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## Tasmania potato company acquired

Pure Foods Tasmania acquires business and assets of Daly Potato Company with plans to export to Asia



**P**ure Foods Tasmania's (PFT) pursuit to grow and develop premium food businesses in Tasmania has taken another step forward, with an Australian Securities Exchange announcement indicating the company has agreed to buy the business and assets of the Daly Potato Company (DPC) for A\$1.8m.

The deal is a mixture of cash and shares, subject to working capital adjustments. PFT said shares worth A\$1.4m would be placed in a trust over three stages to be released annually.

Part of the deal will also see PFT take on A\$300,000 of DPC's debt as well as a A\$100,000 payout to the Daly family upon settlement of the deal.

DPC was started by Gerard and Susie Daly in 2016 to value-add to their South-East potato farm, and to find an alternative use for potatoes that didn't meet shape or size expectations of consumers.

The brand's potato salads are available at Coles and Woolworths in Tasmania, with the company reporting full-year sales of A\$2m in FY20.

The Daly family have also agreed a potato supply contract with an agreed price, for five years with a five-year option to extend and with price increases subject to the CPI.

While DPC does not currently have an export licence, PFT believes there is strong international demand for the products in Asia, and as such, will seek to attain an export licence.

PFT managing director Michael Cooper said while meal solutions are a A\$1bn market in Australia, there is a great chance to supply to Asia.

"We see a large opportunity to support our Asian customers with unique 100 per cent Tasmanian-based meal solutions and Daly current products," he said.

The DPC acquisition takes PFT's total acquisitions to three, having previously

acquired Tas Pate, and smoked salmon and trout business Woodbridge Smokehouse.

PFT has also announced it intends to invest A\$250,000 in plant and machinery, required to support the launch of a number of new products, expected at the end of the year.