

US BUSINESS EXECUTIVE

THE MAGAZINE FOR LEADING BUSINESS EXECUTIVES

AMIGOS FOODS



www.usbusinessexecutive.com

Amigos Foods

A leading Tex-Mex food producer prepares for an exciting opportunity

Produced by Sean Davis and Written by Matt Dodge





For more than 90 years, Amigos Foods has been providing a range of Tex-Mex favorites to customers across the country. Based in San Antonio, Texas, Amigos offers a range of Tex-Mex jarred sauces and canned products, as well as fried corn products such as taco shells and taco dinner kits.

The vertically integrated food processor owns its own farms and manufacturing facilities, giving Amigos greater control over many steps in the process, ensuring a consistent, high quality product.

Amigos produces more than 100 product formulas, with a slate of hot fill sauces that include traditional Tex-Mex and Mexican favorites, such as glass packed dips, salsas, quesos, taco and picante sauces, as well as condiments, dressings and barbeque sauces.

Canned products range from whole beans, refried beans and enchilada sauces to canned cheeses, dips, peppers and specialty cooking sauces.



Consolidation drives growth

Amigos has been a family-owned and -operated company since 1925. The company operates three plants in San Antonio, with more than 235,000 square feet of production space between them. When Durrset Amigos, Ltd took over in 2001, Amigos was able to drastically increase its distribution network, growing from a regional supplier to an internationally recognized name in the industry.

Heather McNew, vice president of business development for Amigos says the company is looking to consolidate the number of facilities in the near future. "Ideally we would like to combine all operations under one roof, but for now, we're busy acquiring and installing new equipment, so that's still five years down the line," she says.

Plant consolidation has been put on the back burner owing to an exciting development in the industry: as a number of Amigos' competitors have been bought out and subsequently shuttered their private label manufacturing operations.

"They've exited the categories we've historically competed against them in, which has resulted in a huge wave of opportunity," says McNew.

Amigos is tirelessly pursuing the resultant opportunities, though McNew says the glut of potential new business has allowed the company to be more discerning in terms of who it chooses to partner with. "We've been bombarded with requests for bids and new customer requests, and we're making very careful decisions about who we're agreeing to do business with going forward," she says, "We like partnerships that are mutually beneficial for the retailer and us, the manufacturer."

In the meantime, Amigos is seeing success in its newest venture, a warehousing facility where the company stores and distributes bulk containers for third parties. "It saves the third parties money and allows us to generate revenue by leasing unused space to other commercial and industrial businesses," she says.

Finding the right partners

Amigos serves the foodservice market, but primarily manufactures food for private-label retailer use.

"We offer innovative products and national brand equivalent formulas so that our private-label products can compete or beat the sales of national brands," McNew says.

When it comes to private labels, Amigos has a unique outlook. While private-label, so-called "generic" brands have often been seen as lacking in quality when compared to well-known national brands, the company has a different outlook.

"We believe that the minimum threshold for quality of a private label brand should be at least that of a national brand, but really our personal philosophy is that it should exceed that quality," McNew explains. "Retailers who have vision and the time to strategize about their private label programs have really figured out store brands can be a great opportunity for them as an organization."



A commitment to freshness

Amigos proudly uses fresh produce whenever possible, sourcing vegetables from its own farms or the San Antonio Produce Market daily. These vegetables are cleaned, chopped and delivered to the company's production facility, typically completing the journey from field to salsa jar in less than 24 hours.

"When we're able to source our own commodities directly from growers, it helps keep costs down and reduces the need for third-party distributors," says McNew.

The food manufacturer has recently installed a vegetable line and dry bean cleaning line. The vegetable line will allow the company to expand into new product offerings, while the dry bean cleaning system will ensure consistent quality: a constant area of focus at Amigos.

"We purchase 6 to 10 million pounds of dry beans every year and have strict standards, so this will allow us to bring in variety of commodities that we don't currently and ensure certain levels of quality for our dry products," she says.

For McNew and the Amigos team, success is not measured in terms of raw revenue or growth. "We work hard, believe in what we do and pray that God will bless our efforts," says McNew.

With market consolidation driving growth, Amigos Foods is prepared to enter into some exciting new markets and product lines in the near future, cementing the company's reputation as one of the country's leading producers of private label Tex-Mex and Mexican foods. •

YOU'VE GONE AND MADE TEXAS BETTER.

Didn't think that was possible.
Congratulations to Amigos Foods for being selected as
US Business Executive "Best of the United States" Award for 2016.

frostbank.com
(877) 862-4900



AMIGOS



WWW.AMIGOSFOODS.COM