



By Carl Collen

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## BayWa moving in the right direction

Despite an 'inconsistent' global produce business unit, company increases revenue and earnings for 2018 financial year



**I**nternational trading and services group BayWa AG has revealed that it increased its revenues to €16.6bn in the 2018 financial year, up from the €16.1bn it brought in during 2017.

According to the Germany-based group, EBIT came to €172.4m, rising from €171.3 million, with earnings up across all operating segments, allowing BayWa to achieve its targets for the year and compensate for the previous year's positive one-off effects of around €20m.

"The Agriculture Segment improved above all thanks to extremely positive development in international trading and agricultural equipment business," explained CEO Klaus Josef Lutz.

The significant increase in earnings in this segment, Lutz said, was a particularly important achievement, as the German agricultural industry once again suffered due to extremely dry weather through the summer of 2018.

Lutz said he believed further growth would be forthcoming due to acquisitions of speciality providers in

the international agricultural trade industry over the past few years.

Strengthening sales activities should also see results in international fruit trading business rise in 2019, he noted, with the same applying to renewable energies, which are set to continue on their growth course this year.

Lutz also expects significant increases in earnings in German agricultural trade activities, assuming average weather conditions and vegetation development.

The CEO also explained that BayWa would be looking to integrate a "green perspective" into its business strategies and models to a much greater and more-targeted extent moving forward.

"The impact of climate change presents the greatest challenge in our history as a society and therefore for us as a company too," Lutz said. "By adding this 'green perspective' to our business, we want to find answers to the question of how to continue to develop in a sustainable and environmentally friendly manner as a business."

The Global Produce business unit experienced "inconsistent development" in 2018, BayWa noted.

New Zealand Group company T&G Global was able to boost its sales of apples and pears, while Dutch Group company TFC Holland BV benefited from higher sales of berries, stonefruit and tropical fruit.

By contrast, dessert pomefruit volume was down more than 50 per cent year-on-year in Germany due to the poor harvest in 2017.

The Global Produce business unit was unable to match the previous year's results despite the positive development of international activities.

This was primarily due to the trade war between the US and China, with US apples originally destined for export to China having to be sold in the US at much lower prices than anticipated due to Chinese import duties.

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