

Godrej Agrovet in driver's seat in Creamline



• [Lalatendu Mishra](#)



Godrej Agrovet plans to introduce a new range of cattle feed

Acquires controlling stake in dairy company having significant presence in southern India

Godrej Agrovet Ltd (GAVL), a subsidiary of Godrej Industries Ltd has acquired a controlling stake in Creamline Dairy Products Ltd (Creamline) for an unspecified amount.

GAVL is an existing shareholder in the company with a stake of 26 per cent and with this transaction, it will own over 51 per cent of Creamline.

Creamline is a prominent dairy company in southern India with significant operations across Telangana, Andhra Pradesh, Tamil Nadu, Karnataka, and Nagpur in central India.

The company has very strong farm linkages across the four southern states, which assures it quality milk supply through out the year. The company markets its milk and derivatives under the brand name Jersey. The company also operates dedicated Jersey milk parlours across southern India.

Creamline, as part of its growth strategy, is in the process of increasing its procurement operations in Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and Maharashtra and has setup three processing facilities along with units for value-added products.

Balram Singh Yadav, managing director Godrej Agrovet said, "We have been shareholders of Creamline for 10 years and have seen the company build a highly successful dairy business. As the company embarks on its ambitious future growth plan, we believe the GAVL will be able to bring in significant value to the business by helping it develop successful brands and add more value-added products to its current portfolio".

"As the company scales up its operations in new geographies, Creamline can get immense leverage through the Godrej Agrovet brand, which has a strong recall with dairy farmers through our cattle feed business," he added.

K. Bhaskar Reddy, managing director, Creamline Dairy said, "As we expand our business, we think Godrej Agrovet will add significant value to our business through its long association with dairy farmers and knowledge on building long-lasting brands. Creamline expects to close 2015-16 with more than Rs 1,000 crore in sales." Creamline targets to double its turnover in three to four years, he added.

Godrej Agrovet has close to 20 per cent market share in the organised cattle feed market. Post-acquisition, the company plans to introduce an entire new range of cattle feed to enhance quality of milk products.

India is the world's largest producer of milk and milk demand is expected to cross 200 million MT by 2020 from 135 million MT in 2014, according to Gogrej Agrovet.

"The demand will be high as milk will remain the preferred source of protein for the Indian population. As the per capita income in the

country increases, the demand for value-added dairy products such as cheese, butter, curd, ice-cream, flavoured yoghurts is expected to grow at a faster pace compared to conventional dairy products,” the company said.

Dairy companies with strong backward linkages of milk procurement will be able to capitalise on these growth opportunities, going forward, it added.

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