

Malt Maniacs E-pistle #2011-10 *By Ruben Luyten, Belgium*

This article is brought to you by 'Malt Maniacs'; an international collective of more than two dozen fiercely independent malt whisky aficionados. Since 1997 we have been enjoying and discussing the pleasures of single malt whisky with like-minded whisky lovers from all over the world. In 2010 our community had members from 16 countries; The United Kingdom, Sweden, Germany, Holland, Belgium, France, Switzerland, Italy, Greece, The U.S.A., Canada, India, Japan, Taiwan, Australia & South Africa. More information on: www.maltmaniacs.org.



THE HIERARCHY OF INDEPENDENT WHISKY RELEASES

The last few years we've seen a lot of new names among independent whisky bottlers. Malts of Scotland, The Whisky Agency, Thosop, The Nectar of the Daily Drams, Liquid Sun, Kintra, The Whiskyman, Creative Whisky Company, Old Bothwell, Liquid Treasures, Asta Morris... most of them didn't exist just three years ago! On top of this there's also a tendency for successful whisky shops, clubs, festivals or other smaller parties to label their own bottles (The Whisky Exchange has several series, Master of Malt, La Maison du Whisky, Whisky-Doris, Whisky-Fässle to name a few of the steady ones).

I would like to dig a little deeper into this situation because I know it often confuses people, especially beginning whisky enthusiasts who wonder if these names are trustworthy and what the differences are. In fact I think there has been some important changes and the whole independent whisky market has more or less reorganized itself over a short period of time. Back then, independent bottlers seemed to work in roughly the same way, now I see at least three different types of companies and they turn out to be structured in a kind of hierarchy. Let me explain.

Suppose we have this idea to buy a cask of whisky and commercialize it. We could just contact a distillery but chances are low that they would sell us one single cask. Sure, some of them have public cask owner programmes but these are aimed at whisky enthusiasts. They are small-scale programmes with no major commercial purpose. Moreover, distilleries will try to sell new spirit or at least a young cask, in order to make some profit on the storage and maturation. We would need to wait several years before we can actually bottle the whisky.

The problem is that at this highest level, most casks are sold in larger parcels (not always of the same quality) and to get hold of the best ones, you would sometimes need to buy other parcels at the same time as part of a larger deal. It means you need a great deal of investments to offer interesting products as a start-up whisky bottler. Most these problems are now overcome by a network, a hierarchy if you will, of bottlers.

Traditionally, distilleries would sell their cask parcels to blenders but also to **big independent players**. We all know these names, the biggest ones being Gordon & MacPhail, Douglas Laing and Cadenhead's with a few smaller ones like Duncan Taylor or Signatory. These long-time companies form the **highest level** in our hierarchy and until a few years ago, it was more or less the only level. As a bottler their business model is based on buying lots and lots of (younger) casks from all kinds of distilleries, maturing them in their own warehouses for many years (sometimes on-site at the distilleries, which is why

these companies are usually located in Scotland) and bottling them when the time is right. Young casks may be relatively cheap to acquire, but storage costs can be quite high.

One of the advantages of these players is the fact that they started a long time ago and they're now managing important amounts of (sometimes very old) whisky. To give an example: Glenrothes distillery has virtually no casks (if any) left from the 1960's or 1970's so now they're looking to buy a few back from independent bottlers like Duncan Taylor who still have stocks. The same goes for distilleries that are long gone: Diageo is bottling its last 'official' casks of Port Ellen but Douglas Laing or even Old Bothwell are nowhere near the end of their stocks. The disadvantage however is the fact that only time can tell which of their young casks matures well, so on top of their really good releases they are forced to bottle some lower quality casks as well (which is why most bottlers on this first level also produce their own blends).



In fact the big stocks of varying quality are one of the reasons why many whisky beginners are uncertain about independent bottlers and feel like it's a hit-or-miss situation. The profile of independent Highland Park can be quite different from the official releases – if you don't know this, it can be a disappointment. Even though most of the first level bottlers have very high standards, sometimes they're forced to liquidate less interesting stock.

Recently we've seen the rise of a **second level** of independent bottlers. Let's take The Whisky Agency and Malts of Scotland as an example. They've gained a lot of recognition as they were able to bottle stunning whisky in their relatively short period of existence. They may be smaller but they're focusing more on quality than the first level, acquiring mature casks rather than freshly filled casks, which means less risks and hardly any unwanted stocks. Also, they have a great nose and they aim to hand-pick the best casks they can find in the warehouses of first level indies (who now act not only as bottlers but increasingly as cask brokers). It seems they're prepared to pay more for amazing casks, whereas Scottish companies are sometimes showing less relentless passion and a more down-to-earth business spirit.



Based on my examples, you could say Germany is playing an essential role on this level. Indeed it's quite stunning how many excellent releases have somehow originated in Germany lately. There are other examples outside of Germany though, like Whiskybroker.co.uk (owned by the son of Bladnoch's Raymond Armstrong) who provided several casks for Master of Malt (among others) and who is refreshingly open about his way of working, pricing and all that.

While the second level bottlers tend to have (small) warehouses for short-time storage or maturation, their business is focused on a quicker turnover rate and cash flow. They're not responsible for a lengthy maturation process and they have the means to buy larger batches of casks, usually mature and ready to bottle.

Most of the time, their parcels of casks will be too big to bottle in one run though, so they select their preferred casks and bottle them right away in their own range (sometimes multiple casks as The Whisky Agency runs multiple labels, marketed as seemingly freestanding brands like Liquid Sun and Perfect Dram). Instead of storing the surplus casks for future bottlings, the rest of the lot will be passed on immediately to other second level bottlers or to a third level.

This **third level** are the smaller labels that don't have the means or the connections to buy from big brokers, let alone warehouses to mature young casks on their own. In this category we find Kintra, Thosop, The Whiskyman, shop bottlings, club releases, etc. They're simply looking for "ready-made" unlabeled bottles on which they can stick their label (notice how the examples to the right all use the same generic bottle). Second level bottlers are a perfect source for them. Sometimes they won't even buy a whole cask, they will only buy a certain number of bottles and the rest is sold to another party, sometimes bottled at a different strength to make similarities less obvious. While this is not a new way of working (cf. The 'Cask fondling' phenomenon in [E-pistle #2007/004](#)), it has become more common than ever before.



The fact that level 2 quickly distributes whole batches of casks to several other level 2 and level 3 bottlers, is the reason why casks seem to come in waves these days. It's much more economical to distribute and share whole parcels right away instead of keeping them in warehouses (which costs money and introduces a risk of over-maturation). We've all seen Glengoyne 1972, Ardmore 1992, Inchgower 1974, Bowmore 1993, Lochside 1981, Tomintoul 1967 etc. pop up from virtually every bottler within a couple of months, with some released as a "joint bottling" to share the fame. Not a bad thing for consumers, although for bottlers there's a risk of selling only the best releases of a certain type and vintage, which would probably not be an issue if the casks were spread out over multiple years (just like first level bottlers tend to do).

Of course, this clear-cut division into three groups is a little artificial and some of the things I've described are more complex than they seem. Some bottlers will be on different levels at the same time, as they buy own casks on a longer term while at the same time buying "ready-made" casks and sharing them with fellow bottlers. Even though we can never track each cask and we will never know who is buying from whom, it's clear that an interesting distribution hierarchy arose over the last few years.

For us whisky consumers, this recent self-restructuring of the independent scene is mostly a good thing. It means the market has grown wider: we can get hold of a lot of high quality whisky from different sources and we have the luxury to pick our favourite release from closely related batches. Of course, the more you move down the line, the more expensive the whisky will become. A similar release will be a little cheaper if it's bottled by a first level

bottler, but in return there's extra authority down the line with regards to the quality: the smaller the bottler, the less he can afford to release mediocre whisky.

One thing that worries me a little though, is the growing lack of transparency as the complexity of the market goes up. While first level bottlers have a tradition of mentioning cask numbers or the yield of bottles, other levels will be tempted to hide the number of bottles or to replace cask numbers with their own arbitrary references (Malts of Scotland recently made this switch). This way they can protect their sources and disguise split casks or shared parcels. Understandable, sure, but anoraks as we are, we want to know this kind of information for our statistics, investigations and rankings! Otherwise we're just buying blind bottles, aren't we? Bottlers are walking a thin line here, and I'm quite sure that I've even bought the exact same whisky twice from different bottlers without having conclusive evidence for it.

While nowadays bottling your "own" releases is easier than ever, there's quite a hierarchy behind all these independent bottlers. Luckily buying from unknown names is not a big risk as their whisky may have been provided by larger companies. In this structure, each level relies on the other levels to grow, so I'm not expecting this balanced system to change in the near future.



Ruben Luyten (° 1978) is a musicologist and web designer who recently returned to Belgium after having spent a couple of years in Spain. He fell in love with whisky around 2006 after being intrigued by Suntory Hibiki and Lagavulin 16. In December 2008 he decided to start a blog called www.whiskynotes.be. It features over 800 tasting notes (with an emphasis on independent releases), published on an almost daily basis, as well as news, opinions and discussions with fellow enthusiasts.