

Emami's new 'Mantra' is to take the spice route

Joins a growing band of companies scenting an opportunity in spices

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New Delhi, July 20

Emami Agrotech, the branded food manufacturing arm of the Emami Group, is the latest among a growing band of FMCG players to take the spice route. On Wednesday, the Kolkata-based company announced the national launch of its spices brand, Mantra, after testing waters in West Bengal. It expects the business to rake in revenues of ₹700-1,000 crore in the next five years.

Listing out factors that make spices an exciting space now, Krishna Mohan Nyayapati, Director, Emami Agrotech, said, "There is a strong consumer shift happening from the unorganised segment to the organised. This is helping the latter

clock growth of 16-20 per cent per annum. The consumption of branded and packaged spices is also growing as consumers no longer have time to grind spices at home and are looking for convenience."

Nyayapati said Emami Agrotech will invest about ₹200 crore in the spices category in the next three years in terms of capex, R&D and marketing/promotions. "We expect the brand to have a distribution reach of about 2 lakh retail outlets by FY23 end," he added.

Aroma of opportunity

Emami is not the only one scenting the aroma of opportunity in spices. Just last week, Wipro Consumer Care and Lighting said it was gear-



The branded spices market is expected to double to touch ₹50,000 crore by 2025, says a report

ing up to foray into the packaged foods business and had ambitious plans to be a significant player in spices, snacks and ready-to-eat market.

Dabur, too, has made its intentions clear. In a recent interaction with *BusinessLine*, Dabur India Vice-Chairman Mohit Burman said the company was looking at inorganic growth opportunities in various segments in the

packaged food segment, including spices.

The market has been abuzz with rumours of acquisition of regional spices brands by big FMCG players.

Expanding portfolio

Meanwhile, companies with an existing play in spices have been aggressively growing their portfolio. Tata Consumer Products, in its Annual

Report FY22, had stated, "The Tata Sampann portfolio continued to grow in double digits. In spices, we crossed the ₹100-crore benchmark (gross sales)."

ITC, too, has been making some masala moves. It enhanced the presence of Aashirvaad blended spices in emerging channels and core markets.

According to a 2021 report by Avendus Capital, the branded spices market is expected to double to ₹50,000 crore by 2025. Other industry estimates, too, believe the ₹30,000-crore organised spices segment is growing rapidly. In fact, the Avendus report pointed out that spices, particularly blended ones, are the top end of the margin profile across F&B categories. Not surprisingly, corporates are putting spices right at the centre of their new plates now.