



Rural

Chinese buyers for Kimberley sugar mill

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The Chinese company developing the second stage of the Ord irrigation scheme in Western Australia, has bought the old Kununurra sugar mill.

Kimberley Agricultural Investments (KAI) is currently developing 13,400 hectares of irrigated land and has purchased the sugar mill which sits on a 19 hectare block.

The property is currently being used as offices and has not been a working mill since the collapse of the local sugar industry almost seven years ago.

In 2012, KAI were announced by the Western Australian Government as the preferred proponent to develop a sugar industry in the Ord.

Despite sugar being the eventual focus for Ord Stage 2, the company says it could take over 10 years before that occurs and it will grow other crops in the short term.

It's understood the mill be used in parts to produce ethanol from sorghum.

Brad Williams from the Kununurra Chamber of Commerce says using it for sorghum makes perfect commercial sense.

"I don't think it's viable for that mill to be re-tasked into the future for processing the amount of sugar that's likely to be grown," he said.

"We would still expect there will be an additional sugar mill built at some point in time further up the valley when the need arises."

Kununurra logistics company, Cambridge Gulf Limited (CGL), bought the mill three years ago for \$1.5 million.

CGL's Tony Chafer says the company bought the old mill as an investment opportunity.

"The intention for us to buy it was to always on-sell it.

"We bought it for a couple of reasons; firstly we are in the business of looking after our share holders, so we saw it as a very sound investment.



[Ord Sugar Mill, Kununurra, 2007](#) (ABC News: Matt Brann)

"Secondly, we also wanted to make sure the property would be available for whoever the company was that picked up the Ord expansion."

Despite no confirmation of the price paid, Mr Chafer says it was sold at a profit.

"What I can tell you is, it's definitely more than we paid for it."

"But it's also what we believe is far less than it's real value. So we think everyone got a bargain out of this sale," Mr Chafer said.

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