

Mother Dairy to Invest Rs 750 Crore to Set up two Dairy, Fruits and Vegetables Processing Plants

Mother Dairy will invest Rs 650 crore to set up two new plants for processing of milk as well as fruits and vegetables to expand its business amid rising consumer demand. Mother Dairy, which is a leading milk supplier in Delhi-NCR, will also invest another Rs 100 crore to expand capacities of its existing plants.

"In our endeavour to expand our distribution and reach to our consumers, we have earmarked a capital expenditure (capex) outlay of over Rs 750 crore to enhance our dairy and F&V (fruits and vegetables) processing capacities across key locations," Mother Dairy Fruits and Vegetables Pvt Ltd MD Manish Bandlish told PTI.

Mother Dairy is coming up with a big dairy plant in Nagpur, Maharashtra with an investment of around Rs 525 crore, he said.

The greenfield plant will have a processing capacity of 6 lakh litres of milk per day, which can be expanded up to 10 lakh litres a day.

This upcoming plant will serve the markets of central and southern regions.

"We also plan to commission a new fruit processing plant in Karnataka with an investment of over Rs 125 crore under our Safal brand," Bandlish said.

These two plants are expected to be completed in about two years.

"In addition to these new greenfield plants, we are also strengthening our capacities in our existing facilities with an outlay of around Rs 100 crore," Bandlish said.

At present, Mother Dairy has nine company-owned processing plants for dairy with a total total milk processing capacity of more than 50 lakh litres per day.

It also undertakes processing at third party facilities.

For the horticulture (fruits and vegetables) segment, the company has its own four plants, while for edible oils it manufactures through 15 associated plants.

Mother Dairy's turnover in the 2022-23 fiscal stood at around Rs 14,500 crore.

On the expected turnover for this fiscal, Bandlish said, "despite a challenging year amid subdued summer season last year, deflation in the edible oil sector, the company is likely to exit 2023-24 with a moderate growth rate of around 7-8 per cent in volume terms."

Mother Dairy was commissioned in 1974. It is now a wholly-owned subsidiary of the National Dairy Development Board (NDDB).

Mother Dairy was established under the initiative of 'Operation Flood', world's biggest dairy development program launched to make India a milk sufficient nation.

Mother Dairy, one of the leading dairy players in India, manufactures, markets and sells milk and milk products including cultured products, ice creams, paneer, ghee, etc. under the 'Mother Dairy' brand.

The company also has a diversified portfolio with products in edible oils under the 'Dhara' brand and fresh fruits & vegetables, frozen vegetables & snacks, unpolished pulses, pulps & concentrates, etc. under the 'Safal' brand.

In Delhi-NCR, it has hundreds of milk booths as well as Safal retail outlets.

Mother Dairy sells more than 35 lakh litres of fresh milk (pouched and token milk) per day in Delhi-NCR.

Reference: <https://economictimes.indiatimes.com/industry/cons-products/food/mother-dairy-to-invest-rs-750-crore-to-set-up-two-dairy-fruits-and-vegetables-processing-plants/articleshow/108559424.cms>