

Shares in Astral Foods suffer after it warns that bird flu costs have risen

By [Robert Laing](#)

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The share price of Astral Foods fell 4% to R148.16 on Thursday morning after it warned shareholders that outbreaks of bird flu at two of its poultry breeding farms had cost it about R50m - double an initial estimate announced on 2 August.



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On June 22, Astral's chickens suffered their first outbreak of the disease, called H5N8, at one of its farms in the Villiers district.

This was followed in August by an outbreak at a poultry breeding facility known as Welbedacht, situated on the banks of the Grootdraai Dam just outside Standerton in Mpumalanga. Astral said on Thursday that despite efforts to limit the outbreak of bird flu to the single shed in Welbedacht it was initially discovered in, it had spread to other sheds on the farm.

"The farm remains under quarantine and Astral has depopulated the affected sheds," the statement said.

"To date, the cost of the most recent outbreak, together with the cost of the first outbreak at Villiers that occurred in June, amounts to R50m," Astral said.

The poultry group said the outbreaks would not affect chicken meat supply.

"Notwithstanding the two outbreaks experienced by Astral, all the contingency plans have ensured continued supply of hatching eggs and broiler day-old chicks to the broiler farms and, as such, will not have any impact on broiler supply to Astral's poultry processing plants or the supply of chicken to the market," the company said in its statement.

"All stakeholders are reminded that this infection has impacted breeding stock and not broiler birds destined for meat production."

Source: BDpro

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