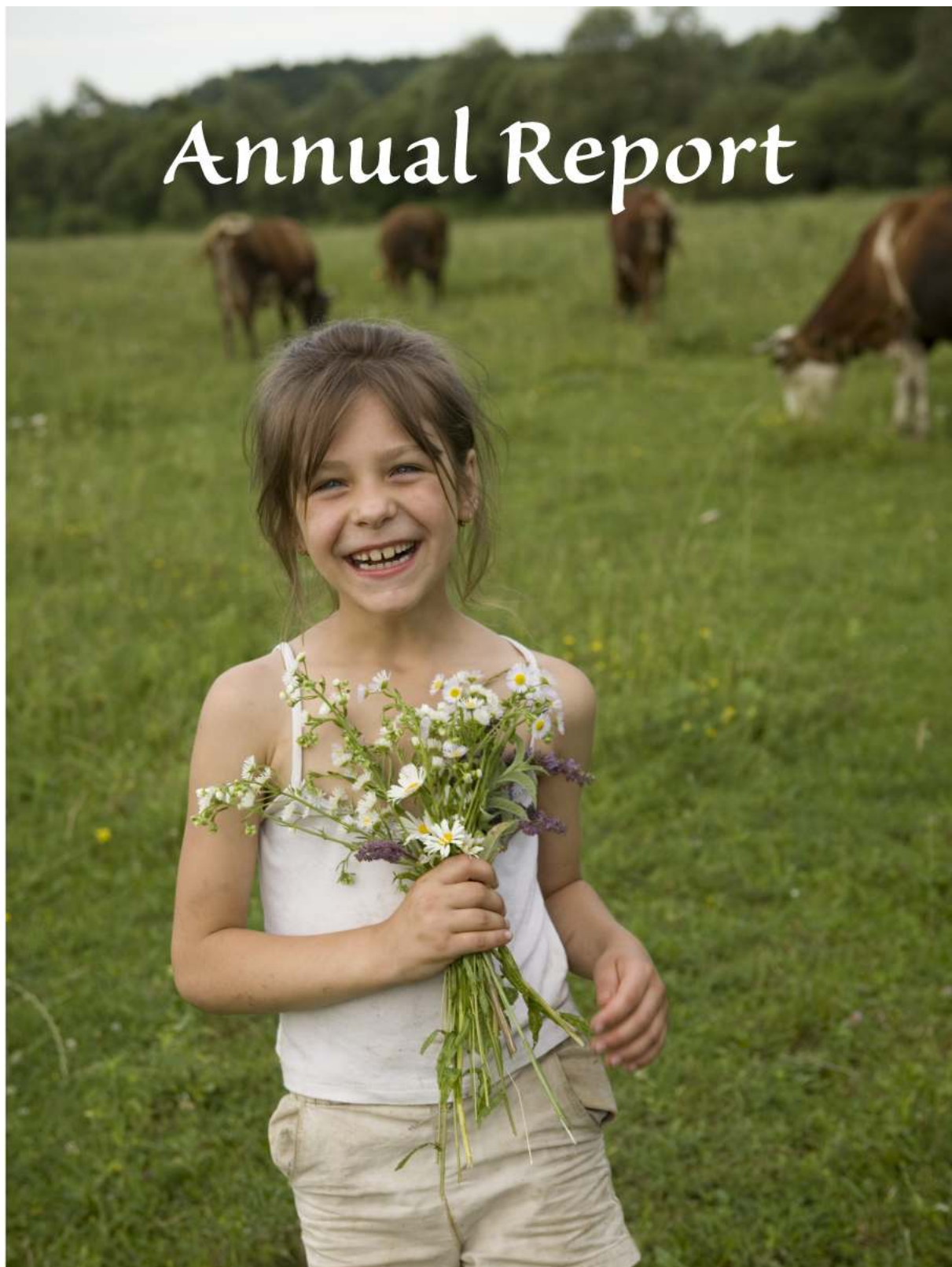


# Annual Report



1 July 2012—31 June 2013





# Heifer Mission Statement

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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 18.5 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.

## From the Director



Dear friends,

I am honored to present the 19<sup>th</sup> Annual report for International charitable organization “Community Wellbeing” (short English name Heifer-Ukraine), which covers a year rich with new achievements and developments for our organization. This Annual report provides a summary of the many activities carried out by the Heifer-Ukraine team for the period from July 2012 – June 2013 (see *Our Highlights* and *Initiatives in Depth*). You will be amazed at the depth and diversity of our projects. 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 24 rural development projects. The projects involved many partners: Danone Ecosysteme Fund, Dansource, Danone-Ukraine, SOCODEVI (funded by the Department of Foreign Affairs, Trade and Development Canada), USAID Agroinvest project, FAO, and local, regional, and oblast authorities.

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.

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 smallholders united into cooperatives should grow into a self-sustainable family-farms and influential group of agricultural producers able to protect their economic and social interests.

Heifer-Ukraine provides support to coops based on the principles of integrated assistance, development of institutional capacity of the coops, and the participation of coops in agricultural value chains and pro-small-producer advocacy activities in collaboration with local, regional and national government.

We are very thankful to Heifer International headquarters' staff in Little Rock, Arkansas, USA, Danone Ecosystem Fund, Danone-Ukraine, SOCODEVI, Department of Foreign Affairs, Trade and Development Canada (DFATD) 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,

A handwritten signature in blue ink, which appears to read "Viktor Teres". The signature is fluid and cursive, written over a light blue circular stamp or watermark.

Heifer-Ukraine  
Country Director



## 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 Chernivtsi oblast received funding from Chernivtsi oblast and Storozhynets raion councils. State co-funding received to construct a new coop milk processing facility 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".

### 2013

Heifer-Ukraine opens doors for the international delegations to share experience and demonstrate practices used to implement projects in Ukraine. Phase III of *Ukraine Milk Communities Project* was approved and project was launched on July 1st 2013.







## ICO “Community Wellbeing” Mission and Values

### ICO “Community Wellbeing” (short English name Heifer-Ukraine)

#### Statement of Purpose

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

Heifer International set out a new strategy in Fiscal Year 2012 (FY12) based on an inspired view of the year 2020. Aspiration 2020 visualized a future in which Heifer has worked with 25 million small holder farmers on a path to transformation – no longer experiencing hunger and poverty but instead being resilient and living well above the average poverty level.

**The aspiration led Heifer International in the identification of three organizational strategies to guide a pathway to success:**

1. Scale up program impact
2. Grow and diversify Heifer’s revenue and support base
3. Strengthen core global operating systems

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.





## Cornerstones

Everyone involved in Heifer International work is guided by Cornerstones - principles developed for almost 69 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.



### Accountability

allows for organization at the grass-roots 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.



### 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.



### 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.



### 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.



### 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.



### 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.



### 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.



### 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.



### Genuine need & justice

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



### 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.



### 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 2013

- Since 2003, **78 agricultural service cooperatives** have been **supported** of which **53 are operational**.
- Since 1994, **18 517 rural families** received support from Heifer-Ukraine including **4 799 families** - through Passing on the gift.
- **“Molochnyi krai” milk processing enterprise** in Panka village, Storozhynets raion, Chernivtsi oblast owned by the Coop Union **is operational**.
- **Partnership** is actively strengthened with **international organizations** (including FAO, Danone Ecosystem Fund, SOCODEVI), **businesses** (Danone Ukraine), **state authorities and self-governing bodies**.
- **Second Phase of Ukraine Milk Communities project** with support of Danone Ecosystem Fund and Danone Ukraine has been successfully completed at the end of 2012.
- **Third Phase of Ukraine Milk Communities project** with support of Danone Ecosystem Fund, Danone-Ukraine and SOCODEVI (funded by DFATD) is scheduled to start July 1<sup>st</sup> 2013.
- **Cooperative Learning Farm and Services project’s “Molocharske” agricultural enterprise was launched October 6<sup>th</sup>, 2012**. The project is implemented in partnership with Danone Ecosystem Fund, Danone Ukraine, and SOCODEVI (funded by DFATD).
- **110 tons of strawberries were collected from the 10 hectare field in the frame of Strawberry Cooperatives Development project** . An additional 12 hectares were planted in FY 2013. In FY 2014 strawberry will be harvested from 22 hectares.





- **Additional project funding for added-value chains projects was attracted** from Agroinvest Project (USAID) within the “Development of Agricultural Producer Organization Capacity” contest.
- As part of aligning with Heifer International’s **new organizational strategies** Heifer-Ukraine has changed its approaches to development of new projects to include the following:
  - Focus on large multi-partner projects covering several geographical regions.
  - Projects include no less than 1,000 beneficiaries.
  - Minimal project budget is \$500,000 with Heifer’ part no more than 20%.
  - Projects are innovative, in line with Heifer-Ukraine’s approaches and significantly affect sustainable livelihoods of smallholder farmers in Ukraine.
- Heifer-Ukraine participation in state and regional programs development and implementation
  - Heifer-Ukraine is actively involved in drafting the “Strategy of the National Targeted Program for Rural Development until 2025” Concept paper as part of the Presidential Program on economic reforms
  - Our experts were involved in drafting the National Economic Program “On Support the Development of Agricultural Service Cooperation until 2020” concept paper
  - Our experts participated in drafting new edition of Law of Ukraine “On Agricultural Cooperation”, that is already in force;
  - We are drafting legislation, regulations and processes of National and regional policy development in the field of rural development, agricultural production and agricultural service cooperation;
  - Heifer-Ukraine is participating in development and practical testing of a new Exemplary Statute of agricultural service cooperative and its implementation and the Rules on Economic Activities of AS Coops;
  - We are participating as a partner in preparation Comments on the Law of Ukraine “On Agricultural Cooperation” and other related legislative acts (USAID AgroInvest project).
  - We are involved in development of other state concepts, strategies, programs, draft legislation in the field of rural development and AS coops in collaboration with MAPFU and respective Committees of the Verkhovna Rada of Ukraine.

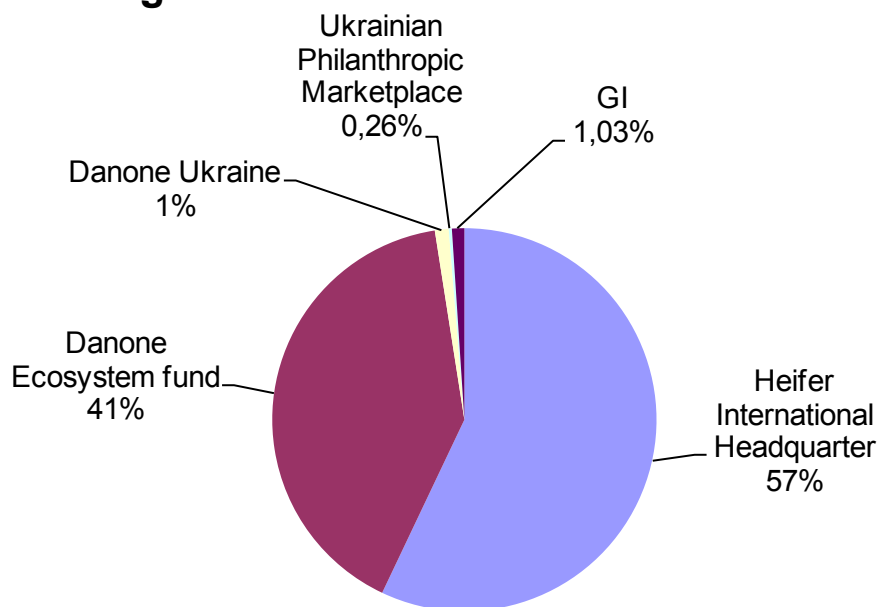
## Our Financial Indicators

### Financial Indicators by Sources

In FY 2013 (from July 1, 2012 to June 30, 2013), Heifer-Ukraine's total project and operations budget was **\$1, 716, 463\***, not including resources in the amount of **\$707 565**, 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 2013 the co-funding of 24 projects from other sources equaled **\$707 565**, 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.

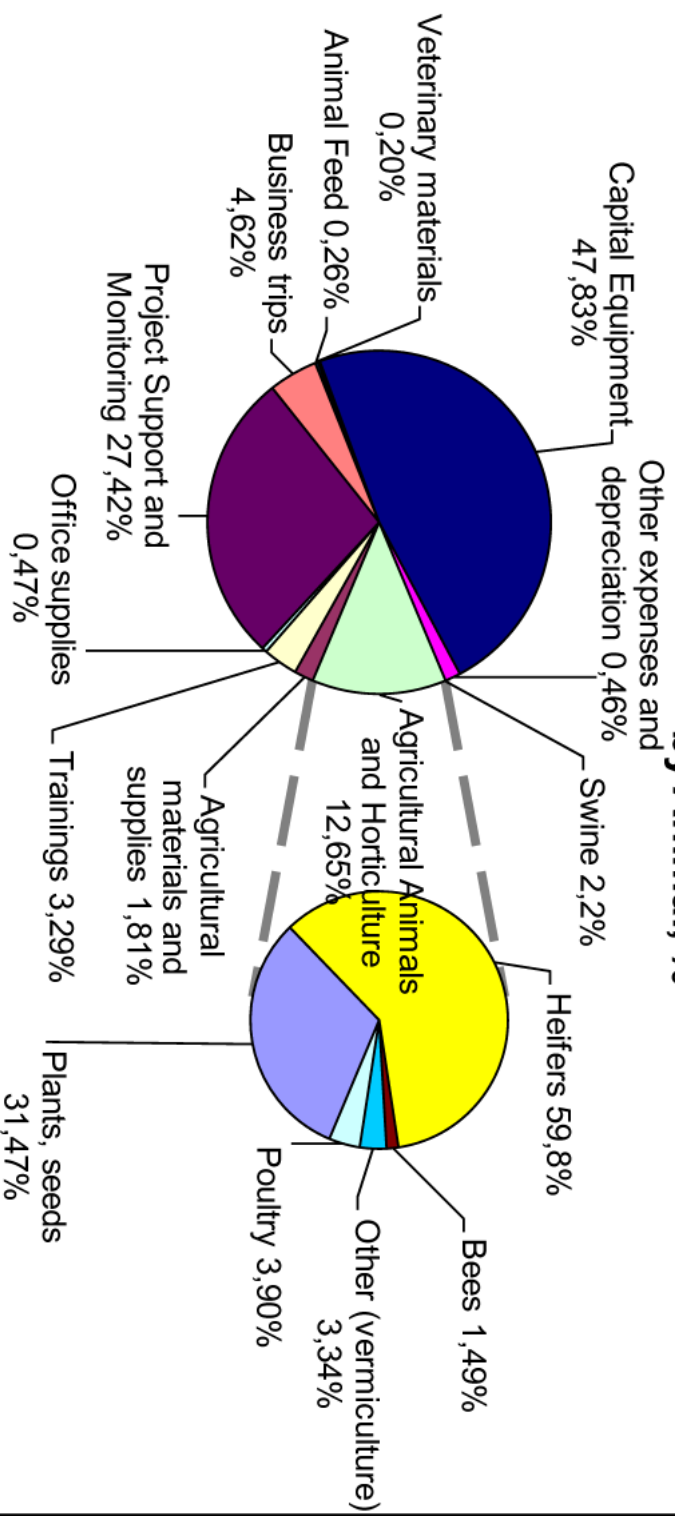
### Budget Sources of Heifer-Ukraine in FY2013, %



*\*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.*



## Program Expenses of Heifer-Ukraine in 2013 FY: General and by Animal, %



Technical services include:

⇒ Veterinary expenses (0,31%)

⇒ Animal feed (0,66%)

⇒ Agricultural materials and supplies (0,67%)

## Family-Type Mini Farms – a blueprint for Agricultural development in Ukraine

Development of family-type farms is a high priority for Ukraine. It is well-known that keeping less than 5 cows is not profitable. Project “Coop learning farm and services” provides training and support to farmers who decided to develop family-type farms. Within the project framework the farmers have an opportunity to learn the best practices of animal keeping and care, organization of balanced feeding, veterinary care, animal reproduction and hygiene, feed production.

Within the project framework farmers receive additional resources for development of their households. Project experts help properly organize cattle stalls, milking system, water supply, lighting, ventilation and removal of organic waste. In addition, owners of family-type farms received pedigree heifers from Heifer-Ukraine.

Project “Coop learning farm and services”, which addresses development of family-type farm, is financed by Heifer International, Danone Ecosystem Fund, Danone Ukraine and DFATD. The project is implemented by Heifer-Ukraine and Dnipropetrovsk agricultural extension service; total project budget is \$ 2 312 500.

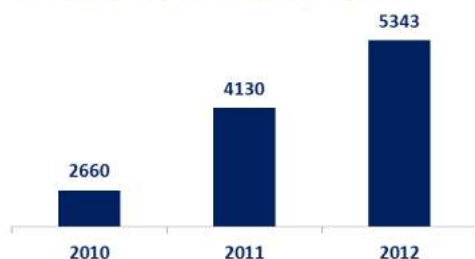
“There are mini-farms in Ukraine, but they don’t meet all the technological requirements for animal breeding”, said Oleg Yemets, Animal Husbandry Specialist, Dnipropetrovsk agricultural extension service, - “That’s why it was decided to construct first mini-farms for 10-20 heads in Pokrovske raion according to all established requirements such as lighting, feeding, milking, organization of the maternity pen, curtain ventilation, forced channel ventilation. The farms are also equipped with milk collection equipment and mini-laboratory which tests milk quality every day. Construction of 4 mini-farms in Dnipropetrovsk oblast is complete, other 3 are under construction, one of them for 25 heads.” There are also farms that are being reconstructed.



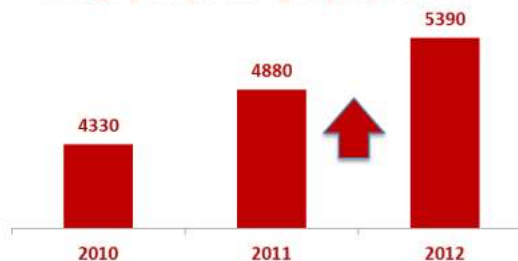


**After reconstruction of family farms milk productivity of cows  
has a trend to increase:**

**Reconstructed family-type farm:**  
average yield per cow per year, liters



**Farm built from scratch:**  
average yield per cow per year, liters



**Latest calculations indicate that in most cases:**

- Family with 1 cow gains no profit at all
- Family keeping 2 cows has net income close to \$28/month or less
- Family farm with 5 cows gives 84% addition to income
- Family farm with 10 cows allows to earn 54% more money than with 5 cows

As of today, 41 farms have been reconstructed and 20 will be finished in 2013. "We made calculations whether the cost of equipment we are installing is compensated by the pure income of the farmer. Talking about reconstructed farms, we spent around \$390 per head, and the annual income per one head equaled approximately \$462. It means that the cost of the installed equipment is compensated by the income within a year. Nevertheless in order to receive such high results a farmer has to consider all the technological requirements of farm management and animal breeding" – added Oleg Yemets, Animal Husbandry Specialist, Dnipropetrovsk Advisory Service. Such model of farming is a foundation of family type mini-farms. Their example is worth following by farmers from all over Ukraine. Family-type farms will soon become a driving force for developing the dairy sector of Ukraine. This model of farming is a foundation of milk production in world's leading countries.



## Our Initiatives in Depth

### Milk Communities Project - Phase III



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

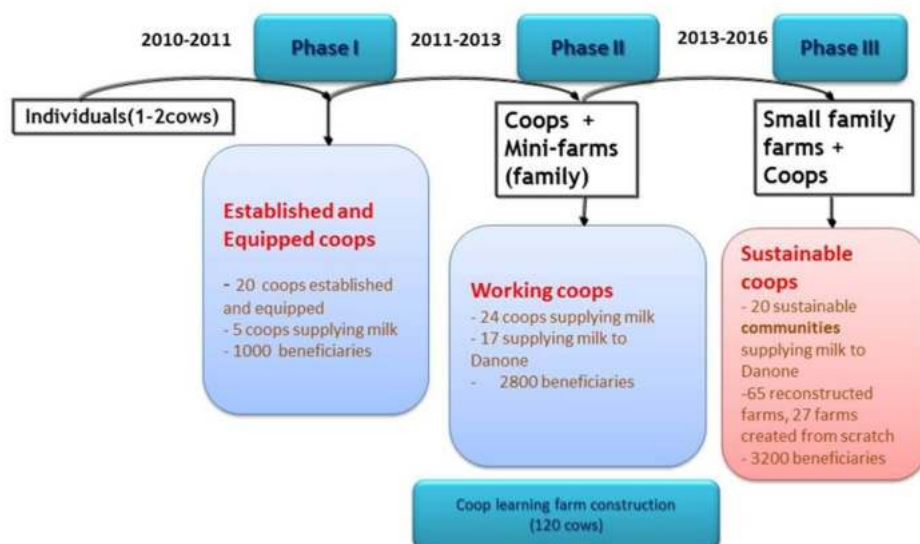
**Project Donors:** Danone Ecosystem Fund (France), Heifer International (USA), DFATD/SOCODEVI (Canada)

**Project partners:** ICO "Community WELLBEING", Danone Ukraine, Dnipropetrovsk extension service

**Project Duration:** July 2013 – June 2016

**Project Budget:** \$4 621 250

### Project Development





### Phase I and II results

24 coops were created in 6 regions uniting more than 3,000 members.

201 heifers were provided to coop members to support milk production in families.

Quality of milk, being collected by coops, improved **three times**.

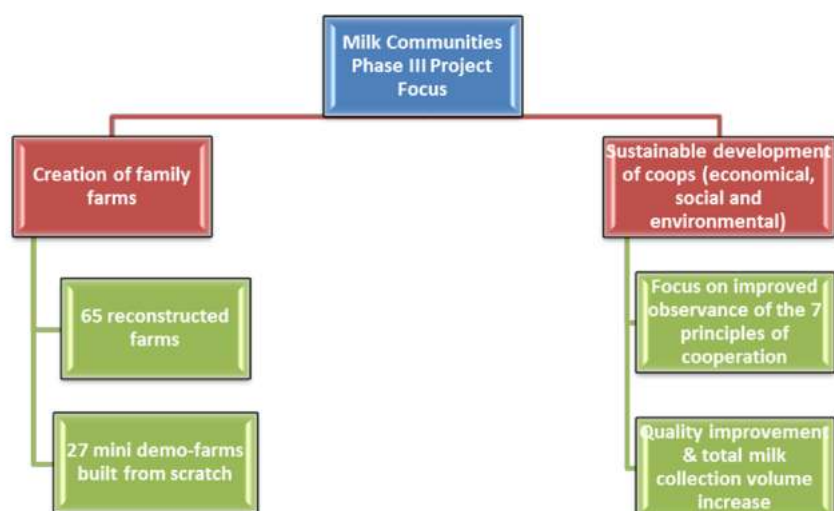
In 2011 the indicator of income security and wellbeing of coop members has increased by 12% in comparison with 2010.

Coop members improved their nutrition, in particular, they now consume 11, 8% more milk and 30% more meat.

Mechanism of “passing on the gift” was put in place

Over 50% cooperatives formed active Boards.

### Project Future



### The Cooperative Learning Farm and Services Project Achievements for the past year:

From the beginning of its operation of the cooperative learning farm of the Agricultural Enterprise (AE) “Molocharske” 250 tons of milk of extra grade have been produced and delivered to Danone-Ukraine plant. Besides, it has been achieved high indicators on ensuring realization of productive qualities of animals and quality of products. According to the preliminary information, an average milk yield of the first lactation animals is **6750 l/head** per lactation period.

As a result of training for the staff of the farm and focus on quality, the bacterial contamination and body cell content indexes in milk are on average **125 and 70 units (thousand/cm<sup>3</sup>) respectively**. For these achievements, the staff of the cooperative farm was awarded decorations and received bonuses ; a milkmaid was defined as the best one among the workers of the dairy sector in Dnipropetrovsk Oblast.

#### Union of Agricultural Service Cooperatives and service development:

As of today the “Hospodar” Coop Union ( consists of **608 members**, it is **109 members** more than last year. The Dobrobut Andriivky” Coop has become a record-holder on new members number; the coop has increased its membership by more than twice. Every year the Union provides its members with forage conservation services. 325 tons of hay, 1632 tons of silage, and 200 tons of haylage were laid in a stock, also cultivation, seeding, land farming, cutting, packing and other farm works were carried out.

#### Activities of the training center of the cooperative learning farm

From the beginning of the project **380 members** of the Cooperative Union have participated in **21 trainings**, aimed at improvement of knowledge and skills in the sphere of dairy farming. Activities of the training center are organized in such a way that participants are directly involved in the process of improving their practical skills in working with animals.





Along with participation in training at the cooperative learning farm, the training participants have a possibility to learn examples of creation and development of small family farms. Such kind of training is conducted at demo-family farms involved in implementation of the project. The training goal is to familiarize participants with reconstruction and construction of small family farms, keeping and feeding animals, increasing their productivity. During the period of the project implementation, about **150 persons** took part in training on reconstruction and construction of small family farms.

### Development of small family farms

According to a program of small family farm development, **40 family farms and 4 newly constructed** family farms had been reconstructed by the end of the reporting period.

Making use of milk production system through construction and reconstruction of small farms makes it possible to increase milk yield by **14-19%**, to decrease labor intensity to **20%**, to improve intensity of using cattle premises by **15-20 %**, and to essentially reduce feed expenses as well as milk costs.

A good example of positive changes is facts about the existing family farms, which have been acting all the year. As of July 2013, Kurylenko family farm increased milk yield by on the average **2 l/head, from 15 to 17 l per day**. Doroshenko Family farm increased milk yield by about **4 l, from 12.2 to 16.5 l per day**.

**Thus, implementation of the project Cooperative Learning Farm and Services includes all the practical aspects of increasing profitability of farming in the dairy sector: practicing processing methods at the cooperative learning farms, providing training for members of the Cooperative Union, implementing effective methods of farming at small family farms, and certainly assistance with feed provision and reduction of hand-labor at the Cooperative Union.**



### Strawberry Cooperatives Development Project (Ecofruit )

This year was the most challenging for the “Losiatynske molochne dzhere-lo” coop, its management and members. This season the coop had to demonstrate results of its previous hard work. Strawberry is a challenging crop to grow with a short harvesting season that lasts about a month. Therefore, during about 30 days the coop had to organize proper strawberry collection, transportation to a cooling chamber in the village and after that to deliver berries for processing.

Due to unfavorable weather conditions the coop had to plant a new 12 ha field simultaneously with harvesting. Harvesting and planting at the same time on such a huge area became a real challenge for the coop leaders as well as the Heifer-Ukraine and Danone project managers.

The most important work on preparation for harvesting and chilling strawberries was successfully accomplished. Former collective farm premises were re-constructed into a 20 tons capacity cooling chamber. The chamber plays a vital role for successful delivering of strawberries to a processor during the harvesting time. The coop is able to chill strawberries to 4-6 C before transportation.

An electricity network and transformer were constructed to ensure a permanent electricity supply to the cooling chamber. Purchasing a thermo-truck made it possible to deliver strawberries to a processor in Vinnytsia. The road to the strawberry field has been improved for appropriate transportation of berries from the field to the chamber.







The result of season 2013 is 110 tons of harvested strawberries, 83 tons of which were supplied for processing to Danone-Ukraine.

**According to the project data 50 permanent coop and field workers increased their income by 80% (150 USD per month), 200 seasonal workers increased their income by 40% (375 USD per picking season), 50 people were empowered with attendant jobs (income increase 25%, 350 USD per season).**

The very important social impact is that all the people who got a seasonal job did not leave their families as they did when they had to work abroad. The coop paid taxes to the local budget, thus seasonal workers are getting social security and welfare payments during wintertime from the state employment center.

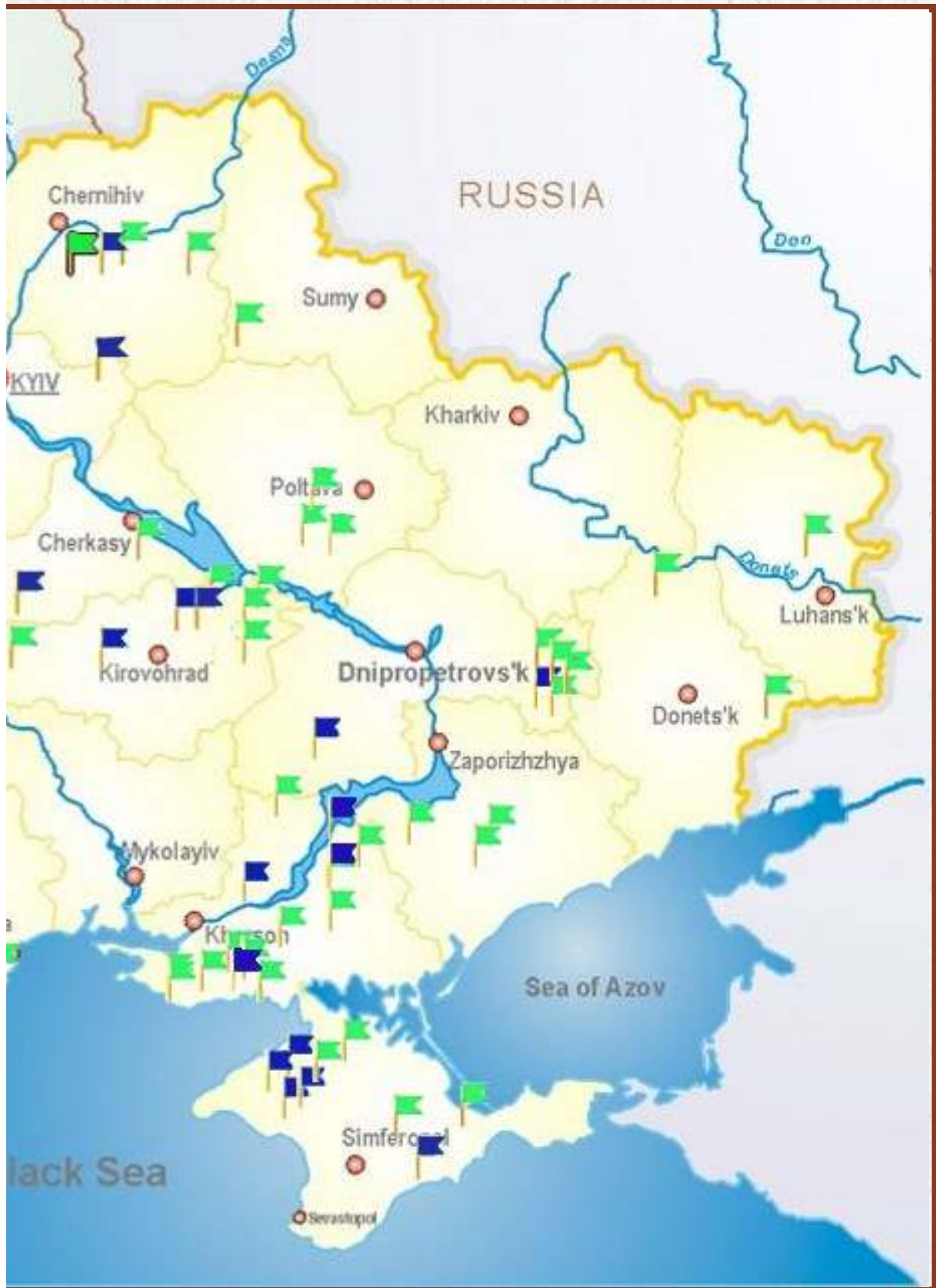


## Heifer-Ukraine Pr





## Project Map



## Bukovyna: 11 months in operation

(November 2012— September 2013)

The first in Ukraine coop milk processing enterprise was officially launched in October 2012.

**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. 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 is based on the following value chain: producer – coop milk collection center – “Molochnyi Krai” dairy enterprise.





**First results:**

- Creation of new jobs. As of August 01 2013, 18 individuals are employed on the enterprise.
- Purchase of milk. The enterprise buys milk from coops “Stor-Agrohromada” and “Novibroskivetskyi”, Private Enterprise Mytrytskyi and “Romashka” farm. Total volume of procured milk in the first half 2013 was 120.3 t of basic fatness (0,12% of the total volume, produced in Chernivtsi oblast).
- In the first half 2013 the enterprise bought from coop members milk worth of \$35,776 . The coops provided the enterprise milk collection services for \$6,938.
- The enterprise started signing agreements on produce sale in January 2013. In general, signed agreements foresaw the sale of 89870 kg of milk, 11300 kg of sour cream, 26460 kg of cottage cheese, 10000 kg of hard cheese.

Total value of all contracts is \$234,788, including milk– \$67,700, sour cream – \$35,776 , cottage cheese – \$57,350 and hard cheese – \$72,500.

The main produce consumers in 2013 are state-funded organizations in Chernivtsi oblast. The enterprise is the main supplier of dairy produce to educational institutions in Storozhynets raion, Chernivtsi oblast.

It is expected that in 2014 the enterprise in addition to budget-stated organizations will sell its produce through trade network in Chernivtsi and probably Lviv oblasts. As of August 01 2013, the enterprise reached production capacity of 2 tons of milk per day. It is expected that by the end of the year the coop will reach 3 t per day.



## Additional Funding for Heifer-Ukraine Projects: Agroinvest Project Grants

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 wellbeing. 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.

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 support was received by five Heifer-Ukraine coops in 2012 FY, two coops received grants in 2013 FY.

### **ASC "Losiatynske Molochne Dzerelo"**

The cooperative "Losiatynske Molochne Dzerelo" implementing Strawberry Communities Development Project has applied for and won 25 000 USD grant from USAID financed Agro-Invest project for co-financing a cooling chamber construction. These funds were spent for purchasing part of sandwich walls and cooling equipment, compressors and evaporators. The cooling chamber is able to cool strawberries from 25C to 4C within 4-5 hours; this makes it possible to store up to 20 tons of strawberries at once.

In June – July 2013 the coop collected 110 tons of strawberries from the joint field. 83 tons were delivered to a processing plant to Vinnytsia, that is 300 km from Losiatyn. Delivering strawberries of the first class quality would not be possible without prior chilling. Considering rather hot weather during the season, it would not be possible to organize transportation of strawberries to the processing plant without spoilage. Now strawberries processed by Individually Quick Frozen (IQF) machine are used by Danone-Ukraine for yogurts production.





### **“Lypivsky” coop**

“Lypivsky” coop received an USAID/Agroinvest grant in the amount of \$25 000 to create facilities for presale of potato and grain crops storage.

The project is aimed at increasing social and economical wellbeing of rural families—members of “Lypivsky” coop in Lypivka village, Voroniv village and Kryvnia village, Rohatyn raion, Ivano-Frankivsk oblast.

In the framework of the project it is planned to conduct pre-sale preparation of potato and grain crops, to launch production of dried plant raw materials—dried fruits, medicinal herbs, pot-herbs (parsley, dill, etc.); organize primary processing (refinement) of grain fodders; organize the process of potato and grain crops bulk quantity forming in order to sell it through the retail chain and processing enterprises.

Implementation of the project will allow reducing expenses for the manual labor by 20 times and financial expenses by 8 time for grading and packaging; to increase sales prices of grain crops, specifically commercial grain not less than by 10%, graded grain not less than by 30%; to increase crop yield by means of graded seed grain—by 30-40%; to attract additional sources of revenue by producing dried plant produce.

“Lypivsky” coop has signed an Agreement for the project implementation and is conducting tender for equipment purchase.



## Events

### HQ delegation visits Ukraine

In the end of November 2012 Heifer-Ukraine had an honor to receive HQ guests Steve Denne, Chief Operating Officer, Heifer International and Cindy Jones-Nyland, Vice-President of Marketing, Heifer International. Their visit chimed with a significant event for Heifer-Ukraine – opening of the first in Ukraine Cooperative learning farm in Dnipropetrovsk region.

The first in Ukraine Cooperative learning farm, established in the framework of the “Cooperative learning farm and services” project, was officially opened on 6<sup>th</sup> November 2012. The project is implemented by several partner organizations: Danone-Ukraine, Heifer-Ukraine, Dnipropetrovsk Agricultural Advisory Service, and supported by Danone Ecosystem Fund, Heifer International, DFATD and Dnipropetrovsk local authorities. Total budget of the project is 1.8 mln Euro.

Despite rainy weather the event went smoothly and gathered a lot of visitors – representatives of Heifer-Ukraine, Danone Ukraine, DFATD/SOCODEVI, Ministry of Agrarian Policy and Food of Ukraine, Dnipropetrovsk oblast council and Dnipropetrovsk Agricultural advisory service. All the guests had a chance to visit the newly built hangar of the demo farm, get acquainted with its equipment and technological processes of dairy cows milking, feeding, keeping and reproduction, see presentations on the project implementation process and participate in the discussions on its further





development prospects. They also visited two family type mini-farms and communicated with smallholders – coop members.

“I carefully kept track of the reports I was receiving during the farm construction process. Seeing it for myself for the first time I am impressed by the results and by the work done. This farm is not only a good example for the entire country but also it is a model for multiplying experience widely in other countries. We are satisfied with the project implementation. We will be able to evaluate its effectiveness when small holders will receive necessary experience and learn to run their own farms of such type and replicate this experience on other farms”, - said Steve Denne, Chief Operating Officer, Heifer International.

“Together with local governments, Danone, SOCODEVI, DFATD, ICO Community Wellbeing (Heifer-Ukraine), lives are being transformed in ways never thought possible. The learning center will enable local smallholder farmers gain access to modern milk production and animal breeding methods. Local families will have increased income, improved services, social changes in local governance and increased nutrition. Collectively the project will revive the smallholder farm development in this region”, - added Cindy Jones-Nyland, Vice-President of Marketing, Heifer International.



### Heifer Colleagues Learn from Each Other

On May 17-23, 2013, the Heifer Ukraine team hosted colleagues from the U.S. and Sierra Leone. The visitors included Vice President of Heifer's Africa Area Program Elizabeth Bintliff, Southern Africa Regional Director Geneti Nemera, West Africa Regional Director Rashid Sesay, and Community Engagement Coordinator Beatrice Biira.

The group visited a cooperative union's dairy farm in the eastern Ukraine city of Dnipropetrovsk. The farm was built by participants of the *Cooperative Learning Farm and Services* project. They learned how cooperatives and cooperative unions function in communities.

One of the most memorable visits was to the Kurylenko family farm. Antonina Kurylenko is a very strong leader in her community. For several years she took out a loan for the purpose of organizing her own farm and, at the same time, she assumed leadership over a failing cooperative. Antonina has a vision for the direction of the co-op and is confident in what she is doing to make it successful. With her entire family engaged in farm activities, they are a great example and motivation for other families in Ukraine.

In Losiatyn village, Kremenets raion, Ternopil oblast, the guests met village head Nadia Zalevska, who told them about how the *Ecofruit* project has changed the life of the community. Highly motivated, the villagers farm a large volume of strawberries for Danone. The project brought local jobs, which keeps families close to home instead of traveling to work in large cities and abroad. Moreover, during off-season, the strawberry farmers receive unemployment benefits, which supplements the \$475/person average earned each season.

A visit to Panka village featured a stop at a cooperative's milk processing plant. The plant was built in 2012 for the creation of a robust value chain for raw milk.





This dairy value chain enables smallholder farmers to improve their income and food security through a boost in milk production and sales. As a result, everyone along the value chain benefits. After a period of time with no buyers, smallholder farmers now have the opportunity to sell milk. Prices have stabilized, added value from processed dairy products has been retained, and incomes have increased.

The Vyshyvanka Festival in Storozhynets presented displays of a variety of national clothing. A *vyshyvanka* is a traditional Ukrainian embroidered shirt. The festival included Ukrainian, Romanian and Moldovan songs and dances, as well as dairy products tasting from the plant in Panka.

The small village of Spas, known for its popular herbal teas, was the final stop on the tour. Tea production in this community is another example of cooperation among residents leading to success for the whole village.

In addition to Carpathian herbal teas, Spas village has its own production of wild and homegrown dried fruits and jams. Chysta Flora, the local cooperative, sells organic coffee imported from Uganda. Cooperative members roast the coffee beans and blend them with Crimean dark grape seeds to create a unique and delicious drink, which the visitors got to try.

During their travels through Ukraine, the visitors observed smallholder farmers working in the fields along the roads, not unlike what they have seen in Africa. Farmers in Ukraine and Africa have similar dreams, challenges and goals and work hard to improve the well-being of their families. They also have great appreciation for Heifer's assistance. The experience was beneficial for all participants. In addition to playing host, the Heifer Ukraine team gained a better understanding of the inner workings of Heifer projects in Africa. Heifer Ukraine is happy to serve as a training and experience exchange center for the global Heifer International community.



### **Priority Directions for Training: Study Tours and Visits, Participation in Fairs**

From the beginning of its activities, ICO “Community Wellbeing” has paid special attention to providing training to adults. Every year along with calendar plans and training agendas, a training program defines priority direction for training.

The reporting period has been defined as a year for conducting study tours and visits to the acting projects, agricultural service cooperatives as well as to processing enterprises.

Representatives of more than 12 projects and AS cooperatives from different regions of Ukraine attended training on cluster approach to rural areas development, which took place at “Selyskyi Maietok” AS cooperative. Learning technological and organizational work at a rural bakery, creamery, hotel (green tourism), culture center where a rural theater, orchestra, ethno-group work permanently as well as reconstruction of an old school into a Catholic church helped leaders from the different regions to reconsider their activities on development of their own villages. Information on activities of a cooperative sheep farm created within the project “Telefood” was of great use for them.

Representatives of over 18 AS cooperatives participated in study tours to meat and vegetable processors, cheese and dairy production enterprises, wild plants processing, greenhouse farming, berry farming as well as to family farms. Experiences learned during the study tours are successfully used by the cooperatives.

One of the most important parts of the training program was participation of AS cooperatives in festivals and fairs where they presented their own products. The festivals and fairs became a training platform for over ten AS cooperatives where they were able to sell their own products and to present results of activities of the cooperatives and projects. Training on strategic planning, products management and marketing, development of organizational skills in conducting fairs, development of rural green houses, through which it is possible to sell products, were organized and conducted after the mentioned events. Every event has become a next step to improvement of agricultural cooperation development. As the best result, the first cooperative shop has been launched in Nyzhnie Selyshche village.





### Training on women's rights protection—Gender Program priority for FY2013

Heifer-Ukraine's gender program was presented at different national and international events. Heifer-Ukraine became a member and partner of National Gender Strategic Platform.

Together with the financial support of its partners Women's Information Consultative Center" NGO and Parliamentary Development Project for Ukraine Heifer Ukraine conducted a series of events for 130 rural women, members of its projects. The events covered the following topics: "Women's leadership basis", "Project planning and development", "Self-presentation skills", "Safety audit and other local gender initiatives in the villages", "Combating gender violence", "Development of women entrepreneurship and cooperation skills".

A study tour organized for rural women started in October 2012 and ended in February 2013 and included a series of trainings. In the framework of study tour women had the opportunity to visit best practices of farming in three cooperatives: "Novobroshkivetsky", "Chysta flora" and "Raihorodets". During the trainings women prepared their own projects on supporting women in villages and some of them even won mini-grants for their projects implementation. Women participants agreed that since Heifer-Ukraine started its projects in their villages life of the communities has significantly improved as well as life of rural women.

After the study tour women took part in Parliamentary Committee hearings on securing rural women's rights in Ukraine. They also provided the Deputies with their recommendation for the changes in legislation in the sphere of cooperatives effective operation, green tourism and family farms.

One of the new components of gender program was safety audit which was performed in the framework of Cooperative learning farm and services project. As a result of conducted safety audit participants designed an operational plan for improvement of the situation on the farm.

Gender program is planning a series of events for the next year. The events will address advocacy of women's rights in order to improve and protect them.



## 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 new 3<sup>rd</sup> phase of *Ukraine Milk Communities* project, the *Cooperative Learning Farm and Services* project, *Strawberry Cooperatives Development (Ecofruit) 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 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.







## 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 rural families in the Bukovyna region	Novi Broshkivtsi, Storozhyntsi raion, Chernivtsi oblast	27-0840-21
3	Improving the livelihoods of Rayhorodets residents through livestock restoration in Slovjansk raion, Donetsk oblast	Raihorodok, Slovjansk raion, Donetsk oblast	27-0844-01
4	Dairy cattle breeding and beekeeping dev't in Perekopivka village, Romny raion, Sumska oblast	Perekopivka, Romny raion, Sumy oblast	27-0845-01
5	Development of cattle breeding and beekeeping in Baturyn village, Chernihiv oblast	Baturyn, Bakhmach raion, Chernihiv oblast	27-0846-01
6	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
7	Development of Livestock breeding in Dmytrivka village, Donetsk oblast	Dmytrivka, Shaktarsk raion, Donetsk oblast	27-0848-01
8	Greenhouse Development in Severynivka, Zhmerynka raion, Vinnytsia oblast	Severynivka, Zhmerynka raion, Vinnytsia oblast	27-0851-10
9	Assisting Rural Families that Suffered from the Flooding in Western Ukraine	Western Ukraine	27-0852-60-1
10	FAO TELEFOOD Special Fund Umbrella Project to Support Income Generation Across 11 Communities in Ukraine	Ukraine	27-0853-10
11	Bettering the Livelihoods of "Aidar" ASC Members Through Livestock Restoration, Education, and Community Enrichment in Denezhnykove Village, Luhansk oblast	Denezhnykove, Novyi Aidar raion, Luhansk oblast	27-0854-10

\*as of July 1, 2013



12	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
13	Ukraine Milk Communities – Phase 3	Ukraine	27-0869-01
14	Coop Learning Farm and Services Project	Oleksandrivka, Pokrovka raion, Dnipropetrovsk oblast	27-0856-32-1
15	Strawberry cooperatives development	Losiatyn village, Kremenets raion, Ternopil oblast	27-0857-11
16	Helping rural families improve animal breeding and potato growing in Kremenets raion, Ternopil	Losiatyn village, Kremenets raion, Ternopil oblast	27-0857-11
17	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, Dnipropetrovsk oblast	27-0858-11
18	Improvement of the wellbeing of rural families in Andriivka village, Pokrovskiy raion, Dnipropetrovsk oblast	Andriivka village, Pokrovskiy raion, Dnipropetrovsk oblast	27-0859-11
19	Revival of individual rural households in Hlyboka raion, Chernivtsi oblast	Hlyboka urban village, Chernivtsi oblast	27-0860-11
20	Helping the rural population in Rohatyn raion, Ivano-Frankivsk oblast produce organic potatoes	Lypivka village, Rohatyn raion, Ivano-Frankivsk oblast	27-0861-11
21	Development of complete production cycle poultry breeding in the village of Tokarivka, Zhmeryn raion, Vinnytsia oblast	Tokarivka, Zhmeryn raion, Vinnytsia oblast	27-0862-11

## Heifer Ukraine Staff as of October 1, 2013



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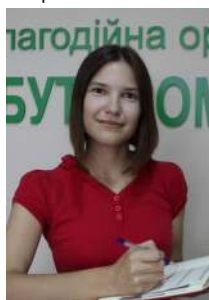
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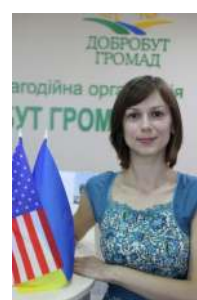
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**Valentyn Lutsenko**, Regional Field Assistant in Kirovohrad oblast





## How You Can Help



**Every \$ brings change!**

*By donating to Heifer-Ukraine today you:*

- ♥ *Help people in villages who's life level is lower than minimum wage in Ukraine*
- ♥ *Provide support directly to beneficiaries*
- ♥ *Make a difference in your own country*
- ♥ *Help people of Ukraine consume more high quality safe agricultural produce*
- ♥ *Just get a personal satisfaction from doing something good !*

**GIVE TODAY!**

### Bank Details for Your Donations

#### Account to receive your donation in USD:

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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, Vasylykivska 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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