

Mexico
Monthly Report
February

The report provides a monthly analysis of the Mexican landscape which shows the market's dynamic. It also presents an overall inform relating the Agro-industrial most relevant news, as well as the most updated information regarding Mexican economy. Agriculture, food, and beverages companies remain attractive for investors.

Mexico, largely influenced by its trade relations with the United States, reset forecast growth for 2022 to 2.8% this year after an expansion of 5.9% in 2021 and a forecast growth rate in 2023 of 2.7%.

According to the International Monetary Fund, the outlook for the large economies of Latin America has been modified in 2022, mainly due to external factors such as global inflation, monetary adjustment cycles, an interrupted supply chain and the effects of the omicron variant of the coronavirus, however, Mexico's specialists are expecting a decrease in inflation to levels close to 4% by the end of this year.

INDICATOR	PERIOD	RESULT	PERIOD	RESULT
GROSS DOMESTIC PRODUCT	Jan 2022	-0.4%	Feb 2022 forecast	-0.1%
INFLATION	Feb 2022	7.07%	March 2022 forecast	7.0%
TRADE BALANCE MEXICO	Jan 2022	\$.059 B USD	Feb 2022	-\$2.8 B USD

Exchange rate

Level	MXN per USD
Average	\$20,2938
Maximum	\$20,3556
Minimum	\$20,2522



Covid-19



Nowadays, 178 million 130 thousand 383 doses have been supplied in the 32 states since the National Vaccination Policy for the prevention of covid-19 began in Mexico. Until February 17th the 65.2% of the population have been vaccinated with at least one dose and 60.31% are complete schedule. Currently, the application of the booster dose has been started among the country.

Consumer

For consumer, their amount of purchase will be favored by the gradual improvement in the labor market and the increase in the proportion of the population vaccinated.

- The Mexican shopper needs a deeper connection with the brands.
- Consumers are increasingly closer to ecofriendly, biodegradable products that do not experiment on animals.
- The shopper begins to have a greater awareness and consequently their purchases are more responsible, strategic and planned.
- They are choosing to make their purchases online, among the reasons why eCommerce is being preferred are the following:
 - Not finding products available in physical stores (60%)



- The possibility of receiving purchases at home (60%)
- Save time (57%)
- Avoid crowds in physical stores (55%)
- Customer service is very important as well as communication programs through, for example, social networks to build a relationship.
- The use of social networks and mobile geo-location to find stores are on the rise, with a shopper using more and more specialized internet sites to make their purchases.

Foodservice

With demographic changes and those driven by the pandemic, there will be a growth in technology in food service companies. In general, the consumer is looking for new flavors and the resurgence of certain types of food is expected, among them, healthier menus with vegetable protein and organic options.

Additionally, growth in dark kitchens is expected, as food delivery continues to have a very positive scenario due to consumer demand; nevertheless, the complete recovery of the establishments will take place until 2025, with annual growth from 14.9% to 15.2%.

Trends in foodservice:

- **Impulse derived from homo deliveries and techies:** Mexican consumers adapted to mobile applications and social networks to order food and drinks.
- **Traditional cuisine:** The pandemic has brought with it that search for new flavors towards traditional Mexican cuisine in search of condiments, fresh native products and traditional Mexican sauces.
- **Frozen food:** Although the frozen food market is still half the size of fresh food, during the health emergency there was a boom in preference for these options. Largely because consumers are no longer as tolerant of the perishability of a food.
- **The healthy irruption:** This as a response or alternative to the trend of health and well-being in the consumption habits of Mexicans, who show a need for this type of offer in their favorite establishments.

Retail

According to a study carried out by Euromonitor, by 2025 e-commerce will represent 24% of the total sales volume in the retail sector in Mexico, but the physical store is still representative, hence the importance of having a good omnichannel strategy. By 2022, is expected that 57% of stores are primarily focused on providing buy online and store pickup and ship-from-store services.

Trends in retail:

- **Metaverse:** Digital universe parallel to the physical one, in which shopping experiences are also developed and audiences of interest are managed.
- **Point-of-Sale Integration:** Enabling customers to find what they need, when they need it, and how they want it, whether on online platforms or in physical stores.



- **Customer experience:** Retail is developing multi-touch strategies such as ROPO (Research Online and Purchase Offline) so that the consumer can have different alternatives and conversion points when buying.
- **Sustainable economy:** The client demands that the retail properly manage its environmental, social and economic impacts. Therefore, more than buying a product, the consumer values that it can generate identification and a relationship of trust with organizations that show a commitment to community development.

2022 projects

ATP 2021-2022	Onion program	Sep 2021 – March 2022	
M22GXLAPIB	SIAL Las Vegas Inbound Mission to NV	Mar 20 th - 24 th	Purchasing flights
M22GXLAPIS	Mexico In-Store Promotions & recipe development	May - August	Pending SOW
	ANTAD	May 17 th to 19 th	SOW submitted. Working on booth design and logos.
M22GXLAI2	Latin America Ingredient Inbound Mission to OR/UT	June 26-July 1 st	SOW submitted
M22GXLAIIB	Mexico Ingredients Inbound Mission to OR/UT	June 26 - July 1 st	SOW submitted
	Beer Promotion	April - July	SOW Submitted
M22GXLAPOB	Mexico HRI Outbound Mission to Mexico City & Tijuana	July 11-15	SOW submitted
M22GXLAPTS	WUSATA Pavilion at Espacio Foods Trade Show	Late September – Confirm dates.	Pending SOW – 6 booths.
ATP	Onion program	Sep – March	
	Mega Mission	December 5 th -9 th	pending SOW
M22GXLAPM2	Latin America Consumer Oriented Research	Oct 31-Dec 9	pending SOW
M22GXLAPMR	Mexico Consumer Oriented Research -	Oct 31-Dec 9 –	pending SOW



