

Astral Foods swings to loss on R2bn electricity, bird flu hit

By [Nelson Banya](#)

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Astral Foods swung to a full-year loss on Monday, as an ongoing electricity crisis and the country's worst bird flu outbreak cost the company R2bn. Astral reported a R621m rand operating loss in the full year ended Sept. 30, compared to a R1.4bn profit last year. Its flagship poultry division's R1.38bn loss was partly offset by a R759 profit from its feed division, which saw 12% revenue growth.



Source: Capri23auto via [Pixabay](#)

The company said group revenue was flat at R19.3bn but R1.6bn costs associated with lengthy planned power outages, locally known as loadshedding, ate into income. Power cuts disrupt slaughter programmes and increase the cost of stock feed as chickens remain on farms longer.

During power outages, businesses use diesel-powered generators as an alternative, driving costs higher.

The company processed an average of 4.9 million chickens during the 2023 financial year, 16% lower than 5.8 million birds per week the previous year.



Chicken meat producers grapple with power crisis, bird flu, threatening shortage

Nelson Banya 21 Sep 2023



Astral said the outbreak of a high-pathogenic avian influenza (HPAI), a bird flu which spreads rapidly in an infected flock causing a high death rate, had cost the company R400m. "Bird flu remains a major risk to the local poultry industry, however, progress is being made towards approvals for voluntary vaccination of broiler breeding stock," Astral said.

Last week, South Africa's agriculture ministry said the bird flu, which has resulted in the culling of about 8.5 million chickens - a third of the national flock - was now under control.

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