

McDonald's potato supplier to double crop area in Gujarat

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McDonald's potato supplier McCain Foods India, the potato supplier to McDonald, plans to double its contract farming area to 8,000 acres in Gujarat.

McDonald's alone will increase its potato procurement in Gujarat from 30,000 tonnes to 50,000 tonnes in three years as a key ingredient for outlets across the country. Through its Canadian partner McCain that supplies potato for French fries and other products, the Big Mac has provided latest technologies and new seeds, particularly the Shepody variety, to potato growers in Deesa (North Gujarat) and Kheda (Central Gujarat), mainly to contract farmers.

McCain, which set up its potato processing plant in Mehsana in 2007, with an investment of about Rs 100 crore, is now increasing the acreage. It had begun to contract potato farmers in 1998. Currently, the company has about 1,200 farmers over 4,000 acres in Gujarat to cultivate 'processed quality' potatoes for it.

"Last year, we sourced 40,000 tonnes of processed



quality potatoes from farmers," Vikas Mittal, Managing Director, McCain Foods India, told *Business Line*. Contract farming has increased the crop yield from 25-30 tonnes to 40-50 tonnes a hectare.

The organised market size for snack foods in India is about Rs 3,000 crore a year, and potato is a major ingredient in it. The market for processed potato products is growing at the rate of 15-20 per cent a year. The Mehsana plant, which was initially manufacturing the international range of McCain products, is nowadays producing tailored products for local Indian tastes, including for aa-

loo tikki, tandoori veg nuggets and chilli garlic potato bites.

Mittal said the prices are negotiated and mutually agreed each year and the farmers are paid remunerative price before they plant the seeds. The price depends on seed price, variety grown (yield factor), irrigation system used and regular potato price trends. Besides upgrading the yield and quality of local potato varieties (Kufri Chandramukhi and Kufri Chipsona-1), McCain's agronomy team also introduced international potato varieties (Shepody, Santana and Kennebec) to Gujarat farmers for processing high quality French fries, he said.