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Tequila's Growth Story Enters a New Chapter

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

The U.S. tequila market is in transition as growth stalls after years of dynamic gains, but renewal in Mexico and a basket of promising emerging markets offer fresh opportunities — and challenges — for agave's future.

In a mostly downbeat global spirits market, tequila is providing a much-needed source of growth with gains outside the U.S. and is hinting at the category's gradual evolution to become a genuinely global phenomenon.

According to the latest IWSR data, global tequila volumes rose at a CAGR of +7% between 2019 and 2025 and are expected to expand at a CAGR of +2% to 2030, an uplift on the +2% volume gain recorded last year.

The U.S.: Tequila's bedrock, but in transition

The U.S. continues to dominate the global tequila market, accounting for over two thirds of volumes, but the rapid gains experienced here have effectively stalled with volumes flat in 2024-25 and predicted to dip slightly this year. This stagnation has consequences in a crowded marketplace.

"With approximately 2,500 registered tequila trademarks, roughly 900 viable competitors in the U.S., and only approximately 500 generating more than $10,000 in large retail, shelf space is highly contested," said Adam Rogers, North American Research Director at IWSR.

Beyond the flat headline numbers, however, the full story is more nuanced. Ultra-premium is the only price band growing strongly, albeit at a slower rate than recent years: volumes rose +7% in 2024-25, capping a +31% CAGR gain since 2019. The price tier's share of U.S. tequila volumes has nearly tripled from 6% in 2019 to 17% last year and is expected to reach 21% by 2030.

Meanwhile, super-premium tequila is contracting sharply with volumes down -6% in 2024-25 and a further CAGR decline of -5% forecast to 2030. At the same time, premium is gaining ground — volumes were up +1% in 2025, which may mean that the category sweet spot is shifting towards accessible premium products.

Mexico's revival

Tequila's number two market, Mexico has spent the past several years in a period of relative stagnation, but now there are new signs of life. According to IWSR data, volumes declined at a CAGR of -2% between 2019 and 2025 but bounced back with a +3% gain in 2024-25. Growth is expected to continue in the years to come with a forecast CAGR gain of +3% to 2030.

Standard and premium products are spearheading this recovery, together adding the most volumes in 2025 alongside strong gains for cristalino and premium-and-above plata tequila. Meanwhile, value and low-priced products are losing market share.

"The 2026 FIFA World Cup should provide a meaningful near-term tailwind for tequila in Mexico," said Jose Luis Hermoso, Research Director Central and South America at IWSR. "Meanwhile, a slower U.S. tequila market and much lower agave prices for tequila production will mean more focus by brand owners and producers on the domestic scene, which was neglected in the past when tequila was booming in the U.S."

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DISCUS on Canadian Tariffs

Below is a statement from Chris Swonger, President and CEO of the Distilled Spirits Council of the United States regarding President Trump's Presidential Proclamation imposing a 50% tariff on spirits from Canada August 19:

"For nearly a year and a half, American spirits have been pulled from store shelves across much of Canada as collateral damage in a broader trade dispute unrelated to our sector, and we appreciate the Administration's recognition of the significant damage these restrictions have caused U.S. distillers. We had hoped, however, that this issue could be resolved without further escalation. Imposing a 50% tariff on imported spirits from Canada deepens trade tensions and raises the risk of further retaliation at a time when many U.S. hospitality businesses continue to face financial hardships. We encourage policymakers on both sides of the border to pursue a negotiated solution that restores market access for U.S. spirits and avoids further harm to the U.S. hospitality sector."

Background

- Canadian provinces removed U.S. spirits from retail shelves in March 2025 in retaliation to U.S. tariffs on Canadian goods.
- Exports to Canada fell more than 70% year-over-year from the start of the retaliatory ban in March 2025 through December 2025.
- Alberta and Saskatchewan are the only two provinces that have since lifted their bans.

Disaronno Group

Illva Saronno Holding has rebranded itself as Disaronno Group, "marking a strategic evolution designed to strengthen the company's global presence and communicate their purpose even more clearly," according to a company statement.

"Celebrate *Il Buon Vivere* Together" is the new slogan.

The group delivered positive performance in its latest financial year with turnover growing by around +3% versus 2024 and consolidated revenues reaching €370 million ($433 million). International expansion remains central, with 70% of turnover generated outside Italy and a distribution network spanning almost 160 countries worldwide. Growth in 2025 was further accelerated by operations including the acquisitions of Amaro Averna and Zedda Piras, both announced at the end of 2025, with completion expected before the summer.

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