



# Annual Report



**2016**

# **ICF COMMUNITY WELLBEING**

## **Mission Statement**

To improve the wellbeing of  
Ukrainian  
communities while caring  
for the environment

## Introductory Word of the Chair of the Board



**Dear friends,**

I am honored to present the 22nd Annual Report of the International Charitable Fund “COMMUNITY WELLBEING”, which covers a year being full of new achievements and developments of our fund.

This Annual Report provides a summary of many activities carried out by the Fund’s team in 2016 and outlines new trends planned to be implemented in the next year. The last year was marked by both serious challenges for our Fund and new achievements in the work of ICF COMMUNITY WELLBEING.

At the same time, in this period being difficult for Ukraine, we continued our hard work in order to improve wellbeing of rural families by providing informational and methodological support to grantees in the development of pro-poor wealth creating value chains for agricultural products.

The goal of each project is to help small producers become real market players through self-organization and, consequently, to revitalize them in rural Ukraine.

Due to the transformation of small households into sustainable family farms and their uniting into agricultural service cooperatives, as well as the creation of value-added chains, villagers have a chance to sell their products on condition of transparency and at fair prices.

The further development of market relations in cooperative-based agricultural production will require proper comprehensive legal and procedural coverage of cooperatives’ activity. Experts from ICF COMMUNITY WELLBEING took an active role in drafting and improving legislation for agricultural service cooperatives, family farms and sustainable rural development in Ukraine.

The Fund will continue developing and strengthening partnerships with Danone Ecosystem Fund, Danone-Ukraine, DanTrade, SOCODEVI, the Department of Foreign Affairs, Trade and Development of Canada (DFATD), the United States Agency for International Development (USAID), Heifer International, European Bank for Reconstruction and Development (EBRD), FAO, the United Nations Development Programme (UNDP), European Union in Ukraine, central and local authorities, NGOs and active communities.

We are sincerely thankful to our partners for their valuable support of the development of rural communities in Ukraine. We believe that our joint efforts will continue to make a difference in day-to-day lives of disadvantaged families and hope for the collaboration within our new initiatives.

Sincerely,

**Viktor Teres,**

Chair of the Board  
of ICF COMMUNITY  
WELLBEING

A handwritten signature in blue ink, appearing to read "Viktor Teres". The signature is fluid and cursive.

# ICF COMMUNITY WELLBEING Historical Highlights

## 1994

The first pilot project for Western Ukraine “Small Farm Development in Drohobych District”, designed by Heifer International Representative Office in Central and Eastern Europe, was approved.

## 2000

The International Charitable Foundation “Heifer Project International” (Heifer-Ukraine) was officially registered with the Ministry of Justice of Ukraine with an office in Lviv.

## 2003

The main office of Heifer-Ukraine moved from Lviv to Kyiv. The Lviv office continued its operations as a satellite.

## 2004

Heifer-Ukraine’s first Strategic Plan for 2004-2008 was developed and approved.

## 2009

**Heifer-Ukraine received the “Benefactor of the Year” national award as the best international charity organization in Ukraine.** Heifer-Ukraine Country Program Strategic Plan for 2009-2013 was developed and approved.

## 2010

Heifer-Ukraine received funding from Danone Ecosystem Fund for the “Ukraine Milk Communities” project. The first Phase of the project for the amount of 500,000 Euro started in February 2010.

## 2011

Funding was received from Danone Ecosystem Fund for the implementation of three projects: the “Ukraine Milk Communities Project”, Phase 2, the “Cooperative Learning Farm and Services” project, and the “Strawberry Cooperatives Development” project.

## 2012

ICF COMMUNITY WELLBEING was awarded by **the national “Benefactor of the Year 2011” contest in the nomination “For Providing In-Depth Training to Adults Helping Them Improve Their Lives”**. The first 10 hectares of strawberry were planted in the framework of the “Strawberry Cooperatives Development” project. State co-funding was received to construct a new coop milk processing facility in Kirovohrad Oblast.

## 2013

ICF COMMUNITY WELLBEING opened its doors to international delegations to share experience and demonstrate practices used to implement projects in Ukraine. Phase III of the “Ukraine Milk Communities” project was approved and the project was launched on July 01, 2013.

## 2014

ICF COMMUNITY WELLBEING entered its transformation period in order to become an independent Ukrainian charitable fund. The Fund prepared its strategic and transition plan for 2015-2017. The plan will ensure financial independence and sustainability of future operations and projects and allow diversification of activities.

## 2015

ICF COMMUNITY WELLBEING became winner of **the national rating of benefactors in nominations “Number of beneficiaries who received targeted charitable support in 2014” and “Expenses on community development in the category of more than 10 million UAH per year”**. ICF COMMUNITY

WELLBEING started its cooperation with USAID/Partnering for Innovation within the implementation of the “Development of Family Farms United in Agricultural Service Cooperatives” project to increase small dairy producers’ production and enhance milk quality through strategic investments in value chains and trainings. The Fund was supported by the FAO for compiling a legal Compendium on Agricultural Cooperatives in CIS countries and started the conduction of the survey “Promoting Responsible Investments and Social Partnerships between Farming Enterprises and Local Communities” within the implementation of a subcontract with Chemonics International Inc. (the USAID AgroInvest project).

## 2016

ICF COMMUNITY WELLBEING actively supports agricultural service cooperatives (ASCs) and builds small family farms on the basis of ASC members’ households under “Development of Family Farms United in Agricultural Service Cooperatives” project. The Fund continues its partnership with European Bank of Reconstruction and Development (EBRD) in implementing the projects “Spreading knowledge and best practices for sustainable dairy farming development”, “Improving the dairy farming training center” and “Mechanism for involving young people in the dairy sector”.



## Our Highlights for Fiscal Year 2016

- Since 2003, 80 agricultural service cooperatives have been supported, 50 of which are operational
- Since 1994, more than 23 000 rural families have received support from ICF COMMUNITY WELLBEING, including 5510 families – through “passing on the gift” (passing on the equivalent of aid received from one family to another)
- ICF COMMUNITY WELLBEING continues its cooperation with USAID/Partnering for Innovation within the implementation of the “Development of Family Farms United in Agricultural Service Cooperatives” project to increase small dairy producers’ production and enhance milk quality through strategic investments in value chains and trainings
- 105 family farms for 7-40 cows have been opened in Kherson, Mykolaiv, Odesa, Dnipropetrovsk, Zaporizhzhia, Poltava and Cherkasy Oblasts within the Ukraine Milk Communities Project. More than 400 rural families have increased their incomes and improved their working conditions
- The Coop Learning Farm reached the average milk productivity of 26L per cow, which is almost twice higher than the average productivity of cows in Ukraine
- Facilities for calves growing and hay storage were constructed at the Cooperative Learning Farm
- 478 tons of extra-class milk were produced at the Cooperative Learning Farm
- The average milk yield per year at the Cooperative Learning Farm amounted to 8,544 kg per head and only “extra” grade milk in terms of quality was produced – the highest grade possible in Ukraine
- Over 211 tons of strawberries were collected within the Strawberry Cooperatives Development Project
- 5 family farms growing strawberries participated in the project through the plantation of 5.5 ha and co-financing of 40% of expenses (labor, water connection, soil preparation, etc.) – they collected 44 tons of strawberries
- Jointly with FAO and with the support from the Ministry of Agricultural Policy and Food of Ukraine, Dnipropetrovsk Oblast State Administration, UASC “Hospodar”, Dnipropetrovsk Oblast Council, Danone Ukraine company and Dnipropetrovsk Agricultural Advisory Service, the International Conference “Empowering small producers and family farms through innovation practices for dairy farming sustainable development” was organized.



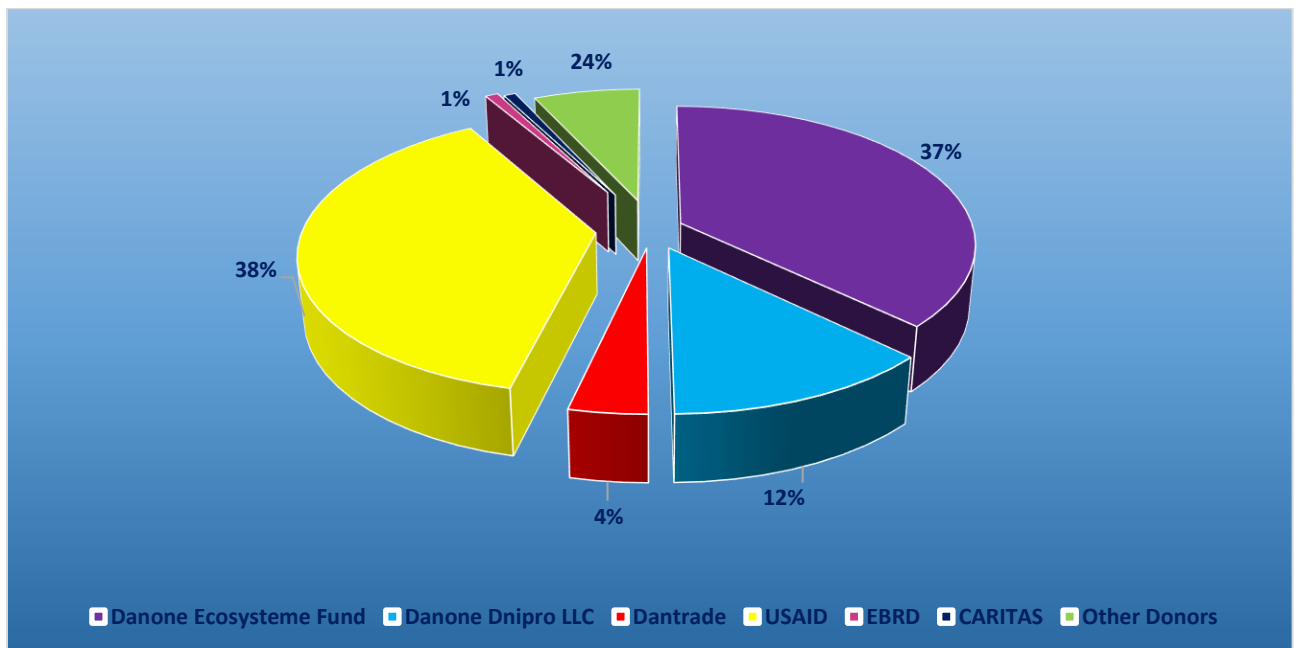
# Financial Indicators

## Financial Indicators by Sources

For FY 2016 (from January 01, 2016 to December 31, 2016), the Fund's total project and operations budget amounted to **\$ 648.7 thousand** in hryvnia equivalent. The Fund's sources include funding from donors and external grants.

ICF COMMUNITY WELLBEING constantly works on diversification of sources. In 2016, the major part of funding was made up by grants from other sources (see diagram below).

## Budget Sources of ICF COMMUNITY WELLBEING in 2016 FY, %



# Our Initiatives in Depth

## Ukraine Milk Communities Project - Phase III

**Total budget:** \$ 7 million in hryvnia equivalent

**Recipients:** More than 3200 members of agricultural service cooperatives (ASC)

**Goal:** To develop a sustainable and competitive milk supply model for individuals through the transformation of prospective households into family farms and increasing professional knowledge, skills, efficiency and sustainability of agricultural service cooperatives and their members.

**Project donors and partners:** Danone Ecosystem Fund, Danone Ukraine, Heifer International, DFATD/SOCODEVI.

**Project partners:** ICF COMMUNITY WELLBEING, Danone Ukraine, Dnipropetrovsk Agricultural Advisory Service.

### Project history and budget:

- Phase I: February 2010 – February 2011 (\$800,000)
- Phase II: February 2011 – June 2013 (\$1.8 mln.)
- Phase III: July 2013 – now (\$4.5 mln.)
- Total budget: \$7 million in hryvnia equivalent.

**Project implementation area:** Poltava, Dnipropetrovsk, Kherson, Zaporizhzhia and Mykolaiv Oblasts.

The project implementation started in 2010, when Danone Ecosystem Fund, Danone Ukraine, Heifer Project International, and DFATD/SOCODEVI combined their efforts and resources to improve wellbeing and income of rural families in the Central and Southern Ukraine by uniting smallholders into agricultural service cooperatives and providing equipment for these cooperatives. The successful implementation of Phase I of the project (2010-2011) prompted to prolong the project into Phase II (2011-2013), which was focused on building the capacity and raising the potential of the established coops through improving practical knowledge of coops' members in producing high-quality milk and developing economic activities and high-quality services provided by the coops. Thus, from phase to phase, the Ukraine Milk Communities project aims to scale up the impact on smallholders as members of agricultural service cooperatives by offering new horizons for development. Phase III launched in July 2013 is not an exception. The goal for this phase is economic, social, and environmental sustainability of coops and establishing family farms in order to increase capacities of the most prospective smallholders. In 2014, the project was focused on intensifying family farm reconstruction and strengthening cooperatives, with family farms being members of such cooperatives.

### The key achievements as of December 31, 2016:

- In 5 oblasts of Ukraine, 24 agricultural service cooperatives (ASC) have been created to unite more than 3200 members (2027 (53%) of them are women)
- 58% ASC leaders are women
- 1741 project members have improved their knowledge and skills in best farming practices and cooperation (62% are women)
- 272 heifers have been provided to cooperative members to support milk production in the families
- 105 family farms for 5-40 heads of cattle have been opened in 7 oblasts of Ukraine
- 210 rural families significantly improved their working conditions
- 99 jobs have been created (65% are taken by women)
- 6109 indirect beneficiaries (project participants' family members and social grant beneficiaries)
- More than 200 publications appeared in national and regional media



### **Future plans:**

- Ensure first-grade milk collection from all family farms and smallholders supplying milk to cooperatives via family farms with installed milk cooling tanks
- Increase the number of reconstructed family farms to 106 within this project
- Create possibility for 738 new smallholders to supply milk to family farms and cooperatives with a cooling facility
- Gradually improve management and ensure sustainability of project coops
- Create active boards consisting of family farm owners in each cooperative
- Organize a comprehensive training event for ASC leaders involved in the project



## Cooperative Learning Farm and Services Project

<b>Budget:</b>	<b>1.8 million euros in hryvnia equivalent</b>
<b>Recipients:</b>	<b>More than 720 members of agricultural service cooperatives-members of the Union of Agriculture Service Cooperatives “Hospodar”</b>

**Goal:** To build, establish and provide institutional support to a cooperative learning farm to demonstrate the best animal breeding and top-quality milk production practices and train members of “Hospodar” cooperative union; to increase the income of cooperative members by improving farm management methods and providing them with an access to cooperative union’s equipment.

**Project donors and partners:** Danone Ecosystem Fund, Danone Ukraine, Heifer International, DFATD/SOCODEVI, Dnipropetrovsk Agricultural Advisory Service.

**Period of project implementation:** July 2011 – June 2017

**Project area:** Dnipropetrovsk Oblast



Thorough experience of ICF COMMUNITY WELLBEING in milk farm management and established partnerships spurred the launch of the “Cooperative Learning Farm and Services” project in 2011 in Dnipropetrovsk Oblast. The union of agricultural service cooperatives “Hospodar” became the owner of the cooperative learning farm, where modern dairy cattle breeding and milk production methods are developed and demonstrated to members of cooperatives. In addition to the training program implemented at the learning farm, a program of support for small family farms is being implemented within the project, with some of them serving as demo fields for replicating and sharing adapted practical farm management experience. Besides holding educational events, the project pays great attention to protecting and lobbying the interests of cooperative union members and providing services to them.

### **Key achievements of the project:**

The Cooperative Union that unites six agricultural service cooperatives continued providing the following services to their members:

- milk collection
- artificial insemination
- vet services
- joint use of pastures.

Before the Cooperative Union was established, the following main challenges had been observed:

- Poor communication and lack of experience sharing between cooperatives
- Lack of equipment and machinery (due to their high prices) that would allow increasing the number of services in feed procurement and land tillage
- Lack of communication and collaboration between cooperatives and the local government.

At the beginning of its functioning (2011), the union of AS coops “Hospodar” (the Coop Union) united 450 members.

Currently, it unites 720 members from eight coops, which became possible due to the successful provision of feed procurement and land tillage services and trainings to members of the Coop Union. Since the beginning of its operation, “Hospodar” cooperative union has provided the following services: silage preparation – 3,372 t, land tilling – above 3,000 ha, fodder crop seeding – 220 ha, baling – 1360 t of hay. The system of milk quality tracking has been introduced at the coop level due to trainings provided by the Coop Union.

Dairy cooperatives (members of the Coop Union) have increased milk collection and cooling by more than three times due to the Union establishment. Milk is supplied to Danone Ukraine for processing. An agreement for milk supply has been signed with each cooperative. The Coop Union serves as a coordination center for cooperation with a milk processing enterprise. Another objective of the Union is to organize trainings on milk quality and hygiene in order to meet milk quality requirements set by the milk processing enterprise. Due to the implemented training program, milk producers managed to decrease milk contamination almost by three times.

The Cooperative Union successfully advocates their members for enabling legislative environment and improved local government programs for support of coops and family farming. Moreover, the Coop Union successfully works with donors and attracts external financing. In order to implement programs for cooperatives financial support, a low interest rate credit mechanism has been developed in collaboration with banks. Two cooperatives of the union have already received funds for the reconstruction of a milk processing center and the purchase of an own dairy truck.

Coop governance and coop management models have been significantly improved due to professional trainings provided to coops – members of the Coop Union. Most of coops have demonstrated improved indicators of economic efficiency, increased membership and an increased level of trust and cooperation among coop members.

Strategic priorities of the Coop Union include implementing a system for the provision of coop members with high-quality mixed feeds and in-bulk milk collection from milk cooperatives that are members of the Union to open opportunities for negotiations regarding more competitive prices for produced milk.

**Cooperative learning farm.** Last year the cooperative learning farm focused on reaching high indices of animal productivity and milk quality, as well as implementing new approaches in the production and efficient use of supplies. The milk consultant team monitored the indices of cows’ productivity, milk quality and reproductive capacity of cows on a monthly basis and corrected key operational procedures related to animal feeding, treatment and reproduction techniques, etc. The cooperative learning farm implemented a system of motivation-based labor remuneration based on work results for operating staff. Moreover:

- 478 tons of extra-class milk was produced at the farm; the average milk yield per year amounted to 8,544 kg per head;
- The productivity of cows at the Demofarm (26L per cow) is almost twice higher than the average productivity of cows in Ukraine;
- The farm supplies only “extra” grade milk in terms of quality – the highest grade possible in Ukraine.

#### **Training center activity.**

During the period of project implementation, **773** members participated in trainings and promotional events on dairy cattle breeding and the establishment of small family farms. Trainees had the opportunity to gain practical experience in constructing and arranging small family farms, learn the economics of managing a dairy farm and see working examples of arranging farm premises, which ensure comfort for animals and thus contribute to their productivity.

**Development of small family farms.** The Coop Learning Farm has also become a training center for coop members interested in reconstructing family farms or building them from scratch. Moreover, by the end of 2016, 105 family farms keeping 953 cows had been created in six regions of Ukraine. Besides producing high-

quality milk, such farms also function both as demonstration and learning centers for holding trainings and sharing experience between ASC members concerning effective farm management by small producers and for inception visits by governments of all levels.



## Strawberry Communities Project

<b>Budget:</b>	<b>\$1.45 million in hryvnia equivalent</b>
<b>Recipients:</b>	<b>More than 700 members of agricultural service cooperatives (ASC) and smallholders</b>

**Goal:** to increase incomes of at least 500 individual households by up to 50% by uniting them into an agricultural service cooperative to produce strawberry using modern technologies and sell it through the cooperative.

**Project donors and partners:** Danone Ecosystem Fund, Danone Ukraine, DanTrade and Heifer International.

**Project duration:** 2012-2018

**Project implementation area:** Ternopil and Lviv Oblasts

The project is implemented by “Losiatynske Molochne Dzherelo” coop in Losiatyn Village of Ternopil Oblast, which provides strawberry planting, storage and marketing services to its members both on the joint field and on private land plots. During project implementation, investments allowed expanding the area planted with strawberry on the cooperative field from 10 ha in 2012 to 18 ha in 2016. Besides that, in 2016, five family farms harvested strawberries from 5.5 ha on their own land shares. A unique feature of the project is that the coop uses only the best practices of strawberry planting that allows selling and supplying most of the harvested strawberries to Danone for the production of natural strawberry filling for dairy products.

The year 2016 was quite hard for the cooperative and its enterprise due to the unstable political and economic situation and war actions in the East of Ukraine. In comparison with the previous year, prices have increased for agricultural inputs, including fuel, chemicals, planting material, irrigation systems, etc.

**2016 is characterized by the following yield indices:**

- **The cooperative harvested 167 tons** of strawberries
- **Family farms harvested 44 tons** of strawberries
- The total strawberry yield is 211 tons

### Seasonal labor and field management

Due to the project, more than 700 persons got jobs as seasonal employees (harvest and berry gathering). Project participants were able to increase their incomes by 40-70%. Being officially employed by the coop’s enterprise, permanent workers will receive state unemployment benefits during “cold” months, when there is no work in the field. Workers would not have this social protection if the coop’s enterprise did not pay social taxes as an employer. As a result, the social-economic situation in the cooperative action area has improved: the unemployment rate has dropped and the labor migration of local people abroad has reduced significantly. As of today, the cooperative enterprise makes up 80% of the budget of Losiatyn Village.

ASC “Losiatynske Molochne Dzherelo” is working actively towards diversification of services provided to its members. The coop took active part in raspberry production by its members. Therefore, about 1000 tons of this kind of berries have been produced.

The coop is doing its best to engage financial resources from other donors. In particular, it has managed to receive co-funding for the building of cooling and freezing facilities from USAID and UNPD.





## Success Story

### The DANONE group supports family farms producing strawberries in partnership with ICF COMMUNITY WELLBEING

The Danone group has been cooperating with family farms and a strawberry cooperative that grow berries in Ukraine according to international standards of growing berries and provide the company with high-quality primary produce for yoghurt production.

Within the Strawberry Communities Project and with the support of partners – Danone Ecosystem Fund, DanTrade, Danone Ukraine, Heifer International and ICF “Community Wellbeing” (project holder) – 5 family farms were created in Kremenets’, Lanivtsi and Zalishchyky Regions of Ternopil Oblast and Peremyshliany Region of Lviv Oblast on the basis of the strawberry cooperative of Losiatyn Village of Kremenets’ Region of Ternopil Oblast.

Project participants demonstrate high yield indices. In 2016, the family farms gathered a yield of 8-9 t/ha, and the strawberry cooperative – of 9-10 t/ha. The strawberry farms were created on the conditions of co-funding, which speaks of the families’ readiness to partially cover the expenses connected with strawberry growing.

Danone makes its products using only selected Ukrainian raw materials – milk and fruit. Around 80% of strawberries grown in the coop and the family farms is supplied for the production of Danone Ukraine dairy products and fully covers the company’s demand for this kind of berries.

Strawberries are grown using the latest technologies: on ridges using drip irrigation. Only high-quality and duly certified fertilizers supplied by leading producers are used for the nutrition and protection of plants. Black film is used to reduce herbicide use significantly. For soil tillage and strawberry planting the following equipment is used: tractor, trailer, tiller, cultivator, plow, ridge former, sprinkler, diesel generator and a truck for transporting strawberries.

Danone company is extremely happy to see how the rural community has developed during the four years of project implementation. The creation of family farms by transformation of certain smallholders into professional strawberry farmers united in a coop is an important stage of development and speaks of community maturity and success of this model. Danone company will continue to support this project.





# USAID/Partnering for Innovation Project: Development of Family Farms United in Agricultural Service Cooperatives



**USAID/Partnering for Innovation Project: Development of Family Farms United in Agricultural Service Cooperatives**, launched in July 2015, is implemented by ICF COMMUNITY WELLBEING in partnership with Danone Ukraine, Dnipropetrovsk Agricultural Advisory Service and UASC “Hospodar”. The project is co-financed by Danone Ecosystem Fund and Canadian Government with support from the Ministry of Agrarian Policy and Food of Ukraine, which is also project beneficiary.

**Total budget:** **\$1.58 million in hryvnia equivalent**

**Recipients:**

- **70 families who own farms**
- **738 smallholders-coop members**

The project aims to improve quality and increase milk production by smallholders in Poltava, Dnipropetrovsk, Zaporizhzhia, Mykolaiv, Kherson, Cherkasy and Odesa Oblasts by establishing 70 family farms and uniting 738 smallholders around family farms at the expense of strategic capital investments in the value-added chain of production and training.

**Period of project implementation:** July 1, 2015 – September 30, 2017

70 families who won the competitive selection have been assisted in reconstructing and improving management effectiveness of dairy family farms within the project during 2015-2016. Assistance has been provided in developing reconstruction plans for buildings where cows are kept. Equipment that enhances farm profitability, reduces manual labor, improves animal keeping conditions and improves milk quality has been provided, namely: milking equipment, drinking bowls, a lighting system with automatic regulator, a ventilation system, rubber mats.





### Key achievements of the project as of December 2016:

- 70 family farms for 10-40 cows have been opened
- 45 mini cooling tanks have been installed in family farms
- More than 440 new smallholders are supplying milk through coops
- 347 project participants have improved their knowledge and skills in high-quality milk production
- 4 training modules have been developed
- The first comprehensive training on animal farming has been held for family farmers
- In order to supply the family farms of the project with high-quality feed, a silage harvester has been purchased for UASC “Hospodar”
- Certain family farms involved in the project demonstrate a more than 30% increase in the productivity of cows
- Project participants have been provided with 45 highly productive heifers



### Future plans:

- Advisory support to 105 family farms established within the project to ensure their stable activity and sustainable development
- Support of 298 smallholders (in addition to 440 smallholders supplying milk to coops) – in total at least 738 persons
- Supply of first-grade milk from at least 90% of family farms
- 518 smallholders will participate in consultations and trainings (besides those 347 already trained out of 865)



## Success Story

### Opening of the first family farm for 20 cows in Poltava Oblast

On November 25, 2016, the first family farm for 20 cows was officially opened in Sukhorabivka Village of Reshetylivka Raion. The farm belongs to Zhvanko family. The farm was established within the USAID/Partnering for Innovation Project: Development of Family Farms United in Agricultural Service Cooperatives.

The event was attended by USAID, ICF COMMUNITY WELLBEING, UASC “HOSPODAR”, the Ministry of Agrarian Policy and Food of Ukraine, oblast, regional and local government representatives as well as other honorary guests.



After the official opening of the family farm, the participants took part in a press conference on the development of agricultural service cooperatives and family farms in Poltava Oblast, facilitated by ICF COMMUNITY WELLBEING Chair of the Board Viktor Teres.



The family farm was established on the basis of Zhvanko family's household. Ruslan and Julia, both local inhabitants, are members of ASC “Molochnyi Svitanok”. The family had lived in Poltava for some years, but three years ago they decided to return to their native village. Ruslan Zhvanko played an important role in the development of ASC “Molochnyi Svitanok” as cooperative leader. Having seen a good example of small family farms keeping 5-8 heads of

cattle that were reconstructed in 2014-2015 in Sukhorabivka Village and intending to develop their own household, the family considered the conditions of the project thoroughly and decided to establish their own family farm. Ruslan and Julia decided to take the harder way and construct a family farm for 20 heads from scratch. The construction started in late autumn 2015 and lasted till November 2016.

The family farm is fitted with modern equipment, such as an automatic cow watering system, a quality ventilation and lighting system, an automatic milking system, rubber mats for animals' comfort, a 650 L cooling tank and laboratory equipment, which allows the farm to collect milk from other suppliers and achieve milk quality of at least grade one.



At the moment the farm is managing 10 milking cows, not counting the animal yield. It is planned to increase the livestock in the short-term perspective. The creation of a family farm enabled the family to double their income. The increase of the livestock to 20 heads is expected to at least re-double the family's income.

Moreover, on November 24, 2016, a similar family farm for 20 heads of cattle was opened in Denysivka Village of Orzhytsia Region of Poltava Oblast. This farm belongs to Serhiyenko and Shapovalenko families.

It is planned, that the newly established ASC-based family farms for 20 heads of cattle with installed milk cooling facilities will ensure stable production and supply of grade one milk via ASC "Molochnyi Svitanok". Due to improved animal keeping conditions, namely automatic cow watering systems, quality ventilation and lighting systems, automatic milking systems and rubber mats for animals' comfort, the productivity of the livestock is expected to increase by at least 25%. These improvements will enable the families to reduce the time spent on farm management even with a greater number of animals and significantly improve working conditions for adult family members, especially women. Due to higher volumes of milk production and improved milk quality, the families will be able to increase their incomes considerably.



By using a reliable sales channel, a fair market price, an opportunity to improve knowledge and skills, the family farms created within the project will also become learning platforms for other family farmers of Poltava Oblast. They will demonstrate how to handle a farm to achieve a steady profit – the basis of successful agricultural production in West European countries.

# EBRD Project

	Name	Budget, thousand EUR
Task 1	Spreading knowledge and best practices for sustainable dairy farming development	176.2
Task 2	Improving the dairy farming training center	47.2
Task 3	Mechanism for involving young people in the dairy sector	66.4

## Project achievements at the end of 2016:

- The study of knowledge level and training needs has been completed among small dairy producers (100 farmers from 5 regions of Ukraine), agricultural businesses of the public sector and educational establishments (20 specialized organizations)
- An experience sharing program has been fulfilled for the farmers from CIS countries with the participation of representatives from Armenia, Georgia, Kazakhstan and Belarus
- A comprehensive training session has been held for trainers to prepare five regional multi-discipline teams that will be involved in conducting trainings and consultations at the regional level

## Training for family farms



**The Cooperative Learning Farm** as a training and coordination center and a venue for holding trainings and demonstrations on general and special agricultural issues



**New family demo farms.** Demonstration of new approaches and technological processes in animal management. Construction of a family farm and its profitability analysis.



**Reconstructed family demo farms** for 5-10 cows. Demonstration of simple means of farm reconstruction according to animals' needs and product quality requirements.

(I) beginner:

- Milk production basics
- Animals' needs and ways of ensuring their basic comfort

(ii) intermediate:

- Reconstruction and construction of new farms (animal management and young stock raising)
- Animals' health, vet medicine and insemination
- Feeding and rough feed making
- Feed production
- Hygiene and milk quality management
- GAP (good agricultural practice) and manure management

(III) advanced:

- Economic and financial basics of accounting for smallholders
- Access to funding
- Basic management skills
- Marketing

- Dairy farming **manual** for small producers based on training materials
- **Training monitoring system** according to European standards and schemes for ensuring training quality
- **Recommendations for trainers** on training methodology, training content and practical recommendations on training conduction
- **Business plan** and recommendations on implementing sustainable training sessions for different target groups (family farms and students)
- **To assess the management model and business activity of the Demo Farm and the Learning Center** and to develop an action plan for the current personnel on improving financial planning and reporting indices
- **Trainings for the current Demo Farm personnel** in management, accounting and farm operations optimization
- **Development of a mechanism of encouraging young people** and improving their milk production skills
- **5 three-day training courses** for 100 students of agricultural educational establishments on the basis of the Cooperative Learning Farm.



# **Supporting the Creation of an Enabling Legislative Basis for the Development of Cooperatives, Family Farms and Cooperative Enterprises and Sustainable Rural Development**

An integral and important part of ICF COMMUNITY WELLBEING activity is participation in the development of the state policy for sustainable rural development, which stipulates the creation of enabling legal and regulatory conditions for the growth of rural economy and improvement of the welfare of every member of a rural society in particular and of rural communities in general.

The Fund's experts continued to work for the development of positive legislative environment for the establishment of family farms, agricultural service cooperatives and value chains of agricultural products produced by smallholders and family farms in rural areas. Special attention was also devoted to regulatory issues and information provision related to agricultural production in rural areas.

ICF COMMUNITY WELLBEING is an active member of the working group of the Ministry of Agrarian Policy and Food of Ukraine dealing with the development of agricultural service cooperatives, family farms and other issues related to socio-economic development of rural areas.

The Fund's experts initiated the process of legislative regimentation of family-type farms. For this purpose, our experts took an active part in the development of the draft Law "On Amendments and Supplements to the Law "On the Farming Household" in terms of regulation and legislative support for the establishment and activity of family farms.

This law applies to the legislative regulation of the establishment, operation and state support of family farms, a simplified procedure for obtaining permit documents by small forms of agricultural business, a procedure of family farms registration, and characteristics of their activities.

The adoption of this law will boost the development of the European model of family farming and facilitate the profitable management of small producers in rural areas in particular and unions of agricultural service cooperatives in the whole.

Within the working group of the Ministry of Agrarian Policy and Food, the Fund's specialists were directly involved in the preparation of the Concept for Rural Development of Ukraine, which will allow shifting the focus of the state policy to the support of rural development and improvement of life quality and economic wellbeing of people living in rural areas, creating preconditions for the expanded replication of appropriate patterns and ensuring food security of the state in the global division of labor.

An active work for providing professional consultations and documentary support for the Fund's ongoing projects was conducted.

## Committee Hearings: Transformation of Agro-Industrial Complex of Ukraine. Stimulation of the Development of Family Farms and their Taxation

On October 12, 2016, upon the initiative of the people's deputy of Ukraine V.Ye. Ivchenko and a resolution of the Committee of Verkhovna Rada of Ukraine for agrarian policy and land relations, Committee Hearings took place devoted to the topic: "Transformation of agro-industrial complex of Ukraine. Stimulation of the development of family farms and their taxation".



The event was attended by: people's deputies of Ukraine, representatives of the Ministry of Agrarian Policy and Food, the Ministry of Finance, the State Farmers Support Fund, the National Association of Agricultural Advisory Services, Embassies of the Republic of Poland and the Republic of Lithuania, scientific and research institutions, the public and businesses.

In the course of hearings, issues connected with the implementation of reforms in agricultural sector were discussed, such cooperation stimulation, family farms development and characteristics of their taxation.



In his report "ICF "Community Wellbeing" experience in the development family farms united in agricultural service cooperatives" the Chair of the Board ICF "Community Wellbeing" Viktor Teres emphasized the necessity of supporting the development of family farms as classical representatives of self-employed forms of business that must be put in the center of agrarian, environmental and social policies and play an important role along with cooperatives in ensuring food security, food supply, the increase of farmers' incomes, natural resources management, environmental protection and sustainable development achievement. ICF "Community Wellbeing" projects acknowledge the importance of small producers and their unions in the balanced development of agricultural economy and rural development.



## Plans for the Coming Year

- Diversify directions of activity, including the development of new consulting, training, and other services with a special focus on business and legal issues;
- Continue implementing innovative rural development projects throughout Ukraine, while increasing their scale, improving efficiency of work and ultimately empowering rural agricultural producers to become self-sustainable, influential, and able to protect their economic and social interests;
- Expand fundraising for new projects, including cooperation with other national and international NGOs in Ukraine and trans-border projects with other NGOs in the region. Attract donors by combining resources from different sources for scaling up and improving projects impact;
- Continue initiatives with the support of Danone Ecosystem Fund, Danone Ukraine, DanTrade and Heifer International to successfully complete the Strawberry Cooperatives Development project, the Cooperative Learning Farm and Services project and the Milk Communities project;
- Initiation and development of other cooperative social responsibility projects;
- Continue to implement the USAID/Partnering for Innovation within the implementation of the “Development of Family Farms United in Agricultural Service Cooperatives” project;
- Continue strengthening and developing relations with state authorities and other stakeholders to attract co-funding and jointly advocate for needs of smallholders united into Agricultural Service Cooperatives and Unions of Cooperatives;
- Acquisition of full membership in the Ukrainian Philantropists Forum.





## List of ICF COMMUNITY WELLBEING projects

### December 31, 2016

#	Project name	Donors and partners	Implementation areas	Coordinator	Duration
1.	Development of Family Farms United in Agricultural Service Cooperatives	USAID/Fintrac, ICF “Community Wellbeing”, Danone Ecosystem Fund, Danone Ukraine, Dnipropetrovsk Agricultural Advisory Service, UASC “Hospodar”, DFATD	Poltava, Dnipropetrovsk, Zaporizhzhia, Kherson, Mykolaiv, Cherkasy, Odesa Oblasts	Oleksandr Gudyma	2015-2017
2.	Ukraine Milk Communities – Phase 3	Danone Ecosystem Fund, Danone Ukraine, Heifer International, DFATD/SOCODEVI	Poltava, Dnipropetrovsk, Zaporizhzhia, Kherson, Mykolaiv Oblasts	Tetiana Danyliv, Oleksandr Gudyma	2013-2017
3.	Coop Learning Farm and Services Project	Danone Ecosystem Fund, Danone Ukraine, Heifer International, DFATD/SOCODEVI, Dnipropetrovsk Agricultural Advisory Service	Oleksandrivka Village, Pokrovske Region, Dnipropetrovsk Oblast	Yuriy Bakun	2012-2017
4.	Strawberry Cooperatives Development Project	Danone Ecosystem Fund, Danone Ukraine, DanTrade and Heifer International	Ternopil and Lviv Oblasts	Andrii Halias, Yosyp Knyzhitskyi	2012-2015
5.	Milk Value Chain Project	Heifer International, Kirovohrad Oblast Council, Kirovohrad Oblast State Administration, Znamyanka Region Council, Znamyanka Region State Administration, Chernivtsi Oblast Council, Chernivtsi Oblast State Administration, Storozhynets Region Council, Storozhynets Region State Administration, USAID/AgroInvest Project	Ivankivtsi Village, Znamyanka Region, Kirovohrad Oblast; Novi Broskivtsi Village, Storozhynets Region, Chernivtsi Oblast	Tetiana Nychyporenko	2014-2017
6.	Spreading knowledge and best practices for sustainable dairy farming development	European Bank of Reconstruction and Development (EBRD)	Oleksandrivka Village, Pokrovske Region, Dnipropetrovsk Oblast; regions of family farm concentration	Yuriy Bakun	2016-2017
7.	Improving the dairy farming training center				
8.	Mechanism for involving young people in the dairy sector				

# ICF COMMUNITY WELLBEING Main Partners



Ministry of Agrarian Policy and Food of Ukraine  
Local authorities and local self-governments



Danone Ecosystem Fund



Danone Ukraine



DanTrade



Canadian Department of Foreign  
Affairs, Trade and Development  
(DFATD)



СОКОДЕВІ



Agricultural Advisory Service of  
Dnipropetrovsk Oblast



United States Agency for International  
Development (USAID)



United States Agency for International  
Development (USAID)/AgroInvest Project



All-Ukrainian NGO «National  
Association of Agricultural  
Advisory Services of Ukraine»



Agricultural Service  
Cooperatives Union of Ukraine



Research Institute of Organic  
Agriculture (FiBL)



All-Ukrainian Association of  
Village Councils



Association of Farmers and  
Private Landowners of Ukraine



Union for Promotion of Rural  
Green Tourism Development in  
Ukraine



United Nations Development  
Programme (UNDP)



European Bank  
for Reconstruction and Development

European Bank of  
Reconstruction and  
Development  
(EBRD)



Food and Agriculture  
Organization of the United  
Nations (FAO)

# ICF COMMUNITY WELLBEING Key Staff in 2016



**Viktor Teres**  
Chair of the Board



**Oksana Kuzmenko**  
Person in charge of accounting



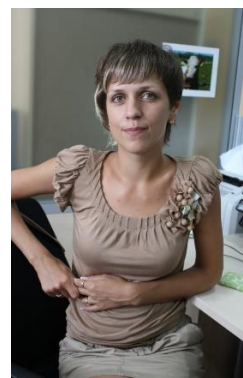
**Oleksandr Gudyma**  
Chief Consultant of  
“Development of Family Farms  
United in Agricultural Service  
Cooperatives” project



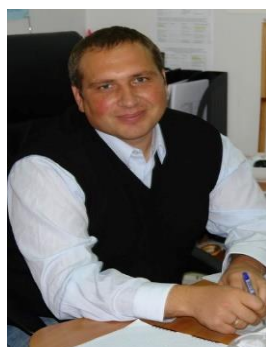
**Tetiana Nychyporenko**  
Chief Consultant



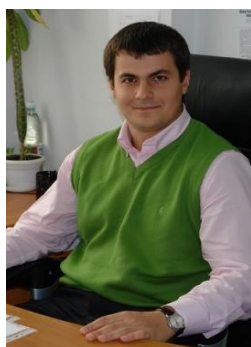
**Tetiana Danyliv**  
Chief Consultant of “Ukraine  
Milk Communities” project



**Marina Murga**  
Accounting Consultant



**Yuriy Bakun**  
Chief Consultant of “Cooperative  
Learning Farm and Services”  
project



**Andrii Halias**  
Chief Consultant of “Strawberry  
Cooperatives Development” project



**Yosyp Knyzhytskyi**  
Consultant of “Strawberry  
Cooperatives Development” project

## How You Can Help

Changes are not possible without you! Donate to provide hope, dignity and economic opportunity to Ukraine's rural families!

- We are dedicated to the belief that all people have the right to dignity and economic opportunity. You can join us in providing the tools and support that save and improve lives of smallholder producers in Ukraine.
- No matter how small, your contribution makes a difference. You can trust that your donation will be used wisely.
- Help rural families learn skills to start and sustain their own small businesses or improve their agricultural production to generate higher profits.
- Deliver emergency aid when a disaster strikes, especially in warfare areas of the Eastern Ukraine.

### **BANK DETAILS FOR YOUR DONATIONS**

**International Charitable Fund “Community Wellbeing”**  
3-G Maksymovycha St., Floor 2, Office 484, Kyiv

#### **Bank account for charitable donations in UAH:**

Identification Code YedRPOU: 21712644  
Non-profit Code: 0005  
Reference: **“Charitable donation”**  
ICF “Community Wellbeing”  
S/a 26003052623747  
YedRPOU 21712644  
MFO Code 320649 in PJSC “CB “PRIVATBANK”

#### **Bank account for charitable donations in Euro:**

**Bank account for charitable donations in Euro** (please, indicate “charitable donation”):  
**Account Name:** INTERNATIONAL CHARITABLE FUND COMMUNITY WELLBEING

### **RECEIVING BANK INFORMATION:**

BENEFICIARY'S BANK SWIFT CODE: PBANUA2X  
BENEFICIARY'S BANK NAME: Privatbank, Dnipropetrovsk, Ukraine  
BENEFICIARY'S BANK ADDRESS: 50, Naberezhna Peremogy Street, Dnipropetrovsk,  
49094, Ukraine

## RECEIVING BENEFICIARY'S INFORMATION:

BENEFICIARY'S ACCOUNT NUMBER: 26008052659891  
BENEFICIARY'S NAME: INTERNATIONAL CHARITABLE FUND COMMUNITY WELLBEING  
BENEFICIARY'S ADDRESS: 3-G Maksymovycha st., office 484, Kyiv, 03022 Ukraine

## CORRESPONDENT BANK INFORMATION:

(if the transfer is not done in the Beneficiary's local currency)

BANK NAME: Commerzbank AG Frankfurt am Main, Germany  
BANK ADDRESS: Frankfurt/Main, Germany  
ACCOUNT NUMBER: 400886700401  
BANK SWIFT CODE: COBADEFF

## Рахунок для отримання пожертв у доларах США:

**Bank account for charitable donations in USD** (please, indicate "charitable donation"):  
Account Name: INTERNATIONAL CHARITABLE FUND COMMUNITY WELLBEING

## RECEIVING BANK INFORMATION:

BENEFICIARY'S BANK SWIFT CODE: PBANUA2X  
BENEFICIARY'S BANK NAME: Privatbank, Dnipropetrovsk, Ukraine  
BENEFICIARY'S BANK ADDRESS: 50, Naberezhna Peremogy Street, Dnipropetrovsk, 49094, Ukraine

## RECEIVING BENEFICIARY'S INFORMATION:

BENEFICIARY'S ACCOUNT NUMBER: 2600105265584  
BENEFICIARY'S NAME: INTERNATIONAL CHARITABLE FUND COMMUNITY WELLBEING  
BENEFICIARY'S ADDRESS: 3-G Maksymovycha st., office 484, Kyiv, 03022 Ukraine

## CORRESPONDENT BANK INFORMATION

CORRESPONDENT BANK NAME: JP Morgan Chase Bank  
CORRESPONDENT BANK SWIFT CODE: IRTV US 3N  
CORRESPONDENT BANK ADDRESS: New York, USA

## **ICF Community Wellbeing**

Будь ласка, зазначте у Вашому банківському переказі, що призначенням платежу є **благодійний внесок.**



## **Contact Information**

**International Charitable Fund  
“COMMUNITY WELLBEING”**

3-G Maksymovycha St., Office 484,  
Kyiv, 03022, Ukraine  
Phone: +38-044-490-7629,  
Fax: +38-044-494-2609

**Viktor Teres,**  
Chair of the Board

Viktor.Teres@cw.org.ua

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[www.dobrobut-hromad.org](http://www.dobrobut-hromad.org)