



# MOVING FORWARD WITH FARMING – THE BIGGEST JOB ON EARTH



## Let's move forward together

While farming is the biggest job on earth, farmers are not facing the challenge alone. We support productive, sustainable agriculture, allowing farmers to protect the land they hold in trust for future generations while meeting the demands of modern society.

We pledge to:

- Invest in the right solutions to enable farmers to grow more quality food, more efficiently.
- Share our expertise to help farmers to make a better life for themselves and their communities.
- Never compromise on safety to allow farmers work in a safe environment and produce safe, healthy food.

In everything we do, we will play our part in leaving a positive environmental inheritance.

We stand shoulder to shoulder with farmers. Together, we will move forward on our journey.

## BASF and PepsiCo for Peru Achieving world-class quality

### ■ Together is better

Partnerships are based on the principle that “two heads are better than one”. Proof positive: the story of how BASF and PepsiCo work hand in hand with small farmers in Peru.

The story began back in 2009 when BASF started working with group of potato farmers in the highlands of Peru. Typically, these were small farmers with holdings of between 0.5 and one hectares, all of whom supplied PepsiCo's local chip production plant. Farmer outreach programs have traditionally been challenging in the region due to the rugged terrain and the way farms are physically dispersed.

In 2011, PepsiCo became a BASF customer and started to finance the purchase of crop protection products for all 200 suppliers while BASF helped to centralize PepsiCo's potato procurement process. The success of that initial collaboration laid the groundwork for a longer-term relationship.

Together, BASF and PepsiCo decided to establish a common vision for sustainable farming in the region. Building on the strengths of both organizations, they identified four strategic pillars for their joint initiative, namely: Corporate Social Responsibility, Productivity, Sustainability and Safety.

## ■ Corporate Social Responsibility

At the outset, PepsiCo guarantees a minimum purchase price for the farmers. If the market price is less than expected, PepsiCo honors the agreed market price. Providing this level of clarity has given the farmers peace of mind, helping to build trust and confidence in the partnership.

Meanwhile, BASF uses its comprehensive range of products to provide a spray schedule for the farmers, which is agreed and validated in advance by PepsiCo. BASF also runs a quality certification program to help farmers learn new techniques, self-audit and improve their operations. This allows farmers to demonstrate to PepsiCo that they are serious about setting, achieving and maintaining world-class standards.

## ■ Productivity

The success of the partnership is clear. The productivity of PepsiCo suppliers is 20 percent higher than the regional average. Apart from increasing yields, the entire team is focused on improving the quality of the raw material and reducing the number of rejects during the production process.

## ■ Sustainability

BASF conducts workshops for farmers on triple rinsing and good practices in water management and pesticide application.

An additional partner, Campo Limpio, an NGO focused on Good Agricultural Practices, provides warehouses for the collection of empty pesticide containers. These are only accepted after the safe practice of triple rinsing. Despite the fact that this is relatively new practice and there is no mandatory Government requirement or financial incentive, the take-up rate is already impressive.

In 2013, according to CampoLimpio, out of 2,674 containers, 1,075 were correctly triple rinsed. In 2014, this figure had risen to 7,000. These statistics speak volumes about the commitment of these Peruvian farmers to continuous improvement in sustainable best practice.

## ■ Consumer safety

As proof of traceability and pesticide residues are important concerns for PepsiCo, BASF provides farmers with a comprehensive MRL guide and smart spray program to help drive awareness of consumer safety. Future plans include the use of an online database and satellite imaging to offer clear and precise real-time reporting.

## ■ Direct from farmers



“The BASF-PepsiCo project has helped me to improve the health of my plants, increase my yield, and secure a better income for my family. Thanks to the training, I have been able to apply good agricultural practice to my farm and protect the environment.”

**Mr. Benjamín Soria León, PepsiCo Farmer.**

“The BASF-PepsiCo farmer workshops have shown me how to present my products effectively. BASF has freely shared its expertise and know-how. I have learnt what crop protection product to use, how to apply it correctly and all about best practice in sustainable agriculture. Using the BASF products has given me significantly increased yields – the plant is healthy, green, strong and reaches its full life-cycle. At the end of the day, the more output I have, the more profit I make.”

**Mr. Vicente Badajos, PepsiCo Farmer.**



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## CONTACTS

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