

PAN BORICUA: DEVELOPING A MARKET STRATEGY FOR THE HISPANIC MARKET IN THE UNITED STATES

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Having recovered from several stumbles, Luis Franco and Auriel Rivera felt they had finally managed to get their project off the ground — placing rich Puerto Rican *pan sobao*,¹ a bread made with vegetable shortening, on the food tables of Hispanics in the United States. “We’ve learned by force of blows,” said Franco, remembering the vicissitudes which they had gone through in the past few years. Finally, they had reached the point where it seemed that everything was going smoothly: they had a quality product and a recognized brand, and had associated themselves with reliable distributors, which had penetrated, although timidly, markets that they had not considered initially. Franco and Rivera were now evaluating how to proceed in a strategic manner and how to determine the specific localities where they could strengthen sales and where they could start new business. This time, they were committed to applying the lessons learned and avoiding disappointment.

HISTORY OF PAN BORICUA

Pan Boricua, Inc. (Pan Boricua) was born in 2001 when Auriel Rivera and some friends explored the idea of exporting bread made in Puerto Rico (see Exhibit 1) to the United States. Rivera’s interest arose when several Puerto Ricans he knew would return to the United States, taking several pounds of pan sobao from local bakeries. These *Boricua*² residents in the United States did not find bread where they lived with the particular flavor and texture of the pan sobao made in Puerto Rico. According to Franco, “It’s different to produce the product there [in the United States], because it would eliminate the essence of the *program* Pan Boricua is a gourmet product that comes from Puerto Rico. We do not sell bread, but pan sobao made in Puerto Rico.” The program, as Franco and Rivera called it, included the export of frozen bread dough along with branded bread-loaf paper cover and merchandising at the point of sales. The peculiarity of the pan sobao came from the fact that it was mixed with a double-blade kneader, which provided the softness and smoothness that characterized this type of bread. The use of these double blades was highly regulated

¹ *Pan Sobao is the popular name given to the bread made of vegetable lard in Puerto Rico. It is kneaded or sobado, a word which in colloquial Puerto Rican Spanish becomes “sobao” with the “d” dropped.*

² *Boricua is a name derived from Borinquen, a native Taino word that was used to refer to Puerto Rico.*

in the United States for safety reasons because they were considered dangerous. Therefore, production of pan sobao in the United States was very limited.

The first attempt to sell pan sobao in cities in the United States with large Puerto Rican and Hispanic³ populations required an initial investment of \$20,000⁴ from Rivera, and failed due to difficulties with the management and the export process. Still, Rivera, aware of the tremendous opportunity, shared his idea with his friend Luis Franco. Franco enthusiastically committed to support the proposal, immediately registered the brand and created Pan Boricua, Inc.

The company defined its mission as:

Loyalty beyond the functional duties of the market and a strict moral commitment to all our customers. Provide the consumer with excellence, freshness and service, making the unique taste of our land available for consumption in all the Latin markets in the United States. This way, although far away from home, our customers will be able to acquire daily the taste and tenderness of our Puerto Rican products.⁵

Both entrepreneurs had experience in business. Franco had graduated in 1978 from the Interamerican University of Puerto Rico in business administration with concentration in management, and sold insurance. Rivera had graduated in 1993 from the Caribbean University in business administration and was a real estate broker. Even though they did not feel they had a good command of the English language and did not have large financial resources, they trusted each other and had confidence and faith in the project. Thanks to that trust, in May 2002 they began to pursue their dream of exporting pan sobao to the United States.

Achieving good distribution for Pan Boricua was not easy. There were a number of mishaps during their first attempts to export. In 2002, two thousand pounds of frozen bread destined for the Puerto Rican products showcase fair sponsored by the Puerto Rico Federal Affairs Administration were lost due to logistical problems. The setback, however, did not stop Rivera and Franco, who promoted the concept of their project to traders present at the showcase. At the end of 2002, the partners established their first commercial link with a resident of the city of Orlando, Florida. Over time, the distributor realized the big potential of Pan Boricua and established his own parallel bread distribution business. This business relationship ended in late 2005. In 2006, they contracted the services of a married couple who would be responsible for selling the product in Orlando. This business relationship lasted just over six months.

However, some good fortune came their way. In 2006, Pan Boricua obtained from the "Panificadora (Bakery) Los Cidrines,"⁶ one of the leaders in the production of bread in Puerto Rico, exclusive rights to export frozen pan sobao to any destination in the United States. For exporting the frozen bread, Rivera and Franco used packages containing 32 frozen dough rolls. These containers left directly from the Cidrines Bakery towards the pier in San Juan and then were sent by sea in containers to the port of Jacksonville, Florida. From that city, refrigerated trucks carried the containers to warehouses for further distribution. The Cidrines' frozen pan sobao boxes included paper bags identified with the logo and name of the bakery. This tactic was implemented to try to prevent retailers from using bags with brand names other than Los

³ The term *Hispanic* is an umbrella term used to describe the culture and people of the countries in the Americas formerly ruled by Spain, as found in the United States. These countries include Mexico, the majority of the Central and South American countries, and most of the Greater Antilles.

⁴ All funds in US\$ unless otherwise stated.

⁵ Pan Boricua's website — www.panboricua.com, accessed November 05, 2008.

⁶ Los Cidrines is the leading local brand of bakery products in Puerto Rico according to its website, www.cidrines.com/nuestra_historia.htm, accessed April 14, 2009.

Cidrines to sell the bread to end customers. The business agreement between Los Cidrines and Pan Boricua was made despite some people close to the president of the bakery describing Franco and Rivera as dreamers.

That same year, Pan Boricua with the Los Cidrines brand was introduced at a major supermarket chain in Central Florida. Franco and Rivera also formed new partnerships with three interstate supermarket companies. Following the dismissal of the couple contracted in 2006, Franco and Rivera also agreed with the president of Mi Pueblo Supermarket, Tomás Rodríguez, to sell Pan Boricua/Los Cidrines in his retail units in Orlando. With Rodríguez, the Puerto Rican entrepreneurs established an agreement of no competition with other brands of bread brought in from Puerto Rico.

A supermarket chain located in Central Florida gave Franco and Rivera five stores, at first, in which to sell Pan Boricua/Los Cidrines for a six-month testing period. Seeing that the product was successful, the chain agreed to deliver Pan Boricua/Los Cidrines to all of its units from its central distribution center. Through this chain of supermarkets and warehouses, and through several independents, Pan Boricua/Los Cidrines achieved distribution in Orlando, Tampa, Kissimmee and Daytona. Two other supermarket chains also sold Pan Boricua/Los Cidrines bread in Tampa. One of them demanded the pan sobao recipe, claiming that it was company policy. Franco and Rivera provided the recipe and continued to deliver the product for eight months, but without receiving payment. At the end of this period, the supermarket chain began to offer its own pan sobao, paid Pan Boricua the money they owed them, and canceled further supplies. Franco and Rivera suspected that the chain had copied the product. In sum, while Rivera and Franco thought that success would come quickly by doing business with these new supermarkets, in reality the process was slow and difficult.

Occasionally, Pan Boricua had entered other regions without much planning. For example, in 2006, Franco and Rivera established a business relationship with George Rodríguez, who saw the product in a supermarket in Orlando. Rodríguez contacted the partners by phone and negotiated for two pallets⁷ of bread to be sold in Pennsylvania at a local bakery with a Hispanic theme. After his purchase, Rodríguez would not buy Pan Boricua/Los Cidrines bread again until 2008, when he purchased a container for the purpose of distributing it in the states of Pennsylvania and New York. Future orders were haphazard. Besides Rodríguez, a major supermarket chain in New York purchased five pallets of bread, but did not agree to be a distributor. During this year Pan Boricua also established a relationship with a Massachusetts businessman who bought the bread, and sold it using the brand El Sobaito, a private label of Pan Boricua, which was also manufactured by Los Cidrines. This businessman expanded sales to Connecticut and, in due time, was interested in selling it in the New York City area.

PAN BORICUA'S MARKETING TACTICS FOR 2009

By 2009, three containers a month were shipped CIF,⁸ to the United States. Each container carrying Pan Boricua contained 38,400 pounds of bread. Of these 38,400 pounds, or 20 pallets, approximately 80 per cent was pan sobao and the remaining 20 per cent was *pan de agua*.⁹ These shipments were sold primarily in Central Florida. Sending a frozen shipment from Puerto Rico to Jacksonville, Florida, cost about \$2,500 to \$3,000, plus adjustments to be made when necessary for changes in fuel prices. This price included

⁷ Pallet is a wholesale term that refers to a container carrying 2,000 units of frozen dough.

⁸ CIF refers to the cost of goods, insurance plus shipping included in the price of the goods at the port of destination.

⁹ Pan de agua is the name of a type of bread with flavor and texture similar to French bread. It is very popular in Puerto Rico and Dominican Republic.

insurance for goods up to \$100,000 while the cargo was in the ship. The company had a distributor's margin of 18 per cent on the wholesale price.

Pan Boricua, Inc. also offered pan sobao and other bakery products through its website, www.panboricua.com. These included: "pan de agua," whole wheat bread, "Quesitos,"¹⁰ pineapple or apple strudels, guava pastries, cocktail pastries, "Mallorcas,"¹¹ and cakes.

To provide point of sale support, the company prepared ads and banners showing the logo of Pan Boricua next to the logo of the brand Los Cidrines. Banners also were prepared to be located on the exterior of the supermarkets and stores selling the product.

In 2009, the retail price of Pan Boricua/Los Cidrines to the final customer in Orlando ranged between \$1.69 and \$1.99 a pound. A competitor's brand of pan sobao, La Jerezana, sold for \$1.79. The price of the other specialty Hispanic bread in the market, *pan Cubano* or Cuban bread, sold between \$1.19 and \$1.98 a pound, and was locally made. Pan Boricua's retailers usually had a margin between 80 and 90 per cent, although the Pennsylvania distributor had a margin of more than 100 per cent, with a \$2.50 selling price.

THE BREAD INDUSTRY IN THE UNITED STATES

Trendy low-carb diet products appeared in the United States in the late 90s and it seemed that the bread industry was going to suffer permanent damage. However, by 2005, things had changed. The diet fad had faded to the point where one of the main companies that promoted low-carb¹² diets declared bankruptcy. Bread returned to the homes of many Americans. As shown in Exhibit 2, sales of bread in the United States dropped in 2004 and 2005, but grew by 3.1 per cent in 2006, and 1.2 per cent in 2007.

The bread market in the late 2000s was a low-margin, highly competitive market with a number of barriers that limited the entry of new competitors. These factors had stimulated competitors to leave the traditional bread offering and explore opportunities in niches such as gourmet food markets and specialty breads. Still, in 2007 profits generated by the bread industry in the United States were estimated at nearly \$34 billion.¹³ The growth of profits (18 per cent between 1998 and 2003) was mainly attributed to changing consumer tastes, which departed from the traditional varieties of sliced bread and preferred "artisanal" breads, which were generally more expensive. Most industry experts admitted that the term artisanal was ambiguous, used to describe almost all the non-sliced bread that existed on the market. This definition included both the European crisp crust and the ethnic varieties from around the world. Furthermore, they agreed that artisanal bread was typically fresh (mostly baked on-site) and sold, at most, within two days of baking.

The cost of producing bread was based on five factors: labor, materials, equipment, ingredients and energy costs. The worldwide rise in the prices of fuel and ingredients, particularly wheat and corn flour, fats, eggs and cocoa, close to the end of the first decade of the 21st century, hit hard the profit margins in the bread industry, particularly since 2008. Historically customers had rejected price increases for commodities such as bread, although they were willing to pay a little more for specialty items.¹⁴

¹⁰ Puerto Rican sweet pastry filled with cheese.

¹¹ Mallorca is a type of sweet bread, originally from Spain.

¹² Atkins Nutritionals, Inc. claimed bankruptcy in August 2005.

¹³ Frost & Sullivan Research Services, "Strategic Assessment of the U.S. Bakery Industry," 2008, www.frost.com/prod/servlet/report-brochure.pag?id=N341-01-00-00-00, accessed April 14, 2009.

¹⁴ "Alberta's Wholesale Bakery Industry Synopsis," [www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agp10590](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agp10590), accessed April 13, 2009.

HISPANIC AND BORICUA POPULATION IN THE UNITED STATES

It was estimated that by 2006 there were around 44 million Hispanics living in the United States and its territories, of which nearly four million were of Puerto Rican origin.¹⁵

Exhibit 3 shows Hispanics by their original place of birth. Mexicans are the strongest component of Hispanics living in the United States. Puerto Ricans are the second component of this ethnic group, still far below the number of Mexicans.

Exhibit 4 includes projections of the Hispanic population in the United States up to the year 2025. Average growth is estimated at 2.6 per cent for the period between 2010 and 2025.

The Puerto Rican population in the United States for the year 2000 was concentrated in eight states, with New York being the state with more than twice the number of Puerto Ricans than its closest contender, Florida.¹⁶ The Puerto Rican population in New York, concentrated in the metropolitan area of New York City, numbered 1.1 million people and represented approximately 5.5 per cent of the total state population. The half a million Puerto Ricans living in Florida represented three per cent of the total population of the state. New Jersey, Pennsylvania, Massachusetts, Illinois, Connecticut and California were the states that followed Florida in terms of state concentration of Puerto Ricans. Connecticut had approximately 200,000 Puerto Ricans representing 5.17 per cent of the state's total population.

The overall Hispanic population in the United States had increased significantly in recent years. Exhibit 5 shows, for the year 2007, the 15 metropolitan areas with the highest concentration of Hispanics, and the per cent of Puerto Ricans (*puertorriqueños*) within those.

HISPANICS AND BORICUAS AS CONSUMERS

The United States census estimated that, in 2008, Hispanics had become the largest minority segment of the population.¹⁷ Projections indicated that 13.5 million Hispanic households would control \$670 billion in personal income in 2010. It was expected that the less than 45-year-old market would increase its purchasing power from \$295 billion (2006) to nearly \$397 billion, meaning that three out of every five United States dollars earned by Hispanic households in 2010 would be in the hands of a younger segment.¹⁸

Mean income for Hispanics is shown in Exhibit 6. Puerto Ricans, the second most numerous component of the Hispanic population, are fifth on mean income.

Consumption patterns among Hispanics were different from those of other segments of the U.S. population. A study of these patterns showed the following behavior¹⁹:

- Hispanics do not eat out often.
- They cook dinner at home 5.6 times per week.
- They spend more on food than non-Hispanics (\$130 compared to \$91 per week).

¹⁵ U.S. Census Bureau, 2006 American Community Survey.

¹⁶ According to the electronic publication *The Puerto Rico Herald*.

¹⁷ Census Bureau, www.census.gov/popest/estimates.php, accessed April 16, 2009.

¹⁸ S. Cuellar, "The Hispanic Market in the US — Opportunities and Challenges for the Food Industry," *Smart Marketing*, Department of Applied Economics and Management at Cornell University, 2006.

¹⁹ Produce Marketing Association (PMA), *Hispanics and Fresh Produce, Industry Facts Sheet*, 2004. p. 5.

- Hispanics buy food more frequently, taking an average of 26 trips to the store a month, which is three times the number for the general population.
- They like going shopping with the family.
- Supermarkets are the places of food purchase most visited by Hispanics (67 per cent), but they also spend more than 30 per cent of their food money at other stores like butcher shops, bakeries, warehouses, convenience stores, pharmacies, specialty shops and wholesale stores.

Exhibit 7 shows the packaged food categories with the highest sales potential among Hispanics.

Franco and Rivera were intuitively aware that the Puerto Rican population shared important aspects of Hispanic cultural heritage,²⁰ such as:

- Use of the Spanish language, strong sense of family ties, and pride in their culinary traditions.
- Family relationships are reinforced through frequent social gatherings and celebrations, including birthdays, baptisms, weddings and graduations.
- Good food is the center of most celebrations.
- The cooking of traditional dishes is considered important for the family.
- The love between family members is often expressed through the act of cooking, especially preparing meals from fresh ingredients and spices (no pre-packaged foods). This fresh cuisine is considered more nutritious than processed products.
- Traditions are passed from one generation to the next.
- Hispanics prefer to buy in large quantities.
- The scent of food is very important; 60 per cent of Hispanics smell the product before buying.

THE COMPETITION

Pan Boricua faced only one rival exporter of pan sobao from Puerto Rico, Mi Pan Asociados (www.mipanasociados.com). As in the case of Pan Boricua, the idea of exporting Mi Pan had come as a result of the large number of emails and calls that the management of Mi Pan received from Puerto Rican residents in the United States, requesting Mi Pan's products. Mi Pan had developed a system of "mini bakeries" that allowed supermarkets, gas stations and other retail establishments to sell fresh bread with consistently good quality. These mini bakeries consisted of the oven, the trays, the frozen bread dough, carts, bread stations, promotional materials and other ancillaries. They also offered expert assistance through supervisors who provided advice in terms of daily sales, scheduling, markets and organization.

According to Joseph L. Labeaga, company president, in 2006 Mi Pan exported to the Virgin Islands, Connecticut and Orlando, and had plans to include other U.S. markets. The company also participated in promotional trips to places like the Bronx in New York, sponsored by the export promoting agency of the Puerto Rican government, Promo Export (www.promoexport.com).²¹

A variety of bakery products of Hispanic origin were also available in the United States, from Mexican tortillas to Cuban bread. To satisfy the demand for these products, multiple Hispanic bakeries had emerged, and large bread makers like Artimex, Caravan Products, and GM Bakery had developed their own offering factories. On a grander scale, the Mexican multinational Bimbo, which operated in 15

²⁰ S. Cuellar, "The Hispanic Market in the US — Opportunities and Challenges for the Food Industry," *Smart Marketing*, Department of Applied Economics and Management at Cornell University, 2006.

²¹ J. Balmaceda "Mi Pan & Asociados: Una aventura con levadura," en *Mundo Alimenticio*, December 2006.

countries and manufactured more than 5,000 different products, was also present in the U.S. Hispanic market. It offered breads, sweets, cookies, fruit bars, tortillas and salty snacks, among other items. Bimbo marketed its products for Hispanics under brands such as Bimbo, Marinela, Tia Rosa, Wonder, Milpa Real, Lara, Suandy, Lonchibon, Del Hogar, La Mejor, Monarca, Breddy and Tulipan.

Franco and Rivera also faced other competitors, such as the majority (79.1 per cent) of U.S. retailers, who had aisles and sections devoted to ethnic foods in their stores. Several food retailers like Wal-Mart and Kroger, besides offering a variety of manufactured foods for Hispanics, had incorporated bakeries in their stores, in addition to selling products of Hispanic origin on their shelves.

THE FUTURE OF PAN BORICUA

The steady growth rate of the Puerto Rican population (due to constant emigration²² and high birth rates), plus that of the Hispanic population in general in the United States, as well as the growth of the bread product category, indicated that the growth potential of Pan Boricua was favorable. However, with opportunity also came increased competition at the wholesale and retail levels, margin pressure, and the need to differentiate the brand. Franco and Rivera had to decide whether to expand where they were already doing well, stay in markets where they were weak, and/or distribute to new states and cities in the United States. For example, they wondered whether Orlando was where they should focus their business, forgetting, for the moment, other cities where Puerto Ricans were concentrated. To neglect other distribution points meant not to enter markets before other competitors entered them or having competitors dominate those markets. Instead of being pioneers, they would become reactive followers. If they made the decision to enter places in addition to Orlando, Franco and Rivera wondered which places should they enter, and how? Should these places be served simultaneously or one at a time? This time, Franco and Rivera knew they had to carry out an opportunity analysis before making a move.

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²² Data extracted from Lawson D. Thurston, "More Puerto Ricans move to mainland US than last year," *Caribbean Business*, June 14, 2007.

Exhibit 1

PUERTO RICO

**Basic Facts about Puerto Rico**

Populated for centuries by aboriginal peoples, the island was claimed by the Spanish Crown in 1493 following Columbus' second voyage to the Americas. In 1898, after 400 years of colonial rule that saw the indigenous population nearly exterminated and African slave labor introduced, Puerto Rico was ceded to the United States as a result of the Spanish-American War. Puerto Ricans were granted United States citizenship in 1917. Popularly-elected governors have served since 1948. In 1952, a constitution was enacted, providing for internal self-government. In plebiscites held in 1967, 1993 and 1998, voters chose not to alter the existing political status.

Puerto Rico has an estimated population of 3,971,020 (July 2009). Ninety-eight per cent of Puerto Ricans live in urban zones.

Puerto Rico has one of the most dynamic economies in the Caribbean region. A diverse industrial sector has far surpassed agriculture as the primary locus of economic activity and income. Encouraged by duty-free access to the United States and by tax incentives, U.S. firms have invested heavily in Puerto Rico since the 1950s. U.S. minimum wage laws apply. Sugar production has lost out to dairy production and other livestock production as the main source of income in the agricultural sector. Tourism has traditionally been an important source of income, with estimated arrivals of nearly five million tourists in 2004. Growth fell off in 2001-2003, largely due to the slowdown in the U.S. economy, and recovered in 2004-2005, but declined again in 2006-2007.

Source: CIA World Fact Book.

Exhibit 2

GROWTH OF VALUE MARKET OF BREAD IN THE UNITED STATES (2003-2007)

Year	% Growth
2004	-0.5%
2005	-1.9%
2006	3.1%
2007	1.2%

Source: Information Resources, Inc., Milling & Baking News, Nielsen, Snapdata Research.

Exhibit 3

HISPANICS ACCORDING TO THEIR ORIGIN (2006)

Total	44,252,278	100%
Mexicans	28,339,354	64%
Puerto Ricans	3,987,947	9%
Cubans	1,520,276	3.40%
Dominicans	1,217,225	2.80%
Central Americans	3,372,090	7.60%
South Americans	2,421,297	5.50%
Other Hispanics	3,394,089	7.70%

Resource: U.S. Census Bureau, 2006 American Community Survey.

Exhibit 4

DEMOGRAPHIC PROJECTION OF HISPANICS IN THE UNITED STATES

	2000	2005	2010	2015	2020	2025
Hispanic Population (millions)	35.650	42.941	49.872	56.836	64.203	72.142
Average Annual Growth (%)	-	3.8	3.0	2.6	2.5	2.4
Hispanic Homes (millions)	9.582	12.296	14.788	17.148	19.771	22.517
Average Annual Growth (%)	-	5.1	3.8	3.0	2.9	2.6
Hispanic Consumer Spending (billions \$)	472.4	715.5	1,038.8	1,495.0	2,155.4	3,059.8
Average Annual Growth (%)	-	8.7	7.7	7.6	7.6	7.3

Source: Global Insight, Inc.

Exhibit 5

**FIFTEEN METROPOLITAN AREAS WITH THE HIGHEST PUERTO RICAN POPULATIONS
IN THE UNITED STATES**

	Total Population	% Hispanics Among Total Population	% Puerto Ricans Among Hispanic Population
1. Los Angeles-Long Beach-Santa Ana, CA	12,872,056	43.86%	0.93%
2. Miami-Fort Lauderdale-Pompano Beach, FL	5,404,990	38.29%	9.39%
3. Orlando-Kissimmee, FL	1,990,388	21.70%	49.31%
4. New York-Northern New Jersey-Long Island, NY-NJ-PA	18,785,319	21.07%	30.43%
5. Chicago-Naperville-Joliet, IL-IN-WI	9,463,477	19.09%	9.57%
6. Bridgeport-Stamford-Norwalk, CT	894,724	14.43%	33.26%
7. Tampa-St. Petersburg-Clearwater, FL	2,687,027	13.72%	29.95%
8. Springfield, MA	683,262	13.00%	81.82%
9. New Haven-Milford, CT	843,571	12.35%	62.53%
10. Hartford-West Hartford-East Hartford, CT	1,185,150	10.63%	70.40%
11. Allentown-Bethlehem-Easton, PA-NJ	794,961	10.02%	59.16%
12. Providence-New Bedford-Fall River, RI-MA	1,605,211	8.80%	30.49%
13. Boston-Cambridge-Quincy, MA-NH	4,467,781	7.58%	30.26%
14. Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5,810,526	6.20%	53.74%
15. Cleveland-Elyria-Mentor, OH	2,106,901	3.95%	58.74%

Source: U.S. Census Bureau, 2005-2007 American Community Surveys.

Exhibit 6

MEAN INCOMES FOR HISPANIC HOUSEHOLDS

Total U.S. Population	50,007
Hispanics	39,852
Mexicans	38,823
Puerto Ricans	37,152
Cubans	42,909
Dominicans	33,055
Central Americans	42,060
South Americans	49,015

Source: U.S. Census Bureau, 2005-2007 American Community Surveys.

Exhibit 7

**HISPANIC PACKAGED FOODS WITH THE HIGHEST ESTIMATED SALES GROWTH,
2004-2009 (MILLIONS OF \$)**

Hispanic Food Segment	2004 Sales	Projection For 2009	Estimated Growth (%)
New Latin, Miscellaneous	370.6	1,605.4	333.1%
Bakery	153.5	533	247.1%
Strong Plates to Carry-out	613.0	987.2	61.0%
Dips for Snacks	86.2	138.7	61.0%
Kitchen and Marinated Sauces	206.2	332.1	61.0%
Drink Mixers	9.3	15.02	61.0%
Carbonate (Sodas)	19.1	30.8	60.8%
Refrigerated Desserts	24.5	37.3	52.4%
Cheeses	118.6	166.1	40.0%
Tortillas and Tacos Plantillas	1,618.5	2,144.6	32.5%

Source: Supermarket News, "The SN List: Hottest Hispanic Foods: Hispanic Foods with Sales Projected to Grow the Fastest from 2004 to 2009. Sales in Millions of Dollars," June 27, 2005, www.packworld.com; "The Latest Hispanic Market Facts," December 2004, www.ats.agr.gc.ca, accessed April 2009.