

For fresh fruit and vegetable marketing and distribution in Asia



By Carl Collen

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Mixed quarter for Del Monte

While the group hit key objectives, it also faced "a number of headwinds" that ultimately resulted in a net income fall



Fresh Del Monte has reported its results for the opening three months of 2017, with its net income falling on a year-on-year basis despite growth in revenue.

The US-based fresh produce giant saw net income attributable to the company fall from US\$81.7m in the opening quarter of 2016 to US\$46.4m, as fruit costs grew and the company experienced lower selling prices in its banana segment, while unfavourable exchange rates also took their toll.

Net sales, however, actually climbed to US\$1.03bn, up from US\$1.02bn last year, thanks to higher sales in the company's other fresh produce and prepared food business segments.

"We are very pleased with the progress we made in the first quarter, achieving key objectives that will enhance our diversified business platform," said Mohammad Abu-Ghazaleh, chairman and chief executive officer. "During the quarter, we also introduced new products, added customers in our global fresh-cut business, and increased market share in our avocado product line.

"We faced a number of headwinds during the quarter, including a weak banana market, lower pineapple volume, and a poor Chilean season that constrained our performance," he confirmed.

Indeed, net sales for the banana segment dropped to US\$445.1m from US\$458.6m

in 2016, with sales lower across all of the company's operating regions, while worldwide pricing fell 4 per cent.

Despite these difficulties, the chairman remained positive when looking to the future.

"As we move forward, we remain optimistic that investing in our diverse global operations, implementing product innovations, and continuing to instill cost-savings and efficiencies in all of our businesses, will deliver long-term value to our shareholders," Abu-Ghazaleh added.