

- **JOINT VENTURES:** Livestock breeding, fruits and vegetable processing, fish processing, forest management, seed production (hybrid seeds), and vegetable production for export are some of the areas open for Canadian capital, technology, and management skills. Extreme caution must be taken by Canadians entering into these types of joint ventures, i.e., sound legal agreement, Canadian control over administration, financing, and marketing, and a Canadian presence at all times.

## PROCESSED FOOD AND BEVERAGES

Mexican opinion leaders expect the market for processed foods and beverages to grow by 15% per year for the next five years, and opportunities exist for products which:

- Are higher in quality than locally produced foods;
- Are unique or not commonly produced in Mexico;
- Offer convenience or enhance social status; and
- Have been developed/adapted specifically for the marketplace (or "Mexicanized").

## FROZEN FOODS

Demand for frozen foods has increased several fold. Imports increasing at a significant rate include frozen potatoes, corn, green beans, spinach and mixed vegetables. Frozen prepared meals offer a huge potential. Ready-to-eat products, prepared poultry and beef meals, especially Mexican style foods are becoming very popular. Frozen desserts are a new trend.

## HEALTH FOODS

The health food sector is also experiencing rapid growth. Products catering to body building, dieting, and natural foods are sold in more than 500 health food stores and other retail stores in the country. Products showing potential are fibre supplements, herbal teas, soaps and creams, and packaged nuts. The market for vitamins and minerals is expanding.

### WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 2
- Focus on Mexico
- EMAR, pg 16, 19
- Export-4, Business Guide
- Distribution Channels, pg 22-24
- InfoMex White Paper
- USDA - Foreign Agricultural Service
- InfoExport

## CONSTRAINTS

The major constraints to increased Canadian trade are:

- The United States has traditionally been the major exporter to Mexico due to its larger supply base and transportation advantage;
- Under the administration of the Commodity Credit Corporation (CCC), the United States Department of Agriculture (USDA) operates two export credit guarantee programs that assist in market development and market maintenance. These programs are GOM-102 which provides credit guarantees for up to three years, and GSM-103 which provides guarantees for up to ten years. GSM-102 allocations for US fiscal 1995 were 80 million for wheat flour and 250 million for feed grains. The Market Access Program (MAP) finances promotional activities, usually for high value products. Among other products covered, the MAP covers bovine semen, dry beans, feed grains, frozen potatoes, grains and wheat. The programs compete well with Canada's Agriculture Export Credit Insurance program, available from the EDC.