

POLES' POSITION

WORDS ANTHONY MADIGAN

Mark Gifford is a geologist who runs a mining company while also building a Margaret River wine brand, Blue Poles, which has lofty fine wine ambitions. And it's getting there.

Are you satisfied with the progress of your brand, Blue Poles?

"We're a small player. We're ticking along. Our production is 1,200 to 1,500 cases. Our Merlot rakes in just over a tonne and a quarter to a tonne and a half per acre. In a good year our two hectare block of Merlot might produce seven or eight tonne. We have a hectare of Cabernet Franc which in a good year might get three tonne. We've concentrated on wine quality and word of mouth, promoting our mailing list as heavily as we can. We have a strong mailing list, they contact us regularly and we have tastings with them. A lot of noise comes out for Blue Poles, which is generally positive. It's strange, though, we've been battling away for 10 or 11 years making wine, and it all came in a rush in 2013 and 2014 when we got rid of some bin ends on Vinomofo to clear the shed. It created such a fuss. The Vinomofo boys have a wide base of contacts and after that deal went through, everyone who bought a case wanted more, and they have repurchased through us direct or via our small band of loyal retailers. That was the tipping point. My partner in the vineyard, Tim, claims it for himself, of course, he's the genius behind the actual operation, but in the sense of a financial tipping point, that was it. For all the work we've done in presenting wines around the countryside, it was this project, having so many people getting in touch with us, that has made a difference. The wine industry bags Get Wines Direct and Vinomofo, they're easy targets, but if they're used wisely and in a format that is not disrespectful to the people who have purchased your wine in the past, there is a genuine place for them, more so than we recognise."

How did you select the vineyard site?

"We planted the vineyard to try to match all those St Emilion vibes... the two-thirds Merlot and one-third Cabernet Franc ratio. We found the blocks specifically for that. I was after those iron-rich gravels over clays and sands to match the soil in Bordeaux. It took two years to find it. I used up all my credits with my driller friend, Doc. We drilled holes everywhere. I had one last chance for Doc to come out and put holes down for me and, praise the lord, we encountered some clay underneath gravel. Merlot doesn't like to have feet that are too dry, and you can't just keep on irrigating because it just grows leaf. It actually has to have some deep-rooted water, so once you've located clay one metre or two metres down, that holds enough water to have its deeper roots feel comfortable. It still stresses, but doesn't stress anywhere near as much as it would if it was just gravel. After we found it, we bought the bare paddock and away we went. We had never been in the industry – Tim and I are both mining guys, geologists. I remember when we actually walked the irrigation line out. Our rows are 300 metres long. Tim's wife tied the irrigation pipe around her waist and started walking off in this

big empty paddock and we were standing there unwinding it... when we look back, it's strange what we did. Now you would just get someone in; you wouldn't do it yourself."

Tell us about the success of the business. Are you making money?

"There are three areas of success in the wine industry. The first one is: have you actually grown something? We've done that side of it well. I'm going to give myself an A. The second one is: have you made a good wine? When you plant something from the ground up, you don't know for three or four vintages if the wine quality is any good. We thought it was alright in our second vintage – 2005; 2006 was a very cold year in Margaret River and although we made a reasonable wine, no one made a great wine. Then 2007 and 2008 were really good. So yes, we can make a good wine. Can we make a great wine? We hope we can. We think we are close. We now feel that as a Merlot and Merlot blend we're one of the better ones. So I'd give ourselves a B+. The third side of it: how have you gone selling booze? That's about a C minus. It's difficult for people who are not natural-born sellers. Not everyone is Wolf Blass or Chester Osborn. I have this feeling, though, that the marketplace is so savvy now, so connected, that you can't spin the story as easily as you could 10 years ago. The salesmen... Len Evans and Wolf Blass and so on... those days are nearly passed. There are lots of ways you can market and generate space, and some are fantastic at it, but we aren't. We're such a sciencey-nerdy pairing. All we relied on was the simple fact that we made what we thought was a really good wine and that's what's eventually caught up with our nerdiness... the fact the wine has been out in the market long enough to be recognised as being good. We have enough scores now from the few critics we send our wine to, to provide us with support. We don't have the volume to get too carried away. We actually have the capacity now for the vineyard to support and pay for itself, which it did last year. It will eventually mean we won't be stressed by it. There are many in the industry who, if it wasn't for the largesse of owners, simply wouldn't be here. Even Margaret River with its lovely high-end cellar doors and extraordinarily good wines, largesse has sponsored it. It's had nothing to do with wine sales. They had money to begin with."

How have you found the wine industry in comparison to the mining industry?

"Well, socially it is markedly different! I had a lovely time with David Lloyd of Eldridge Estate recently. He asked me to help sort out his cellar. I think most of the money he has ever made is sitting in a rack of Burgundies! He loves it, his fascination is so great he's happy to live a simple lifestyle, the money doesn't drive him. People in the wine industry

complain we don't make much money, and we're all sort of battling away, but we do live a pretty good bloody lifestyle, the new high wage is the capacity to get out of bed in the morning when you want, do the job you enjoy doing, then go back to bed each night knowing what you're doing makes a difference. Convincing yourself to get to work is easy when you're sitting in a vineyard in a beautiful spot, hearing the quiet of the land. I wake up to silence. I wake up in the Philippines to what sounds like a bomb going off. When you're home, that presence of

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place is fantastic and in a way that's your payment. The other payment is there is no greater pleasure than having someone sit down and enjoy your wine, knowing that 10 or 15 years of my life has gone in a circuitous route to get that in front of someone. We didn't buy something that had all the bells and whistles, it was just an empty paddock, a concept, and that is where the thrill comes from. I'm not saying making wine is the greatest thing you can do in life, but it's satisfying for anyone who has made something, it is like making your own bed-head or something. It's a lovely thing to do. People whinge too much. I don't think some in the industry will ever be satisfied. It is a tough industry, but it's one that provides you with more highs than lows.”

Does the mining industry have anything in common with the wine industry?

“Mining has BHP and Rio Tinto; wine has Treasury and Constellation, but the bulk of the exploration work in the mining industry that generates the new things that are interesting and are to be found only by someone's thought campaign, all come from small players. The little guys in the mining game go out in the bush and find things – do things – and then big companies roll on in with cash to take it over. They love what they call Tier 1 and Tier 2 projects – world-class projects. The wine game is the same... Treasury is not going to plant something in the hope of generating some new amber wine. That's not their go, but in five years they may buy out someone who has developed the pathway to make those wines. The wine game follows the mining game in the sense of how it's weighted... three or four major players and a plethora of little guys running around actually doing things. In the mining game everyone has equal rights, everything about your licences, tenements and structure of work is all the same for every player, give or take BHP, which whacks the WA Government on the head a bit. But we all have our same rights. In the wine game we don't, we don't have equal access to the market, we don't have equal access to representation, we don't have equal access to

promotional work. Many small players in the wine game don't have money for marketing or presentation, and the companies that do, overwhelm the marketplace. Then it's compounded by the lack of access to major retail shops. That's always going to be our issue. If I'm selling lead, zinc, gold, copper or silver, I have what they call a metals exchange and I can go to that with my product and it sells. Marketing in mining is straightforward: if you have it, you sell it. In the wine game you can have Petrus on a stick and

it wouldn't move a bottle if you couldn't present it in a way that someone would want to buy it. And retailers have the power to present your wine in front of the customer – you can't be there for every customer – that's where we lose out. Our biggest disservice is there isn't an equitable way of making that work for the general marketplace. Woolworths want to deal with a limited amount of clients and have racks filled with \$9.99 booze, and the industry is squeezed. And you know what Coles and Woolworths do to the supermarket industry... as soon as you lose the small players you lose the ingenuity of the industry and this is where we could go. If it wasn't for the largesse of owners and the smaller players, the wine industry would just become a homogeneous blob. Right now there is enough of a spread for the wine industry to be interesting, but it really comes down to David Lloyd, Nat White, Wendouree, Rockford, Noon and wineries like them to keep pressing forward with quality. The issue is how do you get more to play a role in this area? Blue Poles is one of the ones that is desperately wanting to follow in their footsteps.”

What are your views on wine tax?

“WFA is meant to represent us as a total, which is a fallacy. It can't. It doesn't. It represents a concept of what it would be like to represent us. They have a web inside our regional wine authorities and expect us to have a follow-the-leader arrangement. I'm a member of my regional wine group, but I disapprove of the way WFA represents the industry on tax. They're keen to keep tax as it is, I'm keen to have a volumetric tax. I see no value in walls of goon, I see no value for us as an industry knowing we're peddling drugs, which is how it will be sold by the medical associations. Even though you think 95 percent of what these bunch of wowsers say is rubbish, the other five percent is true: people *can* become addicted to the drug alcohol. If you're making the drug cheaper than water, why aren't you being modified? And the thing is once one portion of the market is modified, the whole market is going to be up for it, so labelling laws

and all these things that we consider absolutely critical for point of difference, could be affected. We've got to be more prescient of that change, and I don't think WFA is. I've been disappointed in things they've done. I've been astounded by initiatives like From the Producer; where are the records of how that is going? There are lots of things that go on that don't gel. They can argue that, 'Oh, we tried', but it's like saying I tried to cross the road but it just happened to have Formula One cars driving down it.”

You spend a lot of time in Asia with your mining hat on. Do you promote Blue Poles on the side?

“I work out of the Philippines a lot for a privately registered mining company. For the past 15 years I've been consulting. Two or three years ago I noticed the writing was on the wall for the resource industry, it's now in a state of near-death, the resuscitators are on standby. I knew that if I didn't form my own company or create a position, I would end up in a difficult spot, so I worked out of the Philippines for a while for other companies and managed to locate a project that I've been working on since. But it's a bipolar lifestyle, I don't sell wines in the Philippines, morally I find it abhorrent to flog expensive products in a developing nation. When we had Cyclone Yolanda come through, we sold wine in Australia to support the cause and raised \$1,500. We gave it to a school principal to buy all the school kids their books. No, I'm not a big promoter of booze in developing nations.”

Do you export your Blue Poles wines?

“One thing that frustrates us is access to exports. We only want to export a little bit, we don't have the volume to export lots, and we've always had people who wanted to take little bits, but it's just not viable because they make us go through an incredibly expensive process for a little bit of wine. It costs about \$1,000 by the end of it all. That amount of money for 10 or 15 cases... that's your profit. It just loses us areas of access that should be freely available. Once you have met health and

other standards associated with labelling and everything else, you should be able to sell alcohol abroad. The countries you're delivering to have their own laws. That's what you need to comply with, not for whatever group that is in charge of laws associated with it to tell you what you can and can't do. Protecting Australia's image, my arse, they send off millions of litres of unblended crap to be bottled in California, Hong Kong and China, with no qualms at all. What image is that sending?”

You have four daughters. Are they showing signs of wanting to run the vineyard?

“No, not one! Maybe they have more brains than me. I turned them off when I made them leaf-pluck in 2006, which was such a wet year. They all said, 'Well, Dad, I'm not doing *that* again.' My daughters are wonderful, they're all independent, in fact they all left home as soon as they could. My eldest has just finished her law degree, my second has done her first year of nursing as a registered nurse and is about to start full-time in a surgical ward, my third daughter is halfway through her medical science degree, and my last daughter is in Year 12. No, none of them has taken it up. Possibly some of their boyfriends eye it off... they see a lot of alcohol for very few dollars in front of them. This lack of current family interest brings issues of succession planning into our thoughts, and seeing Nat White's vineyard, Main Ridge, up for sale was all a bit of a shock for everyone in our tight end of the industry. 'Gee whizz, how could he give it up?' Let's be honest, we're all going to go down that path at some point. You think about what it entails on a daily basis, it's a big commitment. It's something we all have to think about. One day we had a guy ring us asking to talk to our chief financial officer. I said, 'I'm not sure if I remember his extension number.' It's funny how a lot of people look upon this as an industry when 90 percent of us are families or small pairings, doing it because we love it. It also amazes me when I talk to someone who has worked at Treasury or a big wine company. They might have 10 people in marketing. That does my head in... 10 people to think up 10 stories every week? I don't follow that at all.” ■



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