

Russia's Cherkizovo to Invest \$340 Million in Pork Production

By [The Moscow Times](#)

July 15, 2015



Russian meat producer Cherkizovo Group has received a 14.4 billion ruble (\$250 million) loan from state lender Sberbank to build a string of facilities that will increase its pig-raising capacity by 70 percent, Sberbank said in a statement Wednesday.

The investment marks Cherkizovo's latest move to expand its share of the Russian market as an embargo on Western meat products sidelines U.S. and EU competitors. The embargo, first put in place last August in retaliation against countries that had sanctioned Moscow over its role in the Ukraine crisis, was renewed for yet another year in June.

The company has already begun construction of a pig-breeding facility in the Voronezh region, about 500 kilometers south of Moscow, the statement said. It will soon be followed by a compound feed mill with a capacity of 500,000 tons per year, also in the Voronezh region, and a slaughterhouse in the neighboring Lipetsk region.

The total cost of the pork production chain is expected to reach 19.2 billion rubles (\$340

million). The new facilities will enable Cherkizovo to increase its pig-raising capacity to 330,000 tons of live pigs per year and its total meat production to more than 1 million tons per year, the statement said.

"The pig breeding segment has shown very good financial results and we are confident and optimistic about the future," Cherkizovo Group CEO Sergei Mikhailov was quoted as saying in the statement.

Cherkizovo, one of Russia's only publicly traded agricultural companies, has proven to be one of the biggest winners from Russia's embargo on Western food imports. Its poultry sales rose 20 percent in the first quarter of this year compared to the same period in 2014, while sales at its meat processing division climbed 28 percent, according to a company report.

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