

## CANNED PRODUCTS

### CANNED FRUITS AND VEGETABLES

Consumption of canned fruits and vegetables has grown with the increasing numbers of women working outside of the home. Many of them no longer have time to shop on a daily basis, or to prepare and cook fresh produce. As a result, attractively-packaged consumer-ready products that can be easily prepared are finding a ready market. House brands such as *Marzo Libre* sold by *Aurrera-CIFRA*, or *Marzo Propia* sold by *Comercial Mexicana* are often very competitively priced.

Start-up costs for canned products are relatively higher than for most other food processing subsectors. This has allowed a relatively small number of firms to dominate the market. According to the last industrial census in 1989, about 400 firms were active in this category, with employment of about 46,000.

Total production of the 118 members of the *Cámara Nacional de la Industria de Conservas Alimenticias (CANAINCA)*, National Chamber of the Preserved Food Industry, is estimated to account for 80 percent of the entire industry's production. Output has increased by more than 46 percent since 1989, with some items such as chilies, fruit juices and mayonnaise recording gains of between 55 percent and 85 percent.

The two leading Mexican companies in the industry are *Herdex* and *La Costeña*. Other major players, including *Del Monte* and *Anderson Clayton*, are subsidiaries of multinationals. Some companies have established agreements for the exclusive representation or production of foreign product lines. For example, *Herdex* produces or imports for McCormick, Heinz, Knor's Berry Farm, American Home Food, and Hormel.

### PRODUCTION OF CANNED FOODS US \$ THOUSANDS

Product	1989	1992
chilies	115,781	215,042
fruit juices	116,633	204,029
mayonnaise	119,676	185,442
fish products	193,483	170,444
other products	71,509	118,185
soups, creams and broths	94,520	116,156
specialty products	50,625	103,576
saucers and condiments	53,654	93,241
vegetables	60,464	85,169
jellos and desserts	48,711	62,666
fruits	31,489	57,616
tomato purée and sauce	35,103	33,437
marmalades and jams	17,987	31,257
honey and syrups	11,093	17,390
Total	1,020,728	1,493,651

Source: *Cámara Nacional de la Industria de Conservas Alimenticias (CANAINCA)*, National Chamber of the Preserved Food Industry, *Memoria Estadística*, 1993.

### CUSTOMER PROFILE — HERDEZ

*Herdex* has seven plants throughout Mexico producing a wide variety of products under the *Herdex*, McCormick and Chef Boyardee labels. In Mexico City, the company produces mayonnaise, mustard and jam. The two San Luis Potosí plants can two Mexican delicacies: a traditional hot sauce made with chocolate called *mole*, and prepared cactus called *nopales*, as well as spices. In the port of Veracruz, *Herdex* runs its fruit and chili canning operations, while the relatively new *Ensenada* plant, strategically located for U.S. export markets, also produces chilies and saucers. Total production under the McCormick label totals about 11 million boxes. Of the five million boxes of *Herdex* products, 817,000 went to export. Most equipment is imported, purchased through local representatives of foreign companies.