

WANT MORE INFO?

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- Export-1, Business Guide Distribution Channels, pg 16
- Agri-Food Trade with Mexico, pg 10

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- InfoMex White Paper, Sec 3
- OECD, Review of Agriculture Policies in Mexico

There are about 22,000 small wholesalers focussed on supplying about 400,000 *abarroteros*, corner convenience stores. Some of them also sell to retail customers. While manufacturers can sell directly to these wholesalers, it is more common to use distributors.

Club stores, which are relatively new to Mexico, have become an important form of wholesale distribution. The two largest are Sam's Club with 28 units and Price Club with 13 units. They target mainly the grocery, food service and business supplies markets. Sam's has become a major player in the restaurant industry, serving more than 31,000 restaurants.

CENTRAL DE ABASTOS

The traditional retail distribution channel begins with the *Central De Abastos* (terminal market) just as the traditional wholesale market ends with it. In every major urban centre in Mexico there is a "*Central De Abastos*". These are wholesale markets, operated by private companies on a site owned and administered by the government. Mostly, they sell fresh Mexican produce along with some imported produce and fish products. Also found are some Mexican value-added food products and a lesser amount of imported value-added food items, such as wines and canned deli products.

The *Central De Abastos* serve as a source of supply for all types of food related businesses: supermarkets, wholesalers, corner grocers and restaurants. The largest of these wholesale markets, reportedly the largest in the world, is located in Mexico city. Nearly 40% of all fruits and vegetables produced by Mexico and 80% of all those consumed in Mexico City pass through this one market.

RETAILERS

INFORMAL SECTOR

Mexico's retail sector differs from Canada's in a number of respects. At one end of the market, there is a large 'informal sector', dominated by street vendors and operators of small market stalls. These businesses provide intense competition for stores in the formal sector, because they are untaxed and often sell pirated merchandise. The least formal retail element is known as the *tianguis*, the word for market in one of the native languages. These are open-air markets that set up once a week on an established day and street. Although traditionally known for fresh produce, the *tianguis* are also large marketers of inexpensive clothes, cosmetics, snack foods and many other curios. Established borough markets are only slightly more formal. They handle mostly domestic products and imported contraband. Both types often buy from la *Central de Abastos* or small importers.