



## SHANKEN NEWS *Daily*

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### TEQUILA, MEZCAL BOOM AT RETAIL DESPITE SUPPLY SHORTAGES

VPM: 43,518

Circ: 35,000

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Surging demand for agave spirits continues to outstrip supply, according to retailers in multiple states. “We aren’t even close to meeting demand in the ultra-premiums,” says Jason Schneider, general manager and spirits buyer at Bottle Barn in Santa Rosa, California. “Certain brands are seeing long period outages, but customers are exploring new options, so we aren’t necessarily losing sales.”

Retailers are adjusting shelf space for Tequila as Covid-related supply chain issues and bottle shortages for some producers are corrected. Bottle Barn carries more than 400 agave-based spirits SKUs, comprising 80% Tequila and 20% mezcal. The retailer’s Tequila sales have increased 25% this year. Popular brands include Hornitos (\$19 a 750-ml.), Casamigos Blanco (\$45), and

### 3 BADGE BEVERAGE CORPORATION

Teremana Reposado (\$30). “The sweet spot is \$20 on the low end, \$40 on the higher end, and \$125 for ultra-premium,” Schneider says. “Customers are interested in ultra-premium extra añejo offerings retailing at more than \$100 a 750-ml.”

**Mezcal brands leading the charge at Bottle Barn include** Yuu Baal (\$34 a 750-ml.), Fidencio (\$35), and **Bozal Borrego (\$80)**. “The sweet spot is \$30-\$50 and \$110 at the high end,” Schneider says. **“Our customers are also stretching out to other agave products like Bacanora and Sotol.”**

At the 58-unit WB Liquors & Wine chain in Texas, Tequila sales are up 11% in 2021 and mezcal has increased 31%. Tequila accounts for 18% of the store’s spirits sales, compared to vodka’s 18.8% share. “Premiumization continues to be the significant Tequila purchase trend,” says WB Liquors president and CEO John Hermann. “The influx of celebrity interest in Tequila will help build on its recent rise.”

WB carries 107 Tequila brands and 26 mezcal brands. Top-selling brands include Patrón Silver (\$49 a 750-ml.), Hornitos (\$49 a 1.75-liter), and Don Julio 1942 (\$140 a 750-ml.). “We’re still experiencing out-of-stock across the board in silver, Reposado, and Añejo, and there are multiple brands on monthly allocations,” Hermann says. Market Watch has more on the booming retail scene for agave spirits.

#### **BOZAL / BORREGO MEZCAL**