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Pepsico rekindles farmers' hopes

ASSURED PAY MNC will scale up buying potatoes from Bengal

Arpit Basu

arpit.basu@hindustantimes.com

PANPARA (HOOGHLY): Pepsico has decided to triple its potato procurement from farmers in West Bengal, as compared to what they had been procuring till two years ago.

The move has come at a time when potato farmers are reeling under an acute financial crisis, owing to a lack of demand for potatoes in the open market.

"The estimated figure for Pepsico's potato procurement from West Bengal would become twice than what we would be procuring from rest of India. In 2012, we have planned to procure 60,000 metric tonnes from West Bengal. From rest of India, we are going to procure another 30,000 metric tonnes," Jaideep Bhatia, vice president (Agrimony), Pepsico India, said.

In 2008, Pepsico procured 10,500 tonnes of potatoes from West Bengal and their all-India procurement figure was at 17,200 tonnes.

In the next two years, the figure was scaled up to 22,600 tonnes of potatoes from West Bengal and another 24,000 metric tonnes from rest of India.

"In 2011, Bengal led rest of India in potato procurement. While we procured 30,000 tonnes from rest of India, Bengal alone contributed another 40,000 tonnes," Bhatia told *Hindustan Times*.

Other than Bengal, Pepsico procures their agricultural footprints from eight other states. Pepsico has also planned to



■ Potato cultivators picking their harvest in Hooghly district.

PRATEEK CHOUDHURY/HT PHOTO

increase its cold storage capacity this year from their present capacity of 10,000 tonnes to 12,000 tonnes.

"We would also increase the area of land used for harvesting from 5,500 acres at present to 7,000 acres by 2013," Pratap Bose, general manager, (Agro) Pepsico India, said.

Farmers who supply potatoes to Pepsico at pre-agreed prices said it was a source of stable income that motivated them to produce the Atlantic variety of potatoes, which is being specially formulated for the Pepsico chips processing factory in Dhulagarh.

Farmers said a bigha of land produces 80 sacks of potatoes. While for harvesting the Atlantic variety, they have to spend

₹14,000, the cost of production for normal varieties sold in open market in ₹12,000.

"Even after a few sacks are rejected, we earn close to ₹20,000 at around ₹280 per sack from Pepsico. We generally earn ₹8,000 at around ₹100 per sack from wholesale markets," Tarak Nayak, a farmer who owns six acre of land in the Panpara village on the Hooghly-Burdwan border.

Farmers claimed they sold potatoes for ₹300 per sack in wholesale markets in 2010. Although they made profit, the margin was too low because the production was very less owing to drought.

"Because of lower yield, we got a high price. For us, harvesting potatoes for open whole-

BIG BUYING

- In 2008, Pepsico procured 10,500 tonnes of potato from West Bengal
- The company's all-India procurement figure was 17,200 tonnes
- Farmers supplying to Pepsico at pre-agreed prices say it is a stable source of income
- Farmers said a bigha of land produces 80 sacks and they get ₹280 per sack

sale market is next to committing suicide. It's better to selling in a pre-agreed-price model," Gautam Ghosh who owns one acre of land in Panpara village, told *HT*.