

Rhodes Food to buy two companies for R125m as it looks to diversify

Recently-listed Rhodes Food Group (RFG) has agreed to buy Boland Pulp, a puree maker, and Deemster, a company that focuses on pickled foods, as it looks to diversify its business.



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Rhodes will pay R101.58m for Boland Pulp, which is based in Wellington in the Western Cape, and R25m for Deemster, which is based in Bethlehem in the Free State.

Rhodes listed on the JSE in October last year. It produces convenience foods for distribution in Southern African and global markets.

The group's product range already includes canned fruit, jam, vegetable and meat products, fresh ready-made meals, pies, pastries and dairy products.

Some of the group's brands are Magpie, Bull Brand, Hazeldene, Portobello and Trout Hall.

Rhodes CEO Bruce Henderson said Boland Pulp and Deemster were acquisitions which would complement Rhodes's current product range.

"The acquisitions of Boland Pulp and Deemster are aligned with our strategy of expanding into new product categories which are complementary to our current product ranges," he said.

Boland Pulp produces bulk fruit and vegetable juices and purees for the domestic and regional markets. It exports to over 30 countries internationally.

In its 2014 financial year Boland Pulp generated revenue of R313m.

Henderson said Deemster was a much smaller business which had struggled to make profits but had "strong products".

"We wanted to get into the pickled foods business and Deemster's goods in this area are very attractive," Henderson said.

Last month Rhodes announced the acquisition of Western Cape-based fruit juice manufacturer and distributor, Pacmar.

Source: BDpro via I-Net Bridge

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