

Adani Wilmar Expects Consumption To Rebound From January Aided By Price Stability

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Adani Wilmar Ltd. expects consumption to rebound from January as commodity prices stabilise, according to Chief Executive Officer Angshu Mallick.

"We see people being more confident this year, unlike last year when there was so much uncertainty... Now, there is so much positivity, leading people to spend more," Mallick said. "We believe that from January onward, things will look much better."

Prices too have stabilised and are off their peaks, Mallick, who is also the managing director at Adani Wilmar, told BQ Prime. "I feel... consumers are accepting the present prices as we are seeing good demand across categories."

Rice and wheat prices have firmed up in the last month, while other commodities such as besan and sugar have stabilised, he said. As for edible oil, prices have come down from their peak and are unlikely to ease further, he said. "That's because it is becoming more technical in nature," said Mallick. "Prices are now determined by factors like foreign exchange rates, the biodiesel mandates announced by the government, and the ongoing geopolitical tension rather than the demand-supply situation."

As such, Mallick said, the current prices are comfortable. "We don't expect them to go down further soon."

The staples major has grown 35–40% in packaged rice, both basmati and non-basmati, while its wheat-flour segment has grown 40%. Similarly, besan has grown by 30%, sugar by 20%, and around 35–40% in packaged food, Mallick said. "All the categories are growing within the food basket, but each of them is growing at different speeds."

The consumption of packaged oil has increased after prices corrected during the June-July period, the CEO said. "Edible oil is seeing 8-10% growth."

Adani Wilmar, which holds a 25% share of the rural market in the food basket, sees demand in the hinterland peaking by the fourth quarter due to the marriage season, a softening of commodity prices, and a good harvest that puts more money in the hands of farmers.

As demand for branded staples grows, Mallick said the company is looking to aggressively increase its market share across categories. "The company has been constantly investing in expanding its rural reach by increasing distribution and opening retail stores."

The company is also scouting for stressed assets or brands in the staples space, he said. All of these come at a time when rival Reliance Industries Ltd. entered the home turf of Adani Wilmar by [launching](#) its packaged goods brand "Independence" in Gujarat.

Mallick, however, sees it as "good competition".

"There is a space in the staples business for three to four brands... so [Reliance's foray] will only make us agile and bring out our strengths," he said.