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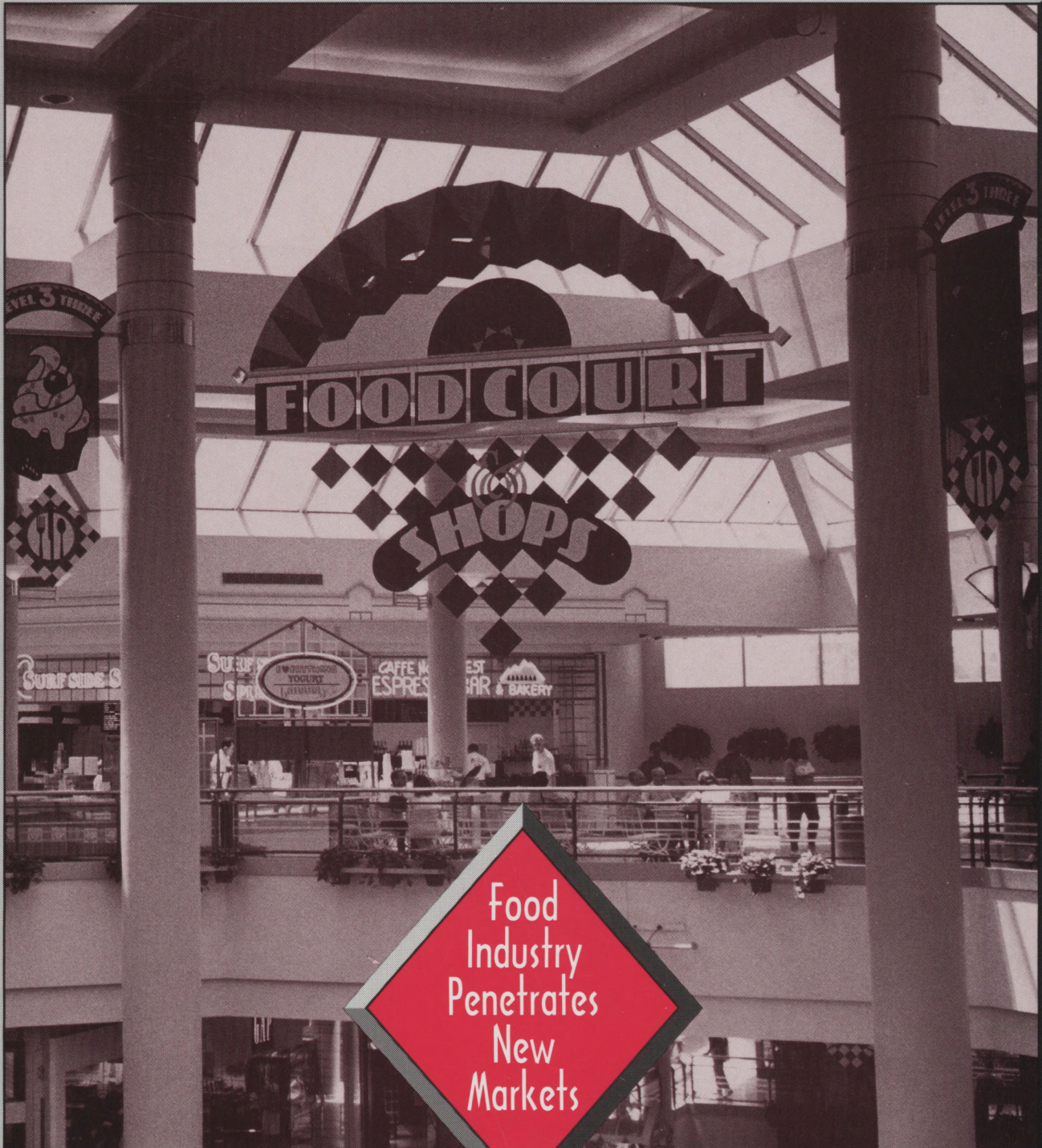
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Food
Industry
Penetrates
New
Markets

...Upfront

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Agricultural Exports: 8/27, 11/30
Agricultural Income & Finance: 9/7, 12/13
Agricultural Outlook: 7/19, 8/19, 9/17,
10/20, 11/18, 12/17
Agricultural Resources: Inputs: 10/14
Aquaculture: 9/22
Asia & Pacific Rim: 9/23

Cotton & Wool: 8/25, 11/22
Cotton & Wool Update: 7/6, 8/3, 10/5,
11/2

Dairy: 8/26, 10/25, 12/10

Europe: 9/16

Feed: 8/20, 11/23
Food Needs Assessment: 11/3
Fruit & Tree Nuts: 8/18, 11/17
Fruit & Tree Nuts Yearbook: 7/21

Industrial Uses of Agricultural Materials:
12/15

Livestock & Poultry: 7/16, 8/13, 11/15
Livestock & Poultry Update: 7/23, 8/20,
9/24, 10/22, 11/22, 12/22

Oil Crops: 10/22
Oil Crops Yearbook: 7/23

Rice: 10/21
Rice Yearbook: 7/26

Sugar & Sweeteners: 9/21, 12/14

Tobacco: 9/16
Tobacco Yearbook: 12/16

*U.S. Agricultural Trade Update:** 7/20,
8/23, 9/20, 10/20, 11/22, 12/21

Vegetables & Specialties: 7/27, 11/10

Wheat: 7/20, 9/20, 11/19
World Agricultural Supply & Demand:
7/12, 8/11, 9/9, 10/12, 11/9, 12/9

*Tentative dates.

Inside...



Food Industry Penetrates New Markets

2 Nontraditional Retailers Challenge the Supermarket Industry

Recent explosion in the share of grocery store sales by membership warehouse clubs, mass merchandisers, and deep-discount drugstores has caused traditional grocery stores to modify their marketing strategies to appeal to price-conscious consumers.

8 Fast Food Chains Penetrate New Markets

The sluggish economy has spurred stiff competition among fast food operators—pushing for higher sales with price wars, “value meal” discounts, and expanded menus. Many are expanding abroad, but even more are making inroads to new markets at home with smaller mobile units and with outlets in schools, supermarkets, and healthcare facilities.

U.S. Food Processing Expands Abroad

13 Continued Export Expansion Likely for U.S. Food Processors

Because of record export growth, U.S. food processors posted a trade surplus in 1992 for the first time. The appeal of American brand names and the influence of U.S. multinational firms abroad should strengthen that position in the face of stiff world competition.

20 Food Processing in Mexico Attracts U.S. Investment

Spurred by a growing economy and population, Mexico has created a favorable environment for foreign firms. The

U.S. food processing industry is responding—not only with exports but also with joint ventures and affiliates building and buying production facilities in Mexico.

25 Fresh-Market Link Alters Mexico's Competitiveness in Processed Tomatoes

The processed tomato industry in Mexico is small but becoming more important, as the sector has grown faster than the fresh market sector. Exports to the United States have increased as well. But further expansion depends critically on several factors—particularly competition for tomatoes from the fresh market.

Japan's Food Consumption Expands and Diversifies

30 Japan Adds Western Flavor to its Traditional Diet

With rapid economic growth and increasing per capita income, the Japanese are eating more food and a greater variety. On their plates today are more meats, dairy products, and processed foods. The shifts in consumption are creating opportunities for U.S. exporters.

37 Japanese Food Consumption...At a Glance

Information Updates

38 Reports of Interest

USDA's Economic Research Service has reports and databases related to the information presented in this issue. The list contains the most recent data and analysis, as well as easy order information.