

Beverage Journal

MAY 2025

AGAVE RISING

AS TEQUILA DEMAND CONTINUES,
WHAT'S HAPPENING WITHIN THE
BROADER CATEGORY OF AGAVE SPIRITS?



BUYERS' FAVORITE MEZCAL
AGAVE SPIRITS, BEYOND MEXICO





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**MARYLAND LEGISLATIVE SESSION:
SOME QUICK HIGHLIGHTS**

The 2025 Maryland General Assembly session concluded with several significant developments impacting the state's beverage alcohol industry. While some proposed changes were enacted, others were set aside, reflecting a complex legislative landscape.

LEGISLATIVE OUTCOMES:

Class 5 Brewery Sales Expansion: House Bill 1551 was passed, allowing Class 5 brewery license holders to increase the percentage of beer not produced by them that can be sold for on-premises consumption, provided they also hold an applicable on-site consumption permit or a Class D license. This change, effective July 1, 2025, offers breweries greater flexibility in their offerings.

St. Mary's County Licensing Adjustments: House Bill 574 authorizes the Board of License Commissioners for St. Mary's County to issue up to three Class B beer, wine, and liquor restaurant licenses to a single person under certain conditions. This aims to support local restaurant growth while maintaining regulatory oversight.

DEFEATED OR WITHDRAWN:

Beer and Wine Sales in Grocery Stores: Efforts to permit beer and wine sales in grocery and chain stores were unsuccessful. Senate Bill 824, which sought to repeal the prohibition on issuing Class A licenses to such retailers, was withdrawn by its sponsor due to lack of committee support. Governor Wes Moore had expressed support for this initiative, indicating it may reemerge in future sessions.

Direct-to-Consumer Alcohol Shipping: A



proposal to permit direct-to-consumer shipping of alcoholic beverages into Maryland was introduced but ultimately did not advance. This legislation aimed to allow consumers to receive alcohol shipments directly from out-of-state producers and retailers, bypassing local distributors and retailers. The Maryland State Licensed Beverage Association (MSLBA) opposed the bill, citing concerns about the potential negative impact on local businesses and the challenges of regulating such shipments. The defeat of this proposal was viewed by industry stakeholders as a significant victory in preserving the existing three-tier distribution system and protecting local retailers from increased competition.

ECONOMIC CONTEXT:

The session occurred amid a challenging fiscal environment, with Maryland facing a \$3.3 billion budget deficit. In response, lawmakers implemented spending cuts and introduced tax increases targeting high-income individuals, including new taxes on IT services, capital gains, recreational cannabis, and sports betting.

LOOKING AHEAD:

While some initiatives did not advance, the discussions signal ongoing debates that may shape future legislative sessions. Business owners in the beverage alcohol sector must stay informed and engaged as these conversations continue to evolve.

Next month, staff writer, Teddy Durgin will give a comprehensive summary of all the legislation passed and defeated affecting the beverage alcohol industry in Maryland. ■

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FACCI

GINO PALMA'S AMERICAN DREAM

WRITTEN BY TEDDY DURGIN

Gino Palma is the embodiment of the American dream. The Pozzuoli-born restaurateur emigrated without any family to the United States at the age of 19. He had almost no money and spoke very little English, but he knew he could find employment in foodservice. He worked 15- to 17-hour days at Italian restaurants throughout Pennsylvania, Virginia, and Maryland, doing everything from washing dishes to bussing tables. Slowly, he began to work his way into the kitchen with an eye on entrepreneurship.

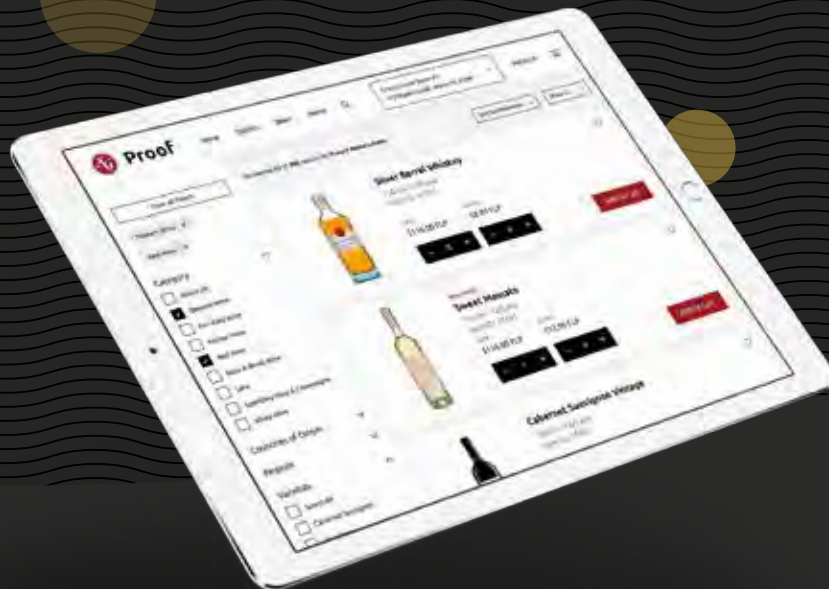
Now 48, Palma opened his third Facci in Baltimore's Inner Harbor in March 2024 after successful launches in Laurel and Ellicott City. Palma, in a recent sit-down interview with the Beverage Journal, said, "I love looking for a location, finding the location, negotiating the lease, and seeing the completion of the vision in my mind. After that, after this baby has come to life, I love it when people walk in, and their mouths open, and they look around for the first time and say, 'Wow! Look at this! Look at that!'"

At the Baltimore location, this could mean everything from the huge picture of Italian movie legend Sophia Loren (who's from Pozzuoli also) on the wall to the centerpiece oven made by an artisan from Naples to the fancy indoor-outdoor bar. Palma has never hired a designer, instead fashioning the look and layout and all of the exterior and interior elements himself.

(continued on page 6)

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Gino Palma
owner / operator
Facci

(continued from page 4)

Facci has gained a foothold in a niche known as “elevated dining,” not fine dining. A visit to any of the three locations will find locals and regulars wining and dining alongside families with young children, couples on romantic dates, singles grabbing a quick bite, even tourists at the Baltimore site.

Palma remarks, “This is the funny thing about my restaurants. We cater to everybody. You can bring your first date here. You can be celebrating years of marriage with an anniversary dinner. Or you can have your big birthday party here. Families are very welcome. But there’s a little bit for everybody.”



Most people come for the food, with pastas and pizzas being the menu’s primary focus. Executive chef Nicola Morosini heads all three Facci kitchens, and some of his signature dishes include Seafood Marbella, Pollo Limone, and the stuffed eggplant appetizer.

But Facci’s beverage selection is also quite impressive. “We have 375 labels of wine on our list,” noted Palma. “That’s super-extensive. And all three of our restaurants have a wine room, [in] which you can enjoy a beautiful display of our bottles.” Those wines lean very heavily to

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Italian varietals. The cocktail list, meanwhile, includes several classics with twists – everything from the Facci Cosmo to the Facci Martini to the Facci Margarita. One particular favorite is the Bada Bing, a mix of chocolate vodka, double espresso vodka, Frangelico, and Bailey’s.

Facci is part of our ongoing series of bars, restaurants, taverns and other food and beverage establishments in and around Maryland and Washington, D.C., with interesting, quirky, or funny names. No Palma’s eateries are NOT named after the former Chief Medical Advisor to the President during the muddled COVID-19 era. The pronunciation is the same, but that Anthony had a “u” in his last name.

The name actually comes from Palma’s wife, Pilar, who is originally from Peru. She wanted to be able to communicate with her husband’s family and decided to take “an intense Italian language course.” The Facci menu explains: “One day while practicing Italian with [Gino], she said la tua facci but meant to say la tua faccia . . . Italian for ‘your

face.” When Palma heard facci instead of faccia, he started laughing and thought it was cute. “Ever since that day, I called her Facci,” he said.

By the numbers, the Palmas have been married 24 years, have two children and (of course) the three restaurants. And while Gino and his family have certainly faced their fair share of hardships, challenges still remain in the ultra-competitive landscape of Maryland restaurants. The number one challenge? Staffing. “We have wonderful staff, but it’s hard to find people who have the same work ethic as I have had,” he stated. “People used to take pride in what they do, and you don’t see that as much anymore.”

He concluded, “Someone once [advised] me, ‘Gino, you give and don’t expect anything back. If you do, the universe will give back to you.’ I’ve been told I am too nice, because I do give a lot of myself and don’t expect something back. It’s hard to talk about it, because it’s normal to me. It’s not something I remind myself to do. I don’t remind myself to breathe. And I don’t remind myself to be nice and give. And I have been rewarded for it. I didn’t go home broke. March 25th marked 29 years for me here in America, and I am living The Dream!” ■



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HERITAGE CONNECTION

Scot Bilbro, the owner and winemaker of Marietta Cellars, founded **Old Vine Ranch** on a rugged stretch of land in the Mayacamas mountain range. The site, teeming with a blend of vines dating back to the 1880s, is where Bilbro sources grapes for four of the brand's wines: the historic Zinfandel-dominated Old Vine Red Lot 75 blend, the blackcurrant-forward Cabernet Sauvignon, the fruity Sauvignon Blanc, and the zesty rosé, produced in a Provençale, direct-press style from some of California's oldest Syrah and Grenache vines.

SRP: \$19.99 per 750-ml bottle



SPRING FLOWERS

In 1973, Benefizio, part of the **Frescobaldi** portfolio, became the first Italian white wine to undergo both fermentation and aging in barriques at Tuscany's Castello Pomino. The Pomino Riserva 2022 incarnation of the golden-hued 100 percent Chardonnay balances a bouquet of orange blossom and white pepper with a creamy, mineral-tinged palate.

SRP: \$47 per 750-ml bottle



REFLECTIVE MILESTONE

Since 1993, Luce has been a proud symbol of Montalcino, and the 30th edition of this Italian wine, a blend of elegant Sangiovese and soft Merlot grapes, continues to reflect **Tenuta Luce's** respect for terroir. The Luce Toscana IGT 2022 opens with aromas of red fruit and florals, paving the way to smooth tannins and a long finish. **Mazzei** is also celebrating the 30th anniversary of its own Sangiovese-Merlot blend. The 2022 vintage of Siepi, from a vineyard that's been in the Mazzei family's hands for nearly 600 years, is rife with deep plum and cherry notes.

SRP: \$125 (Luce) and \$130 (Siepi) per 750-ml bottle



INTO THE GREEN

J. Lohr Estates has released the 2022 vintage of its Seven Oaks Cabernet Sauvignon—a Paso Robles bestseller—and for the first time it bears the Certified California Sustainable seal on the back label. Administered by the California Sustainable Winegrowing Alliance, the seal indicates a wine was made in a Certified California Sustainable Winery from California-grown grapes, at least 85 percent of them from certified-sustainable vineyards. The juicy, red fruit-laden Seven Oaks shines a spotlight onto J. Lohr's sustainability initiatives, including reduced water usage and renewable energy.

SRP: \$17 per 750-ml bottle



7 MEZCAL THAT BARTENDERS LOVE

FROM UNCERTIFIED, SMALL-BATCH RELEASES TO MEZCAL FERMENTED IN RAWHIDE, THESE ARE THE EXPRESSIONS THAT STAND OUT TO AGAVE SPIRITS EXPERTS RIGHT NOW

BY TYLER WETHERALL



This year marks the 30th anniversary of Del Maguey mezcal. Founded by visual artist Ron Cooper in 1995, it was the first commercially available mezcal in the U.S. at a time when few drinkers here could name the spirit. In the decades since, Del Maguey has been acquired by Pernod Ricard; Bacardi entered the game after buying Illegal Mezcal; and the once fringe spirit is now stocked in 95 percent of bars, with over 80 percent offering three or more expressions.

Mezcal sales still represent just three percent of total agave spirits by volume, but IWSR predicts it will rise by a compound annual growth rate of 10 percent (2022 to 2027) presenting new opportunities. Del Maguey Vida might still be the most pervasive brand, but bartenders and aficionados have developed a taste for the lesser-known, often family-owned mezcals with limited, small-batch releases that speak to the spirit's artisanal heritage and offer a wild diversity of flavors and profiles—beyond the smokiness for which the spirit is known.

These bottlings make their way to the U.S. via a handful of passionate and

specialized small importers, such as Heavy Métl, which brings in Real Minero, Rey Campero, and Chacolo, amongst others; or Raíces Imports, which works with Zincantan Mezcal, Fanekantsini, and Los Cantiles 1905. In November, the U.S. distribution arm of Maguey Spirits, owned by brothers Alejandro and Christian Rossbach, purchased Bozal Mezcal from 3 Badge Beverage Corporation, returning the brand to Mexican ownership. The work here is to protect mezcal from suffering the same mass-produced and homogenized fate of tequila.

Many of these bottlings can't be legally labeled mezcal, as procuring the certi-

fication from the Consejo Regulador del Mezcal (CRM) is prohibitively costly for small-scale producers. But as Haley Saucier, the owner and beverage director of Espiritu Mezcalería in New Orleans, says, "We subscribe to the traditional definition that mezcal is a spirit made of 100 percent

"We subscribe to the traditional definition that mezcal is a spirit made of 100 percent cooked agave, and that families who have been producing the spirit for generations don't need the CRM holographic sticker to be mezcal."

—Haley Saucier,
Espiritu Mezcalería

cooked agave, and that families who have been producing the spirit for generations don't need the CRM holographic sticker to be mezcal."

Such has been the education around the fledging agave spirits category—which was formalized by the U.S. Alcohol and Tobacco Tax and Trade Bureau as recently as 2020—that often uncertified mezcals carry more cachet. As such, this list of mezcal expressions includes both certified and uncertified bottles, but all of them have been recommended by bartenders who are passionate and knowledgeable about the category. (All mezcals are listed with suggested retail price per bottle.)

**ULTRAMUNDO,
MAPIMÍ, DURANGO;
\$149**



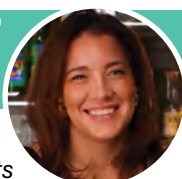
Selected by Ian Couch, bar manager, Techo Mezcaleria and Agave Bar, Austin, Texas



At Austin's Techo Mezcaleria and Agave Bar, bar manager Ian Couch tastes every single bottle that makes its way through the doors. "Ultramundo, made in the state of Durango, stands out as one of the most beautifully unique agave spirits I have ever encountered," he says. It's sustainably produced at the regenerative Rancho Pelayo in Durango, using Lamparillo, or *Agave asperima*, a rare, resilient species, which founder Sergio Garnier discovered growing wild on the property.

Mezcals made with Lamparillo have a "green bell pepper spice to it," says Couch, but the "savory layers and buttery viscosity really make this mezcal stand out." He adds: "There's no doubt the producers know what they're doing, and the terroir just makes this mezcal explode with flavor. Every customer I come across, knowledgeable or not regarding mezcal, is blown away by this juice." Couch also praises Ultramundo's animal preservation work. "Biodiversity is so essential to the preservation of all species of agave," he says. "Mezcals like Ultramundo are what make this spirit the most diverse, romantic, and fun in the world."

**BOZAL 'ENSAMBLE,'
MIAHUATLÁN Y
ETLA, OAXACA; \$49**



Selected by Julianna Arquilla, spirits director, Frontera Grill, Topolobampo, Bar Sótano, and Xoco, and general manager, Bar Sótano and Frontera Grill, Chicago

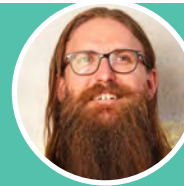
Julianna Arquilla oversees a list of nearly 200 mezcals at Chicago's Bar Sótano and devises agave pairings for the dishes at Topolobampo. She finds Bozal Mezcal's Ensamble to be "a great work horse for the restaurants," she says. Made from a blend of wild agaves (Mexicano and Barril) and cultivated Espadín, it's produced using traditional methods with the agave cooked in an earthen pit oven and crushed by a tahona wheel turned by a horse or bull.

"I've used it for the agave pairings in Topolobampo and cocktails in Bar Sótano and Frontera Grill," Arquilla says. "It has a really lovely mouthfeel making it enjoyable to sip on its own [or] great with oysters and aguachile. It also has enough flavor to stand up in a cocktail. Right now it's in Bar Sótano's El Sótano (our riff on a Last Word). The beautiful herbal qualities and sweetness



with light smoke just really sing in the cocktail."

**ZINACANTAN
ESPADILLA CON
GUAVA, SAN
DIEGO LA MEZA
TOCHIMILTZINGO,
PUEBLA; \$170**



Selected by Kip Moffitt, head bartender, Superbueno, New York City

Kip Moffitt, the head bartender at Mexican-American cocktail bar Superbueno in New York City, spotlights a new-to-market bottle from Zinacantan Mezcal. Fourth-generation maestra mezcaleria Fabiola "Faby" Monfil and cofounder Diana Pinzon, an ecologist, see the brand, founded in 2019, as an agroforestry project primarily that also produces a mezcal. Committed to seasonal, responsible production, the Zinacantan Espadilla con Guava is a limited, special release.



"This expression is one of my favorite mezcals at the moment," says Moffitt. "The guava is harvested from wild trees on [Monfil's] brother's property then added to a long fermented Espadilla, then single distilled in copper. The strong guava aromas and texture it adds makes it truly unique and will forever hold a lasting impression on me."

**YUU BAAL REPOSADO
ESPADÍN MEZCAL,
OAXACA; \$48**



Selected by Aubrey Bailey, owner, Chispa Bar and Cadet, Napa, California

Aubrey Bailey is the owner of Chispa Bar, the first agave-focused bar in Napa, California, with a selection of 40 mezcals. As the former sommelier at the French Laundry, she brings the same level of attention to terroir when developing its mezcal se-


BUYER PICKS



lection, a highlight of which is Yuu Baal. Comprising producers in San Juan del Río, San Luis del Río, Tlacolula, and Miahuatlán, the social enterprise highlights the traditions of the native Oaxacan producers of mezcal.

“Yuu Baal is the definition of artisanal mezcal to me,” Bailey says. “They celebrate the artistry of mezcal production with traditional, small-batch methods that provide a beautiful range from vibrant, young mezcals to more nuanced mezcals with age.” The Yuu Baal Reposado Espadín Mezcal is her favorite for the smoothness and complexities that come with its six-month aging in American white oak.

**CINCO SENTIDOS
SIERRA NEGRA
DE CUERO,
SANTA CATARINA
ALBARRADAS,
OAXACA; \$130**



*Selected by Greg Boehm, owner,
The Cabinet Mezcal Bar,
New York City*


Starting as the house mezcal at Oaxaca’s El Destilado restaurant and mezcaleria, Cinco Sentidos launched its own label, bottling agave spirits purchased directly from small-scale producers. Each expression celebrates the maestro mezcalero who created it, the region, and the agave expression.

When Greg Boehm, the owner of The Cabinet Mezcal Bar, vis-



ited Cinco Sentidos producer Alberto Martinez’s palenque in the Sierra Norte mountains, he fell in love with the Cinco Sentidos Sierra Negra de Cuero. “[It’s] my favorite mezcal at the moment both for the beauty of the huge agave that can take over 25 years to grow and for the rich flavor,” he says. The mash is fermented in rawhide, an antiquated technique that very few mezcaleros practice today. “This mezcal has both an unusual funk and pure deliciousness,” says Boehm, with “an enticing taste that balances hints of tobacco and asphalt. Trust me, it is tastier than it sounds.” Batches of this expression are so small it’s usually only available in the tasting room, but after Boehm’s reaction, founder Jason Cox bottled it for him. “It is so incredible to be able to offer it to guests.” (Pictured is the Sierra Negra by Alberto Martinez, which is the same mash fermented in stone tanks, and available at retail.)

**REAL MINERO
PECHUGA, SANTA
CATARINA MINAS,
OAXACA; SRP: \$199**



*Selected by
Michael Manoocheri,
director of food & beverage,
The Pony Room in Rancho Valencia,
Rancho Santa Fe, California*

At The Pony Room, Michael Manoocheri, the director of food and beverage, looks for “rare, high-quality mezcals with a sense of place and tradition,” he says, such as the Real Minero Pechuga. “[It] embodies the artisanal craftsmanship of mezcal. The small-batch mezcal is distilled in clay pots using traditional methods, giving it an incredible depth of character.”

Produced in the pechuga style, on the third distillation, the mezcalero adds fresh fruit to the mix, and then suspends



a raw chicken breast in the still so the vapor must pass over the meat before bottling. “[It] results in a beautifully complex spirit with notes of ripe stone fruit, warm spice, and a subtle savory depth,” says Manoocheri. “Guests love it because it’s complex and elegant while the pechuga-style third distillation adds an exquisite depth, creating a harmonious blend of fruit, spice, and umami—a true mezcal for connoisseurs.”

**ESFUERZO MEZCAL
ARTESANAL
MADRE CUISHE,
SAN DIONISIO
OCOTEPEC,
OAXACA; \$90**



*Selected by Paul Gonzalez, co-owner,
Maestro Restaurant, Pasadena,
California*

For half a century, maestro mezcalero Margarito García produced mezcal in his home town of San Dionisio Ocotepc for his community. After his son Artemio “Temo” García Cruz returned home to work with him, they partnered with David Martinez to create Esfuerzo Mezcal, and, in 2020, launched in the U.S., with a commitment to maintaining transparency and sustainability.

Their mezcals strike a chord with Paul Gonzalez, the co-owner of modern Mexican restaurant and craft cocktail bar Maestro in Pasadena, California, which carries a small but highly curated selection. “We’re really excited about the newest batch from Esfuerzo Mezcal on our shelf,” he says. “What stood out to me the most is the [Madre] Cuishe—it has an earthy flavor with a hint of wet terroir, which I love. It comes in at 47% ABV, right where authentic mezcal should be. Sourced from San Dionisio Ocotepc, Oaxaca, it carries the traditional Oaxacan flavor profile that everyone recognizes.” ■





THE GROWTH OF AGAVE SPIRITS FROM OUTSIDE MEXICO

WHILE THE CATEGORY IS DOMINATED BY TEQUILA AND MEZCAL, INTEREST IN A WIDER RANGE OF AGAVE SPIRITS IS PROGRESSING, AND WITH IT THE ENTRY OF MORE NON-MEXICAN BRANDS INTO THE U.S. MARKET

BY N.C. STEVENS

Mexico has long had a global monopoly on the commercial export of spirits from the native agave plant—and to great success. The past two decades witnessed an 180 percent increase in the volume of tequila sold in the U.S., and in recent years this has driven interest in agave spirits production outside of the homeland of tequila. There's now a small but burgeoning industry in agave spirits—both new and traditional—hailing from Australia to the Andes, but, also, notably, from the U.S. itself.

Over 500 brands of American distilled agave spirits have been registered in the U.S. market, according to the U.S. Alcohol and Tobacco Tax and Trade Bureau (TTB). The number is only increasing year over year. Brands originally relied on imported

Mexican agave or agave syrup to make their spirits, but now American distillers are looking to U.S. farmers for a supply of agave from fast expanding fields of domestic agave crop.

Within the mighty, tequila-dominated category of agave spirits in the U.S., however, this growth represents a tiny fraction of the market. What will it take to push domestically produced agave spirits from niche to mainstream? And is there a future in which California agave spirits find shelf space beside premium Mexican tequilas? Some producers are betting on it.

ABOVE: In California, agave cultivation is still negligible, but it's growing every year, fueling an emerging niche subcategory of Californian agave spirits.

THE EMERGENCE OF A GROWING AGAVE SPIRITS CATEGORY IN THE U.S.

Since the 1994 signing of NAFTA, the TTB has recognized tequila as a distinctive spirit of Mexican origin. Subsequently, U.S.-Mexico trade in spirits boomed by 4,080 percent. For the longest time, Mexico enjoyed a monopoly on the entire category of agave spirits according to U.S. law, but in 2018, the TTB, which had previously recognized tequila at the class level—as it does other spirits like rum, gin, or vodka—proposed a new class of agave spirits, housing tequila and mezcal as specific subcategories from Mexico, but also allowing for non-Mexican products.

“There is no other spirit that suffers from the category being captured by a denomination of origin,” argues Eliot Logan-Hines, who founded Chawar in 2019. An Ecuadorian spirit distilled from the fermented sap of agave, *chawarmishki*, as it’s called in Quechua, is more similar in production to Mexico’s pulque than mezcal or tequila. “Champagne exists in a broader category which is sparkling wine, which exists in a broader category which is wine.”

American craft distillers and their advocate groups generally welcomed the proposal. Mexico’s Consejo Regulador de Tequila (CRT) did as well, so long as tequila and mezcal retained their naming



ABOVE: The California Agave Council, a nonprofit trade association established in 2022, represents the growing number of agave growers and distillers in the state.

protection. Meanwhile, larger spirits interests like Diageo and the Distilled Spirits Council of the United States opposed it, lest it allow other producers to “take advantage of tequila’s or mezcal’s prestige.”

Ultimately, the new category was approved in 2020, and for the first time, tequila and mezcal, long the catch-all for agave spirits, became part of a broad and diverse category in the U.S. In the five years since, U.S. distillers in dozens of states have filed nearly 500 applications for a Certificate of Label Approval (COLA) from the TTB in this new class. And the pace is accelerating. In 2020, 58 U.S. agave spirit labels were registered; in 2024 that number rose to 143.

There have also been 900 filings from Mexican distillers, representing a variety of distillates like raicilla, bacanora, and wild agave blends that are not labeled tequila or mezcal due to cost, producer preference, or legal constraints surrounding the two denominations of origin. And there have been about two dozen filings from producers outside

LEFT: Chawar, an indigenous Ecuadorian spirit, is now available in the U.S. as an agave spirit.

of the U.S. and Mexico, including from distillers in India, Australia, Ecuador, Peru, and Venezuela, where the species *Agave cocui* (which is not endemic to Mexico) has long been distilled into cocuy, soon to arrive in the U.S. market. “We are coming in as an agave spirit,” explains Sofi Smith of La Capilla Cocuy. “We are next to the bacanoras. Right next to sotol. We are lucky to be next to Mexican spirits, but we are agave with a twist.”

SOURCING AGAVE IN THE U.S.

Many American craft distilleries rely on agave or agave syrup exported from Mexico as their base material. Distillers, such as Connecticut’s Litchfield Distillery or Virginia’s Mt. Defiance Distillery, import agave nectar from Mexico. Another strategy, approved by U.S. Customs in 2019 for San Diego’s Cut Water Spirits, involves importing a blend of tequila and fermented agave wine at around 25% ABV to be further distilled and fortified into an American agave spirit. A new option will also be open to U.S. distillers in the coming months; Grover and Scarlet Sanschagrín,





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– Patricia Swenson,
Shelter Distilling

the founders of Tequila Matchmaker, created Respeto Agave, a distillery-ready syrup that retains the characteristics of traditionally roasted and milled Blue Weber agave.

Some U.S. distillers are producing agave spirits from domestically grown plants, but agave cultivation is still so negligible that the United States Department of Agriculture (USDA) does not yet track it as a crop, even though it’s native to eight U.S. states and Puerto Rico. “It’s pretty niche right now, but it’s growing,” says Stuart Woolf, the president and CEO of Woolf Farming, who has planted around 200,000 plants a year for the past two years making him California’s largest grower. “If you went back before I started growing, there were probably 40 to 50 acres [in California.] Today it is closer to 700 acres. I’d say in another year, we will be closer to 1,200 to 1,400 acres.”

Woolf has also seen a spike in interest in reselling agave plant pups—or *hijuelos* in Spanish—imported from Mexico for cultivation by other California growers. “The number I’m selling is doubling and tripling as the years go by,” says Woolf. “It’s still a chicken and egg thing—anyone who is planting now is betting that someone is

going to put in the capacity to process and distill them.”

Where over-planting and agave monoculture has caused economic and environmental issues in Jalisco, California farmers see the plant as an environmental solution. In 2024, the USDA awarded UC Davis Agave Center and the California Agave Council each \$500,000 to train farmers in agave cultivation and research the crop’s potential in the state. Agave is not just a potential cash crop, it is an answer for many California farmers



facing water shortages that prevent the cultivation of most other traditional crops. “I’ve got this family legacy of land, but I don’t have enough water to farm it all,” says Woolf. “So I have this challenge of how to manage this land. One thing I can do is to grow a crop that is drought tolerant and climate resistant.”

Some California distillers, like Shelter Distilling, already have American-grown agave spirits on the market, although they consider their production as R&D and count their bottles by the hundreds. Most producers are still testing which varieties will grow in California to make domestic production viable. “The state is in the very early steps of finding what plants will grow here and what flavors will be produced here,” says Adam Goldberg, the cofounder of Stargazer Spirits in Sonoma County. “There are folks looking to grow *Agave tequilana*—a high-sugar agave. It has commercial appeal and it’ll be used for larger scale projects.” But producers like Stargazer, who have planted 36 different varieties to see which ones thrive and produce distinctive spirits, will focus on building brands that feel more like family wineries than Jose Cuervos. In 2022, California passed a law protecting its agave growers and distillers—a bottle labeled “California agave spirits” must now be produced entirely from agaves grown within California, with no additives permitted.

Nonetheless, California’s efforts are dwarfed by Mexico’s prowess. In 2023, Blue Weber agave (*Agave tequilana*) covered an area of around 214,621 hectares in the Mexican states that produce tequila. From 2014 to 2023, the state of Jalisco alone saw the cultivated area increase by nearly 6,382 hectares on average annually. The growth has been so meteoric—leading to

TOP: Shelter Distilling’s Rancho Del Sol uses only Californian-grown agave. LEFT: Agave India released its first agave spirit in 2011.



ABOVE: Agave was first planted in India in the 19th century by the British to prevent cows from crossing onto railways and has grown uncultivated ever since.

a crisis of overproduction of the plants—that the state of Jalisco has committed to replanting 796 hectares with sugar cane. In other words, Jalisco will purposefully uproot double the acreage of agave than is currently planted in all of California.

WHAT DOES THIS MEAN FOR TEQUILA AND MEZCAL?

The CRT is wary of others piggybacking on tequila's hard-earned success. "In the event that the cultivation [of U.S. agave] prospers and some agave distillate is made, this may not under any circumstances make reference to or take advantage of the reputation of tequila, directly or indirectly, since it will become a clear unfair competition, which will be duly denounced at the time, demanding the respect that tequila deserves based on the recognition in that nation of tequila as a certification mark," a spokesperson for the CRT shared in an email.

Mexico's industry has expressed concern over similar competition in the past. In 1997, as Mexico faced an agave shortage, the CRT worried about a "tequila war" with South Africa where non-native agave grew extensively in the Karoo

LEFT: In Australia, agave offers a drought-tolerant crop for farmers facing water shortages.

semidesert region. The South African company Tequila and Mezcal Distillers Ltd was slated to produce 240,000 liters of alcohol per month by 2000, but the product never materialized. Similarly, there was some concern from the Unión Mexicana de Productores de Nopal, Tuna y Maguey in 2007 when Chinese companies were patenting products based on agave and prickly pear cactus.

Craft producers in California, however, don't see themselves in competition with Mexican distillers. "The French used to make great wine, but everyone knows what happened when California entered," quips Patricia Swenson, the executive chairman of Shelter Distilling. "But that didn't diminish the value of French red wine. So we aren't trying to diminish the importance of tequila and mezcal distillers, we just want to make something unique in California. We are very much positioning this as its own category."

Terroir, agave species, and production technique all figure prominently in the way they communicate about their spirits, so the fledgling world of California agave spirits is more likely to dip into the market share of premium Mexican products than any of the bulk options. "The cost of growing agave in Mexico is so much cheaper than here in the United States," Grover Sanschagrín says. "For comparison, the going rate right now for mature agave

"Within my lifetime, I have no doubt there will be a California agave spirit on the shelves at Costco."

– Adam Goldberg,
Stargazer Spirits

in California is 66 pesos (\$3.25) per kilo, and at the highest point of the crisis in Mexico, agave was at 31 pesos (\$1.53.) All of the California stuff is going to be really expensive."

While the U.S. industry is in its infancy, the era of agave spirits being the sole commercial domain of Mexico is ending. Markets like India and Australia benefit from local agave spirits with cheaper transportation costs. Farmers in increasingly arid regions in Israel and California will find agave an ever-more attractive crop. And consumers the world over, who have proven to have an insatiable thirst for more agave spirits from Mexico, will be intrigued by new, local offerings. No, these won't be tequilas or mezcals, but they are coming nonetheless. "Within my lifetime, I have no doubt," says Goldberg, "there will be a California agave spirit on the shelves at Costco." ■

