

Business Standard

Dairy to emerge as a major consumer of PET bottles by 2020

Demand for PET bottle packaging of milk and milk products is clocking 25-30 per cent CAGR

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March 20, 2015 Last Updated at 20:59 IST

As dairy majors increase packing milk products in PET bottles, packaging firms are upbeat on the growing demand. Besides, dairy majors like [Amul](#) are mulling to add two more aseptic lines that will create an additional one million bottle per day capacity at two sites, Gandhinagar and near Godhra.

In dairy, the advent of PET is very recent, about two years old since the time Gujarat Cooperative Milk Marketing Federation (GCMMF) set up the aseptic PET bottle line. Amul is planning to add another one million bottles per day (bpd) capacity in two aseptic lines, one each at Gandhinagar and Godhra in the coming months for an investment of about Rs 200 crore, informed [GCMMF](#) managing director, R S Sodhi. He added that with the expansion, Amul's total bottling capacity would touch 2.5 million bpd.

"We are the pioneers in bringing in aseptic technology in India, and it involves a rigorous process of heating the liquid to about 170 degrees, then cooling it down, sanitising the bottles as well as the filling chamber," he said adding that as of now GCMMF had no plans to pack liquid milk in [PET bottles](#) as the shelf life would be low. GCMMF is packing its flavoured milk and certain other value-added products in PET bottles as one of the greatest advantages of such packaging is it is not only handy and is multi-serve (one can just close the lid and consume the remaining liquid later), it is also more convenient to transport.

Other dairy majors, like Maharashtra-based private dairy player Parag Milk Foods too is upbeat on PET bottle packaging. It has, in fact, started trials for packing liquid milk in PET bottles apart from flavoured milk. Devendra Shah, chairman and managing director of Parag says that demand for PET bottle packaging is growing fast. "At present, it is still a negligible portion of our milk packaging. We mostly pack our flavoured milk in such packs, however, the demand is growing at a tremendous rate in metros," he said.

Industry insiders feel that demand for PET bottle packaging of milk and milk products is clocking a 25-30 per cent CAGR. Herein lies the opportunity for packaging players like Manjushree Technopack, which are packer for some of the top beverage companies in the country including Pepsico and Coca Cola. Currently water, juice and carbonated beverages contribute almost 45 per cent to its turnover.

Vimal Kedia, managing director of Manjushree said that Parag is working with them for PET bottle packaging. The company has invested over \$5 million to bring in the high-speed aseptic

line to India, with an eye to tap the dairy market. Parag has introduced its 'Farm-to-Home' fresh milk in select cities in PET bottles. Dairies in South India are using PET packaging for products like ghee.

Today, 60 per cent of PET consumption comes from the beverage sector and it is believed that by 2020 liquor and milk alone will account for 20 per cent of the consumption. Kedia said, "Until now PET bottles were used to pack value added dairy products only. Fresh milk has a shelf life of four to seven days and needs to be in the cold chain compulsorily. Since we do not have the requisite infrastructure in place, PET bottle is not yet popular for fresh milk. However things are changing quickly; Parag Milk from Pune has given us a go ahead for packaging milk in PET bottles across Pune and Mumbai." He added that Manjushree is also working with state run co-operatives like KMF (Karnataka Milk Federation), MILMA (Kerala) and AAVIN (Tamil Nadu) in the dairy sector.

For that matter, the company, which is using about 66,000 tonnes per annum capacity out of its 80,000 tonnes per annum installed capacity, is now planning to add another manufacturing unit at Harohalli near Bangalore to increase the capacity to 1 lakh tonnes per annum in the coming years.