

And, while tequila's US volume sales and market share numbers continue to climb dramatically in this fastest growing spirits category in America, up another 5.5% last year - and representing a total 6.5 million 9-liter cases, I've decided to take a close look at the tequila phenomenon from a south-of-the-border perspective in Mexico's native Land of Tequila, itself.

Mexico I'm filing this location report from down here in the community of St. Miguel de Allende, one of central Mexico's most impressively preserved, picturesque centers of Spanish Colonial culture, originally founded in 1542. Concerns about Big Dig over-runs and acrimonious presidential campaigns seem, suddenly, a million miles away.

One of the things tequila lovers notice almost immediately about this place is the large and diverse variety of tequila brands that line the walls of little grocery outlets and bottle shops, and are featured as the drinks of choice at onpremise tabernas and dining establishments all over town. And to get the best possible handle on what the Mexican tequila scene is all about, I recently tracked down the man many people here had told me is St. Miguel's best authority on the subject. "Tequila Aficionado" is the logo on his business card. It's no lie.

This is Denny Durbin, the irrepressible gregarious 45-yearold owner of Agave Azul, St. Miguel's hot new tequila bar and chop house restaurant. As an American, partly raised in Mexico, and, until recently, the previous owner of a popular tequila establishment in Arizona, he turns out to have uniquely intimate perspectives of what's happening with tequila both north and south of the border. I spent an immensely entertaining and educational afternoon in his company, discussing everything from category trends and quality brands to how to run a successful tequila establishment, and tips on making the best margaritas in town. A lot of what he had to say is well worth sharing with anyone involved in the on- and off-premise drinks business. Here are some of his often provocative remarks.

ROBERT BRADFORD How do you define the different quality levels of tequila and the ways they should be used?

DENNY DURBIN Originally there were three kinds of tequilas. Now there's four. First, there's Blanco, which is not aged. The strict Mexican government regulations allows it to be bottled straight out of the distillation process. And this, in my opinion, is the tequila specifically made for mixing your zillion gallons-a-year of margaritas, Tequila Sunrises, tequila and grapefruit, with cranberry, and all kinds of other mixed, on-the-rocks tequila drinks you're seeing today.

The next kind, also the new one that's almost not worth mentioning, is Hoven. This can be aged three months or even longer, but color and flavors are added to it. So, it's pretty much a blanco fresh out of the still that may have things like caramel, smoke and oak flavors added. What it is, in fact, is a young, cheap tequila that has the pretense of looking and smelling like a decent Reposado, so it can sell for a few bucks more. It's sort of an imposter, a faux tequila, I call it. Here, I only stock one Hoven on my tequila menu, a Mexican brand called Mama Pita. Frankly I wouldn't have included it except that it has this real beautiful Mexican senorita on the label with a flower in her hair, and it actually has flowers on the label. It also comes in what looks like a hand-blown bottle with a cork. You'll notice good tequilas almost always have a cork. Anyway, it's a very popular call brand with our female customers.

Tequila always used to be such a macho thing. But you've got to remember that, today, it's become a very feminine spirit, as well. More and more of even the little-old-ladies who come into my place are wanting to sip a shot of high quality anejo right out of a snifter. It's quite a remarkable trend. I'm not looking for a consumer audience here that's just a lot of tourists The ideal situation is to have a good balance of tourists, local resident Americans, and Mexicans which is exactly what we've been getting. Every day, if I cities, too.

get 30 tables, it will be a good mix of the three, with at least 20-to-30% being Mexican families. You've got to remember that St. Miguel is a very popular in-country touring destination for Mexicans themselves. And two weeks ago I had two families here at the same time who were both from Guadalajuara but didn't know each other, plus two from Mexico City, and a few from other Mexican

It's interesting to note the pronounced difference between Mexican and American consumer philosophies. Mexicans usually order tequila by the bottle for their table, just like a bottle of wine. And they may sit over a lunch from 2 until 7 o'clock at night. They insist that the owner sits down with them and has a drink. They won't take "no" for an answer. "Gringo, sit your butt down and join us for a drink or I don't trust you!" They'll also share their tequila with a variety of friends and other customers, and like to establish a total atmosphere of fun and real joy.

RB Your restaurant menu advertises "Mucho Tequila." How do you choose this tequila selection?

DD I taste them first. It's basically the same thing I recommend to anyone in the US, or anyone in the world. Never run out and buy a bottle of tequila. Go to a bar, pay whatever it costs for a shot, taste it and see if you like it. It's like art. You don't buy it wrapped up. You got to look at it first. It's the same idea with wine tastings. I, myself, have started to do tequila tastings here, calling it "The Tequila Experience". I'm having ceramic plates specially produced with three shot glass holders and tequila names on them. There will be super premium matchups like Las Trancas, Porfidio, and Don Julio, for instance. This is the best way for anyone to discover the brand they'll feel happy paying a bottle price for.

You find more and more tequila bars, both in the states and down here, who advertise 200 kinds of tequilas. But there are at least a hundred of them that I wouldn't allow on my bar because their quality would be embarrassing for me to have them up there. And out of the 60 or so that I have, there are maybe only 20 of them that I choose to drink. The other ones are decent, but I'm not going to drink them because I know there's another one that's better.

RB Tell me what's in those 20 that you're not finding in the others.

DD It's a matter of bite or no bite. It's nuances of smoke

and essences, oils and flavors, and other complexities that are either there or they're not. I don't want to sound like a pretentiously elitist wine connoisseur about this with all the talk about nose and bouquets and romanticizing the whole thing. But the one way I know tequila is simply to sit down and taste it, and more than one time. I taste with a clean palate in the middle of the day, every day. I'm always looking for true flavors. I'll come back to the same product many times, quite often, and can take as long as a month to give it a fair evaluation. I'll give anything a good honest try. One day I might not like it, the next day I might. And if I've liked it 8 out of 10 times, that's a good tequila. And, by the way, if I'm not a big personal fan of a product like, say, Chinaco, but there are 20 customers who say it's their favorite, I'm going to give it another look, because maybe there's something I'm missing here. In any case, you'll certainly find it on my bar.

Agave plants have to be seven years old before they can be harvested. Some are 10 years old, so they're a little richer in flavor before they even start cooking them up. Older plants are used for a lot of the top premium stuff, sort of like the old vines idea for fine wines. The plant itself - the pina smells like a sweet potato, even tastes like it. And when they bake it, and you rip a piece off that guy and chew on it, it's just like a sugar-caned sweet potato. The agave pina is chopped, roasted, smashed. The juice is squashed out and fermented. A few more processes are involved, and different factories have varying techniques. Some producers here, like El Tesoro, I think, are still operating without electricity, doing everything mechanically, the oldfashioned way, with horses turning big stone wheels, mashing it down, boiling under fire, and bottling everything all by hand. It's all done naturally. But, however it's done, it's all pretty basic essential stuff. All tequilas have about the same 30-40% alcohol content. Yet, results can be surprisingly different.

A lot of tequilas have a heavy agave bite. Most of the time this can be pretty rough, but it's not necessarily an unpleasant characteristic. Sometimes I like the bite because it fits in with the rest of the flavors personality. El Tesoro Blanco is certainly one of the heavy agaves I'd recommend. And then you get into Herrdura, which is the richest, strongest tasting tequila that I've found. Just a super-rich, robust quality tequila experience. To people here from the states, I tell them, "if you want a great full tequila, go buy a Herradura anejo. It's maybe \$40 or \$50, but for the money that's a great tequila." In Mexico, there are approximately 50 licensed distillers. But you'll find perhaps 350 kinds of tequilas. Many distilleries make four or five different brands. The two companies that don't manufacture their brands are Porfidio and Patron which are both very popular in the states. They buy what they consider the best tequila from the best houses in Mexico and truck it to their own warehouse distributorships in big stainless steel tankers. Both are very sharp packaging, marketing, and sales professionals. For example, you can't find a more exotic spirits package than that Porfidio bottle with a blown-glass cactus inside. Forget the fact that tequila isn't made from a cactus. Agaves are actually related to the lily family. But so what? The Porfidio Barrique-Tall Cactus bottle is one of the most coveted of all tequila packages, and people display them on shelves like a work of art long after it's empty.

A lot of the tequila bottles and packages today, are so beautiful that this is often the main thing that sells the brand. And I think Porfidio started it. They were the first geniuses to say, "Hey, what if we bought the best tequila in Mexico, hand-blow the most beautiful bottle anyone's ever seen, and charge maybe triple for it. Let's see if that works." Well, of course, it always works with just about anything. And I have to tell you that Porfidio anejo tequila, itself, is just about as good as it gets - when you can get it, that is. It's an absolutely top quality brand.

Incidentally, according to the true top professionals I know down here, tequila should not really age over four years. It's at it's best in about four years. Some people age it for 8 years, but only barrel-age for four, and then another four in glass-liner steel containers. I'm not exactly sure what the purpose of this additional four years is, but it's nothing to do with barrel aging. Anywhere from three to five years in a barrel is where you want your tequila to be.

RB How would you evaluate the tequilas on your bar?

DD I'll come right out of the gate and start with my favorite brand, Don Julio. There's very little agave flavor to it. We have the Blanco and a Reposado, which possesses the most balanced combination of agave and a well-rested oak barrel taste of any tequila out there. It has a nice color to it - not too dark. Just a natural reposado that nobody's messed with. It's the product of a small casa that's doing it, and they've been doing it for a long long time. It also has a unique mellow smoothness of these high end vodkas that have come out like Ketel One, Grey Goose, and Belvedere. They just keep getting smoother and smoother. I happen to be a vodka drinker, and I'm not going back to drinking anything else after tasting these new ones, because these new brands are just too good. It's like this with tequila.

Another great smoothie is Las Trancas, which has a great following here. And if you're really talking sweet, there's the popular Mexican brand down here, El Jimador. It's the only truly sugar-sweet tequila I know, and I have some customers who are devoted to it. But I hate to recommend stuff and have people going to 20 liquor stores trying to find it. I would rather tell them, "go try a Don Julio Reposado. You will not be disappointed. You don't need training wheels. You can drink it straight out of the bottle, and you'll love it."

Other of my most favorite tequilas include the Porfidio lineup and Herradura's new, beautifully-packaged specialty, Seleccion Suprema, which costs me about \$250 wholesale, and comes in a serial numbered decanter with a scroll of authenticity.

I, of course, carry some of the Cuervos which you see everywhere down here just like in the states. And a super premium I'm particularly pleased with is their Jose Cuervo La Reserva de la Familia, at the top of their line. I personally am not much of a fan of Cuervo Especial Gold when you're talking quality tequila, although, the truth is, I've probably drunk it more than any other brand over the past 20 years, before I really started becoming a discriminating tequila taster a few years ago. But, hey, in the states, it's the overwhelming margarita tequila that's out there. It's a decent product, it's cheap, and, indeed, there's nothing wrong with the flavor. So, it would be wrong to knock the success they've had with it. This is not to say that the House of Cuervo doesn't have probably some of the best tequila in the world in their private reserves and some superior high end products. You also have to credit them as being invaluable to the success tequila is now enjoying by introducing so many millions of consumers to the category in the first place.

But I also have to say this about Cuervo. I'm not sure if they're not diversifying a little too much these days. They just sent me an update product list, and here's regular Cuervo Blanco and the Gold, then the Tradicional, which is very popular in the states and is, in fact, a very decent Reposado. Then you go to the 1800 and 1800 Anejo series, and then move still another step up to the Centenario, which, itself, comes in three different categories: a Blanco, a Reposado, and both an Anejo and a Gran Centenario

Anejo.

Frankly, I think this may be pushing the package just a little bit too much here. Why? Well, their Centenario is just a little step up from the other Cuervos, and really nothing all that spectacular in comparison to the other premium Cuervos. You start losing product focus. Their commercial super-premium big dog, of course, is the truly excellent La Reserva de la Familia which is unquestionably a world class tequila. And they also have a couple of high-end limited edition products like their new 1800 Single Barrel-Millennium, or the one I just learned about called the Viuda de Sanchez, meaning "The Widow of Sanchez". I've never tried it, but I'm going to buy me a bottle, because it might be a sleeper that nobody knows about that could be pretty damn good. The Cuervo guys were just telling me about it at a tequila expo down here last week.

I was just visiting Cuervo's general manager a couple months ago. Back on a little table behind his desk, he had maybe 50 clear white bottles with little white labels, and I'm going, "Boy, that's the stuff I want to try." You just know that he's got stuff from maybe the past 100 years at his fingertips, some of it from very special years, and some samples from special barrels that were better than anything else. Cuervo has simply huge reserves in that giant private cave. God only knows what's down there. But you have to guess there's stuff that could go up against any house in the world.

El Tesoro de Don Felipe is one of those houses I was telling you about where they don't have any electricity and use totally old-fashioned, traditional processing. This handmade tequila has a bit of heavy agave bite to it that's somewhat unique. A lot of people have a real taste for it.

About some of the other tequilas I carry, Corralejo is a fabulous one to highlight. It's in a tall skinny blue bottle, that's so tall, in fact, I can't even fit it in my cabinet, so have to keep it in my office ("Heh, Heh," he adds with a wink.) It's a top Mexican favorite for a well-balanced quality tequila with a lovely smoothness. And what I just found out this week, hot off the press, Corrajelo has just come out with a new beautiful shorter thin and round bottle with a triple-distilled Reposado. I just tried it last night. It's really something to take note of. If you could ever find this in the states, people would be delighted with the bottle, the price and the quality. The only other triple-distilled tequila I know of is Porfidio. It kind of takes it an extra step towards smoothness, a little like Irish whiskies compared to scotch. El Conquistador, Querencia, and Honorable are three decent, OK standard tequilas. Each has customers who like it, but they're nothing too special in my opinion. The same goes for 100 Anos Reposado, a middle-class, very pleasant tequila, with a simple label, nothing fancy. You won't have it in the states. But, here, it's a crowd pleaser at a very reasonable price. Another low-priced mixed drink favorite I carry is 30-30, a local brand that's also nothing special, but always has a lot of customers. All the liquor stores sell it.

Some of the other ones I particularly recommend would be Perseverancia, another very smooth, top quality Reposado that's extremely popular down here. And Tres Magueyes, which is the parent company that owns Don Julio, makes an inexpensive Blanco and Reposado that are both exceptionally excellent products, extremely popular with Mexicans. The problem is that it's not 100% blue agave, but I find it has just great flavor, and is a simply terrific margarita tequila.

And here's Sauza's Hornitos, one of the most popular Reposados in Mexico. I have to say that Sauza's whole commercial line, from their basic Silver and Gold, to 100% Blue Agave Hornitos and their Commemorativo Anejo are solid, very good tequila products at their respective levels. Plus the high-end superpremiums like the 8-year-old Tres Generaciones Anejo, Galardon, and their latest Triada are world class selections that should be included on anyone's top shelf.

But, speaking of popularity, the most popular Mexican tequila is El Cazadores. When families come in and want a bottle on their table, this is what's going to be there. Either this or El Jimador, the one I mentioned earlier which is sweet. This is a truly unique tequila product, and one, by the way, that I think could really fly in the US market. Las Trancas is another one with a great marketing potential. And, of course, Herradura, too. Both these tequilas are already getting some pretty good exposure up North.

El Delirio is a new one from up near Guadalajuara. It comes in a three-colored bottle, from red to clear to greenish-blue. Few people really know it, yet. But it's developing a following with my customers over a lot of other brands in my tequila tastings. Cava de Don Augustin is a new bottle I just picked up. To be honest, I haven't even tried it yet, but several customers have been asking for it. This is a Special Reserve. And whenever I see a Reserva Especial from a house, I figure it's got to be from a select couple of barrels they pumped out, and it's likely to be very decent. I'll certainly want to try it. And another new house I've just added is Hacienda Los Agaves. It's a smooth Reposado that's medium-priced, middle-of-the-road, and customer-friendly, costing about \$15 a bottle.

One super premium you won't find here is Patron. I'd love to include it, but I simply can't get it down here. It's one of the export market products that's shipped to the states. Like Porfidio, they don't have a distillery here. It pretty much heads to markets north of the border.

RB What do you use for a good margarita?

DD First of all, there's a whole world of difference between Mexican and American margaritas. My margaritas, here, are always on the rocks, served in a salt-rimmed tumbler glass. They are shaken lightly, not fiercely. No blender with all that froth stuff. And down here we use what's called Jarabe. It's a sweet kind of orange liqueur, similar to Cointreau, but much cheaper. We may add a little Grand Marnier or Cointreau to our top shelf magaritas, the same as with good bar menus in the states. I also sometimes like to add a bit of cranberry for color and a touch of tartness, although getting cranberry juice down here is difficult. And one little signature thing I do with our standard margaritas, which I sell for just a dollar during our 5-8pm Happy Hour, is put just a little splash of ruby red grapefruit juice in there. But forget about sugary Triple Secs, which are hardly used down here at all.

The most important single thing is fresh-squeezed lime juice every day. This is the most important thing I would tell anyone who wants to operate a true, cool, hip, authentic Mexican tequila bar in the states. Despite all you've heard about the legendary longevity of limes aboard ships, and all the British Navy Limey stories kind of thing, lime juice itself does not keep, amazingly enough. It's a preservative if you put it in guacamole, but if you squeeze it and put it in a bottle, the next day it's no good. Right now, we're squeezing at least a gallon of fresh lime juice every day, and on weekends at least two or three. The next day, if there's any left, we just throw it away. In America, margaritas are all about powdered or bottled mixes. You find very few bars and restaurants squeezing their own limes. But it's pure fresh lime juice that does it in Mexico.

RB What's your outlook for the tequila category in the years ahead?

DD To be entirely honest with you, I can see the tequila

market changing rapidly, even drastically. And while I hate to admit this, so may be even the small, topmost quality products like Don Julio. I was in their production facility last September. Pedro Domecq had just bought them out a short time before. No changes had really been made. It was business as usual. But the day I was there, the new executives in coats, ties, and briefcases were moving into the office and things were pretty chaotic. One guy was willing to give me a tour because of my tequila barrestaurant business here. "We're not supposed to, but I'll bring you in and show you around," he said.

We walked into a small inner room that had plain, ordinary tables with about 300 bottles of Don Julio samples sitting there with no lids on them. It didn't hit me until after I'd, when I asked myself, "Man, should I have bought some cases of that stuff? Cause that's the old house tequila compared to the new house. And the new house could change." In fact, it quite probably will.

The pressures for producing and selling tequila have become so intense, that I'm not sure that the little houses have any chance to maintain their old high premium standards of quality, the perfect taste, the balanced flavor complexities, the smoke, smoothness, agave accents, everything combined in, that their handcrafted products have traditionally represented. I'm absolutely certain there's going to be huge changes with mass production starting this year. And even with Casa de Don Julio, which has been my longtime favorite house in the whole world, I think even here we'll be seeing some changes.

Their low end tequila is Tres Magueyes, which sells for about \$6 a bottle down here. But, as I mentioned, for a non-100% blue agave, I consider it the finest margarita tequila made. Yet changes are inevitable. Just look at the current general scenario. According to all the reports I hear, tequila, today, has become the fastest-growing, hottest spirits category in the world. And here's the top gun of Mexico running the show, the richest biggest distributor in Mexico, which is Pedro Domecq. Down here, Pedro Domecq owns any interest they want to own: Bacardi, the biggest wine houses, you name it. I think they just bought Sauza, for instance. It's a percentage ownership. They kind of leave it in the family as long as they can mass produce.

Five years ago, a fabrica might have been selling 200,000 liters or barrels or whatever, and this might not have been so attractive to an enterprise like Domecq. But, now, this year, here's that fabrica selling a million, and, now,

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suddenly, it's become exceedingly attractive. And, say, five years ago, Pedro Domecq might have been offering to buy this family producer for maybe \$5 million, and the family said "no". But, now, that producer is being offered maybe \$20 million or, who knows, even \$30 million or more - the numbers of these deals are never disclosed - and the whole family's now going, "Whoa!! This is a lot of very serious money." They talk it over and ask themselves, "Wow! 20 million. Do we really want to be making tequila the rest of our lives?" The answer may very easily be "no".

This is why I'm telling you to expect big changes in tequila product ownership, and maybe product quality, in the immediate years ahead. It's a matter of quality control. Here you've had this proud old master tequiliero from a fivegeneration family, like at Don Julio, who's been sitting there hand-crafting his tequila all these years, overseeing every bottle, actually sampling it. He knows exactly what he's making, and has a deep love and fierce pride about it. I'm not guaranteeing that Domecq is going to mess that up. But let's say if General Motors was to buy out some small custom car enterprise, wouldn't you be just a little bit concerned over what might happen to product quality?

I mean, you know the Don Julio guy knows what he's doing. But on my last recent Don Julio visit, here I'm seeing all these guys in suits and ties and file boxes running around, and I'm thinking, "Do these guys really know anything about tequila? These are sales and marketing guys." Then you meet the real tequila guy at Don Julio, the old man with the handlebar mustache and gray hair. He's part of the family. He explained some things to me, and answered several technical questions in great detail. We walked across the street to the little store where you could buy a few bottles, maybe a T-shirt, and one of their OKdecent Don Julio cigars. And there were some proud old pictures up there on the wall of this old guy at bull fights and with other distinguished Mexican tequilieros. And I'm thinking, "Now, this old gentleman has Don Julio written all over him. I can trust him just by looking into his eyes and talking to him." But you ask a tequila question to one of the suit-and-tie guys? "Gee, I don't know," he says. "Let me call Mexico City." Then, he gets on a phone and you hear him asking, "When are we going to do this?" So, now you know who's running it. It's Mexico City. And all we can hope for is that they continue to do it the way it's been done for 200 years.

I'm not trying to sound too critical here - or assign any blame. But these are the cold hard facts of the tequila industry, as I see it. Actually, I don't care who owns or operates anything. My concern is who's running the house, and who's going to say, "Well we can cut back on prices. Now, we're going to sell 200,000 liters a year, and it's costing me this much to do it. How can we cut back." Big companies want to make money. They don't give a hoot if they have awards all over the wall for the best tequila in the world. Once they have a couple of those, they're satisfied, and they want to know how to save money and how to raise the price a little bit. So they cut down on distributing delivery costs, and all this, and pretty soon it's coming up in a tanker truck, and they're bottling it in the states.

And I'll venture to predict one thing more. During those 16 years I spent growing up in Mexico with my mother, I became aware of some pretty good pulque and Mezcal stuff that people would just bring out of the camps in the woods. It was clear in a bottle with no label, sort of like the Smoky Mountain Moonshine/White Lightning idea. There are still quite a few Mexican home brews that are made in a lot of places. In fact, there are some that are getting quite famous, including one from a little town not far from here. Some of these local Mezcals are just awfully delicious. And I'm thinking that if this tequila market goes the way that it could, and they don't give it the respect it deserves, keeping it made the way it used to, some of these homemade casas of Mezcal will be seeing a whole new life in the market. I mean in 10 years, some giant like Domecq could own everybody. And there could be a whole helluva lot of tequila customers saying, "Sorry. I want something more homemade, more real, something with more authentic true flavor to it." It just might be the beginning of a whole new product era.

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