

Cargill buys Leonardo olive oil biz from Dalmia Continental

US food major Cargill has acquired Dalmia Continental's olive oil business under 'Leonardo' brand, for a consideration less than Rs 100 crore.

Leonardo is a leading olive oil brand in the country with annual sales volume at 3,000 tonnes, which is 25 per cent of the country's total market size.

"We have acquired Leonardo olive oil business as part of company's strategy to expand in the growing Indian food market and gain more access to the healthy and quality conscious consumers," Cargill [India](#) Chairman Siraj Chaudhry told PTI.

"We sell about 400 tonnes of olive oil annually in India under 'Nature Fresh' brand and this [acquisition](#) would help consolidate position in the premium oils segment," he added.

The agreement with Dalmia Continental Pvt Ltd has already been signed, he said, but refused to disclose the deal size.

However, sources said the deal size is estimated to be less than Rs 100 crore. Dalmia Continental was valued at about Rs 60 crore two years ago when the company had sold 27 per cent stake to an Italian firm Nicola Pantaleo.

Cargill India, which posted a sales turnover of nearly Rs 10,000 crore in the 2012-13 fiscal, had in past acquired major brands including 'Sunflower Vansapati' from Wipro in 2012 and 'Sweekar' from Marico and 'Rath' Vanaspati from Agro Tech.

When asked about reason to sell its olive oil business, Dalmia Continental Chairman V N Dalmia said: "We are in talks with Cargill from a long time. In the end, Cargill made an offer that I could not refuse".

Post-acquisition, Dalmia has consented to be associated with Cargill as an advisor for Leonardo Olive Oil business.

After selling the olive oil business, Dalmia said the company would be left with products such as Leonardo olives, Leonardo premium pasta, Leonardo pickles, Hudson Canola Oil and Clausthaler Non-Alcoholic Beer.

"Olive oil is a rapidly growing segment gaining much popularity as a healthy cooking option. This acquisition represents a natural extension of Cargill's India strategy in the premium consumer space by providing a diversified portfolio of products.

"We will build on its strong brand heritage, and consumers will benefit from Cargill's commitment to quality, food safety, innovation and value," Chaudhry said.

Cargill, which has a presence in 67 countries, provides food, agriculture, financial and industrial products. Cargill India started operation in 1987. It has businesses in refined oils, food ingredients, grain and oilseeds, sugar, cotton and animal feed.

Source: http://www.business-standard.com/article/pti-stories/cargill-buys-leonardo-olive-oil-biz-from-dalmia-continental-114020900481_1.html