

# THE ECONOMIC TIMES

## Pepsi to ramp up potato buying from state



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HARALDASPUR (HOOGHLY)

**P**EPSICO India Holdings is looking to step up potato procurement for manufacturing chips under various brand-names to about 1 lakh tonnes per annum over the next three years in West Bengal. Procurement is being ramped up in tandem with Pepsi's plans to hike production capacity. The present production capacity is about 30,000 tonnes per year.

The company buys the highest volumes of potatoes from West Bengal. In 2009, PepsiCo India procured about 11,500 tonnes of potato which will hit 22,000 tonnes by 2010. "Next year, we plan to buy around 37,000 tonnes of potato from Bengal," said Nischint Bhatia, executive vice president (agro), PepsiCo India. He was talking to newsmen at Haraldaspur in Hoogly district on Tuesday.

"With production capacity being enhanced, we will also increase procurement. The exact quantum of potato procurement over the subsequent years will hinge on de-

mand," he said.

The company is in the process of investing about Rs 150 crore for expanding production capacity.

"We have already acquired additional land besides our existing plant at Sankrail in Bengal. Work is on and production is expected to begin in the next calendar year," said a PepsiCo official.

Till date, the company has invested about Rs 110 crore in the facility in Bengal.

PepsiCo has roped in about 6,500 farmers into contract farming. Next year, it hopes to rope in an additional 5,000 farmers and take the total number to about 11,500. On the cultivation acreage front, the cola major managed to bring about 1,600 acres under contract farming of potato which has increased to 2,250 acres this year. Next year, this number will rise to 3,700 acres.

PepsiCo buys potatoes from states including Uttar Pradesh, Gujarat, Maharashtra, Karnataka and Bihar for its various manufacturing facilities in India. It is now in talks with farmers in Chhattisgarh for procurement of potato.