

The Technological Transformation of Food Supply Chains: Public and Private Participation Innovation in Food Production and Distribution

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CP Group (CP) is a Thai global food conglomerate that manufactures and services food in several countries across Asia, Europe, and North America. The firm features “farm-to-table” solutions in its food businesses from agronomy, and animal husbandry to modern trade. CP’s manufacturing and distribution supply chains converge with the economic and social development of the rural and urban sectors of emergent countries. CP, the government, people, and institutions of various countries essentially form a broad partnership of stakeholders. The case of CP in China demonstrates the CP’s great business achievement in technological innovation and public-private collaboration for sustainable agri-food systems and rural development.

Forty years of CP in China attests to the efficacy of technological innovation driving business development in the countryside where farmers traditionally have limited access to technology, capital, and market. China’s accelerated urbanisation has impacted the food supply and demand caused by the reconfiguration of land use and deployment of human resources. The government has declared the mandatory retention of national farmland acreage in order to boost national food security. At the same time, the effort to address existing legal and policy challenges that inhibit the government’s economic transformation of the rural sector as the food production and supply base is leading to experimentation with the concept of “people’s collaboration”, namely a “coming together” of various groups irrespective of official designation for a commercial food production investment and to override the traditional unavailability of capital, technology, and market in the rural agricultural sector.

Following the Reform and Opening Up in 1978, CP was the first foreign investor to enter China’s rural sector with sights on agribusiness development. Over the intervening four decades, CP has participated in the “quiet” transformation of China’s rural sector which has witnessed impressive adaptive change. All the while China’s overall economic achievements as a global factory and market have spurred renewed efforts in addressing the challenge of food production and food supply chain, and thereby new requirements for the introduction and implementation of innovation measures. Government and the private sector are cooperating (in the forms of subsidies and training) to use technology to enhance productivity and food production, in the process also mitigating the nettlesome urbanization problems and sustaining national economic growth. Innovative solutions to existing legal restrictions with regard to land use, occupational entitlements, etc. in the agrarian sector have surfaced. As a foreign investor in modern-day agribusiness in China, CP earned the distinction of being the “trend setter” in launching the novel technologically-driven, commercial-scale “farm-to-food” Pinggu integrated egg production project in Beijing which has taken the egg industry in the country to another level of production and has borne important implications regarding rural transformation strategies.

As Beijing is banking on next-generation technologies in digitalization to transform China's economy, automation and AI increasingly find ready applications in food production and agrifood productivity and supply chains, both online and offline, across the rural and urban sectors. From agronomy, and animal husbandry to modern trade, factory-style production and processing facilities in rural areas are leveraging their new production capacities in the digital era on rising urban consumption of food and customized demands in quality, quantity, and variety, by individuals, hotels, restaurants, institutions, stores and homes. The export of food is furthering the creation of national income and influence on the international front. With its commitment to the Three-Benefits Principle (i.e. benefits to the people, country and company), CP hopes to continue to partner with the Chinese people in China's economic development in the next forty years.