



Sweet news for Cow Candy project

Gordon Clark | 29th July 2008

A Chinese company has stepped in with a \$3 million investment to save the Sunshine Coast's BioCane Cow Candy sugar cane cattle feed project.

A Chinese company which owns nine sugar mills in the people's republic has stepped in with a \$3 million investment to save the Sunshine Coast's BioCane Cow Candy sugar cane cattle feed project after the Australian government withdrew funding.

Yunan YinMore Sugar responded to an SOS from Biocane chairman Scott Grimley by sending a team of representatives to look at investing in the project just days after construction on the Bli Bli plant stopped on July 2, putting 31 staff out of work and threatening the future of canegrowers.

Mr Grimley, who said the Cow Candy project could have been mothballed without a major investor coming in, added Yunan YinMore Sugar had already fast-tracked the first of three \$1 million payments, enabling construction to restart yesterday.

He said the company was convinced the project had outstanding global potential, its 37.5% stake in Biocane contingent only on having two members on the board.

Mr Grimley said, "We didn't hold anything back that we were in deep trouble. They investigated the project thoroughly during the six days they were here a fortnight ago and committed to the investment before they left," he said.

"They understand the industry and think the product is fantastic. It's ironic that our government has stopped payments under the funding agreement without even giving us the chance to put our case, and the Chinese have come in straight away and saved the project."

Mr Grimley said independent university research had shown the Cow Candy project

could contribute as much as \$100 million annually to the Sunshine Coast economy, including new export revenue of \$50 million-a-year.



BioCane chairman Scott Grimley is ecstatic the Cow Candy project has been saved. Photo: Cade Mooney/177298

He said the news would provide a lifeline for canegrowers who had been unable to secure a market for their cane since the Moreton Sugar Mill in Nambour closed in December 2003, many forced to rely on Centrelink benefits.

He also said the growers who still had cane in the ground, and landowners within a 60km radius of the factory at Bli Bli would be encouraged to ramp up planting.

Mr Grimley also said he had a short meeting with Treasurer Wayne Swan last weekend, giving him a briefing note that suggested Biocane had been denied natural justice.

"Mr Swan knew our situation ... he said he and Kevin (prime minister Kevin Rudd) had asked the relevant minister to re-open the door for discussions on the funding."

"There's about 60,000 tonnes of cane in the ground now ... that will go to Japan and South Korea provided construction at the factory is completed hopefully in October," Mr Grimley said.

"We're hoping to get 150,000 tonnes in the ground for next financial year and double that the following year. The goal is to reach the factory's capacity of about 550,000 tonnes which is similar to what the Moreton Mill was taking before it closed.