# Cranswick hails recovery in demand leading to higher earnings

A more stable environment for farmers has helped FTSE250 meat producer Cranswick to boost revenue and profits.

Fresh results for the Hessle-based manufacturer, covering the year to the end of March, show the pork and poultry specialist managed to maintain pig volumes despite a significant reduction in national numbers. Investors on the London Stock Exchange were told Cranswick saw recovery in demand after last year's initial inflation shock as customers plumped for its premium products.

It meant reported revenue growth of 11.9% to £2.59bn and a 23.6% rise in adjusted group operating profit to £185.1m while statutory group operating profit rose 14.3% to £166.9m. That was part of a year in which Cranswick ploughed £46.1m into expansion with the acquisition of pig farming business Elsham Linc and meat processor Froch Foods.

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Chief executive Adam Couch said the moves had helped build the firm's self sufficiency, increasing the "size, scale and quality" of its pig herds. He also said the strong performance came in the face of sizeable challenges, particularly Cranswick's access to labour, which could be further hampered by the Government's introduction of a higher salary threshold for immigrants on Skilled Worker visas.

The firm called on the Government to appreciate the scale of the challenges with chairman Tim Smith suggesting it should “better concentrate its resources” on improving resilience to national food security and financial issues for producers. In response to labour challenges, the firm said it had expanded its recruitment programme – bringing in 650 workers from the Philippines.

Elsewhere, the group reported a fall in net debt, from £101.4m to £99.4m. A final dividend of 67.3p per share was proposed – a 14.5% rise on last year.

Mr Couch said: “Our ongoing successful performance is down to the unwavering passion, commitment, and professionalism of our teams across the business. I would like to extend my gratitude to all of our colleagues at Cranswick for their continued dedication and support which has enabled us to deliver a strong set of results and make progress towards our strategic objectives.

“Alongside our colleagues, I would also like to thank our suppliers and customers, with whom we continue to work in close partnership. Our successful performance owes a great deal to the substantial investment we have put into enhancing our farming infrastructure and expanding our vertical integration. We have increased the size, scale and quality of our pig herds through ongoing organic growth and the acquisitions of new indoor and premium outdoor pigs.

“Over the last 12 months we have strengthened our asset base, substantially expanded our farming operations, enhanced market positions and developed new customer relationships. We continue to make good progress against each of our strategic objectives and we are well placed to continue our successful development in the current financial year and over the longer term.”