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India's Dairy Vanguard: A Strategic Analysis of Amul's Cooperative Success Story

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Abstract

This paper examines the strategic supply chain and consumer outreach initiatives of Amul – India's largest dairy cooperative. By analyzing primary survey data and secondary sources, the study investigates how Amul sustains market leadership amid intense competition. Key features include the cooperative Anand-model structure, a diversified product portfolio, an extensive distribution network, and strong brand equity. The analysis employs SWOT and comparative benchmarking to reveal insights into Amul's market positioning, operational strengths, and innovation strategies. The goal is to articulate the factors underpinning Amul's success and identify future growth opportunities for the cooperative model.

Introduction

Amul, formally the Anand Milk Union Limited, is a landmark Indian dairy brand that symbolizes rural empowerment and national self-reliance in agriculture. Founded in 1946 in Anand, Gujarat by Tribhuvandas Patel and later led by Dr. Verghese Kurien, Amul pioneered the cooperative dairy movement in India. The Gujarat Cooperative Milk Marketing Federation (GCMMF), established in 1973, serves as the apex marketing body, integrating thousands of village dairy cooperatives. This cooperative framework played a pivotal role in India's 'White Revolution', positioning the country as the world's largest milk producer. Currently, GCMMF represents the world's largest farmer-owned dairy cooperative, engaging over 3.6 million farmers from 18,600 villages in Gujarat.

Objectives of the Study

- Assess Amul's market position within the Indian dairy sector.
- Explore the diversity of Amul's product portfolio.
- Analyze Amul's competitive strategies and business model.
- Compare Amul's performance with key competitors.
- Identify challenges and opportunities facing Amul in the modern market.
- Conduct a SWOT analysis of Amul's operations.

Research Methodology

Primary data were gathered through structured surveys and interviews with consumers and Amul distributors. Secondary data were derived from industry reports, academic journals, GCMMF annual reports, and market research databases. A mixed-method approach enabled both quantitative and qualitative insights. The sample included urban and semi-urban consumers across various Indian states. Analytical tools included SWOT analysis, comparative benchmarking, and descriptive statistics, complemented by qualitative insights from field interviews.

Company Overview

Amul is headquartered in Anand, Gujarat, and operates under GCMMF, its marketing arm. As of 2024, GCMMF reported a turnover of approximately US\$7.3 billion. Its procurement network spans 18,600 village milk cooperatives across 33 districts, encompassing over 3.64 million milk-producing farmers. Amul procures about 35 million liters of milk daily, supporting a massive processing and distribution system. With 87 branch offices, 15,000 wholesale distributors, and access to over one million retail outlets, Amul's distribution network is unparalleled. International expansion is also underway, with growing footprints in the Middle East, North America, and Southeast Asia.

Product Portfolio and Market Segmentation

Amul provides a wide array of products across multiple categories: essential dairy items (milk, butter, paneer, ghee), frozen desserts, health beverages, nutritional variants, and bakery/confectionery items. It serves both mass-market consumers with affordable milk options and premium segments with value-added products like gourmet cheeses and protein-enriched dairy drinks. This dual-targeting strategy helps Amul address a broad demographic, while regional customization enables deeper penetration in diverse markets.

Market Analysis and Competitive Landscape

The Indian dairy sector is highly competitive. Amul competes with Mother Dairy, Britannia, Nestlé India, and regional cooperatives like Nandini and Verka. Amul's scale, cooperative supply base, and brand trust offer a competitive advantage, although evolving consumer preferences and agile private players introduce pressure. Despite these dynamics, Amul increased its brand value by 11% in 2024 to US\$3.3 billion, maintaining its leadership position.

SWOT Analysis

Strengths: Strong brand equity, cooperative model benefits, vast procurement and distribution network, and product diversification.
Weaknesses: High logistics costs, limited product customization, slower innovation cycle, and low international brand recognition.
Opportunities: International expansion, health-conscious products, sustainability practices, and digital retailing.
Threats: Rising competition, input cost volatility, climate-related risks, and a shift toward plant-based dairy alternatives.

Branding and Consumer Outreach Strategy

Amul's branding strategy blends tradition and innovation. The iconic 'Amul Girl' billboard campaign is a hallmark of Indian advertising. The brand leverages real-time humor, regional targeting, and strong social media presence to engage younger audiences. Amul's rural outreach includes farmer fairs and community programs, reinforcing its cooperative mission and consumer trust.

Challenges and Opportunities

Challenges include shifting consumer preferences toward vegan/organic alternatives, disruption from e-commerce, and climate unpredictability. Opportunities lie in new market penetration, functional product innovation, green logistics, and direct-to-consumer digital strategies.

Conclusion

Amul's success is rooted in its cooperative ethos, strong brand identity, and strategic adaptability. To maintain its leadership, the organization must evolve through digital transformation, product innovation, and international market exploration. Amul stands as a global model for cooperative enterprise in the food and agriculture sector.

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