

milk. This is followed by corn milling, since the tortilla is the base of Mexican foods consumption, and wheat milling for the production of bread, cookies and pasta, which also represent a significant part of the diet. This is followed by oils and fats, mostly used for cooking, coffee and sugar, 50% of which is consumed in bottled drinks, followed by the bread and cookie and the confectoinery industries.

Between 1985 and 1990, the percentage growth of food and beverage production, based on the manufacturing production index, was as follows:

TABLE 5
GROWTH OF FOOD AND BEVERAGE PRODUCTION
(percentage)

CATEGORY	1986	1987	1988	1989	1990
Total foods & beverages	1.8	0.7	(0.3)	5.8	14.2
Meat & milk	4.1	(2.7)	(5.5)	11.9	13.9
Processed fruits & vegetables	0.8	(0.4)	(7.7)	11.9	13.9
Wheat milling	(1.2)	(0.2)	(2.2)	4.0	4.7
Corn milling	3.5	3.3	2.1	1.6	3.0
Coffee	6.0	1.3	3.9	12.2	54.4
Sugar	14.1	4.1	(10.6)	(4.3)	128.9
Fats & oils	(14.0)	1.7	4.6	(0.2)	10.1
Animal feed	(0.5)	(0.3)	2.1	1.4	(1.5)
Other foods	12.9	(2.5)	3.5	2.2	7.9
Alcoholic beverages	(10.4)	8.3	(0.8)	8.1	(20.6)
Beer & malt	2.0	5.8	6.2	16.7	(5.8)
Soft drinks & sodas	(6.4)	(3.6)	8.8	16.2	(4.4)

Source: Banco de México - INEGI

As can be seen, there are large fluctuations from one category to the next. Corn milling, the base of the Mexican diet and an area in which government intervention is high, through controlled prices, and the CONASUPO, the government owned National Council for Popular Subsistence, which produces corn flour and tortillas at subsidized prices, has shown a continuous increase, despite critical economic conditions. Coffee production and processing also showed only positive growth rates, since it is principally linked to world prices of coffee and the massive consumption of coffee by large multinational firms, such as Nestle. Wheat milling showed the least fluctuations, being a basis of the Mexican diet, in particular of the low income population, while sugar and beverages have been fluctuating very much in the past few years.

The following table shows 1989 total sales by a sample of companies in the food and beverage industries by type of product: