



STEP - Agriculture

**Pulse Trade Mission to Mexico
March 12 – 16, 2018
Mexico City and Guadalajara**

TRIP REPORT





Overview/Mission Description

Building upon the focus that STEP's agri-value team has placed on Mexico over the past four years, we organized a return mission to the market from Mar 12 – 16, 2018. The primary objective of the mission was pulses and the commodity supply opportunity to the market. This is the first time in recent few years that the mission was organized solely for Saskatchewan companies. The programming of the mission included B2B meetings with local companies, visits to local Abastos and attendance at the Feed Congress in Guadalajara.

This year's programming was more focused on targeting pulses and special crops and commodity buyers in both cities. The mission travelled to Mexico City and Guadalajara and spent one and half days in each of these cities. Part of the program was to a processing plant in Guadalajara. The B2B meetings were primarily targeted for pulses, canary seed and commodity importers. We have received quiet a significant interest for hemp seed this year. Interest from commodity buyers were noteworthy this year.

Summarized Agenda

Sunday, March 11, 2018

23:20 Arrive in Mexico City

Check in Hotel

Monday, March 12, 2018

Morning B2B Meetings in the Hotel

Afternoon Visit to the Abastos to meet importers

Tuesday, March 13, 2018

10:00 Depart Mexico City

11:30 Arrive in Guadalajara

13:30 Check in Hotel

Afternoon free

Wednesday, March 14, 2018

Morning B2B meetings at Alborata Hotel

Afternoon Visit a processing plant

Thursday, March 15, 2018

Visit National Congress of Balanced Food Manufacturers for Animals Show
(Congreso Nacional de Fabricantes de Alimentos Balanceados para Animales)

Friday, March 16, 2018

12:25 Depart Guadalajara

Market Information

Mexico, a stable democracy, is the most populated Spanish speaking country in the world. It ranks as the 12th most populous country in the world with over 127 million people, of which 79 percent are located in urban zones. There is a growing consumer class, providing demand for quality goods and boosting the economy. It offers a large market with a GDP of approximately \$1.67 trillion with a 2015 estimated per capita income of \$22,458. The consumer foodservice industry is expanding alongside a rising middle-class population, and is forecast to reach total value sales of US\$57.6 billion by 2014. In 2014, the food ingredients market in Mexico was valued at approximately \$175 billion. According to Mexican official

stats, there are over 100,000 medium – large food processors in Mexico. Given that domestic production is not sufficient to meet the demand from the Mexican food processing industry, there exists a good potential for food ingredient exports to Mexico.

The world’s eighth largest importer of agri-food products, Mexico was Canada’s fifth largest agri-food export market in 2016. Mexico’s agri-food import market is approximately \$27 billion and Canada-Mexico bi-lateral agriculture and agrifood trade has been increasing steadily since the North American Free Trade Agreement came into force in 1994.

US is Mexico’s largest supplier of agriculture and food products. Given the recent rhetoric on North American Free trade agreements, Mexicans are genuinely concerned about their sourcing of agri-food and other products. They are looking at alternate supply sources and I think this brings a great opportunity for our suppliers to get engaged and strengthen and expand the relationship with the Mexican buyers.

Results

A total of four STEP member companies joined the mission. STEP also represented members during the visit.

For the first time, our mission was solely focused on special crops which provided our members a great introduction to the special crops commodity buyers. For the first time, more than half of the buyers were new and haven’t done any business with our members in the past. The visit to Abastos was very useful for members to understand how things works at the retail level.

Quantitative Results

Trade Leads: 53

Deals in Consummated: 20

of Companies Participating: 4

of Companies Represented: 3

Media Hits: 1

Anticipated Sales: About C\$3.2M in the next 12 months



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Recommendations

In general, the mission program went well. There was one plant visit, market visit and B2B meetings. This was the first pulse and special crops focused Saskatchewan trade mission to Mexico. From the beginning we asked the consultant to concentrate on identifying and meeting companies that we didn't meet before. At the end of the mission we believe there was the right mix of the companies.

Mexicans are still uncertain about the NAFTA deals and are looking at Canada more closely than before. They believe Canada can play a large role to help them out. Canadian quality is well regarded in Mexico, and while cost is a bit of a concern, there were certain buyers who wanted to buy, and are willing to pay more. Transportation is another challenge to the Mexican market. Sending products by rail is a bit of an issue this year which is causing difficulties for small quantity product buyers. However we have noticed increased interest for Canary seeds and Hemp seeds this year.

I would therefore recommend that we continue to visit the market and keep up the momentum.

STEP Contact for Further Information

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Pictures



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