

Cherkizovo Profit Up, Faces Challenges

By [The Moscow Times](#)

November 30, 2010

The  **Moscow Times**

The country's biggest meat producer Cherkizovo said Tuesday that it expects meat prices to fall over the turn of the year as grain shortages cause producers to slaughter more livestock, creating an oversupply.

"We are now witnessing a slight oversupply of meat in the market ... this puts a downward pressure on selling prices, especially for poultry sales," chief executive Sergei Mikhailov said in a statement.

He added that the company expected "a rather challenging year" for grain supplies — used by the company as animal feed.

He said the problem would be particularly pronounced in Russia, where a record heatwave destroyed crops during the summer.

Cherkizovo said net income for the nine months to end September rose 26 percent to \$104.4 million, partly on increased production capacity and new farms, while revenues were up 20

percent at \$877.7 million.

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