

Annual Report

1 July 2011 – 30 June 2012





Heifer Mission Statement

The mission of Heifer International is to work with communities to end hunger and poverty and care for the Earth.

Since 1944, Heifer has helped more than 13.6 million families in more than 125 countries move toward greater self-reliance through gifts of livestock, plants and training in environmentally-sound agriculture.

The impact of each initial gift is multiplied as recipients agree to Pass on the Gift of their animal's first-born female offspring, along with training, or their equivalent, to another family in need.

Since 1994 International charitable organization Community Wellbeing (previous name ICF Heifer Project International, English short name - Heifer-Ukraine) which is part of Heifer International has been successfully operating in Ukraine.

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From the Director



Dear friends,

I am honored to present the 18th Annual report for Heifer-Ukraine, which covers a year of further hard work and achievements of our organization. I am also happy to announce that this year our Kyiv office has moved to new larger premises, which not only allow housing our entire Kyiv staff, but are equipped with modern educational tools and equipment, which should help our country program further reemphasize its role as a training and capacity building center for various constituents.

This Annual report provides a summary of the many activities carried out by the Heifer-Ukraine team for the period from July 2011 – June 2012 (see Our Highlights and Initiatives in Depth). You will be amazed at the depth and diversity of our projects, as well as touched by some of the heartfelt stories told by project participants. Our program and goals are as ambitious as ever, and we believe that they will further grow and expand in the coming years.

The past year has further strengthened our organization's extant partnerships as well as provided promising opportunities for new partnership-building, while implementing three major projects: Ukraine Milk Communities project, Cooperative Learning Farm and Services project and Strawberry Cooperatives Development project. The projects involved the following partners: Danone Ecosysteme Fund, Dansource, Danone-Ukraine and SOCODEVI (funded by CIDA)

We hope the next year and the next strategic period will bring us more successes and we will be able to overcome all challenges of the current economic downturn, improve our fundraising and have more impact on policy development.

We are deeply grateful to all our donors and proud for remarkable relations we built with them and with communities.

We are very thankful to Heifer International headquarters' staff in Little Rock, Arkansas, the US, Ecosystem Fund, Danone-Ukraine, SOCODEVI and all our other partners. We highly appreciate the constant support of the entire donor community, the Government and local self-governments of Ukraine who uphold our work!

Sincerely,
Viktor Teres,
Heifer-Ukraine Country Director

A handwritten signature in dark ink, appearing to read "V. Teres". The signature is fluid and cursive, written over a light background.



Heifer-Ukraine 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

International Charitable Foundation Heifer Project International (Heifer-Ukraine) is officially registered with the Ministry of Justice of Ukraine, Kyiv.

2003

The main office of Heifer Ukraine moved from Lviv to Kyiv. The Lviv office continues operations in the capacity of a field office.

2004

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

2009

Heifer-Ukraine has received Benefactor of the Year national award as the best international charity organization in Ukraine!

Heifer-Ukraine Country Program Strategic Plan 2009-2013 is developed and approved.

2010

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

2011

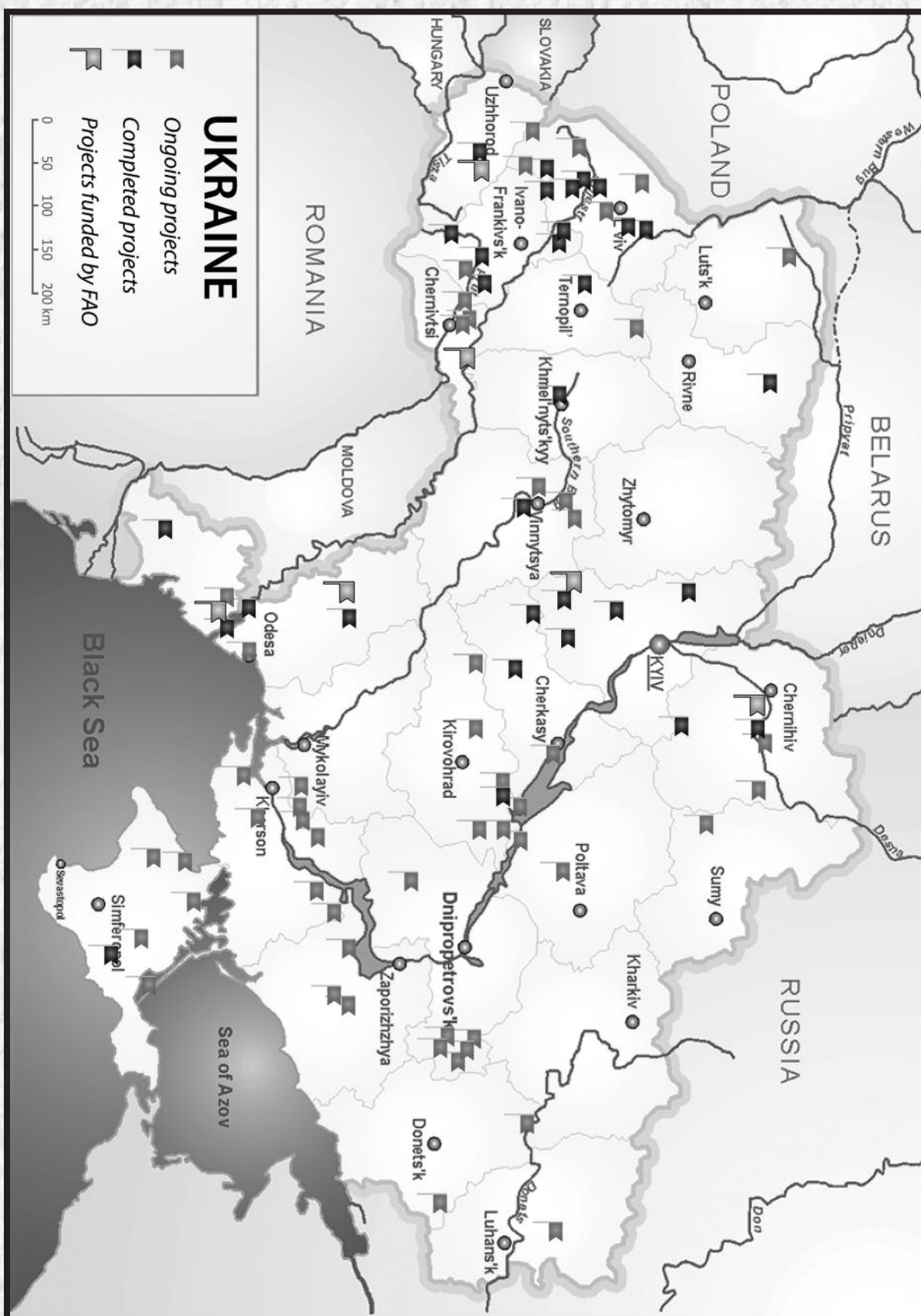
Heifer-Ukraine has received funding from Danone Ecosystem Fund for three projects: Ukraine Milk Communities project Phase 2, Cooperative Learning Farm and Services project and Strawberry Cooperatives Development project.

The official name of the organization changed to International charitable organization: Community Wellbeing; the short name Heifer-Ukraine is also kept.

2012

First 10 hectares of strawberry were planted in the framework of the Strawberry Cooperatives Development project. First coop owned milk processing enterprise "Molochnyi krai" in Panka village, Storozhynets raion, Chernivtsi oblast received funding from Chernivtsi oblast and Storozhynets raion councils. State co-funding received to construct a new coop milk processing facility in Yukhymivka village, Znamianka raion, Kirovohrad oblast. Heifer-Ukraine was awarded by the National "Benefactor of the year 2011" contest in nomination "For providing in-depth training to adults helping them improve their lives". Heifer International HQ delegation headed by CEO Pierre Ferrari visited Heifer-Ukraine office and projects.

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Heifer-Ukraine Mission and Values

Heifer-Ukraine has been in operation since 1994 and is strongly focused on integrated community development, our projects always encompass several intertwined development challenges, but the principle unifying factor of most projects is bringing the community members together by establishing a cooperative (and at later stages – unions of cooperatives) as a more effective and strong economic, social and political force. Specific development challenges we address include providing access to markets for smallholder farmers, creating new or changing existing value chains to become pro-poor, mobilizing communities, education and training, capacity building of coop leaders, etc.

Heifer-Ukraine Statement of Purpose

Heifer-Ukraine works with rural communities to improve the well-being of families while caring for the environment.

Values of Heifer-Ukraine

- Honesty
- Professionalism
- Responsibility
- Efficiency
- Dedication
- Sustainable development

Heifer-Ukraine secures community transformations in several categories of impact by:

Providing training and diverse assets to smallholder communities and helping them reach maximum potential as value chain actors (through access to markets, increased productivity, compliance with WTO regulations, etc.)

Ensuring gender balance is observed in all project communities by equal access of women and men to coop membership, project governance and coop\union leadership.

Mitigation of negative environmental impacts of agricultural production is included in every project. Capacity building in environmentally friendly agricultural production is a mandatory component in every project. Water quality and quantity is an important project component.

Empowering smallholders to establish functioning cooperatives that form active strategic networks and can be part of private partnership projects.

Heifer's Cornerstones

Everyone involved in Heifer International work is guided by Cornerstones – principles developed for almost 68 years of Heifer International successful work in fighting hunger and poverty.



Passing on the gifts

allows families and individuals who have received animals or other support to be donors themselves. This spirit of goodwill ripples through the community as animals are passed on and bonds are formed in a group effort to better their own lives.



Training & education

include formal sessions as well as informal farm visits and demonstrations. Each project group decides on their own training needs and local people are involved as trainers. Some topics of education include human nutrition, food processing, marketing and leadership development.



Accountability

allows for organization at the grassroots level. Community members decide together what kind of animal and assistance they would like. They also set goals, plan appropriate strategies to achieve those goals and evaluate their success.



Improving the environment

includes such agroecological techniques as improving soil fertility with animal manure, promoting forestation, respecting and encouraging biodiversity, monitoring watershed conditions and minimizing erosion.



Sharing & caring

embodies Heifer's belief that global problems can be solved if all people are committed to sharing what they have and caring about others.



Full participation

is expected in groups that Heifer works with. Leaders at the grassroots level should be committed to involving all members in decision making.



Sustainability & self-reliance

is necessary for the long-term success of projects. Heifer can only fund a project for a limited time so the families Heifer works with must plan to support themselves.



Genuine need & justice

ensures that those most in need are given priority in receiving animals and training.



Improved animal management

means that project participants learn how to keep their animals safe, healthy and productive through proper food, shelter, healthcare and reproductive management.



Spirituality

is expressed in common values, common beliefs about the value and meaning of all life, a sense of connectedness to the earth and a shared vision of the future. Heifer International works with people of all beliefs in our efforts to overcome poverty and hunger.



Nutrition & income

are the rewards Heifer expects recipients to reap from their gift animal through the consumption and/or sale of products such as milk, eggs, cheese, honey, wool etc.



Gender & Family focus

encourages women and men to share in decision making as well as in the benefits the animals and training bring.

Our Highlights for Fiscal Year 2012

- ➔ Since 2003, **65 agricultural service cooperatives** have been **created and/or supported** of which **43 are operational**.
- ➔ A new multi-donor ***Strawberry Cooperatives Development (Ecofruit)*** project is launched in Losiatyn village, Kremenets raion, Ternopil oblast;
- ➔ **Partnership** is actively strengthened with **international organizations** (including FAO, Danone Ecosystem Fund, SOCODEVI), **businesses** (Danone Ukraine), state **authorities and self-governing** bodies.
- ➔ **Completed construction of the milk processing enterprise** “Molochnyi krai” in Panka village, Storozhynets raion, Chernivtsi oblast owned by the Coop Union.
- ➔ Received state co-funding for construction of a new cooperative milk processing enterprise in Yukhymivka village, Znamianka raion, Kirovohrad oblast
- ➔ **State co-funding received** to construct a new coop milk processing facility in Yukhymivka village, Znamianka raion, Kirovohrad oblast. **Second Phase of Ukraine Milk Communities project** with support of Danone Ecosystem Fund and Danone Ukraine has been extended until the end of 2012. The project now targets 30 communities that receive equipment, resources, training, and consultations. **Ukraine Milk Communities project** is aimed at fostering the transformation of Ukrainian milk agriculture from a declined and neglected state to a more dynamic one by developing milk cooperatives in 6 project regions. The specific goal of the Second Phase of the Project is to create 20 milk cooperatives that will collect high quality milk from individual members and sell it at better prices in hopes of increasing the income of individuals in milk production.
The project is funded by Danone Ecosystem Fund (France) and Heifer International (USA) and implemented by Heifer-Ukraine in cooperation with Danone Ukraine. The total budget of Phase II is \$1,307,250.



➔ **Cooperative Learning Farm and Services project**

We have recently installed a first light construction hangar of the farm for 60 heads in the framework of the *Cooperative Learning Farm and Services* project. The project is implemented in partnership with Danone Ecosystem Fund, Danone Ukraine, and SOCODEVI (funded through CIDA) for over \$2,250,000. This innovative project will target roughly 1 100 rural families from minimum 18 communities in Dnipropetrovsk oblast. The project is aimed at bettering livelihoods of cooperative members through improved farming practices and access to appropriate equipment and services through the Cooperatives Union. The project includes establishment of the cooperative Union's dairy farm equipped for optimized cattle feeding, breeding, and milking, as well as establishing several family demo farms that will serve as learning centers for coop members.

➔ **First 10 hectares of the *Strawberry Cooperatives Development project* field were planted**

At the beginning of June 2012 we have officially launched *Strawberry Cooperatives Development (Ecofruit)* project and planted the first 10 hectares of the project field with high-quality strawberry plants. Besides we constructed a water reservoir and restored a well installation, installed a modern irrigation system and purchased a tractor with add-on equipment. *Ecofruit* project is a social collaborative initiative of Heifer-Ukraine and Danone Ukraine. This project will improve the livelihoods of more than 500 smallholders in Losiatyn village (Ternopil oblast) by uniting them into an agricultural service cooperative and increasing their income through introduction of new agricultural techniques for better strawberry production. Rural families are supplied with frigoplants and united through local cooperatives for common production of high quality strawberry. Thus, they will supply the strawberry to Danone after thorough processing and packaging. In addition, coop members will receive access to cooperative services and knowledge through seminars and demo-fields. The total budget of Phase 1 is approximately \$2,375,000. This phase is planned until 2014.



- ➔ **Extra added value chain projects funding was attracted** from Agroinvest Project (USAID) within the “Development of Agricultural Producer Organization Capacity” contest. The funding is expected to be received by grantees before the end of 2012 which will add value for services and product of existing coops in frame of our projects.
- ➔ **The number of animals passed on as a gift has increased** (see table below).

**The Number of Plants and Animals Originally Received from
Heifer-Ukraine and Passed-on as a Gift**

Animals/ plants	Originally received		Passed-on as a gift	
	In FY 2012	Total for 18 years	In FY 2012	Total for 18 years
Dairy Cattle	290	1,776	91	1,289
Horses	5	97	4	49
Pigs	15	850	135	611
Sheep	–	898	189	805
Goats	30	147	–	76
Rabbits	–	833	226	421
Poultry	2,302	5,650	630	1,946
Potatoes, kg	27,000	201,820	16,687	97,191
Saplings, seeds	355,050	483,266	977	55,912
Bee families	–	1,103	25	995

- ➔ **The number of families that received inputs in the framework of ongoing projects has increased** (see table below).

Period	Original placements from Heifer-Ukraine	Pass-ons from other families	Services from coops	TOTAL
2012	858	717	2,099	3,674
Total for 18 years	4,468	3,503	7,532	15,503

- ➔ **Wellbeing of families and gross harvest of coops and village communities are increasing** (see our initiatives in depth).

- ➔ **Provided new equipment is jointly used by coop members and other smallholder farmers***

New equipment provided by Heifer-Ukraine in FY 2012 for shared use of smallholders through coops*

Equipment	No of units bought	Equipment	No of units bought
Cultivator	1	Mini-tractor	2
Digital milk scanner	10	Baler	2
Woodworking machine	1	Hand tractor	1
Green houses, materials for green houses	2	Mower, motor mower	5
Disk harrow	1	Well installation	1
Drip irrigation system	1	Potato planter	1
Fertilizer spreader	3	Potato seeder	3
Pump	2	Power generators	3
Hydrometer	1	Towed rake	1
Individual milking unit	3	Sprayer	1
Accumulating reservoir	1	Tractor	2
Milk cooling tank	3	Cutter	1
Milk processing line	1	Ridges-former	1
Playgrounds for children	2	Milk collection units (premises)	2
Chainsaw	2	Mulching film	4,400 kg

**This equipment doesn't include milk processing equipment provided in the framework of Co-operative Learning Farm and Services and Development of Dairy Sector in Bukovyna Region projects*

- ➔ **Organization expands institutionally** – qualification of personnel is growing, employees participate in professional training, thus additional resources are involved. Project Holder organizations receive consultations on the issues of fundraising, including state support and grant competition application procedures.
- ➔ **Heifer-Ukraine moved into a new owned office premises (purchased from Heifer International funds), that allow desk space for all employees as well as convenient training and conference facilities, modern furniture and equipment. The larger part of the total cost of new office facilities completion (furniture, walls, floor, engineering) was covered by Heifer-Ukraine as a result of successful fundraising.**

Events

First Visit of Heifer CEO to Ukraine and CEE Area Program

On December 5-9th 2011 Heifer-Ukraine was honored to welcome Pierre Ferrari, Chief Executive Officer and President of Heifer International, Pietro Turilli, Vice President for Central and Eastern Europe, and Bill Fitzgerald, Heifer International Creative Director. This was Mr. Ferrari's first visit to Ukraine, which gave us the opportunity to use our country as an example to present the activities implemented by the entire Heifer CEE program. The schedule was very intense and included a variety of events in different parts of Ukraine as the goal was to show the diversity of our projects particularly as it relates to our partnership with Danone Ecosystem Fund. During the first day of Pierre Ferrari's visit Heifer-Ukraine team welcomed him in the office, presenting their everyday work and achievements along with products delivered from projects located in different regions. The second day started with a trip to Dnipropetrovsk where a regional press-conference was held in the Dnipropetrovsk Oblast Council, facilitated by Yevhen Udod, Head of Oblast Council and supporter of Heifer-Ukraine activities.





The new *Cooperative Learning Farm and Services* project was launched with a presentation, followed by a field visit for groundbreaking ceremony. The event gathered media and all donors and partners involved in the new project implementation, including Danone Ecosystem Fund, Danone Ukraine, Heifer-Ukraine, Heifer International, CIDA, SOCODEVI and Dnipropetrovsk oblast council. The constructed farm is to be officially launched in November 2012.

The final day of Pierre's visit included a National press conference at the Ministry of Agriculture and Food of Ukraine, which provided the floor for discussing the possibilities for scaling up our collaboration in Ukraine, where a new third joint *Strawberry Cooperatives Development* project (*Ecofruit*) was also presented. The entire array of activities included in the HQ team's agenda for this visit including interviews on TV and radio was aimed at presenting the hard work we have been doing in Ukraine and the effective relationships we built over the years. We were proud to share our achievements in developing Ukrainian rural communities by bringing hope and prosperity to Ukrainian villagers.

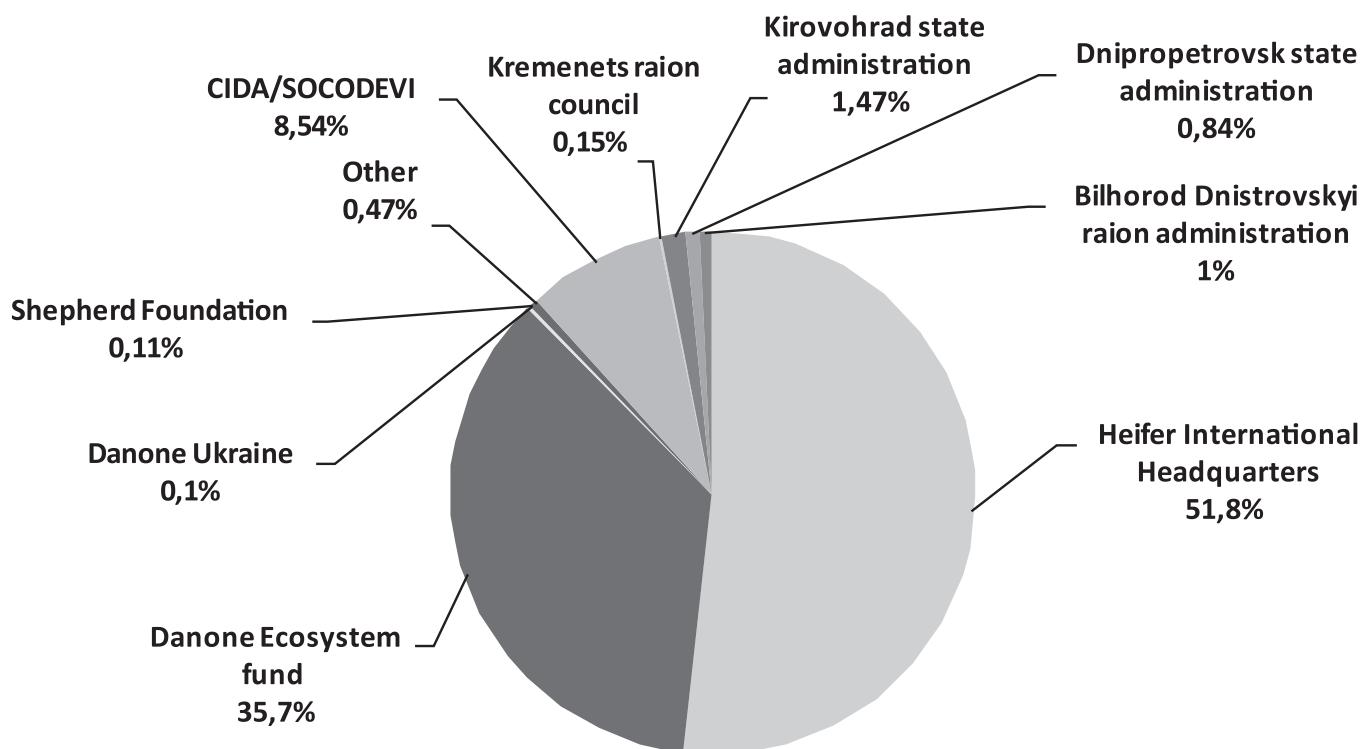
Our Financial Indicators

Financial Indicators by Sources

In FY 2012 (from July 1, 2011 to June 30, 2012), Heifer-Ukraine's total project and operations budget was \$3,592,985*, not including resources in the amount of \$486,392, which Heifer-Ukraine assisted to attract directly to project holder organizations from other partners. Country program sources include funding from Heifer International, external grants, co-funding from other donors and authorities. There is also non-monetary support such as volunteer work and involvement of local resources.

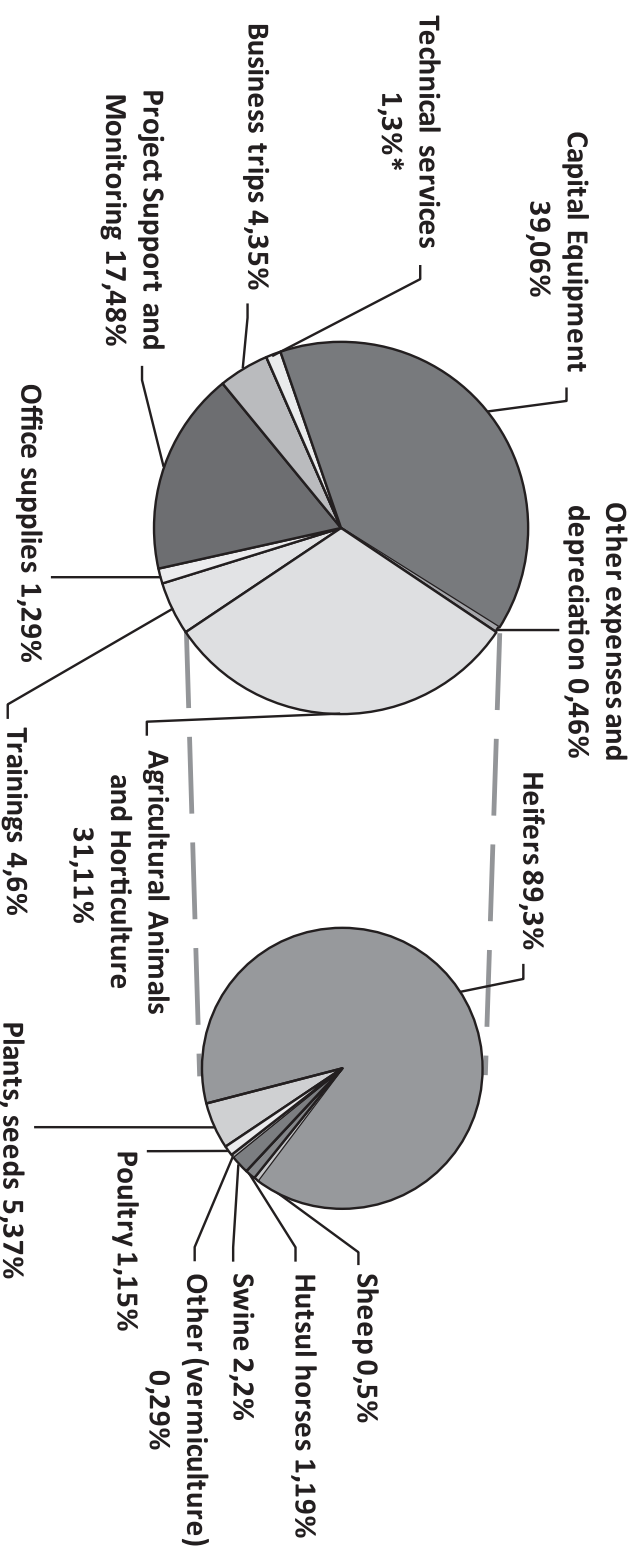
Heifer-Ukraine is constantly working on the diversification of its budget sources. There was an increase in grant funding in 2012 (see chart below). In FY 2012 the co-funding of 40 projects (24 ongoing FY13) from other sources equaled \$486,392, including financial support through the state budget, grants from other organizations and donations from communities (including in-kind) etc. Also, an unqualified international audit is conducted on an annual basis, with this year's audit report available upon request.

Funding Sources of Heifer-Ukraine Projects in FY2012, % Overall and operational budget including partners' sources, in total \$4, 079, 377



**The amount includes funds transferred through our account to communities not including funds provided directly to communities, based on signed memorandums and agreements with other donors and local authorities.*

Project Expenses of Heifer-Ukraine in 2012 FY: General and by Animal, %



Technical services include:

- Veterinary expenses (0,31%)
- Animal feed (0,66%)
- Agricultural materials and supplies (0,67%)

Social and Economic Development in Rural Areas: Challenges, Opportunities, Experience

We at Heifer-Ukraine believe the only means to sustain smallholder farming in Ukraine is to foster the cooperation of individual farming households, thereby achieving a critical mass that will enable them to become competitive market players and consequently increase household incomes. Heifer-Ukraine does this by establishing and supporting agricultural service cooperatives.

Heifer-Ukraine develops and will continue developing cutting edge projects aimed at supporting small farming households and contribute to resolving the agricultural crisis in Ukraine. Through these projects smallholder farmers united into cooperatives should grow into a self-sustainable and influential group of agricultural producers able to protect their economic and social interests.

Heifer-Ukraine provides support to co-ops based on the principles of integrated assistance, development of institutional capacity of the co-ops, and the participation of coops in agricultural value chains. Examples of our interventions include:

- Providing training and diverse assets to smallholder communities and helping them reach maximum potential as value chain actors (through access to markets, increased productivity, compliance with WTO regulations, etc.);
- Uniting and empowering smallholder farmers, encouraging women and youth taking part in a larger process of transformation and, thus act as agents of change within their communities;
- Ensuring gender balance is preserved in all project communities by equal access of women and men to coop and project participation and governance;
- Empowering smallholders to establish functioning cooperatives that form active strategic networks and can be part of (public private partnership) PPP projects or opportunities;
- Establishing and building capacity of coops and unions of coops;
- Promotion of new and innovative methods for effective farming (particularly scaling up family farms); growing organic products, composting etc.; developing entrepreneurship in villages, including rural tourism;
- Advocacy work for support small producers and their coops;
- Community mobilization through training and public meetings etc.;

Co-ops are constantly developing their sustainability through business planning and meticulous service planning. One of the most debated and methodologically complex issues of co-op development are the appropriate terms of effective equipment use. Heifer-Ukraine developed methods to help co-ops monitor their economic effectiveness.

The organization provides equipment to co-ops as an associated member without receiving dividends for profit; the equipment is always provided based on the developed co-op business plan. The issue of capital equipment repair is solved by requiring co-ops to collect funds from equipment used by members, tracked through a special co-op account at a monthly rate. The special account should be used for specific purposes only. When a relevant amount of funds is accumulated, the co-op has the right to use the money for capital repair or replacement of equipment and if the capital repair is not needed (after the effective period of equipment use it works flawlessly), the co-op can buy additional new equipment.

Depreciation savings of the co-ops in FY 2012 equaled \$32,417. In total, co-ops have accumulated \$85, 803 as depreciation savings since this method was launched in January of 2009.

An example of use of depreciation savings is “Promin” coop in Vinnytsia oblast, village of Maidan. The coop has accumulated 30% of depreciation savings when their business plan analysis showed that to fulfill the increased demand for its services the coop had to invest in a larger tractor. This is why the coop sold the old and less powerful tractor and, by having added over \$6,000 in depreciation savings was able to buy a larger and more powerful tractor and thus expand the number of services it provided.

Heifer-Ukraine has initiated the process of collecting and analyzing data tied to economic efficiency of coops. To do this a database was designed specifically for these purposes. Relevant economic data is entered by project coordinators for each coop on a regular basis. Some of the data we collect allows to analyze profitability of different services provided by coops, the number or extent of services provided, etc.



For example, in the table below you can see the total number and extent of services provided by coops.

**Statistical Data for Economic Services Provided by Project Coops
in the second half of FY 2011 - FY 2012**

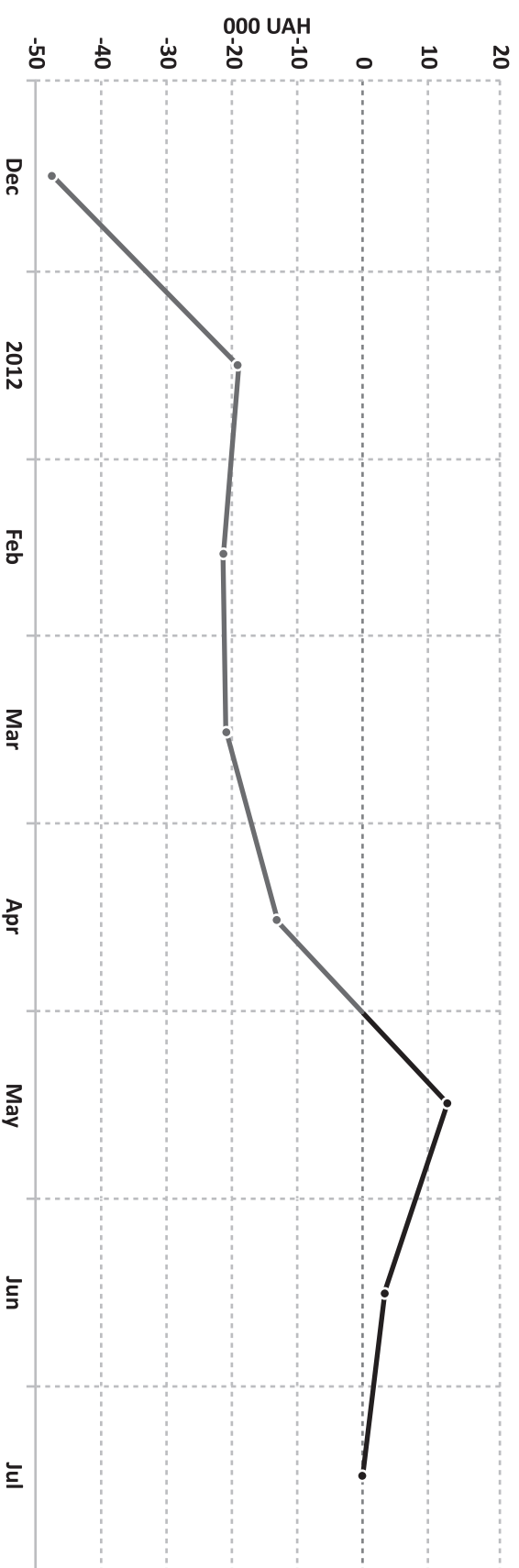
Name of service	Number of coops which provided the service	Extent of services provided	NET profit, USD
Tractor services	8 coops	4,300 hectares cultivated	\$21,742
Procurement of fodder and other procurement services	4 coops	621 tons	\$3,099
Artificial insemination services	5 coops	390	\$1,670
Milk collection and/or cooling services	13 coops	1.7 million kg of milk collected	\$21,913

Another example, the graph #1 shows the profitability of activity of one coop. As you can see, the coop reached break-even point in late spring. We can attest this to the demand on milk collection and cooling services for this particular coop. When the amount of milk collected through the coop increased, the coop activity became profitable.

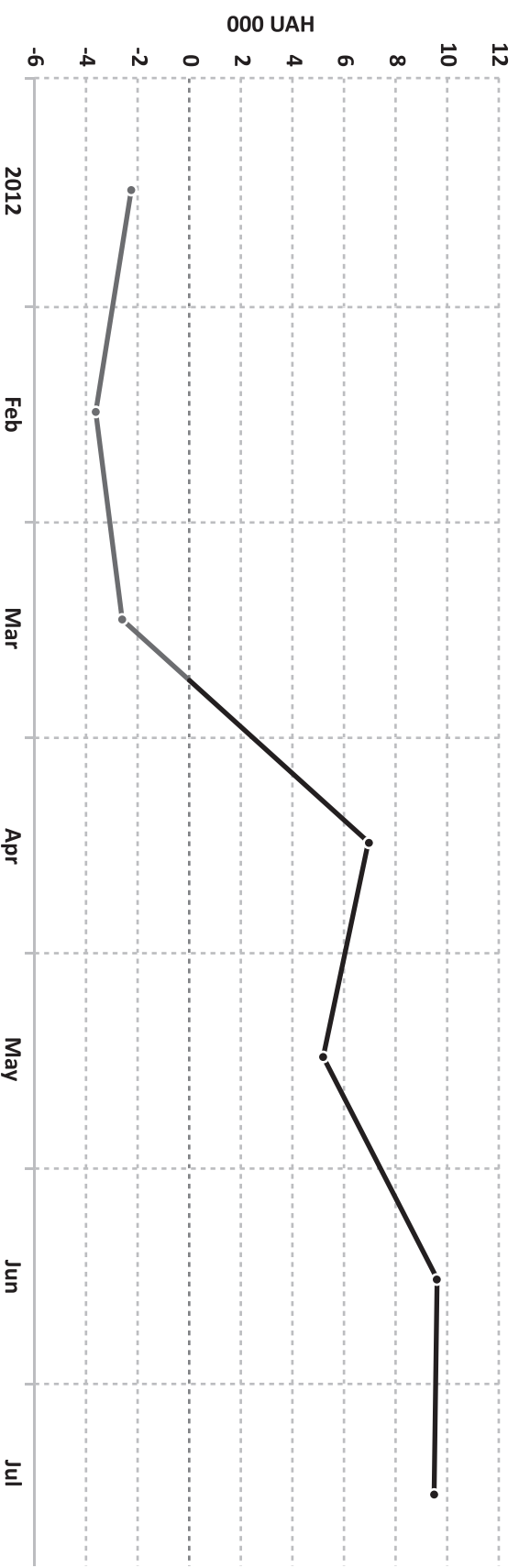
A different coop has reached profitability similarly in the spring (see graph №2)

It is our goal to eventually take full use of this software and our monitoring data to receive complete snapshots of economic efficiency of coops. If we have complete and accurate data we will empower ourselves and coops to make quick strategic decisions as to operations and management, which will ultimately lead to improving wellbeing of its members.

Net profit, coop 1 Graph 1



Net profit, coop 2 Grapg 2



Milk yield goes lower in winter due to lack of green fodders.

Development of Added Value Chains

Marfusha Cooperative Starts Small But Grows to Improve Lives

The Marfusha cooperative, founded in 2009, has been providing milk collection and cooling services for the past year, and selling the high-quality milk to the Danone Dnipro plant.

The co-op's first steps were far from easy. Many farmers had experienced the unsuccessful Soviet system of kolkhozes (collective farming) in the past as well as the new, unfamiliar approaches to cooperation among smallholder farmers, which were not well-supported by the state through legislation or programs. Many did not believe in the co-op's potential, so it started with just three milk producers.

The initial volumes were pretty low at around 130 gallons of milk per day. Co-op farmers set a goal to increase volumes up to one ton per day to reach at least a break-even point for the co-op operation in providing milk collection and cooling services.

Having received purebred pigs and heifers, the community has improved its livestock's genetic resources and practices artificial insemination. During the year, milk producers have been provided with lavsan (a fabric for milk filtering), cans and cattle cakes (feed). The milk collection and cooling services are provided in seven villages. Thanks to considerable support from Heifer Ukraine, the co-op has had the opportunity to improve pasture fields and hay-fields. A baler has been purchased, so the co-op can provide large-scale services in fodder preparation and procurement for the smallholder farmers.

In 2011, co-op members received microcredits, which were used for fodder purchase and cowshed renovation. They also plan to receive more for family-type mini-farm developments in order to improve them according to international standards.

Thanks to the community's confidence, honesty and good attitude, and the support of Heifer Ukraine and Danone, the cooperative has increased the amount of collected milk day by day. At the same time, dozens of rural families were improving their well-being.





The progress was just incredible. The co-op started with four buckets of milk, but thanks to hard work and strong desire, it reached one ton per day and this summer collected more than five tons per day. Life in the village has changed for the better, and people can feel it. During the year, a lot of trainings and seminars were organized. Thanks to its partners, the co-op has all the instruments and materials required for quality milk selection, a specially equipped laboratory and a device called Ecomilk, which measures six indices of quality, especially presence of water in the milk, a very important factor. Co-op members did not often talk about quality, but now they understand its importance and are changing their attitudes.

A children's playground has been installed in the village, which brings a lot of joy to the children. Danone has organized trips to Kherson and Kyiv for children and adults called Run with Hope in the Heart to support disabled children. Numerous tours to the Danone Dnipro factory have also been organized so that people can have an idea about goals and purposes of the company engaged in high-quality milk collection and cooling.

Due to cooperation with local authorities, a watering place for the cattle has been organized on the pasture fields of the Volodymyrivka and Lymanske villages.

Marfusha co-op unites and protects the interests of goods producers and has a strong desire and possibility to constantly move forward to the peak of stability, prosperity and well-being. This project has given people an opportunity to live, believe and simply want to develop, understanding that a better future is possible if we all work together.

Value chain development in Bukovyna

Creation of the coop milk processing enterprise considerably boosted the Development of Dairy Sector in Bukovyna Region project .

The project supported by Heifer-Ukraine was launched in 2006 and during the period of its implementation over 700 people joined the coop.

Recently the coop received co-financing worth of over \$341,000 from the following partners:

Heifer-Ukraine - \$121,000

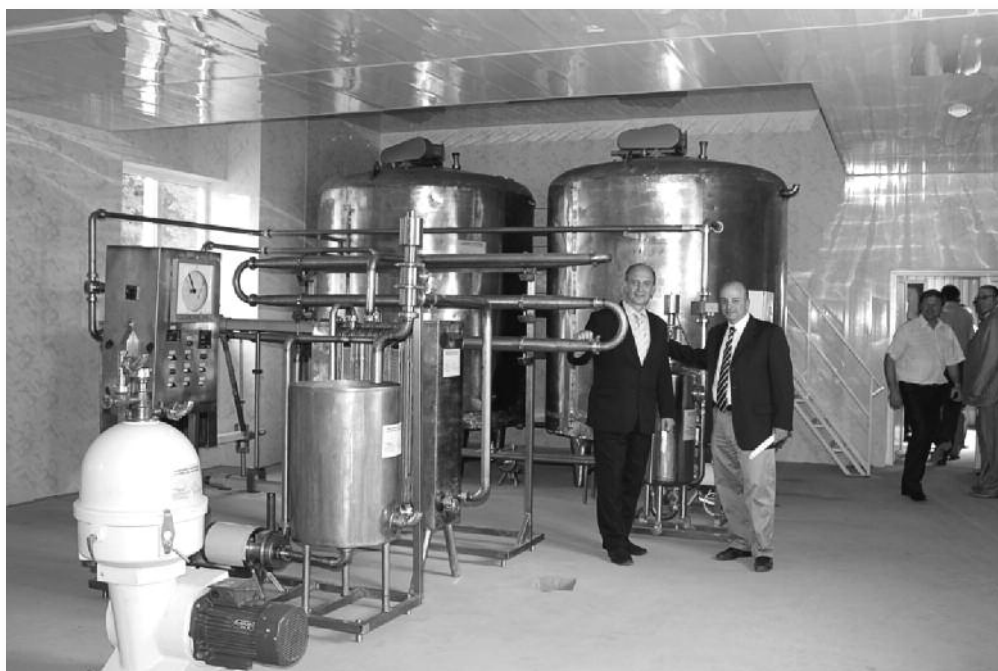
Chernivtsi Oblast State Administration — \$100,000

Storozhynets Raion State Administration — \$48,000

«Novobroskivetskyi» coop - \$72,000

The goal of the project is to ensure stable income growth of local rural families through improvement of profitability of milk processing. The milk processing enterprise is located in the village of Panka, Storozhynets raion, Chernivtsi oblast, its production capacity is 12 ton per shift. Rural families which are members of raion agricultural service coops will supply milk to the plant. These families are also direct owners of the milk processing enterprise which is established by the **Union of agricultural service coops «Hospodar Pidhiria»**. Production will be based on the following value chain: producer – coop milk collection center – “Molochnyi Krai” dairy enterprise.





This model will allow the enterprise to process high quality milk and improve income of local small milk producers.

The project introduces a new model of dairy cooperation, aimed at ensuring a pricing and income. The plant will also produce high quality milk products for local social institutions and vulnerable social groups (kindergartens, schools, hospitals) and small part for retail shops.

Project innovation: Introduction of principally new model of dairy cooperation, aimed at stable pricing, profitability and continuous production.



Example of Successful Project Evolution: “Ivankivtsi: From Milk Collection to Creation of Effective Milk Processing facility”

Kirovohrad oblast is located in Central Ukraine, is mainly agricultural, cattle breeding is traditional occupation for its inhabitants.



Agricultural service cooperatives appear to be one of the most effective tools for bringing together villagers. Valentyn Lutsenko has an extensive experience uniting rural people into ASCs.

Thanks to his efforts several cooperatives were created in Kirovohrad oblast, including “Ivankovetskyi Svitanok”, “Chornoliskyi” “Kazarnyanskyi dobrobut”.

“Ivankovetskyi Svitanok” is one of the oldest coops in Kirovohrad oblast. In 2006 it got involved into project devoted to cattle, swine and sheep breeding development in Ivankivtsi village, Znamianka raion, Kirovohrad oblast funded by Heifer- Ukraine. While taking part in the project people received 30 highly productive pedigree heifers and other livestock resources including 15 gilts, 12 ewes, 1 boar and 20 bee-families. Project members also got valuable support in kind of advanced knowledge on agricultural techniques. Total number of original families which participated in project was over 209. Despite the completion of this phase the project people still continue passing on the gift.

Project attracted attention of local authorities as well. Co-financing from regional budget allowed to buy dairy truck. The second milk truck was donated in the framework of the State Program of cooperation development. Another important unit of equipment – mobile milk collection center was co-financed by Ukraine Milk Communities project.

Project implementation was in general successful, but since market prices for milk were very low people received very modest addition to their income.

Smallholders were basically selling milk at its prime cost. Villagers began to consider giving up milk production and butchering their cattle. Luckily, solution was found – community members came to joint conclusion that the only way out was to create higher added value by means of efficient milk processing facility development.

Due to various bureaucratic delays the second phase of project has just started and is gathering pace with funds received by coop from oblast and raion government. The coop is also working on transfer of former school premises to the balance of coop for reconstruction as the facility for future milk processing enterprise which will be owned by the coop.

Currently “Ivankovetskyi Svitanok” ASC has attracted co-financing which totals \$138,750 from the following partners:

Heifer-Ukraine – \$60,000

Kirovohrad State oblast administration – \$60,000

Znamyanka State raion administration – \$18,750

Additional co-funding in amount \$25,000 is expected to be obtained till the end of 2012 from USAID Agroinvest project.

The goal of the II phase of the project is to strengthen the economic sustainability of the “Ivankovetskyi Svitanok” Agricultural Service Cooperative (ASC) by introducing and promoting an efficient milk processing module in order to improve the livelihoods of Ivankivtsi’s small holders. Milk processing facility is going to be located in the village of Yukhymivka (next to Ivankivtsi village), Znamianka raion, Kirovohrad oblast. It is intended to obtain production capacity of 6 tones per day with further space for scaling up. Rural families - members of “Ivankovetsky svitanok” ASC and other people from neighboring villages will supply milk for the plant. Coop members will be direct owners of the milk processing enterprise.

The milk processing facility will process enough high quality milk to satisfy the needs of direct consumers and to increase income of local small-holders involved into milk production.

The milk processing facility is expected to create a positive social effect – it is going to supply dairy products to vulnerable groups of population and various social institutions including schools, kindergartens and orphanages. Prices for final products are expected to be highly competitive, through a direct sales system.

Project innovation: introduction of fundamentally new model of milk cooperation aimed at sustainable development in all spheres: from uninterrupted production to fair pricing.



**Extra Fundraising Opportunities for Our Project Grantees:
Adding Values to Pro-Poor Value Chains Through Agroinvest (USAID)
Project “Development Of Agricultural Producer Organization Capacities” Contest**

Heifer-Ukraine provides comprehensive support to ASCs based on the principles of integrated aid and coop institutional capacity development and paying considerable attention to ensuring the stability of achieved results and their long-term effect on rural population's well-being. Ways of complying with these principles include the search for additional funding and a steady increase of coop members' income even after the end of funding from Heifer-Ukraine.

At present, a considerable part of the coops with which Heifer-Ukraine is working have moved away from working as project administrators exclusively and, thanks to financial support of Heifer-Ukraine and local government bodies, have achieved greater results than previously planned by projects and started to establish themselves as centers of added value creation. In this way, they started to play the role of agents shifting the imbalance of distribution of income gained from selling agricultural produce to the benefit of small producers by providing services to their members through agricultural added value chains and improving sales channels.



Capacity building for value added creation was defined as one of the directions of grant support by AgroInvest project (USAID). A 75% co-funding of the planned activity by the applicant was an important condition of receiving the award. Actually, the ability to provide such co-funding became the main competitive advantage of the coops working with Heifer-Ukraine, many of which have received substantial funding from Heifer and were able to leverage Agroinvest support.

The total funding of \$125,000 has been preliminarily pre-approved by AgroInvest project for building capacities and developing value added chains in 5 ASCs in Odesa, Kirovohrad, Chernivtsi, Vinnytsia oblasts and AR Crimea.

The following coops are among those preliminary approved by AgroInvest:

ASC “Budzhak”

After 2 years of Heifer-Ukraine funded project implementation by 140 members not only from Starosillia village, but also from the neighboring villages received milk collection and cooling services. The only problem that remained were low prices for milk. Coop members decided to find a way to develop a value added chain and earn more money from the sale of processed milk. The coop will receive a \$25,000 grant in the frame of “Development of agricultural producer organization capacities” program (funded by USAID) for milk-processing equipment which will significantly contribute to its sustainability.

Additional financing for the milk processing line came through a \$31,250 interest free loan which was provided within the Oblast Program of Entrepreneurship Support. But these funds were not enough for purchasing milk processing equipment. Grant funds in the amount of \$25, 000 will solve the problem with equipment which presents a real chance for the coop members to increase their incomes and not to be dependent on the prices of milk processors.



ASC “Krymekoproduct”

“Krymekoproduct” coop (supported within *Ukraine Milk Communities Project*) has been pre-approved for a grant in the amount of \$25,000 from Agroinvest. The funding is directed for development of an alternative energy source based on processing grain by-products (grain cleaning waste) into heating briquettes (funded by “Steppe biodiversity” EU project). Thanks to the project, the system of renewable heat energy sources use is going to be developed. Taking into account absence of gas supply in the raion, it will decrease the cost of fuel resources for residents of rural communities and for communal institutions of Razdolne raion of Crimea. In turn, straw harvesting and use will ensure compliance with environmental regulations for grain crops grow by smallholders and farmers - namely to reduce the risk of fires in the fields. As a result of switching from using coal to straw briquettes the estimated savings in 2012 will be 10 -15% of the total costs for heating schools in Zymino village and Novoselivka village. The total cost of the project is \$115,000, \$25,000 of which are going to be financed by Agroinvest and the rest by the coop and local government.

ASC “Severyn”

The Development of Greenhouse Facilities in Severynivka Village Zmerynka Raion of Vinnytsia Oblast project that is being implemented with support of Heifer-Ukraine, provided coop members with raspberry seedlings. Project participants had problems with the sale of strawberry because of the short storage life of fresh berries, which in turn resulted in low sales prices. The funding of \$25,000 has been preliminarily approved by AgroInvest project for purchasing freezing equipment for berries, which will allow the coop to increase the value-added through preprocessing and forming batches that can be sold off season when market conditions are more favorable.



ASC “Ivankovetsky Svitanok”

Funding in the amount of \$25,000 has been preliminarily approved for the coop for the purchase of a milk homogenizer to complete milk processing equipment funded by Heifer-Ukraine and Kirovohrad oblast and Znamianka raion administrations in the frame of *Improving Economic Situation of Ivankivtsi Village Community Through the Creation of an Effective Mechanism of Processing Milk Produced by Households* project. Attracting funds for the purchase of additional equipment will allow raising the effectiveness of milk processing, which in the end will have a positive effect on the cost-effectiveness of coop’s work as well as improve the wellbeing of local raw milk producers and people working directly at the milk processing plant.



Storozhynets Raion Union of Agricultural Service Cooperatives “Hospodar Pidhir’a”

Funding in the amount \$25,000 has been preliminarily approved for this coop union for the purchase of a boiler as an important element of launching a milk processing plant. The total cost of the proposed project together with the funding provided by Heifer-Ukraine and local authorities is \$356,043. Project implementation includes the creation of a milk-processing enterprise that will be owned by small milk producers (Union of coops).

This project will allow processing 12 tons of milk produced in private smallholder and farm households and to provide state-financed organizations with high-quality dairy products.



Commissioning of the plant will allow creating new jobs in the rural area. The enterprise will process 3,600 tons of milk a year; the yearly income from sales will amount to \$1,609,500, and the yearly profit – \$280,625.

Our Initiatives in Depth

Ukraine Milk Communities Project

General information about the project

We have extended the implementation of Phase 2 of the *Ukraine Milk Communities* project with Danone Ecosystem Fund until the end of 2012 and helped over 2,000 rural families increase their income through improved quality and increased quantity of produced milk. Nine additional Agricultural Service cooperatives have joined the project, bringing the total number of participating coops to 24.

Goal of the Second Phase of the Project: to continue building the capacity and raising the potential of rural smallholders united into agricultural service cooperatives in 20 rural communities in Southern and Eastern regions of Ukraine to improve their practical knowledge in production of high quality milk and to develop economic activities and high quality services provided by the coops.

Project Donors and Partners: This project is funded by Danone Ecosystem Fund (France) and Heifer International (USA) and implemented by Heifer Ukraine in cooperation with Danone Ukraine. The project is also co-funded by Dnipropetrovsk oblast state administration (which provided 2 milk trucks and 10 milking machines).

Project budget: the total project budget of Phase II is \$1,307,250

Project duration: February 2011 – December 2012 (after extension)

Project programs:

<i>Credit Program</i>	Coops identify families that want to scale-up and will support them with credits helping to transform them into effective family farms.
<i>Social grants</i>	Coops identify families that want to scale-up and will support them with credits helping to transform them into effective family farms.
<i>Milk quality</i>	Coops receive trainings on milk quality and hygiene in households to produce high quality milk. Milk quality experts visit coops to ensure proper processing of milk cooling, fat measuring, and cleanliness of milk equipment.
<i>Vet&genetics</i>	Coops organize 24/7 member access to first-aid kits with vet medicines. Experts provide training on genetics and facilitate use of artificial insemination in milk communities.
<i>Cow feeding</i>	Feeding experts analyze feeding rations in households and provide programs for improving feeding to increase cow productivity. Coops will develop activities on production of feeding-mixtures using grain grinders within the communities.
<i>Fodder preparation</i>	Equipment is purchased to support fodder preparation.

Project Results (Fall 2012)

- 24 coops were created in 6 regions uniting more than 2,000 members.
- By September 1, 2012 cooperatives collected 11,235 tons of milk at the total cost of \$ 4,000,000.
- 201 heifers were provided to coop members to support milk production in families.
- In 2012 the indicator of income security and wellbeing of coop members has increased by 12% in comparison with 2011. This can be the result of coop activity, in particular, milk collection and cooling.
- Coop members improved their nutrition, in particular, they consume more milk and meat. Average consumption rates have increased by 11,8% and 30,6% respectively.
- Most cooperatives have significantly improved democratic governance system. They elected or/and reelected Board and Audit Committee, approved Internal rules. This contributed to ensuring transparency and accountability of coops and building trust in community.

Plan by the end of 2012

- Establish demonstrative family farms supported by credit program
- Provide additional 20 heifers to cooperatives
- Facilitate implementation of social grants program
- Organize Study tour to family farm in Dnipro region with focus on environmentally friendly practices in agriculture
- Conduct research on cooperatives sustainability, project successes and key learnings

The *Ukraine Milk Communities* project aims at fostering the transformation of Ukrainian milk agriculture from a declined and neglected state to a more dynamic one by developing milk communities in 6 project regions.



Strawberry Cooperatives Development Project (Ecofruit)

This year marked the launch of a new Heifer-Ukraine – Danone Ecosystem Fund – Dansource initiative - the *Strawberry Cooperatives Development (Ecofruit)* project. The goal of this project is to improve the livelihoods of over 500 rural families from Losiatyn village (Ternopil Oblast) through increasing their income and introducing completely new strawberry production, storage and marketing practices. The project was officially launched in June of 2012 when the first 10 hectares of strawberry fields were planted following the new production technology.

The project is implemented and financed by the following partners: Heifer-Ukraine, Ecosystem Fund Danone and the companies Dansource and Danone Ukraine. The first phase of the project is to be completed by 2014; the total amount of its funding is approximately \$2,375,000.

The project objective is to support at least 500 individual households in increasing their income by 11-20% through uniting into agricultural service cooperative to produce strawberry using modern technologies and selling it through the cooperative.

The project will be implemented by ASC “Losiatynske Molochne Dzherelo” in Losiatyn Village of Ternopil Oblast which will provide strawberry planting, storage and marketing services to its members both on the joint field and on private land plots. During 2012-2014 investments will be directed at gradual expansion of the area planted with strawberry to 50 ha. It is planned to provide the coop with the required land cultivation equipment (tractor, trailer, tiller, cultivator, plow, ridger, sprinkler and diesel generator), highly productive frigo plants (kept in the cold until planting) and drip irrigation equipment and facilities; to construct and equip a chamber for strawberry cooling etc. The best practice of strawberry planting includes the use of frigo plants of the highest category, black mulching film in order to prevent soil drying and weed growth and a drip irrigation system that will greatly reduce the amount of water required for irrigation.



The funds obtained from strawberry sales and accumulated by the coop will be used for expanding the joint field, the renewal of existing fields and for project replication in other communities. Most of the harvested strawberries will be purchased by Danone Ukraine and Dansource and supplied to Danone plants for the production of natural strawberry additives to dairy products.

Accomplishments to date:

The project was officially launched in June with the participation of Heifer International, Heifer-Ukraine and Danone representatives. The event was attended by more than 25 journalists from local and national media. The participants had the opportunity to try to plant strawberry seedlings by themselves.



The Kremenets Raion Council funded the renovation of coop's office located on the first floor of the village council.

Preparatory field work and the work on plant watering started in early spring. Thus it took immense effort to construct a 0.3 ha retention basin and renew the well. The following equipment has been purchased: tractor, fertilizer distributor, sprinkler, disk harrow, tiller, bedder, modern drip irrigation system as well as trimmers and a walking tractor for weeding and inter-row laboring. Since a power line is not available in the field, a powerful diesel generator has been purchased, which makes it possible to pump water from the well as well as bring the drip irrigation system engine into operation.

Ten ha of the common field have been planted with "Polka", a highly productive strawberry variety. For management purposes, the field has been divided into 6 sectors, each of them about 1.6 ha in area. In one sector, a two-row method of seedling planting has been used, so the density of plantation is 60,000 seedlings per hectare. In the rest of the sectors seedlings are planted in one row, with plantation density 31,000 seedlings per hectare.

During plantation, bloom picking and weeding 50 seasonal workers were employed, so they obtained the possibility to earn money in their own country without going abroad. Almost all of them are experienced in field work, having worked for 7-10 years in Poland, so they are familiar with all the strawberry cultivation operations. It is planned to officially employ more than 100 seasonal workers in the harvesting period.

The agronomical assistance of the project is provided by Italian consultants who visit Losiatyn on a regular basis and conduct training for project participants. In total, six seminars have already been held. Some Losiatyn residents have also visited the "AgroFrutica Byshkiv" demofield situated in Lviv oblast in order to gain experience.

The Cooperative Learning Farm and Services Project



The *Cooperative Learning Farm and Services* project is successfully underway. The construction of the first light hangar for 60 heads of cattle is nearing completion and the first 60 heads of beautiful Austrian Holsteins are waiting to be moved to their permanent residence in November. We are especially proud of this project as it symbolizes the establishment and future successful operation of a Union of Agricultural Service Cooperatives, where all the profit from the farm and other services will be divided between the 1,100 coop members. The larger farm itself and the surrounding family farms will serve as a learning platform for the many farmers in Ukraine and around the world who are in desperate need to gain new knowledge and skills in milk production and quality control.

Project objective: to improve the livelihoods of cooperative members through improved farming practices and access to equipment and services through agricultural service cooperation.

Participants: over 1,100 families from at least 18 settlements of Pokrovka and Apostolovo raions of Dnipropetrovsk oblast united to at least 7 agricultural service cooperatives.

Accomplishments to date:

The “Hospodar” Coop Union consisting from 7 ASCs of Pokrovka and Apostolovo raion has been organized.

When founded, the total number of ASC members who initiated the organization of the Coop Union was 476. The total number of cows owned by coop members was about 490. The majority of the coops specialize in providing feed preparation and milk production services to their members.

The creation of the “Hospodar” Coop Union allowed broadening the range of forage conservation services provided to their members. Due to the use of the Coop Union’s machinery and equipment, coop members, besides being provided hay laying and green grass cutting services, have gained the opportunity of having their own fields farmed (plowed and cultivated), forage grass seeded and ensilage conserved in plastic bags.

Creation of “Molocharske” unitary enterprise of the Coop Union has made it possible to implement another important project component: the construction and operation of a cooperative training farm. The farm has been constructed in 2012. It is a tension membrane structure in which stalls for keeping 60 heads of cattle have been arranged. The construction of a training classroom has started. Besides, an old building has been renovated to serve as a forage storage and coop farm machinery depot.

In June 2012 60 Holstein heifers were imported from Austria and the operational activity of the cooperative training farm started.

Small family farm development and the training activity

The Dnipropetrovsk Agricultural Advisory Service (with CIDA funding) provided support in the construction of three new family farms, 10 head of cattle each. Two of the newly constructed family farms have begun to operate successfully and had 6 trainings held for coop members who also strive for starting their own dairy business that includes cattle keeping. In total, 109 people have participated in the trainings “Construction and reconstruction of small family-type dairy farms” and “Quality and hygiene of milk production”. Participants of these trainings had the opportunity to gain practical experience in the construction and arrangement of small family-type farms, learn the economics of engaging in dairy business and familiarize themselves with practical examples of arranging farm premises so that they are comfortable for cattle and thus increase its productivity.



Plans for the Coming Year

- Continue implementing cutting edge rural development projects throughout Ukraine while increasing their scale, improving efficiency of work and ultimately empowering rural agricultural producers to become self-sustainable and influential, able to protect their economic and social interests.
- Expand fundraising for new projects, including trans-border cooperation projects with other Heifer offices in Central and Eastern Europe. Attract donors by combining resources from different sources for scaling up and improved project impact.
- Continue developing cooperation with the Danone Ecosystem Fund, Danone Ukraine, and Dansource to successfully continue the current 2nd phase of *Ukraine Milk Communities* project, the *Cooperative Learning Farm and Services* project, *Strawberry Cooperatives Development (Ecofruit)* Project, as well as develop and receive funding for a new 3rd phase of *Ukraine Milk Communities* project.
- Oversee the successful opening of the first in Ukraine dairy processing plant owned by a Coop Union in Western Ukraine's Bukovyna region which will help solve the region's problem with milk local processing and add value for small producers.
- Oversee the successful construction and opening of the first in Ukraine dairy processing plant owned by a Cooperative in central Ukraine's Kirovohrad oblast which will help create added value for the milk produced by individual smallholder farmers.
- Build upon existing institutional capacities and proven methodologies for impact. Improve and regularly implement monitoring and evaluation practices to allow better insight into the effectiveness of the projects.
- Continue strengthening and developing relations with state authorities and other stakeholders to attract co-funding and jointly advocate for needs of smallholders united into Agriculture Service Cooperatives.
- Continue advocacy work at regional, national and international levels to provide state support for coops, introduce in Ukraine concepts of remunerating positive environmental externalities and certification of traditional goods with PDO/GI status, development of rural tourism, gender integration in rural development etc.
- Seek partners and funding for a development project aimed at improving production technologies, processing, labeling and marketing of traditional products originated from the region of the Ukrainian Carpathians.
- Seek funding for the follow-up FAO TCP big project on GI (Geographical Indication) certification of the traditional origin-linked food products in Ukraine. This project will be based on the findings of a National Workshop that presented and discussed results of the *Marketing Research of Potential Origin-Linked Quality food Products and Their Demand in Ukraine* project implemented with support of FAO TCP.

- Seek funding for a new dairy project in Western Ukraine aimed at increasing incomes of milk producers through processing and marketing of dairy products (expected to be co-funded by CIDA/Socodevi).
- Raise funds for a project focused on development of family farms in dairy sector (expected to be co-funded by Danone-Ukraine, CIDA/Socodevi and potentially other partners).
- Continue implementing training program within projects, attract highly qualified trainers on various topics related to the goals and objectives of every project, including in the fields of animal well-being, veterinary medicine, animal hygiene, project management, economic development of coops etc.
- Continue initiatives targeting rural youth, gender equity, gender integration and women leadership in rural areas.
- Continue cooperation with HIV-AIDS rehabilitation center in implementation of the active project.
- Continue the implementation of environmental initiatives, including organizing a study of environmental problems in project communities and conducting a series of environmental trainings.
- Continue developing best practices for replication and sharing with other rural development organizations in Ukraine and abroad.
- Continuing design and development of public private partnership projects focused on pro-poor value chain through cooperatives and their enterprises.
- Continue to apply passing on the gift principle to all projects, and accumulation of pass-back funds (from animals and plants) and amortization savings from the provided equipment to increase the benefit to community.
- Continue building capacity of Heifer-Ukraine and its project holders for managing the increased project portfolio funded by current and future strategic partnerships.
- Nurture and expand existing partnership network of like-minded institutions (running the gamut from project holder organizations to international donors).

Success story

Vasyl Zhaba— The Pride Of The Whole Community

When Vasyl Zhaba entered Heifer-Ukraine office in Lviv for the first time he couldn't even imagine that his idea of community development would be so successful.

Being an experienced specialist in agriculture who started his career as an agronomist and moved forward up to the head of Raion Department of Agriculture, Vasyl knew specifics of agriculture in Carpathians very well. At that time he was mostly concerned with decrease of soil fertility due to irrational use and degeneration of local varieties of potato. Jointly with Heifer-Ukraine specialists he developed a project proposal which was approved by Heifer International HQ and launched in 2007.

Project implementation required a lot of efforts and Vasyl proved to be a successful and experienced coop leader with good organizational skills. He had to travel a lot to select animals, seeds, then to conduct tenders and purchase the necessary resources according to Heifer-Ukraine's instructions and to invite qualified specialists to conduct trainings. Vasyl himself always tried to attend all the seminars and training in order to improve his knowledge and skills.

Project activities helped significantly improve potato production in the village. Now it's hard to tell the exact number of families who grow certified potato. After POG was complete project participants gladly shared potato seeds with their relatives, neighbors and friends.

However, in the process of project implementation Vasyl's priorities changed. He understood that potato production on small plots of low fertility soil couldn't significantly impact wellbeing of the rural families. Experience and detailed calculations proved that sheep breeding and production of traditional Carpathian sheep cheese – Brynza – were the most profitable activities.



However, keeping 2-3 sheep per household let the family have just enough products for their needs. In order to make profit at least 10 ewes are needed. A group of project participants repaired premises of the former collective farm and started breeding sheep there. In addition to sheep 50 Carpathian dairy goats of the local breeds were bought which increased cheese production.

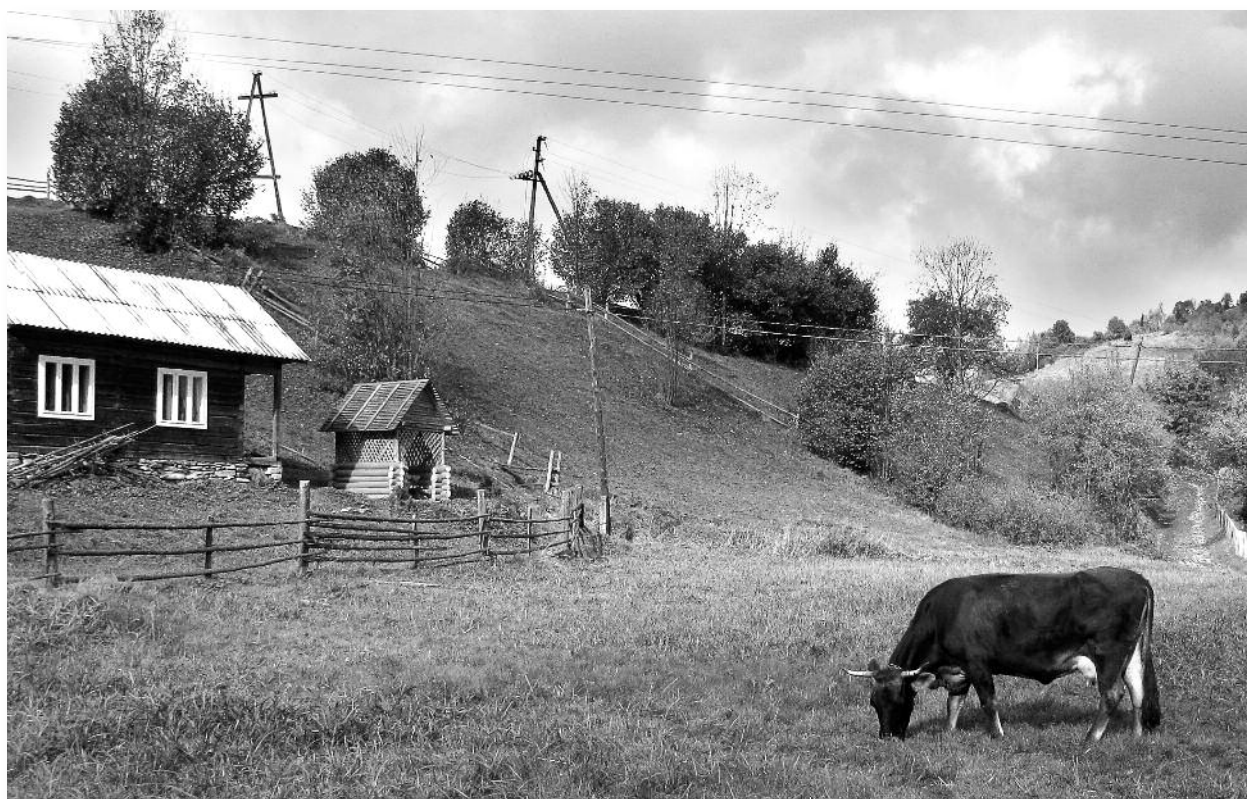
Within the project framework coop members received necessary equipment which helps people in their everyday lives. The list of provided equipment includes all-wheel drive truck, which is capable to drive off-road, three chainsaws, two mowers, milk utensils for cheese production and petrol generator set.

Coop members share their knowledge with other Heifer-Ukraine projects. In March 2012 regional seminar on sheep breeding took place in Western region, it was also attended by guests from Central and Southern Ukraine.

The coop equipped agricultural learning class in the local school. Children will have a chance to learn modern agricultural practices and hopefully, not all of them will move to big cities or emigrate.

The project is completed. All members of “Flora” coop are grateful for the assistance provided by donors and Heifer-Ukraine personnel, and looking forward to further cooperation.

Project participants are aware that they are always welcome in Heifer-Ukraine offices and can always ask for advice or consultation.



Events

Benefactor of the Year Award Received by Heifer-Ukraine

On 15 December 2011 Heifer-Ukraine was awarded one of the prizes of Benefactor of the year 2011 contest signifying all the work it does in providing in-depth training to adults in the frame of all existing projects. The diversity of benefactors represented at the event was impressive. Starting from small groups of people raising funds for a children's hospital and ending with charity work carried out by multinational businesses such as McDonalds. The Congress of Benefactors preceded the official ceremony and provided each invited participant with an opportunity to present charitable projects they implement. Viktor Teres introduced Heifer-Ukraine's charitable initiatives which have been implemented over the years in Ukraine. He also presented Heifer's new scaling-up strategy showing the examples of large-scale projects supported by several major donors such as Danone-Ukraine, Danone Ecosystem Fund and Canadian Agency for International Development.

The aim of the National Contest "Benefactor of the Year" is simple – to promote the development of charity in Ukraine and to popularize it through public recognition by selecting the most effective charitable initiatives aimed at solving social problems in Ukraine.

The contest is trying to introduce charity as a socially important phenomenon in Ukraine while supporting and encouraging the charitable initiatives.

This was the second time Heifer-Ukraine was recognized by the "Benefactor of the Year" National Contest. The first prize "Benefactor of the year" was received in 2008. This year Heifer Ukraine was awarded "For providing in-depth training to adults helping them improve their lives". The contest offers a variety of nominations and tries to recognize every type of charitable activities carried out by different people and organizations. We consider such recognition as proof that our activity in Ukraine is a key driver of social changes and improvements in rural areas. Extending the range of support provided, Heifer-Ukraine hopes to receive even more recognition in the future.



Education For Adults Is A Pledge Of Sustainable Development And Self-Reliance Of Project Participants

Education for adults is the area that impacts awareness and fundamental values of participants and leaders of Heifer-Ukraine projects.

Heifer-Ukraine's work in this area was highly appreciated by the All-Ukrainian Contest "Benefactor of the year -2011", where it became a winner in the category "For Providing In-Depth Training To Adults Helping Them Improve Their Lives".



Along with the implementation of developed and approved training program for projects holders Heifer-Ukraine also supported additional activities. This included capacity building trainings focused on sustainable development and self-reliance as well as establishing learning centers in active agricultural service coops. Office staff, project leaders and projects participants groups had an opportunity to attend these trainings.

Examples of some of our training subjects:

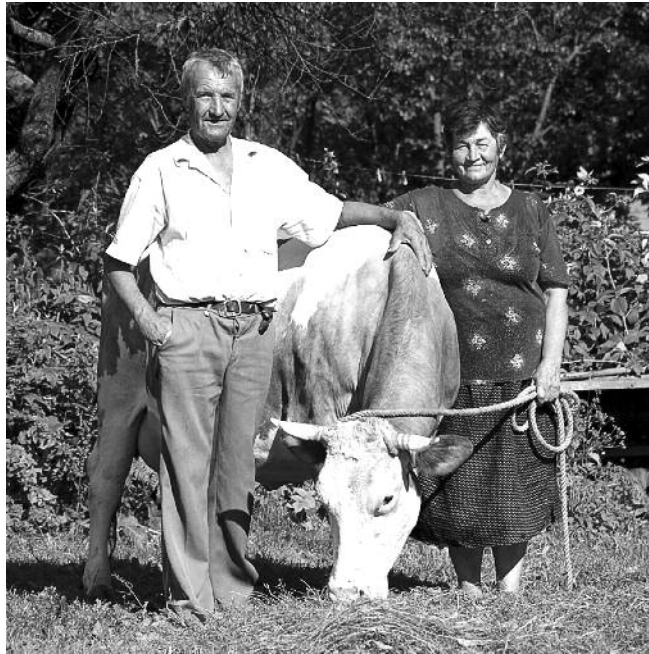
- Production and marketing of organic produce. Regional products, strategy: Carpathian brand;
- Development of green tourism in Carpathians is a brilliant investment into future;
- Characteristics of potato organic production;
- Cooperation with credit union for coop successful operation;
- Public access to law making processes and application of modern communication techniques (USAID);
- Technology of production of sheep breeding products in Carpathian region. The main directions of preserving and improvement of sheep of Ukrainian Mountain breed;
- Technology of plant growing in closed soil;
- Fundraising for agricultural service coops within the framework of USAID AgroInvest Project.

In addition to Heifer-Ukraine's trainings, project leaders attended a number of trainings for trainers on techniques and methodology of organization of trainings for adults as well as on techniques of project presentation, project management, and preparation for external evaluation in order to provide these trainings in their coops.

Another important component is the creation of a number of learning centers in active agricultural service coops. Learning centers were launched in seven project communities, which provided premises for conducting trainings and seminars, equipped them with necessary equipment and prepared presentation materials. Additional three learning centers are expected to open in the nearest future. Heifer-Ukraine supports activity of such learning centers in communities and provides them with training materials and some equipment.

The Men And Women Equal Rights And Opportunities Promotion Component Of Heifer-Ukraine Projects

Heifer-Ukraine's gender program continues its work to develop and benefit small-holders all over Ukraine. Gender issues in rural areas were presented at hearings of the Committee of Verkhovna Rada (Parliament) of Ukraine for human rights, national minorities' rights and international relations "Prospects of development of equal men's and women's rights and opportunities legislation". Jointly with the informational advisory women's center a survey has been held titled "Audit of the safety of rural areas – "Safe for the woman, safe for everybody", the results of which have been presented at the round table in the Parliament with the participation of Verkhovna Rada members. In the course of participation in the all-Ukrainian forum of local government on ensuring men's and women's equal rights and opportunities, a presentation has been made at the plenary subject meeting "Social entrepreneurship: ensuring equal rights and opportunities for women and men, by the examples of Heifer-Ukraine, a project supported by Danone company.



Gender analyses and gender trainings are included in the projects activities. At the level of decision making in the coops, 65% are women; many women who participated in the projects have become members and heads of village councils and now work in local governing bodies. Whole families actively participate in trainings; youth join their parents and volunteer in the projects. Legally, both husband and wife have the signatory authority in the contract of receiving animals. In milk projects, new jobs are created in the coops for men and women (milk collectors, drivers, tractor drivers), family-owned farms are developed, a program of support for families who own more than 3 cows is expanded and these families are provided with milking machines.

However, in spite of all the success of gender program implementation, some risks remain because Ukrainian women, as well as men, especially from rural regions, often emigrate in search of employment abroad such as looking after elderly people and children.

In the families that suffer from poverty, men often abuse alcohol and consequently abuse children and wives. The distribution of labor in families is traditional: hard manual day-to-day work is carried out by women while mechanized work – by men. It does not pay to sell agricultural produce surpluses at markets because of the high rent of stalls, so women have to sell them on unofficial street markets.

Heifer-Ukraine projects take this situation into account and engage both men and women in coop development education as well as encourage them to harvest agricultural produce jointly and sell it wholesale. Thus, for instance, at the initiative of two women-managers of ASC “Novobroshkivetsky” Iryna Pavlyuk and Halyna Kushnir, in partnership with Chernivtsi Oblast State Administration and with our support, the milk processing enterprise “Molochnyi Krai” has been reconstructed. 80% of jobs in this enterprise will be given to women; more than 800 families will be able to sell milk to it at a good price. There is an exemplary kindergarten in this village as well as a local school that are also involved in the project. The head of the village is happy that members of the community are becoming wealthier and more successful every day, although they have to work hard for this. Men and women are smiling and believe in their future.

Youth Leadership Promotion of Heifer-Ukraine Projects

The organization’s youth leadership program was initiated in 2009. It has formed a network of volunteers – youth leaders of the rural regions of Ukraine. This program unites young project leaders who are involved in the implementation of youth initiatives in the villages of Ukraine, where our partners, the agricultural service cooperatives, work. They organize youth festivals, trade fairs and seminars and help adults in implementing projects. Their participation is important because it forms positive thinking, the ability to work in a team, to develop leadership qualities and learn principles of youth entrepreneurship and community development.



It is often young volunteers who actively communicate to coop management, help organize activities and form electronic databases. Our organization provides them with information on the youth initiatives of international and national projects, programs, contests, seminars, conferences, trainings, summer educational camps, youth entrepreneurship and student groups working for ecology, restoration, rural area building etc.

Young project participants are eager to learn and gladly take part in trainings and seminars held by other organizations at our invitation. In April 2012 twenty young participants of active projects underwent training in the Ukrainian Parliament (Verkhovna Rada) called “Young leaders’ access to lawmaking processes” that was held by the Parliamentary Development Project (PDP) (with the support of USAID) and the association of graduates of the Program of Training in Verkhovna Rada of Ukraine and central legislative bodies called “League of Interns”.

Young representatives of our projects are our future, they are the ones who will develop coops when Heifer-Ukraine exits.

List of Heifer-Ukraine active projects*

1	Strengthening the economic sustainability of Ivankivtsi's rural households through the development of an efficient milk processing facility.	Ivankivtsi, Znamianka raion, Kirovohrad oblast	27-0829-02
2	Helping in cattle and swine breeding development in Olexandrivka village, Pokrovske raion, Dnipropetrovsk oblast	Olexandrivka, Pokrovka raion, Dnipropetrovsk oblast	27-0831-01
3	Helping rural families in the Bukovyna region	Novi Broskivtsi, Storozhyntsi raion, Chernivtsi oblast	27-0840-21
4	Helping the community in Nyzhnie Selyshche Khustka raion, Zakarpattia oblast	Nyzhnie Selyshche, Khustka raion, Zakarpattia oblast	27-0842-21
5	Improving the livelihoods of Rayhorodets residents through livestock restoration in Slovjansk raion, Donetsk oblast	Raihorodok, Sloviansk raion, Donetsk oblast	27-0844-01
6	Dairy cattle breeding and beekeeping dev't in Perekopivka village, Romny raion, Sumy oblast	Perekopivka, Romny raion, Sumy oblast	27-0845-01
7	Development of cattle breeding and bee-keeping in Baturyn village, Chernihiv oblast	Baturyn, Bakhmach raion, Chernihiv oblast	27-0846-01
8	Improving the Nutrition of people recovering from drug addiction and people living with HIV/AIDS in Kirovohrad oblast through Greenhouse Development	Ploske, Znamianka raion, Kirovohrad oblast	27-0847-01
9	Development of Livestock breeding in Dmytrivka village, Donetsk oblast	Dmytrivka, Shahtarsk raion, Donetsk oblast	27-0848-01
10	Greenhouse Development in Severynivka, Zhmerynka raion, Vinnytsia oblast	Severynivka, Zhmerynka raion, Vinnytsia oblast	27-0851-10
11	Assisting Rural Families that Suffered from the Flooding in Western Ukraine	Western Ukraine	27-0852-60-1
12	FAO TELEFOOD Special Fund Umbrella Project to Support Income Generation Across 11 Communities in Ukraine	Ukraine	27-0853-10

**as of July 1, 2012*

13	Bettering the Livelihoods of “Ai-Dar” ASC Members Through Livestock Restoration, Education, and Community Enrichment in Denezhnykove Village, Luhansk oblast	Denezhnykove, Novyi Aidar raion, Luhansk oblast	27-0854-10
14	Improving Livelihoods of Rural People Through Livestock Development in the Community of Starosillia, Sarata raion, Odesa oblast	Starosillia, Sarata raion, Odesa oblast	27-0855-10
15	Ukraine Milk Communities – Phase 1	Ukraine	27-0856-10
16	Ukraine Milk Communities – Phase 2	Ukraine	27-0856-31-1
17	Coop Learning Farm and Services Project	Oleksandrivka, Pokrovka raion, Dnipropetrovsk oblast	27-0856-32-1
18	Strawberry cooperatives development	Losiatyn village, Kremenets raion, Ternopil oblast	27-0856-33-2
19	Helping rural families improve animal breeding and potato growing in Kremenets raion, Ternopil	Losiatyn village, Kremenets raion, Ternopil oblast	27-0857-11
20	To better the livelihoods of Chervonyi Lyman residents through the development of organic vegetable growing and introduction of environmentally sound farming practices	Chervonyi Lyman Pokrovskiy raion, Dnypropetrovsk oblast	27-0858-11
21	Improvement of the wellbeing of rural families in Andriivka village, Pokrovskiy raion, Dnipropetrovsk oblast	Andriivka village, Pokrovskiy raion, Dnipropetrovsk oblast	27-0859-11
22	Revival of individual rural households in Hlyboka raion, Chernivtsi oblast	Hlyboka urban village, Chernivtsi oblast	27-0860-11
23	Helping the rural population in Rohatyn raion, Ivano-Frankivsk oblast produce organic potatoes	Lypivka village, Rohatyn raion, Ivano-Frankivsk oblast	27-0861-11
24	Development of complete production cycle poultry breeding in the village of Tokarivka, Zhmeryn raion, Vinnytsia oblast	Tokarivka, Zhmeryn raion, Vinnytsia oblast	27-0862-11

How You Can Help

We are extremely grateful to all our partners, sponsors, and others that are sensitive to our cause – the problems of rural development – and are willing to enlist their support!

There are several ways you can help:

- *Provide funding to implement Heifer-Ukraine projects*
- *Technical support for various activities (volunteer in the office, provide equipment/ materials, expert support, etc.);*
- *Disseminate information on our activities, needs, and successes*
- *Submit your ideas, help search for the most effective ways for us to reach our goals.*

Those companies that render their assistance to Heifer-Ukraine also support the development of corporate social responsibility principles within their own organizations.

Private donors that provide financial or other types of support have the opportunity to learn more about the problems faced by rural communities, learn about our projects, and gain new and interesting skills!

Only together can we stimulate the development of the rural landscape and improve the welfare of rural residents, help implement WTO and EU standards in agriculture, and improve the quality of agricultural products! We are counting on your interest and support in the coming financial year!

Bank Details for Your Donations

Account to receive your donation in USD:

Correspondent Bank Name: Deutsche Bank Trust Co.Americas New York, USA,

SWIFT CODE: BKTRUS33 Account Number: 04-416-222

Bank in Ukraine: OF CB "KHRESCHATYK"

Address: 8-A Khreschatyk Street, Kiev, 01001 Ukraine

SWIFT CODE: KHRCUAUK

Account Name: ICO Community Wellbeing,

Account Number: 2600 7000 1616 56

Account to receive your donation in Euro:

Correspondent Bank Name: **DEUTSCHE Bank AG** Frankfurt/Main, Germany

SWIFT CODE: DEUTDEFF Account Number: 0812445011/888

Bank in Ukraine: **OF CB "KHRESCHATYK"**

Address: 8-A Khreschatyk Street, Kiev, 01001 Ukraine

SWIFT CODE: KHRCUAUK

Account Name: ICO Community Wellbeing,

Account Number: 2600 7000 1616 56

Account to receive your donation in UAH:

ICO Community Wellbeing

Kyiv, Vasylkivska str. 14 office 720 Identification code 21712644

Non-profit code 0005

Account 26007000161656

Bank in Ukraine: **OF CB "KHRESCHATYK"**

MFO 300670

*Please include in the wire instructions that the purpose
of this transfer is charitable donation*

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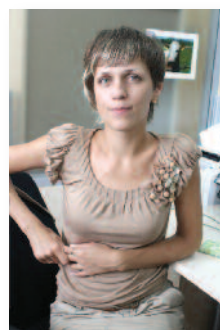
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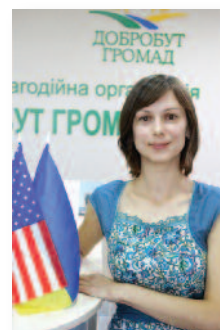
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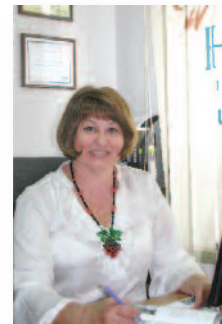
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