

Milk prices to not go up any sooner, says Amul

By: [FE Online](#) |

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As major dairy players had recently increased the prices of milk, the same are not going to shoot up further soon, India's leading dairy player Amul said recently. Amul does not foresee any increase in MRP of milk products for consumers, CNBC TV-18 cited RS Sodhi, Managing Director, Amul, in follow-up to yesterday's report. The dairy players hiked milk prices twice in the last three years and the same raised the incomes of milk farmers by 20-25% than what they earned in 2018, Amul chief said.

Speaking on Finance Minister Nirmala Sitharaman's budget announcements, RS Sodhi said that there are "encouraging proposals" for the dairy industry in the Budget. FM announced that the government aims to double the milk processing amount of the country by 2025 from 53.5 million metric tonnes to 108 million metric tonnes. This will require an investment of Rs 40,000 to 50,000 crore, RS Sodhi said. The government also announced special projects for easy transportation of perishable items such as milk and said that the Ministry of Railways and Ministry of Civil Aviation will work to create Krishi Udaan and Kisan Rail for storage and transportation of farm produce. On the various announcements made in Budget 2020, RS Sodhi said that the government wants to [Make in India](#) and discourage cheap imports.

The dairy industry has been one of the most vocal voices of protectionism lately and is also seen as the chief naysayer to the RCEP deal and imports from countries which have high milk yield. Speaking on the dairy sector's concerns with imports, RS Sodhi had earlier told Financial Express Online that "This will create a monopoly of foreign players. It will help multinationals and big corporations. India will become dependent on imports," he said.

Meanwhile, the dairy industry is also facing the headwinds of increased cattle fodder prices which have pushed the milk procurement price for the dairy industry. The same is now reflecting onto the end consumer price which has been on an upward trend for sometime now. Players like Mother Dairy and Amul have already incorporated three price increases so far (Two hikes by Amul and three by Mother Dairy).

Earlier yesterday, CNBC TV-18 had cited RS Sodhi saying that the milk prices are expected to go up by Rs 4-5 per litre soon and milk products to increase by Rs 8-10 per kg. The news channel has since corrected the information.