

## Amul becomes 6th largest butter brand in the world

Sohini Das/Ahmedabad 10 Jul 17 | 02:09 AM

Packets of Amul butter at a store. Photo: Bloomberg

‘The Taste of India’ is becoming a breakfast favourite around the world and how. Amul, India’s leading butter brand owned by the Gujarat Cooperative Milk Marketing Federation (GCMMF), now ranks sixth in the global butter market, with a share of 2.1 per cent.

Data sourced from market research firm Euromonitor shows that Amul not only has a 2.1 per cent share of the over \$17-billion global butter market, it is also breathing down the neck of Irish dairy major Ornu Co-Op that enjoys a 2.2 per cent market share. Leading New Zealand-based dairy Fonterra Co-Op Group has a 3.3 per cent share. The market shares are in terms of retail sales value. Amul has consistently improved its share in the global butter market from 1.5 per cent in 2014 and 1.9 per cent in 2015 to 2.1 per cent in 2016. The global butter market, too, has grown from a size of \$16.04 billion in 2014 and \$16.52 billion in 2015 to the current size of over \$17 billion.

R S Sodhi, managing director of GCMMF, told Business Standard that Amul is the only international butter brand that makes butter from 70 per cent buffalo milk. "There are some small players in the sub-continent that make buffalo milk-based butter, but they are not global players. Buffalo milk alters the taste of butter significantly, and that becomes our unique selling point."

Moreover, Sodhi pointed out that globally, in the past few years, there has been a shift towards higher adoption of butter. "There is an increase in demand for butter over other artificial items like margarine. People’s perception towards dairy fat is changing, and consumers have realised that trans fat is more dangerous than saturated fat." GCMMF exports to 40-45 countries, but Sodhi felt that the brand as such is available for retail sales in around 100 countries. "This is because many merchants export or import the Amul brand of dairy products, and butter is a key item," he added. Of late Amul has been building an arsenal to establish itself as a global brand. Keen to position itself as a global player, GCMMF was the prime sponsor of the New Zealand cricket team in this year’s ICC Champions Trophy held in England. It got high visibility as the prime sponsor of the Black Caps, besides, of course, aligning with a country known as the dairy capital of the world.

The Rs 27,085-crore dairy outfit, which ranks 13th in the world amongst dairies, is targeting to improve its position. "We aim to be amongst the top 10 dairies in the world within the next two years in terms of volumes," Sodhi said.

Back home, Amul butter enjoys a comfortable market leadership at a 79.1 per cent. The size of the Indian butter market is \$459 million.