



CUTTY SARK AND GLENTURRET GO FRENCH

A very interesting and recent development was the decision by Edrington to dispose, not only of the *Glenturret* distillery (allegedly the oldest in Scotland) but also of the world famous *Cutty Sark* brand which has a most entertaining history but which has long since lost its once dominant position in the US market (where it was the first Scotch to sell a million cases in a year) and has to be content with a reasonable showing in some of the secondary European markets. Nevertheless, this was an important opportunity for someone big enough to want either to expand their existing whisky or spirits portfolio or to get into the whisky business from scratch. The reason why it could be a great opening for a new player is that they get both the distillery with a respectable single malt and a prominent brand with a good profile and a nice spread of markets.

In the event, *Cutty Sark* went to La Martiniquaise-Bardinet, the mass market French drinks corporation, and *Glenturret* to Art &

Terroir, a French wine producer and maker of Lalique crystal, with no previous experience in whisky.

It was not clear what was driving this sale, but I suspect it had something to do with the large dollop of money which Edrington had put into their new **Macallan** distillery and their wish to keep to the upper end of the market which neither **Glenturret** nor **Cutty Sark** were ever likely to attain.

By way of background, I should say that I have a very soft spot for **Glenturret** which was brought back to life through the sheer hard work and devotion of one James Fairlie who bought the place in 1957 after it had sat idle, at least in distilling terms, for over 30 years, the original distilling equipment having been stripped out and shipped off to Sweden of all places around 1928. The distillery was sold in 1981 to Remy Cointreau and eventually became the property of Edrington in 2010 who then proceeded to build **The Famous Grouse** Experience at the distillery. It is not evident how this link between the two will be retained as **The Famous Grouse** brand is not part of the sale.

There was never any long-standing link between **Glenturret** and **Cutty Sark** as the two only came into full Edrington ownership – and separately - as late as 2010 when the originators of the **Cutty Sark** brand, the famous London wine merchants **Berry Bros and Rudd**, who created it in 1923 and introduced it into prohibition America, finally sold out of the long-standing partnership which had started in 1936 with Edrington's forerunners, **Robertson & Baxter**. The **Cutty Sark** story is really a quite fascinating piece of Scotch whisky lore, albeit with a London twist. Some of the flavour of it can be found in "**The Whisky Barons**" (reviewed in the MyWhiskyJourneys Biblioteca), but any serious investor doing his due diligence will have read "**Cutty Sark: The Making of a Whisky Brand**" by Ian Buxton which I hope to review shortly in the Biblioteca.

Anyway, we wish both these notable names in Scotch whisky continuing success under their respective new French owners.

The Price of Whisky

This is a complex and somewhat vexing issue, brought home by two recent events. On 3 October 2018, a 750-milliliter bottle of 60-year-old *Macallan 1926 single malt* whisky sold at Bonham's in Edinburgh for a record price of £848,800, or just over A\$1.5 million. Meanwhile, at the Spirits Business Scotch Whisky Masters competition, the Aldi discount supermarket chain picked up gold medals for their *Highland Black 8 Years Old* blended Scotch and their *Glen Marnoch Limited Release Islay Single Malt*. The former is priced at £12.99/A\$17.39 and the Islay at £17.49/A\$23.42! These are remarkable prices, albeit at opposite ends of the spectrum, and go to show just what a diverse world whisky has become.

Of course, it is not just about quality but also rarity. Single cask single malt whiskies have an already built-in scarcity factor to affect their price from the outset. The precise number of bottles produced is invariably stated on the label and, as the number opened and consumed inevitably increases with the passage of time, so the market value of the remainder goes up. However, that is only part of the story and a fairly recent phenomenon, as most whisky companies have traditionally been reticent about putting precise numbers to the bottles released. Even so, a bottle of a quite ordinary blend dating from pre-WWII is now edging towards the prices of the scarcer single malts and if anyone could produce a bottle of whisky from one of the many Scottish distilleries which disappeared in the late 19th/early 20th century, the value would be beyond calculation providing it is genuine and its provenance assured.

The fact of the matter is that whisky is there originally to be drunk and the tiny amount that remains intact becomes sought after by collectors – and increasingly canny investors – with a price to reflect that fact. Some notable whisky commentators, like **Jim Murray** of the Whisky Bible, are urging us to drink and enjoy our valuable rare whiskies. One sympathizes with the sentiment but, of course, all that that means is that those who drink their liquid assets will see the bottles that survive become even scarcer and achieve ever higher prices. Better to buy one of those excellent bargain whiskies from

Aldi to enjoy, whilst retaining your high value whiskies as part of the family estate! We only deal in the latter at MyWhiskyJourneys - see some great examples at Single Malt Gems [www.mywhiskyjourneys.com/collections/single-malt-gems] and Ghost Distilleries [www.mywhiskyjourneys.com/collections/ghost-distilleries].

New Tasmanian Distilleries

During my most recent visit to the island in August 2018, I was able to use Tasmanian Whisky Week (TWW) to renew acquaintance with practically all of the established distillers and to thank them, once more, for their generous welcome in February, 2018 when my business partner – the other Philip – and I had taken a small group of six whisky connoisseurs/investors on a week-long tour of Tasmania embracing no less than 21 distilleries.

To these have now been added ***Darby-Norris*** and ***Hillwood*** in the north and ***Devil's Distillery*** at Moonah. The latter is not exactly new but, like a bride in waiting, had been keeping itself in the shadows until ready to “come out” so to speak with its first ever release of ***Hobart single malt whisky*** (www.mywhiskyjourneys.com/collections/tasmanian-whiskies/products/hobartwhisky-current). This it did at TWW, when we were finally allowed through the doors of its workmanlike facility at the old Egg Board premises at Moonah. A fine addition to the Hobart inventory of whisky places to visit, once visitor facilities are in place.

By our calculation there are currently in Tasmania 26 distilleries making whisky (or spirit that will become whisky) and half a dozen more at various stages of planning. Is this sustainable and will they all survive? Probably not if Scotland, Ireland and the United States are anything to go by. Each has more – many more in the case of Ireland – “lost” distilleries than those that have survived. Many factors have contributed to this – politics, economics, human frailty (a euphemism for sheer criminality) to name a few. If the Tasmanian industry is wise it will study what happened in Scotland in terms of Islay (success with practically all of its original nine distilleries

surviving and new ones now being added) and Campbeltown (originally “the whisky capital of Scotland” with 35 distilleries which quickly reduced to two as a result of over expansion and poor quality). We want Tasmania to be another Islay and certainly not a second Campbeltown!

All of the Tasmanian distilleries will, hopefully, be there to be included in “**The Guide to the Whiskies of Tasmania**” due to appear in e-book format in August 2019 to coincide – we hope – with the next Tasmanian Whisky Week!

Whisky and Thalidomide

I watched a very touching program the other day on television about the victims of thalidomide in Australia who were born with massive deformities as a result of their mothers taking the drug to counter morning sickness in pregnancy. There were, of course, many more victims elsewhere, particularly in the UK and Germany, but this program concentrated on Australia where these severely handicapped people had been somehow overlooked. It brought back to me memories of my early dealings with *The Distillers Company* (DCL), which distributed thalidomide products throughout the UK, the Commonwealth and I believe the United States, under license from the German manufacturer, *Grunenthal*, some of whose senior staff had allegedly carried out atrocious experiments on concentration camp inmates during the Nazi regime in Germany. What on earth a highly respectable and conservative British company like DCL was getting mixed up with such a questionable organisation has never been fully explained.

Anyway, in preparation for the writing of my book “**The Schweppes Guide to Scotch**”

[www.mywhiskyjourneys.com/collections/biblioteca/products/the-schweppes-guide-to-scotch-original-hardback-edition-unused-and-signed-by-author], I thought I should make my number with DCL, by far the biggest whisky distiller in the world. I was duly directed to Mr Brian Spiller who had a rather vague title but was basically in charge of corporate public relations at the DCL headquarters in St. James’s Square in London. It was an elegant, oak-panelled, leather armchair affair but my reception did not reflect the warmth of the

surroundings. Indeed, it was downright chilly. “Why on earth do you want to write a book on whisky. Not another whisky book – there are so many already” which, of course, at that time, was quite untrue – there were about six and today there are more like 600! The penny dropped. He was terrified that I was going to write about the thalidomide tragedy as part of my treatment of DCL within the book. I quickly assured him that that was not the case and that the book would be only about whisky and not about the other activities of the company. Needless to say, his relief was followed by instant support and co-operation and that was later extended to me when I rewrote the Alfred Barnard classic work on whisky distilleries which appeared in 1987 exactly 100 years after the Barnard publication [www.mywhiskyjourneys.com/collections/biblioteca/products/the-schweppes-guide-to-scotch-original-hardback-edition-unused-and-signed-by-author].

I had amazing co-operation from the company, which had by then become *United Distillers* (now *Diageo*). The head of production, Dr Alan Rutherford, even wrote the chapter on Scotch whisky distillation for my book and did it anonymously.

The story of the thalidomide sufferers, and their struggle for recognition and compensation, is one of great sadness and of the triumph of struggle over desperation. In the television program, one of the victims who became a brave and successful activist on behalf of her fellow sufferers acknowledged that *Diageo* had eventually done the right thing by them and had shown appropriate good corporate behaviour by providing substantial compensation for the hideous damage caused by its forerunner company, DCL. My one disappointment in the program was that there was no mention of my dear friend, the late **Ken Youdale DFC**, whose own daughter had been a thalidomide victim and who, following her premature death, had taken up the cudgels on behalf of the surviving Australian victims. He sought my advice on how to deal with *Diageo* in order to get them to meet their moral obligations. I had told him that in my experience of dealing with them, albeit in less emotionally charged matters, I had always found them honest, honourable and efficient. I said I was sure that the right approach would be received with sympathy as, indeed, it was, once Ken had engaged with them, and a satisfactory outcome achieved.

The thalidomide tragedy was one of the darkest periods in the history of the whisky industry in that the dominant company had allowed itself to be diverted into an area which it clearly did not fully understand, and it had paid the price of that carelessness very dearly. My purpose in relating this story is simply to remind those who make whisky that they have an important duty to ensure that the product is fully compliant with the highest public health requirements and not to be tempted into other fields of endeavour involving unrelated products over which they may have no proper control. However, it is also to acknowledge both the laudatory efforts of Ken Youdale in bringing **Diageo** to the table and their good corporate citizenship in recognising Ken's intent and delivering what he required of them to redress the great injustice done to the victims, who were so close to Ken's heart.

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