



Single Malt Scotch has had a tough go of things in recent years between tariffs and Covid-19. While many top brands declined slightly, The Highland Scotch Aberfeldy (distillery pictured), part of Bacardi's portfolio, saw 33% growth last year to become one of the U.S. market's top ten single malts.

Single Malt Soldiers On



The first distillery on Islay, the home of peated whiskies (peat fire below), Bowmore still uses the traditional floor malting process (above) for its barley. The brand has such high-end expressions as the 50-year-old Bowmore ARC-52, made in collaboration with Aston Martin.

There's no question that the 25% tariffs imposed on single malt Scotch in 2019 affected the category greatly. Add to that the Covid-19 pandemic, inflation, and supply issues, and 2020 sales took a substantial hit. But once the tariffs were lifted in 2021 and the pandemic ended, single malt Scotch rebounded, jumping 9% to 1.9 million 9-liter cases in 2021, according to Impact Databank. It appeared the category was well on its way to crossing the 2 million-case mark for the first time ever in 2022.

Unfortunately, it didn't quite pan out that way. Single malt Scotch sales in the U.S. slipped 5% in 2022 to 1.8 million cases, according to Impact Databank. However, single malt continues to account for more than a quarter of total Scotch whisky volume in the U.S. and well over half of value. And in spite of last year's hiccup, sales remain above 2019 levels.

"Last year, the category began to stabilize with off-trade consumption slowing and a consumer shift back to the



Despite recent setbacks, single malt Scotch sales are solid

BY SALLY KRAL

on-trade," says Greg Levine, vice president of marketing for single malt Scotch whiskies in the U.S. for William Grant & Sons, which owns No.-3 brand Glenfiddich and No.-5 The Balvenie. "This change, combined with continued stock issues across the industry, created some challenges." Glenfiddich took a hit in 2022, down 7.7% to 187,000 cases, but The Balvenie was one of only three brands in the top ten to post gains, up 5.8% to 106,000 cases, according to Impact Databank. The others to grow last year were Diageo's Oban, No.-6 in the U.S. and up 1.5% to 70,000 cases, and Bacardi's Aberfeldy, which secured its No.-10 spot on an impressive 33% gain to 30,000 cases.

Levine adds that despite the myriad obstacles that have been in single malt's way over the past few years, every bottle of Glenfiddich and The Balvenie continue to successfully sell in the U.S. and the brands remain in high demand around the world—in particular, he notes growing demand for luxury aged

PHOTOS BY BEAM SUNTORY



whiskies like Glenfiddich Grand Cru (\$300 a 750-ml.), Glenfiddich 30-year-old (\$1,299), and The Balvenie PortWood 21-year-old (\$350).

“We see a general slowdown in the single malt Scotch category due to economic pressure—interest rates, inflation—and consumers increasingly experimenting with other categories, namely American whiskey and Tequila,” says Kenny Moore, vice president and head of spirits brands for Moët Hennessy USA, owner of No.-4 brand Glenmorangie, which slipped 14.4% last year to 128,000 cases, according to Impact Databank. “That said, we’re confident that we’ll continue recruiting new drinkers across categories into Glenmorangie and reaffirm the love that Scotch consumers have for our brand. We’re laser-focused on creative ways to drive brand desirability through innovative new releases, unexpected partnerships, and events.” Moët Hennessy’s other single malt in the top ten, No.-9 Ardbeg, was similarly down in 2022—by 16.3% to 41,000 cases.

Global brand director of malts at Bacardi Ian Taylor says that consumers are gravitating toward single malts more than blends these days, pointing out that the five-year volume



Glenmorangie (whisky thief top) competes in luxury Scotch with single-estate labels from its Cadboll Estate series, while The Balvenie offers highly aged expressions like the 21-year-old PortWood (above).

offerings,” says Jamie Mackenzie, marketing brand director for Scotch in North America at Beam Suntory. Last fall’s collaborative release was the Bowmore ARC-52 (\$75,000 a 750-ml.), a 52-year-old single malt aged 50% in American oak and 50% in European oak and featuring a unique bottle design opened by magnetic lock and key. This year, Bowmore

compound annual growth rate (CAGR) for single malt Scotch is showing a 4.4% gain, while for blended Scotch it’s a 0.3% loss. “By 2026, single malts are projected to overtake blended Scotch by value for the first time,” he says. Outlooks like this are certainly keeping key players optimistic about single malt’s long-term trajectory and they’re investing in the category accordingly.

Luxury Leading The Way

Levine points out that Glenfiddich and The Balvenie combined represent nearly one-fifth of the single malt category, and the market is growing fastest at the luxury end, where both brands are “well suited with range and stock.” He says the The Balvenie in particular is the second largest Scotch brand in the \$200-plus price segment, primarily driven by the PortWood expression.

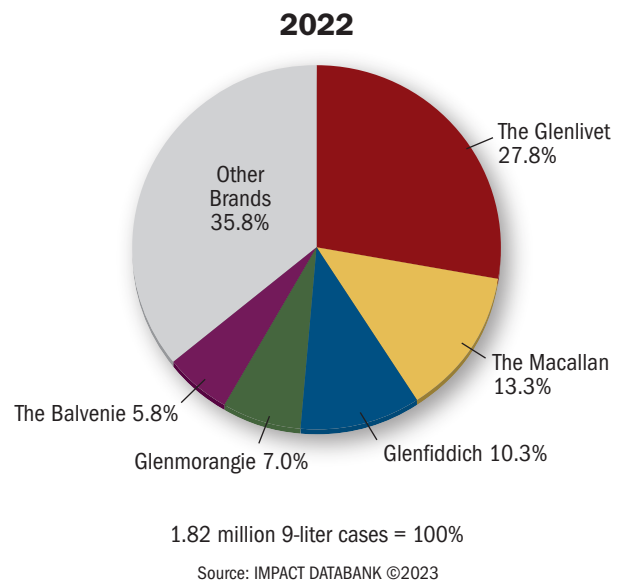
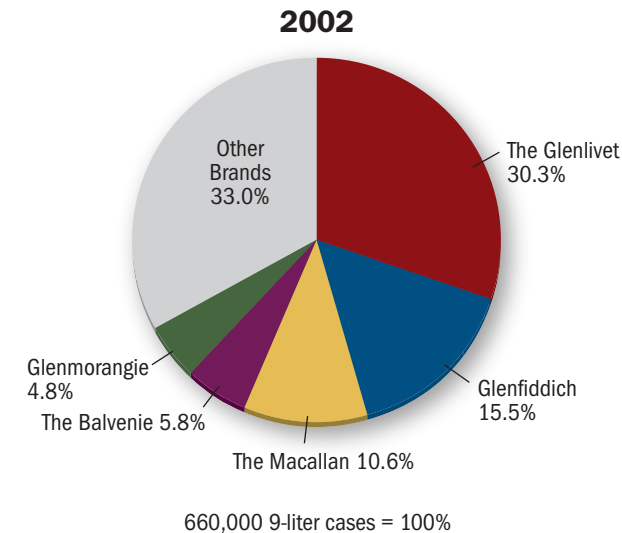
In line with premiumization trends, William Grant has released numerous luxury expressions over the last year. The Balvenie recently introduced its oldest and rarest expression to date, aged 60 years: The Balvenie Sixty (\$145,000 a 750-ml.), available in extremely limited quantities globally. Last year the brand also launched its Rare Marriages collection, which includes a new 25-year-old (\$800) alongside revamped 30-year-old (\$2,400) and 40-year-old (\$6,750) expressions. Glenfiddich, meanwhile, recently released the 29-year-old Grand Yozakura (\$1,999), which is the first-ever single malt Scotch finished in rare Japanese Awamori casks and is the first of a collection of limited-edition Grand Series expressions that are finished in rare casks from around the world. Also introduced in 2022 was the Time Re:Imagined Collection, which includes Suspended Time 30-year-old (\$1,200), Cumulative Time 40-year-old (\$4,600), and Simultaneous Time 50-year-old (\$50,000).

Beam Suntory is also focused on luxury with its single malt Scotches. “Bowmore has been enjoying a fruitful partnership with the luxury sports car brand Aston Martin for several years now, collaborating with their creative team on limited-edition

released the Masters’ Selection 22-year-old (\$450), which blends American oak and Sherry butt matured whiskies distilled in 1997 and 2000. “In addition to our collaborative limited-edition series with Aston Martin, we’ve focused on innovative releases for our marquee age statement whiskies: Bowmore 30 (\$2,650), Bowmore 40 (\$9,000), and, most recently, a Bowmore 1969 50-year-old (\$42,000), all released at the same time this year in the U.S. as part of our Ultimate Rare Collection,” Mackenzie adds. “The bottles are on incredibly scarce allocation to create the ultimate environment of luxury for our on-premise and off-premise partners and customer base.”

Despite an impressive rebound in 2021, No.-2 brand The Macallan dipped 9.1% last year to 242,000 cases, according

TOP FIVE SINGLE MALT SCOTCH WHISKY BRANDS IN THE U.S. SHARE OF DEPLETIONS—2002 vs. 2022



While flagship 12-year-old offerings are still the bread and butter for many brands, including Glenfiddich (above left) and Glenlissach (above right), other top brands such as The Macallan (M expressions top) are focusing on premiumization and high-end labels.

to Impact Databank. However, brand owner Edrington saw its core revenue top £1 billion (\$1.2 billion) for the first time in its fiscal year through March 2023, with luxury-priced The Macallan leading that performance. “The premiumization trend is here to stay with the majority of the growth in spirits coming from super-premium and above—that has been a trend for 25 years and is projected to continue into the future,” says Jessica Tamilio, brand director for The Macallan. “Today the super-premium-plus segment represents 31.5% of total spirits sales and by 2027 is forecasted to represent 39.1%. With our ultra-premium-plus portfolio we’re in a good position to capitalize on this trend today and into the future—in 2022 The Macallan captured 50% of the \$200-plus price segment for single malts and 13% in spirits overall.”

Tamilio adds that the brand continues to invest heavily in new expressions, in line with growing consumer interest in rare and exclusive Scotch whiskies. Last year’s releases include



From William Grant & Sons, Glenfiddich holds the No.-3 spot among Scotch single malts. Though it declined last year, the Speyside-based distillery (pictured) maintains its position through ultra-luxury expressions, such as those in its Time Re:Imagined Collection, which has three expressions and can command prices of up to \$50,000 a 750-ml.

the Harmony Collection Inspired by Intense Arabica (\$200 a 750-ml.), the M Copper (\$9,000), the James Bond 60th Anniversary Release (\$1,007), the Red Collection 77-year-old (\$87,000), and the Fine and Rare 1995 (\$16,000). “We also tested a new launch strategy this year through the visionary prototype design for our first product collaboration with Bentley Motors,” Tamilio says. “The liquid was created for The Macallan Horizon, which will be revealed in late 2023.” Additionally, this March The Macallan formed a new 50-50 partnership with Grupo Estévez, owners of vineyards and Sherry

experienced tremendous momentum.” According to Impact Databank, Benriach has grown at a three-year CAGR of 40% in the U.S., the fastest rate within the top 25 ultra-premium-plus single malt brands. Gilbert adds that in October Brown-Forman will introduce the next generation of its Glenglassaugh single malt with a new portfolio and design direction and the release of a flagship 12-year-old expression.

“We’re noticing consumers are learning to savor more premium, character-driven whiskies as they expand their knowledge of the category,” notes Moët Hennessy USA’s Moore. Glenmorangie’s recent releases reflect this understanding. This summer the brand debuted the third batch in the Cadboll Estate series of single-estate whiskies, which are each grown on the distillery’s own barley fields located on the Cadboll Estate. The newest edition (\$100 a 750-ml.) was aged 15 years in American Bourbon casks with a small portion finished in casks that previously held Amontillado Sherry. And last year, the brand introduced A Tale of the Forest (\$103), its first-ever whisky crafted using the ancient method of kilning barley with woodland botanicals. “Dr. Bill Lumsden, our director of whisky creation, was inspired by the sensory-heightening qualities of the forest and sought to capture the unexpected, slightly ethereal essence of the woodlands in a whisky,” Moore says.

Despite category leader The Glenlivet’s 3.9% loss last year to 507,000 cases, it accounted for 27.8% of the total single malt category’s depletions, which is only slightly down from two decades ago, when it was at 30.3%, according to Impact Databank. Senior brand manager Edwina Howie says that growing The Glenlivet’s lineup of aged expressions allows it to maintain its prestige positioning. “We set new standards for our aged range, embedding modern luxury cues to our products that stand out against competitors,” she adds. “This has allowed us to recruit new consumers seeking more premium offerings while inspiring current consumers to trade up.” Last fall The Glenlivet launched

bodegas in Jerez, Spain, which will ensure that the brand has a sustainable supply for its Sherry-seasoned casks.

The Brown-Forman portfolio includes three ultra-premium single malt Scotch brands: The GlenDronach, Benriach, and Glenglassaugh. Last August, Brown-Forman announced a more than \$30.5 million dollar investment in The GlenDronach Distillery to significantly increase production facilities at its homeplace in the Valley of Fergie in Aberdeenshire, Scotland. “Global demand for The GlenDronach, our largest and most established single malt, has tripled since 2016—it has grown at a three-year CAGR of 16%, more than double the rate of the ultra-premium-plus single malt category,” notes Brittany Gilbert, senior brand manager for Brown-Forman. “And since Benriach’s 2020 relaunch, including a package and full creative redesign, the brand has

TOP TEN SINGLE MALT SCOTCH WHISKY BRANDS IN THE U.S.

(thousands of 9-liter cases)

Rank	Brand	Importer	2015	2016	2017	2018	2019	2020	2021	2022	Percent Change ¹ 2021-2022
1	The Glenlivet	Pernod Ricard USA	420	414	420	431	473	468	527	507	-3.9%
2	The Macallan	Edrington Americas	217	234	250	261	268	209	267	242	-9.1
3	Glenfiddich	William Grant & Sons USA	163	178	201	200	210	185	203	187	-7.7
4	Glenmorangie	Moët Hennessy USA	127	118	133	136	133	137	150	128	-14.4
5	The Balvenie	William Grant & Sons USA	89	100	106	109	117	111	100	106	5.8
6	Oban	Diageo North America	45	49	50	61	71	71	69	70	1.5
7	Laphroaig	Beam Suntory Inc.	69	74	71	73	77	69	72	68	-6.5
8	Lagavulin	Diageo North America	38	46	45	55	66	64	65	62	-5.0
9	Ardbeg	Moët Hennessy USA	21	20	25	27	31	42	49	41	-16.3
10	Aberfeldy	Bacardi USA Inc.	7	8	9	11	14	19	23	30	33.0
Total Top Ten			1,196	1,241	1,310	1,364	1,458	1,374	1,524	1,440	-5.5
Other Brands			334	343	338	358	384	376	383	381	-0.6
Total Single Malt²			1,530	1,584	1,648	1,722	1,842	1,750	1,907	1,822	-4.5%

¹ Based on unrounded data

² Addition of columns may not agree due to rounding.

Source: IMPACT DATABANK ©2023

a new evolution of its 21-year-old (\$320 a 750-ml.) and 25-year-old (\$650) expressions in the U.S. In addition to new upscale bottles and boxes, both ultra-aged expressions feature new cask finishes: the 21-year-old is finished in a combination of first fill Oloroso Sherry, Troncais oak Cognac, and Vintage Colheita Port casks, and the 25-year-old is finished in Pedro Ximénez Sherry and Troncais oak Cognac casks.

Innovate To Invigorate

Brian Mayer, manager of the Barrington, Illinois location of retailer Garfield’s Beverage, notes that secondary barrel finishing is the biggest trend he’s seeing right now in single malt. He says traditional single malts still sell better than those with secondary cask finishes, “but not by that much.” The Macallan Sherry Oak Cask 12-year-old (\$100 a 750-ml.), Dalmore Oloroso Sherry Cask 12-year-old (\$70), GlenDronach Oloroso Sherry Cask 12-year-old (\$70), and Glenmorangie Lasanta, its Sherry cask finish 12-year-old (\$60), all do well. The store carries around 75 different single malt labels, comprising about 10%-15% of spirits sales. Bestsellers include The Balvenie Doublewood 12-year-old (\$73), The Glenlivet 12-year-old (\$42), The Macallan Double Cask 12-year-old (\$80), and GlenDronach 12-year-old (\$70).

“Consumers’ perception of whisky brands has changed, as they no longer view or select Scotches based on regions from Scotland; today’s drinkers are explorers who seek diverse brands that resonate with them, focusing on flavor profiles, unique finishes, and renowned credentials,” William Grant’s Levine says. “As such, with both Glenfiddich and The Balvenie, we continue to highlight their unique expressions that go beyond the traditional whisky profile.” He points to examples like the Glenfiddich Grand Cru (\$315 a 750-ml.), which has been aged in American and European oak casks for 23 years and finished



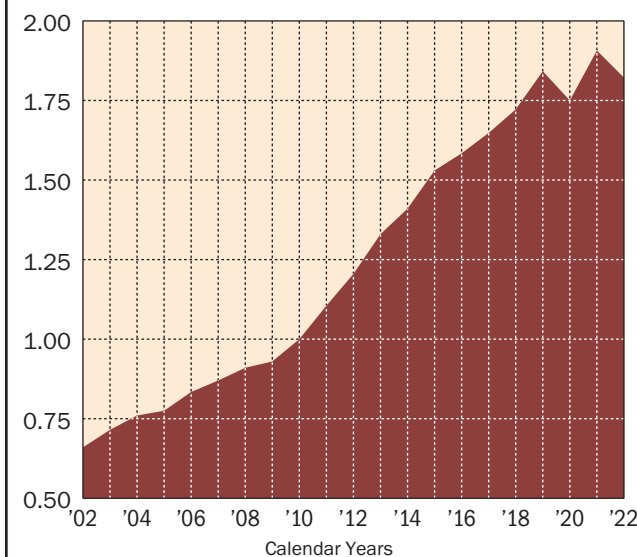
Illinois retailer Garfield’s Beverage offers a wide variety of single malt expressions. Barrington location (shelves pictured) manager Brian Mayer notes that, while the classics are still selling well, newer cask-finished options are quickly gaining steam with customers.

in rare French cuvee casks, and The Balvenie Caribbean Cask (\$75), which has been matured in traditional oak whisky casks for 14 years and then finished in casks that previously held Caribbean rum. At the end of 2022, Glenfiddich released a Sherry Cask 12-year-old (\$55), an expression capitalizing on consumer interest in Sherry-finished single malts, in Florida, California, New York, Texas, and Illinois.

Bacardi’s Taylor attributes much of Aberfeldy’s impressive growth last year to recent innovations such as the Aberfeldy 18-year-old finished in Tuscan red wine casks (\$130 a

SINGLE MALT SCOTCH WHISKY CONSUMPTION IN THE U.S.—2002-2022

(millions of 9-liter case depletions)



Source: IMPACT DATABANK ©2023



Though it recently suffered a 3.9% loss in volume, Pernod Ricard's The Glenlivet still sits comfortably atop the single malt Scotch category, comprising nearly 28% of the total case depletions. Last year, it moved over half a million cases, more than twice that of its closest competitor.

750-ml.). Most recently, in early June, Aberfeldy introduced a limited-edition 15-year-old finished in ex-Cabernet Sauvignon wine barrels sourced from Napa Valley (\$70). It's the fourth edition in the Aberfeldy Red Wine Cask Series, which Taylor says has seen great success thus far and will continue with new releases later this year and beyond. "Aberfeldy's malt master Stephanie Macleod and her team are committed to experimenting with different casks—from red wine to Madeira—and pushing the world of Scotch forward," Taylor adds. "They're driven to create exciting and interesting whiskies that pioneer and provoke anticipation about what Aberfeldy can create next."

Todd Randall, owner of Randall's Wines & Spirits, which has three stores in Missouri and one in Illinois, believes that new expressions may be the key to driving single malt Scotch sales. "It's a tough category to figure out right now but any new releases seem to do very well as it adds back in some excitement," he says. "There's not a lot of that these days compared to other categories, so that's why I think the attention of the consumer is drawn elsewhere." Randall's carries around 150 single malt SKUs, with top-sellers including Lagavulin 16-year-old (\$80 a 750-ml.), Oban 14-year-old (\$75), Glenfiddich 12-year-old (\$45), The Macallan Double Cask 12-year-old (\$75), and Talisker Storm (\$45). "The excitement level isn't there from a consumer perspective right now," Randall adds. "Hopefully that trend changes as the value for price is there compared to Bourbon—16-year-old Scotch retails for under \$100 where you wouldn't find that in Bourbon today."

At Garfield's, Mayer is seeing an increase in entry level single malt releases with a lower price point to draw in more consumers. "No age statement expressions have become more

common to meet increased demand," he adds. Pernod Ricard has been investing more in such expressions, the first of which was the Founder's Reserve (\$41 a 750-ml.), introduced in 2015. "Our non-aged expressions have helped to break perceptions around barriers of single malt Scotch and welcome new drinkers to the category," Howie says. In 2020, The Glenlivet Caribbean Reserve (\$41) launched in the U.S., the brand's second non-aged statement selectively finished in ex-Caribbean rum casks. "The Caribbean Reserve has contributed 7% of dollar value growth to the total U.S. single malt Scotch category in the past three years and was the No.-2 growth driver of single malt Scotch in its launch year," Howie notes.

The latest way The Glenlivet is aiming to welcome new drinkers into single malt is by capitalizing on the popularity of cocktail culture as well as the explosive growth of spirits-based RTD cocktails: This August the brand launched The Glenlivet Twist & Mix Cocktails, a new line of single malt-based RTDs, including an Old Fashioned and New Manhattan (\$20 a 375-ml.). Howie notes that this is a first-of-its-kind product for the industry, seeking to offer the modern whisky drinker a premium at-home option so they can enjoy whisky cocktails more often. "As the category leader in the U.S., The Glenlivet's mission has always been to break new ground for the single malt category, including redefining category stereotypes that have historically limited Scotch consumption to certain types of consumers or during special occasions only," Howie adds. "Our new releases and premiumization of the brand are allowing The Glenlivet to pave the way in terms of recruiting new ultra-premium spirits drinkers to the prestigious single malt Scotch category and encouraging people to drink single malt on more occasions."

