

As a part of cost-cutting measures, Aavin to stop sale of standardised milk packs throughout Tamil Nadu

Sale of most sought-after green packets will stop across the state from Nov 25 as part of cost-cutting measures

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Aavin Factory.

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CHENNAI: State-owned Aavin has decided to cease the sale of standardised milk (green packets) throughout the state starting from November 25 (Saturday) as part of cost-cutting measures. The green pack has been a much sought-after variant of Aavin for more than 40 years as its market share stands at 40% in Chennai out of 14.75 lakh litres supplied by Aavin.

Retail consumers and cardholders will be supplied Delite milk (purple pack), which has a lower fat content of 3.5% compared to 4.5% in the Green Magic category, said an official directive issued on Friday. The maximum retail price of Delite and green magic variants is Rs 44 per litre, while of other private brands in this category ranges from Rs 54 - Rs 56 per litre.

V Alin Suneja, GM (marketing), Aavin, said milk cardholders will be supplied Delite milk at the same price (Rs 42/litre) as Green Magic, effective from December 1.

“It has also been decided to implement Delite milk card sales from December 1 and commence distribution from December 16. Those holding standardised milk (SM) milk cards will have to migrate to one of the three other variants - toned, delite and full cream milk offered by Aavin from December 1,” said an official quoting the communication from Aavin.

Aavin milk cards are sold between the 1st and 15th of each month, facilitating supply of milk from the 16th to the 15th of the following month. “While retail market sales will cease from November 25 onwards, current SM cardholders will continue to receive Green Magic packets until December 15,” said an official.

Official documents accessed by the TNIE revealed that Aavin incurs monthly expenditure from `65-`70 crore to purchase butter for reconstituting its milk, as it has a lower fat content in comparison to private brands. This measure is taken to meet the specified fat levels mandated by FSSAI standards - toned milk should contain 3 % fat, standardised milk 4.5 % and full cream milk 6 %.

According to industry insiders, Aavin, which holds about 20% of the dairy market share in the state, should not stop the sale of milk variants that have existed for several years. “The government hesitates to raise the procurement and selling price of milk, fearing potential political repercussions. The complete withdrawal of SM will compel consumers to opt for full cream milk or private brands, which are pricier by Rs 10-Rs 12 per litre,” said a wholesale dealer.

“Selling delite milk at the same price as green magic is essentially an indirect method of increasing price. In Korattur and its vicinity, a lot of people buy milk through cards. At the very least, the sale of SM for cardholders should continue,” said S Ravi, a resident of Korattur.
