

Pierre Ferrari Laserfiche Presentation Script First Draft

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Hello, and thank you for having me. My name is Pierre Ferrari, and I am the President and CEO of Heifer International. I'd like to share with you a brief history of Heifer, an overview of our approach, and the steps we are taking to propel our mission into the future.

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Our mission is to work with communities to end hunger and poverty while caring for the Earth. Heifer International has been working with farmers, helping others to help themselves for more than 70 years.

The core, most elemental human role – farming – has been the foundation for thriving civilizations and societies. It is not different today.

We believe that small farms are the key to feeding the world while cooling the planet. There are about 600 million smallholder farmers and herders who are responsible for about 70 percent of the global food supply.

We work with small-scale farmers, many of them women, and their communities, by providing them with the right tools, training and livestock.

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We work in 26 countries, including the United States, helping people every day to overcome adversity, preserve their dignity, gain respect and become equals in their community. I have been fortunate to have traveled to many of these countries. I have met remarkable, hard-working farmers who want to succeed and for their families to live lives of prosperity – just like any of us.

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There are three key problems we are out to solve in the communities where we work: hunger, poverty and environmental degradation. Poverty and hunger are especially interrelated. In addition to the physical devastation caused by hunger, depression, hopelessness and fatalistic thinking are some of the psychological effects, which make climbing out of poverty seem impossible for those mired in the generational cycle.

Addressing these very personal struggles, which permeate throughout entire communities, is more at the heart of our work than the livestock itself. That's why all of our projects begin with training in our 12 Cornerstones for Just and Sustainable Development, and our programs are all designed using our Values-Based Holistic Community Development model. Our holistic programming goes beyond livestock, including sanitation, education, health and leadership opportunities for community members –especially the women.

After communities are primed for their development journey out of poverty, we move on to the more technical trainings. Evidence shows that growth in agriculture is twice as effective at reducing poverty than growth in non-agricultural sectors. Yet smallholder farmers remain extremely poor. By focusing on sustainable agricultural development, and by concentrating our efforts on connecting farmers to markets and helping them significantly increase their incomes, we know that Heifer farmers can help feed the world while repairing the environment.

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By combining the provision of livestock with training in animal husbandry, natural resource management, leadership skills and gender equity, we have created a development model that strengthens the social, economic and ecological fabric of a community.

Livestock play a central role in our work, both as a strategy for alleviating poverty and achieving food security and proper nutrition.

Livestock provide food and nutrition for people, while also giving them tangible assets with which they can improve their livelihoods. Each country program has a tailored approach to animal health and husbandry, based on local resources and livestock.

Our attention to sustainable livestock development includes improved access to animal health services and disease control, improved management, improved nutrition and improved marketing of livestock and livestock products.

Feed, water, shelter, reproductive efficiency and health care are the essential ingredients in successful livestock management. Through the Cornerstones of Improved Animal Management and Sharing and Caring, project participants learn to nurture their animals.

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Passing on the Gift is the hallmark of our approach. Initially, the concept mandated that each farming family who received an animal gift passed on the first female offspring to another in need. While that hand-off of livestock remains a fixture in most projects, the idea has blossomed and encompasses far more than our founders expected.

Examples of how farming families have reinvented the pass-on idea show immense imagination and generosity. In our Asia projects, original self-help groups are passing on the gift to multiple groups, going far beyond the one-to-one model. In Cameroon, families from the Bui Donga Smallholder Integrated Sheep and Goat Project invested about \$13,000 into community projects as part of fulfilling their pass-on obligation. And in the United States, farmers have developed an incubator program where each new farmer agrees to mentor the next generation of participants.

Whether farmers are passing on animals or time and knowledge, the act transforms recipients into donors and produces a profound sense of accomplishment. Tangible gifts come with intangible benefits of opportunity, dignity and acceptance.

This practice, at minimum, doubles the impact of the original gift, transforming a once impoverished family into full participants who improve and strengthen the bonds within their communities.

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Smallholder farmers have struggled for far too long. Development organizations, governments and industry partners have worked for many years to find solutions—adding a dollar per pound to the price of goods, funding community health projects or local schools, teaching farmers to grow kitchen gardens so they have enough food during the thin months.

It hasn't been enough.

The most successful approach many smallholder farmers take to make ends meet is emigration. We see broken families, broken communities and all the negative effects that go along with mass outmigration. Another common approach families take is to cut corners in nutrition. They eat less protein and subsist on meager diets lacking nutritional diversity.

It's a wicked problem.

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For the global food system not to completely collapse, ending the endemic poverty of smallholder farmers must become of the utmost importance.

We've come to understand why intervention after intervention has fallen short of pulling farmers truly out of poverty: The Gap. It's the gap between what a family needs to earn to live a dignified life and what they actually earn from all of their efforts. In some cases, the gap is huge, and giving a single animal will never close it.

How do we do it? How do we close the gap and help a struggling family go from living in extreme poverty to thriving on a livable income? We do this by helping farmers diversify and optimize every income-generating activity on and off their farms. We do this by changing the conditions and systems within which the farmers operate.

That doesn't sound terribly different from what Heifer International has always done—helping farmers farm better. But here's the difference: in the past, we were satisfied with a modest amount of incremental improvement, and we counted our successes in the numbers of families we served.

For example, consider a coffee farmer, whose annual household income of around \$3,000 left her family of 10 living in extreme poverty. If we gave the family beehives and trained

them to produce honey, and they earned an extra \$1,000 a year from beekeeping, we would have helped them increase their household income almost 25 percent, which sounds like a real win. But in Guatemala, a family of that size needs around \$15,000 a year, and the family is still left with a huge gap – \$11,000 short of what they need to live in dignity.

If you pay attention to the global development sector's language, you'll notice the pitfalls: many use words like “ameliorate,” “improve,” “mitigate,” and the like for how they approach hunger and poverty. We cannot afford to simply ameliorate hunger, improve the situation slightly, or mitigate people's poverty. We must embark on a sector-wide change in how we view the problems and solutions to these global problems.

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At Heifer International, we are looking at the entire landscape of a region and helping farmers determine what markets make the most sense, what products they can successfully produce to yield a total livelihood package, and how to maximize the production of each and every one of these crops or activities.

We're helping them get closer to a defined, living income.

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Take Ricardo Juc, a smallholder farmer in Guatemala, for example.

Ricardo and his wife have five children who live at home. Before joining one of our projects, Ricardo raised corn, beans and coffee on a total of 2.5 hectares.

Now, Ricardo has diversified fruit and vegetable crops like tomato, cucumber, watermelon, cantaloupe, French bean and papaya. He raises semi-permanent crops, such as citrus, coffee and cardamom. He's developed a fisheries management system, including snails. And his family has begun packaging a native chili for market.

Over the past three years, Ricardo has made changes to his farm to optimize production. He uses mini-irrigation. He practices composting with worms to make organic fertilizer. He has improved upon and expanded his fish and snail ponds. He uses improved pest- and disease-resistant seeds, as well as native species.

Ricardo still has a gap to reach a living income in Guatemala for his family. But diversifying his farm and increasing the productivity of each crop has allowed him to earn \$1.44 per person per day, closer to bringing his family above the newly updated extreme poverty line of \$1.90. Families like Ricardo make it so clear that coffee alone, or any crop for that matter, cannot be relied on for a sustainable, living income for smallholder farmers.

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With training, Ricardo now analyzes the returns on each of his three plots, and on each individual crop, by harvest season. Of his top-netting crops, coffee is the third lowest in

income-per amount of land cultivated. There is power in data like this, allowing Ricardo to make decisions about how much land, effort and capital to dedicate to each crop.

If you take Ricardo's net income and divide it by the amount of land he used, it looks like he should turn his entire farm over to aquaculture. If that were possible, he could be making more than \$27,000 a year. Of course, Ricardo lives on steep terrain and can commit very little of his land to raising fish.

But we can also see that both native corn and even hybrid corn don't give him much income relative to the land used, even though hybrid corn was his second-highest earning crop. By becoming relentless about data, we can help farmers like Ricardo look at their land, labor and other inputs as assets to be managed, and they can make stronger decisions for their farms.

Diversity is a critical early step for smallholder farmers to manage their overall risk while increasing their incomes. The next step is making the systemic changes necessary to build or bolster local and regional markets, and connecting thousands of trained farmers to these markets.

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Nepal is categorized as a least developed country. The government of Nepal has expressed its commitment to graduate from the category of one of the least developed countries to one of the developing ones by year 2022, and achieving zero hunger by the year 2025. In alignment with government plans and programs, Heifer Nepal has developed its long-term country program on the Goat and Dairy value chain.

About half of the households in Nepal keep goats, with an average of 3.3 goats per household. However, the supply chains for goat meat and milk are extremely ineffective, and nearly half of Nepal's demand for these products is met through imports from other countries – something Nepal cannot afford to continue if it is to increase its economic growth.

Heifer International Nepal began a signature project called "Smallholders in Livestock Value Chain," or SLVC, in 2012. With this project, we aim to help 138,000 local goat farmers increase their productivity and connections to organized markets to reduce goat imports by 30 percent and dairy imports by 10 percent. We also aim to help farmers increase their annual income from goat-raising to \$1,800.

Through Heifer's previous work, great strides have been made in increasing goat productivity and production. However, with this increase of production, there is greater need of more organized marketing to ensure producers get a fair margin on the sales. Through establishment of cooperatives, some steps have been taken to organize producers and set more favorable practices in place. However, these farmers' institutions had yet to establish an entity that could bring goat marketing to a commercial level and create a fair market system where farmers can get a good price for their products.

Pictured here is Dhan Kumari Airi. She is selling a goat to a Multiple Service Center representative at a goat bazaar. Airi has sold 30 goats so far. From the income, she has spent about \$900 to buy a piece of land, \$185 to build a toilet, and \$65 to connect her house to the electricity grid. She has also used her income to pay for other household and education expenses.

The goats are a cross between a local breed called Khari and an Indian breed called Barbari. This cross breed is highly productive. Airi's goats have given birth to triplets each time, making her goats highly valued. "I've been blessed with good goats and the 'magic touch' for raising them," Airi said. She credits the use of a variety of improved fodder, mineral blocks and regular de-worming treatments with much of her success.

She gives the goats water three times a day in the summer and twice a day in the winter. She heats the water on the stove for them in winter so it doesn't freeze before they can drink it. The kids she raises are pre-booked for sale.

Airi has given two goats to complete her pass-on commitment, and she taught the group she passed on to all of the best practices she learned during training, and she mentors other goat farmers. The group still meets and shares experiences as part of a co-learning strategy.

To the woman she passed on goats to, she gave this advice: "I tell her to pay attention to the goats, and to implement new feed and techniques to help them get stronger and bigger. You will benefit from it greatly."

Airi's current income is \$1,047 a year. Her personal goal is \$5,235 a year. At a net profit of \$100 per goat, she needs to sell an additional 40 goats per year and maintain a herd of at least 25 does. As she continues to excel at raising goats, and as the Heifer-supported farmer-owned business cooperatives continue to develop, I am certain she will achieve her goal.

Once we have skilled farmers like Airi connected to cooperatives and markets, the next step is to help ensure these entities are high-performing and profitable and that they work to benefit the smallholder farmers, rather than to exploit.

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Last July, I had the opportunity to visit a dairy farmers' cooperative in the Northern Province of Rwanda. The cooperative is engaged in various dairy-related business enterprises, largely the collection, storage and selling of milk from around 7,000 dairy farmers in its area of operation.

In speaking with the leadership, I noticed it lacked some of the critical elements required for the effective functioning of any business enterprise. For example, it had been operating without a clear, strategic business plan. During my visit, I shared with them a five-step business plan approach.

They heeded my advice quite quickly and sent a 149-page, 5-year strategic business plan, as well as a 73-page, \$1.2 million impact investing proposal to Heifer International.

I also listened to the challenges they had already identified – to the barriers in the way of becoming a really profitable cooperative. Milk collection and transportation immediately was mentioned. Not all farmers are capable of delivering to milk collection centers, and many farmers can only deliver morning milk, missing the opportunity to double their earnings.

Vendors currently involved in collecting and transporting milk have no reliable means of transportation. They use bicycles, and a few use motorcycles. When milk reaches the collection centers, it is transported by the contracted buyer, who subsequently carries it to the processing plant, further reducing the income available to the farmers.

To help farmers sell all the milk produced on their farms (minus, of course, the milk needed for home consumption), the cooperative is working to resolve their transportation issues. They will take the following strategic steps over the next five years:

- The co-op will purchase at least 10 three-wheeled motorcycles to carry milk from all local collection points to the milk collection center.
- It will purchase five refrigerated trucks to carry milk from the milk collection centers to the milk processing plants and to various other consumption points.
- It will streamline the current milk collection process currently being done by vendors by establishing many more local collection sites.

To pay for these improvements, the cooperative is seeking new investments into the dairy sector. It is identifying potential new financial supporters while maintaining its long-time partners. In essence, the co-op is inviting donors not only to be part of the development process, but also in supporting and promoting growth of local competencies in Rwanda's dairy sector.

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Unless smallholder farmers can earn a living income, the global food market's future is bleak. Development experts have tried intervention after intervention and have not moved the needle far enough. Heifer's work has shown us that the key to long-term sustainability and a dignified quality of life for smallholder farmers is diversification and optimization. We must make changes to entire systems to make this happen at scale.

To make the level of difference we want to make, we have arrived at an ambitious, global goal, and it will take all of us.

When we say ending hunger and poverty, we are literally talking about families moving all the way into self-reliance and prosperity. By 2020, 4 million families will achieve a level of income that allows them to educate their children (including the girls); feed themselves adequately across every month of the year; and have proper housing, water,

hygiene, etc. All of these things will be primarily paid for with a reasonable amount of income, meaning a living income.

The impact of the commitment to move 4 million families out of hunger and poverty by 2020 is that the analytical rigor, the speed and scale at which we work our programs, and the integration and generosity of the resources required to do that – whether coming from institutions, foundations, corporations or individual donors – will rely on the systems and approach we have been shaping over the past four years.

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This is what makes us excited to be working with Laserfiche. Our network of donors, partners and participants continues to grow, and we must get ahead of the growth with our systems. Laserfiche is helping us significantly improve our enterprise content management and workflow to enable better collaboration within and outside our organization.

Two document-driven process we have automated using Laserfiche are creating, reviewing and approving legal contracts across our organization, as well as assigning legal counsel to a pending case based on its department or geographic region. Laserfiche is becoming a core component of our work at our headquarters in Little Rock, Arkansas. But we also plan to use it to access information and facilitate processes from anywhere in the world, which is particularly important to us as an international organization.

We want all of our field staff, regardless of what country they are in, to be able to interact with documents, find records and submit forms – all from their mobile devices.

We look forward to further improved effectiveness and efficiency in our operations, and to be able to share our best practices to propel the development sector into the future.

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Thank you for your time and your interest in Heifer International. I invite you all to learn more about our work at www.heifer.org.