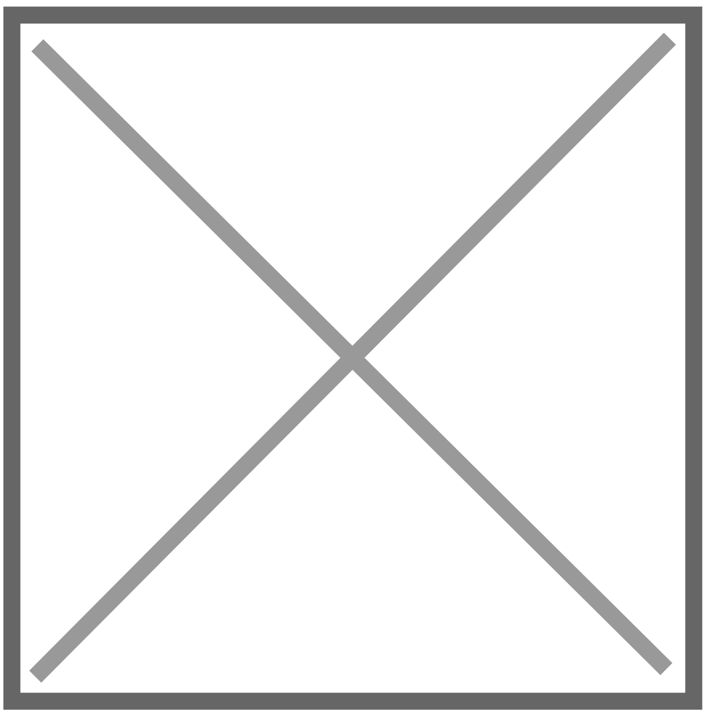
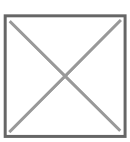
ADM collaborates with Korea's LG Chem to produce Lactic Acid and Polylactic Acid at the US facility

16 August 2022 | News

Launches two joint ventures to meet growing demand for a wide variety of plant-based products, including bioplastics



Launches two joint ventures to meet growing demand for a wide variety of plant-based products, including bioplastics



South Korea based LG Chem, a leading global diversified chemical company, and ADM, a global leader in nutrition and biosolutions, on August 16th, 2022 announced launch of two joint ventures for U.S. (Decatur, Illinois) production of lactic acid and polylactic acid to meet growing demand for a wide variety of plant-based products, including bioplastics.

The first joint venture, GreenWise Lactic, would produce up to 150,000 tons of high-purity corn-based lactic acid annually. ADM would be the majority owner of GreenWise, and would contribute fermentation capacity from its Decatur bioproducts facility to the venture.

The second joint venture, LG Chem Illinois Biochem, would be majority-owned by LG Chem. It would build upon LG Chemâ??s expertise in bioplastics to build a facility that will use product from GreenWise Lactic to produce approximately 75,000 tons of polylactic acid (PLA) per year.

ADM CEO Juan R. Luciano stated, â??At ADM BioSolutions is already growing rapidly, with $136 million in year-over-year revenue growth in the first half of 2022, and with these two new joint ventures, weâ??re planning to take the next growth step, greatly expanding our ability to meet growing demand for plant based solutions. Weâ??re excited at the opportunity to bring this new intended production and all of its economic benefits to Decatur, our North American headquarters".

â??LG Chem is the first Korean company to build a PLA plant with integrated production capacities ranging from raw materials to the final product. With the establishment of this JV, LG Chem will not only procure production capacities for highly pure lactic acid needed for commercial-scale PLA production, but will also be able to apply biomaterials in the development of various high-value added products" add LG Chem Chief Executive Officer Hak Cheol Shin.

The joint ventures, which are subject to required regulatory approvals, hope to make final investment decisions around the Decatur projects in Pending final investment decisions and approvals, construction would be targeted to begin in 2023, and production in late 2025 or early 2026, with the two joint ventures supporting more than 125 jobs in the Decatur region.

Both ventures are participating in the State of Illinoisâ?? Economic Development for a Growing Economy (EDGE) program, which provides incentives to job creators who plan to make investments in Illinois.