

Perelman's Pocket Cyclopedia of Havana Cigars: 3rd edition

CUBA, COHIBA AND TOBACCO

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1.01 CUBA AND COLUMBUS

It is well documented that during his inaugural voyage to the “New World,” Christopher Columbus sent Rodrigo de Xerez and Luis de Torres into the interior of a large island on 28 October 1492.

There, the Spaniards met with the native people in what must have been a remarkable meeting of cultures, dress, languages and intentions. Included was an interchange where the explorers were invited into the village house (the *caney*) to speak with the chief of the tribe (the *Cacique*) and to meet the priest (the *Behique*). As a gesture of friendship, the sailors were presented with a gift of a roll of dry leaves called *Cohiba*.

After sharing a meal with his guests, the chief employs a Y-shaped tube called a *tobacco*, placing dried leaves into it, lighting them with a piece of wood called a *cuaba* and inhaling the bitter smoke into his nostrils. He offers the visitors both *cohiba* and *tobacco*, but they decide to pass, returning instead to the ship.

Columbus returned with the leaves, introducing it to Europe under the incorrect name of *tobacco*, mixing up the native names for the leaves and the pipe that was used to enjoy(?) them.

Spain assumed control of the island by 1511 and by 1515, Cuba had become a base in the Spanish conquest of the Americas and the Caribbean, with the present site of Havana settled by 1519. In addition, African slaves were imported to the island to aid in the development of sugar cane, an important cash crop for the conquerors. In a short time, the practice of smoking dried leaves spread from native to slave to conqueror to sailor, leading to the spread of tobacco through the movement of seeds around the world.

1.02 HAVANA: THE CIGAR CAPITAL

In 1614, the Spanish crown authorized LA CASA DE CONTRATACION DE LA HABANA for the development of tobacco production in Cuba. Most of the tobacco went for snuff in Spain, with a small amount saved for production of cigars in the Spanish city of Seville. However, there was production in Cuba itself and it was not long before there was growing demand for cigars in European capitals, which had to be of a quality at least equal to those produced by the Spanish crown.

Enzo Infante, in his excellent history, *Havana Cigars 1817-1960*, notes that 1817 is the key year in the growth of cigar production in Cuba. On June 23 of that year, King Ferdinand VII of Spain ended monopoly control of the tobacco industry by the colonial government and opened

opportunities for private companies to begin producing and selling Cuban cigars and leaf. Within ten years, exports had grown to 407,000 units, but by 1836, the total was 4,887,000 with 306 factories and 2,152 workers! But the boom was only starting.

By 1840, official statistics showed that cigar production had exploded 29-fold to provide *exports* of 141,638,000 units and the figures only go up from there. A sample of the staggering production statistics:

<i>Year</i>	<i>Cigars Exported</i>	<i>Year</i>	<i>Cigars Exported</i>
1840	141,638,000	1850	212,640,000
1845	204,505,000	1855	356,583,000

As the popularity of cigars from Cuba increased, so did the production facilities on the island. The Spanish achieved considerable success in the classification, grading and technology of production and the creation of significant markets for their new products in Europe and the U.S.A.

Brand names were beginning to be established in the same period. Among the earliest of the registered names:

<i>Year</i>	<i>Brand name</i>	<i>Creator (or at least, Registrant)</i>
1810	B. Rencurrel	by Bernardino Rencurrel
1810	Hija de Cabañas y Carbajal	by Francisco Cabañas
1830	Mi Fama por el Orbe Vuela	by Jose Garcia
1831	La Lealtad	by Jose Morejon y Roja
1834	Por Larrañaga	by Ignacio Larrañaga and Julian Rivera
1840	El Sol	by Marcelino Borges
1840	Punch	by a German named "Stockmann"
1844	Partagas	by Jaime Partagas
1844	H. Upmann	by Herman Upmann
1844	La Africana	by Jose Ruiz

Although new taxes and an increasing number of U.S. and British cigar factories (using imported Cuban leaf) reduced the demand for Havana-made cigars after the all-time export high of 1855, foreign consumption continued to be strong from 1866-92 as shown below (in thousands of cigars):

<i>Year</i>	<i>Cigars Exported</i>	<i>France</i>	<i>Great Britain</i>	<i>Spain</i>	<i>United States</i>
1866	156,226	56,764	30,794	19,201	39,284
1871	161,272	10,373	38,397	10,294	64,451
1876	209,525	16,815	102,651	9,287	76,885
1881	118,465	not avail.	not avail.	not avail.	not avail.
1886	not avail.	not avail.	not avail.	not avail.	not avail.
1889	250,467	not avail.	not avail.	not avail.	101,700

<i>Year</i>	<i>Cigars Exported</i>	<i>France</i>	<i>Great Britain</i>	<i>Spain</i>	<i>United States</i>
1892	166,712	not avail.	not avail.	not avail.	54,500

1.03 CUBA, CIGARS AND THE 20TH CENTURY

In 1898, when the Spanish-American War brought Cuba under United States control, American firms began to dominate island industries, including the cigar trade. The explosion of entrepreneurship in the cigar industry just after the turn of the century led to the issuance of the Cuban Warranty Seal in 1912 to try to bring some sanity to the proliferation of brands, styles and sizes. Exports remained strong through World War I, but declined considerably afterward:

<i>Year</i>	<i>Cigars Exported</i>	<i>Year</i>	<i>Cigars Exported</i>
1905	225,181,000	1920	150,440,000
1910	186,823,000	1925	108,722,000
1915	121,170,000	1930	72,346,000

(The record for this period came in 1906, when 257,776,000 Havanas were exported. The biggest drop came in 1921, when thanks to new tariffs, exports dropped almost 61% to just 59,440,000!)

In the 1920s, the introduction of the cigar-making machine in the Por Larrañaga factory led to a crisis in the industry, as rollers saw their jobs threatened. A boycott of the machine-made products led to the removal of the machines in 1937 until 1950, but American companies interested in this technology and in traditional, hand-rolled cigars began importing large amounts of Cuban leaf into the U.S. for production there instead of in Havana. These cigars, made of all-Cuban tobacco, were known as “Clear Havanas.”

In Cuba, even harder times were ahead as German submarine attacks in the Atlantic Ocean during World War II made Havanas almost unavailable in Europe, their principal market. But after the war, the popularity of Cuban cigars was reinvigorated by the image of the cigar-loving British Prime Minister Winston Churchill and by machine-made cigars, which satisfied the European desire for inexpensive smokes from Havana.

<i>Year</i>	<i>Cigars Exported</i>	<i>Year</i>	<i>Cigars Exported</i>
1935	40,924,000	1950	20,424,000
1940	14,212,000	1955	52,869,000
1945	109,955,000	1958	79,878,000

(A noteworthy surge in sales occurred in 1944, when 181,313,000 Havanas were exported, the most since 1910!)

With its markets restored, the Cuban cigar industry moved ahead until 1959, when the Cuban Revolution changed the political situation and the tobacco industry was nationalized.

1.04 UNIFICATION OF THE INDUSTRY

Revolutionary forces took control of Cuba on January 2, 1959. The Cuban cigar price list effective as of January 1 showed 140 brands in production for export, offering 999 in-production shapes and another 186 shapes not in production, but available for sale (1,185 total).

In 1960, the Cuban cigar industry was nationalized and in 1962, “Empresa Cubana del Tabaco” known as CUBATABACO was formed and the number of marques declined to less than 40.

Between 1959 and 1973, a total of three new brands were introduced (Diplomaticos, Davidoff and Quai d’Orsay). None were introduced from 1974-81, then Cohiba and Dunhill started in 1982.

There was little additional activity until 1989 when three machine-made brands were introduced for sale in Eastern Europe: Belinda, Cabañas and La Corona.

Fourteen years after the introduction of Cohiba, however, a series of new brands began introduction in 1996. Cuaba started that year and Jose L. Piedra was revived as an export brand. Vegas Robaina and Vegueros followed a year later, then Trinidad in 1998 and San Cristobal de la Habana in 1999. The Edicion Limitada started in 2001, the Coleccion Reserva in 2003 and even a new machine-made brand, Guantanamera, was introduced in 2002.

Not surprisingly, Cuba’s cigar export total has risen since the early years after nationalization:

<i>Year</i>	<i>Cigars Exported</i>	<i>Year</i>	<i>Cigars Exported</i>
1960	54,327,000	1982	75,255,000
1961	32,106,000	1983	76,453,000
1962	34,301,000	1984	54,292,000
1963	36,302,000	1985	71,335,000
1964	48,654,000	1986	60,859,000
1965	52,720,000	1987	67,361,000
1966	48,356,000	1988	69,035,000
1967	44,299,999	1989	61,218,000
1968	59,292,000	1990	75,121,000
1969	63,857,000	1991	69,063,000
1970	54,309,000	1992	60,394,000
1971	80,837,000	1993	52,313,000
1972	94,349,000	1994	66,695,000
1973	100,447,000	1995	69,541,000
1974	123,196,000	1996	72,328,000
1975	88,156,000	1997	103,422,000
1976	118,369,000	1998	125,800,000
1977	116,719,000	1999	148,000,000
1978	96,381,000	2000	118,000,000
1979	80,304,000	2001	125,000,000
1980	57,795,000	2002	not released
1981	60,452,000	2003	not released

A new firm to control the distribution of Havana tobacco products worldwide (except in the United States, where the import of Cuban products is prohibited), HABANOS, S.A., was created in 1994 and has aggressively expanded the availability of Havana cigars from the ancient tobacco shops of London to the remote islands of the Pacific Rim.

Altadis, S.A., a combination of the Spanish (Tabacalera) and French (SEITA) tobacco monopolies, purchased a 50% interest in Habanos in 2000.

1.05 WORLDWIDE MARKETING INITIATIVES

In addition to working through traditional national distributors, HABANOS has introduced its own retail concept, the “Casa del Habano,” a series of high-quality boutiques dedicated to the display, sales and enjoyment of Cuban cigars. The first was opened in 1990 in Mexico City, Mexico and there were 94 “Casas” by the end of 2003.

In 1998, the Cuban cigar industry hosted the first “International Seminary on the Habanos from 16-20 February. The ringing response led to the creation of the “Festival del Habano,” a multi-day showcase for the trade and for cigar enthusiasts around the world. The program is now an annual affair and draws from 800-1000 attendees:

I:	1999:	22-26 February
II:	2000:	28 February-3 March
III:	2001:	19-23 February
IV:	2002:	26 February-2 March
V:	2003:	24-28 February
VI:	2004:	23-27 February
VII:	2005:	21-25 February

The Festival includes seminars, field trips to factories and fields, a trade show (started in 1999) and the annual auction of one-of-a-kind humidors. The proceeds are given to Cuba’s national health service and have totaled more than \$4.3 million through the 2004 event.

1.06 CUBA TODAY

Cuba retains its exotic reputation and is a growing center for European and Canadian tourism, surpassing two million visitors in 2003. A snapshot of the island, in statistics:

- ▶ *Area:* 44,218 sq. miles/110,860 sq. km
- ▶ *Population:* Approximately 11.23 million
- ▶ *Political divisions:*
 - 15 provinces:
 - Pinar del Rio
 - La Habana
 - Ciudad de la Habana
 - Matanzas
 - Cienfuegos
 - Villa (Santa) Clara
 - Sancti Spiritus
 - Ciego de Avila
 - Camaguey
 - Las Tunas
 - Granma
 - Holguin
 - Santiago de Cuba
 - Guantanamo
 - Isla de la Juventud
- ▶ *Principal cities:*
 - Havana (capital) 2,268,000

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(1994 estimate)	• Santiago de Cuba	397,000
	• Camaguey	274,000

► *Principal language:* Spanish

A noteworthy achievement in modern Cuba is the literacy rate, which by 1994, had been reported to reach 99 percent among adults.