

THE HINDU  
**Business Line**

## PepsiCo hopes to buy 5,500 t malt grade barley in Rajasthan

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PepsiCo India is hoping to procure 5,500 tonnes of barley grown in Rajasthan at the end of this season, turning profitable the contract farming initiative it has undertaken for UB group. The company plans to increase the 10,000 acres covered, by 20 per cent, next year and triple the two-row variety which makes for better quality malt, said Mr Amit Kumar Bose, Executive Vice-President (Exports), PepsiCo India.

PepsiCo India, currently working with about 20,000 farmers across the country, has been involved in contract farming — as a CSR initiative and to strengthen its supply chain. The collaborative barley farming initiative in Rajasthan is an initiative for the benefit of the farmers of the water-constrained State and for UB group, which grows its own barley from its patented seeds in Punjab, said Mr Bose.

Pepsi is working with 1,200 farmers covering over 10,000 acres in Sriganganagar and Hanumangarh. Constrained

by law to procure the barley outside of mandis and municipal limits, it is promising farmers a 20 per cent premium on the six-row variety. It is also promising at least Rs 50 more for barley that is sold at a minimum support price of more than Rs 850 a quintal at mandis for the two-row variety.

While currently the two-row variety accounts for only 20 per cent of acreage, the variety has provided for 30-35 per cent of procurements. While a minimum of 5,000 tonnes cancels out the costs

incurred in seed and technology inputs, this year's procurement — which the UB group acquires for Rs 500 a tonne — should bring in profits for the project.

The advantage for Rajasthan is that barley requires almost only half the number of irrigations that wheat cultivation demands. With just two-three irrigations it can survive Rajasthan's scorching summers, and as a sturdier crop it can also live through frosty winter nights and on more saline and alkaline water.