


THE RIVER BLADNOCH RUNS THROUGH A QUIET CORNER OF GALLOWAY IN SOUTHWEST SCOTLAND, PAST FIELDS AND TREES AND UNDER ARCHING STONE BRIDGES. FOR TWO CENTURIES IT HAS FLOWED PAST A COLLECTION OF DARK STONE BUILDINGS MARKED BY A HIGH PAGODA CHIMNEY: THE BLADNOCH DISTILLERY, ONE OF THE OLDEST WHISKY PRODUCERS IN THE SCOTTISH LOWLANDS, AND THE MOST SOUTHERLY.

LOWLAND FLING

Story • JANE CORNWELL *Photography* • JULIAN ANDERSON



David Prior sold his yoghurt business for \$80 million then took to the surf before reappearing as the owner of a 200-year-old Scottish distillery. The Melbourne entrepreneur has high hopes for his wee whisky venture.

For the past six years, the Bladnoch distillery has been dormant. Production has paused on the whisky that's ageing in barrels stacked three deep in warehouses next to an overgrown lade-canal. Should the occasional passing tourist drop in for a tasting, one of the distillery's seven staff will unlock the visitor's centre, dust down a bottle of single malt and pour them out a dram.

Bladnoch's main income during this time has been renting storage space out to other distilleries. But it wasn't enough, and with the two Northern Irish brothers who previously owned it unable to agree on a direction, the distillery was last year placed into administration.

Today, with the morning sea mist known as the haar dissolved off the river and the distillery basking in unseasonal autumn sunshine, change is afoot. The hint is there in the two flags raised over Bladnoch's cobblestone courtyard. One is the Scottish flag with its St Andrew's cross; the other, a blue flag emblazoned with stars and a small Union Jack – the national flag of Australia.

"They put that flag up after I put my bid in," grins David Prior, the Melbourne-based entrepreneur who bought Bladnoch Distillery in July for an undisclosed sum. "I guess you don't get many Aussies buying Scotch whisky distilleries." In fact, he's thought to be the first.

Sitting in an anteroom off the visitor's centre, Prior looks fit and fresh, as befits a longtime yoga practitioner and avid surfer, despite having flown in from Australia the previous day. The white-clothed table between us is set with glasses, a sharp-edged bottle of blended whisky and crystal decanters filled with Bladnoch's honeyed, traditional lowland-style single malt.

"Scotch whisky is a passion," he says as he sips on a whisky drawn from a bourbon cask, which gives it a sharper edge. "I grew up in a Scotch-loving household. At the end of the week I've always enjoyed having a chat over a Scotch, just like you and I are doing now. There's a real sense of occasion to it."



David Prior in front of the Bladnoch whisky distillery he bought earlier this year.



BLADNOCH'S GLASS NOT ALWAYS HALF FULL

Scotch whisky plants don't come up for sale very often. Of the just over 100 active malt distilleries in Scotland, most are owned by a handful of large corporations such as London-based giant Diageo – which has the Bells, J&B and Johnnie Walker brands – along with drinks titans Beam-Suntory, Diageo, Pernod Ricard, Bacardi and William Grant & Sons.

Bladnoch's history could not be more different. An independent distillery set on 22 hectares with eight warehouses, distilling facilities and the visitor's centre, this small, traditional enterprise has shut up shop at various intervals, under various owners, across two centuries, a victim of economic circumstance and personal whim.

Founded in 1817, Bladnoch closed at the start of World War II and re-opened in 1957. Bells took it over in 1983 and embarked on a program of modernisation and computerisation. When it officially closed again in June 1993 it was as part of an estate owned by Guinness and then by United Distillers, Diageo's predecessors, which had shrunk after the 1980s industry downturn.

In 1993, Diageo sold Bladnoch to an Irish company run by Colin and Raymond Armstrong. The partners and their wives used it as a holiday home until 2000, when petitioning by the family and interested locals enabled further whisky production on the condition that it didn't exceed 100,000 litres a year. A long-running family dispute about the distillery's future meant production ceased again in 2009; further disagreements saw it forced into court-ordered administration last year. A bid by an Indian businessman was stymied after he failed to gain the necessary clearances from revenue and customs. It was after all this that Prior came in and snapped it up.

The 45-year-old began thinking about whisky last year, after selling his organic yoghurt brand, five:am, to UK-based multinational PZ Cussons for \$80 million. Whisky is not an obvious chaser to yoghurt but Prior says he was attracted to it for multiple reasons. A Scotch connoisseur his whole adult life, he had noted strong growth in whisky sales around the globe. He thought he could bring his marketing and packaging experience to it by creating fresh brands aimed at the 20 and 30-something drinker. He also had a mind to take on the big guns at the premium end of the sector, with brands positioned heavily on Bladnoch's provenance and sense of place.

Markets were researched, financial projections made, and an international advisory board created. But why buy a distillery in Scotland and not one closer to home, say, in Tasmania, where a number of local distilleries are doing well? Prior will continue to live in Melbourne, where he's busy setting up a charity to help prevent indigenous youth suicide.

"While I could have built or bought a distillery in Australia, the entire whisky industry at home has only been going for about 20 years," Prior explains. "Here in Scotland they've been making whisky for four centuries. There's this tremendous amount of learning and passion and skill that I want to tap into. The rest of the world has a long way to catch up."

The second of two children born to an English father and a mother from Bombay, India, Prior grew up in the bayside suburbs of Melbourne, taking family holidays in India every year. It was a given that he'd join the family business, food packaging company Baroda. Armed with an MBA from Melbourne University he ran Baroda until 2007, when the family sold out to Visy. Prior's share of the deal was about \$4 million. Rather than jump into something else, he took time out to go surfing and have a think.

"I got a bit of money out of that deal, so I had the luxury of saying, 'What do I want to do next?' There were a lot of things open to me," he says. "I thought about teaching yoga, which I've been practicing every day since I was 20. But I've got this

love of branding and business and a passion for holistic lifestyles, so I decided to start this yoghurt company, which was a bit of a change from packaging."

Prior founded five:am in 2009 in part by remortgaging the Toorak house he shares with wife Sally, a shoe designer and fellow entrepreneur, and their now seven-year-old daughter Sage. The run-up to the product launch in Woolworths in March 2011 saw him working 23 hour days, buoyed by a clear growth strategy and a lot of yoga and meditation.

"I just reckoned, 'What's the worst that can happen?' So I become a yoga teacher and Sally has to sell shoes instead of make them," he says of the risk inherent in a start-up. "Bladnoch is another big gamble with the same worst case scenario."

Prior has wasted no time bringing Bladnoch back to life.

Central to that was hiring local master distiller and blender Ian Macmillan, who has previously revived two run-down distilleries, including Tobermory on the Hebridean island of Mull. He also appointed a former head of the Scotch Whisky Association, Gavin Hewitt, to his advisory board, along with brand queen Ilana Edelstein of Patron Tequila.

A former diplomat who spent stints in embassies from Croatia to Canberra, Hewitt helped Prior work out whether to put in a bid for Bladnoch. "My advice to David was that first, Bladnoch is a lowland distillery," says Hewitt. "There are very few of these; at that time there was only Glenkinchie to the east of Edinburgh and Auchentoshan near Ascot Bridge. Now we have Ailsa Bay in Girvan just producing whisky for blending, as well as small ones in Fife and Annandale."

The lighter, grassier lowland malts tend to appeal to the palate of the new whisky drinker and are thus critical to the industry. "We had a shortage of liquid with the lowland name and character," says Hewitt. "This was a great opportunity to buy a place with provenance and heritage, with stock that was available and ready to go. Plus, this part of Galloway is desperately in need of high-class tourism."

"I GUESS YOU DON'T GET MANY AUSSIES BUYING SCOTCH WHISKY DISTILLERIES."

THE DISTILLERY REGIONS OF SCOTLAND





A new look label (left) for an old Pure Scot (right).



Using the whisky stored in those dusty warehouse barrels, Bladnoch released its first blended malt in November. Called Pure Scot and priced at \$80 a bottle, it is pitched at 25 to 35 year olds, and marketed with the tagline “life in flow”. Prior plans to follow it up with a single malt, released in February and at about \$200 a bottle, this one pitched at connoisseurs. “We’ll be doing everything from a no-age statement to a 200-year anniversary edition that’s 18 or 25 years old,” he says.

Prior developed the Pure Scot brand before setting foot in Scotland. Having sussed out the fact that a young and hip demographic was increasingly ordering scotch over vodka, beer or wine, he used his branding nous to create a spirit aimed at “those with a thirst for something different”. He imagined a bottle with angles and edges, and a label with graphics that screamed now. Armed with slides - but no actual whisky - he ran the idea past his advisory committee, who unanimously deemed it a winner.

Pure Scot, then, might have contained whisky from Tasmania, or Fife, or wherever Prior ended up. In Bladnoch, he found warehouses heaving with aged single malt stock. “I saw it as a chance to come in, be brave and nimble and do new things,” he says. “Those big guys would never put out a product that looks like a Pure Scot. The colours, the shape of the bottle... It’s just not what Scotch is supposed to look like.”

The idea for the bottle’s left-field graphics, its sea-meets-mountains label design, came to Prior while surfing. “It’s meant to be the Scottish lowlands but the colours are a bit more Australian. I was paddling out at Thirteenth Beach – that seven-kilometre section of Victorian coast – and the sun was coming through the waves and I thought, “Yes, this is the colour”. I mucked around for months to get it right. Coming from a packaging background I really get into that sort of stuff.”

The visitor’s centre at Bladnoch is pure Scot in a different way. Think tartan rugs and Scotty dog keyrings, historical artefacts and dark, dusty bottles of Bladnoch single malt complete with pagoda-chimney logos. It, too, is getting an overhaul courtesy of its new owners.

But the really big change will come next year, when Bladnoch starts manufacturing again. Prior is investing £3 million to £5 million in upgrading the production facilities,

GOING GANGBUSTERS

The Scotch whisky industry doubled in value between 2002 and 2012, and last year a staggering 912.4 million litres of Scotch whisky was consumed, most of it outside of Scotland. With a middle class growing in emerging markets such as Asia, South America and Africa, by 2019 this is expected to reach 1 billion litres.

According to the Scotch Whisky Association, Scotch sells about three times its nearest rival, American whiskey (spelled with an “e” there). And like cognac, the only other spirit with a regulatory trade body, a bottle of Scotch whisky always contains exactly what is on the label.

It’s not just Scotch that’s going gangbusters. Better marketing, changing demographics and increased disposable income means the global whisky market is expected to grow at a compound annual rate of 4.48 per cent from 2014 to 2019, according to market research analysts Technavio.

Demand for American, Canadian, Irish, French, Japanese and, indeed, Australian whiskies are fuelling the growth of the market. But the daddy of them all remains Scotch.



The amount of Scotch whisky consumed globally last year.



Scotch sells about three times its rival, American whiskey.



The global whisky market is expected to grow at a compound annual rate of almost 5 per cent.