Supply Chain Management: Enhancing World Food Security and trade facility.
Case study of Thai Poultry Industry, CP Food and FAPP

Dr. Pornsri Laurujisawat
FAPP Secretary
E-mail: Pornsril@yahoo.com Tel. (668)-1-826-1800
A case study explain along Thai chicken history

Ref: Thai Broiler Exports Association

And to do this in depth study and achieve goals, the study has introduced the Thai poultry industry and the practical management of CPF Co, Ltd and FAPP as well as the concept to explore beyond ASEAN as a case study explaining its overview intention, particularly in the context of the industry and regional ASEAN Economic and Social Development.
Lessons learned from history applicable to the present situation: Case study of the Thai chicken business history and CPF

Thailand started exporting chicken to world markets in 1973
1. "Demand-driving" leads to trade facilitation

The graph shows that Thailand started exporting chicken to world markets in 1973. At the beginning Japan asked for imports.

Because of the different culture of consumption, Japan importers needed to teach Thai producers to match Japanese style.

And because the huge trade volume has increased year by year, has lead to enlargement of capacity building.

Thai producers have had to import high technology machines to improve their production.
2. “Contract Farming” management system is one supply chain management mechanism.
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How to increase production to serve the rapidly demand from Japan?

- **Financial Sector**: Financial loan to build farm
- **Company**: Technology and Knowledge transfer, Sell Chicken and feedback, Sell Chicken back
- **Public Sector**: Regulation

In country -> Distribution -> Market -> Export -> Foreign Country

Farmers
3. PPPP-4Ps Model
(Small Private – Large Private – Public - Partnership)

PPPP-4Ps Model (small Private – large Private – Public - Partnership) applied from the contract farming model enlarges trade facilitation and reduces chance of food insecurity in long term.

In this point we can say that “Contract Farming” management system is one of Trade Facilitation and Supply Chain Security mechanism of chicken management business. Moreover if we notice the four PPPP: Small Private–Large Private–Public Partnership actives and enlarges trade facilitation and reduces chance of food insecurity in long term.
Lessons learned from history applicable to the present situation:
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In 1993, China joined in the chicken world industry.
4. Technology enhances Trade Facilitation

How to adjust ourselves or change strategy to complete with China new comers?

In the graph, the curve shows a downslide in 1993, this was because China joined in the chicken world industry. At that time, China had just started to open its new economy; labor costs were quite low compared to other countries.
4. Technology enhances Trade Facilitation
Lessons learned from history applicable to the present situation:
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In 1997, there was economic crisis in Thailand and ASEAN regional.
In 1997 there was economic crisis in Thailand and ASEAN regional, Thai devalue Baht supported to enlarge Thai products exporting including chicken meat, the graph sharply turned up. However, in 1998-1999 the overview economic decreased, especially, the major importers of Thai chicken meat such as Japan and EU. The graph returned down. We can say that the economic situation, the external factor with uncontrollable, impacts to Trade Facilitation.
Late in 2001, animal products from some countries (Vietnam, China and Brazil) were found to contain residues related to "nitrofurans" and "chloramphenicol."
In 2002 the graph turned down again! Late in 2001, animal products from some countries (Vietnam, China and Brazil) were found to contain residues related to “nitrofurans” and “chloramphenicol”, both veterinary drugs which had been banned in many countries. In March 2002, first cases of similar residues in Thai chicken and shrimp were reported;

Value of exports during 2002 dropped, causing significant economic losses.

Public (DLD) solve the problems by steps included:
- Development of a regulation to control standard of broiler farm
- Implementation of the International Code of Practice for control in standard farm

Development of a regulation to facilitate safe production of food producing animals.

Cooperation with 5Ps Model

Export return and increase later
Lessons learned from history applicable to the present situation:
Case study of the Thai chicken business history and CPF

“Thai Chicken Business” and the many problems resulting from the “bird flu crisis” that has plagued it since 2004.
The crisis has affected not only the chicken business itself but also the Thai economy and society.

The immediate problems faced by businesses were decreasing sales in both the local and export markets.

Consumers’ perception of purchasing and eating chicken was negatively impacted.

The results lead to producers needing to concern about how to produce safe food.

7. Bird Flu shock: the uncontrollable factor impact to Trade Facilitation and move to change.
8. Traceability and RFID mechanisms for Supply Chain Security develop trade facilitation

- Animal Welfare (33 Kg/m²)
- Bird Flu Free
- Farm Veterinary
- Compartment
- HACCP
8. Traceability and RFID mechanisms for Supply Chain Security develop trade facilitation

Feed mill → Breeding → Farming → Processing → Adding Value → Branding & Marketing

Feed → Breeder → Live Animal → Fresh Meat → Food & Ready meal → Global brand

Meat

Traceability (RFID)
9. Social Demand for future trade facilitation enhancing

CP Chicken Product is the first production can use Carbon Footprint Label

- CP Fresh Chicken Meat
  2.9 kg.\text{CO}_2/1 \text{kg}

- Teriyaki Chicken
  302 g.\text{CO}_2/110g
10. Innovation such as the food nutrition for the different age

In near future, the world statistics forecasted that the situation will change to old edge increasing society. Then, innovation is very important, especially to develop food for different age, especially, for increasing old age consumers.
Role of FAPP from Supply Chain Security to Food Security & The Mutual Benefits of Cooperation

Aims

1. Enhance sustainable growth of poultry production in ASEAN
2. Exchange and dissemination of knowledge and information
3. Promote fair and free trade in poultry in international market
4. Coordinate and collectively various activities
Role of FAPP from Supply Chain Security to Food Security & The Mutual Benefits of Cooperation

Thai Private

ASEAN Private

Thai Public

International Public

Trade Facilitation
The model for “The more Supply Chain Security, The more Food Security”

1. “Demand-driven” leads to trade facilitation
2. “Contract Farming” trade felicity business
3. PPPP-4Ps Model (small Private – large Private – Public - Partnership) enlarges trade facilitation and reduces chance of food insecurity in long term
4. Technology enhances Trade Facilitation
5. External & Economics situation, the external factor impact to Trade Facilitation
6. 5Ps (small Private – large Private – Public – Partnership - Professor) Model & Scientific data, Trade Negotiation expand Trade Facilitation
7. Bird Flu shock: impact to Trade Facilitation and move to change
8. Traceability, RFID mechanisms and Supply Chain Security

Innovation such as the food nutrition for the different age consumers
9. Social Demand
10. Innovation such as the food nutrition for the different age consumers