

# Tiger Brands extends Langeberg & Ashton Foods (L&AF) operations for a further season again

Tiger Brands will once again extend operations at its deciduous fruit business Langeberg & Ashton Foods (L&AF) for a further season.



Source © IOL [IOL](#) Once again Tiger Brands will extend operations at its deciduous fruit business Langeberg & Ashton Foods (L&AF) for a further season

The decision was taken after a compact was agreed upon with organised labour, L&AF employees and members of the Canning Fruit Producers Association that allows the Company to undertake the significant risk required to operate the business for the forthcoming season.

Tiger Brands will continue to engage with interested parties towards executing a transaction that could provide for the continuation of a sustainable deciduous fruit processing operation beyond the 2022/3 season.

## In a better position

[Eyewitness News](#) quotes Canning Fruit Producers Association chairperson Jacques Jordaan as saying that the decision to delay the closures for one more season has lifted the spirits of farmers and farmworkers.

"From our side, I think we are relieved that there is another season. That Tiger is willing to continue with the business and

we don't have the distressful situation of one year ago. I think that we are happy that there is interest in the business and if there's interest, I think there's hope."

In the same article Jordaan says the canned fruit farming business should soon be in a better position because the markets are doing well internationally.

"With the weaker rand, we really have some tailwinds in this aspect, so I think in general canning fruit exports should be in a better position with the weaker rand."

However, Jordaan said there are still feelings of uncertainty among farmers and farm workers.



### Tiger Brands extends operations at Ashton fruit factory for another season

12 Jul 2022



## Interest but no conclusion

In June 2022, Tiger Brands commenced consultations and engagements on the future of the business in the absence of any reasonable prospects of a viable transaction at the end of an exhaustive two-year process.

In recent weeks, a significant number of parties have expressed an interest in further discussions on the possible acquisition of L&AF.

However, the conclusion of any transaction would not have taken place in time for any successful buyer to put the required preparations in place to process the upcoming 2022/3 season's crop.

The company, therefore, engaged its key partners on an urgent basis.

"The flexibility, open-mindedness and good faith shown by all parties in reaching this compact will allow for the rigorous exploration of any new proposals in respect of the Company's deciduous fruit processing operations while securing the jobs of 250 permanent employees and 4,300 seasonal workers directly employed by L&AF for a further season," says Noel Doyle, Tiger Brands chief executive officer.

"While the processing and marketing of deciduous fruit remain subject to the vagaries of weather, exchange rates and global pricing dynamics, the compact meaningfully contributes to mitigating the risk of significant operating losses in the forthcoming season."

The company will explore all options while assessing the viability of current interest in the facility.

In parallel processes, Tiger Brands will continue engagements with the relevant Provincial and National Government departments as well as talks with potential buyers who are able to meet the working capital requirements of the business and have a long-term commitment to ensure the sustainability of the South African deciduous fruit processing industry.



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23 Jun 2022



## The Langeberg & Ashton Foods Division

Based in the Western Cape, the Langeberg & Ashton Foods Division produces canned fruit (peaches, pears, apricots, apples and guavas) and fruit purees largely for the export market.

It also supplies Tiger Brands' Culinary division (canned fruit under the Koo brand, pulps for All Gold and Hugo's jam, and Koo Baked Beans) and the Baby category (purees for Purity).

Of the canned fruit and puree products, 85% are exported to markets that include Europe, China, Australia and Japan.

The L&AF Division employs 250 permanent employees. Seasonal employment fluctuates throughout the year and peaks at around 4,300 individuals during the apricot processing season for a period of approximately three weeks.

Fruit is sourced from approximately 250 local producers, all of whom are GAP (Good Agricultural Practices) accredited.

In May 2020, Tiger Brands announced its intent to exit the deciduous fruit business.

This followed a strategic review and formed part of efforts to better align its portfolio to the Group's future growth aspirations on the African continent and focus on manufacturing, marketing and distributing everyday branded food and beverages.

Over the past two years, Tiger Brands has sought to find a buyer for the L&AF business with a view to ensuring a controlled exit through a disposal of the business.

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