

Milk prices may not be hiked for next 5-6 months: GCMMF

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R S Sodhi (left), Managing Director, Gujarat Cooperative Milk Marketing Federation, launching Amul milk in Telangana in Hyderabad on Friday. At right is B M Patel , Managing Director, Sabarkantha Dairy. Photo P V Sivakumar

Hyderabad, Jan 2: There may not be any hike in milk prices over the next five to six months.

Gujarat Co-operative Milk Marketing Federation, which owns India's premier dairy brand Amul, feels that going by the current supply situation, there is no likelihood of any price revision for milk in the next five to six months.

"We (Amul) had last increased our milk prices in May this year. As prices may hold for the next five to six months, it means that there would be no inflationary pressures as far as milk is concerned for the whole year," Rs. Sodhi, Managing Director, said.

India is the largest milk producing and consuming country, with a production of 140 million tonnes. Its per capita milk consumption is 310 grams, up from 112 grams till the 1970s.

He was here in connection with Amul's foray into the southern liquid milk market through the launch of some of its products in Hyderabad on Friday.

He said milk prices in Hyderabad were higher than in other States, due to inefficiencies in the supply chain system and middlemen playing a bigger role in marketing of the product.

“Milk prices are between ₹6 and ₹10 a litre higher in Hyderabad than in other States. For instance, Amul toned milk is priced between ₹ 34 and ₹38 in other States, while some products in this category are sold at ₹46 in Hyderabad,” he told media persons here.

Expansion

The federation, which is expecting to close the current fiscal with a turnover of ₹22,000 crore, has drawn up a roadmap to become a ₹50,000-crore company by 2020.

Russian entry

Sodhi said it will be investing ₹4,500-5,000 crore over the next three years to set up eight or nine new dairy processing plants outside Gujarat, as well as expanding some of the operating units.

On the overseas front, he said the federation was planning to enter Russia, as it sees significant prospects there after Russia’s decision to ban import of food products from the West.

“We are in talks with Galactika Group in Russia for export of our products. Their teams have visited our facility for evaluation. It may take off in the next couple of months,” Sodhi said.

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