

INDUSTRY COMPOSITION

The Mexican food processing sector is similar to Canada's in that there is an extensive range of products offered to consumers from a variety of agricultural products. Similarities for consumers include baked goods, frozen products, canned goods, microwaveable goods, and fresh products. Mexican food processing firms serve the urban consumer through large supermarket chains like *Gigantes*. The market is mainly dominated by American and European transnational corporations who flood the supermarkets with familiar trademark food products. Most of these firms purchase raw product in Mexico, add foreign processing, packaging and marketing technology and promote the product to Mexican consumers. However, there is a growing domestic presence developing in the Mexico food processing industry, with the *Directorio de la Industria Alimentaria* listing over 4,000 of the largest firms, a sizeable portion of which are Mexican owned.

FOREIGN TRADE

Canada is among Mexico's major trading partners for processed food and beverage products, along with the United States, Japan, the United Kingdom, Germany and France. The United States accounts for approximately 75% of Mexico's foreign trade in this sector, while Canada averages about 6% of two-way trade. Mexican processed food and beverage imports are comprised of dairy products (milk, cream, cheese); meat and edible meat offal; beverages, spirits & vinegar (wine, beer, waters); sugars and sugar confectionery (cane or beet sugar, chocolate); and animal or vegetable fats & oils (rape, colza, mustard). Other products of import significance to the Mexican market include: processed meats, food preparations, butter, lard, bread and crackers, sauces and preparations, malt extract, soups and broths, sausages, yogurt, jams, prepared vegetables, biscuits and cookies, protein concentrates, maple syrup, flour, pastas, mustard, spices, prepared fruits, and frozen vegetables.

Mexico has a strong food processing and beverage exporting industry. The United States is the main buyer for all Mexican exports of food products except: honey (Germany), meat (Japan), and garbanzos (Spain). Mexico has drastically increased its exports of poultry products, especially chicken brochettes to the Japanese market. Mexico is among the world's largest producers and exporters of honey. Mexico is becoming a major exporter of processed fruits and juices such as orange, strawberries, pineapples, bananas, mangos, passionfruit, guavas and melons. From 1986-1991, Mexico's concentrated orange juice exports increased by more than 150 percent. Mexico's fresh vegetable crop supports a rapidly expanding frozen and canned export industry. Popular frozen vegetable exports include broccoli, cauliflower, spinach, peas, sweet corn and lima beans. Preserved products include white and green asparagus, olives, mushrooms, cucumbers, peas and potatoes, all processed with advanced technologies. Mexico is an exporter of beverage products, including the world's third largest exporter of coffee. Exports of beer have increased to Canada, the United States, France, England, Japan and Australia, while Tequila products are exported to 36 countries under different brand names.