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Business Line

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PepsiCo ties up with LT Foods to enhance Kurkure output

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Global food and beverage player PepsiCo has signed up with Delhi-based LT Foods for manufacturing, processing and packaging of its rice-based snack, Kurkure. LT Foods is known for its Daawat Basmati rice brand.

A new plant with a capacity of 796 tonnes a month has been set up under Daawat Foods Ltd, which is a majority-owned subsidiary of the LT foods. The plant is located at Kamasapur, near Sonapat, Haryana, on the outskirts of Delhi.

Praveen Someshwar, CEO (Foods), PepsiCo India, said, "Our India food business has been a growth driver for PepsiCo globally, recording consistent high double-digit growth rates over the past few years. Our flagship snack brands, Lay's and Kurkure, have sales of more than Rs 1,000 crore each."

To build on this opportunity, we are looking at greater support from our business partners and have tied up with LT Foods as one of our co-packers for Kurkure, he added.

PepsiCo works on an outsourced model. Its food division has three self-owned plants and a few co-packers



across India.

Vijay Arora, Chief Managing Director, LT Foods, said, "During the stabilisation period of 90 days, PepsiCo would be training our workforce. The commercial run at the plant has already begun. This is mainly to fill the gap between demand and supply for the brand."

The tie-up would entail LT Foods being paid conversion charges – a combination of return on investment and operating cost.

With this, LT Foods is embarking on a new venture of engaging their manufacturing, processing and packaging facilities for a brand other than its own. The company said it is also exploring production of other products with PepsiCo, such as oats.

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