

Ice cream sales up after Covid freeze

John.Sarkar@timesgroup.com

New Delhi: India's ice cream industry that faced a complete washout last year due to Covid is making a strong comeback. Top companies like Amul, Hindustan Unilever (HUL), Vadilal and Mother Dairy in the Rs 19,000-crore ice cream market have witnessed a sales growth of 30-40% in February over the same period in 2019.

"Summer has set in early this year," said R S Sodhi, MD at Gujarat Cooperative Milk Marketing Federation (Amul), the largest ice cream player in India. "We are expecting a growth of 100% over 2020 in the first four months of the ice cream season beginning March."

While around 60% of total ice cream sales take place

SUMMER IS COMING

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in these four months, the industry shrunk by 60-70% in 2020, according to industry estimates.

"March is going to be exceptional," Sanjay Sharma, business head — dairy products at Mother Dairy Fruit and Vegetable, told TOI. "We sold in the first three days of March, what we sold during the entire month last year."

On March 24, the government ordered a lockdown across India. Mother Dairy,

however, could sell products through its 2,000 kiosks as its business, which includes selling milk, was categorised as essential services.

"During the lockdown, while the segment did suffer a setback, with the recent increase in mobility, we are seeing significant improvement in discretionary and out-of-home categories," said a spokesperson for HUL, which sells frozen desserts and ice cream under the

Kwality Wall's brand.

Despite taking a major hit due to the pandemic, several companies, including Havmor and Mother Dairy, said the silver lining for the industry has been a major boost in take-home consumption.

"Traditionally, the impulse category accounted for 60% of our business and 30% consisted of take-home. While this was reversed in 2020, this year, we aim to keep it (take-home) stable at 40%," said Sharma.

Rajesh Gandhi, MD at Ahmedabad-based Vadilal Industries, said, "In March, we are witnessing a growth of 30-40% over 2019. But the industry is facing headwinds due to rising input costs, such as, freight and packaging material. It will, however, be able to absorb it."