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Tate & Lyle to acquire tapioca business in Thailand

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Tate & Lyle PLC, a leading global provider of food and beverage ingredients and solutions, has signed an agreement to acquire an 85% shareholding in Chaodee Modified Starch Co., Ltd. (CMS), a well-established tapioca modified food starch manufacturer located in Thailand.

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This investment extends Tate & Lyle’s presence in speciality tapioca-based texturants and establishes a dedicated production facility in the main tapioca region of eastern Thailand. The acquisition will enable Tate & Lyle to offer a broader range of tapioca-based solutions to meet customers’ needs for better tasting and clean label foods in categories including dairy, bakery, snacks, noodles and soup, sauces and dressings.

Tate & Lyle will operate CMS in partnership with the former owner. Together with its partner, Tate & Lyle intends to invest in the facility over the next three years to increase significantly capacity for higher functionality starches. The CMS facility will be supplied with substrate by a co-located tapioca starch mill fully owned and operated by Tate & Lyle’s partner.

Nick Hampton, Chief Executive of Tate & Lyle, said, “We are delighted to announce this investment to expand our tapioca offering and grow our texturant portfolio. CMS brings new tapioca capabilities, raw material sourcing expertise and additional production capacity to Tate & Lyle, and expands our presence in the higher growth Asia Pacific region.”

Closing of the transaction will occur when customary approvals have been received.