

Eucalyptus oil spin-offs excite

JENNE BRAMMER

A small business in the heart of the Wheatbelt has become Australia's biggest producer of eucalyptus oil and is about to use its by-products to develop other business lines, including electricity.

Based at Kalannie, 260km north-east of Perth, Kochii Eucalyptus Oil is on track to produce 130 tonnes of eucalyptus oil this year, using trees planted by farmers as part of a plan to reduce salinity on their properties.

Kochii chief operating officer Steve Meerwald said 90 per cent of the global supply of eucalyptus oil was produced in China but there was strong demand for a genuine Australian product.

And already the small management team is eyeing the next stage by turning its waste into an income stream.

Mr Meerwald said profits from oil production alone were marginal but by adding other income streams to the mix, Kochii could become a large viable business with multiple environmental benefits.

He said Kochii would next month commission a \$1 million pyrolysis

plant, supported by a \$300,000 agribusiness value-adding grant from the State Government, to convert the remaining mulch after oil is extracted into biochar (used in soil remediation and livestock feed) and wood vinegar, to stimulate plant germination.

Once the char and wood vinegar market was proven, Kochii would move to the next stage of installing more sophisticated pyrolysis equipment to capture the syngas

generated as part of process. Syngas can power combustion engines to produce renewable electricity.

"Based on production of the Kalannie site eventually reaching about 200 tonnes of oil, pyrolysing the waste biomass could create one megawatt of baseload electricity — enough to power the town of Kalannie," Mr Meerwald said.

Kochii's ultimate plan is to replicate this model of eucalyptus oil and value-added products at suitable

sites across the Wheatbelt, based on proximity to oil mallees and end-of-grid locations with unreliable power supplies.

The vision for a eucalyptus oil industry in the north-eastern Wheatbelt started 30 years ago when the late Don Stanley and other local farmers started planting oil-mallee trees to remediate over-cleared farmland, later building a distillery. But with competition from China and without a concen-

trated business effort, the business never really took off, trees were left to grow too big and the distillery was eventually mothballed.

In 2015, the assets, including plantations and the distillery at Kalannie, were purchased by the company now calling itself Kochii Eucalyptus Oil, owned by international businessman Danny Fakhre, with Mr Stanley's son Ian among the small team leading the business today.

Kochii manager Mike Walter, director and Kalannie farmer Ian Stanley, and COO Steve Meerwald, with the eucalyptus-tree mulch. Picture: Jenne Brammer



SPRING OPTIMISER WORKSHOPS

A FOCUS ON GETTING THROUGH SUMMER - WATER & LIVESTOCK

Lake Grace - 5th October

Kulin - 6th October

Jerramungup - 7th October

Arthur River - 15th October

ALL EVENTS 2:00-5:00PM

REGISTRATIONS ESSENTIAL



Planning for summer & beyond: How much water do we have & how much do we need to get through? Which sheep should be leaving the farm in a destock? - Andrew Ritchie & Mark Allington, Icon Agriculture

What are the most cost effective options for surface water design & what options are there for accessing underground water? - John Simons & Richard George, DPIRD

Desalination on farm: What is available and what are the pros & cons of each system? - Anthony Bodycoat, Water Corporation

An update on the rural water program & water supplies for livestock - Tracy Calvert, DWER

A market update - local livestock agents

MORE INFORMATION & ONLINE REGISTRATIONS:
[SHEEPSBACK.COM.AU/EVENTS](https://sheepsback.com.au/events)