

WELCOME EVENT & INDUSTRY OVERVIEW



Jim Kabbani
TIA Executive Director

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Agenda

- Event Overview & Details
- Tortilla Market Overview & Statistics
 - What Are Tortillas
 - The Tortilla Market
 - How & Why It Is Growing
 - Analysis By Segment
- Other Trends That Will Impact You

Event Overview

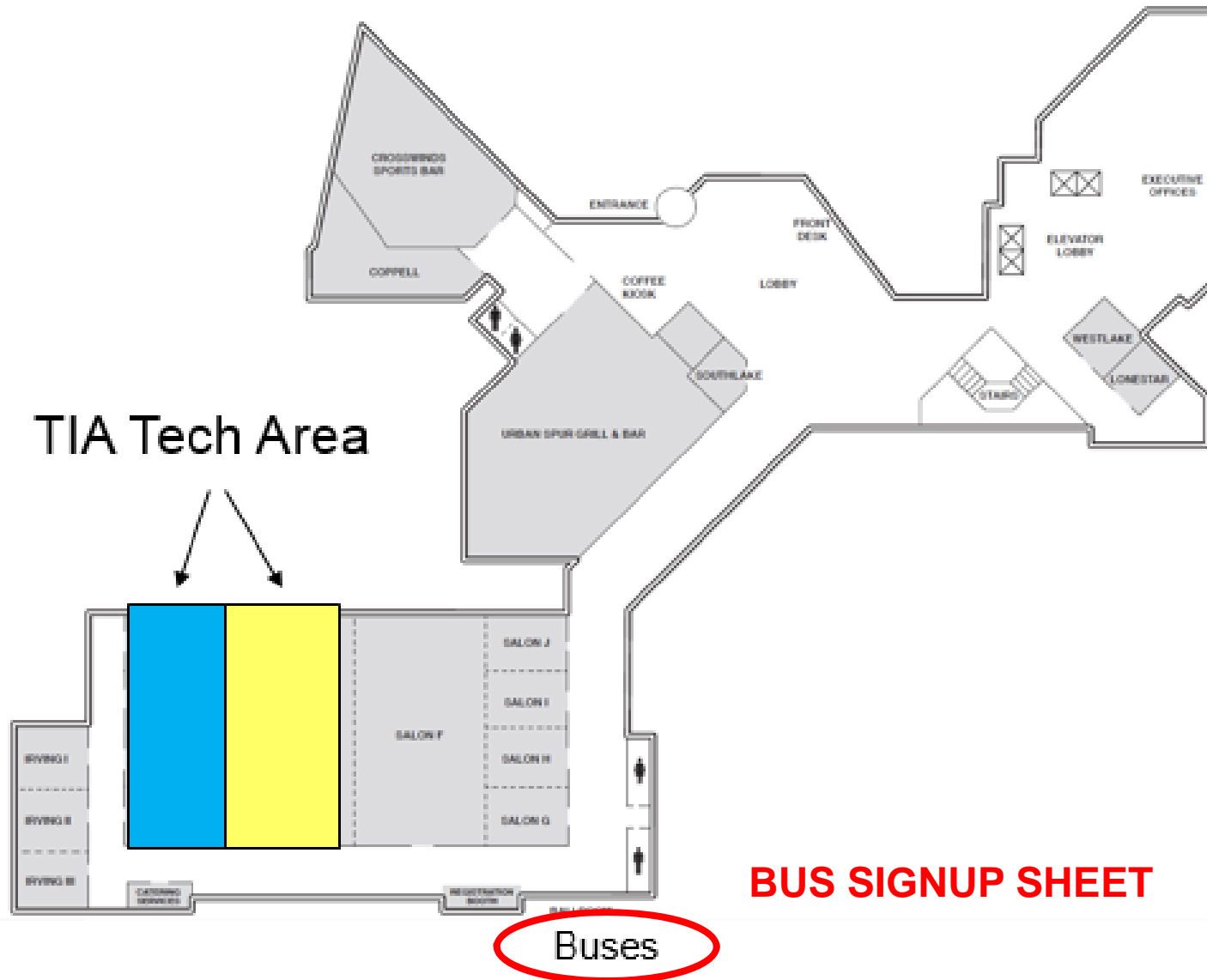
TIA Tech 2014 - AGENDA



DAY ONE - Thursday October 9th

7:30 AM	Registration Opens - Badge Pickup							
	SESSIONS & SPEAKERS							
8:30 - 9:00	1	Event Intro & Tortilla Market Stats, SRS Certification Trends - Jim Kabbani						
9:00 - 9:50	2	<table border="1"> <tr> <td>Dealing With Obamacare - Derek Moore, Leavitt Group</td> <td>Manufacturing Process Automation - Charles Nowak, Coperion K-Tron</td> </tr> <tr> <td>Commodities Update & Forecast Doering, Horizon Milling</td> <td>Equipment Maintenance Best Practices - Ed Huxel, AIB</td> </tr> <tr> <td>Effective QC Implementation Keith Lee, Cloverleaf</td> <td>Everything To Know About Oven Belts - Bill Grutter, Ashworth Brothers</td> </tr> </table>	Dealing With Obamacare - Derek Moore, Leavitt Group	Manufacturing Process Automation - Charles Nowak, Coperion K-Tron	Commodities Update & Forecast Doering, Horizon Milling	Equipment Maintenance Best Practices - Ed Huxel, AIB	Effective QC Implementation Keith Lee, Cloverleaf	Everything To Know About Oven Belts - Bill Grutter, Ashworth Brothers
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Effective QC Implementation Keith Lee, Cloverleaf	Everything To Know About Oven Belts - Bill Grutter, Ashworth Brothers							
12:00 - 12:50	5	LUNCH Session - Kelly Andrews from Brinker (headliner)						
1:00 - 1:50	6	<table border="1"> <tr> <td>Hiring, Immigration & HR Best Practices - Ivan Rivera, Spectra Personnel Services</td> <td>Metal Detection Techniques - Fred Sites, Heat & Control</td> </tr> <tr> <td>Plant & Equipment Safety - Hellings, Tyson Mexican Original</td> <td>Preservatives Options & Shelf Life - Steve Bright, AB Mauri</td> </tr> </table>	Hiring, Immigration & HR Best Practices - Ivan Rivera, Spectra Personnel Services	Metal Detection Techniques - Fred Sites, Heat & Control	Plant & Equipment Safety - Hellings, Tyson Mexican Original	Preservatives Options & Shelf Life - Steve Bright, AB Mauri		
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2:00 - 2:50	7							
3:00 - 3:50	8	<table border="1"> <tr> <td>Troubleshooting Tortilla Problems - Sonny Bejosano, Allied Blending</td> <td>Gluten Free & High Fiber Formulations- Sarah Wood, Penford Food Systems</td> </tr> </table>	Troubleshooting Tortilla Problems - Sonny Bejosano, Allied Blending	Gluten Free & High Fiber Formulations- Sarah Wood, Penford Food Systems				
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4:00 - 4:50	9	Certification Types & How to Prepare - Lori Ernst, FSNS						
5:00 - 5:30	10	Preview of Next Day + Understanding Milling Process - Randy Marten, Miller Milling						
5:30-7:30	11	Table Top Reception						

Marriott DFW Airport Floorplan Overview 8440 Freeport Parkway, Irving TX 75063



DAY TWO - Friday October 10th

8:30-9:15	Drive to Location #1 - Miller Milling	45 Minutes / 27 Miles
9:30 AM	Factory Tour 1	Total Time = allow 90 Minutes for tours
	Groups A, B, C	
11:00 - 11:45	Drive to Location #2 - La Mexicana	45 Minutes / 40 Miles
12:00 - 1:00	LUNCH - Individually ordered, TIA gets bill	Allow 2 hours total for tours plus lunch
12:00 PM	Factory Tour 2	
	Groups A, B, C	
2:00-2:30	Drive to Factory #3 - RUDY's	30 Minutes / 25 Miles
2:45 PM	Factory Tour 3	Allow aprox 1 Hour total for tours & award
	Groups A, B, C	
3:45-4:00PM	Drive Back to Hotel DFW Marriott	



**** MUST SIGNUP FOR BUS ****

Tortillas – What & Why

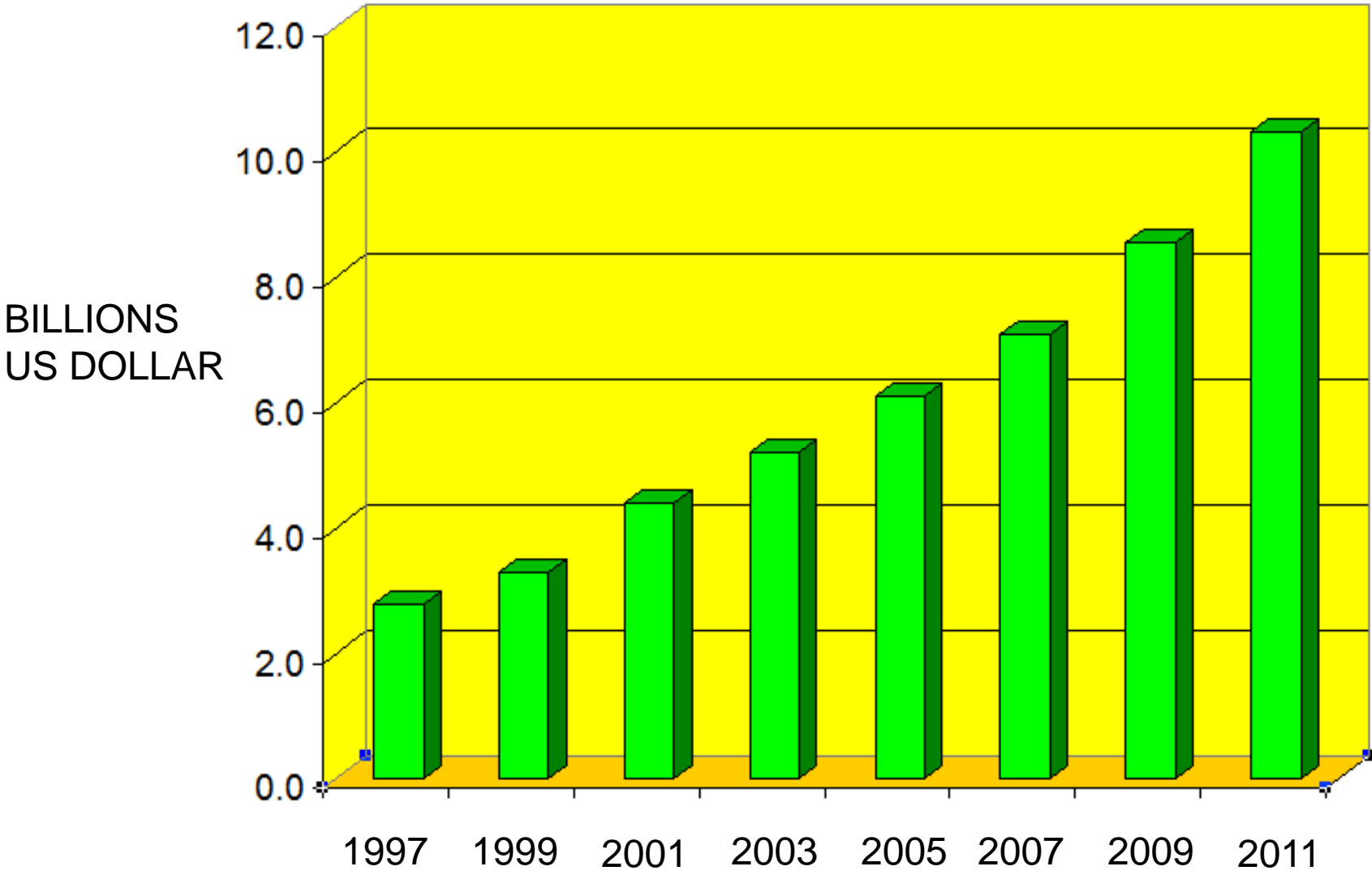
- For Consumers:
 - Tortillas Are a Food Delivery Vehicle
- For Corporations:
 - Tortillas Are a Results Delivery Vehicle

Effective Participation In The Tortilla Industry
Is A Revenue-Building Strategy For Producers
And Suppliers In The Baking Industry

Market Size & Growth

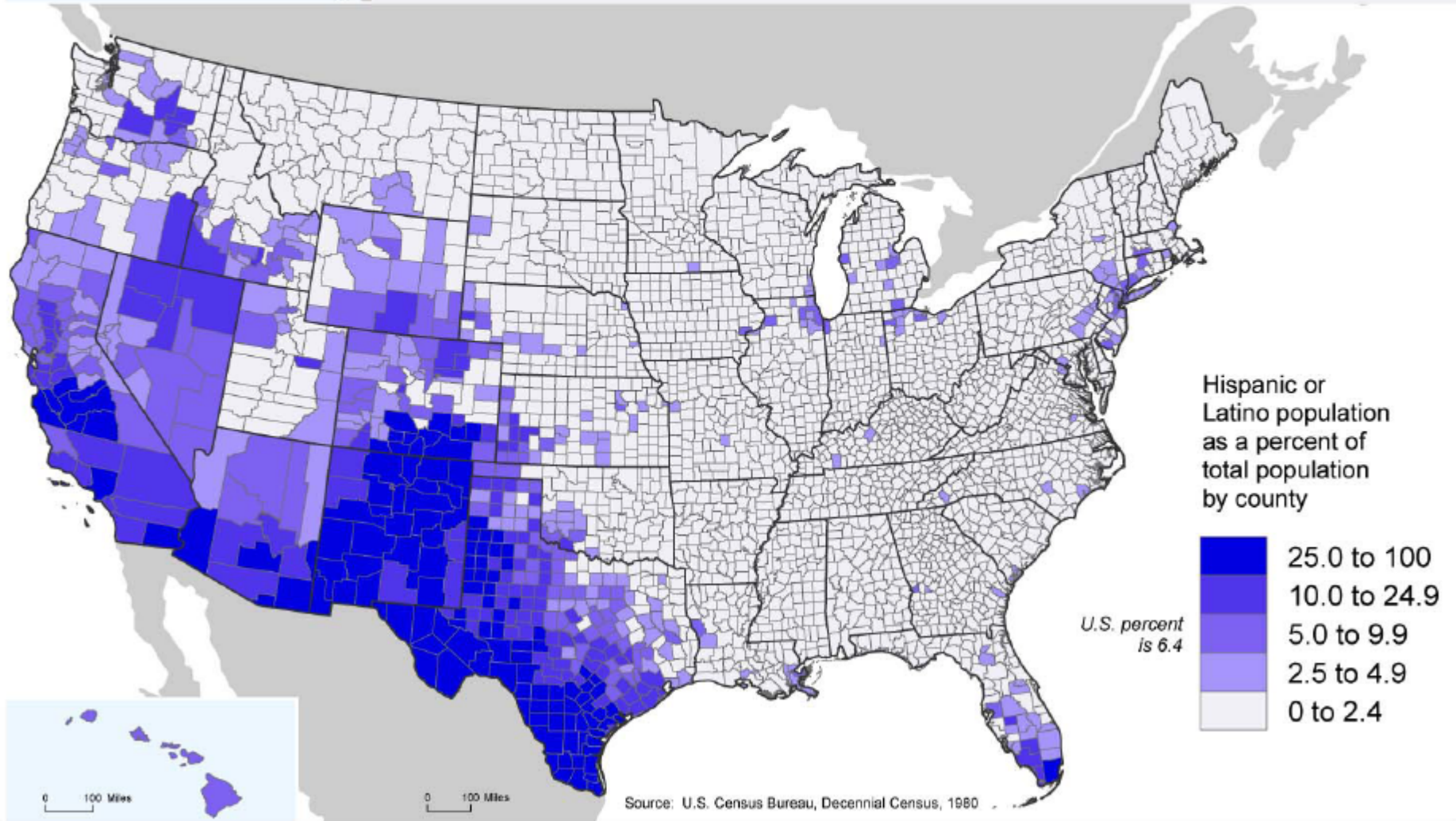
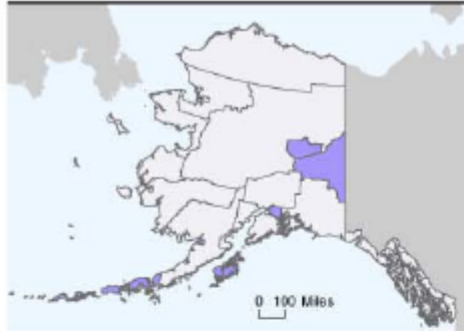
- CAGR of 9+% Since 1996
- Fueled By:
 - Demographics
 - Dietary Diversification among **All** Ethnic Groups
 - Economics
- US Sales in 2014 Projected at \$12 Billion
 - Salsa Outsold Ketchup in 2008
 - Tortillas Outsold White Sandwich Bread in 2010

Total Market Size



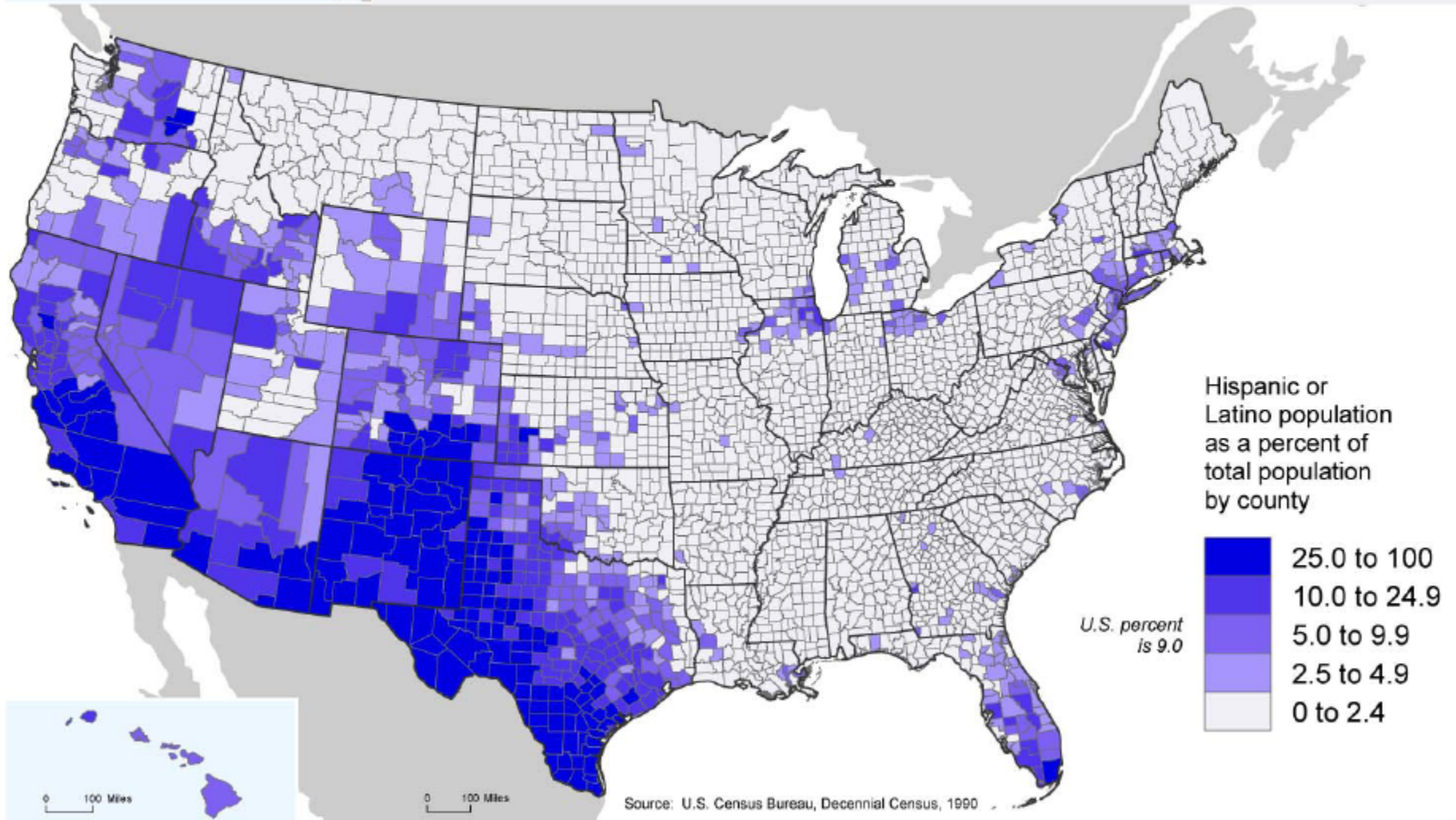
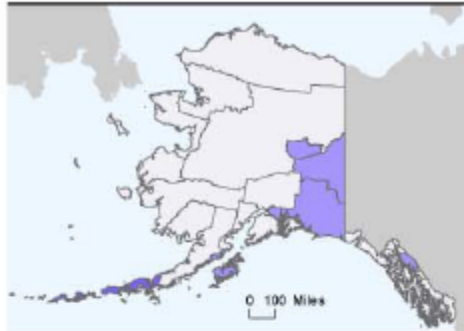
Demographic Drivers

Percent of Population 1980 Hispanic or Latino

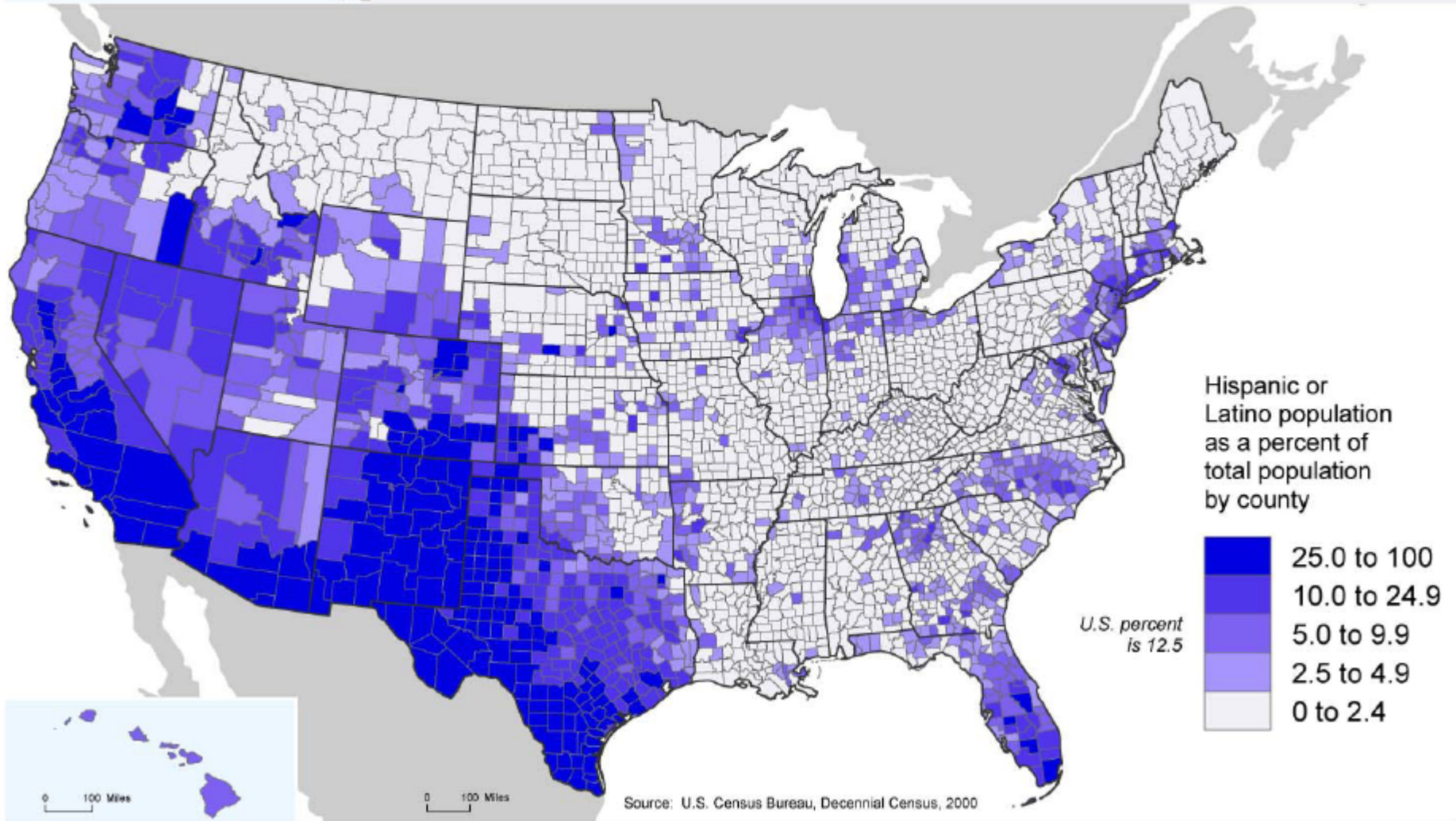
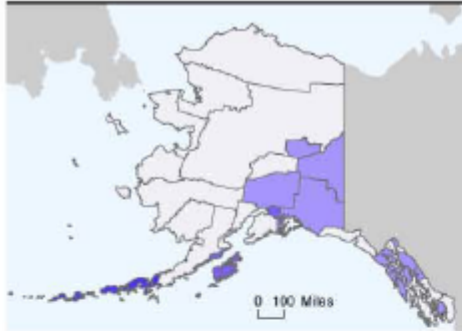


Source: U.S. Census Bureau, Decennial Census, 1980

Percent of Population 1990 Hispanic or Latino

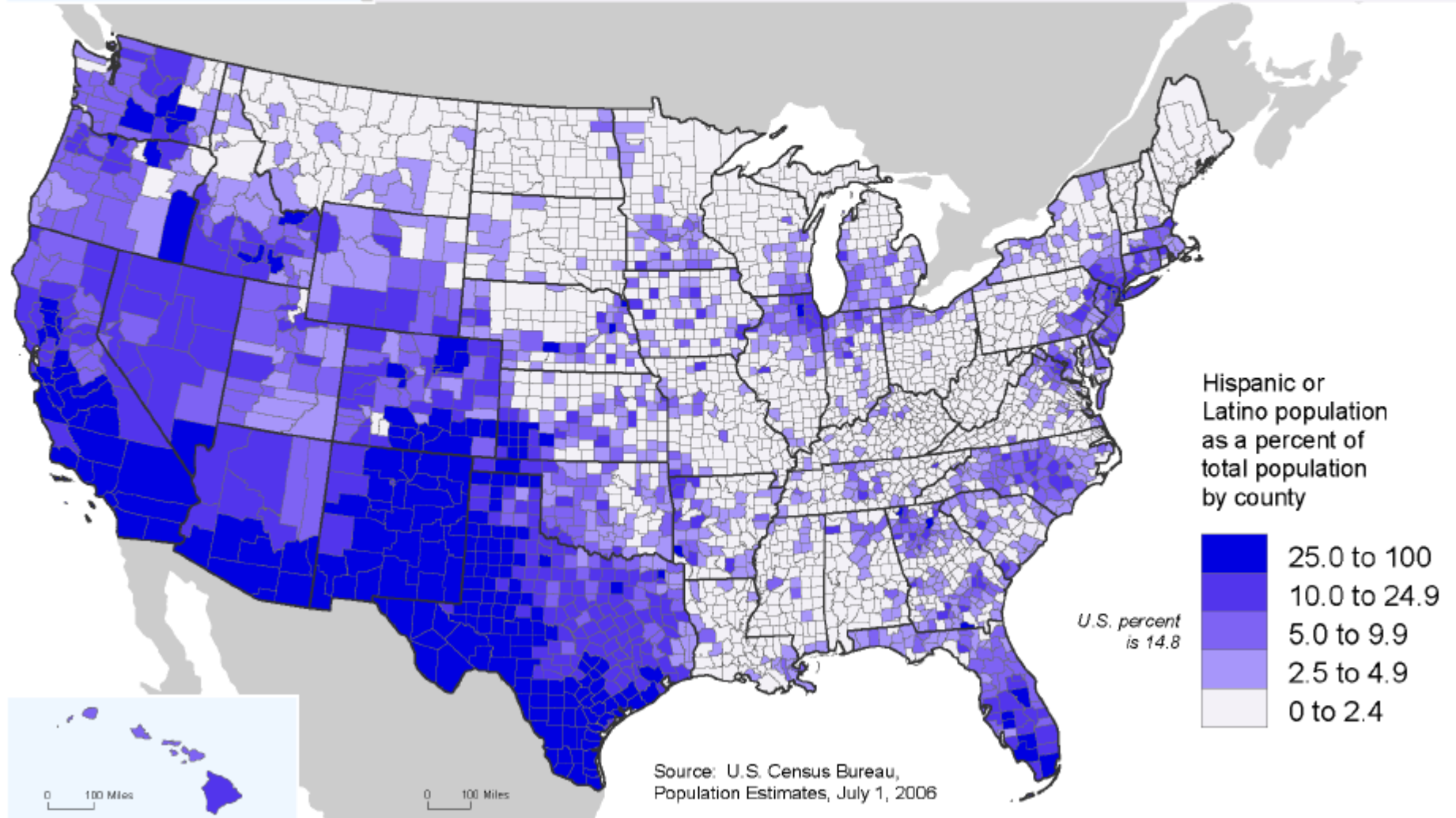
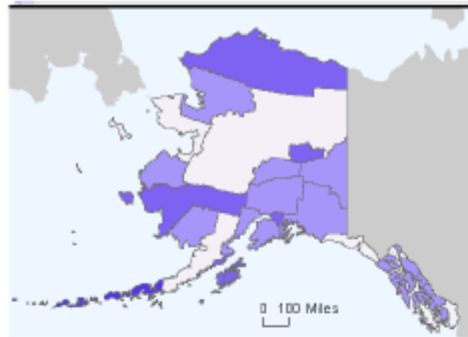


Percent of Population 2000 Hispanic or Latino



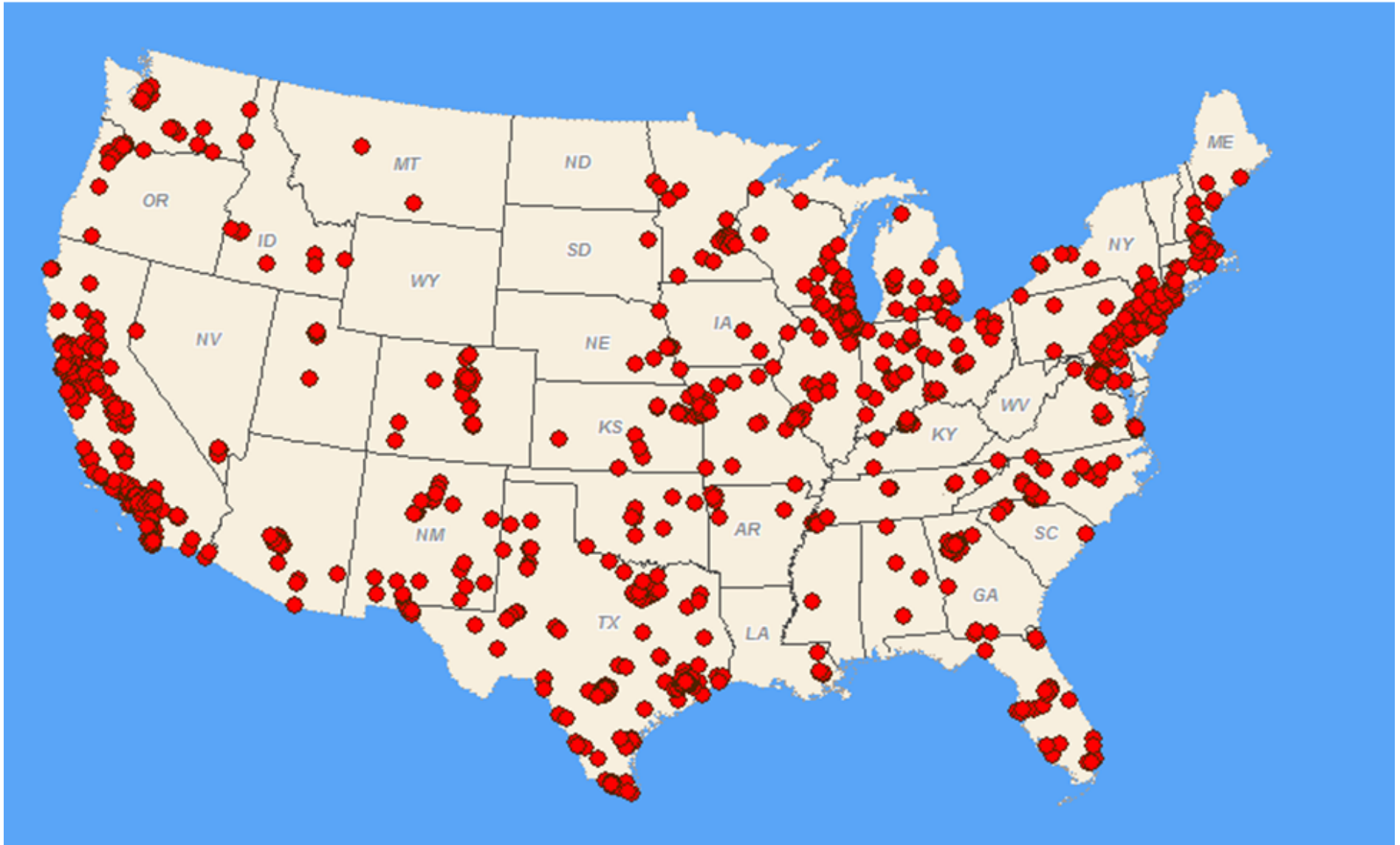
Source: U.S. Census Bureau, Decennial Census, 2000

Percent of Population 2006 Hispanic or Latino





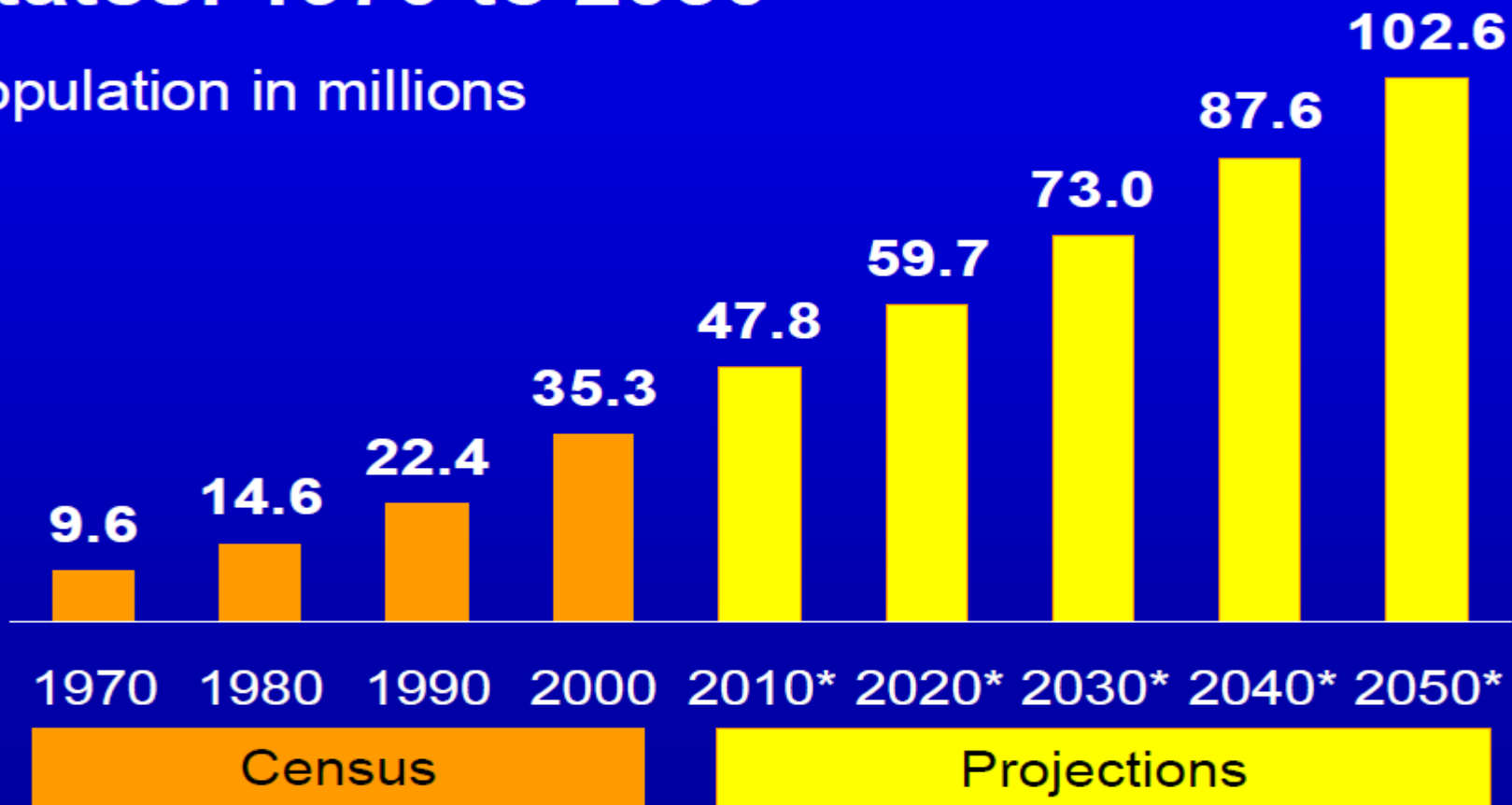
Companies Active in TIA



THE DEMOGRAPHIC DRIVER of U.S. TORTILLA SALES

Hispanic Population in the United States: 1970 to 2050

Population in millions



*Projected Population as of July 1

3

U S C E N S U S B U R E A U

Source: U.S. Census Bureau, 1970, 1980, 1990, and 2000 Decennial Censuses; Population Projections, July 1, 2010 to July 1, 2050

Other Baked Goods

Bread category sales continue to slip

Category	Dollar sales (\$ mil)	Dollar sales, % change vs. year ago	Unit sales (mil)	Unit sales, % change vs. year ago
Fresh bread and rolls	13,084.40	(0.64)	5,811.82	(1.45)
All other fresh rolls/ bun/croissants	1,714.85	0.29	649.68	(1.65)
Bagels/bialys	822.08	(0.01)	274.73	0.23
Hamburger and hot dog buns	1,867.24	(0.31)	1,079.58	(1.45)
Fresh bread	8,680.21	(0.95)	3,807.81	(1.53)

IRI InfoScan Reviews

Total US - FDMx (food, drug, mass, excluding Wal-Mart)

52 weeks ending June 16, 2013

Why?

Society & The Food Market



Non-Demographic Drivers:

- Tremendous Growth of Tortilla Consumption Among Non-Hispanic Buyers
- Healthier Eating Alternatives To Bread
- Greater Variety Available
- More Options
 - Kosher
 - Organic
 - Gluten Free
 - Etc

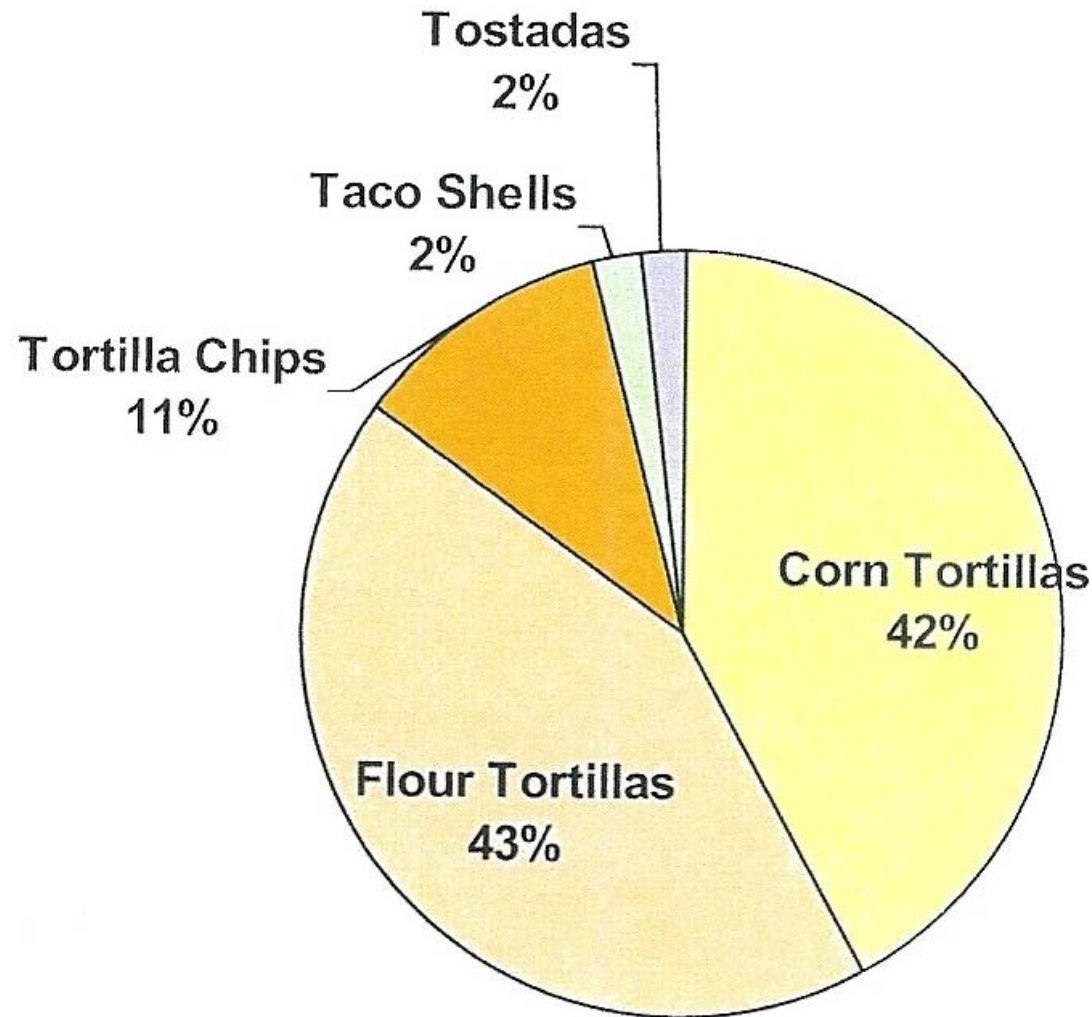
TRACKING METHODS

- US Dept Of Commerce Assigned NAICS Code 311830 to Tortilla Manufacturing
- Several Major Players Are Conglomerates Therefore Under Other Codes
- Majority Of Tortilla Sales Not Seen By IRI
 - Less Than One Third Of Tortillas Are Sold Through Chain Retailers
 - Conversely, Relatively Large Portion Of Tortillas Are Part Of Other Product (Burritos, Wraps) So Not Even Recorded As Tortilla Sales
- Traditional Preference For Fresh-Onsite Tortillas Makes Tortillas Manufactured In Restaurants And Neighborhood Markets Virtually Untrackable

In Dollars – By Type

By Product Type			
	Tostadas	2%	\$ 240,000,000
	Taco Shells	2%	\$ 240,000,000
	Tortilla Chips	11%	\$ 1,320,000,000
	Flour Tortillas	43%	\$ 5,160,000,000
	Corn Tortillas	42%	\$ 5,040,000,000
		100%	

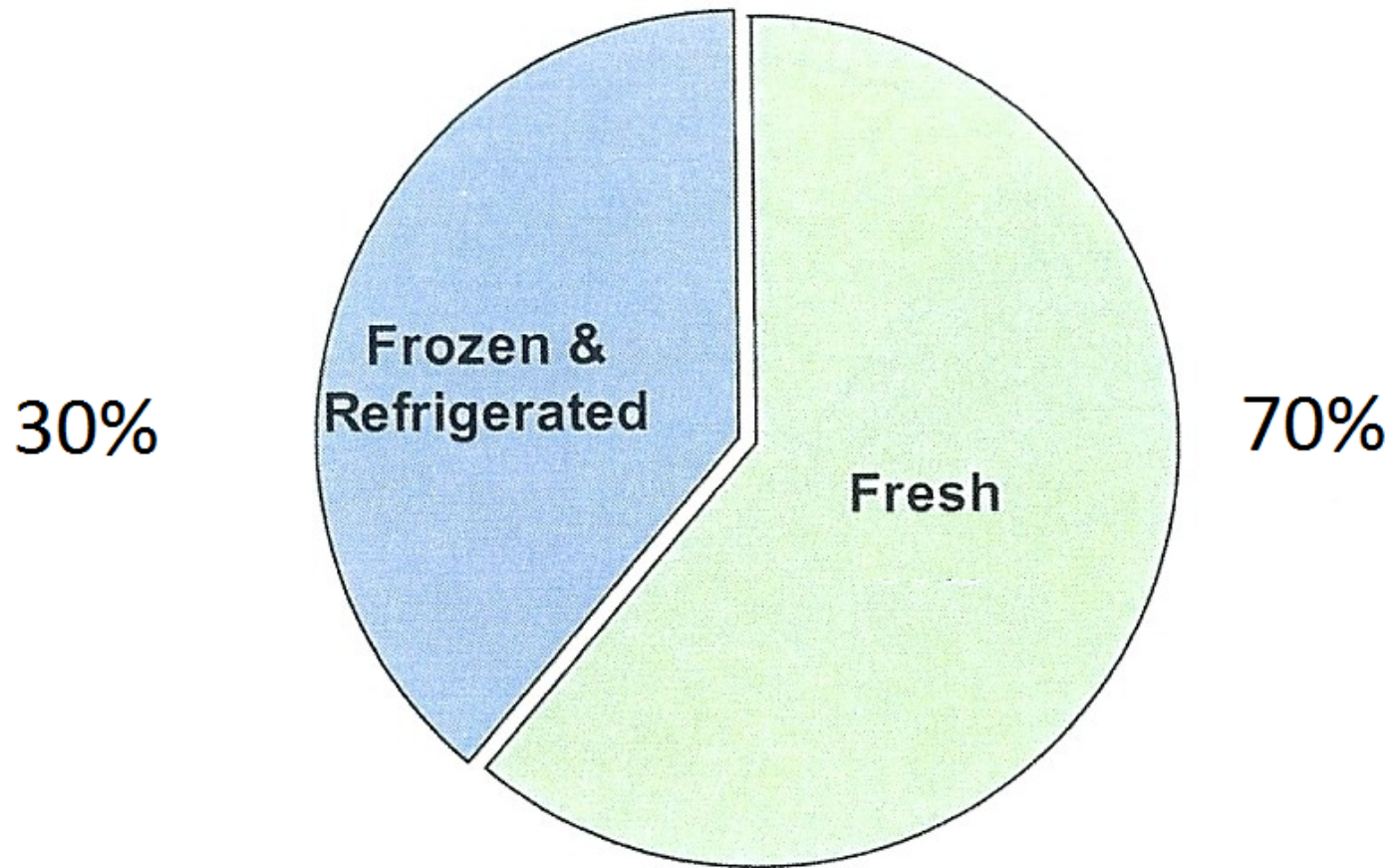
Product Types & Share



Fresh Vs Frozen – In Dollars

Fresh	70%	\$ 8,400,000,000
Frozen / Refrigerated	30%	\$ 3,600,000,000
	100%	

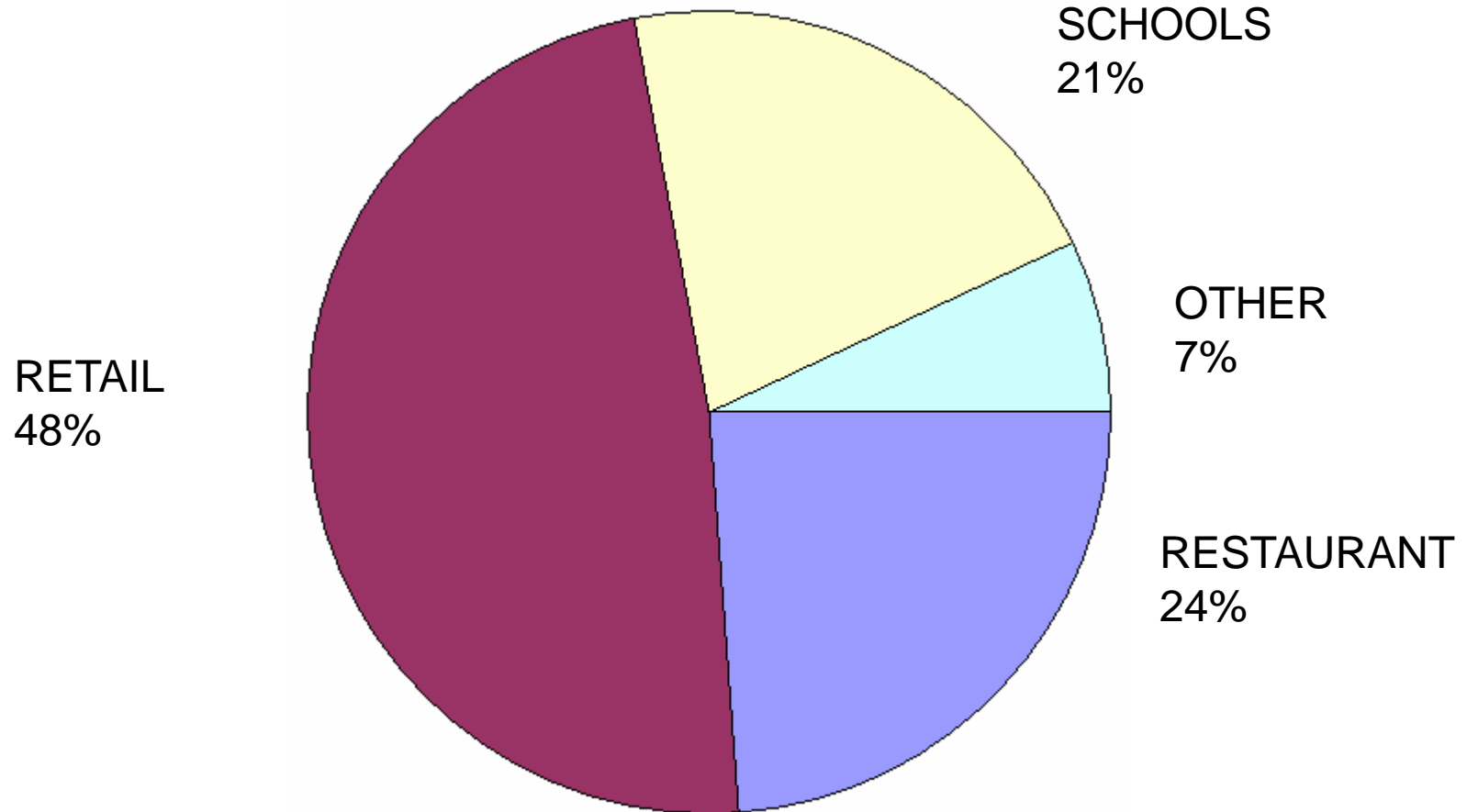
Fresh Vs. Frozen / Refrigerated



By Purchaser - In Dollars

Retail	48%	\$ 5,760,000,000
Restaurant	24%	\$ 2,880,000,000
Schools	21%	\$ 2,520,000,000
Other	7%	\$ 840,000,000
	100%	

Sales By Purchaser

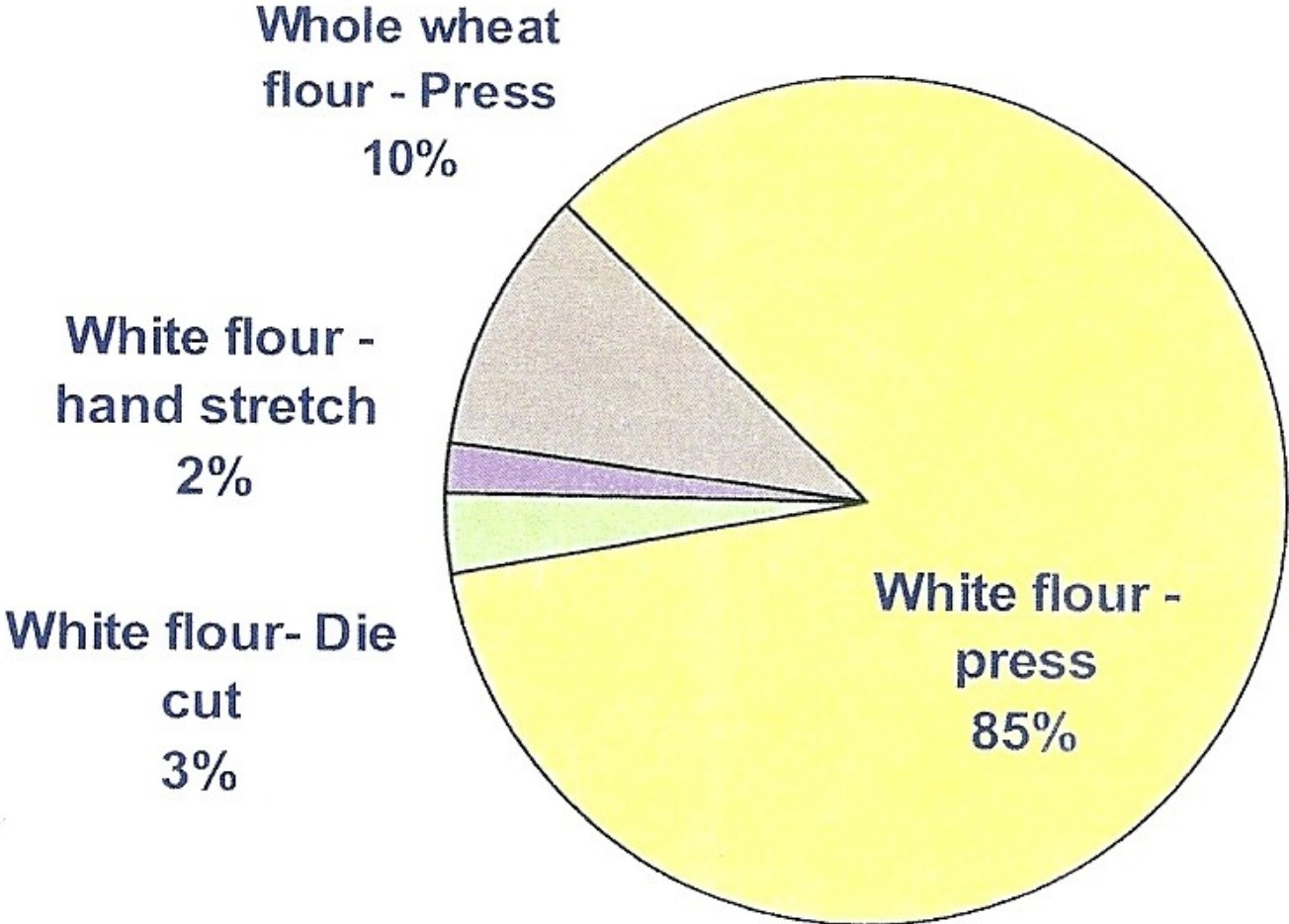


Includes IRI Data

Flour Tortillas – In Dollars

White flour - Press	85%	\$ 10,200,000,000
White flour - Hand Stretch	2%	\$ 240,000,000
White flour - Die Cut	3%	\$ 360,000,000
Whole Wheat - Press	10%	\$ 1,200,000,000
	100%	

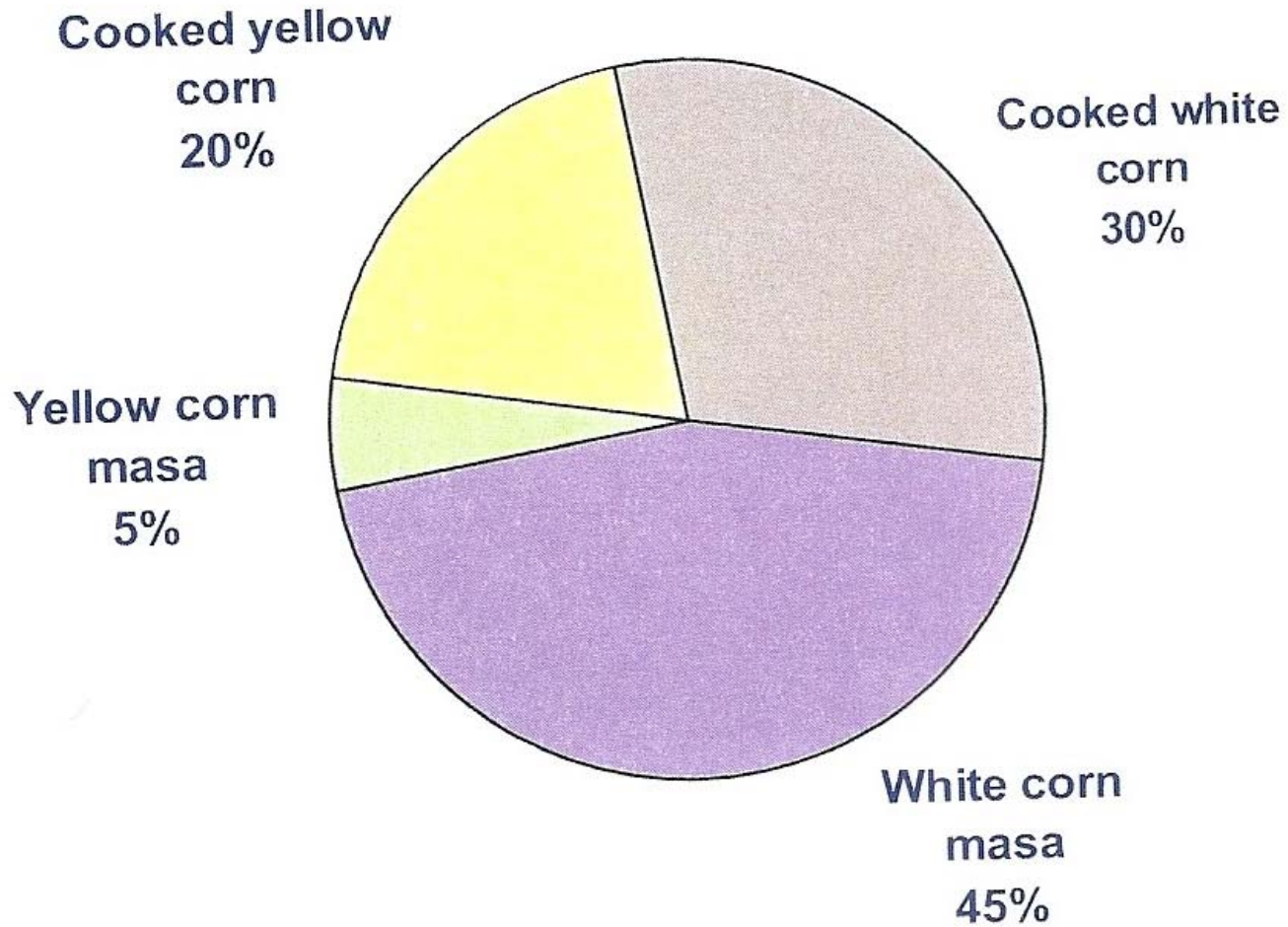
Flour Tortillas



Corn Tortillas – In Dollars

Masa - White Corn	45%	\$ 5,400,000,000
Masa - Yellow Corn	5%	\$ 600,000,000
Cooked - White Corn	30%	\$ 3,600,000,000
Cooked - Yellow Corn	20%	\$ 2,400,000,000
	100%	

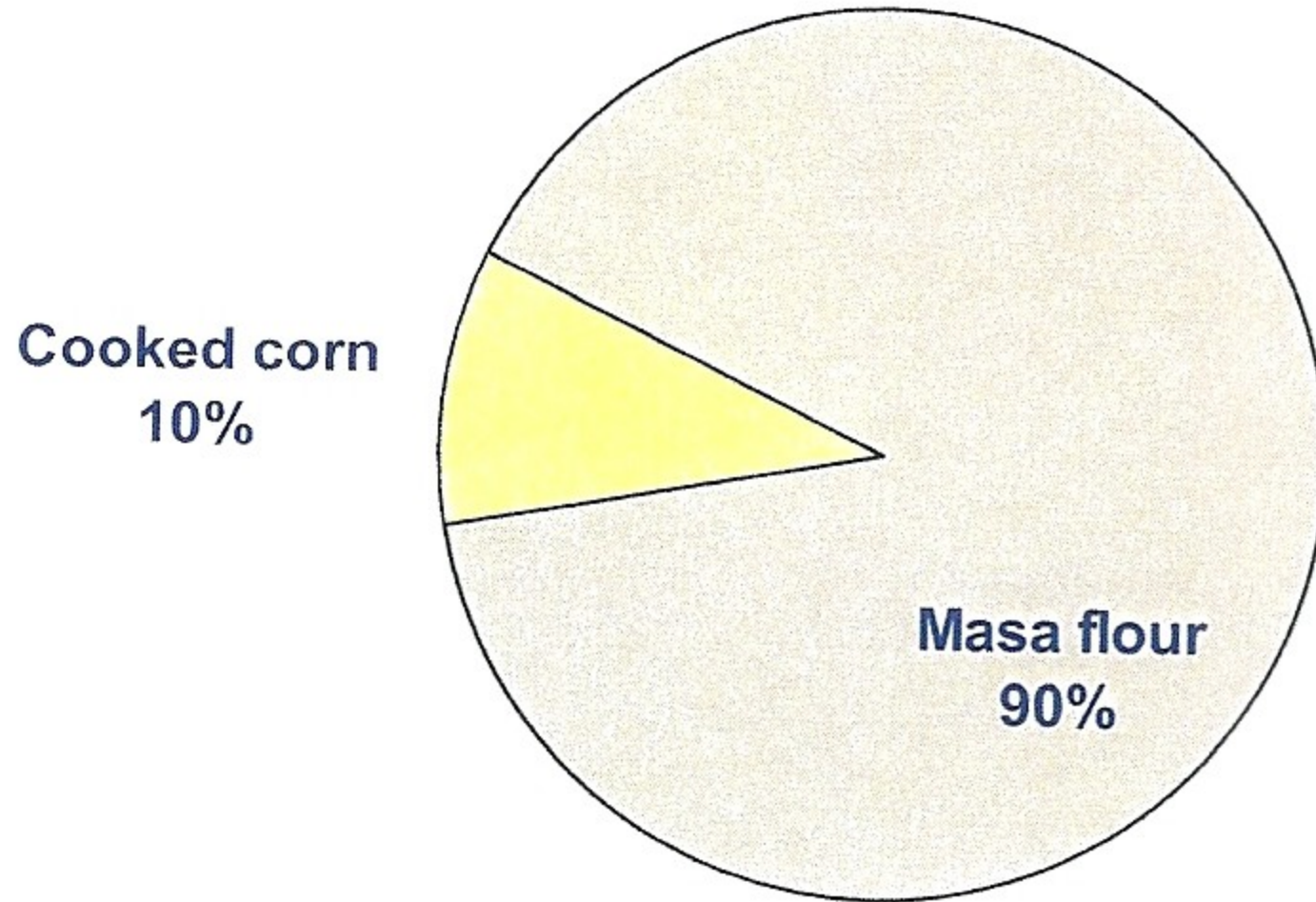
Corn Tortillas



Tortilla Chips – In Dollars

Masa Flour	90%	\$ 1,188,000,000
Cooked Corn	10%	\$ 132,000,000
	100%	

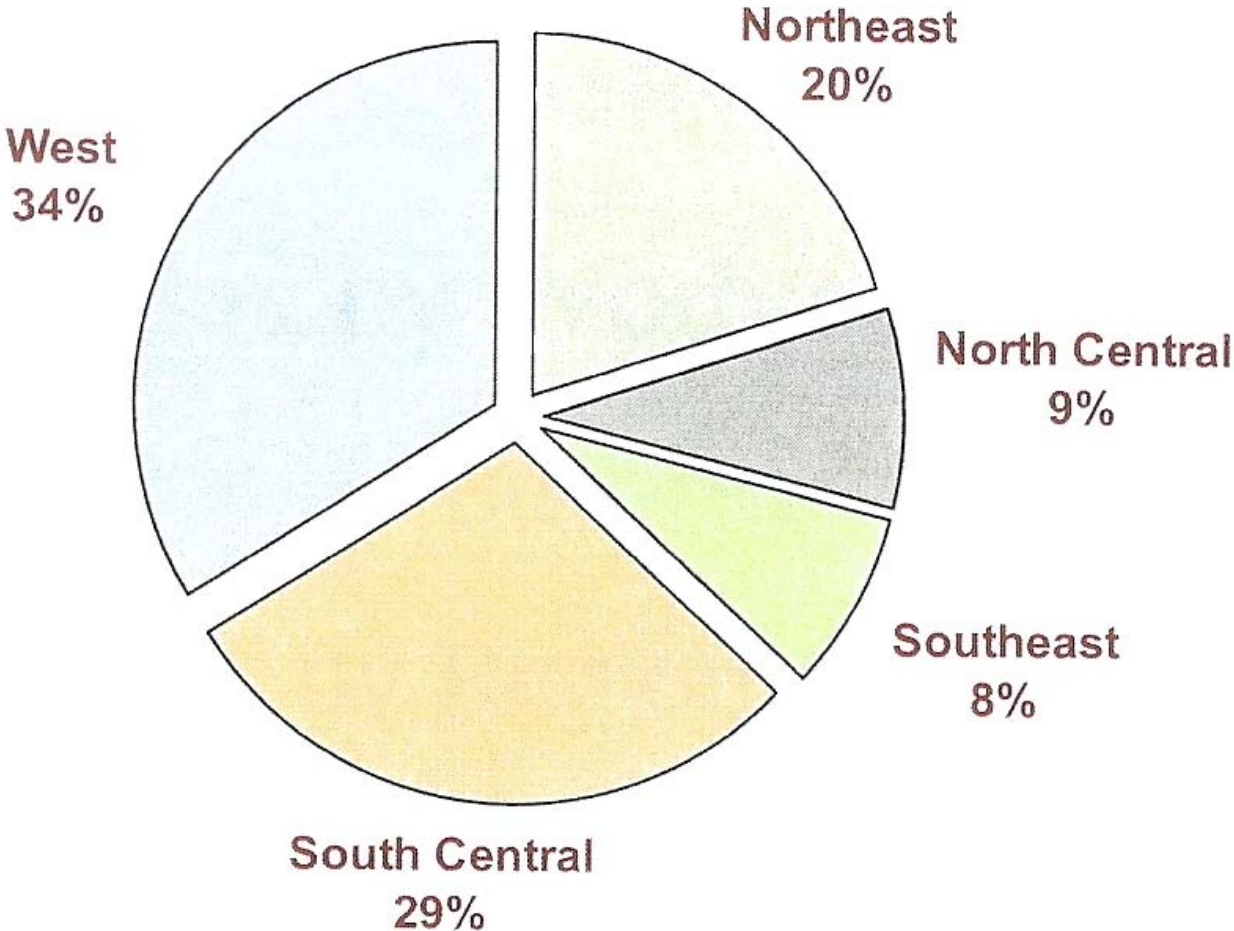
Tortilla Chips



US Region – In Dollars

West	34%	\$ 4,080,000,000
South Central	29%	\$ 3,480,000,000
North East	20%	\$ 2,400,000,000
North Central	9%	\$ 1,080,000,000
South East	8%	\$ 960,000,000
	100%	

By US Region



TIA's Role

- Expanding Your Business
 - Increased Exposure Between You & Market
- Growing Your Profits
 - Increased Knowledge Of Best Practices
- Increasing Your Success
 - Supporting, Informing & Advocating Our Members
- Putting You Ahead Of The Curve – Latest Trends That Will Impact Your Business...

Join TIA Today!

- Dues Are Tax Deductible
 - Which 3 Letters Would You Rather Write On Check “IRS” or “TIA” ?
- Support The Industry That Feeds You
- Be Supported By YOUR Association
- Help Guide TIA As A Board Member or Committee Member
- Make Valuable New Business Connections
- Have Fun!

Thank You

Jim Kabbani

(703) 819-9550

jkabbani@tortilla-info.com

Please Contact Me For More Information