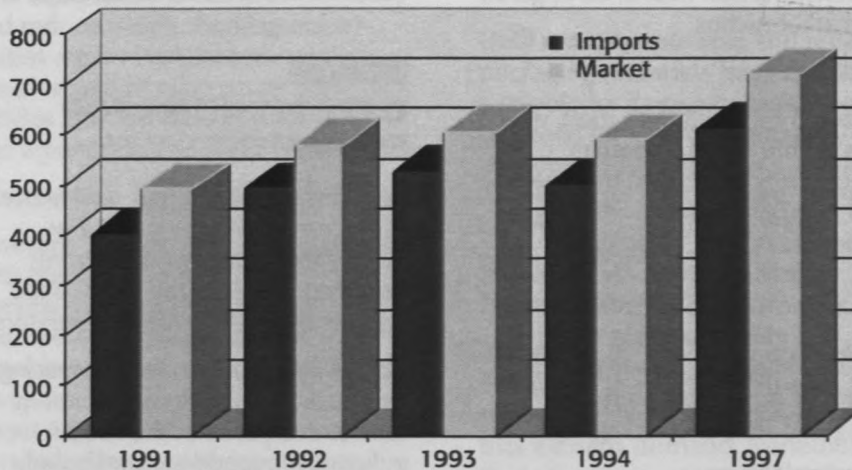


## Food Processing and Packaging Equipment

US \$ millions



Source: Information derived from *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, trade data and interviews.

for suppliers to specialize in custom-made equipment, rather than standard lines. These producers now face stiff competition from imports of medium-capacity mass-produced machines. These imports can be very price competitive, even considering the devalued peso.

The U.S. is the largest foreign supplier of food processing and packaging equipment to Mexico, with a 1993 import market share of 44 percent. Geographic proximity allows for fast delivery and service as well as the

ready availability of replacement parts. For these reasons, end users tend to be quite familiar with American-made equipment. Nonetheless, Germany and Italy each claimed a 15 percent import market share in 1993. Canada's share was about 2 percent.

## CUSTOMERS

*In almost every subsector, the top three or four producers claim 80 percent or more of the market. Small- and medium-sized enterprises compete for what is left.*

## BAKED GOODS

The baked goods industry is comprised of about 38,000 enterprises. Most are small family firms that supply a few city blocks with bread and tortillas, but most of the production is carried out by a few very large manufacturers. *Grupo Industrial Bimbo* and *Grupo Maseca* are two of the largest firms in Mexico. *Tablix*, a relative newcomer, is expanding in the south-east through acquisitions of regional bakeries. Conglomerates such as *Gamesa* (PepsiCo), *Nabisco*, and *Marinela*

## LEADING FOOD PROCESSORS

US \$ millions

1992-93

Company	Sales
Grupo Industrial Bimbo	1,516
Compañía Nestlé	1,383
Anderson Clayton	474
Grupo Industrial Maseca	473
Sigma Alimentos	383
Herdez	292
Ganaderos Productores de Leche Pura	284
Agrobios	174
Lechera Guadalajara	130
Danone de México	124
Ingenio Tres Valles	109
Productos de Leche	96
Helados Holanda	89
Molinos Azteca	75
Corporación Azucarera de Tala	70
Derivados de Maíz Alimenticio	58
Laboratorios y Agencias Unidas	57
Ingenio Adolfo López Mateos	43
Others	1,323
<b>Total</b>	<b>7,153</b>

Source: *Expansión*. August 17, 1994.

(*Bimbo*), dominate the cake and cookie sector.

## BEVERAGES

Mexicans consume more carbonated beverages per capita than any country except the United States. Coca-Cola is reputed to have about 55 percent of the market. Frozen juices are not as well developed due to the relative lack of freezer space.

The bottled water market is very crowded, with more than 40 brands competing for available shelf-space. Milk mixes from Procter and Gamble (*Chocomilk*), and Nestlé (*Quik*) have found a loyal customer base among young consumers. The market for beverage mixes prepared with water is dominated by Kraft.

The Mexican *Te La Pastora* shares the overall tea market with *McCormick* and *Laggs*. Most of the major American processed coffee brands can be found on supermarket shelves, and there is also a large market for roasted coffee beans.

## Imports of Food Processing and Packaging Equipment, 1993

Category	US \$ thousands
heating and cooking	126,234
dairy	15,009
agricultural produce	10,861
bakery	42,023
confectionery and sugar	7,710
beverages	2,213
meat/poultry	14,075
other processing equipment	52,000
packaging	262,440
<b>Total</b>	<b>532,565</b>

Source: Derived from the *Banco Nacional de Comercio Exterior (BANCOMEX)*, Mexican Trade Commission.