CEO Pierre Ferrari visits Agnes Luwessi (center, in red), a business owner in Busunju, Uganda. She collects milk from Heifer farmers and sells it to a processing plant and to locals.
Heifer International faced a number of opportunities, challenges and changes over the previous year. In our fieldwork, we continued to serve struggling families around the world including in our largest project ever in East Africa, where we are supporting amazing transformation among nearly 200,000 dairy farmers. This project alone, the *East Africa Dairy Development Project*, is changing the lives of more than 1 million people. It was also a year of bringing sustainable development to those who suffered natural disasters in Haiti, Peru, the Philippines and elsewhere. At home it was a year of transition in leadership (I came on board!) and of awards and recognitions going to our president, Jo Luck, as she received the World Food Prize—the most prestigious award in our sector. We are extremely proud of Jo Luck’s work in ending poverty and hunger.

Over the past year, the world saw the number of the hungry decrease. Still, the number hovers around 1 billion. As Heifer’s vision is to end hunger, end poverty and to take care of the Earth, it’s not about doing a little bit. It’s about doing it all. It’s to *end hunger*. That’s why Heifer is evolving with the changing times and is planning to scale up the impact of our projects. We will be posting more details on our website at www.heifer.org. Do visit us; we have much to share about our work.

Heifer International serves nearly 2 million families each year. Our program model works, but hunger and poverty persist. We need to act, and we need to act *now*. We have a proven program with more than 66 years of experience in helping people use their own skills and entrepreneurship to move from poverty to prosperity. This, along with the wisdom, passion and knowledge of Heifer’s worldwide staff, donors, partners, volunteers and others, provides us all a very promising future.

This report, which takes a look back on the organization’s activities over the previous fiscal year from July 1, 2009, to June 30, 2010, will show you a clear picture of the work that was done toward achieving our mission. But you’ll also get a sense of the work that is yet to be done. While I joined Heifer after the last fiscal year ended, I am humbled, joyful and deeply grateful for this opportunity to help lead Heifer forward.

Pierre U. Ferrari
CEO, Heifer International
THE HEIFER MODEL

IN PARTNERSHIP WITH COMMUNITIES WORLDWIDE, HEIFER INTERNATIONAL WORKS TO END HUNGER, POVERTY AND ENVIRONMENTAL DAMAGE. HEIFER’S APPROACH HAS THREE MAIN COMPONENTS: SUSTAINABLE COMMUNITY DEVELOPMENT GROUNDED IN LOCALLY DRIVEN, VALUES-BASED PLANNING; LIVESTOCK AND TRAINING AS SUSTAINABLE DEVELOPMENT TOOLS; AND ASSET DEVELOPMENT AND TRANSFER THROUGH OUR STRATEGY OF PASSING ON THE GIFT®. IT’S AN APPROACH THAT HAS EVOLVED OVER OUR NEARLY SEVEN DECADES OF WORK.
Sustainable Community Development

Communities are the foundation of all Heifer projects. Whether it is a local group of people who are working together to improve their lives or a newly organized group coming together to address a pressing problem, these communities plan to change their future. When Heifer steps in, the groups are provided with a values-based planning and management model to guide their development projects.

The values-based planning and management model is founded on Heifer’s 12 Cornerstones for Just and Sustainable Development. The Cornerstones provide a meaningful context for Heifer’s efforts because they stimulate group wisdom and personal insights, and they keep the group’s actions balanced, focused and productive. As a result, the values-based model works in diverse settings for people with various levels of education and literacy. The model is highly participatory and emphasizes local ownership of the decision-making process; commitment of local resources; participation of all people, regardless of gender, ethnicity or religion; inclusion of traditional, indigenous knowledge; and understanding that community development is a process.

As outsiders to the community, Heifer’s role in this model is to facilitate communities through the changes they wish to make, rather than to make changes for them.
Livestock and Training

Heifer’s model uses livestock as a means to end hunger and poverty. Through the values-based planning and management model, communities decide what types of animals and production systems they want, who should receive animals and the type of training required to make their project successful. Animals provide high-quality protein in the form of milk, eggs or meat; capital assets, which can be used as collateral for loans; inputs such as milk, honey, eggs or wool for microenterprises; draft power that increases crop yields; manure to fertilize crops; and pack-power to transport water, firewood and people.

Training and preparation for livestock often take the entire first year of a five-year Heifer project. Typical training includes preparations for livestock, animal health and husbandry, integration of livestock into the ecosystem, improvement of the environment, gender and family roles, nutrition, leadership, small enterprise management and accountability. Families prepare to receive their animals by building shelters and planting fodder. Training continues as required after livestock is placed with families. In particular, participants learn about Passing on the Gift—when livestock recipients become donors, giving one or more of their original animals’ offspring or the equivalent to another in need—and the importance of sharing work and resources equitably. When the offspring reaches an appropriate age, it is passed on, typically with ceremony and celebration, from one family to another.
A Heifer staff member demonstrates to project holders in Las Lagunas, Nicaragua, how to vaccinate their animals.
Asset Development and Transfer

Heifer projects succeed because project members receive assets that produce knowledge, food and income. When combined with training and the commitment to Pass on the Gift, the project becomes sustainable. Projects strive to build community assets in five areas:

- **Institutional assets**—Through Heifer projects, communities develop the technical skills to manage their resources, sustain the project and build community leadership and governance structures.
- **Nutritional or Food Assets**—More food is accessible in the community. The group promotes effective utilization of food so all household members can meet nutritional needs.
- **Social Assets**—Groups integrate the Heifer Cornerstones into their daily work. Children have opportunities for education through increased family income. The community builds a bank of knowledge for itself and other communities. Noticeable progress is made toward gender equity.
- **Environmental Assets**—Environmental degradation lessens, and groups work together to improve the environment. Community members may set up active conservation groups for natural resources.
- **Economic Assets**—Projects increase family income and savings. Livestock are transferred to others through Passing on the Gift, which transforms recipients into donors, creating a community-supported asset-transfer system that continues when project support has ended.

At the end of every project, Heifer evaluates the extent of lasting change brought by the effort using a specific evaluation process. Based on the evaluation, successful projects may be continued or replicated in another community to broaden the impact.

THE HEIFER MODEL: LOOKING AHEAD

In recent months, Heifer has been working on the vision for where we want to be today, tomorrow and in the years to come. Our model has proven time and again that it works. But the challenge now is to ratchet up this model so we can begin to see our impacts on a larger scale, as we have with our East Africa Dairy Development Project funded by a $42.8 million grant from the Bill & Melinda Gates Foundation, and in a newer project in Ukraine that connects small family farms to markets in partnership with Danone, the parent company of Dannon, the yogurt brand. We want to make a bigger impact, and we’re dedicated to working with all the urgency that is needed to see an end to world hunger and poverty.
A milk-drinking competition was the highlight of a recent Passing on the Gift ceremony in Nyumbanitu, a village in the southwestern highlands of Tanzania. All around were the everyday reminders of the positive effects of the Heifer International project—improved houses, healthy kids in school uniforms, men hauling milk to the nearby chilling plant and women carrying organic vegetables to the market.

The project in Njombe District began in 1999, supplying 30 cows to three small groups. Today, the project has donated 515 dairy cows to 229 beneficiaries in 16 groups. During the ceremony, members of all 16 groups attested to the dairy project’s success in ending hunger and poverty in the area.

“Economically, the project has been part and parcel in improving income and nutrition to our families. We have been able to get enough milk to drink and sell the surplus,” said one of the participants, adding that the project also enabled many of the beneficiaries to install solar power or biogas, pay school fees for their children and purchase vehicles for transporting their farm products.

In addition to receiving dairy cows, project participants were also trained in record keeping, entrepreneurship and organic farming. More than 80 percent of the beneficiaries now apply organic manure to their farms instead of chemical fertilizers, and today each family harvests about 12 bags of corn per acre.
EVALUATING HEIFER’S IMPACT

In 2005, Heifer began a cycle of independent evaluations to assess its programs’ effectiveness and aid in accountability. In the past year, Heifer International improved the process with which projects were analyzed for results and impact. Guided by six board-identified ends, the goal of the evaluations is to show Heifer supporters, staff and volunteers that donations are used as productively as possible.

ENDS STATEMENT

Achieve sustainable income and food security, especially among the resource-poor and most marginalized families and communities in the countries where Heifer works.

Since Heifer’s inception in 1944, 13.6 million families—more than 70 million people—have directly and indirectly benefited from the gifts of livestock, trees, seeds and training. In the past year, more than 1.6 million families were assisted. Over the past 10 years, there has been a steady upward trend in the estimated number of families assisted despite the shortfall in revenue due to the global economic crisis.

<table>
<thead>
<tr>
<th>PROGRAM AREA</th>
<th>NUMBER OF FAMILIES ASSISTED DIRECTLY AND INDIRECTLY IN FY’10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>442,942</td>
</tr>
<tr>
<td>Americas</td>
<td>473,319</td>
</tr>
<tr>
<td>Asia/South Pacific</td>
<td>432,976</td>
</tr>
<tr>
<td>Central and Eastern Europe</td>
<td>282,623</td>
</tr>
<tr>
<td>Total</td>
<td><strong>1,631,860</strong></td>
</tr>
</tbody>
</table>
Over the past year, more than 35,000 families received pass-on gifts. The passed-on gifts included an estimated 39,500 large and small livestock; 19,000 poultry; and more than 200,000 units of other resources that included veterinary supplies, fertilizer, seeds, plants, fish, bees and hives, work hours, worms and $42,000 in revolving funds that recipients can borrow from to further improve livelihoods.

The standard pass-on, as required by the contract to pass on a gift of equal or higher value, is one generation. However, depending on the species of animal or type of resource given, pass-ons sometimes go on for generations. Evaluations have recorded three to four generations of Passing on the Gift. The numbers for the past year represent the gifts passed on by contract only.

Progress toward this goal varies by location, primarily due to context and the opportunities afforded for stronger environmental activities and the related behavior change. Changing life-long habits of project communities and how they interact with their environment takes consistent long-term effort. Due to local and national differences, some project areas experience quick adoption of changes, while other areas encounter challenges. However, caring for the Earth is integral to Heifer’s mission, and Heifer has intentionally included environmental components in each project since the early 1990s. This inclusion ensures that the introduction of livestock and trees has a positive impact on soil erosion, pollution, biodiversity and watershed conditions.
Individuals and groups are educated and empowered to advocate for and create a socially and economically just and sustainable world.

As Heifer looks for opportunities to increase our reach and impact on world hunger, we realize that education can have a great long-term impact on the fight against poverty. During fiscal year 2010, more than 815,000 people participated in Heifer Education programs. Of those, 396,464 reported taking social action in support of Heifer’s mission, which includes being a responsible consumer; caring for the Earth; encouraging others to change behaviors; encouraging others to take social action; volunteering; and donating.

### TEAM

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL NUMBER OF PROGRAM PARTICIPANTS FY’10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Centers</td>
<td>29,027</td>
</tr>
<tr>
<td>Study Tours</td>
<td>321</td>
</tr>
<tr>
<td>Heifer Village</td>
<td>42,911</td>
</tr>
<tr>
<td>Community Education</td>
<td>743,450</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>815,709</strong></td>
</tr>
</tbody>
</table>

“Thank you for reminding me why I went into education! You provided us with a real gift.”
—Heifer U for Educators participant

Heifer helps families see the importance of education. In Nepal, boys and girls pose outside their school in Nuwakot.
End Five pertains to farmer advocacy—or changing policies, systems and practices in support of men and women farmers, pastoralists and consumers—in countries where Heifer operates. Additionally, work done through the USA Country Program, in terms of the food procurement policy, is geared toward farmer advocacy.

In fiscal year 2010, Heifer helped facilitate a dialogue between African-American farmer organizations in the Arkansas Delta and local school districts that provide food products to school meal programs. These same farmer organizations brought their smallholder producer experiences to the Farm to School event at Heifer Village and to the USDA panel on Urban-Rural Linkages. Additionally, Heifer’s work with InterAction resulted in good development practices and gender mainstreaming that was then included in language for the Global Food Security Act. Similar cooperation is being applied to Gender on Foreign Assistance Reform, the Quadrennial Diplomacy and Development Reform and the Presidential Study Directive. Heifer is also preparing a policy brief on field programs that contribute to the Millennium Development Goals for a U.S. government strategy document.
Fiscal year 2010 saw new partnerships emerge, including Danone Ecosystem Fund/Danone Ukraine supporting the Ukraine Milk Communities Project in southern and central Ukraine, as well as K-Rep Development Agencies in Kenya supporting banks in 10 villages, bringing banking services within cycling distance of East Africa Dairy Development Project member farmers. Heifer partners are selected by using a basic set of criteria and principles, including agreements on legal status, fiscal transparency, shared vision, ownership, commitment, credibility, capacity, good governance and respect for human rights. Having a set of criteria to assess the suitability of partners for Heifer to work with has helped select potential partners.
Four-year-old Dimas loves boiled eggs. Before, when his family was forced to cook with firewood and charcoal, boiled eggs were a luxury. But with their new biogas stove, Dimas can ask his mother for one anytime.

Dimas’ father, Munarto, is a member of Heifer Indonesia’s Livelihood Empowerment through Agroforestry Project in Southern Sumatra. The project, which supplied goats, beehives and fish, also trained farmers in biogas production. The family was fortunate enough to receive the demonstration biogas unit.

Munarto collects manure from his neighbors. (The family does not yet have a cow, but plans to buy one after selling a few goats). Dimas helps his father mix the manure with water and dump it into the digester, where it breaks down and releases methane gas. The methane is then piped to the house.

Now, Dimas’ mother, Ipah, can cook in a healthier, faster and more environmentally friendly way. The biogas stove is also used to heat the clothes iron. And the manure sludge left in the biogas digester becomes compost for the family’s eel ponds and the kitchen garden.
HEIFER HISTORY AND MILESTONES

AS THE SPANISH CIVIL WAR NEARED ITS END, AMERICAN RELIEF WORKER DAN WEST WAS FORCED TO DECIDE WHO AMONG THE REFUGEES WOULD RECEIVE MEAGER CUPS OF LADLED MILK. REALIZING THAT THIS SIMPLE FORM OF AID COULD NEVER BE ENOUGH FOR EACH REFUGEE, WEST FORMED AN ORGANIZATION DEDICATED TO ENDING HUNGER PERMANENTLY BY PROVIDING FAMILIES WITH LIVESTOCK AND TRAINING SO THEY COULD FEED THEMSELVES. FIVE YEARS LATER, ON JUNE 18, 1944, THE FIRST SHIPMENT OF DAIRY CATTLE LEFT THE UNITED STATES BOUND FOR PUERTO RICO IN WHAT WOULD BECOME A CAMPAIGN THAT WOULD SAVE THE LIVES OF MILLIONS. NOW, NEARLY 70 YEARS LATER, WEST’S SPIRIT AND DESIRE TO END WORLD HUNGER REMAIN. WEST’S VISION TURNED INTO HEIFER INTERNATIONAL. SINCE ITS INCEPTION, HEIFER HAS HELPED 13.6 MILLION FAMILIES IN MORE THAN 125 COUNTRIES MOVE TOWARD GREATER SELF-RELIANCE.

1940s

• The first shipment of 17 heifers leaves Mobile, Ala., and arrives in Puerto Rico
• Heifer sends thousands of cattle and horses to rebuild war-torn Europe
• Thousands of dairy goats also go to postwar Japan
• First shipment of animals to U.S. farmers sent to Arkansas

1950s

• Half of the chickens in South Korea are descended from Heifer hatching eggs supplied after the Korean War
• The 10,000th heifer is shipped to Germany

1960s

• Shipment of heifers is sent to Russia as a symbol of friendship during the Cold War
• In Ecuador and Bolivia, Heifer enters into first contracts with the Peace Corps
• First projects start in Africa
1970s
- World headquarters moves to Little Rock, and Heifer Ranch is purchased
- Projects begin exploring participatory planning and including women in training and decision-making

1980s
- Heifer Ranch transitions from a livestock facility to a learning center
- Emphasis on agroecological farming techniques begins
- President Reagan confers President’s Award for Voluntary Action

1990s
- Heifer Foundation is established to develop an endowment to support work of Heifer International
- Heifer develops a variety of educational resources including *World Ark* magazine, books, curricula and videos
- Central and Eastern Europe program starts after the fall of Communism
- President George H.W. Bush gives Heifer the Presidential End Hunger Award
- Heifer is named as one of the “Seven Ways to Change the World” by the National Peace Corps Association
- Heifer is awarded InterAction’s first Mildred Robbins Leet Award for the Advancement of Women for integrating women into field programs
- Urban agriculture projects begin working with at-risk youth in major U.S. cities
2000–2009

- Heifer celebrates its 3 millionth Passing on the Gift in China
- Heifer International is honored with the Conrad N. Hilton Humanitarian Prize
- Heifer moves quickly to help survivors of the Asian tsunami begin the long road to recovery
- Heifer is awarded $42.8 million from Bill & Melinda Gates Foundation for the *East Africa Dairy Development Project*
- Heifer helps communities in Sichuan Province, China rebuild after a devastating earthquake
- Heifer Village opens on Heifer International Campus, housing the Murphy Keller Education Center

2010–Present

- Jo Luck, as president of Heifer International, is named co-laureate of the World Food Prize
- Heifer responds to the earthquake in Haiti by helping residents rebuild
- Direct Marketing Association’s Nonprofit Federation names Heifer International Nonprofit Organization of the Year
- Heifer names Pierre Ferrari chief executive officer
- Global market research firm Harris Interactive names Heifer the number nine most-trusted nonprofit and the number seven organization people are mostly likely to give to in their annual poll.
When Communism collapsed in Albania in 1992, Lefteri Jongari and her husband, Pirro, had only a patch of land. Both husband and wife lost their jobs on a state farm, where she worked as an agronomist and he as a farmer. They had no animals or plans of their own, and they could find no paying jobs. In 1999, the family joined a Heifer project and welcomed a pregnant Holstein to their household.

The pair put their training to use and were soon collecting more than six gallons of milk per day. Impressed by the large yield and interested in replicating it, neighbors flocked to the Jongari farm to watch and learn. “We were passing on the knowledge we got; that’s why it is a pleasure for me to receive everyone in my home and farm,” Lefteri said.

That first cow continued to thrive and produce plenty of milk, and the family eventually built a new stable that now houses 10 cows. Lefteri and her husband are spending the proceeds from the sale of milk on university education for their daughters.

Lefteri was a WILD (Women In Livestock Development) Award winner in the spring of 2010 for her outstanding contributions to women in livestock development and gender equity.
WHO WE ARE
The Heifer International Center in Little Rock, Arkansas, is home to Heifer’s World Headquarters and the Heifer Village Learning Center. The Platinum LEED® Certified Headquarters building houses the divisions of Finance and Administration, Marketing and Resource Development, Global Learning for Action, International Programs and the Executive Offices. The offices of the Heifer Foundation are also part of the World Headquarters.
FINANCE AND ADMINISTRATION

The Finance and Administration division, under the direction of the chief financial officer and treasurer, serves Heifer’s mission with particular focus on stewardship and the Heifer Cornerstone of Accountability. Operational excellence is a driving goal of this division, which includes Facilities Management, Finance, Information Technology and Legal Services.

Facilities and Site Management
The Facilities department maintains and operates all Heifer facilities located in Little Rock. Facilities also manages Heifer properties in Ceres, Calif., Goshen, Ind., Chicago, Ill., and asset protection for all Learning Centers. The goal for Facilities Management is to maximize efficiencies and minimize costs in all aspects of our operations.

Finance
Two teams, Enterprise Accounting and Financial Planning and Analysis, form the Finance department. Enterprise Accounting supports Heifer’s global accounting, ranging from U.S. general accounting and reporting to accounts payable and payroll, to oversight of global field office accounting. Financial Planning and Analysis gathers, analyzes and reports financial data to support organizational planning and decision-making.

Information Technology
The Information Technology department endeavors to improve systems while also considering future enhancements or upgrades that increase employee productivity and efficiency. IT also supports work toward a global Planning, Monitoring and Evaluation database for International Programs.

Legal Services
Legal Services’ goal is to assist Heifer in managing risk and maximizing accountability and efficiency. This goal is met by providing advisory services at the beginning of the decision-making process. By cultivating an in-house counsel model, the team is better positioned to deliver high-quality legal services at a reduced cost.
MARKETING AND RESOURCE DEVELOPMENT

Heifer International’s Marketing and Resource Development division is the bridge between donors and beneficiaries. The division is split into six departments: Branding and Communications, Direct Marketing, Donor Analytics, Management and Reporting, Donor and Volunteer Services, Internet Marketing and Philanthropy.

Branding and Communications
Building the Heifer brand and effectively communicating with donors and the public about Heifer’s mission are the priorities for the Branding and Communications department. The teams that fall under this department include Communications, Creative Services, Education Marketing, the World Ark magazine and Public Relations.

Direct Marketing
A major channel through which Heifer reaches donors is Direct Marketing. This department drafts and mails acknowledgement inserts, appeals, brochures and a variety of other mechanisms to engage donors, as well as runs our monthly sustainer program, Friends of Heifer. The department’s annual gift catalog has consistently provided the majority of Heifer’s revenue, and in 2010, the team mailed 25 million catalogs to existing and prospective donors.

Donor Analytics, Management and Reporting
The primary role of Donor Analytics is to provide strategic leadership and support to internal customers by providing guidance in acquiring, growing and retaining donors, including groups of donors and individual donors.

Donor and Volunteer Services
Donor and Volunteer Services is often the literal voice of Heifer. Any time a donor calls with thoughts, questions or concerns, it is the Donor Services department who helps answer. This department also receives and processes donations and maintains Heifer resources for external audiences. Our community volunteer coordinators help maintain relationships with Heifer’s 1,500 volunteers who work in their communities to spread the word of Heifer’s work.

Internet Marketing
The Internet Marketing department works to ensure that Heifer maintains an up-to-date and informative presence on the web. The team creates email newsletters; maintains heifer.org; optimizes Heifer websites for search engines; promotes Heifer through online advertising; and maintains Heifer’s presence on such social media sites as Facebook, Twitter and YouTube.

Global Strategic Partnerships (now the Philanthropy department)
The Philanthropy department drives diversification of income sources by building and maintaining relationships with corporations, foundations, major donors, institutional donors and international partners. During the past year, Heifer’s Corporate Relations team continued with several partnerships, including Elanco, which

“Real giving is not just where you like it to go, but wherever there is a need and the need is met.”
—Heifer Donor
committed $1 million to a project in the Copper Belt region in Zambia; and Green Mountain Coffee, which included a full-page profile of Heifer’s projects in 1.8 million retail catalogs.

Heifer also continued long-term partnerships with international organizations that share a common mission. These relationships include Bóthar in Ireland; Send a Cow in the United Kingdom; Heifer Hong Kong; Heifer Nederland (Netherlands); and Heifer South Africa. These organizations work to build support in their areas for the benefit of Heifer projects and small-scale farmers around the world.

New leadership to Heifer’s Major Gifts team has provided additional capacity and resources to build a support base of major donors in the United States. Institutional development also became a focus for Heifer, as a process was begun to acquire and manage relationships with institutional donors. Heifer’s large-scale project with the Bill & Melinda Gates Foundation on dairy development remains a signature effort. The East Africa Dairy Development Project is a regional industry development program implemented by Heifer International and a consortium of partners including TechnoServe, International Livestock Research Institute, The World Agroforestry Center and African Breeders Services Total Cattle Management. The project is part of an agricultural development grant designed to boost the yields and incomes of millions of small farmers in Africa and other parts of the developing world so they can lift themselves and their families out of hunger and poverty.

Fiscal year 2010 also saw Heifer sign a number of significant relationship agreements, including:

- **Garnet Hill**, whose first campaign for Heifer in their holiday retail catalog resulted in more than $50,000 in unrestricted donations and 6 million brand impressions

- **Starbucks**, whose headquarters employees donated $56,165 to support coffee sourcing areas in Rwanda

- The **Alpha Kappa Alpha Sorority**, which committed $300,000 to projects in Kenya and Ecuador and gave us the opportunity to expand Heifer’s reach in the African-American community

- An agreement was signed with **Danone/Ecosystem Fund** to support milk community projects in Ukraine ($1.6 million total; however, half of that total came after the end of FY’10)

- A partnership began with **Media Network Incorporated** resulting in more than 25 million free, full-page ads in magazines like **TIME, Newsweek, US News** and **Sports Illustrated**
GLOBAL LEARNING FOR ACTION (now Education)

Education is key to the realization of Heifer’s mission to end hunger and poverty and care for the Earth. Heifer’s two-tiered approach to education ensures that not only do we engage with smallholder farmers at the grassroots level, but that we also educate and advocate on their behalf by reaching others here in the United States who can support Heifer’s work. The Global Learning for Action division includes the departments of Advocacy, Education and Learning Resources.

Advocacy
The Advocacy department at Heifer developed out of the recognized need to narrow the gap between the outcomes of Heifer projects and the number of people living with hunger and in poverty. The main goal is to influence and change policies, systems and practices that impact limited-resource men and women farmers, pastoralists and consumers in countries where Heifer works. To that end, Heifer has identified three objectives that can be tracked to measure progress to ensure that goal is addressed:

• To influence policies, systems and practices in legislation, corporations and institutions at the regional, country and global levels with evidence-based program work

• To establish and strengthen new and existing food security and agricultural networks, partnerships and coalitions

• To build Heifer’s advocacy capacity, including staff, partners, farmers, producers and consumers

Education
Education is key to the realization of Heifer’s mission to end hunger and poverty. Heifer offers myriad education programs in the United States that offer the extraordinary opportunity for people of all ages to learn about challenges of global hunger and poverty. Heifer’s programs and resources include:

• Global Education Lesson Plans

• Service Learning and Fundraising Programs

• College and University Programs

• Heifer University

• Learning Centers and Global Villages

• Study Tours

• Professional Development

Learning Resources
The Learning Resources department serves as an information source for the organization. This small team is responsible for the operation of the Heifer Library (physical and virtual resources) and the organization’s historical archives, and for providing support for various departments and teams.
Improving the Soil in Peru

The enthusiasm and drive shown by Mario Granda and his wife Angelica Robles is contagious. The couple originally received sheep as part of a Heifer Peru project in 2001, but after years of hard work to help improve the soil in the region, they were invited to join another project, Promoting Agroecology in Local Markets in Lower Piura, in early 2010.

“Years ago when I sowed rice and corn in my plot, pests finished the crops off, and I lost everything I had invested,” Mario said. “We were left with nothing.”

With the training he received though the original Agroecological Production in the Lower Piura Valley Project, Mario started to prepare organic fertilizer, using the manure from his sheep to improve the soil and increase his production. As a result, he gradually reduced his use of chemicals for pest control and began diversifying his production.

Using organic fertilizer, Mario found, was essential for recovering soil quality on his plot. Little by little his work and leadership began to be recognized, so much so that it began to influence other farmers.

Currently, Mario and Angelica have not only progressed in their business, but are now producing under the name “Nutri Ground Organics,” selling their products throughout Piura so that other small farmers can buy natural fertilizers for their plots, as well as learn how to make them.

When Mario and Angelica first started their business they could sell two sacks of compost. Now, with what they have learned, they are selling 70 tons twice a year. “With the money we earn from selling compost, we buy all the school materials for our five children,” Angelica said.

Mario Granda and his wife Angelica Robles show off bags of their improved soil they now sell to others around their village in Peru.
Heifer had 817 active projects in 53 countries and 25 states in FY’10.
INTERNATIONAL PROGRAMS

Africa

Heifer has worked in Africa for more than 30 years and has country offices in Cameroon, Ghana, Kenya, Malawi, Mozambique (which closed in September 2010), Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe; and supports projects in Ethiopia.

Heifer Africa partners with community groups in Sub-Saharan Africa to formulate development plans with specific goals. Partners learn how to manage livestock and agri-business in ways that contribute to environmental health and sustainability for future generations.

In East Africa, Heifer implements a three-country dairy development project. The four-year, $42.8 million project is funded by the Bill & Melinda Gates Foundation. The project will benefit 179,000 families—or 1 million people—in Kenya, Rwanda and Uganda. Using a value-chain approach, the project is generating information for accurate decision-making, developing innovative and income-generating solutions on how to use critical resources most efficiently to expand dairy markets, and increasing access to markets for smallholder farmers in all three countries. Other projects in this region include goats (dairy and meat), camels, draft animals and bees.

In the last 30 years, Heifer has partnered with more than 1.4 million families in 15 different countries in Africa to end hunger and poverty in their lives. Families in these communities, who once lived in poverty, now enjoy sustainable livelihoods. Across all of Africa, more than 300,000 families will benefit from Heifer-supported projects from 2009-2012.

Africa Program Statistics

13 Staff at Heifer Headquarters
301 Field Staff
128 Projects
13 Countries with Active Projects

Children fetch water from a well installed by Heifer International near the town of Mumbwa in the Central Province of Zambia.
The Americas

The Americas Area Program at Heifer International was formed in December 2005 after merging the former Latin America/Caribbean and North America Programs. Three different regions form the program: North America, Mesoamerica and Caribbean, and South America.

The Americas Program supports families and communities with a people-centered agricultural model in which the family's production is aimed at improving their nutrition. The program works to support small-scale farmers, and the interconnections between humankind and nature are based on respect and reciprocity. The families and communities most affected by hunger and poverty are at the heart of our efforts and are based in Heifer’s values-based planning and management model and in our 12 Cornerstones.

As rural and urban populations living in poverty increase throughout the world, the Americas is walking alongside families, communities and grassroots organizations as they build their sustainable livelihoods and enhance their skills and knowledge to move toward social action and change.

Moving forward, the Heifer USA Program will focus on food systems in the high-need regions of the Mississippi River Delta and Appalachia.
Asia/South Pacific Program

Heifer’s Cornerstones are at the heart of the Asia/South Pacific Program’s Values-Based Holistic Community Development (VBHCD) model for sustainable community transformation. Through this model, project participants are empowered to help themselves and make a sustainable impact on their communities.

In this area, the application of the VBHCD model has led to significant empowerment of women and, by extension, communities. The women in Heifer’s A/SP projects assume positions of leadership in their communities, living their values and helping others in need. These projects take families from hunger and poverty and move them to a subsistence level where they no longer focus solely upon meeting their basic nutrition needs.

Once this progress has been achieved, Heifer implements second-level projects in the same communities. These projects build the institutional capacity so the communities can connect to and utilize other resources to move from this subsistence level to an increased level of enterprise development. These second-level cooperatives are being piloted across the region and offer increased and sustainable economic transformation to communities.
Central and Eastern Europe

Heifer’s Central and Eastern Europe Program initiated its first pilot program in Warsaw, Poland, in 1992. Today, roughly half of the 15 countries in which Heifer works are members of the European Union. While EU membership has offered these countries many advantages, it has also introduced challenges.

In response to the rise in the number of young people leaving rural areas to seek work in Western Europe, many of the recent projects in the EU member countries focus on the support of viable rural enterprises in agriculture and ecotourism. As a way to intensify the scope and scale of Heifer’s impact, partnerships are playing an increasingly important role in Heifer’s work in the region.

Likewise, recognizing the need to establish sustainable incomes, Heifer is working with partners to help rural communities access markets. In projects in Ukraine, Heifer is partnering with the French organization Danone, the parent company of Dannon yogurt, linking small-scale dairy farmers to the nation-wide dairy market.

Throughout Central and Eastern Europe, projects also assist disadvantaged groups. In Kosovo, Heifer is helping war widows build new lives for themselves and their communities through farming. In Armenia, youth projects concentrate not only on teaching children about agriculture and the environment, but also about peace and civil society development. In projects in Georgia, Heifer is assisting internally displaced people to become economically independent through enterprise development projects focusing on the sale of produce from greenhouses and dairy products from cattle projects.

Central and Eastern Europe Program Statistics

7 STAFF AT HEIFER HEADQUARTERS

91 Field staff

260 PROJECTS

15 COUNTRIES WITH ACTIVE PROJECTS
Programs And Services By Country In FY’10

**Albania:** Agroforestry, cattle and goat projects target general farm families and groups, such as the unemployed, a mentally disabled children’s home and Roma people.

**Argentina:** Projects focus on rural development and food sovereignty that will improve the economic situation and the political, social and cultural development of the population. Projects also support sustainable production, training, political advocacy and the increase of water and food security.

**Armenia:** Projects focus on sheep, cattle, California worms, beekeeping, poultry, rabbits, organic farming and integrated livestock systems. A 4-H style project targets rural youth, and a peace project builds ties with Georgia and Azerbaijan.

**Bangladesh:** Values-Based Holistic Community Development is implemented with local partners who focus on developing the capacities of communities through self-help groups to provide for their own needs through group empowerment, animal placement and trainings.

**Bolivia:** Projects focus on sustainable development and inclusion of small farmers and indigenous families; access and control of natural resources; llamas, alpacas, chickens and guinea pigs.

**Bosnia:** A pilot project focuses on cooperation and post-war healing in a multi-ethnic community. The project provides cattle as well as trainings in microenterprise activities.

**Brazil:** Projects focus on rural development and food sovereignty that will improve the economic situation and the political, social and cultural development of the population. In addition, the projects will also support sustainable production, training, political advocacy and water and food security.

**Bulgaria:** Two pilot projects provide cattle for an orphanage and community.

**Cameroon:** Integrated livestock and agricultural projects include poultry, bees, pigs, rabbits, grasscutters, cattle (beef, milk and draft), donkeys, horses, sheep and goats. Most are umbrella projects emphasizing agroforestry, ethno-veterinary medicine, environmental protection, increased crop production, improved nutrition and income generation.
**Canada:** Projects increase community food security through partnerships with First Nations and other Canadian communities. Gardening, poultry, fish and beef projects promote sustainable agriculture. Training and education improve family farm viability. Using bees and agroforestry ensures the sustainability of community-based organizations that help low-income families become self-reliant.

**China:** Values-Based Holistic Community Development aims at sustainable development of rural communities through group empowerment, animal placement and trainings.

**Ecuador:** Animal production, agroecology and sustainable farming systems projects include llamas, alpacas, hair sheep, guinea pigs, honeybees, geese and chickens.

**Estonia:** Heifer provides sheep and bees for farm families on Saaremaa Island, rabbits and sheep on Hiiumaa Island and sheep, cattle, horses and rabbits in Rouge.

**Ethiopia:** Heifer’s support of communities in Ethiopia aims at ensuring livelihood security through living loans of livestock (dairy cattle, sheep and goats), training, and other resources such as seeds and seedlings. Community capacity building for the sustainability of the programs is at the heart of our intervention.

**Georgia:** A winter wheat and alfalfa project promotes cooperation between three ethnic groups. Projects provide cattle for the Kazbeg highland area and for internally displaced persons from Abkhazia.

**Ghana:** Integrated livestock and agricultural projects include dairy cattle, bees, meat goats, sheep, poultry and grasscutters. Projects emphasize honey production, milk and milk products, enterprise development, environmental care, health, nutrition, improved income and sustainable livelihoods.

**Guatemala:** Projects focus on contributing to the improvement of families’ food security, living standards and environmental conditions by providing training and resources for improved livestock management and agroecological production. Main resources provided by the program include goats, poultry, rabbits, sheep, agricultural supplies and training. Guatemala has also recently embarked on supporting organic coffee production.
Haiti: Through training on agroecology, gender equity, literacy and organizational strengthening, the Haitian program is contributing to the improvement of families’ food security and the environmental recovery of the country. Main resources distributed through the project include goats, sheep, dairy cattle, agricultural supplies and training. Haiti has recently embarked on an aquaculture project.

Honduras: Project work focuses on improved nutritional, environmental and economic conditions for rural families. Major livestock components are dairy cattle, bees, fish, poultry and swine.

India: Values-Based Holistic Community Development implemented with local partners focuses on developing the capacities of communities through self-help groups to provide for their own needs through group empowerment, animal placement and trainings.

Indonesia: Projects transform rural communities to be just, self-reliant and sustainable by reducing hunger, poverty and environmental degradation through group empowerment, animal placement and trainings.

Kenya: A dairy cattle project promotes community development. Farmers receive training in artificial insemination, zero-grazing, enterprise development, business management and finance.

Kosovo: Enterprise projects aid war widows. Cattle, agricultural equipment and supplies rehabilitate farms destroyed during the war. A goat project helps the Roma community.

Laos: Heifer helps self-help groups provide for their own needs through group empowerment, animal placements and trainings.

Latvia: Heifer offers sheep, cow and traditional handicraft microenterprise projects.

Lithuania: Sheep, cow and beekeeping projects are complemented by agroecology projects focusing on alternative energy, soil conservation and biodiversity.

Macedonia: A dairy cattle project encourages cooperation between Macedonian and Albanian farmers.

Malawi: A dairy cattle project increases income and milk consumption while teaching environmentally sustainable practices.

Mexico: Project work focuses on improving families’ livelihoods through training on nutrition, environmental conservation, native horticulture, income generation and sustainable farming practices. Main project resources include cattle, sheep, turkeys, swine, seeds, trees, agricultural supplies and training.

Moldova: Rabbit and cattle projects create opportunities for women so they don’t have to seek work abroad, where they often fall victim to human trafficking.
Mozambique: A goat restocking program provides livestock and training to rural families, with an emphasis on improved nutrition through meat and milk and increased income to assist with other education and health needs.

Myanmar: Heifer helps self-help groups provide for their own needs through group empowerment, animal placements and trainings.

Nepal: Heifer helps self-help groups provide for their own needs through group empowerment, animal placements and trainings.

Nicaragua: Project work focuses on contributing to the improvement of families’ livelihoods and on food security, nutrition, income generation, gender equity, sustainable livestock and agroecological production. Main project components are cattle, poultry, sheep, trees, swine, agricultural supplies and training.

Pakistan: Heifer helps self-help groups provide for their own needs through group empowerment, animal placements and trainings. (Heifer’s one project in Pakistan will close June 20, 2011, and Heifer has no plans to continue working in Pakistan.)

Peru: Projects focus on agroecology and gender equity with hair sheep, goats, alpacas, llamas, honeybees, guinea pigs and trees.

Philippines: Values-Based Holistic Community Development is implemented with local partners using Heifer’s 12 Cornerstones for Just and Sustainable Development and Passing on the Gift to attain family-focused transformational growth and empowerment, livestock management and capacity building.

Poland: An organic farming project helps the homeless near Warsaw, while cattle, poultry, swine, rabbit, sheep and beekeeping projects aid families throughout Poland. Other projects include agrotourism in the Carpathian Mountain Region, horses for therapy of disabled children, a beef cattle project, and a sheep project with ex-convicts.

Romania: Projects provide goats for the Roma community and poultry, swine and cattle for families throughout Romania. A Farmers Feed the Children project provides beef and dairy products to institutionalized children.
Rwanda: Projects promote crossbreeding to boost dairy cattle productivity, resulting in more milk to improve families’ nutrition and income levels. Female project participants are empowered through access to training and income-generating activities. Education about sustainable agriculture improves the environment and protects natural resources.

Senegal: Farming families are using Heifer goats, sheep and poultry to boost nutrition and income, especially during the dry months. Improved seeds provided by Heifer are increasing crop yields. Trainings in ethno-veterinary knowledge and traditional medicine improve health for all.

Sierra Leone: Environmentally friendly small ruminant livestock production and integrated crop projects increase income and improve nutrition for rural families.

Slovakia: A project in the Carpathian region provides cattle and draft horses. Other projects, many involving the Roma community, provide goats, rabbits, bees and swine.

Sri Lanka: Heifer helps self-help groups provide for their own needs through group empowerment, animal placements and trainings.

Tanzania: Livestock projects include dairy cattle, goats and camels, with emphasis on soil conservation, tree planting, contouring and the use of biogas for cooking and lighting. Participants receive training in animal husbandry and environmental conservation.
Programs And Services By Country In FY’10

**Thailand:** Self-help groups are formed to lead sustainable development in the communities and then pass on resources and knowledge to others. The self-help groups are empowered to practice their personal and communal values to foster cohesion and create cooperatives of farmers.

**Uganda:** Projects include dairy cattle, goats, poultry, pigs and bees. They focus on improving nutrition and income of small-scale farmers, particularly women, with emphasis on training and environmental protection. Heifer promotes the use of biogas for cooking and lighting.

**Ukraine:** Heifer projects are revitalizing endangered breeds including Hutsul Horses, Brown Carpathian Cattle and Ukrainian Carpathian Mountain Sheep. Goat, cattle, swine and horse projects help families throughout Ukraine, and a berry and herb project increases biodiversity. Other projects support orphanages and agrotourism.

**United States:** Programs support growing, selling and eating fresh, local foods in limited-resource rural and urban communities so that family farmers and local economies are strengthened, and everyone has a healthy diet. Partners, including youth, minorities, women, Native American peoples and beginning farmers, work cooperatively to manage their projects.

**Vietnam:** Through partnerships with local partners, Heifer Vietnam empowers targeted rural communities to achieve self-reliance and sustainable holistic development.

**Zambia:** A microcredit program provides small loans to low-income farmers for developing livestock projects. Heifer provides training in animal care, record keeping and marketing skills.

**Zimbabwe:** Livestock projects include dairy cattle, draft animals, pigs, goats and rabbits. Heifer provides training in agroforestry, animal care and drought mitigation.
Resources Distributed by Country in FY’10

Listed alphabetically by Country Program Area

**Alpacas**: Bolivia, Brazil, Ecuador, Peru

**Camels**: Kenya, Tanzania

**Chickens**: Cameroon, Ethiopia, Ghana, Kenya, Malawi, Senegal, Tanzania, Zimbabwe, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Philippines, Sri Lanka, Thailand, Vietnam, Lithuania, Poland, Slovakia, Bolivia, Brazil, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, Canada, Mexico, United States: Alabama, Arkansas, Florida, Illinois, Kentucky, Louisiana, Massachusetts, Mississippi, Nebraska, New Hampshire, New Mexico, New York, Oklahoma, Oregon, Tennessee, Texas, Vermont

**Donkeys**: Cameroon, Kenya, Tanzania, China, United States: New Hampshire

**Ducks**: Ghana, China, India, Indonesia, Nepal, Philippines, Thailand, Bolivia, Peru, Mexico, Poland, Ukraine, United States: Mississippi

**Fishes**: Malawi, Tanzania, Uganda, Cambodia, China, Indonesia, Philippines, Thailand, Vietnam, Albania, Lithuania, Poland, Romania, Bolivia, Brazil, Ecuador, Guatemala, Honduras, Canada, Mexico, United States: Mississippi, New Mexico, New York, Texas

**Geese**: China, Thailand, Georgia, Ukraine

**Goats**: Cameroon, Ethiopia, Ghana, Kenya, Malawi, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Zambia, Zimbabwe, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Philippines, Sri Lanka, Thailand, Vietnam, Albania, Estonia, Georgia, Kosovo, Lithuania, Romania, Slovakia, Ukraine, Bolivia, Brazil, Ecuador, Guatemala, Haiti, Honduras, Peru, Canada, United States: Arkansas, Iowa, Kentucky, Louisiana, Massachusetts, Mississippi, Nebraska, New Hampshire, New Mexico, New York, Oklahoma, Oregon, Texas, Vermont

**Grasscutters**: Cameroon, Ghana

**Guinea Pigs**: Bolivia, Ecuador, Peru

**22 types of animals distributed**
**Resources Distributed by Country in FY’10**

**Heifers:** Cameroon, Ethiopia, Ghana, Kenya, Malawi, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe, Bangladesh, Cambodia, China, India, Indonesia, Nepal, Philippines, Sri Lanka, Thailand, Vietnam, Albania, Armenia, Estonia, Georgia, Kosovo, Latvia, Lithuania, Poland, Romania, Slovakia, Ukraine, Bolivia, Brazil, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, Canada, Mexico, United States: Alabama, Arkansas, Florida, Iowa, Kentucky, Louisiana, Massachusetts, Mississippi, New Hampshire, New Mexico, New York, Oklahoma, Texas, Vermont

**Honeybees:** Cameroon, Ghana, Kenya, Malawi, Tanzania, Uganda, China, Indonesia, Nepal, Philippines, Vietnam, Albania, Armenia, Georgia, Kosovo, Lithuania, Poland, Romania, Slovakia, Ukraine, Bolivia, Brazil, Ecuador, Guatemala, Haiti, Honduras, Mexico, United States: Arkansas, Florida, Iowa, Kentucky, Massachusetts, Mississippi, New Hampshire, New Mexico, New York, Texas

**Horses:** Mexico, China, Philippines, Georgia, Lithuania, Poland, Slovakia, Ukraine

**Llamas:** Bolivia, Brazil, Peru, United States: New Hampshire

**Pigs:** Cameroon, Ethiopia, Ghana, Kenya, Malawi, Rwanda, Senegal, Tanzania, Uganda, Cambodia, China, India, Indonesia, Nepal, Philippines, Thailand, Vietnam, Albania, Armenia, Georgia, Kosovo, Poland, Romania, Slovakia, Ukraine, Bolivia, Brazil, Ecuador, Honduras, Nicaragua, Peru, Canada, Mexico, United States: Arkansas, Florida, Iowa, Kentucky, Massachusetts, Mississippi, New Hampshire, New Mexico, Tennessee, New York, Texas

**Rabbits:** Cameroon, Ghana, Zimbabwe, China, Indonesia, Thailand, Georgia, Lithuania, Romania, Slovakia, Ukraine, Bolivia, Brazil, Ecuador, Guatemala, Haiti, Honduras, Mexico, United States: Arkansas, Louisiana, Massachusetts, Mississippi, New Hampshire, New Mexico, New York, Texas

**Sheep:** Cameroon, Ethiopia, Ghana, Rwanda, Senegal, Sierra Leone, Zimbabwe, China, Indonesia, Nepal, Albania, Armenia, Kosovo, Lithuania, Poland, Romania, Slovakia, Ukraine, Bolivia, Brazil, Ecuador, Guatemala, Honduras, Nicaragua, Peru, Canada, Mexico, United States: Alabama, Arkansas, Iowa, Kentucky, New Hampshire, New Mexico, New York, Oklahoma, Texas, Vermont

**Snails:** Cameroon

**Trees:** Cameroon, Malawi, Tanzania, Uganda, Bangladesh, China, Indonesia, Nepal, Philippines, Thailand, Vietnam, Armenia, Kosovo, Poland, Romania, Ukraine, Bolivia, Brazil, Ecuador, Guatemala, Haiti, Honduras, Nicaragua, Peru, Canada, United States: Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, New Mexico, New York, Texas

**Turkeys:** Guatemala, Canada, Mexico, Georgia, Ukraine, United States: Louisiana, Mississippi, New York, Oregon, Texas

**Water Buffaloes:** China, Nepal, Philippines, Thailand, Romania

**Worms:** Philippines, Armenia, Lithuania, Ukraine, Ecuador, Guatemala, Peru, Canada, Mexico, United States: Arkansas, Connecticut, Georgia, Illinois, Louisiana, Massachusetts, Mississippi, Nebraska, New York, North Carolina, Oregon, Tennessee, Texas

**Yak:** China

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Animals reproduce
HEIFER FOUNDATION

Founded in 1990 by Heifer International’s Board of Directors, Heifer Foundation oversees and grows endowments to support the work of Heifer International. While Heifer Foundation and Heifer International are separate nonprofit charitable organizations with distinct purposes, they are global partners that 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 from all walks of life the ability to help themselves, their loved ones and a world in great need.

All gifts given to Heifer Foundation are invested in endowments, which are funds that provide operating income and program revenue every year in the future to Heifer International. Endowment funds are carefully managed to protect the principal, which grows over time, to make increasing payouts to the Heifer mission of ending hunger and poverty and caring for the Earth. The perpetual nature of endowment funds allows you to express your lifetime values “through a gift that goes on giving” long after your lifetime.
BOARD OF DIRECTORS
THE HEIFER INTERNATIONAL BOARD OF DIRECTORS FOCUSES ON THE OUTWARD VISION AND LONG-TERM IMPACTS OF THE ORGANIZATION. AS SUCH, THE BOARD DEVELOPS BROAD VALUES AND POLICIES. THE FULL BOARD MEETS THREE TIMES PER YEAR, WITH VARIOUS COMMITTEES NAMED TO ASSIST THE BOARD IN CARRYING OUT THEIR DUTIES AND RESPONSIBILITIES.

Heifer International’s Board of Directors is currently comprised of:

- Five Covenant Agency Representatives, of which one is permanently assigned to the Church of the Brethren;
- Seven at-large directors, who reside in one of the following geographical regions: Northwest, Southwest, Southeast, Northeast, Central, Midwest and Mid-Atlantic;
- Five at-large directors who reside in one of the following international regions: Africa, Asia/South Pacific, Central and Eastern Europe, Latin America/Caribbean and North America; and
- The Chair and Vice Chair of the Heifer International Foundation

COVENANT AGENCY DIRECTORS

<table>
<thead>
<tr>
<th>Church of the Brethren</th>
<th>Kathleen Campanella</th>
<th>New Windsor, MD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presbyterian Hunger Program</td>
<td>Andrew Kang Bartlett</td>
<td>Louisville, KY</td>
</tr>
<tr>
<td>Evangelical Lutheran Church in America</td>
<td>Franklin Ishida</td>
<td>Chicago, IL</td>
</tr>
<tr>
<td>United Church of Christ - Wider Church Ministries</td>
<td>Susan Sanders</td>
<td>Cleveland, OH</td>
</tr>
<tr>
<td>Christian Church - Disciples of Christ</td>
<td>C. Douglas Smith</td>
<td>Richmond, VA</td>
</tr>
</tbody>
</table>

HEIFER INTERNATIONAL FOUNDATION REPRESENTATION

<table>
<thead>
<tr>
<th>Carol Brown</th>
<th>Chapel Hill, NC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayard Livingston</td>
<td>Norwell, MA</td>
</tr>
</tbody>
</table>

AT-LARGE REPRESENTATIVES, INTERNATIONAL REGIONS

<table>
<thead>
<tr>
<th>Africa</th>
<th>Johnson Nkuuhe</th>
<th>Kampa, Uganda</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/South Pacific</td>
<td>Fu Changxiu</td>
<td>Chengdu, Sichuan Province, China</td>
</tr>
<tr>
<td>Central and Eastern Europe</td>
<td>Ladislav Hetenyi</td>
<td>Nitra, Slovakia</td>
</tr>
<tr>
<td>North America</td>
<td>David Tracey</td>
<td>Vancouver, BC, Canada</td>
</tr>
<tr>
<td>Latin America/Caribbean (Americas)</td>
<td>Efrain Diaz Arrivillaga</td>
<td>Tegucigalpa, Honduras</td>
</tr>
</tbody>
</table>

* Resigned 31 December 2009 to accept the Interim CEO Role effective 1 January 2010. Reappointed to the Board December 2010. Board position remained vacant during the interim.
EXECUTIVE DIVISION
The Executive division comprises Human Resources and the Executive offices. The goal of the Human Resources department is to create, implement and support workforce programs and processes that positively impact Heifer’s effectiveness and result in higher levels of workforce satisfaction and retention. The Executive offices are the leadership of Heifer and help dictate the direction, goals and plans for the organization worldwide.

Human Resources
The Human Resources department is responsible for leading Heifer’s human capital strategy focused on recruiting, developing, engaging and rewarding our global talent to achieve Heifer’s mission. We welcome all who care about hunger, poverty and caring for the Earth to our work.

Executive Office
The Executive office of Heifer International oversees all other divisions and departments within Heifer. The Executive office comprises the offices of the chief executive officer, the chief operating officer, as well as the office of the president and support staff.

Fiscal Year 2010

Jo Luck
President and Chief Executive Officer

Steve Denne
Chief Operating Officer

Steve Stirling
Executive Vice President of Marketing Resource and Development

Charles Stewart
Interim Chief Executive Officer

Jim DeVries
Executive Vice President of Programs

Tanya Wright
Executive Vice President of Global Learning for Action

Rene Rockwell
Board Liaison and Executive Office Director

Leesa Ferguson
Vice President of Human Resources

James Neal
Executive Vice President of Finance and Administration/Chief Financial Officer and Treasurer

Deborah Keene
Vice President of Education

Pierre Ferrari
Chief Executive Officer

Jo Luck
President

Steve Denne
Chief Operating Officer and Executive Vice President of International Programs

Bob Bloom
Chief Financial Officer and Executive Vice President of Finance and Administration

Rene Rockwell
Board Liaison and Executive Office Director

Leesa Ferguson
Vice President of Human Resources

Deborah Keene
Vice President of Education
HEIFER’S SUPPORTERS

The majority of Heifer supporters are individuals who become engaged in Heifer’s mission through grassroots fundraising efforts. These donors learn about Heifer through a direct mail program, our website, community and educational programs or personal contact with staff and volunteers. In fiscal year 2010, these individuals contributed more than 67 percent of Heifer’s total income, creating a link between small donors and small farmers.

Businesses and organizations are the second largest sector contributing to Heifer, with 12 percent of donations during the same period. More than 13,000 businesses give their staff the opportunity to support Heifer via workplace giving with corporate matching. Some corporations work with Heifer’s Corporate Relations team, committing to significant multi-year support, sometimes supporting entire projects.

Government and institutional support contributed seven percent of revenue for fiscal year 2010. It was a significant gain for Heifer, as grants giving was up from just one percent in fiscal year 2009. Institutional development and grants acquisition is a priority for Heifer moving forward, and we are actively pursuing donors in this area.

As Heifer is also focusing on scaling up the impact we have in the field, it will be necessary for us to secure funds from diverse sources. The most notable example of a grant that is helping Heifer achieve a larger impact is the $42.8 million multi-year grant from the Bill & Melinda Gates Foundation for the East Africa Dairy Development Project. Awarded in 2007, the grant is helping Heifer reach nearly 300,000 families. Work is currently under way to secure funding to take the project into its second phase. Other grants to help hasten change for larger numbers of families, like one from Danone Ecosystems to help more than 3,000 families gain access to dairy markets in Ukraine, were made to Heifer in fiscal year 2011.
Consolidated Revenue FY’10

Contributions: 90%
Grants & Other: 10%

CONTRIBUTIONS
- Individuals 67%
- Businesses & Organizations 12%
- Congregations 7%
- Revenues raised by Country Offices 4%

GRANTS
- Government & Institutional Support 7%

OTHER REVENUE
- Educational Programs 1%
- Other 2%

Consolidated Revenue FY’09

Contributions: 96%
Grants & Other: 4%

CONTRIBUTIONS
- Individuals 69%
- Businesses & Organizations 13%
- Congregations 10%
- Revenues raised by Country Offices 5%

GRANTS
- Government & Institutional Support 1%

OTHER REVENUE
- Educational Programs 1%
- Other 2%

Ratios above exclude the change in interest in net assets of Heifer International Foundation.
IMPACT, NOT OVERHEAD

There is a movement in the nonprofit sector to pay more attention to the impact of the work being done rather than the percentage spent to achieve that impact. It is Heifer’s goal to ensure at least 75 percent of spending goes to our programmatic mission. We know that the percentage of expenses that go to program costs compared to the percentage of expenses that go to administrative costs is a common indicator of efficiency. Heifer has always strived for fiscal efficiency and accountability; in comparison to other development organizations, our overhead number is larger than some and smaller than others. For Heifer, the story behind our numbers is about the time and effort Heifer puts into training, and when a project is nearing its final stages, into follow-up.

Training and preparation for livestock typically takes an entire year. Often, beneficiaries receive training in six or seven different topics to prepare them for the gift of an animal. Additionally, Heifer works for two years after a project’s completion to monitor and evaluate what changes occur in our project communities through our own evaluation process. So while our overhead might be a little higher, our impact is substantially higher, as well.

Heifer also works to minimize administrative and fundraising costs. This can be a challenge since the majority of support comes from small, individual donations through grassroots fundraising, which is much more costly. But Heifer continually strives for cost savings and efficiency improvements to maximize programmatic funding.

Heifer works for two years after a project’s completion to monitor and evaluate what changes occur in our project communities.
Due to the uncertain economy, Heifer’s International Board of Directors authorized a temporary increase in fundraising during FY 2010 to offset a likely decrease in donations.
## Consolidated Statement of Financial Position

For fiscal year ending June 30, 2010 and 2009

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2010</th>
<th>2009</th>
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</thead>
<tbody>
<tr>
<td>Cash and equivalents</td>
<td>$38,443</td>
<td>$38,198</td>
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<tr>
<td>Restricted cash</td>
<td>9,706</td>
<td>10,636</td>
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<tr>
<td>Accounts and interest receivable</td>
<td>3,050</td>
<td>2,306</td>
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<td>Grant reimbursement receivable</td>
<td>174</td>
<td>217</td>
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<td>Prepaid expenses and other</td>
<td>1,899</td>
<td>1,909</td>
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<tr>
<td>Investments</td>
<td>1,811</td>
<td>1,560</td>
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<td>Contributions receivable</td>
<td>578</td>
<td>397</td>
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<td>Interest in net assets of Heifer International Foundation</td>
<td>46,120</td>
<td>40,072</td>
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<tr>
<td>Property and equipment, net of accumulated depreciation</td>
<td>59,954</td>
<td>62,221</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$161,735</strong></td>
<td><strong>$157,516</strong></td>
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<thead>
<tr>
<th>LIABILITIES</th>
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<tbody>
<tr>
<td>Accounts payable</td>
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<td>Accrued expenses</td>
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<td>Refundable advances</td>
<td>371</td>
<td>416</td>
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<td>Long-term debt</td>
<td>18,380</td>
<td>19,300</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$24,263</strong></td>
<td><strong>$27,731</strong></td>
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<table>
<thead>
<tr>
<th>NET ASSETS</th>
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<tbody>
<tr>
<td>Unrestricted</td>
<td>$63,102</td>
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<tr>
<td>Temporarily restricted</td>
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<td>Permanently restricted</td>
<td>55,645</td>
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<td><strong>Total net assets</strong></td>
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<td><strong>$129,785</strong></td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$161,735</strong></td>
<td><strong>$157,516</strong></td>
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Based on Heifer's financial statements audited by Deloitte & Touche LLP, which are available upon request.
# Consolidated Statement of Activities

*For fiscal year ending June 30, 2010*

## REVENUES, GAINS AND OTHER SUPPORT

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
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<tr>
<td>Contributions</td>
<td>$98,711</td>
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<td>Federal government grants</td>
<td>421</td>
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<td>421</td>
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<tr>
<td>Other grants</td>
<td>12</td>
<td>8,332</td>
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<td>8,344</td>
</tr>
<tr>
<td>Educational programs</td>
<td>1,569</td>
<td></td>
<td></td>
<td>1,569</td>
</tr>
<tr>
<td>Promotional events and material sales, net of cost</td>
<td>428</td>
<td></td>
<td></td>
<td>428</td>
</tr>
<tr>
<td>Investment return</td>
<td>207</td>
<td></td>
<td></td>
<td>207</td>
</tr>
<tr>
<td>Other</td>
<td>1,069</td>
<td></td>
<td></td>
<td>1,069</td>
</tr>
<tr>
<td>Change in interest in the net assets of Heifer International Foundation</td>
<td>(3,207)</td>
<td>3,778</td>
<td>3,963</td>
<td>4,534</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>17,409</td>
<td></td>
<td></td>
<td>(17,409)</td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td><strong>116,619</strong></td>
<td><strong>2,272</strong></td>
<td><strong>3,963</strong></td>
<td><strong>122,854</strong></td>
</tr>
</tbody>
</table>

## EXPENSES AND LOSSES

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>83,741</td>
<td></td>
<td></td>
<td>83,741</td>
</tr>
<tr>
<td>Fundraising</td>
<td>22,506</td>
<td></td>
<td></td>
<td>22,506</td>
</tr>
<tr>
<td>Management and general</td>
<td>7,408</td>
<td></td>
<td></td>
<td>7,408</td>
</tr>
<tr>
<td><strong>Total expenses and losses</strong></td>
<td><strong>113,655</strong></td>
<td></td>
<td></td>
<td><strong>113,655</strong></td>
</tr>
</tbody>
</table>

## Change in Net Assets, current year

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets, current year</td>
<td>2,964</td>
<td>2,272</td>
<td>3,963</td>
<td>9,199</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(594)</td>
<td></td>
<td></td>
<td>(594)</td>
</tr>
<tr>
<td>Other adjustments <em>(SOUTH AFRICA LEGALLY SEPARATE ENTITY DECONSOLIDATION)</em></td>
<td>(918)</td>
<td></td>
<td></td>
<td>(918)</td>
</tr>
<tr>
<td><strong>Total change in net assets</strong></td>
<td><strong>1,452</strong></td>
<td><strong>2,272</strong></td>
<td><strong>3,963</strong></td>
<td><strong>7,687</strong></td>
</tr>
</tbody>
</table>

## Net Assets, Beginning of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets, Beginning of Year</td>
<td>61,650</td>
<td>16,453</td>
<td>51,682</td>
<td>129,785</td>
</tr>
</tbody>
</table>

## Net Assets, End of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Assets, End of Year</td>
<td>$63,102</td>
<td>$18,725</td>
<td>$55,645</td>
<td>$137,472</td>
</tr>
</tbody>
</table>

Based on Heifer’s financial statements audited by Deloitte & Touche LLP, which are available upon request.
## Consolidated Statement of Activities

**For fiscal year ending June 30, 2009**

### REVENUES, GAINS AND OTHER SUPPORT

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$96,399</td>
<td>$5,120</td>
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<td>$101,519</td>
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<tr>
<td>Federal government grants</td>
<td>313</td>
<td></td>
<td></td>
<td>313</td>
</tr>
<tr>
<td>Other grants</td>
<td>230</td>
<td>769</td>
<td></td>
<td>999</td>
</tr>
<tr>
<td>Educational programs</td>
<td>1,381</td>
<td></td>
<td></td>
<td>1,381</td>
</tr>
<tr>
<td>Promotional events and material sales, net of cost</td>
<td>230</td>
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<td></td>
<td>230</td>
</tr>
<tr>
<td>Investment return</td>
<td>467</td>
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<td>467</td>
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<tr>
<td>Other</td>
<td>1,431</td>
<td></td>
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<td>1,431</td>
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<tr>
<td>Change in interest in the net assets of Heifer International Foundation</td>
<td>(10,496)</td>
<td></td>
<td>2,393</td>
<td>(8,103)</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>20,547</td>
<td></td>
<td>(20,547)</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues, gains and other support</strong></td>
<td><strong>110,502</strong></td>
<td><strong>14,658</strong></td>
<td><strong>2,393</strong></td>
<td><strong>98,237</strong></td>
</tr>
</tbody>
</table>

### EXPENSES AND LOSSES

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>95,154</td>
<td></td>
<td></td>
<td>95,154</td>
</tr>
<tr>
<td>Fundraising</td>
<td>22,281</td>
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<td>22,281</td>
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<tr>
<td>Management and general</td>
<td>7,799</td>
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<td></td>
<td>7,799</td>
</tr>
<tr>
<td><strong>Total expenses and losses</strong></td>
<td><strong>125,234</strong></td>
<td></td>
<td></td>
<td><strong>125,234</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>PERMANENTLY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets, current year</td>
<td>(14,732)</td>
<td>(14,658)</td>
<td>2,393</td>
<td>(26,997)</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>(1,736)</td>
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<td></td>
<td>(1,736)</td>
</tr>
<tr>
<td><strong>Total change in net assets</strong></td>
<td><strong>16,468</strong></td>
<td><strong>14,658</strong></td>
<td><strong>2,393</strong></td>
<td><strong>28,733</strong></td>
</tr>
<tr>
<td>Net Assets, Beginning of Year</td>
<td>78,118</td>
<td>31,111</td>
<td>49,289</td>
<td>158,518</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td><strong>$61,650</strong></td>
<td><strong>$16,453</strong></td>
<td><strong>$51,682</strong></td>
<td><strong>$129,785</strong></td>
</tr>
</tbody>
</table>

Based on Heifer’s financial statements audited by Deloitte & Touche LLP, which are available upon request.
Heifer assisted a total of 1.6 million families last year

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. Heifer’s unique community development model directly assisted more than 308,340 families last year with gifts of animals, training and Passing on the Gift. In addition, members of 453,260 more families received special training that included sustainable farming techniques. And another 870,260 families received significant benefits indirectly.