

UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



DISTR.  
LIMITED

E/ICEF/L.1116

7 August 1957

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND  
Programme Committee

Recommendation of the Executive Director for an Allocation  
POLAND  
Milk Conservation

1. The Executive Director recommends an allocation to Poland of \$260,000 to provide equipment for a milk drying plant at Krotoszyn, and equipment for four of the five existing milk drying plants previously assisted by UNICEF (at Rypin, Slipsk, Krosniewice and Siedlce) to improve the quality of the powder produced and to provide pasteurized milk to the local population. Plant erection and expansion costs are estimated at six million zlotys; the annual subsidy required to provide for free or subsidized distribution of milk from the new plant would amount to 25 million zlotys. Approximately US\$700,000 would be considered as matching for the proposed allocation.
2. With the help of allocations totalling \$970,500 approved by the Board beginning in 1949, the Government has established five drying plants, ten pasteurization plants and 50 collection centres. Approximately 300,000 infants and young children now receive free or heavily subsidized milk powder regularly from the existing plants (see para. 13 below); a further 75,000 infants would receive milk from the Krotoszyn production.
3. Subject to future thorough analysis of the milk conservation programme in Poland, of the continuing need for more safe milk for children, and of the Government's long term dairy development plans, the Executive Director may recommend further assistance to this programme at later sessions of the Board.

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Implementation of previous programme

4. The five UNICEF-assisted milk drying plants are now nearing their maximum yearly output. In June this year, all five plants were operating for from sixteen to twenty hours a day. The operation of the milk conservation programme in Poland was observed in March by the Executive Director, and in June by other UNICEF officials, who were accompanied on their observation visits by a dairy specialist of the FAO Headquarters staff.

Regulations of the dairy industry

5. Although the Government has endeavoured to make full and effective use of UNICEF's assistance, this programme prior to 1955 encountered many difficulties from the lack of a policy making and co-ordinating body. Administrative matters were independently dealt with by various Government departments (the Ministries of Meat and Milk; of Agriculture; of Health; of Food and Imports and of Education) and technical matters were left to the District Administration of the area in which each plant was located.

6. In 1955/56 the need for special technical supervision was recognized and an Administration for Food Conservation was established under the Central Administration for Dairying within the Ministry for Meat and Milk. In 1957 the reorganization was carried a step further with the creation of a single Ministry for Food which amalgamated the numerous Ministries concerned and the Central Administration for Dairying. The four main UNICEF assisted drying plants are now directly in touch with the Central Administration in the Ministry of Food; the fifth and smallest plant, at Wrzesnia, (which is used as a centre for training dairy plant operators) remains under the Ministry of Education. The Ministries of Agriculture, Health and Education continue to be responsible for certain aspects of the scheme.

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Pricing policies on fluid and powdered milk

7. In recent years the Government has subsidized the sale of fluid milk at the rate of approximately 0.12 zlotys per litre (thus giving support to the milk industry generally) in order to ensure the full price to the producer and to keep the price low for the consumer. Subsidy payments have recently been increased as a part of the Government's policy of price stabilization.

8. A positive result of this price policy is a rapid increase in milk being delivered to milk plants throughout the country. However, although the Government is making a serious attempt to increase milk handling facilities, these will continue to be inadequate for several years to come. A long-range programme for improving milk production, milk handling, processing and distribution is required to meet the nutritional needs of the population, particularly the children.

9. The retail price of most of the powder sold through pharmacies to priority groups is eight Zlotys as compared to the production cost of 30 to 32 zlotys. A small proportion of the milk powder produced is also put on the free market at cost price. Up to the present time the Government has provided subsidies totalling 92 million zlotys for distribution of milk powder from the five UNICEF-equipped plants.

Progress of the UNICEF-assisted plants

10. The liquid milk plants: Milk pasteurization plants assisted by UNICEF are located at Warsaw (two plants), at Blonie, Sochazew, Tomaszow, Lodz, Plonsk, Plock, Minsk and Ciechanow. The 50 collecting centres are scattered in the areas serving the pasteurization and drying plants. All plants are working at full capacity, but due principally to the hygienic problems involved in operation of the bottling equipment, the pasteurized milk processed in these plants is not recommended by paediatricians for infant feeding. The milk is served in children's institutions after boiling.

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11. The milk drying plants: Four drying plants, each with 2,500 litre-per-hour capacity, were equipped by UNICEF at Rypin, Krosniewice, Siedlce and Slipsk; a plant with 500 litre-per-hour capacity is located at **Wrzesnia**. The combined output of the five plants has increased steadily, as shown by the following figures:

	<u>Metric tons</u>
1949	277
1950	599
1951	1,491
1952	3,260
1953	3,333
1954	3,617
1955	3,903
1956	4,854
1957	5,700 (estimated)

12. Difficulties in gaining public acceptance were responsible in part for a slow start. Recent increases in the production and use of milk powder are attributed to the following:

- a) Closer attention is being paid by the responsible control authorities to the technical problems affecting powder production. For example more acceptable containers are now being provided for the powder than was the case at first.
- b) The plants are now in the process of being transferred from Government to co-operative ownership.
- c) An active educational campaign has been carried out by officials and paediatricians to encourage the use of milk powder.

13. The whole milk powder produced is of good quality. As indicated above the output of the five plants is expected to approximate 5,700 metric tons this year. All powder from the four main plants is reserved for infants up to three years of age: 100,000 infants receive rations of 70 grammes of milk powder daily. Older children are entitled to milk powder only on medical prescription. The small plant at **Wrzesnia** produces powder for certain groups under the Ministry of Education, such as kindergarten children. Another 150,000 children in institutions, hospitals, kindergartens, day care and health centres receive rations of 80 grammes

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daily. This group includes children with rickets or with unbalanced metabolism and children under three years of age in hospitals. About 70 per cent of the milk powder is sold through pharmacies upon doctor's prescription at one quarter of its production cost. The remaining 30 per cent is distributed free.

14. The infant mortality rate has decreased from the 1949 rate of 107 deaths in the first year of life per 1,000 live births to 71 per 1,000 in 1956. Following are the rates reported by year:

	<u>Deaths in first year per 1,000 live births</u>
1949	107
1950	111
1951	118
1952	96
1953	88
1954	83
1955	82
1956	71

The rate of infant deaths (per 1,000 live births) due to intestinal infections dropped from 15.4 in 1952 to 10.4 in 1955. While there are a variety of factors responsible for this improvement, the increasing utilization of milk powder for infant feeding is at least one important factor. The availability of dried milk in hospitals has greatly strengthened the campaign against infant diarrhoea.

Basis for further assistance in dry milk production

15. Of 750,000 infants in the country under one year of age, 320,000 live in urban areas. Since milk in rural areas is fairly well distributed, the greatest need for milk is among this urban group. The total annual requirement in powder for artificially fed healthy infants and sick children is estimated at 14,000 metric tons and it is the Government's aim to increase dry milk production to

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this point. The five existing plants, as indicated above, will produce approximately 5,700 tons of milk powder this year. Allowing for a production increase due to improved methods, these plants may manufacture 6,000 to 7,000 tons a year in future. This production figure must be doubled to meet the Government's minimum target of 14,000 tons.

16. Farm production of milk is steadily increasing and the Government's financial support to promote milk consumption is assured. The main obstacle to filling the gap between present production and the total needs lies, therefore, in the lack of adequate processing equipment, the importation of which is impeded by the serious economic situation of the country.

#### Proposed plan of operations

##### Objectives

17. The provision of further assistance by UNICEF would have as its overall objective the continuation of the long-term improvement in child and maternal health and nutrition through the provision of an increasing regular supply of milk to expectant and nursing mothers and children throughout the country on a permanent basis. The progressive implementation of measures for the improvement of milk production, collection, processing and marketing is a natural corollary to this overall objective.

18. The immediate objectives of the present proposal include the following:

- a) the erection of a drying plant at Krotoszyn, which would produce a further 1,500 tons of whole milk powder annually to meet the estimated needs of 75,000 infants and nutritionally needy children;
- b) the improvement of the quality of the powder produced in four of the existing plants (Rypin, Slipsk, Krosniewice and Siedlce).

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Plan of action:

19. The new plant: A milk drying plant with an hourly capacity of 3,000 litres would be erected at Krotoszyn, a town of 60,000 inhabitants in southwest Poland, 85 kilometres south of Poznan. The plant would be installed in a newly built extension of a local dairy, now processing milk for local consumption. The dairy has been State-owned until now, but ownership is in the process of being transferred to a producers' co-operative which is being organized.
20. The present intake of the dairy, located in one of the finest milk producing areas in Poland, is approximately 32,000 litres daily during the flush season. Half of this amount would be pasteurized for local consumption and half made available for drying. Up to 50,000 litres would be supplied to the new plant from surplus in six other dairies within a radius of 22 kilometres of Krotoszyn. The drying plant is thus assured of working at or near capacity (some 60,000 litres a day) during the period of maximum production. Sufficient trained personnel would be provided to ensure this.
21. The plant would produce 1,500 metric tons per year of whole or low-fat milk powder which would be distributed to some 75,000 infants and sick children. Taking into account anticipated improvements in production at the existing plants, a total of almost 400,000 children would benefit from the production of milk powder.
22. Improvements to existing plants: Existing plants at Rypin, Slipsk, Krosniewice and Siedlce would be supplied with equipment which is urgently needed to improve milk processing prior to drying, and for packaging of the milk powder.

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The pasteurizers recommended would serve to ensure a supply of pasteurized fluid milk for the local populations.

UNICEF commitments

23. UNICEF would provide the following equipment and supplies:

	<u>US\$</u>			
a) <u>Equipment for drying plant (Krotoszyn)</u>	160,000			
Conveyors, can washer, weighing scale, milk <del>dump</del> tank, storage tanks, separators, pasteurizers, evaporator, drying tower, powder cooler, sifter and packer, and stainless steel piping and milk cans				
b) <u>Equipment for existing plants as follows:</u>	70,000			
	<u>Slipsk</u>	<u>Rypin</u>	<u>Krosniewice</u>	<u>Siedlce</u>
i) <u>5 separators</u> 5,000 litres per hour	1	3	1	-
ii) <u>3 pasteurizers</u> 5,000 litres per hour	1	1	1	-
iii) <u>4 homogenizers</u> 800 litres per hour	1	1	1	1
iv) <u>powder packing equipment, 4</u>	1	1	1	1
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	\$19,000	\$25,000	\$19,000	\$7,000
c) <u>Contingency</u>	<hr/> 6,000			
Total supplies and equipment	236,000			
d) <u>Fellowship for engineer, six weeks</u>	1,000			
e) <u>Freight</u>	23,000			
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Total recommended allocation	260,000			

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FAO approval and participation

24. FAO has given its technical approval to this proposal. Within the availability of Technical Assistance funds which may be allotted to Poland, the Government may request FAO, through the Technical Assistance Board, to provide the following assistance:

- a) fellowships as may be required;
- b) one or more dairy production experts;
- c) plant management experts, if required; and
- d) an expert to study the economic aspects of this programme.

Government commitments

25. The Government undertakes to implement the plan as outlined above, ensuring the installation of new equipment from the Fund in the four existing plants and ensuring for the new plant the provision of all necessary personnel, material, supplies, equipment and finance including necessary extensions to the existing dairy building, refrigeration equipment and boilers.

26. The cost to the Government in connexion with the new milk powder plant is estimated as follows:

	<u>Zlotys</u>
a) erection costs	6,000,000
b) annual subsidy on powder sale from Krotoszyn plant	25,000,000
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	31,000,000

27. Approximately US\$700,000 would be considered as matching for the proposed UNICEF allocation.

