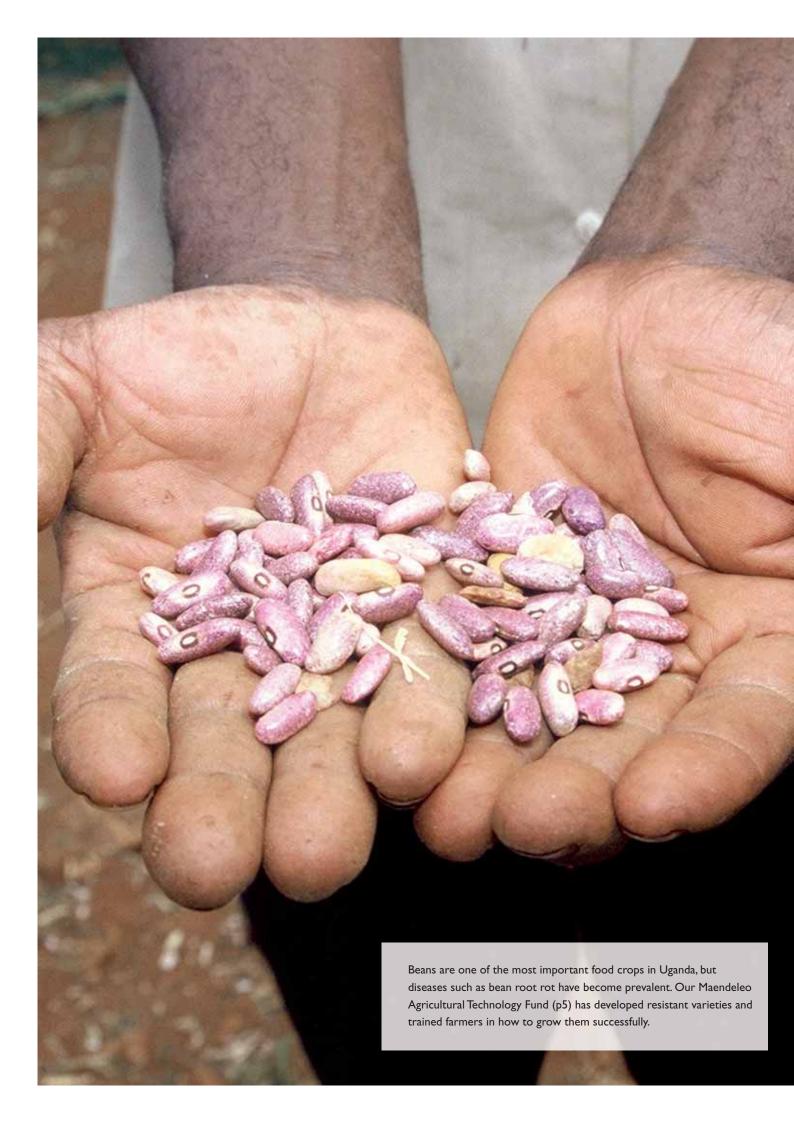




Annual Review 2007/8



Report from the Chief Executive

"For decades African agriculture has been neglected, and the price for this neglect is now glaring... This is not acceptable. It is time for Africa to produce its own food and attain self-sufficiency in food production."

Kofi Annan, 30 April 2008

For over 20 years, FARM-Africa has been working to improve the lives of smallholder farmers and pastoralists through innovative and sustainable agricultural practices. Our mission is more relevant today than it has ever been. Poverty in Africa continues to increase and rising world food prices impact most heavily on the poor. These people face the largest risks to their food security and livelihoods, and what smallholder farmers and rural Africans need is the support FARM-Africa is able to provide to take control of their own futures.

During 2007 a growing consensus emerged among African governments and donors that Africa's farmers have not received the support they need and that significant new investment is urgently required. The World Bank's 'World Development Report 2008: Agriculture for Development' placed agriculture firmly on the agenda of global donors for the first time in 25 years. The report called for greater investment in agriculture in developing countries, and warned that agriculture must be placed at the centre of the development agenda if the Millennium Development Goals, of halving extreme poverty and hunger by 2015, are to be achieved. This call to action has never been more timely.

FARM-Africa has been advocating for greater investment in African agriculture for many years. It seems that there is now a genuine desire by donors to engage with smallholder farmers and FARM-Africa is well-placed to play a major role in that process. The investment made by the Bill and Melinda Gates Foundation and the Rockefeller Foundation in founding the Alliance for a Green Revolution in Africa and other recent initiatives is very encouraging. FARM-Africa is working hard to form relationships with these and other large investors with the aim of securing long term support for our work. The benefits of these important partnerships should start to bear fruit in 2008.

During 2007, FARM-Africa has continued to pioneer new approaches to enable Africa's smallholder farmers and pastoralists to produce more food and improve their lives. Some of our achievements are highlighted in this Annual Review. The Maendeleo Agricultural Technology Fund, for example, has shown how for each pound invested farmers can receive returns of up to 24 times, through applying the right solutions to grassroots agricultural issues - an incredible transformation for many thousands of Africans and their families. We have also started a significant new project managing the unique natural resources in the Bale Mountain region of Ethiopia which will benefit thousands of communities, and made some real progress supporting farmers in difficult conditions in Southern Sudan.

We have two projects in South Africa that will be completed during 2008, and after that our work there will draw to a close. FARM-Africa has worked in South Africa since 1992 but it has been very hard to raise sufficient funds to build a viable country programme. Reluctantly, we have decided to leave South Africa.

We rely on our many supporters to help achieve our mission and spread the word about the importance of agriculture as a means of reducing African poverty, and we would like to extend a sincere and heartfelt thank you to everyone who has supported us over the last year. We are saddened to report that one of our most committed and active supporters, Ben Boughton, died this year. His tireless support to the organisation was an encouragement and inspiration to us all, and we extend our thoughts to his family.

As you will read in the following pages, we have achieved so much, but we still have much to do in 2008 and beyond. We look forward to the challenge with your help.

Dr Christie Peacock Chief Executive Officer



building on success

FARM-Africa's work is based on the expertise and knowledge we've gained through over 20 years of field experience and research. Adaptable, sustainable and cost-effective, our projects embody good practice that can be adopted by others, allowing our poverty-relieving work to reach many millions more rural Africans than we can reach alone.

In 2007, we built upon our successful work with smallholders, pastoralist and forest-dwelling communities - taking effective projects and rolling them out in other areas. Here's a brief snapshot of our work in action.

Rebuilding lives in Southern Sudan

In 2005, 20 years of civil war finally came to an end in Sudan, and the Sudanese faced the colossal task of recovery and development for their poverty-stricken country. Gogrial West County in Southern Sudan is a very poor area where the vast majority of residents are farmers and pastoralists (livestock-keepers). It is here that FARM-Africa's Southern Sudan Livelihoods Recovery and Development Project is helping families rebuild and develop rural livelihoods, and reduce their reliance on food aid.

In 2007, we gave goats to womenheaded households, and distributed seeds, tools and fruit trees throughout the area, which has improved yields for many farmers. We set up five farmer's groups, and gave them tools, seeds and agricultural training. And our Community Development Officer encouraged more and more local farmers and village elders to get involved.

Thanks to support from the European Commission, in 2008 we'll be expanding our activities to the neighbouring county of Aweil South, so that many more people can benefit from the good practice we've tested and developed in Gogrial West.

Reaping the rewards of FARM-Africa's training: Valentino's story

FARM-Africa provides ox-plough training to farmers in Southern Sudan. In 2006, it took Valentino and his family two months to cultivate his five acres using hand tools. But thanks to FARM-Africa's training, in 2007 Valentino finished cultivating his field in just one week.

Valentino explained, "This year I was among the first to start planting sorghum and also the first to finish cultivation in my small village, because of the ox-plough FARM-Africa gave me. I later used my plough to rent out at 45 Sudanese pounds (£11) per day and the money I got was used to employ seven people to do weeding for 15 days. See, now I have the best sorghum and enough healthy groundnuts and sesame, from which I am expecting the best yield ever."

Investing in innovation to improve incomes

The Maendeleo Agricultural Technology Fund (MATF) is one of our most innovative projects. It provides grants to farmer's groups in Kenya, Tanzania and Uganda so that they can test new agricultural approaches and ideas that have a huge impact on farming outcomes.

Since its foundation in 2002 MATF has funded 61 projects in areas as diverse as chicken breeding, beekeeping, vanilla production and garlic growing. In 2007, we funded five new projects, working on innovations in fruit processing, upland rice production, market access for bulb onions and cashew nut processing.

The project has helped to generate significant increases in household income for those farmers involved. In 2007 we commissioned an impact study of four of MATF's existing projects which showed that for each pound invested farmers receive returns of between £2.80 and £24.30. For example, in Nakasongola District in Uganda, cassava (the staple food crop) was so badly affected by drought and the Cassava Mosaic Virus (CMV) that communities were almost constantly reliant on emergency food aid. MATF gave farmers specially-bred CMV-tolerant plants to trial, resulting in a huge increase in yields. Farmers produced so much cassava they were able to attract funding to build two cassava processing plants, at which they produce and package products for sale in supermarkets. Just £1 of investment by FARM-Africa generated £19 in direct returns for these farmers.

MATF's impressive results are influencing our future work. In 2008 and 2009 we plan to broaden our impact by adding a number of new projects using MATF technologies to our fieldwork programme.

Changing policies,

A key focus of FARM-Africa's work is to guide governments towards supporting agricultural development, by working closely with policy makers on making changes and creating constructive strategies. Policies need to reflect the reality at grassroots level, and so we help farmers and herders get their voices heard.

In 2007, our policy work included encouraging the Ugandan authorities to recognise the vital role of Community Animal Health Workers in preventing and treating animal disease in remote areas, and lobbying the Ethiopian government to make prosopis charcoal production legal in Afar (prosopis is a non-native plant that encroaches on arable land, so impeding crop production). We also focused on women's rights and land rights, with some real success in these areas.

Challenging women's inequality in Ethiopia

In Ethiopia, one of the world's least developed countries, women face inequality in all walks of life. Compared to men, they have less access to education, public services and economic opportunities, and have little say in decision-making.

FARM-Africa's Women's Enterprise Development Project (WEDP) works to empower Ethiopian women. Through women's groups, we help women understand their legal rights and access resources, opportunities and government services such as education and healthcare.

WEDP's excellent work has caught the eye of the Ethiopian government. In January 2008, Ethiopian Prime Minister Meles Zenawi recognised a local women's group – the Taelota-Fana Saving and Credit Cooperative. The Prime Minister commended the group for its commitment to change, as well as its superb financial and management procedures. In this group, the government saw qualities that can inspire other women-owned movements across the country.

Empowering through legal advice: Demekech's story

Demekech, aged 20, lives in Ethiopia. When Demekech's father died, her reluctant mother was forced to marry her deceased husband's brother, who wanted to ensure the widow's inheritance would remain within the family.

Demekech got some advice from a FARM-Africa trained community-based legal advisor, who explained that, based on Ethiopian law, it's illegal to marry a person who already has a marital relationship with the family. This legal understanding allowed Demekech to get a land certificate, which gives her the right to work her father's land. Demekech now lives peacefully on the land with her mother, who has divorced the inherited husband.

Teaching Tanzanian communities their land rights

For the last 30 years, communities in Tanzania have been increasingly in conflict over their rights to use land. Tensions have arisen between pastoralists, smallholders and huntergatherers as they struggle with issues that affect their livelihoods — encroachment, access to water and grazing resources, and livestock disease. Effective government intervention has been lacking, and attempts to lay down village plans that mark out land often overlook the voices and needs of pastoralists.

Ruben is the chairman of the Hadzabe, a hunter-gatherer community in northern Tanzania. With no formal education, Ruben and his people had no knowledge of land rights or laws, and their land was under threat from several sources, including a company which began hunting animals on traditional Hadzabe land.

FARM-Africa's Pastoralist Programme gave Ruben the training he needed to understand land acts and rights, and how to negotiate to resist this encroachment. Thanks to FARM-Africa's training, the Hadzabe have reduced conflicts with other land users in the area, and using the Customary Rights of Occupancy laws, they have now applied for a guarantee for their right to occupy the land.



The impact of FARM-Africa's work

Participatory Forest Management Project

Ethiopia's forests have been overused and mismanaged for several decades, causing a huge reduction in forest cover, and threatening both wildlife and water resources. Over the last fifteen years, FARM-Africa has developed a programme that brought communities and government together to jointly manage the forest.

Since 2002, in partnership with SOS Sahel, we have expanded our forestry activity to Tanzania. We continue to work with forest communities to improve their livelihoods through alternative, sustainable income streams, such as beekeeping, raffia weaving and planting fruit trees. We have helped over 300,000 households through this work.

See page 11 for information about a new and exciting project in Bale, Ethiopia, that builds on the success and experience of this work.



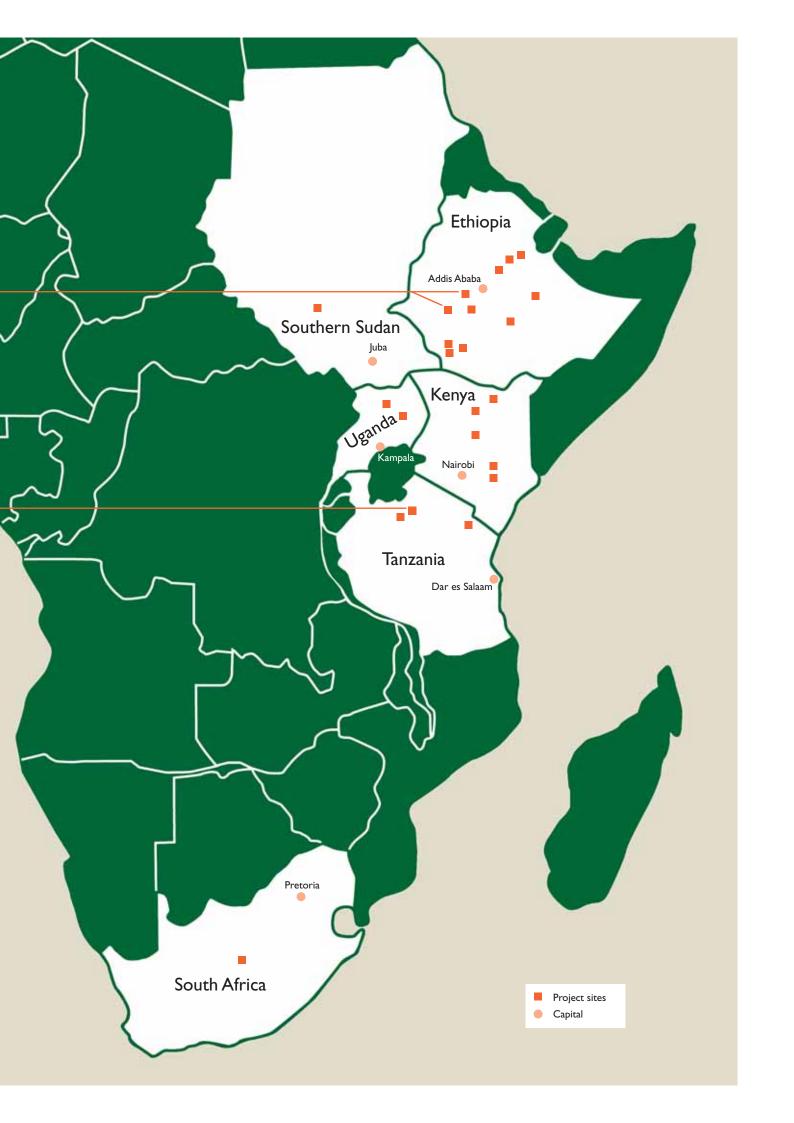


Agricultural & Environmental Education Project

FARM-Africa works with primary school teachers in the Babati and Hanang districts of northern Tanzania to help provide much needed lessons in agriculture, and train them in involving and fun teaching techniques.

Thanks to this practical approach 5,400 pupils are learning how to become successful farmers, and taking the lessons learnt at school home to their families and wider communities. During 2007 we trained 57 teachers in 19 schools in our approach, and helped them to start delivering agricultural lessons to their pupils. We are now working with them to train other teachers and increase the impact across the two districts, and have recently won a grant from the Big Lottery Fund that will secure this work for the next three years.

The mother of one of the pupils helped by FARM-Africa says: "I thank FARM-Africa because of what they do for us. It serves our lives and it will serve the future generation."



Sharing expertise, sp

In order to maximise the success of our work, we share our knowledge, experience and expertise with other nongovernmental organisations (NGOs), governments and communities. We help others learn from our good practice via conferences and materials that explain our research, by providing training in our methods, and by establishing networks that allow people to communicate with each other, such as the Community Animal Health Network (CAHNET).

In 2007, we provided a wealth of training – from equipping teachers with the know-how and tools to teach practical agriculture lessons to primary school children in northern Tanzania, to helping farmers, herders, NGOs, government staff and the private sector develop both agricultural techniques and advocacy skills. Here are just two examples of how we passed on our expertise.

Expanding dairy goat success in Kenya

We started our Dairy Goat and Capacity Building Programme in Meru, Kenya, in 1996, and it proved highly successful in improving the livelihoods of smallholder farmers. Following on from this success, we launched a similar project in Kitui and Mwingi in 2007. These Kenyan districts are povertystricken, arid, rural places where people depend on agriculture and livestock for their livelihoods. This was an ideal location for FARM-Africa to test the adaptability of our approach.

As it did in Meru, the project is making a real difference in Kitui and Mwingi. The project has set up 21 farmer's

groups, distributed purebred dairy goats and trained people in crossbreeding techniques, to increase milk production. The groups receive training in goat rearing, and go on study tours to share best practice with other farmer groups.

We're delighted that in 2008 Oxfam Novib are leading a project that will put the learning from our dairy goat work to good use - benefiting up to half a million people in Vihiga District, western Kenya. This is a great example of how, by sharing our expertise, we're making a difference to even more rural Africans.

From poverty to pride: Teresia's story

FARM-Africa trained Teresia, a 29-year-old widow with three children, to be a Community Animal Health Worker (CAHW) and provide much-needed animal healthcare in her community. The training has completely transformed Teresia's life. She explained, "For the past five years, I used to knock at every rich man's home begging for casual jobs so my children could eat. After the training I realised I was no longer the beggar. I worked hard and earn more money than I ever expected."

Thanks to her training, Teresia is making plans for the future. She told us: "I am planning to dig terraces on my land and buy farm tools. I was given a goat by the project and I will plant fodder for it on my terraces and use the manure so I can harvest more. Then I will be able to build a better house and continue to educate my children."

Protecting livelihoods and resources

The Bale Mountains area of Ethiopia is the largest Afro-alpine habitat in the world – a unique environment that's home to several incredibly rare plants and animals, such as the Simien fox. Millions of people in this 'EcoRegion' depend on the area's natural resources for their livelihoods. But due to unsustainable exploitation, these natural resources are under threat.

Building on the documentation of our innovative forest management work in other locations, FARM-Africa and SOS Sahel have teamed up with Irish Aid and the governments of the Netherlands and Norway on the Bale EcoRegion Sustainable Management Programme. The programme aims to conserve the EcoRegion, and ensure the economic and social wellbeing of its communities.

In Bale, we aren't just focusing on one aspect of natural resource management. We're providing training to local people on aspects such as river management and bamboo products; we're helping to set up community-based organisations to manage natural resources; and we're working with local people and the government to plan how to manage the system sustainably in the future. In 2007, the project worked with some 36,000 people and captured the interest of communities and policy makers alike, resulting in stronger governmentcommunity relations.





raising support

FARM-Africa knows that agriculture is a vibrant driver of economic growth. Central to our strategy, then, is raising awareness that agricultural development in Africa is the key to lifting millions of people out of poverty.

2007 was a positive year for FARM-Africa's awareness-raising work. As well as publishing a range of resources to inform others about our research and activities, we profiled our projects both on television and newspapers. And we were excited to get involved in the high-profile Katine project, which is bringing African issues to the world's attention.

Katine – it starts with a village

FARM-Africa is part of the Katine project, a partnership between AMREF (The African Medical and Research Foundation), Guardian News and Media, the Ugandan Ministry of Education and Barclays. The focus is on helping the people in the area of Katine village in north-east Uganda, whose poverty has forced them to rely on food aid and other handouts.

The project provides a range of support, in areas such as health, education and sanitation. FARM-Africa is focusing on livelihoods - helping the community to increase their incomes through improved agricultural practices. We're training Community Animal Health Workers, and providing improved technology and training for farmers in crop cultivation and livestock care. We're also expanding successful Village Saving and Loans Associations schemes across Katine, to help farmers invest in their livelihoods.

Both the Guardian and local African journalists are documenting the project. The media interest in FARM-Africa's work in Katine, and the project as a whole, is proving successful at raising public awareness of Africa's problems and development in action. It is essential that people in the northern hemisphere understand why and how the situation in rural Africa must change, and this unique project is doing much to bring African issues closer to UK and international spectators.

To find out more about the project, go to www.guardian.co.uk/katine

Spreading the FARM-Africa word

In 2007, FARM-Africa achieved a substantial amount of media coverage both in the UK and internationally which has driven home the message that, with the right support, Africans can live their lives without the shadow of poverty. One such success was when BBC World Service showcased our Kenyan dairy goat project as part of the documentary film entitled 'So You Think You Know Africa?', produced to challenge preconceptions of Africa's self-sufficiency.

Also in Kenya, on World Women's Day, Nation TV broadcast the 'Strength of a Woman' documentary, which featured the success story of the Kinda Women's Group sweet potato project. And the Daily Nation published an article highlighting that the Meru Goat Breeder's Association has successfully sold processed goat milk products to a major Kenyan supermarket chain.

We also created a range of publications in 2007, many of them the culmination of several years' work. Some of the highlights included a study of MATF-funded projects (see page 5 for more); an examination of the use of mobile telephony in delivering community-based animal health services; and an exploration of how goat's milk can help prevent mother-to-child transmission of HIV. The resources section of our website contains these and many other useful publications (www.farmafrica.org.uk/ resources.cfm).

Fundraising successes

FARM-Africa would not be able to carry out our work without the help of our many supporters. We would like to thank everyone who has been involved with FARM-Africa since our foundation, and particularly those who have supported us over the last year. We don't have space to mention everyone, but would like to thank the following in particular.

The trading company MAKO raised over £173,000 from their Dealing for Donations day in November. Both Clarence Court and St Helen's Farm promoted our work through on-pack promotions. We're also very excited to be chosen as a charity partner by Lloyd's of London, a partnership that will raise much-needed funds for our work in Southern Sudan over the next three years.

Thank you to the **Department for** International Development, the European Union, Cordaid, Comic Relief, the Norwegian Development Fund, Irish Aid, the Food and Agriculture Organization, Royal Norwegian Embassy, Embassy of the Kingdom of the Netherlands and the Japanese Social Fund, who have all provided us with much-needed grants for our work.



We are extremely grateful to many trusts, including Medicor Foundation-Liechtenstein, the innocent foundation, The McKnight Foundation, Rufford Maurice Laing Foundation, The Tulip Charitable Trust, Allan and Nesta Ferguson Charitable Trust, Wellcome Trust, Rockefeller Foundation, Kilimo Trust and the Gatsby Charitable Foundation for their generous support.

Sam Williams (above) rowed the Atlantic solo and unsupported between the Canary Islands and Antigua to raise an incredible £20,000 for our work in Kenya. Sam completed his challenge in 75 days, a record for this season. Other outstanding fundraisers include

Jo Swainson, who ran the Marathon de Sables in aid of FARM-Africa, raising over £10,000, and Alan Clayton, who raised an amazing £11,500 by running the Great Ethiopian Run.

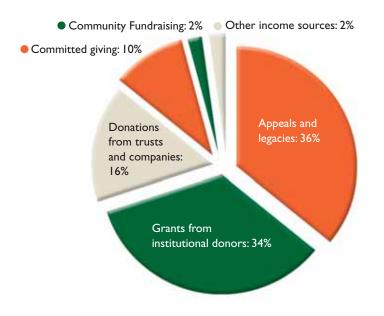
Our Friends of FARM groups have been as busy as ever representing FARM-Africa all over the country. Groups are building up an interesting diary of annual events, including the Gloucestershire Golf Day, Scottish Borders Raspberry Aid, the FARM-Africa Day in Berkshire and 'Ride for Africa' in Kent. We also have a new group in Burbage, Wiltshire who hold a monthly Coffee 'n' Browse meeting.

Thank you once again to everyone who has supported us throughout the year!

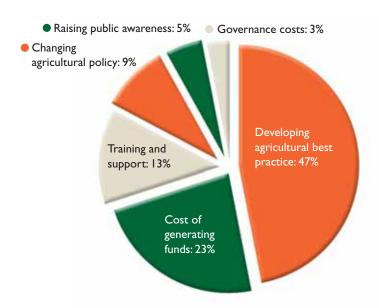


Finances

We **received** £6.12 million in 2007. Where did we get our income from?



We **spent** £7.92 million in 2007. What did we spend it on?



The information presented on this page gives an overview of FARM-Africa's income and expenditure for the year ended 31 December 2007.

2007 was a challenging year for FARM-Africa from a financial perspective, as we suffered a downturn in income during the year. However, we reacted promptly and have taken action to ensure that we can continue to look forward confidently to 2008 and beyond.

A significant proportion of our downturn in income in 2007 is because several of our projects received advance funding in 2006 which was spent across 2006 and 2007, a common occurrence in large donor-funded projects.

However, we also experienced a reduction in the income we raised from the UK general public during the year. Together with many other charities we saw an unexpected downturn in both individual donations and ethical gifts. We received some generous legacies from supporters, and our corporate team performed very strongly, but this did not make up the shortfall, so we took steps to reduce our expenditure. We consolidated the management of our East African programme through the establishment of a single regional office in Nairobi and also made savings by reducing our London operation. We have substantially reduced our cost base as a result.

We move into 2008 with confidence and optimism. FARM-Africa is exploring a number of ways of diversifying and increasing our income and we have worked hard to put robust plans and budgets in place which will allow us to rebuild unrestricted reserves over the coming years while still making a sustainable difference to many millions of Africans through our work.

For a fuller understanding of the financial affairs of the charity, please request a copy of the full trustees' report, audit report and financial statements from the Finance Director, FARM-Africa, Clifford's Inn, Fetter Lane, London EC4A IBZ.

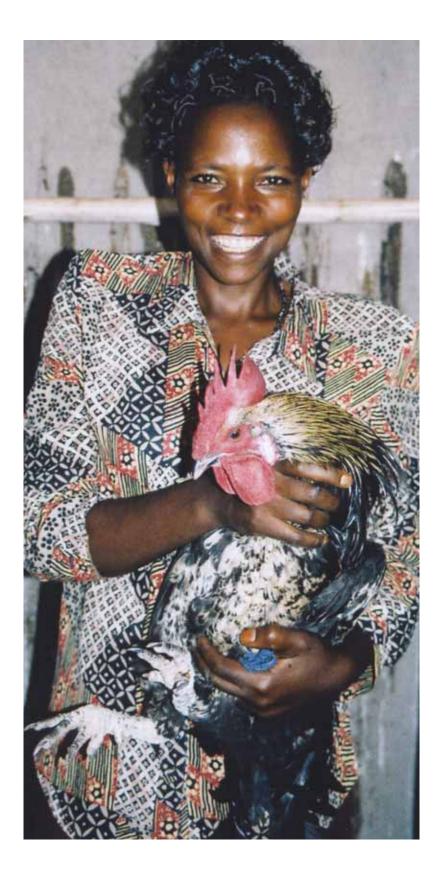


FARM-Africa

Clifford's Inn Fetter Lane London EC4A IBZ

t +44 (0)20 7430 0400
 f +44 (0)20 7430 0460
 e farmafrica@farmafrica.org.uk
 w www.farmafrica.org.uk

Registered Charity Number: 326901 Registered Company Number: 01926828







I would like to donate £						
monthly quarterly annually starting of	on 5th		or	15th _		2008
, , , , , , ,	(please	allow at	least :	28 days	after toda	y's date
I. Contact details						
Please ensure your contact details are filled	in on rev	erse (s	tep	overlea	ıf)	
2. Gift Aid						
Please ensure your Gift Aid declaration is fil	lled in on	reverse	e (ste	o 3 ove	rleaf)	
3. Your choice						
Please let us know if you want more inform (step 4 overleaf)	ation abo	ut our	work	in the f	future	
Society to pay by Direct Deb Please complete each section, and send FARM-Africa FREEPOST RRJB-HCKS- Fetter Lane, London, EC4A IBZ	d to:	Ground	i Flor	or, Clif	ford's Ir	nn,
Name(s) of Account Holder(s)	Origina	tor's Id	lentifi	cation	Number	•
	4	I	3	9	8	8
Bank/Building Society account no.	Instruction to your Bank or Building Society Please pay FARM-Africa Direct Debits from the account details in this instruction subject to the safegauards assured by the Direct Debit Guarantee. I understand that this instruction moremain with FARM-Africa and, if so, details will be passed electronically to my Bank/Building Society			om the		
Branch Sort Code	Guarante remain w	rds assur ee. I unc vith FAR	ed by Ierstar M-Afri	the Dire Id that th ca and, if	ect Debit nis instruc f so, detail	tion may s will be
Ranch Sort Code Name and full postal address of your Bank or Building Society To:The Manager Bank/Building Society Address	Guarante remain w	rds assur ee. I und vith FAR ectronic	ed by Ierstar M-Afri	the Dire Id that th ca and, if	ect Debit nis instruc f so, detail	tion may s will be
Name and full postal address of your Bank or Building Society To:The Manager Bank/Building Society	Guarante remain w passed el	rds assur ee. I und vith FAR ectronic ure(s)	ed by derstar M-Afri	the Dire Id that th ca and, if	ect Debit nis instruc f so, detail	tion may s will be

This guarantee should be detached and retained by the Payer.

The Direct Debit Guarantee



AR08

The Direct Debit Guarantee

Postcode

- This Guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the Scheme is monitored and protected by your own Bank or Building Society.
- If the amounts to be paid or the payment dates change, FARM-Africa will notify you 10 working days in advance of your account being debited or as otherwise agreed.

Instructions for some types of account

- If an error is made by FARM-Africa or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. If you do cancel, please also send a copy of your letter to FARM-Africa.

I would like to give to



I. Contact details

Title	First name	Surname
Address		
Postcode		
Telephone _		
Email*:		
* If you are happ	y for FARM-Africa to contact you b	by email please write your preferred email address above. You can unsubscribe at any time.
2. Don	ation	
I would like	e to donate £	to FARM-Africa
☐ By chec	que (made payable to FA	RM-Africa)
OR		
By cred	it/debit/charity card:	
Visa	Mastercard	Maestro CAF cards Maestro only
Card nun	nber UUUU	
Start date	e	piry date // Issue no (Maestro only)
Signature		Today's date
3. Gift	Aid	
		id scheme, all donations made by UK tax payers are
worth alm	ost a third more it	s simple, just tick the box!
		e FARM-Africa to claim back the tax on all donations I have made
		and all donations I make in future, unless I notify you otherwise gains tax equal to the tax we will reclaim on your donations (currently 25p for every
	give). Please let us know if your c	
4. Your	choice	
The inform	nation provided will b	e held by FARM-Africa; we need to hold this data to
process yo	our gift.	
,	want to send you market not wish to receive this,	ting information about the work of FARM-Africa. please tick the box.

Please return to: FREEPOST RRJB-HCKS-HLKB, FARM-Africa, Ground Floor, Clifford's Inn, Fetter Lane, London EC4A IBZ

Thankyou very much!