



Charoen Pokphand Foods Plc.

Listed on the **S**tock **E**xchange of **T**hailand

Monthly Newsletter

Volume 18 Issue 11 – November, 2018

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Topics

- **CPF News** : Thai livestock industry marks 2018 as one of the best year for Animal Welfare
 - : CP Foods kick-starts plan to convert Thai shrimp industry to indoor operations
 - : Ministry of Agriculture and Cooperatives backs market driven for safe vegetable market
- **Price Performances** : CPF

Thai livestock industry marks 2018 as one of the best year for Animal Welfare

Bangkok post, October 8, 2018

Thailand celebrated World Animal Days 2018 with a huge progress in animal rights, especially in area of Livestock Industry where several game-changing policies are made by the government and major food companies.

As one of the world biggest food exporter. It is inevitable for Thailand to ignore animal welfare. The country produces 18 million pigs and 1.5 billion broilers annually, making it on the top ten of the world broiler producers. Moreover, interesting fact shows that Thailand produces 2.5 tonnes of chicken out of 90 million tonnes worldwide annually, accounting for 3% of the global market share and approximately 810,000 tonnes of the outputs are used for export.

In 2018, Thailand made several significant progresses to improve its animal welfare standard. The Thai recently government announced the revision of Good Agricultural Practices for Broiler farms (TAS 6901-2009) is in progress. The up-to-date version will provide recommendations on best practices for broiler welfare. The National Bureau of Agricultural Commodity and Food Standards said that the revision will help Thailand to reach the same level as animal welfare leaders such as The EU.

In addition, the country has received praise from high-profile animal specialists across the world during their visit to Charoen Pokphand Foods (CPF) plant in Rayong for Prince Mahidol Award Conference (PMAC) earlier this year. The group praised Thailand's prudent antimicrobial use and farming practice to battle antimicrobials resistance. The practice focus on enhancing animal welfare and probiotics to create happy and strong animals. It is also in response to Thai National Strategic Plan on Antimicrobial Resistance (2017-2021) established last year.

The strategic plan aims to reduce the resistance by half and drop antimicrobial use in humans and animals by 20% and 30% respectively.

CPF, one of the leading Thai food companies, has also announced a global policy on animal welfare based world-renowned five-freedom of animal welfare and other world-renowned animal health principles to ensure of the happiness of its farmed animals.

"The company's animal welfare practices are based on Five Freedoms of animal welfare, which consist of freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury or disease, freedom to express normal behaviour and freedom from fear and distress," Dr. Payungsak Somyanontanakul, DVM, vice president at CPF explained.

Under this game-changing policy, all CPF's pig farms in Thailand and overseas operations will replace individual pens with group pens by 2025 and 2028 respectively to provide a more humane environment for sows. For poultry business, all farms will be supervised by certified Poultry Welfare Officers within 2020.

The policy is now implemented by all CPF businesses worldwide to ensure that all farmed animals live in healthy and happy life.



CP Foods kick-starts plan to convert Thai shrimp farms to indoor operations

Undercurrent News, October 1, 2018

Thai firm Charoen Pokphand Foods (CPF) has introduced its prototype indoor shrimp farm, which executive vice president for aquaculture business Premsak Wanuchsoontorn hopes will be the first of many.

According to Premsak, CPF's aim is to transform all of its Thai shrimp farms into many smaller-scale indoor facilities.

"Currently, 15-20% of the company farms in Thailand are indoor. We expect a complete transformation in probably the next five years," the vice president said in a press statement

CPF's intention is to invest in new sustainable technologies that will mitigate risk factors from the external environment, such as disease and the evident impacts of climate change. The growing consumer demand for greater food safety, security, traceability, and sustainability is also a factor in the company's new direction.

CPF's prototype farm has been set up in Chantaburi, 285 km east of Bangkok, Thailand. Here, the farm, which is 960,000 square meters, has been used to develop many new farming techniques that have since been shared with other CPF facilities and local farmers.

CP sees Thailand as 'premium' shrimp base; India, Vietnam for commodity

The prototype vannamei farm uses recycled water that is then recirculated through the farming system, thereby drastically reducing water consumption while simultaneously reducing the contamination risk that intake water always brings. The water is then filtered by the company's "ultra filtration" system, whose 0.2 micron pore size can filter out organisms even as small as viruses.

"Those two techniques will not only ensure zero wastewater but also prevent business risk from disease. It will guarantee fresh and safety shrimp production without antibiotics," said Premsak.

Furthermore, the use of biofloc microorganisms to convert toxic materials and residue into edible proteins effectively kills two birds with one stone, the company said.

By removing toxic residues from the intake water, it means that it can stay in the system for longer - the prototype farm has already reduced its water consumption from 5-7 cubic meters to just 1.5 cubic meters per kilo of shrimp produced.

"The microbial community in biofloc can damage these residues," Premsak explained. "As a result, the farming process uses less water and produces nearly zero waste."

Premsak added that shrimp farming in the future will be more depended on automation to save man hours and reduce contamination from the human touch. The farm is now equipped with several automatic systems.

"Shrimp farmers are reluctant to invest in the closed-indoor farming due to high investment. Bangsrakao's farm is working on the technique to lower the cost. We believe that, eventually, all shrimp farms will be indoor farm to mitigate the risk of diseases," he said.

Thai base for premium shrimp

Earlier this year during an earnings call, CP told Undercurrent News that it intended to use Thailand as the center for producing larger-size, premium shrimp, while the company's outlets in India and Vietnam would focus on mass production for the commodity market.

Sujint Thammasart, CEO of the company's aquaculture business, said premium products will be key to improve the fortunes of Thai shrimp businesses, following sharp reductions in exports to the US and the EU.

Thai shrimp year-on-year export volume to the US in June dropped by 42%. Moreover, Thannasart explained, exports to the European Union market -- once a key space for Thai products -- have also declined since the cut off tax privilege under Generalized System of Preferences, or GSP, scheme on Thai shrimp in 2015.

Robins McIntosh, senior vice president at CP Foods, also told analysts that the company has developed an advanced breeding program to genetically improve strong and fast-growing shrimp from highly selected broodstock.

According to McIntosh, the new CP Foods baby shrimp are trusted by farmers thanks to their outstanding survival rate, low infection risk, and lower farming cost.

"Furthermore, the broodstocks are being sold to China and Vietnam," he said.

In McIntosh's eyes the future of the shrimp industry will be dependent on how successfully they can produce "more with less".

Ministry of Agriculture and Cooperatives backs market driven for safe vegetables project

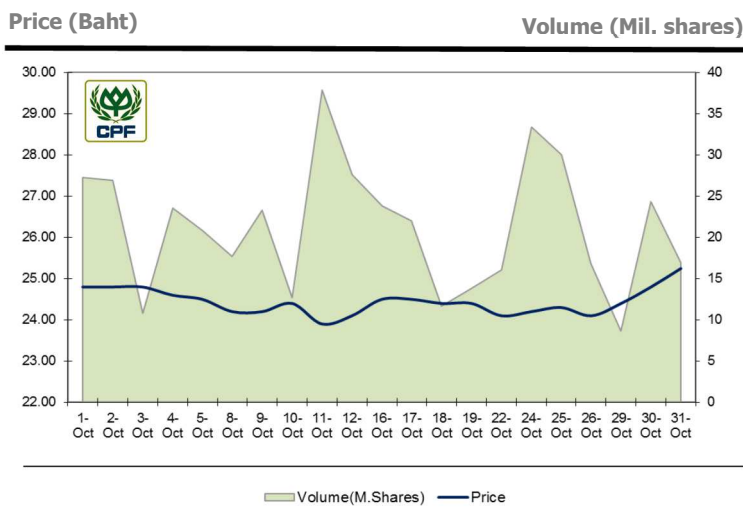
Matichon , September 24, 2018



Mr. Lertviroj Kowattana, Permanent Secretary, Ministry of Agriculture and Cooperatives and Mr. Sukhawat Dansersmuk Chief Executive Officer (CEO) - Food Business and Co-President joined the MoU signing ceremony for Market Driven for safe vegetables project between CPF and Nakhon Pathom Co-op's farmers. Dr.Waraporn Prompoj, Deputy-Director General of Thailand Department of Agriculture was also an honorable guest at the event.

The project is in line with the Ministry's Market Driven policy to link downstream companies with farmers that uses Good Agriculture Practice.

Price Performances: CPF



October 2018	
Highest Price	25.25
Lowest Price	23.70
Closed Price	25.25
Average Volume/Day (Shares)	21,246,300

Charoen Pokphand Foods Plc.
Investor Relations Office
 26thFl., C.P. Tower, 313 Silom Rd.
 Bangkok 10500, Thailand
 Telephone +662 638 2935-6
 Facsimile +662 638 2942
Email: iroffice@cpf.co.th

Please note that this document contains forward-looking statements, obtained from various sources, that are subject to a number of factors and uncertainties. CPF makes no representation and accepts no responsibility or liability as to its completeness or accuracy. The message is provided for informational purposes and should not be construed as a solicitation or offer to buy or sell any securities.