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MEZCAL RETURNS TO STRONG GROWTH AFTER 2020 SLOWDOWN

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With much of its previous growth coming from the on-premise, mezcal slowed significantly during the pandemic, as lockdowns shuttered bars and restaurants across the country for much of last year. After a 50% surge in 2019, export shipments of mezcal to the U.S. advanced just 5% in 2020 to just under 400,000 9-liter cases, according to the Consejo Regulador del Mezcal. The U.S. remained the world's largest market for mezcal and now comprises nearly half of world shipments, as the Mexican domestic market fell 13% last year.

3 BADGE BEVERAGE CORPORATION

Pernod Ricard's Del Maguey remains the largest-selling mezcal brand in the U.S., even after the pandemic caused a rare decline last year to 53,000 case depletions. Other major industry players with a notable presence in the mezcal sector include Diageo (with Casamigos and Sombra), Bacardi (Illegal), and Campari (Montelobos). Proximo's Creyente brand registered a 15% gain in 2020, according to Impact Databank.

Beyond the big names, craft players also found success last year, in spite of the pandemic. CNI Brands' Banhez reached roughly 37,500 cases in 2020, rising nearly 25%, and is the market's second largest-selling Mezcal brand. **3 Badge Beverage Group's Bozal soared 40% last year—according to Impact Databank**—while Samson & Surrey's Vago also bucked the on-premise swoon, with a 15% increase in volume.

Mezcal has also been making headway in the off-premise, and as the country slowly emerges from the pandemic, 2021 results have shown great promise so far. In the 26 weeks ending May 22 in Nielsen channels, the only spirits category to grow faster in dollar terms than mezcal (+42%) was the red-hot pre-packaged cocktails sector. And in spite of tough comparisons against last year's off-premise surge, mezcal still managed a 17% gain in the most recent 13-week period.

BOZAL / MEZCAL