

COMPETITIVENESS OF MEXICAN AVOCADO EXPORTING COMPANIES TO THE UNITED STATES OF AMERICA A-27

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At this study investigated the competitive factors of 25 avocado exporting companies located in Uruapan, Michoacán (Mexico). This cradle in a census of the twenty-five exporting companies, whose organization, objectives and production problems were known. The documentary investigation focused to the knowledge of the main theories on International Commerce as well as the situation of the market of this product at world-wide level. As result of this, five explanatory variables were identified: the quality, price, technology, training and channels of distribution.

The opening of the U.S. market in November 1997 to the commercialization of Mexican avocado production was an excellent opportunity to develop a market in a culture that tended to consume natural foods, of good quality; within that a considerable amount of Mexican customary incorporating the avocado in its diet is included. Mexico's state of Michoacan, in particular the Uruapan municipality, is the largest producer of Hass avocados in the world. Proximity to the large U.S. market of 275 million habitants with high spending power was a unique business opportunity to take advantage of the efficient network of drug dealers with ample experience in the handling of the avocado.

Problematic of the industrial sector as well as the radical process of commercial opening adopted by Mexico as of the decade of eighties, generated challenges and opportunities for several Mexican companies but there are competitive problems in customary companies to work in protected markets. These distortions with serious social effects are related directly to the competitiveness. One critical issue for the Mexican avocado industry has been U.S. import regulations that have often denounced as green barriers. These regulations concern agricultural pesticide use as well as quality and maturity standards. In spite of the NAFTA, the U.S. has continued to impose six cents per pound tariff avocado imports from Mexico but not on avocado imports from countries such as Chile and the Dominican Republic. With the entry of Mexico into the General Agreement On Tariffs and Commerce (GATT) in 1986, the export of Michoacan's avocados has experienced a number of diverse problems. Non competitive intermediaries have assumed greater control over avocado commercialization and distribution. Strong U.S. policies protecting the U.S. California avocado industry have continued (Sánchez, 1991, 45). The Mexican avocado sector is underorganized with production automation and commercialization having fallen behind that of other avocado producing countries such as Chile, Israel, the U.S., and Spain. There has been very little research on the competitive success factors of Mexican firms, much less those exporting to the U.S. (Cebreros 1993, 167). By identifying the competitiveness factors for Mexican avocado exporting firms, this study will advance current knowledge about competitive factors for organizations in the Mexican agricultural sector that are dependent on exports to the U.S.