

Famous Brands spots gap, buys 'practically unused' tomato paste factory

By [Robert Laing](#)

4 Jul 2016

Famous Brands has bought a bankrupt tomato paste factory in the Coega precinct.



Kevin Hedderwick

Picture: Supplied

The factory is state-of-the-art and practically unused, Famous Brands said in its announcement on Monday. It cost R200m to build in 2010. The company did not say how much it had paid.

This acquisition follows a purchase of a chips factory, Lamberts Bay Foods, on 26 May in the group's drive to secure its supply chain by owning makers of key ingredients.

Between 30,000 and 35,000 tonnes of tomato paste was imported into SA every year because of a lack of local manufacturing capacity, Kevin Hedderwick, the group's strategic adviser responsible for mergers and acquisitions, said in the statement.

The group intends supporting local farmers by modelling its latest acquisition on Coega Cheese Company, which became a "very successful empowerment venture" called Famous Brands Fine Cheese Company (FBFCC).

"In 2013 we established FBFCC as a green-field venture, in which we co-opted local farmers to supply milk for the production of mozzarella, cheese slices and cream cheese for the group," Hedderwick said.

"When the dairy was initially commissioned in May 2013, our milk intake volumes were in the order of 16.5m litres per annum.

"That volume has grown to 38m litres of milk per annum. This joint venture has been a spectacular success for all of the partners in the business."

According to Famous Brands, the new partnership will provide much-needed employment in an economically distressed area. About 35 jobs will be created in the plant itself. It will also deliver substantial financial benefit for the farmers, who will gain an instant, robust market for their produce and the potential to develop that market over time.

Source: Business Day

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