

Pavilion Organizer - MEXICO(ASERCA SAGARPA)

AN INTERVIEW WITH MR. HECTOR CORTES GOMEZ-RUEDA, MINISTER, MEXICO'S COMMISSION OF THE MINISTRY OF AGRICULTURE, LIVESTOCK, RURAL DEVELOPMENT, FISHERIES AND FOOD, EMBASSY OF MEXICO

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Hector Cortes Gomez-Rueda



Q: Please give us a brief introduction of yourself and your Ministry's mission here in Japan.

My name is Hector Cortes Gomez-Rueda and I am the representative of the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food of Mexico (SAGARPA). We have 6 offices around the world with the main objective of increasing market access to Mexican agricultural products. I have been posted to Japan, but cover the Asian Pacific region as well. One of my main responsibilities is to represent the Mexican government before the different Japanese authorities involved in agricultural products and food safety in Japan, such as the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Health, Labor and Welfare. My office is also in charge of promoting Mexican products in Japan and Asian countries.

Q: What are the major products that you have been exporting to Japan?

Our top agricultural export product to Japan is pork meat, which represents about 31% of all of our agricultural exports. Second is avocado, accounting for around 18% of our exports. Third is beef (bovine meat) which accounts for about 12%. These three items account for more than 60% of all of our exported products to Japan. Some other important products are Kabocha (squash), asparagus, melons, mangoes, limes, tequila and seafood products, mainly tuna and abalone.



Q: Speaking of Mexico, the first product that comes into mind is tequila. Where does tequila stand in terms of exports to Japan?

Tequila exports are increasing steadily all over the world. Whilst the US is our most important market, exports are starting to move to different regions, Asia being a region where we see more potential. One key element of the success Tequila has abroad is the fact that you do not only drink it by "shot", which is the most common way people outside of Mexico drink it, but now that the mixology is becoming very popular, tequila is one of the favorite drinks to play with. Also young people are changing the trends regarding trying new

products and this is also a driving force for Tequila. In Japan you have Sake as your traditional drink, however, as I mentioned people are willing to try new products in their daily social lives. To help this trend, the Mexican Government and the Tequila industry are carrying out different promotional activities which include Tequila tastings and Seminars, to increase people's knowledge about Tequila.

Q: Are there any other products you are thinking of expanding exports?

Exports have been increasing drastically ever since we have signed the EPA with Japan. With the EPA, many Mexican products were able to enter the Japanese market without paying tariffs or being subject to quotas. Others are allowed under certain quotas which are revised periodically. Since 2005, our exports of agricultural products have increased by more than 50%. Besides the products that are exported today to Japan, there are some other products that we are interested in exporting, but that first have to comply with the Japanese Government requirements. One of these products is Chile Bell (Mini Bell Peppers) which is in the revision process by MAFF. We are also interested in exporting grapes, eggplants and other fruits and vegetables. There are other products that are currently allowed into the Japanese market but only from certain Mexican States. This is the case of pork meat which can be exported from six states but our aim is to be able to export it from the whole country. This requires that MAFF recognizes Mexico as free of Classical Swine Fever and presently it is reviewing all the technical information that we have provided. The same applies to Mangos which can be exported from any Mexican State, except from Chiapas, due to a concern regarding fruit fly (Med fly). We are also providing all the information that we have been required for the analysis by the Ministry of Agriculture, Forestry and Fisheries of Japan with which we work very closely. While we are confident that in the near future we will increase our list of products exported to your country, we understand that the authorization process takes time.

Q: I have an impression that the number of Mexican restaurants is growing. In the case of Italian restaurants, it is said that there are about 4,000 Italian restaurants in Japan, and around 70% of the imported products from Italy are primarily consumed at Italian restaurants. When the customers like what they eat there, they would go to the supermarket to purchase it. Do you see similar cases happening in Mexican restaurants?

We have to increase our promotion strategies. We have worked in the past directly with

supermarkets, like Ito-Yokado, with good results, however we should focus more on the food service sector, which is huge in Japan. The best way to promote a food product is by letting people taste it and teach them easy ways to prepare it. In the past, we had a program called "A Taste of Mexico" where we worked with restaurants and hotels during a week in September when we celebrate our Independence Day. That week, we had a Mexican Chef who prepared Mexican food using Mexican products. This type of strategy is an opportunity to introduce products that are not well known in the market and to strengthen the position of products that are already in the Japanese market. We definitely need to work more with the food service sector in Japan.

Q: Japan is now facing a demographic crisis where people over the age of 65 are increasing drastically. There is a trend where the food market is adjusting to the aging population, introducing new products that meet the new demand. How do you see this new trend?

We see that the food trends are changing mainly because young consumers are more willing to try new things. This fact has helped us position ourselves all over the world. Avocados, for example, are not consumed as much as we do in Mexico. Back home, we would cut an avocado and put it on a tortilla with some salt, or use it in salads, seafood cocktails, etc. We do not just eat it in guacamole. Avocado goes well with many things. In Japan, some people put it inside Sushi. It does not mean that you have to try avocado the same way we do. The important thing is that people can adapt a product to their own way of eating, to their gastronomy. We are looking for ways to adapt our products to the Japanese market.



Q: What are your market strategies?

One of our main strategies is to let the consumers taste the products and to show them how to eat them in simple and different ways. If you do not have any basic knowledge about a product, you will probably not try it. Avocados are a good example of a product where a lot of money is invested by the industry and the Mexican government to educate consumers around the world about the different ways to eat it. Mixing tuna with avocado is one way, and having a small recipe card or letting the consumers know when an avocado is ripe helps greatly. Consumers have to know when to eat the avocados because a green avocado is tasteless, but a ripe one is delicious. We are indeed using these kinds of education strategies on consumers.

Q: What are some of the promotional marketing activities you are engaged in?

In addition to the government work and collaboration with food safety institutions in Japan, such as the Ministry of Agriculture, Forestry and Fisheries, we conduct promotional activities that are very important for us. As we make sure to comply with all the technical issues through the establishment of food safety protocols, we promote our products as much as possible, through different means. One is the tradeshow. The advantage of a trade show is

that you are bringing Mexican companies that are representative of the different sectors of our country, for example the produce industry, the meat sector, etc. and give them the opportunity to have direct contact with buyers, importers, supermarkets and consumers. The exposure they have to the key players in the food industry is a great tool that has shown success among Mexican companies.

Another important tool are Trade Missions. We take Japanese buyers, importers and people interested in our agricultural products to Mexico, so they can see first hand the way they are produced, how they are packed, and the food safety measures taken by Mexican producers to ensure safe and quality products. We can do this because we know the suppliers, and by knowing the interested Japanese companies, we can organize tailor-made agendas to match their specific needs. This also works the other way around. We could bring Mexican companies in order to see the market and the opportunities in Japan. Two months ago, we brought 12 Mexican entrepreneurs who are interested in selling organic products in Japan. They came to learn about the certifications, the requirements for labeling and packing, they visited a tradeshow, and they also had the chance to visit a supermarket so that they could see their competitors. They were able to see how they have to present the products to the consumers.

Another tool is the promotion campaigns that we, as a Government, run together with the Mexican industry. Avocado is a good example. It is one of the top products that we have promoted in the past and in the last two years, avocado exports to Japan have doubled.

Q: What are the barriers or challenges that Mexico faces when entering the Japanese market?

I could not say that there are important barriers, challenges or specific issues since the relation between our two countries and their respective authorities is very good. There are sanitary requirements that we need to comply with Japan and that Japan has to comply with Mexico.

Normally, when we talk about new products entering a market, the process takes time, sometimes years; but as long as they are based on science, they are eventually solved. Communication between SAGARPA and MAFF is very effective. We work closely together so I do not see any difficulties. Japan is Mexico's fourth largest trading partner and our second largest export market for agricultural products. Japan is one of the most stringent markets in terms of food quality and safety and it is a referent worldwide. If Japan is our second most

important market, that means we are doing things right in Mexico. Trade is flowing and I really hope this continues. We will continue producing the highest food safety and quality assuring Japanese consumers that they can rely on our products.

Q: Are you satisfied with the results of participating in Foodex?

Yes, I am. It is our most important tradeshow in terms of participation with more than 70 companies exhibiting. It is a good promotional tool for Mexico. The Mexican companies are not only happy to export their products to Japan, but also to deal with Japanese buyers. That is the force that enables Mexican companies to keep moving forward and continue to participate. At the end of Foodex, we give an evaluation form for the participants to fill out. They tell us if they are satisfied, if they had good contacts, and if there is anything else we can do for them. Normally, we see good results and therefore we continue to participate in the show.

Q: What are your goals in Japan?

Our goal is to have a wider variety of Mexican products in supermarkets, convenience stores, restaurants and homes; this is what we have been working for. We also want to be a more important supplier of food products into the Japanese market. The Mexican government and the Mexican food industry are committed to provide safe and high quality products. We have seen good results as we are increasing our export volumes. Japan is a key market for Mexico, so we are definitely going to keep working hard to be able to have more Mexican products here.