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Emami Agrotech eyes festive boost for new spice range

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EMAMI AGROTECH, WHICH launched its range of spices nationally under the Healthy & Tasty brand two months ago, expects good traction for them during the festive season from the consumer segment.

The company, a leading edible oil manufacturer, feels its spices range may not immediately gain good traction from the hotel, restaurant and café (HoReCa) segment, which takes some time to change brands.

“The consumer segment is the focus area. There would be demand from this segment during this festive season. The festive season has an impact on households. And masalas are one of the most important ingredients in one’s kitchen. We would see good traction during the second half of the calendar year...,” said Krishna Mohan Nyayapati, director, Emami Agrotech.

He said it is a bit early to say the spices category would do well in the HoReCa segment this festive season, because the range was launched nationally only in July. The company entered the branded spices segment with products launched in West Bengal in 2019. The products, under the brand Mantra Spices, are now available in Uttar Pradesh, Bihar, Jharkhand, Delhi, Haryana, Punjab and Maharashtra.

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KRISHNA MOHAN NYAYAPATI, DIRECTOR, EMAMI AGROTECH

the HoReCa channels strongly for our spices business. But maybe we would not get good traction immediately... People will take some time to change brands in this segment,” Nyayapati said.

The company is targeting revenue of ₹700-1,000 crore in the next five years from the spices business. It plans to expand the range across two

lakh retail outlets by the end of this year and five lakh in the next three years. It is not immediately looking to expand beyond eight states.

The country’s spices market stands at around ₹80,000 crore, with the organised (packaged form) segment accounting for close to ₹32,000 crore. The branded masala category is growing 15-18% per year, with players such as MDH, Everest Food Products, Sunrise and Badshah Masala.

“We will also see that in the next three to five years, the packaged masala segment would be almost 50% of total masala consumption in India. Today, it is 38-40% of the total market,” Nyayapati said.

The company expects consumption of edible oil to increase during the festive season for both home and out-of-home segments. “But, I feel the HoReCa segment will grow higher for edible oil,” Nyayapati said. The company expects a good surge in demand for out-of-home consumption as during the last two festive seasons people were not able to dine out as much, he said. It is preparing the supply chain to meet demands in excess of 20% for edible oil over the same period last year.