

Australia-based fruit and vegetable giant Costa Group is moving to acquire one of the country's leading citrus companies, 2PH, local media reports.

Costa will reportedly pay A\$219 million (US\$165 million) for full control of 2PH and its related entities. The company expects to fund the buy through a \$190 million capital raise, according to [The Market Herald](#).

On top of this, Costa said it would pay an additional A\$31 million (US\$23 million) in July 2023 to buy the "Conaghans" property, where 2PH is busy planting a new citrus crop.

The two companies have had a business relationship for some time, with Costa having marketed 2PH's citrus in Australia for more than a decade.

2PH, touted by Costa as the largest citrus grower in northern Australia, has its main growing location in Emerald, Queensland, with a smaller location in Dimbulah.

Costa said the 2PH annual yield was forecast to be around 30,000 metric tons (MT) for the 2021 calendar year. However, the majority of 2PH's tree profile is young — still yet to reach its eight-year maturity.

As such, the company's yield is predicted to reach around 60,000MT by 2025.

"There are a number of strategic benefits and alignments... which include greater export supply to key Asian export markets, production scale, increased variety offering... access to a proven 30-year proprietary breeding program, expanded geographic footprint and extended season timing," Costa Group CEO Sean Hallahan was quoted as saying by [Finance News Network](#).