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THE CIGAR PRIMER

TIMELINE: CIGARS ACROSS THE CENTURIES

CIGARS ACROSS THE CENTURIES

In addition to the fall of the Roman Empire, the rise of Europe, the Crusades, colonial expansion, the emergence of independent nations in North and South America and Africa, world wars and economic expansion in Asia, historians chronicling the second millennium of the Common Era will also note the introduction of tobacco and later, cigars.

Here's a brief look back to the beginning of the cigar, with notes on important (and not so important) moments between 1492 and today.

= 1492 =

Italian explorer Christopher Columbus sails to the Americas and on October 28, Rodrigo de Xerez and Luis de Torres visit the interior of what would become known as the island of Cuba. Xerez and Torres meet with the natives and witness a strange ritual in which the smoke of burned leaves is inhaled through a pipe. This is Europe's introduction to the leaves known as *Cohiba* by the natives, but later called *Tobacco* (actually the native name for the pipe) upon the explorer's return to Europe.

= 1614 =

Spain assumed control of Cuba by 1511 and by 1519, the area now known as Havana was settled. 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 was used for snuff, but a small amount was used cigars, mostly produced in the Spanish city of Seville starting as early as 1676 with full factories running by 1731. Some cigar production started in Cuba as well.

= 1762 =

British Army Colonel Israel Putnam, later a general for the fledgling United States in the Revolutionary War, introduces cigars to the Colonies (specifically his native Connecticut) upon his return from an expedition to Cuba.

= 1810 =

The Cuban trademark office records the first two applications for cigar brand registrations: B. Rencurrel by Bernardino Rencurrel and later, Hija de Cabañas y Carbajal, by Francisco G. Cabañas.

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The first cigar workshops began in the United States about this time.

= 1817 =

On June 23, Spanish monarch Ferdinand VII ends monopoly control of the Cuban tobacco industry in June and allows private companies to grow and sell tobacco and produce cigars.

= 1834 =

The Por Larrañaga brand was introduced in Havana by Ignacio Larrañaga and Julian Rivera. The name means “For Larrañaga.”

= 1836 =

Within ten years after Ferdinand’s decree of 1817, exports of Cuban cigars reached 407,000 units. But within 20 years, the industry was firmly established and growing wildly with 4.887 million units exported from 306 factories on the island!

= 1837 =

Spanish immigrant Ramon Allones introduced a cigar brand named after himself. He is credited with being the first to decorate cigar boxes with brightly-colored lithography.

= 1840 =

The Punch brand is introduced, trademarked – according to records – “by a German named Stockmann.”

= 1844 =

The famous brand H. Upmann was begun in Cuba. Reports vary as to whether the brand was started by German banker Hermann Upmann, or his family (which may have actually been named Hupmann). In any case, it quickly became one of the most popular brands made in Havana.

= 1845 =

Although there were reports that production started as early as 1827, this is the year generally cited for the debut of the Partagas brand in Havana. Don Jaime Partagas created the line and built his famed factory at Industria 520 this year.

The La Corona brand was also started by Jose Cabarga y Cia. In Havana.

= 1848 =

Emilio Olmstedt created both the El Rey del Mundo and Sancho Panza brands in Havana.

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= 1855 =

The explosive popularity of tobacco led to exports of 141.6 million Cuban-produced cigars in 1840 and climaxed with a still-standing record of 356.6 million cigars exported in 1855.

= 1861 =

A Newark, Ohio merchant named Daniel Swisher receives a small cigar business in settlement of a debt. He and his four sons continue to operate it until 1888, when sons John and Harry buy the business from their father.

= 1865 =

The first reader (“lector” in Spanish) is introduced, reportedly at the El Figaro Factory in Havana, followed in January 1866 at the Partagas Factory. The practice was banned by the Cuban government from 1868-78 and 1895-98; radios were introduced in factories in 1923, first at Cabañas y Carbajal factory.

Jose Gener started the Hoyo de Monterrey brand in Havana. At the time of his death in 1900, his factories were reportedly the largest in the world, producing 50 million cigars a year.

= 1873 =

The Romeo y Julieta brand was introduced by Inocencio Alvarez and Mannin Garcia in Havana. It became popular, but it took off after being purchased in 1903 by Pepin Fernandez, who made it a worldwide sensation.

= 1886 =

The Ybor City neighborhood in Tampa, Florida was founded by Vincent Ybor. It quickly became the center of cigar-making in America with 60 factories built there by 1910.

= 1898 =

English poet Rudyard Kipling (1865-1936) publishes a new collection, *Bachelor Ballads*, including “The Betrothed,” an ode to cigars which included the lines “There’s peace in a Larrañaga, there’s calm in a Henry Clay” and “And a woman is just a woman, but a good Cigar is a Smoke.”

= 1903 =

The La Aurora factory, apparently the first cigar factory to appear in the Dominican Republic, is opened by Don Eduardo Leon Jimenes. The La Aurora brand is still made there today.

= 1912 =

In order to battle counterfeiting, the Cuban government authorized (on July 16) a warranty seal to be placed on all cigars produced in the country. The original style of seal was changed in 1931 to the type seen today.

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The Arturo Fuente Cigar Company is founded by Arturo Fuente, a Cuban-born cigar maker who had moved to Tampa, Florida after the Spanish-American War. Fuente ran the company until his son Carlos took control in 1960.

= 1915 =

U.S. government statistics show 15,732 cigar-making factories to be active in the U.S., making 6.6 million cigars in total.

The total number of factories declined continuously from this figure, falling to 9,877 factories in service by 1924 and less than 5,000 (4,905) by 1935.

= 1920 =

Effective cigar-making machines took hold in the United States during this decade. From almost no machine-made production in 1920, 30 percent of all U.S. made cigars were machine-made by 1929. In his autobiography, *Cigar Family, A 100 Year Journey in the Cigar Business*, Stanford Newman wrote that “In 1926, machine-made cigars had accounted for a mere 18 percent of the American cigar industry. By 1936, machine-made cigars constituted a whopping 75 percent of the market.”

One of the enduring images of American politics, the “smoke-filled room” was first used to describe the behind-the-scenes maneuvering which led to the nomination of Warren G. Harding to be the Republican Party nominee for President of the United States in June of 1920. The room itself was reportedly Suite 404 of the Blackstone Hotel in Chicago, although other sources say the room in question was on the eighth floor. The phrase “smoke-filled room” was taken from an Associated Press dispatch which reported “Harding of Ohio was chosen by a group of men in a smoke-filled room.”

= 1921 =

After three years of discussions and negotiations, six regional cigar companies are merged into Consolidated Cigar Corporation, led by Julius Lichtenstein of the American Sumatra Tobacco Co. The company’s first national success came with the promotion of Dutch Masters, a brand originally owned by the G.H. Johnson Cigar Co.

= 1922 =

The British firm of J. Frankau, S.A. purchases the H. Upmann bank and cigar factory from the Upmann family.

= 1923 =

Jno. H. Swisher & Son converts from hand-rolled cigars to machine-made technology with great success. By 1927, their plant in Jacksonville, Florida becomes the Swisher headquarters as its original facilities in Ohio are closed.

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= 1925 =

The first cigar-making machines are introduced in Cuba at the Por Larrañaga factory. The machines caused an uproar, finally leading to a strike and the machines were removed in 1937. They were re-introduced to stay in 1950 at the La Corona, Partagas and Por Larrañaga factories.

= 1926 =

Consolidated Cigar acquires the G.H.P. Cigar Company and its El Producto brand, promoted by Vaudeville star George Burns.

= 1933 =

The Retail Tobacco Dealers of America is formed with New York tobacconist William A. Hollingsworth as its first President. The first RTDA national convention and trade show is held in New York, which would be the only site for the event through 1980.

= 1935 =

The Montecristo brand was introduced by Alonso Menendez shortly after his purchase of the Particulares S.A, factory in Havana. The brand became an overnight sensation and in 1937, the Menendez & Garcia firm purchased the H. Upmann factory from J. Frankau, S.A., where the brand was made thereafter.

= 1936 =

Zino Davidoff installs what is reported to be the first climate-controlled storage facility for cigars in the basement of his famed shop on the Rue de la Confederation in Geneva, Switzerland.

= 1940 =

The world's best-selling cigar (by volume) is reported to be King Edward, made by Jno. H. Swisher & Son of Jacksonville, Florida.

The Technical Director of the Comision Nacional de la Propaganda y Defensa del Tabaco Habano, Jose Perdomo, publishes *Lexico Tabacalero Cubano*, a complete dictionary of Cuban cigar terminology. The book lists 40 companies and 307 brands are listed as being produced in Havana in 1940.

= 1944 =

The famed H. Upmann factory at 407 Amistad Street, just around the corner from the Partagas factory in downtown Havana, was opened. It continued operation as the home of H. Upmann, Montecristo and other brands until 2003 when a new H. Upmann factory was opened.

= 1946 =

Swiss cigar merchant Zino Davidoff teams with Fernandez, Palicio y Cia., producers of Hoyo de Monterrey and other brands, to revive interest in Havana cigars following World War II. Davidoff's Chateau series of cigars, essentially a private label, is introduced.

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The number of American factories falls below 2,500 during 1946; government statistics cite 2,441 factories in operation. The number would fall below 1,000 (to 971) by 1954.

Sir Winston Churchill visits Havana, including a trip to the Romeo y Julieta factory. Thereafter, the Clemenceau size (7 inches by 47 ring), originally introduced in 1918 to honor French Premier Georges Clemenceau after World War I is also named for Churchill. Production of the Clemenceau finally ended in the 1980s, but the Churchill is going strong.

= 1953 =

Standard Cigar Co. of Tampa, a subsidiary of M&N Cigar Manufacturers of Cleveland, is opened by Stanford Newman in the old Regensburg Cigar Company factory built in 1910 and known throughout the area for its giant clock tower. M&N Cigar Manufacturers, founded by J.C. Newman in 1895 in Cleveland, Ohio closes in 1954.

= 1954 =

Consolidated Cigar acquires the Muriel cigar brand from P. Lorrillard & Co. The brand became nationally famous through television commercials starring Edie Adams and the line “Pick me up and smoke me sometime.” Adams was succeeded as the Muriel Girl in the 1970s by model Susan Anton.

= 1959 =

According to the January 1 edition of the *Tarifa de los Precios de Venta de Cigarros de la Isla de Cuba*, there are 140 brands in production and 999 in-production shapes. Revolutionaries led by Fidel Castro took over the government on January 2.

At the time, H. Upmann was the leading Cuban brand by sales volume. Its parent, Menendez & Garcia, exported nearly five million cigars to the U.S. annually, to sell for between 50 cents and \$1.25 each.

= 1960 =

Following the takeover of Cuba by Fidel Castro and his fellow revolutionaries, the Cuban cigar industry is nationalized in October. Many firms are closed and owners of many of the most famous brands leave the island. For the first time, boxes of cigars produced in Cuba are stamped “Hecho en Cuba” instead of “Made in Havana-Cuba.”

In the U.S., the Eisenhower Administration imposes a partial economic embargo on October 19, but food and medicine are excluded.

= 1961 =

U.S. cigar factories keep closing, falling to less than 500 (477) in 1961.

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Edgar Cullman leads a group of investors and buys General Cigar, a profitable firm well known for its White Owl, William Penn, Van Dyck and Robert Burns brands, among others.

= 1962 =

U.S. President John F. Kennedy expands the partial economic embargo of 1960, banning all trade except for non-subsidized sales of foods and medicines, on February 7. On March 23, the embargo is expanded to cover imports of all goods made from or containing Cuban materials, even if made in other countries, effectively ending imports of Havana cigars to the U.S. Before the embargo took effect, however, Kennedy had his Press Secretary, Pierre Salinger, obtain more than 1,000 of Kennedy's favorite cigars, the H. Upmann Petit Upmann, for his personal enjoyment.

A national tobacco monopoly in Cuba, the Empresa Cubana del Tabaco, better known as Cubatabaco, is formed.

= 1963 =

Looking for an alternative to Cuban tobacco, Stanford Newman begins using wrapper leaf from Cameroon on his hot-selling Cuesta-Rey line.

= 1965 =

Following the U.S. Surgeon General's 1964 report on the dangers of smoking cigarettes, cigar consumption in the U.S. exploded to almost 9.9 billion, the highest figure since records were kept beginning in 1920.

In Cuba, the La Gloria Cubana brand is revived for export.

= 1966 =

On a trip from a staff member, Fidel Castro becomes enamored with a blend by roller Eduardo Rivera that becomes the Cohiba brand. Factory production of the brand begins at the El Laguito factory in 1967 with Rivera in charge; Avelino Lara took control of the brand from 1970 until his retirement in 1994.

= 1968 =

The Davidoff brand is released worldwide by Cubatabaco and continues in production until the end of 1991 with distribution ended as of December 31, 1992.

= 1969 =

General Cigar Co. purchases Gradias Annis & Co., makers of the popular Gold Label brand, and also acquires the Temple Hall factory in Jamaica. The latter is home to brands including Creme de Jamaica and Temple Hall and owns a trademark for a little-known brand called Macanudo.

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In the aftermath of F. Palicio y Compania, S.A. v. Brush, 256 F.Supp. 481 (S.D.N.Y. 1966), aff'd, 375 F. 2d 1011 (2d Cir.), cert. denied, 389 U.S. 830 (1967), production for the U.S. market of the Cuban brands Hoyo de Monterrey and Punch brands (among others) begins in Honduras. The case established that the Cuban company owners retained ownership of intellectual property assets such as cigar brand names and marks in the U.S. market in the aftermath of having their property confiscated by the Cuban government in 1960.

= 1970 =

Oettinger Imex S.A., led by Ernst Schneider, purchases the Davidoff retail store and all Davidoff-owned brands and trademarks for four million Swiss francs (about \$970,000 U.S. at the time).

On October 10, a 350-square foot cigar store opens in New York at the corner of 6th Avenue and 45th Street. J & R Tobacco Corporation (better known as J-R Cigars), owned by Lew and LaVonda Rothman, begins a mail-order business in 1971 and enters the wholesale market with its Cigars by Santa Clara division in 1977. In 1972, J-R offers Chivis, apparently the first brand ever to be sold as a bundle-packed, rather than boxed, cigar (seven sizes ranging in price from \$9.00 to \$16.50 for bundles of 25). By 1983, J-R was the largest retailer of premium cigars in the U.S.

= 1971 =

Macanudo is introduced in its current form by General Cigar and thanks to a heavy advertising and sales campaign, becomes the leading premium brand in the U.S. by mid-decade.

= 1973 =

U.S. cigar consumption peaks at 11.23 billion units, an average of 54 cigars (of all sizes) for every man, woman and child in the country at that time.

= 1975 =

By November, a series of U.S. Federal court cases, including Alfred Dunhill of London, Inc., vs. Republic of Cuba, 425 U.S. 682 (1976) and Menendez vs. Faber, Coe & Gregg, Inc., 345 F. Supp. 527 (S.D.N.Y. 1972), aff'd sub nom, Menendez v. Saks & Co., 485 F.2d 1355 (2d Cir. 1973), cert. denied, 425 U.S. 991 (1976) established the ownership of Cuban brand names and trademarks in the former owners whose assets were nationalized by the Castro regime. Shortly thereafter, non-Cuban versions of H. Upmann made in the Canary Islands of Spain and Partagas, made in Jamaica, appeared on the U.S. market.

A new premium cigar factory called the Manufactura de Tabacos, S.A. or "MATASA" for short opens under the direction of President Manuel Quesada.

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= 1980 =

Cigar shapes are finally standardized in all Cuban cigar factories, ending centuries of factory-specific sizes.

= 1981 =

Al Goldstein, the maverick publisher of *Screw* magazine, debuts a 12-page, newsletter-style quarterly publication called *Cigar*. Subscriptions cost \$9.95 for 12 issues, but the venture folds after four issues.

= 1982 =

Cohiba, until now a private brand for diplomatic uses, is introduced for world-wide sale as a Cuban salute to the FIFA World Cup being held in Spain.

Production of the Cuban Dunhill brand is also introduced (it ended production in 1991).

= 1983 =

Henry Schielein, the general manager of the Boston Ritz-Carlton Hotel, inaugurates the hotel's new smoking lounge with a black-tie dinner and dozens of enthusiastic cigar lovers. It is nothing less than the re-birth of the gentleman's smoker, now known as the Cigar Dinner.

= 1985 =

Cubatabaco introduces box codes to bottom of its cigar boxes to track the date and place of manufacture. This set of codes lasts through 1998.

= 1986 =

Lebanese-born composer Avo Uvezian introduces his own brand, called Avo and made at Tabadom in the Dominican Republic.

Corral, Wodiska & Co., makers of the immensely-popular Bering brand, is sold to Swisher International.

Carlos Fuente closes his Tampa-area machine-made cigar factory, asking Stanford Newman of M&N Cigar Manufacturers to make his cigars for him. Fuente decides to concentrate on handmade cigars in the Dominican Republic and agrees to make the La Unica brand for Newman; it's one of the first premium-quality handmade cigars to be offered in bundles.

Consolidated Cigar acquires the assets of the American Cigar Company, including the well-known Antonio y Cleopatra, La Corona and Roi-Tan brands.

= 1987 =

Davidoff of Geneva opens its first U.S. store, at 535 Madison Avenue in New York, New York.

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= 1988 =

Consolidated Cigar's unending chain of acquisitions continues with purchases of the Jamaica Tobacco Co. (including its Royal Jamaica brand) and the Te-Amo/Geryl Corporation, owner of Te-Amo.

= 1989 =

Baltimore tobacconist Ira "Bill" Fader takes over as RTDA Executive Director from Malcolm Fleisher, who had served since 1961.

= 1990 =

Although not yet imagined, the momentum behind the cigar boom of the 1990s started in this year:

- ▶ Davidoff severs its ties with Cuba, moving the production of his icon-status brand to the Dominican Republic. Davidoff's new cigars will be lighter and aimed directly at the huge U.S. market, viewed as full of untapped potential. He was right.
- ▶ Paul Garmirian publishes *The Gourmet Guide to Cigars*, a popular work distributed in smokeshops across the U.S. Well illustrated and easy to read, it provides consumers with a new, accessible introduction to the art of the cigar.
- ▶ A new magazine devoted to cigars and pipes — *The Compleat Smoker* — debuts in the summer. Published by Evanston, Illinois-based smokeshop owner Theodore Gage, the inaugural issue contains 40 pages of articles in cigars, pipes, the history of tobacco and the impact of cigars and pipes on health. Advertisers of cigars include Arturo Fuente, F.D. Grave & Sons, Troya, Villazon & Co. (for Punch) and Colibri lighters on the back cover. Unable to reach a wide enough circulation via sales in smokeshops, *The Compleat Smoker* folds after five issues in late 1991.
- ▶ Sales begin to stir. Although overall consumption of cigars continues to decline in the U.S., albeit by just 1%, new strength is seen in imports — meaning premium, handmade cigars. Imports total 117.7 million in 1990, a 14.5% increase over 1989 and the highest total since 1985. Of the 117.7 million total, a record 52.3 million are from the Dominican Republic and 39.8 million are from Honduras.

After considerable success with the La Unica brand, M&N Cigar Manufacturers agrees to use its national sales force to distribute Arturo Fuente cigars beginning November 1.

The first Casa del Habano is opened in Mexico City, Mexico.

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= 1992 =

In February, *The Wine Spectator* publishes a richly-illustrated cover story on “The Allure of Cuban Cigars.” The strong positive reaction to the issue confirms the publisher’s strategy to launch a cigar-themed magazine — *Cigar Aficionado* — in the fall of the same year.

Importation of premium cigars falls slightly from 1990 figures to 111.4 million, with the Dominican Republic and Honduras accounting for 76% of the total.

New strains of tobacco called Habana-92 and Habana -2000 are introduced in Cuba to combat disease and increase yields.

= 1993 =

American cigar consumption bottoms out at 3.42 billion units, an average of 13 cigars per capita. The number of cigars consumed dropped in 19 of the 20 years following the 1973 high, with overall use down 69.5% in that period.

Imports of premium cigars, however, reach new highs at 126.9 million (a 15% increase), including 57 million from the D.R. and 44 million from Honduras.

= 1994 =

Revival! Although the mood at the annual Retail Tobacco Dealers of America trade show in Chicago is muted, overall cigar sales rise by 8.6% for the year, the first increase in 1983. The number of brands in circulation, as shown in the first edition of the *Perelman’s Pocket Cyclopedia of Cigars*, is 370.

Imports explode! Total imports for the year total 146 million cigars, another 15% increase over the previous year. Dominican imports reach a dizzying 67 million, with 52.5 million from Honduras.

Zino Davidoff dies at age 87 in Geneva, Switzerland on January 14. During his lifetime, he introduced the first humidified storage facility for cigars (1936), the first personal humidor (1950s) and the famed cigar brand which bears his name.

Habanos S.A. is created as the marketing and distribution arm of Cuban cigar industry and a Habanos sticker is placed on the corner of all boxes of cigars made in Havana.

On July 21, California Assembly Bill 13 becomes law (now Cal. Labor Code sec. 6404.5), banning smoking from most indoor areas effective January 1, 1995.

= 1995 =

The Boom is on. Overall cigar sales increase for the second year in a row, this time by 8.7%. Imports of premium cigars rise by a stunning 33.3% to 194,547,000. The number of brands in

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circulation rises by 23% to 457.

General Cigar, already the producers of the top-selling cigar brands in the nation — Macanudo and Partagas — break into apparel with elegantly-designed and beautifully-made shirts, hats and jackets featuring the logos of both brands in time for the holiday season.

A second big-format, national, cigar-themed magazine — *Smoke* — debuts with actor Pierce Brosnan on the cover. The initial run of 100,000 is quickly sold out.

= 1996 =

The cigar expansion continues unabated. Sales rise 13.5% to 4.588 billion and imports of premium cigars go wild, up 64% to 319,748,000. Dominican imports top 100 million for the first time at 138,622,000. Entrepreneurs are everywhere, introducing 202 new brands — a 44% rise — to bring the total to 659.

The Tabacalera A. Fuente introduces its long-promised all-Dominican brand, the Fuente Fuente Opus X — better known as Opus X — which is offered in such small quantities and is so sought after as to make it rarer, pricier and more sought-after than virtually any Havana-made cigar. Available only in the eastern part of the U.S., asking prices in some shops top \$50 per cigar, many times the manufacturer's suggested retail price. This achievement in cigar-making and cigar-marketing is perhaps an appropriate icon for The Boom and its transformation of an industry thought to be all but dead just a few years earlier.

General Cigar continued its push to exploit the power of its top-selling brands with the opening of the posh Club Macanudo bar, restaurant and smoker's lounge on New York's Upper East Side in May.

General also expanded its brand portfolio with the purchase of Villazon & Company, owners of the Belinda, Excalibur, Hoyo de Monterrey, La Escepcion and Punch brands (among others), for about \$70 million.

In Jamaica, Consolidated Cigar Corporation opens a new 35,000-square foot Royal Jamaica factory under the name Jamaica Tobacco Company in Maypen. Hurricane Gilbert destroyed the previous home of the brand in 1988, but production ended and the factory closes in 2000 (the last Royal Jamaicas were rolled in July). The Royal Jamaica brand was founded in 1922.

On August 16, the Davidoff factory in Santiago, Dominican Republic, was destroyed by fire. It had been purchased by Hendrik Kelner in 1983 and began producing Davidoffs in 1989.

Oettinger Imex, owner of the Davidoff brand, buys the Avo brand from then-69-year-old Avo Uvezian. Distributed by Davidoff since its beginning in 1986, the brand sold 20,000 units in 1987 but 1.4 million by 1985.

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Media coverage of The Boom becomes intense. *Spy* magazine puts Madonna on the cover of its September/October issue, puckering up on what appears to be an exploded Don Tomas cigar to promote its cover story “Smoke and Mirrors.”

At the trade level, the absolute height of The Boom comes during the August, 1996 Retail Tobacco Dealers of America trade show in Cincinnati. With shortages of name brand cigars and accessories everywhere, literally anything sells. Retailers place huge orders hoping to obtain 10, 25 or 50 percent of the order in time for the holiday season. A feeding frenzy which had not been seen — and may not be seen again — for a long time.

Cubatabaco introduces the Cuaba brand and an old brand primarily used for domestic cigars, Jose L. Piedra, is revived for export.

= 1997 =

The pop culture rocket which is cigars hits its highest point. Total cigar sales soar to unimaginable levels, ending at 5.16 billion units, another increase of 12 percent. Imports of premium cigars are insane, with 417.8 million units (an increase of 72 percent!) added to an increasing total of domestically-produced cigars as the U.S.-based hand-made industry is revived. Imports from the Dominican Republic alone total 209,374,000, a 40-fold increase in 20 years!

Brands are introduced so fast that this book weighed almost as much as a full box of cigars! The year-end edition of the *Perelman's Pocket Cyclopedia of Cigars* showed 1,144 brands, more than triple the number from the first edition published just three years before.

Cohiba is in the news. General Cigar debuts its version of Cohiba at the RTDA in July, but Empress Cubano del Tabaco (a.k.a. Cubatabaco) sues General Cigar and Culbro Corp. over ownership rights to the Cohiba name in U.S. Federal District Court in New York, New York.

Tabacalera S.A. of Spain purchases Havatampa, Inc. and Los Angeles-based premium cigar distributor Hollco-Rohr, owner of the Gispert, Juan Lopez, Romeo y Julieta and Saint Luis Rey trademarks in the U.S. The transaction for Max Rohr Importers, Inc. is estimated at approximately \$53 million U.S.

Newsweek magazine features the cigar craze on the cover of its July 21, 1997 issue with the headline “Cigars are Cool? Why America Got Hooked on a Stinky Trend” below a picture of television star Jenny McCarthy holding a long cigar.

The end of the Boom was also declared, however, at year's end. A November issue of *Barron's* reviewed the cigar craze and declared that the heady days of double-digit sales and price increases were over and that consumption would level off. Right on the money.

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The International Cigar Exposition, billed as an alternative trade show to the RTDA, is held for the first time, in Las Vegas. It became the Int'l Tobacco Exposition in 1999, the National Association of Tobacco Outlets Expo from 2000-2006 and changed its name to the Tobacco Plus Expo for 2007.

The Cubans introduce two new brands: Vegas Robaina, saluting the famed tobacco farmer of the Vuelta Abajo and Vegueros.

In what is possibly the first-ever "limited edition" made for the U.S. market, Davidoff creates the "535," a 6-inch by 50-ring Toro-sized cigar to mark the 10th anniversary of the opening of its first U.S. store, in New York at 535 Madison Avenue. Only 10,000 cigars were made.

= 1998 =

Boom turned into what appeared to be bust, but was in fact the inevitable cooling off of an overheated industry.

Sales continue to rise, however, for the fifth straight year, but only by 3.7 percent, to 5.35 billion. Imports of premium cigars *declined* for the first time since 1991, by 10.4 percent to 334,576,000 as consumer's humidors were filled to overflowing.

Entrepreneurs continued to rush in, however and brand totals reached an all-time high of 1,453 in the year-end edition of our trade publication, *Perelman's Pocket Cigar & Humidor Finder*.

First "International Seminary of the Habanos" in held in Havana from February 16-20; it's the precursor of Festival del Habano. The Trinidad brand is introduced to worldwide distribution at the Gala Dinner and Auction on the final evening..

Hurricane Georges rips through the Caribbean from September 20-22, causing wide-spread damage, especially in the Dominican Republic (380 deaths) and Haiti (209 dead). In Cuba, six deaths were attributed to the storm. Tobacco facilities in the Dominican were severely damaged.

The first-ever awards for "best cigars" are announced by the *European Cigar-Cult Journal* in Hamburg, Germany. The "Cigar Trophy" is given for the best brands in Cuba, the Dominican Republic and others.

On November 3, California voters pass Proposition 10 by just 79,728 votes (or 50.5% to 49.5%: 4,042,466 to 3,962,738), passing in only 15 of the state's 58 counties. In the name of funding early-childhood education, it raises taxes on cigarettes from 50 cents per pack to 87 cents per pack and also raises the tax on the wholesale price of cigars by an "equivalent" amount.

= 1999 =

Sales continued to slide as the hundreds of millions of cigars of failed brands continued to move

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through the market as bargain close-outs, unbanded bundles and mail-order remainder items. At year's end, imports totaled 248.26 million, down 25.8% from 1998. Supplies of brand-name cigars were more widely available and pricing of many brands — especially those which had not established a strong presence in the market — dived.

The number of brands finally fell, as documented elsewhere in this edition, to a little over 1,220 brands, down by 220 or so from the peak. But quality and innovation at the top end continues, with the introduction of very large cigars, box-pressed models and the wide production once again of perfecto-shaped cigars, which were the dominant shape made at the beginning of the 20th Century.

Swedish Match purchases General Cigar's machine-made cigar operations (Garcia y Vega, Tiparillo, White Owl among others) in May and El Credito Cigars (El Rico Habano, La Gloria Cubano, Los Statos De Luxe) in September.

On January 22, France's Societe Nationale d'Exploitation Industrielle des Tabacs et Allumettes, S.A. (SEITA) completes the purchase of Consolidated Cigar Corporation from Ron Perelman for about \$730 million in cash and assumed debt. On December 17, a new company, Altadis S.A., is formed by the merger of SEITA and Spain's Tabacalera S.A.

A new Davidoff factory is opened in Santiago, Dominican Republic, after the original complex was destroyed by fire in 1996.

A busy year in Cuba: the first Festival del Habano is held February 22-26 in Havana; the Cubans change their box codes; the Cuban warranty seal is modified with the introduction of red serial numbers and a new brand, San Cristobal de la Habana, is introduced. On October 14, Hurricane Irene rips through the island causing widespread damage to the tobacco curing barn infrastructure in the Pinar del Rio province.

= 2000 =

After the fall, U.S. premium cigar imports rise slightly to 249.15 million, well down from the Boom, but nearly 250% of the figures for 1994!

On May 11, Swedish Match announces that it will purchase 64% of General Cigar with an option to acquire the rest of the company. On October 12, General Cigar closes the Cifuentes y Cia. factory in Kingston, Jamaica, the long-time home of Macanudo and Temple Hall. Production of these brands is moved to the Dominican Republic.

The Cuban cigar industry tries its third edition of box codes in 15 years, but this time with easy-to-understand abbreviations for the month and year of production.

THE CIGAR PRIMER: CIGARS ACROSS THE CENTIURIES

In October, Altadis S.A. buys a 50% stake in Habanos S.A., the distribution and marketing arm of the island's cigar industry, for about \$477 million.

In November, the Cubans introduce the Edicion Limitada series, a specific set of individual cigars from various brands to be produced in limited quantities and with two-year aged wrappers.

Ramon Cifuentes, one of the last living ties to the pre-Castro cigar industry in Cuba and once head of the Partagas Factory in Havana, dies in Madrid, Spain on January 3 at age 91. He left Cuba in 1961 and never returned.

= 2002 =

Habanos S.A. introduces a new, machine-made brand called Guantanamera.

Hurricanes Isidore (September 24) and Lili (October 2) hammer Cuba and wipe out more than 10,000 curing barns in the Vuelta Abajo area.

A smoking ban in passes in Florida, so plans to hold the 2003 RTDA Convention and International Trade Show in Orlando are scrapped and the show is moved to Nashville, Tennessee.

The once-mighty Bering brand is sold by Swisher International to Nestor Plasencia and will be distributed by Cigars by Santa Clara.

U.S. cigar imports rise for the third straight year to 274.57 million, with the Dominican Republic, Honduras and Nicaragua accounting for 97.8% of the total.

= 2003 =

U.S. cigar imports recede just slightly to 272.32 million, still fourth-best on record.

In Cuba, a fourth set of box codes is implemented, reported to be continuously changing so as to eliminate the ability of buyers to know what factory produced a specific box. In order to prevent counterfeiting, a holographic sticker was added to boxes of cigars sold in Cuba.

The historic H. Upmann factory in Havana was closed to cigar production and workers moved to a new, modern facility. The old building opened in 1944.

Altadis S.A. buys controlling interest in 800-JRCigar, Inc., owner of J-R Cigars and its wholesale division, Cigars by Santa Clara on October 10. Altadis can buy the remainder of the outstanding shares in 2008.

THE CIGAR PRIMER: CIGARS ACROSS THE CENTURIES

Alfred Dunhill of London closes all of its U.S. retail stores, most of which had richly-appointed humidors, at end of year except for its landmark New York store. Dunhill opened its first U.S. store in 1933, in New York.

Cigar maker C.A.O. opens its own factories in both Honduras and Nicaragua, both purchased from the Toraño family.

= 2004 =

U.S. cigar imports take off, rising 13% above 2003 levels to 307.64 million, the best year ever excepting the two Boom years of 1997 and 1998.

Cubatabaco wins the first round of its trademark ownership suit over the Cohiba name. The decision is delivered on May 6 by U.S. District Judge Robert Sweet of the Southern District of New York.

U.S. Cigar Sales, Inc., owner of the Astral, Don Tomas and Helix brands (among others), is handed over to General Cigar (now a unit of Swedish Match) by its parent, U.S. Tobacco, as part of a settlement agreement to an antitrust action by Swedish Match over the marketing of smokeless tobacco.

= 2005 =

U.S. premium cigar imports soar, surpassing 300 million units and landing at 329.53 million, third-best ever and an astonishing total considering the continued spread of smoking bans across the country.

On February 22, Swedish Match announced that it would acquire all remaining shares of General Cigar owned by the Pullman Family. The transaction was completed later in the year.

On February 24, the U.S. Second Circuit Court of Appeals reversed the decision of the District Court in the case of Empress Cubano del Tabaco (Cubatabaco) v. Culbro Corp., General Cigar Co., Inc. and General Cigar Holdings, Inc. and awarded ownership of the Cohiba trademark in the U.S. to General Cigar. An appeal to the U.S. Supreme Court was promised by Cubatabaco.

= 2006 =

Cigars imports into the U.S. continue strong, surpassing 300 million for the third year in a row at 311.0 million.

In June, the U.S. Supreme Court declined to review the Cohiba trademark case, letting stand the Second Circuit decision awarding the use of the mark to General Cigar. At the RTDA show in Las Vegas, General introduced a new Cohiba line for the first time since 2001, Cohiba Black, featuring maduro wrappers.

THE CIGAR PRIMER: CIGARS ACROSS THE CENTURIES

Stanford Newman dies at age 90 in Tampa, Florida on August 17. Over his 72-year career, his father's company, M&N Cigar Manufacturers, became a national force in cigars, popularizing the use of Cameroon leaf (1963), was one of the first to market first-quality cigars in bundles (1986) and introducing Arturo Fuente cigars to a national audience (1990). M&N Cigars, named for a 1927 merger between the J.C. Newman Cigar Co. and the Mendelsohn Cigar Co., returned to its roots and was renamed the J.C. Newman Cigar Co. in 1997.

In Cuba, a new La Corona factory was opened in February, replacing the aging facility originally built in 1904. The new facility welcomed 760 employees, of whom 330 are cigar rollers. At the Festival del Habano, it was announced that the aged Romeo y Julieta factory has been closed and the staff will be moved to a new, to-be-constructed, 150,000-square foot facility. The old building has been turned into a central school for prospective cigar makers, consolidating schools currently housed in each individual factory.

With the election of Daniel Ortega as president of Nicaragua in November, Felipe Gregorio Tobacco World closes its manufacturing efforts in Condega, Nicaragua and moves all of its production to the Dominican Republic.

= 2007 =

C.A.O. International was acquired effective January 1 by ST Cigar Group of The Netherlands, a wholly-owned subsidiary of Skandinavisk Tobakskompagni (Denmark) which makes small cigars including the well-known Nobel and Henri Wintermans brands. C.A.O. founder Cano Ozgener retires, with Gary Hyams installed as chairman and Tim Ozgener continuing as president.

The Retail Tobacco Dealers of America (RTDA) changes its name to the International Premium Cigar and Pipe Retailers Association (IPCPR) at its 75th annual convention and trade show to better reflect the interests of its members.

After a long and tortured period of negotiation and discussion, Altadis, S.A. of Spain and France agrees in July to be acquired by Britain's Imperial Tobacco for 50 Euro per share of about \$17.2 billion.

On August 15, Swedish Match purchases U.S. cigar retailer Cigars International, giving it its first retail presence in two stores and a very large mail-order and Internet business in the U.S.