



GUJARAT CO-OPERATIVE MILK MARKETING FEDERATION LIMITED

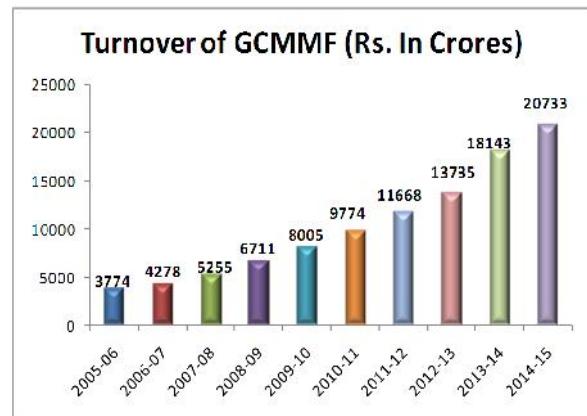
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**With 51% growth in two years, Amul achieves turnover of Rs. 20733 crores**

Date: 14<sup>th</sup> May 2015

GCMMF which markets the popular Amul brand of milk and dairy products has registered highest ever growth of 51% in last two years, to achieve turnover of Rs. 20,733 crores during 2014-15.

Results of the apex body of dairy cooperatives in Gujarat were declared on 14th May 2015, in the 41st Annual General Meeting of GCMMF. During the last five years, turnover of GCMMF grew from Rs. 8005 crores to Rs. 20,733 crores, a remarkable growth of 159%, which implies an impressive cumulative average growth rate (CAGR) of 21%. In



fact, the group turnover of GCMMF and its constituent Member Unions, representing unduplicated turnover of all products sold under Amul brand was Rs. 29000 crores or US\$ 4.6 Billion.

The dairy cooperative took giant leaps ahead in its journey of product innovation since as many as 26 new products from Amul’s portfolio, were launched last year. Amul believes that product innovation is essential in order to cater to the emerging needs of Indian consumers and also to create a vibrant portfolio for the future.

Shri Jethabhai Patel, Chairman, GCMMF, emphasized the fact that mantra of rapid expansion has clearly yielded rich dividends for GCMMF. “Based on estimated growth in market demand for Amul products and our future marketing efforts, we anticipate at least 20% CAGR growth in the business of GCMMF during the next five years, implying that the turnover of GCMMF should exceed Rs. 50,000 crores ( US\$ 8 Billion) by the year 2019-20”, the Chairman added.

Commenting on the results, Chairman informed that Amul plans to enhance its milk processing capacity from the current level of 237 lakh litres per day to 380 lakh litres per day in the next five years. He added “Our massive expansion process is already underway. In 2014, our new milk powder plant started functioning in Palanpur. With capacity of 120 MTs per day, this is our largest milk





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powder plant, till date. Similarly, our new dairy plant at Rohtak started operations, further augmenting our capacity to serve the markets of Delhi and NCR. Our new Butter plant at Gandhinagar with capacity of 40 MTs per day, also started functioning last year. Another ten new, state-of-the-art dairy plants are in various stages of completion. New dairy plants are being built in Faridabad, Kanpur, Lucknow and Kolkatta. Another new dairy plant in Varanasi is also in pipeline. Our new mega-cheese plant near Palanpur is near completion and will start operating this year. Since we are also doubling cheese manufacturing capacities at our existing plant, the net impact will be three-fold expansion in our cheese capacities. Within Gujarat, new dairy plants will soon be operational at Amreli and Surendranagar. Capacity expansion at Bhavnagar is also underway. A new dairy plant will also start in Kutch. These large-scale mega-expansion projects are part of our Mission 2020 plan”.

Shri R S Sodhi, Managing Director, GCMMF informed that launch of innovative, value-added new dairy products, expansion of fresh milk and milk products marketing operations to several new markets, as well as expansion of distribution footprint through the vast network of stockists has led to quantum growth in Amul’s business. Seamless integration of the entire value-chain through information technology has acted as force-multiplier to Amul’s business growth. “Dedication and hard work of our farmers, which resulted in higher availability of milk has been the primary factor in our accelerated growth”, the MD stated.

“During the last five years, our milk procurement has witnessed phenomenal increase of 65%. This enormous growth in milk procurement was a result of high milk procurement price paid to our farmer-members which has increased by 75 per cent during last five years. High remunerative milk procurement price to farmers has helped us to win back farmer’s interest in milk production. Better returns from dairying have obviously motivated farmers to enhance their investments in increasing milk production”, added Shri Sodhi.

MD, GCMMF also emphasized the fact that while Amul has ensured that milk procurement price to its farmer-members increased by 75% in the last five years, in other countries of the world such as New Zealand and EU, price of milk to farmers has fallen sharply in recent years. In New Zealand alone, milk price to farmers has declined by -40% in last one year. Similarly across Europe, farm-gate





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milk prices have declined by -18% to -20% in one year alone. Dairy farmers in US have also seen their farm-gate milk prices drop by -15% to -19% in the same period. Due to softening in import demand for dairy products, especially in China and higher production in major exporting countries, there has been a major meltdown in global prices of dairy commodities in last one year. Farm-gate prices of milk continue to fall in countries such as Australia, New Zealand and EU nations, which are heavily dependent on dairy exports. In order to dump their surplus stocks of dairy commodities, these countries are lobbying hard for access to Indian dairy market through bilateral Free Trade Agreement (FTA) negotiations. “We request our policy makers to ensure that dairy products are completely kept out of the ambit of FTAs with major dairy exporting nations. No duty concessions and no GI protection on dairy products should be given to countries such as Australia, New Zealand and EU. These steps will go a long way towards ensuring that our nation’s self sufficiency in dairy sector is maintained in future and our food-security is safeguarded with respect to milk and dairy products”, said the MD.

