



Now, a milk war between Amul and Tamil Nadu's Aavin; Stalin asks Shah to intervene

ARUN JANARDHANAN & HARISH DAMODARAN
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Move will create unhealthy competition, says TN CM

AFTER KARNATAKA, it is Tamil Nadu that seems set to emerge as a political theatre for cooperative milk wars. Tamil Nadu Chief Minister M K Stalin has written to Union Home Minister and Minister of Cooperation Amit Shah to "direct" Amul (the Gujarat Cooperative Milk Marketing Federation) to "desist

from procuring milk from Aavin's (Tamil Nadu Cooperative Milk Producers' Federation) milk shed area" nurtured in true cooperative spirit over decades. Stating it has been a norm to let cooperatives thrive without

EXPLAINS Aavin and the Amul challenge

IN TN, Amul, which had so far only been selling its products, is also procuring milk from the state. This means more competition for Aavin. Beneath the surface, Stalin's resentment also seems to be taking identity politics into the arena of regional brands.

infringing on each other's milk sheds, Stalin said the move by Amul "will create unhealthy competition between cooperatives engaged in procuring and marketing milk and milk products". Such cross-procurement also goes against the spirit of the "Operation Flood" programme that made India self-sufficient in milk through cooperative sector dairies, he said. Until recently, Amul had only been vending its products via its outlets in the

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● CM Stalin resents Amul poaching Aavin catchment area in Tamil Nadu

state, he said.

The development in Tamil Nadu comes just over a month after Amul had, on April 5, announced it would start selling milk and curd in Bengaluru. The announcement provided fodder for the opposition, particularly the Congress. Amul's entry was projected as posing a threat to Nandini, the brand of the local Karnataka Cooperative Milk Producers' Federation. The BJP suffered losses in the southern districts – including Bengaluru Rural, Kolar, Tumkur, Mandya,

Mysore, Hassan and Dakshina Kannada – that form the main milk sheds of Nandini.

Amul, which had only been vending its products via its outlets in the state till recently, has used its multi-state cooperative society licence to install a processing plant and chilling centres in Krishnagiri district of western Tamil Nadu, he said in the letter.

Besides, it is planning to procure milk through self-help groups and farmers' producer organisations "in and around

Krishnagiri, Dharmapuri, Vellore, Ranipet, Tirupathur, Kancheepuram and Thiruvallur districts of our State".

Industry sources, however, said the Karnataka and Tamil Nadu cases are not comparable. To start with, Aavin is a smaller player, with its average milk procurement at about 35 lakh litres per day (LLPD), as against Nandini's 80 LLPD. Secondly, Nandini has a 75-80 per cent share in Karnataka's liquid milk market. Other brands, whether cooperative or private, have a

presence largely in northern Karnataka, where Nandini's procurement operations are also limited.

Tamil Nadu, on the other hand, is a more competitive market. Of the estimated 60 LLPD of milk and curd sales in the state, Aavin's share is only about 25 LLPD. The remaining 35 LLPD market is with organised private players such as Hatsun Agro Product ('Aarokya' brand), Heritage Foods, Doodla Dairy and Creamline Dairy Products ('Godrej Jersey').