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Mexico

Food Processing Ingredients

Mexico's Food Processing and Ingredients Report

Post:

Mexico City ATO

Approved By:

Alicia Hernandez

Prepared By:

Vanessa Salcido

Report Highlights:

In Mexico, according to the National Institute of Geography & Statistics (INEGI), there are over 170,000 registered companies under the industry classification for food and beverage manufacturing/processing. Mexico has a relatively strong food processing industry, growing at a rate of almost 2 percent annually, and with a market value of nearly US\$ 66 billion. Leading Mexican brands have well-developed national distribution networks and are well-positioned in the market and enjoy high brand awareness with consumers, which are very loyal, despite economic variations.

Still, since a new class of Mexican consumers is demanding products that are healthy, convenient, and innovative, food processors are adjusting to these new demands and seek novel inputs or to establish business relationships with foreign food processors to exchange technological innovation for their knowledge of the market. Although the majority of the food processing sector in Mexico is dominated by multinational (both domestic and foreign) companies, there is a large and growing opportunity for small to medium companies to participate in this industry.

Author Defined:

Section I. Market Summary

Introduction

The processed food industry in Mexico has experienced steady growth since 2011. In 2012, processed food production in Mexico reached a value of US\$123,954 million, which represented an increase of 2.3 percent compared to 2011. The food industry represented a 23.2 percent of the manufacturing gross domestic product (GDP) and 4.1 percent of the total GDP.

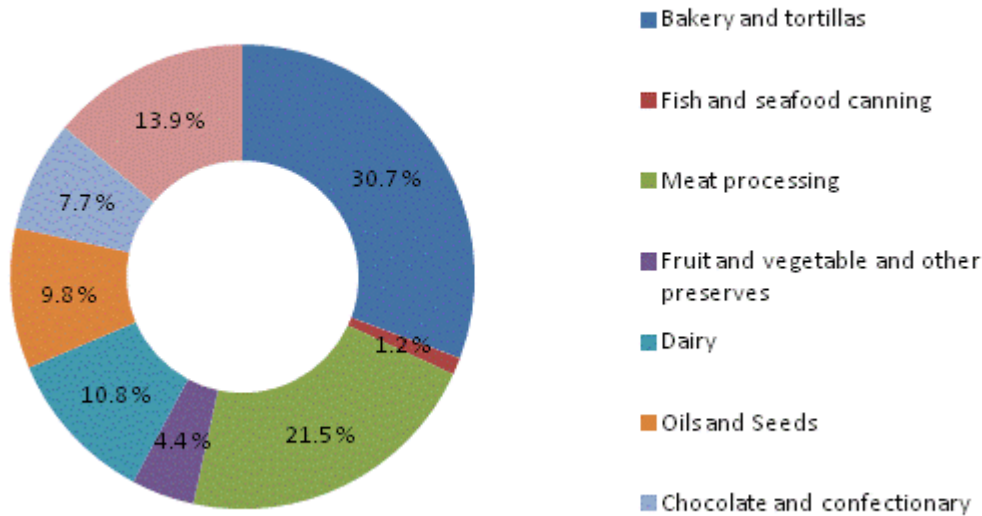
Mexico has a relatively strong food processing industry, growing at a rate of almost 2 percent per year, Leading Mexican brands have well-developed national distribution networks and are well positioned in the market and enjoy high brand awareness with consumers, which are very loyal, despite economic variations.

The growth of the Mexican processed food industry can be attributed to several factors such as the production capacity, the agricultural resources, the economic growth, the growth of the middle class, and the low manufacturing costs. The ready-to-eat and frozen food products are gaining popularity in Mexico as a result of changing lifestyles, women entering the workforce, and increasing per capita income levels. Increasing income levels could mean a growing audience for imported processed foods.

In 2011, the bakery and tortilla industry represented 30.7 percent of the total production of processed foods, and also other categories stood out as the meat processing and dairy production with a 21.5 and 10.8 percent participation respectively. These industries are mainly represented by Grupo Bimbo and SuKarne.

Graphic 1. Production by Industry 2011*

Production by Industry



Source: INEGI – PROMEXICO * Most recent data available

The goods considered within the sector are dehydrated, frozen, canned and refrigerated foods, cereals, ice cream, pasta, sauces and dressings, snacks, packaged food like meat, fish, bread products, dairy and confectionary.

The bakery industry, manufacturing of powders, syrups, and flavor essences for beverages and their derivatives, and dairy ingredients are the products with the most value added within the sector.

Between 2010 and 2012 it was estimated that the industry would grow an average annual rate of 6.3 percent.

In 2012, imported processed food products to Mexico decreased to a value of \$9.3 billion, with the United States being the main exporter of processed food products to Mexico.

The food ingredients used in the processed food sector accounts for a large portion (57 percent) of the total processed food production. Ingredients used in bakery, confectionary, snacks, processed meats, and dairy ingredients experienced the largest increase. Imports of ingredients from the United States are in high demand.

In 2012, the processed food consumption in Mexico amounted to \$124.9 billion, with an annual growth rate of 1.9 percent. It is expected that between 2012 and 2020 the consumption will grow at an average annual rate of 7.4 percent.

In Mexico there are a total of 156,815 economic units for industrial food production, which are concentrated in the State of Mexico, Puebla, Oaxaca, Mexico City, and Veracruz. In 2012, the industry employed around 791,000 people. The growth in consumption of processed foods in Mexico will be one of the main factors driving the

industry in the future. There are some small packaged food segments that are rapidly expanding, like the sugar-free products for people with diabetes, or ready-to-eat sales, for convenience reasons. These categories are congruent with the increasing health and wellness trend in Mexico.

There is a growing concern regarding obesity, specifically childhood obesity in Mexico and it has become an important subject for government authorities in Mexico. The Government of Mexico (GOM) had developed and implemented social programs to address the issue and companies have reduced the package size, reformulated their products, or removed them completely from elementary and secondary schools. The growing rates of obesity have led consumers to demand healthier food products and there is a big opportunity for better-for-you products in Mexico. Please see GAIN REPORT – MX3306 Niche Products in the Perceived Healthy Food Market (**MX 3306 Niche products in the Perceived Healthy Food Market**).

Another big trend shaping the processed food industry is the demographic changes Mexico has experienced in the last decade. This trend is shaping the packaged food sector since a large number of households are changing their composition compared to households ten years ago. Mexican households have decreased in the number of persons per household, due to many factors such as higher divorce rates and fewer couples marrying. Also, the number of single person households keeps rising, which will benefit the offer of processed food products in smaller packaging or single portions.

Tax on Junk Food

On September 8, 2013, the Government of Mexico announced its plan of fiscal reforms aimed at boosting revenue and improving social development programs. The Value-Added Tax (IVA by its Spanish acronym) has developed into a controversial political and social issue in 2013. The proposal, while known since early 2013 but publicly announced September 8th, is a 16 percent value added tax and lifts many different exemptions for selected demographics. It will place a tax on a wide variety of items and services, but the ones concerning the processed food industry are:

1. Flavored drinks (including certain juices, soda beverages) that contain added sugars
2. Chewing gum was considered but got exempted because is not considered a food

Furthermore, among the new taxes in 2014, the Senate approved an increase of 8 percent the Special Tax over Products and Services (IEPS) to processed foods with a determined caloric value (“junk foods”) that contain 275 Kcal or more for every 100 grams, including, sweets, chocolates, ice cream, cookies, processed snack foods, beer, and bottled sodas.

In 2014, the processed food sector in Mexico will be faced with higher unit prices resulting from approved taxes, the increasing price of raw materials, and energy and technological innovation required to stay competitive. These factors will directly affect processed foods sales.

Please see GAIN Report MX 3309 – Conditions of Proposed 2014 VAT in Mexico

Key market drivers

Key market drivers for the food processing sector include:

- Increasing interest in healthy foods across age groups
- Increasing demand of organic foods and more natural ingredients
- Increased demand for convenience foods and prepared meals, due to the growth of urban cities and more women entering the work force.
- More demand for gourmet or more sophisticated food products. Consumers are looking for new food experiences and open to try more exotic flavors and ethnic foods
- Private label brands will keep growing. Private label products are popular among the masses and in lower socioeconomic levels since they offer unit prices which are significantly lower than those of the leading brands maintaining good quality.
- Demographic changes in Mexico and the number of persons per household has decreased, and there are more single households now which will benefit the offer of processed food products in smaller packaging or single portions.

Sales by Category

The following table shows the overall sales of processed foods by category in 2011 and 2012, to give us a better idea of the growth in sales of the processed food industry in Mexico.

Table 1. Mexico: Sales Volume of Processed Food Categories in 1000 MT

<i>Processed Food Category</i>	<i>Quantity in 1000 MT</i>	
	2011	2012
Bakery	16,173.9	16,276.6
Canned and Preserved Food	541.1	552.3
Chilled Processed Food	252.9	258.6
Confectionary	370.1	379.0
Dairy	6,729.4	6,851.8
Dried Processed Food	1,036.7	1,056.4
Frozen Processed Food	122.1	124.6
Ice Cream	75.3	76.7
Meal Replacement	12.1	12.4
Noodles	55.7	56.6
Oils and Fats	956.8	979.4
Pasta	305.5	312.1
Ready Meals	50.8	51.7
Sauces, Dressings and Condiments	854.1	875.0
Snack Bars	35.8	36.9
Soup	30.8	31.3
Spreads	124.6	126.5

Sweet and Savory Snacks	394.2	409.2
Meal Solutions	1,938.1	1,981.2
Baby Food	70.4	71.6
Impulse and Indulgence	3,511.4	3,576.7

Source: Euromonitor

B. Advantages and Challenges facing U.S. Foods

Advantages	Challenges
The demand for imported products depends on the availability and price of certain food products.	The price of food is a key factor in food purchases. For some U.S. products if the price is higher, then suppliers will purchase the domestic product.
Sharing a border with Mexico gives U.S. exporters a competitive advantage over third country suppliers	As Mexico's food distribution infrastructure continues to improve, other countries are now able to deliver product more efficiently to the Mexican market
U.S. food products are regarded as high-quality	The fluctuation of the exchange rate and inflation rate make U.S. food products more expensive than local products
Local manufacturers are always searching for innovations to meet new trends and consumer demands	Mexico has the most free trade agreements in Latin America leading to more competition between the United States and other countries
Higher income levels and more women in the workforce have increased the demand for convenience packaged foods and ready -to-eat products, which are already being produced in the United States.	Economic conditions still limit many consumers to purchase only low-priced versions, such as private labels not being accessible everywhere. Also street food stalls, which abound in Mexico, offer food at very low prices.

Section II. Market Structure and Entry

A. Market Entry

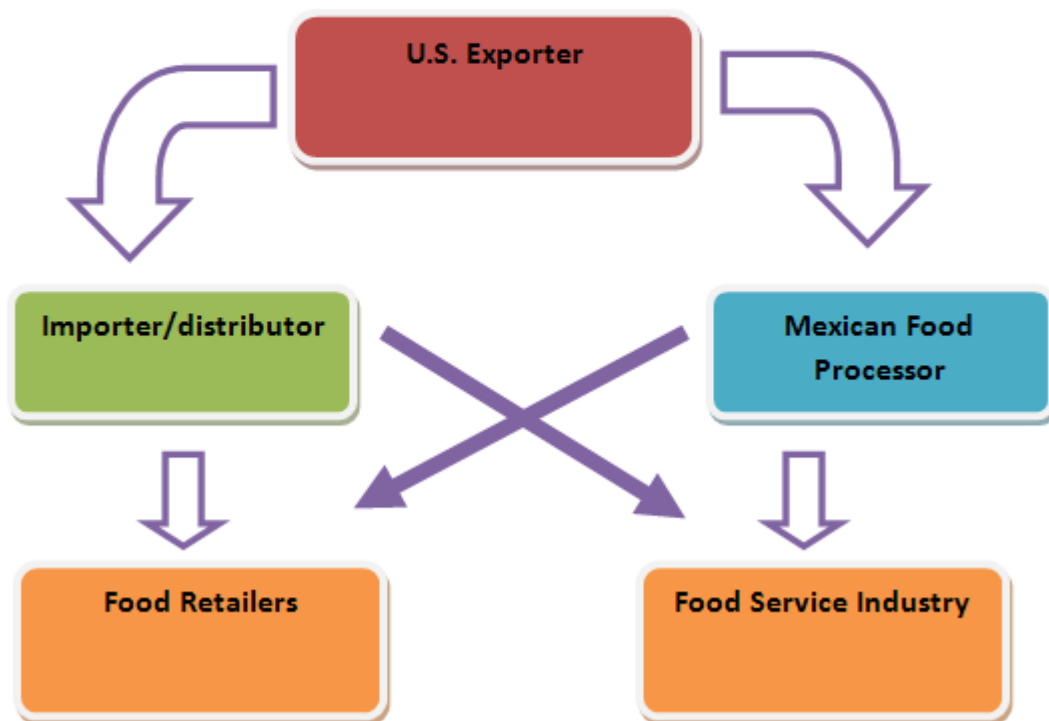
- U.S. food ingredient suppliers are encouraged to look for multiple local distributors in Mexico and identify distributors that service the major cities including Mexico City, Guadalajara, and Monterrey
- Mexico has a complex distribution system which is much more fragmented than the supply chains common in the United States. Exporters need to gather first hand market intelligence and develop personal relationships in order to succeed in the market. Visits to do business in-country are highly recommended.
- Some large companies prefer to import directly from foreign suppliers, while smaller processors are often not able to purchase whole containers and they prefer to look for a distributor to manage logistics and the import process.
- Local food products continue to have certain competitive advantages over foreign, imported products.

First, given their location, domestic processors are often more aware of the current and evolving market trends and therefore can more quickly make modifications to meet local demands. Also, domestic processors tend to have a better understanding of the local foodservice industry, including the resources and contacts to gain prominence in this key channel of distribution for the industry.

- Large multinational companies have a competitive advantage over smaller domestic producers in certain product categories such as frozen processed food, soups, specialty canned, and preserved products. Thus, companies able to meet the demands of this competitive processed food sector must have the means to invest in technology and innovations to meet consumer demands but also must maintain low, competitive prices.

B. Market Structure

Distribution Channels for Processed Food Products in Mexico



Processed products have several outlets for distribution in Mexico:

Retail Market Chains: Walmart dominates the retail sector followed by Soriana, Comercial Mexicana, and Chedraui. Price clubs/club stores (Costco and Sam’s Club) carry a good variety of imported processed food products. In the convenience store category, Oxxo leads with 77 percent of the market.

Also, there has been an expansion of more upscale retail stores where premium brands and more sophisticated niche food products are sold. These stores include City Market, Chedraui Select, Liverpool, Palacio de Hierro, Superama, and smaller independent specialty stores.

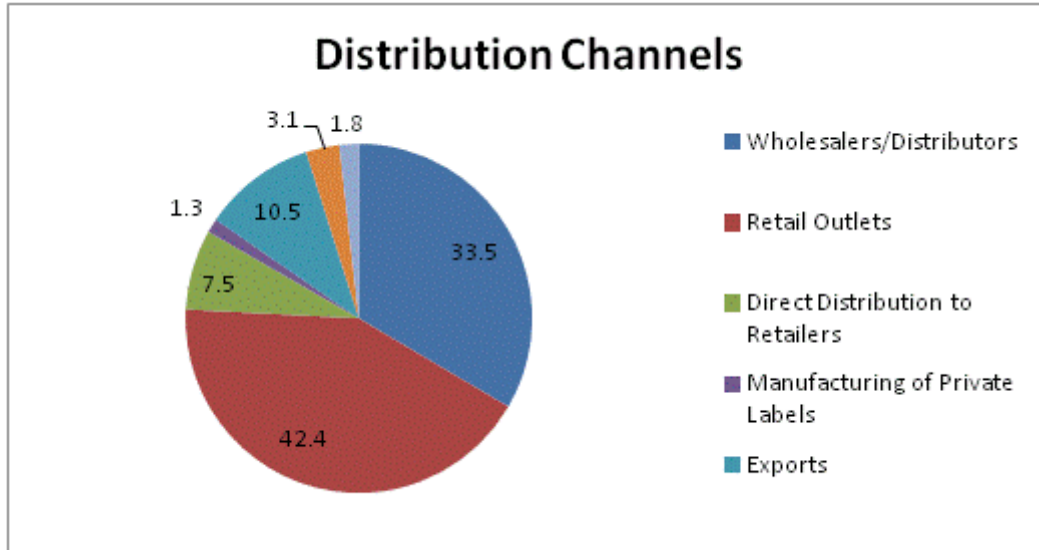
It is important to highlight that there are different distribution trends depending on the category of processed food. For example, meal solutions products (e.g., canned products, sauces, dressings) are typically purchased in supermarkets. Both frozen and chilled processed foods are also primarily sold in large retail outlets, because of their need for refrigerated storage and large freezers, with the exception of popular brands that provide refrigerators for distribution in convenience stores.

Food Service Industry: Within the HRI foodservice industry, large local food processors like Bimbo and Herdez have the greatest market penetration, dominate the foodservice sector, and have an advanced distribution system. Other major domestic companies such as Nestlé Professional, Mondelez de México, Unilever Foodsolutions, and Sigma Foodservice also supply the local foodservice sector with different categories of products that include, but are not limited to, beverages, dairy, refrigerated products, breakfast cereals, chocolate, and bottled water. Much of their success is due to their strategic alliances with the largest chained foodservice operators, to supply them with a wide variety of products ranging from sauces, dressings, and condiments to dairy products and baked goods.

Approximately 80 percent of all U.S. exports to Mexico are transported by truck. Under NAFTA, most U.S. food products can be imported duty-free into Mexico. However, sometimes transportation to Mexico can be another challenge. High transportation costs, especially for exporters of temperature controlled products and those sending small shipments can affect competitiveness of local products against U.S. products.

Here is a graph of the main distribution channels of the processed food industry:

Graphic 2. **Main Distribution Channels of the Processed Food Industry**



Source: Canainca – Chamber of Canned and Preserved Foods

A. Company Profiles

Table 2. Mexico's food processing companies –Company Profiles

Company	Sales 2011 (Million Dlls)	Number of Employees	Sector
Grupo Bimbo SAB de CV	9,550	91,355	Bakery products, snacks, and confectionary
Gruma S.A.B. de C.V.	4,940	21,318	Corn flour
Industrial group Lala SA de CV	4,220	35,006	Dairy Products
Industrias Bachoco SAB de C.V.	3,020	25,326	Chicken, and fresh eggs, convenient foods such as ground meat and chorizo
Sigma Alimentos SA de CV	2,930	27,923	Processed fruits, vegetables, cold meats, cheese and yogurt
Ganaderos Productores de Leche Pura, SA de CV	864	10,000	Dairy Products
Grupo Herdez SA de CV	692	6,000	Produces and commercializes, sauces, canned fruits and veggies, dried pasta
Grupo La Moderna SA de CV	514	4,347	Pastas, crackers and flours
Grupo Bafar S.A.B. SA de CV	454	8,702	Manufacturing and distribution of cold cut meats
Grupo Minsa S.A.B. de CV	359	1,100	Corn Flour
Pescados Industrializados SA de CV	332	1,000	Canned tuna
Lechera Guadalajara SA de	289	3,500	Dairy products

CV			
Sabormex SA de CV	217	1,290	Production, distribution of sauces, coffee, canned food, and preserves, energy drinks and jams
Chilchota Alimentos SA de CV	143	750	Dairy products
Derivados de Leche La Esmeralda SA de CV	116	1,700	Cheeses, cream and butter
Conservas la Costeña SA de CV	-	2,210	Preserved fruits and veggies, canned food, sauces, soups, jelly

Source: Promexico

D. Sector Trends

According to the Chamber of Canned and Preserved Foods (CANAINCA), among the products that grew in 2012 are dressings with 43 percent share, soups and creams with 24 percent, juices and nectars with 12 percent, and seafood products (canned tuna and sardines) with 9 percent of the market.

Canned and Preserved Food

- Demographic changes increase the popularity of smaller packages in canned/preserved products
- Canned/preserved food types are mature, such as beans, vegetables, fruit and fish. They maintain a solid share of the market, approximately 14 percent and 12 percent respectively.
- Specialty canned/preserved food including delicacy vegetables such as cuitlacoche (a corn fungus), palmitos (small palm leaves) and nopales (cactus leaves) accounted for a very small portion of the market in this category.
- Soup innovations focus on wellness products such as all-natural and with no preservatives added. They are considered a premium product
- Knorr (Unilever Group) is the market leader in instant soup, ultra high-temperature processing (UHT) soup, and dehydrated soup.

Table 3. Mexico canned/preserved food products Sales and Volume in 2012

Type of Canned Food	Quantity in 1,000 mt	Value in million MX Pesos
Canned/Preserved Beans	143.5	3676.0
Canned/Preserved Fish/Seafood	190.9	11,212.0
Canned/Preserved Fruit	44.0	1,694.3
Canned/Preserved Meat and Meat Products	0.9	139.0
Canned/Preserved Pasta	-	-
Canned/Preserved Ready Meals	5.8	507.1
Canned/Preserved Soup	15.5	830.2
Canned/Preserved Tomatoes	0.1	3.4
Canned/Preserved Vegetables	151.5	6,863.4

Other Canned/Preserved Food	0.1	2.8
Canned/Preserved Food	552.3	24,928.0

Source: Euromonitor

Dairy Products

- Yogurt is the fastest growing category of the dairy sector. The yoghurt and sour milk products category sees a 9 percent rise in current value terms in 2012, to reach MX\$23 billion
- Greek yogurt started gaining traction as the top dairy brands launched their greek yogurt in main Mexican retail sectors in 2013
- Busy lifestyles and the health and wellness trend move sales of on-the-go yoghurts, particularly drinkable yogurt
- The U.S. keeps as a dominant supplier of dairy products to the market, capturing 74 percent market share in 2013
- Cheese consumption increased by 2.6 percent in 2012 much attributed to the economic recovery and consumer buying power
- Butter and butterfat consumption is expected to increase in 2011 by 2.5 percent after a decline in 2010 of 8.9 percent
- Ice cream is not considered a basic product in Mexico, but rather an indulgence product consumed mainly as dessert. Impulse/indulgence ice cream had the fastest growth in 2013 mainly driven by constant innovation in products
- The most popular flavors in dairy ice cream are chocolate, strawberry, and vanilla. The most popular ice cream format are sticks, since they are more convenient and a better impulse ice cream format

Dried Processed Food

- Rice is the dominant product in this category followed by pasta and instant noodles.
- Mexico is not expected to increase its rice production and it will continue importing rice for domestic consumption
- Rice processing companies are introducing more convenient products in the form of instant and pre-cooked products
- In dessert mixes new flavors as well as more sugarless options targeting diabetics are entering the market.
- International manufacturers are the leaders in the dessert mix category as with brands such as Jell-O (Mondelz), Pronto (Unilever), and Betty Crocker (General Mills)

Frozen Processed Food

- Frozen processed foods are a niche market in Mexico, and they are growing at a low pace. Over 50 percent of frozen processed foods in Mexico is derived from agricultural products (potatoes,

vegetables, and fruits)

- Frozen processed food remains underdeveloped given the numerous fresh food offerings in the country
- There is growing demand for processed frozen foods in northern Mexico due to the influence of American cuisine.
- Consumers regard chilled meats and poultry products as more nutritious and better preserved than frozen products.
- For fish and vegetables, canned products are seen as more convenient, better preserved and less expensive than frozen products.
- International companies, such as Tyson and McCain, hold over 40 percent of retail sales in 2012
- Sigma Alimentos is the second largest processor of frozen foods after American Beef with presence of several products including bakery, fish/seafood and poultry

Table 4. Mexico Frozen Processed Foods Sales and Volume in 2012

<i>Type of Frozen Food</i>	<i>Quantity in 1,000 mt</i>	<i>Value in million MX Pesos</i>
Frozen Bakery	3.3	247.1
Frozen Desserts	4.0	456.6
Frozen Meat Substitutes	-	-
Frozen Noodles	-	-
Frozen Pizza	1.2	125.9
Frozen Processed Fish/Seafood	18.7	2,251.4
Frozen Processed Potatoes	39.2	1,437
Frozen Processed Poultry	4.6	485.1
Frozen Processed Red Meat	23.4	2,206.6
Frozen Processed Vegetables	17.8	898.9
Frozen Processed Ready Meals	0.1	8.2
Frozen Soup	-	-
Other Frozen Processed Food	12.2	736.8

Source: Euromonitor

Sauces, Dressings and Condiments

- The most popular types of table sauces in Mexican sauces, dressings and condiments are spicy, hot, and with chile or pepper
- Tables sauces are widely used and the category is very fragmented but accounted for MX \$24 billion total sales in 2013
- Only ketchup and mayonnaise are in more demand than spicy chili/pepper sauces
- Low-fat mayonnaise has becoming popular among consumers looking for healthier options
- The sauces, dressings and condiments category grew by 4 percent in foodservice volume terms in 2012, products which have high demand in the foodservice sector
- Barbecue sauces are gaining popularity in Mexico particularly in the northern region of the country where people usually barbecued their meat

- The leading manufacturers include large companies that offer a wide variety of products including the domestic producers, La Costeña, Del Fuerte, and Salsa Tamazula, the maker of the well-known spicy sauce, Valentina, as well as the U.S. company McCormick with operations in Mexico

Oils and Fats

- Olive oil keeps growing in sales driven by the trend of consumers eating healthier diets
- Olive oil is considered as an expensive fat and is used more among middle and high-income consumers
- Blends were the leading type of vegetable and seed oil in 2013. This type of oil is very common, and its low price makes it attractive for consumers

Sweet and Savory Snacks

- Sweet and savory snacks continue to focus on changing formats and reformulating products according to law restriction because of the childhood obesity problem in Mexico
- Leading companies are changing sizes and ingredients to give consumers smaller portions and products with less sodium, less sugar and low saturated fats
- Nuts, trail mixes and fruit snacks were one of the fastest growing categories in 2013 congruent with the health and wellness trend among consumers
- Tortilla/corn chips is the most popular snack with Doritos brand leading the category followed by Tostitos both from Sabritas SRL de C.V from Pepsico
- Distribution is key in this sector, sweet and savory snacks can be found almost everywhere among modern and traditional retailers. However, most products are found in small independent mom and pops.
- Innovation is an important factor in this sector, new flavors such as chili and cheese are very popular among consumers.
- The leading companies in the sector are Sabritas SRL de CV owned by Pepsico, who holds 66 percent market share followed by giant domestic bakery company Grupo Bimbo with their Barcel brands, holding 17 percent market share.

Table 5. Mexico: Sweet and Savory Snacks percentage of market share in 2013

<i>Company name</i>	<i>% Retail Market Share</i>
Sabritas SRL de CV	66.4
Grupo Bimbo SAB de CV	16.9
Productos del Monte SA de CV	3.6
Nacional de Alimentos y Helados SA	2.9
Botanas y Derivados SA de CV	1.4
Cazares SA de CV	0.9
Nishikawa SA de CV	0.6
Productos Nipon SA de CV	0.6
Kellogg de Mexico SA de CV	0.5
Signa Grain Ltda	0.5
Toga International SA de CV	0.5

V Ramos Group	0.4
Qualy Pack de Mexico	0.3
Empacadora la Merced	0.1
Digrans SA de CV	0.1
Carmelita SA de CV	0.1
Procter and Gamble de Mexico	-
Private Label	1.9
Others	2.3

Source: Euromonitor

Spreads

- Chocolate spreads registered the biggest growth in 2013. Nutella from Ferrero de Mexico achieved the highest growth by 31 percent in value terms in 2013
- The most popular flavor within jams and preserves in Mexico is still strawberry, followed by apricot, blackberry, orange, and pineapple.
- The leading brands in spreads are McCormick, from Grupo Herdez accounting for a 24 percent value share in 2013, followed by Smuckers from JM Smucker de Mexico with 17 percent value share. Both have a strong position and brand recognition in the Mexican market.
- Due to the obesity problem in Mexico and following the health and wellness trend many producers of jams and preserves are offering more reduced-sugar or sugar free versions.
- There is a market for more premium and imported brands of jams made of cherries, raspberries, blackberries, plums, and currant, usually imported from the United States.
- Nearly 100 percent of honey manufacturers are domestic.

Ready-to-Eat

- Convenience plays an important role in the growing acceptance of ready meals in the market and with frozen ready meals in particular. More women are entering the workforce and fewer meals are being prepared and eaten at home.
- Chilled ready meals are preferred for their convenience and the perception that they are fresher than frozen ready meals.
- Consumer demand for chilled and frozen pizzas and for frozen ready meals is still low
- The Lonchibon brand offers a number of products individually sized (sandwiches, burritos, and ham and cheese croissants) for quick consumption since they do not require heating or opening a can as do other ready-to-eat products.
- The two dominant brands in chilled pizza are San Rafael and Fudd launched in 2009, both of which belong to Sigma Alimentos.
- Mexican companies Sigma Alimentos S.A. de C.V. and Grupo Bimbo S.A. de C.V. hold the largest market shares at 16 percent and 12 percent of total retail value.

III. Competition

The processed food sector in Mexico is extremely price sensitive; companies need to keep prices low in order to

stay competitive. Market competition comes from large local food processors that carry increasingly modern and developing lines of Mexican food products.

Companies like Grupo Herdez, Bimbo, La Costena and Sabormex are local competitors for U.S. exporters, but also represent opportunities in terms of imports of ingredients for processing.

By product category:

- Herdez is the leader in processed and canned food and also owns Barilla Dry Pastas.
- Grupo Bimbo keeps leading the market in the bakery category and the impulse/indulgence categories such as biscuits, pastries and confectionary products. However, with the healthier foods trend and the obesity epidemic in Mexico, Bimbo's traditional products are losing ground to healthier packaged food products such as Quaker brand.
- Great competition exists in the category of snacks foods and "impulse/indulgence" food products. Large players, such as Grupo Bimbo and Grupo Sabritas, produce a large number and assortment of products to compete locally. Both have a remarkable distribution system creating barriers to enter the local market.
- Leading brands are facing direct competition with private labels that are popular and less expensive. The strongest private label brands currently in the market are by main retailers like Wal-Mart (Great Value), Comercial Mexicana (Kirkland and KPrecio) and Soriana private label.

In addition, there is the influence of other competitors, such as China, the European Union, South America, New Zealand and Australia, who are gaining ground in the Mexican food market as a result of the various Free Trade Agreements Mexico has signed with these countries.

However, there are different niches of opportunity in the processed food market considering the major trends in Mexico, such as the growth of the population, the changes in consumption habits, and the increased demand for convenient foods.

IV. Best Product Prospects

Products with high sales potential in the food processing sector are:

- Healthy processed foods (Low sodium, low-fat, reduced sugar)
- Premium products- claiming better quality and product innovation
- Gourmet Foods – sauces, condiments, artisanal cheeses
- Ethnic Foods such as Asian type items, Lebanese food, European food
- Dairy products- distinctive formulation of yogurts, segmentation of milk products
- Ingredients for the processed food industry
- Convenience Foods such as Ready-to-eat, meal helpers, frozen foods
- Craft Beer – there is a growing demand for differentiated premium beers. Consumers are demanding Ales such as Porters, Stouts and IPA's.

SECTION V. POST CONTACT AND FURTHER INFORMATION

For further information and to learn more about the services provided by the Agricultural Trade Offices (ATO) in Mexico, please contact us at:

U.S. Agricultural Trade Office in Monterrey, Mexico

Oficinas en el Parque Torre II
Blvd. Díaz Ordaz No. 140, Piso 7
Col. Santa Maria, 64650
Monterrey, Nuevo León
Tel: (011 52 81) 8333-5289
E-mail: atomonterrey@usda.gov

U.S. Agricultural Trade Office Mexico City, Mexico

Liverpool No. 31, Col. Juárez
06600 México, D.F., México
Tel: (011 52 55) 5140-2671
Fax: (011 52 55) 5535-8357
E-mail: atomexico@usda.gov

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Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX 3306	Niche products in the perceived healthy food market	8/23/2013
MX 3309	Conditions of proposed 2014 Value Added Tax	10/17/2013
MX 3312	Proposal for new labeling requirements	11/01/2013
MX 3316	Market Situation Update: Mexican Market for Craft Beer	12/11/2013

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