



# SPIRIT



OF

# ADVENTURE

The NSW craft spirits industry is on the rise. Here's how farmers can tap into the trend, support local businesses – and raise a glass to a whole new line of income.

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**TASTE TEST**

Opposite page:  
Kylie Sepos, who runs  
The Farmer's Wife gin  
distillery on her cattle  
and free-range egg farm  
in the Hunter region,  
checks the flavour of her  
produce. Below: Kylie's  
gin and tonic.







**I**t was on a holiday to Tasmania six years ago that third-generation NSW farmer Kylie Sepos came up with the idea that has transformed her way of life. At the time she was working in the corporate world, while her husband Gavin, also a third-generation farmer, ran their family farm in Allworth in the Hunter region.

"In Tasmania, I just fell in love with the beautiful produce and craft distilleries," says Kylie. "I love living in the country and wanted to spend more time here with the children. I said to my husband it would be amazing to do something like this at home on the farm."

It took years of planning, including self-taught training and a major investment in a handmade copper still. But in 2018, Kylie launched her gin distillery, The Farmer's Wife, from her husband's revamped motor-bike and machinery shed on the farm.

The distillery sits across the road from their farm, where they raise 70,000 free-range laying hens and 150 breeder cattle. In her first year of operation, Kylie bottled 4,800 litres of Autumn Dry Gin – her sole product to date – and won a major international award.

"We sent a bottle of our gin to London for the London Spirits Competition, and amazingly we won a silver medal," she says. "We were also the highest-scoring label in the silver spirit category. It was incredible, because London is the home of gin, and has fantastic distilleries."

"We have such amazing native botanicals that are found nowhere else in the world. Australia is making some wonderful spirits, and that high quality is driving demand."

—  
**KYLIE SEPOS**

*Allworth farmer and distillery owner*

#### **FARM FLAVOURS**

Top: Kylie, with her husband Gavin, children Jesse and Bella, and dogs Marley and Lola, in front of the farm shed she currently uses for her distillery. Right: the 13 botanicals used to flavour the gin, some of them grown on the farm or bought locally.

The Farmer's Wife is just one of dozens of Australian boutique distilleries earning recognition on the world stage. Kylie's operation joins a rapidly-growing craft spirits industry that showcases the best of our farmers' produce in its drinks, from native botanicals like lemon myrtle, wattleseed and finger lime, to citrus fruit and organic grains.

"We have such amazing native botanicals that are found nowhere else in the world," explains Kylie. "Australia is making some wonderful spirits, and that high quality is driving demand. The other thing with the craft spirits is that there's a really big movement for consumers to find out where their food comes from, and its quality – and spirits are following that movement. Consumers want to know where their gin is grown." >









Kylie grows some of the ingredients for her gin on the farm, buys in others locally, and imports the traditional flavourings such as juniper, cardamom and angelica from the UK. “We source local organic grapefruit, and use kaffir lime and native sage, some we buy, some we grow,” she says. “We use lemon myrtle and anise myrtle. When we buy in botanicals like the citrus, we talk to local farmers and tell them we are looking for organic produce. It’s about communication.”

From the outset, they decided to support the Rural Aid Buy a Bale campaign. “Our business model gives back to farmers and the community. Being farmers in the bad drought, we decided to donate \$1 for every bottle sold, and we raised \$6,000 in our first year.”

She believes in getting the product out to the public to try it, so they can taste what makes Australian gin unique. “My husband Gavin can build anything – so typical of a farmer – so he converted an old horse float into a mobile gin bar,” says Kylie. “We get around to local markets, rodeos, festivals and food events.”

A couple of months ago, she had to hire in full-time help with the business, and she wants to expand further. Plus her husband wants the distillery shed back for his bikes. So the couple are building a purpose-built distillery on their property, including a fulltime cellar door (at the moment it is open by appointment only), a cafe and a permaculture farm, where they will grow more of the ingredients.

#### STILL LIFE

Above left: Kylie adds ingredients to the copper still, which was handmade by Peter Bailey in Tasmania, and was the major investment for the distillery, costing more than \$60,000. Top right: an old horse float now serves as a mobile gin bar. Above right: blending a drink in the farm shed.

“The distillery has absolutely brought a lot to our farm business,” Kylie says. “We always had a double income thanks to my corporate job, and now the distillery has allowed me to be at home, based on the farm, have more of a country lifestyle and share that lifestyle with people.”

She warns other farmers wanting to follow her into the distillery business that there are a number of challenges. Kylie, who has a business degree and two years of a science degree, taught herself the trade from textbooks, which isn’t as hard as it seems. “It’s a very old industry, so there is a lot of information out there.”

The still is the main piece of equipment and the major investment, she explains. “We really wanted our distillery to be about sustainability and use everything local, and having the still handcrafted in Australia is part of that.” It cost over \$60,000. “You need to invest in that and have it made before you can apply for a licence, so it’s daunting,” she says. “And distilling involves many different levels of licensing – state and federal and the local council.”

#### GROWING PRODUCE FOR THE DISTILLERIES

If launching an on-farm distillery seems like too much hard work, there are plenty of other opportunities for producers to tap into the craft spirits trend and pick up some extra income, say industry experts.

First, there’s the fresh supplies of seasonal produce >

# Australian craft spirits

## Six steps to success

### 1.

#### DO YOUR RESEARCH

Look up local distilleries and distributors online to find out what sorts of grain strains and botanicals they work with.

### 2.

#### LOOK FOR THE UNUSUAL

The boutique distilleries are looking for low-yield, high-quality produce with distinctive flavours and a story to tell. Sustainability is key – the distilleries want to buy local products.

### 3.

#### BUILD A RELATIONSHIP

Contact the distillery or distributor to tell them what you do or can grow, and find out what will be in demand.

### 4.

#### GUARANTEE SUPPLY

Make sure you are able to put in the time to meet orders if they are a sideline to your usual farm produce.

### 5.

#### LAUNCH YOUR OWN SPIRITS BRAND

Before setting up your own distillery, talk to other farm-based operations to find out what is involved, study distilling techniques and licensing requirements, and save for the still.

### 6.

#### BUY A LOCAL BOTTLE

Support NSW distilleries by choosing a locally-produced spirit over an imported brand.

#### FAST FACTS

There are **210** distilleries in Australia producing whisky, gin, vodka, rum and other spirits.

**49** are in NSW.

**90%**

of registered craft distilleries in Australia are in rural areas.

**13.1%**

of alcoholic drinks consumed in Australia are spirits.

**33% growth of local gin sales in 2018 alone.**  
**There are now 100 gin distilleries in Australia.**

**27.5%**

of Australians consume spirits.



## That's the spirit

#### GIN

Distilled from neutral grain alcohol flavoured with botanicals, with juniper as the primary flavour. Typically unaged.

#### RUM

Distilled from sugar, either molasses or pure sugar cane. Typically aged.

#### VODKA

Distilled from neutral grain or potato. Typically unaged.

#### WHISKY

Distilled from a mash of malted grains. Aged for at least two years.

#### FERMENTATION

The process used to create alcohol by adding yeast to a sugar wash. It can produce alcohol up to 14-18% ABV (alcohol by volume).

#### DISTILLATION

The process of evaporating the alcohol, which boils at a lower temperature than water, and collecting the steam before condensing it back into liquid form. Distillation produces the higher ABV characteristic of spirits.





that distilleries need to buy. “Due to our use of fresh oranges in Rare Dry Gin, we use around six to seven tonnes per annum,” says Stuart Gregor, the co-founder of Four Pillars Gin, which is based in rural Victoria. “We cannot use waxed fruit in the stills, so we order oranges every week. We would also consume around a tonne of finger limes and close to a tonne of fresh ginger.”

Dave Withers, master distiller at Sydney distillery Archie Rose says: “We use two to three dozen farmers across everything. Where possible they are based in NSW. We might use 100kg of citrus, other ingredients as little as 5kg.”

Native botanicals, which give Australian gin its unique flavours, are in particularly high demand, with many of them produced in NSW. “There remains a great opportunity for native botanicals,” says Stuart, who is also president of the Australian Distillers Association. “Strawberry gum, lemon myrtle, anise myrtle, wattleseed. When I look at the growth in gin it is a matter of time before a huge global player champions an Australian native botanical as part of their exotic blend. Finger limes, oranges, turmeric, ginger, all have wonderful opportunity in distillation.”

#### ALL ABOUT THE BASE

It’s not just the native botanicals that are driving the success of the Australian craft spirits, it’s also the quality of the produce that goes into the base alcohol.

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—

#### STUART GREGOR

*President, Australian Distillers Association*

#### FAMILY TRADITION

Top: Kylie’s husband Gavin with Black Angus cattle and free-range hens at the family farm in Allworth. The property was originally purchased by his grandparents, who arrived in the Hunter region from Hungary.

Many of the distilleries buy in a neutral-grade ethyl alcohol made from organic Australian wheat and distilled by NSW agribusiness the Manildra Group.

Among them is Stuart, who uses the company’s ‘extra neutral’ grade wheat spirit at Four Pillars. “It is the ideal canvas for our gins,” he says.

The ethyl alcohol is produced at Manildra’s seven-column distillery in Nowra on the NSW South Coast, the largest facility of its kind in South-East Asia. “We produce pure grain-neutral spirits for Australian and international clients for use in the production of vodka, gin, blended whiskies and liquors,” says Debra Forster, head of ethanol at the Manildra Group. “We’ve witnessed the distillery industry grow substantially locally in Australia, and it’s been terrific to support





and work with like-minded Australian businesses to create distinctly Australian products.”

The wheat used in the ethyl alcohol, which is distilled into a range of ethanol grades for a variety of industries in addition to the beverages market, is grown by “thousands of Australian farming families”, Manildra says. The requirement for growers is that the wheat must be premium quality.

Another popular alcohol base produced in Australia is made with sugar cane. Kylie Sepos of The Farmer’s Wife buys the sugar cane base spirit used in her gin from Wilmar in Queensland. Husk Distillers on the NSW North Coast, another on-farm operation, markets itself as the only paddock-to-bottle rum distillery in Australia. It grows all of the sugar cane used to make its ‘agricole’ rums, a seasonal product that can only be produced during the sugar cane harvest as it requires freshly crushed sugar cane juice.

The Archie Rose distillery buys in both a base spirit of “100% NSW wheat” for its gin, and sugar cane for use in its rums, Dave Withers says. Like Husk Distillers, it has experimented with agricole rums, as well as with rums based on the longer-lasting molasses, which is sourced from NSW growers.

But he is also focusing his efforts on the company’s new line in whiskies, produced with small batch artisanal malts sourced from growers around Griffith in the NSW Riverina. Malt is a germinated cereal grain that

## CASE STUDY

# Grower Bronwyn Petrie



“I rang every single person who was using strawberry gum or selling it online.”

**T**enterfield farmer Bronwyn Petrie is earning welcome added income during the drought by selling a product that grows freely on her family property to Australian distillers. The leaves from the strawberry gum tree, otherwise known as *Eucalyptus olida*, contain 98% methyl cinnamate, a renowned flavouring and aromatic. Her leaves used to be harvested in the 1980s and 1990s as a natural preservative for strawberry jam: “Then the Chinese came along and made a synthetic version,” Bronwyn says.

Two years ago, she found out that strawberry gum was being used in distilling, particularly for gin, as well as in teas, spices and soft drink essences. “I rang every single person who was using it or selling it online – I contacted everyone,” Bronwyn says.

Her persistence paid off, and today she supplies bushfood wholesalers including OutbackChef, Playing With Fire Native Foods, and the Taste Australia Bush Food Shop. The wholesalers sell the strawberry gum on to distillers, as well as to other buyers.

“Until we got involved they didn’t realise we had so much of it,” says Bronwyn, who has “hundreds of acres” of the trees on her family’s Northern Tablelands landholdings. They are very specific to the region, however, and attempts to grow strawberry gum elsewhere have met with limited success, she says.

Bronwyn’s son Tim also connected on social media with Georgie Donaldson, the production manager of Sydney distillery Poor Toms, and she now directly supplies the strawberry gum that is used in two of its gins. “Australian-made boutique gin is completely amazing,” she says. “It’s extraordinary how many are being developed.”

The strawberry gum earns a “handy income” says Bronwyn,

whose main line is beef cattle and timber. “But we work for it.”

She takes in orders of 5-100kg at a time, helped by Tim and her ex-husband Bill. “We harvest by the ute load. My shed will hold four ute loads, or 180kg.” She says the harvest and drying process is “relatively simple”, but the stripping and hand-checking of the leaves is “incredibly time-consuming”. “We’ve done many all-night jobs to get the order through.”

Bronwyn, who is also chair



GEORGIE DONALDSON / POOR TOMS

of NSW Farmers’ Conservation & Resource Management Committee, has some advice for other farmers looking to sell to the distilleries or wholesalers. “Look at their websites, and you’ll see their native range – and if you’ve got any of those products, contact people. Don’t worry if the produce is only seasonal – the wholesalers will know that.

“The big thing is you must be willing to put in the time,” she warns. “It’s no good building up a market and then not being able to maintain a supply.”

Farmers with a native product or unique ingredients to sell will be warmly welcomed by the distilleries, says Georgie Donaldson of Poor Toms (pictured above, with Bronwyn’s strawberry gum). He tells us how satisfying it is to be able to buy the produce straight from the farmer. “It’s heaps higher quality,” he says.



has been through a drying process, and it's produced for Archie Rose by two specialist NSW malt houses.

"The producers generate malts that sit outside the commodity chain," Dave says. "They have unique properties and flavours and are locally sourced."

He is particularly looking for revived heritage rye and barley strains. "Low-yielding crops that are unwanted and forgotten, we find exciting," he says. "It's not the latest licensed grain, it's the low-yield stuff from farmers that builds flavour."

One of his new grains is an ancient variety, a purple hulless barley. "It's low-yielding but survives in the drought," says Dave. "What's exciting for us is it's sustainable, a great flavour and supports the farmers through thick and thin."

The distillery uses six malts as the base of its single malt whisky, and it was pouring the mix for drinkers as an educational tool, before putting it into the barrels to mature it into whisky. But the unaged spirit proved so popular, Archie Rose has released it as a drink in its own right. "It celebrates NSW grains and showcases the flavours in their raw form," says Dave.

#### TOASTING THE FUTURE

So has the craft spirits market peaked? The real growth in Australian spirits over the past five years has been fuelled by the huge surge in gin production, Stuart Gregor says, but there is still a "great appetite" for locally produced whisky. As whisky takes a minimum of two years to mature in the cask, it takes longer for distilleries to get their product to market. Rum is also on the rise, he says. "Good judges think Australian rum is on the cusp of something very exciting indeed."

"I think there will be a lot more whisky and other spirit distilleries in NSW," adds Stuart. "We grow great barley and wheat and increasingly rye, so we can make brilliant base spirits, which then require maturation in either the tropical north or the cool highlands of the south and plenty of places in between. We have a great diversity of climates so we can make many different styles of whisky."

"The Australian spirits industry is somewhere like the Australian wine industry in the 1970s," he says. "We are incredibly small, both within the domestic market and in the global market. We have a long way to go – there is plenty of room for more great distilleries."

Dave Withers says that when Archie Rose launched in 2014, there were only three dozen distilleries in Australia, and now there's about 200. But he sees the growth as a revival of a once-sizable industry, rather than a trend. "Australia has an amazing production heritage," he says. "Sydney's large local landmarks, the city's governance and its rebellions, were all formed on the liquor trade. So the local craft boom is really a continuation of centuries of heritage in NSW."

He offers advice to producers wanting to get involved with the industry. "Farmers need to call themselves out and make themselves known to us or to their local distillers. Get in touch and see if they can work together. We're always interested to hear about what farmers are growing, if they've got an unusual crop or even components such as citrus leaves that are not usually a commodity, but could be good for our trade. See what relationships you can build." ●

## A berry fine idea

"There would be huge demand in the gin industry for Australian juniper."

There is essentially just one ingredient that differentiates a vodka from a gin – and that is juniper. The berry is the principle flavouring in all gin spirits, but the challenge for Australian distilleries, proud of their local produce, is that there are no commercial growers of juniper in the country. Instead, distillers have to import their berries from Europe.

It's a situation that farmer, horticulturist and gardening book author Marcelle Swanson describes as "crazy". She produces juniper in her ornamental garden on her farm on the Mornington Peninsula in Victoria, and says the plant is both easy to grow and really productive.

"It's only grown in Australia by backyard gardeners – and I'm shocked by that," she says. "Gin has been such a growth industry, yet all the juniper berries are coming from overseas. Juniper is also used in beer and as flavouring in smallgoods."

So could there be profits to be made by an enterprising farmer in NSW growing juniper as a crop? There would certainly be a market for it, the distillers say. "Gin is a huge growth market and there is a demand for Australian-grown botanicals," says Kylie Sepos of The Farmer's Wife. "We would prefer to source all our ingredients from Australia. There would be huge demand in the gin industry from Australian juniper."

"We use around 25 tonnes of juniper each year, so there is a market in Australia already," says Stuart Gregor of Four Pillars. As there are now more than 100 distilleries in Australia producing gin, as well as thriving sales of blend-your-own gin kits, the market could be sizable. But Stuart warns that juniper is a very slow-growing tree. "It would be a long game rather than a short game," he says.

Dave Withers of Archie Rose agrees. "We'd love to buy local juniper, but it's a tough and high barrier to entry,"

he says. "There's an eight-year timeline to yield berries, then the berries need 24 months on the tree [before harvest]. But we'd buy quite a lot," he adds.

Marcelle Swanson confirms it would take eight to 10 years from buying a small juniper plant to producing a crop. It would also be labour-intensive to prune and harvest, as it's a very prickly plant that grows up to several metres tall, and it produces both ripe and immature berries at the same time.

Juniper plants are also in short supply. Marcelle is the communications manager of The Digger's Club, Australia's largest gardening club, and its juniper berry plants sell out as soon as they come into stock. "We sell out of everything we produce," says Marcelle. "There's big demand for them." The

STUART GREGOR / FOUR PILLARS





company says the next availability won't be until June 2020.

What shouldn't be an issue is finding a region in NSW where juniper will survive. "It should grow well in most of NSW," she says. "It's from the Northern Hemisphere, so it tolerates freezing winters, frost and dry conditions. It might not do so well in humid areas, it needs a well-drained soil. But nice cold nights are ideal."

**Kangaroo Island Spirits in South Australia is already growing its own juniper for its gin, and the distillery's co-founder Jon Lark says the trees are thriving on Kangaroo Island's cool coastal climate.** But, as he recently told news website *The Lead*, he doubts he will be able to grow enough to meet the distillery's commercial needs.

"The juniper that Australia uses a lot of comes from places like Macedonia where the trees are 400 years old and

there's mountains of them.

"It's a horrible prickly pine tree, it takes a long time to grow to get the volume that you need and if you're competing with Macedonia then I wouldn't have thought the price point would be commercially viable."

Marcelle believes juniper is still worth investigating. "I've always wondered, when it grows so easily, why isn't anyone growing it? And it wouldn't just be one farmer who could do it, it could be lots of farms."

As a first step, she suggests farmers would need to visit a

growing area overseas, to see how it is done. They could then place a forward order with an Australian juniper plant supplier. Planting would need to take place in the autumn. And yes, then there's that lengthy wait for the first harvest.

Stuart Gregor also thinks it would be worth a try, particularly as most juniper berries overseas are harvested from wild-grown crops. "I suspect juniper will grow faster if properly cultivated," he says. "So if someone wants to take the risk, then it might pay off."



## A sample of NSW produce used by the distilleries

- .....
- Anise myrtle
- .....
- Barley
- .....
- Blood lime
- .....
- Chamomile
- .....
- Citrus leaf
- .....
- Coffee bean
- .....
- Curry leaf
- .....
- Dorrigo pepperleaf
- .....
- Finger lime
- .....
- Galangal root
- .....
- Ginger
- .....
- Grapefruit
- .....
- Kaffir lime
- .....
- Lemon
- .....
- Lemon grass
- .....
- Lemon myrtle
- .....
- Macadamia
- .....
- Mandarin
- .....
- Murraya flower
- .....
- Orange
- .....
- Pear
- .....
- Rye
- .....
- Sage
- .....
- Strawberry gum
- .....
- Sugar cane
- .....
- Tangelo
- .....
- Turmeric
- .....
- Wattleseed
- .....
- Wheat
- .....



DAVE WITHERS / ARCHIE ROSE



SARAH AND JON LARK / KANGAROO ISLAND SPIRITS