

Case Study No. 3

Siam Organic Company Limited

Roi Et, Thailand.

Origin: Siam Organic Co. Ltd.

Co-founded by MBA graduates of Sasin Graduate Institute of Business Administration of Chulalongkorn University, Siam Organic was first conceptualized as a social business plan that aims to get rid of cycle of poverty among Thai farmers through organic farming and agricultural innovation. This business plan won numerous prestigious international business plan awards such as HM The King's Award, MAI Bangkok Business Challenge and Global Winner of Stu Clark Investment, Canada. As a result of winning, Siam Organic became the first Thai company to ring closing bell at NASDAQ, NYC, USA.

Philosophy

The combination of agricultural innovations and organic farming that can produce great tasting healthy food is the premise of Siam Organic.

The Company is created from a passion beyond profitability and the founders strongly believe that economic value can be competitively established by creating societal value.

Quick Facts	
Established	2011
Business type	Organic Food
Organization Type	Social Business
Stakeholders	Farmers (Groups), Bank for Agriculture and Agricultural Cooperatives (BAAC), Kasetsart University (KU)
Products and Services	Organic Rice and Related Products
Quality Certification	Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Points (HACCP), Organic Agriculture Certification Thailand (ACT), an IFOAM Body, EU and USDA Organic Standards

Why Organic Rice

Being the world's number 1 rice exporter with millions of rice farmers and the entire population consuming rice on a daily basis, rice is deeply ingrained in Thai culture. However, Thai farmers are well known to

possess high level of debt, exceeding 10,000USD per household on average. Many of these problems come from the inputs such as chemical fertilizers and pesticides which are controlled by large agricultural conglomerate and politicians. At the same time the market price is hugely influenced by government policy causing continuous instability in the market. The frequent change of government does not help the farmers' cause.

Organic farming forces the farmers to use natural inputs from local area thus reducing their farming costs, at the same time allowing their outputs price to be determined by the market rather than governmental policies.

Innovation and Creating New Opportunities for Thai Farmers

Working closely with leading Thai scientists with world-class agricultural innovations, Siam Organic has identified a new variety of rice, Jasberry™, with extremely high antioxidants and low Glycemic Index (GI – effect of food on blood sugar level). This rice is now being grown organically by 100% small-scale farmers. With a new rice variety and EU & USDA certified organic farming standards, local farmers have access to completely new market from both the product and geographical standpoint.

Production

Production Efficiency: The rice mill can currently process 2,000 tons of paddy rice annually.

Quality Control: At Siam Organic quality control is from farm to table. The entire process of planting, harvesting and processing is certified by Organic Agriculture Certification Thailand (ACT), an IFOAM-accredited body according to EU and USDA standards. Additionally, the outputs are repeatedly tested by 3rd party international lab such as Intertek, a leading global provider of lab testing and a publicly-listed company in London, to ensure that there are no chemicals in the rice and that the nutrition is as advertised on the product and marketing material.

Clinical Testing: Several studies and clinical tests have been done on volunteers on the effect of Jasberry rice on different diseases such as cancers, Alzheimer's disease, diabetes, high-blood pressure and heart disease. The tests are carried out by leading hospitals and nutrition centers.

Social and Environmental Commitments

Community Involvement and Fair Trade: Siam Organic works closely, in partnership with BAAC and KU, with farmer groups to strengthen their capacity in management and improving quality of life for their members. Volumes, quality and pricing are determined together for fairness.

Social Entrepreneurship: Siam Organic guest lectures at National University of Singapore and Chulalongkorn University on the topic of social entrepreneurship to encourage young people to follow their

passion and do something good for society and the environment at the same time.

Key Learning Objectives

1. Value Chain of Rice

2. Roles of PPP in community development
3. How marketing-led effort can lead to sustainable project planning and development



Photo Source: www.facebook.com/siamorganic