MOVING
MOuntain Valorisation through INterconnectedness and Green growth

Policy Brief

UK - SCOTLAND | Speyside Scotch Malt Whisky

Photo credit: Dreamstime

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Speyside Scotch Malt Whisky Value Chain

Summary

Speyside Malt Whisky distils culture and heritage, from mountain landscapes, for the world. The value chain links whisky, tourism and land management and can create a more sustainable future for the region's communities and businesses. The case exemplifies Scotch Whisky Association 2023-25 Strategy and Scotland Food & Drink's objective of increasing production whilst addressing climate change and ecosystem restoration. Findings map onto the objectives of the Cairngorms National Park Partnership Plan. However, making and sustaining these linkages and ensuring that these developments respond to local priorities needs continual work and resources. This is more difficult outside the national park.

Figure 1: Dalwhinnie Distillery barrels. Photo Credit: Kirsty Blackstock.

Key Policy Messages

- ☞ Manufacturing food and drink can support local tourism in mountain areas.
- ☞ Climate adaptation and mitigation are central to our Value Chain.
- ☞ Place based and sector based collective action institutions, working together, are crucial.

1. *A Taste of Speyside*

To address the objectives of MOVING (how value chains can help make mountain areas resilient to climate and other changes), we focussed on the Scotch Malt Whisky value chain within the Upper Speyside Badenoch and Strathspey region.

The value chain approach considered how the natural, social, cultural and economic assets of the Badenoch and Strathspey region are used during the production, processing, distribution and consumption stages of Scotch whisky (Protected Geographical Indication- PGI) Creation.

There are 29 active distilleries in the study area, producing around 150 million Litres of Pure Alcohol (lpa) per annum. (2021) with more downstream (outside the mountain boundary), contributing to overall Scotch exports worth £5.9 bn in 2023. We also considered the links to wider food and drink tourism as there are 14 distillery visitor centres. Our case study nests within the wider Cairngorms National Park (CNP), a popular tourism with 1.92 million visitors p.a. as well as home to around 18,000 residents.

The CNP was designated due to the mix of nationally important natural and cultural heritage including an important alpine montane system. The Cairngorms are the source of several major Scottish Rivers that are threatened by climate change through impacts on quality and quantity.

Whisky production relies on inputs from outside the mountain region (barley, energy, transport); and mountain assets (water for making and cooling the spirit; climate, skills, and distillery specific knowledge/ technologies. Most distilleries are named after specific locations and marketed as unique brands based on history and culture.

2. Resilience and sustainability

Our analysis found the malt whisky value chain utilised local assets at all four stages (production, processing, distribution and consumption) and sense of place was integral to marketing and consumption. The production phase draws on public goods such as plentiful clean water. Processing stage provides economic value to the region; but the distribution and retail stages are largely located outside the region. The link with food and drink tourism was seen to recapture some economic value for the region associated with consumption.

Relatively well paid and secure manufacturing jobs help sustain year-round populations and services in the more remote parts of the region. However, not all local residents were aware of these opportunities. Distilleries are increasing their use of renewable energy onsite, supporting a circular economy through reuse of by-products, and using water-saving technologies, as well as investing in peatland restoration.

However, the region lacks affordable housing for distillery and tourism workers. Traditional tourism, that can create problems of traffic congestion, pressures on services, litter and increase costs of rental accommodation. Climate change projections suggest that the area will face increased water scarcity and potential restrictions on abstraction leading to losses in production.

Distilleries need capital to setup and run, and many are owned by multi-national corporations, contrasting value chain decision making with local governance structures. This potential disconnect is reflected, for example, in the Cairngorms National Park Partnership Plan (2022-27) which does not mention the malt whisky sector despite many synergies between the Plan's objectives and value chain analysis. Engaging local people, particularly local land managers, in discussions about value chains, was challenging as few saw beneficial connections.

3. Policy experiences

The Speyside malt whisky value chain and associated tourism responds to a range of Scottish policies, which reflect international obligations e.g. the UN's Sustainable Development Goals. Our study exemplifies the Scotland Food & Drink partnership Strategy through an expanding distilling sector coupled with increasing tourism.

The whisky and tourism value chains both recognise the drive for 'net zero' in the Scottish Climate Change Plan, with the Scotch Whisky Association's ambition for the sector to reach net zero by 2045; and VisitScotland adopting a Destination Net Zero Climate Action Plan. Adaptation to climate change, particularly the National water scarcity plan is reflected in the SWA Water Stewardship Initiative and sustainability goals in Scotland [Tourism] Outlook 2030.

Wider rural development challenges, such as affordable housing, sustainable transport, energy and digital infrastructure, skills and training provision and engaging young people are addressed by different national housing, transport, planning, skills and youth policies.

Land management for agricultural and ecosystem outcomes are influenced by the proposed changes to agricultural support programme plus the national Environment and Biodiversity Strategies.

Regional responses to both national policy and local priorities can be found in regional plans and strategies, such as the CNP Partnership Plan, the Spey Catchment Initiative and local tourism campaigns e.g. Visit Morayshire 'Taste of Speyside'.

Together, these policies are driving change, although it is easier for larger companies and estates to invest in technological and nature-based solutions than for the smaller land and tourism businesses. However, there are difficult trade-offs including the increasing production of whisky when access to water may be restricted due to climate change.

4. *Recommendations*

Research participants want whisky production and tourism development that are both environmentally sustainable and socially responsible, while still being globally connected. Investment in affordable housing, local facilities, and wages will encourage the local working population to grow.

To achieve this, existing policies need to be implemented using a place-based, decentralised approach that can be adaptively managed. Although a remote area facing natural constraints, the area has development pressure, requiring a different response to other Scottish mountain regions.

Whilst the benefits of working with private enterprise are recognised, there are still few mechanisms to encourage collective action between the land and water managers; distilleries and those involved in tourism. MOVING has created a forum for exchange and the Landscape Enterprise Network (LENS) approach is being explored to bring these sectors together through specific investment relationships.

Using the global reach of large whisky brands to promote local food and drink could be further developed, alongside embedding more research and development activities in the region, including local apprenticeships. Combining active travel e.g. Speyside Way with food and drink tourism can meet many policy objectives simultaneously.

Acknowledgements

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References: *see links and our project webpage*

Authors

Kirsty.Blackstock@hutton.ac.uk

Liz.Dinnie@hutton.ac.uk

Chloe.Thompson@hutton.ac.uk

Rachel.Creaney@hutton.ac.uk

Sharon.Flanigan@hutton.ac.uk