

UNITED NATIONS
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UNITED NATIONS CHILDREN'S FUND
Programme Committee

Recommendation of the Executive Director for an Allocation
EGYPT
Extension of the Milk Conservation Programme

1. The Administration recommends an allocation to Egypt of \$127,000 (excluding freight) for the extension of the milk conservation project. An allocation of \$125,000 (excluding freight) was approved by the Board in September 1952. The additional allocation would cover the cost of the following:

- a) supplementary equipment to increase plant capacity from 1,000 to 1,300 litres per hour;
- b) equipment for the manufacture of butter;
- c) equipment for two collecting and cooling centres;
- d) equipment to sterilize approximately 2,000 litres of milk per day;
- e) additional funds to cover an increase of approximately 15 per cent of the unit cost of the equipment provided under the earlier allocation.

Under the expanded scheme, a total of 20,000 children and mothers would receive free distribution of dried milk for 200 days during the first year, an increase of 5,000 over the original plan, and approximately 3,000 mothers and children would receive free distribution of sterilized milk daily, also for 200 days yearly. During the next four years 40,000 children and mothers are to receive free dried milk from the plant on the basis of 40 grammes daily for 200 days of the year plus the 3,000 to receive sterilized milk.

2. Commitments of the Government for the entire project are estimated at the equivalent of \$1,612,000 which represents an increased total matching of approximately \$784,000 for the five-year period.

Background of the request

3. In September 1952, the Board approved a recommendation for provision to Egypt of a small milk-drying plant of approximately 1,000 litres per hour, to be established at Sakha, 130 kilometres north of Cairo in the Nile Delta, on the site of the Experimental Farm of the Ministry of Agriculture (E/ICEF/212, paras. 276-287). The entire output of dried milk was to be distributed free or at heavily subsidized prices to children and expectant and nursing mothers.

4. An outline of nutritional needs of children and the problem of milk production and distribution in Egypt, and a review of the findings of the joint FAO/UNICEF survey which preceded the UNICEF allocation, were presented to the Board in document E/ICEF/R.377.

5. The original recommendation was based on a joint UNICEF/FAO survey which had proposed the establishment of a drying plant and a small sterilizing unit to sterilize approximately 1,000 litres of milk per day for distribution through child clinics, hospitals, etc. Since at that time, sterilization of buffalo milk had not been tried, no provision for the sterilization unit was included in the original recommendation to the Board.

6. At the Government's request a second more extensive survey was undertaken jointly by FAO, UNICEF and the Government early in 1953. Recommendations were made modifying the original plan. These alterations comprised chiefly the supplying of butter manufacturing equipment by UNICEF and the establishment of collecting centres. Already, within the area of the proposed Sakha Dairy, herds had been enlarged, and with a foreseeable increase in milk production, it was considered advisable to increase the capacity of the plant and modify arrangements for milk collection.

7. In reporting to the Board the increased financial requirements arising from these modifications, the Administration is also recommending provision of a small sterilization unit as was proposed by the 1952 FAO/UNICEF survey, with a capacity of approximately 2,000 litres per day. This further recommendation /is being made...

is being made after the study of a renewed Government request, and in the light of recent experience in sterilizing milk in Mediterranean countries. The small milk sterilizing plant, the first in Egypt, would permit the Government to use it as a pilot installation to more accurately determine the place of sterilized milk in the country's future development of the milk industry and child feeding programmes.

8. The proposed sterilization plant would allow for the distribution of approximately 1,000 litres of milk per day to children and would permit the dairy to market at a competitive price sterilized, flavoured milk drinks of a high nutritious value.

9. Following the signature of the plan of operations in spring 1954, detailed drawings were agreed to by the UNICEF technical staff with the Egyptian architect, but delays occurred in commencing work on the plant buildings because of financial and other difficulties. In the spring of 1955, the Government approved the setting aside of funds to proceed with the scheme as outlined in the plan of operations. Under these circumstances it was not possible for UNICEF to place contracts until the summer of 1955, that is some three years after the estimates had been made for the original allocation. During these three years, world prices of dairy equipment have risen and it is necessary to pay approximately 15 per cent more.

Progress of the project

10. Construction of the dairy buildings began in the summer of 1955 and is proceeding rapidly. The dairy will be ready for installation of the equipment by autumn 1956. Most of the equipment provided under the original plan of operations has been procured and will be on site by then. The additional equipment proposed under this recommendation would be integrated with that already foreseen and the complete plant would be ready to start operations in 1957.

11. The Government has requested FAO through the Technical Assistance Board to provide a training fellowship for a plant manager, and it is anticipated that the trainee will commence his fellowship at the beginning of 1957. The Government has also requested FAO to provide a dairy expert to serve as plant management adviser, and it is anticipated that he will be recruited and will take up his duties early 1957.

12. The responsibility for the project is shared jointly by the Ministry of Health and the Ministry of Agriculture. A Board of Directors has been established to run the plant, composed of delegates from the Ministry of Agriculture, the Ministry of Health, the Ministry of Education, the Ministry of Social Affairs, the University of Cairo, the Egyptian Industrialization Scheme, and the producers.

Revised plan of operations

13. If this recommendation is approved, the existing plan of operations would be revised to include, inter alia, the following modified provisions:

- a) the establishment of a dairy with an hourly capacity for drying 1,300 litres of milk, i.e. to handle up to approximately 20,000 litres of liquid milk per day during the flush season. This dairy would also be equipped to sterilize approximately 2,000 litres of milk per day;
- b) two milk cooling centres to be established at Mehallet-al-Kasab and Misir;
- c) an increase in the quantities to be distributed of free and subsidized milk. The beneficiaries during the first year of operation would be not less than 23,000, rising to 43,000 in subsequent years, 3,000 of these to receive liquid, sterilized milk and the balance to receive dried milk rations. (Distribution of both liquid and dry rations is calculated for 200 days of the year.)

UNICEF commitments

14. The total UNICEF commitments for the plan as modified by the present recommendation would be approximately \$240,000 (exclusive of freight) of which \$125,000 was allocated previously. An additional allocation of \$115,000 plus \$12,000 for freight is recommended at this time. UNICEF would provide the following equipment:

- a) Milk Reception and storage
- b) Milk pre-heating and drying
- c) Milk sterilization
- d) Refrigeration
- e) Boilers
- f) Electrical generators
- g) Laboratory equipment
- h) Interconnecting Milk piping
- i) Three milk trucks
- j) Butter and cream processing equipment
- k) Cooling equipment for milk at two collecting centres

Of the above, the following are in addition to the original recommendations: sterilizing plant, cooling equipment for collecting centres, butter-making equipment and one additional electrical generator.

FAO approval

15. The expanded plan as outlined above has the technical approval of FAO.

Government commitments

16. Estimated costs to the Government for carrying out the revised programme are as follows:

/a) Capital expenditures,...

	<u>£ Egyptian</u>	<u>U. S. Dollar Equivalent</u>
a) <u>Capital Expenditures</u>		
i) Land, buildings, services, etc.	65,000	186,000
ii) Working capital	<u>25,000</u>	<u>72,000</u>
Total capital expenditures	90,000	258,000
b) <u>Distribution of Milk</u>		
i) Free powdered milk rations to 20,000 in first year to 40,000 in following four years	450,000	1,292,000
ii) Free sterilized milk rations to 3000 beneficiaries for five years	<u>35,000</u>	<u>100,000</u>
Total costs of milk distribution for five years	<u>485,000</u>	<u>1,392,000</u>
Grand total of matching for five years	<u><u>575,000</u></u>	<u><u>1,650,000</u></u>

Of the total Government expenditures for the five-year period of the plan of operations (equivalent to U. S. \$1,650,000), \$784,000 is considered as matching.

Target time schedule

17. The revised target dates for the plan outlined above would be as follows:

Completion of UNICEF deliveries of equipment for main plant:	Early	1957
Installation of equipment completed in dairy:	September	1957
Testing of plant:	November	1957
Commencement of free milk distribution:	Early	1958