

Amul not to hike milk prices for next 4-5 months

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NEW DELHI: Dairy products giant Amul does not have any plans to raise milk prices for next 4-5 months but it would review the price situation during the monsoon season, a top official of the company said today.

"Last price increase happened in May 2014. At present condition, we have no plan to raise prices in next 4-5 months because of higher production and procurement, Amul Managing Director R S Sodhi told PTI on the sidelines of AIMA event.



The price increase is not required currently as cost of milk production is also under control in view of stable feed prices and lower energy and transportation costs, he said.

However, Amul would take a call on milk price hike during the monsoon season depending upon the feed and other costs.

"We will take a call after 4-5 months. If feed prices rise, then we will be forced to hike prices. Otherwise, we will not do for the heck of it. Whenever we did, we raised it by Rs 2 per litre, which is just 4 per cent," Sodhi said.

The average price increase in milk in the current fiscal is around 5-6 per cent, much lower than 10-12 per cent in last two years, he said.

Citing reasons for a rise in milk production and procurement, Sodhi said milk buying from Gujarat and other parts of the country has increased to 195 lakh litres per day from the average 155 lakh litres per day because of better prices being paid to farmers as compared to private dairies.

"What has happened is that with crashing of commodity prices, private dairies are not procuring milk. So, we are getting more milk. We are using this opportunity to increase the market base. So, we are getting the volume growth and this will help us," he said.

Barring those farmers selling milk to Amul, other farmers in the country are not getting good prices. "Right now, we are paying Rs 580/kg of fat, which is 12 per cent more," he said.

Stating that Gujarat alone cannot meet the growing milk demand, Sodhi said Amul therefore is investing about Rs 50,000 crore to expand its network and set up at least 10 new processing plants across the country in next two years.

Amul, formed in 1946, is a dairy cooperative based in Anand district of Gujarat and is managed by Gujarat Co-operative Milk Marketing Federation.