

Amul to be first dairy firm to export to Russia

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Amul, the country's largest [dairy](#) brand, is likely to benefit the most from Russia's decision to lift restrictions on the import of milk, cheese and other dairy products from India.

[Russia](#) had to open its market to countries like India as it had imposed a one-year ban, in August, on a wide range of food products, including beef, pork, poultry, fish, fruit, vegetables, cheese, milk and other dairy products, from the US, Canada, the European Union, Norway and Australia. The move came in a response to penalties imposed on Russia over the crisis in Ukraine.

Amul, a dairy brand owned by [Gujarat Cooperative Milk Marketing Federation](#) (GCMMF), is in talks with [Galactika Group](#) of Russia for exporting milk, cheese and other dairy products.

“A team from Russia has also inspected our facilities earlier this month. We expect this to be sealed within the next couple of months,” R S Sodhi, managing director, GCMMF, told Business Standard. Beside milk, [Amul](#) might export cheese, dried milk and other dairy products to Russia.

However, Sodhi said the price of milk in the international market was a concern, and export at the moment might not be beneficial for Indian companies. “We are looking into certain things, including the prices, before taking a final call,” he added.

“The talks are still on. There has been no movement during the visit as commercial terms have not been finalised,” a senior government official told Business Standard.

At present, Amul exports milk and other dairy products to about 20 countries, including the US, West Asian countries, Philippines, Thailand, Malaysia, Hong Kong, Australia, New Zealand, Japan, Afghanistan, neighbouring Bangladesh, Sri Lanka and Nepal, among others. According to media reports, Galactika, part of FoodLine Holding, has about three per cent share in Russia's milk market.

According to data with the Russian Federal Customs Service, import of milk and products made from Western countries to Russia rose 10.4 per cent in the first quarter of 2014 to 1,423 million tonnes on a year-on-year basis. Import of milk and dairy products rose in Russia because of shortage of raw milk and cheaper import prices.

India's exports to Russia stood at about \$2.15 billion in financial year ended March. This was a fraction of Russia's total import of \$318 billion. Of this, about \$40 billion was spent to import food items from Western countries.

Experts have estimated India could export about \$400 million worth of dairy products to Russia in the first year itself.