



Pepsi to expand its portfolio in India

ENS ECONOMIC BUREAU
CHENNAI | DECEMBER 22

SHE exhibits dynamism in her walk and talk. Ask her about it and she says it's the effect of *thayar sadam* (curd and rice). Fifty-four year old Indra K Nooyi, chairman and CEO of the \$35-billion food and beverage giant PepsiCo, in town for a few days, talked about her expansion plans in India, innovation in the drinks category, contract farming, global inflation rates and yes, the Tatas.

"Let them go ahead and blaze the world," were her words when asked if she lent support to the Tata Group's bid for Ford's marquee brands — Jaguar and Land Rover.

At a time when globally non-carbonated soft drinks were growing significantly than the carbonated segment, PepsiCo is planning to expand its portfolio in India on similar lines. The company is planning to enter the milk and dairy-based segment with what it calls, the "healthy whites" category. The beverage major, which recently launched Tropicana Twister, is planning to extend this offering by adding new flavours in



INDRA NOOYI ON TATAS: Let them go ahead and blaze the world. PTI

Twister. "Health-based drinks will be an important component of our business," said Nooyi.

She added, PepsiCo wanted to replicate its citrus cultivation in Punjab and other states, which would not only make oranges available throughout the year but also will help India reduce citrus

fruits imports.

"Through our citrus initiative, we hope to help farmers with other yields apart from water-intensive rice and wheat cultivation," said Nooyi.

PepsiCo is also planning to extend its contract farming initiatives to other grains like oats, corn and barley. Nearly 50 per cent of the potatoes used in its chips come from contract farms and now it is looking to extend this model to other grains, which are used in its snacks and cereals.

In tune with its 'performance with purpose' agenda, PepsiCo plans to achieve surplus water in all its plants in India by 2009. "We would replenish more than what we actually use in our plants and in the last two years we have managed to save two billion litres of water," said Nooyi.

The company has also partnered with NGO Exnora to set up the Exnora PepsiCo Environment Training Institute in Chennai. This institute will offer courses in waste management for various segments of the society such as representatives from local bodies, NGOs and self-help groups.