

Modernist Masterpieces

MARGARET PRESTON
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THE *Store*
BY FAIRFAX

Australian Gum Blossom, 1928, Mar

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From organic family winery to ALDI supplier: how China made it possible for McLaren Vale's Gemtree

When Melissa Brown and husband Mike converted their family's McLaren Vale vineyard to biodynamic practices in 2008, the patriarch said they'd "lost their marbles". Being certified organic is yet to prove profitable - yet it's set off a chain of events that's turning Gemtree into a global contender in the wine business.



Melissa and Mike Brown at their Gemtree vineyards in McLaren Vale. **AFR**

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vineyard to biodynamic practices in 2008, the patriarch said they'd "lost their marbles". Being certified organic is yet to prove profitable - yet it's set off a chain of events that's turning [Gemtree](#) into a global contender in the wine business.

"Melissa's a viticulturist and our 'resident greenie', so we were eating all this organic food at home but then coming to work and nuking the vineyards with fertilisers, herbicides and pesticide," says Mike Brown, Gemtree's managing director.

Attending a biodynamics conference convinced the pair to trial an all-natural approach on one-third of Gemtree's 2007 tempranillo crop, and within six months "we realised we were on the right track".

A journey toward organic certification for all 328 acres of grapes across Gemtree's three McLaren Vale vineyards was begun, but staff who'd worked with Melissa's father since he'd bought the first vineyard in 1980 needed to be brought along.



Robert Hill Smith, chair of Yalumba Group, has a quality-driven plan for restoring Australia's wine reputation. **AFR**

"Once we gave them the choice of wearing a space suit and driving around on a chemical tractor, or driving an open top tractor feeling good about yourself and producing better wine, there was a change in mentality," Brown says.



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"He wasn't excited, and fair enough," says Brown.

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"He was used to the look of a perfectly manicured vineyard and a steady crop, and here we were proposing a new way that was going to cost a lot of money in the short term, and was less certain of producing the same yields year in year out."

DP World**The takeon**

Gemtree grapes achieved full organic certification in 2011, something that "less than 0.5 per cent" of Australia's 168 million tonne annual harvest can claim, Brown says.

Paul Buttery is probably still behind on the deal. Brown says that only in the last 18 months has he noticed buyers willing to pay a premium for the fruit Gemtree doesn't make into wine itself.

ORGANIC GROWTH IN CHINA

Yet cutting out the chemicals has achieved something more significant. It caught the eye of multimillionaire property developer Song Yuangang, who'd first agreed to meet Gemtree's executive director - Melissa's brother, Andrew Buttery - in China in 2010.

The chair of [Sichuan Taifeng Group](#) and his family then fell in love with McLaren Vale over the course of several visits.

"He liked that we were a private business like his own, and he knew the potential an 'Australian-made organic' label had in China," says Brown.

In 2013, Yuangang provided \$30 million of working capital over five years to Gemtree, in return for a significant minority stake.

The business was transformed almost overnight, buying its own winery for the first time and quadrupling production to over 100,000 cases by 2014/15.

"Cut out the contract processing costs and we've been able to say 'yes' to more project-driven assignments than ever before," says Brown.

While its single-vineyard [shirazes](#) and tempranillos remain the award-winning flagships, much of Gemtree's output is now sold under private label deals in China, the US and Australia.

exposure drop to 10 per cent, Brown says.

Gemtree collaborates with Dan Murphy's on the Dragon's Blood Shiraz label, and since 2014 has also been the winemaker behind ALDI's 'AC Byrne & Co' McLaren Vale shiraz. A 'sustainable' certified version will hit the German-owned supermarket's shelves in 2016.

"[ALDI] really wants to grow its reputation in wine. When their buyer told me they wanted our organic product I just about fell out of my chair," says Brown.

"It shows the wider acceptance that biodynamic practices are getting."

FINE WINE IS THE FUTURE

Brown hopes the second generation of the Gemtree family has set up a platform to ensure its long-term survival.

"The vineyards are a fantastic foundation, but selling grapes at the farm gate is not sustainable. You have to be able to put something into glass yourself, otherwise you're forever a slave to price fluctuations," says Brown.

He hopes to be a leader in changing lingering overseas perceptions of Australian wine as bargain-priced and little more.

"I take Gemtree's [Ernest Allen](#) and [Obsidian](#) shirazes overseas and they stand up against the Grand Crus, the great houses of Burgundy and Bourdeaux. They need to lead the conversation, which then includes our premium table wines too."

The chairman of the Yalumba Group, Robert Hill Smith, agrees and has urged exporters not to merely absorb the currently favourable exchange rate into their margins.

"Invest in the image building, don't just shift today's problem to tomorrow," he says.

Hill Smith leads by example in this regard. He heads the [Australia's First Families of Wine](#) annual charm offensive to a strategic offshore market, and markets the Group's Dalrymple pinot noir brand through a community-building portal, [Pinosity](#), which rarely mentions the sponsoring winery.

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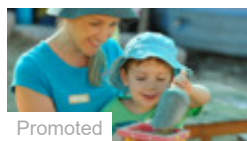


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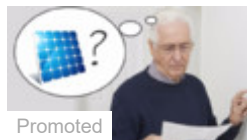
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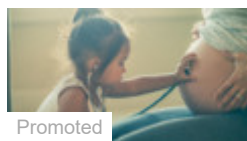
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