

Wednesday, July 16, 2008

Smucker gets green light on Folgers

Business Courier of Cincinnati

The **J.M. Smucker Co.** has won federal clearance to purchase the **Folgers** coffee business from **Procter & Gamble Co.**, in a \$3 billion tax-free stock deal.

The Federal Trade Commission included the deal on a list of approved mergers it issues every few days, according to Reuters.

The deal will give shareholders of P&G (NYSE:PG) a 53.5 percent stake in Orrville, Ohio-based Smucker, known for its fruit spreads and dessert toppings. The line of coffee products, with more than \$1 billion in annual sales, will join former P&G brands Jif peanut butter and Crisco, which Smucker acquired in 2002.

Folgers employs 1,250 nationally, 250 of whom report to its headquarters in Cincinnati and the balance at facilities in New Orleans, Kansas City, Mo. and Sherman, Texas.

Smucker said it will be another year or two before it makes a decision on the local operations, but it does employ roughly 200 people in Cincinnati through its Crisco team and its commodity buying group. The company said it will continue to operate the Folgers manufacturing plants and distribution facility, also in New Orleans.

The deal was announced in June and is expected to be complete by the end of the year.

Smucker (NYSE: SJM) manufactures and markets jams, jellies and other foods, including Pillsbury, Eagle Brand and Hungry Jack. Procter & Gamble (NYSE: PG), headquartered in Cincinnati, develops, manufactures and markets consumer products and pharmaceuticals.