

Cranswick resilient against the economic crunch as Hull 'home' of McCrispy kicks on

Pork and poultry giant Cranswick has reported a resilient first half performance against some of the biggest challenges ever seen.

The Hull-headquartered company supplies major retailers and leading foodservice outlets, with the McCrispy now produced by a heavily invested city factory.

A £32 million addition to its Sutton Fields campus, the breaded poultry facility was commissioned at the start of the period, while a third line has been added to the neighbouring bacon operation, A major McDonald's win was behind that initial development, and production now sits alongside that for other customers including M&S.

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Revenues were up 12.4 per cent to £1.1 billion – a new milestone for the company in an interim period, though principally driven by inflation recovery – while margins were tentatively squeezed with operating profit down 1.7 per cent from £69.6 million to 368.4 million. Volumes were in line with the period prior.

Speaking to Business Live, chief executive Adam Couch said: “I cannot recall a year quite like this year. We thought we'd seen enough in the pandemic, but headwinds in the labour market, avian influenza, inflation, the impact from what's happening in Ukraine, we've been in front of. We've been resilient, we've maintained our numbers which I'm pleased with, and the outlook is maintained.”

McCrispy was given a star-studded launch by McDonald's last month, a first permanent poultry addition to the menu in 15 years. Made with 100 per cent chicken breast fillet in a crispy, crunchy coating and served with iceberg lettuce, pepper, mayo and a sourdough-style sesame topped bun, TV presenter Maya Jama was joined by Keith Lemon on the national advertising campaign, while celebrities Big Narstie, Olivia Attwood, England footballer John Stones and former Love Island contestant Davide Sanclimenti were drafted in for a live event.

On Hull's role within Cranswick's FTSE-listed operation, Mr Couch said: "We see it is our home base, we are here, we have significantly invested, and completed the build out of the breaded facility in April/May and are onboarding business there now.



Celebrity launch: Clockwise from left, Maya Jama, Davide Sanclimenti, Olivia Attwood, Cole Palmer John Stones and Big Narstie, all behind the McCrispy launch and associated live event.

(Image: James Speakman / PA Wire)

“We are doing the McCrispy out of there, and there will be more in the new year as well. We’re also air frying, which is a key investment, and we’re continuing to invest in the whole Sutton Fields campus, with the site at Preston too.”

More than £38 million has been invested in the business this year, and while Mr Couch said it may be a struggle to hit the £100 million envisaged in forecasts, it would continue at pace. Six major solar panel installations at manufacturing sites have also been approved to ease energy costs, while investment in pig farming will take self-sufficiency to more than 40 per cent.

“We have got to keep investing, we have got to remain innovative,” Mr Couch said. “Pork and poultry are both good value proteins, and benefit from a recession generally as people trade into them instead of more expensive proteins. We have some great products in the pipeline, and our Yorkshire Baker is an excellent example, where we can turn our hands to most things. We have a Christmas Pudding Pie, reinvention of pigs in blankets with pigs on pillows now, on a filo square – we are always innovating while always mindful to make it affordable.”

In his update to the City on release of the interim figures, he said: “We have made further commercial and strategic progress in what continues to be a relentlessly challenging operating environment. Our unwavering focus on quality, value, innovation and our people, along with our commitment to delivering great tasting food, created with passion for our customers and the UK consumer, continue to drive our competitive advantage. We continue to invest to meet the needs of our customers, building our capacity and capability whilst

driving efficiency across new and existing facilities.

“I want to thank our colleagues and all our stakeholders for their continued support and commitment and we look forward to working together to drive our shared agenda.

“Our outlook for the current financial year is unchanged. Notwithstanding the many challenges that we, our industry and the wider economy face, the strengths of our business, which include our diverse and long-standing customer base, breadth and quality of products and channels, robust financial position and industry leading infrastructure, will support the further development of Cranswick over the longer term.”



Cranswick chief executive Adam Couch with some of the portfolio.

(Image: Morrison's / Cranswick Plc)

Having stepped into poultry and ramped up production fairly

recently, first in Suffolk and now in Hull, avian influenza is having to be tackled by a business that has navigated the likes of swine flu before.

“We are not immune to it, but we are managing our poultry pretty well,” Mr Couch said. “There’s a degree of disruption, but we’ve secured supply of eggs and don’t anticipate any supply chain interruption.”

Spread by migratory birds across a vast number of species, all birds are having to be kept inside under government instruction at present.

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