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Defining the growing His

A look at the U.S. Census Bureau's data tells us that the nation's Hispanic population (of which 66 percent hails from Mexico) reached 45.5 million on July 1, 2007, bringing their numbers to 15.1 percent of the estimated total U.S. population and making them the largest ethnic group in the country. Hispanics are also the fastest-growing minority group in the U.S., and with that comes both the demand for a large variety of fruit and vegetables from their home environments and the spending power to back it up.

"People want to cook and eat what's familiar to them," which has sparked a tremendous demand for Hispanic produce, says Kelly McDonald, owner of McDonald Marketing, an Hispanic advertising agency in Dallas, TX. These products are also cropping up more in general supermarkets, further reflecting the cuisine's burgeoning toehold in this country. "We're all eating them now because they've become more mainstream," says McDonald.

Such high-level observations make a strong case for looking into an opportunity that could lead to big profits for a produce company willing to take on the challenge of Hispanic demands.

FOLLOWING THE TREND

While traditionally a net exporter of fruit and vegetables (\$9.7 billion in 2004, according to *Amber Waves* magazine, published by the Economic Research Service of the United States Department of Agriculture), the U.S.

has also become a large net importer, with imports more than doubling between 1994 and 2004 to reach \$12.7 billion. The numbers are impressive, and Hispanic produce is playing an increasingly notable role in these statistics.

Due to the distribution of the Hispanic population in the U.S., the strongest demand for Latin produce and Hispanic ingredients has traditionally been in the western and southwestern parts of the U.S., says Robert Schueller, director of public relations for Melissa's/World Variety Produce, Inc., a large distributor of specialty produce in Los Angeles, CA. However, his company has been seeing a significant surge of demand from the Midwest to the mountain states as Hispanics go where the jobs are. There has also been growing interest in places like Denver, CO and Seattle, WA, says Schueller, which would have been unheard of fifteen years ago when there was no significant Latin or Hispanic presence in those areas.

The East Coast is seeing some growth, as well. Even the Carolinas are getting into the act, says McDonald. For example, where they've never carried anything of note related to the Hispanic market before, grocers in North Carolina now offer ten different brands of tortillas and other items. "They're not just stocking [those items] for good will," says McDonald.

If current trends continue, 29 percent of the nation's population will be Hispanic by 2050, says D'Vera Cohn, an analyst for the Pew Hispanic Center, a non-partisan research



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Unity Knocks

Hispanic produce demand

By Chuck Green

organization that studies the U.S. Hispanic population and its impact on America. She says Hispanics will have an important impact on the future of the U.S. because they will account for the majority of the country's population growth in coming years.

THE HISPANIC CONSUMER

The main source of Latino population growth in the U.S. has changed during the current decade, and there are now more Hispanic births in the U.S. than there are Hispanic immigrants, says Cohn, meaning the main driver of Hispanic growth has become U.S.-born children, not foreign-born adults. Consequently, immigrants will be a shrinking share of the Hispanic population.

Born stateside or otherwise, the Hispanic consumer is becoming more and more desir-

able, and stores are ready to cater to them. Not only are Hispanics becoming more valued customers, they value the shopping experience itself, says Sydney Hopper, chief operating officer for United Supermarkets, LLC in Lubbock, TX. "We're trying to make the process inclusive and more of an event than the drudgery of grocery shopping," says Hopper, and it's important to attract this segment with effective merchandising. His stores use large displays with plenty of fresh products, and they've also experimented with discounted per-piece pricing when a certain amount is bought, promoting, say, five pieces of fruit for \$1.00. In a family of five, such deals mean a piece of fruit for everyone, whereas by the pound the price might not be as manageable.

Personal service—which takes time—is also important to Hispanics, says McDonald. The

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extra effort is worth it, however, as Hispanics spend 22 percent more on groceries than non-Hispanics, she says. They also head to the grocery store more often than the average U.S. consumer, making an average of twenty-six trips per month, and visit fresh produce markets on a regular basis. By 2012, Hispanics will represent \$1.2 trillion in spending power, according to the Selig Center for Economic Growth.

MARKETING STRATEGIES

The media has played a significant role in embedding Hispanic products into the U.S. landscape, says Jorge Antona, president of Diaz Produce, LLC, a distributor of Hispanic produce based in Forest Park, GA. "I think the [Food Network] has done great things for introducing new flavors" and compelling consumers to experiment with foods that are new

to them, he says. Furthermore, in terms of advertising, his company is leveraging whatever additional media is at its disposal, including magazines, television, and radio channels targeted specifically to the growing Hispanic market.

At least \$2 billion is spent annually on advertising to Hispanics, according to *Hispanic Business* magazine, a figure that should grow as programs and products aimed at Hispanics reach the general market. "This education is driving the category," says Schueller.

Savvy companies looking to advertise to both the general customer base and Hispanic customers in particular will recognize the need to adopt two marketing strategies, says McDonald. Not only that, she says, but these two strategies must take into account that two different consumer groups are in question here, and not only do the groups speak two different languages, but they also have many cultural differences. Consequently, more and more companies are translating their ads from English to Spanish.

It's a seemingly sage strategy given that 71 percent of the Hispanic demographic speaks Spanish at home, and 56 percent of Hispanic adults understand advertising best when it's presented in Spanish, according to a study conducted by the Roslow Research Group in 2000.

To make Hispanic customers feel even more at home, Hopper says team members in stores should mirror the guests they hope to attract in order to minimize obstacles like language barriers. "Hispanic guests aren't as likely to ask someone for something unless they're comfortable with that person," says Hopper.

In-person interactions aren't the only touchpoints to be considered. The same premise goes for callers, too, says McDonald. "If you market to Hispanic consumers and they call your 800 number, and it's only answered by an English-speaking operator, you just drove a caller into a brick wall."

AN EXPANDING OPPORTUNITY

Hispanic foods are becoming more popular beyond the Hispanic population. As the focus on healthier eating becomes more prevalent, consumers are becoming more adventurous. "In the '80s and early '90s, it was all about fat-free," says McDonald. "We've moved past that. Now it's about the purity of food and, from a standpoint of social consciousness, how it was raised. People are willing to pay for good food that's well-grown."

POPULAR HISPANIC COMMODITIES

According to the United States Office of Management and Budget, the term "Hispanic" or "Latino" covers "Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin."

Several foods are favorites among U.S. Hispanics today, according to experts, and are becoming more popular beyond the Hispanic population, as well. In fact, according to the Agri-food Trade Service of Canada, 75 percent of ethnic food consumption in the U.S. is by mainstream consumers.

What foods are popular at a given time changes with the seasons. Hispanics shop for produce by season to take full advantage of the best produce and freshest flavors, as well as price, says Kelly McDonald, owner of McDonald Marketing, an Hispanic advertising agency in Dallas, TX.

Among these popular commodities are the following produce items:

- | | |
|------------|-----------------------------|
| Avocados | Onions |
| Bananas | Oranges |
| Cilantro | Peppers |
| Herbs | (all kinds, fresh & canned) |
| Jalapeños | Potatoes |
| Jicama | Strawberries |
| Limes | Tomatoes |
| Mangoes | (green, red, etc.) |
| Melons | |
| Cantaloupe | |