



STEP - Agriculture

**Pulses and Special Crops Trade Mission to Mexico
March 18 - 22, 2019
Mexico City, Guadalajara and Monterrey, Mexico**

TRIP REPORT



Overview/Mission Description

This is our second consecutive year in Mexico focused on strengthening the pulses and special crops export. We organized the mission between Mar 18 – 22, 2019. The primary objective of the mission was pulses and the commodity supply opportunity to the market. The programming of the mission included B2B meetings and plant visits in Mexico City, Guadalajara and in Monterrey.

This year's programming was focused in targeting pulses and special crops and commodity buyers in all the three cities. The mission travelled to Mexico City, Guadalajara and Monterrey, and spent one and half days in each of these cities. Part of the program was to visit a food processor in Monterrey. A second visit to another plant in Guadalajara was cancelled due to the last-minute unavailability of the plant. The B2B meetings were primarily targeted for pulses, canary seed and commodity importers. Interest from such large special crops and commodity buyers were noteworthy this year.

Summarized Agenda

Monday, March 18, 2019

Canada

18:20 Arrive Mexico City

Tuesday, March 19, 2019 Mexico City

08:00 Breakfast Meeting
– Informal Market Briefing
Alejandro Ruiz,
Trade Commissioner, Market Access
Jennifer Rodrigue,
First Secretary and Trade
Commissioner (Agri-food)



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10:00-13:30 B2B Meetings Presidente InterContinental

17:20 Depart Mexico City

18:45 Arrive Guadalajara

Wednesday, March 20, 2019

Guadalajara

10:00-13:30 **B2B Meetings** The Westin Guadalajara (TBC)
Meeting RM Sabila

14:00 Plant tour Grupo La Colina www.grupolacolina.com

19:30 Group Dinner TBC

Thursday, March 21, 2019

Guadalajara/Monterrey

07:55 Depart Guadalajara

09:20 Arrive Monterrey

14:00 Griffiths Foods Avenida Industriales del Poniente No.

Friday, March 22, 2019

Monterrey

09:30-13:30 B2B Meetings Hotel NH Collection Monterrey San Pedro

15:40 Depart Monterrey

Market Information

Saskatchewan's exports of agricultural and related products to Mexico totaled \$824 million and accounted for a 30 percent increase in the last five years. Mexico is still one of the largest and most consistent markets for Saskatchewan agricultural products. The Mexican economy had a growth rate of 2.3 percent in 2017, while experiencing a relatively low unemployment rate, a record in remittances, and an increase in the minimum wage. Mexico ranks as the 12th most populous country, with a population of 123 million inhabitants. Seventy-nine percent of its population lives in urban areas. Mexico's population is young, with a median age of 28.

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 \$1.5 trillion with a 2017 estimated per capita income of \$11,574. In Mexico, according to the National Institute of Geography and Statistics (INEGI), there are over 187,123 registered companies under the industry classification for food and beverage manufacturing/processing. Mexico has a relatively strong food processing industry, growing at a rate of almost four percent, and with a market value of almost \$175 billion. Leading Mexican brands have well developed national distribution networks, are well positioned in the market, and enjoy high brand awareness with consumers, who tend to be very loyal, despite macroeconomic fluctuations. 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.

US is Mexico's largest supplier of agricultural 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 Five STEP member companies joined the mission. This is the second mission that was solely focused on special crops and provided our members a great introduction to the special crops commodity buyers. We had some repeat buyers and quite a few new buyers. The new buyers haven't done any business with our members in the past. We had one exporter who is new to the market. All the meetings were arranged by us by direct communication with the buyers.

Quantitative Results

Trade Leads: 28

of Companies Participating: 5

Recommendations

In general the mission program went well. There was one plant visit and three sessions of B2B meetings. Overall the members were satisfied about the mix of the buyers that they met. Some well-known Mexican companies attended the program.

Mexico continues to be a major importer of basic grains. In 2019/20, imports are expected to continue their modest growth to meet growing demand for feed and food grains. While the USMCA is still going through the ratification process, Mexico continues to diversify its sources of grains. This is particularly true for wheat, canola and special crops. Canada has a better chance to avail this opportunity. Canadian quality is well regarded in Mexico, however, cost is a bit of a concern. Transportation is another challenge to the Mexican market.

The Mexican consumer has evolved to become more informed about what is happening globally due to new communication technologies. In particular, Mexicans are adopting food trends that benefit their well-being and the environment. There are more consumers looking for natural, organic, allergen free products, as well as increased consumption of fruits, vegetables, and seeds. Functional products, such as protein-added products, restoring beverages, and functional teas are experiencing good acceptance in the market. Continued growth in almost all of the processed food industry in Mexico, will increase the need for inputs.

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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