

Sovereign Foods merges with Cold Storage Group

Sovereign Foods, the third largest poultry producer in South Africa, announced its merger with the Cold Storage Group (CSG), an Eastern Cape wholesaler of poultry and value-added poultry products.



CSG comprises five inter-related wholesalers which include: Umtata Cold Storage in Umtata, Kei Cold Storage in Queenstown, Zwelitsha Cold Storage in Zwelitsha, Wilsonia Cold Storage in East London and Sovereign Foods Factory Shop in Uitenhage.

“Sovereign will take a majority ownership stake in CSG and consolidate the five businesses into one business on 1 March,” said Chris Coombes, CEO of Sovereign Foods, in an announcement.

CSG companies distribute, sell and supply poultry and value-added poultry products on a wholesale basis to retailers and walk-in customers in the Eastern Cape region. CSG has a fleet of 25 delivery vehicles and 110 personnel.

“CSG has built up a loyal and valuable customer base in these areas. The company has an experienced management team that has driven strong growth in the business over the past five years,” said Coombes.

The Competition Commission of South Africa approved the transaction unconditionally on 19 February.

The business will retain the name Cold Storage Group and management under Darron Gudmanz and his team will continue,

Coombes said.

“Darron has been a partner in CSG for many years and has an excellent track record, a wealth of experience and the drive to grow and expand the business. We are excited about this transaction and a long-term mutually beneficially relationship. We wish Darron, his management team and all CSG employees the very best,” Coombes added.

During the past several years, Sovereign Foods has undergone some major changes including the expansion of the Uitenhage operation to a million birds a week, and the acquisition of the Hartbeespoort operation in 2015 and its subsequent expansion to 600,000 birds per week.

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