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Primo Trading resilient in COVID-19 economy

By

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Tony Martinez founded Primo Trading Services in 2015 with a vision to do business better.

“My idea was to start something small where growers can just pick up the phone and have someone they could call on the other side of the border just like family” he explained.

“My background was in row crops, but the last ten years or so was heavy citrus. For Primo it just made sense to marry them both together.” Indeed, founded in Pharr, TX. Primo Trading Services is in many ways the culmination of years of personal experience. Martinez has spent over 24 years in the produce industry working with many top tier companies including Farmers Marketing Service, L&M, Coast Tropical, and The Wonderful Company. “If you look at Primo and what we do now, it’s the product of all that,” he said.

Martinez’s vision for Primo was to be a year-round shipper on whatever commodity he handled, and as a result is operating not only in the import space, but also growing product on over 1,200 acres in the Rio Grande Valley. “This is a little unusual for a company that works primarily in this space,” he said, “In the McAllen area, most are just importers. The goal was to be diverse, to not be overly exposed in one sector or another.”

This strategy has played well over the past year with the onset of the global pandemic. “We’d already taken a conservative approach with customers and were prepared for supply chain uncertainty,” he said. “Many importers suffered hard economic impacts when the pandemic was spreading.” According to Martinez, a number of shippers were forced to throw away produce due to lack of sales when many parts of the country or certain sectors of the industry were closing. “What this does for 2021 is bring additional challenges in the supply chain,” he continued. “The biggest concern is how much volume do we plant? Do we risk planting at all? The answer is yes, despite the challenges 2020 brought we will continue with our year-round plant cycles on all commodities.”

“A new year brings new goals, and most of America is looking to make healthier choices and produce overall will see a benefit in the coming months.” asserted Martinez. With COVID-19 posing such a threat to health, the industry should continue to see consumption increase through various outlets. The pandemic presented its share of challenges; however, it also brought a high demand for Vitamin C, which helped to increase overall consumption of citrus over previous years.

Martinez said that oranges were off to a great start for the 2020/2021 season, with Hurricane Hanna briefly affecting availability on Texas oranges. “Mexico Oranges played a pivotal role in filling the

supply chain during the gap,” he said. “Since then, oranges have been steady each week, currently 2020/2021 has been our highest volume year since we started the company.”

Lemons were a high-volume crop in 2020, however it was also a historically low on price points. Currently as the season winds down most importers have exited the lemons. “Primo will continue with another grove that will carry us through March/April. Then we will enter a small off bloom crop which should carry us into the regular 2021 crop,” outlined Martinez. Early estimates for the 2021 crop show low production across the entire season.

“We kicked off the 2020/2021 Tangerine season in November,” said Martinez, “and overall the crop has been the strongest I have seen in recent years. Market overall has been steady the entire season, with strong demand the entire way. We are looking to wrap up the season March 2021.

In the COVID-19 economy, the produce landscape continues to change, with many companies downsizing, with some outsourcing factoring for operating income. “I’m seeing less people farm,” said Martinez, “volumes are down for 2021 (out of Texas & Mexico).” Primo Trading’s response? Diversity! “With produce being an ever-changing landscape, being able to be diverse in different categories and being able to grow, source and distribute a number of commodities at the same time allows easy access for customers to source product from one location. Giving our customers the ability to consolidate and load from one location will continue to give us a competitive advantage.”

In a few months Primo Trading will look to start mangos and cactus pears and currently has 300 acres of Texas watermelons that will be available to harvest in time for Memorial Day. 2021 will be the company’s largest planting year ever.

One of the largest investments the company is making for 2021, aside from growth in produce is their investment in infrastructure, said Martinez. “We are proud to announce we will open up our new cold storage/repack facility Summer 2021 in Edinburg, Texas!”

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