	Geographical Indication Product Database - Step 1- ***Tequila*** **from Mexico**	**SOURCE :** **Author : Sarah Bowen** **Institution : University of Wisconsin-Madison** **Date : 10/09/2006**

DESCRIPTION :

1. **NAME OF PRODUCT : *Tequila***

2. **COUNTRY AND REGION IN THE COUNTRY: Mexico – the state of Jalisco and parts of four other states**

3. **TYPE OF PRODUCT : (including the possible substitutes and imitations of the product)**

Tequila is a liquor made by fermenting and distilling the roasted hearts of the blue agave plant. Generic agave liquors are produced in Mexico, and three other agave liquors (mezcal, sotol, and bacanora) are also recognized as GIs.

4. **DESCRIPTION OF THE PRODUCT AND ITS AREA (including its specific characteristics, conditions of production, main differences with the substitutes) :**

The protected area in which *tequila* is produced is comprised of 180 municipalities and includes the entire state of Jalisco, as well as parts of four other Mexican states (Guanajuato, Michoacán, Nayarit, and Tamaulipas). *Tequila* must be produced from a minimum of 51% Weber blue agave sugars. The production of tequila is regulated by the Tequila Regulatory Council, a non-governmental regulatory and monitoring agency established in 1994.

5. **LINK WITH THE GEOGRAPHICAL AREA (tradition, know how, reputation, soil, climate, etc.):**

The Amatitán-Tequila valley is where *tequila* production originated over 400 years ago, as a combination of indigenous and Spanish traditions. In 2006, the "agave landscape" in the valley (including agave plantations, former and current distilleries, and archaeological ruins) was awarded UNESCO World Heritage status. *Tequila* production is primarily concentrated in the Amatitán-Tequila valley, where 47% of *tequila* was produced in 2005, and in the highland area of Jalisco. Recently, after a severe agave shortage that occurred between 1999 and 2003, production of agave has begun to expand into new areas, within the protected region but without a tradition of cultivating agave.

6. **PRODUCTION SYSTEM / SUPPLY CHAIN (some data about the number of producers, processors, market structure) :**

In 2005, the agave-*tequila* industry was associated with the direct creation of 34,391 jobs, including 12,000 agave farmers and 11,200 agricultural day-laborers. The *tequila* industry is highly concentrated, with four firms (Cuervo, Sauza, Herradura, and Cazadores) controlling the majority of the market. Formerly Mexican-owned firms are increasingly establishing partnerships with or being bought out by multinational firms, as a way of increasing market access and upgrading production and marketing practices. When negotiating the norms that govern the industry, control rests largely in the hands of the *tequila* companies, importers, and distributors, instead of the farmers.

7. **MARKET AND REPUTATION (size, price premium, attractiveness, growth) :**

In 2005, 209.7 million liters of *tequila* were produced. Two categories of *tequila* are sold: "100% blue agave *tequila*" and "*tequila*" (made from a minimum of 51% blue agave). 100% blue agave *tequila* enjoys a higher premium and is of higher quality. Between 1995 and 2005, overall *tequila* production increased by 101%. Production of 100% blue agave *tequila* increased by 349%, compared to a 57% increase for *tequila*.

8. **APPLICANT / HOLDER:** The DO for tequila, established in 1974, is owned by the Mexican state.

RELEVANCE: Why is this case important for research in general and for SINER-GI in particular?

- *Tequila* is one of the most well-known and strongly-protected GI products in Latin America.
- Conflicts over the norms governing the industry illustrate how the theoretical concept of GIs can be weakened by conflicts and imbalanced power relations within the production system.
- The vastly uneven distribution of the benefits of GI protection in the case of *tequila* suggests a need for tools to mitigate the effects of power imbalances in the market.

CATEGORY :

☑ **Origin Product** ☑ **GI product** ☑ **Recognized GI**