

Lower feed costs boost Astral's earnings

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Astral Foods has raised its final dividend by a hefty 775% to R8.75 after the poultry producer nearly doubled its full-year headline profit.

Lower input costs benefited the company tremendously in the year to end-September, as the effect of the drought in the summer rainfall areas abated. Maize and soya are primary ingredients in the rearing of the birds.



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SA harvested a record 16.7 million tonnes of maize in the 2017-18 marketing year, which was a notable improvement on the 7.8 million tonnes in 2016-17.

Thus, headline earnings per share (HEPS) rose 96.8% to R18.99, helped by the low-base effect of last year, when the company was reeling from the drought.

Group revenue was up a modest 3.3% to R12.3bn, restricted by low external feed volumes and lower selling prices as a result of a reduction in raw material prices.

Astral also announced that it wrote off R54m in broiler breeding birds that were culled to limit the spread of avian flu in the country.

Source: *BDpro*

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