

PepsiCo India to revive tomato production

Company modifies game plan; output meant for domestic market

Debdatta Das

Jallowal, Punjab, June 17

PepsiCo India plans to revive its contract farming of tomatoes for the domestic market by next season. However, after its experience in tomato cultivation in the country over a decade ago, which resulted in discontinuing the project, the company has modified its game-plan.

This time around, it intends not to process the entire crop for export as it did previously, but instead grade it according to its quality and process only a

portion of it, while the rest would be placed straight in the domestic market.

According to Mr Abhiram Seth, Executive Director (Exports & External Affairs), earlier the entire crop of tomato was produced for the purpose of exporting to overseas companies after it was processed. This time the best would be graded 'A', which would be sold to retail outlets for table-use. The slightly lower, 'B' graded tomatoes would be sold in the wholesale markets. The remaining lot

Plans ahead

Earlier the entire crop was meant for exports; this time the best would be graded 'A', which would be sold to retail outlets for table-use.

The slightly lower, 'B' graded tomatoes would be sold in the wholesale markets.

The remaining lot graded 'C' and 'D' would be sent for processing.

graded 'C' and 'D' would be sent for processing. However, on the pricing front PepsiCo said that it was yet to work out a price structure and that would de-

pend on its ongoing talks with the Punjab Government.

PepsiCo India launched its first agro-business of tomato cultivation in the country in

1989 along with the Punjab Government with special focus on exports of value-added processed foods.

In the same year, it imported a Rs 22-crore tomato processing plant from Italy, which was set up in Hoshiarpur, Punjab. The processing plant was later sold off to Hindustan Lever Ltd (HLL) as the business suffered heavy losses and was discontinued.

Mr Seth said, "We entered the agricultural field at that time more out of compulsion

than out of choice." Though the yield of tomatoes increased from 28,000 tonnes per annum in 1989 to 2,00,000 in 1999, the contract style of farming failed.

Despite per hectare yield going up from 24 tonnes per hectare in 1989 to 52 tonnes per hectare in 1999, along with the extension of the procurement season from 25-28 days to 55-60 days, costs of carrying the tomatoes from Punjab to a local port hiked the product's cost to a large extent and made it prohibitive.