

UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



DISTR.  
LIMITED

E/ICEF/L.1175  
30 January 1958

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND

Programme Committee

Recommendation of the Executive Director for an Allocation

IRAN

Milk Conservation

1. The Executive Director recommends an allocation of \$29,000 to provide an additional boiler and three bulk milk dispensers and to cover certain miscellaneous costs not fully covered by previous allocations, including costs of erection supervision. The bulk milk dispensing tanks will be used to test the desirability of a new method of milk distribution in those parts of the city where the cost of milk in bottles may prevent low income families from buying milk. The bulk milk dispensing system is currently gaining favour in certain European countries and is being tried out with aid from UNICEF in India.
2. Previous allocations approved by the Board for this plant in September 1951 and March 1953 total \$418,000 (exclusive of freight). With the approval of the allocation now recommended, UNICEF's contribution (exclusive of freight) would total \$445,000. The allocation now recommended would be expected to complete UNICEF's financial assistance to this project. The Government has expended funds equivalent to US\$1,100,000 on construction of the plant and on additional equipment and supplies.

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3. The plant, with a daily capacity of 60,000 litres, started processing milk on 9 November 1957, receiving at first about 5,000 litres daily. The amount of milk received has been increasing as the operating staff is trained and as the market develops for pasteurized milk and other products of the plant, and by 13 January 1958 the daily milk receipts were up to 15,000 litres of which about 10,500 litres are pasteurized and bottled while 2,500 litres are made into yoghurt. About 250 kilogrammes of pasteurized butter is made daily. Free deliveries of pasteurized milk (in one-quarter litre bottles) were reaching 2,280 beneficiaries daily by mid-January, and free distribution is increasing steadily. The rapid growth of intake and output has agreeably surprised all concerned and attests to the need for and acceptability of the plant production.

4. Ten per cent of the milk is to go free of charge to children during the first year of plant operation. As the amount of milk processed in the plant increases, the number of children receiving free milk will increase. From the second year onward the percentage of free distribution will increase to fifteen per cent of the milk received at the plant. Thus, when the plant receives 50,000 litres daily, 30,000 children will benefit directly. It is expected that this goal will be reached during 1959. In addition, the plant is providing better quality milk and milk products to consumers in Teheran and vicinity at prices comparable with those for similar but less hygienic products sold locally. As mentioned above, if carefully controlled bulk distribution is found acceptable, milk prices will be reduced appreciably.

### Organization

5. The plant is being operated during the first year as an organ of the Plan Organization under the control of a three-man board composed of the following:

- a) Deputy-Director of Plan Organization (Chairman)
- b) Under-Secretary of the Ministry of Health
- c) Under-Secretary of the Ministry of Agriculture

A representative of UNICEF sits with the Board but does not have a vote. The Board has appointed an Iranian manager who operates the plant and reports to the Board periodically.

6. The Plan Organization, under its terms of reference, is required to transfer operation of the plant to some other designated agency after a trial and training period. No definite decision has been reached as to the shape the permanent organization will take, but serious consideration is being given to setting up a producers' co-operative to manage the plant under conditions to be agreed to between the Government and UNICEF. The Government has agreed to continue to operate the plant under the present plan until a permanent organization can be perfected to take over operation of the plant. FAO has been asked by the Government to provide an expert in co-operative dairying as soon as possible to help in this field.

### International assistance

7. At the present time the plant is receiving considerable support from the following United Nations and other agencies: (The Board of the plant co-ordinates the assistance from the various sources.)

- a) FAO using technical assistance funds is providing:
  - i) a plant management adviser, who is training technical staff in the plant;

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- ii) a dairy production expert, who works with the producers supplying the plant, helping them to improve milk quality and cut production costs.
- b) WHO, upon request of the Ministry of Health, has assigned a WHO expert to advise in developing the National Food Control Laboratory in Teheran, and to supervise laboratory control techniques and procedures at the plant.
- c) The ICA (U.S.A.) is supporting the Government's programme of dairy cattle breeding, feeding and management in the Teheran area.
- d) The Government Affairs Institute (a non-profit organization employed by the Plan Organization), is assisting the management of the plant in establishing a personnel management plan and an adequate financial accounting and recording system.
- e) UNICEF, at the request of the Government, has temporarily detailed one of its Headquarters staff to assist the plant manager in developing the milk collection and distribution pattern, giving due attention to the economic soundness of the operations. He will work closely with the Government, the FAO, WHO, the ICA experts, the Government Affairs Institute, and the UNICEF Resident Representative in laying the basis for the permanent operation of the plant; and the distribution of free milk to needy children.

UNICEF commitments

8. UNICEF would provide the following:

	<u>US\$</u>
a) <u>To cover a deficiency of funds for items provided under previous allocations, including the cost of supervision of erection.</u>	12,000
b) <u>New items: boiler, bulk distribution tanks</u>	<u>15,000</u>
Total equipment and services	27,000
c) <u>Freight</u>	<u>2,000</u>
Total recommended allocation	29,000

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FAO approval

9. FAO has given its approval to this project.

Government commitments

10. See above, paragraph 2.

