



The Mexican market continues to be a growth market that represents one of the best opportunities in the world for U.S. products. U.S. agricultural, fish, and forestry exports have tripled since the onset of NAFTA in 1994. Furthermore, U.S. agricultural and food exports to Mexico have been climbing at an average rate of more than 10 percent per year. Since 2003, duties have been eliminated on virtually all consumer-oriented food products.

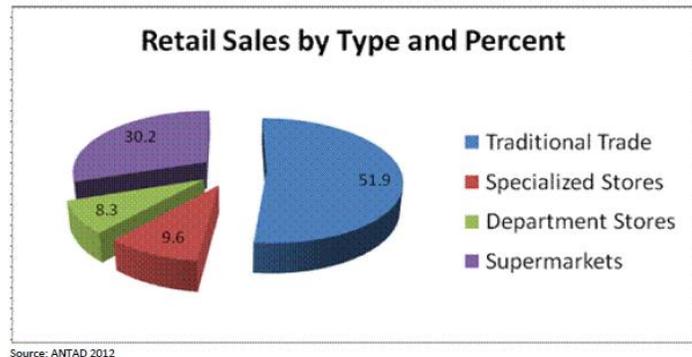
United States agricultural exports in 2012 reached a record high of U.S. \$20 billion, a 3.2 percent increase over 2011. This makes Mexico the third-most important U.S. export destination by value (behind China and Canada at U.S. \$28.7 and \$23.9 billion, respectively) for agricultural products. That value represented approximately 13 percent of U.S. exports. 2012 Wisconsin exports to Mexico totaled approximately \$21.7 million.<sup>1</sup>

## Export Opportunities

U.S. consumer-ready exports to Mexico have grown with record sales across many product categories such as poultry products, dairy products, fresh vegetables, processed fruit and vegetables, breakfast cereals and mixes, processed meat, wine and beer<sup>1</sup>. In some cases, (such as wine, food preparations and beef) specialists and industry contacts note that these markets can still grow larger, creating additional opportunities to U.S. exporters. Additionally:

- Ready-to-serve products continue to be a fast-growing niche in most high-end supermarkets, as are those products that come ready-to-cook, with little to no preparation needed.
- Convenience stores and products targeting ready-to-eat products remain strong given the aggressive growth seen in 2012. Most products sold here are ready-to-eat snacks or a quick lunch on the run.
- Consumers have shown an increased interest in products offering nutrition and healthful benefits, which resulted in a surge of these products in supermarkets of all sizes.
- With 9 percent growth in the overall wine market in Mexico, American wineries need to focus their attention in this expanding market. U.S. wines have a small presence locally and account for approximately 6 percent of total imports. With a well-developed strategy, this market has large potential for growth.

## Retail Sector in Mexico<sup>2</sup>



- For many years chained grocery retailers exclusively targeted large and mid-sized urban areas in the country, leaving small populations and rural areas to traditional, non-chained grocers. This situation started to change when modern grocery retailers started to aggressively target small populations, mostly by means of opening small, flexible discounters. This trend is transforming grocery retailing in the country.
- The largest channel in the overall grocery retailing environment is independent small grocers, which accounted for more than 80% of all outlets. This channel comprises small, non-chained stores of the “mom ‘n’ pop” style.
- Hypermarkets, which in Mexico typically hold anything between 60,000 and 70,000 SKUs, saw a good performance in the country in 2012, increasing by 10% in current value terms and by 7% in terms of the number of outlets.
- Supermarkets saw an overall good performance during 2012, opening 43 new outlets and increasing by 9% in retail value terms to reach Mx\$145.9 billion.
- The presence of international retailers in grocery retailing is quite limited, accounting for only four major companies. Wal-Mart de México, is by far the largest grocery retailer in the country, accounting for a 21% share in grocery retailers. The other three sizeable international chained retailers are

Supermercados Internacionales HEB, 7-Eleven México and Grupo Kaltex (Circulo K).

- The participation of grocery retailers in Internet retailing is limited so far to Wal-Mart, through its high-end supermarket Superama, which recently launched an application for mobile devices.<sup>3</sup>

## Doing Business in Mexico

- Carry out market research, not only in terms of typical market research, but also in finding appropriate business contacts and thoroughly reviewing Mexican import regulations in order to successfully seize market opportunities and overcome market challenges.<sup>4</sup>
- Participate in and/or attend Mexican trade shows, particularly U.S. pavilions organized at selected shows. A show can serve as a way to contact local distributors/sales agents, buyers and businessmen, and to become familiar with local competition.

## International Services from the State of Wisconsin

The Wisconsin Department of Agriculture, Trade and Consumer Protection houses the International Trade Team. Wisconsin companies, whether new to exporting or a seasoned international business, can benefit from the Team’s extensive knowledge and trade expertise. Read our [Guide to Services](#) or call us at 1-800-462-5237 for more information.

### Sources:

1. World Trade Statistics Online
2. GAIN REPORT: MX3302- Mexico Retail Sector Report CY2012
3. Euromonitor Category Briefing: Grocery Retailers in Mexico, February 2013
4. GAIN REPORT: MX2514 - Mexico Exporter Guide, December 2012

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