

Report on history and development of tequila

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Tequila is a national product belonging to Mexico. It is produced for the first time in 16th Century near a city called Tequila where the Aztec People had tried some fermented alcoholic beverages by using the agave plant. This plant was called octli or pulque also. After the invasion of the Spaniards, they have started producing distilled spirits.

Pedro Sanchez de Tagle is the first person producing tequila. He was the Marquis of Altamira as a mass production in the city of Jalisco in our modern time. King Carlos IV granted to the rights of getting production licence of tequila and commercializing it at the beginning of the 17th Century. The mass production of modern tequila was produced the first time in Guadalajara in the 19th Century. The first time it has been exported to the U. S. from Sauza Tequila city when the mayor was Don Cenobio Sauza in the years of 1884-1885 and from now on it has been exported to almost all the countries around the world. The grandson of Don Cenobo Sauza, Don Francisco Javier, has a big influence on the production of Tequila and tequila is produced only from agave plants.

The late 1990s has been important years for tequila, and many people all around the world has met this spirit and liked it. The demand for tequila has increased and it has brought new developments. The Brown-Forman Corporation, one of the biggest spirit company of the U. S., has purchased the production rights of Herredura tequila in 2006 and another spiriti company has bought the tequila kindsof Sauza and El Tesoro. As expected from a U. S. Companies, a new plan for production and marketing tequila has been implemented. At the same year, Mexico has accepted a new NOM (Norma Official Mexicana) which allowed to create new kinds of tequila. New

version of tequila is the idea of aging tequila and it is decided to age tequila at least 3 years.

A few small companies have continued producing local tequila, however, many famous tequila brands have been purchased by multinational companies. In 2009, 2000 brand names have been registered to get their brand names rights. As all we know, the wine production has very essential place among alcoholic beverages and it has a culture also. Many people all around the world consume wine and there is a kind of for everyone. A large variety of wines are produced and each country, each region has a special wine. Tequila has this potential after 1990s and it looks like that tequila might be a world wide spread spirit. Also Mexico is preparing a base for this drink and one of the most important steps in this process is the Tequila Regulatory Council of Mexico. This council will be guaranteeing that tequila will protect its quality. We observe that this institution is shaping the future of tequila with its decisions. For example, in 2004, it has rejected producing flavored tequila and the name of tequila has not been allowed to use for flavored tequila kinds.

Tequila is an expensive drink even in Mexico, one bottle of tequila is 225 USD and it is even more expensive in the other countries because they import it. The people's interest in tequila and a tradition created in tequila is making it more special and it is providing an economic gain for Mexico.

TRADE OF TEQUILA

Trade Agreement of Tequila has been issued in 2003 and according to this agreement the tequila produced in Mexico has to be bottled in Mexico and then exported to the other countries. According to the Mexican Government,

this will guarantee the quality of tequila.

However, multinational U. S. Companies are claiming that the Mexican Government is trying to create a bottling business in Mexico more than protecting the quality of tequila. If the right of bottling tequila out of Mexico is given to the producer companies, these companies would try to do more things than the Mexican Laws are allowing. This strategy of multinational companies would hurt the Mexican gains from tequila. As we know there has always been a fight over valuable goods between multinational companies and local governments. Subsequently, if the Mexican Government would grant this right, in the short term, none of the local producers could compete against the multinational companies and Mexicans could not benefit from the employment created thanks to the production of tequila in the country. So it looks reasonable to follow a strategy like that for Mexico.

The pizza and wine examples can be given as an example. Pizza is a national product of Italy, however, many multinational pizza producer company is selling more than Italian pizza producers and the original pizza has been changed by the multinational producers. Still pizza is contributing to the Italian economy, however, its potential could be much more than this. Wine example is much different from pizza example. The most famous wine producer country on the world is France and this country is one of the first producers of wine. France could manage to advertise the French wines successfully, and there is a French wine culture. Even though every country and every region is producing special wines, the French wine is still very special and essential and more expensive comparatively.

What does make this difference between pizza and wine example? That most

probably depends on determining proper strategies or maybe just luck. Both of these products have a long history and one of them is contributing more to its origin country while the other one's benefits captured by the multinational companies. Consequently, for tequila, the Mexican Government is trying to benefit more from it for long years.

STANDARDS OF TEQUILA

NOM is producing some rules for production, bottling and other processes pertaining to Tequila and the standards determined by NOM is kind of providing a guarantee of the quality in Tequila. Continuing these standards will create more benefits for Mexico in the future. Because of this, the Mexican Government, in order to create a tequila culture originated in Mexico, should continue this policy.

HOW TEQUILA CONTRIBUTES TO MEXICAN ECONOMY

It is a special product to Mexico and the Mexican economy is a developing economy. Being a border country to the U. S. is providing many advantages to Mexico, however, we cannot say that the products of the Mexican economy are not so competitive against their rivals in the international market.

Because of this, the Mexican economy should be able to create some products which will give the country a competition power in the international markets, and one of them is tequila.

If a belief of that tequila produced in Mexico is always better than others, the Mexican economy can benefit from its production. If this advantage can be created, then tequila can create more employment in the country while contributing to the GDP of Mexico.

We know that wine industry has classic products line and beside these classic products there are new product lines like flavored wines and other fruit wines. All the kinds of wine products have buyers. Also we observe that there are many different kind of businesses and jobs in the wine industry. Winery has been a science under the science of gastronomy. Also considering that other products consumed with wine such as different kinds of cheese and crackers and other foods have a large economic potentials. Tequila should follow a strategy by analyzing the wine industry experience. After Mexico settles the tequila culture, they need to improve this industry and create new values in the industry. The new generation of people like trying new things as much as they like classic foods and beverages. It would be very beneficial for Mexico, if the tequila industry is developed and matured well. R&D studies to improve tequila and other side products of tequila is very important, and also this industry should study the taste and the wishes of people who are consuming tequila. These kind of studies will help creating a tequila culture, tequila science and more economic benefits for the country.

Consequently, tequila has naturally come to this point, if the Mexicans invest in this industry, it will help the Mexican to benefit more such as exporting it, selling it in the country to tourists and creating a culture of tequila as well as creating a tourism sector depending on tequila by the support of other items which has a touristic importance in the country.

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