

Fresh Del Monte Produce saw its net income drop significantly year-on-year in the third financial quarter, as higher costs and labor shortages hit profitability.

Net income came in at \$1.3 million, down from \$17.4 million in the prior-year period, the company [said](#).

Meanwhile adjusted EBITDA was \$26.2, down from \$51 million, and gross profit decreased to \$48.9 million from \$67.3 million.

However, net sales saw an increase, rising to \$1,005 million compared with \$989.7 million.

"While we continue to operate in one of the most challenging macroeconomic environments in recent history, impacted by inflationary and cost pressures across our supply chain, we remain focused on growth by managing our business for the long term and on continuing to provide reliable, quality service to our customers," said Mohammad Abu-Ghazaleh, Chairman and Chief Executive Officer.

He noted that in terms of seasonality, the second half of the year is typically more challenging due to industry-wide excess supply and shifts in demand towards seasonal fruits.

"During the third quarter, we continued to experience significantly higher input cost and labor shortages, which impacted our margins and profitability," he said.

"To offset this impact we are implementing inflation-justified price increases in an effort to maintain our continuous supply and service levels.

"As we move forward, we believe that our recent capital investments in the automation of our production facilities, further leveraging of our vertical integration, such as the recent addition of 6 new refrigerated container vessels to our fleet, optimization and consolidation of our operations and product rationalization will prove to be advantageous by putting us in a stronger, more agile position."

A few days Del Monte announced it was [increasing banana and pineapple prices](#) with unprecedented market conditions and inflationary pressures.