

Malt Maniacs E-pistle #2012-07

By ralfy, Isle of Man

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.



Annandale, a Distillery Rediscovered

Although demand for 'amber nectar' has never been higher, and Global awareness of the 'water of life' has never been more apparent, (and profits too) you would be hard pressed to believe that starting up a distillery was in fact a difficult proposition.

Scotland is open for business, subject to conditions which can be hard to fathom to the outsider. Financing such a project, particularly with the on-going shenanigans with the Banks, is so difficult and inflexible that private investment is the best option, where investors are much more sympathetic to the financial requirements of long-term capital commitment and sensible expectations relating to profits in the shorter term. Distilling is a long-hand game, it really is, but when it's good, it's lucrative. Fulfilling bureaucratic requirements so rigorously imposed in Britain now involves considerable expense along with much time and energy relating to seemingly trivial matters, . . . whilst dealing with government organizations can appear to be a hassle (to put it kindly).

Grand Distillery projects like Blackwood and Ladybank have faded from view despite considerable enthusiasm and potential commitment, whilst current Projects like Kingsbarn still struggle to raise the cash needed to give a distillery a fighting chance. Personally, I think you're better off getting started elsewhere, like Iceland, Greenland, or Canada.

Those who are prepared to have a go with a Scottish Distillery project have my admiration. Kilchoman, Abhain Dearg, Daftmill and Starlaw are all doing impressive things. Currently under construction/renovation are Ardnamuchan and...of interest to this E-pistle, Annandale, a Borders distillery.

I am happy to present a short interview with Professor David Thomson, proprietor of the re-emerging Annandale Distillery who has been happy to answer a few malt-maniacal questions !



Why?

The decision to embark on this project was driven by a combination of business and emotional reasons. My wife and I wanted to invest in tangible assets outside our main

business (market research), partly to spread the risk and partly because we wanted to invest in manufacturing. (Property and the stock market are boring.) The Scotch whisky industry is burgeoning and I know quite a lot about the process and the science behind whisky production, so this gave us a basic interest in investing in the area. I freely confess that I have very little practical experience but we've employed Malcolm Rennie (ex Kilchoman) as Distillery Manager and retain Jim Swan (whom I've known for about 25 years) as a consultant. I also believe that through my commercial experience in brand and product research and marketing, I can develop a different 'angle' on marketing Scotch whisky. One avenue will be through an extension of the work done by David Wishart on choosing single malts based on flavour – but we're keeping this under wraps for the moment.

There are lots of emotional reasons which I'll simply list:

- Although I've spent much of my adult life living in England, I'm Dumfries born and bred and Scottish to the core. I have friends and family in Scotland so we're back very frequently.
- I'm very keen on Single Malt Scotch whiskies as a consumer and an enthusiastic evangelist. I frequently hold informal seminars, lectures and tutored tasting, just for the sheer pleasure it brings. I guess you could say that I'm really 'into it'.
- We'd been thinking about some sort of Scotch whisky-related project/investment for about 15 years before we stumbled across Annandale Distillery. We weren't in a rush to invest; it had to be a project that we could really engage with emotionally. I must have passed within 1 km of Annandale Distillery many hundreds of times and just didn't know it existed (along with most of the people in Annan) until we came across it in Brian Townsend's 'Scotch Missed'.
- Annandale Distillery is beautiful!
- There's limited whisky production in the Scottish Borders so the resurrection of Annandale would provide an opportunity to address this.

Nobody really knows why we do the things we do! These are some of the reasons but it would be difficult for me to prioritise them.

Tell us a bit about the distillery!

- Started circa 1830 by George Donald – a former exciseman from the Elgin area. Probably commenced production in 1837/8. The Donald family ran the distillery for almost 50 years.
- Annandale was a 'model farm distillery'; i.e. a farm built around a distillery rather than vice versa.
- Bought by John Gardiner in 1885 – son of the Mayor of Liverpool. (There was an important sea route between Annan and Liverpool.) Gardiner invested heavily in the distillery but only stayed about 10 years.
- Bought by Johnnie Walker in 1895. They owned Cardhu at the same time. Annandale produced smoky/peaty whisky. We speculate that JW might have been buying-in smoky whisky from Islay for blending purposes. This could have been quite expensive because of the need for sea transportation. Annan to Kilmarnock is only a short hop on the railway so it may have been cheaper, faster and easier to source smoky whisky from Annandale. JW invested heavily in Annandale and probably remained in full production up to the beginning of WW1. There may have been some production between 1914 and 1918 but shortages of malting barley and general economic difficulties in the UK post WW1 meant that JW and Annandale were in financial difficulties. Production ceased in 1919 and the site was abandoned as a distillery in circa 1925.
- The Robinson family (then owners of Provost Porridge Oats – milled in Annan) took over the lease and then bought the freehold. They still own Distillery Farm but sold us the distillery complex in 2007.
- Restoration work started in June 2011. Hopefully, we'll be back in production by late 2012.

What obstacles have you encountered in re-opening the business?

There have been three types of obstacle:

Admin/procedural – largely associated with gaining planning consent due to the inadequacies of the access road and issues with SEPA due to flood risks.

Financial – this is not cheap – it's really stretching us financially and will continue to do so for some time. We don't want outside investors involved in the project.

Structural – dealing with some of the buildings and converting them into an operational distillery has been a real challenge because of the topography of the site.

I'm sure that there are plenty of other obstacles lurking round the corner but we'll deal with them if/when they arise.

What has been some of the lessons you have learned from the experience so far?

Don't rush and make sure that the project is properly financed.

What advice would you give to anyone looking to open up a distillery?

This is not something for dewy-eyed optimists. It's a massive undertaking for a privateer. I've got huge respect for people like Raymond Armstrong (Bladnoch) and Anthony Wills (Kilchoman) because I realise what it takes. Scotland needs more whisky-making capacity but it probably doesn't need any more distilleries. There needs to be a sound marketing reason for developing/re-opening another distillery. Make sure that you are comprehensively financed and don't expect a quick return-on-investment. Distilleries are long-term investments.

What are your ambitions for Annandale both in the short and long term (e.g. any plans to produce other spirits) ?

My primary ambition is to turn it into a sustainable business that produces first-rate Annandale Lowland Single Malt Scotch whisky. I want to give the Annandale brand some real meaning that people can engage with; i.e. not just another distillery (watch this space). I'm really keen that like-minded people can come to Annandale Distillery and learn about the craft of whisky-making, the science and technology, the sensory characteristics and the marketing of Scotch whisky. Not the superficial, coffee-table book stuff but hard core! I also hope that Annandale Distillery will make a difference to the economy of Dumfriesshire.

There will be two primary expressions of ALSMSW; smoky and non-smoky. We've got no immediate plans for other spirits.

Above all, my ambition for Annandale is that it should be a fun place to work and visit. (I know that this probably sounds crass but why shouldn't it be? Nobody needs whisky – it's primarily about enjoyment.)

What do you see as the future of international whiskies generally, and Scotch in particular?

The figures speak for themselves – Scotch whisky is booming. Companies like Diageo and Pernod Ricard/Chivas Bros. are doing a stunning job in marketing Scotch, particularly in Asia. However, there's no room for complacency. The Japanese are making stunningly good blends and Single Malts.....and what about Kavalan in Taiwan or Amrut in India? Irish whiskey is back on the ascendency. The Scotch whisky industry has got a huge advantage because of the large number of Single Malt distilleries and the sensory diversity of the Single Malts they produce but frankly, some are mediocre or even poor. The industry needs to 'up its game' continuously.

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Thanks David, and good luck from all the Malt Maniacs.



Ralfy looks after ralfy.com WhiskyReviews and WhiskyStuff and regularly mucks up perfectly decent Video-blogs into a shambolic malt-mess which is appreciated by a few punters around the World who don't take whisky too seriously.