

Amira Foods ties up with Dubai chain

One of the country's major Basmati players Amira Foods (India) Ltd has tied up for distribution of its products in West Asia with the well-known Dubai-based retail chain, Choitram Retails, as part of a 250-crore investment strategy to establish a brand-driven global footprint.

The tie-up is aimed at capturing more than a fourth of the thriving UAE and Iranian basmati market. Dubai is a branded rice market of nearly 2,000 metric tonnes. With this region central to its strategy, Amira has launched its top-end basmati brands in UAE market.

Dubai is also a crucial gateway for re-export to another key basmati destination Iran, especially in non-branded segment. Close to 80% of basmati rice consumption is in W Asia, with preferences leaning toward parboiled extra long grain basmati rice and traditional basmati rice. Company GMD Karan A. Chanana said that Amira is talking about "big investment and very large numbers" in order to establish a global footprint for itself. "We want to

capture 20-25 % market share in every geography within the first 18 months, not just in basmati but also in high-end aromatic varieties such as Thai Jasmine.

Our ad spend in each region will be 10-15 % of the revenue earned. A key part of the strategy is to tieup with top notch distribution partners."

To achieve its targets globally, Amira has already invested around 100 crore in plant and machinery and has a working capital of around 150 crore. It expects a gestation period of 3 years to see incremental profitability.

In the US, where it has its wholly-owned subsidiary, the company is eyeing 25-30 % of the total Indian basmati sales through retail chains such as Jetro Cash & Carry Enterprises and Costco Wholesale Corp.



Karan A. Chanana

Cadbury sees mass exodus

Chocolate giant Cadbury has been hit by a mass exodus, as 120 of a total of 170 executives have quit after the company's new American owner, Kraft Foods, proposed major changes in products, including the popular "Dairy Milk" bar.

Among those who have left the company are creative, design and marketing specialists, a UK newspaper reported.

Kraft is considering using powdered chocolate from Germany in some products and reducing the size of the popular Dairy Milk bar, the newspaper quoted a source as saying.

Kraft took control of the 200 year old British company in February this year after a bitterly fought 11.5-billion-pound takeover battle.

If the report is true, dozens of workers could lose their jobs in factories where Cadbury's raw materials are currently processed.

However, Cadbury has strongly denied that such changes are being discussed.

"The idea that we would replace Cadbury milk chocolate recipe with Milka recipe is obviously nonsense," a Cadbury spokesman said.