

Food

Amul expanding processing capacity, distribution reach

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THIRUVANANTHAPURAM: GCMMF, which markets the popular Amul brand of milk and dairy products, is expanding its processing capacity and distribution reach to serve the market better, a top official said.

"We are expanding our processing capacity within and outside Gujarat, and expanding distribution reach. We hope to increase the organised market share," R S Sodhi, Managing Director Gujarat Co-operative Milk Marketing Federation (GCMMF), told PTI.

The federation is investing Rs 800 crore to Rs 1,000 crore every year in Gujarat and outside the state and expects to invest about Rs 5,000 crore in the next five years, he said.

Sodhi added that the company's focus continues to be the domestic market.

"Our focus continues to be India. There is a double digit growth in product and volume in all our products in the country. Last year, there was a 12 per cent growth in volume and this year it is expected to touch 13 per cent," he said.

Amul, which is exporting its consumer products, including cheese and ghee, to countries where there is high concentration of NRIs like the US and Middle East, will continue to focus on the domestic market where the demand is growing, he said.

With a turnover of Rs 8,000 crore in 2009-10, Amul touched Rs 20,700 crore turnover mark in 2014-15 fiscal.

It is now eyeing a turnover of Rs 50,000 crore in 2020-21, said Sodhi, who was here to participate in the 'National Milk Day' celebrations to commemorate the 94th birth anniversary of Dr Varghese Kurien.

Launch of innovative, value-added new dairy products, expansion of fresh milk and milk products marketing operations to several new markets, besides expansion of distribution



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footprint through the vast network of stockists has led to quantum growth in Amul's business, he said.

Amul expects its two new milk powder plants with 150 tonne per day capacity to be ready in another 18 months. When completed, these will be the biggest milk powder manufacturing plants in the country, he said.

Already, the federation has a capacity of 750 tonnes per day for milk powder manufacturing and when the two new plants get ready, the capacity would touch around 1,000 tonnes per day, he added.

Sodhi, who worked with Kurien for 33 years, said the 'Milkman' overcame each challenge and achieved great heights, adding that he once said "in every crisis there is an opportunity and we need to grab it."

"Our business strategy is the same as that in 1946 -- ie 'value for many and value for money'."

"A cooperative institution like Amul has to ensure the best price to farmers and provide the highest quality products at fair price so that average Indian can buy it.

"Because of this business philosophy, for the last seven decades, Amul is there and growing and we have won the trust of millions of milk producers," he said.