

PepsiCo to hike procurement of potato in Bengal

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Panpara (Hooghly): PepsiCo India is planning to increase potato procurement in West Bengal by around 33 per cent to 80,000 tonne in the next fiscal.

The company also plans to increase the area under potato cultivation from 5,500 acre to 7,000 acre in 2012-13 besides increasing the number of contract farmers.

PepsiCo India has three plants in the country - Channo in Punjab, Pune and in Sankrail near Kolkata. The capacity of the Bengal plant is more than 80,000 tonne per annum.

In the current fiscal, it will procure around 60,000 tonne from the state and the rest will come through inter-state imports.

"We have around 10,300 contract farmers across six districts in Bengal. We would like to scale up our procurement to 80,000 tonne in the next fiscal to meet the entire demand of our Bengal unit," Jaideep Bhatia, vice-president, agronomy, PepsiCo India, said on Thursday. PepsiCo procured 40,000 tonne of potatoes from Bengal in 2010-11.

The number of farmers

engaged in contract potato farming in the state has also gone up from about 1,800 in 2008 to about 10,300 in 2011-12. The volatility in potato prices over the last three years seems to have convinced an increasingly large number of farmers to choose contract farming for steady income. This has also forced many farmers to opt for processed cultivation of "Atlanta" variety, used in manufacturing of potato chips, rather than producing the "Jyoti" variety.

"We know we will get a steady return as PepsiCo always decides the rates in advance. However, those who are still producing the "Jyoti" variety will soon find it difficult as the price realisation is lower due to high yield," said Pradip Nayak, a potato farmer.

While the market price for the "Jyoti" variety is ₹110 per 50-kg bag, PepsiCo will pay its contract farmers ₹300-320 for the processed variety.

From across nine states, PepsiCo's procurement in 2011-12 for its snack food arm, Frito-Lay, is about 2 lakh tonne and Bengal is its largest supplier, accounting for almost 30 per cent of its total procurement.