

Cargill will install dry palm fractionation capacity in Malaysia

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To meet growing customer demand for specialty fats, Cargill has started construction on a RM145 million (US\$35 million) expansion of its production facility in Port Klang, Malaysia. This is the first step in a global, multi-year investment expected to exceed RM415 million (US\$100 million) aimed to significantly expand the company's global portfolio in specialty fats.



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"Specialty fats are incredibly popular due to their versatility and functionality," said Jennifer Shomonta, president and group leader for Cargill's global edible oils solutions business. "With this investment, we'll be better positioned to support our customers' innovation journey, equipped with the building blocks necessary to co-create tailored solutions that align with their unique needs."

At the Malaysian facility, Cargill will install dry palm fractionation capacity, enabling the production of a range of specialty fats for use in chocolates, coatings, fillings and compounds, spreads, bakery fats, and other applications. Cargill will also further upgrade its Malaysia Edible Oils R&D Center, enhancing lab equipment and pilot plants to align with the Port Klang facility's new specialty fat capabilities.

The newly announced project comes on the heels of a nearly complete RM83 million (US\$20 million) upgrade to the facility begun just one year prior, which enhanced the site's production capacity and completed a first round of updates to its R&D capabilities. The investment in the Port Klang facility aligns with the Malaysian government's policy encouraging palm oil downstream companies to further move up the palm value chain, positively impacting the economy and creating

job opportunities.

Taken together, these two Port Klang projects are the first of what Cargill expects to be multiple investments, spread across its specialty fat production plants around the globe. The more than RM415-million initiative will thrust Cargill to the forefront of specialty fats production, with state-of-the-art facilities and a reliable, end-to-end sustainable supply chain.

"All too often, brands must navigate complicated supply chains to procure their specialty fats, purchasing oil from one supplier, then shipping it to others for further processing," Shomenta said. "Through our investments at Port Klang and across our global processing footprint, weâ€™ll eliminate those extra steps, giving customers the convenience of a single, trusted partner, all backed by Cargillâ€™s technical expertise and global resources."

The broad range of ingredients produced at Cargillâ€™s Port Klang plant will play starring roles in the sensory profiles of many products, contributing to their improved taste, texture and mouthfeel. Derived from seed and tropical oils, specialty fats offer a wide range of attributes from heat resistance, a key benefit for confections sold in warmer climates, to quick meltdown for enhanced flavor release amongst other functional attributes. The ingredients are also key to improving flavor profile, product stability and other sensory needs of customers in the rapidly growing meat and dairy alternatives market. Further, Cargillâ€™s responsibly sourced palm oil supply chain will make it possible for the company to offer specialty fats made from segregated palm oil certified by the Roundtable for Sustainable Palm Oil (RSPO).

The Port Klang expansion is expected to be complete in late 2023, at which time Cargill will begin supplying finished specialty fats to customers throughout the Asia Pacific region, and semi-finished products to Cargill facilities in Europe, Middle East, Russia, South America and North America. This will enable the company to offer its expanded specialty fat range to customers in those regions as well, putting Cargill in a strong position to serve global and regional customers alike.

"This investment will position us to become a leading specialty oil solution provider by improving our capability to co-develop new solutions with customers and address key consumer trends," says Jonathan Yeo, regional strategy and innovation leader for Cargillâ€™s edible oil business in Asia.