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Report Highlights:

Mexico's retail sector remains a dynamic industry with sales reaching \$78.4 billion in 2023. Although the majority of consumers still turn to traditional markets, modern chains like Walmart and Soriana continue to attract middle and high-income consumers. Additionally, e-commerce, including grocery and food apps, have increased in popularity with a growing preference for convenience and easy access to goods and services. Retail trends include private label products, healthy snacks and confectionary goods, and plant-based alternatives for meat and dairy. Asian foods and sauces are increasing in popularity due to the growing Asian population, and as popular U.S. Asian food trends, particularly Japanese and Korean cuisine, cross the border

Executive Summary:

In 2023, Mexico’s economy grew by 3.2 percent, maintaining its ranking as the 15th largest economy worldwide, and second largest in Latin America behind Brazil. The U.S.-Mexico relationship remains strong with bi-lateral agricultural trade totaling over \$74 billion. U.S. exports of agricultural and related products to Mexico reached over \$29 billion. Export opportunities for high-value and healthy foods continue to increase.

Consumer-Oriented Agricultural Imports

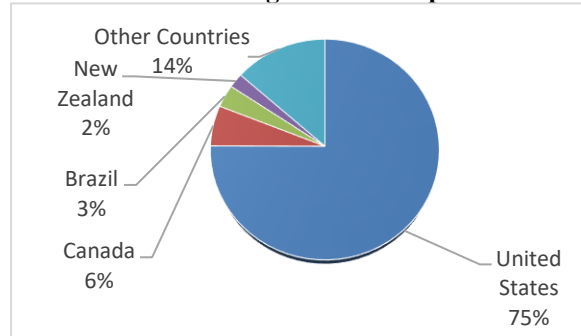


Chart 1: Top Exporting Countries Mexico

Food Retail Industry:

In 2023, food retail sales in Mexico reached \$78.4 billion. Mexico has a total of 25 supermarket chains accounting for 6,768 stores. However, over 60 percent of the population shop at traditional markets which account for 56.5 percent of market share. Mexican consumers spend 34.6 percent of their income on foods, beverages, and tobacco, with the three main categories consisting of meat, grains, and food preparations.

Food Processing Industry:

In 2023, Mexico imported \$51 billion of food ingredient products, of which 63 percent were sourced from the United States. Mexico’s food processing industry is the second largest in Latin America, behind Brazil, making Mexico a top destination for U.S. food ingredients.

Food Service Industry:

Mexico’s food service industry was valued at \$83.13 billion in 2023, with quick-service restaurants (QSR) accounting for the largest segment. The QSR segment is highly competitive and includes domestic and international stakeholders.

Quick Facts CY 2023

Imports of Consumer-Oriented Products

\$15 billion (Trade Data Monitor LLC)

List of Top 10 Growth Products in Host Country

- 1) Pork & pork prod.
- 2) Dairy prod.
- 3) Beef & beef prod.
- 4) Soups & other prep.
- 5) Poultry meat
- 6) Processed vegetables
- 7) Bakery goods
- 8) Meat products
- 9) Fresh fruit
- 10) Condiments & sauces

Food Industry by Channels (U.S. billion)

Retail Food Industry	\$78.4
Food Service-HRI	\$83.1
Food Processing	\$51
Food and Agriculture Exports	\$41.8

Top 10 Host Country Retailers (by sales)

- 1) Walmart
- 2) Soriana
- 3) Chedraui
- 4) La Comer
- 5) HEB
- 6) Calimax
- 7) Merza
- 8) Casa Ley
- 9) Costco
- 10) Oxxo

GDP/Population

Population (millions): 130
 GDP (trillions USD): 1.79
 GDP per capita (USD): 13,926.1

Sources: [World Bank](#), Trade Data Monitor, [Data Mexico](#)

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Proximity to the United States and USMCA free trade agreement	Infrastructure challenges, including transportation and energy which affect business operations.
Opportunities	Threats
Growing middle class increasing demand of U.S. products.	Economic volatility and global fluctuations can impact Mexico’s economic stability.

Section 1: Market Summary

In 2023, Mexico's economy grew 3.2 percent. It is the 15th largest economy in the world and the second largest in Latin America behind Brazil. Mexico's population reached 130 million with a median age of 29 years. Additional drivers of the economy were job creation, increased minimum wage and remittances, and government expenditure on infrastructure projects. Foreign direct investment also contributed to the development of local industries.

In 2023, the United States was Mexico's top agricultural trading partner with bilateral agricultural trade reaching \$74 billion. In the same year, Mexico was the second largest market for U.S. agriculture, reaching \$28.6 billion. Top exports include pork, dairy, beef, and food preparation ingredients.

Mexico's retail sector continues to expand and remains strong. According to the Government of Mexico, food retail reached \$78.4 billion in 2023¹ Mexico has over 990,000 traditional and modern retail establishments. In 2022, Mexican consumers spent 34.6 percent of their income on foods, beverages, and tobacco according to a national survey. Mexicans spend an estimated \$833 quarterly on meats, grains, and food preparations.

Advantages and Challenges

ADVANTAGES	CHALLENGES
Growing economy: Mexico's economic growth remains steady following the pandemic, resulting in increased consumer confidence and purchasing power for goods and services.	Regulations: Imported products must comply with local regulations and labeling, commercial information, certifications, and sanitary permits according to each product.
Proximity: Relative ease for products to move between the United States and Mexico as most agricultural products are shipped by land (truck or rail).	Exchange rate fluctuations: Variations in the exchange rate impact pricing strategies and profit margins for U.S. companies.
Trade agreements: USMCA: nearly all U.S. agricultural products enter duty-free and without quota.	Payment conditions: Mexico payment conditions generally require credit between 30-90 days
Consumer awareness: Mexican consumers have a positive perception of U.S. foods and beverages. U.S. products are associated with quality, innovation, and reliability.	Logistics: some logistic challenges include infrastructure limitations, delays at customs due to tariff code misclassifications, and security concerns in certain areas of Mexico.
U.S. Influence: Mexican consumers follow the latest U.S. food trends, influenced by the proximity to the United States.	Language and culture barriers: Although most Mexican importers and retailers speak English, there are differences in business practices and negotiation styles.

¹ Data Mexico – [Retail Trade of Groceries and Food](#)

Retail Sales by Channel

The Mexican retail sector can be divided into three groups: traditional, modern, and e-commerce. The majority of Mexicans shop at traditional markets. The traditional and open-air markets, known as *tianguis*, remain an important place in Mexico, and are deeply rooted in the traditions of Mexican consumers. Traditional, open-air and public markets can also include small local grocery stores. These markets offer convenience and lower prices that cater to the lower and middle-income consumers. According to the Mexican Retailers Association (ANTAD), in 2023, the traditional channel represented 56.5 percent of the retail sector market share.

Traditional retail:

- Public markets: located in many cities and towns in Mexico offering fresh produce, meats, handmade goods, and small restaurants that offer local food.
- Open air markets: they are established once a week in certain neighborhoods or at the main squares of local cities offering fresh produce, meats, clothing, home care products, local street foods.
- Small local grocers: also known as *tienditas* are small neighborhood stores that sell groceries, non-alcoholic drinks, snacks, and house care products.

The modern channel includes various types of retail outlets commonly defined by size, product lines, and the additional services offered. The retail sector is divided by hypermarkets, supermarkets, discounters, wholesale clubs, convenience stores, foods/drinks specialized stores, food e-commerce store.

Chart 1: Modern retail in Mexico.

Format	Surface area	Products	Services	Examples	Consumer type
Hypermarket	Between 48,438 ft ² and 107,639 ft ²	Wide array of products including groceries, perishables, clothing, and general merchandise.	Pharmacy, walk-in clinic, restaurants, banking services	Soriana Hiper (Soriana), Selecto (Chedraui), City Market (La Comer)	Upper- and middle-income consumers
Supermarket	5382 ft ² and 48438 ft ²	Groceries, perishables, home care products, moderate amount of general merchandise	Pharmacy, banking services	Walmart Express (Walmart)	Upper-and middle-income consumers
Wholesale Club	48,438 ft ²	Groceries and perishables in packs or larger presentation. Clothing, appliances. Seasonal or single occasions products.	Pharmacy, optical store, and soda fountain	Costco Sam's Club City Club	Upper-and middle-income consumers
Food/Drinks Specialized Stores	4,305 ft ²	One category of food or drinks.	None	La Europea Wild Fork	Upper-and middle-income consumers.
Food E-commerce Stores		Groceries and perishables.	Delivery service	Justo Calli	Upper-and middle-income consumers
Convenience Stores	5,382 ft ²	Groceries and perishable mainly "on the go" products or in smaller sizes.	Offer a wide range of services like cellphone credit, bank deposits, food courts and payments to e-commerce platforms.	Oxxo Seven Eleven Circle K	Middle income and low-income consumers
Discounter	26,910 ft ²	Basic merchandise, food and household items.	None	Bodega Aurrera (Walmart) Tiendas 3B	Low-income consumers

Source: ANTAD

E-Commerce

Mexico's e-commerce sector has grown in popularity among the upper middle-high end consumers. These consumers have the purchasing power to pay premium prices for convenience and ease. Additionally, as a result of the pandemic when many consumers relied on e-commerce to access products, many continued to use the various platforms even as the retail sector returned to normal. On-line purchases are more common in the larger cities of Mexico City, Guadalajara, and Monterrey. To meet demand, retailers have developed their own online platforms but also aligned with delivery apps, such as Rappi and Uber Eats. However, the increased use of e-commerce has not swayed the Mexican consumers from taking a multi-tiered approach with their purchasing habits. Mexican consumer habits incorporate purchasing on-line and shopping at retail outlets, where they can select and choose products and identify new to market trends and products.

Consumer Habits

Consumer habits vary according to urban and rural areas. Northern Mexican consumers, particularly in Monterrey, tend to be more aware of U.S. products due to the proximity to the United States. For example, HEB, a Texas owned retailer present in northern Mexico carries U.S. products that consumers in the north demand. Additionally, Mexicans near the border more readily visit neighboring U.S. states. Northern Mexican consumers also have a higher propensity to shop online and purchase high end products due to their higher disposable incomes. Popular trends in the region include organic and health-conscious products, as consumers in urban areas are looking for healthier lifestyles. Conversely, in rural areas, there is still a preference for the traditional market offering low-cost and affordable products among the lower-middle income consumers.

Central and southern Mexico includes major urban areas like Mexico City and tourist destinations such as Puerto Vallarta, Cancun, and the Mayan Riviera. These regions showcase economic diversity, with Mexico City as a major economic hub attracting business and partners with significant purchasing power, offering a wide range of consumer goods. In contrast, other urban areas might have more modest economic conditions, affecting consumer choices as the presence of imported products might not be as vast as in larger cities. In these areas the presence of global and local products is noticeable due to tourism and expats. In both urban and rural areas, local markets play an important role in daily shopping for mainly fresh products. Food products with increasing opportunities in these areas include fresh products, ready to eat and ready to cook options due to the busy lifestyles in larger cities, and gourmet products.

Section 2: Road Map for Market Entry

Entry Strategy

Companies interested in exporting should:

- Review [FAS GAIN](#) reports on the Mexican market to determine if there is demand for their product(s), and ensure that the product meets all requirements and regulations
- Ensure production capacity is sufficient to meet consumer and buyer demands.
- Develop relationships with Mexican buyers. This can be done by participating in a local trade show or by contacting the Agricultural Trade Offices (ATOs) in Mexico City and Monterrey (contact info in section 5).
- Ensure financial and non-financial (staff, time, etc.) resources are available to actively

support efforts.

- Evaluate whether the product needs to be tailored specifically for the Mexican market.
- Ensure necessary knowledge to ship product, such as selecting an international freight forwarder, managing climate controls, and navigating letters of credit.

Market Structure

It is important for U.S. companies to find an experienced and professional importer or distributor as a local partner. Mexico's trade regulations state that foreign companies are required to have a Mexican company representative. Updated information regarding food-product laws and regulations in Mexico is available on the [FAIRS Annual Country Report](#). Distributors or importers will help with issues related to regulations, procedures, labeling, and customs clearance. Supermarket chains have their own purchasing, import, and compliance departments. Companies selling to large supermarket chains should have ample production capacity to meet large product volumes. Please reference our [Exporter Guide](#) and [Food Processing Ingredients](#) report for more details.

Strategies for entering the Mexican market vary depending on the specific product, competition, and the market segment. Small-to-medium-sized exporters can work with U.S. State Regional Trade Groups (SRTGs) to take advantage of the SRTG's resources for marketing and promotional support in Mexico. Visit the link to the appropriate SRTG covering your geographic region to learn more about available services:

- Food Export Midwest and Northeast ([Food Export](#))
- Southern U.S. Trade Association ([SUSTA](#))
- Western U.S. Agricultural Trade Association ([WUSATA](#))

Attend tradeshows such as Expo ANTAD (retail) to gain insight into the Mexican market, establish new contacts, meet key buyers, potential business partners, importers, and distributors. Understanding the Mexican [business culture](#) is key to start negotiation as patterns change according to each region. Some products might fit in certain regions, but not in the whole country; for example, northern Mexico tends to lean towards U.S. product preferences, while central or southern Mexico have more variety of other origins and preferences for locally produced products.

Chart 2: Company Profiles & Top Mexican Retailers

Retailer	Corporate Site	Retailer	Corporate Site
	Walmart Mexico and Central America		Organizacion Soriana
	Grupo Chedraui		Grupo La Comer
	HEB Mexico		Grupo Calimax



[Grupo Merza](#)



[Casa Ley](#)



[Costco Mexico](#)



[Oxxo](#)

Import Procedures

Mexico import procedures include several steps to ensure that goods comply with regulations and are properly delivered to customs agents. Foreign companies require an importer with an in-country representative assisting with the [customs process](#) with the Mexican authorities and who will act as a distributor.

Importers distribute to the wholesale and retail channel in Mexico. Wholesalers buy and sell large quantities of merchandise for sale to retail stores, traditional trade, as well as to institutional and government users. Retailers often distribute products through physical stores and e-commerce. However, retailers can also import directly or buy through an importer.

Share of Major Segments in the Retail Industry

According to Euromonitor, the modern retail channel in 2023 showed signs of recovery after a challenging year in 2022. High inflation resulted in hyper-price conscious consumers looking for cost saving opportunities, turning to discount stores and small local grocers to replenish basic staples as these stores offer lower prices compared to modern retailers. In 2024, the stability in the Mexican economy, in part due to decreased unemployment and stable salaries enabled consumers to return to their favorite stores to purchase their usual brands. However, as a result of previous challenges, consumers altered purchasing habits and are turning to discount shops, which continue to grow in popularity, offering consumers another shopping alternative to save money. Disposable income is spent in supermarkets, hypermarkets, convenience stores and warehouse clubs where consumers look for their favorite brands and novelty products. The following chart illustrates the market share of the modern retail in 2023.

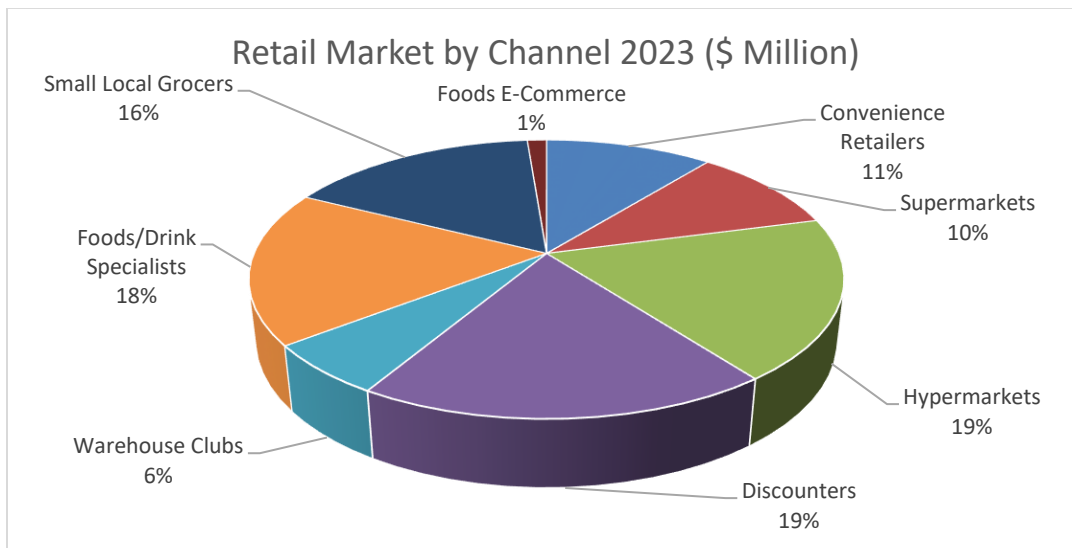


Chart 4: Retail Market by Channel 2023 Source: Euromonitor International

Section 3: Competition

Mexico is a largely self-sufficient domestic market that can source about 90 percent of its inputs locally, including fruits, vegetables, and packaging materials. For the remaining 10 percent, the United States is the preferred partner due to proximity and long-standing relationship. U.S. agricultural exports enjoy a sterling reputation in Mexico due to consistent product quality, stable supplies, and proximity. Additionally, preferential market access under the NAFTA, signed in 1994, and USMCA (the United States- Mexico- Canada Trade Agreement), its successor agreement which entered into force in July 2020, further enhance bilateral trade.

Other major exporters to Mexico include Canada, Brazil, New Zealand, Chile and Spain. Since joining NAFTA and now USMCA, Mexico has negotiated trade agreements with more than 45 additional countries. The latest agreements include the 11-member Comprehensive and Progressive Agreement for Trans- Pacific Partnership (CPTPP) which entered into force in 2018.

Section 4: Best Product Prospects

Mexico's Top 5 Consumer-Oriented Products Imported from the World

Annual Series: January – December 2023		
Partner Country	Commodity	Value in \$ Millions
United States	Pork & pork products	\$2,654
Canada		\$417
Brazil	Poultry meat & products	\$348
New Zealand	Dairy products	\$328
Chile	Processed Fruits	\$126
Spain	Wine & related products	\$88

Source: Trade Data Monitor

Mexico's Top 5 Consumer-Oriented Products Imported from the United States

Annual Series: January – December 2023		
Partner Country	Commodity	Value in \$ Millions
United States	Pork & pork products	\$2,354
	Dairy products	\$2,314
	Poultry Meat & Prods. (excl. eggs)	\$1,264
	Soups & other food prep.	\$912
	Poultry meat & products	\$905

Source: GATS

Products Present in Market with Good Sales Potential

Based on Post assessments, the U.S. food and agricultural products with the highest sales potential include:

- **Private Label Brands:** Consumers are becoming more aware of the high quality and cost savings of private labels. In 2022, high inflation resulted in consumers becoming budget conscious, looking for lower price alternatives. Nowadays consumers notice the quality and the value for money of these products. Retailers are expanding their options in order to compete with well-known brands.

- **Plant-Based Foods:** Mexico is increasing its number of vegetarian and vegan consumers that for health reasons are eliminating animal origin products from their diets. High potential products are meat and dairy alternatives.
- **Healthy Confectionary Goods and Snacks:** consumers are looking for healthier indulgence alternatives.
- **Pet Foods:** 80 percent of Mexican households own at least one pet. All modern retail formats include pet foods and treats at their stores mainly for dogs and cats.
- **Asian Foods:** There is a growing Asian population in Mexico as a result of the nearshoring of foreign investments. This has led to more consumers looking for homestyle Asian foods. Additionally, Korean pop culture is attracting a larger following of younger Mexicans who also follow the Asian snack food, candy, and soft drink trends.

Section 5: Key Contacts and Further Information

The primary mission of the ATOs in Mexico City and Monterrey is to assist the market development and promotion of U.S. food and agricultural products in the Mexican market. There are a wide variety of activities and services that the ATOs, along with other private sector groups or agricultural cooperators, make available to help develop U.S. agricultural interests in Mexico. If you have any questions or comments regarding this report or need assistance exporting.

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Mexican Government Regulatory Agencies

Agency	Responsible	Website
Federal Commission for Protection against Sanitary Risks (COFEPRIS)	COFEPRIS is responsible for regulating, controlling, and promoting health risks related to products, establishments, and services, including food and beverages. It ensures compliance with sanitary regulations and standards to protect public health.	COFEPRIS
Federal Consumer Protection Agency (PROFECO)	PROFECO protects consumer's rights, including those related to food safety, labeling, pricing and quality.	PROFECO
National Service for Agri-Food Health, Safety, and Quality (SENASICA)	SENASICA is part of the Ministry of Agriculture and Rural Development (SADER). It oversees the health, safety, and quality of agricultural and food products, including animal and plant health, organic production, and food safety.	SENASICA

Ministries Responsible for Foods Policies

1. **Ministry of Agriculture and Rural Development (SADER):** Responsible for agricultural policies, including production, distribution, and marketing of food products.
2. **Ministry of Economy (SE):** Responsible for international trade policies, including import and export regulations for food products.
3. **Ministry of Health (SSA):** Oversees public health policies, including food safety, nutrition, and labeling regulations.
4. **Ministry of Environment and Natural Resources (SEMARNAT):** In charge of environmental policies related to food production, sustainability, and conservation.
5. **Ministry of Welfare (BIENESTAR):** Focuses on social welfare programs, including food assistance and nutrition initiatives for vulnerable populations.

Mexico Import Policies for Food Products

Aspect	Description
Regulatory Authority	Federal Commission for Protection against Sanitary risks (COFEPRIS)
Import Documentation	Importers need to present the following documentation to customs authorities, commercial invoices, certificate of origin, and sanitary permits.
Tariffs and Duties	Tariffs and duties may vary depending on the type of food. Mexico has a trade agreement with the United States where several agricultural products have reduced tariffs or tariff elimination.
Sanitary Regulations	Imported food product must comply with Mexican sanitary regulations and standards set by COFEPRIS. This may involve inspections, testing, and certification processes.
Labeling Regulations	Imported food products must meet Mexican labeling regulations, commercial information including nutritional information and product specifications must be in Spanish.
Other Requirements	Certain foods may have additional import requirements or restrictions, such as phytosanitary certificates for plant-based products or certifications for certain meats.

Attachments:

No Attachments