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FEASIBILITY ANALYSIS FOR THE EXPORT OF INFANT
FORMULA
OF THE COMPANY “LÁCTEOS SAN ANTONIO - NUTRI” TO
EL SALVADOR

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Dedication

This graduation work is dedicated
first of all to my entire family,
especially my parents Jaime and Ma. Elena
who have given me the confidence and support
necessary to continue with my studies.
To my boyfriend Mateo for being by my side,
always giving me his infinite support.
Finally, to my classmates Diana and Bryan
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RESUMEN

Ecuador, un país rico en recursos naturales y culturales, se destaca por ser intercultural, pluricultural y multiétnico, lo que le brinda una ventaja única en el mercado internacional. El presente trabajo enfatiza la importancia de realizar un análisis exhaustivo de los factores internos y externos que impactan en un proyecto de exportación de fórmula lactante desde Ecuador hacia El Salvador, centrándose en el caso de la empresa Lácteos San Antonio y su

producto "Nutri". En este sentido, el estudio de factibilidad para la exportación de fórmula lactante se convierte en una pieza clave para evaluar las oportunidades y los riesgos asociados con este mercado específico. Uno de los aspectos resaltantes del documento es la importancia del seguro de exportación para el transporte de la fórmula infantil desde Ecuador hacia El Salvador. Dado que este producto es fundamental para la alimentación de los niños, mitigar los riesgos inherentes al transporte se vuelve crucial para garantizar la calidad y seguridad del producto final. El análisis de factibilidad para la exportación de "Nutri" hacia El Salvador representa una oportunidad para Lácteos San Antonio de expandir su mercado y contribuir al desarrollo económico de Ecuador. Sin embargo, se requiere un enfoque estratégico y la implementación de políticas y prácticas que garanticen la calidad del producto y la satisfacción de los clientes. Con una planificación cuidadosa y la mitigación de los riesgos asociados, esta empresa tiene el potencial de establecerse como un actor relevante en el mercado internacional de fórmula lactante.

Palabras clave: Exportación, Fórmula lactante, Trámites aduaneros, Análisis de mercado, Incoterms

ABSTRACT

Ecuador is a country recognized worldwide for being intercultural, pluricultural, and multiethnic giving it a unique advantage in the international market. This study emphasizes the importance of conducting a comprehensive analysis of internal and external factors that impact an infant formula export project from Ecuador to El Salvador, focusing on the case of Lácteos San Antonio and its product "Nutri Leche". The analysis for infant formula export becomes a

key component in evaluating the opportunities and risks associated with this specific market. One notable aspect of the document is the significance of export insurance for the transportation of infant formula from Ecuador to El Salvador. As this product is crucial for children's nutrition, mitigating inherent transportation risks becomes crucial to ensure the quality and safety of the final product. The feasibility analysis for exporting "Nutri Leche" to El Salvador represents an opportunity for Lácteos San Antonio to expand its market and contribute to Ecuador's economic development. However, a strategic approach and the implementation of policies and practices that guarantee product quality and customer satisfaction are required. With careful planning and risk mitigation, this company has the potential to establish itself as a significant player in the international infant formula market.

Keywords: Export, Infant formula, Customs procedures, Market analysis, Incoterms.

1. INTRODUCTION

Ecuador is a small country located in the center of the world and full of both natural and cultural riches, which make it an unmatched intercultural, pluricultural and multiethnic country. It is characterized by being rich in natural resources, from which people take advantage by promoting primary sector industries.

According to the Ecuadorian Dairy Industry Center about the food sector, Ecuador has ecosystems that have an eminent capacity to achieve sufficiency in food production (Center of the Dairy Industry of Ecuador, 2021).

The dairy industry “represents around 4% of the country's Agri-Food GDP, having a great economic impact and high export potential” (Ionita, 2022, p. 4). This implies that the dairy industry provides work to several people in the Andean region, since the livestock of this region is the one that is used the most for milk production and is a source of income from direct producers to merchants who sell products to the final consumer.

The dairy industry in Ecuador has been growing in recent years and more than five companies, which can be considered the largest in the country, stand out; among them are Nestlé, followed by Reyleche. In Ecuador, more than 1 million of people work in the milk production chain and the production and marketing of milk generates a constant flow of great importance for households (Núñez Castro, Sotomayor Duque, & Domenech Constante, 2008).

About 8% of the raw milk produced in the country comes from Azuay, where there are dairy farms that play an important role in the sustainability of the rural areas of southern Ecuador. This is mainly because farmers have found in the raw milk production an economic support to maintain their lifestyle (Brassel & Hidalgo, 2007).

The great production potential of the sector and the association of producers with milk processing companies create the ideal scenario for new international trade strategies in the dairy

sector, which fully and efficiently takes advantage of the available raw material, which is of excellent quality and can be used to cover niches in the foreign market.

One of the main and strongest allies of raw milk producers in Cuenca is the company Lácteos San Antonio C.A, best known for its Nutri Leche brand. For more than 45 years, the company has been producing dairy products, focusing on food safety to guarantee the well-being of its customers, and taking care of the sustainability of its suppliers (Lácteos San Antonio C. A., 2022).

However, being a basic product for daily and mass consumption, the new quality and control demands of dairy consumers have caused the consumption of these products to decline over time, as they seek to obtain foods that help maintain a healthy diet or healthy eating. It is for this same reason that the conditions of dairy production within the country have been changing over time, propelling companies as Nutri Leche to have generated products with better quality and price, which has allowed them to grow in the industry.

Lácteos San Antonio C.A., has the capacity to produce millions of liters of milk per year, but with the growth of the industry and despite the quality of its products, it is difficult to remain solely in the national market. Therefore, the company is considering exporting dairy products by treating the raw material to manufacture products desired by other potential not so saturated markets.

In the search for potential markets for the export of dairy products, the project focuses on El Salvador market because it has been shown that in the last year, milk production decreased, impacting the price of its products. The drop in milk production in the country is derived from the high cost of food to feed livestock, a consequence of the crisis generated by COVID 19, from which the country has not yet fully recovered (Alfaro, 2022).

This conflict for the neighboring country may be an opportunity for the company Lácteos San Antonio C.A. guide an export plan for some dairy derivative, making use of the raw material and helping to supply these scarce products to the target market.

Under this scenario, the following research question arises: What would be the way to export products from the dairy company San Antonio– Nutri Leche to El Salvador?

1.1 Objectives

1.1.1 General Objective

Design an export proposal for infant formula for the company Lácteos San Antonio S.A – Nutri Leche, contributing to the expansion of its dairy production and marketing it internationally.

1.1.2 Specifics Objectives

- Determine the current situation of the company.
- Carry out a bibliographic review that supports the research.
- Analyze the conditions for exporting breastfeeding formula from Ecuador to El Salvador.

1.2 THEORETICAL FRAMEWORK

1.2.1 Raw Milk

“Raw milk (RC) is composed of water, protein, fat, lactose, vitamins and minerals” (WingChing-Jones & Mora-Chaves, 2013, p. 204).

Milk from bovines is considered a basic food in the diet of human beings at all stages of their life, characteristic for being a balanced food that provides a large amount of nutrients with respect to its caloric value; furthermore, their properties are not limited to their nutrients but also to the potential they have in preventing heart disease, hypertension conditions, some

types of cancer, and contributing to good bone and dental health. (Fernández Fernández, et al., 2015).

Agreeing with this thought, Juárez Iglesias, de la Fuente Layos, & Fontecha Alonso mention that milk has a wide range of nutrients, including well-balanced carbohydrates, proteins, minerals and vitamins that are beneficial for health that makes them a complete food that has the potential for bioactive components for health (2015).

Then it can be said in a more updated concept that raw milk “goes from the farm to the consumer without undergoing industrial sterilization processes” (SEGURA, 2021). In other words, raw milk is milk that is extracted directly from cattle and sold without carrying out any other type of process.

When it is subjected to processes for its optimization and health safety, other derivatives can be obtained from it, such as serum and other products that can be marketed with proper processing. These are the so-called dairy products.

1.2.2 Milk derivatives

Milk derivatives or dairy products are those that are manufactured based on the milk of various mammals depending on the region and culture; dairy products are common foods around the world (Pérez C., 2018).

The dairy derivatives are obtained through appropriate technological treatments that treat the raw material in a safe and safe manner to guarantee the consumption of the final products (Leche Pascual, 2019).

“Depending on the animal origin of the milk, it will give different characteristics to the dairy products made with it, for example: color and flavor” (Nestle Recipes, 2021). This is of greater importance when it comes to the consumption of milk and its derivatives, since its flavor, texture and consistency depends on its quality and origin.

In general, various derivatives can be obtained from milk. Figure 1 the following figure shows the eleven main products that can be obtained from raw milk.

Figure 1 Main dairy products



Source: (Pérez C. , 2018)

These products can have several types and derivatives, depending on the process and presence, as well as the maturation time and the technology used to produce them.

1.2.3 Milk industry

The dairy industry is one that exploits the reproductive system of cows to obtain their milk and take it to processes to obtain various products. This industry has a whole process, from obtaining the raw material itself, since cows do not produce milk naturally and regularly, this phenomenon occurs when females have babies, which need breast milk to feed. Therefore, to ensure constant milk production, farm producers regularly impregnate their cattle through artificial insemination with a selective process to obtain optimal production (Credit: L214, 2020).

The industrialization of milk has made it possible to eliminate particles harmful to health that can occur when consumed without any treatment. It means that the industrial

processing of milk “has allowed widespread access to its consumption by the population, which has contributed to significantly improving their level of health” (Fernández Fernández, et al., 2015).

The dairy industry uses raw milk and subjects it to a pressurization process with quality and safety standards, allowing the milk derivatives obtained in the process to be transformed into other products that have a high demand in the national and international market. The industrialized production of milk helps to improve the quality of the food and thus optimize the consumption of nutrients to obtain the greatest benefits from this resource.

1.2.5 Dairy types

The dairy industry is very extensive and the derivatives that can be obtained are varied and can generate added value to each product. The processing for each product is usually different, and comply with the quality and safety standards of each country.

Among the different types of dairy products, the following stand out:

Liquid milk

It is the most consumed, processed and sold dairy product, which includes products such as pasteurized, skimmed, standardized, reconstituted, shelf life (UHT) and fortified. The consumption of fresh liquid milk is decreasing day by day all over the world. Sour milk is often used to make other dairy products; it becomes the raw material for the industry. This is achieved by fermenting milk using appropriate microorganisms to achieve the desired level of acidity (Food and Agriculture Organization of the United Nations, 2023).

Fermented milks

Soured or fermented milk is a derivative of liquid milk, and is often used to make other dairy products. This is achieved by fermenting milk using appropriate microorganisms to achieve the desired level of acidity. Fermented products include yogurt, kumys, dahi, laban,

ergo, tarag, ayran, kurut and kefir (Food and Agriculture Organization of the United Nations, 2023).

Cheese

This product is obtained by curdling milk protein (casein) separated from the whey. Hundreds of cheeses are produced, many of them are specific to certain regions of the world but most cheese is produced in developed countries. Cheese can be hard, semi-hard, soft, ripe or unripe. The different characteristics of cheeses are due to differences in the composition and type of milk, the production procedures used and the microorganisms used. (Food and Agriculture Organization of the United Nations, 2023).

Butter

Products such as butter, and clarified butter or ghee, are obtained by churning milk or cream. In many developing countries butter is traditionally made by churning whole fermented milk. Ghee is obtained by separating water from butter and is mainly consumed in South Asia. Ghee has a shelf life of up to two years (Food and Agriculture Organization of the United Nations, 2023).

Condensed milk

It is obtained by partially separating the water from sweet or skimmed milk and its processing requires heat treatment and concentration. This product may or may not be sweetened, but it is more appreciated when sweeteners are added, making it suitable for some pastry dishes (Organization of United Nations Food and Agriculture Organization, 2023).

Evaporated milk

This dairy derivative requires heat treatment to guarantee the stability and bacteriological resistance of the milk. Evaporated milk is often mixed with other foods such as tea (Food and Agriculture Organization of the United Nations, 2023).

Milk powder

It is obtained by dehydrating milk and is usually in the form of powder or granules (Food and Agriculture Organization of the United Nations, 2023).

Milk cream

It is the fattest part of milk and it is obtained by skimming or centrifuging the milk. Includes diluted cream, instant cream, prepackaged liquid cream, whipped cream and sour cream (Food and Agriculture Organization of the United Nations, 2023).

Whey milk

Whey is understood to be the liquid part of the milk that remains after the separation of the curd during cheese making. Its main use in human consumption is in the production of whey cheese, whey drinks and fermented whey drinks. The main industrial application is the production of lactose, whey paste and whey powder (Food and Agriculture Organization of the United Nations, 2023).

Casein

It is the main protein in milk and it is used as an ingredient in various products, including cheeses, cakes, paints and glues. It is obtained from skimmed milk by precipitation with rennet or harmless lactic acid-producing bacteria (Food and Agriculture Organization of the United Nations, 2023).

Curdled milk

Curd is a dairy dessert that is made by the action of an enzyme called rennin, present in rennet, a substance found in the stomach of ruminant mammals. Renin causes the coagulation of milk, similar to the cheese-making process, but in the case of curd, the separation of whey does not occur, which is the liquid phase of milk that contains water, whey proteins and carbohydrates (Agroganadera, 2017).

Ice Cream

According to the technical standard of the Government of Navarra (s/f), ice creams are food preparations that have been brought to a solid, semi-solid or pasty state through a freezing process. This freezing process can occur simultaneously with the mixing of the ingredients or after mixing the ingredients. It is essential that ice cream maintain an adequate level of plasticity and freezing until the moment it is sold to the consumer. According to this document, there are several types of ice cream. The first is cream ice cream which must contain at least 8% fat of dairy origin by mass and at least 2.5% proteins exclusively derived from dairy extract. The second type is milk ice cream, which must have at least 2.5% fat exclusively of dairy origin and at least 6% dry non-fat dairy extract. The third type is skimmed milk ice cream, which has a maximum content of 0.30% of fat exclusively of dairy origin and at least 6% of lean dairy extract. Finally, there is ice cream, which must contain at least 5% dietary fat and the proteins present must be exclusively of dairy origin.

Yogurt

Yogurt is a dairy product that is obtained by the fermentation of lactic acid bacteria present in milk. Since ancient times, yogurt has been widely recognized as having positive effects on human health. These effects include the prevention of colon cancer, the reduction of cholesterol, the improvement of intestinal flora, the strengthening of the immune system and the prevention of *Helicobacter pylori* bacteria, etc. Yogurt containing beneficial microorganisms known as probiotics, which are live microorganism supplements that have a positive impact on the host by improving the balance of the intestinal microbiota, it is rapidly gaining recognition as functional foods. These probiotic yogurts offer additional health benefits due to the presence of these beneficial microorganisms (Parra Huertas, 2012).

Kefir

Kefir is a type of creamy probiotic that can be made at home. Its benefits include strengthening the immune system and improving digestion. Also known as "Bulgarian yogurt," kefir is a fermented milk that contains beneficial yeasts and bacteria that promote healthy intestinal transit and contribute to overall good health. The production of kefir is similar to that of natural yogurt, and there are different variants such as milk kefir, coconut kefir and water kefir. They all contain the same yeasts and bacteria, although they may differ in the enzymes present due to the fermentation medium used (Navarro Escrivá, 2021).

Baby formula milk

Formula milk is milk prepared artificially for babies who cannot be breastfed. These milks are designed to provide nutrition similar to breast milk. They are also known as replacement milk or artificial milk. There are two additional types of replacement milk: adapted formula milk, which contains substances such as nucleotides, polyunsaturated fatty acids or oligosaccharides that resemble the composition of breast milk; and special formula milk, which is prescribed for babies with specific conditions or disorders (such as diarrhea, vomiting, dermatitis) and has special characteristics. There are also special formula milks for premature babies, with a higher caloric density (CuidatePlus Editorial, 2016).

For presentation, formula milk can be found in two forms:

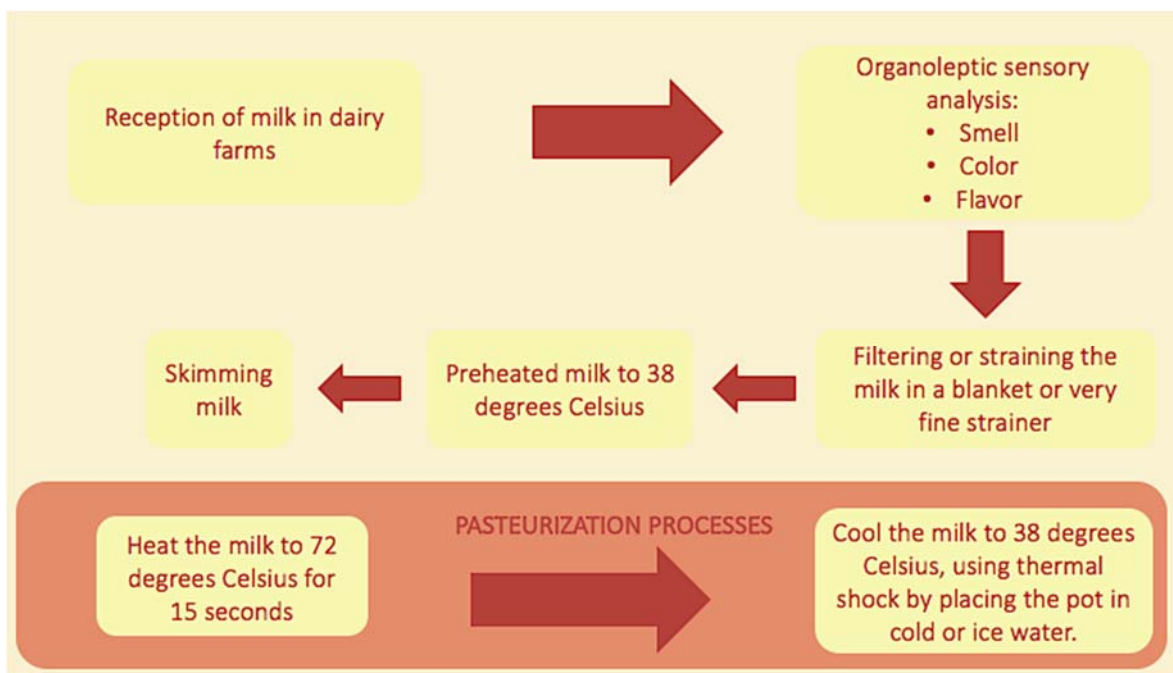
- Ready to serve: It can be given directly to the baby without much prior preparation, but is usually more expensive.
- In powdered: requires more preparation time but is usually cheaper. You can use non-bottled water can be used for its preparation.

All of these products must go through sanitation and pasteurization processes to eliminate harmful substances that raw milk may contain. Although each production company maintains its processes, the basic ones to be able to sterilize the milk.

It all begins with the collection of the raw material, the raw milk that is first received in the sterile drums of the industries, then an analysis is carried out by taking samples from the tanks in which the smell, color and flavor of the milk is evaluated. milk, in addition to performing rapid chemical tests such as the presence of Malto dextrin, water level, fat and antibiotic tests. Once the quality is guaranteed, in the first instance, the milk is filtered through special fine cloths, and the liquid is passed to the preheated tanks, and then proceed to skim the milk, which is then subjected to the pasteurization process where it is first It heats up and then cools down.

This process is illustrated in Figure 2:

Figure 2 Flow chart for milk quality assurance



Source: (Juárez, y otros, 2011)

E

1.2.6 Benefits of Milk Products

The consumption of dairy products can help maintain people's health as it has several benefits, due to its high calcium content. Furthermore, dairy products are found in most healthy

and balanced diets for all people of all ages, with the clear exception of people who are lactose intolerant (Elbierzo, 2015).

As indicated by the FEN website (2016), the consumption of dairy products is beneficial for:

- Milk and dairy products provide between 60% and 70% of the total amount of calcium recommended in the diet.
- Helps maintain normal blood cholesterol levels.
- Milk has a high content of calcium, phosphorus and proteins, essential for the growth of children and adolescents, as well as for the development of bones and the maintenance of teeth.
- Milk and cheese are good sources of vitamin B12 which helps produce red blood cells in the bone marrow.
- Dairy products contain vitamin D, which promotes the absorption and utilization of calcium.

On the other hand, you can have other benefits from consuming dairy products and their derivatives, such as those highlighted below.

Strong bones and muscles

Eating dairy products from an early age can strengthen bones and prevent bone fractures and osteoporosis in adulthood due to their high calcium content, which contributes to bone formation, strengthening cartilage and teeth. They are also good for muscles because milk protein provides all the essential amino acids that are the building blocks for muscle growth and maintenance. According to their high lactose content, the calcium in milk, yogurt, cheese, and butter is also bioavailable, meaning it is more easily absorbed than other foods. Vitamin D, which is abundant in cream and butter, also contributes to the normal absorption and utilization of calcium (PRADOLAC, 2021).

Highly adaptable products

Due to the variable composition of water, lactose, fats, proteins, vitamins and minerals, dairy products are ideal for all types of diets and people with different nutritional needs. The milk diet can be organized according to each individual and their special circumstances according to age and stage of life, providing the necessary nutrients for each individual (PRADOLAC, 2021).

High energy

Dairy products are an excellent source of slow-release energy because they help maintain energy levels by providing vitamins that help reduce fatigue and weakness, such as vitamin B2. In addition, calcium and phosphorus support energy metabolism (PRADOLAC, 2021).

Active mind and body

Dairy products contain riboflavin, niacin and vitamin B12, nutrients that support and strengthen the brain and its functions. Milk is also a good option to keep your body hydrated which is also important to keep your mind active (PRADOLAC, 2021).

Avoid overweight and obesity

The protein in dairy products helps increase the feeling of satiety and therefore reduces the intake of other foods, and the calcium prevents the accumulation of fat. When choosing the type of milk, the age and characteristics of the individual must be taken into account (PRADOLAC, 2021).

1.2.7 International Trade

International trade is directly linked to development and social inclusion and it is an important part of the international economic and political agenda, as it encompasses two extreme positions: the first with the opening of international trade, the economy can be

energized and the second with Active participation in markets can reduce poverty (Romero G., 2015).

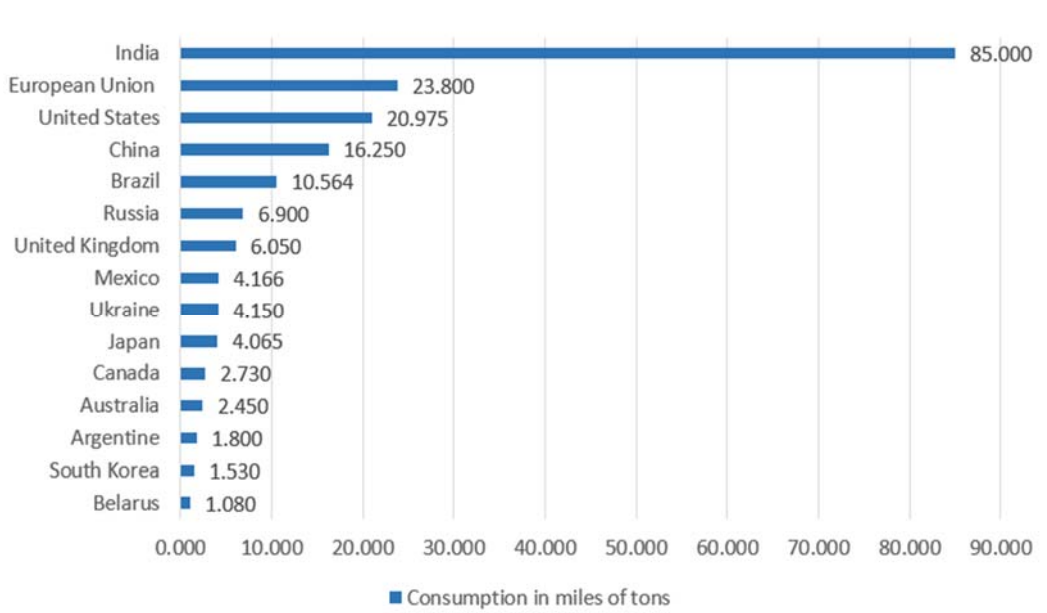
The economic activity of international trade mainly seeks the exchange of goods and or services between several countries or nations, boosting their economies, and due to the different agreements between countries, it is easier to carry out this exchange without major complications (Golan, 2022).

This exchange of goods or services is carried out through what is commonly known as imports and exports, which allow trade to generate competitive and comparative advantages, and open the possibility of acquiring products abroad that do not exist or are not available. They market in the national market (Mise, 2023).

1.2.8 International dairy trade

According to data presented by Orús, (2023), India is the largest consumer of milk worldwide, followed by countries in the European Union, Asia, and America. This is best evidenced in Figure 3:

Figure 3 Ranking of the countries that consumed the most liquid cow's milk in the world in 2022



Source: (Orús, 2023)

With almost 24 million tons, the EU will be the second largest region in the world in terms of liquid milk consumption in 2022, behind India. In particular, South Asian countries recorded the consumption of more than 80 million tons of this dairy product in the aforementioned years (Orús, 2023).

Although milk production fell last year, it has not fallen below 500 million tons annually since 2017. The EU plays a key role in this indicator, as it is the world's largest producer. In 2022, the 27 countries that make up the European Union produced a total of about 144 million tons, leaving the United States in second place with about 41 million tons (Orús, 2023).

As can be seen, in Latin America, Brazil and Mexico that consumed the most liquid milk in 2022. However, this does not reflect the reality of production of this liquid in Latin countries.

Latin America is a net importer of dairy products, although these countries have two main exporters, Argentina and Uruguay. Over the past decade, fresh, sweet milk production in Latin America has grown faster than any other region, and fresh milk, as well as butter and cheese, are very active. These processes arose due to the development of milk production clusters in several countries in the region. It is worth highlighting the importance of internal trade in these products within Mercosur, within the Andean Community. The largest importers of the product in the region are Brazil and Mexico. Most of Argentina and Uruguay's exports go to Brazil, while Mexico's largest imports come from the United States. In regional imports, the participation of New Zealand and Australia increased and the role of Europe decreased. Dairy products produced in the region and subsidized products from Europe and the United States compete in Latin American markets, fostering unfair competition in these markets, as well as reducing the competitiveness of the region's products in third-party markets (UN ECLAC. Division of International Trade and Integration, 2003).

1.2.9 Exports

Export includes a “commercial activity that consists of the sale or shipment of products outside the national territory” (National Customs Service of Ecuador, 2021). In another word, exporting is sending any product abroad for commercial or service purposes.

It must be considered that not all people or companies can be legal exporters, since to do so they need to meet certain requirements. In Ecuador, “all Natural or Legal Persons, Ecuadorian or foreigners residing in the country who have been registered as an exporter in the ECUAPASS system and approved by the National Customs Service of Ecuador” (Servicio Nacional de Aduana del Ecuador, 2021).

In order for a person to export or become a formal exporter, they must comply with certain steps, which are shown in Figure 4:

Figure 4 Export steps



Source: (Servicio Nacional de Aduana del Ecuador, 2021)

The first step before export is to acquire the token or electronic signature, making sure that it is useful for exports, since with the change in laws in the country the electronic signature has several uses.

Then you must install the ECUAPASS system, which must allow the exporter to register in the customs computer system.

Additionally, it is important to know the export restrictions and thus finally proceed with the process of dispatching the merchandise to be sold abroad.

This whole process allows nations to expand their market and be able to grow and bring growth to nations.

1.2.10 Market expanding

It is inevitable that at some point in the life of companies they will have to go through the stage or several stages of growth, for which they must be prepared: this is called market expansion and is the key to planning a new business model that allows the organization to remain in the market (Ekon Team, 2020).

A well-planned market expansion strategy helps companies have a focus on growing when they have expanded enough, and helps ensure that all of their current markets are satisfied (Rock Content Writer, 2021).

Finally, da Silva (2021) states that:

Market development is an expansion strategy that deals with the growth of a company by conquering new markets. This is when an organization tries to insert its products into other niches or existing markets, different from those in which it operates in general. The market expansion strategy may include creating new products or adapting what you already sell to a new target audience. In addition to that, market development can also mean the expansion of teams that already exist and the inclusion of new communication channels (2021).

This means that a company prepares a market expansion strategy when it ensures that its current market share is covered and that it has products or raw materials for processing and

use, and there it must look for new market niches to arrive with the product that you already market or in turn develop one based on the needs of your target market.

2. LITERATURE REVIEW

In 1975, an important group of ranchers met, led by Alejandrino Moncayo Alvarado. Since the south was a strategically agricultural and livestock location, the need was seen to create the company Lácteos San Antonio C.A. By that time, they managed to collect 6,000 liters of raw milk per day. In the beginning, milk was delivered in bulk to Guayaquil, but over time, the need was seen to implement the first packaging machine with the capacity to package more than 1000 liters/hour in a “Purepak” container. However, this process facilitated the distribution of milk, it did not have much success (Lácteos San Antonio C. A., 2022).

In 1983, for the first time Lácteos San Antonio launched a 1-liter presentation of pasteurized milk in a polyethylene sleeve, which was very well received in the cities of Guayaquil, Durán and Cuenca, and it was a great success. In 1990 milk production was already around 50,000 liters/day and new production lines were created such as fresh cheese, yogurt with a variety of flavors and butter. By then, in their best financial stage thanks to the great demand, they built a second factory that would facilitate their dairy production to satisfy the needs of their clients. Since the geographical coverage was expanded, the factory in Cuenca supplied for Azuay, El Oro and Loja, while the San Antonio plant in the Cañar, supplied the provinces of Guayas and Cañar.

The company continued to improve over the years, creating new products much larger than previous acquisitions. Thus, in 1999, the first aseptic packaging machine and a UHT-Tetrapak process equipment were implemented, and it is at this time that the company marked a new direction in their entrepreneurship. However, there has been a lot of competition in recent years, but thanks to the efforts of managers and employees, they are gradually managing to go

further while maintaining high quality standards and reasonable prices. This is why the main reason for developing this project is to take the company further and further; and for its market to continue expanding to other countries, it is aimed at Salvador. According to the Latin American Integration Association (Gárate Amoroso & Martínez Abad, 2008), this allows the company to expand and ensure the economic development of the two countries, allowing Ecuadorian products to arrive with better access conditions to the Salvadoran market.

It should be noted that last year, the Vice Minister of Foreign Trade of Ecuador, Daniel Legarda, suggested that Ecuador and El Salvador have common interests and share many things, and in turn the Vice Minister of Foreign Trade of Salvador, Juan Carlos Sosa highlighted that there is great potential between the two countries and that procedures will be facilitated for all products arriving from Ecuadorian territory. Furthermore, Lácteos San Antonio C.A is a great company that has been positioning itself in both the local and national market thanks to the quality of its products and affordable prices (Alvarado, 2021).

Previous studies carried out in the company Lacteos San Antonio C.A. by undergraduate students, have concluded that the company possesses a strong management, and have suggested that the company should consider exporting their products. Infact, Paula Marycruz González Carvallo with her degree work "The application of the International Standard ISO 22:000 in the company Lácteos San Antonio and its export analysis" carried out in the year 2010, stated the company has had good management within its operational field, which has provided great prestige at the national level and soon with projections to a field (ISO 22000:2018 IMPLEMENTATION GUIDE, 2018).

In the same way, there is the degree work of Diana Garate Amoroso and Francisco Martínez Abad with their "Project to export Nutri Leche to Venezuela." They proposed an export analysis, considering that it was of great importance to conduct a market study. The export and marketing plan that these students carried out, emphasized the legal aspects,

customs procedures and operational procedures in accordance with the current rules in foreign trade (Gárate Amoroso & Martínez Abad, 2008).

In a macro analysis, it can be said that milk production in the Central American region grew from 2,499.4 MT to 3,219.3 MT in the decade from 2000 to 2009, which implies a growth rate of 3.2% annually on average, and although the participation or structure of the relative production of each country with respect to the total regional production, is maintained, the difference in the percentage change for the aforementioned period is greater for El Salvador with respect to the rest of the countries in the region reaching 40% compared to the year 2000, equivalent to a volume of 154.8 MT. The country that grows the least in the same period is Honduras with an exchange rate of 23.3%, equivalent to 132.8 MT. (Government of El Salvador, 2018).

The Ecuadorian dairy industry is characterized by being an influential sector of the national economy, which is reflected in the generation of direct and indirect jobs which is why El Salvador has become an attractive market focus for the export of valuable dairy products. added (Huilocapi & Gallegos, 2020).

3. METHODOLOGY

3.1 Modality

Research modality is an approach used to conduct a study and collect data in order to answer a research question. This modality refers to the way in which the research is carried out and can vary depending on the type of study and the research objectives.

Based on the objectives of the project, working in two modalities has been considered:

3.1.1 Field investigation

According to Herrera, Medina, and Naranjo (2004), in the field study the researcher is directly involved in the environment or situation that is being investigated, with the objective

of obtaining relevant and accurate information to meet the objectives set out in the investigation. This modality allows the researcher to collect data through direct observation, interaction with the study subjects and the collection of primary data.

Furthermore, in the field study, the data obtained can be used to verify hypotheses if they exist, which makes this modality especially useful in exploratory or descriptive studies. By being in direct contact with reality, the researcher can collect detailed and precise data that helps to better understand the phenomenon being investigated and provides new perspectives.

Field investigation is a type of study in which the experiment is carried out in the everyday environment of the subjects. This allows for more precise and realistic results, since the independent variables can be manipulated and their effect on the subjects' behavior observed. In summary, field research is a way to obtain more precise and relevant information, by carrying out the study in the natural environment of the subjects (Hernández, Fernández, & Baptista, 2010).

Agreeing with these ideas, Bernal (2010, page 191) mentions that field work is the “information collection stage in research.” Which, as has already been mentioned before, is the source on which the researchers rely to arrive at the results.

This research work was based mainly on visits to the Nutri Leche company to collect primary information on production data, people, quality standards, and other pertinent data for the design of the export plan. Real data was measured and projected based on the needs of the market and the availability of raw materials of the company.

Gathering first-hand information through company visits allowed for a more complete and detailed understanding of production processes, human resources and any other information relevant to export plan planning. Data obtained through field research is more reliable and accurate, allowing for better projection and fact-based decision making.

By collecting information directly from the company, the researcher could identify the company's strengths and weaknesses and design an export plan that maximized the strengths and minimized the weaknesses.

In conclusion, field work in research on Nutri Leche is essential to collect first-hand and relevant information from primary sources for the design of an export plan based on real data. Field research allows for more accurate and reliable data, allowing for better projection and fact-based decision making. Thanks to the field investigation, I have been able to assist the company to collect all the information it required, what I collected in the research process was:

- Data on monthly liters of milk that the company collects.
- The estimated milk production in annual liters.
- The destination of this milk and infant formula by product and business.
- The surplus for export.

3.1.2 Documentary bibliographic research

For Herrera, Medina, Naranjo, (2004) documentary bibliographic research consists of reviewing and analyzing different publications such as books, magazines, newspapers and other documents to detect, expand and deepen approaches, theories, conceptualizations and criteria of different authors on a specific topic. The research is based on primary sources, which are original documents, as well as publications from various sources.

It is important to highlight that documented sources of information are fundamental for any investigation, as they provide the necessary support to support the research findings. Documentary bibliographic research allows the researcher to access a large amount of relevant and updated information on the topic in question, allowing them to deepen their knowledge and understanding.

According to Bernal (2010) documentary research focuses on reviewing bibliography on a specific topic to collect, analyze, classify information and propose a discussion about it

based on the objectives proposed in the preliminary research project. In other words, this type of research is based on the exhaustive review of documents and publications related to the research topic, to obtain relevant and valuable information that can contribute to the understanding and analysis of the topic in question.

Documentary research is a very useful research technique for analysis and reflection on complex topics, it allows the researcher to access a wide range of information from various sources for subsequent analysis and discussion. In this way, solid and well-founded conclusions can be drawn, allowing the topic to be addressed in a rigorous and complete manner.

On the other hand, Arias, (2012), mentions that bibliographic research involves a process that includes the search, collection, analysis and interpretation of secondary data that are those that have been obtained and recorded by other researchers in documentary sources such as publications printed, audiovisual or electronic. The purpose of this type of research is to contribute to the development of new knowledge, as in any other research design.

By relying on secondary data, bibliographic research allows the researcher to access a large amount of previously recorded information, allowing them to analyze and compare different perspectives on a given topic. Bibliographic research focuses on the analysis and interpretation of secondary data recorded by other researchers in different documentary sources. The purpose of this technique is to contribute to the development of new knowledge and can be very useful to identify new lines of research.

All research at any level or type requires the review of secondary sources of information, to consult, support and develop ideas, and to be guided by the procedures suitable for the application of a new study, reducing the risks that may be generated.

This work was developed with an approach that values the use of bibliographic sources in each of its chapters. The use of bibliographic sources was essential to establish the theoretical and conceptual bases necessary for the analysis and discussion of the topics addressed in the

research. Furthermore, the use of bibliographic sources allowed the arguments and statements presented to be supported with reliable information validated by the academic community, which contributed to the solidity and rigor of the research work.

3.2 Approach

The research approach is a fundamental aspect of any academic or scientific work carried out. This refers to the theoretical and methodological perspective from which the research problem is addressed and the study is developed. In other words, the research approach is the conceptual and methodological framework that guides the design and conduct of the research.

In general, this research is selected based on the type of problem that is intended to be addressed, the research questions that are posed, the hypotheses that will be verified, the data that need to be collected and analyzed, the objectives and goals to be pursued.

To fulfill the main objective of the research, the mixed methods approach was followed. This means that both qualitative and quantitative techniques were used. to obtain a more complete and in-depth information to develop the feasibility analysis based on numerical data and this research work will use a combination of qualitative and quantitative techniques to achieve a comprehensive understanding of the object of study.

3.2.1 Quantitative approach

Quantitative research also known as traditional, it is based on measuring the characteristics of social phenomena through a series of postulates that express relationships between the variables studied. This is done deductively, deriving from a conceptual framework relevant to the problem analyzed. The purpose of this approach is to generalize and normalize the results obtained (Bernal, 2010).

Arias (2012) mentions that in this type of research, it is common to use questionnaires and surveys to collect data from a representative sample of the population under study. In statistical analysis, one of the most basic tools is the preparation of a frequency distribution table, which shows the number of times each value of the variable under study appears. From this table, absolute and relative frequencies, or percentages, can be calculated, and graphs can be generated to better visualize the results. This type of analysis is fundamental in quantitative research, since it allows the identification of patterns and numerical relationships between the variables studied, which facilitates the interpretation of the results and allows generalizations to be made about the population under study.

This type of study was used to examine the data according to the products of the Nutri Leche company, and calculations were carried out to reach a theoretical and numerical conclusion to obtain a certain percentage with numerical samples, as suggested by López-Roldán & Fachelli, (2016).

The quantitative data collected from the company, or primary quantitative data, is constituted as production data, installed capacity, raw material purchases, raw material surpluses and production, among others.

In addition, secondary quantitative data are those that were collected from secondary sources, such as supply and demand reports for dairy products in El Salvador, the project's destination country, market prices, supply and internal production, among others.

3.2.2 Qualitative approach

This approach focuses on the understanding and deepening of social phenomena, exploring them from the perspective of the participants in a natural environment and in relation to the context. It is usually chosen with the purpose of understanding the perspective of the participants involved in a particular phenomenon, whether individuals or small groups of people, in order to delve deeper into their experiences, perspectives, opinions and meanings,

that is, the way in which Participants subjectively perceive their reality in a given context. The qualitative process begins with the formulation of the research idea and the selection of participants. (Hernández, Fernández, & Baptista, 2010).

Arias (2012) points out that, in the qualitative approach, the aim is to identify and group categories or sets of concepts that are important for the research, with the purpose of understanding, interpreting, reconstructing and reflecting on the experiences and stories of the informants. This process involves a detailed and thorough analysis of the collected data, which can be obtained through various research techniques, such as interviews, observations and document analysis.

With this method, focus groups will be sought to find, collect and process data about the product that you want to export. (López-Roldán & Fachelli, 2016).

It is important to mention that a quantitative research was carried out, both in the collection and analysis of numerical data and non-numerical information. In fact, this information was crucial to be able to more deeply understand the context in which the Nutri leche company operates and the possible influences that may be affecting its performance. Therefore, the work that was carried out with non-numerical information was essential to obtain a conclusion that supports the theory or hypothesis studied in this research.

The circumstances that go beyond the numerical data were analyzed, for example: following experience, negotiation skills, business vision and the strategies that must be applied for the business to be successful.

3.3 Level

The level of research refers to the degree of depth and scope in which a study will be carried out, and is determined by the nature of the research problem and the stated objectives.

Due to the nature of the project, the following levels of research were carried out:

3.3.1 Exploratory investigation

The exploratory level can be defined as a type of research that focuses on exploring under-researched, unknown or new problems. According to Herrera, Medina and Naranjo (2004), this type of study is poorly structured and aims to probe the problem in question. It is considered the lightest level of research and serves as a starting point for more advanced research.

In summary, the exploratory study is an important tool to initiate a more complete and rigorous investigation. It allows obtaining preliminary information on the topic of study, identifying relevant variables and factors, and establishing a solid foundation for the development of the research.

According to this type of investigation, it has been known that the Nutri Leche company has not so far exported its products to any part of the world, so I investigated further why it has not been done, how it could be done, what would be the process and what products would be correct. The company's response was that they do not rule out the idea of exporting their products in the future, for now they have more ideas, especially that their products have a greater reception within the country.

This level is applied because the export framework to El Salvador, by Nutri Leche, is new and unknown, guiding the development of this work as a preamble for the company to develop new expansion and growth plans.

3.3.2 Descriptive investigation

Arias (2012) argues that this level implies a greater degree of depth than the exploratory level, since more detailed and complex investigations can be carried out, such as mathematical

calculations to determine the relationship between variables, which reinforces the investigation.

It can be said then that the descriptive level of research goes beyond the exploration of a topic, and focuses on the detailed characterization of an event, phenomenon, individual or group. At this level methods and techniques are used to establish a structure or behavior of the object of study and mathematical calculations can be performed to determine the degree of relationship between variables, which reinforces the study and allows for greater depth in the research.

Descriptive research focuses on highlighting the specific characteristics of the population under study; seeking to emphasize the main conclusions or how a person, group or thing behaves or functions at the current moment. Its objective is to describe the fundamental characteristics of homogeneous groups of phenomena, using systematic criteria to establish their structure or behavior; In this way, systematic and comparative information is provided with other sources. (Guevara Alban, Verdesoto Arguello, & Castro Molina, 2020).

The descriptive research uses systematic criteria to analyze and compare information.

According to the statements made by the Pontifical Catholic University of Peru (2022), in descriptive research it is important to be precise in the description, avoiding using ambiguous terms. It focuses on the identification of verifiable and observable characteristics or traits, which can be found in the testimonies of the research subjects, such as in interviews.

Therefore, it is emphasized that the use of descriptive research applied to the qualitative field is necessary to be able to describe the main factors that can affect and influence the export process of the dairy formula of the company Lácteos San Antonio or Nutri Leche to El Salvador, considering technical and legal aspects in both countries so that the implementation of the proposal can occur without major complications, and considering all the points that may be contemplated.

3.4 Population and sample

3.4.1 Population

It is understood by population, according to Herrera, Medina and Naranjo (2004) to the total set of elements that will be the object of study in relation to certain characteristics. In order to obtain results that are measurable and interpreted accurately, it is necessary to determine the number of individuals who are protagonists in the research. That is, the universe of subjects to be studied in the research must be clearly identified in order to properly apply the methods and techniques necessary to obtain significant and relevant information.

Arias (2012) expands the definition of population, explaining that the population is a set of elements with common characteristics to which the conclusions of the research will be applicable. The population is delimited by the problem and the objectives of the study, and can be finite or infinite. It is essential to determine the size of the population so that the results obtained can be quantified and interpreted. Therefore, the investigation will focus only on people related to the problem.

For this work, the population must be considered only the data available from the company Lácteos Ana Antonio – Nutri Leche, since the feasibility analysis depends in the first instance, on the productive capacity of the company. On the other hand, the target audience must be considered like the consumers of El Salvador, that must be analyzed only by secondary sources, based on published data that shows a deficit of some dairy products and supplements in their market due to the conditions of the country's milk-producing livestock.

3.4.2 Sample

In the present study, the sample taken, referring to production, was based on the Nutri _Leche infant formula for children, which contains three types of drinks.

On the other hand, the market analysis regarding the feasibility of distribution and sale of these formulas in the El Salvador market would become very extensive and expensive, which is why it was thought of forming a strategic alliance, with one of the largest distributors of products in the country, Disna, a national distributor, which has a wide range of food products and beverages for human consumption, and which is recognized throughout the territory, so by making this alliance, market research expenses were saved, as well as the logistics and distribution of the product within Salvadoran territory, entrusting this responsibility to the specific ally.

3.5 Scope and expected results

Deliver to the company Lácteos San Antonio a proposal for the export of milk to El Salvador, through this document, considering that both Ecuador and El Salvador have a close commercial relationship that unites both countries. Furthermore, with the appropriate guidance and advice, the practical application of this study can help significantly promote the country's economy, also promoting the development of the sector where the company is located, and therefore the entire quality of life of the people. raw material suppliers in general.

The proposal to export milk to El Salvador by the company Lácteos San Antonio can be an excellent business opportunity for both parties, since there are close commercial relations between both countries. Below are some of the reasons why this proposal should be considered:

1. Potential of the Salvadoran market: El Salvador has a population of more than 6 million inhabitants and is one of the smallest countries in Latin America, which makes it an attractive market for companies that want to expand their operations. Additionally, there is a growing demand for dairy products in the region.

2. Strengths of Lácteos San Antonio: The company has a long history in the production of high-quality milk, as well as extensive experience in the national market. Those factors allow it to be well positioned to enter the international market.
3. Trade relationship between Ecuador and El Salvador: Both countries have had a free trade agreement since 2010, which facilitates trade relations between both countries and reduces tariff barriers. This can represent a competitive advantage for Lácteos San Antonio.
4. Benefits for the Ecuadorian economy: The export of milk to El Salvador can generate economic benefits for the country, since it would increase exports and strengthen the dairy sector. Furthermore, this could have a positive impact on the quality of life of raw material suppliers, since they could have a greater demand for their products.

In summary, the export of milk to El Salvador is a great opportunity for Lácteos San Antonio, this would allow it to expand its presence in the international market and generate benefits for the Ecuadorian economy.

This project is based on the investigation of the export process with an analysis of the Incoterms, customs procedures, tariff items and other processes and/or procedures that will be the responsibility of the company as a plan to export its products abroad.

The ability to export products allows companies to expand their markets, diversify their sources of income and take advantage of growth opportunities abroad. However, to export successfully it is very important to have a deep understanding of the processes and procedures, which can be complicated and expensive. Therefore, having a detailed export plan can help companies optimize their export processes, reduce costs and maximize their success abroad.

3.6 Assumptions and risks

It is important to consider both assumptions and risks when conducting an export feasibility analysis, as both can affect the company's success in the international market. By identifying and evaluating assumptions and risks, an action plan can be developed to mitigate risks and maximize opportunities for export success.

3.6.1 Assumptions

Assumptions are the hypotheses made about future conditions that may affect the success of the export. These assumptions may be external (for example, the economic situation of the importing country) or internal (for example, the company's ability to meet export requirements).

In this project, assumptions are considered that must be followed, such as:

1. Collect all the information necessary to analyze the process for a future export.
2. Conduct several interviews to examine whether the proposal is viable or not.

It is assumed that the company has access to the relevant information necessary to make an informed decision about exporting, it is expected that the information obtained is accurate and updated, which will allow the company Lácteos San Antonio to adequately evaluate the target market, the requirements of import, costs, risks and other key factors that affect export success.

Behind conducting several interviews, it is assumed that the company needs to obtain multiple perspectives to properly evaluate the viability of the export proposal. Interviews may include company employees, export experts, potential buyers in the target market, and other relevant stakeholders. By conducting several interviews, it is hoped that the company will be able to gather different points of view, identify potential problems and obtain valuable information to make an informed decision about exporting.

3.6.2 Risks

Risks are possible negative events or situations that may affect the success of the export. These risks can be internal (for example, supply chain problems) or external (for example, changes in government policies or market conditions).

Based on preliminary information, risks are detailed such as:

1. Not obtaining all the necessary information, and the investigation process being indeterminate, especially considering the bureaucratic obstacles in the export area, as well as the delay in the permit processes and other long requirements that must be followed and that are not always clear in processed products; mainly in dairy products, due to the characteristics of the raw product.
2. That the administrative staff and other people do not respond to the interviews conscientiously. Although the company has the consent for the development of this project, all industries are wary of revealing information that could compromise their daily processes in some way. In addition, that the competition can take advantage of the smallest detail to take advantage of their competitors by through any information that can be leaked in this type of projects.
3. That the production of this company does not improve and that there is no interested supplier. Although it is true that there is an undersupplied market niche in dairy products, nothing guarantees that the product that is intended to be exported will have the necessary reception and, above all, that the costs of production and sale can be covered in the Salvadoran market.

The risks of the project to export Nutri Leche's infant formula to El Salvador include the possibility of not obtaining all the necessary information or having an indeterminate research process, that the staff does not respond adequately in interviews, that production does not improve, and that there are no interested suppliers. If these risks arise, it can affect the

viability of the project and the profitability of the business. It is essential that the company manages these risks proactively to maximize the chances of success in the international market.

4. RESULTS

4.1 Characteristics of the dairy sector in Ecuador

Ecuador, especially the rural environment, is linked to a considerable process of transformation in the economy due to the adaptation to a modern capitalist model where the function of supplier of primary goods and renewable energy sources were transferred to a model based on establishment of new industries and strengthening existing productive sectors (Consejo Nacional de Planificación , 2018).

The economy of this country, especially in rural areas, has experienced a transformation process towards a modern capitalist model that has involved transferring the function of supplier of primary goods and renewable energy sources to the establishment of new industries and the strengthening of the existing productive sectors. Although this process can have benefits such as job creation and economic diversification, it can also have negative effects such as greater use of natural resources and energy and a possible migration of the rural population to cities. Therefore, it is important to seek a balance between economic development and environmental and social sustainability in Ecuador.

In the last decade, Ecuador with its rural environment, has demonstrated a process of transformation in the economy, even more so, when it foresees the transfer of the exercise of supplier of primary goods and non-renewable energy sources towards a model that is based on the establishment of other industries and reinforcement of existing productive sectors, which is called a change in the productive matrix (Campaña Hoyos & Aguilar, 2019).

In the last decade, Ecuador has experienced a transformation process in its economy with the aim of reducing its dependence on the export of non-renewable raw materials, such as oil, and diversifying its production towards sectors with greater added value.

This process has been called a change in the productive matrix and has been promoted through public policies that seek to promote the development of strategic sectors such as agribusiness, tourism, manufacturing industry, biotechnology, among others.

In addition, efforts have been made to strengthen traditional productive sectors such as fishing, responsible mining, agriculture and livestock, in order to improve their productivity and competitiveness.

This change of focus in the Ecuadorian economy has been reflected in a decrease in the share of oil in the country's total exports and an increase in non-oil exports, indicating that the strategy is working.

Milk production presented an economic and social dynamic for Ecuador because it adopted a free market capitalist system which allowed the development of economic dynamics and exchange of products.

During 2019, a process of strengthening the dairy sector in Ecuador began, through various initiatives aimed at producers to guarantee the sustainability of the sector, from promoting local consumption of milk and dairy products, to the export of byproducts. Milk is essential in the fight against malnutrition and in Ecuador, around 1.3 million people obtain direct or indirect income from the dairy sector, which produces around 6.6 million liters of raw milk per day. Since the implementation of Interministerial Agreement No. 177 in March 2020, the procurement of raw milk has shown sustainable growth. During the pandemic, the dairy sector has played a key role in the production and supply of dairy products nationwide. The Ministry of Agriculture and Livestock (MAG) has generated a communication campaign to encourage the consumption of milk in Ecuadorians, and contribute to the economic and social

sustainability of the sector. The Ecuadorian Government ratifies its commitment to the country's productive sectors, generating income and dignifying the countryside, to turn Ecuador into a dairy country (Ministerio de Agricultura y Ganadería, 2020).

The strengthening of the dairy sector in Ecuador occurs through various actions that include the promotion of local consumption and exports, the implementation of responsible and inclusive practices and support for the dairy chain.

The importance of milk in human nutrition and its role in the fight against malnutrition is also mentioned, as well as its contribution to the economy and the livelihood of agricultural producers. Finally, the commitment of the Ecuadorian government to supporting the country's productive sectors and guaranteeing the well-being of its citizens is highlighted.

In Ecuador, the consumption of milk per capita per year is 110 liters, which is below the recommended 180 liters. According to the Ministry of Agriculture and Livestock, the dairy industry generates around 1.4 billion dollars annually and the official cost of a liter of milk to the producer is 0.42 dollars. Of the 4.1 million cattle that exist in the country, 57% are dedicated to milk production and are mainly found in the valleys of the Andean alley. The 73% of dairy production is concentrated in the Sierra, 19% in the Coast and 8% in the Amazon. For farmers in the high areas of the Sierra, milk is the only stable product for sale, since there are not many planting options. The majority of the 299,000 milk producers in Ecuador are small and family farms, representing 80%, while medium and large farms only represent 20%. Only 4% of producers use technology and achieve high productivity. To meet quality standards, farmers need to invest in cow feeding and technologies for product conservation (Ionita, 2022).

It is then understood that Ecuador is an important producer and industrializer of milk, its internal consumption remains low compared to health recommendations. Furthermore, much of the milk production is concentrated in the Andean region of the country and the

majority of producers are small family farms that have limitations in their technological capacity and productivity.

To improve milk quality and meet quality standards, investment in livestock feeding and product preservation technologies is required, that can be a challenge for many small producers.

As expected, this panorama shows Ecuador as a country with a high dairy production potential, an issue that has been well taken advantage of by national producers and that has managed to grow several sectors of the country. Thanks to the quality and abundance of raw materials, the initiative of several industries has been awakened, such as Lácteos San Antonio, to expand their production to international markets, looking for niches with shortages so that the products are accepted.

Ecuador has a high dairy production potential due to the quality and abundance of raw materials. This report analyzes the impact that this activity has had on the country's economy and presents a specific case of a company that has sought to expand its production to international markets.

Dairy production in Ecuador has been taken advantage of by some national producers, although it cannot be said that this fact has made various sectors of the country grow without presenting concrete evidence in this regard. The dairy industry in the country is dominated by a small number of companies, which limits competition and the emergence of new initiatives.

However, it is important to highlight that a company like Lácteos San Antonio has sought to expand their production to international markets, taking advantage of niches with shortages for its products but the export process of dairy products may be subject to regulations and health barriers, which may limit access to some international markets.

In conclusion, dairy production in Ecuador represents an important potential for the country's economy due to the quality and abundance of raw materials.

Although some national producers have taken advantage of this opportunity, it is necessary to analyze in greater depth the impact that this activity has had on other sectors of the economy. In addition, it is important to consider health regulations and barriers that may affect access to some international markets for companies seeking to expand their production.

4.2 Company analysis

4.2.1 History of the company

In 1975, Lácteos San Antonio C.A it was founded in the Cañar, in the southern part of Ecuador, under the direction of Mr. Alejandrino Moncayo Alvarado. He gathered a small group of local ranchers and established a strategic partnership with the I. Municipality of Guayaquil. Initially, the company collected around 6,000 liters of raw milk per day that same year, which was sold in Guayaquil. Five years later, the first processing plant with a capacity of 2,000 liters/hour was built, along with the introduction of a Purepak milk packaging machine. However, this presentation did not have the expected success in the market that led to the launch of a new presentation of pasteurized milk in 1-liter polyethylene containers in 1983. This new presentation had great demand in Cuenca, Durán and Guayaquil. By 1990, the San Antonio factory's operations had been strengthened and infrastructure significantly improved. Daily milk production in containers reached 50,000 liters, and new production lines were introduced, such as yogurt, butter and cheese. (Corporación Favorita, Lácteos San Antonio, Nutrileche, 2023).

In 1997, due to the resounding success of packaged pasteurized milk, it was decided to expand the company's geographic coverage by building a second processing company in the Cuenca industrial park. This new company would serve the provinces of Azuay, El Oro and Loja, while the San Antonio company would supply the provinces of Guayas and Cañar. In 1999, the company faced an even greater challenge by acquiring its first Tetra Pak aseptic packaging machine and UHT processing equipment. With this strategic investment, Lácteos

San Antonio entered the long-life milk market, dominated at that time by large multinationals. Fierce competition from established brands and the banking crisis represented significant obstacles to the success of the project (Corporación Favorita, Lácteos San Antonio, Nutrileche, 2023).

Despite this, thanks to the efforts of its managers and employees, the company gradually managed to consolidate its position with a weekly production of 12,000 liters in Tetra Pak containers. By 2005, daily production reached an impressive 80,000 liters, and the company had 5 aseptic packaging machines, an aseptic storage tank and a variety of 22 products. Due to the plant's insufficient installed capacity and inability to meet growing demand, second processing equipment and a state-of-the-art aseptic packaging machine were installed. This increased the installed capacity to 220,000 liters per day (Corporación Favorita, Lácteos San Antonio, Nutrileche, 2023).

Learn about the history of the company Lácteos San Antonio C.A. It is essential to carry out an export project to El Salvador for several reasons:

Firstly, the background and experience that promotes the company's history in the dairy sector, helps to have knowledge of how the company was established, grew and adapted to market challenges over the years provides a solid foundation. to develop successful export strategies.

In relation to production capacity and quality, it can be seen that Lácteos San Antonio has increased its production capacity and improved its infrastructure. This indicates that the company has the capacity to meet the required export volumes and maintain high quality standards in its products.

Analyzing the perspective of innovation and diversification, the company has demonstrated its ability to innovate and diversify its product line, introducing new production

lines such as yogurt, butter and cheese. This capacity for adaptation and diversification is essential to enter new markets and satisfy the specific demands of consumers in El Salvador.

On the other hand, regarding competition in the international market, the company has successfully entered the long-life milk market, competing with large multinationals. This demonstrates your ability to face competition and stand out in an international environment. This experience will be valuable when entering the Salvadoran market, where there will also be competition from local and multinational brands.

Despite the challenges it has faced, Lácteos San Antonio has managed to consolidate its position and increase its production over the years. This track record of success is a testament to the company's ability to meet challenges and achieve positive results. This generates trust and credibility in the market and can be an attractive factor for potential partners or distributors in El Salvador.

In summary, knowing the history of Lácteos San Antonio C.A. provides valuable information on the company's capacity, experience, adaptability and innovation in the dairy sector. These aspects are fundamental to develop a successful export project to El Salvador, since they provide a solid foundation and confidence in the capabilities and quality of the company in the target market.

4.2.2 Mission

The business mission is a statement that establishes an organization's purpose and service to customers. This statement should be specific and realistic about the value the company offers, answering the question of what the company focuses on. Additionally, the mission statement should have clarity and focus, avoiding covering too many aspects so as not to confuse prospects. It's also important to appeal to prospects' emotions, building an emotional connection through words like "inspiration" and "innovation." The mission statement should reflect the company's personality and differentiate it from the competition, creating comfort

and establishing a strong relationship with the public. Finally, the mission statement must be durable and adapt to possible changes in the company's direction, maintaining a consistent brand image and resonating with the public in the long term. (Santos, 2021).

The San Antonio dairy company, better known as Nutri Leche throughout the Ecuadorian market, publishes its mission, which literally reads:

“We satisfy the food needs of our customers by marketing nutritious, safe and healthy products, made with the highest quality and care for the environment, strengthening the growth and development of the country” (Lácteos San Antonio C. A. , 2022).

The mission of Lácteos San Antonio C.A. is to satisfy the nutritional needs of its customers by marketing nutritious, safe and healthy products. The company is committed to producing its products with the highest quality and care for the environment. In addition, it seeks to strengthen the growth and development of the country in which it operates. In summary, the mission of Lácteos San Antonio C.A focuses on offering quality food products, respecting the environment and contributing to the economic and social development of the country.

4.2.3 Vision

The business vision is a statement that establishes the purpose, goals and desired results of an organization, focusing on the future of the company and what it wants to achieve. The key elements that must be present in a vision statement are: future orientation, ambition, direction, value orientation, concise format, and alignment and uniqueness. The vision should be forward-looking and represent the long-term goal of the organization, be ambitious but achievable, provide a specific outcome, and align with the organization's values and culture. The vision should be summarized in one or two sentences to ensure that anyone can understand it and should highlight the particular impact the organization provides to motivate stakeholders to follow it. (Santos, 2021).

The vision of the San Antonio dairy company has followed these precepts and maintains a business vision, which is published on the brand's website and which states:

“To be one of the leading brands of food products in the markets in which we participate, recognized for its nutritional value, quality and safety to our consumers” (Lácteos San Antonio C. A. , 2022).

Likewise, another vision of Lácteos San Antonio C.A is to become one of the leading brands of food products in the markets in which it operates. The company seeks to be recognized for the nutritional value, quality and safety of its products to its consumers. In summary, the vision of Lácteos San Antonio C.A. is to establish itself as a reference brand in the food sector, standing out for the excellence of its products and generating trust in consumers.

As can be seen, the vision is not limited to a national market, but has been formulated in a general way in which the main objective is leadership within the market. For the export project, if it is approved, both mission and vision can be reformulated to include the El Salvador sector as its first international interest group.

4.2.4 Politics

The San Antonio dairy company is subject to state laws that regulate all companies in the country, such as those of the Internal Revenue Service, the Ecuadorian Social Security Institute, the Ministry of Labor, Arcosa, as it is a food company.

For institutional purposes, the company has an Integrated Management System (sig), which is nothing more than a tool that unifies a company's systems into a single management system to reduce costs and maximize results. This system include quality, environmental and occupational health management. Effectively implementing quality management generates loyal customers, labor compliance motivates workers, and good environmental management benefits society. SIG align objectives, create synergies, optimize resources, reduce costs and

simplify requirements. However, there are difficulties such as the need for resources and resistance to change. The system structure is a tree with a common trunk and branches for each management area. Quality management systems are based on the ISO 9001 standard and environmental management systems on the ISO 14001 standard. These systems provide benefits such as reducing negative impacts, meeting legal requirements, saving resources, improving the company's image and generating advantage. competitive (Arroyo, 2017).

The company has adopted a strategic policy that is based on the theory of Integrated Management Systems (SIG), with the objective of ensuring the preservation and care of three fundamental aspects for its operation: quality, the environment and occupational security.

This orientation towards a comprehensive management approach implies that the company seeks to implement practices and processes that guarantee high quality standards in its products or services, promoting customer satisfaction and continuous improvement at all stages of the production cycle. At the same time, it is committed to taking responsible measures to minimize its environmental impact, considering factors such as waste reduction, the efficient use of natural resources and the adoption of clean and sustainable technologies.

In addition, occupational security is positioned as a fundamental pillar within the SIG approach, since the company is committed to providing a safe and healthy work environment for its employees. This involves the implementation of policies and procedures that minimize occupational risks, promoting the prevention of accidents and occupational diseases, as well as the well-being and motivation of workers.

Based on this background, the integrated policy of San Antonio Dairy Management, also known as Nutri Leche, focuses on the production and marketing of high-quality, safe and nutritious dairy products. The company is committed to complying with food safety standards, caring for the environment, promoting the health and well-being of its customers, and contributing to the growth and development of the country. The integrated policy reflects the

company's comprehensive approach towards quality management, food safety and social responsibility (Moncayo & González, 2022).

The policy of Lácteos San Antonio includes aspects such as:

- The company Lácteos San Antonio seeks to achieve maximum customer satisfaction by providing them with products and services that meet their requirements, needs and expectations. This includes compliance with current regulations, legislation and requirements agreed with interested parties. (Moncayo & González, 2022).
- In addition, the company is committed to caring for the environment and preventing pollution, implementing energy efficiency practices, efficient use of resources and reducing the carbon footprint. Likewise, we seek to maintain a safe and healthy work environment for employees, preventing injuries and illnesses (Moncayo & González, 2022).
- The company's objective is to develop and plan new production processes and modifications to existing ones, considering aspects of food safety, economic sustainability, social responsibility, safety and health at work, and environmental care (Moncayo & González, 2022).
- The development of personnel skills is promoted through continuous training programs, focused on the Integrated Management System. Rigorous controls are also established on raw materials, formulation, analysis and documentation of the manufactured products (Moncayo & González, 2022).
- Lácteos San Antonio promotes the production, transformation and marketing of dairy products and their derivatives through compliance with Good Livestock Practices (Moncayo & González, 2022).

- Internal and external communication is essential in the integrated management system of the company. In addition, it seeks to be a socially responsible company, adopting best practices in corporate governance, human rights, labor practices, environment, fair operation and marketing, and collaboration with the community (Moncayo & González, 2022).
- The company is committed to documenting, implementing, maintaining and permanently updating this policy, to ensure its relevance and disseminate it among all collaborators and interested parties (Moncayo & González, 2022).

This refers to the guidelines and approaches adopted by the company in relation to the production and marketing of its dairy products. This policy focuses on ensuring that products are of high quality, safe and nutritious, complying with food safety standards; committing to take care of the environment, promote the health and well-being of its clients and internal collaborators.

In addition to this policy, the company manages a code of conduct, which emphasizes compliance with the laws and regulations applicable in Ecuadorian society and the internal regulations of Lácteos San Antonio C.A. It is essential to ensure the ethical and legal operation of the company, promote a safe and productive work environment, and maintain a good corporate reputation (Lácteos San Antonio C. A. , 2022).

Finally, it is mentioned that the company has a Complaints system, which has been essential to foster an environment of transparency, ethics and responsibility. By providing reporting channels and a specific form, employees and interested parties are given a safe and confidential avenue to report any irregularity or improper act that they may witness or experience (Lácteos San Antonio C. A. , 2022).

The main objective of this procedure is to allow complaints to be presented appropriately, facilitating the collection of relevant information and evidence that supports the veracity of the reported irregularities. Doing so ensures that allegations are treated seriously and appropriate action is taken to address and resolve the issues identified.

The implementation of a complaints procedure demonstrates the commitment of Lácteos San Antonio C.A with integrity, ethics and corporate responsibility. In addition, it fosters an organizational culture in which collaborators and interested parties feel empowered to report any suspicious or irregular act, without fear of retaliation. This helps prevent and detect potential fraud, legal violations or other inappropriate conduct, promoting trust and transparency throughout the organization.

4.2.5 Internal analysis (Strengths and Weaknesses)

Strengths

The strengths of a company are internal attributes or resources that provide competitive advantages and allow it to stand out in the market. These strengths may include things like a strong brand reputation, a loyal customer base, advanced technology, financial capital, expertise, or an efficient supply chain. Identifying and understanding these strengths is essential to developing effective strategies that take advantage of these advantages and differentiate the company from its competitors. Reinforcing and maintaining strengths is a key component in the company's action plan. This involves capitalizing on existing strengths and looking for opportunities to improve them or develop new strengths in relevant areas. By investing in developing and protecting these strengths, the company can increase its competitiveness, generate greater positive results and continue to build on its solid foundations. (Nicuesa, 2019).

Based on the analysis of the company Lácteos San Antonio, some strengths have been identified, which includes:

- Experience in the dairy industry: Lácteos San Antonio has a solid track record in the production and marketing of dairy products, which gives them a deep knowledge of the market and consumer needs. This experience allows them to understand the specific demands of infant formula and adapt their production to meet the quality standards required in a foreign market, such as the Republic of El Salvador.
- Quality and food safety: The company stands out for the high quality of its products and its commitment to food safety. Nutri Leche's infant formula is produced under strict quality control standards and complies with international regulations and standards. This strength allows them to offer a reliable and safe product for Salvadoran consumers.
- Infrastructure and production capacity: Lácteos San Antonio has a solid infrastructure and production capacity that allows them to satisfy demand both nationally and for export. Their ability to adapt and increase production based on market needs positions them as a reliable partner capable of supplying the Salvadoran market efficiently.
- Focus on sustainability and care for the environment: The company is concerned about caring for the environment and has policies and practices that promote sustainability in its supply chain. This is especially relevant in the export of products, since more and more consumers value the environmental responsibility of brands. Lácteos San Antonio's ability to offer sustainably produced infant formula can be a competitive advantage in the El Salvador market.
- Knowledge of the Salvadoran market: Lácteos San Antonio has carried out a feasibility analysis for export to El Salvador, which indicates that the company has carried out exhaustive research on the target market. This knowledge allows them to understand the preferences and needs of Salvadoran consumers, as well as the country's import regulations and requirements. By being informed about the target market, the company

can make appropriate strategic decisions and adapt its offer to the specific demands of El Salvador.

The analysis of the strengths of Lácteos San Antonio and their brand "Nutri leche" is an essential component of the feasibility analysis for export to El Salvador. Identifying the company's internal strengths and evaluating their relevance in the target market will allow you to make informed decisions about the viability and potential success of exporting. By capitalizing and reinforcing these strengths, Lácteos San Antonio can maximize its positive results and build a successful presence in the Salvadoran market.

Weaknesses

A company's weaknesses are factors or areas that hinder or negatively affect its performance. These weaknesses represent aspects of the company that, when evaluated, do not meet the desired quality standards. However, it is important to recognize that in every weakness there is also the potential to become a strength when viewed from the perspective of opportunity. In conjunction with the identification of strengths, it is also important to identify the company's weaknesses to know the points that require improvement. By identifying these potential gaps, a strategy can be designed to minimize their impact and address the company's specific needs and weaknesses. Ignoring or showing indifference to the company's weaknesses only perpetuates the situation over time (Nicuesa, 2019).

In the context of the feasibility analysis project for the export of "Nutri leche" infant formula from Lácteos San Antonio to El Salvador, it is crucial to identify and address the company's weaknesses. Identifying specific weaknesses related to the product, supply chain, distribution or any other relevant aspect will improve performance and maximize the chances of export success.

By addressing weaknesses and working to improve them, Lácteos San Antonio will strengthen their position in the Salvadoran market and increase its chances of competing successfully. By overcoming obstacles and difficulties that may affect the company's performance, the probability of achieving the desired positive results in terms of sales, customer satisfaction and market positioning will increase.

According with this preamble and thanks to the documentary analysis and the reports made to the company, certain weaknesses have been detected, such as those mentioned below:

- Regulatory and legal barriers: The export of infant formula to El Salvador may face challenges related to the regulations and legal requirements of the importing country. These regulations may include specific labeling rules, import restrictions, or product registration requirements. Lácteos San Antonio must ensure that it complies with all regulations and obtains the necessary permits to enter the Salvadoran market.
- Competition in the local market: Although the dairy market of El Salvador has a low supply of products, it must be considered that the local supply of raw milk may have as a priority the production of dairy formulas, which may imply a saturation in the market. Lácteos San Antonio will have to face the challenge of entering a market where there are already consolidated products and gaining the trust of Salvadoran consumers.
- Cultural adaptation and consumer preferences: El Salvador may have specific cultural preferences and practices when it comes to infant nutrition. Lácteos San Antonio will need to adapt its infant formula and marketing strategies to ensure they fit the preferences and needs of Salvadoran consumers. This may require adjustments to product formulation and promotion strategies.
- Logistics and supply chain: Exporting perishable products, such as infant formula, involves logistical and supply chain challenges. Proper transportation and storage of products to ensure their quality and freshness can be a challenge in the export process.

Lácteos San Antonio must ensure that it has an efficient and reliable supply chain to maintain the integrity of its products during transportation to El Salvador.

- Health and food safety risks: Infant formula is a sensitive product in terms of food safety and consumer health. Lácteos San Antonio must implement rigorous quality controls and ensure compliance with health standards and regulations both in production and in the export process. Any incident related to food safety can have a negative impact on the reputation of the company and the acceptance of its products in the Salvadoran market.

4.2.6 External analysis (Opportunities and Threats)

Opportunities

Opportunities in a company refer to factors external to the organization that present a favorable outlook for generating actions that drive the business and generate benefits. It is important to highlight that opportunities are not generated internally by the company, but rather arise externally. Therefore, it is the responsibility of the organization to identify and take advantage of these opportunities. Opportunities are usually situational, temporary, specific and concrete. They are not always obvious, so it is necessary to have the ability to identify them in the business environment. These opportunities can manifest themselves as trends, events, current circumstances, economic changes or relevant social aspects (Pursell, 2023).

Within the opportunities you can find various types, such as political, environmental, demographic, contextual, technological opportunities, among others. Once identified, the company must be creative to generate ideas, changes and actions based on the opportunities detected. These actions may be directed at the products or services offered, internal processes, market position, communication strategies, among other relevant aspects.

In summary, identifying and taking advantage of external opportunities are essential to driving the growth and success of a company. By being attentive to the environment and having

the ability to adapt, the company will be able to capitalize on opportunities and improve its competitive position in the market.

According with this context, the opportunities that have been detected for this project in the company Lácteos San Antonio, are contemplated:

- Growing demand for infant formula: There is a growing demand for infant formula in El Salvador due to various factors, such as the increase in the infant population, the deficit in the production of raw materials (raw milk) and the growth of awareness about the importance of adequate infant nutrition. This demand represents an opportunity for Lácteos San Antonio to introduce its product and capture a portion of the growing market.
- Shortage of local suppliers: The Salvadoran market may have a shortage of local suppliers of high-quality infant formula. This creates an opportunity for Lácteos San Antonio, which can position itself as a reliable supplier of quality, nutritious products in the Salvadoran market.
- Preference for international brands: Salvadoran consumers may have a preference for recognized international brands in the infant formula segment. Lácteos San Antonio, as an established company with a solid reputation, can take advantage of this preference and position itself as a reliable and quality brand in El Salvador.
- Favorable trade agreements: El Salvador is part of regional and bilateral trade agreements that facilitate the trade of products between countries. These agreements can offer tariff advantages and reduce trade barriers for Lácteos San Antonio when exporting its infant formula to El Salvador. Taking advantage of these agreements can provide a competitive advantage and growth opportunities in the Salvadoran market.
- Growing awareness about the importance of child nutrition: In recent years, there has been an increase in awareness about the importance of child nutrition and proper eating

in El Salvador. This creates an opportunity for Lácteos San Antonio, since its Nutri Leche product can be positioned as a healthy and nutritious option for Salvadoran children. Through proper education and promotion, the company can capitalize on this trend and generate additional demand for its product.

Threats

Identifying business threats is of utmost importance, since they affect the operation, profitability, sustainability and quality of the product or service offered. However, recognizing these threats can be difficult, as not all of them pose a real risk. It is necessary to understand that threats do not only come from direct competitors, but encompass other factors as well (Pérez A. , 2021).

Threats can affect key aspects such as the operation, profitability and quality of the product or service offered. It is necessary to distinguish between real and circumstantial threats, and be attentive to changes in the competitive environment, government regulations, economics and consumer preferences. Once identified, it is important to develop preventive strategies to mitigate their impact and protect the business. This anticipation and proactive action allows maintaining business competitiveness and sustainability in a constantly changing environment.

In this context, certain threats have been identified that may affect the viability of this project, which include:

- **Local and global competition:** There is significant competition both locally and globally in the infant formula market. Local companies and established international brands can have a solid presence in El Salvador. This represents a threat to Lácteos San Antonio, as it must compete with these companies for market share and face the challenges of penetrating a highly competitive market.

- Health regulations and requirements: The export of food products, such as infant formula, involves complying with a series of health regulations and requirements in the destination country. Lácteos San Antonio may have to face challenges related to compliance with the specific rules and regulations of El Salvador, which may require additional time, resources and knowledge.
- Changes in trade and tariff policies: Trade and tariff policies may change at any time, which may affect the costs and viability of exporting infant formula to El Salvador. Changes in tariffs, taxes or trade regulations could hinder the competitiveness of Lácteos San Antonio products in the Salvadoran market.
- Economic risks and currency fluctuations: Economic risks, such as exchange rate volatility and economic fluctuations, can affect the cost of production and prices of exported products. Lácteos San Antonio could face challenges if there is a devaluation of the local currency or an unfavorable economic situation in El Salvador, which could affect the demand and profitability of its products.
- Cultural barriers and local preferences: Cultural preferences and differences in consumption habits can represent a threat to the export of breastfeeding formula from Lácteos San Antonio to El Salvador. It is important to understand local food preferences and practices, as well as adapt the product and marketing strategy to meet the needs and expectations of the Salvadoran market. Ignorance of these cultural barriers could hinder the acceptance and adoption of the product by consumers in El Salvador.

Identifying and properly understanding business threats allows companies to anticipate challenges and take proactive measures to minimize their impact. This helps maintain the company's competitiveness, sustainability and long-term success in a constantly changing and evolving business environment.

4.2.7 SWOT Analysis

After conducting a thorough analysis of the internal and external factors impacting the project, it is essential to summarize and organize this information in a clear and concise manner. An effective tool to achieve this is the summary matrix, which provides an overview of the most relevant aspects of the analysis.

The summary matrix is a table that compiles the findings of the analysis in a structured and easily understandable format. This table includes the key factors identified, both internal and external, and is summarized concisely. Each factor is categorized according to its nature and a brief description is provided for a quick and clear understanding, which can be seen in the following table:

Table 1 SWOT Matrix

	STRENGTHS	WEAKNESSES
<p>I N T E R N A L</p> <p>F A C T O R S</p>	<ul style="list-style-type: none"> • The company has a solid track record in dairy products, which provides them with knowledge of the market and consumer needs, allowing the production of infant formula to be adapted to meet quality standards in El Salvador. • The products under the Nutri Leche brand are produced under strict quality standards and international regulations, offering a reliable and safe product for Salvadoran consumers. • There is a solid infrastructure and capacity to satisfy national and export demand, adapting to the needs of the Salvadoran market efficiently. • The company has policies that promote sustainability in its supply chain, offering sustainably produced breastfeeding formula as a competitive advantage in El Salvador. • An exhaustive analysis of the market has been carried out, understanding preferences, needs, regulations and imports of the country, allowing strategic decisions and adaptation of the offer. 	<ul style="list-style-type: none"> • Lácteos San Antonio must comply with the regulations and legal requirements of El Salvador, such as labeling standards and product registrations. • The company faces the challenge of entering a market with consolidated products and gaining the trust of Salvadoran consumers. • The company must adjust the infant formula and marketing strategies to meet the specific preferences and needs of consumers in El Salvador. • Export requires an efficient and reliable supply chain to guarantee the quality and freshness of products during transportation. • Strict quality controls must be implemented and health standards must be met to avoid incidents that may affect the reputation and acceptance of your products.
	OPPORTUNITIES	THREATS
<p>E X T E R N A L</p> <p>F A C T O R S</p>	<ul style="list-style-type: none"> • The growing demand for infant formula represents an opportunity for Lácteos San Antonio to capture a portion of the growing market. • The shortage of local suppliers can be beneficial for the company to position itself as a reliable supplier of quality and nutritious products. • The preference for international brands can help Lácteos San Antonio to take advantage of its solid reputation and position itself as a reliable and quality brand in El Salvador. • Favorable trade agreements represent a tariff advantage in which trade barriers can be reduced when exporting your breastfeeding formula to El Salvador. • Growing awareness about the importance of childhood nutrition can help capitalize on this trend and generate additional demand for your product through proper education and promotion. 	<ul style="list-style-type: none"> • Local and global competition represents a threat to Lácteos San Antonio when competing with local companies and established international brands in a highly competitive market. • Challenge of complying with El Salvador's specific rules and regulations for exporting infant formula, which may require additional time, resources and knowledge. • Possibility that changes in policies and tariffs affect the costs and viability of exports to El Salvador. • There is a risk that economic volatility and currency fluctuations will affect the profitability and demand for exported products. • The challenge of understanding and adapting to local food preferences and practices is presented to ensure the acceptance and adoption of the product in the Salvadoran market..

Note: Made by the Author

Once the characteristics of the SWOT analysis have been synthesized in simpler terms, you can proceed to create a cross matrix that contains strategies based on this context and that may be useful for the project. In an initial stage, this cross matrix proposes the following strategies:

Table 2 Analysis of SWOT strategies

STRATEGIES S-O	STRATEGIES S-T
<ul style="list-style-type: none"> ● Use market knowledge and consumer needs to capture a share of the growing infant formula market. ● • Take advantage of the preference for international brands and the solid reputation to position itself as a reliable and quality brand in El Salvador. 	<ul style="list-style-type: none"> ● • Adapt the production of infant formula to meet quality standards and compete with local companies and established international brands in the competitive market of El Salvador. ● • Implement strict quality controls and comply with health regulations to avoid incidents that could affect the reputation and acceptance of products among the competition.
STRATEGIES W-O	STRATEGIES W-T
<ul style="list-style-type: none"> ● Adjust infant formula and marketing strategies to meet the specific preferences and needs of Salvadoran consumers and capitalize on the growing awareness of the importance of infant nutrition. ● • Use the shortage of local suppliers as an opportunity to position yourself as a reliable supplier of quality, nutritious products. 	<ul style="list-style-type: none"> ● Overcome the challenge of entering a market with consolidated products and gaining consumer trust in the face of local and global competition. ● • Adapt to El Salvador's specific rules and regulations for exporting infant formula and address potential changes in policies and tariffs that may affect export costs and viability.

Note: Made by the Author

These combinations of strengths, weaknesses, opportunities and threats can serve as a basis for developing specific strategies that take advantage of competitive advantages and address challenges in the infant formula market in El Salvador, when the project can be consolidated and applied in a practical way.

4.3 General aspects of the project

4.3.1 Nutri Leche S.A industry competencies

According to the Dairy Sector Report in Ecuador, it is stated that the dairy industry is in a comfortable position, since more than 6,500,000 liters of milk are produced per year, there is a surplus of 2,500,000,000 liters that are sold in the market. raw or transformed into other dairy products such as cheese, yogurt and others (Superintendencia de Control del Poder de Mercado, 2015).

The Ecuadorian industry is increasingly competitive in dairy due to the diversification of milk-derived products, the differences in product presentations and the strategies that companies in the sector have developed allow Ecuador to represent an advantage in the international market.

For these reasons it becomes an increasingly important dairy producer. Companies focus on expanding into new niches in the domestic market and taking advantage of international market opportunities. That is to say, at a commercial level the dairy industry has made great progress in its exports, it has replaced some imported goods with locally produced products and it has generated exportable surpluses.

Lácteos San Antonio C.A., as a company and owner of the Nutri Leche brand, has its main focus on the production and marketing of dairy products. These products are recognized and valued as fundamental elements in human nutrition, due to their nutritional contribution and their multiple health benefits (Lácteos San Antonio C.A.).

The institution is proud to meet the expectations of its customers, who trust in the quality and variety of its products. The company works hard to offer a diverse portfolio that adapts to the different tastes and needs of all consumers. At Lácteos San Antonio C.A., we work hard to ensure that its products meet the highest standards of quality and safety. To achieve this, rigorous controls are implemented at each stage of production, from the selection

of raw materials to final distribution. The company's commitment to food safety is essential to guarantee customer trust and satisfaction. In addition, the institution seeks to offer products at fair prices, considering that accessibility is a key factor in providing a balanced and healthy diet to everyone (Lácteos San Antonio C.A.).

Based on this background, some of the competencies of the Nutri Leche S.A. industry may include:

1. Knowledge and experience in the production of dairy products: Nutri Leche S.A. It has a solid track record in the production of dairy products, which gives it a deep knowledge of the market and consumer needs. This experience can be a competitive advantage when adapting the production of infant formula to meet the quality standards required in El Salvador.
2. Compliance with quality standards and international regulations: Products under the Nutri Leche brand are produced under strict quality standards and comply with international regulations. This ability to offer a reliable and safe product can differentiate Nutri Leche from its competitors and generate trust among Salvadoran consumers.
3. Solid infrastructure and production capacity: Nutri Leche S.A. that has a solid infrastructure and a production capacity that allows it to satisfy demand both nationally and for export. This ability to efficiently adapt to the needs of the Salvadoran market can be a competitive advantage when entering this new market.
4. Sustainability policies in the supply chain: The company has policies that promote sustainability in its supply chain, which allows it to offer nursing formula produced in a sustainable way. This competitive advantage can be valued by Salvadoran consumers, especially those who are looking for products that are respectful of the environment.

In general, these competencies of the Nutri Leche S.A. industry They can be fundamental to evaluate the feasibility of exporting infant formula to El Salvador and can help the company position itself favorably in this market. However, it is important to conduct a detailed analysis of market conditions and country-specific regulations to fully evaluate the viability of the export.

4.3.2 Characteristics of Nutri leche

Nutri Leche is the first company in the Austro that has its own machinery for the production of Tetra Pak containers. Product quality standards are based on national regulations, INEN, and the company is adapting all its processes to obtain ISO 22000: 2005 regulations regarding food safety, in the coming months. On the other hand, all products comply with ISO 22000: 2005 safety and image standards (Lácteos San Antonio C.A.)

The company achieves safe products thanks to its quality policy that eliminates dangers through the assurance and continuous improvement of the processes in reception, processing, storage and dispatch of the products, in the same way, it pays attention to the legal requirements and the expectations of the customers in products and services.

Researchers like Abad Espinoza and Cordero Naspud (2008), contributed to the company achieving the implementation of quality and food safety standards in its processes through the design of a sanitary quality assurance system (HACCP) in the UHT whole milk production line (Tetra-Fino), which they currently maintain and evolve, mentioning that the company is up to the task of maintaining quality standards based on ISO standards.

The Nutri Leche company has opted for a marketing strategy that involves selling through private distributors located in different cities in the country. This decision has several advantages and benefits for both the company and consumers.

Firstly, by using particular distributors, Nutri Leche can expand its geographic reach efficiently. By working with distributors in different cities, the company can reach a greater

number of consumers in different regions, allowing it to increase its market share and national presence.

Furthermore, this marketing strategy allows Nutri Leche to take advantage of the local experience and knowledge of distributors. Being located in different cities, distributors have in-depth knowledge of the local market, including the preferences and needs of consumers in those specific areas. This allows them to adapt their marketing and distribution approach to more effectively meet local consumer demand.

Another benefit of using private distributors is the ability to leverage their established logistics network. Distributors already have an established infrastructure and distribution network in their respective cities, facilitating the process of reaching outlets and delivering products to consumers in a timely manner. This in turn contributes to greater efficiency in the supply chain and ensures that Nutri Leche products are consistently and reliably available to consumers.

Now, for the application purposes of this project, it is important to work under the same modality, that is, to have an allied distributor, who is in charge of the paperwork and logistical procedures within El Salvador, facilitating the management of the company through national procedures so that the product can reach its destination.

4.3.3 Strategies to generate a competitive advantage

There are multiple strategies that help a company, brand or certain product to generate a competitive advantage. The following sections establish the main strategies considered in this project to generate a competitive advantage in El Salvador with the infant formula that has the Nutri Leche brand, from the company “Lácteos San Antonio”.

Market study

Based on the information available from official sources in El Salvador, it has been known in the first instance that a shortage of fluid milk is evident in the country, and this has

been reflected mainly in the price of cheeses; In addition, the decrease in the production of fluid milk has led farmers to sell their cows or reduce their feeding due to the increase in input costs (Juarez & Alfaro, 2022).

Too many press articles and blogs have been found in which it is sought to deny that there is a shortage of raw milk, however, the controls carried out by the MAG and the Consumer Ombudsman's Office to verify prices and deny the shortage have been unsuccessful. The reality that we live on a daily basis is the high prices of dairy products, the decrease in raw milk and the general shortage of some of these products.

The situation of milk shortages in El Salvador poses a challenge for farmers and consumers, who are affected by the increase in the prices of dairy products. Measures must be taken to encourage milk production and provide real support to farmers, in order to stabilize the market and guarantee access to dairy products at fair prices for the population (Juarez & Alfaro, 2022).

This last aspect represents a great advantage for this export plan, as it would allow the San Antonio product and dairy to enter the market without there being an imbalance in the local economy and on the contrary of generating a negative impact, contribute to the supply of a dairy derivative, primarily infant formula that focuses on the nutrition of young children.

Now, according to what was determined in the IV Evaluation of compliance with the International Code of Marketing of Breast Milk Substitutes (Ministerio de Salud de El Salvador, 2018), The government of El Salvador promotes breastfeeding as the main element of nutrition in infants, and determines strict marketing standards for products that seek to replace it or be presented as a complementary food. According to this document, brands that wish to market this type of supplements and others must comply with labeling, formulation, quality standards and under no circumstances should they suggest that this type of food can replace breastfeeding.

Based on this reality, it is emphasized that the infant formula meets the requirements that El Salvador may have to market the product, without any breach of legality in the distribution and marketing of the product.

Now, considering that according to what is stated in article 21 of the Law on the Promotion of the Hygienic Production of Milk and Dairy Products and the Regulation of their sale and in Art. 27 of the NSO ZOO 001 98, throughout the territory in El Salvador, a ban has been established on the import and sale of liquid milk that has been prepared from powdered milk. This measure has been taken because there are no technical criteria or adequate laboratory analyzes to safely determine whether the milk is reconstituted or not. The problem with this ban is that it can become an obstacle to local production and imports of pasteurized milk. In summary, this restriction prevents the import and marketing of liquid milk from the reconstitution of powdered milk, which can affect both national production and imports of pasteurized milk (Superintendencia de Competencia, 2009).

In contrast to this aspect, it can be highlighted that the Nutri milk nursing formula is developed with fluid milk, that is, there is no participation of powdered compounds to which components are added to dissolve or alter the natural nutrients of the milk. , nor do they contain accessories that can be considered harmful in the first instance, according to the standards of El Salvador.

Product quality and security

Ensuring high standards of quality and safety in the production of infant formula, with national and international quality and safety certifications, can make a difference in international markets.

It is of great importance that Lácteos San Antonio obtains international certifications that support the quality of its nursing formula and meets the regulatory requirements in both

Ecuador and El Salvador. It helps generate confidence in consumers, giving them security that they are purchasing a product reliable and safe for your babies.

Brand development and positioning

Although it is true that in Ecuador, the Nutri Leche brand is widely known, work must be done to create a solid and distinctive brand for Nutri Leche's infant formula in El Salvador.

Carrying out marketing and advertising activities is an effective strategy to increase brand visibility and awareness in the Salvadoran market. By highlighting unique product attributes, such as natural ingredients, specialized formulation, or additional baby health benefits, the company can generate interest and attract the attention of consumers.

In this case, the commitment of Lácteos San Antonio as an exporter of the infant formula and Nutri milk, is to maintain the characteristic quality of its brand, always guiding its growth in continuous improvement, which will allow the buyer in El Salvador to have a safe and quality product that must be requested in the market for its prestige, and not for its price.

Efficient distribution

Establishing an efficient and reliable distribution network in El Salvador, in this case, corresponds to the strategic ally, since the commitment of the San Antonio dairy company, in the first instance, is to supply the product to the market.

Searching for local strategic partners, such as distributors or retailers, who have experience in the baby food sector and extensive coverage in the Salvadoran market, would not represent a problem for the ally Disna, a national distributor. Who would also be in charge of being the connecting medium between the Salvadoran market and Lácteos San Antonio to guarantee constant availability of the product at points of sale and efficient logistics to satisfy demand in a timely manner.

4.4 Product analysis

Infant formulas, such as those offered by Nutri Leche are products designed to provide a complete and balanced nutritional alternative to breast milk for babies who cannot be breastfed or require additional supplements. These formulas are carefully formulated to provide the essential nutrients babies need for healthy growth and development. Nutri Leche infant formulas are developed following strict quality standards and using high-quality ingredients. These formulas are enriched with vitamins, minerals and other essential nutrients to meet the specific nutritional needs of babies at different stages of growth.

The infant formulas that are the subject of this export plan are those detailed in the following table:

Table 3 Infant formula to export

Product	Description	Presentation	Benefit
CHILD NUTRI STAGE 1 (0 to 6 months old)	Infant starter liquid formula for infants. Ready to consume, exclusively developed by Nutri, containing essential nutrients for neurodevelopment, defenses and growth.	200ML - 500ML	HMO: Promotes the natural development of defenses. DHA - ARA: They help proper Neurodevelopment. 29 vitamins and minerals: Baby's Growth and Development are the result of a complete and balanced diet. No Added Sugar: Corresponds to sucrose (common table sugar).
CHILD NUTRI STAGE 2 (6 to 12 months old)	Infant follow-on liquid formula for infants. Ready to consume, exclusively developed by Nutri, which contains essential nutrients for neurodevelopment, defenses and growth.	200ML - 500ML	HMO: Promotes the natural development of defenses. DHA - ARA: They help proper Neurodevelopment. 29 vitamins and minerals: Baby's Growth and Development are the result of a complete and balanced diet. No Added Sugar: It corresponds to sucrose (common table sugar).
CHILD NUTRI STAGE 3 (From 1 year)	Fórmula líquida infantil para niños en crecimiento. Lista para consumir,	200ML - 1 LITER	HMO: Promotes the natural development of defenses. DHA: They help proper Neurodevelopment.

	exclusively developed by Nutri, containing essential nutrients for neurodevelopment, defenses and growth.		26 vitamins and minerals: The growth and development of the baby are the result of a complete and balanced diet. No Added Sugar: Corresponds to sucrose (common table sugar).
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Note: Made by the Author

In the world of infant nutrition, the Nutri brand has developed a range of products specially designed for each stage of baby growth. These products come in the form of liquid formulas, ready to consume and packed with essential nutrients that promote the healthy development of children.

Starting with the Nutri Infant Stage 1, aimed at babies 0 to 6 months of age. This liquid infant starter formula is available in convenient 200ml and 500ml containers; the thing that makes it special it is the combination of carefully selected nutrients to promote neurodevelopment, strengthen defenses and contribute to the optimal growth of the baby. Also the inclusion of HMO, the natural development of defenses is stimulated. In addition, DHA-ARA supports proper neurodevelopment, and the 29 vitamins and minerals present in the formula ensure that the baby receives a complete and balanced diet. As if that were not enough, this formula does not contain added sugar, which guarantees a healthy option from the first moment.

In the next stage, Nutri Infant Stage 2, designed for babies 6 to 12 months of age, is a follow-on liquid formula for infants. Like its predecessor, it is presented in practical 200 ml and 500 ml containers. This formula is also enriched with HMO to promote the baby's natural defenses and DHA-ARA to promote proper neurodevelopment. The 29 essential vitamins and minerals continue to play their role in the growth and development of the baby. As in the previous stage, Nutri's commitment to not adding extra sugar remains, making it a healthy and safe option for the growing baby.

When the baby reaches the age of 1 year and older, it is time to introduce Nutri Infant Stage 3. This liquid infant formula is specifically designed for growing children and comes in 200 ml and 1 liter containers, adapted to the needs of families. The formula includes HMO to strengthen natural defenses and DHA to continue supporting proper development of the nervous system. In addition, it has 26 vitamins and minerals that play a fundamental role in the overall growth and development of the child. As with previous stages, Nutri ensures that this formula contains no added sugar, providing peace of mind for parents concerned about their child's diet.

The slogan under which these products are marketed in Ecuador reads:

“WHEN THE MOTHER CANNOT BREASTFEED HER CHILD, IN SPECIFIC PATHOLOGICAL SITUATIONS, THIS PRODUCT WILL BE USED IN A SUBSTITUTE OR COMPLEMENTARY FORM”

In this context, it is important to highlight that the company Lácteos San Antonio, through its brand "Nutri Leche", does not promote the consumption of its products as a replacement for breast milk. On the contrary the focus is on offering a complementary feeding option for infants.

Breast milk is widely recognized as the ideal and fundamental food for the proper growth and development of babies. The World Health Organization (WHO) and other international health organizations recommend exclusive breastfeeding for the first six months of life, followed by adequate complementary feeding.

In line with these recommendations, the company Lácteos San Antonio recognizes the importance of breast milk and positions its "Nutri Leche" products as a complementary option that can be used under the supervision and guidance of health professionals. These infant formulas are formulated with essential nutrients and designed to meet the nutritional needs of infants and young children.

By providing a complementary feeding option, the company seeks to provide parents and caregivers with a reliable and safe alternative when exclusive breastfeeding is not possible or appropriate in certain cases. This may include situations where the mother is unable to breastfeed due to various circumstances or when additional nutrition is required due to medical recommendations.

It is essential to highlight that the company Lácteos San Antonio promotes the importance of breastfeeding and provides information and support to mothers to encourage the practice of exclusive breastfeeding during the first months of life. The offer of "Nutri Leche" infant formulas is based on providing a quality and safe complementary option for those cases in which breastfeeding is not possible or when additional nutrition is required.

Additionally, Nutri Leche is committed to using natural ingredients and avoiding the use of unnecessary additives.

The Nutri Leche company strives to stay up to date with scientific advances and recommendations from experts in infant nutrition. By working in collaboration with healthcare professionals, the company ensures that its infant formulas are backed by scientific evidence and meet international safety and quality standards.

It is important to note that although infant formula can be a valuable alternative for infant feeding, breast milk is still the best option for babies when possible. Nutri Leche actively promotes breastfeeding and provides advice and support to mothers to facilitate this natural and beneficial process.

In summary, Nutri Leche infant formulas are products developed with high quality and care, intended to provide a complete nutritional option for babies who cannot be breastfed or require additional supplements. These formulas are formulated with essential nutrients and following the most rigorous safety and quality standards. Nutri Leche is committed to

supporting and promoting breastfeeding whenever possible, recognizing its unparalleled benefits for the growth and development of babies.

It should be mentioned that the original formula with which this product is marketed in Ecuador is built with powdered milk as the main ingredients, to comply with the regulations that govern the production of this type of food in the country.

However, analyzing the legislation of El Salvador, it has been detected that the country does not allow the import of products made mainly with constructed milk (powdered milk), which is why it is suggested that the company “Lácteos San Antonio” replace this compound for liquid milk, which can be processed in the production plant itself with the surplus raw milk received in the company, optimizing the product and at the same time reducing production costs, since on average a kilo of powdered milk in the market costs around \$25.00 USD, and is enough to prepare approximately 8 liters of quality liquid milk, while an average liter of raw milk in the market is sold at 0.43 USD.

The optimization in production costs that this sample change would represent in the following table:

Table 4 Comparison table of milk powder and raw milk prices

PRODUCT	MARKET PRICE PER KL		YIELD	UNIT PRICE	DIFFERENCE AND SAVES PER LITER
Milk powder	\$25,00	Aprox.	8 lt per kilo powder	\$3,125	\$2,445
Raw milk	\$0,43	Aprox.	1 lt per liter processed	\$0,68	

Source: Approximate market price data

Note: Made by the Author

The table provides information on two products: powdered milk and raw milk, and compares their prices and yields to calculate the difference and savings per liter.

Product: Milk Powder

Market price per kilo: \$25.00

Yield: Approximately 8 liters per kilo of powder

Unit price: \$3,125 per liter

Product : Raw Milk

Market price per liter processed: \$0.43

Yield: 1 liter per liter processed

Unit price: \$0.68 per liter

In the case of milk powder, it is purchased at a price of \$25.00 per kilo. When processing 1 kilo of powdered milk, approximately 8 liters of reconstituted milk are obtained. Therefore, the unit price of milk powder is \$3.125 per liter (\$25.00 divided by 8). The difference and savings per liter are calculated by subtracting the unit price of powdered milk from the market price per processed liter of raw milk, resulting in \$2,445. Which indicates that using liquid milk processed in the same plant would reduce the production cost of the infant formula, and in turn would allow compliance with the current regulations of El Salvador for the export of products.

4.4.1 Target audience

As can be seen in the analysis of the product, the target audience of this export plan is made up of parents or adults responsible for the care and feeding of children under 3 years of age, a period to which breastfeeding can be expanded.

According to the statistical data provided by the World Bank (2023), the birth rate in El Salvador per 1,000 people is 16 but a downward trend has been observed in the last ten years, going from 19 births per 1,000 in 2011 to 16 in 2021, which is up to where there is information. This is clearly illustrated in the following figure:

Figure 5 Birth rate in El Salvador 2011-2021



Source: World Bank (2023)

Taking into account the birth rate data, it is imperative to consider the target population, that is, those people to whom the product is aimed.

According to data published on the Datamacro web portal (2021), the total population of El Salvador in 2021 amounted to 6,314,000 people, of which, those targeted by this export plan include:

Table 5 Population of children between 0 and 4 years of age in El Salvador - 2021

DESCRIPTION	QUANTITY	PERCENTAGE
Boys	259.769	4,11%
Girls	248.071	3,93%
TOTAL	507.840	8,04%

Source: Datosmacro (2021)

Note: Made by the Author

These data show that, within the total population, only 8.04% of the population of El Salvador are boys and girls between zero and four years of age.

According to the table, the number of children in this age group is 259,769, which represents approximately 4.11% of the total population. On the other hand, the number of girls is 248,071, which is equivalent to approximately 3.93% of the total population.

It is important to keep in mind that the data comes from the Datamacro source and corresponds to the year 2021, which is the last year in which official reports have been published; In addition, these figures may vary over time due to demographic changes and other factors.

As the company Lácteos San Antonio seeks to export its product "Nutri leche", with its infant formula to El Salvador, knowing the child population in the country allows us to have an idea of the number of potential consumers. The fact that there are a total of 507,840 boys and girls between 0 and 4 years old in El Salvador indicates that there is a considerable market for products related to infant nutrition.

Furthermore, knowing the percentage of boys and girls in this population is also relevant, as it can help the company understand possible differences in demand based on

gender. For example, if it is identified that there is a significantly higher proportion of boys compared to girls, this could influence marketing strategies and target market segmentation.

4.4.2 Offer

According to the investigative work carried out on the Internet, it can be seen that there is no statistician as such of the supply of breastfeeding formulas in the country, but there is reported data on the production of milk and derivatives that could complement breastfeeding maternal, these data are illustrated in the table below:

Table 6 Production of the main associated dairy products suitable for consumption by infants in El Salvador

PRODUCT	UNIT OF MEASUREMENT	ANNUAL PRODUCTION
Fresh milk	Liters	223.062
Fluid milk	Liters	9.949.769
Flavored	Liters	1.434.857
TOTAL	Liters	11.607.688

Source: (Ministerio de Agricultura y Ganadería MAG, 2011)

Note: Made by the author

The table provides information on the annual production of the main associated dairy products suitable for consumption by infants in El Salvador. In this case, the offer of liquid milk for infants has been detailed. According to the table, the annual production of fresh milk is 223,062 liters. This is a form of unprocessed milk, what is commonly known as raw milk, which is used as the raw material that can be used as a base for the production of other dairy products.

Regarding fluid milk, the annual production is 9,949,769 liters. Fluid milk is a processed, ready-to-eat form, which may include whole, skimmed or semi-skimmed milk,

depending on product specifications. This milk has already undergone a pasteurization process, so it already has added value in the market.

In addition, an annual production of 1,434,857 liters of flavored milk is recorded. These are varieties of milk that have been flavored or sweetened to offer different flavors and appeal to infants.

In summary, the annual production of the main associated dairy products suitable for consumption by infants in El Salvador is 11,607,688 liters. This figure includes the production of fresh milk, fluid milk and flavored milk. These products are part of the offer available on the market to satisfy the feeding needs of infants in the country.

4.4.3 Demand

Based on the analysis of demand for the present export plan, it can be argued that the Salvadoran market presents opportunities for dairy products.

According to the data provided, the Salvadoran population is around 6.5 million people. If it is considered that there is an unsatisfied demand of approximately 344 million liters per year, it can be inferred that there is a deficit in the supply of products in the country (Revista Industria & Negocios, 2022).

This deficit may indicate an opportunity for companies in the dairy sector, since there is a segment of the Salvadoran population that is not being adequately served in terms of the demand for infant formulas and other dairy products for infants. By taking advantage of this opportunity, companies could enter the Salvadoran market and satisfy unmet demand, providing quality products adapted to the needs of children. This could generate an increase in sales and brand positioning in the market.

Additionally, unmet demand could also be indicative of potential growth in dairy product consumption in El Salvador. This opens the possibility of expanding the offer to other

segments of the population, such as older children and adults, and diversifying the range of dairy products offered.

In conclusion, considering the unmet demand for dairy products in El Salvador and the opportunity this represents, the Salvadoran market appears to be a market with potential for the growth and expansion of companies in the dairy sector.

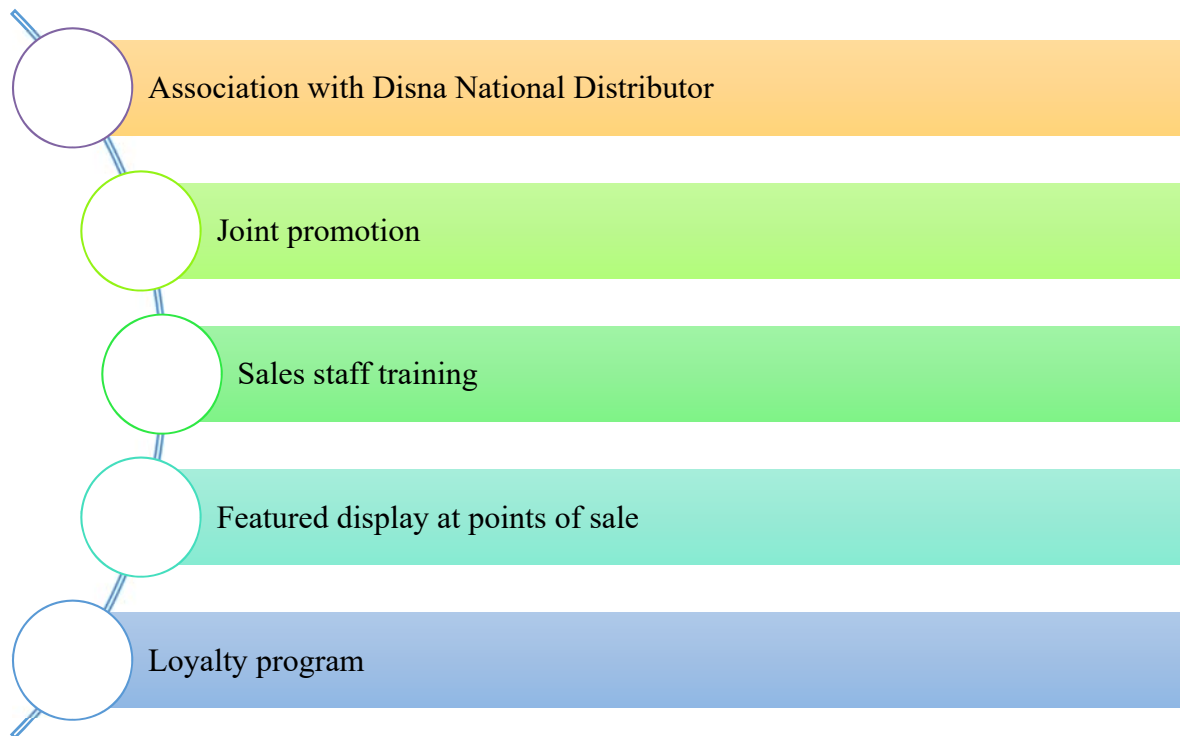
4.4.4 Product placement strategy

Within the framework of the work "Feasibility analysis for the export of breastfeeding formula for the company Lácteos San Antonio - Nutri leche towards El Salvador", a product positioning strategy is proposed taking into account the collaboration with Disna Distribuidora Nacional, a strategic ally. that is already established and positioned in the target market.

The positioning strategy will be based on taking advantage of the reputation and presence of Disna National Distributor to increase the visibility and acceptance of Nutri Leche in the Salvadoran market.

Figure 6 shows some key actions to achieve this goal:

Figure 6 *Product positioning strategy*



Source: Made by the Author

Association with established brand: The collaboration between Lácteos San Antonio and Disna National Distributor will be highlighted, highlighting the track record and trust that the distribution company has gained in the local market. This will help convey an image of quality and support for Nutri Leche products.

Joint promotion: Joint promotional activities will be carried out between both companies, such as advertising campaigns, events and tastings at strategic points of sale. This collaboration will strengthen the visibility of Nutri Leche and generate confidence in consumers

Sales staff training: Specific training on the benefits and characteristics of Nutri Leche will be provided to the sales staff of Disna National Distributor. This will ensure that sellers are well informed and can effectively convey product attributes to customers.

Featured display at points of sale: Agreements will be negotiated so that Nutri Leche has a prominent display in the points of sale of Disna National Distributor. This will include

strategic shelf placement, attractive presentation and promotional materials highlighting the benefits of the product.

Loyalty program: A loyalty program will be implemented aimed at Nutri Leche consumers. This program will offer incentives and rewards to returning customers, strengthening their brand loyalty and encouraging positive word-of-mouth recommendations.

By following this positioning strategy in collaboration with Disna National Distributor, Lácteos San Antonio will be able to take advantage of the prestige and reach of its strategic ally to establish and strengthen the presence of Nutri Leche in the Salvadoran market.

4.5 Exportation

Once the preliminary stages have been carried out for the export of infant formula from Ecuador to El Salvador, including market research, adaptation of the product to comply with legal requirements and establishment of the marketing strategy, it is important to describe the shipping process.

Before shipping infant formula, it is essential to ensure that the product is properly packaged and labeled in accordance with shipping requirements and international regulations. Appropriate packaging must be used to protect the products from possible damage during transportation. This process is known as product preparation.

Along with preparing the product for export, all the necessary documents for customs clearance in both Ecuador and El Salvador must be prepared. This may include commercial invoices, packing lists, certificates of origin, transportation documents, customs declarations, among others. It is important to ensure you have all the required documents to avoid delays or problems at customs.

Logistics processes are also important and should consider the selection of a reliable carrier with experience in the transportation of food products. The carrier will be in charge of

picking up the cargo in Ecuador and delivering it to El Salvador. It is important to coordinate logistical details, such as pickup date, transportation route, and estimated delivery times..

Considering the distance between Ecuador and El Salvador, international transportation can be carried out by sea or air. In the case of sea transportation, the infant formula will be packed in suitable containers and shipped through a port. If air transport is chosen, the products will be shipped by plane in special packaging to ensure their integrity. It is recommended to take out cargo insurance that covers possible risks during transport, such as loss, damage or theft. Insurance will provide financial protection in case any incident occurs during shipping

Throughout the shipping process, it is important to constantly track cargo to ensure it is moving as planned. Maintaining fluid communication with the carrier and business partners in El Salvador is essential to obtain updates on the status of the shipment and resolve any problems that may arise.

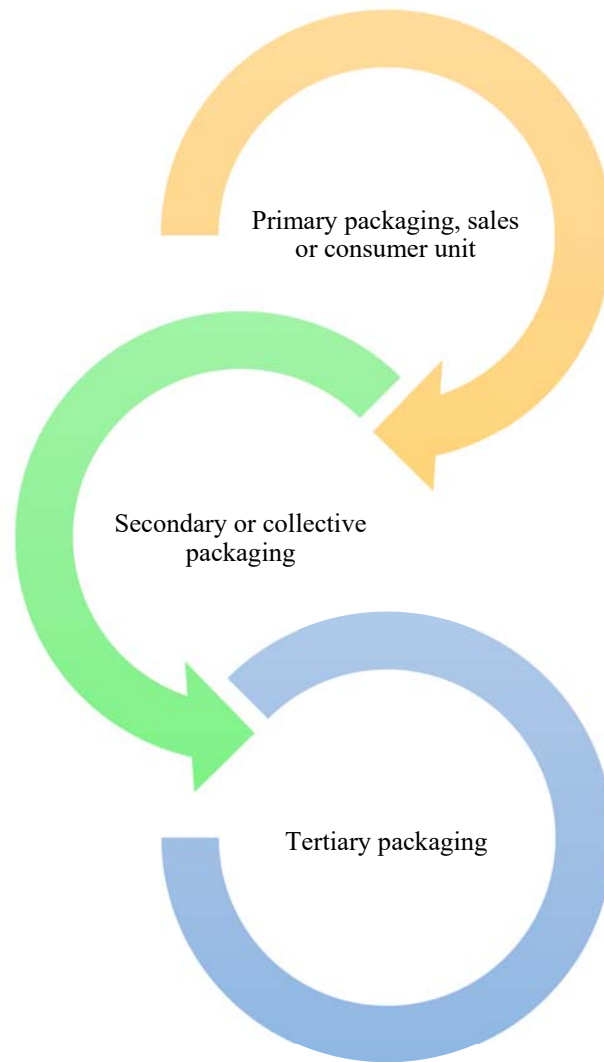
Once the cargo arrives in El Salvador, the customs clearance process must be carried out to comply with the country's import requirements. This may require the submission of customs documentation, payment of applicable taxes and duties, and inspection of the cargo by customs authorities. Once customs clearance is completed, the infant formula will be ready for distribution in El Salvador.

4.5.1 Packaging

The type of packaging for a given product has implications that transcend its mere protection; The costs associated with storage and transportation are directly affected by the size, material and design of the packaging, as well as the aesthetic impact they generate on the customer. Therefore, the decisions related to the choice of primary, secondary and tertiary packaging have a significant strategic nature for the company. (Mecalux Esmena, 2020).

In agreement with what Mecalux Esmena points out, (2020), there are three different types of packaging for products, as shown on Figure 7:

Figure 7 *Packaging types*



Source: Own elaboration

Note: Adapted from Mecalux Esmena, (2020)

The primary packaging is the one that directly contains and protects the product; It fulfills functions such as identifying the product, displaying relevant information, ensuring a stable position at the point of sale, guaranteeing the isolation of the content and protecting the product with the least amount of material possible. (Mecalux Esmena, 2020).

The secondary is a grouping of primary packaging that provides greater protection and facilitates large-scale marketing. Functions of secondary packaging include resisting stacking and handling during transportation, containing a specific amount of products, and attracting

customer attention. Common examples include cardboard boxes containing several individual products (Mecalux Esmena, 2020).

Regarding tertiary packaging, it is understood to be that which brings together primary and secondary packaging to form a larger load unit, such as pallets, containers and modular cardboard boxes. Its functions include being stable, allowing loads to be compacted, taking advantage of storage capacity and being approved and manufactured with resistant materials. In some cases, tertiary packaging can also contribute to brand image, especially in e-commerce logistics (Mecalux Esmena, 2020).

The load unit is also important in the logistics context, since it is the basic unit used for the transportation and storage of products. They can be pallets, boxes, containers, drums, coils, among others, and adapt to different types of shelves in storage facilities.

It must be considered that for the national destruction of infant formula, the company already incurs prior packaging, such as primary and secondary, considering that the last one to be included in the export issue is the tertiary, taking into account that this must include the appropriate conditions so that the infant formula reaches its destination in optimal conditions.

“To transport perishable merchandise, the packaging must help preserve the cold chain and resist very demanding conditions, which will guarantee that the properties of the products remain intact at all times” (Abc-pack, s.f., pág. 1).

Since infant formula is a perishable product, care must be taken in packaging for export so as not to break the cold chain.

The main challenge in food packaging is to find a solution that adapts to the product, is resistant to transport conditions and ensures food safety by reducing the risk of contamination.

It is essential to have strong and insulating packaging that can meet the challenges that arise during food transportation, both in static and dynamic terms. By using adequate and robust packaging, the food load can be transported by air, land and sea, arriving at its

destination in the same conditions in which it was shipped from the place of origin. This implies that packaging must effectively protect food from factors such as shocks, vibrations, changes in temperature, humidity and other elements that could compromise its quality and safety.

In addition to being resistant, the packaging must be able to isolate food from possible external contaminants, such as microorganisms, insects, odors and chemicals. This involves using appropriate materials that do not interact negatively with food and that meet food safety standards. Packaging should also allow for adequate ventilation to prevent moisture buildup and prevent the proliferation of bacteria and fungi (Abc-pack, s.f.).

For packaging to be adequate and able to preserve the characteristics of the product intact, some characteristics must be taken into account, in order to avoid damage to the merchandise. These characteristics are summarized in Table 7:

Table 7 Packaging characteristics:

CHARACTERISTICS	DESCRIPTION
<i>Impermeability</i>	Protect products from humidity and external agents to ensure that their properties remain intact at all times.
<i>Manageability</i>	Packaging must be designed to be easily handled, either manually or by means of mechanical equipment.
<i>Resistance</i>	The packaging must be able to withstand internal impacts, accelerations, vibrations and stresses such as the weight of stacked goods.
<i>Identification and control</i>	The packaging must include all the necessary data for safe travel and ensure that it reaches the intended destination.

Source: (Abc-pack, s.f.)

Note: Made by the Author

These characteristics are essential to protect perishable products during transport and storage, guaranteeing that they arrive in optimal conditions and maintaining their quality and safety.

4.5.2 Security

Export insurance for infant formula shipped from Ecuador to El Salvador is vitally important due to several key factors:

Risk protection: Transporting products over long distances always carries risks, such as loss, damage or theft. Export insurance provides financial protection in case an incident occurs during the journey, ensuring that the exporting company does not suffer significant losses.

Legal responsibility: In some cases, responsibility for the products is transferred to the importer at the time of shipment. However, there are situations in which liability may fall on the exporter, especially if it is proven that the damage or loss occurred due to negligence or non-compliance with regulations. Export insurance can cover legal expenses and compensation in case of claims.

Tranquility for the company: Having export insurance provides peace of mind to the exporting company, since it knows that it is financially protected in case of any eventuality. This allows you to focus on business management and the development of new export opportunities.

Contractual requirement: In many cases, international buyers may require export insurance as part of the contract terms and conditions. Complying with this contractual requirement is essential to ensure buyer trust and satisfaction, which can lead to long-lasting and successful business relationships.

Additional coverage: By choosing appropriate export insurance, it is possible to obtain additional coverage for specific risks related to the export of infant formula, such as contamination or adulteration of the product during transport.

Having export insurance for infant formula sent from Ecuador to El Salvador provides financial protection, peace of mind, and contractual compliance. In addition, it helps mitigate

the risks inherent in the transportation of products, ensuring that the exporting company is prepared to face any eventuality and guaranteeing business continuity in an international environment.

Merchandise insurance is essential in international trade to protect the interests of all parties involved in business operations. There are different types of merchandise insurance that adapt to the particularities of the transport, the sector and the type of product. These insurances offer broad and specific coverage to mitigate the risks associated with international trade (Grupo Moldtrans, 2021).

Table 8 Some of the most common types of merchandise insurance :

Table 8 Types of export insurance

INSURANCE	DESCRIPTION
<i>Export credit insurance in international trade</i>	It provides protection against the possibility of not receiving payments or receiving smaller amounts, even if the debtor does not comply with its commitments.
<i>Transport of goods insurance for export and import</i>	Protects the merchandise during the transport, avoiding losses, delays, damages or other risks that may occur during the journey.
<i>Currency conversion insurance</i>	Covers possible depreciations that may affect the value of the product due to currency fluctuations when operating with foreign countries.
<i>Political risk insurance</i>	It offers coverage in situations where governments in certain regions of the world may interfere with foreign trade, such as delaying deliveries, placing obstacles on certain products, or even confiscating goods.
<i>International product liability insurance</i>	Protects the person or entity in the event that the imported product is not accepted in the destination country due to non-compliance with unacceptable criteria or conditions.
<i>Marine insurance</i>	Although its name refers to maritime transport, this insurance also covers merchandise in other types of transport. However, its main focus is on maritime routes.

Source: (Grupo Moldtrans, 2021)

Note: Made by the Author

These insurances cover different aspects, such as the physical disappearance of the cargo, theft, confiscation or deterioration. Thanks to these insurances, companies can expand internationally and conduct business in different parts of the world with greater security and confidence.

4.5.3 Customs Procedures

Customs procedures play a crucial role in the export of infant formula from Ecuador to El Salvador. These procedures are necessary to guarantee compliance with the regulations and standards in force in both the country of origin and the country of destination, and to facilitate the safe and legal flow of merchandise across borders.

There are some reasons that highlight the importance of customs procedures in this export:

Legal compliance: Customs procedures ensure that the export of infant formula is carried out in accordance with the laws and regulations established by the customs authorities of both countries. This includes the presentation of the required documentation, the correct tariff classification of the products and compliance with the established health and safety requirements.

In this case, it has already been analyzed that the formula meets the legal requirements for export, now the export documentation, by Lácteos San Antonio, must be carried out only regarding procedures within the country, to send the product. , while the counterpart will be in charge of all customs clearance procedures in El Salvador.

Quality control and food safety: Customs procedures allow us to verify that the breastfeeding formula meets the quality and food safety standards established in both Ecuador and El Salvador. This may include product inspections, label verification, and ensuring that products are not adulterated or spoiled

The company that manages the Nutri brand, by working under norms and standards for an ISO 9001:2015 quality certification, has international quality standards, so they can pass both national and international food quality controls without problem.

Protection of intellectual property: Customs procedures also help protect the intellectual property rights of infant formula manufacturers. This involves ensuring that no

counterfeiting or piracy of products occurs during the export process, thus preventing illegal trade and protecting the interests of legitimate manufacturers.

With the assurance and protection of intellectual property rights, the aim is to expand the well-known brand of Nutri Leche towards new frontiers, maintaining the same quality standards and strengthening the responsible expansion of the Ecuadorian company's products, towards a market that is in shortage of liquid milk.

Tax and tariff control: Customs procedures are essential to determine the taxes and tariffs applicable to the export of infant formula. This includes the correct tariff classification of products, the evaluation of customs values and the calculation of customs duties. Complying with these procedures guarantees the proper payment of the corresponding taxes and duties, avoiding legal and financial problems for both the exporter and the importer.

International trade facilitation: Although customs procedures may seem complicated and demanding, their proper and timely completion contributes to the facilitation of international trade. By complying with customs requirements, the clearance of merchandise through the customs of both countries is expedited, allowing the infant formula to reach its destination efficiently and without unnecessary delays.

Customs procedures are essential to guarantee a process of exporting breastfeeding formula from Ecuador to El Salvador in a legal, safe and efficient manner. After complying with these customs obligations, the rights of the parties involved are protected, the quality of the products is assured, and international trade is facilitated.

In summary, for Lácteos San Antonio to be able to export its nursing formula to El Salvador, it is essential that the company comply with the required customs procedures, verify compliance with health and quality regulations, prepare the necessary documentation, consider hiring a customs agent who secures the merchandise.

4.6 Incoterms

Incoterms are commercial terms used in international purchase and sale transactions between companies from different countries. The purpose is to establish in a clear and unified manner the conditions and responsibilities of both the seller and the buyer in said operations, thus avoiding unnecessary confusion and conflicts. Incoterms, established by the International Chamber of Commerce (ICC) in 1936, have been periodically revised to adapt to changes in the commercial sector. Currently, there are eleven terms, each represented by three letters, which cover aspects such as transportation costs, place of delivery, risks, insurance and customs procedures (BDtrans, 2020).

Table 9 details the incoterms that are currently in force:

Table 9 Table of Incoterms

INCOTERM	TRANSPORTATION EXPENSES	PLACE OF DELIVERY	RISK	SECURITY	CUSTOMS PROCEDURES
EXW (Ex Works)	Buyer	Seller Facilities	Buyer	Buyer	Buyer
FCA (Free Carrier)	Seller	Agreed point within the country of origin	Buyer	Buyer	Buyer
CPT (Carriage Paid To)	Seller	Destination country or other agreed place	Buyer	Buyer	Buyer
CIP (Carriage and Insurance Paid)	Seller	Destination country or other agreed place	Buyer	Seller	Buyer
DAP (Delivered at Place)	Seller	Agreed delivery point	Buyer	Seller	Buyer
DPU (Delivered at Place Unloaded)	Seller	Delivery point chosen by the buyer	Buyer	Seller	Buyer
DDP (Delivered Duty Paid)	Seller	Agreed delivery point	Buyer	Seller	Buyer
FAS (Free Alongside Ship)	Seller	Selected port next to transport ship	Buyer	Buyer	Buyer
FOB (Free on Board)	Seller	Board of transport ship	Buyer	Buyer	Buyer

CFR (Cost and Freight)	Seller	Destination port	Buyer from shipment	Buyer from shipment	Buyer
CIF (Cost, Insurance, and Freight)	Seller	Destination port	Buyer from shipment	Seller from boarding	Buyer

Source: (BDtrans, 2020)

Note: Made by the Author

It is important to note that this table provides a general summary of the elements associated with each Incoterm, but the exact details may vary depending on the specific agreements between the seller and buyer.

It is not possible to indicate exactly the incoterms to be used in the negotiation as such, since the final decision on the negotiation conditions corresponds only to Lácteos San Antonio with their strategic ally in El Salvador, since what is indicated in this document are references and bases for export process management.

4.6.1 El Salvador Import Requirements

Import requirements for infant formulas in El Salvador are subject to the regulations and standards established by the competent authorities, mainly the General Directorate of Customs (DGA) and the Ministry of Health (MINSAL). According to the official website of the General Directorate of Customs of El Salvador, "food products for human consumption, such as infant formulas, must meet the requirements established by the MINSAL for their importation" (Dirección General de Aduanas, s.f.).

The first important requirement is to obtain a valid Health Registry issued by the MINSAL. The health registry guarantees that the infant formula meets the quality and safety standards established by the country's health authorities. According to the MINSAL, "imported food products must have the current Health Registry, which is issued after verifying compliance with the requirements established in the health regulations" (Ministerio de Salud, s.f.).

Another requirement is the appropriate labeling of infant formulas. The MINSAL requires that imported products comply with the labeling requirements established by Salvadoran legislation. This includes accurate information on ingredients, instructions for use, expiration date, batch number, nutritional information and necessary warnings.

Regarding customs documentation, at the time of importation, the required documents, such as the commercial invoice, packing list and bill of lading, must be presented to support the importation of infant formulas.

It is important to note that import requirements may be subject to changes and updates by the competent authorities. Importers are recommended to consult directly with the General Directorate of Customs and the Ministry of Health of El Salvador for updated information on specific import requirements for infant formula.

4.6.2 Customs clearance procedures

The customs clearance procedures in El Salvador for infant formulas consist of the necessary process to obtain authorization and customs clearance of these imported products. According to the General Directorate of Customs (DGA) of El Salvador, this process involves several steps.

First of all, the importer must present the required documents at customs, such as the commercial invoice, packing list, bill of lading, certificate of origin and health registration issued by the Ministry of Health (Despacho de mercancías, s.f.). These documents are necessary to support the import and comply with customs regulations.

Once the documents are presented, the customs declaration is carried out, which consists of providing detailed information on the imported infant formulas, including their description, quantity, value and country of origin (Despacho de mercancías, s.f.). This declaration is essential for the calculation of the corresponding taxes and duties.

Subsequently, customs may carry out a physical inspection of imported infant formulas to verify their conformity with the documentation presented and ensure that they comply with established legal requirements (Despacho de mercancías, s.f.). This inspection may include verification of labeling, expiration date, packaging condition and other relevant aspects.

Once the previous steps have been completed, the importer must pay the taxes and customs duties applicable to the imported infant formulas, calculated based on the declared value of the products and the rates established by the customs authorities (Despacho de mercancías, s.f.).

Finally, once all the required procedures and payments have been completed, customs will authorize the release of the imported infant formulas, allowing the importer to withdraw the products and proceed with their distribution and marketing in the country (Despacho de mercancías, s.f.).

It is important to keep in mind that customs clearance procedures may be subject to changes and additional requirements, so it is recommended to consult directly with the General Directorate of Customs of El Salvador to obtain updated and accurate information on the specific customs clearance procedures for infant formulas.

Due to the complexity and updating of the laws in force in El Salvador, it is imperative that all these procedures be carried out and be under the responsibility of the strategic ally in the aforementioned country, making Lácteos San Antonio responsible only for the procedures corresponding to the shipment of the product.

5. DISCUSSION

The export of Lácteos San Antonio's "Nutri Leche" infant formula to El Salvador not only involves adapting to local regulations, but also represents a strategic opportunity for the company in a market with a shortage of milk. This situation opens the doors to new markets and the possibility of satisfying the unmet demand for dairy products in the country.

El Salvador currently faces a milk shortage problem, especially in rural areas and low-income communities. According to studies carried out by the Ministry of Agriculture and Livestock of El Salvador (MAG), national milk production is not enough to cover the demand for domestic consumption (Ministerio de Agricultura y Ganadería de El Salvador (MAG), 2022). This situation creates an opportunity for Lácteos San Antonio to enter this market and meet the unmet demand for dairy products, specifically infant formula, with its product "Nutri Leche".

The export of food products is a challenge that requires an exhaustive analysis of the feasibility and adaptation to the regulations of the destination countries. In the case of the company Lácteos San Antonio and its nursing formula "Nutri Leche", the objective is to export to El Salvador. However, to achieve this, it is necessary to make a slight modification to the product formulation, in order to comply with the regulations established by this country. In addition, it is essential to have an ally in the destination market, such as Disna National Distributor, to guarantee efficient distribution and comply with local standards.

The adaptation of the formulation of the "Nutri Leche" infant formula is essential to comply with the regulations established by El Salvador. According to Martínez and López (2018), a country's food regulations can vary in terms of permitted ingredients, additives, labeling and acceptable nutritional values. In the specific case of El Salvador, there are specific regulations for the marketing of infant formulas, which seek to guarantee the quality and safety of products intended for feeding infants. In this case, the particular thing detected is that the

original formula of the product to be exported contains powdered milk compounds, and the regulations of El Salvador state that milk made with these components cannot be imported. Therefore, Lácteos San Antonio must make a slight modification in the formulation of its infant formula to comply with the requirements established by Salvadoran legislation.

Some authors argue that adapting products to local regulations can generate additional costs for exporting companies. However, failure to comply with regulations could result in trade barriers and difficulties in entering the target market. According to González and Sánchez (2019), It is essential that companies understand and adapt to the regulations of the countries they wish to export to, as this ensures compliance with local standards and consumer satisfaction. The slight modification in the formulation of the infant formula will allow Lácteos San Antonio to comply with Salvadoran standards and ensure the successful commercialization of its product.

In addition to adapting the formulation, having an ally in the destination country, such as Disna National Distributor, is essential to facilitate the export of infant formula. According to Chacón and Ruiz (2020), establishing strategic alliances with local distributors provides exporting companies with in-depth knowledge of the target market, as well as efficient distribution channels. Disna National Distributor has extensive experience and knowledge of the Salvadoran market, which provides a competitive advantage to Lácteos San Antonio when entering this market. This alliance will allow effective distribution of "Nutri Leche" and will ensure that the product reaches Salvadoran consumers in a timely manner and in compliance with local regulations.

In addition, we must consider what some authors have highlighted, the importance of identifying opportunities in markets with shortages of specific products. According to Cuéllar and Montoya (2017), shortages in a market can generate latent demand that can be taken advantage of by companies that are willing to adapt their products and comply with established

regulations. In the case of Lácteos San Antonio, the slight modification in the formulation of "Nutri Leche" to comply with Salvadoran regulations will allow the company to enter a market with an unsatisfied demand for milk and dairy products.

The opportunity to enter a market with milk shortages also has the potential to generate a positive socioeconomic impact in El Salvador. According to Gutiérrez and Mora (2019), the importation of basic products, such as milk, can contribute to improving access to nutritious foods and strengthening food security in countries with supply problems. By exporting "Nutri" to El Salvador, this company will not only contribute to meeting the demand for infant formula, but will also be providing an essential product for the growth and development of Salvadoran infants

This panorama indicates that the export of the "Nutri leche" infant formula from Lácteos San Antonio to El Salvador represents a strategic opportunity for the company, since it not only involves adapting to local regulations, but also allows taking advantage of a market with a shortage of milk. Through a slight modification in the product formulation and establishing alliances with local distributors, such as Disna Distribuidora Nacional, Lácteos San Antonio will be able to enter this market and satisfy the unmet demand for infant formula, generating a positive socioeconomic impact in El Salvador.

6. CONCLUSION

Once the study is completed, the work can be concluded by pointing out:

- The task of determining the current situation of the company Lácteos San Antonio, with the brand "Nutri Leche", has been completed satisfactorily. During the analysis carried out, it has been possible to verify the successful trajectory of the company in the Ecuadorian market and the quality of their dairy products.

Lácteos San Antonio has established itself as a reference in the dairy industry in Ecuador, with a solid presence and recognition in the market. Its brand "Nutri Leche" has earned the trust of consumers thanks to the high quality of its products, backed by rigorous production processes and the use of selected ingredients. Also the company has demonstrated a constant search for excellence in the production of its dairy products, maintaining high quality standards in all stages of production. In addition, it has been able to adapt to market demands, offering nutritious and safe options for different consumer segments, including infant formula. The quality of Lácteos San Antonio's dairy products has been recognized with certifications and quality standards both nationally and internationally, which supports its commitment to excellence and customer satisfaction. The analysis of the current situation of Lácteos San Antonio has revealed a solid and reliable company in the Ecuadorian market, with a recognized brand and a reputation based on the quality of its dairy products. Its successful record of accomplishment and commitment to excellence in production support the viability of the company to expand its market through the export of the "Nutri Leche" infant formula to El Salvador.

Based on this conclusion, Lácteos San Antonio is in a favorable position to take advantage of commercial opportunities in the Salvadoran market, trusting in its

reputation and experience in the dairy industry to guarantee success in the introduction of its products in the destination country.

- On the other hand, the bibliography consulted has provided relevant information that has contributed to the construction of the export profile and has provided an overview of the commercial conditions and regulations in the destination country. The bibliographic review has made it possible to identify key aspects related to the Salvadoran market, such as consumer trends, legal and health requirements, distribution channels and existing competitors. This information has been fundamental to evaluate the viability and potential success of exporting Lácteos San Antonio's "Nutri Leche" infant formula to that market.

However, it is important to highlight that, although the literature review has provided a solid foundation, it is recommended that the company invest in a more reliable and exhaustive market study. This market study must include fieldwork, the application of research instruments and the analysis of primary and secondary data. This will allow obtaining updated and accurate information on the real conditions of the Salvadoran market, consumer preferences, local competition, specific distribution channels and other key factors that may influence export success.

A more complete market study will provide Lácteos San Antonio with a more accurate and detailed view of the business environment in El Salvador, which will facilitate strategic decision making and the adaptation of its product and marketing strategies to the needs and preferences of the target market.

- Finally, after evaluating various aspects related to the company Lácteos San Antonio, as well as the conditions of the destination country, it has been determined that there is viability to carry out the export and expand the market of the "Nutri Leche" infant formula. This company has a solid track record in the Ecuadorian market and has

proven to maintain high quality standards in its dairy products, which is a key factor in gaining the trust of consumers in the international market. In addition, the company has identified the need to make a slight modification in the product formulation to comply with the regulations established by the country of destination, which is an indicator of its commitment to adapting to the specific requirements of the Salvadoran market.

On the other hand, the Salvadoran market has been analyzed and favorable opportunities for the export of infant formula have been identified. El Salvador is a country with a growing demand for dairy products and a population that values quality and food safety. In addition, trade opening policies and import facilities provide a favorable environment for the entry of new products into the market.

In this sense, the search for a strategic ally in the country of destination has been suggested, and Disna has been considered a national distributor. This strategic alliance would allow Lácteos San Antonio to have a local partner that has experience in the distribution and marketing of food products in El Salvador. This collaboration could facilitate market entry, overcome logistical barriers and provide support in the management of customs and regulatory procedures, which constitutes a significant competitive advantage. Both the current situation of the company Lácteos San Antonio and the conditions of the Salvadoran market allow us to see clear opportunities for export. It is necessary for the company to begin negotiations with Disna, a national distributor, a suggested strategic contact, to establish an alliance that enhances entry into the Salvadoran market and maximizes the chances of success.

On the other hand, it is essential that Lácteos San Antonio constantly monitors the El Salvador market, especially with regard to the import ban currently in force, regarding products made from milk powder. While the law prohibits the importation of any dairy products constructed from powdered milk into the country at this time, laws are

dynamic and can change over time. Therefore, it is crucial that the company stay informed about any possible repeal of this law.

Monitoring the market will allow Lácteos San Antonio to anticipate legal changes and prepare to take advantage of new commercial opportunities. In the event that the import ban is repealed, the company will be ready to enter the El Salvador market in a timely manner and take advantage of the demand for infant formula with its original formula; This will give you a significant competitive advantage by being one of the first players to introduce your product to the newly opened market.

Furthermore, constant market monitoring will allow Lácteos San Antonio to understand consumer trends and preferences in El Salvador, which can mean better adaptation of its export strategy and adjusting the product according to the specific needs of the target market. The company will be able to identify growth opportunities, evaluate the competition and develop effective marketing strategies.

Likewise, diversifying markets is a smart strategy for any company, including Lácteos San Antonio. Given the uncertainty of the repeal of the import ban in El Salvador of products made with main ingredients such as powdered milk, it is important for the company to explore other potential markets to export its infant formula. However, it is essential that, when seeking new markets, the company is always attentive and updated about the laws and regulations of the country to which it is heading.

Each country has their own regulations regarding imports, labeling, health requirements, among other aspects relevant to the marketing of food. To ensure export success and avoid legal or commercial problems, Lácteos San Antonio must research and thoroughly understand the laws and regulations of the target country. This includes compliance with the quality and food safety standards required by the corresponding authorities.

Staying informed and complying with the laws of the country you are heading to will ensure that the company can operate within the legal framework, avoid fines and sanctions, and build a strong reputation in the international market. Furthermore, regulatory compliance is a key factor in establishing reliable and long-lasting business relationships with local importers and distributors.

In conclusion, monitoring the El Salvador market and considering other potential markets are critical aspects for Lácteos San Antonio's breastfeeding formula export project. Staying informed about current and future laws will allow the company to quickly adapt to legal changes and take advantage of business opportunities. Additionally, complying with the laws and regulations of the target country is essential to ensure long-term viability and success in exporting.

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8. APPENDICES

8.1 Law for the Promotion of the Hygienic Production of Milk and Dairy Products and the Regulation of their Sale (Extract)

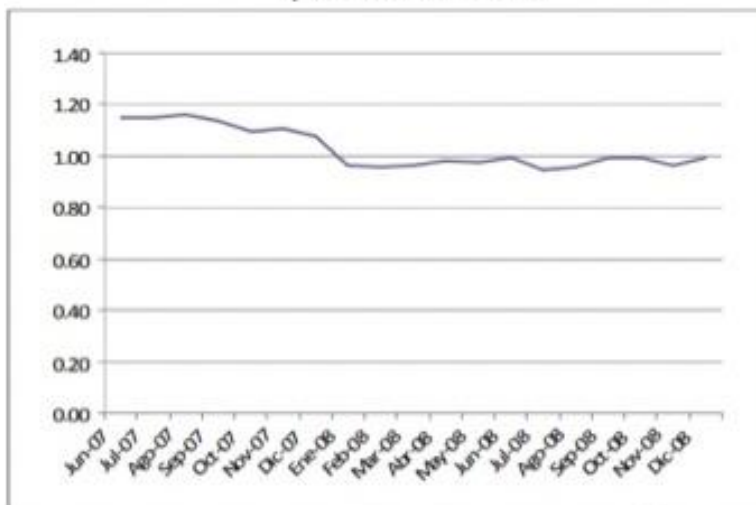
- **Law to Promote the Hygienic Production of Milk and Dairy Products and Regulate their Distribution**
 - Measures and permits granted by the MAG and the Ministry of Public Health and Social Assistance to control processed plants.
 - The requirements that plants must meet to obtain the permits prescribed by this law are contained in the Technical Sanitary Standards for the Authorization and Control of Food Establishments, both those established for processed food factories and for artisanal dairy plants. Both were adopted by Executive Agreement No. 216 in the Public Health and Social Assistance branch on May 28, 2004.
 - Article 21 of the law establishes that the commercialization of milk, cream and cheeses from the reconstitution and recombination of powdered milk is prohibited.
 - Article 22 provides that the import of milk and dairy products that do not meet the requirements established by the regulations is prohibited and that as the country's dairy plants acquire production capacity to meet the consumption needs of milk and dairy products, legal provisions will be dictated to restrict imports of the same.

8.2 Relevant markets: substitutability of demand for pasteurized and powdered milk

- **Conclusions:**
- The products are considered substitutes because the consumer can choose one or the other based on their similar prices, characteristics and consumption preferences.
- Pasteurized and powdered milk have proven to be substitute products:
 - ✓ Although their presentations are different, they have equivalent nutritional properties.
 - ✓ Both products have similar prices (graphs N 1).
 - ✓ A trend is observed in the decrease in consumption of powdered milk, with its corresponding increase in pasteurized milk (graph N 2), in the period 2004-2008, which coincides with the approach in prices.
- On the other hand, when evaluating whether milk can be replaced by other different products in consumer demand, it is considered that pasteurized or powdered milk cannot be replaced by other goods, since it is considered a food with unique nutritional characteristics and It is basic for the nutritional diet.

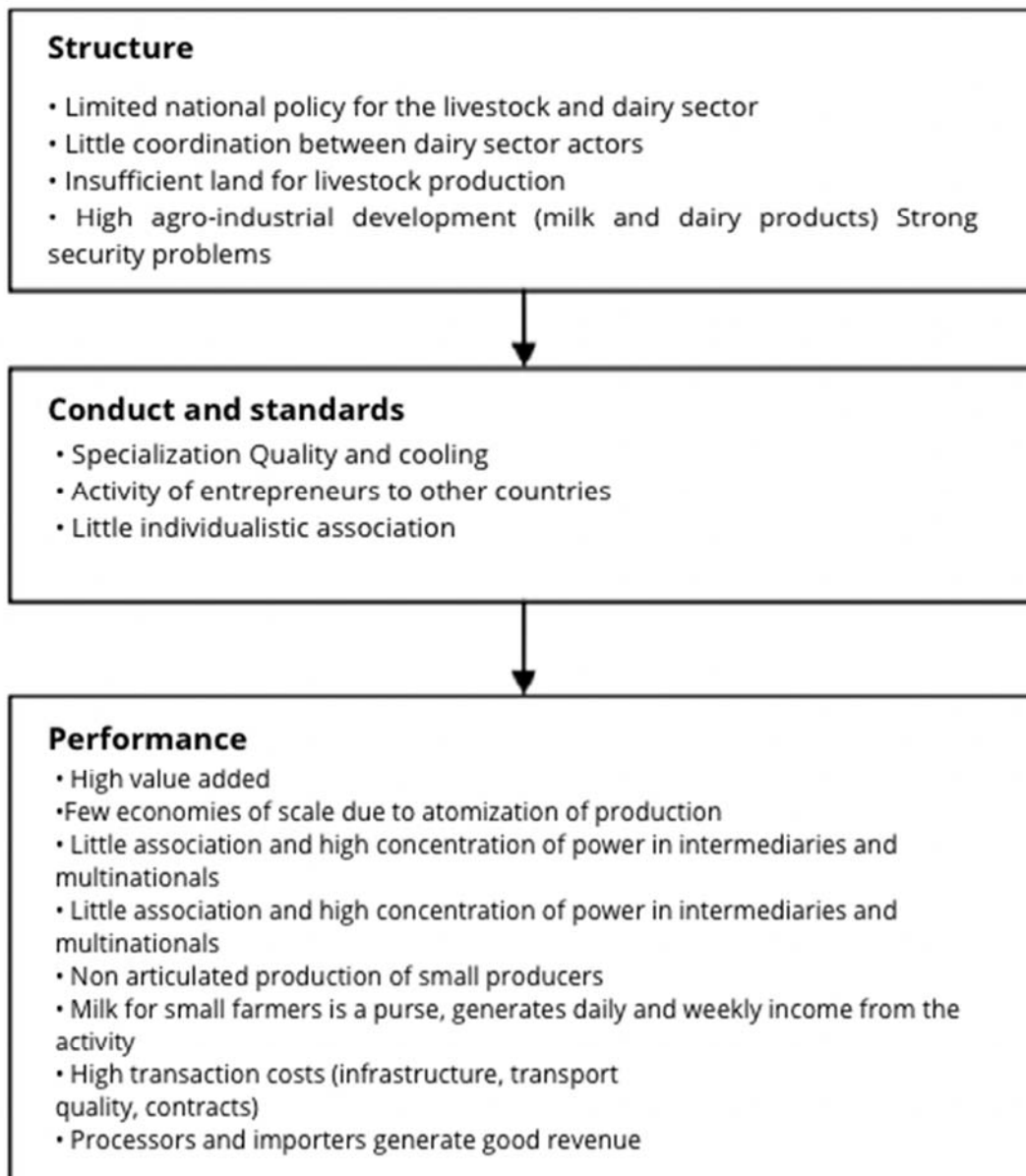
- **About product:**
 - Raw milk
 - Pasteurized and powdered milk
- **Geographical:**
 - National raw milk.
 - Industrialists have purchasing and collection systems in livestock farms that allow them to make their purchases profitably anywhere in the national territory.
 - Pasteurized and powdered milk is national.
 - Demand is exercised by the final consumer in the national territory.

Graphic N1
Price ratio of pasteurized and powdered milk
(Jun 2007 - Dic 2008)

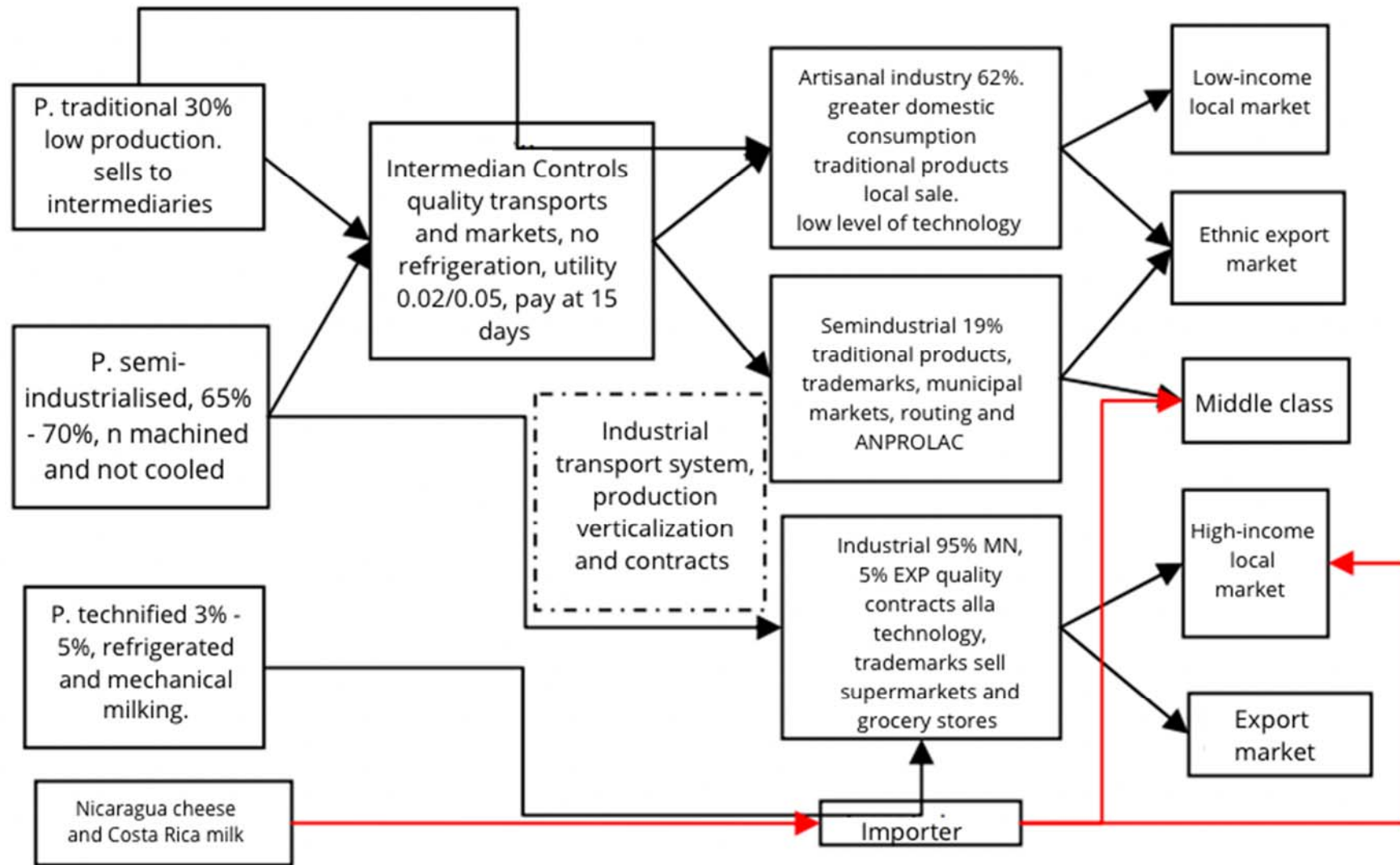


- The price relationship between pasteurized and powdered milk demonstrates that prices have tended to equalize.
- Points on graph at a level of 1.0 mean equal prices.
- Points greater than 1.0 mean milk prices higher than powdered milk. Jun 07 = 1.15 points, Dec 08 = 0.99

8.3 Market Structure in El Salvador



8.4 Diagram of the value chain of the dairy sector of El Salvador



8.5 Detail of milk formula to be exported



Infant Nutri Stage 1

(0 to 6 months old)
Infant liquid formula for infants.
Ready to eat, exclusively developed by Nutri,
which contains nutrients essential for
neurodevelopment, defenses and growth.

Presentation: 200ml - 500ml

Tabla Nutricional

		100 ml	100 kcla
Energy	kcla	68.0	100.0
Fat Matter	g	3.9	5.7
Saturated fats	g	1.5	2.2
Monounsaturated Fats	g	1.2	1.8
Polyunsaturated Fats	g	0.9	1.3
Trans fat	g	--	--
Cholesterol	mg	--	--
Linoleic acid	mg	680	1000
Linolenic acid	mg	68	100
ARA	mg	12.0	17.7
DHA	mg	10.0	14.7
Proteins	g	1.4	2.1
Total Carbohydrates	g	6.8	10.0
Lactose	g	6.5	9.5
Dextrins	g	0.3	0.5
Prebiotic Fiber	g	0.43	0.63
Fluctooligosaccharide (FOS)	g	0.40	0.59
HMO	g	0.03	0.04

VITAMINS				
		100 ml	100 kcal	
Vitamins A	mcgRE	90	132	
Vitamins D3	mcg	1.7	2.5	
Vitamins E	mgTE	2.1	3.1	
Vitamins K1	mcg	8.3	12.2	
Vitamins C	mg	22	32	
Vitamins B1	mcg	86	127	
Vitamins B2	mcg	140	206	
Niacin	mg	0.8	1.2	
Vitamins B6	mcg	70	104	
Folic Acid	mcg	24	35	
Pantothenic Acid	mg	0.61	0.9	
Vitamins B12	mcg	0.24	0.35	
Biotin	mcg	3.4	4.7	
Hill	mg	26	38	
Inositol	mg	8.3	12.2	
Taurine	mg	6.5	9.6	
L-Carnitine	mg	1.9	2.8	

MINERALS				
		100 ml	100 kcal	
Sodium	mg	23	34	
Potassium	mg	68	100	
Calcium	mg	60	88	
Match	mg	44	65	
Magnesium	mg	6.0	8.8	
Manganese	mcg	11	16	
Iron	mg	0.90	1.3	
Zinc	mg	0.87	1.3	
Iodine	mcg	22	32	
Chlorine	mg	42	62	
Copper	mcg	55	81	
Selenium	mcg	3.7	5.4	



Infant Nutri Stage 2

(6 to 12 months old)

Follow-on infant liquid formula.

Ready to eat, exclusively developed by Nutri, which contains nutrients essential for neurodevelopment, defenses and growth.

Presentation: 200ml - 500ml

Tabla Nutricional

		100 ml	100 kcla
Energy	kcla	64.7	100.0
Fat Matter	g	3.2	4.9
Saturated fats	g	1.2	1.9
Monounsaturated Fats	g	1.0	1.5
Polyunsaturated Fats	g	0.8	1.2
Trans fat	g	--	--
Cholesterol	mg	--	--
Linoleic acid	mg	560	865
Linolenic acid	mg	56	86.5
ARA	mg	10.0	15
DHA	mg	8.0	12.4
Proteins	g	1.9	3
Total Carbohydrates	g	7.1	10.9
Lactose	g	6.5	10
Dextrins	g	0.6	0.8
Prebiotic Fiber	g	0.43	0.66
Fluctooligosaccharide (FOS)	g	0.4	0.62
HMO	g	0.03	0.05

VITAMINS			
		100 ml	100 kcal
Vitamins A	mcgRE	90	139
Vitamins D3	mcg	1.8	2.8
Vitamins E	mgTE	2.3	3.6
Vitamins K1	mcg	11	17
Vitamins C	mg	18	27.8
Vitamins B1	mcg	130	201
Vitamins B2	mcg	177	273
Niacin	mg	0.77	1.2
Vitamins B6	mcg	92	142
Folic Acid	mcg	25	39
Pantothenic Acid	mg	0.86	1.3
Vitamins B12	mcg	0.37	0.57
Biotin	mcg	4.1	6.3
Hill	mg	23	36
Inositol	mg	6.8	10.5
Taurine	mg	6.6	10.2
L-Carnitine	mg	1.2	1.9

MINERALS			
		100 ml	100 kcal
Sodium	mg	38	59
Potassium	mg	92	142
Calcium	mg	88	136
Match	mg	63	97
Magnesium	mg	7.1	11.0
Manganese	mcg	8.7	13.4
Iron	mg	1.1	1.7
Zinc	mg	1.0	.5
Iodine	mcg	22	34
Chlorine	mg	66	102
Copper	mcg	58	0
Selenium	mcg	3.6	5.6



Infant Nutri Stage 3

(from 1 year)

Liquid infant formula for growing children.

Ready to eat, exclusively developed by Nutri, which contains essential nutrients for neurodevelopment, defenses and growth.

Presentation: 200ml – 1 Liter

Tabla Nutricional

		100 ml	100 kcla
Energy	kcla	65.9	100.0
Fat Matter	g	2.7	4.1
Saturated fats	g	1.1	1.7
Monounsaturated Fats	g	0.9	1.4
Polyunsaturated Fats	g	0.6	0.9
Trans fat	g	--	--
Cholesterol	mg	--	--
Linoleic acid	mg	500	760
Linolenic acid	mg	50	76
ARA	mg	10.0	15
DHA	mg	2.3	3.5
Proteins	g	8.1	12.3
Total Carbohydrates	g	7.1	10.8
Lactose	g	1.0	1.5
Dextrins	g	0.43	0.65
Prebiotic Fiber	g	0.2	0.3
Fluctooligosaccharide (FOS)	g	0.2	0.3
HMO	g	0.03	0.05

VITAMINS				
			100 ml	100 kcal
Vitamins A	mcgRE		78	118
Vitamins D3	mcg		1.4	2.1
Vitamins E	mgTE		1.8	2.7
Vitamins K1	mcg		6.3	9.6
Vitamins C	mg		18	27
Vitamins B1	mcg		160	243
Vitamins B2	mcg		160	243
Niacin	mg		0.88	1.3
Vitamins B6	mcg		110	167
Folic Acid	mcg		23	35
Pantothenic Acid	mg		0.82	1.2
Vitamins B12	mcg		0.27	0.41
Biotin	mcg		2.6	3.9
Hill	mg		21	32

MINERALS				
			100 ml	100 kcal
Sodium	mg		47	71
Potassium	mg		96	146
Calcium	mg		92	140
Match	mg		66	100
Magnesium	mg		7.3	11
Manganese	mcg		8.8	13.4
Iron	mg		1.3	2.0
Zinc	mg		1.1	1.7
Iodine	mcg		18	27
Chlorine	mg		78	118
Copper	mcg		50	76
Selenium	mcg		3.1	4.7