

## RCL Foods reports loss of 47.7c a share

RCL Foods has fallen to a headline loss of 47.7c a share from profits of 4.8c a share last year mainly because of a surge in finance costs.



High feed costs, currency devaluation and financing charges resulted in RCL Foods recording a net loss of 47.7c a share for the year. Image: Rainbow Chickens

The group's financing costs included corporate activity transactions, foreign exchange losses and record animal feed prices.

While RCL experienced a modest improvement in its poultry division, which includes Rainbow Chicken, high import volumes and volatile animal feed prices continued to weigh on revenue.

"The weak state of the South African economy, expectations of rising interest rates, escalating and prolonged labour strikes and the significant devaluation of the local currency means a sustainable improvement in consumer spending is unlikely in the near future," the company said, adding that this would likely have a negative impact across all its food segments.

The group's other brands include Foodcorp, SA's third largest food company, which manufactures Bobtail, Catmore and Piemans. The company also has a milling unit.