

Mother Dairy enters bread segment, aims ₹25K crore turnover by 2025

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Mother Dairy, a leading milk supplier in Delhi-NCR, on Thursday forayed into bread segment as part of its strategy to diversify business, and announced its target to more than double its revenue to ₹25,000 crore in the next five years.

Mother Dairy has launched three types of breads - sandwich, brown, and fruit & milk - in a price range of ₹15-40 per packet.

The breads will be initially available at its 1,800 milk booths and 'Safal' outlets in the National Capital Region (NCR).

The company is targeting a revenue of ₹100 crore from bread segment over the next three years.

"We are diversifying into confectionery and bakery segment with the launch of our breads," Mother Dairy Fruit & Vegetable Pvt Ltd Managing Director Sangram Chaudhary told reporters in a video con-

ference.

He said the size of the bread market in India is estimated to be ₹5,300 crore currently and is growing at an average rate of 10 per cent for the last five years. The highest consumption is of white bread.

Chaudhary said the company has introduced around 20 new products in the market, including five types of sweets.

Asked about the company's current turnover and future outlook, he said Mother Dairy's current annual revenue is around ₹10,000-11,000 crore.

"We are targeting to reach ₹25,000 crore turnover by 2025," he said, adding that growth could be slow this year because of COVID-19.

He said consumption pattern has changed a lot because of pandemic, with people preferring home delivery of products.

Elaborating on bread business, Chaudhary said, "The bread market in India is localised due to logistical and supply chain issues.

With Mother Dairy, this has never been a challenge because of our existing network. Hence, having bread in our kitty was a natural fit."

The company is also exploring a larger bakery play, he said.

Sanjay Sharma, business head of dairy products, said breads are being currently manufactured by a third party and will be sold through 1,800 company outlets in the first phase.

However, retail distribution network as well as product portfolio would be expanded based on customers' response, Sharma said.

"We are looking at ₹100 crore business in bread category over the next three years," he said.

A 500 gm packet of sandwich bread is priced at ₹30, while the cost of 700 gm packet is ₹40. Brown bread packet of 400 gm is priced at ₹30, while the rate for fruit & milk bread is ₹15 for 150 gm packet.