



IRISH WHISKEY GET'S THE GREEN LIGHT

By Daina Paulin



Now one of the fastest growing spirits category in the U.S. market, Irish whiskey proves it has more than luck on its side. The Irish are known for being fighters, and Irish whiskey is no exception to the rule. Originally the leader in its category in the 18th and early 19th century, Irish whiskey then fell on hard times, drifting into relative obscurity until recently, when, in true Irish tradition, the category made an incredible comeback. For the past decade Irish whiskey has experienced a remarkable resurgence, emerging as one of the fastest growing spirits category in the American market for the past three years, according to the 2008 Adams Handbook. DISCUS also reveals that Irish malt sales exploded in the U.S. between 2002 and 2007, increasing by over 95%, with the majority of growth coming from high-end premium brands. Of course, it is important to note that Irish whiskey still comprises a small portion of the overall whiskey category in the States, only 2% in 2007, but its growth has proven to be steady, continuing its upward climb even in today's shifting economy.

Standing Out in the Crowd

Historically, the Irish have gone to great lengths to differentiate their whiskey from those originating in other producing nations, specifically Scotland, the United States and Canada. The spelling of Irish whiskey originated in the late 1800s when Irish and American producers aimed to distinguish their products from Scottish whisky which, at the time, had received a poor reputation. The result was an added "e" to the name, a tradition still followed today. A small rule of thumb to keep in mind: if a country's name carries an "e" (Ireland or the United States) so does the spelling of its whiskey.

Irish whiskey is produced in several styles: single malt, single grain, pure pot still and blended whiskey. In the past, traditional Irish whiskey was distilled from a mash of mixed malted and unmalted grains (referred to as pot-still whiskey); today most whiskeys are a blend of this pot-still whiskey and other grain whiskeys.

Single malt whiskey is distilled exclusively from malted grain and is generally labeled as such.

The Players

The 'Big Three,' as they are often called, Jameson, Bushmills and Tullamore Dew, continue to drive the category. Jameson, owned by Pernod Ricard, leads in sales, capturing approximately 63% of the entire Irish market. Bushmills, recently acquired by Diageo in 2006, follows with 18.5% of the market, according to DISCUS. These three leaders have invested considerable time and money into their brands, and the category as a whole, significantly driving international attention on the Emerald Isle. Despite the continued importance of the larger brands, though, last year seemed to belong to a smaller producer: Cooley Distillery. Ireland's only independent whiskey distillery, Cooley gained international attention when it won the prestigious title of World Distiller of the Year at the 2008 International Wine

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and Spirits Competition, making it the first Irish distiller to earn the title.

Gaining A New Identity

For most Irish whiskey producers, Saint Patrick's Day is seen as both a blessing and a

challenge. Paul Caffrey, who represents Tullamore Dew, believes Saint Patrick's Day continues to be an important opportunity for Irish whiskey, inviting consumers to try products for the first time while associating it with a festive holiday. "We find that Irish whiskey is a very accessible drink and that people tend to like it once they try it. For us, it's all about finding occasions that allow people to experiment," he says.

Although March has traditionally been the most important month for Irish whiskey, many producers are trying to adopt a new identity beyond their national holiday. "We don't want to walk away from our Irish heritage," explains Bill Topf of Bushmills, "But we also represent more than Saint Patrick's Day and have something to offer year-round."

For many brands, this has meant targeting different demographics while also experimenting with new methods of consumption. Clontarf, from Castle Brands, has embraced this new approach, marketing its line of whiskeys as the "New Irish".

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What Makes an Irish Whiskey Irish?

While all whiskeys are produced in a similar fashion, there are substantial differences that separate each country's products, including the number of distillations, choice of grain, the type of stills used as well as the style of oak barrel. Here is a general list of what characterizes the style of Irish whiskey:

Triple Distilled for Purity

Practically all Irish whiskeys are triple-distilled with pot stills. This gives the whiskey a smooth, light quality which makes it ideal for emerging whiskey drinkers and for its use in cocktails.

Saying 'No' to Peat

Although some distilleries are adopting the use of peat in their distillation process, most Irish whiskeys abstain from it. This translates into a whiskey that maintains the flavor of its barley rather than smoky or peaty overtones common in most Scotch whiskeys.

Time in Barrels

Traditionally, Irish Whiskey spends a minimum of three years in oak barrels although many producers choose to age for longer periods of time. Most producers prefer to age their whiskeys in previously used barrels, many that have originally held another type of liquor such as sherry or bourbon.

Less Sweet

Compared to American bourbon or Canadian whiskeys, Irish whiskey is far less sweet on the palate.

Small Production

Despite the ownership of many distilleries by large international groups, the distilleries in Ireland have remained small and continue to produce relatively limited amounts of whiskey. The result is a focused approach to distillation and a preservation of traditional methods.

CATEGORY FOCUS



Avoiding typical Saint Patrick's Day stereotypes, the brand has largely targeted emerging whiskey drinkers, including women as well as a younger generation of consumers. "We see ourselves as taking an old craft and giving it a modern personality," explains Bob Battipaglia of Castle Brands. "The sweet, mellow taste of Irish whiskey makes it ideal for consumers entering the whiskey category."

Like many emerging brown spirits, Irish whiskey is finding its place in the world of mixology. Triple-distilled and lighter than its Scottish cousin, Irish whiskey's flavor profile is well-suited to cocktails enjoyed year-round, not just the iconic wintertime "Irish Coffee." The category's newest member, **Michael Collins**, available only in Ireland and in the U.S. through importer Sidney Frank, is well positioned to capitalize upon current mixology trends. Born into the growing cocktail culture of New York, its blended whiskey has inspired cocktails such as the "Collins Royale" and the "Irish Sunrise."

Tailoring to a younger generation of whiskey consumers, many producers are implementing original advertising and promotional campaigns. Targeting the generation of text message aficionados, Tullamore Dew has created the Tully Ted and Tully Tess campaign for Saint Patrick's Day in which visitors to the bar are encouraged to take their photo with the

Irish characters and text message it to friends, inviting them to join the fun. Jameson has captured the airwaves with its successful DJ Flyaway Program. Now in its fifth year, the program brings DJs from ten major U.S. markets to Dublin on Saint Patrick's Day to broadcast from the Old Jameson Distillery.

Room To Grow

The Irish whiskey section of liquor retail stores once remained small, consisting only of one or two bottles from the leading Irish brands grouped alongside their Scottish counterparts. Today, this tendency has changed as retailers' shelves fill with an increasing variety. The Irish Single Malt category has helped in this effort. Cooley Distillery recently re-launched **Tyrconnell** single malt, a historic brand from the 1900s, and reintroduced the use of peat to dry malting barley to produce **Connemara Peated Single Malt**.

Another leader in the single malt category is **Knappogue Castle**, the only single malt from Ireland produced on a vintage basis. Specialty whiskeys, such as **Middleton Very Rare** from Jameson, a blend comprised of a number of 12-21 year-old triple-distilled whiskeys, prove that even the big producers are capable of enriching the diversity of the category — a trend ensuring consumers will have plenty of whiskeys to enjoy long after March 17th. ■