

## Emami Agrotech to expand edible oil production

Mamta Bhardwaj

**BENGALURU:** Emami Agrotech, which recorded Rs 4,500 crore in revenues for FY2014-15, plans to expand its edible oil production capacity with the setting up of a processing unit in coastal Karnataka.

While the company is still "looking for a good patch of land", it plans an investment to the tune of Rs 250 crore in the unit, over the following 12 months, said Aditya Agarwal, Director, Emami.

The company plans to undertake the processing of its palm, sunflower and rice bran oils at the new unit, he said, adding, "While palm and sunflower oils will be imported and processed in the unit, rice bran oil will be locally procured and processed."

Emami Agrotech, which currently has markets in West Bengal and Karnataka, has announced the launch of its rice



bran oil in the latter, a market that contributes to 30 per cent of its turnover.

"A market for rice bran oil is nearly absent in Karnataka, however, with this launch, we plan to educate the consumer of the benefits of rice bran oil. It is a relatively new oil and we want to create this new category for consumers," he said.

Emami's rice bran oil is priced at Rs 90 per litre, which is Rs 2-3 higher than the average price of sunflower oils in

the market.

"Our challenge lies in converting sunflower oil consumers, which is the biggest market segment here, to rice bran oil consumers. We plan sampling sessions across the state and hope to cover at least 20 per cent market share of the households in Karnataka by the end of this year," he said.

The company has allocated a marketing budget of Rs 15 crore in Karnataka for this year. "We believe that a market share of 20 per cent of the sunflower oil market here, by this year-end, will be good enough momentum for us," he added.

Within six months of launch, Emami has been able to capture 50 per cent of the rice bran oil market in West Bengal, claims Agarwal. "The success of Karnataka will determine further expansion for the company," he posits.

**DH News Service**