

GNFC Launches Neem-based Consumer Products

BATTLE FOR MARKET SHARE Govt-promoted company will compete directly with Patanjali and Sri Tattva

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Mumbai: Government-promoted Gujarat Narmada Valley Fertilisers & Chemicals (GNFC) will soon compete with the likes of Patanjali and Sri Tattva by launching more than two dozen neem-based personal and home care products to cash on the growing demand for natural products.

The Gujarat-based fertilisers and chemicals manufacturer has created a separate division for fast moving consumer goods (FMCG). It has already launched a range of products including soaps, hair oil, shampoo and mosquito repellent under 'Narmada Neem' brand, and is targeting ₹500 crore in revenues by 2020.

"We have a dedicated team for ne-

em-based consumer products, which will roll out newer categories including oral care and expand our reach to modern trade and kirana stores just like an FMCG company," said Rajiv Kumar Gupta, managing director at GNFC.

Following a directive of the Government of India for 100% neem coating of its core product, urea, GNFC started the FMCG

venture as a socio-economic project in 2015. Last year, it test-marketed a host of personal care products as a forward integration move.

"Unlike urea and fertilisers, our new business would need heavy advertising and even a brand ambassador to compete with other con-

sumer products company," Gupta said. "But our products are far superior as we control the entire ecosystem of neem right from sourcing and seed collection to production capabilities," he said.

Demand for natural consumer products has soared in recent years, helping Baba Ramdev's Patanjali to become a ₹10,000-crore company in less than a decade.

Patanjali's meteoric rise has made most established consumer products companies shift their focus to the herbal sector.

Market leader Hindustan Unilever, for example, has relaunched Ayush brand of ayurvedic personal care products, acquired Indulekha hair care brand, and launched Citra skincare brand.

Similarly, L'Oreal launched a hair-care range under the Garnier Ultra Blends made with natural ingredients, while Colgate launched natural toothpaste brand Vedshakti.

However, according to industry experts, indigenous or home-grown manufacturers are still driving the fast-expanding natural personal care market in the country, accounting for about 79% of the natural personal care market.

The market for neem as a main ingredient is gradually seeing newer players, including few variants by Colgate and HUL and Jyothy Lab's soap brand Margo.



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