

Meat with Mexican Flavor

2-SP02-10-102

This problem situation was written by Gabriela Margarita Reyna García (greynag@tec.mx), with the purpose of serving as discussion material in the classroom; it does not intend to illustrate good or bad administrative practices. The story on this document is based on different people's experiences; some data has been modified at the request of the people and institutions involved.

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Tecnológico de Monterrey
Escuela de Negocios

Image: Valeria Boltneva in Pexels, 2023.



The Company

Carnes GXZ, S.A. seeks to establish a business relationship with LHZ to promote premium beef in their 46 gourmet restaurants in the USA, positioning itself as their exclusive high-quality beef supplier. Carnes GXZ, S.A. offers the main cuts demanded in the North American market, all with guaranteed traceability, sourced from animals raised and fed under strict animal welfare standards.

Carnes GXZ, S.A. was founded in 2001 in Nuevo León, Mexico, in a region recognized for its livestock tradition. The company started with the mission of offering high-quality beef to the market, with organically fed cattle, without the use of antibiotics or hormones.

Carnes GXZ, S.A. has an automated plant that enables it to supply 25,000 tons of beef annually. It holds the TIF (Federal Inspection) certification, which guarantees compliance with both national and international sanitary standards.

In 2005, the company began exporting beef to several Latin American countries, reaching a rapid consolidation thanks to its high-quality standards.

Due to the global demand for Halal and Kosher products, Carnes GXZ, S.A. began the certification process at the end of 2023, which will allow it to enter both market segments as of January 2026.

The Partner

LHZ is a luxury hotel chain founded in 2010 in New York, renowned for its extraordinary service and gourmet restaurants. The hotel has 46 locations distributed across the main cities of the USA, consolidated as a Grand Tourism Hotel in the country. The chain is interested in expanding its network to 10 new cities over the next 6 years, diversifying its culinary offerings with exclusive high-quality products.

LHZ has high standards for selecting suppliers for its restaurants, where premium cuts of meat, both domestic and international, are served. Currently, the chain is interested in incorporating more products that meet Halal and Kosher certification to cater to a select market niche. The company is interested in suppliers who not only offer a superior product but also share its commitment to sustainability and animal welfare.

Industry

There is a growing interest in knowing the origin and production methods of the ingredients that end up on our plates. According to Gonzalez (2018): “Consumers are increasingly interested in reading and analyzing product labels before purchasing and consuming them. A certification provides the customer with the guarantee that what they are consuming is of high quality. This is how certifications are becoming a trend in our country and around the world”.

Globally, TIF, Kosher, and Halal certified meat are increasingly in demand in specialized market segments. This creates the need to maintain robust value chains, from the moment of slaughtering and processing to distribution, ensuring that products meet the expectations of the most demanding consumers.

Image. Certified TIF, Kosher, and Halal meat is increasingly in demand.



Source. AI generated in Canva.com, 2024.

Globally, consumer spending on Halal food in 2021 was close to \$1.3 trillion. That figure is expected to rise to nearly \$1.7 trillion by 2025 (Statista, 2024). Said noteworthy uptick in consumer demand is largely due to the growth of the Muslim population, which the Pew Research Center projects will reach 2.2 billion by 2030, more than one-quarter of the globe's total population.

Background

The market responds to the sense of trust that companies do the right thing and deliver the product described on the label under high-quality compliance. Recognized certifications have been developed by GFSI (Global Food Safety Initiative), such as HACCP for food safety, and others aimed at attracting very specific markets with requirements from religious groups, social movements, or specific health conditions (Fragiskos, 2024).

Among the certifications most demanded by markets is HACCP (Hazard Analysis Critical Control Points), managed by the United States Department of Agriculture (USDA) and the United States Food and Drug Administration (FDA). It ensures food safety in the food, beverage, and pharmaceutical industries.

BRCGS is a certification recognized in over 130 countries, guaranteeing quality, safety, and transparency. The certification is divided into two categories: the first focuses on food safety, storage, and distribution, while the second protects packaging materials, agents, and brokers, providing international recognition.

ISO 22000, a certification developed in 2005 by the International Organization for Standardization (ISO), is aimed at all Food and Beverage companies and is one of the main certifications in the food industry.

Opportunity

Carnes GXZ, S.A. seeks to establish a business relationship with LHZ, leveraging its wide variety of beef cuts, all with guaranteed traceability and raised under strict animal welfare standards.

The next steps for Carnes GXZ, S.A. and LHZ are the signing of an exclusivity agreement for the supply of beef, complying with each aspect that ensures certainty and security for both parties.

Carnes GXZ, S.A. is currently looking for a consultant, a lawyer, or an expert on international business to be sure that they have the correct legal information and that they are not missing any relevant aspects for completing negotiations with LHZ. For them, it is of the utmost importance to have the necessary skills to export their products at massive levels for companies from different countries in the world in the future.

References

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