



## Social Return on Investment (SROI)

Farmers in the contract farming program are deemed CPF's key stakeholders according to the concept of **Farmers are Life Partners**. Therefore, CPF's ultimate goal is to create career stabilities and generate incomes and well-being for farmers, which also helps to promote the country's economic stability and the world's food security in line with the "**CPF 2030 Sustainability in Action**"

In 2021, the Company has adopted a standard framework based on Social Return on Investment (SROI) guideline to evaluate the Income-Guaranteed Contract Farming of the Fattening Pigs Project, covered three dimensions; 1) Economic, 2) Social, and 3) Environment, in order to manage social achievements derived from the project implementations compare them to investment opportunities in various fields to ensure efficient and effective resource and budget allocations.

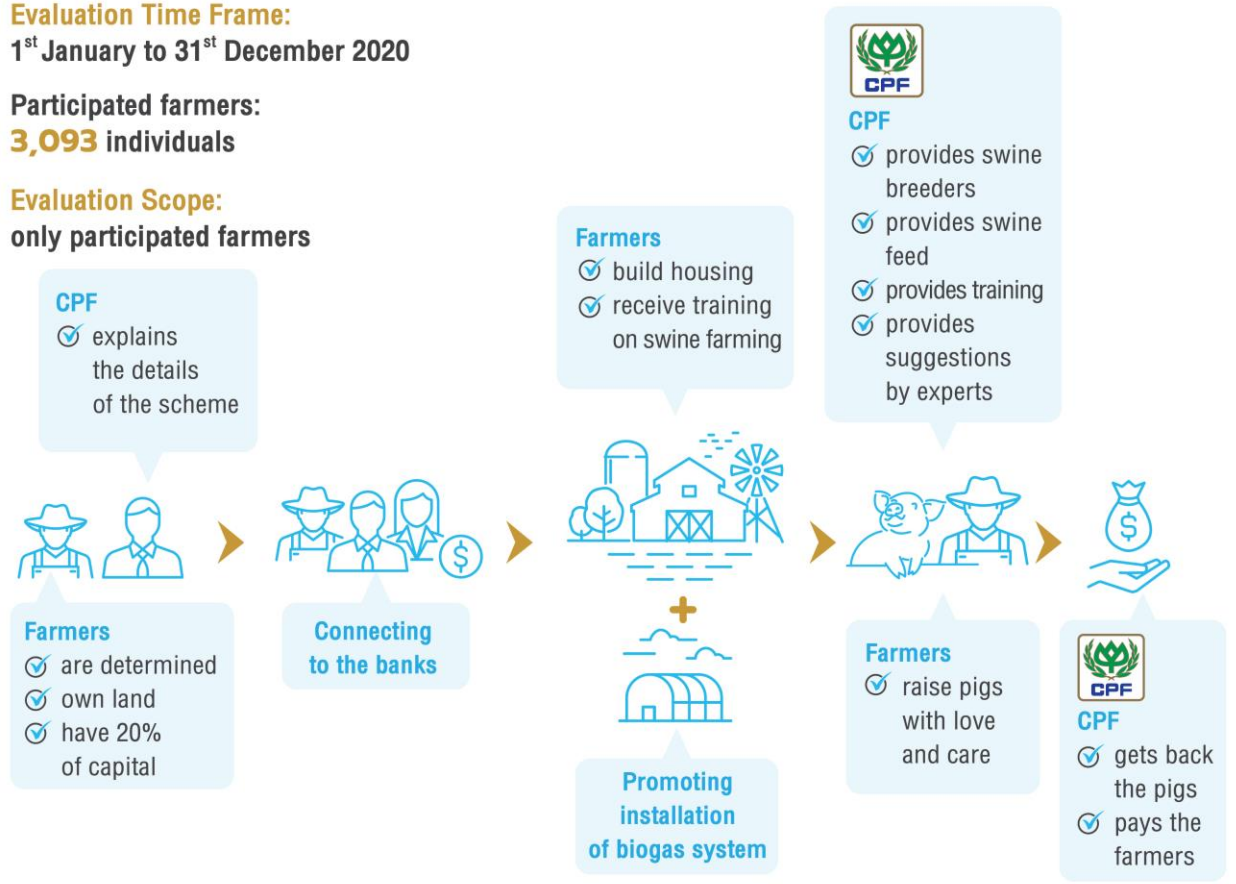
The assessment gathered data from 4 main stakeholder groups as follows: 1) Contract farmers 3,093 individuals, 2) CPF (Thailand) Public Company Limited, 3) Partners, which are divided into 4 subgroups: (3.1) 596 Transport companies, (3.2) 51 Pharmaceutical companies, (3.3) 186 Construction companies, and (3.4) 1,698 Banks, and 4) Community and government agencies. The evaluation period is one year (from 1<sup>st</sup> January to 31<sup>st</sup> December 2020). The project calculation has been verified by LRQA (Thailand) Limited.

## The Process for Participating in the Income-Guaranteed Contract Farming of the Fattening Pigs Scheme

**Evaluation Time Frame:**  
1<sup>st</sup> January to 31<sup>st</sup> December 2020

**Participated farmers:**  
**3,093** individuals

**Evaluation Scope:**  
only participated farmers



According to assessment results, farmers in the project received the 4.28 times social return on investment (SROI) with a total achievement value of THB 4,574 million which can be divided into 3 aspects as follows:



<b>SROI</b> <b>4.28 Times</b> <b>(THB 4,574</b> <b>Million)</b>	<p><b>Economic Achievement: THB 4,144 million (91%)</b></p> <p>The top 3 returns are as follows:</p> <ol style="list-style-type: none"> <li>1. Farmers have reduced risk of damage from raising pigs by THB 1,365 million compared to running their own business as entrepreneurs.</li> <li>2. After deducting various investments, farmers have received the total of THB 1,097 million in returns from raising pigs with CPF,</li> <li>3. Farmers have credit to apply for loans from banks or funding sources. As a result, the financial cost has been reduced by THB 667 million.</li> </ol>
	<p><b>Social Achievement: THB 376 million (8%)</b></p> <p>The top 3 returns are as follows:</p> <ol style="list-style-type: none"> <li>1. Farmers have improved their quality of life in terms of children's access to education, valued at THB 156 million.</li> <li>2. Farmers have had more time with their families, valued at THB 118 million</li> <li>3. Farmers have improved relationships with communities, valued at THB 61 million.</li> </ol>
	<p><b>Environmental Achievement: THB 54 million (1%)</b></p> <p>The top 3 returns are as follows:</p> <ol style="list-style-type: none"> <li>1. Farmers have reduced chemical contamination in their farmland soils, valued at THB 40 million.</li> <li>2. Farmers have reduced greenhouse gases emission with the implementation of the biogas systems, valued at THB 14 million.</li> <li>3. Farmers have created odor which affect nearby areas, valued at THB 310,00.</li> </ol>

Additionally, CPF's Income-Guaranteed Contract Farming of the Fattening Pig Scheme also helps strengthen the country's economy in other areas as follows:



<p><b>Strengthening suppliers in the pig farming system</b></p> <ul style="list-style-type: none"> <li>● Transportation companies (596 companies) generated the revenues of THB <b>536</b> million</li> <li>● Pharmaceutical companies (51 companies) generated the revenues of THB <b>690</b> million.</li> <li>● Construction companies (186 companies) generated the revenues of THB <b>883</b> million from building housing and closed-system farms for farmers.</li> <li>● Banks (1,698 branches) received, as income, interests on loans of THB <b>259</b> million from farmers participating in the project.</li> <li>● Local government agencies received income of THB <b>17</b> million from swine business taxes collected from farmers.</li> </ul>	<p><b>Strengthening farmers with access to bank funding</b></p> <ul style="list-style-type: none"> <li>● Instead of borrowing from non-bank financial institutions, 55 percent more farmers are able to increasingly access bank loans accounting for THB <b>3,703</b> million in loan value.</li> <li>● The reduction of interest by THB <b>667</b> million significantly affects financial costs.</li> <li>● Due to the project implementation, <b>93 percent</b> of farmers feel less stressed about debt repayment.</li> </ul>
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The economic, social and environmental impacts derived from the project implementation are also consistent with 9 out of 17 goals in the United Nations' Sustainable Development Goals (UN SDGs) as follows:

