



We are all tall poppies here.

Opium producer to puff out rivals

By **GARRY BARKER**
LAUNCESTON

TPI Enterprises, a small Tasmania-based biotech company, aims to restore Australia as the world's leading producer of opium-based drugs.

Operation of its opium poppy processing plant at Cressy, near Launceston, was officially launched yesterday by the Tasmanian Primary Industries and Water Minister, David Llewellyn, and the first shipment of an estimated annual production of 60 tonnes of morphine is due to be made before midyear.

TPI's chairman, Ross Dobinson of Melbourne investment group TSL, said the company had developed a safer, more efficient and cheaper extraction process that could deal with the often heavy-handed competition from its larger multinational rivals.

"We are price competitive, but we are

also nimble enough to deal with what can almost be guerilla warfare in a market that has suffered from oligarchy abuse for some time," he said.

TPI managing director Jarrod Ritchie's long experience in the drug industry also meant the new enterprise understood the industry and had valuable contacts.

The company's more efficient and environmentally safer process means it could pay more for its poppies and also be price competitive against much larger competitors, Mr Dobinson said.

TPI was paying Tasmanian poppy farmers 25% more for their crop than established drug companies such as Johnson & Johnson and Glaxo Wellcome, and would add another 13% to that premium this year.

Mr Ritchie said Australian poppy production, which once accounted for about half the world's legal production,

had declined from about 25,000 hectares under cultivation eight years ago to about 8000 hectares last year, the market being taken by growers in Britain, France and Spain.

He said TPI had booked \$100 million worth of orders that would allow considerable expansion of poppy production in Tasmania, the only Australian state where the crop is allowed to be grown.

The extraction process developed by TPI used water rather than petroleum-based solvents to extract the opium from poppy heads and is safer and cheaper, allowing the company to set highly competitive prices.

Changes in the global economy, such as the rise of middle classes in India and China, and an ageing population meant the demand for pain-relieving drugs would rapidly increase, Mr Dobinson said.