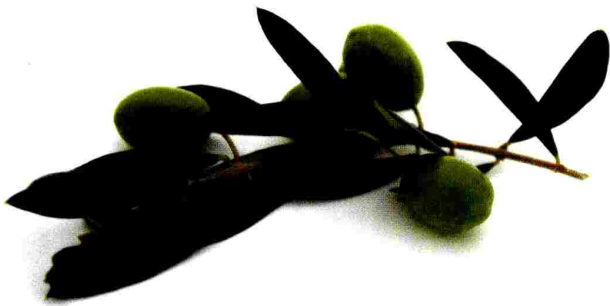


Agri-Vie snacks on olives



THE Cape olive sector looks set to prove an appetising morsel for acquisitive hungry agri-business investors. Last month Agri-Vie, the private equity fund focused on food and agribusiness investments in Sub-Saharan Africa, snapped up a 63% stake in Durbanville-based Cape Olive Holdings.

Izak Strauss, an executive director at Agri-Vie, said the decision to become a major shareholder in Cape Olive came after the private equity firm identified major growth opportunities for the company in the retail and food services sectors. Cape Olive currently ranks as the largest table olive supplier in SA, packing the market leading Buffet Olives brand. Strauss believed the business had substantial potential to grow its table olive supply to increase its penetration of the foods services sector and the exports into Africa.

Agri-Vie has already partnered with a handful of high growth food business ventures – convenience salad maker Dew Crisp, fruit juice maker africaJUICE, the Fairfield Dairy and

vegetable seed marketing and distribution specialist Hygrotech. Strauss confirmed that Agri-Vie would strategically support the company's expansion in the export market to Africa.

He stressed Agri-Vie was anticipating an excellent return on investment and would see growth in value within two to three years. "There are already developments underway to expand capability and capacity at the processing facilities and the business will produce more quality olives in a sustainable manner."

Strauss pointed out there was a growing demand for table olives as the condiments market grew on the back of a growing middle class and urbanisation in Africa. He added there was also an increasing demand from food manufacturing services, caterers, fast food outlets and restaurants.

Cape Olive Holdings CEO Richard Allen disclosed that currently 55% of the company's olive produce was dedicated to table olives with 45% of the raw product being supplied to olive oil producers.

"Table olives are a

quality condiment and over the last three years we have maintained stable production converting our harvest into quality table olives."

However, Allen said that over this period Cape Olives had identified a market for a different quality and different type of product. "With Agri-Vie supporting the growth of the business we can now market a bigger percentage of our harvest into table olives products."

One of the key initiatives going forward is keeping Cape Olive efficient, quality focused and competitive. Allen said the condiments market demanded that producers needed to optimise its volume from orchards. "But they must maintain quality otherwise they run the risk of producing an inferior product."

He added that while SA table olive producers were still the major supplier in the country, there was growing competition from imports. "By consistently delivering a quality product at competitive price Cape Olives will continue to maintain its strong position in the market."