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## **Mexico**

### **Product Brief**

## **The Mexican Market for Pulses**

### **2001**

Approved by:

**Chad R. Russell**

**U.S. Embassy**

Prepared by:

Alfredo Gayou

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Report Highlights: Domestic production has traditionally been the main source of supply for Mexican consumption of pulses. Mexican pulse imports totaled US \$49.5 million, US \$128.7 million and US \$52.4 million in 1997, 1998 and 1999, respectively. During this same period, US exports accounted for 73.9, 84.9 and 74.2 percent of the total market share value of Mexico's pulse imports.

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Includes PSD changes: No  
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This report is for informational purposes only to assist exporters of US food and agricultural products in their sales and promotional efforts in Mexico. The data in this report were collected from local trade and government sources and are not necessarily official US Department of Agriculture (USDA) data. While every effort has been made to provide an accurate list of contacts, telephone and fax numbers change frequently in Mexico. Also, there may be other qualified firms in Mexico and the United States, and their exclusion from any lists or directories is unintentional. Neither the US Agricultural Trade Office (ATO) or the USDA endorses any firm contained herein. US exporters should take normal commercial cautions when dealing with any potential importer, including checking credit references.

## 1. PRODUCT DEFINITION

The products included in this report are pulses. These products are in Sub-chapters 0708, 0710 and 0713 of the Mexican Tariff System.

## 2. MARKET SIZE

### Production

Based on official Mexican production figures, the production of pulses increased from US\$789.5 million in 1997 to US\$911.3 million in 1998, but decreased to US\$894.6 million in 1999. The pulses included in these production figures are peas, chick-peas, lentils, broad beans and beans, which is the most important crop, and has represented from 85 to 91 percent of the total production value of pulses over the last few years. These total production figures consider the fall-winter and the spring-fall harvests. The dollar value of production is obtained by multiplying production by the "average annual rural price," which is the average price producers are paid for their crop. See table 1.

Table 1  
**MEXICAN PRODUCTION OF PULSES**  
**1997-1999**

(US Million Dollars and Thousand Tons)

	1997		1998		1999e	
	US Dls.	Tons	US Dls.	Tons	US Dls.	Tons
<b>Production</b>	<b>\$789.5</b>	<b>1,234</b>	<b>\$911.3</b>	<b>1,438</b>	<b>\$894.6</b>	<b>796</b>

Source: Anuario Estadístico de la Producción Agrícola de los Estados Mexicanos, 1997 y 1998 (Statistical Yearbook of Agricultural Production of Mexico, 1997 and 1998) and own estimates.

All dollar values used in reporting Mexican data were calculated according to the average exchange rate of the peso against the dollar for each year: 7.9, 9.2 and 9.7 pesos per one US dollar for 1997, 1998 and 1999, respectively.

### Imports

Mexican imports of pulses increased from US \$49.5 million in 1997 to US \$128.7 million in 1998, but decreased to US \$52.4 million in 1999. See table 2.

Table 2  
**TOTAL MEXICAN IMPORTS OF PULSES**

**1997-1999**  
(US Million Dollars)

<b>Tariff Code Categories-Products</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
0708-Leguminous vegetables, fresh/chilled	0.1	0.2	0.1
0710-Leguminous vegetables, frozen	1.2	1.5	1.6
0713-Leguminous vegetables, dried shelled	48.2	127.0	50.7
<b>Total</b>	<b>49.5</b>	<b>128.7</b>	<b>52.4</b>

Source: Banco Nacional de Comercio Exterior-BANCOMEXT (National Bank of Foreign Trade)

## US Exports To Mexico

Table 3  
**US PULSE EXPORTS TO MEXICO**  
**1997-1999**  
(US Million Dollars)

<b>Import Code Numbers-Products</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
07081001-Peas, fresh/chilled	0	0	0
07082001-Beans, fresh/chilled	0	0	0
07089099-Other leguminous vegetables, f/ch.	0	0	0
07102101-Peas, raw or boiled, frozen	1.1	1.3	1.4
07102201-Beans, raw or boiled, frozen	0	0	0.1
07102999-Other leguminous vegetables, f/ch.	0	0	0.1
07131001-Pea seeds except for sowing, dried	0.8	1.0	1.3
07131099-Other pea seeds	0.8	1.6	1.5
07132001-Chickpeas	0	0	0
07133101-Beans, vigna species	0.1	0.1	0.1
07133201-Beans adzuki	0	0	0
07133301-Beans for seed	1.7	2.1	1.9
07133399-Other beans	32.0	102.5	32.2
07133999-Other seeds used for sowing	0	0.6	0.1
07134001-Lentils	0.1	0.1	0.2
07135001-Broad beans	0	0	0
07139099-Other dried leguminous vegetables	0	0	0
<b>TOTAL</b>	<b>36.6</b>	<b>109.3</b>	<b>38.9</b>

Source: Banco Nacional de Comercio Exterior-BANCOMEXT (National Bank of Foreign Trade)

## Other Foreign Competitors

Official Mexican import statistics listed 19 other countries as exporting pulses to Mexico during the 1997-1999 period. Export sales, by principal countries, and their respective market shares are listed below. See table 4.

Table 4  
**TOTAL MEXICAN IMPORTS OF PULSES, BY COUNTRY**  
**1997-1999**  
(US Million Dollars and Percentage)

<b>COUNTRIES</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>United States</b>	<b>36.6</b>	<b>109.3</b>	<b>38.9</b>
<b>Percentage Market Share</b>	<b>73.9</b>	<b>84.9</b>	<b>74.2</b>

<b>Canada</b>	11.6	14.7	12.0
<b>Percentage Market Share</b>	23.4	11.4	22.9
<b>Australia</b>	0.7	0.7	0.3
<b>Percentage Market Share</b>	1.4	0.5	0.6
<b>Argentina</b>	0	3.5	0
<b>Percentage Market Share</b>	0	2.7	0
<b>Others</b>	0.6	0.5	1.2
<b>Percentage Market Share</b>	1.3	0.5	2.3
<b>Total</b>	<b>49.5</b>	<b>128.7</b>	<b>52.4</b>

Source: Banco Nacional de Comercio Exterior-BANCOMEXT (National Bank of Foreign Trade)

### Domestic Consumption

Mexican consumption of pulses increased from US \$751.6 million in 1997 to US \$829.3 million in 1999. Local production is the main source of supply for national consumption. Imports during this period maintained their presence in the market, after a decrease in supply due to unfavorable climate conditions in 1998. Imports represented 6.6 and 6.3 percent of local consumption in 1997 and 1999, respectively. See table 5.

Table 5  
**MEXICAN CONSUMPTION OF PULSES**  
**1997-1999**  
(US Million Dollars)

	<b>1997</b>	<b>1998</b>	<b>1999</b>
Production (1)	789.5	911.3	894.6
<b>Imports (2)</b>	<b>49.5</b>	<b>128.7</b>	<b>52.4</b>
Exports (2)	87.4	94.7	117.7
<b>Consumption</b>	<b>751.6</b>	<b>945.3</b>	<b>829.3</b>
Imports as percent of consumption	6.6	13.6	6.3

Sources: (1)-SAGAR

(2)- Banco Nacional de Comercio Exterior-BANCOMEXT

### 3. DOMESTIC COMPETITION

The Mexican agricultural sector has registered positive growth rates during the last three years, although below those registered by Mexico's overall economy. Similarly, during the first semester of 2000, the Mexican agricultural sector maintained a good performance with a 4.0 percent growth rate, but again below the 7.8 percent growth rate of the Mexican economy, as a whole. See table six.

Table 6  
**GROWTH OF MEXICAN ECONOMY AND**  
**AGRICULTURAL SECTOR, 1997-1999**  
(Percentages)

	<b>1997</b>	<b>1998</b>	<b>1999</b>
<b>Mexican Economy</b>	<b>6.8</b>	<b>4.8</b>	<b>3.7</b>
<b>Mexican Agricultural Sector</b>	<b>0.2</b>	<b>0.8</b>	<b>3.5</b>

Source: INEGI

Agriculture contributes approximately eight percent of Mexico's gross domestic product (GDP), and employs about 22 percent of the labor force, or approximately 8 million workers. However, only 12 percent or about 230 thousand square kilometers of Mexico is arable land.

Of the total production of beans in Mexico, 67 percent is obtained from rain-fed land compared to 33 percent from irrigated fields. The principal bean producing states in Mexico by cultivated, harvested land and production are Sinaloa, Durango, Chihuahua, Nayarit and San Luis Potosi, which together represent 42 percent of total production. See table seven.

Table 7  
**PRINCIPAL PRODUCING STATES IN MEXICO  
 OF BEANS, 1998**  
 (Hectares and Tons)

STATES	CULTIVATED LAND (Hs)	HARVESTED LAND (Hs)	PRODUCTION (Tons)
Sinaloa	195,093	180,381	206,815
Durango	319,867	273,412	104,114
Chihuahua	261,388	197,021	103,602
Nayarit	84,838	72,118	64,100
San Luis Potosi	119,333	106,677	61,537
<b>Total</b>	<b>2,376,318</b>	<b>2,146,472</b>	<b>1,260,658</b>

Source: Centro de Estadística Agropecuaria, SAGAR (Agricultural Statistical Center, SAGAR)

Some of the leading packing companies of pulses which sell to retailers in Mexico are: BEANS: Digran's, Catarinos's, La Merced, San Lorenzo, Morelos, Verde Valle, Great Value, Mexica; PEAS: Digran's; Verde Valle, San Lorenzo; CHICK PEA: Catarino's; LENTLS: Catarino's, Digran's, Empacamex, Morelos, Verde Valle, San Lorenzo; BROAD BEANS: Digran's, Catarino's, La Merced, Great Value. Most large retailers also have their own brands.

#### 4. IMPORT REQUIREMENTS

##### Tariffs

Mexican import duties are classified according to the Standard International Harmonized System, as established under the provisions of the North America Free Trade Agreement (NAFTA). Sub-Chapters 0708, 0710 and 0713 of the Mexican Tariff System contain the tariffs for pulses. In total, there are 18 specific tariff codes related to this product category. US exporters should take note that Mexican foreign trade data for pulses does not necessarily correlate with US trade data. The following products in 2000 are levied with a six percent import duty in 2000, which will reach zero duties in January 1, 2003:

Tariff Code	Pulses
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As part of the NAFTA agreement, the products which have reached zero tariffs and are no longer subject to import duties are the following:

07081001	Peas, fresh/chilled
07082001	Beans, fresh/chilled

07089099	Other leguminous vegetables, f/ch
07102101	Peas, raw or boiled, frozen
07102201	Beans, raw or boiled, frozen
07102999	Other leguminous vegetables, f/ch
07131001	Pea seeds except for sowing, dried
07131099	Other pea seeds
07132001	Chickpeas
07133101	Beans, vigna species
07133201	Beans adzuki
07133301	Beans for seed
07133399	Other beans
07133999	Other seeds used for sowing
07134001	Lentils
07135001	Broad beans
07139099	Other dried leguminous vegetables

As part of the NAFTA agreement, dry edible beans (tariff number 07133302) are included in the 15 year phase-out period, and will reach zero duties on January 1, 2008. Imports are levied a 139 percent duty, or 0.48 dollars per kilo, whichever is higher. This duty is reduced on a yearly basis as shown in the table below. Dry edible bean imports are subject to an annual duty free quota. This duty free quota is announced by the Mexican Government on specific dates throughout the year, and interested exporters have to keep abreast of their publication in the Diario Oficial. This annual quota for beans imports is shown in the table below, and is assigned to local importers on a first come, first serve basis by Mexican Customs. Imports above the duty free quota are levied with the reduced import quota as shown in table eight below.

Table 8  
**IMPORT DUTIES AND ANNUAL QUOTAS  
 FOR DRY EDIBLE BEANS, 2000-2008**

(Percent, US Dollars and Metric Tons)

Year	Reduced Import Duty	Annual Inquota
	Ad-Valorem/U.S. Dls.	Metric Tons
2000	93.9 % or 0.324 Dls.	59,702.6
2001	82.1 % or 0.283 Dls.	61,493.7
2002	70.4 % or 0.243 Dls.	63,338.5
2003	58.7 % or 0.202 Dls.	65,238.6
2004	46.9 % or 0.162 Dls.	67,195.8
2005	35.2 % or 0.121 Dls.	69,211.6
2006	23.5 % or 0.081 Dls.	71,287.8
2007	11.8 % or 0.040 Dls.	73,426.6
2008	0	

Source: North America Free Trade Agreement, Tariff Code Numbers and Tariff Schedule

Mexico also has a fifteen percent value-added tax (VAT, or IVA in Spanish). Mexican Customs collect the VAT on foreign transactions upon entry of the merchandise into the country. As of July 1999, Mexican Customs used to charge a nominal customs processing fee of 0.08 percent, which has been eliminated as part of the NAFTA agreement. The following example illustrates how these duties are

calculated as compared to a locally produced item.

<b>Imported</b>	<b>Domestic</b>	<b><u>Products</u></b>	<b><u>Products</u></b>
F.O.B. Invoice value		\$100.00	\$100.00
Ad-Valorem duty (6 percent)		<u>6.00</u>	<u>N.A.</u>
	Sub-total	\$106.00	\$100.00
Value-added tax (15 percent)		<u>15.90</u>	<u>15.00</u>
	<b>Total</b>	<b><u>\$121.90</u></b>	<b><u>\$115.00</u></b>

Customs brokers use this total figure to calculate their fees, which usually are 0.5 percent on the average, plus any storage and handling fees.

The basic Mexican import document is the Pedimento de Importacion (customs entry document), which should be presented to Mexican Customs together with the commercial invoice in Spanish, a bill of lading and the Sanitary Import Notice. Products qualifying as "North American" must use the NAFTA certificate of origin to receive preferential treatment. This form is available from the US Customs Service, freight forwarders, local US Chambers or State Department of Agriculture and does not have to be validated or formalized. Mexican Customs Law is very strict regarding proper submission and preparation of customs documentation. Errors in paperwork can result in fines and even confiscation of merchandise as contraband. Exporters are advised to employ competent, reputable Mexican importers or custom brokers.

### **Sanitary Requirements**

Under NAFTA, Mexican imports of pulses do not require import permits. However, imports of vegetables, in general, are subject to several Mexican Official Standards (NOM's). Mexico's current regulatory process is based on its "Federal Law of Metrology and Standardization," originally published in Mexico's Diario Oficial (Federal Register) on July 1, 1992. Before introducing imported goods into Mexico, the importer/distributor has to prove that the products comply with the corresponding NOM. The NOM's that imported pulses have to comply with are:

NOM-006-FITO-1995, "Minimum requirements to import vegetables, vegetable products and by-products not regulated in a specific norm," which was published 2/26/96.

NOM-008-FITO-1995, "Phytosanitary requirements and specifications for the importation of fresh produce," published on 7/8/96.

NOM-028-FITO-1005, "Phytosanitary requirements for the importation of grains and seeds except sowing," published on 10/12/98.

NOM-057-FITO-1995, "Phytosanitary requirements and specifications for importation of vegetables, vegetable products and sub-products by mail or international carrier," published on 1/16/98.

US exporters should be familiar with these NOMs, and identify which one of these NOM's applies to their products.

### **Labeling**



Labeling is also subject to a NOM requirement. The principal and specific NOM for labeling is NOM-051-SCFI-1994, published in the Diario Oficial (Official Gazette) on January 24, 1996. This Mexican standard applies to pre-packaged pulses, both from local production and foreign sources. The general requisites of this NOM specify that labels must contain the following information in Spanish: name of product, list of ingredients clearly specified, net content; name and fiscal address of importer; country of origin; production lot and expiration date. Information on nutrition values is voluntary and only becomes obligatory when these values are enhanced either in a quantitative or qualitative form.

For additional information on NOMS on labeling, interested exporters can review NOMS: 002-SCFI (Prepackaged products; net content; tolerances and verification methods); 008-SCFI (General system of measurement units) and 030-SCFI (Commercial information-quantity statements and specifications in labels). The Mexican Government has issued 900 NOMS in total since its conception in 1992, of which 76 are for food products.

To obtain a NOM certification, the Mexican manufacturer/importer must send samples to a Mexico-based test laboratory accredited by the General Office of Standards of SECOFI. The Health Ministry has an address in the Internet [Http://ww.ssa.gob.mx/nom/index.html](http://ww.ssa.gob.mx/nom/index.html) where more information on these NOMs can be obtained. Also, current information in English can be obtained from the NAFTA Office Tel: 800-USATRADE (800-872-8723).

### **Cargo Unloading, Transport and Storage Fees**

Cargo unloading fees vary depending on the weight, number of pieces, type of merchandise and location. These fees are usually charged according to pre-established tables. However, whenever possible, shippers should compare prices between service providers. In general, cargo-unloading fees in Mexico are slightly higher than those in the United States for comparable services.

Trucks are the most reliable method of delivery for pulses within Mexico, accounting for approximately 60 percent of cargo volume. Rail and maritime shipping is more widely used for bulk commodities, and airfreight is only used for highly perishable items. Trucking companies cannot bring merchandise directly from the United States to Mexico. A US trucking company drives the shipment to the border and transfers its trailer to a Mexican rig. The best way to ship by truck is to use an internationally bonded carrier that has relationships with Mexican carriers. Mexican trucking companies generally determine their fees by mileage or distance, weight and type of merchandise. Practically all transport companies and freight forwarders offer a basic insurance plan, which cover transport and handling of cargo. When selecting a transporter, it is recommended to check their claim history and any complaints they might have received. While shippers will find that truck transportation is more expensive than "Container in Flat Car" (COFC) or "Trailer Flat Car" (TOFC), in general, transport fees are lower in Mexico by as much as 10 percent. The ability to ship by truck to Mexico gives the United States an advantage in shipping costs over third-country competitors. The main Mexican highways run north to south.

Warehousing costs vary depending on the space required and any specific product needs, such as refrigeration. Warehousing fees follow general market trends of supply and demand; however, it is advisable to compare prices, facilities and reputation, and negotiate before contracting. The three most important industrial centers are located in Mexico City where average warehouse rental fees are around US\$3.90 m<sup>2</sup>, per month; US \$3.00 in the Guadalajara area and approximately US \$5.80 per m<sup>2</sup> in



Monterrey and surrounding areas. The Mexico City Metropolitan Area has six major industrial corridors (Iztacalco/Iztapalapa; Los Reyes/Tlahuac/Tlalpan; Naucalpan; Tlanepantla; Toluca/Lerma and Vallejo); Guadalajara has five (Guadalajara; El Salto; Periferico; Old Industrial and Belenes/San Juan Ocotlan) and Monterrey has five (Apodaca/Miguel Aleman; Santa Catarina; San Nicolas; Guadalupe/La Silla and Escobedo). Average rental fees per month in other locations are: Tijuana US \$5.90; Puebla US \$3.90; Queretaro US \$3.40 and the State of Mexico US \$2.70. In-bond storage facilities are a popular storage method used by exporters by which duties are paid on the stored items until they are released from the facility for distribution in the market. **NOTE:** Any merchandise placed in a warehouse should be insured. A basic insurance policy can be secured from the warehouse administrator or a more comprehensive policy from a private insurance company.

## 5. WHO BUYS IMPORTED PRODUCTS IN MEXICO

The most important buyers of imported pulses in Mexico are the retail and the foodservice sectors.

### Retail Sector

The Mexican retail sector is the most significant buyer of pulses in Mexico. Roughly 50-60 percent of all pulse sales are made through major retail chains, 35 percent are sold through public/street markets and the Central de Abasto, and the balance (five percent) through mom/pop (abarrotes) stores. The organized part of this sector is represented by the large retail chains and convenience stores which, for the most part, are well organized, use modern retailing and marketing techniques and face fierce domestic competition, and represent around 50 to 60 of total retail sales in Mexico. The leading retail companies are members of the Asociacion Nacional de Tiendas de Autoservicio y Departamentales-ANTAD (National Association of Retail and Department Stores). The other part of this sector is comprised public markets, street markets and by the "mom and pop stores" which, in total, represent approximately around from 40 to 50 percent of total retail sales.

During 1999 the retail sector experienced limited sales growth. Total sales growth was estimated at slightly above five percent, but when measured as "same store sales" this index is estimated to represent 1 or 1.5 percent. During the first six months of 2000, retail sales (same number of stores) grew 12.9 percent over the same period of last year. Big promotions and price discounts continue to be the sector's main strategy, which is compensated by more efficient operations, better distribution methods and costs savings, in general.

ANTAD announced that in 1999, the companies in the sector invested close to US\$1.5 billion in expansion projects. ANTAD represents the top 100 chains in the sector, of which 45 are in the retail business, 23 are department stores and 32 are classified as specialty stores (sports, gifts, etc.). In total, ANTAD has 4,466 members of which 1,077 are in the retail business and represent the leading firms in terms of sales and product coverage.

At the national level, Cifra, Comercial Mexicana and Gigante are the most important retail chains. At the regional level, Organización Soriana, Grupo Chedraui and Casa Ley are the leading organizations.

Table 9  
**MEXICAN RETAIL SECTOR BY PRINCIPAL UNITS-1999**  
(Companies and Number of Units)

ORGANIZATION NAME (National Coverage)	NUMBER OF UNITS
<b>Gigante</b>	<b><u>184</u></b>
Tiendas Gigante	117
Bodegas Gigante	40
Super G	26
<b>Grupo Cifra</b>	<b><u>204</u></b>
Bodegas	69
Sam`s	34
Wal-Mart	27
Aurrera	36
Superama	38
<b>Comercial Mexicana</b>	<b><u>154</u></b>
Comercial Mexicana	81
Bodegas	26
Megas	14
Price	16
<b>Carrefour</b>	<b><u>17</u></b>
<b>Government stores</b>	<b><u>226</u></b>
<b>Northern Mexico</b>	
<b>Casa Ley</b> (State of Sinaloa)	<b><u>80</u></b>
<b>Soriana</b> (City of Monterrey)	<b><u>89</u></b>
<b>Gulf States</b>	
<b>Chedraui</b> (State of Veracruz, Tamaulipas, Quintana Roo)	<b><u>47</u></b>
<b>Mexico City</b>	
<b>Sumesa</b> - (Comercial Mexicana)	<b><u>17</u></b>
<b>Retail Stores – SUBTOTAL</b>	<b>715</b>
<b>Convenience Stores</b>	
<b>Cadena Comercial OXXO</b>	<b><u>748</u></b>
<b>Seven Eleven</b>	<b><u>237</u></b>
<b>Convenience Stores</b>	<b><u>1,900</u></b>
<b>SUBTOTAL</b>	
<b>GRAND TOTAL</b>	<b>2,575</b>

Source: ANTAD; and own estimates

### Foodservice

Mexico has a rapidly growing food service sector. The most important segments for foreign suppliers are: 1) hotels; 2) upscale restaurants and restaurant chains, and 3) fast food chains.

The major five-star hotels and upscale restaurants are concentrated in Mexico City, Guadalajara, Monterrey and the beach/resort areas. These establishments are collectively big buyers of imported food products and they purchase individually through Mexican wholesalers specializing in this sector. Following is a summary of these subsectors.

### Hotel Sector

In 1999, the Mexican hotel industry had 9,544 registered establishments with almost 400,000 hotel

rooms and generating approximately 205,000 jobs. Most of the leading international hotel chains are actively doing business in Mexico such as: Hyatt, ITT Sheraton, Westin, Howard Johnson, Four Seasons, Marriot, Nikko, Mission, Best Western, Calinda, Presidente Inter-Continental, Quinta Real, etc. The principal hotel chain is Grupo Posada, operator of the Fiesta Inn (with hotels at 12 destinations) and Fiesta Americana hotels (13). In the top 500 companies in Mexico, 20 hotel companies are listed. The Asociacion Mexicana de Hoteles y Moteles (Mexican Association of Hotels and Motels) is the principal trade association of the sector.

### **Restaurants**

The Mexican restaurant industry is made up of 183,782 establishments that generate 525,000 direct positions and 408,877 indirect jobs, representing 1.9 percent of total employment in Mexico and contributing with three percent to Mexico's GDP. Mexico City has the largest concentration of restaurants with approximately 31,000 establishments (of which 2,500 are international tourism quality), and employing 293,000 persons. Restaurants are an important sector for generating foreign currency income since 30 percent of tourist's total expenses are for food. The trade association that represents this sector is the Camara Nacional de la Industria de Restaurantes y Alimentos Condimentados-CANIRAC (National Chamber of the Restaurant and Condimented Food Industry). Some of the most important restaurant chains in Mexico are Sanborn's, VIPS, Lynis, Anderson's, Wings, Denny's, Tok's, Woolworth, Sushi-Ito, etc.

### **Fast Food Outlets**

One of the most dynamic segments of this market is the fast-food sector. Refried beans and other pulse dishes have potential to be included in fast food meals. The segments in the fast-food market are hamburgers, with a 37 percent market share; pizza, 24 percent; chicken, 30 percent; and others with nine percent.

## **6. DISTRIBUTION OF PRODUCT IN MEXICO**

The distributions of pulses in Mexico follows traditional methods. There are several importer/distributor/brokers that specialize in a product or series of products, and who sell to other distributors and major processors and occasionally to packers and food processors. In the case of pulses, distributors/importers are the key to the success since major retailers and foodservice chains do not import directly, but are instead serviced by these suppliers. These companies are usually located in the Central de Abasto or central markets where they have their offices, samples of the products they market and a storage area. There are only a few of these importer/distributor/brokers who really have national coverage, as well as adequate installations to properly store and deliver these goods.

### **Central de Abastos**

The central markets are found in almost every major city in Mexico and represent the most important distribution network for Mexican horticultural products, as well as for imports. There are currently more than 26 of these supply centers in Mexico. These terminal or central markets serve as a major source of supply for all types of food related businesses: supermarkets, wholesalers, corner grocers, restaurants and occasionally food processors and packers. For example, the largest wholesale market in Mexico is in Mexico City, which services the city's needs plus those of the cities in the four surrounding states. It is reported that 40 percent of all fruit and vegetables produced in this country, and 80 percent of those consumed in Mexico City, pass through this market. This is a well accepted

form of business, and the principal way small and medium size food related establishments procure many of their food products. Also, the Central de Abasto is the best way to reach the traditional retail market known as the "abarrotes" market or verdulerias in the specific case of produce.

Traditionally, pulses reach the end consumer through small corner grocers known as "abarrotes or verdulerias." There are over 400,000 of these types of stores in Mexico. They serve their immediate neighborhood and carry a limited range of goods. In some cases, imported items are found in these outlets and represent an important potential sales point. However, convenience store chains are increasingly replacing these small corner stores and small outlets, which are using better facilities, offer a wider variety of products and also employ promotions and discounts. 22,000 wholesalers, known as "mayoristas" or "medio-mayoristas," service these abarrotes. They supply dry goods, refrigerated and frozen goods, baked goods, tobacco, snacks, dairy products and grains, among other items.

US firms wishing to penetrate the Mexican market must have a locally based distributor/representative in order to operate and to establish a successful business relationship with domestic buyers. For the majority of small and mediums sized US food companies, it is probably best to tap into a preexisting distribution network, either that of a distribution company or a Mexican food processor.

## 7. TRADE EVENTS AND SPECIALIZED PUBLICATIONS

### Trade Events

The leading events for the retail sector and fruit/vegetables produce are:

- **"ANTAD"** the country's largest retail exhibition which take place every year in March in Guadalajara. This event is organized by the National Association of Retail and Department Stores (Asociacion Nacional de Tiendas de Autoservicio y Departamentales, A.C.-ANTAD), which can be contacted at Tel: (011)(52) 5580-1772; Fax: (011)(52) 5395-2610. The ATO in Mexico organizes a US pavilion at ANTAD promoting business contacts with local distributors and buyers. American firms interested in participation should contact the ATO at: Tel: (011)(52) 5280-5291; Fax: (011) (52) 5281-6093.
- **"AgriFreshProduce Mexico"** which is scheduled every other year. The second edition of this show is planned for November 8-11, 2001 and will take place at the World Trade Center in Mexico City. HPP International Group organizes this event, and can be contacted at Tel: (011)(52)56580938 & 56590661; Fax: (011)(52)56589111; Sr. Arturo Cardenas or Ms. Teresa Nava. Show organizers expect they will have 180 exhibitors and 10,000 registered trade visitors.

### Specialized Trade Publications

There are several trade magazines in Mexico related to vegetables, fruits and agricultural topics. The leading publications are:

- **"Agro-Sintesis,"** published monthly by Agrosintesis; Tel: (011)(52) 56693125; contact: Ing. F. Gonzalez Iñigo;
- **"2000 Agro,"** published quarterly by Publicaciones Sayrols, S.A., Tel & Fax: (011)52 56603533, E-mail: teorema@adf1.telmex.net.mx; contact: Wendy Coss;

- **"Enlace,"** published monthly by ASIA, Tel: (011) 52 5610-2533; Fax: (011) 52-55492483; contact: Marcel Morales;
- **"Al Grano,"** published quarterly by ASTECA, Tel (011)43 144514; Fax: (011)43 144698; contact: Luis M. Zuarth;
- **"CPM,"** published bi-monthly by United Agri Products <http://www.crop-net.com>; contact: Jeffry Powell.

The leading buyer's guide in the industry is "Directorio de la Comercializacion de las Hortalizas y Frutas Mexicanas," published annually by the Union Nacional de Organismos de Productores de Hortalizas y Frutas; Tel: (011)(52) 40225 and Fax: 40626; Contact: Ing. Mario Robles Escalante.

Some of the leading general business publications in Mexico are:

- **"Business Mexico,"** published monthly in English by the American Chamber of Commerce of Mexico-Tel: 011(52)5724-3800 ext. 3335; Fax: (011)(52)5703-2911, contact: Ms. Diane Hemelberg de Hernandez, Editor or Ms. Cristina Bustos, Advertising Dept.;
- **"MB,"** published monthly in English by Hemisphere Publishers Group Inc., contact: Ms. Lorena Jimenez, Advertising Director, Tel: (011)(52) 5540-7977 and Fax: (011)(52) 5202-8478.

## 8. KEY TRADE CONTACTS

The US Agricultural Trade Office (ATO) in Mexico carries out a variety of services geared to helping both first time and seasoned US exporters sell and promote their products in Mexico. The ATO provides background information on many aspects of the Mexican market and suggests strategies for US firms and associations to follow in evaluating their product's sales potential. In Mexico there are also a number of non-profit US commodity groups ("cooperators"), trade associations, US state offices of agricultural and market consulting firms that work with the ATO to develop and service the Mexican market.

The market consulting firm that represents the US pulse industry in Mexico is called Marketing Solutions. This office provides information on all aspects of US pulses trading and use, including providing market intelligence on trade policy issues, organizing informational seminars for the Mexican trade and developing promotion and sales opportunities for US pulse products in the Mexican market. Marketing Solutions also organizes buying missions of potential Mexican importers/distributors to visit US pulse production areas so they can meet and see, firsthand, various US suppliers and the services they offer. Contact information for the ATO and Marketing Solutions is listed below.

## GOVERNMENT, ASSOCIATIONS AND CHAMBERS

### US Embassy-Agricultural Trade Office-ATO, USDA

Jaime Balmes 8-201; Col. Los Morales Polanco

Mexico 11510 Mexico

Tel: (011)(52) 5280-5291, 5280-5277, 5281-6586; Fax: (011)(52)5281-6093

Email: ato@supernet.com.mx

Contact: Chad R. Russell, Director

Office of the US Department of Agriculture which assistS US firms in the promotion and market development of their agricultural, fishery and forestry products in Mexico.

**National Dry Bean Council (NDBC)/Marketing Solutions**

San Juan de los Lagos 52; Col. Sta. Monica

Tlanepantla, Edo. Mex. 51500

Mexico

Tel: (011)(52) 5362-7407; Fax: (011)(52)5362-6724

E-mail: mksolut@mail.internet.com.mx

Contact: Raul Caballero, Director

The NDBC promotes sales of U.S. producers of Beans in Mexico by assisting them in their marketing efforts in Mexico and also by providing potential Mexican clients with names of American suppliers and organizing in-store promotions.

**Secretaria de Salud (Health Secretariat)**

Sanitary Qualification Office

Donceles 39-PB

Mexico 06010, D.F.; Mexico

<http://www.ssa.gob.mx/nom/index.html>

Contact: Dr. Jose Meljem Moctezuma, General Director for Goods and Services

Tel: (011)(52)5521-3050, 5525-9134; Fax: (011)(52)5521-3290

Contact: Berta Hernandez, Sanitary information Director;

Tel: (011)(52) 5518-2692; Fax: (011)(52)5521-3290

Contact: Georgina Cassini, Sanitary procedures Assistant Director,

Tel: (011)(52) 5518-2692; Fax: (011)(52) 5521-3290

Office of the Health Secretariat that regulates specific NOMS on health related issues.

**Secretaria de Economia (formerly the Secretaria de Comercio y Fomento Industrial-SECOFI) Direccion de Normas**

(Secretariat of Economy; Formerly the Secretariat of Commerce and Industrial Promotion, Norms Office)

Puente de Tecamachalco 6; Lomas de Tecamachalco

Edo. Mexico 53950; Mexico

Tel: (011)(52)5729-9475 & 5729-9476; Fax: (011)(52)5729-9484 <http://www.secofi.gob.mx>

Contact: Lic. Carmen Quintanilla, Direccion de Normas.

The Secretariat of Economy is charged with a wide range of duties including: registration of all licensing agreements; granting import licenses and controlling foreign trade; general investment incentive policies; authorization for plant construction; regulating consumer product labeling and advertising; and official review for granting patents and trademarks. This office issues the norms on quality and labeling.

**Secretaria de Economia (formerly the Secretariat of Comercio y Fomento Industrial-SECOFI)**

**Informacion Comercio Internacional**



(Secretariat of Economy, formerly the Secretariat of Commerce and Industrial Promotion, Foreign Trade Information)

Alfonso Reyes 30-PB; Col. Hipodromo Condesa,  
Mexico 06710, D.F.

Mexico

Tel: (011)(52)5229-6100-X3395 & 4949; <http://www.secofi.gob.mx>

Contact: Rocio Ruiz Chavez, Director

Office of SECOFI that provides general information related to NAFTA.

**Asociacion Nacional de Tiendas de Autoservicio y Departamentales-ANTAD** (National Association of Retail and Department Stores)

Horacio 1855-6; Col. Polanco

Mexico D.F. 11560

Mexico

Tel: (011)(52)5580-1772, 5580-0641; Fax (011)(52)5395-2610

[www.antad.org.mx](http://www.antad.org.mx)

Contact: Efren Casas

**Camara Nacional de la Industria de la Transformacion-CANACINTRA**

(National Chamber for the Manufacturing Industries)

Consejo Coordinador de la Industria de Alimentos y Bebidas

(Coordinating Council of Food and Beverage Industries)

San Antonio 256

Mexico, D.F. 03849; Mexico

Tel: (011)(52) 5598-6988 & 5563-3400; Fax: (011)(52) 5598-8044

Contact: Lic. Hector Alvarez de la Cadena, Director

**American Chamber of Commerce-AMCHAM**

Lucerna 78 – 4

Mexico 06600

Mexico

Tel: (011)(52)5724-3800; Fax: (011)(52) 5703-2911

e-mail: [chawkins@amchammex.com.mx](mailto:chawkins@amchammex.com.mx)

Contact: Christine Hawkins, Director, International Trade and Investment Consulting

A trade chamber that groups the leading American companies in Mexico and assists them in their business activities in Mexico.

**Embassy of Mexico (in Washington D.C.)**

Agricultural Counselor's Office

1911 Pennsylvania Ave., NW

Washington D.C. 20006

USA

Tel: (202) 7281-729; Fax: (202)728-1728

Retail Sector

Auchan S.A. de C.V.



Miguel Angel de Quevedo No. 443; Col. Romero de Terreros  
04310 Mexico, D.F.; Mexico  
Tel: (011)(52) 5422-0301; 5484-1900; Fax: (011)(52)5422-0345

**Aurrera, S.A. de C.V.**

Av. Universidad 936-A  
Mexico, D.F. 03310, México  
Tel: (011)(52)5420-0200; Fax: (011)(52) 5420-0209

**Bodegas Aurrera, S.A. de C.V.**

Av. Universidad 936-A  
Mexico, D.F. 03310, México  
Tel: (011)(52)5420-0200; Fax: (011)(52) 5420-0209

**Bodegas Comercial Mexicana**

Av. Lopez Mateos 201; Col. Sta Cruz Acatlan, Naucalpan  
53140 Edo. de Mexico; Mexico  
Tel: (011)(52)5371-7674, 5729-7400; Fax: (011)(52)5723-7574, 5723-7495  
[www.comercialmexicana.com.mex](http://www.comercialmexicana.com.mex)

**Bodegas Gigante**

Av. Ejercito Nacional 769-A  
11520, Mexico D.F.; Mexico  
Tel: (011)(52) 5269-8000; 5255-9998; Fax: (011)(52)5269-8381  
[http: www.telbip.com.mex](http://www.telbip.com.mex)

**Cadena Comercial OXXO, S.A. de C.V.**

Edison 1253 Norte; Col. Talleres  
64480 Monterrey, N.L, Mexico  
Tel: (011)(52)8333-7030; 8389-2121 x3502; Fax: (011)(52)8333-7030  
Contact: Sergio Estrada, Purchasing Director

**Carrefour-Grandes Superficies de Mexico, S.A. de C.V.**

Av. Pte. Mazarik 219-2; Col. Polanco  
Mexico D.F. 11579; Mexico  
Tel: (011)(52) 5283-2900 ext. 2760; Fax: (011)(52)5283-2926  
Contact: Srita. Katia Gallardo, Imports Purchasing Manager

**Casa Ley, S.A. de C.V.**

Carr. Int. Nte. Deportiva Km. 1434  
Humaya  
80020 Culiacan, Sinaloa; Mexico  
Tel: (011)(52) 659-1000; Fax: (011)(56)750-5010 (Culiacán)  
(011)(52) 5202-0256; Fax: (011)(52) 5202-0501 (México City)  
Contact: Alvaro Ley, Purchasing Director

**Club Aurrera, S.A. de C.V. (Sam's Club)**

Av. Universidad 936-A  
Mexico, D.F. 03310, México  
Tel: (011)(52)5420-0200; Fax: (011)(52) 5420-0209

**Gigante, S.A. de C.V.**

Av. Ejercito Nacional 769-A  
11520, Mexico D.F.; Mexico  
Tel: (011)(52) 5269-8000; 5255-9998; Fax: (011)(52)5269-8381  
<http://www.telbip.com.mex>

**Nueva Wal Mart, S.A. de C.V.**

Av. Universidad 936-A  
Mexico, D.F. 03310; México  
Tel: (011)(52)5420-0200; Fax: (011)(52) 5420-0209

**Operadora de Comercial Mexicana**

Av. Lopez Mateos 201; Col. Sta Cruz Acatlan, Naucalpan  
53140 Edo. de Mexico; Mexico  
Tel: (011)(52)5371-7674, 5729-7400; Fax: (011)(52)5723-7574, 5723-7495  
[www.comercialmexicana.com.mex](http://www.comercialmexicana.com.mex)  
Contact: Ruben Saldaña, Fruit Juices Buyer

**Organización Soriana, S.A. de C.V.**

Alejandro de Rodas 3102-A; Cumbres Sector 8  
64610 Monterrey, N.L., Mexico  
Tel: (011)(52)8329-9000; Fax: (011)(52)8329-9180,

**Seven-Eleven Mexico, S. A. de C.V.**

Av. Munich 195-B; Col. Cuauhtemoc  
66450 San. Nicolas de los Garza, Monterrey, N.L.; Mexico  
Tel: (011)(52)8372-1572; Fax: (011)(52)8376-2171  
Contact: Lic. Francisco Mendoza, Purchasing Director  
Lic. Martha Gabriela Bonilla, Purchasing Manager

**Superama**

Av. Universidad 936-A  
Mexico, D.F. 03310; México  
Tel: (011)(52)5420-0200; Fax: (011)(52) 5420-0209

**Tiendas Chedraui, S.A. de C.V.**

Priv. Antonio Chedraui Caram S/N; Encinal  
91180 Xalapa, Veracruz; Mexico  
Tel: (011)(52) 814-4700; Fax: (011)(52)814-4806 (Xalapa)  
(011)(52) 5624-8000 X 8038; Fax: (011)(52)5624-8000 (with tone)  
(Mexico City);  
Contact: Sr. Primo Alvarez, Purchasing Director

Sr. Patricio Joo Gonzalez, Purchaser

**Comextra, S.A. de C.V. (Extra)**

Av. Cuihtlahuac 116; Col. Lorenzo Bouturini

Mexico, D.F.15820

Mexico

Tel: (011)(52) 5768-5050 x 104; Fax: (011)(52) 5764-4103

Contact: Lic. Anton Martinez, Purchasing Director

Srita. Pilar Corrales, Purchasing Manager