

## MAJOR CHOCOLATE PRODUCERS

| Company                | Ownership | Percentage ownership |
|------------------------|-----------|----------------------|
| Compañía Nestlé        | Swiss     | 100                  |
| Nacional de Dulces     | American  | 100                  |
| Chocolatera de Jalisco | Mexican   | 100                  |
| Ricolino (Bimbo)       | Mexican   | 100                  |

Source: Derived from interviews conducted by Townsend Trade Strategies Inc. in Mexico.

## DAIRY PRODUCTS

### CUSTOMER PROFILE — PASTEURIZADORA LAGUNA

*Pasteurizadora Laguna* is the second-largest producer of milk and the largest pasteurizer in Mexico, with 15 plants handling two million litres of milk production a day. It also produces fresh and "long-life" UHT milk, cheeses, sour cream and butter.

### WHERE DOES ALL THE MILK GO?

Mexicans are consuming increasing amounts of pasteurized and processed milk products. The *Cámara Nacional de Industriales de la Leche (CANILEC)*, National Chamber for the Milk Industry, breaks the industry down into seven categories:

| Category             | Percentage |
|----------------------|------------|
| unpasteurized milk   | 20         |
| pasteurized milk     | 25         |
| evaporated milk      | 12         |
| baby formula         | 6          |
| yoghurt              | 5          |
| cheeses              | 30         |
| other dairy products | 2          |

Mexico's dairy industry experienced poor growth in the 1980s leaving a pent-up demand for new plant installation. The *Cámara Nacional de Industriales de la Leche (CANILEC)*, National Chamber for the Milk Industry, represents just 600 producers out of the total estimated 7,400 dairy farmers in Mexico. However, *CANILEC* members are responsible for 90 percent of the country's milk production and imports of milk.

Imports have played a large role in the Mexican dairy industry, as a result of government policies. State intervention in the early 1980s left farmers without subsidies and burdened with price controls. Many producers could no longer make a profit and were unable to invest in new plant or livestock. As a result, herds dwindled to the point where large quantities of powdered milk had to be imported from the United States, Germany and New Zealand. In response to more realistic pricing policies, farmers are now rebuilding their herds and domestic production is rising.

More than 30 percent of Mexico's annual milk consumption of 11 million litres is imported, mostly from the U.S. Domestic milk producers and manufacturers of processed dairy products are expecting annual market growth of between 12 percent and 14 percent over the next few years. Imports, particularly of consumer-ready goods, are also expected to increase. Meanwhile, the domestic industry is investing heavily to supply this slowly maturing market for convenience milk products.