

Maple Leaf Foods Reports 1Q Loss of \$124.6M

TORONTO (The Canadian Press) — Maple Leaf Foods Inc. (TSX:MFI) is reporting a first-quarter loss of \$124.6 million, impacted by restructuring costs and a virus in the U.S. hog industry.

The loss amounted to 89 cents per share and compares with a loss of \$30.6 million, or 22 cents per share, in the same quarter last year.

Adjusted operating earnings posted a loss of \$29.9 million, compared with a loss of \$27.9 million last year.

Sales were \$711.3 million, an increase of 3.2 per cent.

Maple Leaf says the virus in the U.S. hog industry has driven up costs and the company has had to increase prices, but is expecting a return to normal conditions later this year.

The company is continuing a seven-year restructuring plan to improve the profits of the overall business, which is primarily focused on meat products.

Maple Leaf announced last month that it has closed its wiener production plant in Hamilton as part of a broader plan to move the operations to a bigger plant in the same city.

It plans to close four other meat plants by the end of the year.

The company has said once the restructuring plan is finished, it will operate 13 meat plants instead of 22, and two distribution centres instead of 19.

In February, Maple Leaf agreed to sell its 90 per cent stake in Canada Bread to Grupo Bimbo, a Mexican company that is offering about \$1.83 billion to buy out Maple Leaf and minority shareholders.

Maple Leaf also sold its Rothsay rendering business, which had operations in several provinces, to Texas-based Darling International, and found buyers in Ontario for its commercial turkey farms, hatchery operation and breeding farms.

The company has about 18,000 employees across North America, the United Kingdom, and Asia. Maple Leaf sells products under its banner name, well as popular brands like Dempsters, Villaggio and Tenderflake.

Source URL (retrieved on 04/19/2015 - 3:40pm):

<http://www.foodmanufacturing.com/news/2014/05/maple-leaf-foods-reports-1q->

Maple Leaf Foods Reports 1Q Loss of \$124.6M

Published on Food Manufacturing (<http://www.foodmanufacturing.com>)

[loss-1246m](#)