

Amul in talks with Galactika to enter Russian market

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R. S. Sodhi, Managing Director of GCMMF

Exports to take off within 3 months after completion of ongoing inspection

New Delhi, September 17:

Russia's decision to ban import of food products from the West has paved the way for India's largest dairy cooperative, Amul, to make inroads into that country's market.

Earlier this month, Amul had entered into discussions to partner with Galactika Group to export dairy products to Russia. Currently at the inspection stage, once sealed, the partnership will make Amul the first Indian dairy manufacturer to enter the sanctions-hit market.

"We have just entered into discussions with Galactika, a big and modern player, about them importing Amul products because of the sanctions. It's a new market for us as there are no Indian dairies there currently," said ₹ Sodhi, Managing Director, Gujarat Cooperative Milk Marketing Federation (GCMMF), told *BusinessLine*. GCMMF owns the Amul brand.

Sodhi expects exports to take off within three months after the completion of inspections.

"We need our products and plants to be approved by the Russian authorities. An Indian delegation will visit Russia as well to smoothen out the process. It will take time, about two or three months at least, and I don't foresee any problems," he said, refraining from putting a figure on the revenues the company hopes to earn.

Reports from Russia indicate that Galactika has a 3 per cent share in the country's dairy market and is part of FoodLine Holding, which is among Russia's largest dairy product distributors. While export volumes are yet to be decided, a bilateral meeting organised by the export inspection agency has already been held in New Delhi.

Sodhi felt that Russia's fresh milk shortage opens up avenues for other dairy companies to enter the market.

"Russia represents a huge market because they are deficit in milk by about 20 per cent. It's a big opportunity not just for Amul but also other Indian dairy companies," he said.

Amul, which exports to various parts of the world including Caribbean, Gulf and African countries and the US, is looking to export both finished products and dairy ingredients. Exports are likely to include cheese, butter and milk powder.

Russia banned food imports from the European Union, the US, Norway, Australia and Canada, in August in response to Western sanctions. Among the products listed were dairy products, fruits and vegetables, meat and fish.

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