

Quantum Foods suffers R35m loss on bird flu, power cuts

By [Nelson Banya](#)

1 Dec 2023

Quantum Foods on Friday, 1 December, reported a R35m (\$1.86m) loss in the year to end September, after the country's worst bird flu outbreak decimated its chicken flock and power cuts intensified.



©krugloff via [123RF](#)

The prior year the company posted a R37m profit.

South Africa has battled an outbreak of a high-pathogenic avian influenza (HPAI), a bird flu that spreads rapidly in an infected flock causing a high death rate, which resulted in the culling of about a third of its national flock.



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

Nelson Banya 20 Nov 2023



Although the government has said the outbreak is now under control, poultry producers such as Quantum, RCL Foods, and Astral Foods have suffered huge losses at a time when the industry is facing higher costs due to South Africa's electricity crisis.

South Africa is experiencing daily electricity cuts as its aging fleet of coal-fired plants frequently breaks down.

Quantum said it wrote off assets, such as layer hens and breeding stock, worth R155m during the financial year due to the bird flu outbreak. It also had additional costs from feed and eggs that had to be destroyed as part of measures to combat the avian flu.

The egg producer, which requires uninterrupted electricity to maintain ideal poultry housing temperature and ensure the flow of air, water, and feed, said it spent R52m on diesel to run generators as power cuts intensified during the year.

Quantum also invested a further R35m to purchase generators.

ABOUT THE AUTHOR

Reporting by Nelson Banya; Editing by Sharon Singleton.

For more, visit: <https://www.bizcommunity.com>