



Europe still needs imports from the U.S.

THERE IS HARDLY ANYONE AS FAMILIAR WITH THE TORTILLA MARKET THAN **TIM HULSEY**, INTERNATIONAL SALES MANAGER OF LAWRENCE EQUIPMENT, EL MONTE, CALIFORNIA. HIS COMPANY PROVIDES THE RESPECTIVE PRODUCTION PLANTS AND TECHNICAL KNOW-HOW WORLDWIDE. HILDEGARD M. KEIL, EDITOR-IN-CHIEF OF BAKING + BISCUIT INTERNATIONAL, TALKED TO HIM ABOUT DEVELOPMENTS ON THE EUROPEAN MARKET.

+ bbi: Mr. Hulsey, the tortilla market is growing in Europe, but nobody knows the exact figures. Since you are one of the most important suppliers of tortilla lines, you may have more information. What do you estimate the production capacities in Europe to be today?

+ Hulsey: Speaking of wheat flour tortillas, there are currently over 40 lines operating in Europe at present. There are lines of various sizes and production rates vary depending on the size of the product that is being made. We can use an average of 10,000 pieces per hour, per line. Most operators run 2 shifts, some run 24/7, stopping only for routine maintenance. This seems like a huge number, but supply does not come close to meeting demand. Believe it or not, tortillas are still being imported from the U.S.

+ bbi: So, you are still expecting more growth?

+ Hulsey: Many cultures have a type of flat bread similar to a Mexican tortilla. There is the Indian Chapatti, (also called Roti in Pakistan and other countries) Italian Piadina, Turkish Durum, and the trend that started several years ago of making a non-ethnic product which can be used with any type of filling, namely wraps. All of these products can be made on our tortilla machines. As people's lives get busier, they tend to eat more meals on the go and need something that is portable and can be eaten with one hand. The wrap is perfect for this and can be filled with almost anything. So yes, I see very healthy growth in these products for years to come.

+ bbi: What are the biggest markets in Europe?

+ Hulsey: These products are popular in all Western European countries; Eastern Europe is still developing but coming along very quickly. Different versions are more popular in specific areas. Mexican food is most popular in Scandinavia; in the U.K., it is Chapatti and Wraps, Germany, Netherlands, Belgium or any area that has a large Turkish population, it is the Durum; Piadina is only found in Italy. Wraps are pretty much universal now with McDonalds and KFC having them on their menus.

+ bbi: Is Europe a market for wheat tortillas as well as for corn tortillas or are corn tortillas only a snack product in the form of fried tortilla chips?

+ Hulsey: Unlike the wheat flat bread that is found in many cultures, the corn version is only popular in Mexico, as far as I know. The Indians were making corn tortillas thousands of years before the Europeans introduced them to wheat. Corn still outsells wheat in Mexico by 10 to 1. There is a market for corn tortillas in Europe but it is mostly used in Mexican restaurants; it is probably only 2 or 3 percent of the market. Pre-fried corn taco shells also have 2-3 percent of the market; these are mainly sold retail and usually part of a make-at-home meal kit. Tortilla chips are different, and we count them as part of the snack food market, although we also make equipment for tortilla and corn chips.

+ bbi: What are the similarities between the American and the European tortilla markets and what are the differences?

+ Hulsey: The similarities are that they have been (for 20 yrs in the U.S. and 10 yrs in Europe) growing and are continuing to do so at a fast rate. The marketing of wraps has made them no longer only an ethnic food in both markets. The differences are that in Europe it is 95% wheat, whereas in the U.S. it is closer to 50/50 corn/wheat, in number of pieces produced. In the U.S., probably 80% are used for Mexican food or Mexican style food (i.e. Taco bell), the rest is wraps. In Europe, durums/wraps are probably tied in "most used for" category, then Chapatti, Mexican and Piadina.

+ bbi: Up until now tortillas in Europe have mostly been sold via supermarkets. How large is the market share of tortilla restaurant chains such as Taco Bell etc. in the US?

+ Hulsey: Foodservice vs. Retail. It is very hard to measure in the U.S. because so many products are sold via outlets that are not tracked. I think it is about 60% foodservice and 40% Retail. In Europe, I think the numbers are about the same.

+ bbi: Are these fast food chains selling tortillas necessary for further market development?

+ Hulsey: In order to expand or go into a new market it certainly is a key aspect to introduce and educate the public as to what the product is, how it is used, how it is presented, and what it tastes like. Most people will not purchase a new product to prepare at home, and go through the trouble of

learning how to prepare it properly, unless it is something they know they like. Restaurants, and even more so fast food outlets, are ways of getting people to try something new as there is no work involved and minimal cost.

+ bbi: What is the secret of making good tortillas, wheat as well as corn?

+ Hulsey: Almost all industrial food production depends on several factors; you have to have good equipment, quality ingredients, the ability to control processing parameters, the discipline to do so, good record keeping, and people that are skilled in the process with the will to do it correctly, and product knowledge so that adjustments can be made when something changes, as it ALWAYS will. I wish I could say it was only equipment.

+ bbi: Lawrence Equipment is the most important supplier of tortilla equipment worldwide. What capacity do modern industrial lines have per hour? What is the maximum, what is the average?

+ Hulsey: Wheat flour line production rates depend on the size of product, because each line has one size of pressing plate and the number of dough balls pressed each time decreases as you increase the diameter of the product. Let's take the most popular size in Europe: 26 cm (10 in). Production rates can vary from 4,800 to 23,000 pieces per hour, with the average being about 11,500 pph. If you look at smaller sizes, a

15 cm (6 in) for example, the average will be around 28,000 pieces per hour, depending on the type of packaging; this can be done with 4-5 people. 90% of corn tortillas are 6 inches in diameter, production rates range from 6,000 pph to 36,000 pph with the average being around 24,000 pph.

+ bbi: With your equipment, it is also possible to produce products such as Chapatti and Roti, typical bread specialties of India and the East. Can you explain the differences between these types of bread?

+ Hulsey: Yes, we can produce Tortilla, Roti, Chapatti, Durum, Piadina and Wraps on our machines. Some of the yeast raised flat bread doughs are not possible as the space between our cooking decks might not be big enough to accommodate a tall puffed product; there is space for some puffing, it all depends on how much.

+ bbi: Do you think this kind of bread has the potential to go worldwide as tortillas and pizzas have done?

+ Hulsey: I think when it is linked to an ethnic cuisine; its worldwide potential is somewhat limited. Now that it is being marketed as a wrap, it is non-ethnic, and you can put anything inside of it, especially paying attention to local tastes and traditions so the potential acceptance is much greater. Pizza, even though it is Italian in origin, is now just a type of food, and is served in many non-Italian restaurants, non-Italian pizza chains, fast food and catering outlets. ▶

Move it with Forbo.

Strictly off limits to bacteria! Forbo Siegling conveyor and processing belts make your HACCP concept safer than ever before.

Dirt and bacteria hardly have a chance. Our HACCP conveyor and processing belts are specialised in the careful and hygienic conveying of foods. And they don't need biocide additives to do it. They are resistant to commonly used disinfectants, greases, fats and oils. They carry food in production, processing or packaging without transferring any odours or tastes. Simply the better solution: Siegling Transilon conveyor and processing belts and Siegling Prolink modular belts. **As hygienic as they are safe.**



Forbo Siegling GmbH
Lilienthalstrasse 6/8 · 30179 Hannover · Germany
Telephone +49 5 11 67 04-0 · Telefax +49 5 11 67 04-305
siegling@forbo.com · www.forbo-siegling.com

Siegling – total belting solutions

Forbo

MOVEMENT SYSTEMS

++ Lawrence equipment legend line 42



+ bbi: Lawrence equipment is represented worldwide. What are your biggest markets and what are the growing markets for tortilla equipment?

+ Hulsey: Our biggest market, by far, is the U.S. The dollar value, according to the industry spokes organization (TIA) Tortilla Industry Organization (www.tortilla-info.com), is between 5.5 to 6.0 billion dollars in the U.S. per year. Europe is second largest. Everywhere else is a distant 3rd, although we have sold lines all over the world, Turkey, India, and China are the up and coming markets.

+ bbi: Are these markets mostly equipped with tortilla lines or do pizza-lines also play a part as these are also in your portfolio?

+ Hulsey: Although we do make pizza lines, it is for a specialty type of pizza. 95% of what we do is tortilla. A company making both would have a dedicated line for making each; they would not usually buy one line to make tortilla and pizza.

+ bbi: What are you expecting for the markets in the US as well as in Western and Eastern Europe in the next ten years?

+ Hulsey: Ten years is a long time to project forward. I generally look towards 3-4 years. In the U.S., I don't see a slow down in Mexican immigration, so you have a half million new people each year that eat tortillas as their main bread. Americans favorite ethnic food in most areas is Mexican, and I read recently in a restaurant magazine that 70% of ALL restaurants in the U.S. have at least one item that includes a tortilla. So I don't see any slowing of growth in the U.S.

In Europe, it has been explosive growth over the last 10 years

but a lot of the production is for native products (Turkish Durum, Chapatti, Piadina). The production of our machines is replacing small traditional machines because ours are faster and much more labor efficient. Wraps are a recent phenomenon, but even here I don't think it is a fad because it is replacing something (bread), because it is more convenient. So I expect the European market to continue growing at a rate faster than traditional bread.

+ bbi: How important are the markets in South America for tortilla production and tortilla lines? Is there competition between tortillas and other kinds of bread or snacking?

+ Hulsey: Tortillas in South America are as foreign as Chinese food. Tortillas are a Mexican food. In Central America, some tortillas are eaten but they are quite a bit thicker and are used more as bread. Most people know if you go to Spain and order a tortilla you get an egg omelet. A tortilla is Mexican.

+ bbi: Wheat as well as corn is used to produce biofuel. Do you see problems with having enough wheat or corn for producing tortillas without harming the market through increasing prices?

+ Hulsey: This has already happened; the worldwide price of wheat has increased sharply in the last year. Corn saw a doubling of price a year ago partly because of the bio-fuel demand. We will have to wait and see if the world's farmers can step up production to keep up with demand. The corn bio-fuel issue in the U.S. is mostly a political issue and could change if politicians decide to do what is right.

+ bbi: Mr. Hulsey, thank you for the interview. +++