

Meat

News *Mar 29, 2021*

MHP doubled earnings from poultry by-product processing

In January 2021, MHP's EBITDA in poultry by-product processing increased by 88.8% compared to the same period of 2020, the company said in a statement.

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MHP processes by-products not intended for human consumption, include bones, brains, feathers, fat, and blood, obtaining valuable proteins, minerals, and fats used in the feed industry, as well as in alternative energy. Before 2015, MHP considered these products as waste and treated them as such.

However, under a new development strategy, the company re-equipped its production facilities to process by-products and generate additional profits. The recent increase in earnings is associated with several factors, Maksym Huziev, Head of Processed Product Sales Department, said.



MHP did well by processing poultry by-products. Photo: MHP

“Firstly, we have improved the quality of our products and stepped up to the premium quality segment of key products: meat and bone meal and fat,” Huziev said. “Secondly, against the background of the pandemic and the general shortage of proteins in the market, prices showed an increase with respect to all rendered products: a sharp rise in prices for vegetable proteins and oils was reflected in increased prices for animal proteins and fats,” he added.

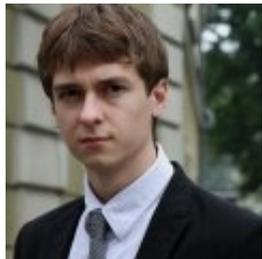
Ukraine’s Agromars poultry stops production

Ukraine’s second-largest broiler meat producer Agromars has completely stopped operations and is trying to sell off its farm assets and inventory.

As explained by Vitalii Adamchuk, Technical Director of MHP Poultry Department, the company constantly focuses on the supply of the highest quality, premium products. “We constantly improve the processes, we optimize, reconstruct and modernize equipment and production lines in order to reduce prime cost. The significant decrease in the prime cost of processed by-products in January 2021 also contributed to EBITDA in this area,” Adamchuk said. The company also plans to export processed poultry by-products. In 2020, MHP exported chicken fat to Peru for the first time. The first export from Ukraine to Peru ever, the company added.

In line with meat sales

MHP made it through 2020 successfully, despite the challenges of the coronavirus pandemic. Third parties sales accumulated to 698,020 tonnes of poultry, which is 4% higher than the previous year, mainly due to the increased sales to the MENA region as well as to Africa and Asia, the company reported. Notwithstanding the turbulent times, MHP continued to follow its strategies of both geographic diversification and product mix optimization, developing partnerships across the MENA, CIS, EU, and African countries, MHP said.



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