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By Carl Collen

Tuesday 19th February 2019, 11:48 GMT

Del Monte slips to full-year loss

Fresh produce giant reports on a 2018 net loss of US\$21.9m, a US\$142.7m reversal on last year's net profit



Fresh Del Monte has reported its financial results for the full year of 2018, with several factors contributing to an overall net loss of US\$21.9m for the year.

This marks a major swing of US\$142.7m, from the net profit of US\$120.8m that Del Monte recorded at the end of 2017.

Operating profit dropped from US\$152.7m to US\$38.6m, primarily attributable to higher asset impairment and other charges and lower gross profit, which slumped from US\$331.6m to US\$279.8m – hurt by higher fruit and distribution costs in all of the company's business segments, as well as lower banana sales volumes.

The loss came about despite an increase in year-on-year net sales by 10 per cent to US\$4.49bn, driven by higher net sales in the Del Monte's other fresh and prepared food business segments as a result of its acquisition of Mann Packing Company.

"We had higher sales in North America, driven by our acquisition of Mann Packing Company in 2018," said

Mohammad Abu-Ghazaleh, chairman and Chief Executive Officer of Fresh Del Monte. "This strategic acquisition accelerated our efforts to diversify our presence in the fresh and fresh-cut vegetable industry.

"We're proud of how well the integration has gone during a year in which we faced a number of other challenges, including port delays, severe winter weather events and truck shortages in the US, along with higher operating costs," he continued. "As we enter 2019, we continue to focus sharply on implementing our operating strategies, and taking aggressive action to transform our company to meet consumer demand for healthy and convenient food products."

Banana net sales for the year were US\$1.703bn, compared with US\$1.775bn in 2017, a drop put down to lower sales volume in the Middle East and Europe, along with lower selling prices in Europe – although this was partially offset by higher selling prices in the Middle East and North America.

In Del Monte's 'Other' fresh produce segment, net sales were US\$2.443bn, rising from US\$1.997bn in the prior year.

The increase in net sales was primarily attributed to increased sales volume in fresh-cut fruit and vegetables and increased sales volume and selling prices in the company's vegetables product line, as a result of the acquisition of Mann Packing Company.

[Click here for Del Monte's full-year and fourth quarter results in 2018](#)

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

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