

Rhodes Food sales agreement will help Bos grow

By [Marc Hasenfuss](#)

17 Jan 2018

Rooibos ice tea maker Bos Brands aims to double its retail market share in SA after announcing a sales and distribution deal with JSE-listed Rhodes Food Group (RFG) on Tuesday.



From left is Will Battersby, MD of BOS Brands, and Bruce Henderson, CEO of RFG.

The deal might raise a few eyebrows since Stellenbosch-based investment behemoth Remgro - via venture capital subsidiary Invenfin - is a significant shareholder in Bos. Remgro is the controlling shareholder in food brands conglomerate RCL Foods and the largest shareholder in liquor group Distell. Both RCL and Distell have significant sales and distribution platforms.

Bos SA CEO Will Battersby said the sales and distribution agreement followed 2016's deal that saw RFG, which has carved a lucrative niche in the local juice segment, taking over packaging of part of the Bos's portfolio. "We did investigate all sales and distribution options in the South African context. But we were drawn to RFG's aggressive growth strategy - especially in the juice market. Like us, RFG is an underdog with a huge appetite and energy," he said.

Rhodes CEO Bruce Henderson said the agreement strengthened the company's position in the Southern African beverages segment. "We now have our own powerful Rhodes juice brand alongside the premium market leader in ice tea."

Battersby said the agreement meant Rhodes would manage all sales and distribution of the Bos range of products in sub-Saharan Africa from March. "Together with RFG, Bos will now be able to tap into over 10,000 outlets - double of what our current reach allows."



Fruit juice, iced tea and bottled water grow in volume and value

28 Dec 2017



Battersby said the ice tea market was valued at about R900m with Bos holding about 12% of the retail segment. "However, we believe that along with the partnership with RFG a long-term target of 25% share is achievable."

Bos ranks as the fourth-biggest ice tea firm in SA behind Lipton, Fuse and Clover's Manhattan. Bos would look to developing new products with Rhodes, with some set to launch later in 2018, Battersby said.

Asked whether the acquisitive Rhodes might push to snag an equity stake in Bos, Battersby said that nothing was on the table at the moment.

BOS expanded into western Europe in 2014 when it secured listings in retailers Albert Heijn, Jumbo and Carrefour as well as by opening offices in Amsterdam and Paris. Bos opened its doors in San Diego in 2017.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>