

Business Standard

Pepsico records 100% growth in crop output in West Bengal

BS REPORTER
Kolkata, 23 March

Pepsico is planning to increase capacity of its existing plant in Kolkata by the end of this year. Nishchint Bhatia, executive vice-president agro, PepsiCo India, said, "The Kolkata plant currently has a capacity of 30,000 tonnes per annum. We do not require additional land for expansion but the investments and exactly how much we would expand by is something we are yet to decide on."

Meanwhile, PepsiCo India contract farmers in West Bengal has recorded a 50 per cent growth in its potato crop this year in acreage and 100 per cent in crop output, leading to record farm income.

The growth has also resulted in the farmers receiving a profit between Rs 20,000 and Rs 40,000 per acre compared to Rs 10,000 – Rs 20,000 per acre last year.

PepsiCo India runs works with nearly 12,000 farmers and procure 70,000 to 75,000 tons of potatoes.

According to a release by Pepsico, the record growth in West Bengal could be attributed to the prompt intervention by the PepsiCo agri team which offered its 6,500 contract farmers the knowledge of the correct geometry and chemical kit required for optimal harvesting. The PepsiCo team also provided better quality seeds and ensured timely agricultural inputs by maintaining day to day follow-ups on all relevant agricultural practices.

Bhatia said that a unique

feature introduced by Frito-Lay India is the 'crop insurance' offered to the farmers. It also guarantees a 'buy back' price for the farmers which insures a regular income for them. Like in 2010, where other farmers in West Bengal are facing big issues of glut in the marketplace and prices fetched did not even meet cost of cultivation sometimes, partnership with PepsiCo ensures steady income stream for farmers.

PepsiCo also attributes the success of its contract farming initiative to partnership with local agencies to ensure transfer of technology through trained employees, supply of relevant agricultural implements free of cost to its contract farmers, supply of timely and quality farm inputs on credit, prompt dispatch, delivery and procurement of the produce, effective use of modern communication technology and maintenance of perfect logistics and global marketing.