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Marketing dried pulses and seeds
Mexico. --
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**MARKETING DRIED PULSES
AND SEEDS IN MEXICO**

NARRATIVE

Beans

A wide variety of beans, including black, pinto, red and white, are grown in Mexico. The domestic bean market is dominated by the states of Zacatecas and Durango, which contribute between 70-80% of the total bean production for the needs of the population. Beans are a staple food for Mexicans and are consumed in the large quantities of beans served at meals in Mexico. Consumption between 12 to 15 kilograms per capita annually, compared to a more liberal 10 kilograms by Canadians.

The import market for beans varies from year to year, since domestic production is highly dependent on adequate rainfall and other favorable climatic conditions.

This market study has been prepared to assist Canadian firms interested in exporting to Mexico. While an effort has been made to examine the most important aspects of the sector, the study is not exhaustive. Companies will have to tailor their marketing approach according to their particular interests and circumstances.

Further assistance can be obtained by addressing requests directly to the Commercial Division of the Canadian Embassy in Mexico City located at Calle Schiller No. 529, Col. Polanco, 11580 Mexico, D.F., fax (011-525) 724-7900, telex 177-1191 (DMCNME) and fax (011-525) 724-7982 (sending from Canada); or the Latin America and Caribbean Trade Division, External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2; phone (613) 996-8625; fax (613) 943-8806.

Dept. of External Affairs
Min. des Affaires extérieures

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MARKETING DRIED PULSES AND SEEDS IN MEXICO

NARRATIVE

Beans

A wide variety of coloured beans (pintos, blacks, browns, yellows and whites) are grown in Mexico. Almost 50% of domestic bean production comes from the states of Zacatecas and Durango. Complementary to maize and wheat, beans contribute between 70-90% of the vegetable protein consumed by the lower strata of the population. Beans are a staple of the Mexican diet, and are used extensively in the large selection of foods characteristic of Mexican cuisine. Mexicans consume between 12 to 16 kilograms per capita annually, compared to a mere kilogram by Canadians.

The import market for beans varies from year to year, since domestic production is highly dependent on adequate rainfall and other favourable climatic conditions. Imports of beans reached record levels in 1980, 1981 and 1990, when the volumes imported were 443,066, 490,189 and 330,181 tonnes, respectively. These imports were reflective of the severe droughts which affected Mexico's agricultural production in those years, and shortfalls in the bean harvests.

Because temperatures are mild and adequate for the cultivation of beans throughout the year, they are grown in two cycles: Spring-Summer (March-July) and Fall-Winter (September-February). The Spring-Summer harvest is the most important, as it contributes between 70-75% of national bean production.

The state food agency, Compañía Nacional de Subsistencias Populares (Conasupo), is the only entity permitted to import beans. Conasupo reports to the Secretariat of Commerce (SECOFI) and jointly with the Secretariat of Agriculture, coordinates its international purchases in accordance with internal production. The average annual production of beans fluctuates between 1.2 and 1.3 million tonnes, which is about sufficient to cover the domestic demand. When output falls below this amount, then Conasupo will arrange for supplementary imports. Considering Mexico's usually large import requirements, Conasupo is never officially a buyer in the international market, so as not to create speculation that could drive prices upward.

Lentils, peas and seeds

Conasupo does not control the importation of these products, which are freely imported by dealers. Although Mexico produces lentils, peas and canary seed, in recent years imports have increased significantly due to declines in domestic production, particularly of lentils and canary seed.

Pulses are consumed all during the year, but lentils, broad beans and peas are in greater demand during Lent from Ash Wednesday to Easter. Laird and Eston type lentils are the preferred varieties which are in demand and consumed in border communities, as well as in larger urban centers. Green split peas are grown and consumed in Mexico, either natural or processed into canned soups. Yellow split peas have virtually no demand in Mexico, even though many years ago they could be found in a few supermarket stores. There is no precise information regarding the per capita consumption of pulses (lentils, chickpeas, field peas, etc.), although it is considerably less than beans.

The market is served by independent distributors who import mostly for their own account, and resell wholesale to the trade. The following companies have in the past expressed an interest in communicating with Canadian supply sources for pulse crops, particularly lentils, field peas, canary seed, etc.:

Ing. Juan Antonio Veloz R.
OLIVARES, VELOZ Y DAVILA, S.A. DE C.V.
Central de Abasto Local 3-06
Col. Ixtapalapa
09040 Mexico, D.F.
Tel: (5)694-0134, 694-4449, 694-1207
Fax: (5)694-4719

Lic. Lázaro Bello Garza
ALIMENTOS CAZEROLA, S.A.
Lázaro Cárdenas y Guanacevi s/n
Parque Industrial
Gómez Palacio, Durango, Mexico
Fax: (17)163-825

Sr. Javier Lozano
LOZANO MIGOYA, S.A.
Paseo de la Reforma 76 - 902
Col. Juárez
06600 Mexico, D.F.
Tel: (5)535-6022, 535-4014, 535-5345
Fax: (5)566-0754, 705-6134

Ing. José Alfonso León Matus
ABASTECEDORA DE MERCADOS AGRICOLAS, S.A. DE C.V.
Génova 33 - 701
Col. Juárez
06600 Mexico, D.F.
Tel: (5)208-8076, 208-8136, 533-1945, 533-1946
Fax: (5)533-6500

Sr. J.A. Martín Sámano Vega
SURTIDORA ABARROTERA, S.A. DE C.V.
Central de Abasto Bodega E-33
Apartado Postal 31-113
Col. Ixtapalapa
09040 Mexico, D.F.
Tel: (5)694-0752, 694-0749
Fax: (5)694-0144

Lic. Alfredo Núñez Campos
ABARROTERA PANTITLAN, S.A.
Calle 6 No. 423
Col. Pantitlán
Mexico, D.F.
Tel: (5)763-0853, 763-4477, 763-4016
Fax: (5)763-2746

Sr. Carlos Zúñiga Lozada
SEMILLAS Y SUBPRODUCTOS ALIMENTICIOS, S.A.
Eugenio 721 - 803
Col. Del Valle
03100 Mexico, D.F.
Tel: (5)687-1223
Fax: (5)682-8098

Lis. Eduardo F. Cavazos
AMADO CAVAZOS Y CIA., S.A. DE C.V.
Av. Zaragoza 1300 Sur - A-246
64000 Monterrey, N.L., Mexico
Tel: (83)406-772, 406-783, 406-784, 421-801
Fax: (83)422-120

Lic. Ramón Domínguez
CASA DOMINGUEZ
Callejón No. 330-A
Calle Santa Isabel Industrial

Sr. Fernando Noriega
DOGALE COMERCIO EXTERIOR, S.A. DE C.V.
Av. Chapultepec Sur No. 140 - 110
Sector Juárez
44140 Guadalajara, Jal., Mexico
Tel: (3)615-6025
Fax: (3)616-4738, 642-5396

Sr. Angel Mario Cantú
PRODUCTOS AGRICOLAS CAVI
Av. Washington 1115 Oriente
Monterrey, N.L., Mexico
Tel: (83)429-631, 429-632
Fax: (83)422-291

Lic. Feliciano Aguirre
ASESORES EN COMERCIO INTERNACIONAL, S.A.
Tonalá 146-3
Col. Roma
06700 Mexico, D.F.
Tel: (5)564-3773, 564-3875
Fax: (5)574-4733

Sr. Gustavo Cuan Aubert
CEREALES Y SEMILLAS
Calle 8 No. 802
Mercado de Abastos
Apartado Postal 33-47
Guadalajara, Jal., Mexico
Tel: (3)621-6460, 621-7774
Fax: (3)611-4257

Ing. Eduardo Escamilla
TRIFOLIUM, S.A.
Uruguay No. 78
Col. Centro
06000 Mexico, D.F.
Tel: (5)518-4208, 510-1235

(5)

Lic. Ramón Domínguez
CASA DOMINGUEZ
Campesinos No. 390-A
Col. Santa Isabel Industrial
09820 Mexico, D.F.
Tel: (5)582-9222, 582-3520
Fax: (5)582-9447

Sr. Carlos Jiménez López
MAGAÑA SIRERA, S.A.
Chimalcoyotl No. 83
14050 Mexico, D.F.
Tel: (5)606-5705, 606-5580
Fax: (5)606-6840

Ing. Jesús Arce
MEXAGRO INTERNACIONAL, S.A. DE C.V.
Liverpool No. 19
Col. Juárez
06600 Mexico, D.F.
Tel: (5)566-5047

Sr. Gabriel Hernández
Ing. Enrique Su Nava
PRODUCTOS CORINTER/EMPACAMEX
Bosques de Ciruelos No. 304
Col. Bosque de las Lomas
11700 Mexico, D.F.
Tel: (5)596-2133, 596-2987

Sr. Catarino Barba Núñez
ABARROTERA DE JALISCO, S.A.
Canal Nacional 118
Col. Valle Sur
09810 Mexico, D.F.
Tel: (5)670-8533, 670-8817, 670-8847, 670-8802
Fax: (5)670-8867

Sr. Fernando Sánchez
EMPACADORA DE PRODUCTOS NATURALES, S.A.
Boleo 60-C
Col Maza
06270 Mexico, D.F.
Tel: (5)789-9599

There are several companies engaged in the cleaning and retail packaging of pulse commodities, that are also potential buyers/importers. The major ones are:

ALIMENTOS MONTERREY, S.A. DE C.V.

Edison 2809 Norte

Col. Pedro Lozano

Monterrey, N.L., Mexico

Tel: (83)515-509, 515-813

Fax: (83)480-193

ALIMENTOS SANTA ISABEL, S.A. DE C.V.

Monte Ararat 121

Col. Francisco G. Sada

Monterrey, N.L., Mexico

Tel: (83)771-100, 770-375

Fax: (83)770-025

PRODUCTOS SELECCIONADOS, S.A.

Carlos Salazar y Degollado 2225 Pte.

64000 Monterrey, N.L., Mexico

Tel: (83)471-074

PRODUCTOS VERDE VALLE, S.A.

Av. Vallarta 5683

Km. 10 Carretera Mexico-Nogales

Zapopan (Guadalajara), Jal, Mexico

Tel: (3)627-0700, 627-0709

Fax: (3)627-0704

SEMILLAS SELECCIONADAS DEL NORTE, S.A.

Guerrero 1622 Norte

Monterrey, N.L., Mexico

Tel: (83)752-707, 741-388, 753-693

EMPACAMEX, S.A.

Canela 113-A

Col. Granjas Mexico

08400 Mexico, D.F.

Tel: (5)654-2706, 654-2684

Fax: (5)650-5725

GRANOS SELECTOS, S.A.
Av. P. C. Negrete 1313
Col. Industrial
Monterrey, N.L.
Tel: (83)755-627, 755-689, 743-825, 746-203
Fax: (5)754-661

SELECCIONADORA DE GRANOS
MONTERREY, S.A. DE C.V.
Río Tiber 224-A Poniente
Col. Del Valle
66250 Garza García (Monterrey), N.L., Mexico
Tel: (83)752-707, 741-388, 753-693

Marketing Pulses in Mexico

The pulses market is very price sensitive and highly competitive. The principal distribution centers are located in Mexico City, Guadalajara and Monterrey. Most of the dealers have warehouse facilities in these produce markets, known as Centrales de Abasto.

Canadian exporters who are interested in doing business in Mexico should visit the market, to learn first-hand how the products are handled and how the distribution system operates. Besides, it is essential that personal contact with potential buyers be made at the outset. The Embassy can assist in arranging meetings with local distributors of pulse crops on request. It should be borne in mind, however, that in some cases it might be necessary to engage the services of an interpreter, since some buyers do not speak English. Once a business relationship has been established, subsequent communication can follow the custom in North America, by facsimile or telephone.

Mexican buyers usually require product samples along with quotations, to see the quality they will be offering to their customers. For fast delivery, Canadian exporters may wish to consider forwarding such materials by courier service direct to the interested party.

It is not unusual for the best of buyers to renege on payment at times for different reasons: excessive dockage, poor quality product, untimely delivery, weight loss, etc. Close attention should be given to conforming to the customer's requirements and instructions to the letter. And, until such time as the exporter is satisfied with his buyer's payment record, he should protect himself by ensuring payment by an

Irrevocable Letter of Credit confirmed by a Canadian bank, due upon presentation of sight draft against shipping documents. Some importers may prefer to adopt some other means of payment: Cashier's Cheque, bank or telegraphic transfer, etc., which may be acceptable if protection is guaranteed. All transactions are done in U.S. dollars, and foreign exchange is available throughout the country to pay for imports.

RESPONSIBILITY

This paper was prepared to assist Canadian exporters of pulse crops who have an interest in supplying the Mexican market. It is not exhaustive, but rather is intended to offer some insight into the existing market for these crops, and to provide data on potential buyers currently dealing in, packaging and distributing these commodities. Canadian companies must tailor their marketing approach according to their particular interests and circumstances.

Further assistance or information can be obtained by addressing requests directly to the Commercial Division of the Canadian Embassy, located at Calle Schiller 529; Col. Polanco; 11580 México, D.F.; Tel: (5)724-7900; Fax: (5)724-7982; or the Latin America and Caribbean Trade Division; Department of External Affairs; 125 Sussex Drive; Ottawa, Ontario, Canada K1A 0G2, Tel: (613)995-8804, Fax: (613)943-8806.

HS Code	Description	Rate
0713.33.07	Beans, except for planting	10%
0713.33.08	Others	10%
0713.33.09	Lentils	10%
0713.33.10	Broad beans (Vicia faba var. major), horse beans (Vicia faba var. equina) and small faba beans (Vicia faba var. minor)	10%
0713.33.11	Others	10%
1005.20.00	Canary seed	20%

An asterisk (*) following the classification number denotes that an import permit issued by the Directorate of Commerce and Industrial Control is required.

PULSES AND SEEDS - MEXICO

Harmonised System classification under the General Agreement on Tariff and Trade and ad valorem duty percentages:

<u>Class. Num.</u>	<u>Description</u>	<u>Ad Valorem</u>
0713.10.01	Peas (<i>Pisum sativum</i>)	10%
0713.10.02	Peas for planting	Free
0713.20.01	Chickpeas (<i>garbanzos</i>)	10%
0713.31.01	Beans of the species <i>Vigna mungo</i> , Hepper or <i>Vigna radiata</i> Wilczek	10%
0713.32.01	Small Red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>)	10%
0713.33.01	Beans for planting	Free
0713.33.02 (*)	Beans, except for planting	10%
0713.39.99	Others	10%
0713.40.01	Lentils	10%
0713.50.01	Broad beans (<i>Vicia faba</i> var. <i>major</i>), horse beans (<i>Vicia faba</i> var. <i>equina</i>) and small faba beans (<i>Vicia faba</i> var. <i>minor</i>)	10%
0713.90.99	Others	10%
1008.30.01	Canary seed	20%

An asterisk (*) behind the classification number denotes that an import permit issued by the Secretariat of Commerce and Industrial Development is required.

IMPORTS OF PULSES AND SEEDS - MEXICO

(Values in U.S. Dollars)

H.S. Number	1988	1989	1990	1991
0713.10.01	591,294	1,144,063	2,048,024	2,935,414
0713.10.02	415,631	684,640	692,473	670,883
0713.20.01	368	16,914	27,776	207,238
0713.31.01	0	34,262	15,384	83,401
0713.32.01	0	310,815	59,144	14,634
0713.33.01	2,776,776	3,123,209	2,644,704	2,562,188
0713.33.02	0	80,340,706	250,391,959	15,913,126
0713.39.99	259,375	499,735	12,292	39,636
0713.40.01	2,696,918	2,761,288	3,194,654	4,127,173
0713.50.01	0	172,006	153,738	21,617
0713.90.99	849,414	5,552,604	103,970	57,882
1008.30.01	1,778,032	4,273,191	2,234,514	4,984,670

Source: Secretaría de Comercio y Fomento Industrial

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