

BAKED GOODS

CUSTOMER PROFILE —

GRUPO INDUSTRIAL BIMBO

Grupo Industrial Bimbo manufactures and distributes nationally five different brands of packaged breads that regularly occupy 95 percent of shelf-space in this subsector. It is the market leader for snack cakes, with 90 percent of shelf-space. In addition, it manufactures cookies and pastas, and is the Mexican distributor for Sara Lee. The company also has plants in Guatemala, El Salvador, Chile, and Spain. It recently purchased 50 percent of a Texan bakery that will distribute its products. More purchases of regional bakeries in the U.S. are planned. The *Grupo Bimbo* employs over 41,000 people, and has invested more than US \$100 million annually over the past eight years. To ensure its international competitiveness, *Bimbo* seeks out the best technology and employee training opportunities, and is introducing total-quality programs into its operations.

The baked-goods industry is made up of about 38,000 enterprises which account for almost 13 percent of the output of the food and beverage sector. The majority are small enterprises supplying a few city blocks with bread and tortillas, and their packaging requirements are quite rudimentary.

Most of the production is carried out by a small number of very large manufacturers with huge product runs and sophisticated national distribution networks. *Grupo Industrial Bimbo* and *Grupo Maseca*, which is known primarily for corn and flour-based tortillas, are two of the largest firms in Mexico. *Tablix*, a relative newcomer, is expanding in the south-east through a series of acquisitions of regional bakeries. Conglomerates such as *Gamesa* (PepsiCo), Nabisco, and *Marinela (Bimbo)*, dominate the cake and cookie sector.

Baking giants, like *Bimbo* and *Tablix*, are expanding through acquisitions of smaller bakeries. Many smaller companies cannot afford to upgrade and compete for shelf-space on the scale established by these players. This restructuring of the industry is creating opportunities for greenfield plants, upgrades of old ones, and new installed capacity. The big bakers know that in this relatively saturated market, packaging and image are important sales tools. This suggests opportunities for packaging businesses.

CUSTOMER PROFILE —

GRUPO MASECA

Grupo Maseca is the largest miller in Mexico. Currently, it has 11 plants in operation, with four more scheduled for operation this year. In addition to selling corn flour to the public and local tortilla makers, it consumes over 30 percent of Mexico's production for its own use. *Grupo Maseca* is the market leader in tortilla chips. To promote the use of its corn flour, it leases processing equipment to supermarket chains to produce tortillas at the point of sale. It also introduced pre-packaged corn tortillas for supermarkets and other retail stores in 1994.

MAJOR BAKERS AND THEIR PRODUCTS

Continental de Alimentos	bread
Filler	whole wheat bread
Gamesa	pasta, crackers, cookies, cake mixes
La Moderna	pasta, crackers and cookies
Lance	cookies and crackers, cake mixes
Mac Ma	pasta, cookies
Maseca	flour, bread
Nabisco Famosa	cookies and crackers, cake mixes, jello
Panificación Bimbo	bread, cakes
Productos Marinela	sweet snacks
Tía Rosa — Suandy	sweet snacks and cakes