

Regulatory Story

[Go to market news section](#)



M. P. Evans Group PLC - MPE AGM Statement
Released 12:00 15-Jun-2018

RNS Number : 4685R
M. P. Evans Group PLC
15 June 2018

M.P. EVANS GROUP PLC ("Group" or "M.P. Evans")

ANNUAL GENERAL MEETING

The annual general meeting of M.P.Evans Group PLC is being held in London today. The following statement, presenting an update on trading conditions and progress on the Group's activities since the publication of the annual report in April, is being given at the meeting by the chairman, Peter Hadsley-Chaplin:-

Crops

The crop of oil-palm fresh fruit bunches ("ffb") for the five months ended 31 May 2018 was 228,000 tonnes from estates controlled by the Group, some 27% higher than the 180,000 tonnes recorded for the same period in 2017. Crops from the smallholder co-operatives associated with the Group's new projects increased by 39% to 61,100 tonnes. This mainly results from the young 7-year average age of the Group's palms whose yields are increasing as they mature, with a residual continuing recovery in production throughout South East Asia following the acute "El Nino" in 2015-16.

The growth in crop on the Group's estates has been particularly pronounced on Bangka, where crops increased by 53% compared with last year; those in Kalimantan were 43% higher, despite lower crops than expected from Bumi Mas as the Group integrates this new estate into its operations. In Sumatra, crops at the Pangkatan group of estates have been similar to last year but those in Simpang Kiri 3,600 tonnes lower as an aggressive replanting programme continues. The Group's 38% associate, PT Kerasaan Indonesia, reported crops some 5% higher than for the first five months of 2017.

Production

The Group produced the equivalent of 77,500 tonnes of crude palm oil ("CPO") during the first five months of 2018, including 71,000 tonnes in its own mills with

the balance being the oil content of ffb sold by the Group to third-party mills. This compared to 63,500 tonnes for the equivalent period in 2017 (of which 60,100 in its own mills). Extraction rates continue at good levels: 24.1% in Kalimantan; 23.1% in Bangka and 23.3% in Pangkatan. An important contribution to production, notably in Bangka, was the continuing purchase of ffb from third parties, amounting to 46,700 tonnes (2017 - 43,700 tonnes) in addition to those produced on the Group's own estates and associated smallholder co-operatives.

Prices

The average price of CPO (c.i.f. Rotterdam) for the first five months of the year was US\$663 per tonne, a reduction from the US\$732 per tonne during the equivalent period in 2017. In the period to the end of May 2018, the Group realised an average price at mill gate of US\$564 per tonne compared with US\$606 per tonne in 2017. Prices for palm kernels have also weakened, averaging US\$417 per tonne (mill gate): somewhat lower than the US\$503 per tonne in the year to May 2017 as a period of unusually high palm kernel prices draws to a close. The Indonesian Rupiah has weakened during 2018, which has resulted in an exchange rate loss, but which benefits the Group through a reduction in the US Dollar cost of producing CPO. The continuing recovery in South East Asian production may exert some downward pressure on prices during the second half of the year, but this is likely to be counter balanced by a poor South American soybean harvest and emerging questions over the yield from this season's rapeseed plantings in Europe following a dry spell.

New planting

In Musi Rawas, 890 hectares were planted in the first five months of the year, bringing the total planted area to just over 6,000 hectares in respect of Group and smallholder areas combined. Planting is ongoing, and land compensation has already been settled over a further 1,300 hectares. In Bangka, the total planted area encompassing both Group and smallholder areas has reached 10,000 hectares and marks the completion of the development phase of this project. Some new planting will take place in Kota Bangun, East Kalimantan, once the planned bunds needed to manage the water on this project have been finished.

Strategy

The Group's focus is on production of palm oil in Indonesia and it is in control of substantially all its plantation assets. At the end of 2017, the Group reported the acquisition of the 9,500-hectare Bumi Mas estate in East Kalimantan. The Group's managers are on the ground, bringing its operating standards up to those of its other estates. The board continues to seek to expand its plantation hectareage and is confident in its ability to deliver crop growth which is the foundation for improving results, and increasing dividends, to shareholders.

15 June 2018

Enquiries:

M.P. Evans Group PLC

Peter Hadsley-Chaplin - chairman

Tristan Price - chief executive

Matthew Coulson - finance director

Telephone: 01892 516333

Peel Hunt LLP
Dan Webster
George Sellar
Nicole McDougall

Telephone: 020 7418 8900

finnCap
Tim Redfern
Chris Raggett
Abigail Wayne

Telephone: 020 7220 0500

Hudson Sandler
Charlie Jack

Telephone: 020 7796 4133

Bertie Berger

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

AGMFIMATMBJBBIP

CLOSE

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

©2014 London Stock Exchange plc. All rights reserved

AGM Statement - RNS