

# Egypt - Dairy Sector Development

Country: Egypt

Client: EU

**Project duration: 2011-2012**

**The overarching goal of the project was to identify needs and propose actions aimed at improving the performance of agricultural SMEs (Small Medium Enterprises), focusing specifically on small and medium farmers. The rationale was to strengthen and increase the economic efficiency of the Egyptian dairy sector by improving small farmers' livelihoods, linking them to the market, improve their productive and allocative capacity, create employment and reach a sustainable development model.**

Specific objectives of the project were:

1. to provide a study on the dairy sector in Egypt;
2. formulate terms of references (ToRs) for a Technical Assistance (TA) programme aimed at:
  - strengthening one or more elements of the dairy value-chain;
  - bring small farmers at the appropriate level of sanitary and phyto-sanitary standards
  - develop small farmers' marketing capacity and build contractual partnerships amongst agri-business stakeholders.

The objectives of this study were divided into three phases aimed at gradually identifying and focusing the scope of intervention of the TA:

1. an evaluation describing the current situation and dynamics of the Egyptian dairy sector by focusing specifically on: type and size dairy farmers and agro-business, production, processing and distribution channels and the links between small farmers and the agro-businesses. The evaluation identified the main gaps and bottlenecks as well as potential areas for sector development. This phase allowed for an evaluation and subsequent choice of different value-chain development scenarios for further analysis and for the eventual identification of a subsequent TA intervention.
2. specific recommendations for intervention and a proposal of several development scenarios for one element of the dairy value-chain and sector development. An analysis of the scenarios was provided, and the rationale for the choice of these scenarios identified and justified. The recommendations also outlined the potential for development, specifically focusing on small farmers and, including realistic proposals to overcome constraints and investment estimations (both from public and private side).
3. provision of a TA programme in the selected element of the dairy value-chain. The programme included the formulation of a financial plan and TA program focused on achieving improvements for small and medium farmers, either directly or indirectly.

