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EGYPT

NOTE FROM THE FIELD

Enhancing Quality, Boosting Incomes

A USAID initiative empowers small-scale dairy producers and increases their incomes

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USAID/Shaymaa Omran

Om Omar, pictured above, is the head of one of the milk production groups in Defino village.

“As a result of their training and cooperation, the women of Defino increased their income by 13 percent in only three months.”

A program in Egypt is boosting women's incomes by encouraging collective action and quality monitoring. Funded by USAID, the four-year Agricultural Exports and Rural Incomes ([AERI](#)) project is designed to address three closely related socio-economic problems in Egypt: high unemployment, low rural income and underdeveloped agricultural export potential. The goal of AERI is to increase rural incomes and on-farm and agro-business jobs. Its purpose is to strengthen the competitiveness of Egyptian agriculture in a global economy by expanding farmers' and agribusiness firms' access to the knowledge, technology, markets and institutions that are key elements for success. Currently, 80 percent of Egypt's non-petroleum exports are agricultural products, and the sector has strong potential to provide additional sources of revenue and employment for Egypt's poor.

USAID/Egypt elaborates on the success of one of AERI's participants below:

“Om Omar lives in Defino, a village in Egypt's Fayoum Governorate. She and her husband have five children, and like many women in her village, Om Omar sells milk from her cow and buffaloes to a traditional milk collector. Prior to becoming involved with AERI, the price that she and her neighbors received depended on their bargaining skills — up to \$0.15 per kilogram of cow milk and \$0.26 per kilogram of buffalo milk. This relationship greatly benefited the collector, who resold the milk to a dairy processor at a much higher price. The low prices reduced the producers' incentive to sell. In fact, they often chose to turn their excess milk into other dairy products for their families' consumption.

“USAID is working to empower southern Egypt's small-scale dairy producers and increase rural income and exports. One of the first steps in the process was to help the producers form an association that would give them more leverage with buyers. The Defino Small-holders Association, established in July 2004, now has 60 members, 80 percent of them female. Through intensive training, USAID helped the association's members develop marketing skills, increase production and improve animal health through periodic veterinary check-ups.

“Thirty-two members, divided into two groups, have since entered into an agreement with a dairy processor. Om Omar is the head of one of the two groups and is responsible for receiving milk from the other women and recording the quantity in a journal. Each day she gives the milk to a dairy processor at a collection point established by the Association. At the end of the week the processor pays her for the week’s milk. After deducting a small percentage to support the group’s activities, Om Omar pays the members of the group. The contract the Association developed establishes quality standards that will bring higher prices for the producers and uses a transparent payment system based on weight and fat content, rather than the barter system used previously.

“As a result of their training and cooperation, the women of Defino increased their income by 13 percent in only three months. They now sell buffalo milk for \$0.30 per kilogram (a 17 percent increase) and cow milk for \$0.17 per kilogram (an 11 percent increase). During their first quarter, the group collectively earned \$5,087, up from \$4,561 during the same period in 2004.

“Repeat customers and high demand for their milk represent Defino's ultimate success, but these women have been empowered to do more than maximize profits. Om Omar used to be illiterate, but with the increased responsibilities that come with her new job, she has taken the initiative to teach herself how to read and write so that she can record the farmers’

names and the quantity of milk she receives from them. With her additional income, Om Omar was able to improve her home, purchase household furnishings for her children’s marriages, and buy chickens and goats to diversify her household income sources.”

USAID/Egypt also has several other examples of projects which have successfully increased incomes, including improved [herd management](#), innovative [agricultural processing techniques](#), and a program to augment [animal health](#).