

BUYING MEXICAN

La Costeña, a leading chili sauce and canned-chilies packer in Mexico, produces 600 cases per day during harvesting. It maintains a "buy Mexican first" policy for equipment purchases. Imported equipment represents less than five percent of the total, and is concentrated in the more sophisticated packaging end of the business. Imports are from Holland, Germany and Canada. Domestic equipment is custom made, often being low-technology "knock-offs" of leading foreign brands. *La Costeña* is expanding its production facilities to a new plant this year, where processing equipment will be supplied by *Jersa*, a domestic manufacturer. Packaging will be handled by imported state-of-the-art technology. The original founding family is still very involved in company operations.

MAJOR EQUIPMENT PURCHASERS

Company	Product
Anderson Clayton	Clemente Jacques canned and frozen vegetables; second largest producer of ketchup, vinegar and jams; hot sauces and chili under La Gloria label; Pronto syrups and honey; jello and desserts
Campbell's	leader in canned soups and frozen vegetables; beans
Del Monte	leader in ketchup production; major canner of vegetables
Del Fuerte	major vegetables and tomato sauce producer; chilies under La Cumbre label
Herdez	leader with 40 percent of the hot sauce market; major producer of vinegar, fruit preserves; manufactures foreign brands under licence
Hongos de México	major mushroom packer under the Mont Blanc label
Kraft	large producer of mayonnaise, jams, cheese, jello, and a wide variety of other products
La Costeña	leader in chili and hot sauces; also packaged beans, vinegar, olives, traditional Mexican dishes, fruit preserves, and honey
Nestlé	major producer of sauces, soups and broths, beans, powdered milk with 50 percent of the market, coffee, breakfast cereals, chocolate drinks and confectionery
Productos de Maíz	Hellman's mayonnaise and Knorr chicken broth
San Marcos	second largest chili producer; canned fruits
Ybarra	large producer of oil, olives and mayonnaise

CONFECTIONERY AND CANDY

According to the 1989 census, the Mexican chocolate and confectionery industry is comprised of approximately 475 companies employing almost 21,000 workers. Major confectioners include *Cerezo*, *Del Angel*, *Elite*, *Nacional de Dulces* and *Turin*. The latter firm also packages cake mixes and cereals.

Another 67 enterprises are involved only in chocolate products and employ 9,000 additional workers. The majority of chocolate manufacturers are regional, with only four major players — Nestlé, *Nacional de Dulces*, *Chocolatera de Jalisco* and *Ricolino*. Two specialty companies, *Ferback* and *Turin*, cater to the high-end of the market.

Those chocolate factories that have not been purchased recently by foreign subsidiaries are investing in new plant and equipment to become more competitive at home and abroad.

Those confectioners intent on exporting have expanded their production facilities and are currently working on dual packaging projects, one for Spanish-speaking markets and another for North American and European consumers.