

Ocado to fund new vertical farm near Bristol as sales leap

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Ocado is planning to “assist” with the building of a vertical farm near Bristol, it has announced.

The online grocer said it had invested £5 million in Lincolnshire-based Jones Food Company (JFC) as part of a wider £25 million raise.

The funding will be used to help JFC – Europe’s largest vertical farm – to build a second site outside the South West city.

Ocado said its [original stake in the Scunthorpe business](#), which uses hydroponics and renewable energy to grow herbs and leafy greens, was now worth “more than double” its initial investment, made in mid 2019.

JFC launched in early 2018 with a 5,000 sq m farm in an adapted coldstore, with an entrepreneur and expert agronomist at the helm.

Initial harvests saw enough produce grown for 11 million sandwiches.

The announcement was made as Ocado posted its half-year

results on Tuesday. The company said in the six months to May 30, losses narrowed sharply as sales surged.

But the company said shoppers had begun returning to some pre-pandemic habits due to easing restrictions.



Jones Food Company is an energy intensive business, and has partnered with Flexitricity to participate in demand side response for the National Grid.

(Image: HLC Creative)

Ocado posted a £23.6m loss before tax over the period – down from losses of £40.6m a year earlier. Underlying earnings – the company’s preferred measure – rose 41% to £61m.

Ocado said revenues for its retail joint venture with Marks & Spencer jumped 19.8% higher in the first half to £1.2bn

This comes as a marked slowdown on the 39.7% sales rise notched up in the first quarter to February

The online grocer also said its [first UK mini Customer Fulfilment Centre](#) (CFC) in Avonmouth, near Bristol, was “ramping faster” than any facility before it.

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The facility was built to support the company's retail arm – Ocado Retail.

Ocado said the centre was now operating at more than 50% of its capacity of 30,000 orders a week, just over four months after having gone live – and a little over a year and a half since the site was acquired.

“Though uncertainties remain regarding the performance of Ocado Retail in the second half as Covid restrictions continue to ease, we are encouraged by the performance in the second quarter, which shows a strong increase in customer transactions offsetting the normalisation of the value of the average basket,” Ocado said in a statement.

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