial inclusion, encouraging private investment in strategic sectors, increasing public investment, and strengthening trade relations to rebuild global value chains, especially after the COVID-19 pandemic. Other Key Macroeconomic Indicators include:

- Employment: Approximately 59% of individuals aged 15 to 64 are employed, with 76% of men and 45% of women in paid work.
- Trade Balance: In May 2024, Mexico recorded a trade surplus of \$1.9 billion USD, exports rose by 5.4% year-on-year, with non-oil exports reaching \$52.5 billion and oil exports at \$3.2 billion USD. Overall imports increased by 1.4% to \$53.7 billion USD.
- Inflation: Overall inflation was 4.5% in 2023, and the latest forecasts expect 3.8% by the end of 2024.
- Exchange rate: The Mexican peso remained strong during most of 2023 and early 2024, mainly influenced by external investment and an attractive interest rate of 11%. It had a significant increase from February 2024 from 16.50 MXN/USD to 19.50 MXN/USD in August 2024. This adjustment has not affected overall trade or investments in the country, but has made imports buyers more conservative for long-term commitments in USD.

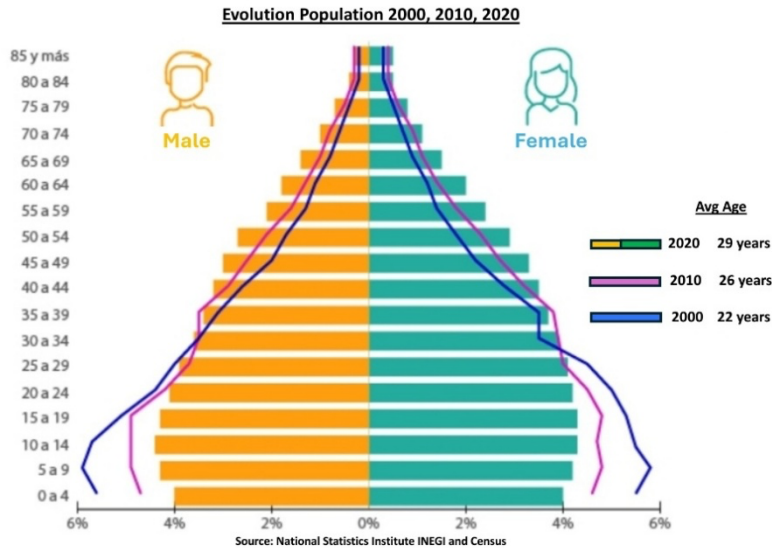
**Exchange Rate February- August 2024**



Source: OANDA

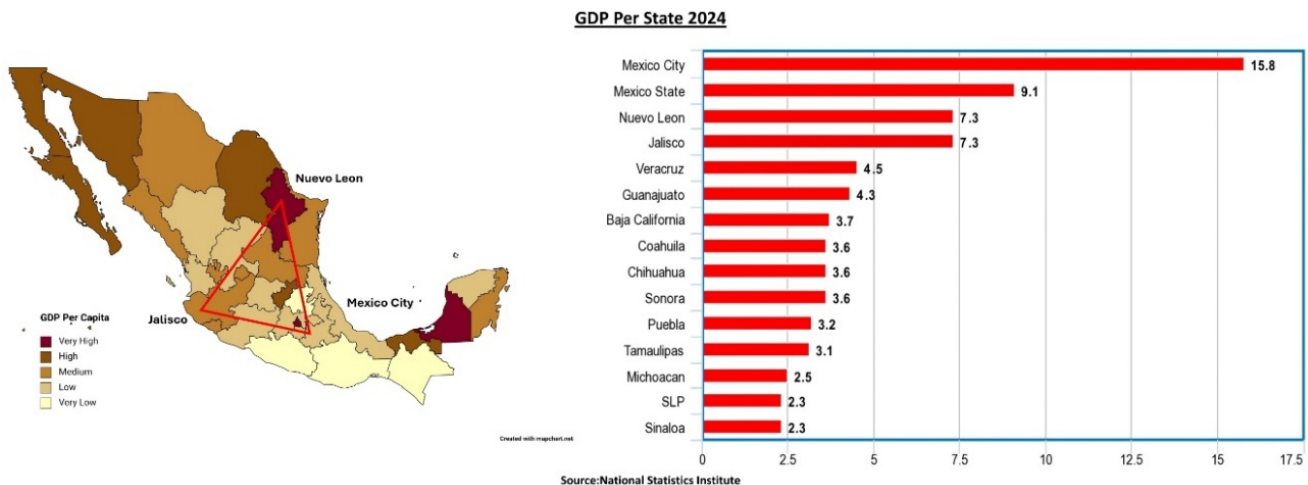
# + Population

As of 2024, Mexico has 130 million inhabitants, representing 1.6% of the global population and ranking 10th worldwide. This country has slowly increased its median age from 29 years in 2020 to projected 44 years by 2055, with 30% of the population expected to be over 60 years old by then. There are relevant changes in family patterns, such as the reduction of offspring that went from 3 to 2 in the last 20 years and an increase of female workforce that has doubled in the last 20 years, increasing the income of families.



Mexico is transitioning into a predominantly middle-class society, with 50% of its population classified as such. This demographic shift is expected to drive continued economic growth in the coming years, increasing better life conditions overall including dietary habits, discretionary expenditures and a longer-term financial planning. Together these factors offer long term growth opportunities for U.S. exports but there are still challenges in the short term.

Wealth and GDP generation in Mexico are not evenly distributed geographically. Four states out of the 32 in Mexico generate 40.2% of national GDP: Mexico City, Mexico State, Nuevo León and Jalisco. These four have more developed economies than the rest with a constant inflow of inhabitants and are key economic centers in each region.



This concentration turn creates a “golden triangle” where 80% of the production and consumption takes place, also influencing infrastructure investments in this central region of Mexico and leading to the creation of regional hubs for important cities outside the triangle, specifically with Cancun and Riviera Maya in the south for foodservice and Hermosillo and Tijuana for retail and agriculture. Naturally, the “golden triangle” is an ideal geographical target for U.S. watermelon exporters.

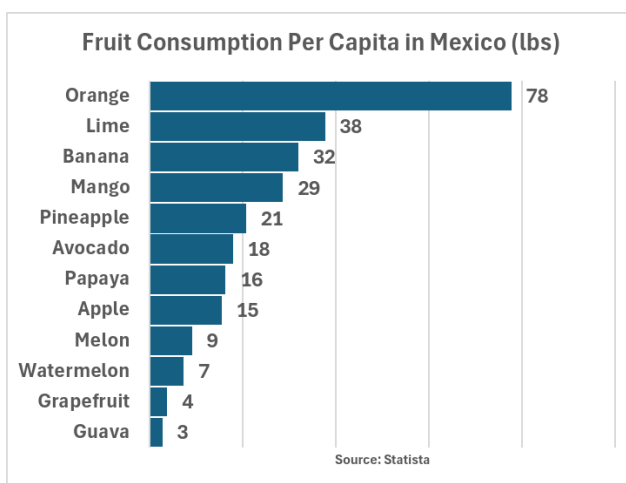
These economic conditions, along with population growth, favorable weather, food availability and investment in infrastructure have influenced the increase of modern trade in the country that complements traditional trade such as in open-air markets, and other traditional stands and points of sale, where produce and other first necessity items are still sold mainly due to the accessibility and closeness to consumers.

## + Produce in Mexico

In 2024, Mexico is projected to become the ninth-largest global producer of agricultural products, surpassing Canada, and the seventh as a food exporter worldwide. It is estimated that Mexico will produce a total of 113.5 metric tons of produce in 2024, or a 1.7% annual growth with an estimated value of 51 billion USD, reaching a record to date.

Mexican food exports reach over 190 countries, yet more than 80% of the exported value remains in North America due to agreements established through USMCA. Main exports to the United States are avocados (3.2 billion USD), berries (2.6 billion USD), tomatoes (2.2 billion USD), chili peppers (1.1 billion USD), strawberries (991 million USD) and cucumbers (544 million USD). Watermelons are the 23<sup>rd</sup> most produced crop in Mexico and its exports to the United States grew 7.1% in 2023 for a total value of 150 million USD in 2023.

Mexico has the highest consumption of fruits and vegetables in Latin America, with 86% of its adult population reporting regular consumption. Mexico's geographical and weather conditions favor cultivating a wide range of fruits and vegetables and while it has a large consumption base, there are several items that source the United States In 2023, oranges were the most consumed fruit in Mexico, with an average of 35.3 kilograms (78 lbs.) consumed per person followed by limes, bananas, mangos and pineapples; watermelons

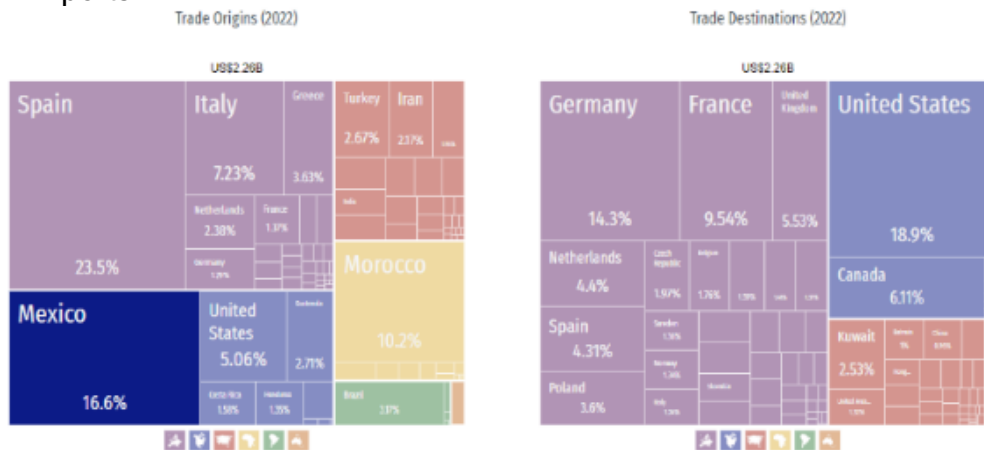




were in 11<sup>th</sup> position, with an average of 3.5 kg (7.5 lbs.) per year.

## Watermelon Industry in Mexico + Watermelon Production and Trade in Mexico

Mexico is the 12th most important watermelon producer in the world (the United States is 7<sup>th</sup>), but it is the 2nd largest world exporter only behind Spain. Mexico’s largest client is the United States, which in turn is the largest importer in the world with 18.9% of global watermelon imports.



Source: DataMexico- SADER

Mexico increased its production 49% in ten years, from 946,000 metric tons in 2014 to 1,428,000 metric tons in 2024. Growth was consistent from 2014 to 2020 with around 10% per year with the exception of 2019 where it declined 9% due to weather and recovered the year later. However the crop of 2021 decreased 12% in volume and 2022 remained the same volume. COVID-19, reduction of overall trade and colder springs affected the production but production for 2023 rebounded 21% vs. the previous year. (See table below.) These circumstances directly affected the availability of Mexican watermelons for exports to the United States decreasing total exported volume 48% in 2021 but recovering in 2022 and 2023.

Overall Watermelon Market Mexico 2014-2023 ACTUAL											Forecast 2024-2030						
Tons	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Mexico Annual Production	946,000	1,020,000	1,200,000	1,332,000	1,472,459	1,345,705	1,362,393	1,192,839	1,177,070	1,428,910	1,471,777	1,515,931	1,561,409	1,608,251	1,656,498	1,706,193	1,757,379
Exports	662,341	710,870	768,161	669,544	676,705	630,196	586,153	303,572	400,112	726,939	748,747	771,210	794,346	818,176	842,722	868,003	894,043
U.S. Watermelon	-	302	514	824	717	1,201	254	97	158	63	200	400	432	467	504	544	588
U.S. Watermelon Organic	-	-	155	250	369	171	35	74	112	86	60	120	130	140	151	163	176
Imports	-	302	668	1,075	1,086	1,372	289	171	270	149	260	520	562	607	655	707	764
Annual Availability Mexico	283,659	235,432	252,507	531,531	656,381	843,635	759,841	1,058,992	792,997	450,280	680,423	701,088	722,146	743,839	766,184	789,203	812,914
Production U.S.	1,689,834	1,802,213	2,015,633	2,026,607	1,965,034	1,862,718	1,565,068	1,545,659	1,550,296	1,663,468	1,713,372	1,764,773	1,817,716	1,872,248	1,928,415	1,986,267	2,045,855
						110.23%				106.29%							
Overall Watermelon Market Mexico- 2014-2024																	
%	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Mexico Annual Production		8%	18%	11%	11%	-9%	1%	-12%	-1%	21%	3%	3%	3%	3%	3%	3%	3%
Exports vs. prev. year		7%	8%	-13%	1%	-7%	-7%	-48%	32%	82%	3%	3%	3%	3%	3%	3%	3%
Exports vs. production	70%	70%	64%	50%	46%	47%	43%	25%	34%	51%	51%	51%	51%	51%	51%	51%	51%
U.S. Watermelon		0%	70%	60%	-13%	67%	-79%	-62%	63%	-60%	218%	100%	8%	8%	8%	8%	8%
U.S. Watermelon Organic		0%	0%	62%	47%	-54%	-80%	112%	52%	-24%	-30%	100%	8%	8%	8%	8%	8%
Imports		0%	122%	61%	1%	26%	-79%	-41%	58%	-45%	75%	100%	8%	8%	8%	8%	8%
Annual Availability Mexico		-17%	7%	111%	23%	29%	-10%	39%	-25%	-43%	51%	3%	3%	3%	3%	3%	3%
Production U.S.		7%	12%	1%	-3%	-5%	-16%	-1%	0%	7%	3%	3%	3%	3%	3%	3%	3%

Sources: Panorama Agroalimentario- Mexican Agricultural Secretariat  
<https://apps.fas.usda.gov/gats/default.aspx>  
 Trade Atlas Query  
 USDA

On the other hand, U.S. production increased 10% from 2014 to 2019, from 1,689,000 metric tons in 2014, reaching more than 2,000,000 metric tons in 2016 and 2017, ending in 1,862,000 metric tons in 2019. The production in 2020 decreased a significant 16%, remained steady at around 1,550,000 metric tons from 2020 to 2022 and increased 7% in 2023 to 1,663,468 metric tons. This reduction in availability was reflected in the imports of U.S. watermelons into Mexico that went from 1,372 metric tons to only 149 metric tons in 2023, with part of that product absorbed by local production. 86% of Mexico’s imports were from the United States and thus have an advantage over other suppliers. Most of that volume enters between May and October each year.

Assuming market growth of 3% per year and stable crops until 2030, by reestablishing connections and developing a marketing program in the Mexico, we anticipate a gradual recovery of exports in 2024, establishing a baseline of 520 metric tons per year by 2025 and reaching around 720 tons by 2030 or an 8% growth per year.

US Watermelon Exports to Mexico (HS 80711) MT												
Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
metric tons	1,372	289	171	270	149	260	520	562	607	655	707	720

During interviews, retail and specialized importers mentioned this seasonality but also confirmed that they don't have direct contact with U.S. growers and they are eager to resume conversations and start imports in the short term, specifically Costco, Bebo, El Florido and Tarahumara.

When comparing the seasonality of watermelons with other fruits, there are overlapping or adjacent peak seasons, with different market dynamics over the course of the year, as follows:

- **Spring:** Watermelon competes with strawberries and oranges, which are also popular

and widely available during this time. This is the peak season of watermelon mainly coming from the Mexican northwestern states.

- **Summer:** Watermelon continues in the market, but other fruits may dominate due to their established seasonal presence such as mangoes, pineapples, papayas, and guavas.
- **Fall:** Watermelon availability starts to decrease, facing competition from apples and pomegranates. As watermelon becomes less fresh and more expensive, apples and pomegranates become more prominent in the market.
- **Winter:** Watermelon is largely out of season, with apples and oranges dominating the market. Apples are available year-round due to storage, while oranges are in peak season. Watermelon’s higher price and reduced availability make it less competitive compared to these fruits.
- **U.S Watermelons:** The summer peak production of U.S. watermelons, and the slight reduction of domestic production from Sonora in Mexico in July and August, create a window that could be further developed. Interviews for this project were conducted in these two months in 2024 and two retailers specifically asked for U.S. product mentioning its competitive price, availability and product quality as key drivers of their demand.

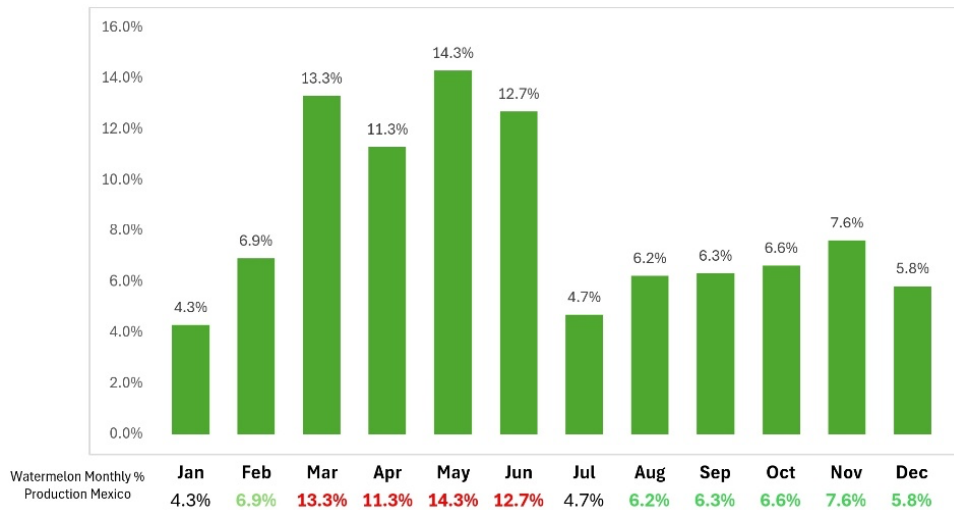
**Production of Fruit in Mexico per Month**

Fruit	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avocado	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mango				✓	✓	✓	✓	✓	✓	✓		
Pineapple	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Papaya	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strawberry	✓	✓	✓	✓	✓							
Orange	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Apple	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Guava	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pomegranate						✓	✓	✓	✓			
Lemon/Lime	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Watermelon			✓	✓	✓	✓	✓	✓				
U.S. Watermelon				✓	✓	✓	✓	✓	✓			

Source: SIAP Mexico

This can be better understood if we evaluate the monthly production of Mexican watermelons. The year begins with low production, but as spring approaches the monthly volumes increase continuously, reaching the peak of production from March to May, then steadily declining until August, with lower production in the fall.

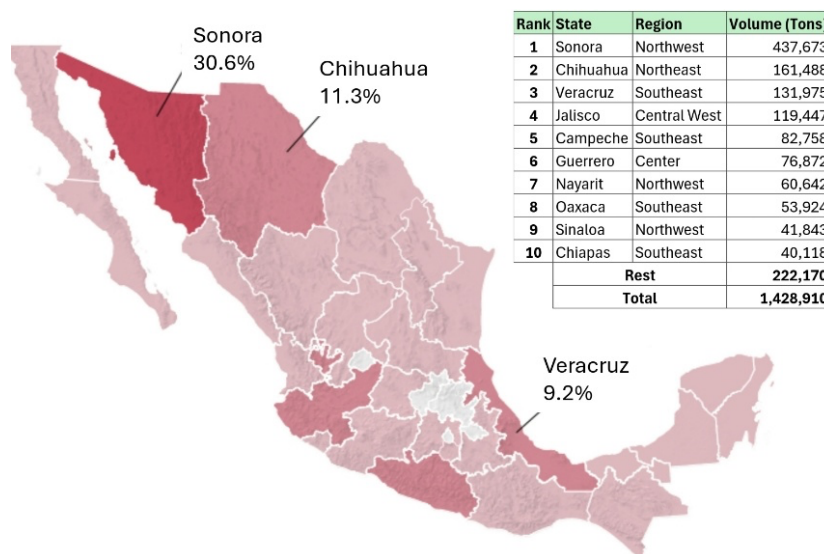
**Watermelon Production average % per Month**



**Source: SADER**

The entire production in Mexico is carried out in open air fields and is subject to adverse weather conditions, which could explain the decrease in production in 2021 and 2022, as the northern states of the country have faced drought problems. In 2023, the production increased 21.4% in volume and 36.2% in value, as higher prices paid to growers sparked production but also to a 37.4% increase of production in the state of Sonora, the leading growing state in the country.

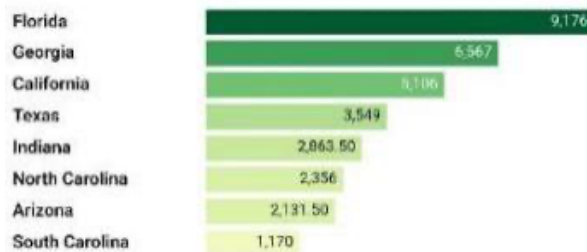
**Watermelon Production per State- Mexico (est. 2024)**



**Source: SADER**

In 2023, production was reported in 27 of the 32 states in Mexico, allowing supply and low distribution cost due to high availability. The leading producing state was Sonora with 437,673 tons (30.6%), followed by Chihuahua with 161,488 tons (11.3%) and Veracruz with 119,447 tons (9.2%). These three entities produced 51.2% of the total, with central states following such as Jalisco, Guerrero and Oaxaca.

While evaluating U.S. volumes and origins, it was found that the main growers and the ones shipping to Mexico are located in California, Arizona and Texas. All shipments crossed through the Nogales border, which is specialized in produce. It would be recommended to have members of NWPB contact the importers and distributors listed in this document to explore future exports.



Main Watermelon Growers per U.S. State (USDA)

## + Available Varieties of Watermelon in Mexico

In Mexico, there is a wide variety of watermelon types available. Different types of watermelons are consumed based on regional preferences and availability. There is no formal research on market share per variety, but the Charleston is predominant in domestic production and availability. The different types found in market are:

- Seedless Watermelons:** These are the most popular varieties in Mexico due to their convenience and sweet flavor. Seedless watermelons have seen increased demand because they are easier to eat and more appealing to consumers. Sonora, the largest growing state manages the following varieties: Tri-X 313, Tri-X Carrousel, Super Sweet-5244, Tri-X Palomar, Super Seedless 7187 and Laurel.
- Seeded Watermelons:** While they are less popular than seedless varieties, seeded watermelons are still consumed, especially in traditional or rural areas. Some people prefer the classic taste and texture of seeded watermelons. The seed or diploid varieties that have most adapted to the agricultural region of Sonora the largest growing state are: Fiesta, Sangria, Summer Flavor 800, Summer Flavor 500, Celebration and Summer Flavor 820.
- Mini Watermelons:** Known for their smaller size and sweeter taste, mini watermelons are gaining popularity in urban areas. They are marketed as a convenient option for small households or individuals.
- Striped or Variegated Watermelons:** Varieties with distinctive stripes or color patterns are also consumed, though they are less common compared to the more standard green-skinned types.

- **Yellow Watermelons:** These are less common but are enjoyed for their unique flavor and color. They are often considered a specialty item and are less consumed than the traditional red-fleshed varieties.
- **Organic Watermelons:** As organic produce becomes more popular in Mexico, there is a growing market for organic watermelons. These are often sought by health-conscious consumers despite the cost.

## + Organic Watermelons in Mexico

As with almost all of the main agricultural crops in Mexico, watermelon production is mostly conventional; In fact, in 2020 conventional production represented 99.6% of the total volume. That remaining 0.4% for organic production translated into just 5,845 tons, for which an average price per ton was 67.1% higher than the average price obtained for conventional production, which indicates that there is an opportunity for U.S. organic growers in a category that is not yet exploited but is growing from year to year.

According to the Agricultural Marketing Service (AMS), Trade of organic products between the U.S. and Mexico is significant and growing. In 2023, U.S. exports of selected organic products to Mexico totaled more than \$233 million USD, while U.S. organic imports from Mexico during that same time topped \$1.4 billion USD. Since Harmonized Tariff Schedule Codes do not track many organic products, the actual value of organic trade between the two countries is undoubtedly much higher. According to the data that are available, the top five commodities exported in 2023 were apples, pears, grapes, spinach, and lettuce, while the top five commodities imported from Mexico in 2023 were raspberries, tomatoes, avocados, strawberries, and blueberries.

The organic produce segment in Mexico is experiencing significant growth, driven by increasing consumer awareness of reported health and environmental benefits, much of that awareness stems from the United States where most Mexican product is exported. Mexico is a major producer of organic food, but only 15% of the population consumes these products. Of that amount, only 5% is marketed as organic product and the rest is marketed as conventional products. The main organic items found in the market are fruits, vegetables, meat, spices, herbs and cereals; in drinks are tea, coffee, beers, wines, champagne, but there are also other categories in the market such as detergents, cleaning products, clothing and footwear.

Organic food consumption in Mexico has increased significantly since before the pandemic, and the reopening of restaurants in 2021 does not seem to have affected this trend. With additional market development to consumers and retailers, this niche market has room for development, particularly among urban, younger, middle-to-high-income consumers seeking premium and natural alternatives. The distribution of these items comes mainly from central markets, large cash-and-carry formats such as Costco and retail stores. While there are organic stores and stands in major cities such as Mexico City, Monterrey and Guadalajara, they are secondary buyers from the points of sale mentioned above with low volumes.

All U.S. organic products exported to Mexico must be certified to Mexico's Organic Products Law (LPO). In December 2020, Mexico announced that organic imports must be certified to Mexico's LPO or a standard recognized as equivalent beginning June 26, 2021 (this deadline was later extended to January 1, 2022). Mexico has not recognized the USDA organic standards as equivalent, meaning U.S. organic products going to Mexico must be certified to LPO, which in general terms requires 3 years of organic practices and obtain a certification from the Mexican authority. Also. The importer must be registered as qualified organic importer. Considering these points Importadora Primex (Costco Mexico) is the most fit candidate and as of August 2024 has expressed interest in organic and regular watermelons from the U.S.

Links to Mexico's Organic Products Law (LPO)

<https://www.gob.mx/senasica/documentos/39618>

[https://www.gob.mx/cms/uploads/attachment/file/924418/Padron Organismos de Certificacion de Productos Organicos 2024-08-01.pdf](https://www.gob.mx/cms/uploads/attachment/file/924418/Padron_Organismos_de_Certificacion_de_Productos_Organicos_2024-08-01.pdf)

## + Watermelon Consumption in Mexico

Annual per capita consumption of watermelon in Mexico is 5 kg (9 lbs.) Watermelons are commonly portioned and sold by kilo to consumers, who buy from 2 to 6 lbs. per purchase for a family of four. It is common for retailers, stands and stores to pre-cut the watermelon and package the portioned product, sometimes but not always with stretch film. These conditions, specially in the informal market do not follow specific food safety regulations that could prevent consumers from buying the product. Product handling and information to consumer could assist in overcoming this issue, making sure that it is related to U.S. watermelon imports .

Watermelons are consumed mainly in the morning and during summer months. Watermelon is traditionally consumed as a fruit mix with other seasonal products at breakfast at home and in restaurants. It is also prepared in fruit cocktails and mixed with ground pepper and consumed as a morning snack and as lunch for kids. Young mothers lean towards portioned seedless watermelon for their kids for school, and there is a common belief that the seedless varieties prevent choking. Tajin pepper brand is increasing their co-branding activities and they become trend in August 2024 when an influencer posted the "Tajin Watermelon" in social media.

Street Fruit Cocktail with pepper



Traditional Fruit Mix- Breakfast



Consumers are not aware of the differentiation between United States and other origin watermelons and there are currently no marketing programs for watermelons targeting the trade or consumers. So, a NWPB program including recipes, product information and product handling and care for both trade and consumers could be relevant and linked to the season where U.S. watermelons would be available or to specific varieties.

## + Specialized growers in Mexico

In Mexico, several specialized producers are known for their watermelon cultivation, focusing on different varieties and production methods to meet both domestic and export demands. While they represent the main competition for U.S. Watermelons, it has been found that growing companies in produce tend to complement their portfolio with foreign products, so there could be an opportunity in contacting them.

Here are some notable producers and regions:

### Key Producers:

1. **Castesa.** Harvest and packing of produce and grains with certifications from international organizations.  
Contact: Cynthia Felix  
+52(662)260-0741  
P.º Valle Verde 42, Valle Verde, 83200 Hermosillo, Son.
2. **Grupo Alta.** Watermelon grower in Mexico differentiated by quality and processes in their products.  
Contact: Alan Aguirre  
[info@grupoalta.com](mailto:info@grupoalta.com)  
+52 (662) 261 0319
3. **Videxport.** Founded in 1975 by Gilberto Salazar Serrano in Hermosillo, Mexico, it specializes in the production and export of table grapes, watermelons and brown peppers. The company operates more than 3,000 hectares and exports mainly to the United States.  
Contact: Diego Pulido  
[dpulido@sundiamx.com](mailto:dpulido@sundiamx.com)  
+52(662)218-7875  
Paseo de Los Alamos S/N Entre Periferico Poniente, Hermosillo, Sonora 83240, MX
4. **Agroexport de Sonora.** Watermelon grower with organic certification, selling to both Mexico and the United States  
Contact: Lucina Arias Corral  
+52(662)181-0003  
Correo electrónico:  
Garrendia 46 COL San Benito, Hermosillo, , Sonora 83190, MX



5. **Agropecuaria Los Alamos.** This company is known for its extensive farming operations, including watermelon production. They focus on modern farming techniques and have a significant presence in the market.

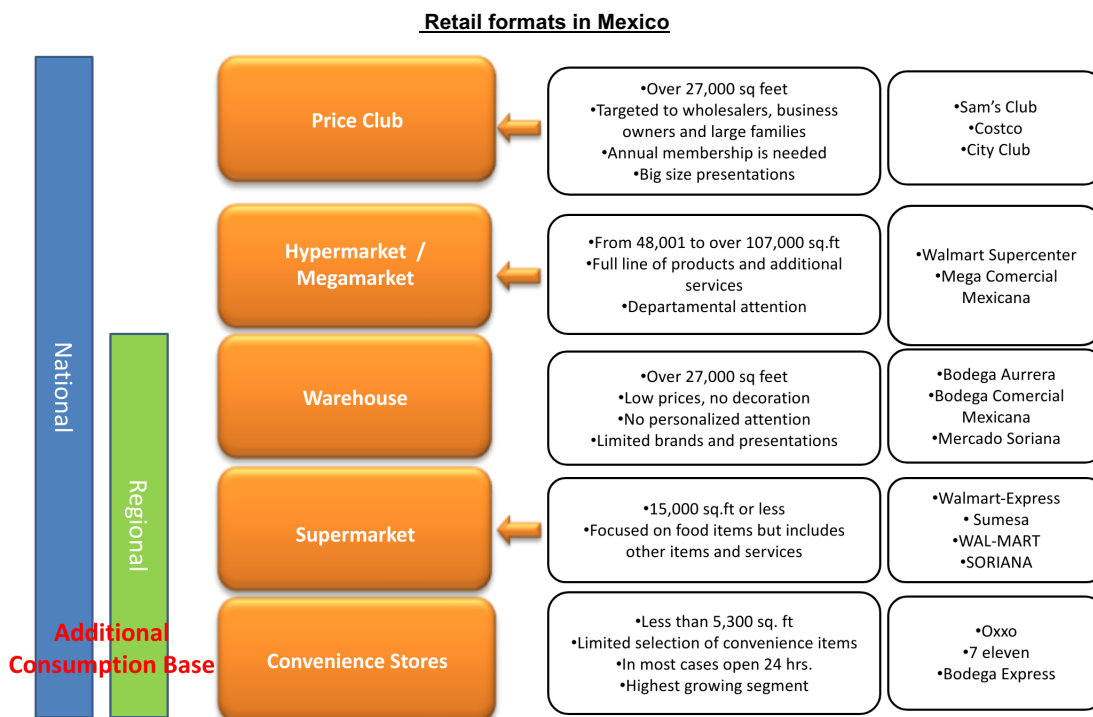
+52 639 472 4073  
 Calle 2A. Oriente No. 302  
 Col. Sector Oriente  
 33000 Ciudad Delicias, Chih.

6. **Agroindustrias Unidas de México (ASERCA).** This organization supports various agricultural products, including watermelons. They help coordinate production and market efforts for specialized watermelon growers.

+52 55 52576500  
 Bosque de Alisos 45 Palo Alto (Granjas) , 05210 , CDMX

## Watermelon Distribution and Marketing in Mexico + Retail Channel

The Mexican Retail Market is estimated at 94.40 billion USD in 2024, and is expected to reach USD 122.70 billion by 2029, growing at an annual growth rate of greater than 5% during the forecast period of 5 years. While retail consists of every format from Price Club to Convenience Store (see below), retail trade is concentrated in a few key players that manage different formats to appeal to all segments of the population.



Source: Internal Model- Imalinx

These include three national chains: Walmart with the highest number of stores in the country, followed by Soriana and in third Chedraui.

Number of Stores			
Rank	Retailer	Stores	Share
1	Walmart	2,753	43%
2	Soriana	801	26%
3	Chedraui	404	10%
4	Casa Ley	290	5%
5	La Comer	80	2%
6	Costco	40	3%
7	HEB	57	2%
8	Other	1,652	9%
<b>Total</b>		<b>6,077</b>	<b>100%</b>



Source: National Retailers Association ANTAD

As a result, the same buying teams from retail chains usually source for different formats that require different qualities, sizes or specific characteristics. For example, while club formats will require larger sizes for members, supermarkets will require better quality produce and warehouse more economic options. The contact with these buyers is important as U.S. watermelon growers can cover different store formats with one contact. National chains have the experience and resources to manage imported products and specific buying teams that, in case of Walmart and Soriana, can surpass 100 professionals.

In some areas, mainly in the north and northwest, regional chains have a larger footprint and even with competition from national chains, they are leaders in their respective zones such as Calimax in Tijuana, Casa Ley in Sinaloa and HEB in Monterrey. In these cases, one buyer will source different categories within the perishable industry, from protein to produce reducing their focus and their time to look for new sourcing options. These smaller chains can range from 40 to 120 stores and around 10% will be their premium or flagship locations that will take the best product or promotional support offered to them. These buyers usually buy from central market or have a dedicated importer to assist them with imported produce and follow the trends of the larger retailers for new or seasonal products.

The modernization of distribution centers has increased the efficiency of these large chains, capitalizing on the use of IT and complex warehousing and inventory control systems. This benefits the general consumer by reducing the cost of products but also puts pressure on sellers as buyers closely monitor margin and consider it as a key decision tool in managing products, specially in the produce and perishables segments.

The dominance of these key players in Mexico allows them to enforce aggressive trade terms on suppliers that affect their profit and invoice collection. The main warning for U.S. watermelon growers is pay attention to the commercial terms with Mexican retail buyers. The retailers will discount from 12 to 16% of invoice value and deduct of payment of the delivered goods to offset logistical and management costs. This is complemented by long payment terms that can range from 30 to 90 days upon delivery, affecting products that are margin or cash-flow sensitive. Thus, cost structure must be clearly understood before shipping any item. Still, retailers are good options for volume and distribution build-up and are good long-term partners.

## + Wholesale Channel

Mexico's wholesale market or traditional trade is the foundation of its economy, bridging the gap between producers and consumers. In order to penetrate the Mexican market, it's essential to have a presence in the wholesale market with specific importers that carry fine fruit or differentiated products to avoid competing in the generic market, while maintaining contact with large watermelon importers to supply product in the event of shortages in domestic supply. While retail and e-commerce are growing in importance for higher-priced items, wholesale markets remain the dominant channel for food and beverage purchases, accounting for 75% of consumer spending in this sector and encompasses a variety of small-scale businesses, including family-run grocery stores, specialized produce shops, public markets, and itinerant marketplaces known as tianguis. These outlets typically have limited space and product offerings and they are commonly supplied by two types of sources:

- Importers/Wholesalers: Operate as intermediaries between U.S. exporters and retailers. They purchase goods in bulk and sell them to retailers, distributors, or other businesses. They are a relevant target for U.S. watermelon growers for differentiated and organic varieties.
- Wholesale Markets: Physical locations where large quantities of goods are traded. Major wholesale markets include Central de Abastos (also in Mexico City), Central De Abastos Guadalajara and La Estrella Market in Monterrey, which are key hubs for food and agricultural products. There are importers based in each location that sell to other wholesalers, smaller regional buyers and even consumers. A list of these importers is provided at the end of this document.

Wholesale trade offers advantages to consumers such as proximity, which is a decision factor for families without a car, or that due to their income tend to buy smaller quantities for the day. This is relevant when the distribution and location of modern trade is considered, having 65% of total counties in the country without retail stores. In most of cases, the use of retail is linked to large urban areas and transportation.

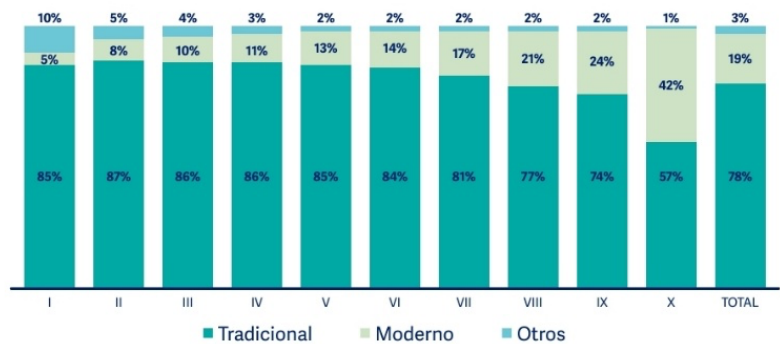
Retail Footprint: colored areas have access to retail



Source: National Retailers Association ANTAD

However, retail and wholesale stores cannot be considered direct substitutes. While retail offers more product diversity and availability, as well as more flexible hours and additional services such as ATM and services payment; the wholesale trade offers proximity and specifically in the case of produce, is regarded as the place where consumers will find the freshest products. While overall trade has a share of 45% retail and 65% wholesale traditional, produce has a higher share in traditional trade and continues to attract consumers from all segments, from low-income consumers to house-personnel in wealthy households.

**Expenditure by Socioeconomic Segment (lower decile value represents a higher income segment)**



Source: National Retailers Association ANTAD

## + Produce Distribution in Mexico

Mexico has 49 total customs border crossings and 100% of U.S. Watermelons are imported through Nogales, Arizona which is a dedicated Mexican inspection point for produce in Mexico, located in the northwestern border and one of the nineteen customs crossings with the United States

Laredo is another major entry point for produce coming into Mexico on the northeastern border, and could be developed for central and eastern growing states such as Texas, Florida and Georgia. All goods are transported inland with a 14-18 hour journey between the U.S. border and Mexico City. Each trailer can carry up to 20 metric tons and costs between \$1,500 and \$1,700 USD for a one-way trip.

## Entry Points in Mexico



Source: National Customs Agents' Association- Imalinx

As explained, Mexico is a large food grower but also imports different products that come from all around the world and produce is mainly distributed through traditional (wholesale) channels representing around 80% of total volume, while retail represents 20%. The sourcing of domestic products mainly comes from domestic growers that are predominantly small. They sell their production to a trading company that also has limited capacity and sometimes are people owning trucks. They get the product at field price and take it to sell to Central Markets mainly in Mexico City, Monterrey and Guadalajara. It is common to find regional circuits for product pick-up and sales to the central market. There, specialized trading companies may have prearranged contracts or attend a bid-style sale where they acquire the product for further sale.

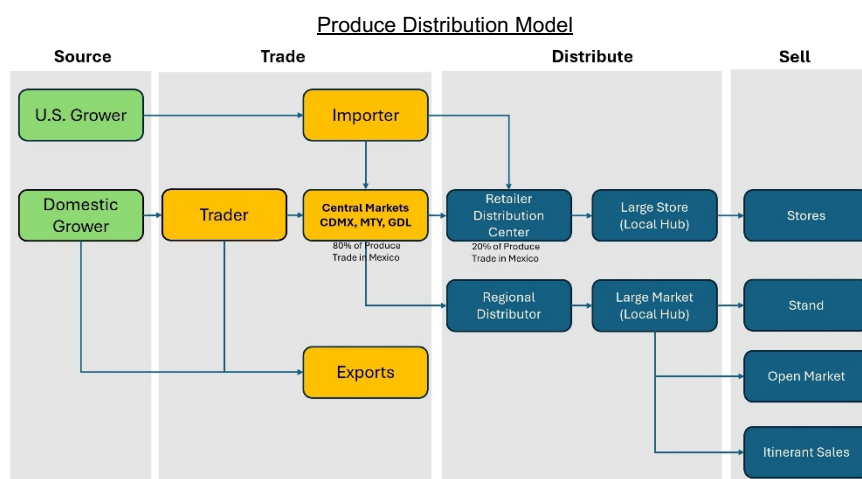
These trading companies in the Central Market in turn sell to regional distributors that also could be formed by people just owning trucks that buy the product to sell to secondary markets locally or re-distribute to other cities on a minor scale. Finally, small stores and itinerant vendors buy products at the Central Market to sell to final consumers. The traditional markup from grower to central market may be 100% and from central market to final consumer of around 50%.

In the case of imported products sold in the Central Market, the sourcing comes directly from an importer that formally acquires the product from the United States and then redistributes it in Central Market, following the same secondary distribution and selling model. However, imported product is formally acquired and usually arrives in full trailer loads. Another major contrast to domestic sourcing and distribution is that produce importers have established infrastructure, knowledge and resources to manage the import process without any issue.

This is an advantage in accessing the traditional wholesale market because these companies were established almost 30 years ago, right after the North Agreement Free Trade Agreement was signed in 1994. Some of this companies have credit references in the United States, are bilingual, have efficient product handling and have extensive experience managing produce from the United States.

However, all this adds to the price which can continue being competitive in differentiated varieties but would reduce the opportunity for commodity product. With respect to imported products sold at retail stores, retailers usually can import directly in high-value or differentiated products or have long-term agreements with specific importing companies, that will take care of quality control, inventory management and will take the risk and financial charge of retailers. These companies will deliver to the retailers' distribution center, so they can do secondary distribution and ship to stores.

In the words of Leonel Lopez from Grupo MLA, the largest fruit importer in Mexico, “Customers want to see the fruit and they are willing to pay more for nice and juicy fruit, while retailers only care about margin and sometimes they will leave quality to the side”. So, while traditional trade is often regarded as price-driven, the consumers will purchase product that has value for the money they are paying, even in basic products.



Source: Imalinx Internal Model, based on interviews and research

**Watermelon Point of Sale Examples in Mexico**

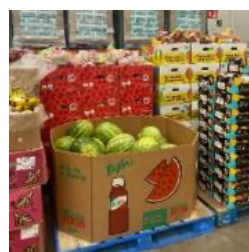
Traditional Sales Stand



Traditional Central Market Store



Club Format- Costco



Retail Store- Chedraui



## + Watermelon Products Marketing Channels

In Mexico, watermelon is presented and marketed through a variety of channels that cater to different segments of the market, ranging from fresh produce to processed goods. Here’s an overview of the primary marketing channels for watermelon products in Mexico and its ranking of potential for U.S. products:

## 1. Wholesale Markets

- **Description:** Large-scale wholesale markets where producers, importers, and distributors sell watermelons in bulk to retailers and other businesses.
- **Key Examples:** Central de Abasto in Mexico City, Mercado de Abastos in Guadalajara.
- **Role:** Serve as the main distribution hubs for watermelon products, connecting suppliers with retailers and food service providers.
- **Opportunities for U.S. watermelon growers:** Trade servicing and contact with large importers based in Central Markets with regional or national coverage also selling to retail chains can help expand sales. Main players in Market are: Tito in Monterrey, Coliman in Mexicali, Importadora y Exportadora in Tijuana, MGM, Dubacano and Tarahumara in Guadalajara, Austral Trading, MLA, Dauber Produce in Mexico City.

## 2. Supermarkets and Hypermarkets

- **Description:** Major retail chains that offer fresh watermelons and watermelon-based products.
- **Key Examples:** Walmart México, Soriana, Chedraui, and HEB.
- **Role:** Provide a wide range of watermelon products including whole watermelons, pre-cut fruit, and sometimes watermelon-based juices or snacks.
- **Opportunities for U.S. watermelon growers:** Direct programs with Walmart, Costco, El Florido and evaluate alternatives with Casa Ley, AISuper, HEB and Soriana. The rest mainly work with importers mentioned above.

## 3. Specialty Retail

- **Description:** Retail outlets that focus on high-quality or niche produce, including organic or premium watermelon varieties.
- **Key Examples:** La Comer, City Market.
- **Role:** Target consumers looking for premium or specialty watermelon products, often with a focus on quality and origin.
- **Opportunities for U.S. watermelon growers:** La Comer and City Market could be a good opportunity for organic and specialty watermelon products and combine with retail marketing activities. The marketing strategy has to be well developed and coordinated along with the importer, the buyer and the marketing implementing the program.

## 4. Farmers' Markets

- **Description:** Local markets where farmers and small producers sell fresh produce directly to consumers.
- **Key Examples:** Local farmers' markets in cities and towns across Mexico.
- **Role:** Offer fresh, locally grown watermelons and foster direct consumer relationships.
- **Opportunities for U.S. watermelon growers:** Low opportunity as U.S. growers would be competing with domestic product. It could be convenient if Mexican watermelon is expensive or scarce, specially in July and August.

## 5. Food Service Industry

- **Description:** Includes restaurants, hotels, and catering services that use watermelons in their menus.
- **Key Examples:** Local and chain restaurants, hotels, and catering companies.
- **Role:** Utilize watermelons in salads, beverages, desserts, and as a fresh ingredient in various dishes.
- **Opportunities for U.S. watermelon growers:** Low potential to develop this channel as its supply follows traditional produce supply and educating buyers and chefs would be resource-intensive and may benefit local watermelons indirectly.

## 6. Fruit Stands, Juice Shops

- **Description:** Stores selling fruit cocktails and beverages from fresh fruits, including watermelon.
- **Key Examples:** Local juice bars and smoothie shops.
- **Role:** Provide watermelon-based drinks and smoothies, appealing to health-conscious consumers.
- **Opportunities for U.S. watermelon growers:** Low potential to develop this channel as its supply follows traditional produce supply and educating buyers and chefs would be resource-intensive and may benefit local watermelons indirectly.

# + Competition by value, quality, price and consistency of supply

The watermelon market in Mexico is highly competitive, based on value, quality, price, and supply consistency. This competition impacts market dynamics and consumer choices across various regions.

## 1. Value

- **High-Value Differentiation:** Companies differentiate themselves through value-added services such as consistency in quality and size, organic options, branded produce or added-value packaged fruit. High-value importers often offer superior logistics and packaging solutions to enhance product appeal.
- **Competitive Edge:** Importers like **Dole México** and **Fresh Del Monte México** leverage their global sourcing capabilities and established market presence to offer high-value products, creating a competitive edge through enhanced product offerings and reliable supply.
- **Opportunities for U.S. watermelon growers:** While brands like Taylor Farms and Dole have operations in Mexico, other large U.S. brands can develop a high-value program



with global partners such as Walmart or Costco. Merchandising support such as decorated bins or investment in retail marketing could be requested by buyers, but this investment should not exceed 10% of total program. Also, they have to be pending to negotiate trade terms to get paid DAF (Delivered at Frontier), reduce logistical discounts and payment terms.

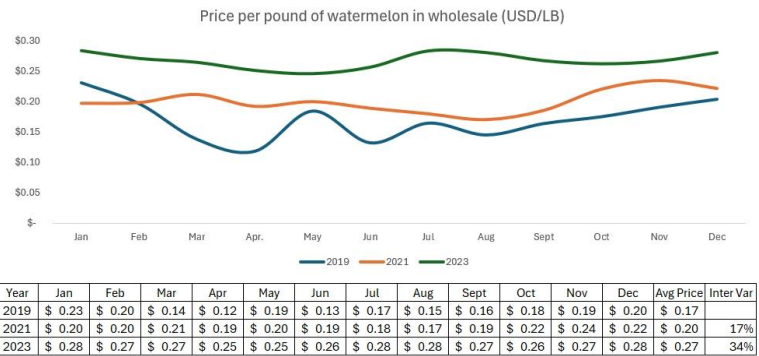
## 2. Quality

- **Quality Standards:** Quality is a significant competitive factor. Leading importers ensure that their watermelons meet stringent quality standards, including size, freshness, and taste. Quality control processes, including rigorous inspection and handling practices, are crucial.
- **Reputation:** Companies such as **Grupo Ceres** and **Rufino Tamayo** are known for their emphasis on high-quality produce, gaining a competitive advantage by consistently delivering top-grade watermelons.
- **Opportunities for U.S. watermelon growers:** Potential marketing efforts should focus on the quality, consistency, Good Farming Practices from NWPB, provide printed materials or access to digital information about any active marketing act or industry standard to appeal to potential consumers.

## 3. Price

- **Price Competitiveness:** Pricing strategies vary among importers, with some focusing on cost-efficiency to offer lower prices, while others might position themselves as premium suppliers with higher prices reflecting superior quality or service.
- **Market Positioning:** **Grupo Nader** and **Hortalizas El Roble** often engage in competitive pricing strategies to attract price-sensitive customers while balancing quality and supply reliability.
- **Opportunities for U.S. watermelon growers:** Watermelon is a highly sensitive to price. Therefore, it is recommended that NWPB and its members obtain a price tracking system or get trained in the use of Mexican Pricing Monitoring System SIAP (available only in Spanish), that provides price and production tracking per type of product and per Mexican State. This will allow users to monitor prices and identify opportunities to start contacting traders and importers, i.e., once a price increase of Mexican watermelon is detected.  
[http://infosiap.siap.gob.mx:8080/agricola\\_siap\\_gobmx/ResumenProducto.do](http://infosiap.siap.gob.mx:8080/agricola_siap_gobmx/ResumenProducto.do)  
Keyword in fourth box: sandia

### Watermelon price evolution in Central Market 2019-2023 (SIAP)



The landed cost for importers and distributors closer to the border also offers an advantage as the cost per mile per pound is lower and programs could be developed tailored to producers based in California, Arizona and perhaps Texas.

#### 4. Consistency of Supply

- **Supply Chain Reliability:** Consistency in supply is critical for maintaining market position. Importers with well-established supply chains and logistics networks are better positioned to ensure a steady supply of watermelons, avoiding disruptions.
- **Infrastructure Investment:** Companies like **Hortifrut México** and **Agroindustrias del Norte** invest significantly in infrastructure, including cold storage and transportation, to ensure consistent product availability and manage supply fluctuations effectively.
- **Opportunities for U.S. watermelon growers:** Reliability is key for retailers specifically. The interviewed buyers mentioned this as a key factor when testing new suppliers. This also could be part of a strategy to develop relationship with buyers and a long-term sourcing plan taking into account local production and planning that can ensure distribution to specific retailers such as Costco and help them in their long-term planning and new varieties introduction.

## + Regulatory Issues: Tariff and other non-tariff barriers to trade

To import watermelon from the United States to Mexico, you must follow several regulations that include obtaining a phytosanitary certificate, passing border inspections, and adhering to quality standards. Importers must also be registered with SENASICA, ensure compliance with residue limits, and pay relevant tariffs and taxes. These regulations ensure the watermelon meets safety and quality standards and include the following:

<https://sistemassl.senasica.gob.mx/mcrfi/ConsultaCatalogos.xhtml>

1. **Phytosanitary Certification:** Watermelons must have a phytosanitary certificate issued by the U.S. Department of Agriculture (USDA) or the relevant phytosanitary authority in the United States This certificate ensures that the fruit is free from pests and diseases. Specifically for Watermelons, the phytosanitary certificate must state that “the product related to this shipment come from growing regions that are not regulated (quarantined) for fruit fly”. Website to APHIS Phytosanitary Certificate Issuance & Tracing System: <https://pcit.aphis.usda.gov/pcit/faces/signIn.jsf>
2. **Inspection at the Border:** Upon arrival in Mexico, the watermelon will be inspected to ensure it meets phytosanitary requirements. This inspection is carried out at designated entry points by the National Service for Agri-Food Health, Safety, and Quality (SENASICA).Website to SENASICA in Spanish: <https://catalogonacional.gob.mx/FichaTramite?traHomoclave=SENASICA-04-041>
3. **Importer Registration:** Companies wishing to import watermelon must be registered with SENASICA’s Importer Registry and meet the documentation requirements for importing agro industrial products. <https://www.gob.mx/senasica>
4. **Residue Controls:** Watermelons must comply with the maximum residue limits for pesticides and other contaminants as established by Mexican legislation NOM-082-SAG-FITO/SSA1-2017 that follows Those published by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO), through CODEX Alimentarius  
<http://www.codexalimentarius.org/standards/pestres/pesticides/es/>

## Key Watermelon Trade Members + Specialized exporters

Several specialized watermelon exporters in Mexico focus on shipping watermelons to the U.S. market. These exporters are known for their high-quality produce and adherence to international export standards. It is recommended to contact these companies to explore backhauling operations that could reduce the freight cost and create two-way shipments.

Key Exporters:

1. **Productora Agrícola Los Alamos.** Known for its large-scale operations and high-quality produce. They specialize in a variety of fruits, including watermelons.  
Col. Centro, Calle 1a. Ote. 306, Oriente 1, 33000 Delicias, Chih.  
Teléfono: 639 474 2382

2. **Hortifrut México.** Part of the global Hortifrut group, which specializes in berries and other fruits. Provides premium watermelons to the U.S. market.  
+52(33)509-9200  
repcion@hortifrutmx.com  
Av. Vallarta 6503 Torre Corey Piso 7 Plaza Concentro.  
Ciudad Granja, Zapopan Jalisco, México, C.P. 45010
  
3. **Frutas y Vegetales del Valle:** Based in Valle, Nuevo Leon region, known for diverse agricultural production. Exports watermelons to the U.S. and maintains high standards for produce quality.  
Contact: [mquiroga@frescosdelvalle.com](mailto:mquiroga@frescosdelvalle.com)  
Av Los Angeles 502 col del Norte, Monterrey; NL  
+52(818)331-4212  
<https://frescosdelvalle.com/contacto/>
  
4. **Rancho agricola las cabras:** Is a grower and exporter of different products such as Watermelons, is based on Sinaloa.  
Carretera a Teacapan KM, Isla del Bosque 14, Luís Echeverría, Mazatlán, Sin.  
+52-695-112-9500
  
5. **Starr produces:** is an farming company based out of Tecomán, Mexico. Grows watermelons, honeydews and papayas.  
Melchor Ocampo #305 28100 Tecomán Centro, Colima, Mexico  
+52-313-143-8711

These exporters are integral to the supply chain, ensuring that Mexican watermelons meet the quality standards required for the U.S. market. They utilize advanced farming techniques and adhere to stringent export regulations to maintain their reputation and market presence. They the main competitors to U.S. watermelons in the Mexican market, but they could also become a potential partner in case a supply opportunity from the United States becomes available.

## + Specialized importers

Between 2017 and 2024, there have been 532 shipments carried out by 70 Mexican companies. Watermelon importers in Mexico are integral to the fruit supply chain, characterized by their substantial infrastructure, market reach, and operational expertise. These companies ensure that watermelons are consistently available throughout the country, meeting both market demand and quality standards. A total of 25 importers and buyers were interviewed and while the traditional trade prefers local product, retailers are open to imported varieties that can offer differentiation.

## Trade Leads for NWPB As Of August 2024

- **Grupo Tarahumara.** Specialized in fine fruits and vegetables. Being the leading company at the national level and with the most experience in the industry.  
Contact: Trini Rodriguez  
[Trini.rodriguez@grupotarahumara.com.mx](mailto:Trini.rodriguez@grupotarahumara.com.mx)  
+52-33 3001 4500  
Local-447 y 449, C. 4, Comercial Abastos, 44530 Guadalajara, Jalisco.
- **Distribuidora el Florido.** a Cash-and-carry retailer with over 40 stores in northern Mexico. They offer volume products but also look for opportunities to differentiate and have good value. They asked for shippers list for watermelon varieties from Mexico.  
Contact: Juan Pablo Bañuelos  
[jpbanelos@lflorido.com.mx](mailto:jpbanelos@lflorido.com.mx)  
+52-664-385-5947  
Boulevard de Los Insurgentes 8904, Lomas Virreyes, 22237 Tijuana, Baja California
- **Costco Mexico.** With over 50 stores in Mexico, they represent a high-end offering appealing to middle class and higher in Mexico. They are looking for specialty items and shippers' lists  
Contact: Moises Caballero  
[Mcaballero@costco.com.mx](mailto:Mcaballero@costco.com.mx)  
+52-55-5246-5551  
Blvd. Magnocentro No. 4 Huixquilucan de Degollado Centro Huixquilucan, Estado de Mexico, 52760 Mexico
- **Grupo Bebo.** Importer specialized in melons and watermelons, also grower of cantaloupes in Mexico  
Contact: Marco Quintana  
[marco.quintana@grupobebo.com](mailto:marco.quintana@grupobebo.com)  
(55)5640-0170

Other relevant importers:

- **Grupo MLA.** Located in Mexico City, they are the main fruit trader in Mexico. 95% of their sales are made in traditional trade and they also grow and source Mexican watermelons. They are price driven but they import product from the U.S. when supply is scarce.  
Contact: Leonel Lopez  
+52-661-7470-623  
Int. 172 Col. San Pedro, Iztapalapa, Iztapalapa, Ciudad de México C.P. 09040  
Central De Abasto De La Ciudad De Mexico
- **Frutas y Verduras San Miguel**  
+52-686-9052  
Privada Benton #5210 Fracc. Rio Tijuana, Tijuana Baja California 22226
- **Deli market por Ferbis**  
Contact: Isabel Acuña  
+52-686-565-3623  
Ave. Brasil #750. Col. Cuauhtémoc Norte Mexicali, B.C., C.P. 21200, México.
- **Walmart.** The Walmart importing branch, that brings imported program from the Global Sourcing Teams. They take advantage of global negotiations but they are known to source watermelons from Mexico as well.  
Contact: Renata Vargas  
+52-55-1309-4999  
Calle Camino a Nextengo No. 78, Santa Cruz Acayucan, Azcapotzalco, 02770 Ciudad de México,
- **Calimax.** Retailer in Northern Mexico with around 120 stores. Due to their proximity to the United States have explored purchases of watermelon but not in an organized way.  
Contact: Sergio Ciceña  
+52-664-123-7946  
Ignacio Comonfort No. 9351, Zona Urbana Río Tijuana, B.C. C.P. 22010
- **Dubacano.** Second generation fruit trading company based in Guadalajara. They trade all produce categories and are specialized in imported fruit. They have nationwide distribution and also service retail sector.  
Contact: Heliodoro Solís  
+52-33-2310-2840  
Calle 4 No. 409, Mercado de Abastos, Guadalajara, Jalisco. C.P. 44530
- **Comercializadora Sieji.** Importer company of different produce products, including fruits and vegetables.  
Contact:  
+52-686-906-7853  
Avenida Republica De Brasil 426 Colonia Alamos Mexicali, Baja California C.P. 21216

# Recommendations

## + Main Findings

Due to its proximity, the United States could be a logical supplier of watermelons to Mexico. However, the high volume produced in Mexico, including exportable supply, limits opportunities for the United States. That said, there is opportunity for U.S. growers looking to expand to Mexico with the following findings:

- **Reestablish contact:** Main produce importers and retailers consistently mentioned that they don't have connections with the U.S. watermelon industry. They require quality and differentiation, specially in medium and high-end segments.
- **Differentiated varieties:** Focus on seedless, yellow, mini varieties, organic or those that offer value and differentiation to the market.
- **Capitalize on gaps in domestic supply:** U.S. suppliers could capture market niches for Charleston and other popular varieties during periods of low production/high price for domestic production. It is necessary to understand market and pricing dynamics with the tools and website provided in this document.
- **Capitalize on Advantageous Logistic Costs.** Consider shipping product from California, Arizona and Texas in months when Sonora is off season. The logistical infrastructure is established and 25% of retail stores are in the border zone. It could be attractive for them to establish a program with U.S. watermelons.
- **Be aware of MXN/USD exchange rate fluctuation.** Although the exchange rate has remained stable in recent years, increases of over 10% turn buyers cautious and reduce risk and purchases. It is recommended to monitor exchange rate and review with buyer.
- **Potential rejections or quality issues during transportation.** International transactions carry a risk. Study the logistical information provided in this document and make sure to have exports training preferably with the client's Mexican customs agent, to be clear of requirements and contingency plans in advance.
- **Informality in commercial terms from traditional wholesalers or demanding conditions from retailers.** Due diligence in asking for references of potential importer, It is recommended to ask for payment in advance and have a clear understanding of trade terms with Mexican retail buyers or importers.
- **U.S. domestic production may restrict availability of U.S. product coming to Mexico.** Mexico and the United States have one of the largest watermelon markets in the world. It is recommended that U.S. exporter ensures supply for a long-term program in Mexico before committing to any Mexican buyer.

## + Opportunities

As mentioned, there is reduced opportunity with popular or generic items that are grown in Mexico. However, there is opportunity to develop a steady supply into Mexico with the following conditions:

- Focus on differentiated varieties that are still in development in Mexico, especially seedless, yellow and personal.
- Offer consistent and specific varieties to retail, specifically those located in border areas that may provide a logistical advantage; and on retail chains that look for differentiated product such as Calimax, El Florido or HEB.
- Develop organic and added-value varieties for high-end retail chains such as City Market, La Comer or HEB
- Constantly track prices in Mexico, identifying price increases that note decrease of supply from certain regions in Mexico and take advantage of the supply window that can be covered by U.S. product if landed cost is reasonable, informing the trade in preparation for the season
- Have shippers' list and industry information available or published for trade members such as retail buyers, large wholesalers and current and potential importers.
- Develop a relationship between growers and the main retailers in Mexico, through an outbound trade mission to Mexico City, Tijuana or Monterrey to establish relationship with buyers and have a better understanding of the Mexican Market. The Agricultural Trade Office in Mexico City can assist with contacts and further information.

<https://fas.usda.gov/regions/mexico>  
[AgMexico@usda.gov](mailto:AgMexico@usda.gov)