

Contents

Introduction & Abbreviations

INTRODUCTION

OTHER RELEVANT REPORTS

DEFINITION

ABBREVIATIONS & TERMS

Abbreviations

Terms

EXECUTIVE SUMMARY

A \$4.2 BILLION MARKET

HISPANIC POPULATION GROWING RAPIDLY

IMMIGRATION FROM MEXICO

POPULARITY OF MEXICAN RESTAURANTS

TRAVEL TO MEXICO

SPICY FOODS GAIN FAVOR

A HEAVILY SEGMENTED MARKET

AMERICAN AND MEXICAN BRANDS ON TOP

REGIONAL SALES

FRITO-LAY IS TOP ADVERTISER

RETAIL DISTRIBUTION PRIMARILY THROUGH SUPERMARKETS

CONSUMERS EAT MORE MEXICAN FOOD AWAY FROM HOME

SPECIFIC INGREDIENTS MORE COMMON IN CONSUMERS' HOUSEHOLDS

PERCEPTION OF MEXICAN FOOD AS A HEALTHY MEAL CHOICE

FUTURE TRENDS

Continuing growth of Hispanic population

Alternate channels vs. FDM

Popularity of Mexican restaurants

FORECAST

MARKET DRIVERS

GROWING HISPANIC POPULATION

Figure 1 American population projections, by race/ethnicity, 1990-2010

Higher Hispanic fertility rates

Figure 2 Fertility rates, 1990-2000

Figure 3 Percentage distribution of children per family*, by race and ethnic origin, 1990-2000

Immigration from Mexico

POPULARITY OF MEXICAN RESTAURANTS

TRAVEL TO MEXICO

BOLDER FLAVORS

MARKET SIZE & TRENDS

Figure 4 Total FDM sales of Mexican food, at current and constant prices, 1996-2001*

Graph 1 Trends in sales of Mexican foods, at current and constant prices, 1996-2001

MARKET SEGMENTATION

OVERVIEW

Figure 5 FDM sales of Mexican food, by type, 1999 & 2001*

TORTILLA CHIPS

Figure 6 FDM sales of tortilla chips, 1996-2001*

TORTILLA, TACO SHELLS AND TACO KITS

Figure 7 FDM sales of tortillas, taco shells and taco kits, 1996-2001*

SALSA

Figure 8 FDM sales of salsa, 1996-2001*

Figure 9 FDM sales of salsa, by volume, 1996-2001*

REFRIED BEANS

Figure 10 FDM sales of refried beans, 1996-2001*

PICANTE SAUCE

Figure 11 FDM sales of picante sauce, 1996-2001*

TACO SAUCE

Figure 12 FDM sales of taco sauce, 1996-2001*

OTHER MEXICAN SAUCES

Figure 13 FDM sales of other Mexican sauces, 1996-2001*

OTHER MEXICAN FOOD

Figure 14 FDM sales of other Mexican food*, 1996-2001**

SUPPLY STRUCTURE

COMPANIES AND BRANDS

Figure 15 FDM sales of Mexican food, by manufacturer, 1999 & 2001*

Graph 2 Sales of Mexican food, by manufacturer, 2001

BRAND SALES BY SEGMENT

Tortilla chips

Figure 16 FDM brand sales of tortilla chips, 1999 & 2001*

Tortillas, taco shells and taco kits

Figure 17 FDM brand sales of shelf-stable, refrigerated, and frozen tortillas, taco shells and taco kits, 1999 & 2001*

Salsa

Figure 18 FDM brand sales of salsa, 1999 & 2001*

Refried Beans

Figure 19 FDM brand sales of refried beans, 1999 & 2001*

Picante Sauce

Figure 20 FDM brand sales of picante sauce, 1999 & 2001*

Taco Sauce

Figure 21 FDM brand sales of taco sauce, 1999 & 2001*

Other Mexican Sauces

Figure 22 FDM brand sales of other Mexican sauces, 1999 & 2001*

Other Mexican Food

Figure 23 FDM brand sales of other Mexican food*, 1999 & 2001**

PROFILES OF LEADING MANUFACTURERS

Frito-Lay

Mission Foods (Gruma S.A.)

Campbell Soup Co.

Pillsbury Co.

Kraft Foods Inc.

Nestlé USA

Other Players

ADVERTISING & PROMOTION

INTRODUCTION

FRITO-LAY

CAMPBELL (PACE)

NESTLÉ; (ORTEGA)

RETAIL DISTRIBUTION

Figure 24 FDM sales of Mexican food, by channel, 1999 & 2001

SUPERMARKETS

Figure 25 Supermarket sales of Mexican food, 1996-2001

Top Supermarkets in the U.S.

Figure 26 Top food retailers by sales, 2000 & 2001

THE CONSUMER

INTRODUCTION

Frequency of eating homemade vs. restaurant-prepared Mexican food

Figure 27 Frequency of eating homemade vs. restaurant-prepared Mexican food, January 2002

Average monthly consumption of homemade vs. restaurant-prepared Mexican foods

Figure 28 Average monthly consumption of homemade vs. restaurant-prepared Mexican foods, by age and household income, January 2002

PRESENCE OF MEXICAN FOOD AND COOKING INGREDIENTS IN THE HOME

Ethnic sauces and condiments

Figure 29 Presence in the home/usage of ethnic sauces, January 2002

Figure 30 Presence in the home/usage of ethnic sauces, by age, January 2002

Figure 31 Presence in the home/usage of ethnic sauces, by household income, January 2002

Ethnic cooking sauces

Figure 32 Presence in the home/usage of ethnic cooking sauces, January 2002

Figure 33 Presence in the home/usage of ethnic cooking sauces, by household income, January 2002

Ready-made ethnic meals

Figure 34 Presence in the home/usage of ready-made ethnic meals, January 2002

Figure 35 Presence in the home/usage of ready-made ethnic meals, by age, January 2002

Figure 36 Presence in the home/usage of ready-made ethnic meals, by household income, January 2002

Ready-made ethnic side dishes

Figure 37 Presence in the home/usage of ready-made ethnic side dishes, January 2002

Figure 38 Presence in the home/usage of ready-made ethnic side dishes, by household income, January 2002

Taco and other Mexican Ingredients

Figure 39 Presence in the home/usage of taco and other Mexican ingredients, January 2002

Figure 40 Presence in the home/usage of taco and other Mexican ingredients, by age, January 2002

Figure 41 Presence in the home/usage of taco and other Mexican ingredients, by household income of respondent, January 2002

Summary

Figure 42 Summary of items, January 2002

HOUSEHOLD USE OF SPECIFIC MEXICAN INGREDIENTS

Figure 43 Household usage of specific Mexican food and ingredients, October 2000-September 2001

Figure 44 Household usage of specific Mexican food and ingredients, by race/ethnicity, October 2000-September 2001

Figure 45 Household usage of specific Mexican food and ingredients, by language primarily spoken in household, October 2000-September 2001

PERCEIVED QUALITY OF PACKAGED ETHNIC FOODS IN SUPERMARKETS VS.

RESTAURANT ALTERNATIVES

Figure 46 Perceived quality of supermarket ethnic foods, January 2002

Figure 47 Perceived quality of supermarket ethnic foods, by age of respondent, January 2002

Figure 48 Perceived quality of supermarket ethnic foods, by household income, January 2002

Figure 49 Perceived quality of supermarket ethnic foods, by source of meals, January 2002

MEXICAN FOOD AS A HEALTHY MEAL CHOICE

Figure 50 Perceived healthfulness of Mexican food entrees, January 2002

Figure 51 Perceived healthfulness of Mexican food entrees, by source of meal, January 2002

CONCLUSIONS

FUTURE & FORECAST

FUTURE TRENDS

Continuing growth of Hispanic population

Figure 52 Projected Hispanic* population in the U.S., 2000-2010

Graph 3 Hispanics as a % of the total U.S. population, 2000-2010

Alternate channels vs. FDM

Popularity of Mexican restaurants

Mexican Food's Taste Appeal

MARKET FORECAST

Figure 53 Forecast of FDM sales of Mexican food, at current and constant prices, 2001-2006

Graph 4 Trends in FDM Mexican food sales, at current and constant prices, 2001-2006

Figure 54 Forecast of FDM sales of tortilla chips, at current and constant prices, 2001-2006

Figure 55 Forecast of FDM sales of tortillas, taco shells, and taco kits, at current and constant prices, 2001-2006

Figure 56 Forecast of FDM sales of salsa and sauces, at current and constant prices, 2001-2006

Figure 57 Forecast of FDM sales of refried beans, at current and constant prices, 2001-2006

Figure 58 Forecast of FDM sales of other Mexican foods, at current and constant prices, 2001-2006

trade associations

appendix: NEW PRODUCT BRIEFS

Mexican Original: Natural Pepper Jack Quesadillas Kit

Jardine's Texas Foods: D.L. Jardine's Salsas

Food For Life Baking: Ezekiel 4:9 Sprouted Grain Tortillas

Don Miguel Mexican Foods: Don Miguel New & Improved Steak Burrito

La Preferida: La Preferida Chipotle Sauce

La Familia Sanchez Foods: ¡Orale! Salsa Sabrosa

Authentic Specialty Foods: Embasa Sliced Jalapenos in Escabeche

Herdez: Doña María Nopalitos Tender Cactus

Continental Commerce: Rogelio Bueno Authentic Mexican Sauces

Luigino's: Michelina's Mexican Fiesta Entress

APPENDIX: Research Methodology

CONSUMER RESEARCH

Sampling & Weighting

Presentation & Definition

Further Analysis

TRADE RESEARCH

Informal trade research

Formal trade research

DESK & INTERNET RESEARCH

SOURCES

DEFINITIONS

FORECASTS

APPENDIX: WHAT IS MINTEL?

MINTEL PUBLICATIONS

MINTEL SERVICE S

Product retrieval

Retail audits

Tailored research

Global New Products Database

RESEARCH SUPPORT/CONSULTANCY/MIC

The Mintel Information Centre (MiC)

PR Research

This report contains U.S. IRI InfoScan data.

US, UF April 2002