

Amul in fresh row over AP dairy project

TRADING BARBS. State revives dairy in Chittoor, hands it over to Amul; Opposition flays YSRCP Govt

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Co-operative giant Amul is trapped in a fresh controversy. This time, trouble is brewing around its new dairy project in Andhra Pradesh. The dairy major, owned by Gujarat Milk Marketing Federation, is investing ₹385 crore to revive the Chittoor Co-operative Dairy.

While it is geographically a strategic investment for Amul as it is close to the lucrative Tamil Nadu and Bengaluru markets, it is being seen as a political move by the YS Jagan Mohan Reddy Government. The Opposition says it is a ploy to target Heritage, a leading dairy player promoted by Telugu Desam Party leader Chandrababu Naidu's family. What started as the State's first milk chilling unit in 1969 with just 6,000 litres a day, Chittoor Co-

operative Dairy had seen ups and downs, reaching a processing capacity of two lakh litres a day at the time of its closure in 2002. It was referred for liquidation in 2003, the process for which was never completed.

CHARGES LEVELLED
In its bid to revive the dairy, the State Government agreed to pay dues to the tune of ₹180 crore.

Andhra Pradesh Chief Minister Jagan Mohan Reddy broke the ground on Tuesday for the revival of the dairy. Amul has agreed to revive it with an investment of ₹385 crore. In the first phase, it would invest ₹150 crore and would process 1 lakh litres of milk a day over the next few months. Addressing a gathering later, he alleged that the then Telugu Desam Government had conspired against the Chittoor dairy as it came in the way of Heritage Foods' growth.



UP IN ARMS. TDP workers led by former MLA M Sugunamma protest against the handing over of Chittoor Dairy to Amul in Tirupati on Tuesday

"Naidu was the main reason for pushing the dairy into losses. It was very obvious that the Heritage group started making profits and the Chittoor dairy went into losses around the same time," he said.

The YSRCP Government signed a memorandum of understanding with Amul in 2020 as part of

Jagananna Pala Velluva (milk flood) to revive the dairy sector in the State. In the last two years, Amul procured 8.78 crore litres of milk in different parts of the State.

OPPOSITION'S STAND
He said the prices of cow milk went up to ₹89.76 a litre from ₹32 when the

scheme was launched. The Opposition, however, flayed the government for depending on a Gujarat dairy in the guise of reviving the co-operative sector. The CPM has asked the government not to hand over the lands belonging to Chittoor dairy to Amul. They objected to handing over 28 acres of land to Amul on a 99-year-old lease. Citing the examples of Karnataka and Tamil Nadu, CPM State Secretary V Srinivasa Rao asked the State government to strengthen the co-operative sector without the support of outsiders.

Jana Sena Party leader Nadendla Manohar, however, hoped that the move won't end up just as a lip service. "There is no second opinion that the co-operative dairy sector needs to be strengthened. We need to wait and see whether it will really help the dairy farmers and consumers," he told *businessline*.