

From food to feed: Lam Tak fights food waste with its army of flies

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Every year, 7,800 tonnes of food waste from factories are recycled and saved from going into the incinerator, thanks to Lam Tak. That's nearly the weight of 540 double decker buses.

This homegrown firm gathers food waste, such as by-product and production waste from food factories, as well as expired food ingredients, and converts it into a wide variety of raw feed materials. These include plant-based and dairy-based protein, which are then sold to major feed millers and farms across Asia.

While Lam Tak has been in the animal feed industry for over five decades, its business model wasn't always this green.

Originally a partnership between the managing director and Mr James Wee's parents, the company started out as a wheat bran distributor to farms in Malaysia. "Since Singapore has negligible livestock farming and no feed resources, the business was not expected to grow big," says Mr Wee.

Ten years later, taking the green lane of food recycling and bioconversion of food waste – and in turn contributing to the Singapore Green Plan 2030 – has proven to be a step in the right direction.

A wider variety of products opened doors of opportunities for Lam Tak, which has since expanded its cross-border distribution to customers and suppliers in global markets such as China, Indonesia, Japan and Korea. But its growth journey has only just begun.

As the world faces a shortage of feed ingredients due to shrinking farmland and climate change, more farmers are turning to alternative protein sources. This motivated Lam Tak to fill the gap by entering the global insect protein market with its black soldier fly farm.

Turning low-value food waste into higher-value insect protein

The larvae of black soldier flies can consume any organic matter of up to four times their weight daily. Lam Tak's black soldier fly army helps to consume 2,000kg of food waste every day, converting them into organic plant fertilisers. These flies are then harvested into nutritious insect protein and used as animal feed in poultry and even pet food, resulting in zero waste at the end of this process.

Since entering the consumer market online with its variety of organic pet treats and organic fertilisers derived from insect protein, the company has seen positive results, especially upon leveraging the e-commerce boom driven by the pandemic.

"Our sustainability practices have also attracted individual consumers who are increasingly becoming more aware of their purchases and want to contribute to a greener environment," says Mr Wee.

Accelerating growth with sustainable financing

With its position as a recycling firm, Lam Tak is considered a "pure-play" sustainable company and was thus able to obtain a green loan easily under the OCBC SME Sustainable Financing Framework (<https://www.ocbc.com/business-banking/smes/loans/sustainable-financing?pid=loans%3ASustainableFinancing%3AAlwaysOn%3AAcquisition%3AJul%3A2021%3Ainternal%3Aarticle%3ALamTak>).

This additional financing will help the company invest in machinery and tap on technology such as a fully automated black soldier fly larvae breeding system to grow its army of flies more efficiently. It will also fund further research into new markets, and the development of new products with insect protein, such as crawfish formula feed.

"We value the importance of being part of Singapore's sustainability drive and believe that it is every company's responsibility to contribute to a greener environment," says Mr Wee.

Beyond contributing to sustainable development and serving as a key link between the food waste and feed industry, Lam Tak will also be installing solar panels for its factories in Malaysia by the end of the year, on top of its current food waste recycling efforts.

As quoted by Mr Wee, "Every company, big or small, is part of the global village. Through our combined efforts, we can make a big impact to ensure a sustainable environment for our future generations."



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