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Global Agricultural Information Network

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Leading Meat Producer Miratorg Reports Operating Results

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Agriculture in the News

Livestock and Products

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Report Highlights:

On October 16 Russian meat producing giant ABH “Miratorg” reported operational results for the first nine months of 2015. The company produced 309.9 TMT of pork, 50 TMT of broiler meat, and 24.4 TMT of beef. Total beef cattle inventories increased to 360 thousand heads at 48 farms in Bryansk, Kaluga, Kaliningrad and Orel regions. From January to September of 2015 the company increased production of grain crops to 174.3 TMT, animal feeds to 965 TMT, and processed frozen meat products to 24 TMT.

General Information:

On October 16, ABH (agribusiness holdings) Miratorg, the leading pork producing company in Russia reported operational results for the first nine months of 2015. The official release is posted on [the company website](#). The closest competitor of Miratorg in the Russian meat market, “[Cherkizovo Group](#)”, is expected to publish their 9 months operational results on October 28, 2015.

In September 2015, Miratorg’s Chairman of the Board of Directors Alexander Linnik announced company plans to invest 160 billion rubles (\$2.4 billion) in new projects within the next 3-5 years. According to Mr. Linnik the projects will be financed through several banks, most probably state-owned lenders. Miratorg will likely be able to access subsidized credit for these loans, which will reduce the effective interest rate from the market rate to the key rate of the Central Bank of Russia, currently 11%.

Miratorg’s results showed a net profit of 16.396 billion rubles on revenue of 74.058 billion rubles in 2014.

Pork Production

Miratorg remains the largest pork producer in Russia; the company increased pork production by 13% YTD to 309.3 thousand metric tons (live weight). Swine production farms in Kursk region are close to projected production volumes. The meat processing plant “Korocho” produced 270,000 MT of pork, which is 11 % growth year-on-year.

Beef production

Miratorg continues implementation of major beef cattle projects in several central regions of Russia, producing 24,400 metric tons of beef in Jan-Sep 2015. The herds at 43 farms on 260,000 hectares in Bryansk comprise 315,000 heads (Aberdeen Angus breed), including 128,000 breeding beef cows. The calf crop in 9 months of 2015 is 68,000 head. Miratorg plans to purchase an additional 30,000 hectares by the end of 2015, expanding its land holdings by 10 percent. The company currently owns 45,000 head of beef cattle (including 17,000 breeding cows) at 5 farms in other regions: Orel, Kaluga, Kaliningrad, and plans to open new cattle farms in Smolensk, Kursk and Tula regions.

Miratorg produced 1.3 million MT of corn silage and 366,000 tons of corn meal for feedlots in Bryansk and Orel.

Poultry meat production

Miratorg added poultry meat production to its portfolio in 2014. Currently broiler meat facilities in Bryansk include a feed mill, farms for commercial and breeding flocks, and a poultry processing plant, which produced 50,000 MT of broiler meat in Jan-September 2015. The total poultry flock in the Bryansk region reached 5.8 million birds. The company has invested 80 million rubles in a packing line, which allowed them to double product shelf life up to 15 days.

Frozen meat products

The “Miratorg - Zapad” plant in Kaliningrad increased production by 14 percent to 24,000 tons adding 20 new products including marinated beef, BBQ chicken, chicken wings, chicken quarters, and cheese nuggets. The company continues to supply meat products to McDonald’s and Burger King, and in 2015 expanded to start supplying to the restaurant chains Papa John’s, Do-Do, Hesburger, Rosinter, and Coffee House.

Feed Production

Total feed production at company’s feed mills in Jan-Sept 2015 is 965,000 metric tons (+ 10 percent). The projected capacity of the company’s feed mills is 1.54 million metric tons per year.

Grain Production

Miratorg completed spring grain harvesting operations in Kursk and Belgorod regions, harvesting 174.3 thousand MT of grains from 39.5 thousand hectares. The company currently uses 130 thousand hectares of total arable land for crops, which is 34.7 thousand hectares more land than in 2014.