

Voluntary Report – Voluntary - Public Distribution

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Report Highlights:

Guadalajara is located in the state of Jalisco in central Mexico and is Mexico's second-largest city. Although most modern retail chains are represented in Guadalajara, most residents of the Guadalajara metropolitan area (GMA), to varying degrees, continue to shop in traditional markets and traditional retail outlets. 61 percent of Guadalajarans are considered middle-income.

I. Jalisco

Map 1: Location of Jalisco in Mexico



The state of Jalisco is located in west-central Mexico and borders the states of Nayarit, Zacatecas, Aguascalientes, Guanajuato, San Luis Potosí, Michoacán, and Colima. This region is considered Mexico's breadbasket and is home to large agricultural production and processing industries. Jalisco is an important economic, cultural, and commercial center. Guadalajara is the state capital of Jalisco and is Mexico's second largest city. The GMA also includes the suburbs of Zapopan, San Pedro Tlaquepaque, Tonalá, Tlajomulco de Zúñiga, El Salto, Ixtlahuacán de los Membrillos, and Juanacatlán. Over half of Jalisco's population lives in the GMA.

Population

Jalisco is Mexico's fourth-most populated state with 8.4 million people, with a median age of 29. Approximately 83 percent of its immigrant population comes from the United States, particularly in the cities of Chapala and Puerto Vallarta, which attract a high number of U.S. retirees, as well as U.S. and Canadian seasonal migrants (i.e. snowbirds). Guadalajara has also become a magnet for international digital nomads, particularly in the Colonia Americana neighborhood. In October 2022, *Time Out* magazine cited Colonia Americana as the "coolest neighborhood in the world" due to its many restaurants and art galleries, as well as its vibrant nightlife. Guadalajara and Puerto Vallarta offer high qualities of life, specialized medical care, wide culinary offerings, and direct international flights to the United States. Digital nomads in Guadalajara often support local businesses and restaurants, they tend to look for 'comfort' products that remind them of home.

Jalisco also has a long tradition of emigration to the United States that dates back through the 19th century. An estimated 1.4 million people born in Jalisco currently live in the United States and 2.6 million people in the United States are descended from parents born in Jalisco.

Economy

Jalisco's major economic sectors are retail, real estate, construction, food processing, electronics, tequila production, tobacco, plastics, rubber, metal, textiles, and agricultural production.

Table 1: Jalisco Demographics



























<p>Population</p>  <p>8,490,806 inhabitants</p>	<p>Population distribution</p>  <p>Urban areas 87.9%</p>  <p>Rural areas 12.1%</p>		
<p>Employment</p>  <p>59.5% of the working-age population is employed</p>	<p>Occupation</p>  <p>8.6% Agriculture</p>  <p>26.2% Industry</p>  <p>64.6% specified</p>  <p>Services 0.6% Not</p>		
<p>Gender</p>  <p>Female 50.7% 4,305,108</p>  <p>Male 49.3% 4,185,689</p>	<p>Median Age</p>  <p>29 years</p>	<p>Average Life Expectancy</p>  <p>76 years</p>	<p>Average Education</p>  <p>9.9 years (middle school)</p>

Table 2: Jalisco's Main Economic Sectors

<p>Retail</p> 	<ul style="list-style-type: none"> • Contributes 3.6% to the state annual growth. • GDP state contribution, wholesale 11.23%, retail 10.34%. • Employs 397,012 workers. <p>Main retail activities</p>  <p>Food and beverage</p>  <p>Apparel</p>  <p>Personal care</p>  <p>Raw materials</p>
<p>Food Processing</p> 	<ul style="list-style-type: none"> • Employs 104,468 workers <p>Main food processing activities</p>  <p>Cereal-based products</p>  <p>Confectionary</p>  <p>Animal Feed</p>
<p>Beverages</p> 	<ul style="list-style-type: none"> • Employs 29,974 workers <p>Main beverage bottling activities</p> <p>Tequila</p>  <p>Soft drinks</p>  <p>Bottled water</p>  <p>Beer brewing</p>

Source: Data from the Institute of Statistical and Geographic Information of Jalisco (IIEG)

II. Agriculture in Jalisco

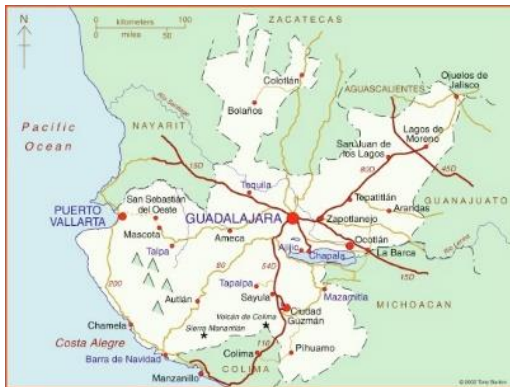
Jalisco is one of Mexico’s most important areas for agricultural production. In 2021, Jalisco contributed 12.24 percent to Mexico’s total agricultural output¹ Jalisco is the main producer for Mexico’s ‘basic market basket,’² providing eggs, milk, chicken, pork, berries, chia, and corn for human consumption. Tequila is Jalisco’s most famous product, which has an appellation of origin. Other significant products include sugar cane, avocados, meat, and tilapia.

2021 Jalisco Agricultural Production

Milk	2.7 million metric tons (MMT)
Egg	1.6 MMT
Pork	380,000 metric tons (MT)
Tamarind	23,501 MT
Chia	4,138 MT

III. Guadalajara Metropolitan Area





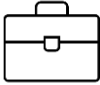


Map 2: State of Jalisco



Population

The GMA has a population of 5.1 million inhabitants across a surface area of 2,551.3 km². According to the 2020³ census, the population of Guadalajara proper, not including the surround suburbs, has 1.4 million inhabitants (48.1 percent men and 51.9 percent women), a 7.3 percent decline from the 2010 census.























Table 3: Guadalajara Demographics

Population	Median Age	Gender	Employment
 1.4 million	 33	 48.1% Male  51.9% Female	 64.1%  Men 55.5%  Women 44.5%

¹ Data published in December 2021. Source [Mide Jalisco](#) with data from INEGI

² The basic basket is composed by cooking oil, rice, sugar, beef steak, onion, Jalapeno chiles, pork chop, beans, eggs, soap bar, tomatoes, limes, apples, bananas bread, toilet paper, soup noodles, chicken, corn tortillas, carrots, milk, tuna, and sardines.

³ Latest available data

Assets	Communications	Education	Civil Status
 97.5% Refrigerator  86.8% Wash machine  56.8% Car  10.0% Motorcycle  4.3% Bicycle	 56.3% Computer  59.9% Phone  92.7% Cellphone  75.3% Internet  51.5% TV Cable	 2.1% No education  41.0% Basic  26.0% Middle Education  30.7% Higher 0.2%  Unspecified	 34.8% Married  40.4% Single  10.4% Domestic Partners  5.2% Separated 2.9%  Divorced  6.1% Widow 0.1%  Unspecified

Source: INEGI/SNIEG – Panorama Sociodemografico de Jalisco 2020

IV. Local Economy

According to the Guadalajara Economic Development Secretariat, Guadalajara is ranked second among Mexican cities for economic potential and fifth among Mexico’s ‘smart cities’, which uses criteria including green-space maximization, energy efficiency in transportation, sustainable use of resources, and recycling. In recent years, several technology and electronic companies have invested in Guadalajara. Regional companies are located mainly in the GMA.

Trade

In 2022⁴, total exports from Guadalajara were valued at \$323 million, while total imports were valued at \$636 million. Top 2022 exports from Guadalajara included distilled spirits, fresh horticulture, and fats and oils. Primary international markets included the United States (\$2.95 billion), China (\$70.9 million), and Canada (\$54.2 million).

Guadalajara’s main imports in 2022 were sugars and honey substitutes (\$496 million), mineral fertilizers (\$347 million), and mineral or chemical nitrogen fertilizers (\$198 million). Imports mainly came from the United States (\$2 billion), China (\$1.9 billion), and Vietnam (\$243 million).

Retail Sector

Traditional retail in Guadalajara comprises 91 public markets, two wholesale markets, 134 wet markets, 12,600 traditional small, independent family-run stores, and 1,233 modern retail outlets. Municipalities throughout the GMA have enacted zoning laws that new housing development

⁴ Latest available data. Data: Secretaría de Economía. Source [Data Mexico](#)

projects must guarantee a space for the installation of a traditional market. Real estate within Guadalajara proper commands a high cost and establishing new public market within the city is not viable. As a result, almost all of the new housing development in the GMA occurs in the suburban areas outside of the city of Guadalajara. The San Juan de Dios market, also known as Mercado Libertad, is the city's most famous traditional market and is regarded as largest indoor market in Latin America. Founded in 1958, it has three floors and hosts 3,000 booths which sell fruits and vegetables, groceries, food products, arts and crafts, textiles, and electronic devices. In March 2022, the San Juan de Dios market was damaged by a fire.

Supermarkets, large-scale cash-and-carry outlets, and convenience stores account for most modern retail in the GMA, including major outlets like Walmart, Costco, Soriana, Chedraui, and La Comer. Each of these chains offer formats tailored to specific socioeconomic levels, which are placed strategically around the city. Casa Ley is the largest regional supermarket chain in Northeast Mexico and it also has presence in Guadalajara.

HRI Sector

Guadalajara has a total of 2,038 hotels with a combined 75,422 rooms. Most of its visitors come mainly from the surrounding states. The Expo Guadalajara exhibition center is home to many national and international trade and industry shows. An example of this is Expo ANTAD, the most important food and beverage retail trade show in Mexico.

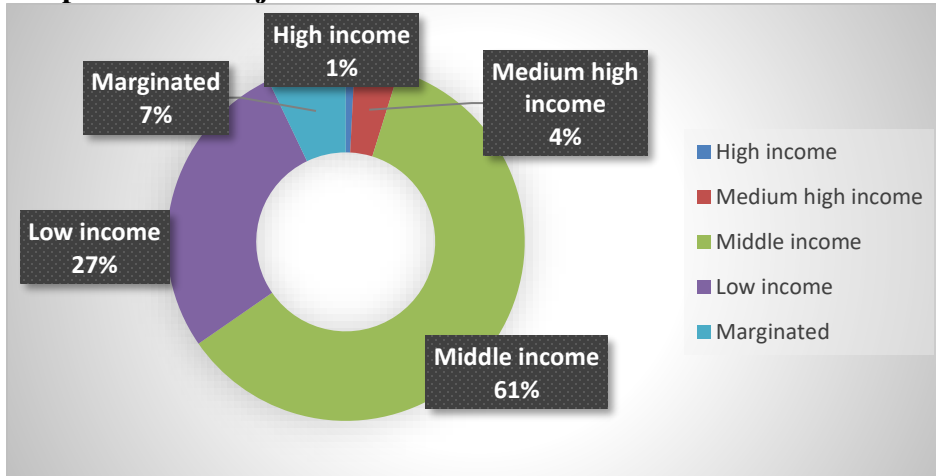
The GMA has upwards of 18,000 restaurants, including 8,650 in Guadalajara, 4,880 in Zapopan, and 2,177 in Tlaquepaque. Guadalajara offers a wide spectrum of cuisine, including high-end options from internationally recognized chefs to regional specialties, down to popular street food stalls. Guadalajara's cuisine is often a fusion of the pre-Hispanic and Spanish cuisines which prominently feature tomatoes, chiles, limes, corn, pork, beef, onions, and spices.

V. Consumer

According to a study from Kantar Worldpanel Mexico, Guadalajarans, known colloquially as *Tapatios*, make 263 shopping trips per year. The annual average household expenditure is \$1,155. Guadalajara is considered a test market for launching product and often sees new products before the rest of the country. Consumers from this region are brand-loyal, which sometimes goes back generations. They are also attached to buying locally made products.

Many consumers in the GMA regularly purchase products via traditional channels, door-to-door sales, pharmacies, and wholesalers. Most of their purchases take place in establishments near their home, particularly for buying basic staples. *Tapatios* spend the most on milk, mainly from local brands, bottled water (as some neighborhoods in the GMA have inconsistent water supplies), and tequila and agave distillates.

Graph 1: Guadalajara's Socioeconomic Levels



Source: Antropomarketing⁵

The following description of Guadalajara's socioeconomic levels is based on a 2019 study by Dr. Benito Javier Gutierrez Levy and describes each segment based on its income, consumption patterns, and traditions. In 2021, ATO Mexico conducted a food and beverage consumer survey following COVID-19 which focused on Mexico's three main urban centers, including Guadalajara, Mexico City, and Monterrey. The survey focused on the high-income and middle-income consumption patterns and is available via the following [link](#).

High Income Population

"Old-money" *Tapatio* families have been around since the 19th century and have generational wealth derived from agriculture, retail, and real estate. Usually, the head of the family owns several local businesses. Housewives mainly stay at home or attending charity and social events. Normally, they have help of four or more domestic servants. These families are often composed of three or four children, which attend private schools in Mexico or abroad. This segment's grocery shopping is generally done by domestic staff, with the cook preparing the shopping list, and the chauffeur doing the shopping. For shopping and entertainment, they prefer the Andares and Galerias malls. They regularly patronize Guadalajara's high-end restaurants and shop for imported wines, liquors, meat, seafood, and other products from the United States and around the world.

High-income Guadalajarans with more recently acquired wealth often derived their fortunes from construction, real estate, agricultural, and other commercial industries. These families tend to be composed of a husband/father, who is often a business executive with a high school or college education, a wife/mother who is often a homemaker and socialite. These families tend to have no more than three children. They generally employ domestic staff including chauffeurs and housekeepers. This segment is known for their extravagant lifestyles and tendencies to indulge in conspicuous consumption. They dine out often at high-end chain and local restaurants. This segment often consumes expensive wine and high-end distilled spirits.

⁵ Antropomarketing- Anthropological Study on Tapatio Consumers – Dr. Benito Javier Gutierrez Levy

Upper Middle-income Population

Guadalajara's upper middle-income population is mainly comprised of professionals such as doctors, lawyers, engineers, accountants, and owners of small- and medium-sized enterprises. Guadalajarans in this socioeconomic category often come from dual-income family units. Family structures are typically comprised of four people, including parents and two children, as well as one domestic employee. The family grocery shopping is often done by both parents at supermarkets and price clubs. They often tend to seek balanced diets, products perceived as high-quality, and are often environmentally conscious when purchasing. They tend to patronize family-style chain restaurants and occasionally dine at high-end restaurants for special occasions. Social gatherings often take place at home where they drink moderately priced wine, sprits, and beer.

Middle-income Population

Middle-income consumers comprise Guadalajara's largest socioeconomic population. People in this category are typically high school and college graduates. Their primary occupations are government employees, small-business owners, sales/retail, teachers, or skilled tradespeople.

Middle-income Guadalajara families are usually comprised of four members, including parents and children. The husband/father is typically the primary breadwinner, while the wife/mother often has a part-time job, which allows her to contribute financially, as well as take care of the household. Many middle-income children start working part time in high school. A minority of middle-income families have domestic employees, and all family members contribute toward household chores. Middle-income Guadalajarans tend to visit low and moderately priced restaurants, as well as quick-service restaurants. Their household products are typically purchased in supermarkets, traditional markets, and traditional retail outlets. Most of their entertainment takes place at cinemas, parks, concerts, and at home via television.

Lower-income Population

Lower-income Guadalajarans tend to have lower levels of education and often work in Guadalajara's informal sectors. In this segment, women often play important roles as family breadwinners and often have a formal fulltime job, as well as a secondary part-time job. Many low-income consumers are young, single parents that live with their own parents. This segment will save money or take out loans to celebrate special occasions. Their entertainment primarily involves watching television at home or attending public events organized by the municipality. Lower income Guadalajarans tend to consume more processed, highly caloric snacks, soft drinks, and beer. They mainly shop at public markets, wet markets, and small neighborhood shops. They often only purchase what they will consumer in a day or two.

Opportunities for Agricultural U.S. Products in Guadalajara

Guadalajara is one of Mexico's most important cities. Although it is a large city, its consumers are loyal to the traditional trade, shopping at public markets, and small stores. These establishments are supplied by wholesale markets where fresh horticulture, grains, dried fruits and nut, pulses, and meats are distributed. Also, the local restaurant industry also procures many of its ingredients from wholesale markets.

Post recommends that U.S. suppliers of food, beverage and agricultural products bound for traditional markets and traditional retailers to communicate clearly about product origin and quality. Some level of training and or awareness raising may be required for importers and distributors not this segment.

The upper- and middle-income populations tend to be the primary target demographic for imported products, as consumers from these socioeconomic levels have greater purchasing power and tend to be better informed about food trends. These segments look for imported products in supermarkets, price clubs, and specialty stores.

The products with best potential in Guadalajara are:

- Organic products, produce and processed.
- Plant-based products.
- Family-size packaged products of all categories.
- Functional foods that promote good health.

Post Contacts and Other Resources

For further information about the Mexican market, as well as updates on our upcoming events and activities, please visit our website at www.mexico-usda.com.mx or contact the Agricultural Trade Offices:

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Attachments:

No Attachments.