

CUSTOMER PROFILE — DANONE

Part of the international BSN group, *Danone México* is the undisputed leader in yoghurt production. It has an installed capacity of 70,000 tonnes per year for its yoghurt, cheese and jello lines, and will open a plant in Irapuato, in the State of Guanajuato in 1995. Major equipment decisions for all 35 *Danone* plants around the world are made at head office. In order to sell to *Danone México*, it is necessary to contact BSN in Paris directly.

Yoghurt and cheese have been the most rapidly-growing processed dairy products. Demand has risen sharply as a result of broadened tastes of the Mexican middle-class. The rapid growth in yoghurt purchases is forecast to continue with the introduction of specialty varieties, such as low calorie and fruit as well as the Petit Suisse desserts. Liquid drinks are also popular because they resemble the traditional *licuado*, milk-shake drinks.

Most Mexican low-end cheese is "filled" cheese made from a mixture of milk and non-dairy products. Imports of stronger, more flavourful all-dairy cheeses are selling well, and domestic manufacturers have geared up to capture some of the market share. The success of all-dairy imported cheeses is symptomatic of the growing demand for higher-quality products in major urban markets.

Although there is no tradition of "health foods" in Mexico, low-calorie, low-fat dairy products are shaping new consumption habits, carving out new market niches and paving the way for locally-produced competitive products.

EDIBLE OILS

Mexicans fry a lot of their food, which makes edible oil an important subsector. It is estimated that there are 78 companies in this industry. They are located in 18 different states, mainly in central and northern Mexico. Because oil is considered a staple, it is given excellent shelf-space and is competitively priced.

Oil production is done in two phases:

- millers extract raw oils and pastes from oleaginous raw products including sunflower seeds, cartamus, corn, cotton seed, soya, and, to a lesser extent, canola; and
- refiners process and package the secondary product for market.

There are a few integrated millers which undertake the entire process.

Domestic production of oleaginous raw materials is insufficient, thus 80 percent of raw oils and pastes are imported. The main suppliers are Canada, the United States, Europe, Asia, and South America. About 78 percent of the finished product is sold for human consumption, 20 percent is shipped to industrial customers, and the remaining two percent is used by the food processing industry.

MAJOR PROCESSORS OF EDIBLE OILS

Company	Product
Aceite Casa	cooking oil
Arancia	cooking oil, gelatines, jello
Carracedo	margarines
Formex Ybarra	cooking and olive oils
La Corona	cooking oil
Productos de Maíz	cooking oil, seasonings and dressings