Early Warning System

IFC-34041

MHP Corporate Loan

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Quick Facts

Countries	Ukraine
Specific Location	Vinnytsia
Financial Institutions	International Finance Corporation (IFC)
Status	Completed
Bank Risk Rating	B
Voting Date	2014-05-29
Borrower	Myronivsky Hliboproduct PJSC
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Loan Amount (USD)	$ 250.00 million
Project Cost (USD)	$ 250.00 million

Project Description

As stated by the IFC, the Project involves providing a long term corporate loan facility of up to US$250 million to Myronivsky Hliboproduct, the largest integrated poultry producer in Ukraine, to support the Company's expansion plans in Ukraine and refinance its Eurobond maturity falling due in 2015.
In May 2010, MHP started the construction of the Vinnytsia complex, which increases gradually its production of chicken meat. The first phase of the Vinnytsia poultry facilities (220,000 tonnes capacity) is to be put in full operation in 2014. In 2003, IFC initially invested in MHP to support its efforts in chilled poultry distribution and sunflower feed technology (Project ID 21071). IFC followed-up with an equity investment and a loan in 2005 (Project ID 24011) for further expansion of existing facilities and the construction of new ones in Myronivska poultry farm of integrated operations. In 2010 (Project ID 29204) and 2012 (Project ID 32632) IFC invested in MHP to support its efforts in expanding the scope of its agricultural operations in connection with the Company's expansion plan in farming and poultry operations. EHS performance for this last investment is satisfactory and ESAP's action items have been effectively implemented. Information on the EHS aspects of the Projects can be found at the IFC website.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

As stated by the IFC, MHP is a long standing IFC client and a leading Ukrainian vertically integrated poultry group listed on the London Stock Exchange. The Company operates the key steps of the chicken meat production process including crop growing; grain processing; fodder and sunflower oil production; hatching egg production and incubation; poultry rearing and processing; distribution and sales. Associated agricultural and processing operations include sunflower oil, sausages and cooked meat production; fruit growing and sell; cattle breeding; meat processing. MHP produced around 473,000 tons of chicken meat in 2013. MHP controls and operates approximately 360,000 hectares of land of which 320,000 ha in Ukraine used in grain production for self-animal feed consumption and trading and the Company is self-sufficient in corn, the main fodder ingredient.

MHP is 66% owned by WTI Trading Limited, with 34% of the shares listed on the London Stock Exchange. WTI Trading Limited is owned by Mr. Yuriy Kosyuk, a local entrepreneur, who graduated from the Ukrainian Food Institute in 1991 and established MHP in 1998. Prior to launching his poultry business, Mr. Kosyuk was involved in various business activities, including grain and retail trading, food processing.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	PJSC Mironivsky Hliboproduct	Client	Agriculture and Forestry

Contact Information

Client - Myronivsky Hliboproduct PJSC:

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- CAO ASSESSMENT REPORT January 2019
- CAO ASSESSMENT REPORT January 2019 (Ukrainian)
- Summary of Investment Information

Campaign Documents

- Black earth – Agribusiness in Ukraine and the marginalisation of rural communities
- Assaults against community activists
- Chicken Run The business strategies and impacts of poultry producer MHP in Ukraine
- Complaint to IFC's CAO June 2018
- Joint Statement by MHP and local communities January 2020 (Ukrainian)
- Joint Statement by: Myronivsky Hliboproduct (MHP) Representatives of the Complainants from Olyanytsy
- Response Letter from MHP to BHRRC

Media

- Environmental organizations raise stink over MHP’s poultry farm
- Living next door to 17 million chickens: ‘We want a normal life’
- Ukraine agribusiness firms in ‘quiet land grab’ with development finance
- Ukraine Joining the EU – An Elephant in the Room

Other Related Projects

- EBRD-47806 MHP Corporate Support Loan
- EBRD-45253 MHP Farming
- EBRD-41132 MHP
- IFC-32632 MHP WCF
- EBRD-49301 MHP Biogas
- IFC-24011 Mironovsky II
- IFC-21071 Mironovsky Khleboprodukt CJSC
- IFC-29204 MHP Ukraine
- IFC-46415 MHP Loan 2023