

# Deciduous fruit helps Crookes grow profit

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Agribusiness group Crookes Brothers - best known for sugar cane production - is also starting to see a sweet yield from its deciduous fruit operations in the Western Cape.



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The company reported this week that profit from the deciduous fruit operation was boosted by an excellent growing season last year and firm prices due to both the weakening of the rand and strong export markets.

Crookes' deciduous fruit yield was helped by the recent acquisition of the 240ha High Noon farm in the Villiersdorp area.

A divisional breakdown showed the deciduous fruit operations growing turnover 29% to R91m.

But operating profit shot up 57% to R39m, with the deciduous fruit operations managing a succulent gross margin of 42%.

Crookes' traditional sugar staple also fared well at top line with a 22% increase in turnover to R271m. But the operating profit gain was whittled down to just 2% at R89m.

Crookes MD Guy Clarke said although sugar cane production from South African operations was higher, the decline of the RV (recoverable value) price, as well as significant increases in the cost of labour, fertiliser and fuel, put profitability under pressure.

But he said the Swaziland cane operation had benefited from the recently completed expansion with a 35% rise in production.

Looking ahead, Clarke said the agricultural environment in southern Africa still offered great potential for development because of global food security and renewable energy concerns.

Source: Business Day

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