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Texas warehouse helps Coast Tropical expand business

By TIM LINDEN

The addition of a new 120,000-square-foot warehouse in Texas has helped California-based Coast Tropical expand its business, according to Isabel Freeland, the firm's chief financial officer and vice president of administration.

Ms. Freeland said that the

opening of that warehouse in 2008 allowed the company to import more product from Mexico, including a full chili pepper program, pineapples and watermelons. The added volume from Mexico is just part of the firm's expansion, however. "We have also just started a new program in Costa Rica that includes pineapples

and the root crops," she said in mid-September. "We will be starting with the root commodities into Florida next month [October], and our pineapple deal will start next spring."

Coast Tropical, which is a sister company to Coast Citrus, is headquartered in San Diego. The construction of the Texas warehouse helped the company expand its presence in the Lone Star State, and now the Costa Rican production has the firm shipping into Florida for the first time.

With all this expansion, according to Ms. Freeland, the total number of packages shipped by the firm should be up 10 percent in 2009 and 25 percent in 2010. "We have always had a large presence in Mexico, and with this warehouse in McAllen, [TX], we will grow even more."

She said that the new facility uses state-of-the-art technology to provide cold storage in a contaminant-free environment. "We have ripening rooms for when we need them, and we have the ability to cool product from 32 degrees to whatever."

She said that thanks to the facility, the company was able to add one brand new product: carrots.

While the firm expands into other products, mangos are still one of its key items. In fact, Ms. Freeland serves on the National Mango Board and is currently the chairperson. She credited the board with creating a great sales environment over the past year, which has helped the industry maintain and grow sales despite the economic downturn.

"The economic crisis has hit all of us pretty hard," she said. "Consumers have a choice and are able to pick from many dif-



Isabel Freeland, chief financial officer of Coast Tropical in San Diego, visited Ecuador in mid-September to check on the progress of the mango crop. She determined that it needed a couple of more weeks on the trees.

ferent items [in the produce department]. I believe that if it wasn't for the great promotional job that the National Mango Board has done over the past year, we would have suffered a major decline in sales, ... and that has not happened. The mango board promotions have been very helpful."

Ms. Freeland's theory seems to have played out when one looks at the recently completed Mexican mango deal. Shipments from Mexico for the past five or six months were running significantly ahead of last year, and the industry has maintained a fairly strong f.o.b. price. As supplies dipped in September, because Mexico exited the deal and Brazil got off to a slow start, prices spiked. In mid-September, a demand-exceeds-supply situation existed, with the f.o.b. price rising to as high as \$8.50 per carton.

"The way I tell if the National Mango Board is having an effect is by the number of recipes I see in the national magazines," Freeland said.

She added that the board's budget is not large enough to conduct a substantial national advertising program, so it uses a public relations campaign to spread its message. "This year, it seems like every newspaper and magazine is constantly running mango recipes. It's unbelievable how often you see a mango recipe."

For the next year, she said

that the mango board will continue the current campaign and will also fund research into the effect mangos have on colon cancer. "We are very excited about that," she said. "Within a year or two, we should have some results."

Switching back to her Coast Tropical hat, Ms. Freeland said that mango supplies should increase significantly from Brazil throughout October, with Ecuador also beginning shipments that month. Ecuador is a major supplier of mangos for Coast, and she said that "we should have 20 percent more fruit this year than last year."

Ms. Freeland conducted this interview with *The Produce News* from Ecuador, where she was checking out the crop's progress. "We are going to wait two weeks before we begin harvest," she said Sept. 15. "I looked at the fruit, and it can wait a couple of more weeks."

Because of the hot September market, some shippers were trying to capitalize by rushing the fruit to market, but Ms. Freeland said that Coast is not going to do that.

"We will have Ataulfos, Tommys and Kents with this first fruit being Ataulfos. I don't believe there is any reason to rush it because there are no Ataulfos on the market anyway," she said, which means a fairly good price when the volume begins, whether it's mid-September or mid-October.