Ontario Food Exports®

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Exporter

THE Ontario Food Exporter Award

Recognizing the achievements of Ontario exporters

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) is introducing a new award to recognize Ontario agri-food exporters' excellence and successful expansion into new export markets.

"This award recognizes the importance of exporting to Ontario's agri-food industry and the Ontario economy and acknowledges the contribution of an Ontario exporter to that success," says Alan Crawley, Manager, OFEX. "Ontario exports more on a per capita basis than any other leading economic nation."

> The Ontario Food Exporter Award will recognize an outstanding Ontario exporter who has found success in new markets.

The 2011 Ontario Food Exporter Award will be given to an outstanding Ontario exporter who has found success in new markets. "That could be an exporter who has made headway exporting to India or had a history of exporting to the US Northeast but is now finding success in the Southeastern US," explains Crawley. "It is also open to an exporter that is prospering in a new channel, for example, a company that was primarily exporting to foodservice but has now also cracked the cruise line or retail market."

The 2011 Ontario Food Exporter Award Winner will be announced by the Minister of Agriculture, Food and Rural Affairs, the Honourable Carol Mitchell at the Canadian Agri-food Export Gala on May 11, 2011, during the SIAL Canada trade show in Toronto.

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Ministry of Agriculture, Food and Rural Affairs

Ontario

ONTARIO Food Exports (OFEX) Trade Events

Increase your exporting potential by participating in an OFEX trade-related event

Our seminars, incoming and outgoing missions and international trade show participation are all geared to developing and maximizing export opportunities for Ontario companies. Through them, we can help you generate export sales, get in-market exposure, meet buyers face-to-face and gather first-hand information about export markets. If any of these events fit your strategies, contact your client account officer for further details on how your company may participate. (See the contact list on page 7.)

Trade Events

SIAL Canada, May 2011
SIAL is coming to **Toronto** for the first time ever. This is a great opportunity for Ontario food and beverage companies to tap into an international audience. Funding is available on a first-come, first-serve basis for participation in an Ontario, Canada pavilion. Please contact Susan Powell at the Canadian Food Exporters Association at 519-445-3747 for more information.

Incoming Missions

Singapore/Hong Kong Retailers, March 2011
Buyers from NTUC FairPrice (Singapore) and JUSCO (Hong Kong) will be visiting Ontario to source private label and branded products in various categories. Please contact your export marketing officer for more information.

OFEX Seminars

PROFIT 2011, June 1-2, 2011
OFEX's highly regarded, new-to-exporting seminar, PROFIT, is returning to Toronto and Buffalo, New York. Whether you are new to exporting or have colleagues who need export training, this program is an outstanding opportunity. This two-day seminar is critical in assisting you to build your organization's export strength. Featuring industry speakers and key contacts that know the export process, PROFIT will prepare you and your company for what is needed to succeed in the US market. For more information, please contact your export marketing officer.

REGULATORY Update

How the new Food Safety Modernization Act will impact Ontario exporters

On January 4, 2011, US President Barack Obama signed the Food Safety Modernization Act to improve safety in the global food supply chain. This Act is intended to strengthen the Food and Drug Administration's (FDA) investigative and enforcement powers. The FDA will be developing and implementing regulations in the months ahead as a result of this Act. For now it is clear they will also increase the registration and inspection obligations facing food facilities. Here's how the anticipated regulations may affect Canadian exporters:

Facility re-registration: The new law requires domestic and foreign facilities to re-register with the FDA every two years, which is a slight change from the current regulations under the Bioterrorism Act. There continues to be no cost for this biennial registration process. Canadian exporters are encouraged to ensure their facility information is correct and up-to-date to avoid any delays at the border.

Improved traceability: The traceability requirements of the Act are intended to make it easier for the FDA to identify the source of an outbreak of food-borne illness and quickly remove it from the food supply. It is anticipated that food companies will be required to have enhanced record-keeping capabilities and food tracing systems.

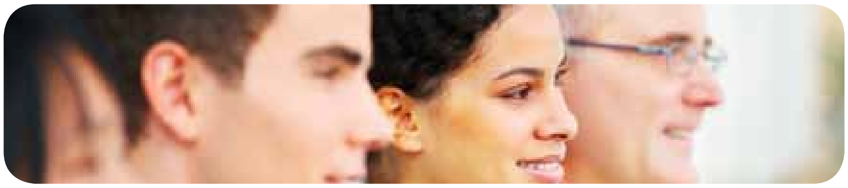
Increased inspections: During the next five years, the number of inspections of foreign facilities is scheduled to increase but will likely not begin until September 2011 or later. The increase in inspections is highly dependent on the FDA securing the resources (an estimated $1.4 billion) and the cooperation of foreign governments it needs to implement the legislation.

Other provisions: There are provisions awaiting rulemaking such as establishing an expedited process for qualified importers, called the Voluntary Qualified Importer Program. Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency are poised to participate in equivalency inspection as soon as it is available. But these measures will not be put in place until rules are drafted, with a timeline of anywhere from six to 18 months.

Practically speaking, very little has changed for Ontario exporters until the rules of the legislation are implemented. OMAFRA will continue to keep Ontario exporters updated on the Act as the new requirements roll out.

OFEX Update

The year ahead for OFEX and Ontario exporters



Each year OFEX undertakes a strategic planning exercise to create a series of events and activities for Ontario exporters. "We look at what opportunities exist for Ontario's exporting industry, how they match the industry's capabilities and what else is happening within OMAFRA in a broader sense," says Alan Crawley, Manager, OFEX. "That influences our direction so that we continue to benefit from the widespread recognition the food processing industry is receiving and the acknowledgement of the importance of the sector, its economic resiliency and the very positive role it plays in Ontario's employment picture."

Government awareness of the importance of Ontario and Canada's food industry and the role that exports play in that ongoing success is illustrated by commitments to opening new markets. "It was great to see the Honourable Minister Carol Mitchell at our 2010 Street Smart event and her ongoing interest in understanding the successes and challenges of Ontario food exporters."

> "We're working to bring strong leads from qualified buyers to Ontario's world class suppliers."

Within OMAFRA, that support is also reflected in the strong partnerships that have been forged with trade and economic policy colleagues. "We're all working together to help deliver the best opportunities for Ontario exporters."

Targeting established and new growth markets

During 2011 and 2012, OFEX will be continuing to look for opportunities for exporters in established markets. "We recognize the critical importance of the US," says Crawley. "Our team has excellent working relationships with retailers, distributors and trade media in the US and despite our long history in that market and the success that we've enjoyed, especially since the introduction of NAFTA in 1994, there are still regions, trade channels and niche markets in the US that represent phenomenal potential for increased sales."

OFEX will also be focusing its efforts on the exporting potential in the EU with private label opportunities with UK retailers Morrisons, ASDA(Wal Mart UK), and Sainsbury, and in new markets including Mexico, working to build on cross border opportunities with Walmart and H-E-B. "We're seeing some great success with companies that have built relationships with these retailers in the US and then rolled that into opportunities in Mexico," says Crawley. "We'll be examining opportunities to leverage Walmart's success in their Central and Latin American operations which will represent new markets and new challenges in a region that is enjoying strong economic growth."

OFEX values the trading partnerships that are already in place in the greater China markets and will also be looking at selectively targeting resources for Southeast and South Asian (India) market opportunities this year. "Singapore is a modern dynamic market and we're thrilled to be hosting NTUC FairPrice buyers from Singapore in March," says Crawley.

For the Middle East and North Africa markets, OFEX is "borrowing" resources from within the branch in order to target a few very specific opportunities in that region including an increased presence at the Gulfood show in Dubai and the targeting of pan-regional retailers such as the Spinneys chain.

Valued partnerships deliver results

"We're going to continue to work to bring strong leads from qualified buyers to Ontario's world class suppliers," says Crawley. "Delivering those often requires partnerships with our federal colleagues in the consulates and embassies, especially in many of these growth markets for Ontario." OFEX will also be working with associations such as the Canadian Food Exporters Association (CFEA) and developing partnerships with colleagues in Quebec's Ministry of Agriculture, Fish and Food (Agriculture, Pêcheries et Alimentation Quebec or MAPAQ). Ontario and Quebec recently entered into the Quebec Ontario Trade and Cooperation Agreement opening the door for increased joint activities. "We've had market-focused federal/provincial core teams in place for many years that provide an opportunity to coordinate our trade promotion and market development efforts but this new agreement gives us the opportunity to develop further linkages with MAPAQ and to look at specific opportunities for our respective food processing industries." For 2011-2012, that will translate into more joint trade missions and related activities. "I'm very excited about our work with MAPAQ and our other partners in the launch of SIAL Canada in Toronto from May 11th to 13th," says Crawley. "The event marks the first time that SIAL Canada will be held in Toronto and the plan is to alternate the show between Toronto and Montreal in future years." OFEX is working with MAPAQ and federal partners to bring in up to 100 foreign buyers from markets around the world. "Traditionally, Street Smart has been our largest incoming trade mission and we're thrilled that for this year, we have this huge, new opportunity with SIAL."

The Ontario, Canada pavilion at SIAL is being led by the CFEA, and an Ontario/Quebec innovation forum led by the Alliance of Ontario Food Processors is also planned. There will be approximately 80 Quebec companies exhibiting at the event and food processors from other parts of Canada. "The efforts around SIAL Canada represent a strong federal, provincial and industry partnership geared to delivering new international markets for Ontario and Canada's food exports," says Crawley. During SIAL's Canadian Agri-food Export Gala, the winner of the new Ontario Food Exporter Award will be announced by the Minister.

While SIAL will represent OFEX's largest incoming trade mission program for 2011, OFEX will continue to deliver a range of activities including other, more targeted incoming trade missions that meet the needs of Ontario exporters, from the largest most established companies to those smaller, entrepreneurial companies looking to break into new markets for the first time.

TREND *Watch*

THE state of the US food industry in 2011

Expect more demand for private label and health and wellness products

Consumers' purchasing habits have changed in recent years and the increased interest in private label and health and wellness products is expected to continue.

Private label growth

Consumer interest in private label products which began before the recession continues to grow even as the economy improves. In the past five years, annual private label or store brand sales have jumped to $55.5 billion in US supermarkets, reaching record highs of 18.7% of total dollar sales and a 23.7% unit share in 2009, according to the Private Label Manufacturers Association (PLMA). Private label is also worth $15 to $20 billion in other chanels such as warehouse clubs, convenience stores, dollar stores and limited assortment/box stores.

One in four products bought at US supermarkets in 2010 was a private label or store brand. Consumers are not expected to switch back to national brands because of their positive experiences with the price and quality of private label goods. In a 2010 study by the market research company GfK for the PLMA, almost half of shoppers' surveyed said they had recently switched to private label in categories where they had only bought a national brand in the past. Ninety-seven percent of those who switched to store brands were happy with their decision. *Consumer Reports* also gave private label brands high praise for their quality and value. In blind taste tests, professional tasters compared a leading national brand with a store brand in 29 categories and they reported that the store brand tasted equally good or better in 23 categories.

Supermarket trends

Consumer shopping habits are changing: traditional grocery formats lost 0.8% of market share to drop to 47.5% of all grocery shopping, according to Willard Bishop Consulting, however limited assortment stores, led by Aldi and Trader Joe's and fresh format stores experienced gains. Other big winners outside of supermarkets were supercenters, which were up 7.8% to a 16.7% market share; and dollar stores, increasing 16.8% to a 2% market share.

Shoppers are turning to supermarkets for more take-out options. According to the Food Marketing Institute (FMI), US consumer interest in ready-to-eat foods at supermarkets hit a four-year-high of 55%. Shoppers were especially interested in freshly prepared, heat and serve food to take home (up 47%); made-to-order sandwiches (37%); extensive salad bar (37%) and prepared hot food buffet (34%).

The emphasis on health and wellness is increasing again as a way for retailers to differentiate, according to the FMI, with 74.3% of retailers saying it is one way they sought differentiation in 2010, up from 68.4% in 2009 but below the 84.9% in 2008. Supermarkets are offering a greater variety of organics and health foods than ever before.

Booking a hotel for SIAL Canada?

SIAL Canada, coming to Toronto for the first time in May 2011, has secured several blocks of rooms at hotels close to the Metro Toronto Convention Centre. A detailed list of the hotels and their rates are listed on SIAL Canada's website (www.sialcanada.com). SIAL Canada has also partnered with Porter Airlines to offer a 15% discount on airfares to Toronto for the SIAL Canada show. Details are also available on the SIAL Canada website. Limited spaces are still available for Ontario food and beverage manufacturers who are interested in exhibiting in the Ontario, Canada pavilion. Please contact Susan Powell at the Canadian Food Exporters Association at (416) 455-3747 or susanp@cfea.com for more information.

Company history

The world's largest retail business, Walmart has grown considerably since the first store opened in Rogers, Arkansas in 1962. Walmart currently operates 8,449 stores in 16 countries worldwide with plans for expansion into emerging markets. According to Planet Retail, the company generated total sales of $428.1 billion in 2009 and has achieved a global CAGR (Compound Annual Growth Rate) of 7% since 2004. Walmart stores aim to be price leaders and offer grocery products at prices that are about 12% lower than the market price.

Private label

Walmart is a leader in private label sales with over $47 billion in sales forecast for 2010. With projected private label food sales at approximately 17%, Walmart is the third largest retailer in the world for total private label food sales. Throughout the countries that Walmart is active, many have their own private label brands. These enable the retailer to cover a wide range of product categories (e.g. organic, frozen) and price points, giving them more opportunities to appeal to customers.

With the trend toward healthier eating and a desire to open more urban stores, Walmart has announced an aggressive initiative to cut prices on fresh foods and reformulate thousands of private-label products to make them healthier and request that their suppliers do the same, according to a recent article in the *Chicago Tribune*. It reported that Walmart plans to reduce prices on fresh fruits and vegetables and reduce sugar and sodium in some private label products by 2015.

A global brand

Walmart is interested in creating global brands as a driving factor for international success. The company is exporting successful brands between their different markets. For example, Walmart's Extra Special premium brand in the UK has been added to stores in Canada, Japan and Mexico. The development of global brands represents an opportunity for suppliers; if Walmart expands their private label products to new countries, it could open new markets for suppliers.

The company has been consolidating operations: The acquisition of Walmart Central America by Walmart Mexico means Walmart stores in Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica are now under the leadership of Walmart Mexico. Presumably, this may lead to the consolidation of some sourcing decisions made in these markets which has the potential to give manufacturers an edge in gaining a presence in multiple countries in this region.

Cutting costs in supply

Walmart is always looking for ways to cut costs in its supply chain, including the possibility of buying a higher proportion of products directly from suppliers. This plan may include combining purchasing for Walmart stores internationally, according to a 2010 article in *Supply Chain Digest*. It reported that Walmart currently buys less than 20% of their goods directly from suppliers however they would like to increase that number to 80% within a few years. The consolidation of Walmart's sourcing may provide a good opportunity for suppliers to get into multiple markets at the same time.

Walmart is a leader in private label with over $47 billion in sales.

Walmart Private label brands in Latin America

Mexico

- *Aurrera* for economy range food products
- *One Source* for economy line fresh food products
- *Alcott Ridge* economy beverages
- *Great Value* economy food label
- *Member's Mark*
- *Baker's & Chefs*
- *Extra Special* premium brand

Brazil

- *Great Value* economy food label
- *Mais por Menos, Mercadorama* and *Nacional* economy brands
- *Sentir Bem* for fresh and organic products
- *Baker's & Chefs*

Costa Rica

- *Attamar, El Hornito, Hortifruti, La Hacienda, Lonja* and *Su Ave* for fresh foods
- *Alin* for organic products

Puerto Rico

- *Great Value* economy food label
- *Amigo*
- *Baker's & Chefs*

Guatemala and Honduras

- *Tops* is the economy private label brand

IN Good Company: Capturing success in a bottle

A Niagara winery flourishes in the Asian market

PILLITTERI ESTATES Winery

The company: Pillitteri Estates Winery in Niagara-on-the Lake

The challenge: Finding a foothold in the Asian market

How OFEX helped: Pillitteri benefitted from attending OFEX-organized trade shows and working directly with former and current OFEX geographic specialists for Asia, Amos Tin and Kiran Pandey, respectively. "They bring us buyers that they have already researched and do the homework for us. OFEX is a wonderful resource."

Words to grow by: If you haven't succeeded in a price competitive market, you have to figure out if you want to play again, says Pillitteri CEO Charles Pillitteri. "And when you reinvent yourself, you have to decide if you're going to take your price down or bring it up and go more niche."

The Pillitteri family's passion for wine evolved into a thriving international business. After years in the horticulture business, growing tomatoes, tree fruits and grapes to sell to supermarkets and wineries, Gary Pillitteri fulfilled his lifelong dream of creating a winery, by starting Pillitteri Estates Winery with his son Charles Pillitteri, now the CEO, in 1993. Today, icewine accounts for half of the company's production and Pillitteri is the largest estate producer of icewine in the world. The other half of the company's production is aromatic white wines, such as Riesling and Gewurztraminer, and full-bodied reds specializing in Bordeaux-style reds, predominantly Cabernet Franc. In Canada, Pillitteri sells its products to the LCBO, Ontario restaurants and at its winery, which receives more than 100,000 visitors a year.

> "OFEX is doing a great job. More Ontario business owners should take advantage of their help."

Pillitteri's location in the tourist destination of Niagara-on-the-Lake inspired the company's first exporting venture. "Almost 50% of our visitors are from Japan, China and Korea and we generated so many icewine sales from our Asian visitors that we decided to export there," says Charles Pillitterri. In 1995, an importer/wholesaler from Taiwan was such a fan of Pillitteri icewine, that he wanted to bring it to Taiwan. With the help of the Canadian Trade Office of Taiwan (CTOT), that first foray was initially a success, until competition soured it in 1999. "Unfortunately, in Canada and Taiwan, there were a lot of imitators who were copying our icewines and that devastated our sales," recalls Pillitteri. "It was our first rude awakening that exporting wasn't going to be as easy as we thought and we had to reinvent ourselves."

The company took time to retool and reconsider how it was doing business. "With imitators, you can't drop your price since they'll drop their price more," he says. "So we decided to raise our prices to differentiate between the imitators and the real McCoy." Pillitteri focused on markets in Japan, Korea, Hong Kong and then eventually mainland China, with some assistance from OFEX geographic officers for Asia, Amos Tin (formerly) and Kiran Pandey. "We did a lot of trade shows, including recent shows in Shanghai and Beijing which are important for market research."

Finding the right partners in the region was also critical and required frequent trips to each market. "We had to do a lot of reconnaissance to make sure we had the right match," says Pillitteri. "We wanted to find the best distributors, some of whom were already in business and others who were fully committed to the wine business so that we were investing in someone who wouldn't vanish." All of that groundwork paid off: The wine industry collectively benefitted from partnership with Yoshihiro Matsuda, who runs the Canadian Icewine Gallery in Japan, says Pillitteri. Matsudo partners with six Ontario icewines and one BC icewine. "He's been doing this for 10 years and he's the single largest importer of icewine in the world."

Even with the right partner, navigating Japanese business culture can be challenging. "Japan is so meticulous and efficient and everything has to be exact," says Pillitteri. For example, when the maple leaf displayed on Pillatteri wine bottles was slightly offset in one order, while it might have been satisfactory for Canadian buyers, it was not acceptable for Japan. "They called to tell me it wasn't straight and we called our designer to make sure it didn't happen again and now we go through all of the bottles before we ship them to check the maple leaves."

In both Japan and Korea, where the winery has three agents to sell to supermarkets, e-marts and retailers including Walmart, Pillitteri pursued the same concept: creating a brand that is visually attractive. The Pillitteri icewine bottles are embossed with 22K gold wrapped in elegant gold tissue and packaged in a box. "They are all giftable," explains Pillitteri. "Gift-giving is very popular in Asia, especially for Chinese New Year, so presentation is key. We wouldn't have had the success we've had without the great eye-appeal."

In Japan, Korea and China the company has branched out into private label, selling the

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IN Good Company: Capturing success in a bottle

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Pillitteri brand and sister store brands including Red Leaf, Vita and Canadian Dream, to build out the category. “That allows us to make icewine in larger volumes with different degrees of quality so the best is in the main brand and wines that don’t make that get placed in the lower brands at a lower price but they are still wonderful entrants.”

With success in Asia, Pillitteri is now setting its sites on opportunities south of the border with plans to launch a new campaign for the US. “We started exporting to the US in the 1990s but there was no demand so we let it go but we believe the market is there now and we’re going to tackle it again.” To succeed, they plan to tweak their original strategy: “We tried to go with a lot of smaller agencies in each market which should have worked but if you don’t have the manpower to visit them, it’s tough,” says Pillitteri. “So we’re now taking a different approach and giving up a bit of the margin to work with national firms that have those things in place to incorporate a sale quicker. We’re revisiting the market to see if we can even play.”

THE Ontario Food Exporter Award

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Are you eligible?

To qualify for the 2011 Ontario Food Exporter Award, your company must be:

- A current client of OMAFRA’s Ontario Food Exports Program, with regular contact with OFEX staff and participation in OFEX events within the last 18 months
- Producing products in Ontario
- In the food processing and/or farming business (trading houses and companies in service and distribution are not eligible)
- In operation for a minimum of two years
- Exporting for a minimum of one year
- An entrant to a new market/trade channel within the last two years
- Earning foreign revenues in excess of 15% of total sales

Judging criteria

Your application for the Ontario Food Exporter Award must highlight your company’s key exporting strengths, strategies and achievements. All applicants will be judged on the following criteria:

- Significant year-to-year percentage growth in value of export sales or increased export sales volume over the past year
- Ability to overcome obstacles in entering new international markets/trade channels (i.e. language barriers, tariffs, transportation, etc)
- The quality of your export plan in terms of creativity, innovation and strategy to promote brand awareness in the new market
- Notable growth in overall business as a direct result of entering the new marketplace
- The impact of the company on the community and Ontario economy, such as job creation

We recommend that each applicant write a 1-2 page description (maximum) outlining how their company meets the selection criteria.

Why apply?

- Increased brand awareness and credibility with customers
- A boost to employee morale through recognition of their contributions
- Media coverage enhancing your profile with customers, investors, employees and suppliers

How to apply

Contact your export marketing officer to apply for the Ontario Food Exporter Award. (See below for contact information.) All applications received by 5:00 pm on March 4, 2011 will be considered.

Ontario Food Exports®

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OPPORTUNITIES in Mexico

A growing middle class with more spending power

Mexico represents a growing opportunity for export-ready Ontario suppliers and a logical market choice. Mexico is Canada's fourth largest trading partner worldwide and our number one partner in Latin America. Ontario is Mexico's primary provincial trading partner accounting for 70.4% of total bilateral trade to Canada. Ninty-four percent of total Canadian goods shipments to Mexico originate in Ontario.

The growing middle class

The middle class population in Mexico is increasing due to higher incomes, more jobs, gender equality—resulting in more dual-income families—upgraded technology and a change in views about saving and spending. With more disposable income among the middle class—it has grown by 30% in 12 years– middle class consumers are experiencing a significant increase in purchasing power. "Mexico could be considered the gateway to international markets and it represents a great opportunity for Ontario suppliers looking to diversify their export portfolios," says Shannon McCarthy, OFEX's geographic officer for Mexico. "With Mexico's proximity, its membership in NAFTA and the increased spending power of its consumers, now is the time to explore this market." Ontario companies interested in taking advantage of opportunities in Mexico can participate in OFEX events, virtual validation sessions and the one-on-one meetings that are being planned for the coming year.

"Mexico represents a great opportunity for Ontario suppliers looking to diversify their portfolios."

The retail segment

The strength of Mexico's economy is evident in the growth experienced among grocery retailers. Retail sales in 2010 totaled CDN $98.05 billion, which represents an 8% growth over 2009 sales. The top five grocery and convenience store formats in Mexico include Walmart Mexico & Central America, Soriana, OXXO, Comercial Mexicana and Chedraui.

H.E. Butt Mexico

Headquartered in the north of Mexico, in Monterrey, Nuevo Leon, H-E-B is not considered one of the top five retailers in Mexico but it's a very competitive and important retailer for Ontario suppliers who are considering the market, and especially those already pursuing opportunities with H-E-B's US operation. The Mexico division of H-E-B has 38 supermarkets in five states. In Mexico, H-E-B generated USD 1.1 billion in total sales in 2009, which accounted for 7% of worldwide sales. The company has experienced an 11% annual growth rate from 2004 to 2009.

Five new H-E-B stores are expected to be established each year from 2011 to 2015 with a goal of 63 stores in Mexico by the end of 2015. The second largest retailer in its trading area (Nuevo Leon, Coahuila, Tamaulipas, San Luis Potosi and Guanajuato), H-E-B has approximately a 30% market share and the highest level of private label penetration in Mexico at over 16%. Private label brands include H-E-B, Hill Country Fare, EconoMax, H-E-B Baby, Season's Select, Central Market Organics and Acierto. For Ontario companies supplying H-E-B Mexico, the shipping destination is in Texas.

Soriana Mexico

With the acquisition of the Gigante stores in 2007, Soriana has consolidated its position as the second largest player in Mexico, behind Walmex (Walmart) with total sales of USD 7.1 billion in 2009. The acquisition also saw 58 Gigante stores converted to operate under the 'Soriana Super' banner, a move which put the retailer in an even better position to compete against Walmex by reaching more middle- to high-income earners in residential areas. Nationwide, Soriana has 508 retail outlets in 160 cities—70 of which are based in Mexico City and its metropolitan area, with a goal of adding 55 more stores. Soriana's private label brands include Soriana, Soriana Premium Quality, Valley Foods and Hipermart

For more information

If you are interested in exporting to Mexico and have questions, contact Shannon McCarthy, OFEX's geographic officer for Mexico. She can help you assess the market potential for your product; provide market intelligence; help you access more detailed information on a particular category or find qualified contacts. Shannon McCarthy, Geographic Specialist, Mexico; 519-826-7765; shannon.mccarthy@ontario.ca.

The majority of Mexicans earning higher incomes live in larger metropolitan areas.

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