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Blommer Chocolate to be sold to Japanese company

By ALEXIA ELEJALDE-RUIZ
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Bags of cocoa ready for shipment at the Blommer Chocolate factory in Chicago Monday, May 12, 2014. (Alex Garcia/Chicago Tribune) (Alex Garcia / Chicago Tribune)

Blommer Chocolate is being sold to Japanese ingredient company Fuji Oil Holding, ending three generations of family ownership of the iconic cocoa manufacturer.

Blommer, founded in Chicago in 1939, announced Monday that all of its business entities, including its five manufacturing operations, will be purchased by Fuji Oil, a global supplier of oil, fat and chocolate, among other ingredients.

The purchase price is \$750 million, according to public filings by Fuji, which trades on the Tokyo Stock Exchange.

“This is a landmark event in the proud history of Blommer Chocolate Company and begins an exciting new chapter as we look forward to joining a highly respected global leader in Fuji Oil,” Peter Blommer, CEO and third-generation family member, said in a statement. He and the existing senior management team will continue to lead the company after the transaction, which is expected to close in 30 to 60 days, Blommer said.

“Our companies share common values and a deep commitment to product quality, innovation and customer service,” he said. “With our combined expertise in chocolate and fats and oils, both rooted in product and process innovation, we have the opportunity to create a broad global footprint from which to serve our customers and drive growth.”

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Blommer, which employs about 900 people, including 260 in Chicago, is the largest cocoa producer and ingredient chocolate supplier in North America, and the third-largest industry chocolate producer in the world.

Its Chicago factory at 600 W. Kinzie St. in the Fulton River District is famous for emitting aromas that make parts of the city smell like chocolate when the winds blow just so. The company also has factories in East Greenville, Pa., where it is headquartered; Union City, Calif.; Ontario; and Jinshan, China; where it acquired a \$40 million facility in 2016 to support growing demand in Asia.

Blommer made \$3 million in profit on sales of \$907 million during the year that ended in May, according to Fuji Oil’s filings. Sales were down from \$982 million the year before and \$998 million the year before that.

Asked if the Chicago factory will remain open post-acquisition, Blommer provided the following statement from its CEO: “Fuji is buying Blommer because they like what we have built,” Peter Blommer said in an emailed statement. “They like our plant footprint, our people, the deep customer

relationships we have developed and the global brand equity in the Blommer name. They see Blommer as a platform for global growth.”

Fuji Oil's public documents show it plans to operate 16 factories across 10 countries after buying Blommer, a footprint that includes Blommer's five plants.

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Fuji Oil, which supplies vegetable oil to Blommer, said in filings that the acquisition will help expand its business in North America, which is the largest industrial chocolate market in the world, and allow the company to cross-sell its other confectionery products to Blommer’s customer base. It has been on an acquisition streak: Fuji Oil last year purchased Industrial Food Services in Australia, in 2016 purchased GCB Specialty Chocolates in Malaysia, and the year before acquired Harald in Brazil.

The Japanese company also plans to apply Blommer’s approach to sustainable cocoa bean procurement to its own sustainability efforts. Earlier this year, Blommer announced a new sustainability initiative supporting cocoa African farmers in Ivory Coast by building water wells.

Consolidation among cocoa processors, like Blommer, has followed that of chocolate and confectionery manufacturers. Barry Callebaut, a Swiss cocoa processor with offices in Chicago, acquired the cocoa business of Petra Foods for \$950 million in 2013. Olam International, a Singapore-based commodities business, bought Chicago-based Archer Daniels Midland’s global cocoa business for \$1.2 billion in 2015.

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