

PRESS RELEASE

Consequent to the increase in procurement price of Rs.2.00 per litre for cow's milk and Rs.4.00 per litre for Buffalo's milk, Government have announced a Rs.2.00 per litre increase in the selling price of Toned milk being supplied to the card holders.

There have been a few reports appearing in the press with regard to the price rise of milk effected by the government. It is hereby clarified that the increase of Rs.2.00 per litre announced by the Govt. is only for Toned Milk being sold through card. The price increase with regard to the other varieties of milk is to be decided by the TCMPF / Unions as is the usual practice.

Aavin produces 4 varieties of milk viz., Toned milk, Doubled toned milk, Standardised Milk and Full Cream Milk. The varieties are specified based on the fat and SNF content in them. The milk is sold either through card (monthly payment made in advance) or by cash sales sold through depots / retailers or automatic vending machines (AVM). The increase effected for the varieties of depending upon the type of sale is as follows

S.No.	Variety of milk	Fat %	SNF %	Card – Increase Rs./litre	Cash- Increase Rs./litre
1.	Toned Milk	3.0	8.5	2.00	2.50
2.	Standardised Milk	4.5	8.5	3.00	4.00
3.	Full Cream Milk	6.0	9.0	3.00	4.00
4.	Double Toned Milk	1.5	9.0	2.50	3.00

The price increase mentioned above, was necessitated because of the increase in procurement price. The increase in price(variety wise) has been done keeping in mind the total solid content of the milk viz., the % of fat and SNF (Solid Non Fat).

Even with this increase, the price of milk in Chennai is much cheaper than other parts of country. For example the price of toned milk in Chennai (Card) is Rs.15.75 as against Rs.19.00 in Kerala Rs.18 in AP Rs.20.00 in Delhi and Rs.20.00 in Kolkatta .

Some of the District Unions had, based on their local conditions, effected increase in the price of milk which was not in conformity with the quantum of increase made by the Federation. As a result of this there was some variation in price increase in some districts like Madurai, Coimbatore, Erode etc. This was brought to the notice of the Govt. Immediately directions have been issued to all the District Unions to ensure that the quantum of price increase to be effected shall not exceed the quantum of increase specified by the federation at the State level; The price increase is to be calculated on the price existing in the union prior to 10.3.08. The revised price chart will be issued to the public by way of press release by the respective District Collectors who are the Special Officers of the district Milk Unions

The revised milk prices for various varieties of milk being sold in Sachets / automatic vending machines / retailers in **Chennai** is as follows:-

Sl.no.	VARIETY OF MILK	Through cards		Cash MRP Rs	
		Old price Rs.	New price Rs.	Old Price Rs.	New Price Rs.
1	<u>Sachets</u>				
	Toned milk – one litre	13.75	15.75	15.50	18.00
	Toned milk – half litre	6.90	7.90	7.75	9.00
2	<u>Standardised milk</u>				
	Half litre	8.00	9.50	9.00	11.00
3	<u>Full cream milk</u>				
	Half litre	9.00	10.50	10.00	12.00
4	<u>Double toned milk</u>				
	Half litre	6.50	7.75	7.50	9.00
LOOSE MILK SALES (NOT SACHET)					
5	<u>Automatic Vending Machines:</u>				
	<u>Standardised milk</u>				
	Half litre	7.75	9.25	8.00	10.00
	One litre	15.50	18.50	16.00	20.00

The maximum milk sale of Aavin in Chennai is toned milk. Against a total 10.30 lakh liter per day sale nearly 6.5 lakh litre is of toned milk. Here too, the bulk of the sales is through cards. Hence, the interest of middle class and lower middle class has been protected.

Complaints were received from some consumers in Chennai city regarding over pricing of Aavin milk at cash sale points. Government and Aavin have taken immediate steps to ensure that the MRP fixed for various varieties of milk is strictly adhered to. Based on complaints received, the City Police have also taken stringent action against the retailers who have been indulging in over charging the customers. More than 25 cases have been booked today. All steps are being taken to ensure that customers get milk at the correct price. In order to protect the interest of consumer by bringing them into the fold of card segment, Aavin is taking steps to conduct 'card issue campaigns' shortly. There is 24 hours toll free help line functioning at Aavin – 1800 4253 300. The consumers can use this number for any help / complaint.

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