



Monthly Newsletter

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Benja chicken, CP sausage and Meat Zero products bring Thailand first Superior Taste Award 2022 by the prestigious International Institute of Taste

Source : www.packaging-gateway.com , 17 June 2022



Benja chicken and CP sausage become Thailand’s first chicken meat and sausage products that won Superior Taste Award 2022 by the prestigious International Institute of Taste, an annual event in Brussels, Belgium.

Mr. Prasit Boondoungprasert, Chief Executive Officer of Charoen Pokphand Foods PLC (CPF), said that CPF has won awards for “Benja chicken”, 3 CP sausage products and 2 Meat Zero products. The awards bring pride to all Thais involved in the innovation of safe and quality food products that offer both traceability and tastes exceptionally rated by the world’s top chefs.

“It’s not easy to invent a quality, nutritious, safe and tasty food. The awards thus bring a great pride to the Management and employees of CPF. Today, the taste of our 6 products is guaranteed by the world’s top chefs,” Mr. Prasit said.

More than 2,000 food and beverage products from across the world were enlisted for the Superior Taste Award 2022. Benja Chicken is Thailand’s first chicken brand that won an award. The innovative meat product of CPF comes from a specially-selected breed and the chicken is raised by superfood like unpolished rice and flaxseed.



The meat consequently smells favorably and is soft and 55% more juicy than normal. The pink meat is 100% free of hormones or antibiotics, as certified by NSF.

Three CP sausage products also brought Thailand the first Superior Taste Award in sausage category - CP Crispy Chicken, CP Chicken Frank and CP Chili Chicken Frank. All CP sausages are made of high-quality meat from CPF's closed farms. All the farms boast the contamination-free, safe, modern and high-standard production process. The meat is stored and transported in temperature-controlled condition. The robotic technology is employed in raw material management along with Radio - Frequency Identification (RFID), to offer traceability. CP sausages come with various tastes for various consumer groups. CP sausages earlier were voted the No.1 brand in Thailand by Marketeer Magazine, reflecting the products' cleanliness, safety, hygiene and taste that has long captivated consumers.

Two plant-based "MEAT ZERO" products - nuggets and garlic patty -are the remaining award winners.

Developing a convincing meat taste, the alternative products are a result of over 2 years of research and development under the collaboration between CPF RD Center and world-class experts from various countries like the United States, Japan and Taiwan as well as food scientists from Chulalongkorn University and Mah Fa Luang University. The "PLANT-TEC" innovation was discovered and MEAT ZERO was developed as a perfect alternative meat in terms of flavor, smell and texture. Superior Taste Award 2022 guarantees its quality in terms of flavor.

Trending and sustainable health food - with favorable flavor

The International Taste Institute reports that health and sustainable food and beverages are trending and shows continuous growth. The number of alternative products like plant-based protein as well as vegetarian and gluten-free food enlisted for the certification in 2022 doubled. But taste is the most important in the evaluation methodology. Meanwhile, the Ingredient Proprietary Research shows that in 2022, taste is the priority for 53% of plant-based meat buyers, trumping other factors like nutrition values, brands and convenience. As such, it remains a great challenge for food and beverage producers to come up with health and yet delicious products.

Superior Taste Award is granted following the evaluation and certification by a jury of professional chefs and sommeliers. The products are certified for standard production process and taste. The award is granted by the International Taste Institute, headquartered in Brussels, Belgium. The evaluation is conducted in cooperation with 15 European food and beverage associations. The jury is composed of more than 200 professional chefs and sommeliers. They taste more than 1,000 entries from all over the world on an annual basis and give score based on input from an array of 5 sensory experience - visual, aromatic, flavour, textural aspects, and final mouth feel. Only professional judges are involved. With their experiences and credentials, they are expected to uplift the taste of food and beverage products, eventually to strengthen the institute's mission in filling the world with delicious and quality products

CP Foods adopts 3R sustainability concept for its egg packaging



The initiative is part of the company's efforts to make all its plastic packaging reusable or recyclable by 2030.

Thai agro-industrial company Charoen Pokphand Foods Public Company (CP Foods) has adopted the Reduce, Reuse, and Recycle (3R) approach to make its egg packaging more sustainable.

The initiative is part of the company's wider efforts to make all its plastic packaging reusable, recyclable, upcyclable or compostable by 2030.

CP Foods will implement the 3R approach to packaging design for its polyethylene terephthalate (PET) plastic, which contains 80% recycled plastic, to reduce its virgin plastic packaging footprint and plastic waste output.

In line with this move, the company aims to increase the amount of recycled materials used in its egg packaging without affecting food quality or safety.

It has also added the reuse of packaging and recyclability as key factors during design considerations.

CP Foods stated that all its egg packaging is now fully recyclable.

CP Foods assistant vice-president Kitti Wangwiwatsilp said: "Due to continuous effort, 80% of the plastic packaging used for our egg products is made of recycled plastic.

"We only use 20% of virgin plastic material for food safety reasons.

"Our recycled materials have been tested and verified by a laboratory of a trustable third-party.

"This ensures that the plastic material used in the production of egg packaging is safe and does not affect the quality of the food."

Last year, CP Foods reduced the amount of virgin plastic used for its egg trays by 373t through the use of recycled content.

The company also used packaging made entirely of recycled paper for its 30-egg tray and premium egg products such as the CP Cage Free Selection and CP Omega Egg Pack 4 and Pack 10.

In addition, it reduced its paper use by 889thb and used 672thb less plastic materials than previously.

These moves are part of CP Foods' efforts to reduce its use of plastic and paper for food packaging by 1,000t by 2025.

CPF benefited from chicken supply collapse, with THB 15.0 billion profits expected this Year

Source : www.kaohoon.com , 20 June 2022



CPF benefited from the drop of global chicken supply which was impacted by Russia-Ukraine war. This will give a flick of the chicken price to surge. CPF stock investment is therefore highly encouraged by brokers as the expected price is THB 30. Moreover, it is expected that the net profit this year will exceed THB 15.0 billion, 18% increased while the total revenue will be THB 580 billion, accounting for 13% of growth. It is also expected that the export of the chicken products to Saudi Arabia will be up to 300 containers, with total value of THB 473 million.

Mr. Prasit Boondoungprasert, CEO of Charoen Pokphand Foods., PCL. said, "As a result of the Russia-Ukraine war, Ukraine had ceased the export of chicken products, leading to the loss of global chicken supply. From that, the price of the broiler products worldwide including that of CPF relatively rose.

KTBST Securities PCL. Change CPF rating to Buy, with expected price of THB 30. CPF's performance is also expected to remarkably recover within the next two years. The net profit is expected at THB 15,383 million, which is 18.1% increased from last year which the net profit was THB 13,028 million. In 2023, the net profit is expected at THB 17,848 million, increasing for 16% from 2022. The promising increase of the net profit comes from these following factors:

- 1) The price of meat along with meat consumption both domestically and internationally recovered from COVID-19 crisis in a satisfactory manner. Also, because of the famine, estimated revenue of 2022 is at THB 581,545 million which is a 13% increased from THB 512,704 million last year. The expected revenue in 2023 is at THB 596,666 million which is 3% increased from 2022.
- 2) The gross margin in 2022 recovered because of the rising price of the products. It is expected that the price will increase for 13.5% from 12.9% in 2021.
- 3) The profit share from associates bounced back from 2021. This is the result of the deconsolidation, financial statements of CTI in China, and the profits from CPALL and Makro, resulting from their recovery.

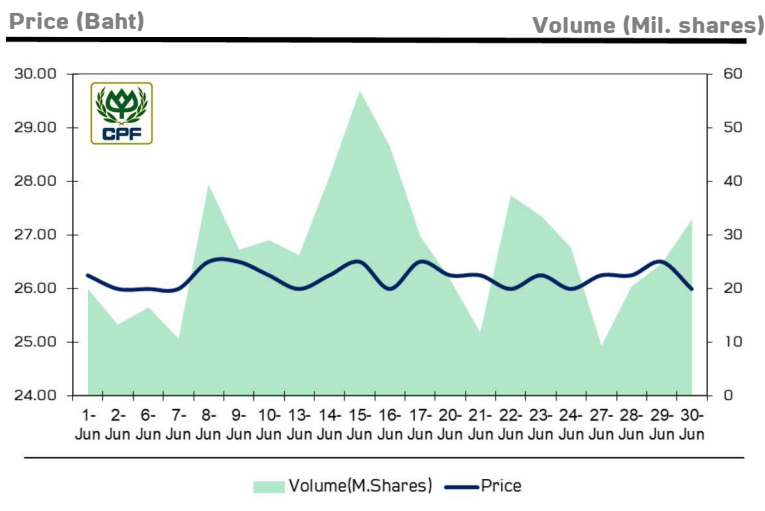
We have seen the lowest performance of CPF this year. However, CPF has relatively recovered, evidenced by the rise of meat product price both domestically and internationally, in particular in China and Vietnam.



The price of swine in China had sunk to the lowest bottom in March 2022 whilst the swine price in Vietnam incrementally recovered but only in a slight manner. It is expected that the price of meat in the Thailand will remain high because of the existence of the African Swine Flu (AFS) which led to the dramatic loss of swine supply in Thailand. It will take at least 1 to 2 years for the swine supply to increase. The bouncing-back swine supply will help the price of both broiler and swine product to remain continuously high. This was also because of the famine and war. CPF is the world's major food producer, with certified products covering upstream to downstream. CPF's operation covers 17 countries. There is a tendency to turn prospects into CPF customers in many countries, as a result of world food supply shortage.

After the inspection of the chicken manufacturing plants in Thailand by Saudi Arabian Team, CPF's 5 chicken manufacturing plants were certified with SFDA. In 2022, it is expected that the number of chicken products to Saudi Arabia will reach 300 containers, with a total amount of 6,000-7,000 tons or a total sum of THB 473 million. In the next 5 years, CPF targets the expansion of exports of chicken and processed chicken products to 3,000 containers, with a total amount of 60,000 tons or a total sum of over THB 4,200 million.

Price Performances: CPF



June 2022	
Highest Price	26.50
Lowest Price	25.50
Closed Price	26.00
Average Volume/Day (Shares)	24,719,400



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