



“A World Of Tortillas”



Understanding Opportunities of the Tortilla Products Market

By

Jim Kabbani, CEO

Tortilla Industry Association

AGENDA

- Background & History of Tortilla Products
- Latest Market Data
- Opportunities & Tactics



Background

- Tortillas are a 3,000 Year Old Food
- Originated in the Aztec Empire (Mexico)



Background (continued)

- Aztecs originally called them “tlaxcalli”
- Spanish explorers re-named them “tortilla” because of resemblance to a food from home



← ? →



- Today, the **fastest growing sector** of the entire baking industry (9%+ CAGR since 1996)

2008 Resolution of U.S. Congress, made September “National Tortilla Month”



U.S. House of Representatives

WASHINGTON, D.C.

110TH CONGRESS

SECOND SESSION

Proclamation: National Tortilla Month

REP. DEVIN NUNES
21st District, California



WHEREAS, the Tortilla Industry Association, a non-profit trade association founded in 1990 to assist member companies, and the industry as a whole, in efficient growth and development, and to promote the consumption of tortillas and related food products;

AND WHEREAS, this year the association launched a number of significant new initiatives for the benefit of its members, prospective members, and Americans at large, including a new technical conference to help anyone interested in participating in the tortilla industry by teaching best practices and methods, a new scholarship fund, and a series of group-buying partnerships that will help businesses enjoy greater savings and buying power;

AND WHEREAS, I commend the Tortilla Industry Association for its efforts to support, educate, and advocate for members of this fast-growing industry;

NOW, THEREFORE, BE IT RESOLVED, that I, Congressman Devin Nunes, do hereby proclaim September as National Tortilla Month to highlight the contributions and hard work of this important industry. Congratulations on your years of success and best wishes for your future endeavors.

A handwritten signature in blue ink that reads "Devin Nunes".

Devin Nunes
Member of Congress

June 23, 2008

Background - Continued

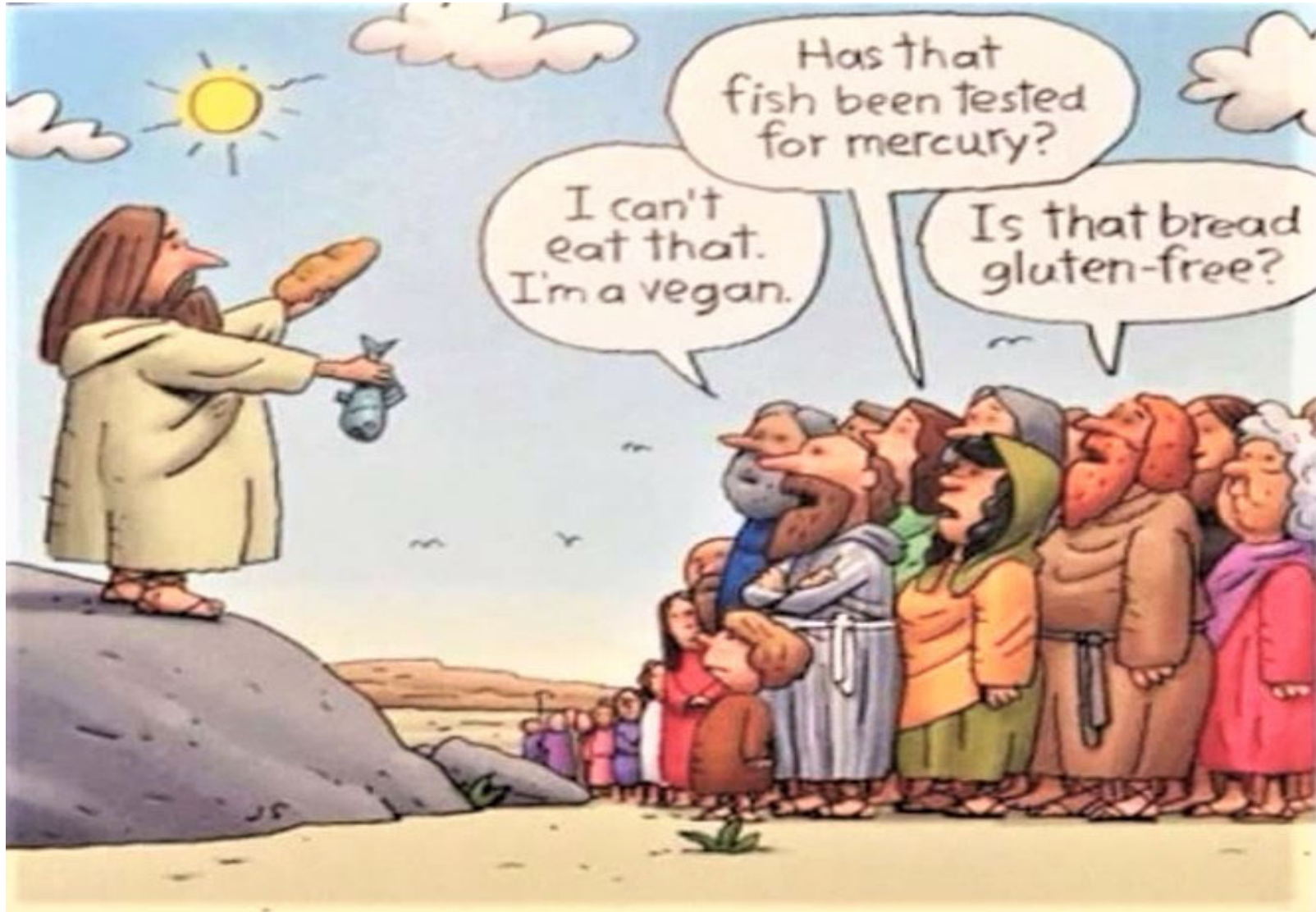
- The Tortilla Industry Association TIA
 - Nonprofit Trade Association
 - Main International Umbrella Group for All Manufacturers of Tortilla Products And Companies That Supply Them
 - Established 32 Years ago
 - Headquarters in Washington DC area of USA
 - Active Members in 28 Countries, 6 Continents
 - 65% in U.S. and 35% in All Others

Speaker: Jim Kabbani

- CEO of TIA for the past 12 Years
- Previously held executive positions at major global corporations
 - Cable & Wireless PLC
 - BOEING
 - Lockheed-Martin
- Entrepreneurial Co-Founder of Several Successful Startups including one IPO
- University Degrees:
 - BS Operations Research,
 - MBA Marketing

WHY DOES **TIA** EXIST ?

Because Members Face Increasingly Demanding Environment



Imagine if Jesus Tried To Feed The 5,000 Today...!

Sharing Latest Scientific Research



Market Growth Drivers

- Demographic Drivers
 - Mainly plays role in the US market
- Non-Demographic Drivers
 - US and International Markets

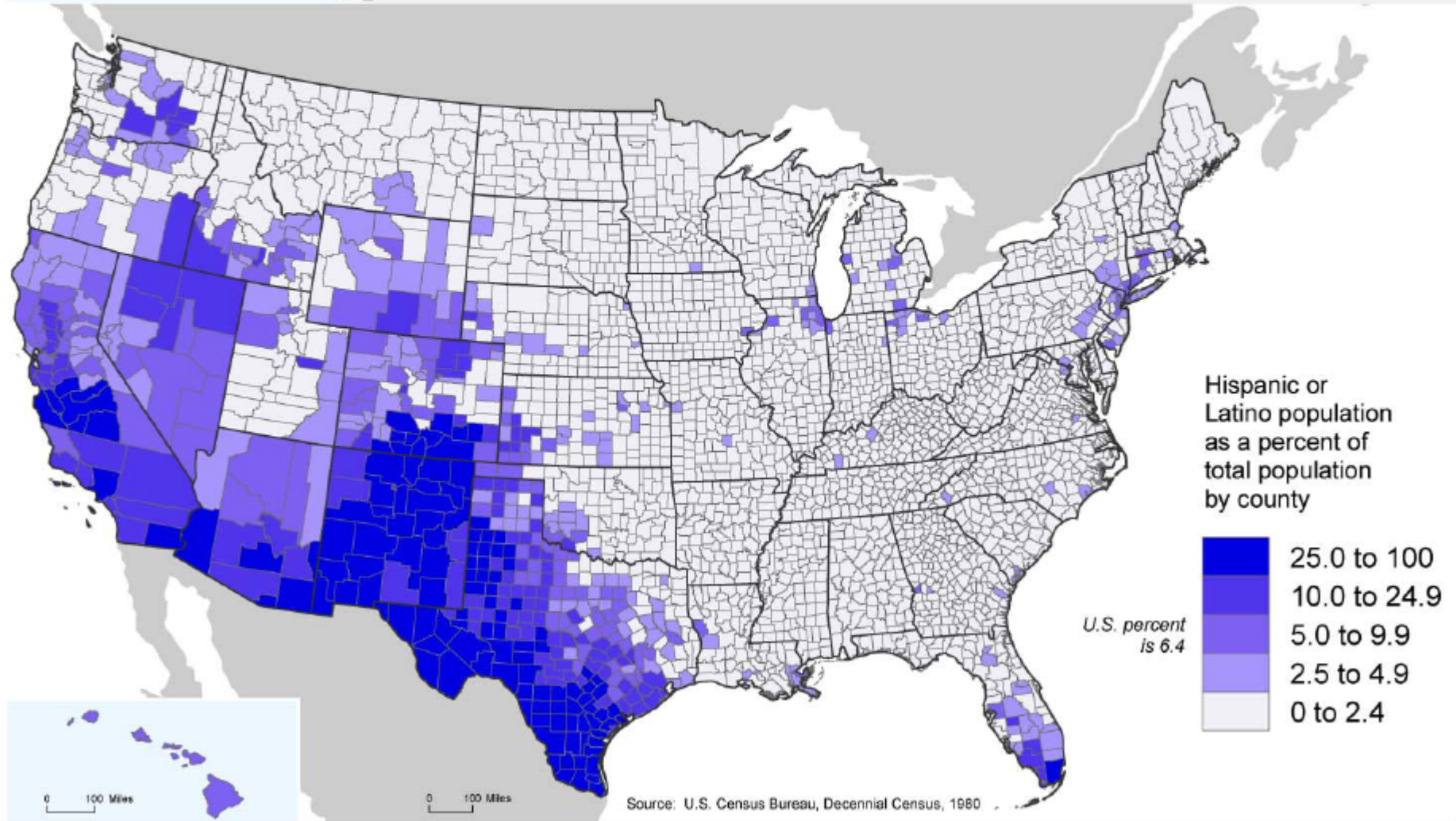
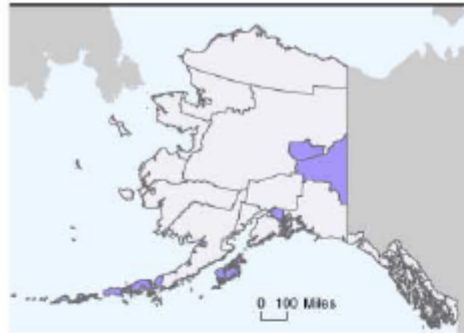


Data To Be Presented

- USA
 - Tortilla Market & Growth Drivers
- Europe
 - Top 4 Tortilla Countries
 - Top Brands Each Country
 - Top 3 Chips Countries
 - Top Brands Each Country
 - Other Flat-Bread Products
- Sources:
 - TIA Member Research
 - AC Nielsen Company
 - IRI
 - Euromonitor

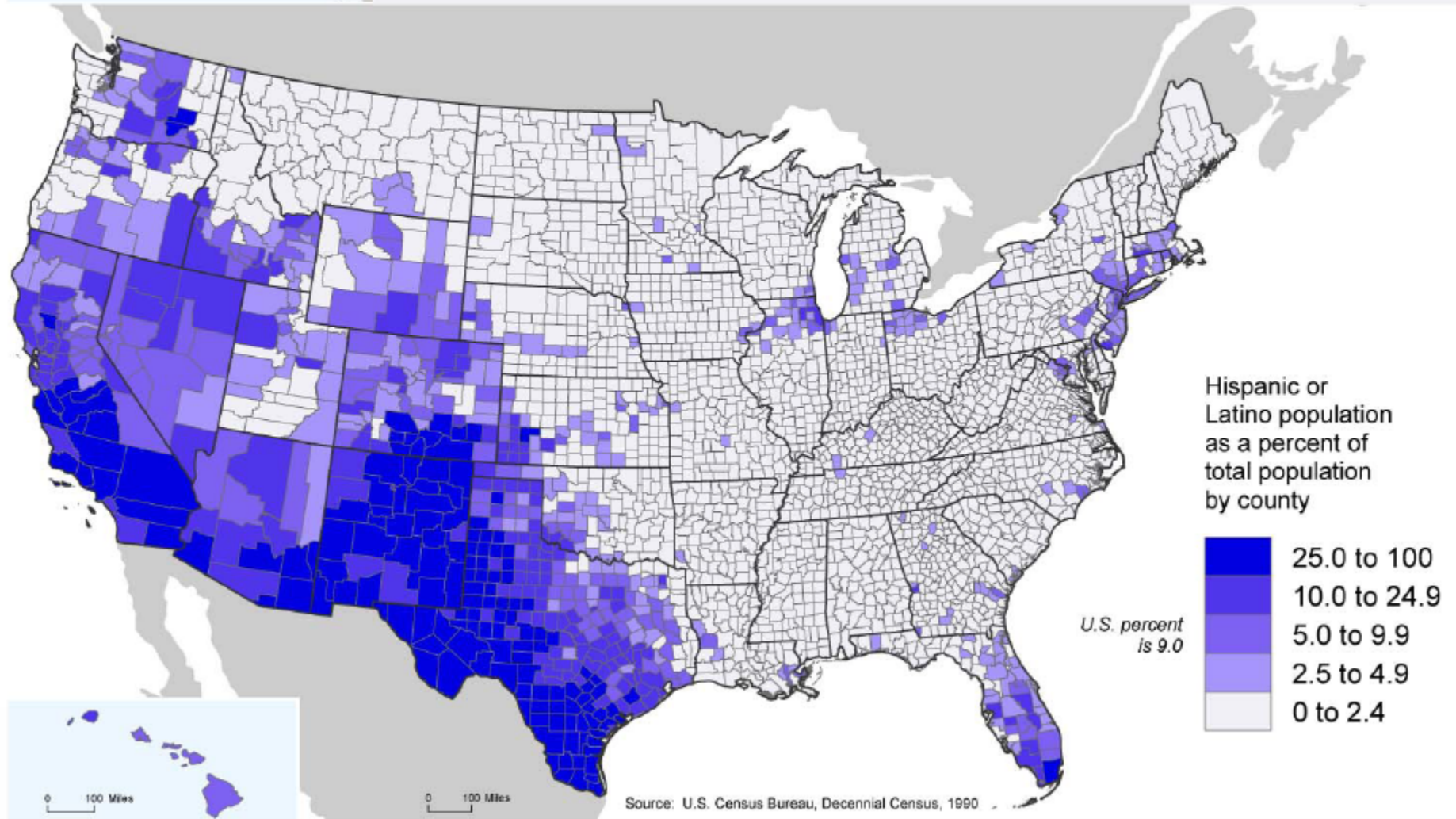
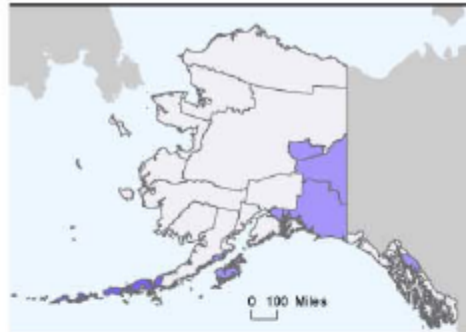
Demographic Market Drivers U.S.

Percent of Population 1980 Hispanic or Latino



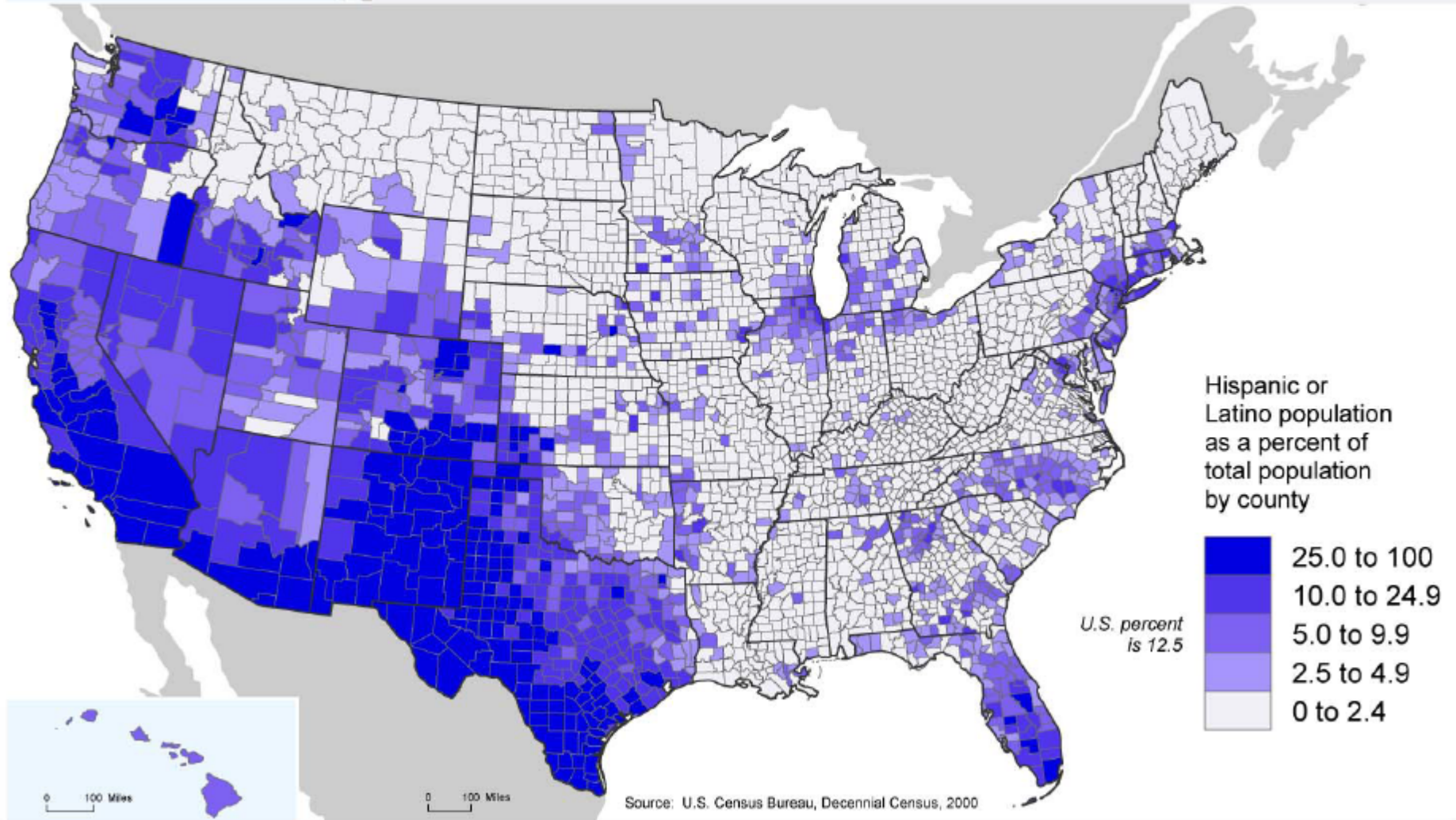
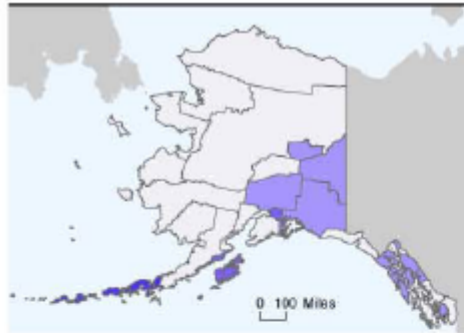
Source: U.S. Census Bureau, Decennial Census, 1980

Percent of Population 1990 Hispanic or Latino



Source: U.S. Census Bureau, Decennial Census, 1990

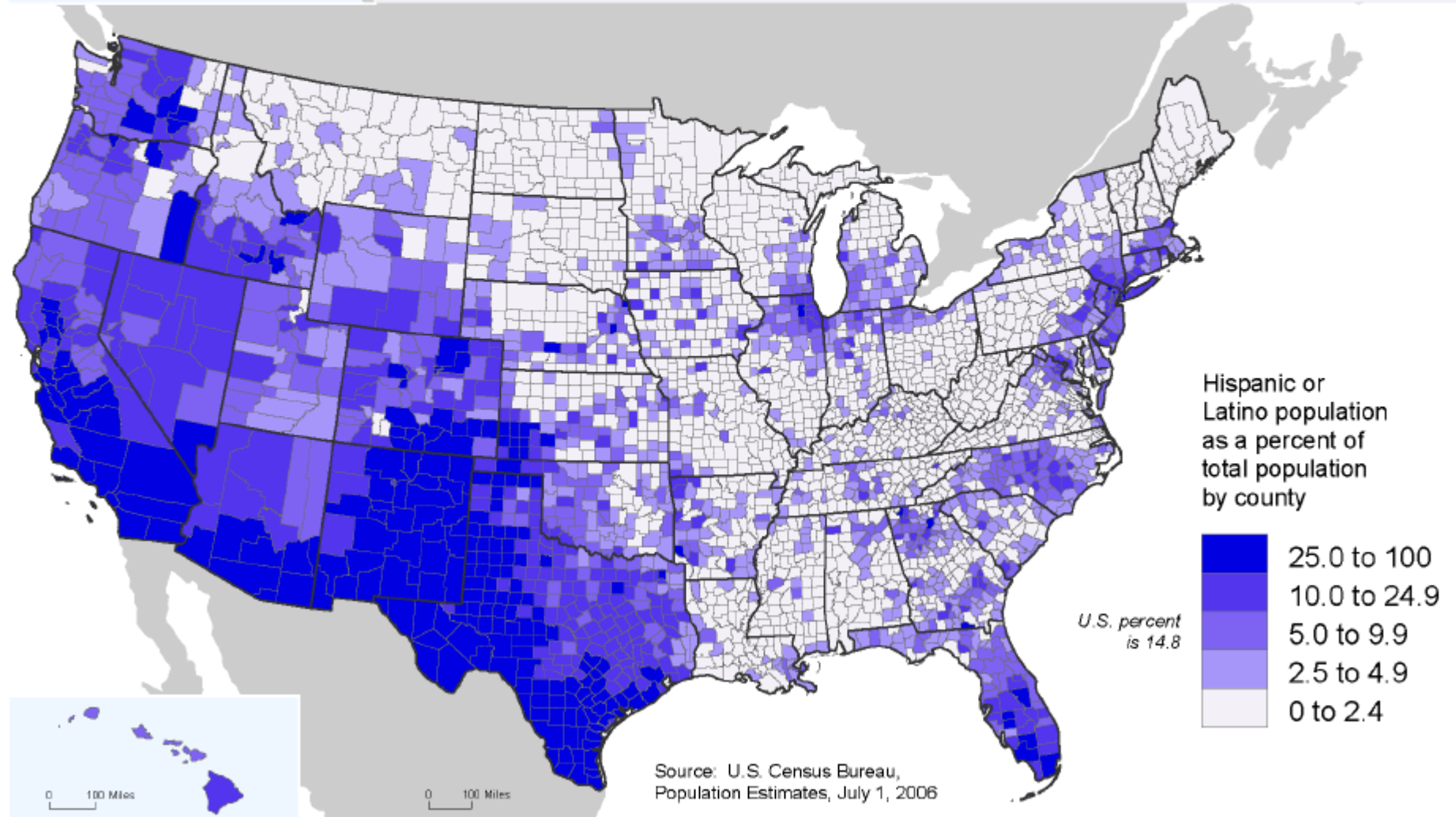
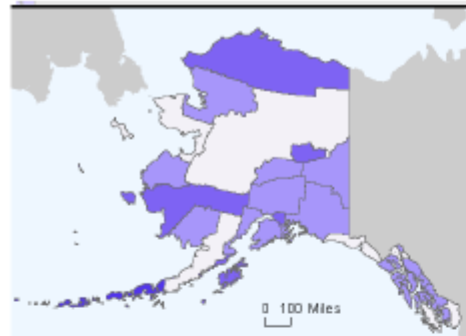
Percent of Population 2000 Hispanic or Latino



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

Percent of Population 2006

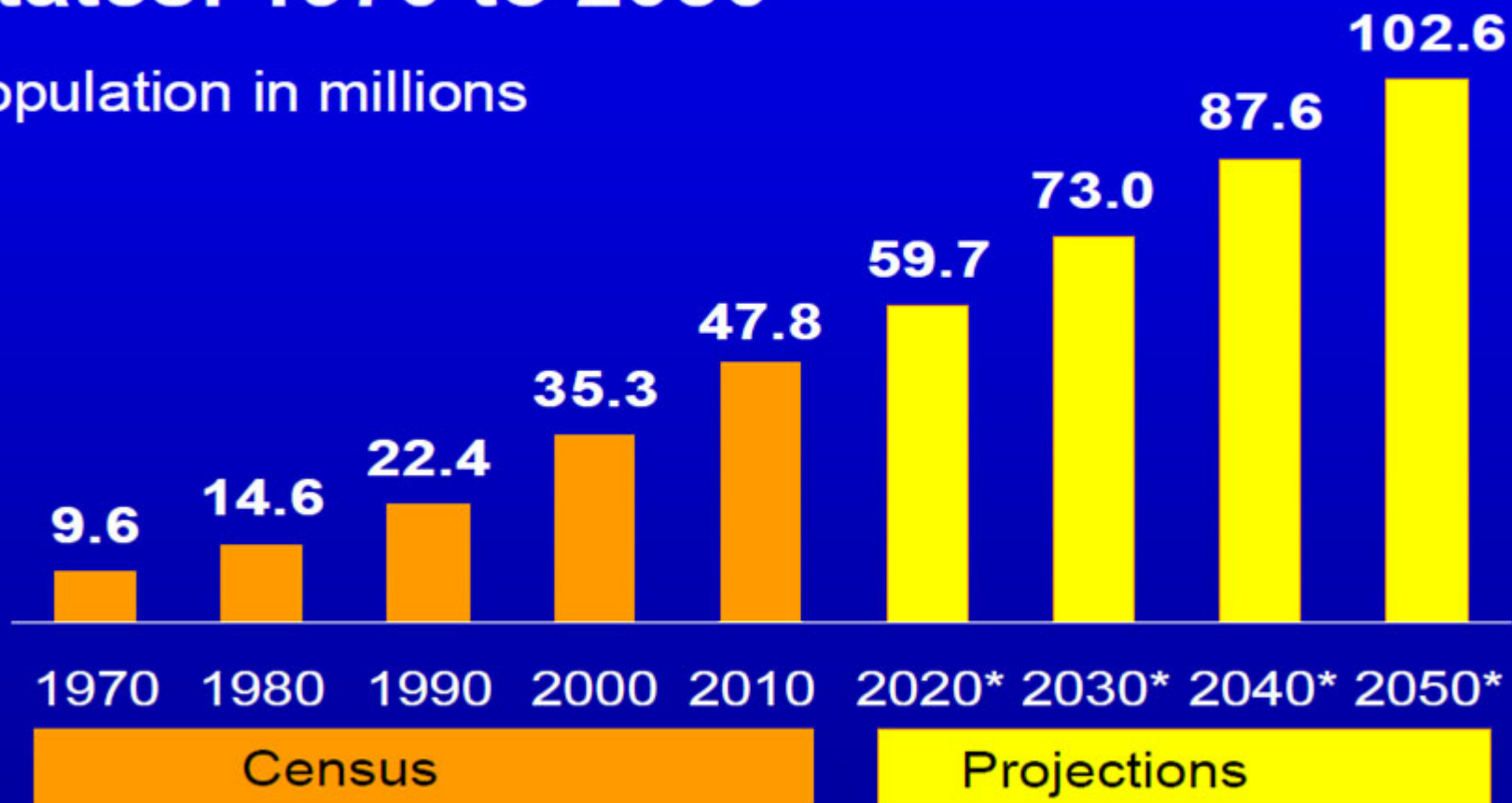
Hispanic or Latino



THE DEMOGRAPHIC DRIVER of U.S. TORTILLA SALES

Hispanic Population in the United States: 1970 to 2050

Population in millions



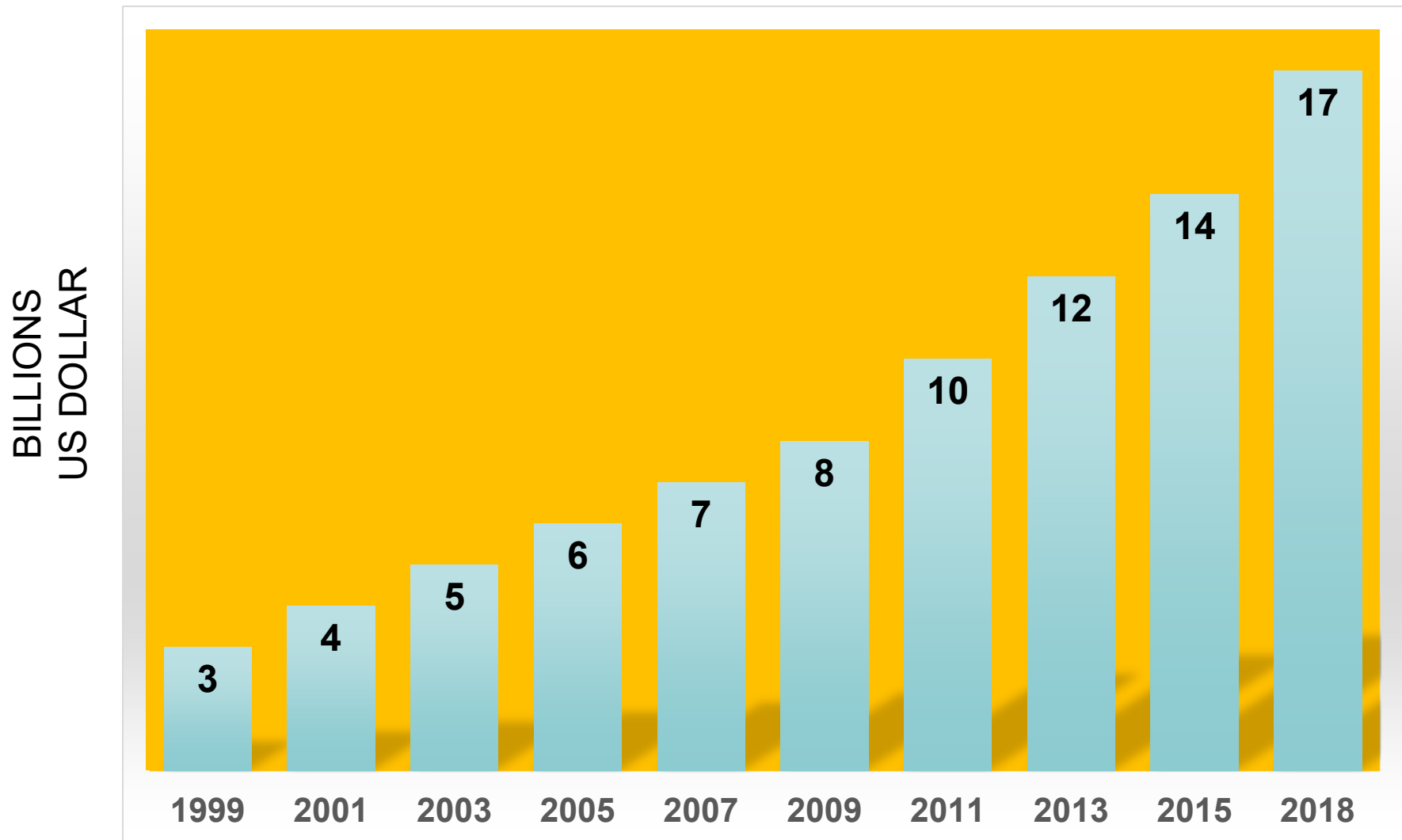
U S C E N S U S B U R E A U

*Projected Population as of July 1

3

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

Tortilla Market Size USA



Market Size & Growth

- CAGR of 9% Since 1996
- Fueled By:
 - Demographic growth of Hispanic population
 - Dietary Diversification among **All** other population groups
 - Economic factorss
- US Sales in 2019 = \$18.1 Billion US Dollars
 - Salsa Outsold Ketchup in 2008
 - Tortillas Outsold White Sandwich Bread in 2010
 - Top 3 Ethnic Cuisine in US:
 1. Italian,
 2. Chinese,
 3. Mexican

Non-Demographic Drivers:

- Tremendous Growth in Popularity Among Non-Hispanic Buyers
- Seen as Healthier Eating Alternative To Many Other Bread Types
- Much Greater Variety in Tortilla Formulations
- More New Options, for example
 - Kosher
 - Organic
 - Gluten Free
- Convenience for Modern Lifestyles

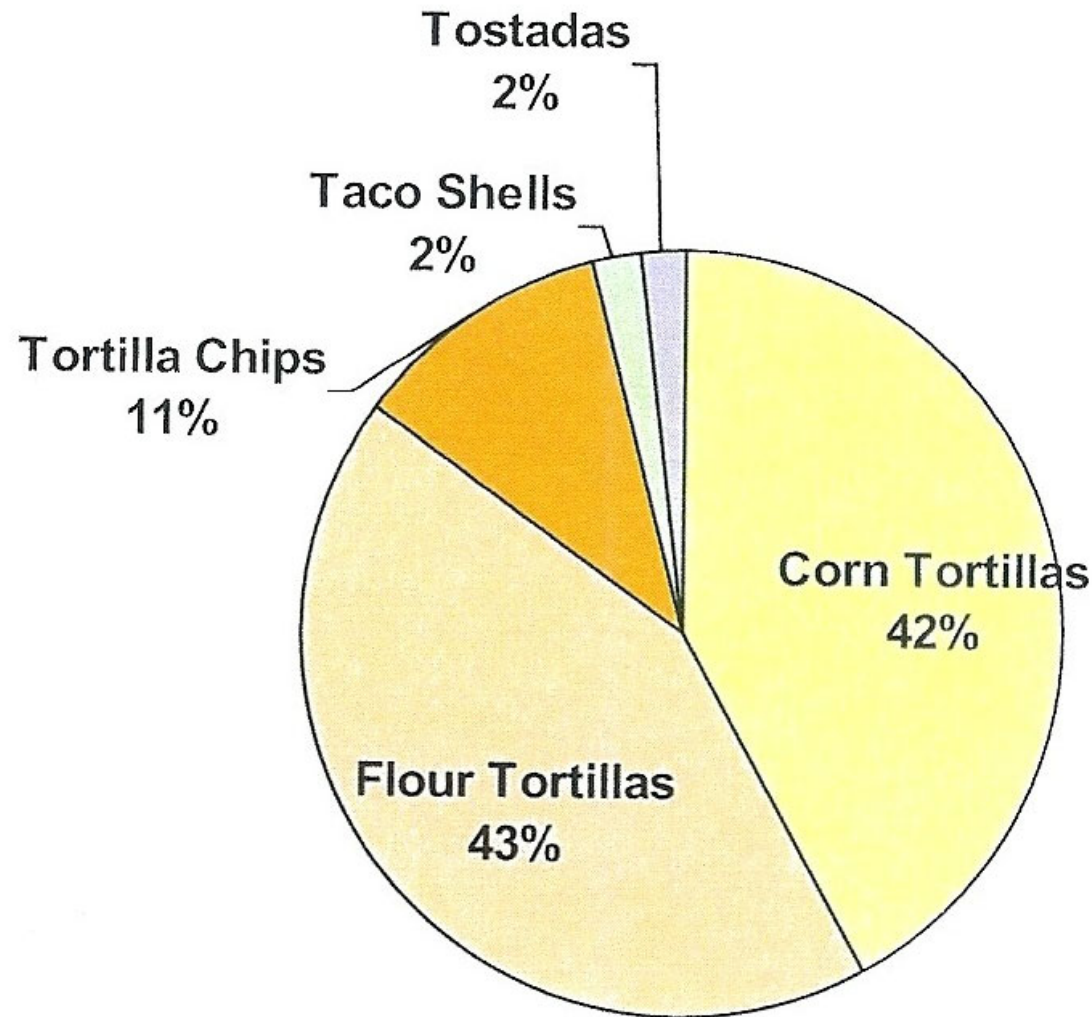
FLAWS IN TRACKING METHODS

- US Dept Of Commerce Assigned Classification Code **311830** to Tortilla Manufacturing
- But - Many Major Producers Are Conglomerates Therefore Under *Other* Codes
- Majority Of Tortilla Sales Not Seen By IRI & Nielsen
 - Less Than One Third Of Tortillas Are Sold Through Chain Retailers
 - At Same Time, Relatively Large Portion Of Tortillas Are Part Of Other Products (Burritos, Wraps, Frozen Entrees) So Not Even Recorded As Tortilla Sales
- Traditional Preference For Fresh-Onsite Tortillas Makes Tortillas Manufactured In Restaurants and Small Neighborhood Stores Untrackable
- **Solution:** TIA Combines Multiple Sources of Market Data **AND** Member Data, Applies Trend Analysis

2019 Sales US Dollars – By Type

Tostadas	2%	\$ 340,000,000
Taco Shells	2%	\$ 340,000,000
Tortilla Chips	11%	\$ 1,870,000,000
Flour Tortillas	43%	\$ 7,310,000,000
Corn Tortillas	42%	\$ 7,140,000,000
	100%	

2019 Product Types & Share

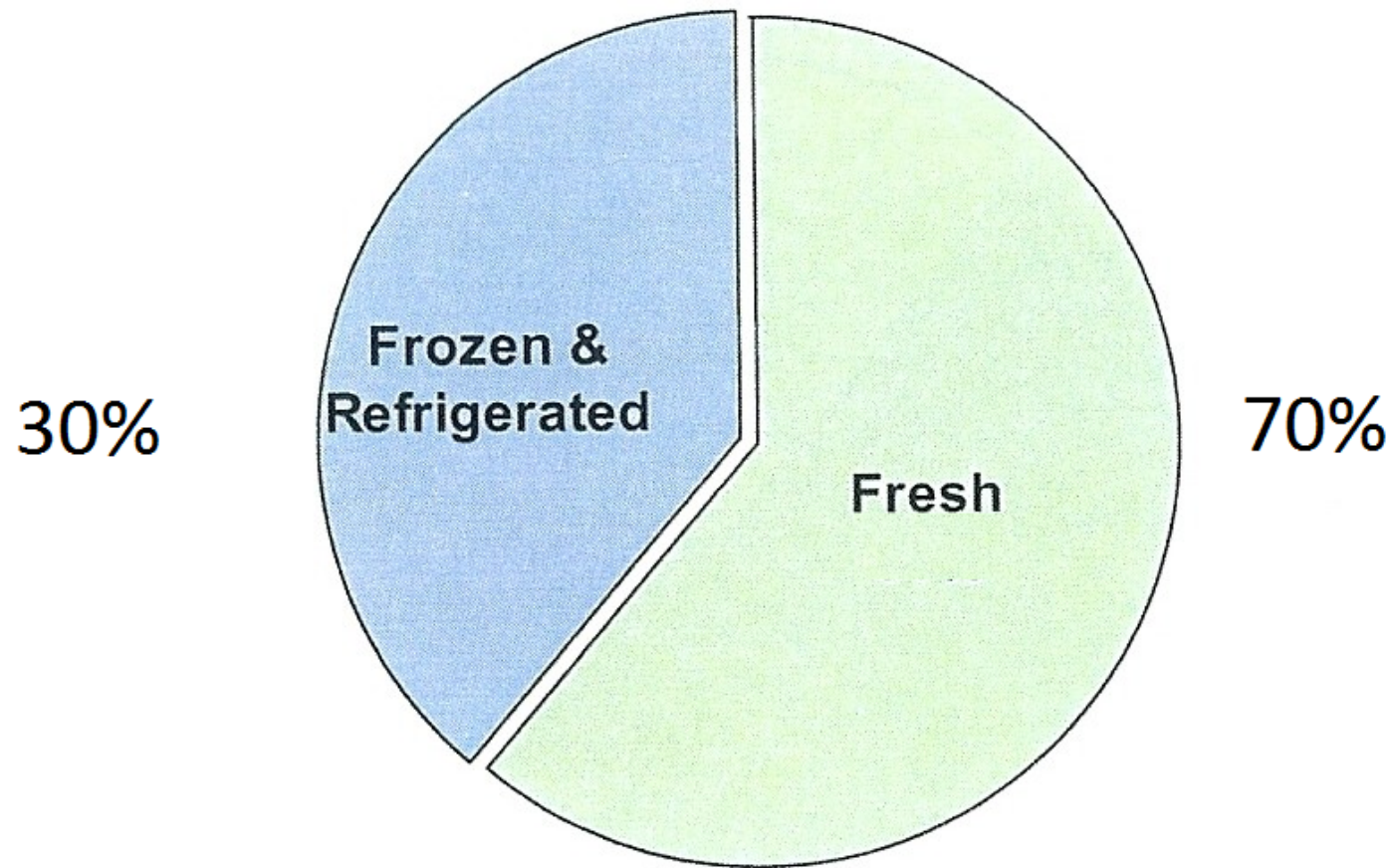


2019 Fresh Vs Frozen – Dollars

Fresh	70%	\$ 11,900,000,000
Frozen / Refrigerated	30%	\$ 5,100,000,000
	100%	

Fresh Vs. Frozen / Refrigerated

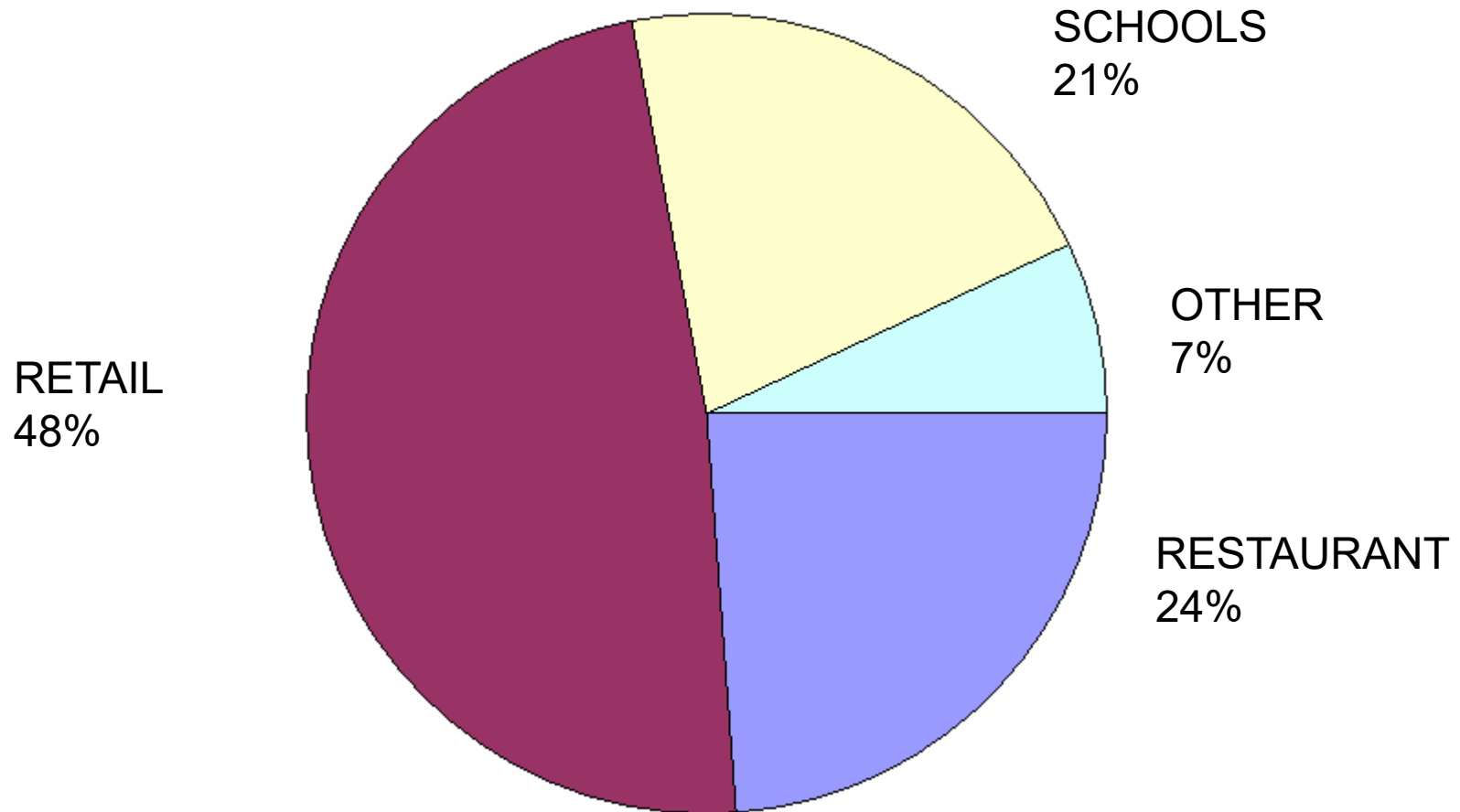
2019



2019 By Purchaser - In Dollars

Retail	48%	\$ 8,160,000,000
Restaurant	24%	\$ 4,080,000,000
Schools & Govt Institutions	21%	\$ 3,570,000,000
Other	7%	\$ 1,190,000,000
	100%	

2019 Sales By Purchaser

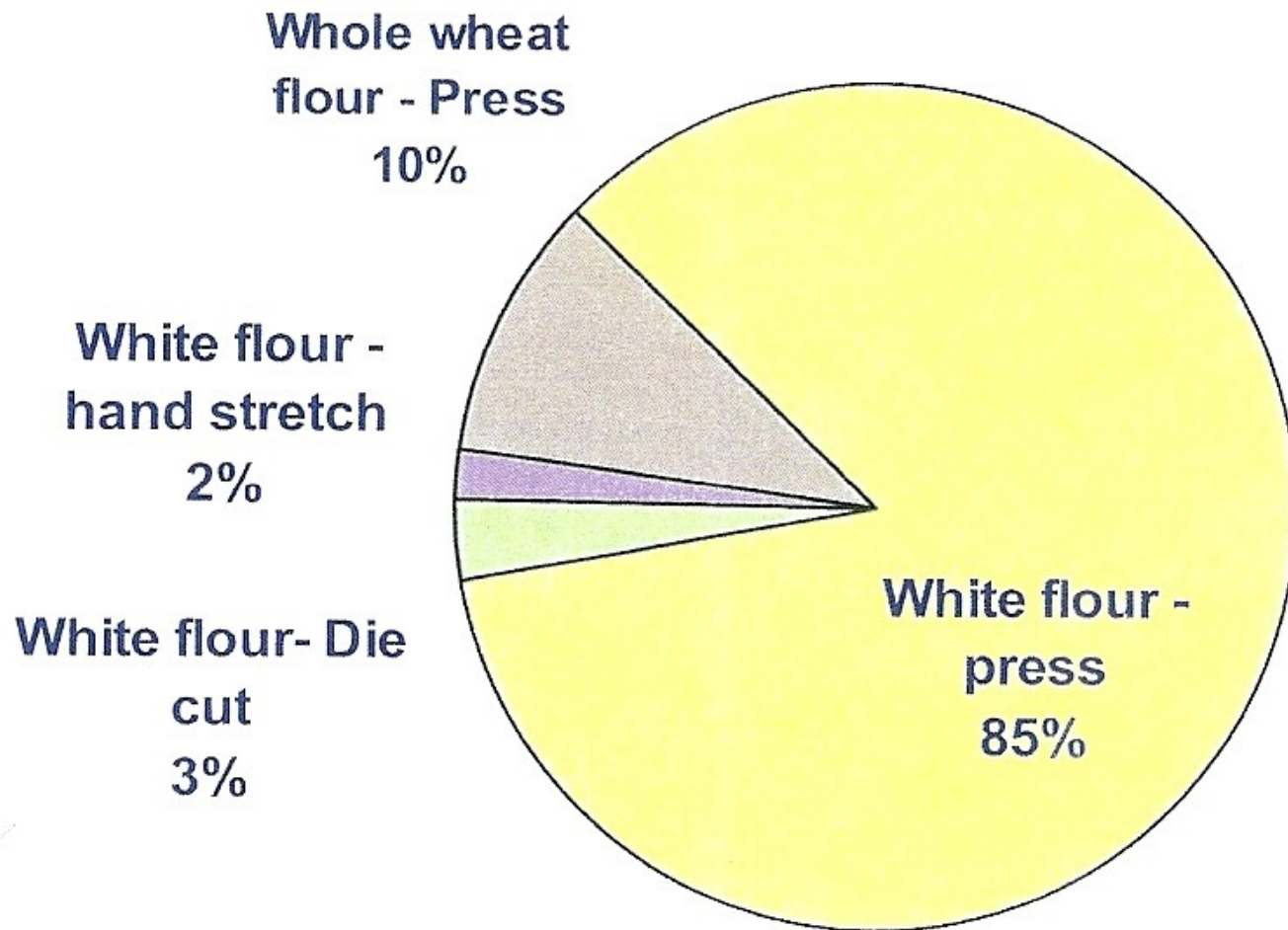


Includes IRI Data

2019 Flour Tortillas – In Dollars

White flour - Press	85%	\$ 14,450,000,000
White flour - Hand Stretch	2%	\$ 340,000,000
White flour - Die Cut	3%	\$ 510,000,000
Whole Wheat - Press	10%	\$ 1,700,000,000
TOTAL	100%	

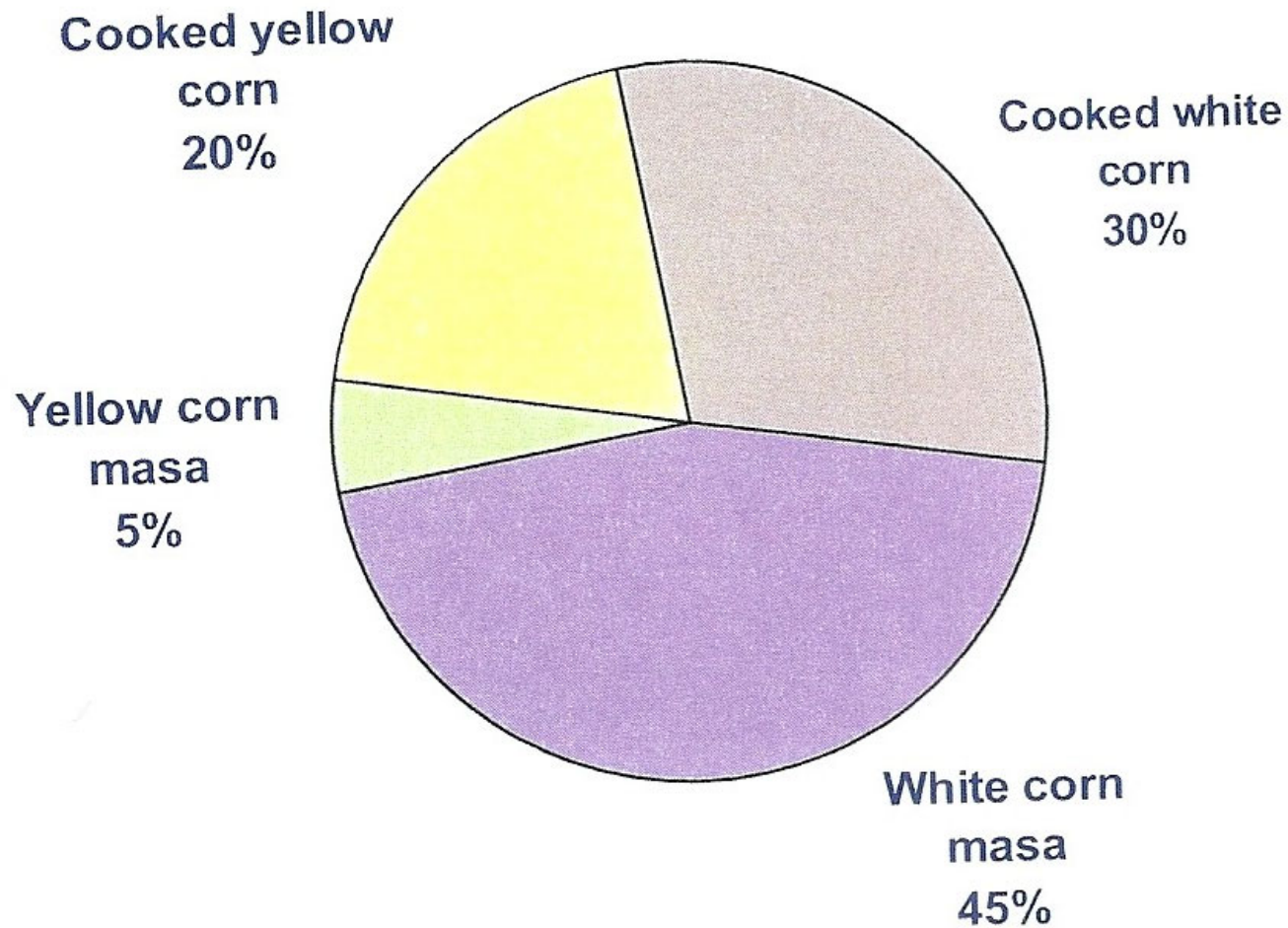
2019 Flour Tortillas



2019 Corn Tortillas – In Dollars

Masa - White Corn	45%	\$ 7,650,000,000
Masa - Yellow Corn	5%	\$ 850,000,000
Cooked - White Corn	30%	\$ 5,100,000,000
Cooked - Yellow Corn	20%	\$ 3,400,000,000
TOTAL	100%	

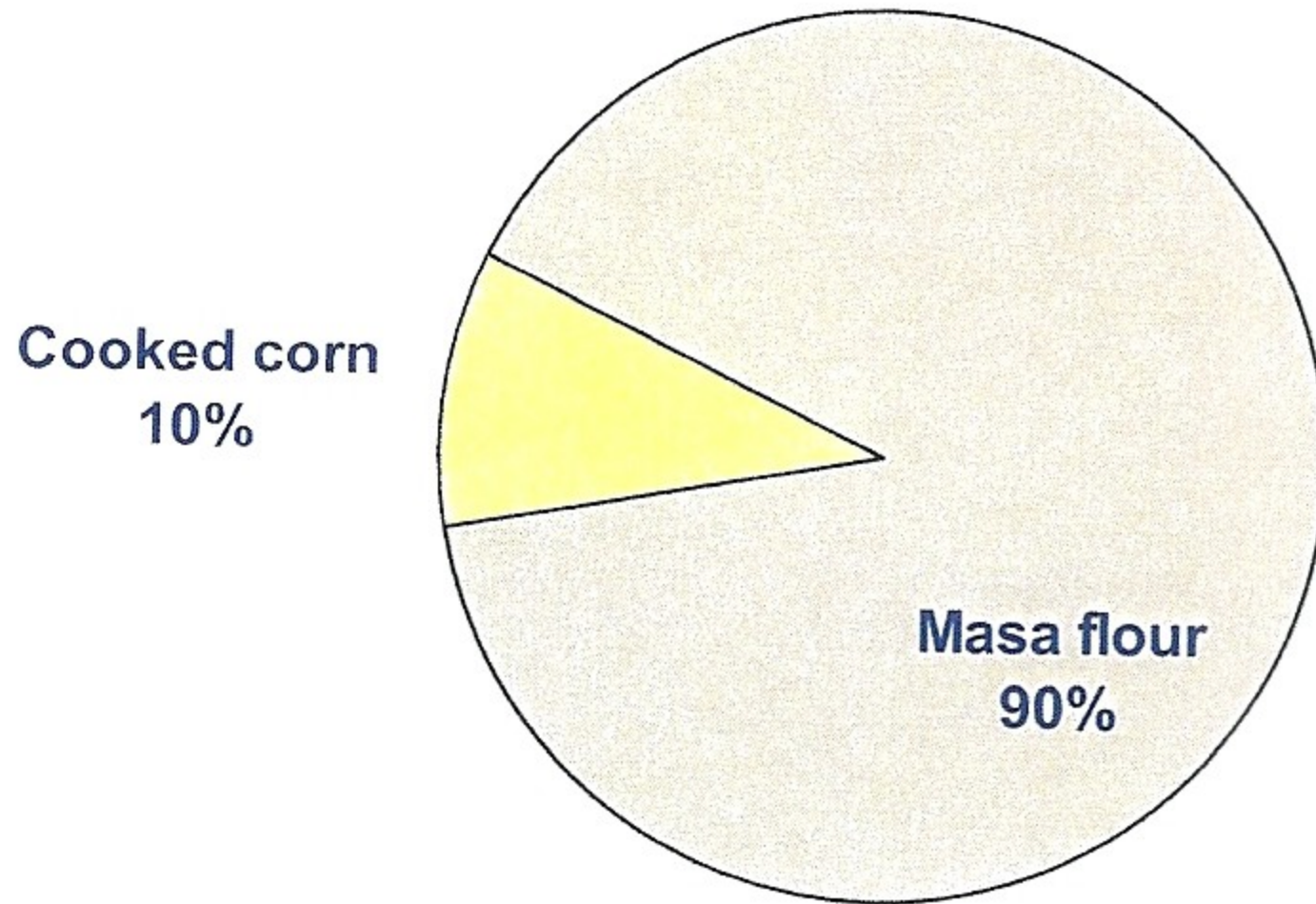
2019 Corn Tortillas



2019 Tortilla Chips – In Dollars

Masa Flour	90%	\$ 1,683,000,000
Cooked Corn	10%	\$ 187,000,000
	100%	

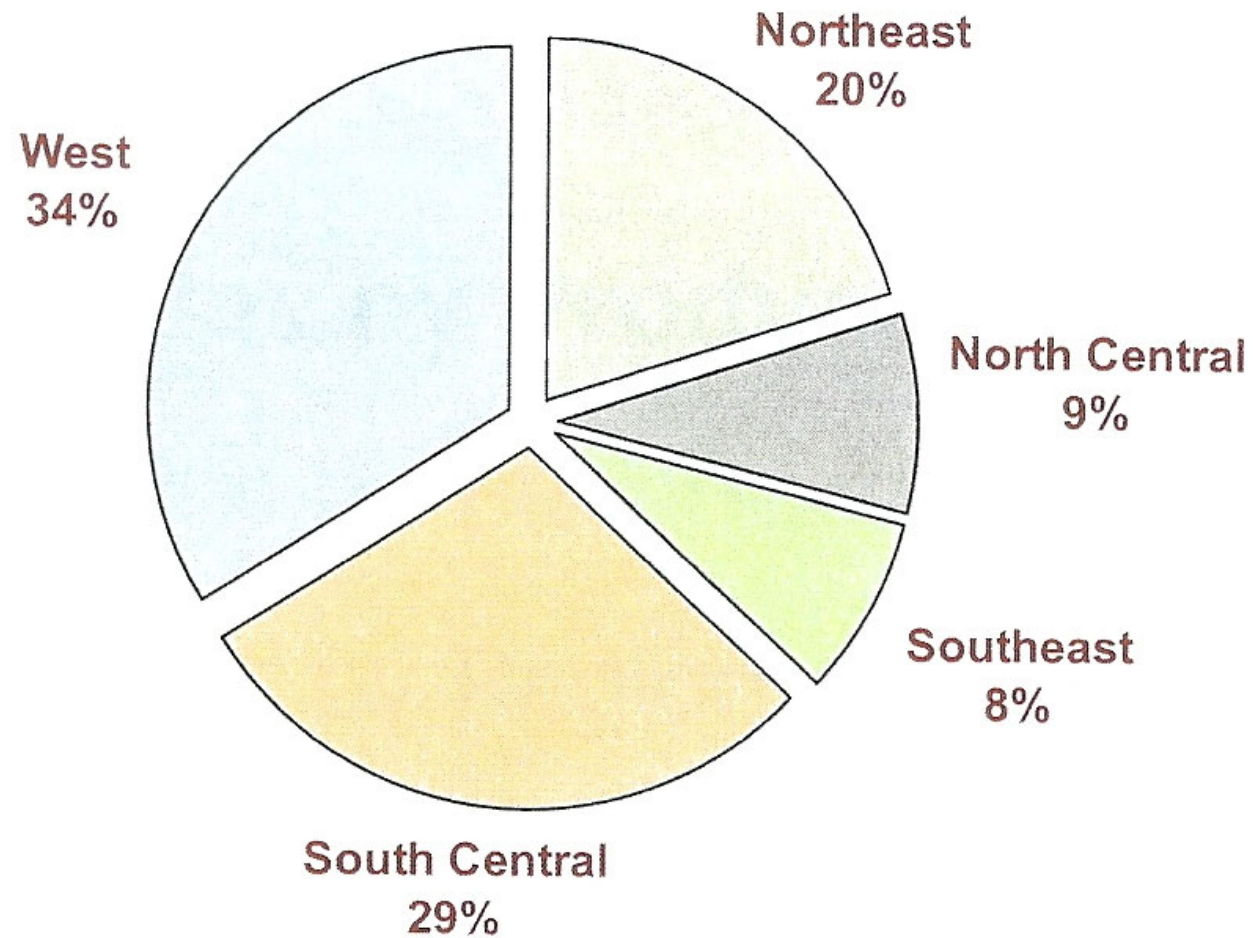
2019 Tortilla Chips



2019 US Region – In Dollars

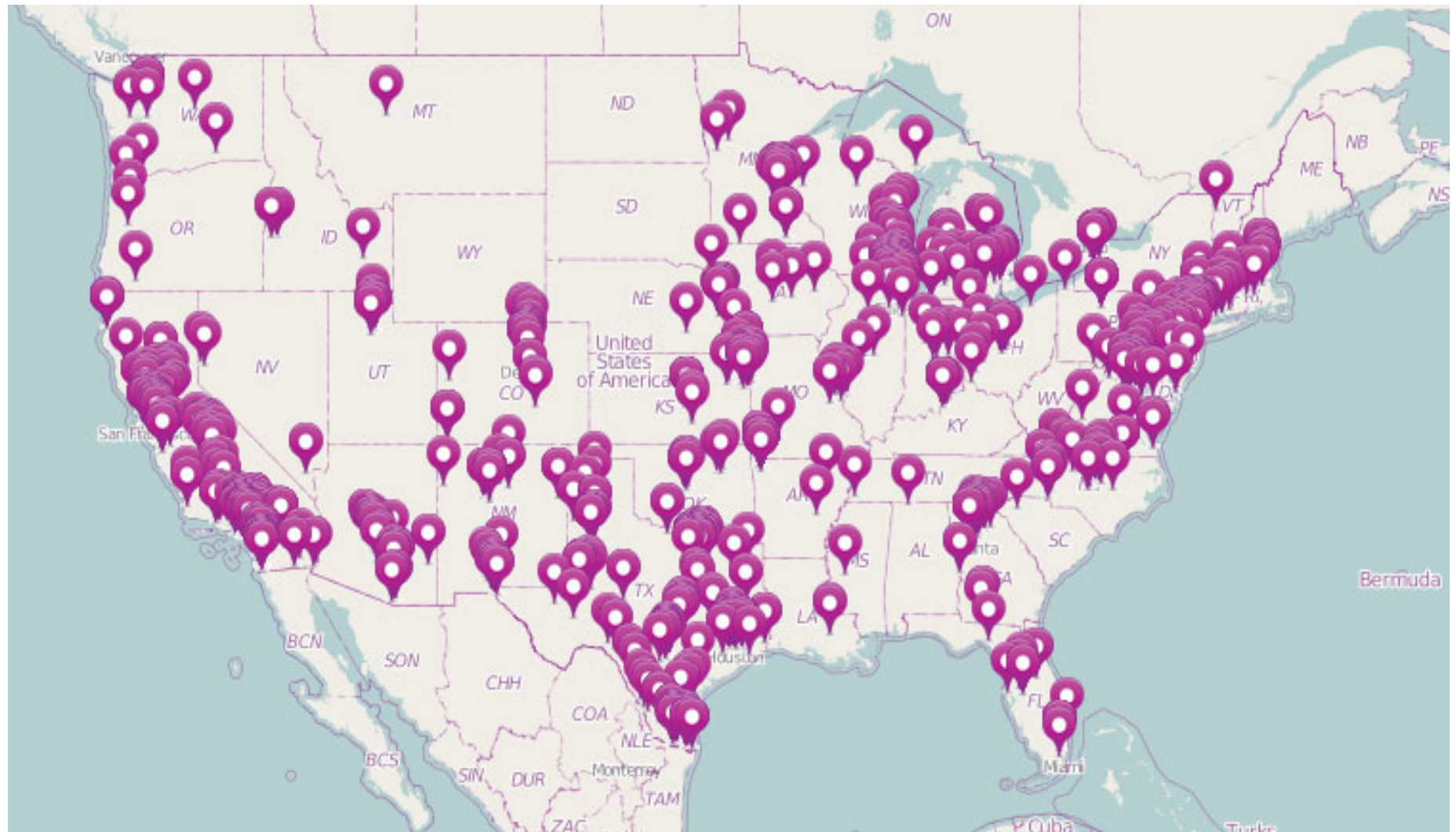
West	34%	\$ 5,780,000,000
South Central	29%	\$ 4,930,000,000
NorthEast	20%	\$ 3,400,000,000
North Central	9%	\$ 1,530,000,000
South East	8%	\$ 1,360,000,000
	100%	

2019 By US Region





U.S. Tortilla Factory Locations



Mexican Restaurant Market in US

47,000 “independent” Mexican restaurant locations (means they are either stand-alone or part of a chain of 100 or fewer units)

11,000 more in “big chains” such as Taco Bell and Chipotle



58,000 Total

FLOUR		
20% Make Own		11,600
37% Buy Pre-Made		21,460
CORN		
13% Make Own		7,540
30% Buy Pre-Made		17,400

Source: El Restaurante Magazine

Mexican Grocery Stores Market in US



www.alamy.com - E5WCA2

- Approximately **28,000** Mexican Grocery Stores in US
- Of these, Approx 24,000 are Large to Mid-Size or Multi-Location, Stable and Solvent
- Remaining 4,000 either very small or unstable
- Of the 24,000 approx. 17% make their own tortillas on-site, or about 4,080 Mexican Grocery Stores



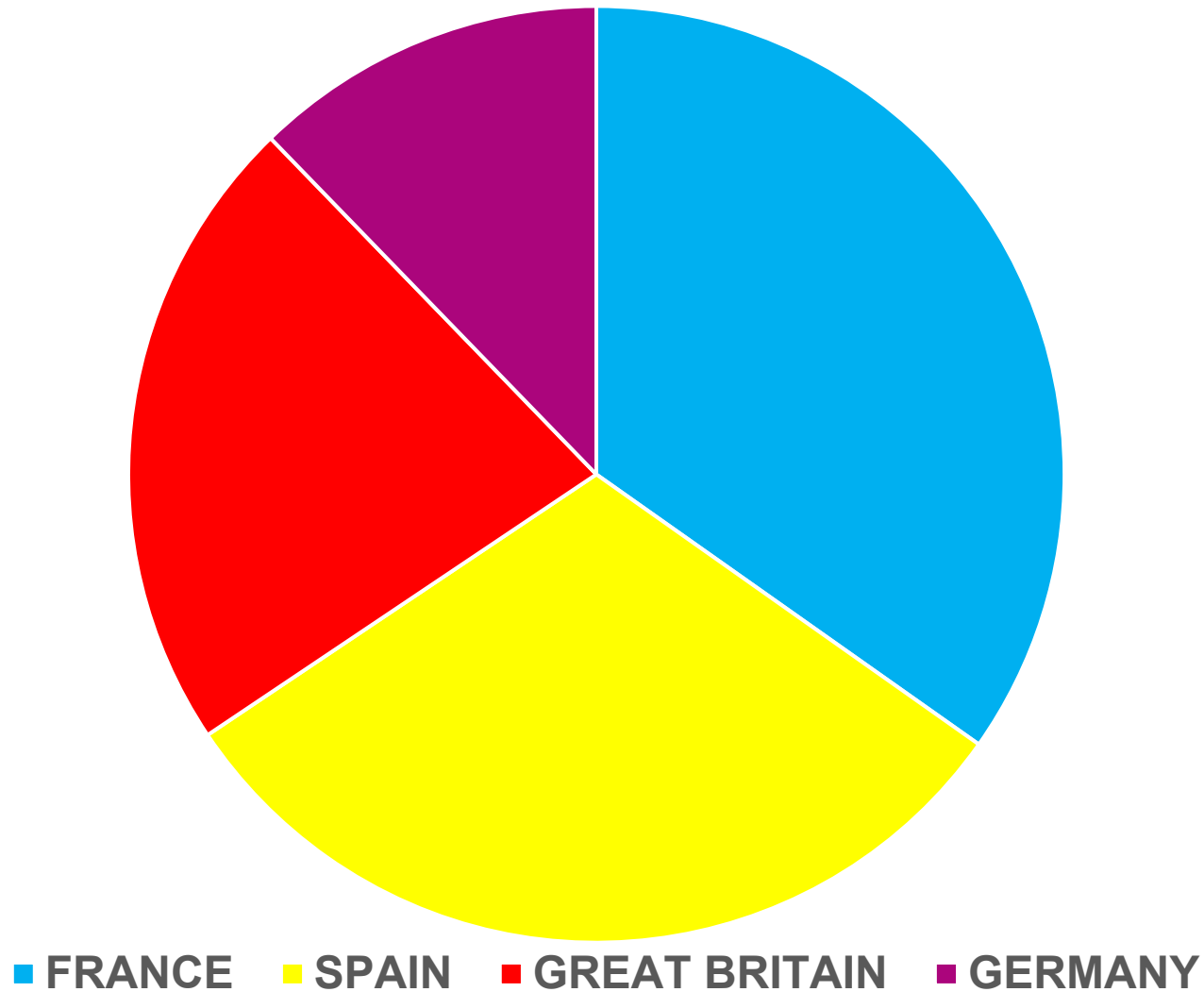
EUROPE MARKET DATA

Sources: AC Nielsen, IRI, EuroMonitor

Europe – Top 4 Tortilla Sales 2019

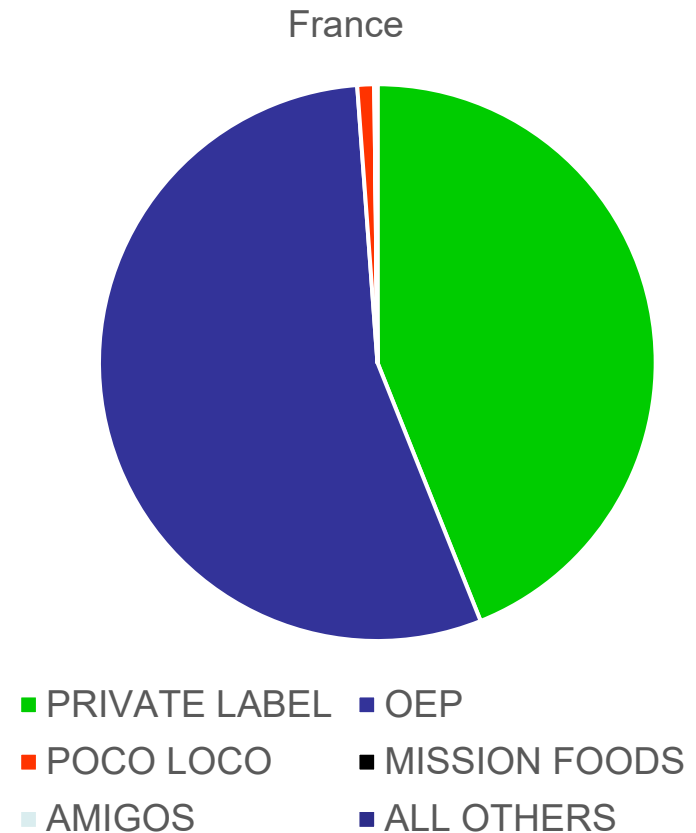
FRANCE	\$ 45,708,000
SPAIN	\$ 40,503,000
GREAT BRITAIN	\$ 29,093,000
GERMANY	\$ 16,106,000
Total	\$ 131,409,000

Europe – Top 4 Tortilla



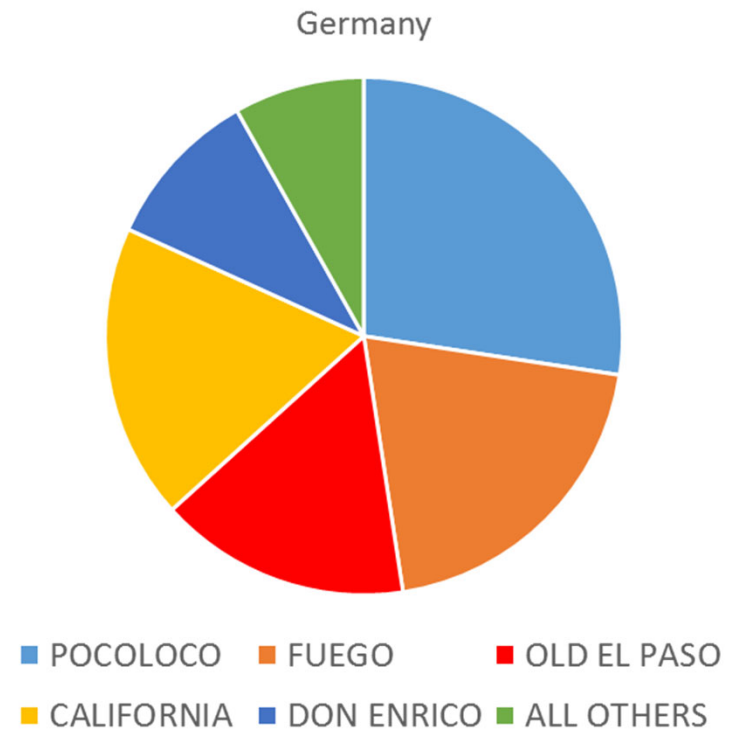
FRANCE Tortillas – By Brand

PRIVATE LABEL	\$20,087,000
OEP	\$25,090,000
POCO LOCO	\$447,000
MISSION FOODS	\$14,000
AMIGOS	\$69,000
Total	\$45,708,000



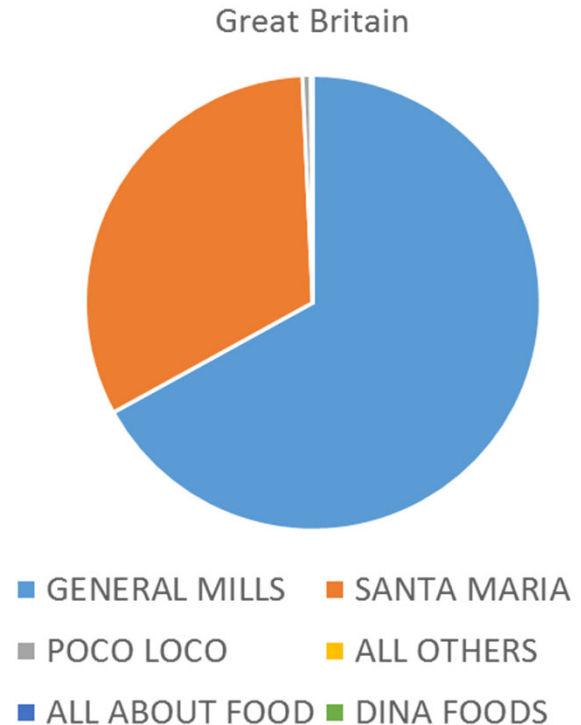
GERMANY Tortillas – By Brand

POCOLOCO	\$4,413,000
FUEGO	\$3,250,000
OLD EL PASO	\$2,533,000
CALIFORNIA	\$2,976,000
DON ENRICO	\$1,620,000
ALL OTHERS	\$1,315,000
Total	\$16,106,000



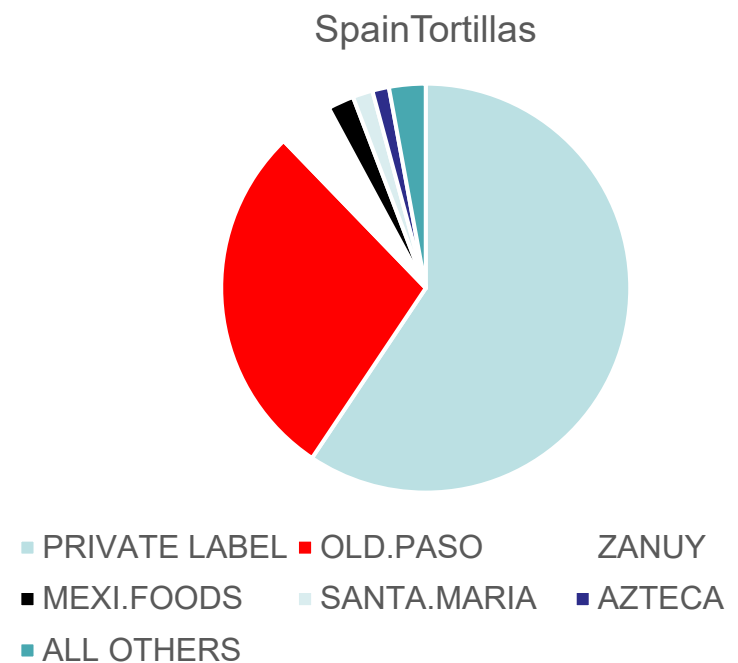
GREAT BRITAIN Tortillas By Brand

GENERAL MILLS	\$ 16,308,000
SANTA MARIA	\$ 7,857,000
POCO LOCO	\$ 144,000
ALL OTHERS	\$ 19,000
ALL ABOUT FOOD	\$ 10,000
DINA FOODS	\$ 6,000
Total	\$ 24,343,000



SPAIN Tortillas – By Brand

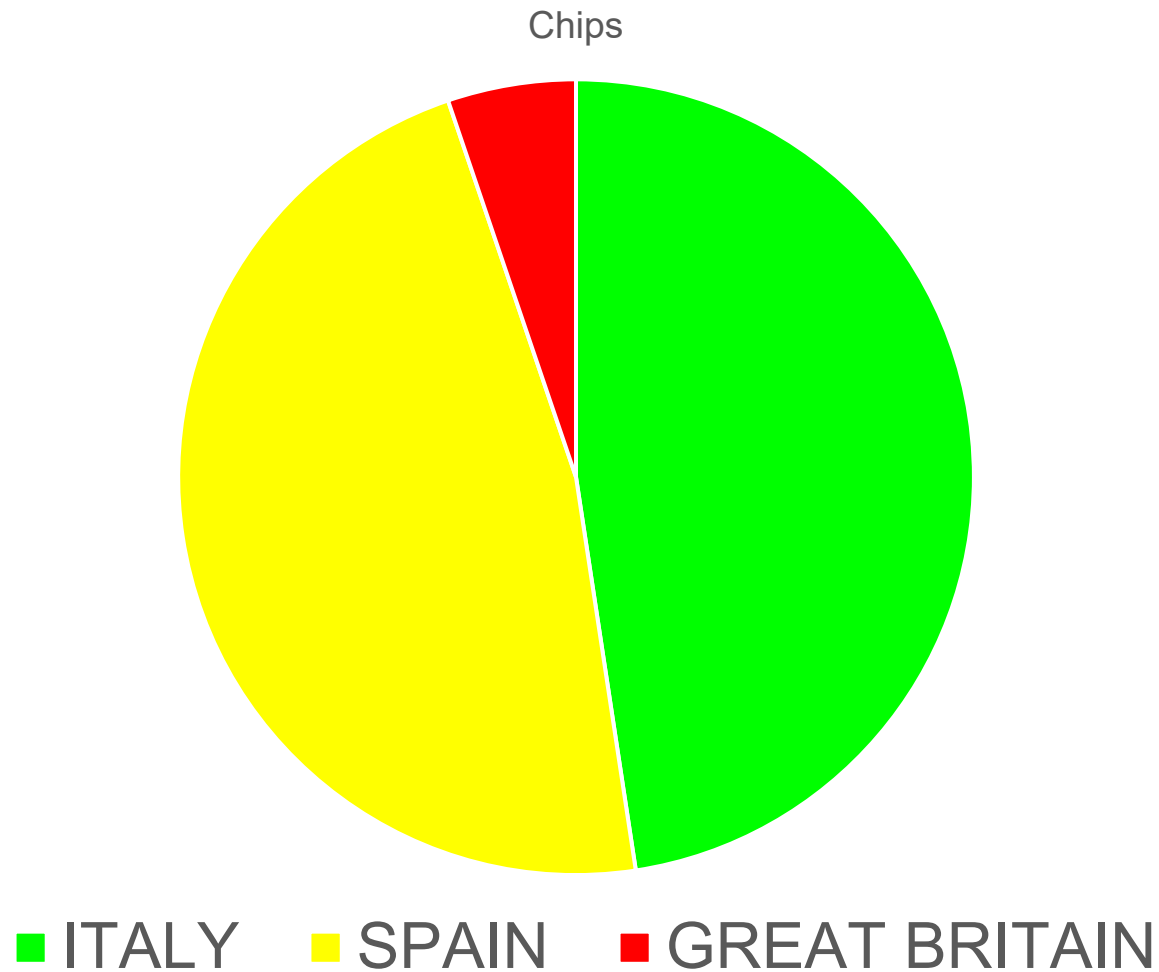
PRIVATE LABEL	24,056,000
OLD.PASO	11,496,000
ZANUY	1,767,000
MEXI.FOODS	839,000
SANTA.MARIA	641,000
AZTECA	531,000
ALL OTHERS	1,173,000
Total	\$40,503,000



Europe – Top 3 - Chips

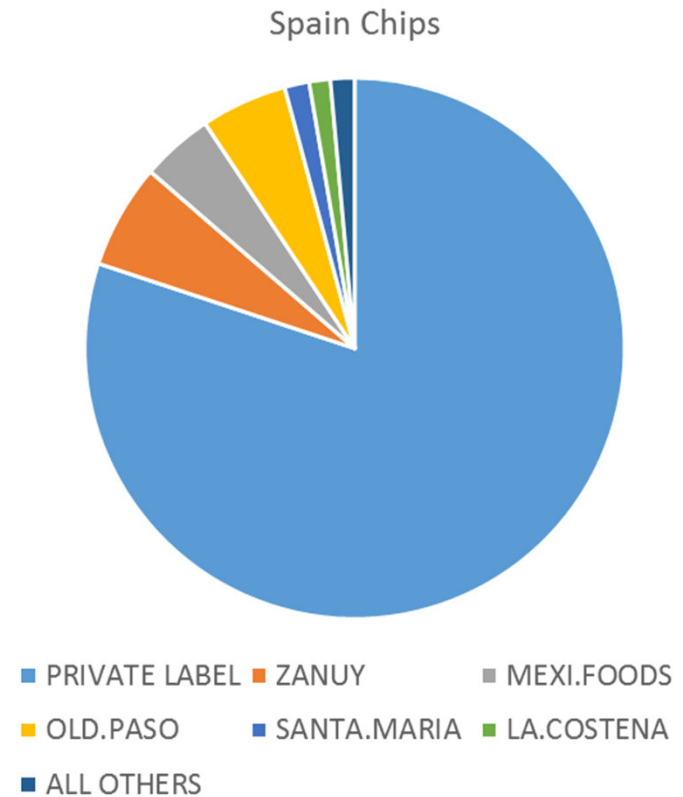
ITALY	\$25,553,000
SPAIN	\$25,331,000
GREAT BRITAIN	\$2,800,000

Europe – Top 3 - Chips



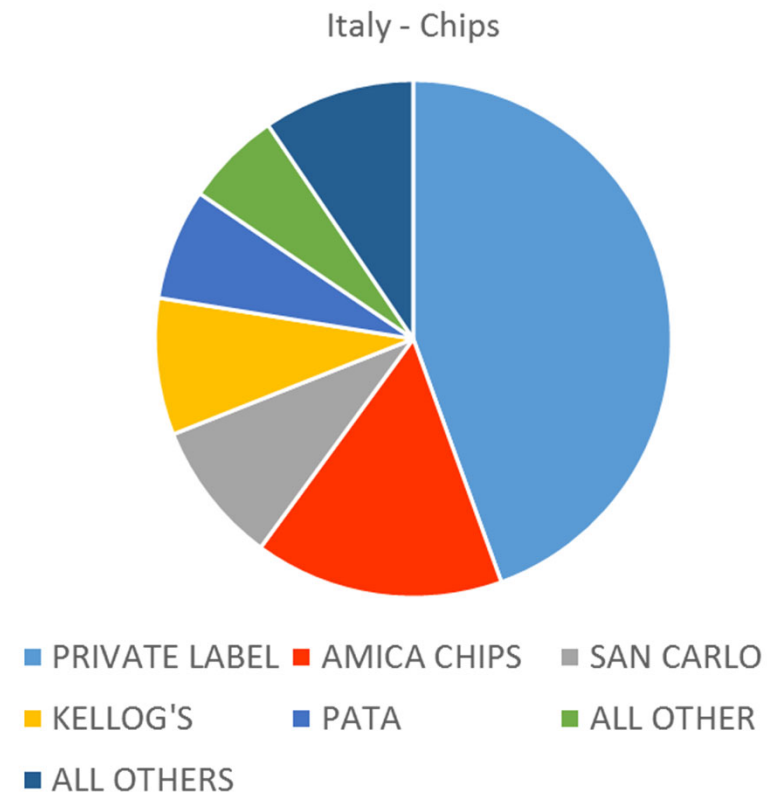
SPAIN – Chips

PRIVATE LABEL	\$ 20,285,000
ZANUY	\$ 1,585,000
MEXI.FOODS	\$ 1,092,000
OLD.PASO	\$ 1,310,000
SANTA.MARIA	\$ 374,000
LA.COSTENA	\$ 319,000
ALL OTHERS	\$ 366,000
Total	\$ 25,331,00



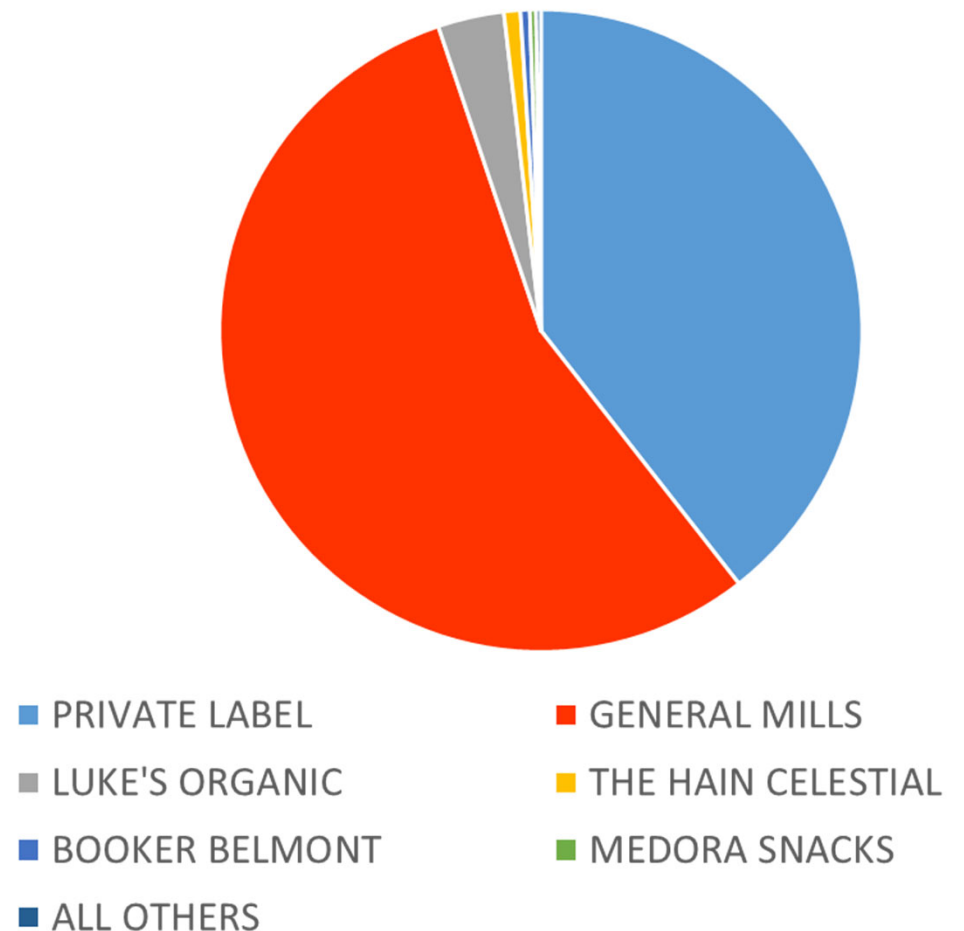
ITALY – Chips

PRIVATE LABEL	\$13,448,000
AMICA CHIPS	\$ 4,719,000
SAN CARLO	\$ 2,699,000
KELLOG'S	\$ 2,586,000
PATA	\$ 2,106,000
ALL OTHER	\$ 1,812,000
ALL OTHERS	\$ 2,876,000
Total	\$ 30,245,000



GREAT BRITAIN – Chips

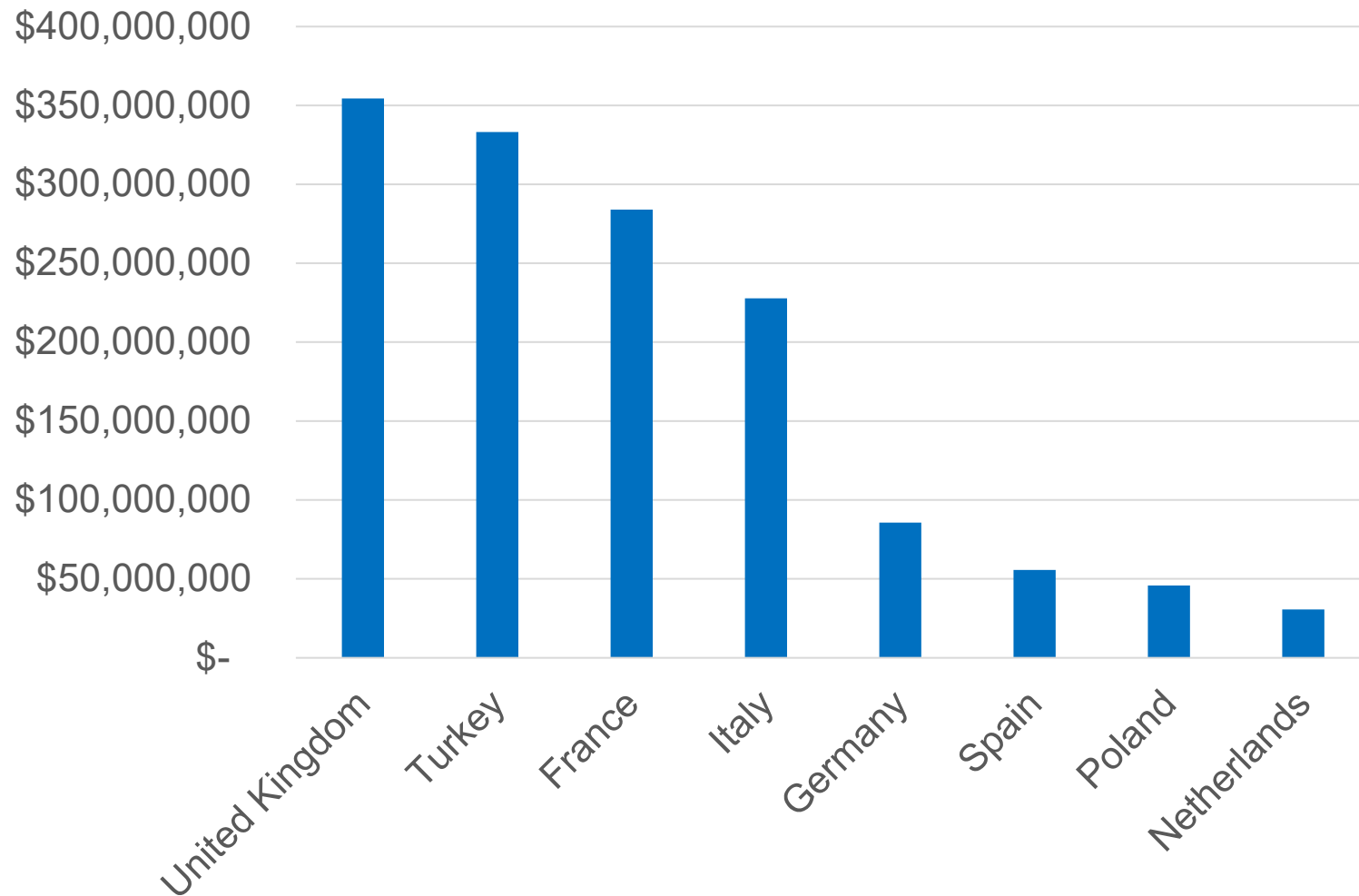
PRIVATE LABEL	\$ 1,381,000
GENERAL MILLS	\$ 1,940,000
LUKE'S ORGANIC	\$ 117,000
HAIN CELESTIAL	\$ 29,000
BOOKER BELMONT	\$ 16,000
MEDORA SNACKS	\$ 11,000
ALL OTHERS	\$ 8,000
Total	\$ 3,502,000



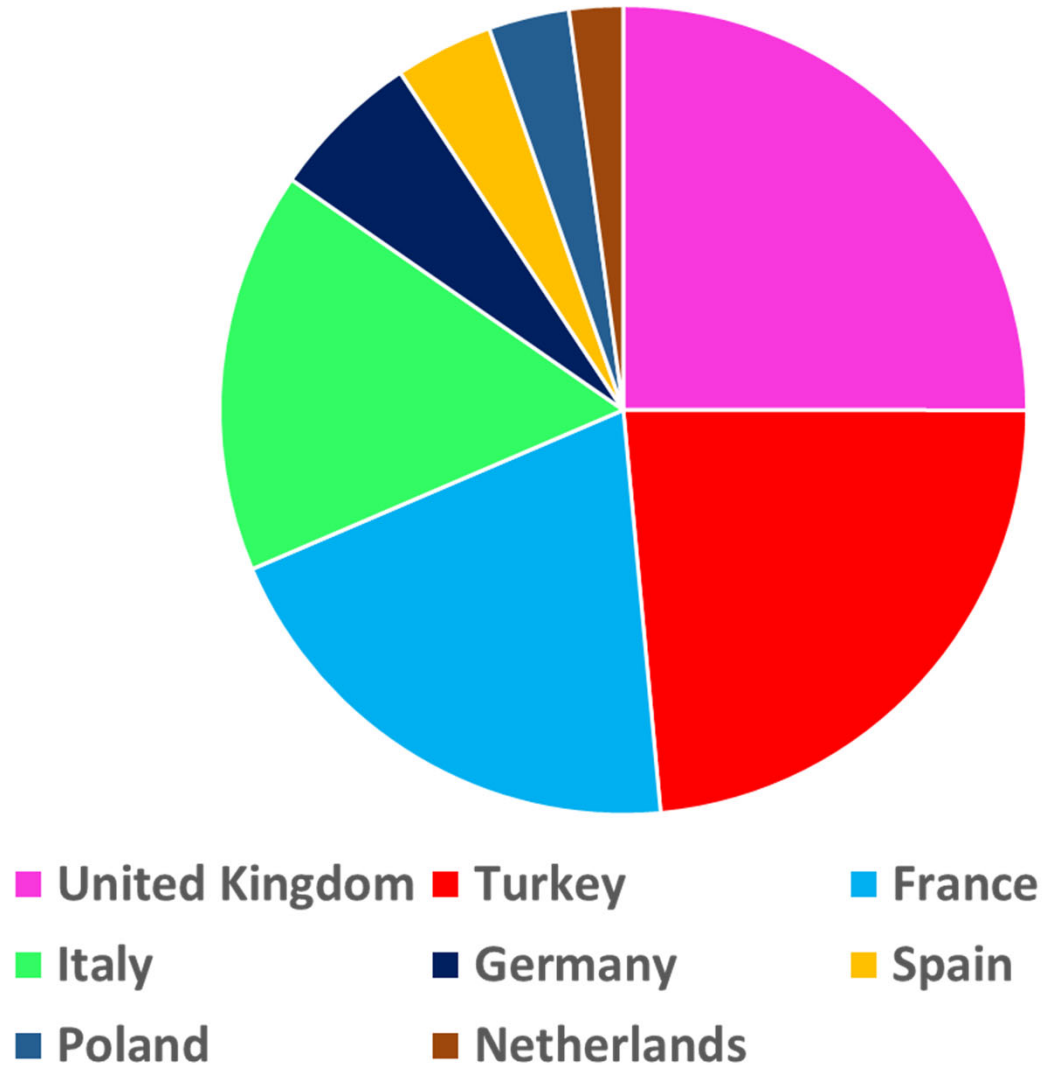
All Flat-Breads – EUROPE top 8

United Kingdom	\$	354,400,000
Turkey	\$	333,100,000
France	\$	284,000,000
Italy	\$	227,700,000
Germany	\$	85,600,000
Spain	\$	55,600,000
Poland	\$	45,800,000
Netherlands	\$	30,600,000
TOTAL	\$	1,416,800,000

All Flat-Breads – EUROPE top 8

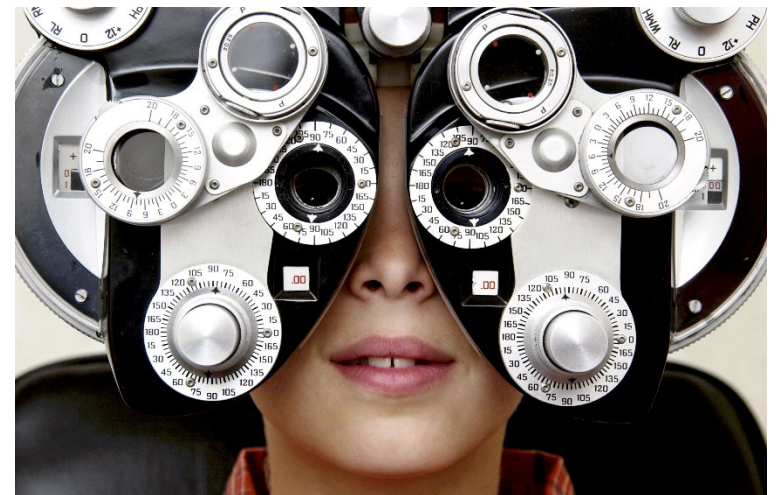


All Flat-Breads – EUROPE top 8



Flatbread Notes by Country

(Also known as the “TIA Vision Test” !)



Country Notes for Flatbreads

UK:

- * Mainly Asian flat breads e.g. Naan and Chapati (over 3M people Indo-Pakistani decent)
- * Pita 2nd most popular flat bread, tho Arabic origin is eaten by many Ethnicities in UK
- * Although Latino community in the UK is very small, Mexican foodservice outlets becoming increasingly popular. Hence, tortilla sales rapidly rising. Estimated tortilla sales 10-20% of total flat bread in the UK.

FRANCE:

- * Tortillas mainly sold within a meal product, with a much smaller portion being sold alone.
- * Tortillas account for 40% of flat bread market volume with 60% other flat breads mainly pita

ITALY

- * “Piadina” usually made with flour, lard salt and water is 94% of flat bread market
- * Remaining 6% of market is tortillas and other ethnic flat breads.
- * Real tortillas made of corn, sold in ethnic section retailers, quick-serve ethnic
- * Piadina ingredients increasingly questioned by consumers preferring lighter and healthier products.

TURKEY:

- * 90% of Packaged Flat Bread comes from “Lavash”.
- * 95% of Unpackaged Flat Bread comes from what’s called “pide”, basically round pita breads

Country Notes - Continued

GERMANY

- * Flat bread is very small compared to leavened bread
- * Within flat bread tortillas are only one of many variations. (5%-10% of flatbread market)
- * People wanting Mexican cuisine are more likely to go to foodservice

SPAIN:

- * 80% of flatbread sales is comprised by tortillas
- * Trend started to grow from foodservice to become common on grocery retailers' shelves.
 - * Old El Paso the most important branded product within this market although private label also has an important presence in this market. Almost all flatbread is packaged

POLAND:

- * Tortillas account for 80% of total flat bread in Poland.
- * Pita ranks 2nd.

NETHERLANDS

- * No domestic type of flatbread , Tortillas are the most common type of flatbread
- * Estimate that tortillas comprise 70% of the flat bread market in Netherlands.
- * But share of tortillas is declining as Middle Eastern flatbreads becoming more popular

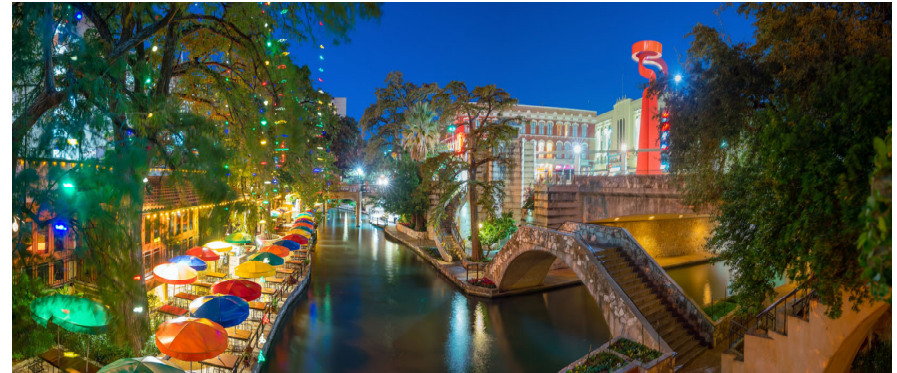
TIA's Role In This Market

- Expanding Your Business
 - Increased Exposure Between You & Market
- Growing Your Profits
 - Increased Knowledge Of Best Practices
- Increasing Your Success
 - Supporting, Informing & Advocating Our Members

***“Effective Participation In TIA Is
A Revenue-Building Strategy For
Producers And Suppliers Alike In
The Baking Industry”***

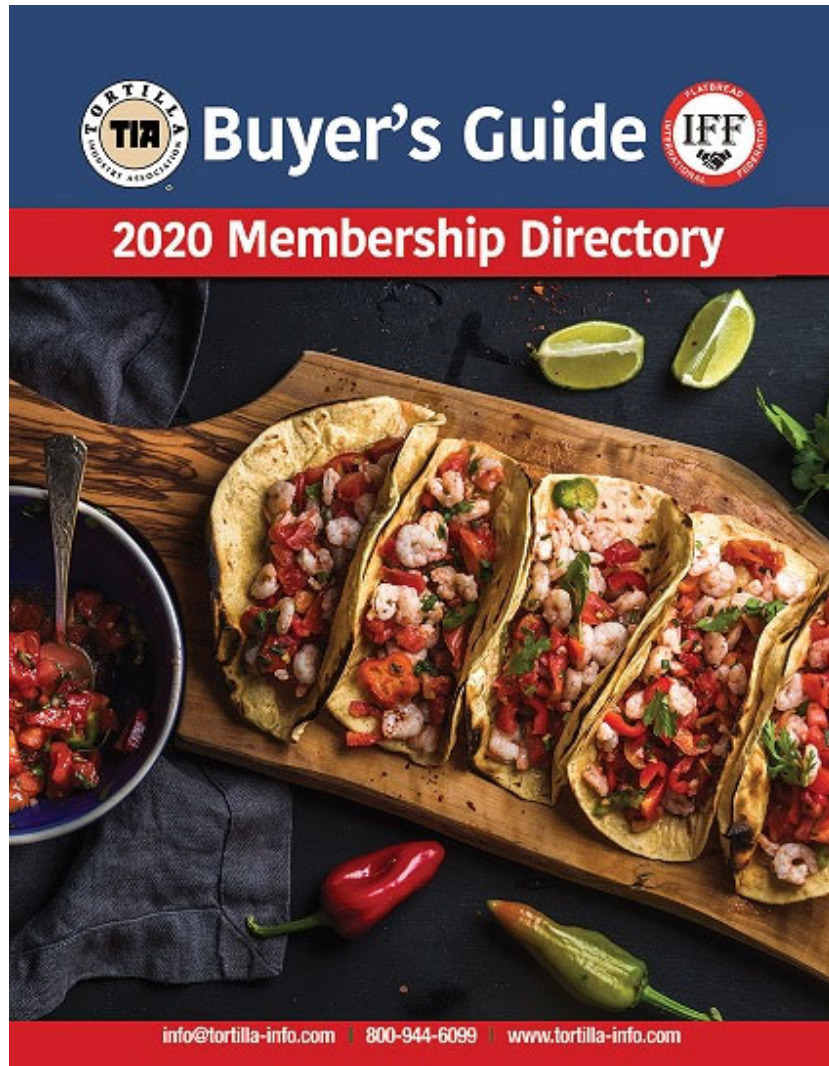
TIA's Tactics

- Conferences & Conventions
 - **TIA Convention:** Primary Marketplace of the Industry, Next: July 2021 San Antonio Texas



- **TIA Tech Conference** (each 3rd year with IBIE, other years with Factory Tours
Next: October 2021 in Long Beach, California
- **TIA Europe**, Next: September 2021 in Belgrade with Factory Tours, New partnership with IBA

Increasing Your Business Opportunities



- TIA Publications such as Buyer's Guide & Membership Directory
- Business Opportunity Notification E-Mails
- Promoting Our Industry Through No-Cost Mass Media Exposure Opportunities

Member Communications



WWW.TORTILLA-INFO.COM

TIA News

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2011 Technical Seminar Coming Soon: MAY 22nd – 23rd “REGISTER NOW!”

Upgraded Location in Anaheim CA, With Sessions Plus Field trips to 3 Facilities

2011 TECHNICAL CONFERENCE

After shifting our Technical Conference last fall to co-locate with the triennial International Baking Industry Exposition 2010 in Las Vegas, NV, TIA is returning this event to its usual spring date. This year it will come to Southern California, at Disney's beautiful Grand Californian hotel.

day of factory tours and training sessions.

The first session runs from 9:15 to 11:15 a.m. and will be presented by Casa Herrera, Pomona, CA. Next, the group will visit a factory hosted by Lawrence Equipment from Noon to 2pm, where they will also be served lunch. The third tour with demos and training sessions of the afternoon runs from 2:45 to 4:45 and will be hosted by J.C. Ford Co., La Habra, CA where beer, snacks and refreshments will be offered.

Topics to be presented that day include safe handling of ingredients, preparing for a third-party audits, commodity and ingredient pricing and cost trends, latest formulation, and improving supervisory skills. A working lunch will feature an “ask the experts” open panel, and at the conclusion of the educational sessions, a cocktail reception, featuring tabletop displays from suppliers to the industry, will be held from 5 to 7 p.m.

Then on Tuesday, May 24, conference attendees will board buses beginning at 8 a.m. for a full

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- Electronic Newsletter
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TIA Website



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Launched Sister Organization for All Flatbreads



International Flatbread Federation

www.flatbreads.org

Please Join TIA Today!

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- Support The Industry That Supports You
- Make Valuable New Business Connections
- Help Guide TIA As Board Member or Committees
- Have Fun!

www.tortilla-info.com

TIA WOULD LIKE TO SAY

Thank You!

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