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Agenda:

- Tequila State of Play
- Tequila Differentiation
- Tequila Registration
- The Role of Additives
- The Future?

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Tequila in 2024, by the Numbers:

- \$20 BILLION global value
- 70% exported from Mexico
- 31.6M 9L cases sold in U.S. last year
- Since 2002, U.S. Tequila volumes up 200%
- Super Premium+ brands driving growth +50% since 2010
- Only base spirit showing growth this year*



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Tequila Brands & Extensions Proliferating:

- Almost 4,000 brands today*
- Some brands have more than 20 different bottlings - likely 8,000+ labels in production today
- Celebrity brands are red hot
- Crowded marketplace means brands must differentiate to stand out – they don't want to drop price



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Tequila 100% Blue Agave Runs the Show in 2024

Tequila (Mixto)

- Tequila (without a mention of 100% Blue Agave) usually means *Mixto*
- At least 51% of sugars must be *Agave Azul Tequilana* – 49% don't need to be
- Remainder is non-agave sugars (primarily fructose, glucose)
- Non-agave sugars are cost-effective method of managing product costs

Tequila 100% Blue Agave

- Only sugars from *Agave Azul Tequilana* may be used
- Generally more complex and refined than mixtos
- Consumers have been trading up for about 20 years now
- Almost half of brands are Tequila 100% Blue Agave

Additives may be used in the production of either

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The Current Challenge to Brands



- Over 3,700 brands but only about 140 different Tequila distilleries!
- Contract distilling is therefore the norm in Tequila production
- Start-up costs are high, and regulations are complex for new distilleries, so it will be slow to change
- Brands are desperate to find ways to differentiate within the boundaries of regulations
- “Additive-free” has become popular badge, as we will discover!
- Are we running out of celebrities?

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How do Tequila Brands Differentiate?

What makes a brand unique from others?



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Legalities Give Regulations that Brands must Obey

- Protected
- Restricted
- Approved
- Numbered
- Protected as GI under Mexican Law
- Only produced in a designated area
- Authentic Tequila will have the CRT (Consejo Regulador del Tequila) logo on the bottle
- The specific distillery identified by the NOM

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Sidebar: What is the NOM?

- Norma Oficial Mexicana, represented by a number
- Sign of production within the denomination of origin/GI
- NOMs awarded only by CRT
- NOM does not specify the class of Tequila, use of additives, etc.
- Easily discoverable online or through phone apps
- A starting point or touchpoint for more research

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NOM Example



Tanteo Blanco Tequila 100% Blue Agave

- Label NOM is 1551
- This NOM is rated #57 of 122 by Tequila Matchmaker
- NOM currently produce 5 brands including Tanteo

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NOM Example

Tanteo Blanco Tequila 100% Blue Agave

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DESTILADORA JUANACATLAN, S.P.R. DE R.L. DE C.V.

LOCATION	Juanacatlan, Jalisco
REGION	Jalisco (Central)
PRIVATE LABELS	Open to Contracts
TOURS	Yes, By Appointment Only

DISTILLERY EQUIPMENT

COOKING	Stone/Brick Ovens
EXTRACTION	Roller Mill
FERMENTATION	Stainless steel tanks 100% agave Open-air fermentation Fermentation without fibers
STILL	Stainless Pot w/Copper Coil
AGING	American White Oak barrels New barrels Used barrels
WATER SOURCE	Deep well water

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NOM Example

- Further research shows that Tanteo can also be produced by NOM 1437, a large distillery in the town of Tequila in Jalisco
- Let's go back to Differentiation!



Tanteo

Jalisco (Central) • **NOM 1551** • 108 Likes

Additional Distilleries: [1437](#)

NOM
1437

Tequilera Don Roberto, S.A. de C.V.

#109 of the top 122 distilleries

Brands Made At This Distillery

The full production history of Tequilera Don Roberto, S.A. de C.V.

Currently In Production

21 Brands

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Differentiation: Cooking



- Types of Ovens
 - Stone/Brick
 - Autoclave
 - Hydrolysis
 - Boiling
 - Earthen pit
 - Steel
- Some NOMs have more than one type of oven

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Differentiation: Extraction & Fermentation



- Types of Extraction
 - Roller mill
 - Screw mill
 - Diffuser
 - Tahona
- Fermentation Types
 - Stainless steel
 - Open air or Closed tank
 - Wood

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Differentiation: Distillation & Aging



- Types of Stills
 - Stainless steel pot
 - Copper pot
 - Column
 - Hybrid
 - From 2x to 7x!!
- Aging
 - American White oak
 - Wine or sherry casks
 - French oak

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There are Many Ways Tequilas can Differentiate, but...

- Use of additives has risen to the top of the list in 2024
- Agave extraction methods also popular
- When using contract distilling, use of additives is under control of the brand, while the production methods may not be!
- Transparency resonates strongly with spirits consumers



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Let's Taste! Keys to Evaluating Tequila



- Color – does it align with the classification?
- Nose – younger have more vegetative or earthy notes, older more sweetness, wood, earth
- Taste – fermentation & aging affect the most
- Finish – intensity, length, quality

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First Tasting - Tanteo Blanco

- Additive-free
- Great example of pure Blanco style
- Shows agave notes but balanced with florals
- Great everyday sipper

PRODUCTION DETAILS

NOM	1551
AGAVE TYPE	Tequilana Weber
AGAVE REGION	Jalisco (Los Altos)
REGION	Jalisco (Central)
COOKING	Stone/Brick Ovens
EXTRACTION	Roller Mill
WATER SOURCE	Deep well water
FERMENTATION	Stainless steel tanks, 100% agave, Open-air fermentation
DISTILLATION	2x distilled
STILL	Stainless Steel Pot
AGING	-
ABV/PROOF	42.5% abv (85-proof)
OTHER	No additives



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Sidebar: Where is all this Info Coming From?



- CRT: Consejo Regulador del Tequila, Mexico's official governing body
- CRT's official website is *challenging*
- Online brand list only updated annually, *if at all*
- While not official sources, both are typically up-to-date

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Sidebar: The Role of the CRT

- Oversees and protects the GI
- Inspects, analyzes & certifies compliance
- Guarantees consumer authenticity
- Generates information for the production & supply chains
- Awards NOMs
- Does NOT provide analysis of liquid or full transparency of production methods
- TequilaTracker.com & TequilaMatchmaker.com stepped in to fill the void for interested consumers
 - First as raters, then as defacto experts

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That Last Point has Created a Turf War of Sorts...

- Mexican officials recently raided the offices of Tequila Matchmaker in Mexico
- Officials claim the home was being used as “an adulterated tequila factory”
- Liquids were seized
- Part of an ongoing battle over transparency in labeling regarding use of additives



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Second Tasting - Código 1530 Tequila Reposado

- Additive-free
- Nice, clean Reposado style with stronger wood
- Shows show oak & vanilla with agave notes up front
- Peppery finish
- Great neat or in a simple Margarita

PRODUCTION DETAILS

NOM	1616 <i>(Previously: 1500)</i>
AGAVE TYPE	Tequilana Weber
AGAVE REGION	Jalisco (Tequila Valley)
REGION	Jalisco (Los Valles)
COOKING	Autoclave (low pressure)
EXTRACTION	Roller Mill
WATER SOURCE	Deep well water
FERMENTATION	Stainless steel tanks, 100% agave, Fermentation without fibers
DISTILLATION	2x distilled
STILL	Stainless Steel Pot
AGING	American White Oak barrels, Wine casks, Used barrels
ABV/PROOF	40% abv (80-proof)
OTHER	Aeration, Cold filtered, No additives



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The Role of Additives in Tequila

- Known as *abocantes* meaning mellow or smooth
- Both legal, and compliant and common (>70%??)
- Offers consistency
- 1%/vol. by weight allowed by law
- Used to enhance color, aroma, taste, mouthfeel
- Do not have to be disclosed if <1%
- Typically added in rectification just before bottling



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Why are Additives Used?

- Color-balance/rectification
- Match flavor or aroma profiles if using multiple distilleries
- Bend or tweak final liquid towards consumer preferences in the market
- Claim is additives cover up defects or mask deficiencies?



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Additives **CANNOT** change Classifications, which are based on aging



- White or Blanco – unaged or aged up to 2 months
- Young or Joven – blend of white Tequila with a reposado, añejo or extra añejo
- Rested or Reposado – aged for min. 2 months in oak barrels or vats
- Aged or Añejo – aged for min. 1 year in oak barrels <600L
- Extra Aged or Extra Añejo – aged for min. 3 years in oak barrels <600L

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But, additives *could* be used to:



- Make a Tequila darker to insinuate longer aging
- Add oak flavors to simulate longer barrel aging/increase woody notes in an older Tequila
- Sweeten a Tequila to appeal more to a desired consumer
- Reduce harshness or rough edges still present after production

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Other Spirits that May Legally Use Additives*

- Cognac
- Rum
- Scotch
- Canadian Whiskies
- Vodka



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Third Tasting – Dulce Vida Anejo 80 proof

- Additive-free, organic
- Nice, clean Reposado style with stronger wood
- Shows show oak & vanilla with agave notes up front
- Peppery finish
- Great neat or in a simple Margarita

PRODUCTION DETAILS

NOM	1443 <i>(Previously: 1360, 1566)</i>
AGAVE TYPE	Tequilana Weber
AGAVE REGION	Jalisco (Los Altos)
REGION	Jalisco (Los Altos Southern)
COOKING	Autoclave (high pressure)
EXTRACTION	Roller Mill
WATER SOURCE	Deep well water
FERMENTATION	100% agave, Stainless steel tanks, Open-air fermentation, Fermentation without fibers
DISTILLATION	2x distilled
STILL	Stainless Steel Pot
AGING	Whisky barrels, Single Barrel
ABV/PROOF	50% abv (100-proof)
OTHER	Organic, Aeration, No additives, High-proof



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What Types of Additives are Allowed?



- **Glycerin** – improves the smoothness and mouthfeel
- **Oak extract** – adds a barrel-aged taste & aroma and darkens color
- **Caramel** – darkens the tint or color
- **Sweeteners (*jarabes*)** - Agave nectar, corn syrup, cane sugar, aspartame, sucralose & stevia are approved sweetening agents for tequila. The jarabe can also contain natural fruits and herbs to add aromas and flavors, too.

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How Can You Tell if Additives are Used?



- Glycerin – is the spirit unusually thick or syrupy upon swirling?
- Oak extract – unmistakable aroma of vanilla
- Caramel – is the Tequila unusually dark compared to others in its class?
- Sweeteners – syrupy sweet on the palate; may leave residue on hands

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So How Did This Additive Thing Blow Up?



- Increased consumer focus on transparency of ingredients
- Idea that Tequila is healthier than other spirits
- Pushback against larger brands/celebrity brands
- The explosion of TequilaMatchmaker.com
- It's *buzzworthy*

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What's the Crystal Ball Say?



- Demand likely to increase, but growth will moderate
- Agave supply - glut through 2026 due to new growers
- Lower COGS could increase pricing competition among brands
- Competition from other agave spirits increasing

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Thank you

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Let's Connect!



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