## A Holiday Surprise for U.S. Distilleries: TTB Unveils Long-Awaited 'American Single Malt' Standard of Identity

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Standards of identity and viticultural area designations add significant complexity to the production and labelling of alcoholic beverages. While not exactly a holiday miracle, many distillers are rejoicing over the TTB's new rule on American whisky (or whiskey) [1].

On Dec. 13, 2024, the Alcohol and Tobacco Tax and Trade Bureau (TTB) issued its long-awaited <u>final rule</u> (the "Rule") that establishes formal definitions for both "American single malt whisky" and "straight American single malt whisky". In both cases, the TTB is requiring that the base mash or wort for the whiskey be:

1) fermented from 100 percent malted barley produced in the United States;

2) be distilled to 160 proof or less at the same distillery [2] in the United States;

3) be stored and aged in either used, new charred, <u>or</u> new <u>oak</u> barrels no greater than 700 liters (185 gallons);

4) not use any neutral spirits; and

5) <u>not</u> use any coloring, flavorings, or other blending materials with the exception of caramel color (which must be disclosed on the label).

Like other whiskys such as bourbon and rye, a "<u>Straight</u> American single malt whisky" must be aged at least two (2) years. The new Rule is scheduled to be published on Dec. 18, 2024, and <u>takes effect</u> on Jan. 19, 2025.

Notably, the new Rule allows distillers to use a wide range of barrel sizes, and also permits the use of new charred, new uncharred, and used barrels. This may lead to a number of different styles and expressions in the American single malt category and will allow distillers the ability to repurpose for their American single malt whiskys the same barrels they have used for other products. This brings better efficiency and, potentially, lower costs to production.

These new standards of identity help provide clarity to distilleries in Pennsylvania and beyond that

are already producing whiskys made from malted barley, and may also help U.S. malt houses[3] that are already working with distilleries to better cross-market the whiskys made with local malt. Likewise, the new Rule preserves the ability of breweries and distilleries to continue to partner on fermenting malt for use in American single malt whisky by not requiring the fermentation (or storage or bottling) to occur at the place of distillation.

It is noteworthy that prior to the adoption of the Rule, many distilleries were producing and labeling products as "American Single Malt" whisky despite the absence of specific standards, and the TTB has previously approved Certificates of Label Approval (COLA) for those products that generally met the definition of a "malt whisky" before the new Rule. Because the new Rule provides additional requirements, the TTB has provided a "transition period" that allows distillers in the U.S. to continue to use the term "American Single malt whisky" or "straight American single malt whisky" for products that met the applicable standards before the new Rule, <u>but only it those products are bottled before Jan. 19, 2030</u>.

Distillers that are currently producing products they intend to market and label as "American Single Malt" should ensure either that those products comply with the new Rule, or that they are bottled prior to Jan. 19, 2030. The new standards will be added to Section 5.143 of the Code of Federal Regulations, which will include the following chart:

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Туре	Source	Distillation proof	Storage	Neutral spirits permitted	Allowable coloring, flavoring, blending materials permitted
(15) American single malt whisky	Fermented mash of 100 percent malted barley, produced in the United States	160 or less, distilled at the same distillery in the United States	Used, charred new, or uncharred new oak barrels; 700- liter maximum capacity; stored only in the United States	No	No, except for caramel coloring and only if disclosed on the label.
(16) Straight American single malt whisky	Fermented mash of 100 percent malted barley, produced in the United States	160 or less, distilled at the same distillery in the United States	Used, charred new, or uncharred new oak barrels for a minimum of 2 years; 700- liter maximum capacity; stored only in the United States		No, except for caramel coloring and only if disclosed on the label.

While these new standards add new requirements, the new Rule is expected to provide clarity and a boost for producers of American Single Malt. We hope you find a bottle of American Single Malt in your stocking next year!

## Endnotes

- 1. TTB Regulations allow the use of "whisky" or "whiskey" for products that meet the definition of "whisky".
- 2. The new Rule does not require that fermentation and distillation occur at the same distillery,

leaving open the option to have the mash fermenter at a different location such as a brewery. Likewise, aging and bottling can occur at a different location than where the distillation occurred.

3. See, e.g. <u>Double Eagle Malt</u> (Montgomery County, PA) and <u>Deer Creek Malt</u> (Chester County, PA).

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