



The Rise of Alternative Agave-Based Spirits

by The IWSR Drinks Market Analysis, www.theiwsr.com

Tapping into consumer demand for tequila and mezcal, brand owners are increasingly investing in alternative agave spirits.

Increased demand for tequila and mezcal in recent years has fueled consumer and brand owner interest in alternative agave-based spirits — those produced both in and outside Mexico.

The global agave-based spirits category saw volumes increase by 18% in 2021, following volume CAGR growth of 6%, 2014-2019. The category is expected to grow at 7% volume CAGR, 2021-2026. Tequila holds the largest share of the global agave-based spirits category and has enjoyed high levels of consumer demand in recent years: in 2021 tequila commanded 2.5% volume share of the global spirits market (excluding national spirits), up from 1.8% in 2016. The category is expected to grow at a volume CAGR of 7% globally, 2021-2026.

Brand owners are tapping into the growing demand for agave spirits in a number of ways, for example, by producing spirits using agave plants grown outside Mexico; by importing Mexican agave and distilling elsewhere; or even by investing in traditional Mexican agave spirits that are not tequila or mezcal, such as Pernod Ricard's recently announced partnership with Casa Lumbre and Lenny Kravitz to develop Nocheluna Sotol.

Many brand owners innovating and investing in alternative agave-based spirits draw on tequila and mezcal's heritage and production processes. With consumers increasingly aware of and educated about the provenance of the raw materials used in agave spirits production, many brands are highlighting sustainability stories and the impact of local terroir as they bring new products to market.

Non-Mexican Agave Spirits

Although tequila and mezcal are geographically protected, and must, by definition, be produced in certain parts of Mexico, agave spirits can be produced anywhere in the world.

"Alternative agave spirits are already being produced in countries outside Mexico, and over a longer timescale these could challenge tequila in meeting growing global agave spirit demand," said Brandy Rand, Chief Strategy Officer, IWSR Drinks Market Analysis.

Agave grows wild in places such as South Africa, Australia, India and along Mexico's northern border with the U.S. Leonista Agave Spirit, for example, is produced entirely from South African agave plants from the Karoo Desert. Making use of local Indian agave thought to have grown in India for centuries, Maya Pistola Agavepura is produced from 100% Wild Agave Americana sourced from the Deccan Plateau of India and produced in Goa. Released in 2017, Desert Door Original Texas Sotol is distilled from wild-harvested sotol, a plant that is a cousin of agave and grows in West Texas and Mexico. Black Snake Distillery in Australia produces a range of agave spirits made with locally grown agave and inspired by Mexican traditions.

Agave spirit producers outside Mexico are unencumbered by the extensive regulation controlling the production of spirits such as tequila and

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Graduates of DISCUS Academy Leadership Certificate Programs Honored; Applications Open for Next Sessions, Including New Women's Leadership Program

The Distilled Spirits Council of the United States (DISCUS) has announced the graduating classes of DISCUS Academy's two leadership certificate programs: the Executive Leadership Program and the Developing Leadership Program.

"These programs are dedicated to training leaders who are committed to improving the spirits industry," said DISCUS President and CEO Chris Swonger. "With the completion of these programs, our industry now has more than 30 newly certified leaders to help advance our sector and drive innovation for future growth."

The Executive Leadership Program is designed for spirits professionals who have at least five to seven years of experience and have demonstrated responsibility for cross-functional leadership and/or strategy-level decision-making in the distilled spirits industry. The 2022 Executive Leadership Program graduates are:

- Maridel Altmann, Director of Product Compliance, MHW
- Angela Balboa, Vice President National Accounts, The Wine Group
- Armin Buehler, Regional Communications Director, The Americas, Mast-Jägermeister
- Elana Effrat, Director of Marketing, One Eight Distilling
- Libby Enright, Director of Winery Operations & Compliance, McBride Sisters Collection
- Joe Girgash, COO, Co-Founder, Brain Brew Custom Whiskey
- Aaron Harris, Director of Operations & Head Distiller, Watershed Distillery
- David Harris, Co-founder, Song Dog Spirits
- Brian Hoyt, Stakeholder Relations Manager, JobsOhio Beverage System
- Yannis Karlos, Co-Founder/President, Park Distillery

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