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## Monthly Newsletter

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### Learn from Global Business Model, Why CPF support Government to encourage the investment?

Source : <https://www.prachachat.net/economy/news-1525353> , 20 March 2024



Mr. Adirek Sripratak – CPF’s Chairman of the Executive Committee and CEO Mr. Prasit Boondoungprasert give a special interview on the economy direction and perspectives on Thailand’s livestock industry with 'Prachachat.

Thailand’s economic situation this year It is still extremely fragile with factors from abroad that trouble for international conflicts, high interest rates, energy price issue, as well as domestic issues affects to wealth and purchasing power. This leads to the question: What will unlock the Country’s economy situations?

- Encourage the economy with “Investment”

Mr. Adirek said about the Thai economy this year that Thailand is in good shape with income from tourism. This aspect will be the main hero. But investment is also another important aspect.

- Learn from Vietnam’s model

“For example, when CPF invested in Vietnam 30 years ago, there were no rules. There was just the issue of land rent, when deciding to invest in that country, We only think about whether the Country is growing? Will it bring the opportunities for our business? If they just grew up, investing whether it’s the right way or the wrong way will bring us the victory. Because there are small numbers of competitors, But if we enter a country that is already stuffed like U.S. or Europe, We can’t invest with them because the Country is stuffed, It mean the population is not increasing, the industry is already packed. If this is the case, we will compete and be tired. So, we have to compete in the areas where the industry is still growing for 30 or 50 years, because this is indirectly favour to us. Because there aren’t many competitors. And we began to grow with them.”



- Seek for opportunities in the crisis

Now, factories in countries with geopolitics problems have opportunities for increase their income and benefits as well as decrease their debt. For example, today, there is a war in 2 countries where we invested, Myanmar, where CPG (CP Group) invested, and Russia, where CPF invested, when people look at these two countries, they probably think that people who go into business are in trouble or a hassle. but it actually quite opposite because in Myanmar, the business continues to operate normally and brings good profits. As for Russia, profits are better than usual and the government is giving more attention to the investors. For example, normally if the company lends the money, they will pay 14-15% of interest, but during the war Russia charges interest rate to 3-4% with support from government because they don't want us to withdraw. Especially as we are in the food business, it is even more important. This means that it helps with food security in their country as well."

"When the country needed their people to serve as soldiers. Our Company employs over a thousand people with a request that the Company needed the workforces. Since people who produce the food also the people lend their hand to help the country. As a result, our business profits are better than usual in both countries. But looking from an outsider's perspective, it should be difficult, but in reality, it's not like that."

On the other hand, the rate of exchange for Russia's currency depreciated from 70 rubles to 90 rubles. We are not damaged by this currency, because we borrow 100% domestically to sell domestically in rubles. Now when comparing the rubles to dollars, we would have less debt. This is a technique, But if the Company invests in dollars from the beginning, the damages are enormous when the currency depreciated.

- Support the private sectors to grow bigger

"There are different techniques for investment encouragement in each country. In Thailand, there are worries that the government will only help the big companies. But the big companies has a big employment, for example, the CP Group employs over 400,000 people. It's easy to think that if the Company take care of another 3-4 people in the employee's family, it's equal to helping take care of 1.2 million people. These 1.2 million people must have the company to pay their salaries and pay their personal income tax. Meanwhile, the Companies pay VAT and corporate income tax. Where all the taxes must be used to develop the country or help the poor. Therefore, I think the government must support large private sectors to compete with the world."

CPF has sales revenue of 600 billion baht, divided into only 30% domestic sales, with 5% exported from Thailand and 60-70% of the fund we invest abroad is brought back into companies in Thailand. To show profits, we must pay taxes to the government. The question is, if the Company is small, Who will invest abroad? It's like Apple that are sold all over the world, Facebook or Meta provided services to 5,000-6,000 million people around the world. For the large company with a size of 2-3 trillion, the U.S. government still provide fully supports to private sector to dominate the global market.

"I think the government has a business mind, since the Prime Minister is also a businessman. I still believe that it should be very positive for the business."

Certainly, a good economy is related to purchasing power. For example, in China, The purchasing power issue in China is quite serious. There is a lot of unsold real estate and the picture of shopping is still not active.

"I traveled to China 2 months ago, the airport was very quiet. Roughly speaking, there should be only 10-20% of people using it. I still believe purchasing power is still deteriorating. People are still cautious on spending money. Everyone is saving. The real estate problem in China is flat, where it may take many years to deal with. Decrease of purchasing power while prices for pork and chicken are not good."

This is consistent with "CEO Prasit" who views that the Prime Minister doing very well on opening the marketing game. But the results from his visit in different countries must be implemented where it may take some time. There are many issues discussed that will lead to the great benefits for the country. For example, the issue of free visas to discuss with Europeans. This will make traveling more conveniently. If this become possible, it will create an advantage for the country. As well as negotiations with Tesla to procure 2,000 rai of land, this will be beneficial to the economy if possible.

- The trend of the food market is still growing

When asked about CPF's plans after 2023 with a net loss of 5,200 million baht due to the situation of pork price descending both in the Chinese and Thai markets, CEO Prasit said that from evaluating the trends of agricultural and food products this year, it seems they are still growing. As for the price, it may move slightly. because the currently situation for consumers in Thailand and China are almost no different, they focus on saving and the business is highly competitive.

"From a recent trip to Shanghai, It can be seen that the competition are very fiercely, especially the online trading system. Everyone does everything online with income of 30-40%, while the proportion in Thailand is 10-20%. It is considered a very big deal. There is American retailers named Sam and Costco, with 40 branches, Sam's stores packed of customers and 40% online from outside, are one example that need to be adapted," CEO Prasit said.

- CPF adjust their plan for Tech

CEO Prasit said now CPF has establish the CPF Global Food Solutions Company (CPFGS), this business will be the representative in responsible for sales or marketing and logistics to factories, in order to be centralized into one place. With the goal to develop the potential for service and reduce transportation costs both in Thailand and overseas as well, Initially, the investment in this system does not require a large budget since there is continuous development.

Meanwhile, CPF has developed a back-end system by utilizing the AI system in the back-end. For example, the Company regulations completely use AI similar to ChatGPT. Employees can answer questions for employees through the CPF Connect application. It is seen that in the future, using AI into every aspects will greatly maximize the benefit.

- Develop the Product that meet the demands.

CEO Prasit said that in addition to developing systems and technology. the Company also adjusts marketing and develops products to meet consumer demands, i.e. plant-based food. While the trend is descending due to many overseas plant base manufacturers' sales have decreased. But from this trend, it cannot be assumed that people do not take care of their health, the consumers are focus on Healthy Food, which means healthy food menu that are eaten every day. It changed from Western menu to an Asian food with rice as an ingredient,

Finally, Mr. Adirek gave us a conclusion, "Everyone who sees plant base as the meat of the future that will replace beef. Mr. Prasit and I went to see the sales base that is the work of an Israeli startup. For the characteristics of meat development from the laboratory, they had a syringe pipe and ran towards the needle to create the meat and fry them for us to taste since they want us to join their investment. I saw it's as complicate as the ICU room, and the cost is 10 times more expensive.

But what we have learned from Israel is the government supports the investment in developing technology startups, providing up to 90% of the budget for trial and error. If they make a mistake, they don't have to pay it back. But if they make it success, they only pay 5% back to the government, This creates many start-up businesses and make Israel become the second largest number of startups in the world."

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## BELLISIO FOODS EXPANDS FAST-GROWING BOSTON MARKET FROZEN RETAIL PORTFOLIO

Source: <https://www.prnewswire.com/news-releases/bellisio-foods-expands-fast-growing-boston-market-frozen-retail-portfolio>, 14 March 2024



Bellisio Foods has announced expansion of its frozen retail brand, Boston Market At Home, with the introduction of comfort-inspired Boston Market Sides, new entrees and a bite-sized snack. The new Boston Market At Home Chicken Fajita Rice features grilled all-white meat chicken with rice and Southwestern-style vegetables in a bold fajita sauce. Bellisio Foods is introducing Boston Market Pot Pie Bites, an innovative, bite-sized snack inspired by the favorite Boston Market Pot Pie. Bellisio Foods is the long-standing owner of the growing Boston Market retail brand that includes all frozen retail items, comprising entrees, sides and snacks

### New Comfort-Inspired Entrees and Side Dishes Will Debut in 2024

Bellisio Foods, one of the nation's largest, most trusted frozen food companies, announced expansion of their frozen retail brand, Boston Market At Home, with the introduction of comfort-inspired Boston Market Sides, new entrees and an innovative snacking format.

"Boston Market At Home has been serving favorite comfort tastes in convenient frozen meals to local grocery stores for years," said Nicole Grimmus, Vice President of Marketing and Innovation at Bellisio Foods. "Bellisio is now expanding to offer consumers even more delicious options."

The all-new Boston Market At Home Sides will include three delicious, homestyle varieties. With research showing that consumers are eating at home more frequently, Bellisio is making it easier to plan for dinner with quality side dishes for the family available in your grocer's frozen section.

- **Mac and Cheese** – Tender macaroni and a tasty cheese sauce made with Monterey Jack and American cheeses.
- **Roasted Potatoes** – Diced roasted red potatoes in a savory parmesan garlic and herb sauce.

**Homestyle Mashed Potatoes** – Creamy seasoned potatoes full of flavor.

New Boston Market At Home entrées will also debut in 2024, reflecting Bellisio's ongoing dedication to introducing relevant flavors and cuisines.

- **Chicken Fajita Rice** – Grilled all-white meat chicken with rice and Southwestern style vegetables in a bold fajita sauce.

**Chicken Cordon Bleu** – A chef-quality recipe of breaded all-white meat chicken with Canadian bacon in delicious Swiss cheese sauce with mashed potatoes.

Bellisio is also introducing a convenient, bite-sized snack inspired by the long-time favorite Boston Market Pot Pie.

**Chicken Pot Pie Bites** – Diced white meat chicken and vegetables with a creamy gravy in a buttery, golden crust that delivers comfort in a convenient bite-sized morsel.

"Boston Market Frozen Retail is a great, convenient solution for consumers who seek modern and classic comfort foods but don't want to make meals from scratch," said Ms. Grimmus. "We are thrilled to expand the Boston Market portfolio with innovations that reflect new and evolving eating occasions."

Boston Market At Home is a growing leader in flavorful, comfort-inspired frozen meals, with double digit sales growth in recent years. Bellisio Foods is the long-standing owner of the Boston Market retail brand that includes all frozen retail items, comprising entrees, sides and snacks. The thriving Boston Market frozen retail portfolio is operated separately from the restaurant brand and is available at grocery stores and retailers nationwide.