

PepsiCo India's unique public-private partnership in agriculture

CHANDIGARH, APRIL 25: The PepsiCo/Tropicana and PAGREXCO Citrus Development Programme has emerged as one of the most successful models of public-private partnerships in Indian agri-business. It stemmed from the mutually beneficial needs of the two major stakeholders – the Punjab Government and PepsiCo India.

For PepsiCo, the citrus project was part of its efforts to create a localised supply base for citrus juice under Tropicana, the world's largest juice brand. PepsiCo was also interested in exploring the export potential of the local produce. The project, signed in 2002, served to deepen PepsiCo's involvement in Punjab agriculture which started in 1989 when it partnered with the State Government in the area of contract farming. This initiative also marks a step forward in fulfilling PepsiCo's commitment to improve the quality of life for thousands of farmers. The Punjab Government, looking for ways to diversify the agricultural base, encouraged horticulture as a means of raising farm incomes. The State Government played a key role in facilitating the creation of nursery infrastructure, importing the germ-plasm and making land available for demonstration plots in multiple locations. PepsiCo contributes towards the operating costs including expenses related to manpower. PepsiCo also provides a significant amount of support to the farmers through comprehensive training and services where executives and technicians train farmers on best practices that need to be followed to ensure high citrus yields. The environmental benefits of citrus cultivation add to the appeal of this initiative since, when compared to other crops such as paddy, citrus cultivation requires less water and electricity. The usage of fertiliser and other chemicals is also lower for citrus, which ensures that soil and water pollution is minimised.