

MHP invests USD 27 mln in biogas plant at Vinnytsia poultry farm

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Analyst: "The construction of the biogas facility could help alleviate some of the environmental concerns and enhance the company's public image."

KYIV, Mar 8, 2017 (UBO) - Ukraine's largest poultry producer MHP (MHPC LI, MHPSA) announced the beginning of the construction of a new biogas plant at the Vinnytsia poultry farm that will cost USD 27 mln, Concorde Capital informed clients based on an Interfax news agency report of March 7. The plant will utilize production waste so that it becomes a source of additional energy, said MHP CEO Yuriy Kosyuk, according to the report. In the first phase, the planned daily capacity of chicken manure processing will reach 470 tons, which will be doubled in the second stage. The plant's power capacity is planned at 20 MW. Concorde analyst Igor Zholonkivskyi added: "MHP already has one biogas facility operating in the Dnipropetrovsk region. Back in 2013, the company planned the construction of up to 13 biogas facilities during the next five years, although these plans have since likely been revised. While it will be difficult for the company to achieve a positive ROI on a biogas plant, the social benefits could bring returns. "Citizens residing in the villages next to Vinnytsia poultry plant have complained to Ukrainian media that MHP's intensified operations are to blame for the worsening of the local environment. The construction of the biogas facility could help alleviate some of the environmental concerns and enhance the company's public image."

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