

Versatile concept

IN THE U.S., TORTILLAS ARE AMONGST THE MOST SUCCESSFUL BAKED PRODUCTS BECAUSE THEY EASILY ADAPT TO NUTRITIONAL TRENDS



photo: Keith Weller, USDA, ARS, IS Photo Unit

+ The annual consumption in the United States amounts to approx 120 bn tortillas. The Tortilla Industry Association reports that tortilla sales account for 30% of all bread product sales and are second only to sales of white bread. In the period March 2003 to February 2004, the market for industrially made tortillas that were sold to the end users in the U.S. achieved a volume of approximately 2,110 million USD (without the turnover generated by Wal-Mart, the largest U.S. retail company).

The Census Bureau estimates that tortilla sales in the United States, through all channels (food service, institutional and supermarkets) are increasing by 17 percent per year, making it the fastest growing segment within the baking and snack industry. Corn tortillas are growing more rapidly than flour tortillas, although flour remains the leading type of tortilla in North America.

The total market is estimated at having a volume of 5 bn USD, while the number of suppliers is

approx 250. The market is dominated by the Mexican company Gruma with their brands Buena Comida, Guerrero, and Mission. This company alone has more than a 50% share of all supermarket sales. Furthermore, Gruma is considered to be one of the most important producers of private label tortillas. It supplies Taco Bell, the fast food chain that brought tacos to all Americans, even to the ones without Latin-American ancestors. However, even Gruma is aware that brand loyalty for this basically simple and easy to make product is limited considering the increasing cost of living in the U.S., at least amongst the poorer population.

It is also evident that for the part of the population that pays more attention to slimness and health than to the price, tortillas can be a trend product since the wheat variation of this flat dough piece has launched a new career as a wrap and competes with toast bread on the sandwich market. The reason for this amongst others is due to the fact that the baked goods, originally made from wheat flour, oil and water, are perfectly suited to being pepped up

with other ingredients. Low-carb tortillas are now as natural on the supermarket shelves as are tortilla wraps with barley or flavored wraps.

According to a study, commissioned by the Tortilla Industry Association (TIA), tortillas and related products continue to experience a widespread and dynamic growth in practically every food business segment. The Tortilla Foodservice Usage Study, conducted by VNU Foodservice Network Research Center, focused on the use of tortillas as well as other tortilla-based products in U.S. food service operations. Survey participants were questioned on their use of scratch or prepared tortillas, volume of usage, trends, purchase source, brands, ways tortillas were used, use of whole-wheat flour tortillas, and innovative tortilla products. The result was that 62 percent of both commercial and non-commercial businesses reported using prepared tortilla products in their operations. Wraps and soft tacos were reported to be the most popular flour tortillas and enchiladas as the most popular corn tortillas.

The study also found that more than half, 58 percent of the commercial food service businesses surveyed reported using tortillas. Seventy-eight percent of fine dining restaurants and 74 percent of casual/family dining restaurants reported that they included tortillas in their menus. Non-commercial operations reported tortilla usage at 67 percent, with colleges and universities reporting 83 percent and schools 76 percent. +++

Different types ...

Corn tortillas are sold mainly in the West and South of the United States to Mexican or Latin-American consumers who substitute tortillas for bread. This means the packages are quite large. People from Cuba or Puerto Rico, incidentally do not belong to the classical tortilla eaters. There are two types of corn tortillas on the market. Nixtamal is made from cooked corn and mainly eaten fresh. The second type is made from a dry flour mix and is called Maseca.

The favorite tortillas for Anglo-Americans are made from wheat. Their main markets are the southern states of the U.S. Other than in the West, where tortillas are commonly bought fresh at the supermarket or at a bakery outlet, consumers in the East-Coast-States are looking for tortillas with a prolonged shelf life that can be found in the sections for refrigerated dairy products at the supermarkets.

From the late 90's, several large chains have attempted to introduce tortillas as a fresh store door delivered program, notably Wal-Mart Super centers, Publix and Stop & Shop. However, most of these programs have failed due to the logistical problems from manufacturers and distributors and a lack of substantial volume coupled with consumer store location preference.

Top Tortilla Brands


Brand name	Dollar sales (in millions)
Guerrero	150,010,300
Old El Paso	122,217,000
Private Label	79,642,530
Tia Rosa	38,381,080
La Tortilla Factory	33,799,900
Taco Bell Home Originals	27,449,760
Ortega	27,080,030
La Banderita	25,456,920
Mission	22,571,060
Dianes	21,699,640

Source: Corporate profiles & industry statistics, Milling & Baking News/Baking & Snack Corporate Profiles, December 2004, p. 100
 Data obtained from Information Resources Inc. for the 52 weeks ending September 5, 2004
 *from Supermarkets, Drug Stores and Mass Merchandisers excluding Wal-Mart

Category	Dollar Volume (in millions)	Volume (in millions)
Hard/Soft Tortillas	822.1	485.8
Refrigerated Tortillas	214.7	177.6
Frozen Tortillas	439.7	175.3
Tortilla/Tostada Chips	634.3	833.7

Source: Snack Food & Wholesale Bakery, April 2004, p. TT8
 Data obtained from Information Resources Inc. for the 52 weeks ending Feb. 22, 2004
 *from Supermarkets, Drug Stores and Mass Merchandisers excluding Wal-Mart

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