


TUNA 2012 Bangkok Conference  
May 23-25



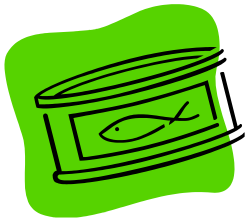
Latin America's potential  
as a major  
canned tuna bloc:  
“Challenges & Dynamics”



**DARIO CHEMERINSKI**  
International Division



**Latin America's potential  
as a major  
canned tuna bloc:  
“Challenges & Dynamics”**



## Central Purpose of this Presentation

- 1. RECALL** >> the main figures of the Central & South America for canned tuna, showing highlights of consumption, habits, trends, and recent innovations.
- 2. GET** >> an overall idea of the markets vs the better known N. America or European
- 3. FOCUS** >> on the most relevant canned tuna markets, Brazil, Chile, Colombia, Argentina, Costa Rica...where top brands coexist with PL (made in Ecuador, Thailand)
- 4. WATCH** >> how innovations are helpful to improve overall quality of the tuna category.
  - ✓ thus fighting the perception of “commodity- product” ...
  - ✓ And avoiding the squeezing of industry and retail/wholesale margins
- 5. PRESENT** >> how innovation & other trends can turn this region into a major bloc
- 6. CONCLUDE** >> that Latin America’s potential as a tuna bloc is real.



# AGENDA

## **A. Tuna in Emerging Latin Countries**

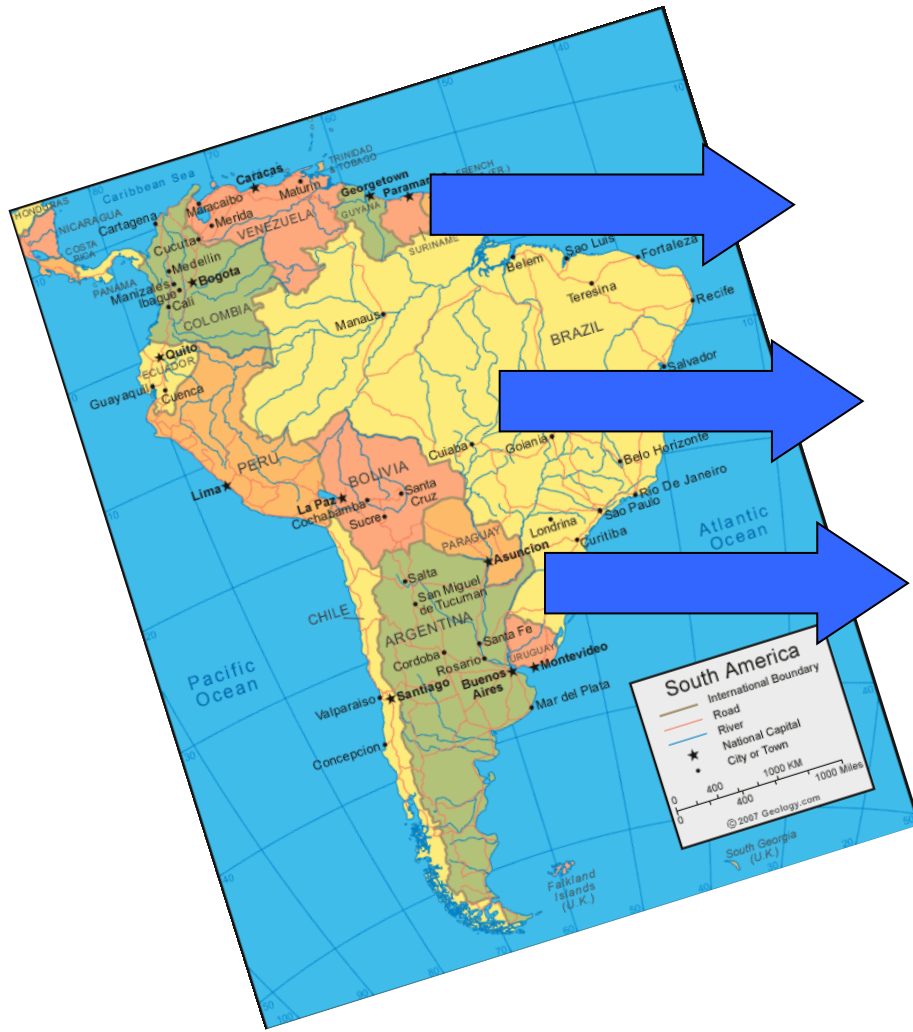
- General Overview
  - Key numbers Central & South America
- Insights: Trends & Habits
- Per capita consumption
  - Protein- various choices...

## **B. Is the region becoming a major canned tuna bloc ?**

- Dynamics affecting the business
- Recent regional trends
- Examples of regional innovation
- Evolution of 5 relevant markets
  - Brazil, Chile, Costa Rica, Colombia & Argentina
- Challenges ahead...

## **C. Final Considerations**

# KEY NUMBERS CENTRAL & SOUTH AMERICA

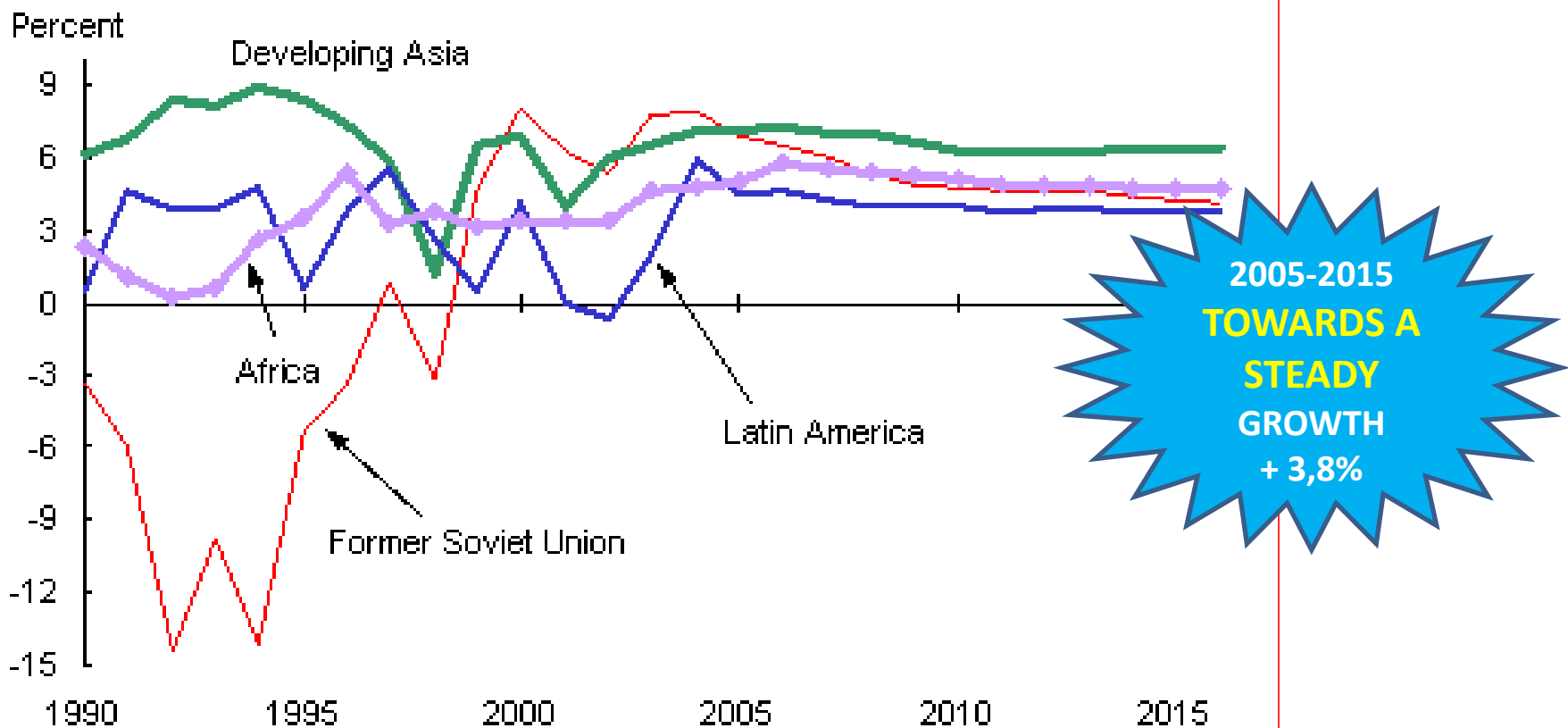


**23 Countries**  
**TOTAL GDP USD 3.9 trn**  
**Population 480m**

**7% world Population**  
**6% world GDP**

# GDP Growth- Latin America vs developing countries

**GDP growth for developing economies and the former Soviet Union**

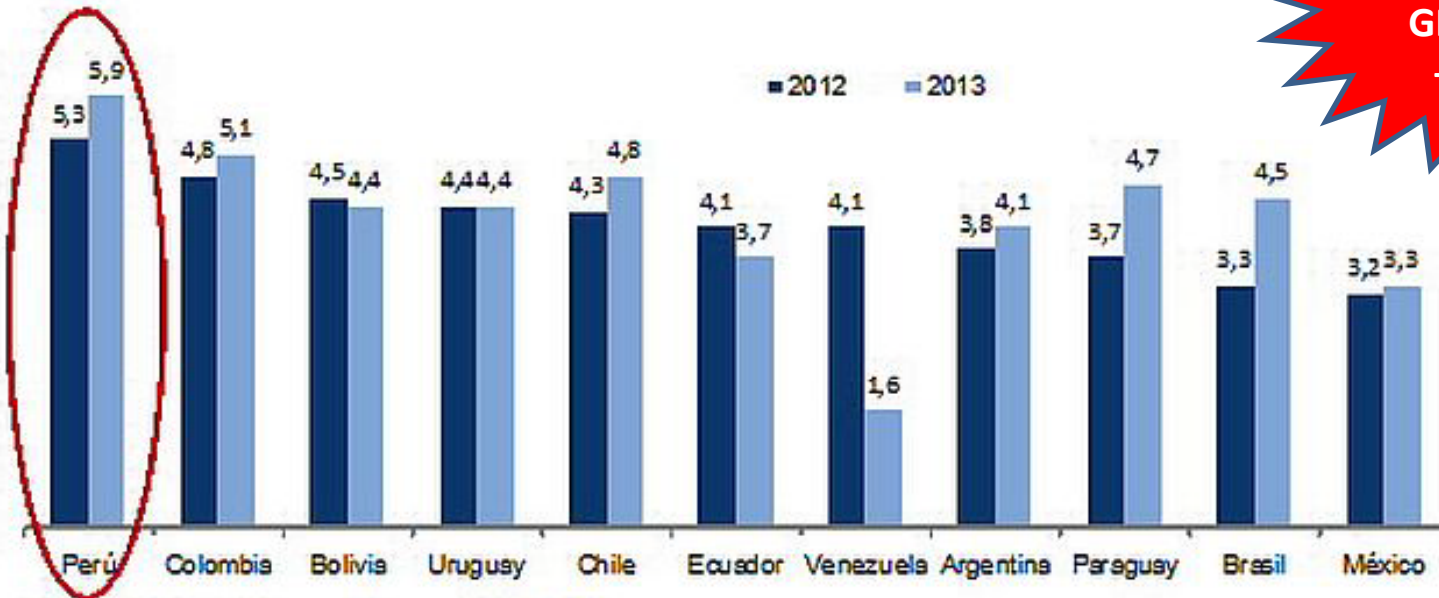


Source: *USDA Agricultural Projections to 2016*, February 2007.  
USDA, Economic Research Service.



# GDP Growth- Latin America

PROYECCIONES DE CRECIMIENTO DEL PBI EN AMÉRICA LATINA  
(Variaciones porcentuales reales)



**2012-2013  
AVERAGE  
GROWTH  
+ 4,3%**

Fuente: Latin Focus Consensus Forecast. Marzo 2012.

## RECAP (1)

### HOW DO LATIN CONSUMERS RELATE TO FISH & SEAFOOD CATEGORY ?

- ✓ Fish & Seafood are regarded as tasty and quality food.
- ✓ Quality is related to its healthy elements vs red meat and chicken/pork
- ✓ The equation is **FISH = HEALTHY FOOD FOR THE FAMILY**





## RECAP (2)

### HOW DO LATIN CONSUMERS RELATE TO CANNED TUNA ?

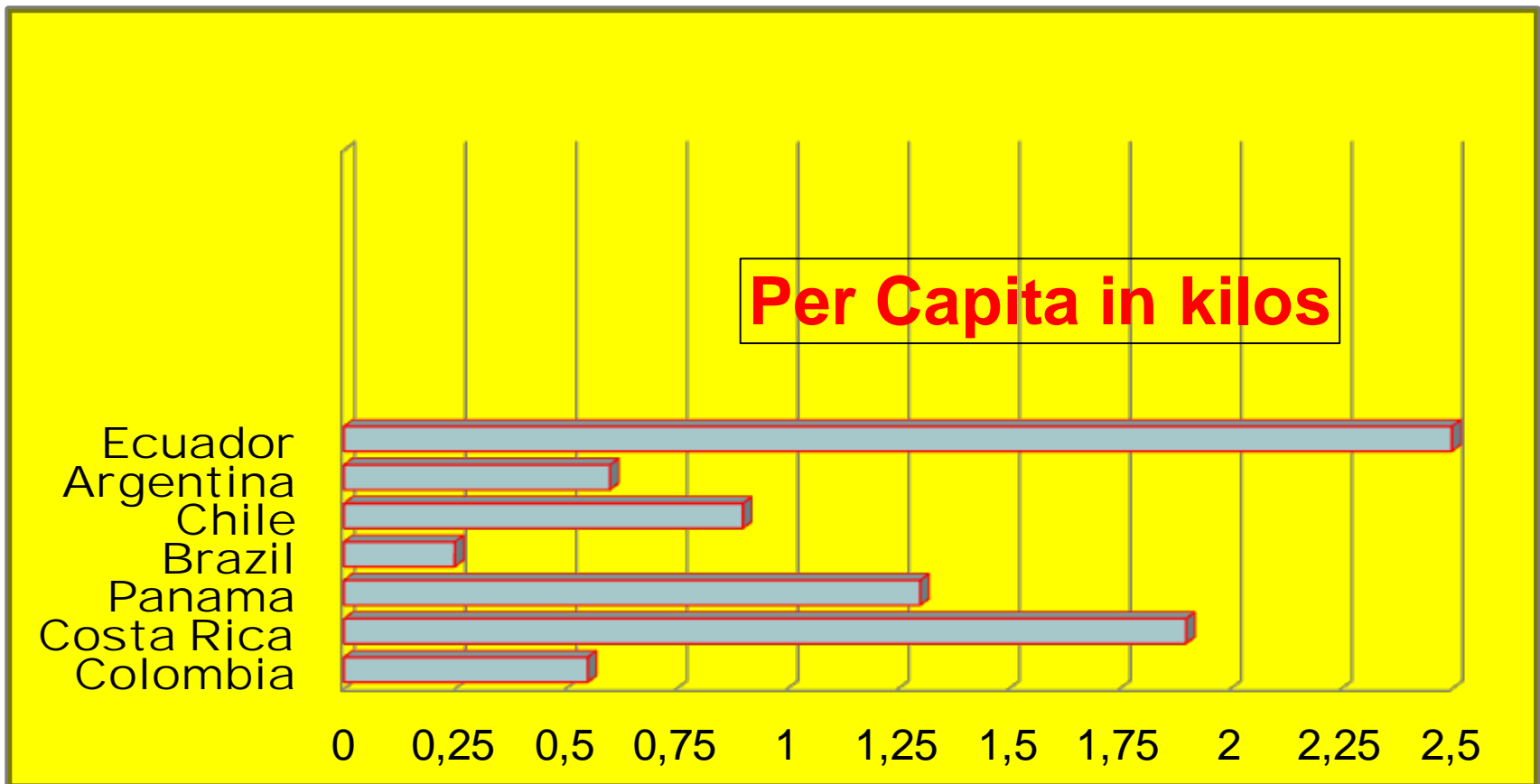
- ✓ It is a “must- have-it- in-your-house” product
- ✓ Very versatile for any occasion
- ✓ Strong seasonality in the religious EASTER “Quaresma” + Spring/Summer time
- ✓ Its protein competes against high red meat & chicken consumption
- ✓ Preferences- Selected countries:  
(source: FAOstat 2010)

ARGENTINA URUGUAY	BRAZIL	Costa RICA CHILE	PERU
▶ RED MEAT	▶ CHICKEN ▶ RED MEAT	▶ RED MEAT	▶ CHICKEN
▶ + 55kgs yr	▶ + 40kgs yr	▶ + 45kgs yr	▶ +30kgs yr



**Is this region  
a major  
canned tuna  
bloc ?**

Per Capita Consumption- Selected Countries  
kg **CANNED TUNA**- 2011



# Dynamics

## What is the news ?



### 😊 New players arriving 2010/2011

- 😊 Jealsa Robinson Crusoe in Argentina & Brazil.
- 😊 Pepsico Brazil sold brand #2 “Coqueiro” to CAMIL, a rice giant.
- 😊 Newcomer Beira- Mar and Van Camps, starting sales in Brazil....
- 😊 Calvo entering Paraguay, Colombia, tiny Belize...
- 😊 Gomes da Costa selling in Surinam, Nicaragua, Guatemala

### 😊 Some leading companies even changed their names...

- Example >> Costa Rica’s Sardimar now is ...  
“Alimentos ProSalud” (proHealth Foods) !



# Innovation

## What is the news ?

- ☺ **Oil:** olive, soya, sunflower, canola...
- ☺ **Flavours:** spicy, smoked, lemon...
- ☺ **Combinations:** salads, pates, corn, palm hearts, asparagus, peas
- ☺ **Type:** fillets, ventresca, premium yellowfin...
- ☺ **Formats:** easy-open, peel-off, tetra pak, pouch, glass jar...

➤ **Most of these products are launched...REGIONALLY**

☺ **Let's see a few of them ..**

**“PREMIUM” VENTRESCA, YELLOWFIN IN OLIVE OIL**  
**VAN CAMPS 125grs**  
**COLOMBIA- EQUADOR**



**LIGHT TUNA , NO OIL, PLASTIC CAN 4 FLAVOURS**  
**SARDIMAR 160grs-**  
**COSTA RICA- NICARAGUA- GUATEMALA**





**“CHEF’S SECRET”...Chunk Tuna  
Coqueiro 170grs- Napolitan & Oriental Flavours  
BRAZIL-URUGUAY**



**YELLOWFIN & CARBONELL OLIVE OIL  
GOMES DA COSTA 170grs  
BRASIL - URUGUAY - PARAGUAY**



**SKIPJACK TUNA IN CUBES- water, with olives, in oil**  
**ROBINSON CRUSOE dw 155grs-**  
**CHILE- PERU-COLOMBIA**



**TUNA Ready- to-Eat SALADS**  
**3 FLAVOURS – GOMES DA COSTA 150grs**  
**ARGENTINA- CHILE- BOLIVIA**



**CHUNK TUNA in CANOLA OIL – OMEGA 3**  
**CALVO 160grs-**  
**PANAMA- COSTA RICA- EL SALVADOR**





**SOLID TUNA in Sunflower Oil- Glass Jar**  
**Isabel 160grs-**  
**COLOMBIA - VENEZUELA**



## • IN SUMMARY

- ✓ Natural nutrition is one of the big health trends
- ✓ Convenience is one of the current macro trends, particularly important for time-pressed consumers.
- ✓ Easy-open packaging is essential
- ✓ Innovation is appearing in formulation changes
- ✓ Environmental concern is a rising selling factor





# CONSUMER HABITS IN LATIN AMERICA

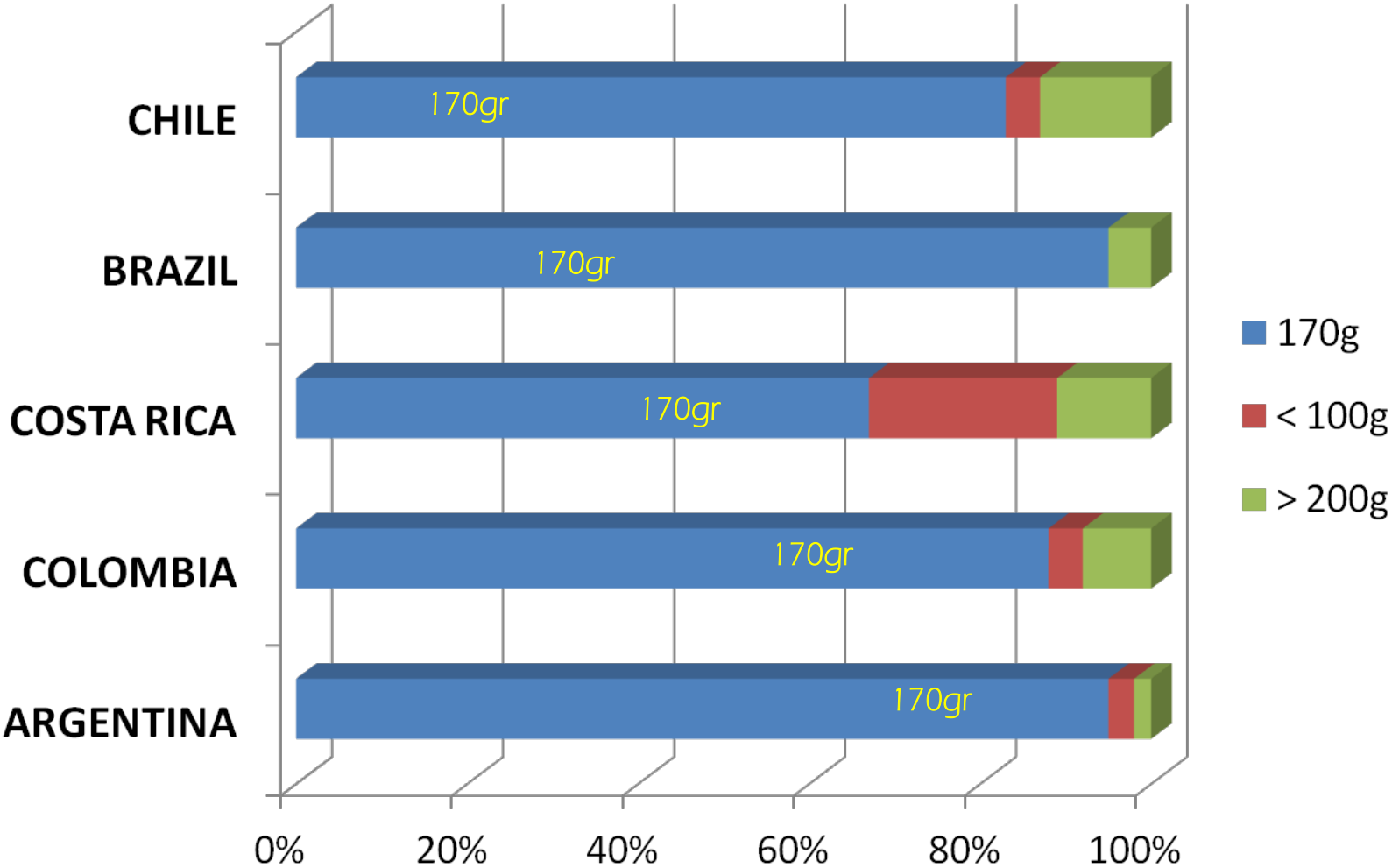


# CONSUMER HABITS IN LATIN AMERICA

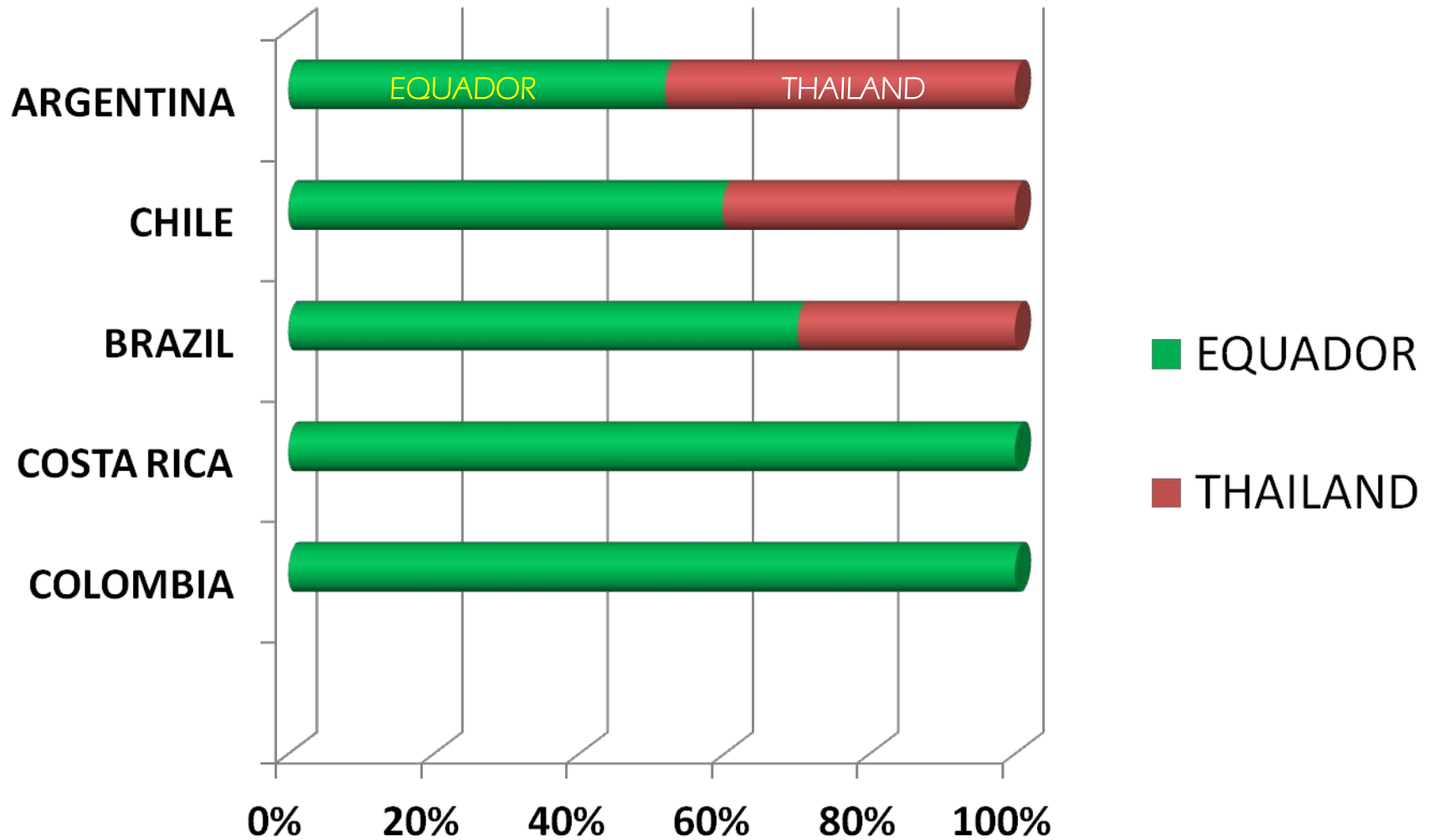


- **CHANNELS** are relevant for the price-sensitive Latin consumers
- **Brand PROMOTIONS** implemented to create awareness
- **EDUCATION** to show product versatility (rice, pasta, salads)
- **Cross promotions** to increase consumption and in-take home
- “Easter” **religious SEASONALITY** is important...but decreasing

# TUNA CAN SIZE



# CANNED TUNA IMPORTS 2011 EQUADOR vs THAILAND (in %)



## Canned Tuna section- Carrefour Argentina



## Canned Tuna section- La Ley Colombia



Mostly... 170 grams easy open single pack



# Canned Tuna section- PriceSmart Colombia



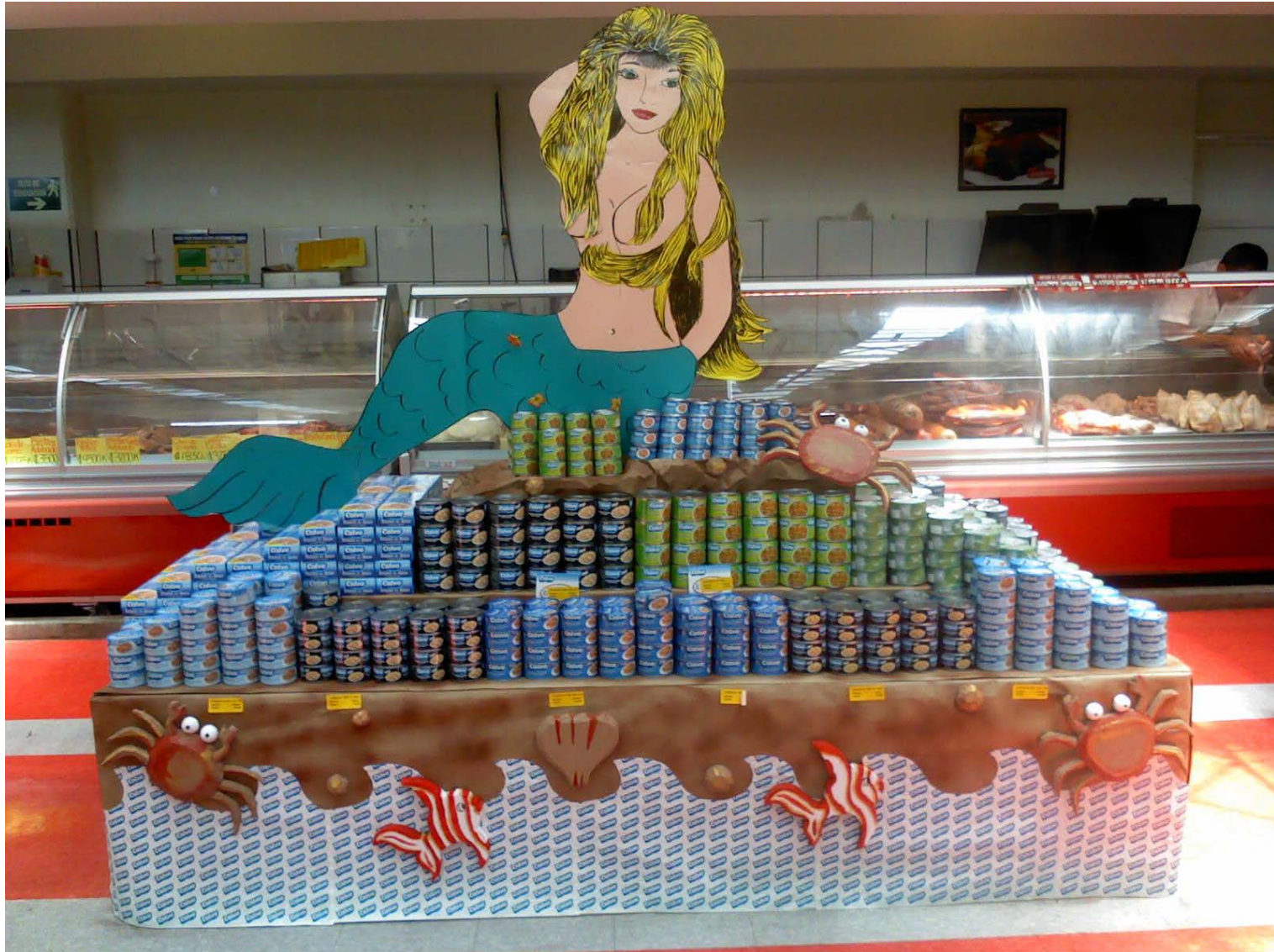
Mostly... 170 grams easy open 4-6 pack

# Jumbo retail- Chile educating consumers with recipes..





# Canned Tuna “Easter” promotion Wal Mart- Costa Rica



# Canned Tuna section Panama



Mostly...170 grams & 104grs





# Canned Tuna section Extra- Brazil



Mostly...170 grams, single & 4-packs

# What about MASS COMMUNICATION ?

## ❖ TV ads in the region show us

- Health is essential
- Importance of the family
- Woman as the “decider”
- But ... Latin “macho” still present !

## So.....is Latin America becoming a major canned tuna Bloc ?



- CONSUMPTION- average less than < 1kg, but growing steadily
- HABITS- very similar in general (flavours, size, occasion)
- CHANNELS- very similar... discount & supermarkets growing vs small shops
- IMPORTS- Regional tariff barriers !.... Source ? mostly Equador & Thailand.
- PRIVATE LABEL- growing slowly, but at +/- 20%, it's much less than Europe.
- BRANDING- definitely becoming regional.....
- **In summary, Latin America's potential as a tuna bloc is real**

# Final Considerations



## **1. The debate continues...**

- 1. In last conference 2010 we said that Latin America is a region with massive growth potential and significant challenges for the **tuna industry**.**
  - ✓ **New players have arrived since then**
  - ✓ **With innovative products and new distribution techniques to grab market share & expand the category...**
  - ✓ **These new players have applied regional strategies & tactics and have “customized” business models to suit the context of the Central & South America markets.**

## Final Considerations



**The debate continues...**

**✓ So...my question to the audience for next BKK 2014 conference ....**



## Final Considerations



**The debate continues...**

✓ **So...my question to the audience for next BKK 2014 conference ....**

**Have these new players succeeded ?**



**Thank you !**

**Khawp khun khrap !**



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