



FIRST PERSON

Milk Cooperative Boosts Family Income

Smallholders band together to get a fair price for their milk



Photo: USAID/Shaymaa Omran

Om Omar used to be illiterate, but after becoming head of a group of dairy producers, she taught herself how to read and write so she could keep accurate records.

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. The price she and her neighbors get depends 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.

USAID is working to empower southern Egypt's small farmers and increase rural income and exports. One of the first steps was helping the producers form an association that would give them more leverage with buyers. The Defino Smallholders 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. The contract 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, they earned \$5,087, up from \$4,561, during the same period in 2004.

Repeat customers and high demand for their milk is 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 names and quantity of milk she receives.