



# NOW

ANNUAL  
REPORT  
2012

HEIFER  
INTERNATIONAL





*“When they reach out their hand, it’s not for a handout, but it is for us to take and for us to walk together.”*

— UNKNOWN

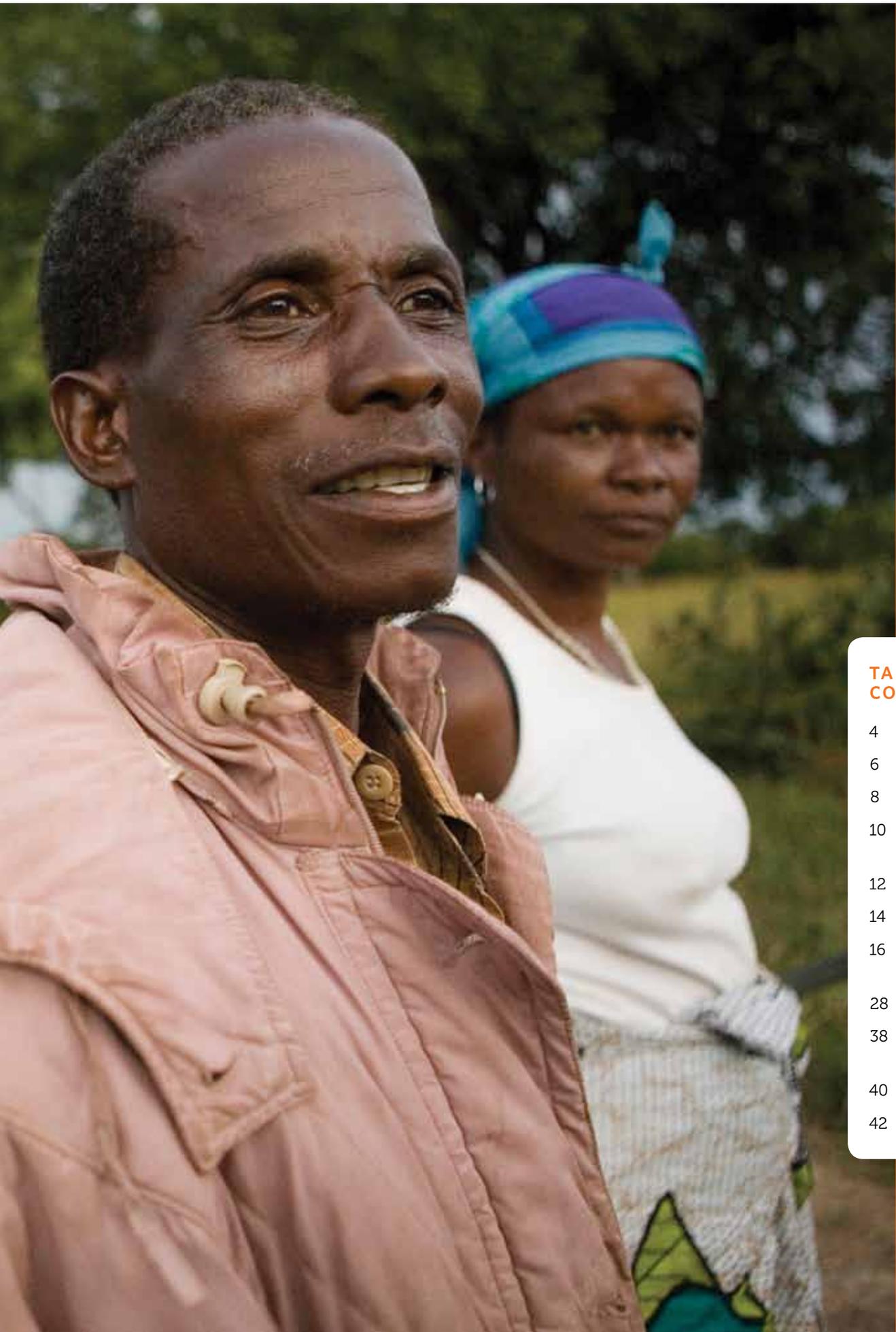


# Mission + Vision

Heifer International works with communities in need around the world to end hunger and poverty while caring for the Earth.

We envision a world of communities living together in peace and harmony and equitably sharing the resources of a healthy planet.

Since 1944, Passing on the Gift® has been fundamental to Heifer's approach to sustainable development. As people share the offspring of their livestock gifts and the knowledge they received from their trainings with others, an ever-expanding network of dignity, hope and self-reliance is created, reaching all the corners of the globe.



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**NOW  
is the  
time  
to act**



## Dear Friends, Partners and Activists in Ending Hunger,

In the Chitwan area of Nepal, the Kabilash village is situated on very high hills. The beauty of the hills is stunning and with the monsoon rains, the vegetation is deep green and lush. More than 1,000 families live scattered on these hills with few resources, struggling for food, and yet inspired by the beauty all around them.

This is a sad truth for many families in villages and cities around the world. And although Heifer has been successfully working for almost 70 years with resource-poor individuals and communities around the globe, there are still so many more that need our help.

In 2011, Heifer International set three strategic priorities: to scale-up program impact, to grow and diversify revenue and support, and to strengthen our core global operating systems. We have made excellent progress!

To increase our programmatic impact without losing the foundational focus of building community spirit and commitment to self-reliance, we asked our country programs to create and execute larger scale projects that would enable us to help more families faster. We developed new programs and initiatives using our 12 Cornerstones for Just and Sustainable Development to support these efforts. To date, Armenia, Haiti, Nepal and the United States have launched Signature Projects that align with our new

programmatic approach and serve as models for our new direction. These projects are at the upper edge of our work, in scale, scope, cost, number of participating families and impact. They also represent Heifer's future focus, larger and more impactful projects where our limited resources can provide the greatest benefit, and demonstrate our work at a very deep level. Additionally, these projects give us the opportunity to integrate across all channels—program, fundraising and finance—for maximum efficiency and impact.

We hired additional staff that had local knowledge and expertise and who could add to our opportunities and enhance our capabilities. We are very intentional in building local capacity with numerous local non-government organizations (NGOs) and local project partners. Our intent is to support the development of a strong and vibrant civil society to continue the work as needed. There is no doubt that every Heifer project has signature quality and impact; however, this handful of projects provides the next step, a significant step, toward our goal to end hunger and poverty and protect the planet.

Generous and committed donors already contribute to our revenue through channels such as our catalog, our direct response and [heifer.org](http://heifer.org), but to grow and diversify our revenue base, we began to build stronger and more

**Your support to this organization has been invaluable. You lend your voice to those that need help and your deep belief in our mission has enabled us to empower women, men, girls and boys all over the world to change their lives.**

impactful partnerships in the United States and globally. We invested more in Internet marketing, retooled heifer.org for an improved donor experience and reengaged our programs with schools and congregations. These activities are and will continue to be supported as we implement stronger core global systems, such as our Enterprise Resource Planning (ERP) system that will support our organization's efforts to integrate everything we do in the donor, programmatic, financial, accounting and human resource systems. We launched the first phase of ERP this year; our complete system is expected to be in place across the organization by December 2013.

We have made these changes because the communities with whom we work are demanding more action, more impact and more families with sustainable livelihoods. Heifer has always believed in a ground-up approach and recognized that the community's needs should drive our support to create a lasting impact.

For communities such as the Kabilash village, participating in a newly developed project under our new approach will mean that they will now be able to improve their income, increase their assets, improve their food security and nutrition and protect their beautiful surroundings. Imagine the impact that 1,000 families from this village will have as they transition from recipients to donors. Now, imagine that they are only one village that is part of one large project that will help more than 138,000 families. It is happening NOW.

We can end hunger and poverty. We, meaning our donors, our staff, our project partners, governments and our project participants – WE.

As we celebrate the achievements of our project participants and staff, it is also important to recognize the incredible efforts of you – our donors. Mother Teresa said, "I alone cannot change the world, but I can cast a stone across the waters to create many ripples." Your support for this organization has been invaluable. You lend your voice to those who need help and your deep belief in our mission has enabled us to empower women, men, girls and boys all over the world to change their lives.

The results of our combined efforts have not gone unnoticed. In late June of 2012, Kiwanis International

presented Heifer with its highest honor – the 2012 World Service Medal. We were humbled, yet so pleased to accept this honor on behalf of our project partners and participants around the globe. Heifer was named *Arkansas Times'* "Best Charity," and *ABC News Blog's* "Favorite Charity." *USA Today* featured Heifer in its "Charity Spotlight." Some of our specific country programs were also acknowledged – such as Heifer Uganda's biogas program, which InterAction recognized as a "Best Practice and Innovation."

As you read through the pages of this Fiscal Year 2012 Annual Report, you will see the detailed and extensive progress that Heifer has made toward our mission and strategic priorities. I know that Heifer is taking steps in the right direction. The needs are huge. There is much to learn and much to do, but the opportunity to do values-led and impactful work is there for the doing. NOW is the time to step up our efforts, NOW is the time to act.



Pierre Ferrari  
President and CEO, Heifer International



*Khayarmara project site, Mahottari  
Integrated Livestock Development Program*

# A World in **CRISIS**

Global hunger and poverty levels are at unprecedented levels.

More than ever before, now is the time for us to act swiftly, with intelligence and with more heart and conviction in our mission than ever before.

Heifer International works in more than 40 countries around the world.



## Americas

ARGENTINA\*  
BOLIVIA  
BRAZIL\*  
CANADA  
ECUADOR  
GUATEMALA  
HAITI  
HONDURAS  
MEXICO  
NICARAGUA  
PERU  
USA

**2.9**  
**billion**

of the world's estimated  
population lives  
on less than \$2 a day.

[SOURCE: UN.org]

## Central/ Eastern Europe

ALBANIA\*  
ARMENIA  
ESTONIA\*  
GEORGIA  
KOSOVO\*  
LATVIA\*  
LITHUANIA\*  
MACEDONIA\*  
POLAND\*  
ROMANIA  
SLOVAKIA\*  
UKRAINE

## Asia/South Pacific

BANGLADESH  
CAMBODIA  
CHINA  
INDIA  
INDONESIA\*  
NEPAL  
PHILIPPINES  
THAILAND\*  
VIETNAM

## Africa

CAMEROON\*  
GHANA  
KENYA  
MALAWI  
MOZAMBIQUE\*  
RWANDA  
SENEGAL  
SIERRA LEONE\*  
SOUTH AFRICA  
TANZANIA  
UGANDA  
ZAMBIA  
ZIMBABWE

Map denotes countries in which Heifer operated as of December 2012.

\*Country program either closed or phasing out.

# The **Heart** of Our Mission

For nearly 70 years, sound community-based work has been our business. We have built social capital and business skills while equipping the world's most vulnerable populations with knowledge to empower communities to take action and achieve sustainability.

We live in a world of constant change and we realize that now is the time to adapt to the new global space.

Through scaling up our individual programs' impact and expanding our outreach to include the world's most marginalized populations, we are transforming ourselves into a stronger organization.

We are committed to providing deeper and more profound sustainable impact through all of our programs and projects. We are committed to reaching even more people than ever before.





## Heifer's Cornerstones

.....



Passing  
on the Gift



Accountability



Sharing  
& Caring



Sustainability  
& Self-Reliance



Improved  
Animal  
Management



Nutrition  
& Income



Gender &  
Family Focus



Genuine Need  
& Justice



Improving the  
Environment



Full  
Participation



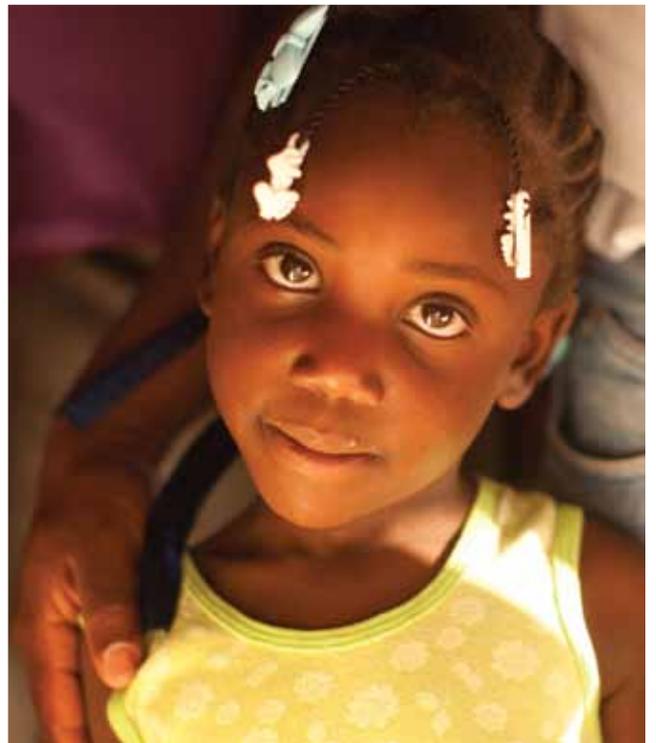
Training &  
Education



Spirituality



# Impact + Accountability



**Direct Inputs:** Context specific training and physical inputs like livestock and seeds

**Indirect Benefits:** A result of direct inputs, indirect benefits include community building, indirect training and improvement in the environment

## One family aided is one family changed

Heifer International uses both direct and indirect benefits in its impact evaluations and reporting. The combination of both the direct and indirect benefits calculated through accepted multipliers—like pass-ons—establishes the number of families helped.

Heifer is confident when we say “we make an impact,” but it’s imperative that “impact” be measurable, tangible and concrete. This is the basis for our Theory of Change, diagrammed on the following pages. Heifer’s definition of holistic and sustainable impact includes five categories of impact or change in the lives of its project participants and their communities:

**Increased income and assets**

**Improved food security and nutrition**

**Improved environment in terms of climate change adaptation/mitigation and risk management capacity**

**Empowered women and improved gender equity**

**Increase social capital, including increased capacity of local organizations and a supportive policy environment**

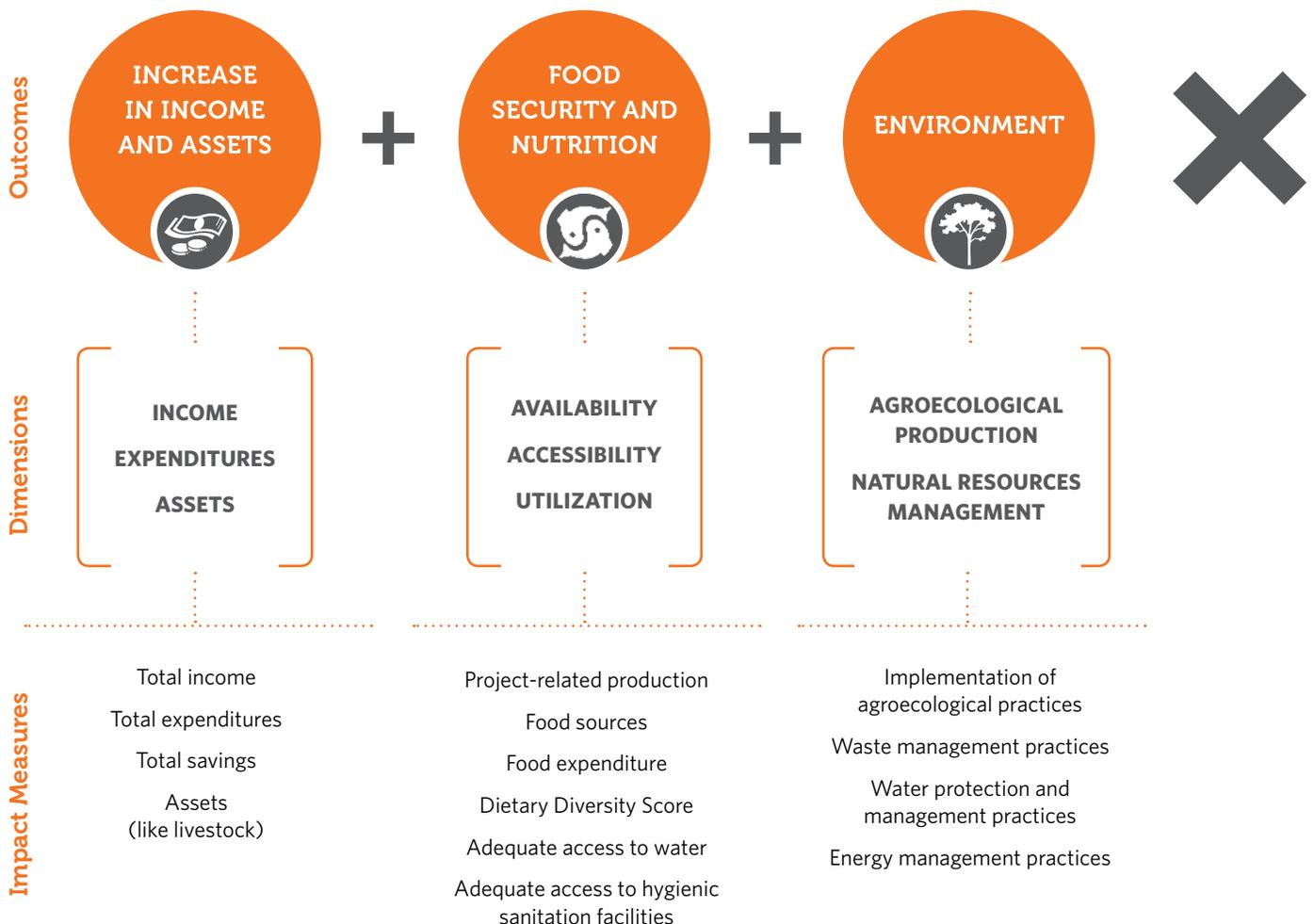
While objectives may vary, all these impacts will be present and measured at the project level.

# Theory of Change + Impact Measures

**Factors contributing to poverty and hunger:**

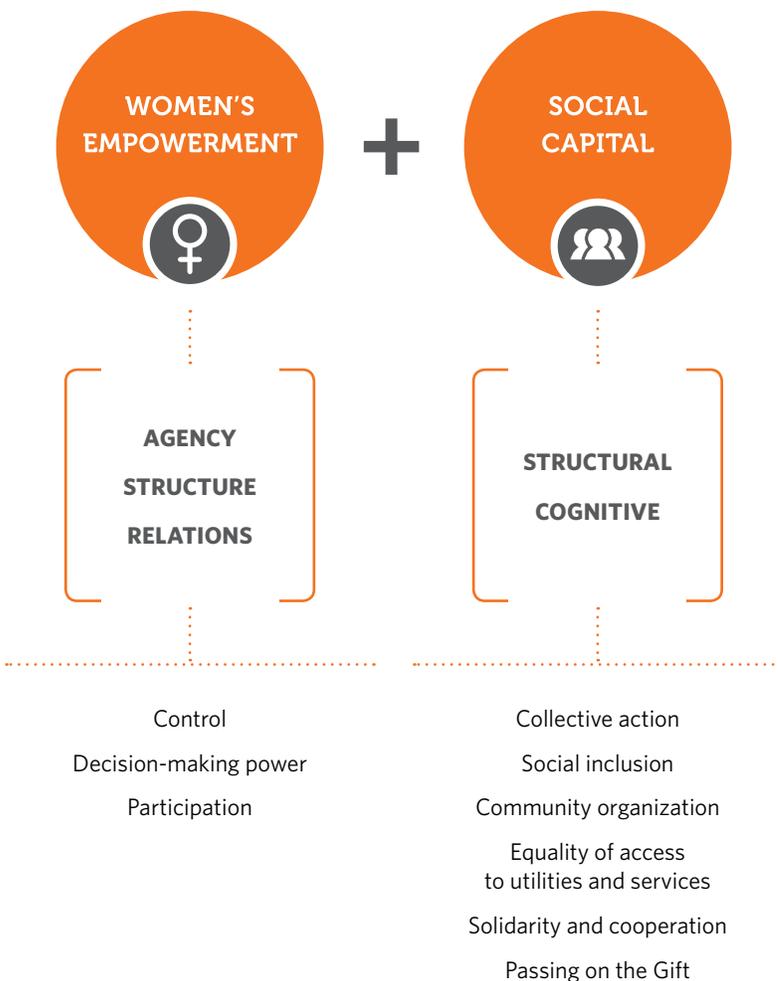
Marginalization, gender discrimination, lack of access to resources and services, lack of diversified livelihood opportunities, vulnerability, low income and environmental degradation

**Goal: Improved global sustainable livelihoods**



**From Vulnerability to Sustainability**

Heifer believes that it significantly contributes to feeding the world and securing sustainable livelihoods by enhancing the capacity of vulnerable and smallholder farmers, especially women. Accompanied by strong social capital and women’s empowerment, a multiplier effect results creating sustainable reduction in world hunger and poverty.



**... work** with the most vulnerable and marginalized populations, especially women, who lack access to resources, services or opportunities. Our strategy is first to set them on a path to being less vulnerable and relatively food secure, and then to being resilient, sustainable and linked to markets, recognizing that being vulnerable and marginalized is not a choice, but the result of historical events, economic disparities, social inequalities and injustice.

**... work** with more community members on the ground to help set the community development process in motion, assuring greater impact that goes beyond Heifer and optimizes the value and potential of scarce resources.

**... partner** with governments, private sector organizations, nonprofits, coalitions and networks as key players to help deliver programs and services.

**... shift** project size from an average of 200 families to at least 1,000 families so that we can better address the scope of hunger and poverty.

**... grow** the impact of individual donors by combining them into communities of support and leveraging their donations with institutional support.

# A Year in REVIEW

2011-2012 TIMELINE

JULY 2011

AUGUST 2011

SEPTEMBER 2011

OCTOBER 2011

NOVEMBER 2011

DECEMBER 2011

Heifer announces commitment to Haiti at Clinton Global Initiative meeting



*The New York Times* recommends Heifer as Alternative Gift Choice



Actresses and activists Susan Sarandon and Eva Amurri Martino visit Heifer projects in Cambodia



Actress Serinda Swan visits Heifer projects in Cambodia

Heifer International USA announces Seeds of Change Initiative



New solar panels at HQ



*“Giving a Heifer gift feels so good. It feels good to give and it feels good to get. You know somewhere around the world a family is being given life and health and hope. What could be better than that?”*

— SUSAN SARANDON, Actress and activist

JANUARY 2012

FEBRUARY 2012

MARCH 2012

APRIL 2012

MAY 2012

JUNE 2012

Armenia Signature Project delivers first tractors



Nepal Signature Project announced



ABC News blog names Heifer as a favorite charity



Heifer receives Kiwanis International World Service Medal



In collaboration with The World Bank, Heifer Armenia launches the Armenia Smallholder Farmer project



Elanco and Heifer partner to increase food security in China



Betty Londergan begins her Heifer 12x12 blog



EADD awarded an extension grant from the Bill & Melinda Gates Foundation



Heifer Bangladesh registers as official NGO



Top Chef Masters Contestant Patricia Yeo competes for Heifer





USA

# Making a **Greater** Impact

This past year, Heifer International made significant progress on the East Africa Dairy Development project and announced four new Signature Projects that are **designed around the Theory of Change** to make a larger scale impact.

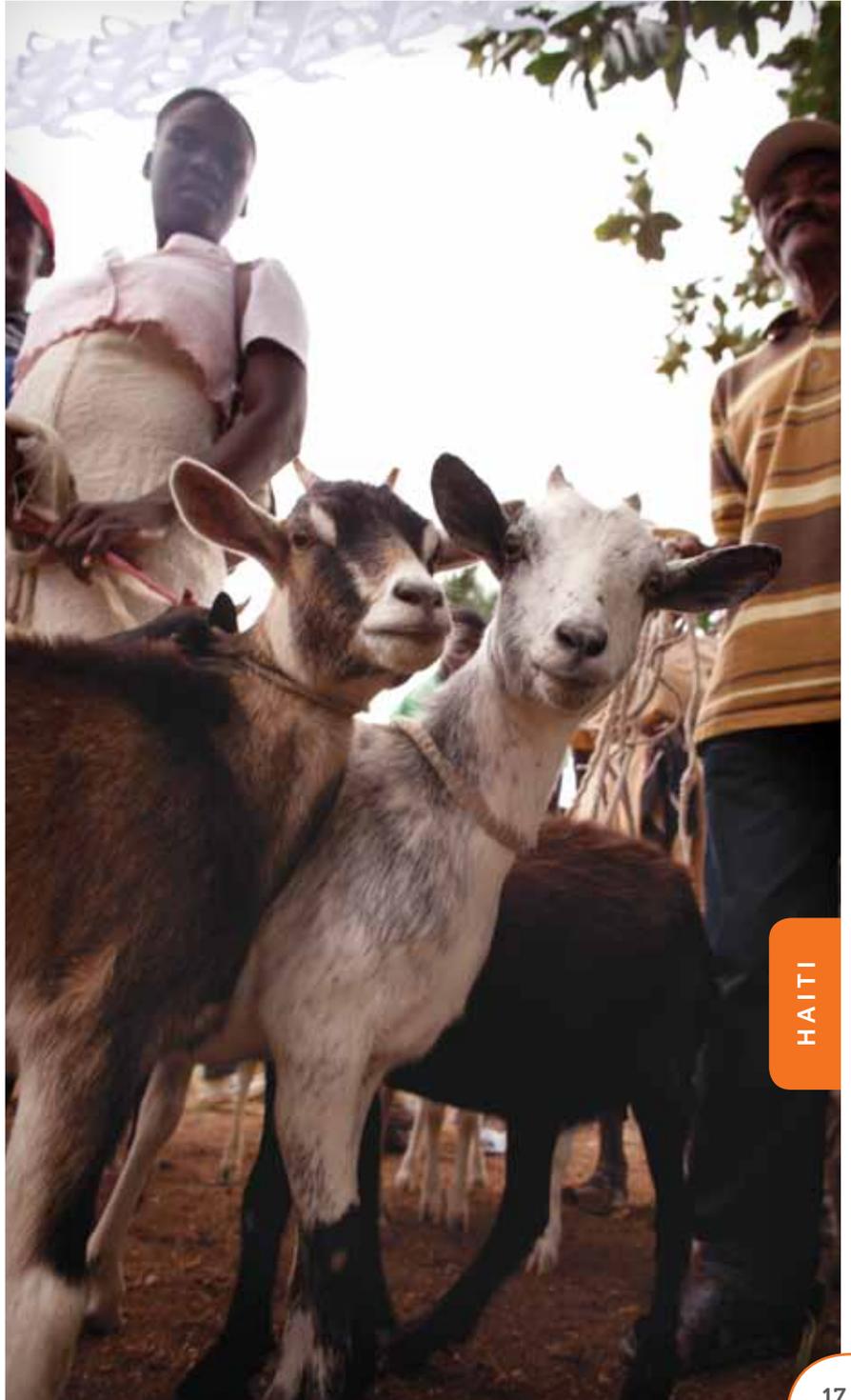


NEPAL



EAST AFRICA

ARMENIA



HAITI



HAITI





## Reaching Self-Reliance in Haiti

REACH will build up five livestock sub-sectors—goats, cattle, poultry, fish and pigs using integrated farming to improve production and strengthen linkages with buyers. Haiti has a long history with livestock and agriculture, but both are sorely underutilized. With training in animal management and environmentally friendly crop production, Heifer will promote agroecological farming practices and natural resource management to help rehabilitate and change the lives of 20,250 Haitian families.

Heifer International will improve economic opportunities in Haiti through:

### **Livestock improvement and eco-husbandry training**

Local animals will be crossbred with improved breeds, creating more meaty and revenue-generating animals.

### **Micro-business formation**

Community breeding centers will be established through training farmers in accounting, marketing and financing.

### **Creating links between farmers and higher-value markets**

The value chain approach will be used to identify higher-value livestock markets for producers to supply to and obtain higher prices for their products.

*Vilbon Dorcenat with goats he received at a POG ceremony in the Haitian village of Maniche.*





## Strength in Numbers

The average Nepalese farmer owns less than 1.2 acres of land. However, even on such small plots, livestock has the potential to improve diets and increase incomes.

For farmers—especially marginalized women—to thrive, they must work together, have higher-quality animals, be trained in better farming methods and be connected to formal agricultural markets.

Through this project, thousands of women will be transformed into powerful small farmers and business-women, selling meat and milk in organized markets.

To help Heifer bring our work to exponentially more families than ever before, this project was designed with several significant programmatic innovations:

**Co-mentoring**

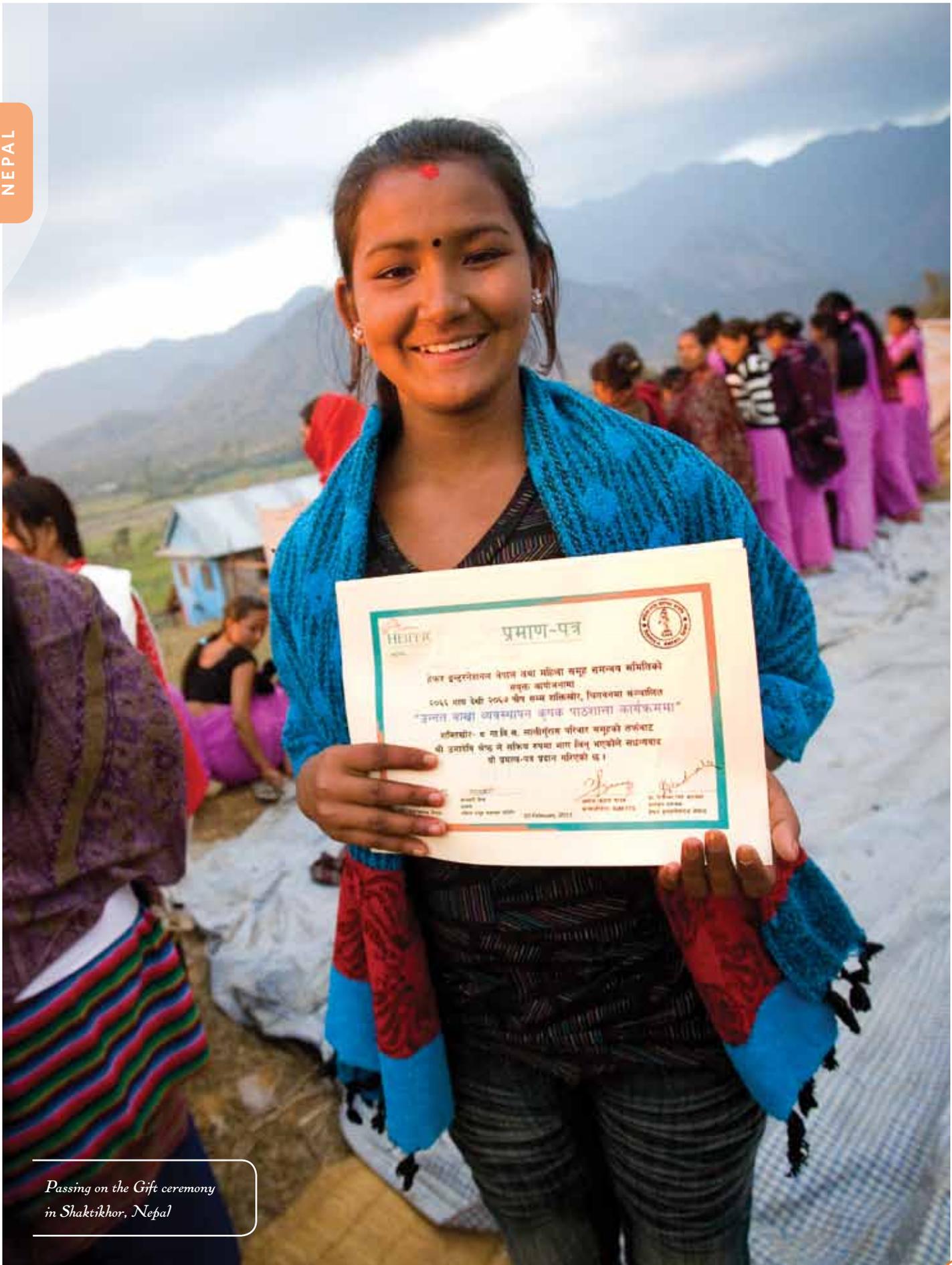
**Rapid expansion**

**Community Agrovet Entrepreneurs (CAVEs)**

**Cooperatives**

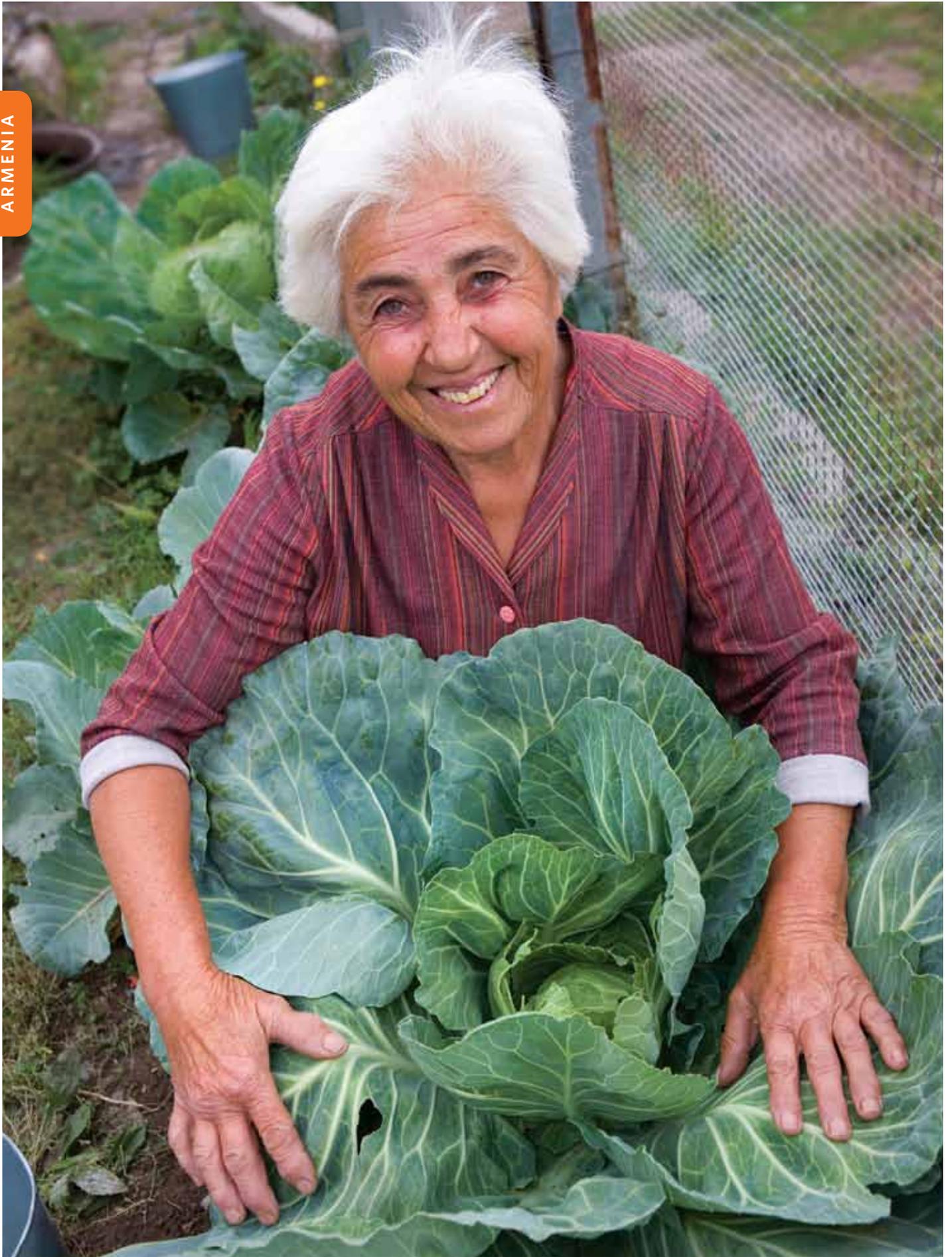
With a pledge of \$4.8 million from local supporters in Nepal, this project, totaling \$23.8 million, will focus on food security, nutrition and self-sufficiency in the milk and goat meat subsectors and ensures small, resource-poor farmers' participation in the national food market web. By 2016, Heifer aims to reduce live goat imports by 30 percent and milk by 10 percent by involving 138,000 farmers in 28 districts in value chain enterprises of goat and dairy for increasing their family income and nutrition level.





Passing on the Gift ceremony  
in Shaktikhor, Nepal

ARMENIA





## Supporting Armenia's Small Farms

Smallholder agriculture in rural, mountainous Armenia is in sharp decline. Lack of access to agricultural markets discourages community development and insufficient infrastructure impedes the ability of rural Armenians to improve the health and productivity of their farms. This \$10-million multi-year initiative will directly assist 4,400 smallholder farm families in Armenia and will be funded with a \$5-million credit from the World Bank and the government of Armenia, \$1.3 million in funding from Armenian cooperatives and \$3.7 million in support from generous Heifer donors.

Heifer will maximize resources and product potential through improvements in milk production, pasture management and enhanced farm sales. With new and innovative community-based pasture and fodder livestock production, the Armenia Smallholder Farmer Project works with community members on the ground to create viable small farms that will allow 4,400 families to enter the marketplace.

*Mrs. Elena Sargsyan showing  
cabbage growing in her garden.  
"Families in our community have  
more food security, so the changes  
here have been considerable."  
Gusanagyugh Village, Armenia*





## Making a difference in our own backyard

Growing capacity within value chains for local community food enterprises and markets requires investment but will help connect farmers to consumers and create jobs in local communities. Through partnerships with local agencies and coalitions in two of the most impoverished areas in the U.S.—the Arkansas Delta and Appalachia—Heifer International USA's new initiative will help America's smallholder farmers and their families move from vulnerability to sustainability.

### Arkansas' Bright Future

Agriculture in Arkansas is largely dependent on commodity crop production and the importation of more labor-intensive food crops from outside the region, providing an enormous opportunity for economic development in the state—especially in the rural sector. Heifer International USA will implement its Seeds of Change Initiative in Arkansas to help improve the quality of life of its residents by improving community food security and providing opportunities for livelihood security in sustainable agriculture for food production and enterprise development.

Heifer USA will work with other organizations throughout the state that share our mission of ending hunger and poverty to build collective impact that serves the joint mission of all organizations and the local communities.

### Room for Improvement in Appalachia

The Appalachian Region's economy, once highly dependent on mining, forestry, agriculture, chemical and heavy industry, has become more diversified in recent times, and now includes manufacturing and professional service industries. Appalachia has come a long way in the past four decades: its poverty rate, 33 percent in 1965, was 18 percent in 2008. The number of high-poverty counties in the region (those with poverty rates more than 1.5 times the U.S. average) declined from 295 in 1965 to 116 in 2000.

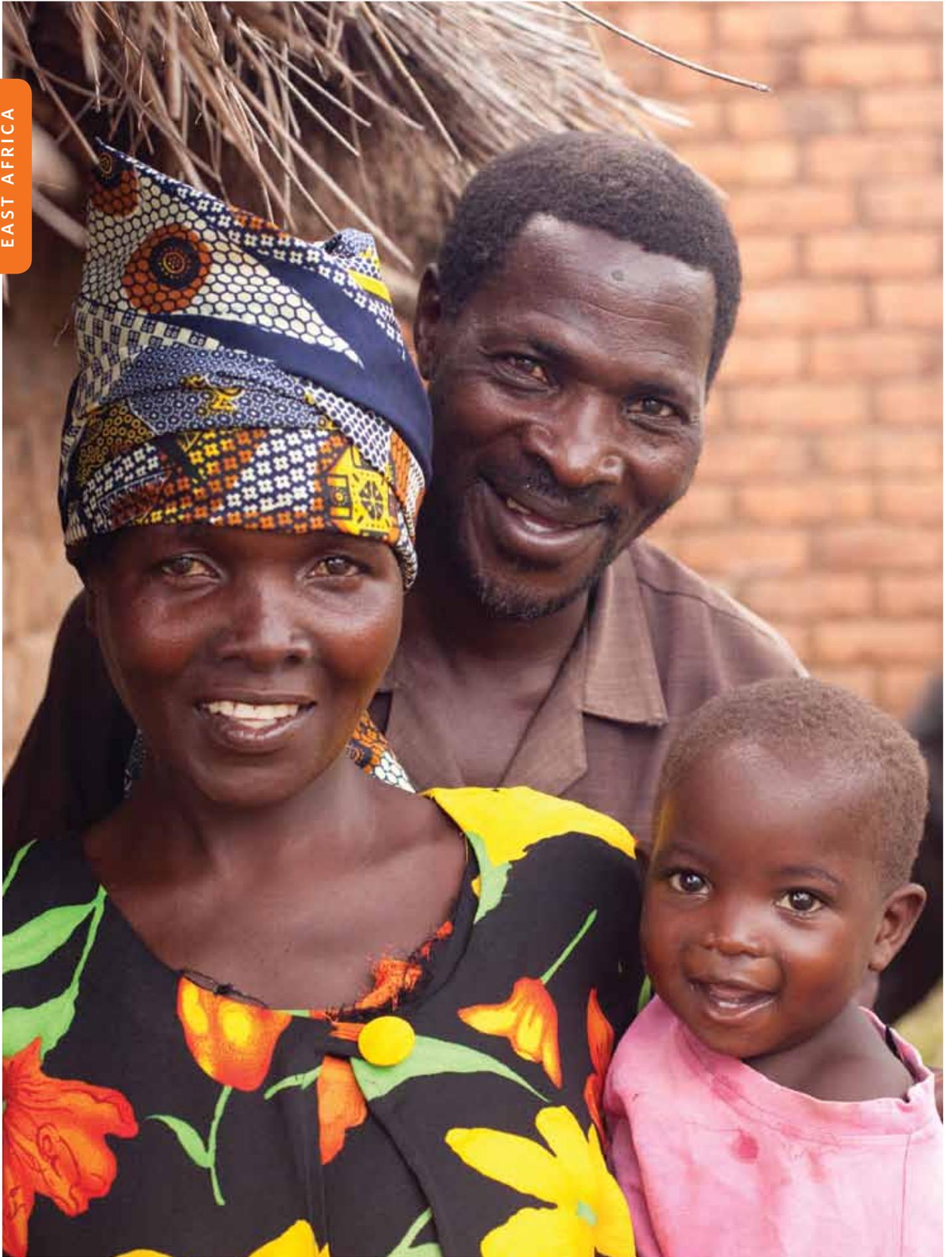
Despite progress, Appalachia still does not enjoy the same economic vitality as the rest of the nation. Central Appalachia in particular still battles economic distress, with concentrated areas of high poverty, unemployment, poor health and severe educational disparities.

Seeds of Change will boost nutrition and local economies by creating jobs and improving access to healthy, locally produced food as well as to improve the environment by supporting responsible agricultural practices.

*Bottom: Heifer volunteers help on planting day at Manos Abiertas at Anathoth Community Garden near Cedar Grove, North Carolina.*



USA





## Milk for Health and Wealth: A partnership with the Bill & Melinda Gates Foundation

Made possible through a \$50-million grant from the Bill & Melinda Gates Foundation, the East Africa Dairy Development (EADD) Project has enabled smallholder farmers in Kenya, Rwanda and Uganda to participate in East Africa's growing dairy industry. In partnership with International Livestock Research Institute, TechnoServe, African Breeders Services Total Cattle Management Limited and World Agroforestry Centre, the project has helped 180,000 families increase their income through dairy development.

### Project objectives:

- The development of 27 new milk collection hubs and the strengthening of 10 existing hubs, including chilling plants for bulking and holding milk for pickup by processors in refrigerated milk trucks
- The formation of 68 farmer business associations that own and manage the plants and develop hubs of dairy business services
- The use of artificial insemination to improve local breeds of dairy cows to produce more milk per day per cow with a focus on animal nutrition and health for better milk quality
- Extensive training in dairy animal husbandry, business practices and other areas of expertise needed for successful operation of a business to produce, process and market dairy products



*EADD is turning resource-limited farmers into independent business people— and turning milk into hope.*



ENTERPRISE  
DEVELOPMENT



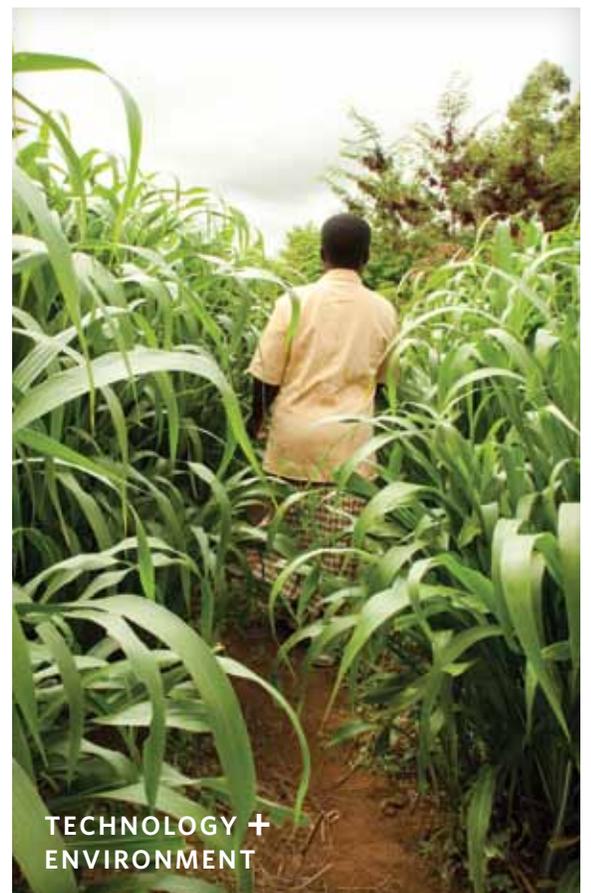
EDUCATION

## Areas of Impact

We know that in order to make sustainable change, we must positively affect all areas of human development. Heifer's approach ensures that education, nutrition, employment and innovations in technology are addressed and incorporated as a positive impact in our project families' lives.



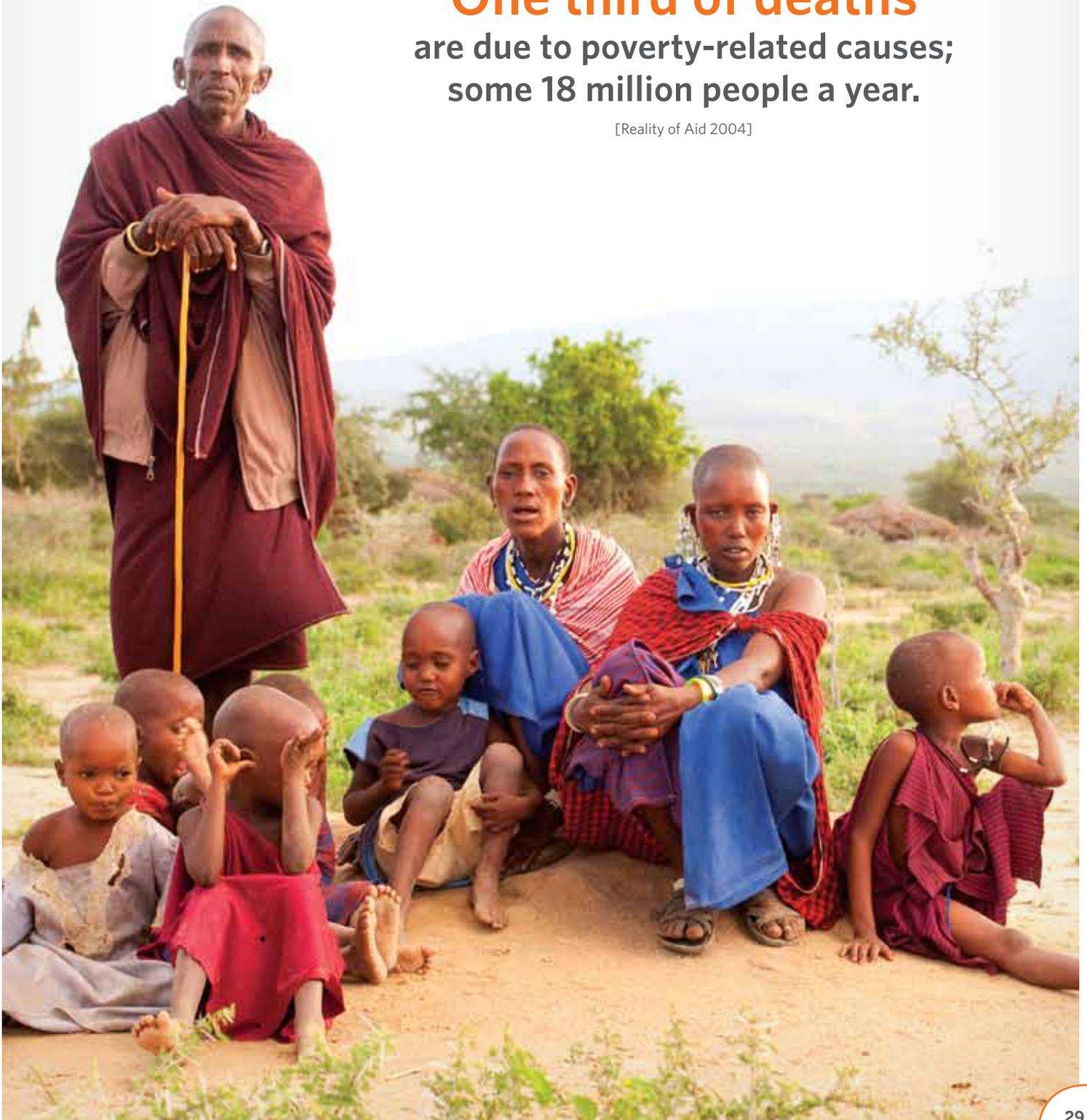
WOMEN'S  
EMPOWERMENT



TECHNOLOGY +  
ENVIRONMENT

**One third of deaths**  
are due to poverty-related causes;  
some 18 million people a year.

[Reality of Aid 2004]



# \*72 million CHILDREN

of primary school age  
are not attending school,  
out of which more than  
39 million are girls.

[SOURCE: unstats.un.org,  
UN Statistical Database]



*Jackie and Teresia studying in their room.  
Gabriela Philf Mushi, Chairwoman of  
Singa Group: "I thought, 'Where would  
these children be in the future if I don't help.'  
—Kilimanjaro Region, Tanzania*

Girls often suffer the most from gender discrimination—when resources are limited they are often the ones who are denied the opportunity to go to school. Heifer works toward creating gender justice in communities we work in, giving girls everywhere an opportunity to fulfill their potential.

## **What you eat affects how you learn.**

Malnutrition affects brain growth and can decrease one's capacity to learn. Preventing malnutrition allows more children in the developing world to go to school, stay in school and enroll in higher education. This increases the likelihood that these children will grow up to be the change makers in their community.

Heifer International helps empower families with training and livestock so that they can ensure that their children's nutritional needs are met and that they can go to school.





\* 820 million people do not have enough to eat; 98 percent of them live in developing countries

[SOURCE: World Food Programme]

\* Chronic food deficit affects 20 percent of the population in developing countries

[SOURCE: WHO]

\* More than 70 percent of children with protein-energy malnutrition live in Asia, 26 percent live in Africa and four percent in Latin America and the Caribbean

[SOURCE: *American Journal of Clinical Nutrition* 2004]

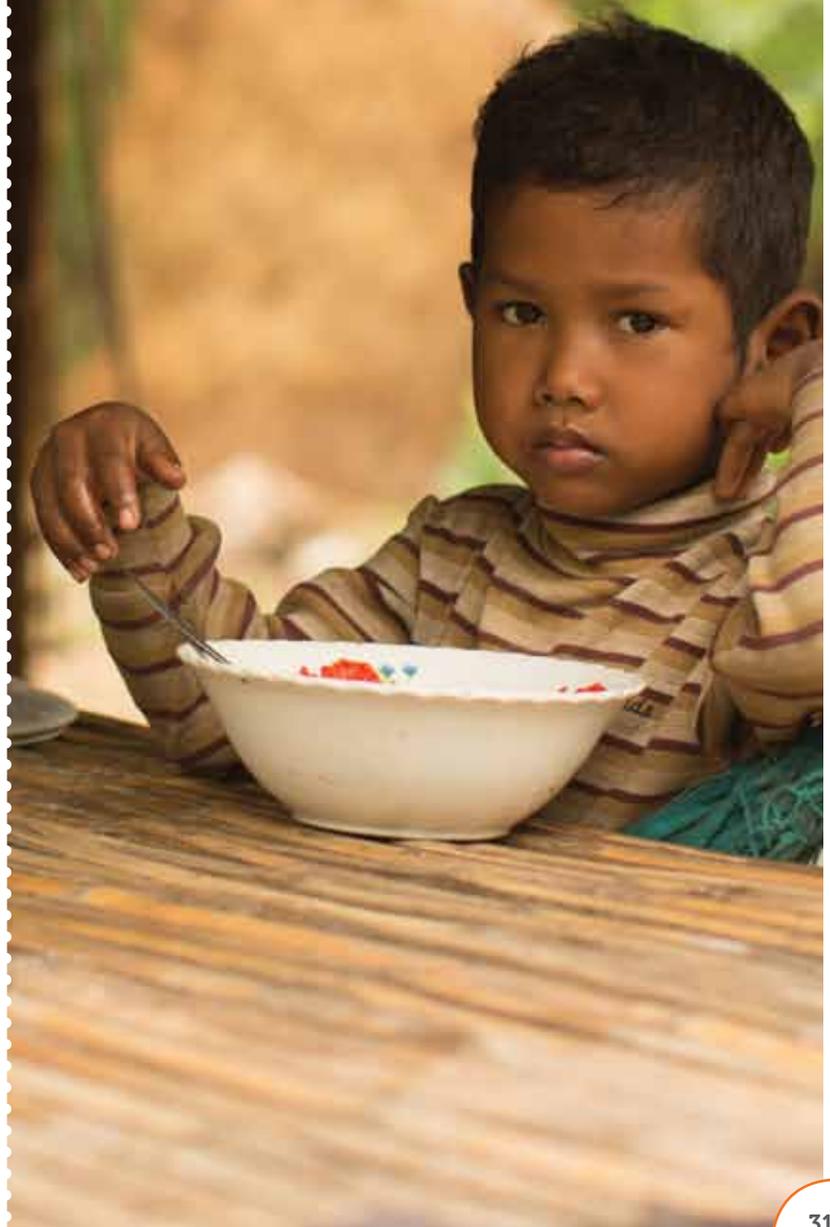
#### Heifer International works to:

- Increase production and productivity of crops and livestock by providing inputs and trainings on animal well-being, agroecological farming and natural resource management as well as enhancing smallholder farmers' access to related inputs and services
- Increase household income by engaging smallholder farmers with various levels of agricultural and dairy value chains, building their capacity on enterprise development and business skills and linking them with profitable markets
- Build social capital and Pass On the Gift as two major crosscutting strategies to address poverty, food insecurity and malnutrition

*In Svay Thom Village, Cambodia, farmers use Heifer's Values-Based Holistic Community Development practices to develop integrated farming systems, health education, community capacity building and livestock and horticulture development for healthier, happier families.*

**\* Every  
six seconds  
a child dies from  
malnutrition and  
related causes.**

[SOURCE: World Food Programme]



## WOMEN'S WORK:

- \* Perform two-thirds of the world's working hours
- \* Produce half of the world's food
- \* Earn only 10 percent of the world's income
- \* Own less than 1 percent of the world's property

[Source: [www.un.org](http://www.un.org)]

*"She now has a role inside our community and she motivates families to be more involved."*

Yolmer Delgado, husband of Madeline Quispe (pictured left, both pictured opposite page)

EL MORANTE VILLAGE, PERU



**Women own less than one percent of the Earth's land yet produce 80 percent of the developing world's food.** They are the backbone of agriculture, and their participation in the family and in communities is of vital importance to creating a vision of sustainable development. With their participation, development efforts in gender equity will not only strengthen the organization, but also generate space for equity of opportunities for both men and women.

### **Gender Equity: A foundation for a stable and strong community**

In the town of Kerguer, Lambayeque, Peru, Heifer's new vision has caught on in the minds of every resident, and especially in participant Rosa Amelia Carlos de la Cruz, 61. She sees gender equity as the means to promote development in the town, the household and in the individual.

De la Cruz has always been hardworking, with a strong desire to push herself and excel. She is concerned with improving the quality of life for families in Kerguer and feels that women's participation is crucial to doing so. However, the town currently reflects a different reality, and women's participation is limited within the community. De la Cruz believes that women feel unprepared to contribute due to a lack confidence in their own abilities to participate and create change.

"A lot of the time a man has more power than the woman and takes advantage of this to make decisions that leave women's opinions on the sidelines," says de la Cruz. "This makes them feel less important than the men. This situation needs to change so that men and women can work together without differences."

Fighting against this inequity is a tireless battle for de la Cruz, but one she fights with optimism. When Heifer's Project COOPCAFE began working with the community in 2011, she observed that the workshops and trainings were helping women feel more confident in their knowledge of caring for the Earth and growing agricultural crops, practices they were already familiar with but needed reinforcement in. Now, the women of Kerguer have developed a sense of confidence, which they bring home and into their jobs.



**Of the 1.3 billion people living in poverty around the world, 70 percent are women.**

[SOURCE: World Revolution]



*Men load a truck with milk for milk cooperative at a collection point in Zavii, Ukraine*

Job creation is the key to addressing poverty where Heifer works. Through enterprise development, especially in the agricultural sector, small farmers can rise out of poverty and into prosperity, creating health and wealth for their families and community.

### A community that works together grows together

Six years ago, a unique cooperative in Ukraine brought together 60 members to work at improving their wellbeing. Today, there are 700 members working together to better their lives and their community. Along with two other co-ops, a co-op union has been formed with plans to launch the first milk processing cooperative plant in Ukraine.

The plant, with a capacity of 12 tons per shift, will receive raw milk from rural families integrated into the cooperatives. Most important, the families are actually the owners of the milk processing enterprise.

To ensure regular milk delivery, there is a plan to build several milk collection and cooling centers in neighboring villages. The project will introduce a new model of dairy cooperation that aims to secure sustainable

price formation and profitability and the continuity of the production cycle. It will also provide guaranteed high-quality dairy products to local social institutions and vulnerable groups of people.

The local community is well known for its initiative and enthusiasm in implementing different ideas and projects. Even during the hardest times, when the entire region suffered from flood damage, they continued to stick together. They shared seeds and seedlings that were left after the disaster and many continued to Pass on the Gifts they received from Heifer. Heifer's project participants value every opportunity and every penny of support, turning them into success for an entire community.





In our world today around 2.5 billion people do not have access to improved sanitation and some 1.2 billion people do not have access to an improved source of water.



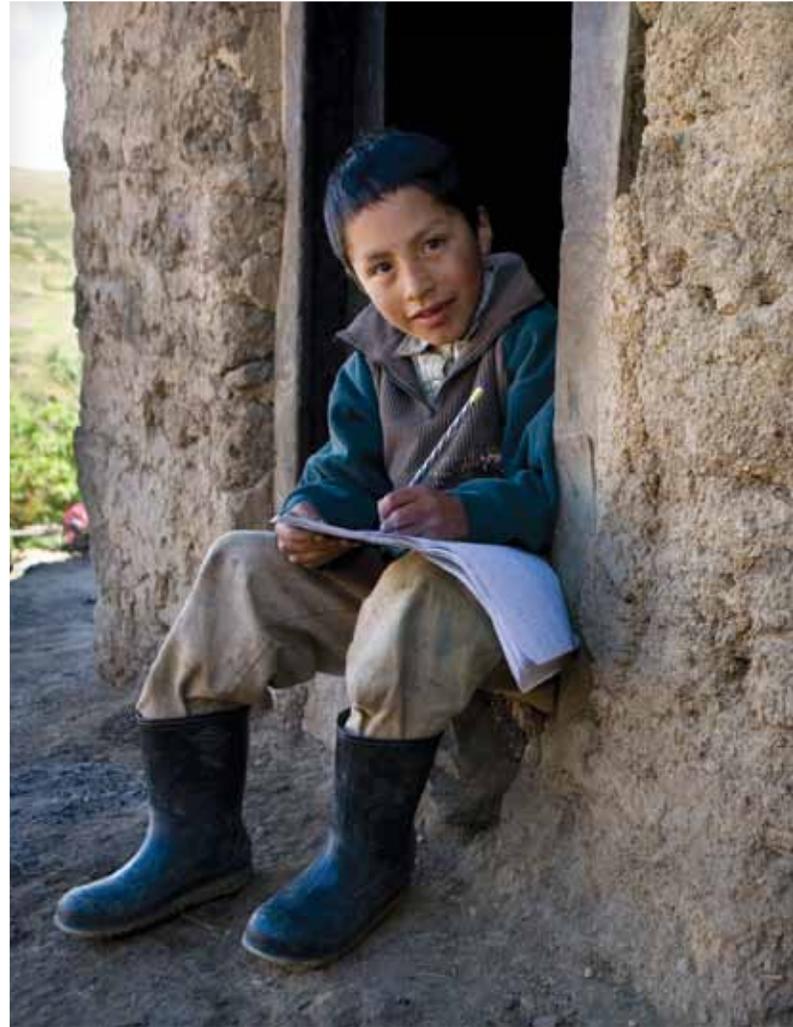
*These women of a newly formed Self Help Group in Samara Village, Rajasthan, India, just completed gender equity training.*

### Innovations in technology mean improvements in health

Gaura Devi, 47, lives in Lakhanar village in the Indian state of Rajasthan. This farmer's wife and mother of six joined the Heifer International self-help group in her village in 2011. She saved a dollar a month for just over a year, and the returns on her savings have been many.

From a \$200 loan, Devi invested half in a machine that helps her remove cream from the milk she sells. With the cream she makes ghee, or clarified butter, which she also sells to improve her income. Devi spent the other half of the loan on a motorcycle for her youngest son and fodder for her goats and cow.

She greatly appreciates all the trainings she has received, but Devi's favorite is the workshop on smokeless stoves. Women in India cook on stoves that use either wood or dung cakes for fuel. As a result, these stoves fill the house with smoke that has an adverse impact on the health of the women who cook. The smokeless stove is a simple innovation that carries the smoke through the roof and out of the home. It is not only smoke-free, but also more fuel efficient and safe. Devi received the training and then built this stove in the houses of all her co-members.





*“Children are the world’s  
most valuable resource and its  
best hope for the future.”*

— JOHN FITZGERALD KENNEDY



# NOW is the time to give

Heifer has a wide network of more than 520,000 individuals, congregations, businesses and organizations throughout the United States who support our work and mission. We also partner with foundations, corporations, bilateral and multilateral agencies to achieve our common goals of ending hunger and poverty. Every donor, big or small, makes a meaningful difference.



## Meet Lynne Atherton, a long-term Heifer supporter.

"I recently reviewed all my charitable giving, trying to cut back, to give more to fewer organizations. So I divided them by category: education, health, hunger, women, etc. Guess what?! HEIFER uniquely affects almost ALL the categories I care about. Even though I've been a HEIFER donor for four decades, I was new to that gratifying revelation."

— *Lynne Atherton*



## As part of his Worldbuilders charity, Pat Rothfuss, American fantasy writer and lecturer, raised more than \$310,000 through Team Heifer.

"Heifer International isn't about giving someone a fish. It isn't even about teaching them to fish. Heifer international is about giving someone a fishing pole. Then showing them how to 'make' a fishing pole. Then encouraging them to share this knowledge with their neighbors. This is what Heifer does. They do it with cows and goats, with bees and trees. With eggs and wool and fruit and cheese. I am part of the Heifer team forever, because they are changing the world. I want to be a part of that."

— *Pat Rothfuss*



## Betty Londergan, Heifer Global Blogging Ambassador, traveled to Heifer projects around the world to help share our story.

"The Heifer model is simple and captivating, which is why it's become a time-honored way to teach philanthropy to children who love the idea of sending gifts of cattle, sheep, rabbits, honeybees, pigs, llamas, water buffalo, heifers, chicks, ducks, goats, geese, trees and seeds to less fortunate children across the world. But it is the complex, demanding work that is done with beneficiaries that has made Heifer so successful in giving people the tools to improve their own lives."

— *Betty Londergan*

## A shared vision for social change

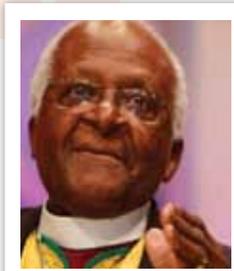
"Heifer International's work is an example of best practice in development. They bring income generation together with community building, helping families build knowledge and resources for sustainable progress out of poverty. The staff in Mexico and Guatemala is great both professionally and personally. The Ford Foundation is proud to be a part of this work."



# Kids can change the world

## Raising change, one story at a time

Read to Feed® is a reading incentive program unique to Heifer. It encourages students to read while heightening their awareness that their actions make a difference in the lives of others. Children get sponsors for each book they read. The more books a student reads, the more families they help to receive gifts of livestock and training.



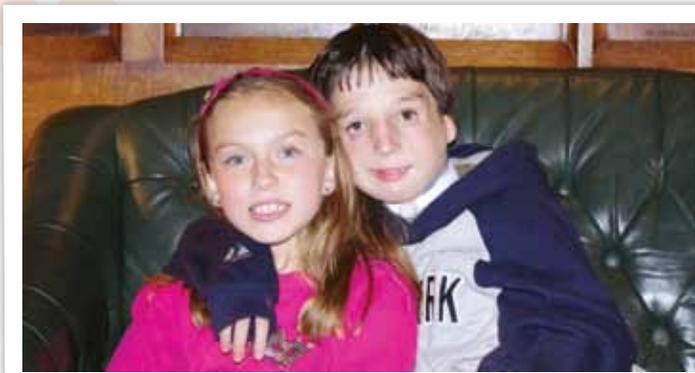
"I strongly support the Read to Feed program... Join me in helping our children learn, from a young age, both the joy of reading and the great honor of being part of changing the world for the better."

— *Archbishop Emeritus Desmond Tutu*  
Nobel and Gandhi Prize laureate

## Special Gifts from a Special Family

Ryan Bell was born with Treacher Collins Syndrome, a cranio-facial disorder that affects the bone and soft tissue formation of the face. Inspired by the kindness they received from friends and family after Ryan's birth, Bell's parents began the tradition to give to others in need during the holiday season.

For more than two years, Ryan and his sister Meghan have raised money to buy animals through Heifer. The first year they raised enough to donate a trio of rabbits. For Christmas 2010, they raised nearly three times more than their \$250 goal to buy a water buffalo. Last Christmas, they raised enough for a camel, bringing them one step closer to their ultimate goal: donating an Ark full of animals for struggling families around the world.



"...I get nervous speaking to new people because I'm not sure they will understand me. This project made me really work on this. It was hard, but watching the results of the fundraising was worth it."

— *Ryan Bell*

## CORPORATE PARTNERS

**Elanco Animal Health** is a global, innovation-driven company that develops and markets products to improve animal health and food animal production in more than 75 countries. Elanco, a division of Lilly, employs more than 2,500 people worldwide with offices in more than 40 countries. Elanco has funded several global Heifer International projects and looks for opportunities for its employees to use their passion and technical expertise to help Heifer support impoverished farmers and small communities in developing countries. Elanco has partnered with Heifer since 2007.

**Green Mountain Coffee Roasters** has worked with Heifer since 2002 to empower individuals and families, help coffee growers diversify their incomes and improve their diets, help communities become self-reliant and protect the environment through sustainable agroecological practices.

**Danone** is one of the fastest-growing food companies in the world, with leading brands in fresh dairy products, baby nutrition, bottled water and medical nutrition. Since 2010, Danone and Heifer have partnered to create agricultural cooperatives for smallholder families in the regions near Danone's production facilities in Ukraine and Romania. The objective of the cooperatives is to strengthen smallholder dairy production and quality and improve farmer income and living conditions. Heifer is also working with smallholders to produce strawberries for Danone's yogurt products.

**Alpha Kappa Alpha Sorority** is an international service organization founded on the campus of Howard University in Washington, D.C. in 1908. It is the oldest Greek-lettered organization established by African-American college-educated women. Supporting the initiative of "Global Leadership Through Timeless Service" the AKA's 260,000 members are rallying in the effort to raise awareness of and funds for the work of Heifer International in Kenya and Ecuador. Heifer's relationship with AKA began in 2010.

**Garnet Hill** asked their customers' opinion on what charitable initiative they would choose to support. The number one choice was the elimination of hunger, and Heifer became the natural choice. Heifer has partnered with Garnet Hill since 2009.

**Farm Journal Foundation's** \$1-million commitment to Heifer will help to identify communities in both the U.S. and developing countries that would significantly benefit from the gift of livestock, as well as training in animal husbandry and basic smallholder farming practices.

**QBE Foundation** awarded Heifer \$100,000 in undesignated funds in FY12. Heifer was chosen by the employees of QBE North America as one of the first recipients of the Foundation grants.

# Heifer International Board of Directors

The Board focuses on the outward vision and long-term impacts of the organization. As such the Board develops broad values and policies, which are then operationalized by Heifer staff. The Chair and Vice Chair of the Board are elected by the Heifer International Board of Directors on an annual basis; the CEO is an employee of the Board. Other Board officers are appointed by the CEO. The full Board meets three times per year with various committees named to assist the Board in carrying out their duties and responsibilities.



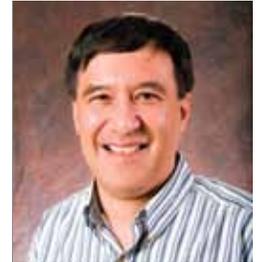
C. Douglas Smith



Dr. Don Hammond



Jay A. Wittmeyer



Franklin Ishida



Susan Sanders



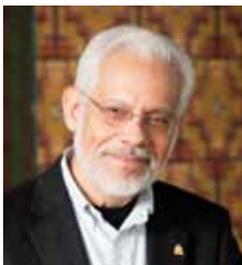
Arlene Withers



Charles Stewart



Susan B. Fulton



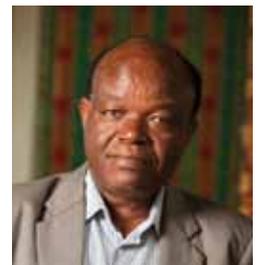
Efrain Diaz Arrivillaga



David Tracey



Francine Anthony



Dr. Johnson Nkuuhe

# Executive Leadership



Pierre Ferrari  
*President and Chief  
Executive Officer*



Steve Denne  
*Chief Operating  
Officer and Secretary  
of the Board*



Bob Bloom  
*Chief Financial Officer  
and Treasurer*



Rene Rockwell  
*Executive Office Director  
and Board Liaison*



Fu Changxiu



Skirma A. Kondratas



Sandra M. Godden, DVM



Susan Grant



Marcia E. Williams



Norman Doll

**Heifer International Board of Directors:**

- C. Douglas Smith - *Charlottesville, VA/Chair/Disciples of Christ*
- Dr. Don Hammond - *New York, NY/Vice Chair*
- Jay A. Wittmeyer - *Elgin, IL/Church of the Brethren*
- Franklin Ishida - *Chicago, IL/Evangelical Lutheran Church in America*
- Fu Changxiu - *Chengdu, Sichuan Province, China*
- Skirma A. Kondratas - *Vilnius, Lithuania*
- Susan Sanders - *Cleveland, OH/United Church of Christ*
- Arlene Withers - *Glendale, CA*
- Charles Stewart - *Little Rock, AR*
- Susan B. Fulton - *Bethesda, MD*
- Sandra M. Godden, DVM - *St. Paul, MN*
- Susan Grant - *Atlanta, GA*
- Efrain Diaz Arrivillaga - *Tegucigalpa, Honduras*
- David Tracey - *Vancouver, BC, Canada*
- Francine Anthony - *Oakland, CA*
- Dr. Johnson Nkuuhe - *Kampala, Uganda*
- June Kim - *New York, NY/United Methodist Committee on Relief*
- Marcia E. Williams - *Franklin, TN/Heifer Foundation Representative*
- Norman Doll - *Mequon, WI/Heifer Foundation Representative*

Picture not available for June Kim.

Heifer Foundation and Heifer International are separate nonprofit charitable organizations with distinct purposes. They work closely together to support a common mission while meeting the unique individual needs of donors. Heifer Foundation offers a variety of planned charitable giving instruments that provide individuals the ability to help themselves, their loved ones and a world in great need. Gifts to Heifer Foundation are invested in endowments that provide perpetual operating income and program revenue every year in the future for Heifer International.



Cindy Jones-Nyland  
*Executive Vice President  
Marketing and Resource  
Development*



Leesa Ferguson  
*VP, Human Resources  
and Assistant Secretary  
of the Board*



Hilary Haddigan  
*Director of Planning and  
Enterprise Effectiveness*

# Financials

## 2012 Fiscal Year: Consolidated Expenses

**PROGRAM SERVICES 73%**

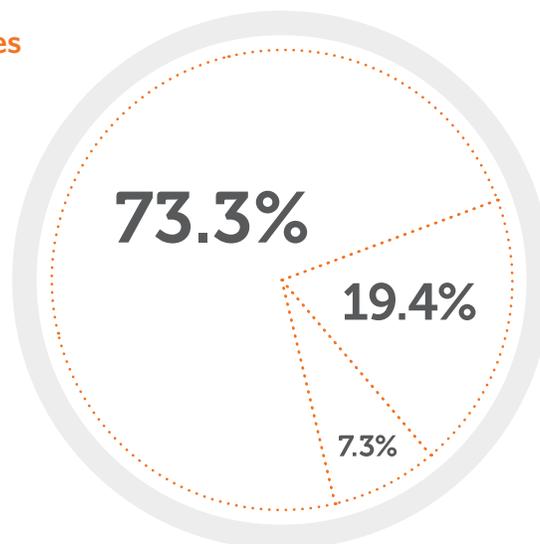
**SUPPORT SERVICES 27%**

### Program Services

International Development Programs 62.2%  
Education Programs 11.1%

### Support Services

Fundraising Support 19.4%  
Management and General Support 7.3%



## 2011 Fiscal Year: Consolidated Expenses

**PROGRAM SERVICES 73%**

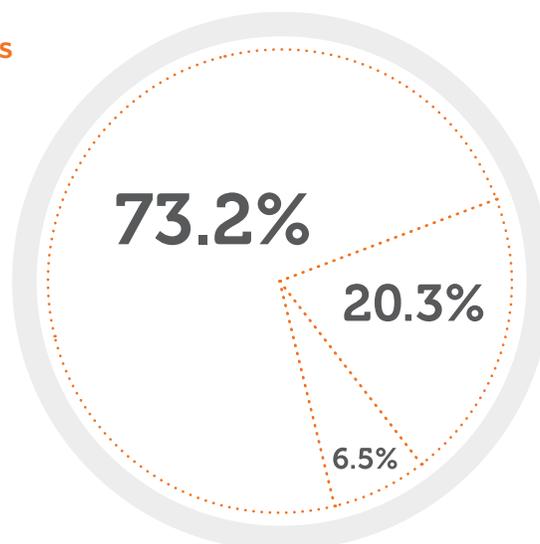
**SUPPORT SERVICES 27%**

### Program Services

International Development Programs 61.0%  
Education Programs 12.2%

### Support Services

Fundraising Support 20.3%  
Management and General Support 6.5%



## Where does my gift go?

To help the greatest number of families move toward self-reliance, Heifer does not use its limited resources to track individual animals from donation to distribution to specific families. Instead, your gift supports the entire Heifer mission. We use your gift where it can do the most good by combining it with the gifts of others to help transform entire communities.

# Consolidated Statements of Financial Position

AS OF JUNE 30, 2012 AND 2011

(in thousands)

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
Cash and Cash Equivalents	\$41,636	\$43,359
Restricted cash	13,866	14,690
Accounts and interest receivable	4,335	3,656
Grant Reimbursements Receivable	52	422
Prepaid Expenses and Other	1,296	1,389
Investments	249	246
Contributions Receivable	918	948
Interest in Net Assets of Heifer International Foundation	59,372	57,911
Property and Equipment, net of accumulated depreciation	53,220	57,519
<b>Total Assets</b>	<b>\$174,944</b>	<b>\$180,140</b>
<b>LIABILITIES</b>		
Accounts Payable	\$1,725	\$2,072
Accrued Expenses	3,355	3,312
Refundable Advances	440	683
Long-Term Debt	16,445	17,430
<b>Total Liabilities</b>	<b>\$21,965</b>	<b>\$23,497</b>
<b>NET ASSETS</b>		
Unrestricted	61,828	65,491
Temporarily Restricted	27,735	31,663
Permanently Restricted	63,416	59,489
<b>Total Net Assets</b>	<b>152,979</b>	<b>156,643</b>
<b>Total Liabilities and Net Assets</b>	<b>\$174,944</b>	<b>\$180,140</b>

# Consolidated Statement of Activities: 2012

FOR THE YEAR ENDED JUNE 30, 2012

(in thousands)

<b>REVENUES, GAINS &amp; OTHER SUPPORT</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Contributions	\$85,178	\$16,019		\$101,197
Federal Government Grants	411			411
Other Grants		8,543		8,543
Investment Loss	(2)			(2)
Educational Programs	1,347			1,347
Promotional Events And Material Sales, net of cost	313			313
Other	580			580
Change in Interest in Net Assets of Heifer International Foundation	(2,356)	(1,156)	3,927	415
Net Assets Released from Restrictions	27,334	(27,334)		
<b>Total Revenues, Gains and Other Support</b>	<b>\$112,805</b>	<b>(\$3,928)</b>	<b>\$3,927</b>	<b>\$112,804</b>
<b>EXPENSES &amp; LOSSES</b>				
Program Services	84,820			84,820
Fundraising	22,359			22,359
Management and General	8,476			8,476
<b>Total Expenses and Losses</b>	<b>\$115,655</b>			<b>\$115,655</b>
Change in Net Assets from Operations	(2,850)	(3,928)	3,927	(2,851)
Other Changes in Net Assets				
Foreign Currency Translation Adjustment	(813)			(813)
<b>Total Change in Net Assets</b>	<b>(\$3,663)</b>	<b>(\$3,928)</b>	<b>\$3,927</b>	<b>(\$3,664)</b>
Net Assets, Beginning of Year	65,491	31,663	59,489	156,643
<b>Net Assets, End of Year</b>	<b>\$61,828</b>	<b>\$27,735</b>	<b>\$63,416</b>	<b>\$152,979</b>

Based on audited financial statements, which are available at [www.heifer.org](http://www.heifer.org).

# Consolidated Statement of Activities: 2011

FOR THE YEAR ENDED JUNE 30, 2011

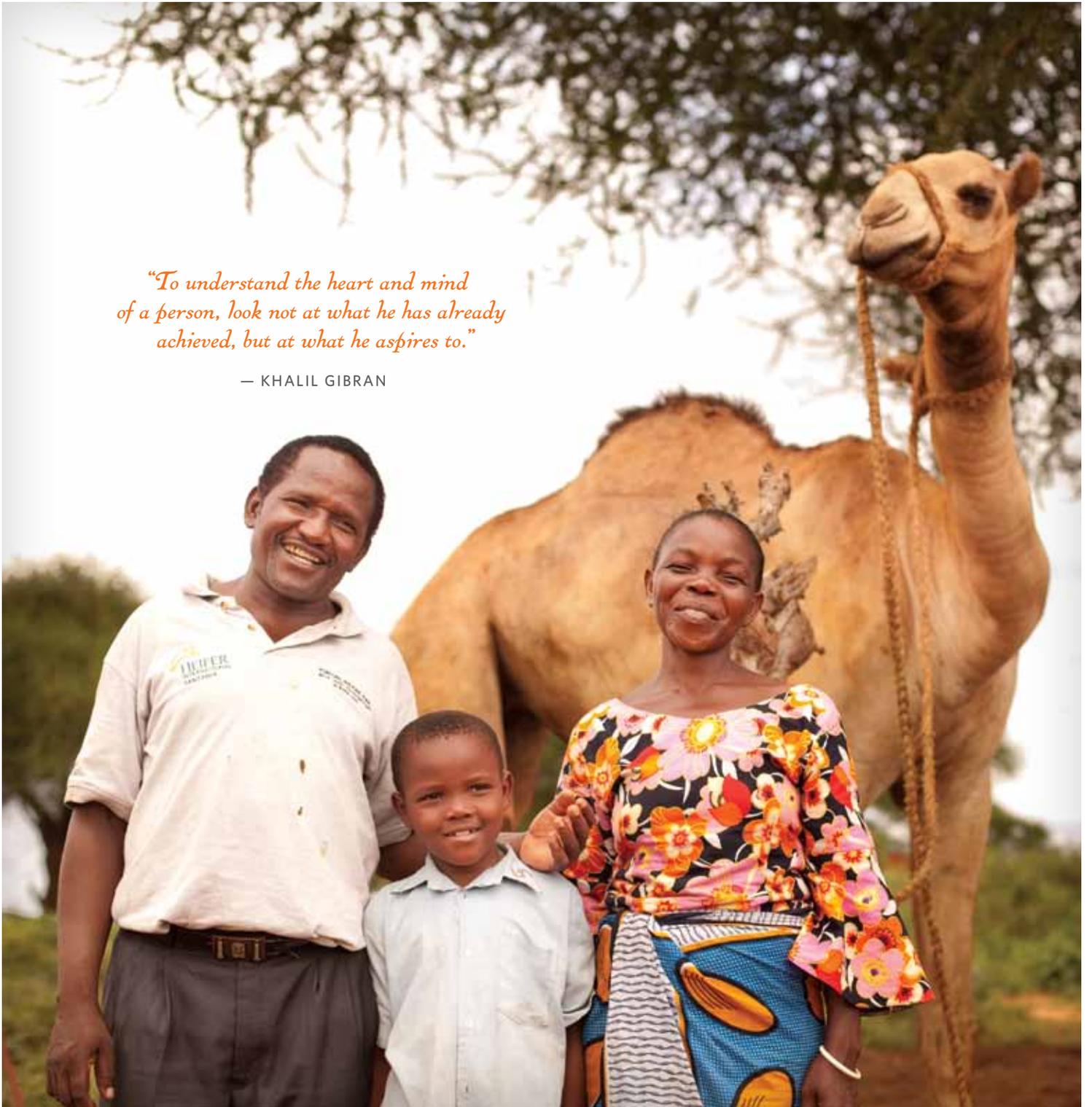
(in thousands)

REVENUES, GAINS & OTHER SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions	\$91,444	\$14,352		\$105,796
Federal Government Grants	442			442
Other Grants	5	18,529		18,534
Investment Return	362			362
Educational Programs	1,472			1,472
Promotional Events And Material Sales, net of cost	330			330
Other	774			774
Change in Interest in Net Assets of Heifer International Foundation	4,737	872	3,844	9,453
Net Assets Released from Restrictions	20,815	(20,815)		
<b>Total Revenues, Gains and Other Support</b>	<b>\$120,381</b>	<b>\$12,938</b>	<b>\$3,844</b>	<b>\$137,163</b>
<b>EXPENSES &amp; LOSSES</b>				
Program Services	86,137			86,137
Fundraising	23,848			23,848
Management and General	7,621			7,621
<b>Total Expenses and Losses</b>	<b>\$117,606</b>			<b>\$117,606</b>
Change in Net Assets from Operations	2,775	12,938	3,844	19,557
Other Changes in Net Assets				
Foreign Currency Translation Adjustment	(386)			(386)
<b>Total Change in Net Assets</b>	<b>\$2,389</b>	<b>\$12,938</b>	<b>\$3,844</b>	<b>\$19,171</b>
Net Assets, Beginning of Year	63,102	18,725	55,645	137,472
<b>Net Assets, End of Year</b>	<b>\$65,491</b>	<b>\$31,663</b>	<b>\$59,489</b>	<b>\$156,643</b>

Based on audited financial statements, which are available at [www.heifer.org](http://www.heifer.org).

*“To understand the heart and mind  
of a person, look not at what he has already  
achieved, but at what he aspires to.”*

— KHALIL GIBRAN



*Heifer participants Timothy, Hanaeli  
and Sifa Sheghere Mgonja of Tanzania*





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Little Rock, AR 72202  
United States of America  
888-5HUNGER  
[www.Heifer.org](http://www.Heifer.org)