

Japanese dairy giant Megmilk partners Agrocorp to build pea protein facility in Malaysia

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Megmilk Snow Brand Co, one of the largest dairies in Japan, has established association with Singapore-based Agrocorp International, one of the world's leading pulse traders, to form a joint venture (JV) to manufacture and market plant-based ingredients. The partnership aims to respond to the growing demand for plant-based foods.

The companies will invest \$21 million in the joint venture. Agrocorp is contributing 51% and Megmilk 49% to build a factory in Malaysia producing pea protein, pea starch and pea fiber for plant-based beverages, meats, and cheese. The factory is expected to commence production in late 2025. Agrocorp has already opened its first facility in Canada's Saskatchewan province.

Megmilk Snow Brand Co., Ltd. and Agrocorp International Pte Ltd will leverage their individual strengths to manufacture and sell raw materials for plant-based food processing. In its Medium-Term Management Plan 2025, Megmilk Snow Brand Group specifically identified the plant-based food business as one of its key growth areas.

Vishal Vijay director of strategic investments, Agrocorp International said "This joint venture seeks to leverage the strengths of both companies and will see the setting up of a factory in Malaysia to manufacture soy-free plant protein products like pea protein, pea starch and pea fibre. Pea protein can be used in a variety of plant-based food applications in plant-based beverages, plant-based meats, as well as in plant-based cheese, such as the vegan cheeses by our downstream brand HerbYvore Foods".

Agrocorp, an international agribusiness company based in Singapore, is a plant protein extractor. The joint venture to be established in Singapore will establish a manufacturing subsidiary (100% investment) in Malaysia.

Plant-based protein pea protein still lags behind soy when it comes to production capacity, but production capacity has been increasing rapidly in recent years, with PURIS opening a large plant in Dawson, Minnesota; Ingredion opening a facility in Nebraska; ADM opening a plant in North Dakota; Cosucra expanding production in Belgium and Denmark; and several Chinese manufacturers expanding production capacity.

Legumes like peas are plants that contribute to nitrogen fixation, containing symbiotic bacteria called Rhizobia within nodules in their root systems, producing nitrogen compounds. Nitrogen is a major component of protein and a required nutrient for plants. Peas, or other legumes, in the crop rotation usually lead to lower needs for mineral and organic nitrogen fertilisers, which contribute to 25% of the total direct greenhouse gas emissions by agriculture in the EU, explains Agrocorp International.