

## SALTY SNACKS

Street vendors selling all manner of quick snacks have a long tradition in Mexico. Recently, some of their market share has been eroded by the big snack-food marketers. For example, PepsiCo sells snack foods under the *Sabritas* and Frito-Lay labels. Another major competitor is *Grupo Industrial Bimbo*, with the brand names *Barcel* and *Chips*.

The market leader is PepsiCo *Sabritas* label, which employs more than 5,000 workers in plants that run at virtually full capacity. Its superb distribution network has made the company phenomenally successful. Nonetheless, it faces stiff competition from *Barcel* which is also very effective in getting its product to market.

Both firms have plants in northern Mexico that produce for export, and have plans for expansion throughout the Americas and the Caribbean. These are the two companies to watch, and they are not difficult to follow. They invest heavily in image, with aggressive advertising and eye-catching packaging. Indeed, their marketing savvy is such that even the major foreign producers have had a difficult time breaking into the market. Pringles potato chips is the only imported product that attracts much supermarket shelf-space.

Peanut packagers have also managed to create their own market niche in mixed nuts, with little competition from outside. *Mafer* claims 60 percent of the available shelf-space, followed by *Sabritas*. *Mafer* is reportedly working at only 60 percent of installed capacity. Other leading peanut packagers, *Nipon* and *Martín Cubero* have excellent distribution systems, but do not achieve sales volumes comparable to *Mafer's*.

## OPPORTUNITIES FOR EQUIPMENT SALES

*Processing, packaging and waste reprocessing are opportunity areas for Canadian companies that can cater to the specialized needs of Mexican food processors.*

Market opportunities exist in almost every area of the food processing industry. Prospects are particularly good in the quick-freezing and packaging sector, a niche that has largely been ignored due to the relative lack of home-freezing units so far. Food-waste reprocessing equipment is also of particular interest to Mexican importers. Large volumes of organic waste are generated every day by food processing plants and supply centres, yet there is very little equipment available to dispose of this waste at low cost.