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Fyffes' business ripe for further expansion

Having bought into North American mushrooms this year, the Irish multinational is ready to buy again



David McCann was speaking exclusively to Eurofruit for its 500th issue

Fyffes chairman David McCann says the group is ready to expand into new products and markets following its recent decision to diversify its tropical fruit business with the acquisition of two North American mushroom companies.

Speaking in an exclusive interview to mark the 500th issue of Eurofruit, McCann said the trade could expect further diversification and expansion from the Irish multinational in the coming years, provided suitable opportunities arose.

And with the company's acquisitions bolstered by a recent strong financial performance and the reported sell-off of around 30m shares earlier in the year, it seems likely the necessary funds would be available.

"As has been the case over the years, we continue to work to grow our business across all our product lines, both organically and through acquisitions,"

McCann told the magazine. "Our strong appetite for growth means we are always willing to consider acquisitions when interesting opportunities arise, whether in our existing product categories or indeed new product categories or geographies."

The purchase of two of Canada's largest mushroom suppliers – [Highline Produce](#) and [All Seasons Mushrooms](#) – in April and September of this year respectively marked a significant departure for a company that, since its demerger from its general produce division around ten years ago, has traditionally focused on bananas, pineapples and melons.

"We had established significant market positions and were performing well in each of our existing product categories," McCann explained, "so we felt the time was right to look at new categories."

Moving on

After a proposed merger deal with US

multinational Chiquita failed to materialise back in 2014, expanding into new areas of the fresh produce business became a more significant priority.

And while investment in those core products has continued, the opportunity to invest in two established suppliers with a strong business opportunity in North America, a market where Fyffes is already commercially active, was apparently too good to miss.

"We felt the addition of a fully integrated product like mushrooms would give more stability for our business and provide value for our shareholders. To date, we've been really pleased with the way things have progressed in Canada and we're confident we can grow and develop our mushroom business there."

McCann said he felt consolidation remained hugely important for a business like Fyffes, which meant that being outbid for Chiquita by Brazilian orange juice giant Cutrale was frustrating

to the extent that it denied the Dublin-based group a chance to build further.

“The proposed merger with Chiquita would have been a big step in that direction. In that respect it was a

missed opportunity but while disappointing we quickly moved on. I don't regret it as we learned a lot from the whole process which has fed into our acquisitions strategy.”

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