

As heatwaves rise, FMCG firms make hay

Mother Dairy's milk-based ice creams and dairy-based beverages have clocked a growth of over 50% versus the pre-Covid period.

Written by **Vaishali Dar Mithun Dasgupta Shubhra Tandon Sajan C Kumar**

May 2, 2022 5:30:00 am



That such brisk sale prospects are back after a slowdown of two years due to the pandemic, is an added reason for companies to rejoice. (PTI)

Unusually strong heatwaves have come as a boon in disguise for companies dealing in summer products. Manufacturers of air conditioners, refrigerators, juices, soft drinks, and ice creams seem to have a good going, while most parts of the country are scorched by the sun and no respite is seen soon.

That such brisk sale prospects are back after a slowdown of two years due to the pandemic, is an added reason for companies to rejoice.

Lloyd, a consumer durable brand by Havells India, has already sold a record 2,50,000 AC units so far and expects stronger demand in the coming months. "Due to soaring temperatures, the demand for ACs has reached a record level as compared to previous years" said Alok Tickoo, executive vice-president, Lloyd.

Similarly, Godrej Appliances is expecting robust growth in all cooling product segments by the end of this season, with 20% growth between April-June 2022 versus the pre-pandemic

summer of 2019. “Consumers postponed purchases the last two years, but not any longer,” business head & executive vice-president, Kamal Nandi said.

Daikin India, a major player in the AC industry, also has a similar take. “Sales at the industry level may grow about 15% in 2022-23 from 2019-20. Daikin will likely record even higher sales growth of about 20-25%,” Daikin India managing director and chief executive Kanwaljeet Jawa said.

According to B Thiagarajan, MD, Blue Star, compared to 2019 summer, the residential air conditioning industry would grow by 20% this summer due to pent-up demand and heat wave conditions across the country. “For two summer seasons, due to Covid, people did not buy ACs and the temperatures are soaring. The company would be definitely growing faster than the industry this summer, I think we will be growing by 25%,” he said.

Same is the story for products like beverages and ice-creams, who seem to be cashing on the intense summer this year. “The last two summers saw a major dip due to Covid-19, but this time demand is much higher, especially from hotels, restaurants and caterers (HoReCa). Ice-cream and beverage categories have witnessed a surge in demand and sales are expected to be much higher than the last two years, over 40-50% ahead of the same period in 2019,” said RS Sodhi, managing director, Gujarat Cooperative Milk Marketing Federation, which owns the Amul brand.

Mother Dairy’s milk-based ice creams and dairy-based beverages have clocked a growth of over 50% versus the pre-Covid period. “There is a surge in demand for ice-creams and consumption of dairy-based beverages like chaach and lassi is huge. We are working to meet the demand and this summer, in its current progression, is going to be the best season for us,” said Sanjay Sharma, business head — dairy products, Mother Dairy Fruit & Vegetable.

The business outlook for PepsiCo with a beverage portfolio of Pepsi, Mountain Dew, 7UP, Slice, Sting and Tropicana remains positive. “Our beverage portfolio continues to see an uptake in demand and is witnessing a jump in both penetration and frequency,” said a PepsiCo India spokesperson.

<https://www.financialexpress.com/industry/as-heatwaves-rise-fmcg-firms-make-hay/2509591/>