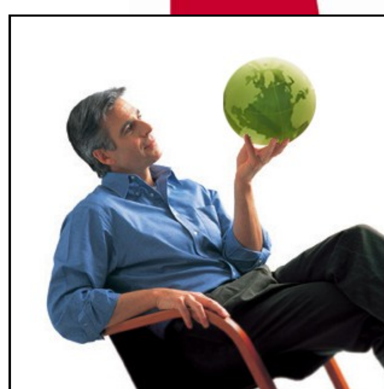
Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

International Markets Bureau

MARKET INDICATOR REPORT | JANUARY 2012

Packaged Food Sales
in Mexico



Source: *Shutterstock.*

Growing Forward

Canada

EXECUTIVE SUMMARY

- Mexico is the second-largest country in Latin America, after Brazil, with a total population of around 113 million (July 2011). Mexico City is by far the largest city in the country, with a population of almost 20 million inhabitants in its metropolitan area.
- Mexico's young population comprises an important consumer group whose busy lifestyles and time pressures are complicated by the country's economic challenges. The convenience offered by quick preparation and the lower cost of packaged foods in comparison to fresh foods, often lead to less-healthy food choices. This has been cited as a contributing factor to the rising overweight and obesity rates in the country.
- Packaged foods that offer health and wellness attributes, such as healthier versions of traditional foods, may find opportunities in this growing market.

INSIDE THIS ISSUE

MARKET TRENDS

- According to the CIA World Factbook (2011), Mexico's population is young, with adults aged 15-64 years comprising 65.2% of the total population, and residents aged 14 years or younger representing 28.2%. Only 6.6% of the population is 65 years and older.
- Young consumers are an increasingly important consumer segment due to socioeconomic shifts in the marketplace. For example, smaller families and more women in the workforce generate more disposable income for families and put time at a premium, further driving the demand for quick-to-prepare packaged foods in lieu of perishable products.
- In 2010, the packaged food market in Mexico was valued at US$59.3 billion. Bakery was the most popular category with US$27.8 billion in retail sales, which is anticipated to reach US$36.7 billion by 2015.

Source: *Shutterstock.*

MARKET TRENDS (continued)

- In 2009, amongst the Mexican population aged 15 and above, the rates of those classified as overweight or obese were second only to those of the United States. These high rates prompted the Mexican government to promote education regarding healthier lifestyles, and regulations were proposed to ban unhealthy products from being sold at schools.

- The proposed regulatory actions were met with controversy. Implementation was delayed as manufacturers demanded an extension of the implementation date in order to develop new technologies for the production of healthier foods.

- An article by Ortiz-Hernández and Gómez-Tello published in 2008 found that among Mexican adolescents 12 to 19 years of age, only one-third consumed fruits and vegetables daily, about half consumed dairy products on a daily basis, and one-fifth consumed sweets and salty snacks daily.

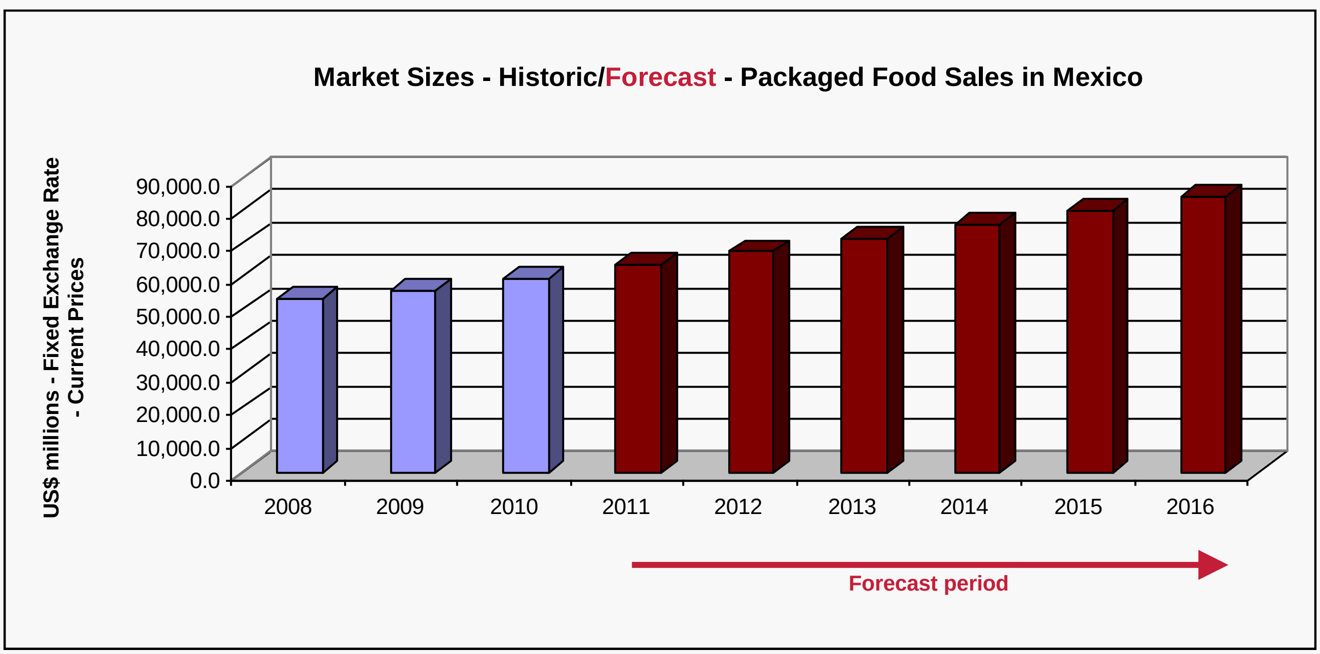
- Low income families who face budgetary challenges tended to consume fewer fresh foods as they are generally more expensive. Instead, they tended to choose packaged foods that are lower in price but typically less nutritious.

- There are thus opportunities for value-conscious packaged food products with health and well-ness attributes, that are quick and convenient to prepare. As the economic situation improves, it is expected that health benefits will become an increasingly important product attribute.

- Euromonitor anticipates that innovative packaged food products will focus on providing healthier alternatives in the area of impulse and indulgence products over the forecast period. This may include savoury impulse products that have a reduced fat, salt and sodium content.

- Mexican consumers are loyal to familiar established brands, where new products are simply variations of flavours or fillings.

- However, strategic, value-conscious shopping on the part of consumers has led to wider offerings of cheaper brands and private label brands by manufacturers. Consequently, private label and lower-priced brands are slowly gaining favour with price-conscious consumers.



Source: *Euromonitor, 2011.*

TOP PACKAGED FOOD CATEGORIES

Top Packaged Food Category Sales in Mexico in US$ Millions
Fixed 2010 Exchange Rates

Categories	2008	2009	2010	2011*	2015
Baby Food	938.7	970.8	1,007.6	1,075.5	1,324.0
Bakery	24,665.1	25,836.7	27,828.1	29,683.5	36,743.7
Baked Goods	20,719.8	21,718.4	23,297.2	24,910.3	30,839.7
Biscuits	2,267.1	2,338.4	2,548.6	2,691.7	3,367.7
Breakfast Cereals	1,678.2	1,779.8	1,982.4	2,081.4	2,536.3
Canned/Preserved Food	1,409.0	1,449.2	1,534.3	1,621.0	2,350.3
Canned/Preserved Fish/Seafood	714.4	735.7	787.1	840.5	1,276.0
Chilled Processed Food	957.7	975.1	1,001.6	1,029.2	1,334.2
Chilled Processed Meat	736.8	746.2	759.4	777.2	989.7
Confectionery	4,012.7	4,096.4	4,405.4	4,651.7	5,627.1
Sugar Confectionery	1,698.5	1,788.5	1,890.3	1,994.5	2,386.6
Gum	1,344.3	1,318.5	1,452.3	1,553.1	1,945.6
Chocolate Confectionery	969.9	989.4	1,062.8	1,104.0	1,294.9
Dairy	9,294.9	9,705.6	10,342.6	11,100.6	14,218.8
Drinking Milk Products	4,002.5	4,096.7	4,375.4	4,606.9	5,658.1
Cheese	3,193.7	3,435.3	3,616.9	3,943.6	5,130.0
Yogurt and Sour Milk Drinks	1,320.2	1,393.5	1,557.1	1,713.2	2,407.3
Other Dairy	778.5	780.1	793.2	836.9	1,023.3
Dried Processed Food	2,345.3	2,516.7	2,672.8	2,810.1	3,572.9
Dessert Mixes	422.0	425.5	435.7	447.6	544.3
Dried Pasta	593.7	552.2	588.1	633.9	785.3
Instant Noodles	590.0	713.8	758.8	800.6	989.8
Rice	602.9	682.7	740.2	768.7	1,041.1
Frozen Processed Food	632.9	650.7	674.6	698.0	928.7
Ice Cream	451.5	458.3	509.2	539.1	695.5
Noodles	590.0	713.8	758.8	800.6	989.8
Instant Noodles	590.0	713.8	758.8	800.6	989.8
Oils and Fats	1,413.2	1,452.7	1,594.1	1,726.0	2,116.5
Vegetable and Seed Oil	1,020.7	1,051.0	1,154.7	1,244.8	1,515.7
Sauces, Dressings and Condiments	2,741.3	2,973.9	3,249.7	3,511.4	4,670.8
Cooking Sauces	373.4	453.0	502.5	546.1	697.0
Table Sauces	1,251.2	1,399.4	1,509.3	1,628.1	2,253.6
Mayonnaise	515.1	626.9	677.0	727.8	1,035.4
Spicy Chili/Pepper Sauces	319.0	352.2	376.9	396.9	520.1
Pickled Products	975.0	952.1	1,028.3	1,100.3	1,383.1
Pasta	597.5	555.9	592.3	638.3	791.1
Spreads	633.5	643.9	690.8	717.4	843.7
Jams and Preserves	522.0	531.0	571.5	592.5	697.0
Sweet and Savoury Snacks	2,849.3	2,859.6	3,121.7	3,373.4	4,401.1
Tortilla/Corn Chips	654.7	714.8	794.8	880.1	1,156.4
Chips/Crisps	776.8	707.0	756.5	798.1	1,019.2
Extruded Snacks	595.2	643.3	688.4	743.4	987.1
Nuts	303.0	315.1	362.4	391.4	515.5
Total Packaged Food	**52,919.3**	**55,178.7**	**59,280.1**	**63,222.0**	**79,726.1**

Source: *Euromonitor, 2011.*
**2011 figures are estimates based on part-year statistics.*

The total packaged food sector is expected to reach sales of over US$79 billion by 2015.

Note: *Totals as they are listed here do not match actual totals because not all categories are listed, and some sub-categories belong to more than one category.*

KEY MARKET SEGMENTS: 2009-2010

DAIRY PRODUCTS

- In 2010, this sector's sales increased from US$9.7 billion to US$10.3 billion. Sales volume increased from 6.6 million tonnes to 6.7 million tonnes.

Main Sectors

- Cheese sales increased slightly from US$3.4 billion to US$3.6 billion.
- Sales of drinking milk products increased from US$4.1 billion to US$4.4 billion.
- Yogurt and sour milk drinks grew from US$1.4 billion to US$1.6 billion.
- Other dairy sales increased from US$780 million to US$793 million.

Main Producers and their Mexican Brands

- Grupo Industrial Lala SA de CV was the leader in the dairy market, holding 13.1% of retail sales in 2010. Its top leading brand was Lala, and smaller brands include Los Volcanes, Nutri Leche and Quesos Lala.
- Ganaderos Productores de Leche Pura SA de CV held 11.1% of this market. Its top leading brand was Alpura.
- Sigma Alimentos SA de CV held 3.9% of the dairy market. Its main brands were Noche Buena and El Torito.
- Private label sales made up 1% of the category in 2010.

Forecasts for 2011-2015

- Retail sales of dairy products are expected to grow by 28.1% in value. Cheese sales will grow by 30.1%, drinking milk products by 22.8%, yogurt and sour milk drinks by 40.5%, and sales of other dairy products will grow by 22.3% over the period.

BAKERY PRODUCTS

- In 2010, this sector's sales grew from US$25.8 billion to US$27.8 billion, while retail volume increased from 14.9 million tonnes to 15.6 million tonnes

Main Sectors

- Sales of baked goods increased from US$21.7 billion to US$23.3 billion.
- Biscuit sales increased from US$2.3 billion to US$2.5 billion.
- Breakfast cereal sales grew from US$1.8 billion to almost US$2 billion.

Main Producers and their Mexican Brands

- Artisanal baked goods held 66.1% of the market in 2010. The remaining market share was fragmented between several companies.
- The leading company was Grupo Bimbo SAB de CV, controlling 15.5% of the bakery market. Its top leading brands were Bimbo, Tia Rosa and Gansitos.
- PepsiCo Inc. held 3.9% of the market with its top leading brands Gamesa and Chokis.
- Kellogg Co. held 3.1% of the market with its Kellogg's brand.
- Private label made up only 0.3% of the bakery products market in 2010.

Forecasts for 2011-2015

- Retail sales of bakery products are forecast to increase by 23.8%. By the end of 2015, sales of baked goods are expected to increase by 23.8%, while biscuits will grow by 25.1%, and breakfast cereals by 21.9%.

KEY MARKET SEGMENTS: 2009-2010 (continued)

CONFECTIONERY

- In 2010, sales value increased from US$4.1 billion to US$4.4 billion, while sales volume grew from 366,200 tonnes to 378,700 tonnes.

Main Sectors

- Chocolate confectionery sales increased from US$989 million to US$1.1 billion.
- Sugar confectionery sales increased from US$1.8 billion to US$1.9 billion.
- Gum sales increased from US$1.3 billion to US$1.5 billion.

Main Producers and their Mexican Brands

- Kraft Foods Inc. was the leader in the Mexican confectionery market, holding 27.8% of the market in 2010. Its main brands were Trident, Clorets, Chiclets and Halls.
- Grupo Bimbo SAB de CV held 9.5% of the market with Duvalin, Panditas and Moritas as its main brands.
- Mars Inc. held 7.4% of this market. Its main brands were Wrigley's, M&M's and Snickers.
- Private label accounted for 0.9% of total confectionery sales in 2010.

Forecasts for 2011-2015

- Confectionery is forecast to grow by 21.0% from 2011 to 2015. Chocolate confectionery sales will increase by 17.3%, sales of sugar confectionery by 19.7%, and gum sales by 25.3%.

OILS AND FATS

- In 2010, sales in the oils and fats sector grew from US$1.5 billion to US$1.6 billion, while retail volume increased from 854,100 tonnes to 915,000 tonnes.

Main Sectors

- Sales of vegetable and seed oil rose from US$1.1 billion to US$1.2 billion.
- Cooking fats increased from US$173.3 million to US$190.4 million.
- Sales of olive oil increased from US$81.5 million to US$90.5 million.

Main Producers and their Mexican Brands

- Associated British Foods Plc (ABF) held 23.1% of the market for oils and fats in 2010. Its top three brands were Capullo, Inca and Mazola.
- Fábrica de Jabón La Corona SA de CV held 18.9% of the market in 2010. Its main brands were 123 and Corona.
- Grupo Desc SA de CV held 8.2% of the market for oils and fats in 2010. Its main brand was La Gloria.
- Private label held 3.6% of the oils and fats market in 2010.

Forecasts for 2015-2015

- Oils and fats are expected to see an increase of 22.6% in value over the period. Sales of vegetable and seed oil are forecast to grow by 21.8%, cooking fats by 16.1%, and olive oil by 32.4%.

KEY MARKET SEGMENTS: 2009-2010 (continued)

SAUCES, DRESSINGS AND CONDIMENTS

- In 2010, sales in this sector grew from US$2.9 billion to US$3.3 billion. Sales volume rose from 743,300 tonnes to 784,000 tonnes.

Main Sectors

- Sales of table sauces increased from US$1.4 billion to US$1.5 billion.
- Pickled products increased from US$952 million to US$1.0 billion
- Mayonnaise sales increased from US$626.9 million to US$677.0 million.
- Sales of cooking sauces rose from US$453.0 million to US$502.5 million.

Main Producers and their Mexican Brands

- Conservas La Costeña SA de CV held 13.6% of the sauces, dressings and condiments market in 2010. Its top brand was La Costeña.
- Grupo Desc SA de CV held 13.2% of the market for sauces, dressings and condiments in 2010. Its main brand was Del Fuerte.
- McCormick & Co. Inc. held 11.3% of this market in 2010. Its main brand was McCormick.
- Private label represented 4.1% of the total market for sauces, dressings and condiments.

Forecasts for 2011-2015

- Sales of sauces, dressings and condiments are expected to grow by 33.0% over the period. Sales of table sauces will increase by 38.4%, pickled products by 25.7%, mayonnaise by 42.3%, and cooking sauces by 27.6%.

DRIED PROCESSED FOOD

- In 2010, sales in this sector grew from US$2.5 billion to US$2.7 billion, while retail volume increased from 1.05 million tonnes to 1.09 million tonnes.

Main Sectors

- Sales of instant noodles rose from US$713.8 million to US$758.8 million.
- Rice sales increased from US$682.7 million to US$740.2 million.
- Dried pasta sales increased from US$552.2 million to US$588.1 million.

Main Producers and their Polish Brands

- Toyo Suisan Kaisha Ltd. led the dried processed food market with 21.3% of sales. Its main brand was Maruchan.
- Grupo La Moderna SA de CV held 15.9% of the dried processed food market in 2010. Its main brands were La Moderna, Cora and Mi Lunch.
- Cía Arrocera Covadonga SA de CV held 6.5% of the market in 2010, down from 10.2% in 2009. Its main brand was Morelos.
- Private label represented 6.5% of dried processed food sales in 2010.

Forecasts for 2011-2015

- Dried processed food sales are forecast to increase by 27.1% by the end of 2015. Instant noodles sales will increase by 23.6%, rice sales by 35.4%, and dried pasta sales by 23.9%.

KEY MARKET SEGMENTS: 2009-2010 (continued)

SWEET AND SAVOURY SNACKS

- In 2010, sales of sweet and savoury snacks increased from US$2.9 billion to US$3.1 billion. Sales volume increased from 367,900 tonnes to 383,800 tonnes.

Main Sectors

- Tortilla and corn chips increased from US$714.8 million to US$794.8 million.
- Sales of chips and crisps grew from US$707.0 million to US$756.5 million.
- Extruded snacks increased from US$643.3 million to US$688.4 million.
- Sales of nuts increased from US$315.1 million to US$362.4 million.

Main Producers and their Mexican Brands

- PepsiCo Inc. dominated the sweet and savoury snacks market with a share of 59.5% in 2010. Its leading brands were Sabritas, Cheetos, Doritos and Ruffles.
- Grupo Bimbo SAB de CV held 14.3% of this market in 2010. Its main brands included Barcel, Chips and Takis.
- ConAgra Foods Inc. held 3.5% of the sweet and savoury snacks market with its main brand, Act II.
- Private label represented 5.1% of the total market for sweet and savoury snacks.

Forecasts for 2011-2015

- Sales of sweet and savoury snacks are expected to see an increase in value of 30.5% over the period. Sales of fruit snacks will grow by 38.1%, chips and crisps by 27.7% and nuts by 31.7%.

CANNED/PRESERVED FOOD

- In 2010, this sector's sales increased in value from US$1.4 billion to US$1.5 billion, while retail volume increased from 494,100 tonnes to 511,000 tonnes.

Main Sectors

- Sales of canned/preserved fish and seafood increased from US$735.7 million to US$787.1 million.
- Canned/preserved vegetables increased from US$257.7 million to US$267.8 million.
- Sales of canned/preserved beans grew from US$201.9 million to US$211.3 million.

Main Producers and their Mexican Brands

- Grupo Herdez SA de CV led the market for canned/preserved food with a share of 14.9% in 2010. The company's leading brand was Herdez.
- Conservas La Costeña SA de CV held 10.1% of the market in 2010. Its main brand was La Costeña.
- Pescados Industrializados SA de CV also held 10.1% of the market for canned/preserved food in 2010. Its main brand was Dolores.
- Private label controlled 8.8% of the canned/preserved food market in 2010.

Forecasts for 2011-2015

- Sales of canned/preserved food are forecast to increase by 45.0% by the end of 2015. Sales of canned/preserved fish and seafood are expected to increase by 51.8%, canned/preserved vegetables by 36.6%, and canned/preserved beans by 40.8%.

COMPANY SHARES

Mexico Packaged Food Market
Company Shares (by Global Brand Owner)
Retail Sales Value - % Breakdown

Company	2006	2007	2008	2009	2010
Grupo Bimbo SAB de CV	9.7	9.3	9.3	9.1	9.1
PepsiCo Inc	5.3	5.1	5.4	5.2	5.3
Nestlé SA	4.2	4.2	3.9	3.8	3.8
Industrial Lala SA de CV, Grupo	3.9	3.8	3.7	3.6	3.6
Kraft Foods Inc	0.7	0.7	0.7	0.7	2.8
Ganaderos Productores de Leche Pura SA de CV	2.3	2.3	2.2	2.1	2.1
Sigma Alimentos SA de CV	2.0	2.0	1.8	1.8	1.8
Kellogg Co	1.7	1.8	1.7	1.7	1.7
Unilever Group	1.5	1.5	1.5	1.6	1.7
Conservas La Costeña SA de CV	0.9	0.9	1.1	1.1	1.1
Grupo Desc SA de CV	1.0	1.0	1.1	1.1	1.1
Herdez SA de CV, Grupo	0.7	0.8	0.8	0.9	1.0
McCormick & Co Inc	0.8	0.8	0.9	1.0	1.0
Toyo Suisan Kaisha Ltd	0.9	0.9	0.8	1.0	1.0

Source: *Euromonitor, 2011.*

Packaged Food Sales in Mexico

ISSN 1920-6615
AAFC No. **11682E**

Photo Credits

For additional copies of this publication or to request an alternate format, please contact:
Agriculture and Agri-Food Canada
1341 Baseline Road, Tower 5, 4th floor
Ottawa, ON
Canada K1A 0C5
E-mail: infoservice@agr.gc.ca

Aussi disponible en français sous le titre :
Ventes d'aliments emballés au Mexique

Canada