

PAPUA NEW GUINEA Ramu Agri-Industries Limited

Booker Tate



From a greenfield site

Following an economic policy encouraging development of export crops and reducing dependence on imported foodstuffs, the Government of Papua New Guinea sought to develop a national sugar industry. In 1977, Booker Tate was commissioned to undertake a feasibility study to identify a site for a sugar estate and factory. With the successful outcome of the study Booker Tate was awarded a management contract in 1979 to design, implement and manage a sugar and livestock project located in the Upper Ramu Valley. A factory, designed to produce 40,000 ts/y, was commissioned in 1982.

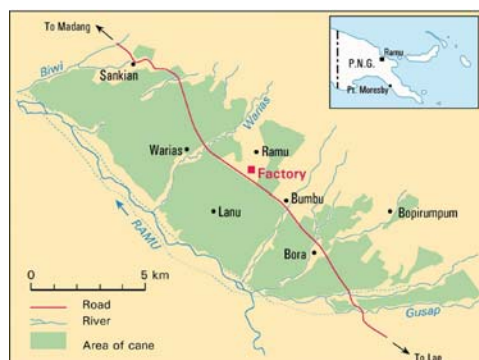
Distillery added

In 1982 Booker Tate undertook a feasibility study for a distillery to produce ethanol from molasses and cane juice to be used as an extender for motor fuel. The positive outcome of the study was followed by the supervision of the distillery construction with full production starting in 1984. As a result of falling oil prices, subsequent years saw the distillery modified to produce potable alcohol.

From sugar to cattle

When the Company took over the leases on the project land in 1979, it acquired a substantial ranching operation which has

continued both on land at Gusap not required for cane and on ranches at Leron Plains, Munum and Narakapor. In 1996, continuing development saw the



In Brief

- 1977 Feasibility study for new sugar project
- 1979 Booker Tate awarded contract to develop and manage sugar project
- 1982 Commissioning of 40,000 ts/y factory
- 1984 Commissioning of 30,000 l/d distillery
- 1986 Project affected by unknown disease
- 1995 Extension of management contract to 2002
- 1996 Project affected by *Sesamia borer*
- 1996 Abattoir and meat processing plant constructed
- 1999 First dividend paid to ordinary shareholders
- 2000 Commercial trials of first PNG bred cane variety
- 2002 Flotation on Port Moresby Stock Exchange
- 2002 Booker Tate awarded Technical Support Services contract
- 2007 Booker Tate awarded contract for agricultural management construction of an abattoir and a meat processing plant.

Sugar production problems

Consistent sugar production over the years has been hampered by various unforeseen problems. In 1986, following three years during which production had increased to average 32,000 ts/y, a disastrous attack of a hitherto unknown disease, now named Ramu Stunt, reduced production to just 9,000 ts/y. Booker Tate formulated a successful replanting programme to counter the effects of the disease and 1988 saw a record production of 51,000 ts/y. Suffering a drought in 1993, the project was further affected by *Sesamia borer* in 1996, prompting aerial spraying with soft chemicals to control the infestation. Production now averages between 45,000 ts/y and 50,000 ts/y.

Factory and estate development

Despite poor weather conditions and the numerous ongoing disease problems, the project is now producing above its original design capacity and as well as improving product quality and reducing costs, a third objective has been to increase factory throughput. This is an ongoing operation attuned to agricultural developments and the availability of finance. The crushing rate was increased with the upgrading of the mills in 1995, and additional processing plant to achieve the planned 160 tc/h is now in place.

Recent events

In 2002, following a successful Public Offering of shares by the Government of Papua New Guinea, the Company listed with a public quotation on the Port Moresby Stock Exchange. More recently still, the Company has been looking at diversification opportunities into oil palm and other crops. Booker Tate is currently retained mainly to support the sugar sector, with an emphasis on sugarcane management.

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