

PROCESSED MEATS

CUSTOMER PROFILE — DONFER

Obrador de Salchichonería y Tocinería Donfer and related firms (*El Riojano, Obrador Elvira and Frigoríficos Ixtapalapa*) market under the *Donfer, Riojano* and *Alpino* brands. The two latter names are high-end items, while *Donfer* products are distributed via wholesalers to smaller retail outlets. The company has plans to export into Central and South America. Technology in the plant is imported from Spain, Germany and the United States.

The Mexican processed meat industry is comprised of about 1,264 firms, of which only 460 are members of the *Consejo Nacional de Empacadores de Carnes Frias y Embutidos*, National Council of Cold Meat Packers. Industry-wide employment is estimated at 27,000. Production in this category is dominated by four major firms that claim 75 percent to 85 percent of the total market.

There is a rising demand for processed-meat products as a result of population growth and changing consumption patterns. Slaughterhouses tend towards basic design, little automation, and only adequate refrigeration.

Some of the pent-up consumer demand for high protein foodstuffs is met by imports of pork and poultry from Canada and the U.S. and from imports of canned fish. Imports, however, are not growing as quickly as in some other food subsectors. Similarly, domestic production has increased at a relatively slow annual rate of 2.4 percent. Those meat processors with capital to invest are developing new, consumer-ready lines which have been posting growth rates in the 12 percent to 16 percent range.

MAJOR MEAT PACKERS

Company	Product
Alimentos KIR	large producer of cold cuts; Mexican style chorizo sausages; bacon
Donfer	Obrador de Salchichonería y Tocinería Donfer and related firms (<i>El Riojano, Obrador Elvira and Frigoríficos Ixtapalapa</i>) market under the <i>Donfer, Riojano</i> and <i>Alpino</i> brands
Sigma	member of the Alfa industrial conglomerate, licensed to distribute the products of U.S.-based Oscar-Meyer; it has 34 percent of the processed meat market; produces some dairy products; markets its products under the names of <i>Fud, Iberomex, San Rafael, and Chimex</i>
Parma	under the Nestlé corporate umbrella, produces high-quality processed meats, including smoked ham
Zwanenberg	with an estimated 20 percent of the market, produces several varieties of hams, sausages, patés, bologna, chorizo, salami, bacon and pepperoni for the middle- to high-income consumer

CUSTOMER PROFILE — SIGMA

Sigma processes meat in four plants under the *Fud, Iberomex, Chimex* and *San Rafael* brand names. Aside from processed meats, of which it has 34 percent of the market, it produces yoghurt and cheeses. *Sigma's* competitive edge is its pricing policy, particularly on mid- to lower-quality lines. Its refrigerated trucking network is the largest in the country.

CUSTOMER PROFILE — ZWANENBERG DE MÉXICO

Zwan as it is known in the industry, was established with Dutch capital, and is now part of the Unilever group which has a total of 12 plants in Mexico producing meat and dairy products, snacks and hand creams. To meet increased consumption of its processed meat products, *Zwan* is currently working at full capacity, and will need to expand if it is to hold on to its 20 percent market share. *Zwan* is always looking for alternative equipment suppliers, as well as for raw packaging materials, and is very open to new ideas. Most equipment is imported, purchased through local representatives of foreign firms.

Meat packers initially met resistance to pre-packed luncheon meats. Traditionally, Mexicans have purchased their cuts at the local market where they can see it being trimmed for sale. Changing lifestyles have left Mexican households with less time to shop. Increased nutritional awareness is also driving sales of lean cold cuts and processed meats made of turkey or chicken. Every supermarket now has a well-stocked deli counter with meat loafs and packaged meats. Deli cases are also appearing in the fast growing convenience store sector, and even in "mom and pop" stores around the country.