



2021
ANNUAL REPORT

CONTENTS

- 4 *Our Mission*
- 6 *Where We Work*
- 8 *Our Goal: Sustainable Living Income*
- 10 *Investing in Farmers for Long-Term Resilience*
- 18 *Heifer Impact Capital*
- 20 *Strategic Partnerships*
- 22 *Financials*
- 26 *Leadership*

ON THE COVER

Janaki Soren feeds her chickens in her bio-secure coop in Odisha, India.

Credit: Pranab K. Aich

LETTER FROM OUR PRESIDENT AND CEO

Dear Friends,

2021 has been a year of loss and hardship for many people around the world. The challenges have been immense. But in the face of adversity, innovation that drives lasting change can thrive, and this is especially true across Heifer's work.

The global pandemic has changed us as an organization and increased our commitment to invest in rural communities around the world to end hunger and poverty in a sustainable way. While the situation remains difficult for the over one million farming families we work with worldwide, many report being better placed to face shocks like COVID because of what they have been able to achieve, in partnership with Heifer.

In Ecuador, local farmers came together with other organizations and local governments to transform the food system when the pandemic forced traditional markets to close, leaving people without food and farmers without income. The farm-to-table food production and delivery system they developed continues to expand access to healthy food across the country and was highlighted by the UN Food and Agriculture Organization as a best practice example in its flagship *State of Food Security and Nutrition in the World 2021* report.

To support youth-led innovation across the agricultural sector and ensure new technologies are available to farmers at a cost they can afford, we launched the AYuTe Africa Challenge. The competition combines the power of African youth with the many possibilities of emerging technologies to support smallholder farmers across the continent to grow their businesses. It awarded \$1.5 million in grants to businesses that will increase smallholder farmers' access to cold storage, reducing food waste, and tractors, to increase on-farm production and profitability.

We also continued targeted investments in farming infrastructure to help unlock new markets so farmers can navigate the disruption caused by COVID. In Cambodia, we invested with farmer cooperatives in a fleet of refrigerated moto-trucks to keep goods fresh and safe in transit. In Nepal, we set up an agri-ambulance to deliver inputs to farmers and transport produce to markets.

None of this would be possible without your support, which makes this life-changing work possible, and our dedicated staff who continue to excel in challenging environments. You power the transformative work in this report. Thank you for everything you do.



Pierre Ferrari

Pierre Ferrari

OUR MISSION

Ending Hunger and Poverty while Caring for the Earth



Since 1944, we have supported 39.8 million families to build sustainable food and farming businesses that strengthen rural economies and put people on a pathway to Sustainable Living Income. We work with local farmers and food producers because we believe ending poverty begins with agriculture.

Our signature programs support communities in 21 countries in Africa, Asia and the Americas through a series of signature programs. Each signature program is designed to scale up quickly, leveraging partnerships with governments, local organizations and the private sector to reach more people and deliver permanent impact.

Every dollar invested in our programs unlocks additional funds and support, enabling farmers to access new markets and continue growing their businesses.



Grace Atusiimirwe, a member of the Dwaniro Cooperative in Kiboga, Uganda, prepares milk from her cows for delivery to a nearby collection hub.

Credit: Fábio Erdos



Nibedita Tudu, a member of the Sibil Sarjan Mahila Mandal self-help group supported by Hatching Hope India, gathers her chickens to be vaccinated.

Credit: Pranab Aich

“

Now, I am aware that nutrition is as important as income for me and my family. So, the bigger my flock size, the better my family income and nutrition.

”

Nibedita Tudu

WHERE WE WORK



Employees at Puntos Verdes, an egg distribution center located in Sinanché, Yucatán, México, weigh and count eggs from local farmers.

Credit: Fábio Erdos

39.8 Million

Total number of families assisted since Heifer International began operations in 1944.

In FY21 there were **924,633** active participant households in Heifer International's programs.

Africa **538,335**

Ethiopia, Ghana*, Kenya, Malawi, Nigeria, Rwanda, Senegal, Tanzania, Uganda, Zambia, Zimbabwe

Total Active Households

* Program work ended in 2021

Americas **80,522**

Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, United States

Total Active Households

Asia **305,776**

Bangladesh, Cambodia, India, Nepal

Total Active Households

73 Projects and 17 Signature Programs



OUR GOAL

Sustainable Living Income

Smallholder farmers' goats are weighed at the Janani Cooperative in Nepalgunj to ensure they receive a fair price.

Credit: Fábio Erdos

We believe everyone deserves access to adequate shelter, nutritious food, clothing, education, healthcare and a safe and secure environment – basic needs that millions of people around the world do not have.

Sustainable Living Income is the daily income required for a household to reach a decent standard of living and stay at that level. It considers adequate shelter, nutritious food, clothing, education and healthcare, while also accounting for dimensions of development beyond income.

Together, we map out potential business opportunities that enable farmers and business owners to secure investment to build and scale their businesses and earn a Sustainable Living Income.

NEPAL

In a temperate, green valley of the Himalayas off rugged, narrow roads, sits the bustling Bihani Dairy Cooperative – a milk collection and processing center in Kopuwa, Nepal that was born from the ambitions of six women. In 2015, Tulsi Thapa and five other women formed a savings group to share in labor, increase their incomes, and jointly save money to invest back in their families and their community.

The savings group joined with other groups to form a cooperative, which today is made up of 73 groups totaling 1,351 members with Thapa serving as the Chairperson. They assessed the needs in their area and noted that, while many farmers owned dairy cows and buffalo, there was nowhere to store the milk, meaning many farmers' milk either spoiled or they were forced to sell it to traders who paid less than market value.



Now along with the dairy, I represent the company that has committed to invest \$28,288 in running one the largest abattoirs in the country.



***Tulsi Thapa,
Bihani Cooperative Chairperson***

Thapa and other leaders decided to reinvest their savings back in their cooperative to achieve greater impact and be part of bridging the Sustainable Living Income gap for farmers in the area.

The cooperative began working with Heifer Nepal as part of the *Empowering Women Farmers in Nepal* project, which works with 125,000 families directly and 350,000 families indirectly to increase income from livestock production by supporting cooperatives, strengthening social capital and increasing livestock and crop production and productivity for household consumption and income.

Its partnership with Heifer led the cooperative to partner with the municipality to convert a vegetable collection center into Bihani Dairy, which sells most of its milk to a regional commercial dairy for a fair price, with the benefits passed on to the farmers.

Improved market linkages directly increase individual dairy farmers' incomes and the dairy cooperative's profits. The average family participating in a project-supported cooperative earns \$114 more per year. As a social enterprise, Bihani Dairy invests most of the money it earns back into the community, with the rest reserved for further improvements for the business.

Thapa now earns more than \$5,000 per year through her work with the cooperative and the 11 animals she owns. Where her husband previously had to travel abroad for work to earn enough to support their family, he now manages the family's dairy business instead.

Before the COVID-19 pandemic, Bihani Dairy was selling 2,000 liters of milk per day. Daily sales decreased during the difficult months of the pandemic, but the dairy is ever evolving and adapting to better serve the farmers in its community.

"We are exploring creating a high-volume storing system. We are also in the process of diversifying the milk into various products in a larger volume," Thapa said.

New products include kulfi (ice cream), paneer (cottage cheese), ghee (clarified butter) and curd – all durable products that increase profits and incomes.

And the cooperative has even bigger plans to invest alongside the provincial and local governments to expand their business with an abattoir with capacity for 1,000 goats per day set to open soon, serving smallholder farmers across six districts.



Many people didn't trust us since the cooperative was an exclusively women-led business. But we faced this challenge. Now people respect us.



*Cooperative Manager
Mina Ale Kauncha
remembers about the
early days.*



Mina Ale Kaucha [center right] and Tulsi Thapa [center left] with other leaders of Bihani Cooperative.

Credit: Joe Tobiason

INVESTING IN FARMERS FOR LONG-TERM RESILIENCE



Income

Nnaemeka Ikegwuonu, founder of ColdHubs, stands outside one of his company's units in Nigeria.

Credit: ColdHubs

AFRICA

The impact of COVID-19 on food production and distribution, combined with an aging farming population and limited access to innovative technology, have made it clear that Africa needs a food system that delivers nutritious food reliably, affordably and at scale.

In August 2021, Heifer published a survey based on the responses of 29,900 youths, 299 smallholder farmers and 110 agriculture technology startups from 11 African countries, identifying challenges faced by smallholder farming communities and potential areas for innovation and growth. Key concerns such as limited access to capital and the desire for access to affordable and advanced technologies were echoed in the report's findings.

To increase opportunities for youth in the agriculture sector, Heifer is implementing the AYuTe Africa Challenge, combining a competition and business development initiatives to translate the energy and ideas of young African innovators into meaningful impact for African farmers. It partnered with the AGRF, a forum for African agriculture stakeholders, to launch the competition in 2021, which awarded \$1.5 million in grants to promising young agritech innovators across Africa. The winners of the inaugural AYuTe Africa Challenge, Hello Tractor and ColdHubs, were announced at the AGRF Summit in Nairobi, Kenya in September 2021. A team of expert advisers will support them over the next year as they translate this funding into an aggressive expansion strategy.

Hello Tractor, known as the "Uber of Tractors," provides technology that allows farmers to connect with local tractor owners on the Hello Tractor marketplace and book a machine for as long as they need it. ColdHubs owns and operates dozens of compact, walk-in, solar-powered coolers at rural produce markets in central Nigeria. With Heifer's support, these companies will help farmers increase their productivity and prevent food spoilage.

GUATEMALA

Through the \$1.55 million *Green Business Belt* program, Heifer Guatemala and indigenous farmers in Alta Verapaz are working to produce spices in an environmentally friendly way and secure fair prices. The program supports 108,650 farmers to reach Sustainable Living Income and is leveraging capital from Heifer Impact Capital and partnerships with Guatemala-based spice processor Nueva Kerala and global spice retailer McCormick & Company to connect farmers to the equipment they need to sustainably produce and distribute high quality cardamom, cinnamon, allspice and black pepper. The *Green Business Belt* program is investing in low-carbon, energy efficient dryers that use electricity and solar energy instead of firewood. The dryers will improve spice quality, forest management and carbon sequestration in the soil.



Freshly picked cardamom is dried for packing and sale in Alta Verapaz, Guatemala.

Credit: Daniel Lopez

UGANDA

Oilseed farmers that are part of the *Learn for Agribusiness* project in northern Uganda find their crops vulnerable to hailstorms, desert locusts and other threats. Heifer Uganda engaged PULA Advisors – a company that develops and distributes agricultural insurance solutions for smallholder farmers using machine learning and satellite data to understand climate shifts – to provide insurance for farmers for the March to September 2021 cropping season. The insurance scheme aims to support more than 1,000 soybean farmers covered under a government project, which subsidizes premiums up to 80%, with farmers paying the remaining 20%. Through this project, Heifer covered the 20% farmer payment for the 2021 cropping season to increase farmer engagement. To sustain the scheme, the Dokolo and Kwera Young Oilseed Farmers' Cooperatives, supported by Heifer, will work directly with PULA to serve their members. A wider project is being designed under a new signature program to scale up the insurance pilot, enabling smallholder farmers to de-risk farming interventions.

INVESTING IN FARMERS FOR LONG-TERM RESILIENCE



Food and Water

Milton Guaman and Josselyn Vega load food baskets for delivery to customers in Cotopaxi, Ecuador.

Credit: Isadora Romero

ECUADOR

Heifer Ecuador's *Future of Food* program continues to work with food producers to strengthen local food systems. Since launching in early 2020, the food basket delivery system has expanded and now includes an online ordering system connecting farmers directly to consumers. La Cosecha del Día, Ecuador's first farmer-owned online marketplace, gets food from fields to consumers the same day. The site is run by four associations made up of 400 smallholder mostly women farmers from across Ecuador. Establishing this platform and other *Future of Food* program activities enables farmers to build Sustainable Living Incomes and increase access to healthy food.

What began as an initiative to provide people with access to healthy food during the beginning of the pandemic and farmers with a continued income has now expanded into strong local food systems that benefit consumers and farmers – so much so that the government is backing the expansion of new markets for these goods. Heifer Ecuador partnered with the City of Quito to ensure the baskets safely reach more people who need them. The city authorized the use of collection centers for assembling food baskets, disinfecting the spaces and vehicles and promoting the delivery service in the community.

HAITI

In Haiti, Heifer teamed up with the Ministry of Agriculture, the Ministry of Planning, the Municipality of Anse-à-Pitres and community members to build a local market that will benefit more than 120,000 people in surrounding communities. Anse-à-Pitres was one of the few towns in Haiti without a market for farmers

to sell their products, making this an important infrastructure investment. Prior to the opening of the market, farmers were forced to travel by sea for six hours to another town, Marigot, to sell their products or sell them to Dominican middlemen at low prices. This increased costs and reduced incentives to produce more. With access to the new Anse-à-Pitres market, more than 8,000 farmers will be able to directly sell their crops and livestock to local people, as well as to Dominican consumers just across the border. It is estimated that more than 60% of the money Haitian consumers spend at the market will remain in the community.

As of June 2021, 170 people – 79% women – had been pre-selected as vendors who will have permanent spaces at the market. Despite challenges including COVID and social and political upheaval, the market was officially opened on October 31, 2021.

In addition to investing in infrastructure for long-term benefits, Heifer Haiti also provided immediate relief for communities affected by the earthquake and Tropical Storm Grace in August. Families received sanitation kits, tarps for shelter and drinking water.



Anse-à-Pitres market on opening day.



A vendor's stall at Anse-à-Pitres market.

NEPAL

Pashupatinagar Cooperative and Heifer partnered to build a shallow well, providing smallholder farmers who depend on monsoon season for irrigation with a reliable source of water. With this support thirty households, including that of farmer Tara Devi Mahato, benefitted from this support. The cooperative plans to construct more wells in the area.



I no longer have to wait for the rains! With the help of this shallow well, I hope to make at least \$295 profit from one unit of land.



Tara Devi Mahato harvests vegetables from her field.

Credit: Narendra Shrestha

INVESTING IN FARMERS FOR LONG-TERM RESILIENCE



Climate

Heifer-supported community disaster reduction committee in Guatemala.

Credit: Daniel Lopez

GUATEMALA, HONDURAS AND NICARAGUA

The Polochic Valley in Guatemala is prone to flooding, but Heifer's investment in an early warning system meant fatalities were prevented in the area when Hurricane Eta hit. Before the storm, local residents activated the system that was implemented through the *RISE UP, or Resilience Initiatives Through Sustainable Enterprises and Upgrade of Community Preparedness* project, which ended in the beginning of 2020. The project trained 4,200 at-risk smallholder farming families in disaster reduction in the department of Alta Verapaz, Guatemala. As a result of this work, at-risk communities were prepared for Hurricanes Eta and Iota and able to evacuate safely and navigate the aftermath.

RISE UP's work also led to the formation of a community disaster reduction committee in San Antonio las Cuevas, Guatemala. Supported by Heifer Guatemala, it developed response plans, best practices for dealing with a forest fire safely, treating injured victims and sheltering livestock before disasters happen. After the 2020 storms, the all-woman committee assessed damage to houses in the community, then coordinated with the municipality to move forward with rehabilitation and recovery.

Across Guatemala, Honduras and Nicaragua, Heifer worked alongside relief and recovery agencies and first responders on the ground to support their recovery efforts. Heifer's expertise was heavily utilized in activities focusing on livestock and agricultural systems rehabilitation. Through its disaster management fund it provided short-term provisional support items including food, water and transportation to program participants and their communities. It also restocked farmers with coffee and spice plants, farming equipment and seeds.

INDIA

Partnering with Sistema.bio, a global expert in biogas technology, Heifer India's *Bihar Socio-Economic Development* project set up high quality, affordable biogas units to mitigate the environmental impact of livestock waste in its project districts. The biogas units utilize organic waste for cooking energy and produce bioslurry, which can be used as a natural fertilizer. Heifer selected ten female farmers to pilot the technology and undergo an intensive four-day training in operating the biogas units. In a year, the women processed several thousand pounds of animal dung, which would have emitted high amounts of harmful greenhouse gases if left untreated. Now, the women can fully utilize the livestock waste, reducing farm level waste and increasing profit and savings. The *Bihar Socio-Economic Development* project will support 24,000 smallholder farmers to reach Sustainable Living Income through livestock businesses.



Sarita Kumari uses her biogas powered stove.

INVESTING IN FARMERS FOR LONG-TERM RESILIENCE



Equality

Lilian Ocholla with her growing flock of chickens.

Women are a vital part of Heifer’s work to end hunger and poverty in a sustainable way. When women control productive assets, it directly translates to better opportunities for their families, increases income and speeds up development. By increasing access to markets and finance, and providing expert support, we help create the conditions for women to increase their income. Through leadership and business management training, they develop the skills they need to sell more products and make their voices heard in their communities. As we connect women to other business owners, entrepreneurs and farmers, markets become more inclusive and new opportunities are created for others to thrive.

KENYA

Lilian Ocholla had ambitions of starting her own business with support from her parents, but her ex-husband blocked her efforts. After 17 years of domestic abuse, Ocholla separated from her husband. Now, the 39-year-old mother is running a successful poultry business through the *Hatching Hope* project in Kenya – a project created by Heifer and Cargill that works to empower smallholder farmers as integral players in the poultry value chain while alleviating malnutrition through poultry promotion and consumption.

When Ocholla heard a local radio station inviting people to attend a poultry training workshop, she decided to attend. At the training, *Hatching Hope* partner Chicken Basket, a large-scale buyer and social enterprise, provided poultry farmers with products and services, including valuable chicken rearing techniques.

“
Recently, when I wanted to sell the roosters, I just took pictures of them and I posted on our WhatsApp group, and within two days they had sold 15, each at \$7.
”

Ocholla also met a member of the Bora Cooperative, a producer organization supported by *Hatching Hope* Kenya, who invited her to a six-week training by *Hatching Hope* and the Kenya Society for Agricultural Professionals. At the training, Ocholla learned how to treat poultry diseases, administer vaccinations and developed marketing skills for her business. After joining the Bora Cooperative, Ocholla has also gained access to new customers with the help of digital tools like WhatsApp.

With an eye to the future, Ocholla has ambitions to grow her flock with help from an initial investment from her parents. With *Hatching Hope's* work to improve producers' livelihoods and with Cargill's technical and market expertise, Ocholla is hopeful more members of her community will turn to poultry rearing, opt to consume meat and eggs and, ultimately, combat food insecurity.

GUATEMALA

In the lush and mountainous rainforest in Alta Verapaz, Guatemala, Irma Yolanda is keenly aware of the importance of cash crops like cardamom. She comes from an agricultural family and learned about cardamom through watching her mother work as a sorter.

For many in Alta Verapaz, growing cardamom under the forest cover is a path out of poverty. Around 80 percent of the population lives in poverty and more than half in extreme poverty. Many families work in the informal agricultural sector, but most do not earn a Sustainable Living Income.

Yet cardamom, known as the country's "green gold," is the world's third most expensive spice and more than 60% of the world's cardamom is grown in Guatemala. Producing and selling cardamom requires knowledge, technical skills and equipment that many small-scale farmers in rural areas cannot easily access.

With her valuable knowledge of cardamom, Yolanda is now the assistant manager of Nueva Kerala, a spice distribution company in her hometown that received investment from Heifer Impact Capital. Nueva Kerala processes and distributes locally grown cardamom, cinnamon and black pepper, selling directly to spice importers.

Heifer is partnering with farmers in Alta Verapaz to increase their access to spice markets. It provides training in improved agricultural practices, encouraging participation in farmer producer organizations – which makes resources like machinery and financing more accessible to individual farmers – and is establishing new market connections so farmers can export their products, including selling directly to spice importers in the United States and around the world.

Yolanda loves her job, but she has her sights set even higher: she is attending university to work as an auditor in the cardamom industry. With unwavering support from her family, Yolanda is poised to make an even greater difference for others working in the spice industry in Alta Verapaz.



Irma Yolanda sorts cardamom at Nueva Kerala Laboratory.
Credit: Daniel Lopez

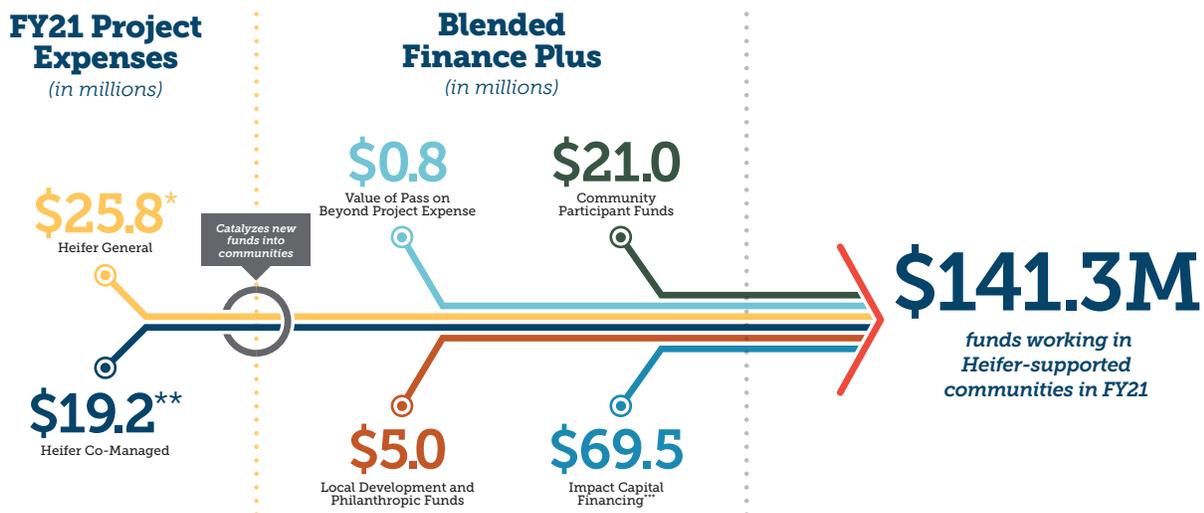
“
In the future, I see myself as a person who knows clearly everything about the entire process of cardamom for export.
”

HEIFER IMPACT CAPITAL

Increasing Access to Finance and Investment

Farmers and food producers need access to finance to grow and scale their businesses. Due to their location in rural areas and the irregular cash flows of their businesses, they are often unable to access or are priced out of traditional banking products.

We created Heifer Impact Capital to provide access to capital and investment expertise to people and cooperatives within Heifer International's programs. Investments from Heifer Impact Capital, combined with philanthropic funds, catalyze new investments in communities that flow directly to program partners.



* This money is not limited to a specific project or program and must meet Heifer's standard reporting requirements
 ** This is funding from external sources that is restricted to a specific project or program by the funder with specific reporting requirements
 *** Heifer Impact Capital and third-party commitments of \$69.5M, of which \$19.5M is disbursed

Investments and partnerships with Heifer Impact Capital enable farmers to buy seeds, fertilizer, other inputs and equipment that improve and increase production. With this support, farmers can connect to global supply chains, contributing to the long-term economic security of the families Heifer works with.

Promoting Economic Opportunities

During 2021, Heifer Impact Capital participated in high-level discussions convened by global thinktank the Center for Strategic and International Studies (CSIS) focused on building and capitalizing on economic opportunities in Central America and the Caribbean. The discussions focused on the potential of investments in Micro, Small and Medium Enterprises (MSMEs) and highlighted Heifer Impact Capital's investment in sustainable spice company Nueva Kerala as an example of how local economic development and wealth generation can help remove one of the drivers of migration. Nueva Kerala sells cardamom and other spices to international buyers, including McCormick & Company.

Expanding Impact Investing Globally

Recognizing the value of partnering to increase investment opportunities and their impact for small-scale farmers globally, Heifer International partnered with impact investment management group Small Enterprise Assistance Funds (SEAF) to increase investments in local food and farming businesses in the United States, Africa, Asia and Latin America. Building on SEAF's global network and experience raising over \$1.2 billion in impact investments over the last 31 years, the partnership will catalyze private investment in rural communities around the world through SEAF's global fund management activities. The joint investment strategy will focus on Heifer's living income methodology as the core impact measurement. The methodology accounts for local costs of living, including nutritious food, shelter, education and health care.

Providing Funding to Scale Businesses

Hatching Hope Kenya is leveraging funding from Cargill and investments by Heifer Impact Capital and two Kenyan financial intermediaries totaling \$1.36 million to transform the poultry value chain. Two revolving funds have been established, each focused on different parts of the supply chain. The first fund provides access to capital support for smallholder farmers to scale up their flocks, improve infrastructure and access veterinary services and animal feed. The second fund provides much-needed capital for small to medium enterprises along the poultry value chain to help the enterprises scale. A separate investment of approximately \$455,000 from Heifer Impact Capital will finance the construction of a poultry processing plant in Kenya that will be co-owned by local farmers and Chicken Basket, a social enterprise working with women and youth in poultry production. The company provides farmers with chicks, feed and medication, as well as processing and guaranteed markets for their poultry products. The investment will be a combination of equity and debt. Investments like these ensure that the whole market system – from farm inputs to consumer markets – works for smallholder farmers.



Sheldon Otieno buys medicine from **Caroline Kasudi**, an Agrovet at Chicken Basket.

Credit: Allan Gichigi

STRATEGIC PARTNERSHIPS

Partnerships are crucial to reaching the scale and permanent impact needed for all the farmers and business owners we work with to reach a Sustainable Living Income. We work with like-minded partners – corporate, institutional, government and others – and map out opportunities and areas of alignment that will bring greater impact to the program participants. The following are just four examples of the strategic partners who are vital to our mission.

GOVERNMENT OF NEPAL

In 2015, Nepal decentralized power and decision-making authority from the federal level to provincial and local level governments. In this new context, Heifer Nepal has been among the first NGOs to work directly with local governments because of its strong track record of partnering with communities and local governments to mobilize resources to support smallholder farmers to reach a Sustainable Living Income.

Local governments contribute 75% of the total project costs and Heifer contributes the remaining 25%. In FY21, 27 municipalities contributed \$7.8 million with a further 20 municipalities in the pipeline, promising contributions of \$7.5 million to Heifer Nepal program activities in FY22.

Local governments are currently funding Heifer’s four-year *Nepal Government Partnership for Economic Growth (NGP)* project – part of the *Strengthening Smallholder Livestock Value Chain Enterprises (SLVC)* program – in 41 municipalities across 17 districts. The project’s goal is to support 65,200 smallholder farming households to reach Sustainable Living Income by developing inclusive value chains. The project enables farmers to scale up production and increase profitability with capital investments and facilitates cooperatives to function as business hubs by providing its members with business development and management services and enhanced market access.



TRANSFORM

In April 2021, through a consortium led by Cargill, Heifer – along with, Ausvet, and the International Poultry Council (IPC) – launched a USAID-funded initiative to improve livestock management and combat the threat of zoonotic diseases to both human and animal health. The five-year, \$33 million *Transformational Strategies for Farm Output Risk Mitigation (TRANSFORM)* consortium will harness innovation to sustainably improve animal health, strengthen animal agriculture production systems in Asia and Africa and enhance global health security. The private sector-led project is focused on achieving sustained outcomes by testing, developing and scaling market-based solutions.

TRANSFORM works to achieve its goals through the following integrated components:

1. **All-sector data collection and analytics platform:** Data enables farmers to make evidence-based decisions to maintain and improve animal health.
2. **Animal industry standards:** Industry-wide adoption of poultry principles, policies and practices around antimicrobial use stewardship help to reduce risk of resistance.
3. **On-farm practices:** Improving on-farm practices for management and biosecurity as well as research on holistic practices will support the economic viability of farm operations and decrease the risk of antimicrobial resistance (AMR), zoonoses and Transboundary Animal Diseases (TADs).

TRANSFORM will work on large and small farms in four countries in Asia and Africa across a variety of animal species important to the local markets (poultry, dairy, pork or shrimp). As part of the project, Heifer will work with 27,000 smallholder farmers in India and 76,405 smallholder farmers in Kenya to improve biosecurity and animal management and health, with the added benefit of increasing farmer incomes.



BEYOND COFFEE PHASE II

Through a \$3.87 million grant from the Walmart Foundation, Heifer is partnering with ofi-Olam Food Ingredients, ECOM and Neumann Kaffee Gruppe in *Beyond Coffee Phase II* – a two-year project that launched in March 2021. This project aims to put more than 6,000 coffee farming households in Honduras, Mexico and Nicaragua on a path to Sustainable Living Income.

Beyond Coffee Phase II builds on the successes, learnings and partnerships realized from the project's first phase. It will bolster smallholder farmers' resilience by improving coffee production quality and enable them to diversify their farms with high-value, non-coffee products and activities, including eggs in Mexico, honey in Honduras and passion fruit in Nicaragua. The project will also work with the most vulnerable smallholder farmers to produce alternative crops like cacao in all three countries.

The project will strengthen farmer producer organizations and their members by improving their organizational maturity, establishing and formalizing diverse and profitable commercial market linkages, diversifying their incomes with complementary activities and acquiring coffee certifications. The project will connect farmers directly to markets to ensure they receive a fair price for their products.

ofi will work across all three countries, ECOM will work in Nicaragua and Neumann Kaffee Gruppe will work in Mexico to provide cash and in-kind contributions of \$1.25 million, \$326,000 and \$407,000 respectively. ECOM and Neumann Kaffee Gruppe will provide lines of credit to individual farmers for production and post-harvest practices, as well as technical support to coffee farmers in the areas of quality, production, productivity and certification requirements. Gender inclusion and climate-smart practices are cross-cutting strategies of the project, supporting social, environmental and economic sustainability.

VETIVER FORWARD

In 2020, in cooperation with International Flavors and Fragrances (IFF), its customer Parfums Caron and a regional development bank, Heifer built on the success of our 2016 pilot initiative, *Vetiver Together*, by launching the next phase: *Vetiver Forward*.

The three-year partnership in Haiti will support more than 3,000 smallholder vetiver farmers across six cooperatives that are part IFF's and Parfums Caron's supply chain, facilitating improved access to high-value markets, technical services and business training. Vetiver roots require a 12 to 18-month crop cycle for optimal oil content and the farmers that rely on it as a primary source of income are often under financial pressure to harvest the crop early, leading to low-quality oil and poor profits. The roots also play an important role in stabilizing soil. Improved harvesting practices can reduce erosion, protecting fertile land and water in the soil, while decreasing the risk of floods and landslides.

Vetiver Forward will increase farmers' access to agricultural inputs for alternative income streams such as beans, corn, sorghum and plantains, as well as livestock. An agroforestry component of the program will support climate, soil health and biodiversity objectives, enabling farmers to sell fruits for additional income. This new installment of IFF's longstanding commitment to support the farmers in their vetiver supply chain in Haiti will help farmers formalize their operations, expand their knowledge of sustainable agricultural practices and further strengthen their bargaining power in markets.

Walmart  org

ofi
make it real

 ECOM

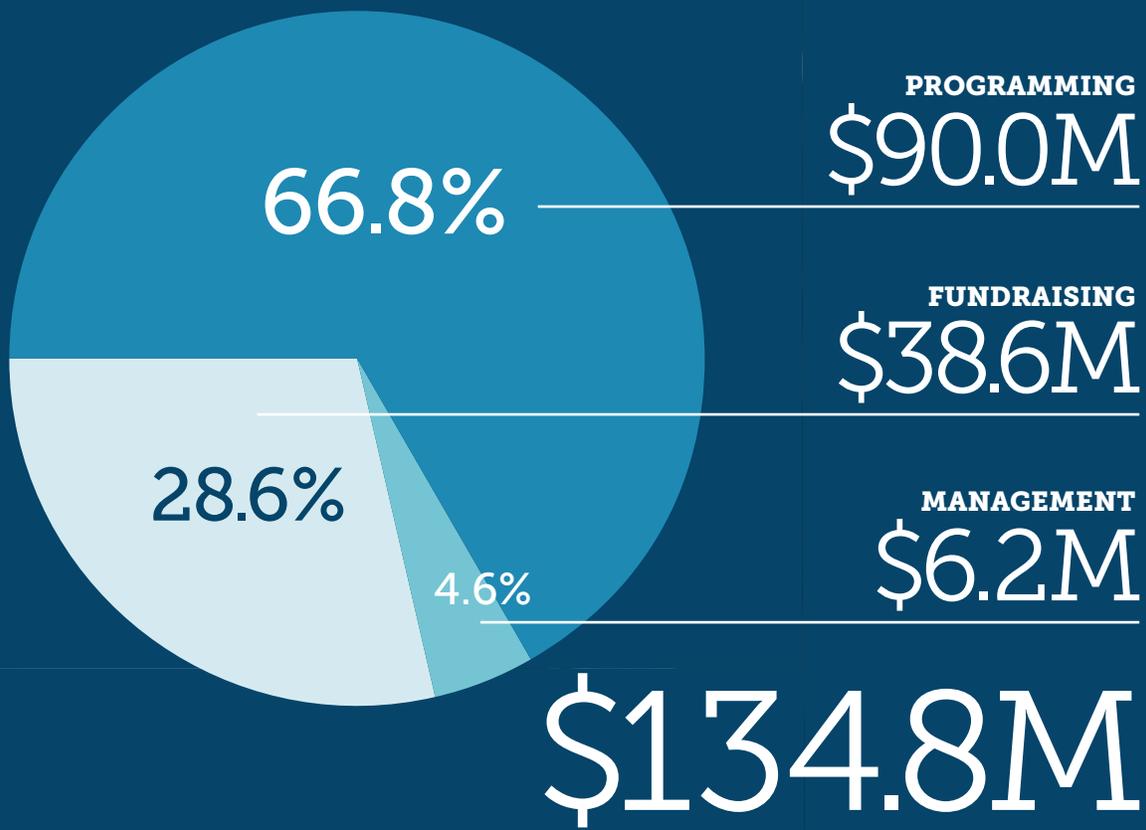
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Café California

iff

CARON
PARIS 1904

FINANCIALS

Fiscal Year 2021 Consolidated Expenses



Hellen Owour stands outside the Community Bank of Great Wang Chieng Financial Association in Kenya.

Credit: Allan Gichigi



FINANCIALS

Consolidated Statements of Financial Position

June 30, 2021 and 2020

ASSETS	2021	2020
Cash and cash equivalents	\$50,490,624	\$38,997,102
Restricted cash	24,324,917	8,268,660
Accounts and interest receivable, net of allowance and discount	6,191,613	3,733,852
Grant reimbursements receivable	576,593	679,261
Prepaid expenses and other	4,265,910	3,993,856
Contributions receivable, net of allowance and discount (Note 3)	5,457,683	8,631,842
Interest in net assets of Heifer International Foundation (Note 4)	197,029,344	139,041,713
Property and equipment, net of accumulated depreciation (Note 5)	40,556,172	43,077,827
Total Assets	\$328,892,856	\$246,424,113

LIABILITIES AND NET ASSETS	2021	2020
Liabilities		
Accounts payable	\$8,272,682	\$5,918,422
Accrued expenses	5,286,475	5,719,161
Deferred revenue	18,533,605	11,590,699
Notes payable and long-term loans	7,002,100	8,111,843
Line of credit	2,582,628	2,059,996
Total Liabilities	\$41,677,490	\$33,400,121

Commitments and contingencies (Notes 6, 7, 10 and 16)

	2021	2020
Net Assets		
Without donor restrictions	\$78,462,759	\$61,997,009
With donor restrictions	208,752,607	151,026,983
Total Net Assets	\$287,215,366	\$213,023,992

Total Liabilities and Net Assets	\$328,892,856	\$246,424,113
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See notes to consolidated financial statements available on Heifer.org.

2021 Consolidated Statements of Financial Activities

Year Ended June 30, 2021

REVENUES, GAINS AND OTHER SUPPORT	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Contributions	\$122,742,191	\$4,337,161	\$127,079,352
Federal government grants	410,859	-	410,859
Other grants	18,974,118	41,784	19,015,902
Educational programs	44,640	-	44,640
Promotional events and material sales, net of cost	66,561	-	66,561
Other	1,824,618	-	1,824,618
Change in interest in net assets of Heifer International Foundation	2,405,306	57,987,631	60,392,937
Net assets released from restrictions	4,640,952	(4,640,952)	-
Total revenues, gains and other support	\$151,109,245	\$57,725,624	\$208,834,869
EXPENSES AND LOSSES			
Program services	\$90,023,297	-	\$90,023,297
Management and general	6,238,192	-	6,238,192
Fundraising	38,569,797	-	38,569,797
Total expenses and losses	\$134,831,286	-	\$134,831,286
Change in net assets from operations	\$16,277,959	\$57,725,624	\$74,003,583
OTHER CHANGES IN NET ASSETS			
Foreign currency translation adjustment	\$187,791	-	\$187,791
Total change in net assets	\$16,465,750	\$57,725,624	\$74,191,374
Net assets, beginning of year	\$61,997,009	\$151,026,983	\$213,023,992
Net assets, end of year	\$78,462,759	\$208,752,607	\$287,215,366

Based on audited financial statements available on Heifer.org.

LEADERSHIP

Executive Leadership Cabinet

Pierre Ferrari

President and
Chief Executive Officer

Hilary Haddigan

Chief of Mission Effectiveness

Bob Bloom

Chief Financial Officer
(until November 1, 2021)

Elia Makar

Chief People Officer

Adesuwa Ifedi

Senior Vice President
of Africa Programs

Mahendra Lohani

Senior Vice President
of Asia Programs

Oscar Castañeda

Senior Vice President
for the Americas

Ardyth Neill

Heifer Foundation
President

Chad Avery

General Counsel

Christy Moore

Senior Vice President
of Marketing

Gretchen Villegas

Senior Vice President of
Business Development,
Program Design
and Effectiveness

Terry Wyer

Senior Vice President
of Investment Programs

Tracy Beene

Assistant to the
CEO and Board Liaison

Marcia Rasmussen

Interim Chief
Financial Officer
(since November 1, 2021)



Basanti Hansdah leads a Backyard Poultry Training workshop for the Dhartiayo Self Help Group in India.

Credit: Pranab K Aich

Board of Directors

18
BOARD SEATS

17

At-large directors holding board-specific skill sets. At least one at-large director resides in each of the international program areas where Heifer International works. Three at-large directors are from faith-based groups representing various spiritual paths.

1

Director from Heifer Foundation's Board of Trustees (Chair or Vice Chair).

Randi Hedin

*Chair, At-Large
Director since 2017*

Esther Cohen

*Vice Chair
(since October 2021),
Episcopal Relief and
Development, At-Large
Director since 2013*

Pete Kappelman

*Vice Chair
(until October 2021),
At-Large Director
since 2013*

Martha Brantley

*Heifer Foundation
Chair since 2020*

**Ambassador
Ertharin Cousin**

*At-Large Director
since 2018
(Membership ended
August 2021)*

Doug Galen

*At-Large Director
since 2014*

Susan Grant

*At-Large Director
since 2011*

Tom Hadfield

*At-Large Director
since 2016*

Nathan Hosler

*Church of the Brethren,
At-Large Director
since 2020*

Nikolaus Hutter

*At-Large Director
since 2013*

Alberto Irezabal Vilaclara

*At-Large Director
since October 2021*

Patricia Kisare

*At-Large Director
since October 2021*

Josephine Oguta

*At-Large Director
since 2014*

Mary Renwick

*At-Large Director
since 2020*

Victoria Sekitoleko

*At-Large Director
since 2019*

Ramesh Singh

*At-Large Director
since 2019*

Ashley Stone

*At-Large Director
since 2014
(Membership ended
October 2021)*

Chuck Warta

*At-Large Director
since 2020*



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heifer.org

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(888.548.6437)

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