

Tater tete: Mitolo-Thomas Foods in potato farm deal

PAULA THOMPSON

THOMAS Foods International has agreed to sell its potato business to Mitolo Family Farms for an undisclosed amount.

Mitolo Family Farms managing director Frank Mitolo first approached Thomas Foods chief executive Darren Thomas several months ago about selling the potato business. The TFI potato business and Mitolo Family Farms are based at Virginia, on the Adelaide Plains.

The acquisition is subject to ACCC approval, which Mr Mitolo said should be an eight to 10-week process.

Mr Mitolo said the deal represented an opportunity to increase capacity for packing and grading fresh produce in the Virginia region and to future-proof the business through additional farming and water assets.

"It underpins our commitment to quality and reliability of supply to all consumers through our valued retail and wholesale partners and enables us to achieve best practices in farming and technology in our pursuit of excellence," he said.

"This acquisition will deliver substantial benefits to all consumers and our commercial partners through increased efficiencies as well as our ongoing commitment to the highest level of quality and service."

For Thomas Foods International, the agreement represents an opportunity to focus its attention and resources on core operations more closely aligned to its future growth strategy.

In 2013, Thomas Foods bought potato producer Mondello Farms after the Virginia-based business went into administration. It has since developed the business under its TFI Fresh Produce division.

"We're proud of what TFI Fresh Produce has achieved over the past seven years with potatoes, reviving a business and rebuilding it into a profitable major industry player," Mr Thomas said.

"By utilising the TFI group's global sales network, TFI Fresh Produce has built a substantial export business for potatoes and other related produce.

"It's now timely to divest these potato interests and focus on our group's core local, national and global operations, including potential future acquisitions, the rebuild of the Murray Bridge meat-processing plant and other opportunities.