

—2020— ANNUAL REPORT



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Heifer International was born out of a food and farming crisis at the end of the Second World War. Today, we continue to support local farmers and their communities, investing in infrastructure, market access and financing to increase resilience.”



LETTER FROM OUR PRESIDENT AND CEO

Dear Friends,

As I write these words, the world is still gripped by a global pandemic that has hit poor communities hardest. Local food producers and farmers are on the frontlines of the fight against this deadly disease, adapting and innovating quickly to keep healthy and nutritious food on our tables. Thanks to your contributions, our expert teams are right there with them, providing the support they need to keep their businesses going and families fed.

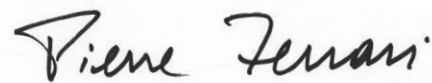
Over the last five years, our targeted investments enabled 2.7 million families to close the living income gap or set a pathway to doing so. Between now and 2030, we will support an additional 10 million families to reach a living income. We will achieve this ambitious goal through a smaller number of signature programs, each focused on scale, permanent impact and partnerships. Increased investments in farmer cooperatives and infrastructure will enable us to reach a larger number of families, ensuring they have a continued source of income, even when a crisis strikes.

Earlier this year, our team of local experts worked with farmers in Ecuador to redesign their food system when COVID-19 hit. Together, they set up a

direct-to-consumer delivery system, enabling local farmers to supply families across the country with fresh and healthy food, even as markets closed. In the United States, farmers from Oregon to Arkansas have used an e-commerce platform and infrastructure developed by Grass Roots Farmers' Cooperative and Heifer USA to deliver premium products to consumers across the country. They saw a huge increase in demand for their safe, healthy grass-fed meat products throughout the year.

While our program approach evolves, deploying new technologies, innovative financing and partnerships to increase impact, we remain committed to supporting the growth of small-scale food and livestock businesses that protect our planet. By supporting thriving, peaceful local farming communities, we ensure the work started by Dan West 76 years ago continues today.

Now, more than ever, ending poverty begins with agriculture. You powered the transformational work in this report. Thank you for everything you do.



Pierre Ferrari

OUR MISSION: ENDING HUNGER AND POVERTY WHILE CARING FOR THE EARTH

Over the last 76 years, we have worked with 36.9 million families to build sustainable food and farming businesses that strengthen rural economies and put people on the pathway to a living income. Our work is focused on farming because we believe ending poverty begins with agriculture.

We work and invest alongside local farmers and food producers in 21 countries in Africa, Asia and the Americas through a series of signature programs. Each signature program is designed to scale up quickly, leveraging partnerships with governments, local organizations and the private sector to reach more people and deliver permanent impact.

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



“

I can make my choices and fulfill my needs without asking anyone else now, which I had never hoped for before.”

— **TIL MAYA GURUNG**, goat farmer and member of the *Ratanpur Self-Help Group* in Thaprek Village in Suklagandaki Municipality, Nepal



OUR GOAL: LIVING INCOME

We believe everyone deserves access to nutritious food, clean water, healthcare, a decent education, and a safe and secure environment. Yet today, millions of people around the world still cannot afford them.

We invest in local farmers and food producers because we know that having a secure source of income can be truly transformational. Our goal is to support project participants to reach a living income by building sustainable food and farming businesses.

Living income differs by country and region, and takes into account everything a family needs to live a dignified life. To date, we have established 36 living income benchmarks in 19 countries, and all new projects work toward this goal of closing the living income gap.

Working side-by-side with communities, we map out potential business opportunities that enable local farmers and food producers to earn a living income and access the investments needed to build and scale their businesses.

BANGLADESH

Mossamat Hasina Begum and her husband, Sadrul, struggled to survive with an annual income of \$280 from Sadrul's carpentry work. But after participating in a project with Heifer Bangladesh, they were able to buy 14 chickens and increase their income by selling eggs and chickens.

With the earnings from their poultry business, they purchased a male goat for breeding and a taxi for Sadrul to drive when not working as a carpenter. They learned to grow vegetables on a small plot of land and produce gourds, green chilies, cucumbers and okra. Now, they eat three meals a day and can afford to buy fruit, rice, fish and beef to supplement the vegetables, eggs and chicken they produce. As their business and income continue to grow, they can afford the \$9.55 monthly fee to send their daughter to school.

This story about Mossamat Hasina, Sadrul and their daughter is from prior to the COVID-19 pandemic. Many families have experienced a decrease in income due to COVID-19. Please read the COVID-19 and Beyond section to learn how project families have been impacted by the pandemic.

“

There were bad times when my daughter would cry because she was hungry. Now, things have changed, and I can give her whatever she wants. My dream is to educate my daughter.”

— **MOSSAMAT HASINA BEGUM**, chicken, duck and goat producer and participant in the *Enhancement Through Strengthening Beef and Goat Market Systems* project



HOW WE WORK

Our signature programs are designed and implemented alongside local communities and are part of our *Accelerate strategy* that focuses on wealth creation. All signature programs utilize our community development model — known as Values Based Holistic Community Development — and use a market systems approach.

ACCELERATE STRATEGY PRO-POOR WEALTH CREATION

COMMUNITY DEVELOPMENT MODEL

Grounded in a set of core values and focused on building social capital, the model helps strengthen relationships between community members as potential investors, suppliers and customers. Farmers participate in self-help groups and join cooperatives with governance structures focused on building and strengthening women's leadership and economic wellbeing. Through the groups, farmers pool their resources, saving and investing in each other's businesses. Technical training and production support enable farmers to increase the quality and quantity of goods they produce, increasing their capacity to sell to wider markets.



= OUR

OUR MISSION: ENDING HUNGER AND POVERTY WHILE CARING FOR THE EARTH



MARKET SYSTEMS DEVELOPMENT

Increasing production will only lead to increased incomes if farmers are able to sell their products and capture the value. During project design, we work with farmers to undertake economic analysis so they can make informed decisions on where to invest, based on potential return on investment and anticipated margins. We also partner with values-aligned organizations to connect farmers to new markets and capital to expand their businesses.

IMPACT

OUR IMPACT

Since work began in 1944, Heifer International has supported 36.9 million farming families to end hunger and poverty. In 2015, we shifted our strategy to focus all our efforts on supporting families to build and scale sustainable food and farming businesses to close the living income gap. In the past five years, 2.7 million families have closed the living income gap or are on the pathway to doing so, with our support.

Working with farmers through cooperatives to produce safe, high-quality products in bulk for new markets is key to reaching the scale required for the long-term success of these businesses. We work with farmers and their communities to map out income-generating opportunities across agricultural value chains and form values-based partnerships with governments, companies and philanthropists — all focused on delivering change that lasts.

Our programs will support an additional **10 million families to close the living income gap** in the next 10 years by building on our platform and using our community development model to equip farmers and food producers with the tools they need to end hunger and poverty in their communities.

84 TOTAL PROJECTS IN FY20

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15 NEWLY INITIATED PROJECTS IN FY20

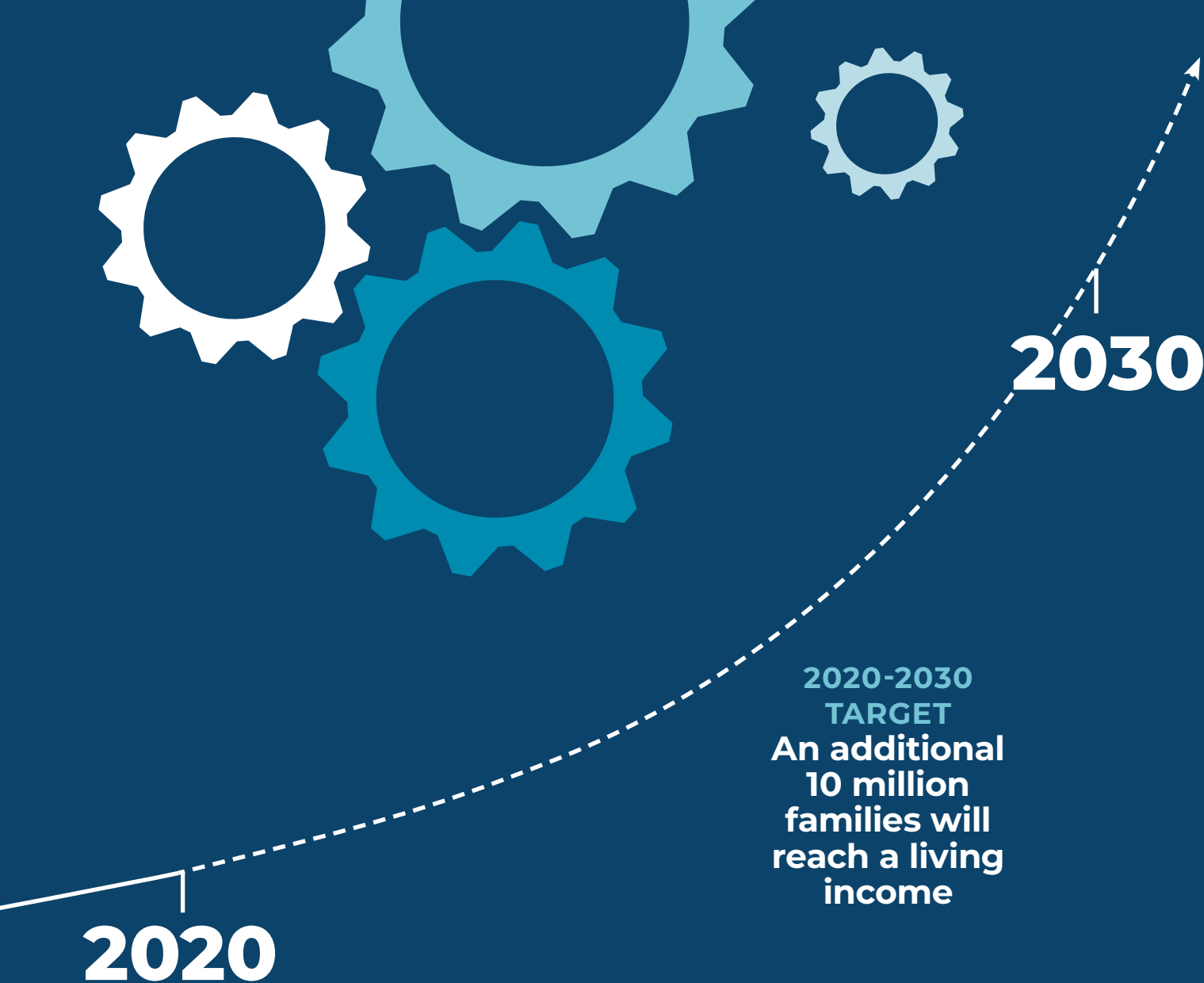
.....

383,113

PLANNED NUMBER OF FAMILIES IN NEW PROJECTS

2015

2015-2020
2.7 million families have closed the living income gap or are on the pathway



SCALE

Number of people reached and systems change to enable long-lasting pro-poor wealth generation and living income for small-scale farmers.



PERMANENCE OF IMPACT

Wealth generation, living income and resilience by establishing and supporting farmer-focused infrastructure and institutions of rural economies.



PARTNERSHIP

With global, regional and local governments, financial service providers, technical service providers, private sector and partners in philanthropy.

YEAR IN REVIEW



DELIVERING SAFE, NUTRITIOUS FOOD DURING COVID-19, ECUADOR

When Ecuador went into lockdown, shops and markets closed. Many people found it difficult to access healthy foods and farmers lost their main source of income. We supported farmers' organizations to launch a food basket service, delivering nutritious, sustainable food to families across the country. As of early October 2020, more than 10,300 baskets had been sold, generating over \$182,200.



CLIMATE SMART AGRICULTURE, GLOBAL

We developed an action plan with the Center for Tropical Agriculture (CIAT) to strengthen climate-smart agriculture across our work. CIAT surveyed project areas in 19 countries, identifying opportunities to promote, scale and monitor ways of mitigating climate change. Results and insights from field testing in six countries will help farmers increase productivity and resilience in ways that protect and restore the climate.



GOATS ON BOATS, HAITI

With much of the country gridlocked with a social and political crisis, the team at Heifer Haiti delivered 800 goats by boat to families in Irois, Grand'Anse, replacing animals lost during Hurricane Matthew. This partnership with the Haitian Ministry of Agriculture, Natural Resources and Rural Development and the World Bank aims to reach 6,000 families in Sud and Grand'Anse departments.



RECORD GOAT SALES, NEPAL

With improved production processes and access to new markets, 149 cooperatives supported by Heifer Nepal generated goats sales of \$13.9 million for the October 2019 holiday season — three times the sales of the previous year.



INCREASING ACCESS TO CAPITAL, GUATEMALA

Access to capital is vital for growing sustainable businesses. In FY20, Heifer Impact Capital increased the capital available to farmers to \$46 million, investing in businesses that included Nueva Kerala, a company providing access to processing and new markets to indigenous spice farmers, enabling them to increase profits and incomes. As of February 2020, Heifer Impact Capital had invested \$340,000 in Nueva Kerala for 49% equity and a loan to purchase equipment.



SUSTAINABLE MEAT DIRECT TO CONSUMERS, UNITED STATES

As the pandemic increased demand for safe, healthy food, Grass Roots Farmers' Cooperative and Cypress Valley Meat Processing Company — both supported by Heifer USA — saw demand increase significantly. Grass Roots projected \$12 million in sales and farmers payments of \$3.9 million by the end of 2020. Cypress Valley Meat Processing Company upgraded safety measures in April, ensuring operations continued when many large processors closed.



INVESTING IN YOUTH ENTREPRENEURS, TANZANIA AND UGANDA

Designed to reach 24,000 youth across Tanzania and Uganda, the *East Africa Youth Inclusion Project* surpassed its targets for the number of youths enrolled in financial literacy training. During the training, youth develop business plans for accessing finance to grow and scale their businesses. To date, more than 24,300 youth have enrolled in training, saving a total of \$553,062 as of the end of June 2020.



CONNECTING TO NEW MARKETS USING BLOCKCHAIN TECHNOLOGY, HONDURAS

Coffee farmers in Honduras are using blockchain technology to trace their products throughout the supply chain. A total of 144 farms are now using the technology. Blockchain enables transactions to happen faster, as information can quickly be shared, and will provide farmers with access to new markets for their coffee.

COVID-19 AND BEYOND

The global pandemic has impacted communities around the world, hitting many of the world's poorest people hardest. Local farmers and food producers we work with have seen demand disappear overnight, as markets, hotels and restaurants have been forced to close, and costs skyrocket, with restrictions on movement making access to animal feed, seeds and farm labor especially difficult.

Many farmers have seen their incomes drastically reduce or completely disappear, with limited opportunities to generate additional income. Farmers that were on a pathway toward living income have regressed, with the income gap widening. Poverty and hunger are again on the rise, meaning support from Heifer International is needed to build resilient livelihoods providing protection to farmers in emergency situations now more than ever.

With access to the right tools, expertise and infrastructure that supports them to grow and diversify their businesses, farmers have been able to keep supply chains going and continue feeding their communities.

“

We called a meeting, and all agreed to cycle to make the deliveries. Of the collective, there were three of us who always traveled by bike. The bike was and is our main means of transport. It allows us to save money, exercise and be respectful of the environment. Once we decided to be part of the delivery we said, ‘How do we do it?’ That’s when Heifer Ecuador intervened and helped us with seed capital, personal protective equipment, training and trailers for our bikes to facilitate the delivery process.”

— **KAREN SALCEDO**, Future of Food bicycle deliverer and member of the La Changa Popular Arts Collective



ECUADOR

As surging infection rates in the city of Guayaquil hit the headlines around the world, health services were quickly overwhelmed and up to 80% of economic activity ground to a halt. With much of the country under lockdown and markets inaccessible, farmers saw their regular sales channels disappear overnight. Supported by Heifer Ecuador, farmer cooperatives that are part of the *Future of Food* project moved quickly to set up a home delivery service, providing healthy, nutritious food direct to households in Quito and other cities, creating new sources of income for food producers and their communities. With an additional \$214,000 investment from Heifer International, centers where farmers' products are collected and prepared for shipping to customers in the cities are being upgraded to include improved refrigeration and better safety standards for workers and customers. Heifer International's investment has unlocked an additional \$530,780 in funding from local governments, enabling producer organizations to strengthen and expand their direct-to-consumer model.

UGANDA

Heifer Uganda carried out a survey of more than 400 farmers to better understand the impacts of COVID-19 on project participants, including youth business owners, farmer agri-hubs and other value chain actors such as off-takers and input providers. The results were stark. Ninety-seven percent of farmers reported that their incomes had decreased due to the pandemic, with 87% reporting their income had more than halved. As a result, farming families have been forced to reduce the quality and amount of food they are eating. Most farmers reported that they were able to eat two meals per day, with 40% saying they went days without food.





CAMBODIA

Poultry farmers in Cambodia have seen a big decrease in demand for chickens in existing markets during the pandemic. Before COVID-19, orders averaged between 1,000 and 2,000 chicks a month; now orders have fallen to between 200 and 300 chicks a month. Falling demand has caused prices to decrease. Birds that previously sold for between 97 cents and \$1.22 each now sell for as little as 85 cents. Heifer Cambodia and 19 local cooperatives have provided funding to purchase vehicles so that farmers can get their chicken, vegetables and other products to new markets. Heifer Cambodia has invested \$41,395 and the cooperatives \$14,000, enabling nearly 2,700 farmers to increase their incomes.



GUATEMALA

Women farmers in Guatemala have been withdrawing money from their savings and loans groups to buy food and meet other household needs. Many of the women that are part of Heifer Guatemala's *Women's Empowerment and Entrepreneurship* project have families that are financially dependent on them. With restrictions on movement forcing many businesses to close, leading to an increase in unemployment, many families are reliant on the women-led businesses supported by the project as their main source of income. With the pandemic driving a shift to digital markets, the women have shifted away from traditional selling channels, taking webinars organized by Heifer Guatemala. Twenty women learned how to manage and promote their businesses through Facebook, Instagram and WhatsApp, and are now using these channels to sell their products.

“

Through access to digital markets, we estimate that the women business owners will increase their sales. In 2021, they are projecting between \$1,930 and \$2,570 per business, per year through online sales, in addition to conventional sales.”

— **LIGIA ENRIQUEZ**, Coordinator of the *Women's Empowerment and Entrepreneurship* project



KENYA

Farmers supported by Heifer Kenya joined together to try to prevent the spread of COVID-19 in their communities. They attended a meeting with the area chief and mapped out how to equip all houses in their community with a piece of equipment called a tippy tap that promotes improved hygiene by minimizing contact between hands and washing equipment. Having achieved this by the end of March 2020, the group decided to set up kitchen gardens to make sure that people within their communities have enough food to eat during the pandemic. They have also been teaching families to construct toilets in an effort to improve sanitation within their communities. Albert Ooko, one of the farmers that came up with the idea for the tippy taps said, *“we will fight this disease as one people.”*

WHERE WE WORK

Families Directly Supported
in Active Projects as of FY20

AFRICA

416,176

Ethiopia / Ghana / Kenya / Malawi
Rwanda / Senegal / Tanzania
Uganda / Zambia / Zimbabwe

AMERICAS

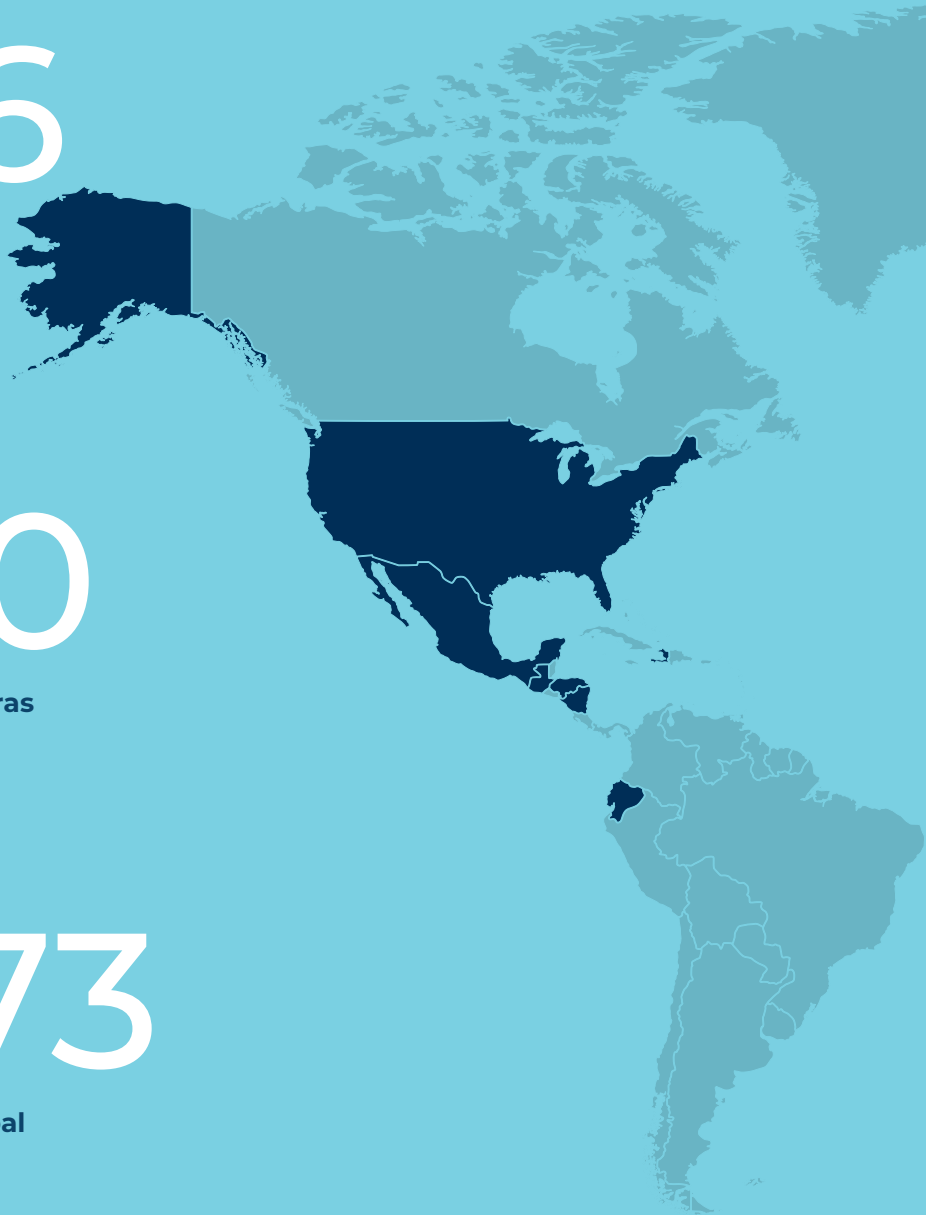
182,810

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

ASIA

395,873

Bangladesh / Cambodia / India / Nepal



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

36.9M



INVESTING FOR IMPACT: HEIFER IMPACT CAPITAL

Access to finance to run and grow their businesses is one of the biggest barriers facing many of the farmers we work with. Globally, 1.7 billion adults remain without an account at a financial institution or mobile money provider. Many of these are women living in rural areas.

We launched Heifer Impact Capital to provide affordable finance to the farmers and cooperatives working with Heifer International. These impact investments provide working capital and financing to purchase or lease equipment, so farmers can scale their businesses and increase their profits. Recent investments and support from Heifer Impact Capital have enabled farmers to meet consumer demand and build sustainable livelihoods. Investments are focused on social impact, with financial returns invested back into the communities we work with around the world.



CAPITAL DEPLOYMENT, NEPAL

Heifer Nepal is working with banks to increase financing to small-scale farmers in the dairy, goat, vegetable and backyard poultry value chains. Cooperatives play a key role, using a capital deployment model to disburse the money and providing a corporate guarantee to banks on their members' behalf.

Agreements have been reached to disburse up to \$36.5 million over three years, providing farmers with working capital at below market interest rates.

Heifer Impact Capital is continuing to work with the Heifer Nepal team to identify more investment opportunities to support farmers, where local banks are not ready to invest.





MBURUGU DAIRY FARMERS COOPERATIVE SOCIETY, KENYA

The cooperative was formed in 2013 by a group of farmers that set out to access new markets by bulking and chilling their milk. Today, it has 2,577 registered members, with approximately 1,100 farmers delivering an average of 2,300 gallons of milk per day.

Milk marketing is the cooperative's primary income stream, which means access to reliable and well-paying markets is vital for sustainability. Although the cooperative has milk supply contracts with a number of processors, getting a fair price remains a challenge. In an effort to address this, the cooperative is diversifying its income sources and started producing high quality feed, enabling farmers to reduce their production costs by buying locally

produced feed. With a term loan of \$51,575 from Heifer Impact Capital and additional support from Irish Aid, the Mburugu Dairy Farmers Cooperative Society has been able to purchase land, set up a feed mill and purchase bags to distribute the feed to farmers. This will enable the cooperative to manufacture high quality animal feed at affordable rates, increasing farmers' production and the profitability of their dairy enterprises.

The cooperative will also be able to package the feed in quantities that suit the different needs of farmers. It is estimated that revenue will grow by 20% in the first two years and 30% in the third year. With an additional income stream, farmers' can increase their incomes and improve their livelihoods.

GREEN BUSINESS BELT, GUATEMALA

Spice farmers in Guatemala are unable to access financing because they are seen as a high-risk investment by banks. Many farmers do not have assets to use as collateral, and struggle to make a reliable income due to climate change impacting their yields and fluctuating commodity prices.

As part of the *Green Business Belt* project, Heifer Impact Capital is investing in Nueva Kerala, a new spice company that processes and distributes locally grown cardamom, cinnamon and black pepper, selling directly to spice importers in the United States and others around the world. The investment will provide a total of \$840,000 in a combination of equity, a revolving line of credit used to purchase spices from local farmers and a term loan for purchasing equipment. Local financial cooperatives are also

being supported by Heifer Impact Capital to provide much-needed working capital to small-scale spice farmers to help finance critical supplies for their operations. Heifer Impact Capital works with Nueva Kerala to ensure its products meet United States and European Union import regulations. Through its international connections with partners such as J.M. Thomason, Nueva Kerala will provide new markets to farmers, enabling them to increase their incomes. The company will also provide local jobs that pay a living wage. Once Nueva Kerala is financially independent, Heifer Impact Capital plans to transition its 49% equity stake to farmers, with the company serving as a model for development in areas where agricultural commodities are readily available but access to markets is limited.



STRATEGIC PARTNERSHIPS

Partnerships are key to reaching the scale and sustained impact needed to achieve our target of supporting 10 million families to reach a living income between 2020 and 2030. These four institutional and corporate partnerships are examples of how we work with values-aligned organizations to achieve greater impact.

Institutional Partners



INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Our long-standing partnership with the International Fund for Agricultural Development (IFAD) started in 2011. Since then, we have received over \$17.37 million in resources to partner on projects supporting small-scale farmers in eight countries — Ghana, Honduras, India, Kenya, Malawi, Nepal, Rwanda and Tanzania. Given the close alignment between IFAD's mission to support national government-led agendas and enable small-scale farmer resiliency and our work, we are in ongoing conversations about future opportunities and resource potential to build robust programs.

IFAD is currently funding the *Enhancing Community-Based Financial Organizations* project in Malawi, which seeks to reduce poverty, improve livelihoods and enhance the resilience of 211,250 rural households working in the dairy and legume value chains. Community-based financial organizations have the potential to forge viable pathways for rural communities to achieve a living income. The project will enhance the social, technical and financial capacity of these organizations, establishing and strengthening linkages to the formal financial sector and high value pro-poor value chain markets, while expanding economic opportunities for young women and men, and adult women through access to finance.



INTER-AMERICAN DEVELOPMENT BANK LAB

Since 2014, we have partnered with the Inter-American Development Bank (IDB) Lab on projects in Ecuador, Haiti and Honduras, and have received \$4.48 million in grants. The IDB's mission is to provide financial and technical support to countries in Latin America and the Caribbean that are working to reduce poverty and inequality, making our partnership a solid choice.

The IDB Lab — the organization's innovation laboratory — is currently funding the *Chocolate4All* project in Honduras, which seeks to address challenges faced by small-scale cacao producers that result in poor profits, such as low-resistance crop varieties and inadequate technology leading to poor crop management. The project offsets these challenges by working with 1,200 small-scale cacao producers, enabling them to close the living income gap by strengthening the sector's competitiveness at regional and national levels, and promoting business innovation, digital financial services and technology at scale. Innovations deployed by the Heifer Honduras team to support farmers include applied research and blockchain to provide open access to cacao supply chain data and manage traceability to increase value, profitability and consumer confidence, as well as drones and sensor and simulation software to assist with improved crop management and yields.

Corporate Partners



HATCHING HOPE

Launched in March 2019 by Heifer International and Cargill, the goal of the Hatching Hope Global Initiative is to improve the nutrition and economic livelihoods of 100 million people by 2030 through the production, promotion and consumption of poultry.

In the last year, small-scale farmers around the world have faced many setbacks. Hatching Hope has helped equip project participants in India, Mexico and Kenya with the tools and expertise to increase resilience and navigate the challenges.

In August 2019, Heifer International and Cargill leaders visited Chiapas, Mexico for the launch of Hatching Hope Mexico. Cargill chairman and CEO Dave MacLennan expressed Cargill's belief in the value of safe, sustainable and affordable animal protein, as well as the company's commitment to improving the livelihoods of small-scale farmers.

Cargill and Heifer Mexico distributed 250 tons of donated livestock feed to 967 farming families affected by COVID-19, so they could feed their animals for two months when travel restrictions and market shortages caused feed prices to skyrocket.

In Kenya, Hatching Hope provided hand-washing stations to all 25 producer organizations to promote farmer safety and public health awareness. Funding was reallocated for equipment to prevent the spread of COVID-19.

In India, Hatching Hope farmers faced three consecutive disasters: a poultry disease outbreak that wiped out flocks, the COVID-19 pandemic and cyclone Amphan. Heifer India and Cargill responded with food aid, a revolving loan fund to help farmers rebuild chicken coops and restock their flocks, and disaster relief funds for new farm-level, climate smart biosecurity innovations.



NUEVA KERALA

What began as a cause marketing partnership with Nashville-based Doug Jeffords Company in 2012 has blossomed into a for-profit, inclusive market-driven social enterprise today.

McKinley Thomason, president of Doug Jeffords Spice Company, established Nueva Kerala (which means "New Kerala" — a nod to the famous spice-growing Kerala region in southern India) in 2019 after witnessing the poverty, inequities, risks and hardships facing indigenous small-scale spice farmers in Guatemala.

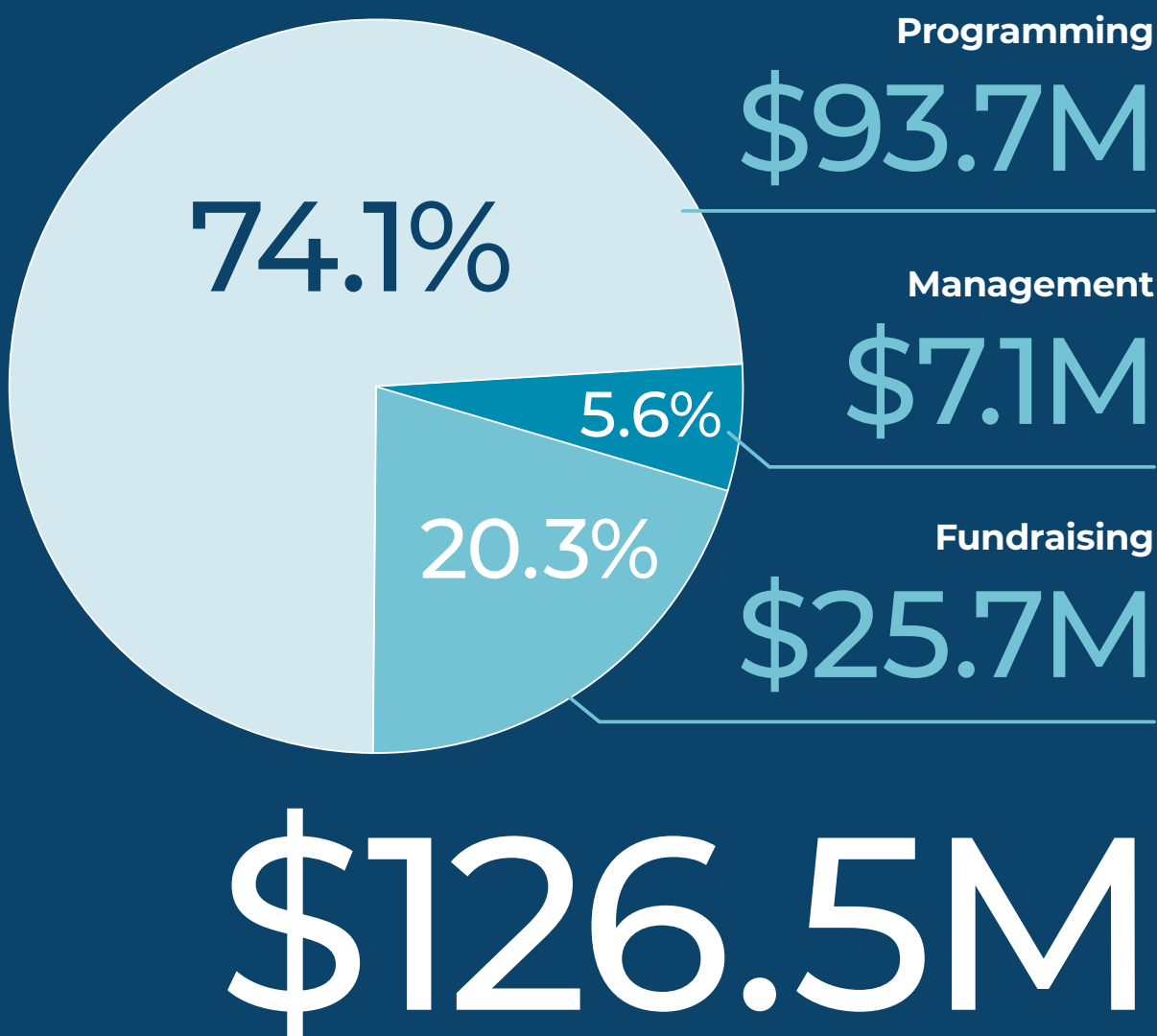
Based in Cobán, Guatemala, Nueva Kerala sustainably sources high quality cardamom and other spices directly from small-scale farmers and cooperatives. Its business model prioritizes farmer agency, interests, bargaining power and decision-making through fair pricing and contracts in formal markets. The model also shortens the supply chain so farmers capture more value, invests in technical assistance and training for producers, and creates skilled jobs in its processing facility.

Today, Nueva Kerala exports to some of the largest spice companies in the United States and Europe. It is a striking example of Heifer International's approach of identifying pro-poor opportunities in the spice value chain, strengthening farmer-owned agribusinesses and cooperatives, providing start-up capital and business advisory services from Heifer Impact Capital, connecting farmers to formal markets and industry leaders, and using environmentally friendly spice drying technology.

Through a shared vision and values, a long-term commitment, hard work and trustworthy partnerships, small-scale spice farmers, Nueva Kerala and Heifer International are shaping a pro-poor market system that enables producers to close the living income gap.

FINANCIALS

FISCAL YEAR 2020 CONSOLIDATED EXPENSES

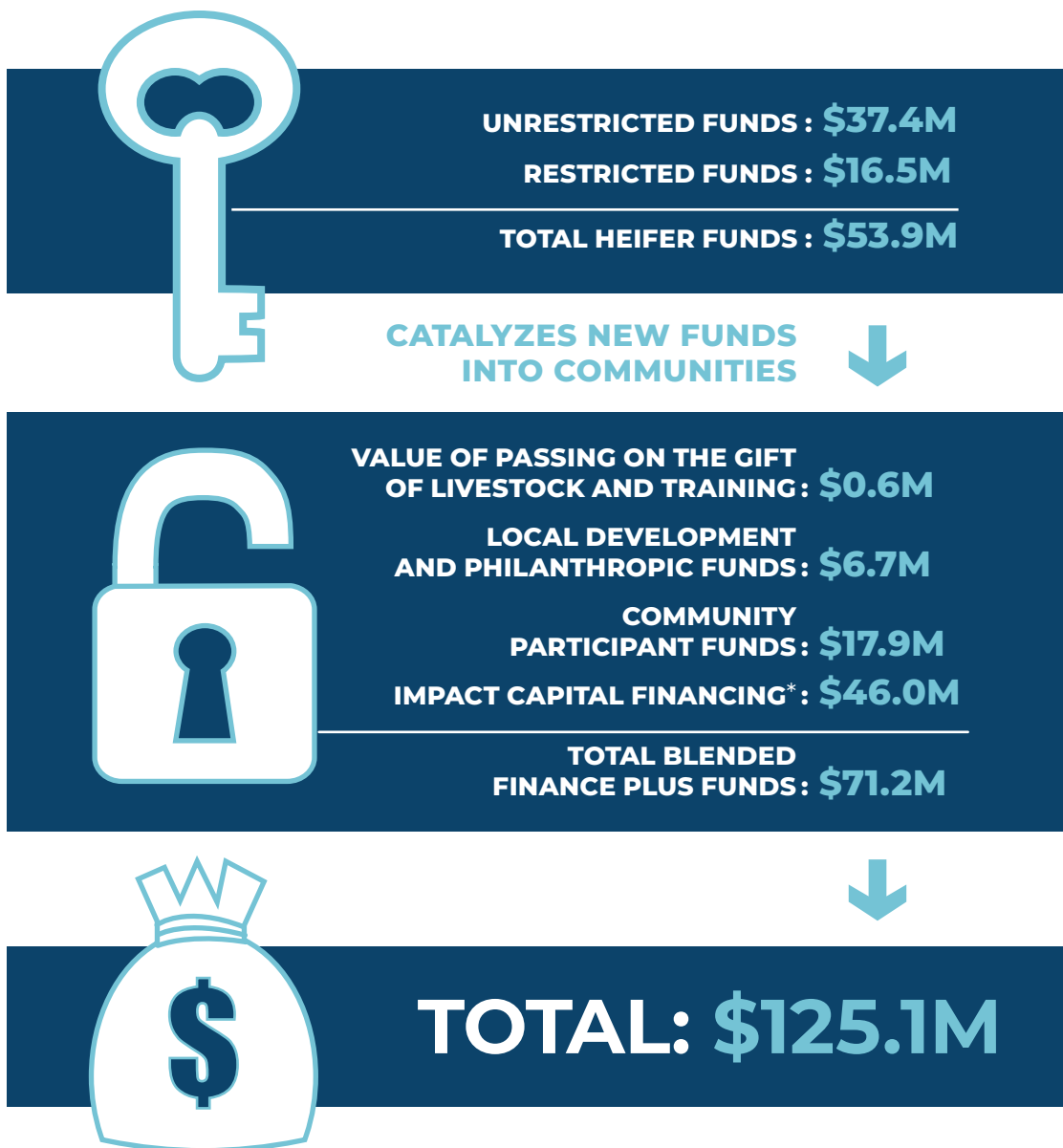


As a result of the COVID-19 pandemic, our ability to implement projects was significantly diminished for the last 3.5 months of Fiscal Year 2020, resulting in lower than expected programming expenses.

BLENDING FINANCE PLUS

Strong partnerships are vital for creating lasting impact and sustained change in our partner communities. Our investments kick-start a network effect, with every dollar invested unlocking additional funding from local sources, including governments, impact investment capital and investments from the communities themselves through savings and loans programs.

We call this additional money unlocked by our project funds *blended finance plus*. These funds are not included in our consolidated financial statements, but are vital for bringing lasting impact and sustained change to the communities we work with.



*\$6.6M in Heifer investment funds committed to leverage \$46M of third-party capital

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

| ASSETS | 2020 | 2019 |
|--|----------------------|----------------------|
| Cash and cash equivalents | \$38,997,102 | \$44,559,730 |
| Restricted cash | 8,268,660 | 2,000,000 |
| Accounts and interest receivable, net of allowance and discount | 3,733,852 | 3,019,204 |
| Grant reimbursements receivable | 679,261 | 1,727,191 |
| Prepaid expenses and other | 3,993,856 | 4,006,177 |
| Contributions receivable, net of allowance and discount (Note 3) | 8,631,842 | 2,410,128 |
| Interest in net assets of Heifer International Foundation (Note 4) | 139,041,713 | 136,324,329 |
| Property and equipment, net of accumulated depreciation (Note 5) | 43,077,827 | 43,988,821 |
| Total Assets | \$246,424,113 | \$238,035,580 |

| LIABILITIES AND NET ASSETS | 2020 | 2019 |
|-----------------------------------|---------------------|---------------------|
| Liabilities | | |
| Accounts payable | \$5,918,422 | \$5,264,527 |
| Accrued expenses | 5,719,161 | 5,462,140 |
| Deferred revenue | 11,590,699 | 13,148,048 |
| Notes payable and long-term loans | 8,111,843 | 5,133,259 |
| Line of credit | 2,059,996 | 425,500 |
| Total Liabilities | \$33,400,121 | \$29,433,474 |

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

Net assets

| | | |
|----------------------------|----------------------|----------------------|
| Without donor restrictions | \$61,997,009 | \$69,216,181 |
| With donor restrictions | 151,026,983 | 139,385,925 |
| Total Net Assets | \$213,023,992 | \$208,602,106 |

| | | |
|---|----------------------|----------------------|
| Total Liabilities and Net Assets | \$246,424,113 | \$238,035,580 |
|---|----------------------|----------------------|

See notes to consolidated financial statements.

2020 CONSOLIDATED STATEMENTS OF FINANCIAL ACTIVITIES

YEAR ENDED JUNE 30, 2020

| REVENUES, GAINS AND OTHER SUPPORT | Without Donor Restrictions | With Donor Restrictions | Total |
|---|----------------------------|-------------------------|----------------------|
| Contributions | \$95,376,291 | \$12,606,817 | \$107,983,108 |
| Federal government grants | 433,874 | - | 433,874 |
| Other grants | 16,892,651 | 68,897 | 16,961,548 |
| Educational programs | 367,094 | - | 367,094 |
| Promotional events and material sales, net of cost | 162,229 | - | 162,229 |
| Other | 1,137,723 | - | 1,137,723 |
| Change in interest in net assets of Heifer International Foundation | 1,648,899 | 2,717,384 | 4,366,283 |
| Net assets released from restrictions | 3,752,040 | (3,752,040) | - |
| Total revenues, gains and other support | \$119,770,801 | \$11,641,058 | \$131,411,859 |

| EXPENSES AND LOSSES | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------|----------------------------|-------------------------|----------------------|
| Program services | \$93,727,596 | - | \$93,727,596 |
| Management and general | 7,094,862 | - | 7,094,862 |
| Fundraising | 25,670,286 | - | 25,670,286 |
| Total expenses and losses | \$126,492,744 | - | \$126,492,744 |

| | | | |
|---|----------------------|---------------------|--------------------|
| Change in net assets from operations | (\$6,721,943) | \$11,641,058 | \$4,919,115 |
|---|----------------------|---------------------|--------------------|

| OTHER CHANGES IN NET ASSETS | Without Donor Restrictions | With Donor Restrictions | Total |
|---|----------------------------|-------------------------|--------------------|
| Foreign currency translation adjustment | (\$497,229) | - | (\$497,229) |
| Total change in net assets | (\$7,219,172) | \$11,641,058 | \$4,421,886 |

| | | | |
|--------------------------------------|---------------------|----------------------|----------------------|
| Net assets, beginning of year | \$69,216,181 | \$139,385,925 | \$208,602,106 |
|--------------------------------------|---------------------|----------------------|----------------------|

| | | | |
|--------------------------------|---------------------|----------------------|----------------------|
| Net assets, end of year | \$61,997,009 | \$151,026,983 | \$213,023,992 |
|--------------------------------|---------------------|----------------------|----------------------|

Based on audited financial statements available on Heifer.org

LEADERSHIP

Executive Leadership Cabinet



Pierre Ferrari
*President and
Chief Executive Officer*



Hilary Haddigan
*Chief of Mission
Effectiveness*



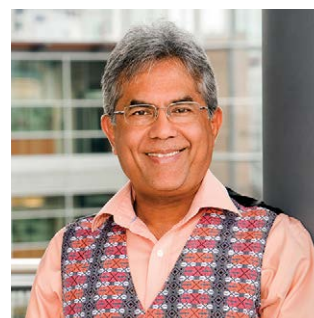
Bob Bloom
*Chief Financial
Officer*



Adesuwa Ifedi
*Vice President of the
Africa Program*



Oscar Castañeda
*Senior Vice President for
the Americas Program*



Mahendra Lohani
*Senior Vice President
for Programs*



Ardyth Neill
*Heifer Foundation
President*



Chad Avery
General Counsel



Tracy Beene
*Executive Assistant
and Board Liaison*

Board of Directors

18
MEMBERS

17 **AT-LARGE DIRECTORS** holding board-specific skill sets. At least one at-large director resides in each of the international program areas where Heifer International works

3 **FAITH-BASED GROUPS** Three at-large directors shall be from faith-based groups representing various spiritual paths

1 **DIRECTOR FROM HEIFER FOUNDATION'S BOARD OF TRUSTEES** (Chair or Vice Chair)

Randi Hedin

Chair since 2020, At-Large Director since 2017

Pete Kappelman

Vice Chair since 2020, At-Large Director since 2013

Martha Brantley

Heifer Foundation Chair since 2020

Esther Cohen

Episcopal Relief and Development, At-Large Director since 2013

Ambassador Ertharin Cousin

At-Large Director since 2018

Doug Galen

At-Large Director since 2014

Susan Grant

At-Large Director since 2011

Tom Hadfield

At-Large Director since 2016

Nathan Hosler

Church of the Brethren, At-Large Director since 2020

Nikolaus Hutter

At-Large Director since 2013

Josephine Oguta

At-Large Director since 2014

Mary Renwick

At-Large Director since 2020

Victoria Sekitoleko

At-Large Director since 2019

Ramesh Singh

At-Large Director since 2019

Ashley Stone

At-Large Director since 2014

Chuck Warta

At-Large Director since 2020

Sarah Alexander

Non-voting liaison representing Heifer Foundation since 2020



For 76 years, Heifer International has been fighting global hunger and poverty, while caring for the Earth. Our organization was born out of crisis at the end of World War II and today, we continue to invest in farmers around the world as they build sustainable businesses to close the living income gap. I'm proud to chair the Board of Directors of this remarkable organization and encourage you to join us."

— **RANDI HEDIN**, Heifer International Board Chair



1 WORLD AVENUE, LITTLE ROCK, AR 72202, USA
HEIFER.ORG | 888.5HUNGER (888.548.6437)

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