Heifer's Mission
Our mission is to work with communities to end hunger and poverty and care for the Earth

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Message from the Country Director:

Dear friends,

It gives me great pride to present to you the annual report of the year 2018. This report will give our readers a comprehensive understanding of Heifer’s program approach, goals and achievements till date. As Heifer International Nepal completes twenty first year of service in Nepal, we can proudly say that we have been a part of 255,500 small holding families in 43 districts to help them achieve an annual livable income to pursue a resilient and self-reliant lives.

Guided by the theory of change and Value Based Holistic Community Development (VBHCD), Heifer is working with rural smallholder women farmers to contribute towards the achievement of the national goal of goat meat sufficiency and import substitution. With the completion of our flagship project “Strengthening Smallholder Enterprises of Livestock Value Chain for Poverty Reduction and Economic Growth in Nepal (SLVC I) in 30 districts of Nepal, we were able to add 164,108 heads/year of saleable goats and 38,060 liters/day of milk into market system. The second phase of this project was also launched which capitalizes on the gains made by SLVC I and demonstrates the synergistic relationship between social capital development and market engagement. The goal of this project is to increase the annual household income of farming families by 72% (NPR 557,000/year).

Heifer also has teamed up with various financial institutions to provide the small holder farmers community an ease in access to finance and various other business development services. Heifer is also leading the way to prototyping which is targeted at overcoming the bottlenecks in market systems. This hopes to increase profitability in MSMEs owned by smallholders and bring a systematic improvement in the industry. Some prototypes include but are not solely limited to Abattoir development, Value chain financing, agribusiness innovation centers and farmer business schools.

2019 is also a very exciting time for us as Heifer International as a non profit entity enters its 75 years of working with communities to increase income, improve nutrition, care for the Earth, and end world hunger and poverty. Like always, this year too we are determined to put into action our brand values and commitment to serve the small scale farmers.

Finally, I would like to take this opportunity to extend my gratitude towards all donors and stakeholders without whom all these achievements would not have been possible.

Dr. Shubh N. Mahato
Country Director
Heifer International Nepal

Heifer’s association with Nepal began in 1957-58 with the gift of high-yielding, improved breeds of cattle, sheep and pigs for cross-breeding along with parent stock of poultry and an incubator upon the request of Government of Nepal with the aim to introduce high yielding genetic material to native animal populations. The livestock were placed in Government farms. Later in 1993, the first community development project, “Baruwa Goat Raising Project,” was implemented in Gitanagar, Chitwan. Heifer got registered as a country office in Nepal in 1997. With over 20 years of experience in the development sector, Heifer, as of June 2018 has been able to assist 255,500 poor and vulnerable farming families and has transformed their livelihoods through a community-led approach with a focus on livestock development programs. These farming families have been organized into 11,000 Self Help Groups, 226 Social Entrepreneur Women’s Cooperatives and 3 District Unions.

The long-term country program (2012-23) aims to bring 500,000 families from a state of poverty and vulnerability to sustainability and resilience through their engagement in competitive, sustainable and inclusive goat and dairy value chain enterprises through VBHCD approach. It aims to reduce the goat imports by 50% and dairy imports by 25%. Heifer International Nepal has worked in more than 43 districts and with more than 100 local Non-Government Organizations as local partners in implementation along with collaboration with civil society, private sector, and academia. Heifer closely works with Ministry of Agriculture, its departments and local bodies.
Main Strategies, Area of Focus and Value Chains:

Heifer International Nepal envisions farmer owned enterprises to be the force of ending hunger and poverty. Its projects’ interventions nurture, feed, develop and guide cooperatives to accelerate engagement and profitability of smallholder livestock producers in meat goat and dairy value chains. An in-depth market system analysis has surfaced ample opportunities in various stages of the selected value chain. The projects will address current bottlenecks and constraints in the market system creating additional benefits for all the value chain actors. A sustainable inclusive market system development will result in moving the families to the living income and resiliency.

Goat and Dairy Value Chains:

Heifer International Nepal’s SLVC II project is a Pro-Poor Wealth Creating Value Chain prototype at scale. The project is primarily based in meat goat and dairy value chains and will also contribute to back yard poultry and vegetables as subsidiary value chain. The project contributes to scale up the enterprises of the participating farmers. The project enhances access to improved technology to the farmers which enable the farmers to increase their scale and efficiency of enterprise operation.

In case of goats, the average flock size per household will increase by 71%. Adoption of the recommended practices (technology) will contribute to increase productivity. The average weight of marketable male goats will be 35 kg in less than 12 months. Through collective action (cooperatives), the bargaining power of the farmers will increase to ensure a fair price. By this, the sales income from goat will be increased by 190%. The project will build capacity and facilitate relationships among the value chain actors. It will prototype and establish Abattoirs in the public-private-producer partnership model. This value addition (abattoir) will contribute to the profitability in the value chain.

Similarly, the average number of dairy animals will be increased by 25% (from 2 to 2.5) with 95% increase in milk yield (lit/lactation period) and 146% increase in income from milk. The average area under vegetable cultivation will be increased by over 25% with adoption of improved technology, thereby increasing productivity and income.

The establishment of improved market systems and infrastructure will create additional opportunities for the farmers to scale up the enterprises as well as engage in further value addition activities. The investment throughout value chain will create market opportunity, while business development services (BDS) will create more space for enterprise growth and ultimately increased income.

The project promotes the Cooperative Business Hub Model that enables accessing critical business development services within the framework of the value chain through inter-organizational linkages between the producers, buyers and service providers. The business approach supports farmer organizations to define how they do business with their clients based on the understanding of buyers’ needs and market requirements.
Heifer Nepal in 2018

43 Districts

2,55,500 Total Family Reached

198 Goat Collection Centers
Total Funds mobilized by Cooperatives
1207 million NPR

Total Investments by Banking and Financial Institutions
159 million NPR

12
Banking & Financial Institutions Involved

60
Cooperatives Providing Agri-Insurance Services

226
Social Entrepreneurs Women’s Cooperative
Women’s Cooperative Opt for Live Weight, Increases Profits.

With guidance from Heifer Nepal, Sainamaina Municipality is now known as an ideal location for goat enterprise. This has not always been true. A lack of both market access and knowledge in meat prices led many farmers to sell their animals to local collectors for a loss.

Members of the Muhan Social Entrepreneur Women’s Cooperative, registered in 2014, initially worked toward establishing a successful goat enterprise but were cheated as the unfair prices for their animals were based on mere observation and estimation.

The Cooperative now has created a system where farmers would sell their goats based on live weight. The supervision of the co-op ensured fair prices for the farmers. After some debate among members of the cooperative, goat traders, meat entrepreneurs, Heifer Nepal and community members, the groups collectively decided to implement the system using the animal’s weight to determine the final price.

At the weekend bazaar in Saljandi, members of the cooperative, including the chairperson and manager, set up a scale to weigh the animals. The farmers collectively weighed 18 animals with encouraging results, which enticed other farmers to adopt the new system.

An elated Chabikala smiled as she counted her money after selling a goat using the live weight system. She made nearly $40 USD more thanks to the Co-op than she would have from a local collector.

"Earlier on I didn’t like weighing my goats, I disagreed on this multiple times,” Gyan Bahadur, a local farmer said. “I realized I was wrong when I was offered a higher price for an animal after weighing it. This experience changed my thinking and I’ve understood that this system is actually for the farmers’ own good."

"Previously we had to go to India to see a good market for the goats," Krishna Poudel, chairperson of the Meat Entrepreneurs Association of Rupandehi said. “Now we have on our own been able to set this up, we realized that local goats produced by the women yields profits for both the farmers and the meat entrepreneurs. I hope this continues."

With support and motivation from Heifer, the Muhan Social Enterprise Women's Cooperative now boasts more than 1,100 members. As a collection center and business hub, the Co-op has sold more than 800 animals using live weight system till now. Additionally, the Co-op has reduced the efforts required by collectors to roam the village looking for goats while providing a fair share of income to the producers.
Active Projects:

1. **Strengthening Smallholder Enterprises of Livestock Value Chain for Poverty Reduction and Economic Growth in Nepal II (SLVC II)**

   **Project Duration:** 4 years
   
   **Project Number:** NP3159
   
   **Project Location:** Jhapa, Morang, Siraha, Dhanusha, Mahottari, Sindhuli, Sarlahi, Rautahat, Bara, Chitwan, Dhading, Nuwakot, Nawalparasi, Rupandehi, Kapilbastu, Arghakhanchi, Palpa, Tanahu, Kaski, Baglung, Parbat, Gulmi, Lamjung, Pyuthan, Dang, Banke, Bardiya, Surkhet, and Salyan districts

   SLVC II focuses on the meat goat and dairy value chain, connecting smallholder producers to end markets. Aiming to bring goat meat and milk/milk products from farm gate to the plate in an efficient manner, this project intends to scale up enterprises of participating farmers by introducing new technology along with an increased access to finance and business development services such as input supply, technical support, market, insurance, etc. The project will benefit 125,000 families directly and 350,000 families indirectly in 30 districts of Nepal. Capitalizing on the gains made by SLVC I, it will demonstrate the synergistic relationship between social capital development and market engagement as envisioned by Heifer. This project is also prototyping the establishment and facilitation of Abattoirs in a public-private-producer partnership approach which will ensure the engagement of producers in an upstream value chain.

2. **Strengthening Smallholder Enterprises of Livestock Value Chain for Poverty Reduction and Economic Growth in Dhading District of Nepal**

   **Project Duration:** July 2017- June 2021
   
   **Project Number:** NP3157
   
   **Project Location:** Dhading District

   The project aims for economic growth, improved livelihoods, and food and nutrition security of smallholders through their engagement in inclusive goat value chain enterprises. The project addresses issues of production and marketing by strengthening smallholders’ stake in the goat value chain. The project intends to integrate input supply, production systems, core market actors and the enabling environment for a sustainable, inclusive goat value chain. Target groups of this project are 1,300 families, 52 SHGs, 1 cooperative and 3 Community Agro-vet Entrepreneurs (CAVEs) in Dhading district.

3. **Designing and Evaluating Innovations for Development of Smallholder Female Livestock Cooperatives in Nepal**

   **Project Duration:** Oct 2016 – Sept 2020
   
   **Project Number:** NP3153
**Project Location:** Morang, Mahottari, Sindhuli, Sarlahi, Rautahat, Chitwan, Dhading, Nuwakot, Nawalparasi, Rupandehi, Kapilbastu, Arghakhanchi, Palpa, Tanahu, Kaski, Baglung, Parbat, Lamjung, Pyuthan, Dang, Banke, Bardiya, and Surkhet districts

This research project’s agenda focuses on the development and evaluation of innovations in management of producer cooperatives, training of Community Animal Health Workers, and the production of animal feed and forage, addressing the key constraints in goat meat production. The project aims to design, implement and rigorously evaluate highly innovative and potentially transformative interventions to improve goat value chain functionality in rural Nepal. The project is supported by USAID/Feed the Future Innovation Lab for Livestock Systems at the University of Florida.

4. **Earthquake Recovery: Helping Local Communities Rebuild Livelihoods in Nepal**

**Project Duration:** May 2015 - June 2019

**Project Number:** NP3150

**Project Location:** Nuwakot, Dhading, Chitwan, Nawalparasi, Palpa, Sindhuli, Kaski, Lamjung, Tanahu and Parbat districts

Earthquake recovery project is designed to support the earthquake impacted families to regain their resiliency and revive their livelihood. The project has supported more than 16,000 earthquake affected families through community managed initiatives for addressing immediate relief and recovery needs.

5. **Kisankalagi Unnat Biu-Bijan Karyakram- Improved Seeds for Farmers Program (KUBK)**

**Project Duration:** July 2014 - June 2019

**Project Number:** NP3142

**Project Location:** Gulmi and Argakhanchi districts

KUBK is a Nepal Government project primarily funded by International Fund for Agricultural Development (IFAD), Government of Nepal and Heifer International Nepal. It aims at developing the formal seed sector as well as improving smallholder livestock through improved partnership with the private sector. Heifer International Nepal provides technical assistance and support services to improving goat productivity, mainly focusing on building the social capital of beneficiary groups at community level with its proven Values Based Holistic Community Development model. Heifer also builds capacity of KUBK team on social mobilization, women’s empowerment and community empowerment.
Heifer Cornerstone for Just and Sustainable Development

The essential values we apply to our projects are called the Cornerstones for Just and Sustainable Development. Cornerstones stimulate group wisdom and personal insights and keep people’s heart, mind and action balanced, focused and productive. Using the cornerstone as a framework, project participants develop the attitudes, behaviors and skill necessary to improve their own lives and gradually transform their communities. Together, these values form the acronym PASSING GIFTS, echoing the quintessential trademark practice which is unique to Heifer. The combination of personal leadership along with cornerstone is to let participants see how their own personal values connect to that of the project.

Passing on the Gift  Accountability  Sharing and Caring  Sustainability and Self-reliance

Improved Animal and Resource Management  Nutrition, Health and Income  Gender and Family Focus  Genuine Need And Justice

Improving the Environment  Full Participation  Training, Education and Communication  Spirituality
## 2018 Financial Statement

### STATEMENTS OF ACTIVITIES
**For the year Ended 16 July 2018 (32 Ashad 2075)**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in NPR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues, Gains and Other Support</strong></td>
<td></td>
</tr>
<tr>
<td>Revenue-Related Party</td>
<td>255,051,882</td>
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<tr>
<td>Other</td>
<td>591,467</td>
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<tr>
<td><strong>Total Revenues, Gains and Other Support</strong></td>
<td>255,643,348</td>
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<tr>
<td><strong>Expenses and Losses</strong></td>
<td></td>
</tr>
<tr>
<td>Livestock &amp; Freight</td>
<td>3,246,441</td>
</tr>
<tr>
<td>Horticulture &amp; Freight</td>
<td>1,435,477</td>
</tr>
<tr>
<td>Agriculture Equipment &amp; Supplies</td>
<td>9,318,240</td>
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<tr>
<td>Travel and Vehicle Operations</td>
<td>30,469,920</td>
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<tr>
<td>Training</td>
<td>21,703,075</td>
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<tr>
<td>Technical Services and Evaluation</td>
<td>26,727,307</td>
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<td>Personnel and Benefits</td>
<td>98,320,720</td>
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<td>Offices Expenses and Services</td>
<td>34,773,303</td>
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<tr>
<td>Depreciation Expenses</td>
<td>5,596,612</td>
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<tr>
<td>Other Program Field Expenses</td>
<td>18,228,859</td>
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<tr>
<td>Expenses Related-Party</td>
<td>6,065,968</td>
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<tr>
<td>Foreign Exchange Loss/(Gain)</td>
<td>855,964</td>
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<tr>
<td><strong>Total Expenses and Losses</strong></td>
<td>256,741,785</td>
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<tr>
<td><strong>Total Change in Net Assets</strong></td>
<td>(1,098,437)</td>
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<td><strong>Net Assets, Beginning of Year</strong></td>
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</tr>
<tr>
<td>Prior Period Adjustment:</td>
<td>32,387,393</td>
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<tr>
<td><strong>Net Assets, Beginning of Year, as restated</strong></td>
<td>32,387,393</td>
</tr>
<tr>
<td><strong>Net Assets, End of Year</strong></td>
<td>31,288,956</td>
</tr>
</tbody>
</table>

### STATEMENT OF FINANCIAL POSITION
**As on 16 July 2018 (32 Ashad 2075)**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in NPR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
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</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>57,933,493</td>
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<tr>
<td>Accounts Receivable and Other Advance</td>
<td>1,961,800</td>
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<tr>
<td>Advance to Projects</td>
<td>7,020,404</td>
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<tr>
<td>Prepaid Expenses and Other Assets</td>
<td>1,154,077</td>
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<tr>
<td>Property and Equipment, net of accumulated depreciation</td>
<td>18,205,471</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>86,275,245</td>
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<tr>
<td><strong>Liabilities and Net Assets</strong></td>
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<tr>
<td>Accounts Payable</td>
<td>32,907,833</td>
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<tr>
<td>Accrued Expenses</td>
<td>22,078,456</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
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<tr>
<td><strong>Net Assets Unrestricted</strong></td>
<td>31,288,956</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>31,288,956</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>86,275,245</td>
</tr>
</tbody>
</table>

**Diagram:**
- **Total Programatic Expense:** 81%
- **Total Administrative Expenses:** 19%
Heifer Project Nepal (HPN)

HPN is a sister organization of Heifer International Nepal established in 1996 with a mission to end hunger and poverty and restore the environment through partnership with local stakeholders and national and internationals organizations/institutions. HPN aims at benefitting participating communities by helping them become food secure and attain a quality of life through sustainable livelihoods development based on agriculture and livestock farming.

HPN’s objective is to alleviate hunger and poverty, increase knowledge and skills and bring about ecological restoration in partnership with other people, associations and institutions.

Active Projects:


2. Nutrition Innovation Lab : Child Development in Rural Nepal, Relationship to Diet and Household Livestock Holding

3. Field trial to evaluate the effectiveness of the TSOL 18 vaccine (IIL) and Oxfendazole concurrently administered to pigs kept under field conditions and exposed to natural infections of Taenia Solium on the prevalence of Cysticercosis in slaughter weight pigs in Nepal.


5. Designing and Evaluating Innovations For Development of Smallholder Female Livestock Cooperatives in Nepal.
Major Donors:
1. USAID/FtF LSIL
2. Bothar Foundation
3. GALVmed
4. Rotary International
5. Sakchyam- Access to Finance
6. University of Florida
7. Seoul International School

8. International Red Cross Society
9. Poverty Alleviation Fund Nepal

Major Collaborating Partners:
1. Agriculture and Forestry University
2. Everest Bank Limited
3. FNCCI/Agro Enterprise Center
4. Government of Nepal
5. Himalayan College of Agricultural Science and Technology
6. Himalayan Bank Limited
7. Himalayan General Insurance
8. Machapuchchhre Bank Limited
9. National Cooperative Bank Limited
10. National Dairy Development Board
11. Nepal Agricultural Research Council
12. NLG Insurance Company Limited
13. NMB Bank Limited
14. RSDC Laghubitta Bittiya Sanstha Limited
15. Sahara Nepal
16. Sana Kisan Bikas Bank Limited
17. Shikhar Insurance Limited
18. Siddhartha Insurance Limited
19. Tufts University
20. Department of Livestock Services
21. Ministry of Agriculture and Livestock Development
22. International Fund for Agriculture Development

Major Implementing Partners:
1. Abhiyan Nepal
2. Bheri Environmental Excellence Group
3. Bhimpokhara Youth Club
4. Environment Protection and Community Development Center
5. Forum for Community Upliftment System Nepal
6. Himalayan Community Development Forum
7. Innovative Community Development Centre
8. Integrated Rural Development Society
9. Inter Disciplinary Analysts
10. Jan Jagaran Youth Club
11. Mount Everest Social Development Organization
12. Mountain Resource Management Group
13. Nawa Parbat Yuwa Sangh
14. Nepal Integrated Rural Development Centre
15. Oppressed Community Upliftment Centre
16. Prayash Nepal
17. Rural Economic Development Association
18. Rural Women Development Centre
19. Sindhuli Integrated Development Service
20. Social Development Public Awareness Center
21. Social Service and Development Centre
22. Social Service Environmental and Cultural Preservation Group
23. Sundar Nepal Sanstha
24. Tharu Women Upliftment Center
25. Women Group Coordination Committee
Management Team:

Dr. Shubh Narayan Mahato  
Country Director

Dr. Tirtha Raj Regmi  
Director of Programs

Neena Joshi  
Director of Programs

CA Gaurav Rijal  
Associate Director of Finance

Bidya Shrestha  
Administrative Manager

Heifer Team