

Milk supply won't be disrupted: Amul

By: [FE Bureau](#) |

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Talking to FE, managing director of GCMMF RS Shodhi said that even if demand of milk would increase, there wouldn't be any shortage of Amul milk across the country.



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Gujarat Cooperative Milk Marketing Federation (GCMMF), the owner of India's largest food brand Amul, on Wednesday said that there wouldn't be any disruption in supply of milk due to spread of Covid-19.

Talking to FE, managing director of GCMMF RS Shodhi said that even if demand of milk would increase, there wouldn't be any shortage of Amul milk across the country. According to Shodhi there has been sizable shift of demand for milk from retail outlets to e-commerce platforms and Amul kiosk because of coronavirus scare.

“We are ensuring supply of milk to shops and Amul kiosks. We don’t see any problem in milk supply chain right from procurement to distribution despite augmented demand,” said Shodhi, adding that there wouldn’t be any price hike in milk in near future.

According to him, GCMMF has witnessed a rise in milk procurement since the third week of January 2020 on a daily basis. In fact, procurement has gone up from 23 million litre to 26 million litre per day compared to last year, he said.

As milk and its products are perishable, Amul doesn’t hold inventory beyond seven days, may it be milk, curd, and cottage cheese or butter milk. In the changed scenario due to coronavirus, GCMMF is seeing growth in e-commerce business as it has gone double in the last couple of week.

General trade or direct sales through Amul operated or franchised retail outlets account for almost 85%, with another 12%-13% sales coming from modern multi-brand retail outlets. The e-commerce platforms account for the remaining 2%-3% of milk sales for Amul currently. However, it may be 10 to 20% higher in cities like Mumbai, Bengaluru and Hyderabad, Shodhi said, adding that Amul’s sales of milk in a tetra pack continues to remain around 7%.

He is expecting 18% growth for Amul during the current fiscal, compared to previous financial year 2018-19 which witnessed 14% growth. Shodhi is bullish over dairy business as he claimed that there would be double digit growth despite current emergency.