


Thailand's CPF to launch plant-based meat substitutes across Asian markets

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Item 1 of 2 FILE PHOTO: A noodle breakfast seen in a restaurant in the northern province of Chiang Rai, Thailand, July 16, 2018. REUTERS/Soe Zeya Tun/File Photo

[1/2]FILE PHOTO: A noodle breakfast seen in a restaurant in the northern province of Chiang Rai, Thailand, July 16, 2018. REUTERS/Soe Zeya Tun/File Photo [Purchase Licensing Rights](#)  , [opens new tab](#)

BANGKOK (Reuters) - Thailand's largest agribusiness firm, Charoen Pokphand Foods Pcl (CPF), will introduce plant-based meat substitutes this year in response to growing customer demand and changes in behavior, a top executive said on Tuesday.

Chief executive Prasit Boondoungprasert told Reuters in an interview that the products would be sold first in Thailand this year, before being rolled out across the rest of Asia.

"There is a global trend of 'flexitarians' - people who have vegetarian meals once or twice a week," he said. Restaurants will also want to offer this option to their diners, he said.

Prasit, who took over as CEO in July last year, said introducing meat substitutes was part of the firm's strategy to expand its food business, including ready-to-eat meals and pre-cooked meats, in Thailand.

The firm's domestic operations currently account for about a third of its revenue.

CPF, which has operations in 17 countries and exports to 30, is planning capital expenditure of 20 billion baht (\$662.47 million) this year, down from 30 billion baht last year.

This will be used to build up existing assets and expand its feed, farm and food businesses in populous markets such as China, the Philippines and Vietnam, he said.

The company plans to expand hog cultivation to 18 million this year, including 7 million in Vietnam, due to higher pork prices following an outbreak of African swine flu.

"We invested a lot in our bio-security system," Prasit said. "Our pig farms are almost like resorts."

In the longer term the company is planning to generate revenue more evenly across its business segments.

"The plan is to have revenue contribution of a third from each business group of feed, farm and food," he said, although he added this could change if there were opportunities for mergers and acquisitions.

In 2018, its farm and feed businesses each accounted for about 40% of revenue, with the remainder in food.

The company was interested in pursuing mergers and acquisitions in its food business for branding and market access, Prasit said, adding that its farm unit would look to acquire land.

CPF last year acquired Canadian pork producer HyLife for \$372 million, and bought a poultry firm in Russia in 2015 for \$680 million.

The firm is maintaining its target of 10% annual revenue growth and reaching 800 billion baht revenue by 2023, he said.

CPF booked revenue of 541.9 billion baht in 2018 and has grown in the 8-10% range since 2016, Refinitiv data shows.

(\$1 = 30.1900 baht)

Reporting by Chayut Setboonsarng; Editing by Jan Harvey

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