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Milk price hike unviable for now: Amul

R S Sodhi of GCMMF says co-operatives not under any margin pressure and could hold on to current price levels

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Saying international [milk prices](#) were lower than domestic ones, R S Sodhi, managing director of Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets the [Amul](#) brand of milk, ruled out a price rise in the near future.

According to Sodhi, current market conditions and global trends make it unviable for organised players such as Amul to increase prices.

“International milk prices are already much lower than what we offer. Currently, global milk prices are 40-50 per cent lower than Indian milk prices. Any further hike from us will see a rise in imported milk or powdered milk,” said Sodhi.

Unlike private players, Sodhi said co-operatives are not under any margin pressure and could hold on to current prices. At 12 million litres a day, [GCMMF](#) sells around a third in Gujarat and the rest in other states, including Maharashtra. Being a market leader, the Federation is of the view that the other players in the organised sector might also not follow suit and hold on to price levels.

Talking about the rise in input costs, Sodhi said that for GCMMF, prices of only green and dry fodder have risen, which the Federation is willing to bear as long as it can. The last time GCMMF raised milk prices was in May last year, when it increased the price of full-cream to Rs 46 a litre.

Procurement prices are around Rs 550 a kg of fat by GCMMF dairies. In northern India, the prices are Rs 34 a kg for buffalo milk and Rs 29 a kg for cow milk. Given an estimated 25 per cent decline in its overall production, any price hike might see further decline, especially with Amul intending to invest Rs 50,000 crore to expand its network and looking to set up 10 new processing plants across India in two years.