



HD **Chinese company** want to process Kimberley sorghum for alcohol

BY Tyne McConnon

WC 456 words

PD 17 July 2014

SN Australian Broadcasting Corporation (ABC) News

SC ABCNEW

LA English

CY (c) 2014 Australian Broadcasting Corporation

LP

Chinese company, Kimberley Agricultural Investment (KAI), says it plans to use the Kununurra sugar mill to process sorghum for the alcoholic spirit Baijiu.

The **company**, which is developing stage two of the Ord irrigation scheme, has , which hasn't been operational for seven years.

TD

KAI says it still plans to develop a sugar industry in the Kimberley, but until more land is acquired, it will focus on crops like sweet sorghum.

KAI wants to use the former sugar mill to produce the base ingredient for Baijiu, an alcoholic drink mostly consumed in Asia.

Baijiu is produced from sweet sorghum, which KAI is currently .

KAI's Jim Engelke says they are still studying the potential of the crop.

"We first have to convince ourselves that growing sweet sorghum in the Ord will be of a suitable quality and quantity which makes the process viable."

He says the **purchase** of the mill indicates a level of confidence within the **company**, that a sorghum operation can be viable.

"There are two sides to the coin," Mr Engelke said.

"The Australian side [of KAI] needs to learn a bit about Baijiu, and perhaps the parent **company**, Shanghai Zhongfu, needs to learn a bit about growing sorghum in Australia.

"I guess we are convinced, but there are a few wrinkles to **iron** out."

When the mill stopped production in 2007 after the collapse of the sugar industry, many of its parts were sold, and the parts left haven't been maintained.

Mr Engelke says the mill will need a lot of work before it could be functional again.

"There are milling trains that will have to be put back in, there are shredders that have to be put back in, there's a whole lot of electrical cabling that has to be replaced.

"There's a lot of work there at a fairly significant cost."

As the trials on the sweet sorghum continue, Mr Engelke says work will begin on the mill.

"We have already had engineers from both **China** and Australia look through the sugar mill, so we do have some idea."

KAI has not confirmed how much it paid for the mill, however it's understood to be over the \$1.5 **million** former owners, Cambridge Gulf Limited (CGL), paid for it three years ago.

If more land is acquired by KAI in the Ord and a sugar industry is developed, Mr Engelke says a seperate sugar mill would be constructed.

"Really the **purchase** of the old sugar mill is perhaps you could see it as a stepping stone to getting to that bigger sugar mill.

"Also allowing us to have some sort of processing industry in the Ord."

IN i01001 : Farming | i0 : Agriculture

RE china : China | waustr : Western Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | austr : Australia | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

IPD rural

PUB Australian Broadcasting Corporation

AN Document ABCNEW0020140717ea7h000e2