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Evonik partners Shandong Vland Biotech form JV in China to boost animal gut health portfolio

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Evonik China Co., Ltd and Shandong Vland Biotech Co., Ltd agreed to build a joint venture to expand their presence in gut health solutions products for farm animals globally. Evonik will be the majority shareholder in this joint venture with 55 percent of the shares. The joint venture, called Evonik Vland Biotech (Shandong) Co., Ltd. will have its headquarters in Binzhou, China, and is planned to enter the market in Q1/2024.



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The joint venture will combine the specific strengths of both partners, including Vland's market access, regulatory capabilities in China as well as its fast innovation cycles. In addition, the joint venture will benefit from Evonikâ??s global sales force and market access, R&D and global regulatory capabilities. Sales of the new joint venture are expected to be in the low double-digit million euro range.

Evonik announced earlier this year that it is developing its specialty nutrition business with system solutions and specialties for poultry, swine and ruminants. The partnership with Vland on gut health solutions is an essential element towards Evonikâ??s strategy to offer system solutions for its customers in the animal feed industry.

Customized system solutions consisting of products, services and knowhow delivering sustainability benefits are part of the strategic core of Evonik's life science division Nutrition & Care, which includes the Animal Nutrition business line. Biosolutions such as probiotics for animal gut health will strengthen the divisionâ??s biotechnology platform.

â??This joint venture combines the strengths of two successful players in the feed additives business and provides a solid platform for future growth,â?• says Gaetano Blanda, head of the Animal Nutrition business line of Evonik. â??Together, both partners gain broader market access for their products and combine their innovative strength.â?•

Both partners will bring their gut health businesses - such as probiotics and formulated products - into the joint venture to cover the Greater China Region. The Greater China Region accounts for more than 20 percent of the global feed additives market.

Evonik Vland Biotech (Shandong) Co., Ltd. will also engage in creating new gut health products. As part of the agreement, Evonik will distribute the joint ventureâ??s portfolio outside of the Greater China Region. The joint venture allows Evonik to expand its gut health solutions by adding broader formulation elements to its global product portfolio.

"The joint venture of Evonik and Vland will enhance our portfolio in Asia Pacific. Both companies will grow faster together than they would have on their own," says Shirley Qi, regional president of SEAANZ and head of Nutrition & Care Asia at Evonik.

The aim of Evonikâ??s gut health solutions is to maintain the productivity of farm animals without using antibiotic growth promoters (AGPs). Today, probiotics such as EcobiolÂ®, FecinorÂ®, GutPlusÂ® and GutCareÂ® are the basis of this portfolio. They consist of living microorganisms added to animal feed to maintain or restore the microbial balance in the animalâ??s gut, helping to make animals more resilient.