

Amul in US: From exporter to manufacturer

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After years of exporting Amul products to the US market catering to the needs of the Indian diaspora, the Gujarat Co-operative Milk Marketing Federation has begun making some of its products at a facility in New Jersey a few months ago.

Talking to Indian Cooperative GCMMF MD Mr R S Sodhi said that Amul has started production in the US. Milk is bought from local cooperatives and is converted into ghee, paneer and shrikhand under the Amul brand, he added.

Amul exported 240 crore worth of milk products last year; the year before it was 540 crore but the export market for commodities (milk) crashed. Amul will focus only on value-added export, says Sodhi.

Mr. Sodhi hopes the US market will finally yield 100 crore in revenue. Amul is exported to over 50 countries. The co-operative will also explore manufacturing in EU as exports to those markets are not allowed, he adds.

Amul's turnover for 2014-15 was approximately 21,700 crore. Its daily milk procurement is around 14.85 million litres from 18,536 village milk cooperative societies.

Sodhi says Amul will invest 1,000-1,200 crore a year for the next few years to expand its dairy facilities. Amul has 60 dairies around the country, all owned by it.

But our farmers are happy as we sell mostly value-added products; only 5 per cent is commodity (plain milk). Our margin is paid to the farmer," Sodhi explains.

Elaborating on the New Zealand predicament, which exports 95 per cent of its dairy products, Sodhi says same time last year, skimmed milk powder was selling in the international market for \$4,000 a tonne but now has crashed to \$1,700 a tonne.

