







CHAIRMAN'S REPORT

It has been a year of great progress for FARM-Africa. We estimate that in 2009 we reached over four million people in Africa. We are now entering an exciting period of expansion during which we plan to help even more communities find pathways out of poverty.

The European Union's response to the rise in world food prices brought funding for three important new projects - assisting farmers to grow and market sesame in Tanzania, improving dryland farming practices in Kenya and supporting the livelihoods of particularly vulnerable women in Ethiopia. This significant injection of resources has enabled us to put into action some of our long-held plans.

Our forestry work goes from strength to strength with a new project starting in Tanzania, supported by the European Union, and another project in Ethiopia that began in early 2010. This work is built on our nearly 20 years' experience of conserving forests and creating sustainable livelihoods for those who depend on forests.

We have collaborated and partnered with a wide range of organisations in 2009, details of which you'll find within this review, and we continue to explore ways of working with those who share our values and our commitment to a prosperous rural Africa.

Looking ahead and building on our long experience of community-based livestock development, we have particularly high hopes for the introduction of a unique livestock services franchise – a commercial enterprise with social objectives. If we are successful in securing funding for this project, its scale and approach will be a substantial departure from our normal activities. It will demand the very best skills to implement successfully, but its potential to enhance our ability to help people improve their livelihoods is huge.

During the year we were fortunate to receive the support of Kofi Annan, Chairman of Alliance for a Green Revolution in Africa, at a fundraising dinner in London and the National Farmers Union (NFU) kindly commemorated their 100th anniversary with a special appeal for FARM-Africa.

In 2009 we welcomed three new trustees to the board - John Shaw formerly Finance Director at Oxfam, Tim Williams

> - Head of Enterprise and Agriculture at the Commonwealth Secretariat and Richard Macdonald who recently retired as Director-General of the NFU.

Their combined skills and experience are already adding great value to our board. We were also delighted that Kate Adie agreed to become an Ambassador for FARM-Africa after supporting us for many years.

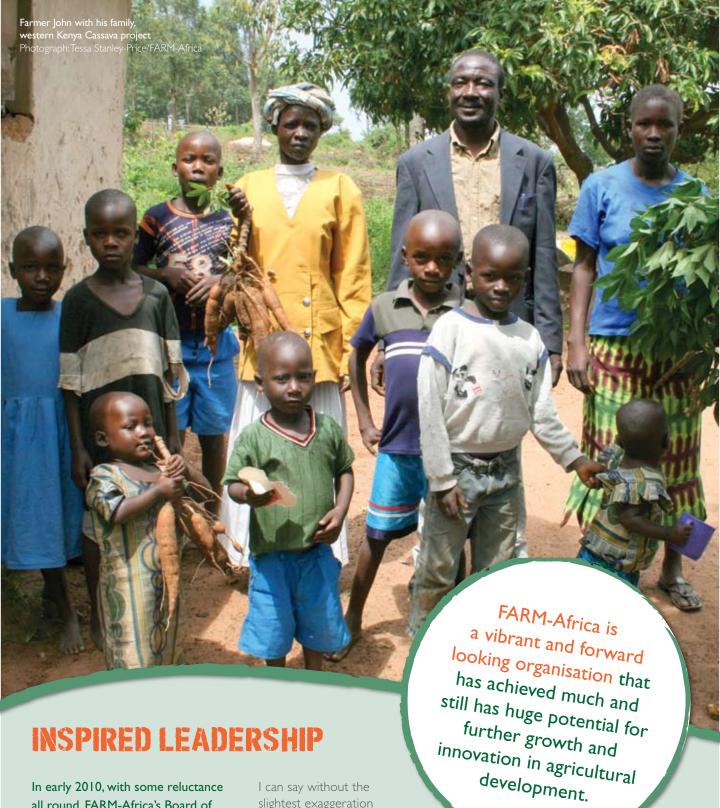
We say thank you to Sir Peter de la Billière and Lord Plumb who are stepping down as Patrons of FARM-Africa after long and excellent service to become Ambassadors. Their distinguished support helped FARM-Africa gain recognition in our early years and we are most grateful to them.

FARM-Africa ended 2009 in good financial shape and continues to be strong. We believe the right balance is being achieved between the prudent requirement to build unrestricted reserves and the need to invest in growing and improving our organisation.

FARM-Africa is now in its 25th year. This review shows that FARM-Africa is a vibrant and forward looking organisation that has achieved much and still has huge potential for further growth and innovation in agricultural development. I know that without the passion, energy and vision of our trustees, staff and supporters none of what is reported here would have been possible and for that I sincerely thank them all.

Martin Evans





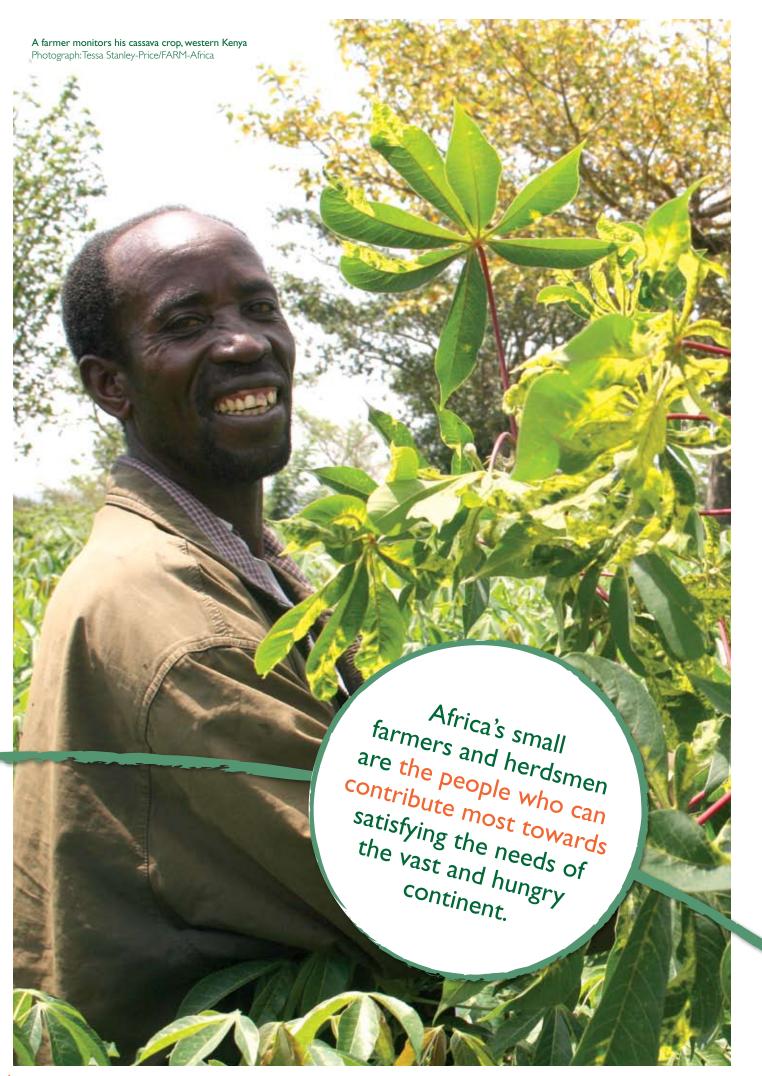
In early 2010, with some reluctance all round, FARM-Africa's Board of Trustees accepted a request from Dr Christie Peacock, to step down as CEO of FARM-Africa later in the year.

Christie has provided FARM-Africa with an enormous wealth of expertise and practical experience. She is a distinguished animal scientist with a huge passion for improving the lives of farmers in Africa. She has been CEO of FARM-Africa for over 11 years and hers will be a hard act to follow.

I can say without the slightest exaggeration that it has been her inspired leadership that has propelled FARM-Africa over the past decade to its position today as a widely respected and influential rural development organisation.

Happily, we will continue to benefit from Christie's extensive experience as she is stepping down to lead FARM-Africa's planned livestock services franchise business. As Chairman I would like to thank Christie for her long, dedicated and highly effective service – and I have every faith that her latest project will be a winner for FARM-Africa and the thousands of smallholder farmers it will benefit.

Martin Evans



GO THE EXTRA MILE

It seems like only yesterday that FARM-Africa was based in a wooden shed. At first our office was in a small hut in the garden of one of our founders, Sir Michael Wood, in Nairobi.

Our other founder, David Campbell, then moved the office to a small wooden building in Oxford, following Michael's untimely death. This is where I found David, after travelling half way round the world to be interviewed for the job of Dairy Goat Project Co-ordinator in Ethiopia. He took me off to a pub and asked me when I could start. Little did I know what would happen to my life in the ensuing 22 years!

After a decade in participatory livestock research and post-graduate teaching I was eager to put into practice what I knew, believing that there was much existing knowledge that was not being applied.

What appealed to me about FARM-Africa was a strong commitment to support local people to try out new approaches to solving their problems, a sense of urgency about the mission and a commitment to practical and flexible solutions.

FARM-Africa's original core belief was that:

Africa's small farmers and herdsmen are the people who can contribute most towards satisfying the needs of the vast and hungry continent. With realistic and sustained support they can increase food production, not only to feed their families, but to provide marketable surpluses, and so break the cycle of famine.

Mike Wood, David Campbell and Dick Sandford, a key adviser in the early years, all had a dogged determination and persistence to drive forward the FARM-Africa vision of a prosperous rural Africa, and an entrepreneurial spirit to turn vision into reality.

Mike and David both looked for people who were prepared to go the extra mile, people who had a deep commitment to working with communities to improve their lives, people who put their work before themselves.

What I learned during six turbulent years in Ethiopia was what poverty really means to people in Africa – and that the Dairy Goat Project was supporting some of the poorest women in Ethiopia, many widows from the civil war, in a very real and practical way.

I learned what it means to only be able to give your small child one meagre meal a day to sleep on the floor of a small hut with no blankets, to spend hours collecting foul water and all of this with little hope of anything changing in your lifetime.

I met women who shared one chicken with a neighbour and learned how women respond with eagerness and a huge sense of responsibility when opportunities are offered to them, and how just a little help can truly transform lives.

Knowing the transformational power of our work and the scale of the need, has driven me, as Chief Executive, to explore ways in which we can scale up our impact, turning the experience of a small project into something of wider benefit to Africa.

Our best work always builds the skills of local people to be able to take forward and build on initiatives themselves, once FARM-Africa leaves. In order to do that the initiative must generate sufficient revenue from enterprises and real value (financial, social, personal) to individuals, groups and communities. That is real sustainability.

FARM-Africa's founding vision and values hold true today. How that vision is turned into reality will always need to match the current age.

It is not easy aligning the interests and demands of diverse donors – government donors, trusts, companies and individuals – with the needs of people in Africa; while also maintaining our vision, strategic focus and independent voice. That is the challenge ahead.

The needs of Africa are immense; FARM-Africa has never been more relevant. We now have a track record of success and real experience to share. I urge all who read this to go the extra mile for FARM-Africa and thank all those who have done so for the people we serve.

linger Parol.

Dr Christie Peacock



WHERE WE WORK

FARM-Africa works in five countries in eastern Africa where rural poverty is particularly acute. We work with smallholder farmers, pastoralists and forest dwellers who seek opportunities to make their lives better and often live on land that has the potential to produce better yields.

With healthier livestock, training in new farming methods and better access to markets, hard working farming communities are seizing the opportunity to move from being subsistence farmers to becoming rural entrepreneurs.

For 2009, we estimate that our work improved the lives of around 4 million people, with 582,000 people benefiting directly, 788,000 people benefiting from a FARM-Africa service, and approximately 2.7 million people in the wider community benefiting indirectly from FARM-Africa's work.

ETHIOPIA

Farm ventures

One in three people in Ethiopia are at risk of starvation and around 17 per cent of the population already depend on emergency food aid. In 2009, we directly helped over 245,000 small-scale farmers and herders raise their living standards through improved management of their natural resources, providing a better chance of establishing food security and small farm businesses.

TANZANIA

Non-timber enterprise

Our work with forest users in northern Tanzania has resulted in thousands of farmers gaining legal rights from the government to access and manage non-timber products from the forest reserve. This is a significant step, with over 250,000 people now actively protecting and managing the forest resources.

This change will help to provide a sustainable living and more certain future for the families. In particular, it will help them to tap into the lucrative markets currently appearing for non-timber goods such as raffia and wild honey.

UGANDA

in 2009.

Agricultural innovation

77.5% of the population in Uganda live in rural areas and earn their living from subsistence agriculture. Yet despite Uganda's fertile soil, favourable weather and growing economy, over half the population do not have sufficient access to food and live in abject poverty. Through our role as technical advisor to the livelihoods element of the Katine Community Partnership Project, in eastern Uganda, community groups harvested their first crop of highyield, disease-resistant cassava which helped them to mitigate the effects of drought

KENYA

Improved animal care

Three-quarters of Kenya is arid or semiarid, and in these harsh environments farmers struggle to make a living from agriculture and livestock. In 2009, we directly helped over 50,000 people to develop viable livelihoods through improved animal care and breeding. This work also benefited the wider community through increased access to milk, meat and other animal produce.

SOUTHERN SUDAN

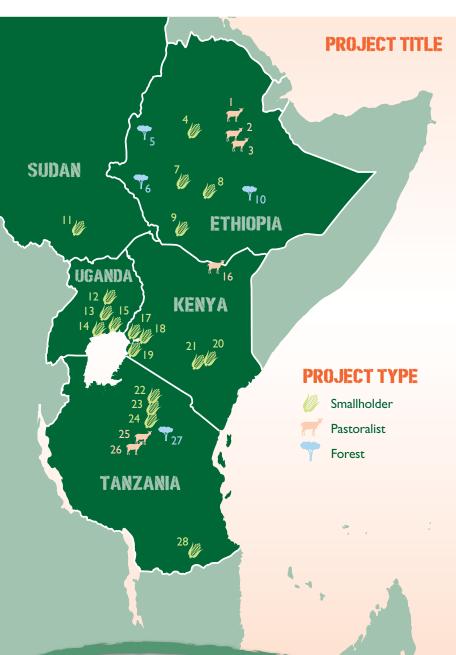
Recovering livelihoods

The war in Southern Sudan ended in 2005, but there has been little development to meet the basic needs of the hundreds of thousands of returnees hoping to rebuild their lives. In 2009 we worked with over 6,000 households to create ways of regenerating livelihoods through improved natural resource management, crops and livestock.

"Before, I was wasting time in the dry season. Now I only need two more years and I will tell FARM-Africa, bye, bye because I can stand on my own so they can help others less fortunate"

Peter Lwal, a group leader in Kuajok, Southern Sudan





- Semu-Robi Community Development Project
- 2 Ethiopian Integrated Pastoralist Programme
- 3 Afar Prosopis Management Programme
- 4 Rural Women's Enterprise Development
- 5 Sustainable Forest Management Programme
- 6 Sustainable Forest Management Programme
- 7 Rural Women's Enterprise Development
- 8 Rural Women's Enterprise Development
- 9 Woreda Capacity Building
- Bale Eco-region Sustainable Management Programme
- Southern Sudan Livelihoods Recovery and Development Project
- **12** Katine Community Partnerships Project
- 13 MATF Citronella & Lemon Grass
- 14 MATF Fruit Processing
- 15 MATF Upland Rice
- 16 Northern Kenya Moyale Pastoralist Project
- 17 Western Kenya Community Livelihood Empowerment Project
- 18 Cassava Scale-Out Project
- 19 MATF Sweet Potato
- 20 Kenya Dryland Farming Project
- 21 Kenya Dairy Goat & Capacity Building Project
- 22 MATF Bulb Onions
- 23 Agricultural and Environmental Education Project
- 24 Tanzania Sesame Marketing Project
- 25 Northern Tanzania Pastoralist Programme
- 26 Hadzabe Water Project

28

- 27 Tanzania Participatory Forestry Project
 - MATF Cashew Farming

DROUGHT WATCH

Severe droughts put extreme pressure on all FARM-Africa's projects throughout 2009.

In recent years droughts have become more frequent in the Kitui and Mwingi districts of Kenya where FARM-Africa works. To help the community to deal with the impact of drought FARM-Africa is digging shallow wells to improve access to drinking water for families and livestock.

Existing wells are being protected and equipped with hand pumps to ensure that they remain hygienic and in use and we are teaching the community to locate water sources and safely excavate them.

To date 32 shallow wells have been built by farmers and 16 wells have been protected providing communities with a year round supply of clean water that is literally saving lives.

In South Omo, Ethiopia, both of the annual rains failed in 2009. In response FARM-Africa set up a Community Managed Response Fund which was set up to enable communities to rapidly respond to the problems associated with severe drought, such as a lack of water, pasture and crops.

We also set up Early Warning and Disaster Management (EWDM) Committees to help communities better prepare for future disasters.



These committees have already implemented a number of rain water harvesting systems, establishing vital sources of water to help them, their livestock and their crops better survive during extended droughts.

DELIVERING OUR VISION

FARM-Africa exists to tackle one of the most pressing issues in the world today – that of rural poverty. Over 800 million people across the world are classified as rural poor, struggling to survive on less than \$1 per day. And yet, in Africa, 85% of the rural poor live on land that could be far more productive, with potential for families to feed themselves and to generate income.

FARM-Africa believes that Africa's farmers and herders have the ability, and the desire, to play a key role in changing the face of the continent — and that together we can unlock the potential of rural land and deliver our vision of a prosperous rural Africa by striving for success in four key areas:

Developing good practice and scaling up success

FARM-Africa's grassroots projects develop innovative approaches that are transferable, sustainable and sensitive to local environmental and economic conditions.

Changing policies

FARM-Africa seeks to improve government policies in order to encourage the uptake of good agricultural practice and the prioritisation of agriculture as a key tool for fighting poverty in rural Africa.

Sharing expertise

As an expert organisation with skilled staff, we share our expertise with others through training, technical support and working in partnership.

Raising awareness to gain support

In order to facilitate the development and scaling up of FARM-Africa models, we seek increased understanding of, and engagement in, African agricultural development amongst the public, the media and companies in the North and South.

At the heart of this approach is a simple idea. We are taking our hard won experience and scaling it up by enabling other organisations and institutions to adopt it, thus reaching many millions more people than we could ever hope to do directly.

OUR STRATEGY IN ACTION

Throughout 2009 FARM-Africa continued to make great progress in delivering outcomes in all areas of our strategy. We embarked on many new projects during the year, but we are particularly proud of the following:

Representing Africa's farmers

This year our Chief Executive, Dr Christie Peacock, was a key witness at an inquiry into global food security facilitated by The All Party Parliamentary Group of Agriculture and Food for Development, the British Government's Global Food and Farming Futures Project and was an expert on the panel of a Department for International Development seminar entitled Climate Change: Can Africa Feed Itself?

Spreading good animal health practices

Through FARM-Africa's Community Animal Health Network (CAHNET), livestock herders, animal health practitioners and institutions are joining together to share their experiences of good animal health practices - developing their knowledge and practical skills to improve animal health in their respective regions.

In 2009, communication across the network was vastly improved with the launch of a new CAHNET website and the use of SMS technology to share information with farmers instantly. www.cahnetafrica.net

Influencing policy

During 2009 we continued to support the Ethiopian Government in adopting and implementing Participatory Forest Management techniques across the country. We provided technical support to the Ministry of Agriculture for preparation of a federal level Forest Regulation based on our forestry model.

The document is in the final stages of development and represents another significant step in helping to protect both Ethiopia's forests and its rural people.

Scaling up good agricultural development

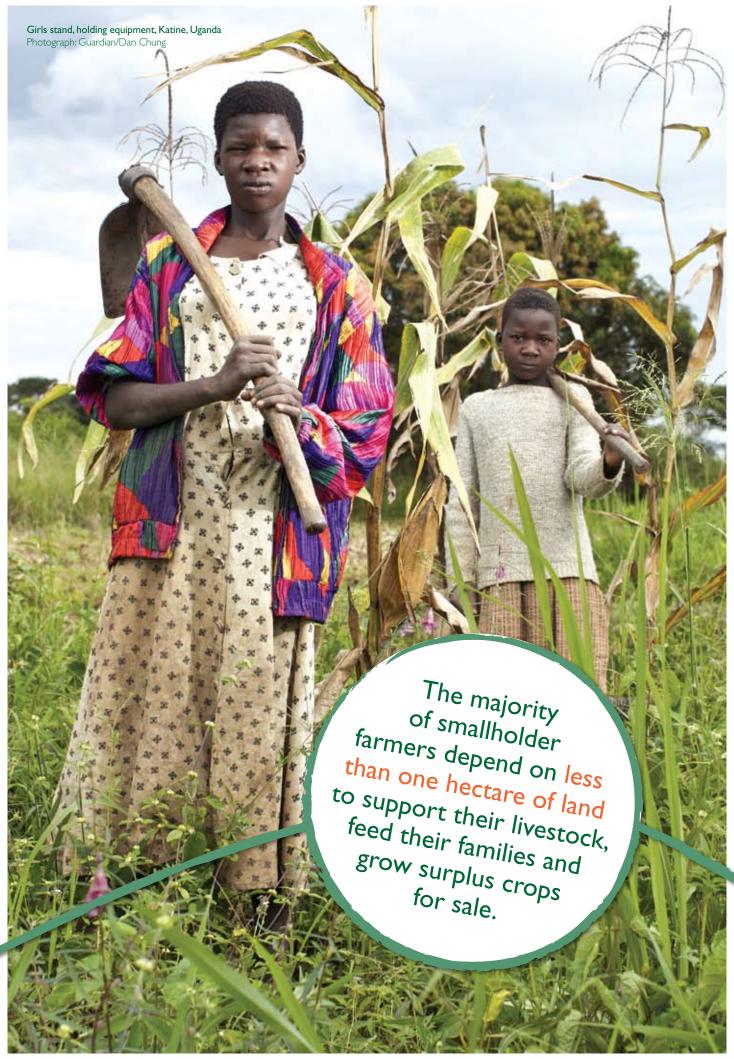
Through the Maendeleo Agricultural Technology Fund (MATF), a grant giving fund set up by FARM-Africa in 2002 with joint funding from the Rockefeller Foundation (USA) and the Gatsby Charitable Foundation (UK), communities take part in on-farm trials to identify new farming techniques and crop varieties suitable for local environments. MATF grantees tested bulb onions, lemon and citronella grasses, upland rice and cashew nuts in 2009, all with a great deal of success.



PARTNERSHIPS, INNOVATION AND ENTERPRISE

To scale up our work and enable enterprise to thrive throughout rural eastern Africa, innovation and public-private partnerships are critical. 2009 saw an increased emphasis on these elements of our work.

- ▶ 240,000 people in Ethiopia's Bale Massif are developing sustainable livelihoods through non-timber enterprise as a result of The Conservation and Sustainable Resource Management of the Bale Mountains Project – a joint initiative with FARM-Africa, SOS Sahel, and the Ethiopian Government.
- ➤ Up to 15,600 people in Southern Sudan will benefit from a partnership between FARM-Africa and SAB Miller, one of the world's leading brewers, which will provide a guaranteed market for farmers' cassava and increase employment opportunities throughout the region as a need for farm labour, processing and distribution is generated.
- ≥ 23,000 people in western Kenya will be generating an income through access to new varieties of disease-resistant, early maturing cassava as a result of the National Farmers Union's Africa 100 Appeal. Farmers will take less time to produce greater quantities of cassava than previously, and with the establishment of farmer-managed factories, will be able to further boost their income through processing opportunities to add value to the cassava.
- We aim to improve the access to livestock drugs and services for one million people in the next five years through the planned introduction of a unique FARM-Africa veterinary services franchise. A commercial enterprise with social objectives, the project will allow poor livestock keepers to access good quality medicines and other livestock services at fair prices.



INNOVATING FOR SMALLHOLDER SUCCESS

"Agricultural biodiversity can improve productivity and nutrition, enhance livelihoods, respond to environmental challenges and deliver food security... Agricultural research can ensure that poor, rural people, whose lives and livelihoods depend on the earth's productive capacity, have the means to produce more and to produce it better."

Kanayo Nwanze, President of the International Fund for Agricultural Development

The majority of smallholder farmers depend on less than one hectare of land to support their livestock, feed their families and grow surplus crops for sale. Greater investment in smallholder farming is the main pathway out of poverty for millions of people in Africa.

Is new technology reaching Africa's rural poor?

"I think we have to start by using to much greater effect many of the technologies we have, and get inputs into the hands of small farmers."

Joachim von Braun, former Director General of the International Food Policy Research Institute Improved livestock breeding, vaccines and drugs, combined with new high-yielding, drought and disease resistant crops are set to improve food security, increase biodiversity and reduce risks associated with economic and climatic vagaries.

As population growth continues and ever-shrinking plots of land become increasingly exhausted, there is an urgent need for the very latest in agricultural innovation to reach those who need it most.

Bringing innovation to the grassroots

FARM-Africa empowers communities by involving them in the process of developing and testing agricultural innovation and by transferring and adapting any knowledge gained to benefit farmers throughout its programmes and beyond.

2009, in particular, saw the rate at which technical know-how is disseminated accelerate.

FARM-Africa's Maendeleo Agricultural Fund (MATF) has successfully tested the introduction of improved cassava varieties in areas where plant diseases have traditionally destroyed crops and food security.

Tests of new varieties of upland rice were successfully scaled up in Lowero, Uganda, with over 100 marketing associations now formed to ensure farmers get a good price for their rice. So far over 600,000 kg of upland rice has been sold through these groups helping 25,300 Ugandan farmers generate a healthy income.

Vitally, the adaptation of knowledge gleaned from across our programmes saw FARM-Africa help communities in post conflict Sudan recover their livelihoods through access to the latest techniques in water conservation, livestock development and agricultural production. It is hoped this will lead to the development of a robust Post-Conflict model to support other vulnerable communities in the future.



FOCUS ON SMALLHOLDER LIVELIHOODS

New onion growing techniques double yields for 10,000 households

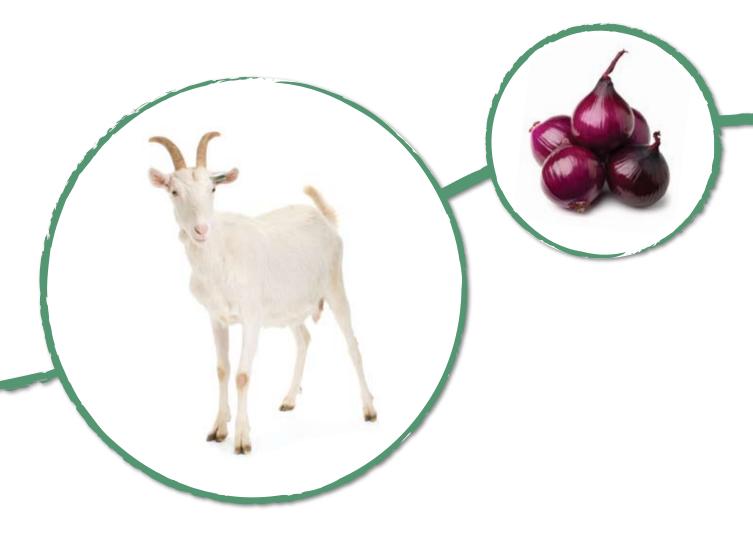
MATF has given support to two villages in Endarasha, Kenya, introducing them to hybrid onion seeds that increase yields. Through learning better farming practices and how best to market and sell their onions in bulk these farmer groups in Endarasha have seen an increase in their income.

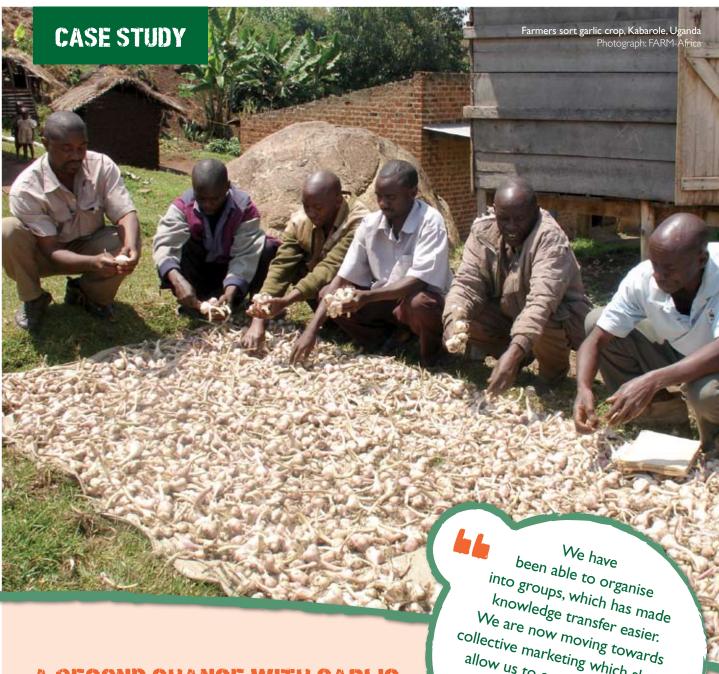
30,000 farmers benefit from goat breeding

Expansion of our Kenya Dairy Goat project to drier regions has delivered encouraging results as families gain access to goats' milk and therefore essential nutrients.

105,000 people to benefit from access to technology and microfinance

Our Rural Women's Empowerment Project in Ethiopia is providing opportunities for women to set up income-generating businesses such as baking, coffee shops and small restaurants.





A SECOND CHANCE WITH GARLIC

Population pressure in the Ugandan district of Kabarole is pushing the 70,000 households dependent on small-scale agriculture for a livelihood to the edge of subsistence living.

Like many, Charles Katusabe had invested in what turned out to be boom and bust crops such as vanilla and moringa after the collapse of the coffee economy in early 2000, plunging him and his family further into poverty.

In 2005 he was chosen to take part in a garlic farming project funded by FARM-Africa's Maendeleo Agricultural Technology Fund (MATF) and the Kabarole District Farmers Association.

Garlic had previously been unpopular in the region.
The variety traditionally used required farmers to skip a planting season to allow for germination of cloves – and was particularly susceptible to disease.

The project was designed to test the suitability of new varieties and modern cultivation techniques to the region.

Farmers are now capable of making up to UGS two million per acre (£595) - a six fold increase in profits generated through cultivation of the same land for cassava. They can also harvest two crops per year.

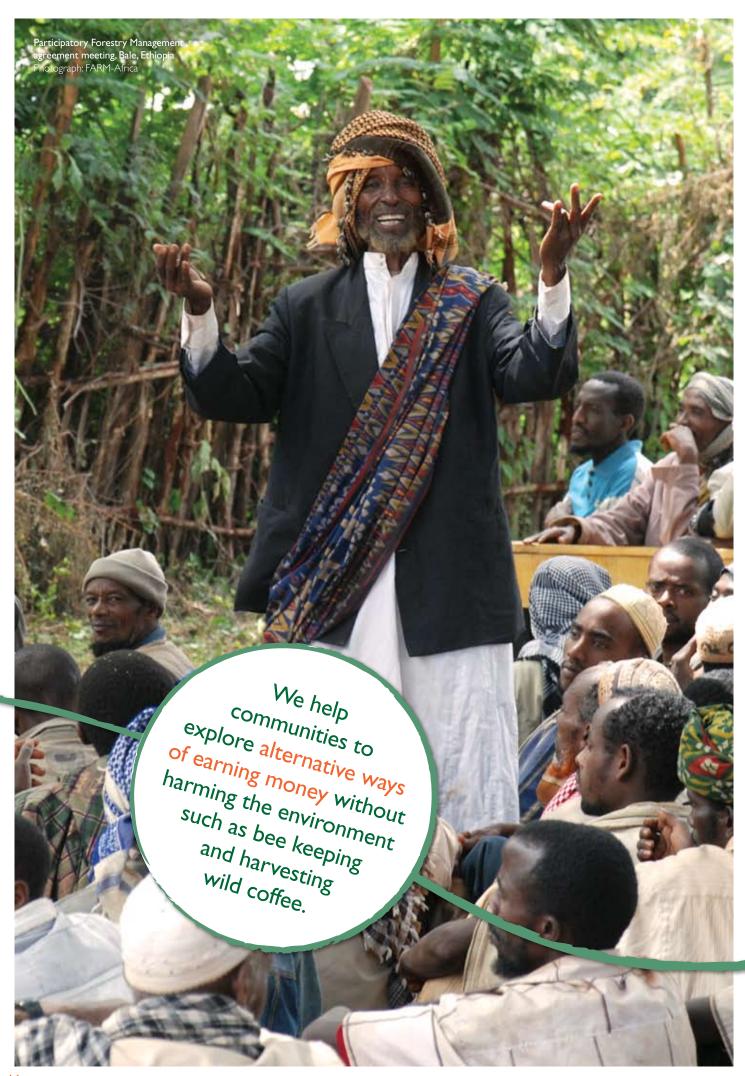
collective marketing which should allow us to earn better prices in the market.

Charles Katusabe, Kabarole

District Farmers Association

77

With some of his profit, Charles has since purchased more land and plans to expand his garlic business. He has also played a role in the expansion of the project which now engages 900 farmers in commercial garlic production.



MAPPING A SUSTAINABLE FUTURE FOR FOREST DWELLERS

"Africa's forest communities already generate millions of jobs and dollars in domestic and regional trade... but current laws undermine opportunities to improve forest management...

The slowness of [land] reform is suppressing a whole range of opportunities to reduce poverty and improve livelihoods."

Emmanuel Ze Meka, Executive Director, International Tropical Timber Organisation

Who owns the trees?

Africa's forest dwellers today have access to less than two per cent of the continent's forests and the growing demand on resources is leading to increased poverty, marginalisation and conflict.

Confusion over land ownership and the growing pressure on forests as a source of food and fuel means that there is little incentive for sustainable use of forests by communities. Forests need to be protected and managed sustainably. The money is coming on stream to provide incentives to ensure better management, rather than misuse, of the world's forests, as was evident by pledges made at the United Nations Climate Change Conference in Copenhagen to reduce emissions from deforestation through the Reduced Emissions from Deforestation and Forest Degradation (REDD) scheme.

Our approach

Using the Participatory Forest
Management (PFM) approach FARMAfrica establishes forest management
plans together with local communities and
helps them to gain an understanding of
how best to balance income generation
with ways of protecting the
forests for the future.

We help communities to explore alternative ways of earning money without harming the environment such as beekeeping and harvesting wild coffee.

We are delighted to announce that we have received funding from the European Union to expand the sustainable management of Ethiopia's forests by bringing a further 400,000 hectares of forest under Participatory Forest Management. The project will directly benefit some 300,000 people and began in January 2010.

In Tanzania's Nou Forest our work with local communities has led to the approval of new forest boundaries for six villages. Officially recognised digital maps were produced as a result of communities possessing the knowledge

to recognise, demarcate and map forest boundaries.



SPOTLIGHT ON FOREST LIVELIHOODS

Deals secured for distribution of forest coffee in Ethiopia

BaleWild, the brand established by forest dwellers in Bale, has secured a deal with Oromia Forest and Wildlife Enterprise, to distribute its coffee to an Italian speciality coffee company. A further deal with ECOPIA Plc, a natural products company based in Addis Ababa, will also see BaleWild Forest Honey used as an ingredient in a range of natural cosmetics. FARM-Africa played a crucial role in the negotiation of these contracts.

Honey Care Africa creates market for forest honey in Tanzania

FARM-Africa worked in partnership with Honey Care Africa to draw up purchasing agreements which guarantee a market for honey produced by communities in Babati forest. These agreements offer a fair market price and participating farmers groups have been able to set up savings schemes and open up bank accounts as a result.

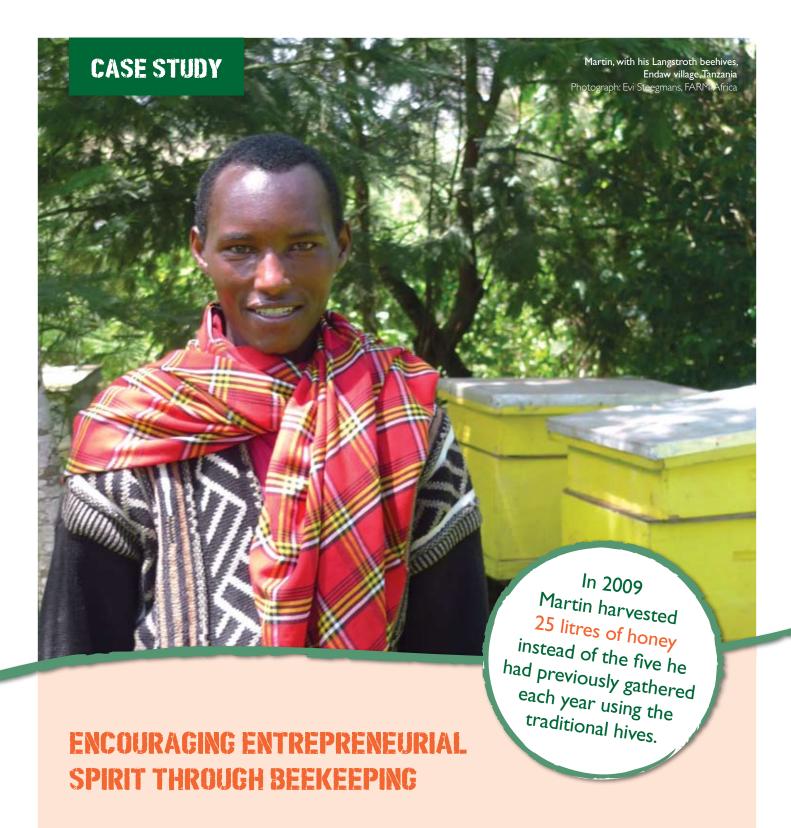
New non-timber forestbased livelihood activities identified in Tanzania

A trial by a number of FARM-Africa Participatory Forest Research Groups took place during the year to test the potential for a variety of new livelihood activities. In addition to beekeeping and honey production, and the establishment of tree nurseries, new opportunities in mushroom farming, butterfly farming, sisal farming, raffia weaving and medicinal plants were identified.

In depth study to place an economic value on carbon capture commenced

FARM-Africa is continuing to study the viability of placing an economic value on the carbon tied up in the forest managed by the Bale community. Carbon capture could provide a possible source of income for the surrounding communities and release millions of pounds to finance the costs related to management of the forest, and incentives for conservation.



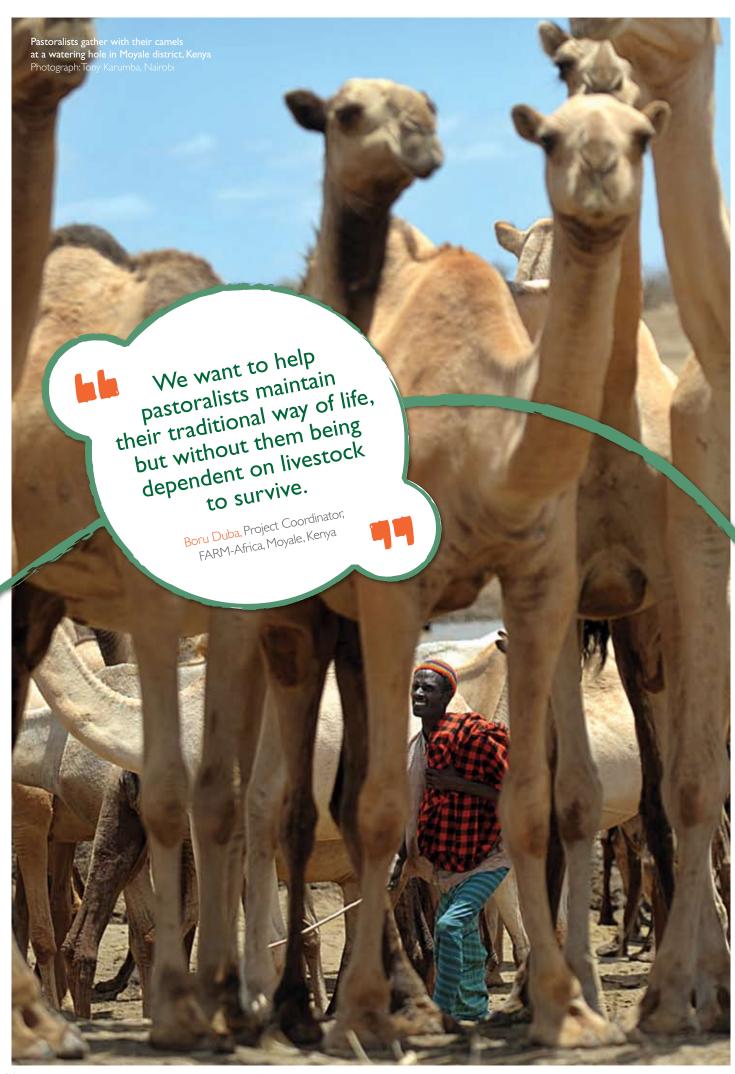


Martin Erro lives with his family in Endaw Village in Tanzania, where FARM-Africa is working with the local community to train them in ways of generating income in a sustainable way, without damaging the fragile forest environment.

Martin joined the Titta Beekeeping Group, which was set up by FARM-Africa to train the forest community in beekeeping techniques and to help to provide modern Langstroth beehives. He received five modern beehives which are easier to use than traditional beehives and help provide higher honey harvests; meaning that excess honey can be sold to pay for household essentials. He was also elected to be the secretary of the group and was taught skills about group management and leadership.

In 2009 Martin harvested 25 litres of honey instead of the five he had

previously gathered each year using the traditional hives. He used some of the honey for home consumption and sold the rest. The beekeepers got a good price for their honey, up to 5,000 Tsh (£2.40) per litre. From the money Martin received from selling the honey he bought food and clothes for his family. The income from beekeeping also contributed to paying his children's school costs.



UNLOCKING THE POTENTIAL OF PASTORALIST ENTERPRISE

"Pastoralism brings many uncounted economic, environmental and social benefits that will be of growing importance as climate change takes hold. Unfortunately, governments and donors have undervalued the sector for years and this has trapped 20 million pastoralists in a cycle of poverty, conflict and environmental degradation."

James MacGregor, International Institute for Environment and Development, 2009

Is pastoralism relevant today?

For centuries Africa's herders have lived in some of the world's harshest regions — their movement across land effectively ensuring the health of the community and their livestock, and the protection of natural resources.

Today, East Africa's 20 million pastoralists are some of the most economically and politically marginalised people in the world as climate change, population growth and government policy all work against their nomadic way of life.

Policies that favour farmland over pasture have seen pastoralists' freedom of movement squeezed and conflict over land increase. In addition, severe droughts are leading to food shortage and food insecurity.

Rather than being respected for their innovative management of natural resources and ability to adapt, the pastoralist way of life is increasingly being

Africa's past, with no value in the modern world.

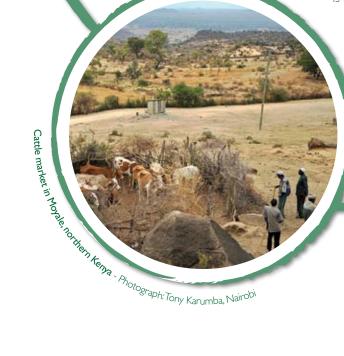
seen as a relic of

Believing in pastoralist enterprise

With over 20 years experience of working with pastoralist communities, FARM-Africa understands how inclusion of pastoralist views in policy decisions will help end their economic and political marginalisation.

Our Mobile Outreach Camps reach the most remote communities. We work with these communities to establish what they need and then help them to plan to meet those needs. We support pastoralists to set up credit schemes allowing them to put their plans into practice. Often there are conflicts over land, livestock and water and we train communities in developing positive resolutions.

This year many groups successfully diversified their income, with activities such as irrigated agriculture and petty trading helping them become less vulnerable to market and climate variability, and more food and income secure.



SPOTLIGHT ON PASTORALIST LIVELIHOODS

Tanzania: Thousands become less dependent on cattle

Our project with the Barabaig, one of the most vulnerable and marginalised groups in northern Tanzania, concluded in 2009 helping thousands of people to diversify their income through a range of livelihood activities and access to savings and credit. This approach allows communities to generate a regular income that is more resistant to the impacts of erratic rainfall and a harsh natural environment.

Kenya: Over 50 small businesses established

Throughout 2009, we continued to work with vulnerable and marginalised pastoralist communities in the Moyale district of northern Kenya, helping them to start small businesses in activities such as beekeeping, livestock marketing, processing hides and skins and producing milk and meat through small pastoralist groups.

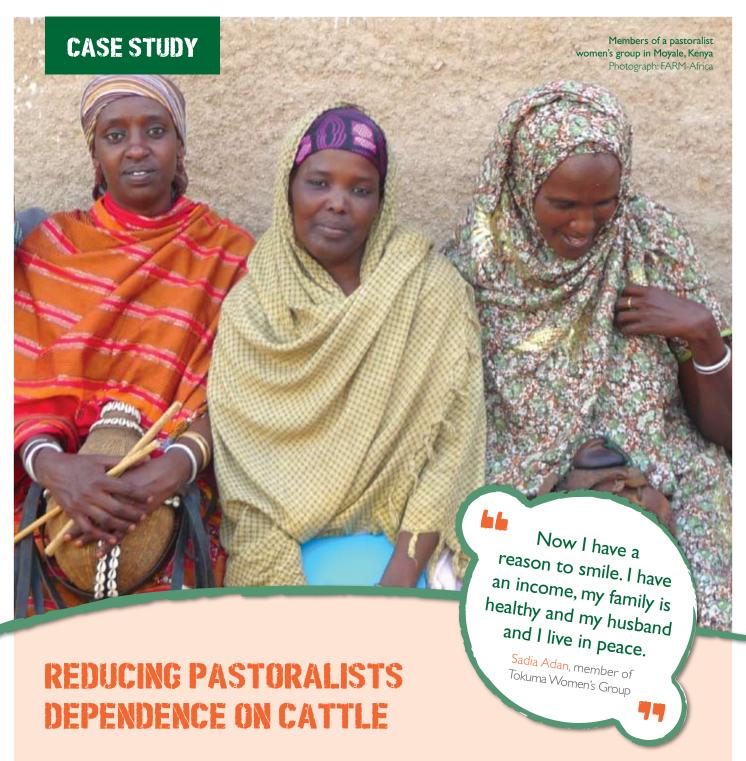
Ethiopia: Petty trade and irrigation projects funded

Thanks to our work in Ethiopia's Semu Robi district, communities are now less reliant on one form of income. Women in particular, have been empowered by the ability to set up saving schemes and have obtained credit to establish income-generating businesses such as goat trading, baking, coffee shops and small restaurants. Elsewhere in the project, improved irrigation has seen a three-fold increase in the income generation potential of crops and livestock goods.

Ethiopia: Community Animal Health Workers (CAHWs) see business boom

This year FARM-Africa trained CAHWs in Semu-Robi who have significantly grown their businesses, treating 54,000 animals and increasing animal health service coverage by 60 per cent. This led to reduced animal mortality and over 5,000 households were supported by CAHWs in livelihood diversification activities such as livestock marketing.





FARM-Africa works with pastoralists in northern Kenya to help them to diversify their incomes, making their livelihoods more secure.

Sadia Adan is a member of Tokuma Women's Group which is supported by our project in northern Kenya. She has received training in livestock based product marketing.

"I know that poverty is unjust. Before I joined Tokuma Women's group I relied only on what my husband could give me to run the household and take care of our family.

My husband was a casual worker, which generated very little income. Over the years this work dwindled and we were unable to meet our daily needs. We were quarrelling every day.

I started to fetch firewood to sell within our village in order to bring some money into our home. But this too promised little. These were unhappy days.

All this changed when I joined the group and received a small loan and training in business development skills.

I started selling milk and producing other dairy products. I soon made enough money to diversify into other activities and have opened a retail kiosk in the Mado Adhi trading centre where I sell everything from essential household items to clothes.

Now I have a reason to smile. I have an income, my family is healthy and my husband and I live in peace. I have also been involved in decisions on issues facing my community.

Aside from the financial benefits, I have contributed towards the development of the entire community."

FUNDRAISING NEWS

"I have supported FARM-Africa for many years. I greatly admire their resolve and determination in facing the challenge of creating sustainable developments in eastern Africa. Their grassroots approach is not only effective but also efficient working to reach the greatest number of people possible for every penny received."

Michael Palin, FARM-Africa's Patron, 2009

FARM-Africa would not be able to carry out its work without the help of our many supporters, especially when times are tough.

We would like to say a huge thank you to the many individuals, groups and organisations that went the extra mile to raise funds for FARM-Africa in 2009.

FROM BIG EVENTS...

An evening with Kofi Annan

This year FARM-Africa was proud to host a fundraising evening featuring an engaging interview with Kofi Annan, who gave a stimulating account about his life and work. As well as raising much needed funds for our work, the event provided a strong platform to engage with many key opinion formers and entrepreneurs on agricultural development issues.

The Africa 100 Appeal

The Africa 100 Appeal, launched by the National Farmers Union (NFU) in 2008, marked the centenary of NFU and united the UK farming industry to raise funds to help increase sustainable food production in East Africa. The appeal raised over £200,000 for our work, with our chairman, Martin Evans, receiving the cheque at the Farmers Weekly Awards in October 2009.

Highlands and Pridelands Ball

This year the Highlands and Pridelands Ball once again proved the Scottish farming community's unstinting support of rural farmers in eastern Africa. A highlight of the evening was a talk given by FARM-Africa Ambassador Kate Adie, OBE. Throughout the evening over 40 lots were auctioned raising a total of nearly £40,000.

...TO BIG CHALLENGES

Atlantic rowing vets

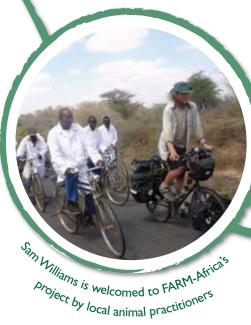
Vets, Jim Houlton and Paul Milnthorpe, took part in one of the world's toughest rowing races when they competed in the 2009 Woodvale Atlantic Rowing Race. The Atlantic Vets spent 78 days at sea – a gruelling exercise which raised over £15.000 on our behalf.

Three continents, 17 countries, 6,000 miles

In 2008 Sam Williams rowed the Atlantic Ocean solo and unsupported to raise £20,000 for FARM-Africa's dairy goat project in Mwingi, Kenya. In 2009 he made another breath-taking journey for the charity, cycling across Africa to see the programme he was raising money for first hand. After 109 days of solo cycling he arrived at his destination to singing and dancing from a group of delighted farmers thanking him for his support.

Running in Ethiopia

In November a party of 12 supporters travelled to Ethiopia to take part in the 2009 Great Ethiopian Run. The trip was organised by Friend of FARM Tim Jury and between them the runners raised the magnificent amount of £28,586.





GETTING INVOLVED

FARM-Africa helped over 4 million people in 2009 and we want to help even more in 2010. To do that we need to raise over £9 million and every penny makes a difference. Here are some ways that you can get involved and help raise funds...

Sporting challenges

"The effort is nothing compared to that put in by the farmers who, with FARM-Africa's support, are determined to improve their lives," said a modest Sam Williams after his incredible 6,000 mile bike ride across Africa.

Sporting challenges are a great way of raising significant funds for our work and getting fit in the process. So if you have a competitive streak, why not challenge yourself in our name? We'll do our best to support you all the way.

In 2011 we're aiming to enter our biggest team ever for the London Marathon and you could be part of that team. Alternatively, why not combine a trip of a lifetime with a challenge that will change lives? You could trek through Ethiopia's

Simien Mountain range, climb Kilimanjaro or simply go for a romantic weekend in Paris, completing the London to Paris bike ride on the way.

A sporting challenge means lots of training. **Raise £5,000** through your adventure and we could set up a demonstration plot in Kenya enabling even more people to learn how to grow enough vegetables to feed their families.

Raising money this way is also thirsty work. **Raise £10,000** and we could drill a new borehole in drought-ridden Kenya, giving 8,000 people access to clean water for household use and vegetable gardens.

Get your company involved

Throughout this annual review we have illustrated how FARM-Africa helps some of the world's poorest people change their lives through the establishment of small businesses.

Your organisation could also change lives. You could engage your staff in employee fundraising, sponsor one of our agricultural experts or simply make a regular donation that ensures that FARM-Africa can be there for farmers in Africa when they need us.

If you'd like to get your customers involved you could make a donation for every product or service sold, increasing sales and making a difference at the same time.

Whatever you choose, we will work with you to make sure that your support makes a positive difference to your business, as well as making an impact on the businesses of hundreds of farmers.

Raise £25,000 and you could provide business insurance for 14 farmers by training them in basic yet crucial animal healthcare to prevent animals dying.

Raise £40,000 and you could help maximise profits for a Tanzanian community by paying for two storage centres, allowing farmer groups to store their sesame crop and sell it when prices are favourable.

OTHER WAYS TO SUPPORT OUR WORK

Get more involved by making a significant gift. Our philanthropy team offers supporters the opportunity to visit projects, receive personalised briefings from project staff and have regular meetings with senior staff.

Fundraise in your local community by joining one of our Friends of FARM groups or going it alone and setting up a plant sale, quiz supper, or whatever else might showcase your talents.

Make a one off or regular donation

through our website and receive regular feedback on the difference that your money is making in Africa.

Leave a legacy to FARM-Africa in your Will and give hope and a chance for a better future to many people.

To find out
more about these and many
other ways to get involved please
call the fundraising team on:

020 7430 0440

email us at: sst@farmafrica.org.uk

or visit our website at:

www.farmafrica.org.uk

FINANCES

The information presented on this page gives an overview of FARM-Africa's income and expenditure for the year ended 31 December 2009.

2009 has been a successful year for FARM-Africa financially despite the considerable issues in the global economic environment, and the continuing challenge of funding the core costs that allow us to work strategically and plan and fund innovative, high-quality programmes.

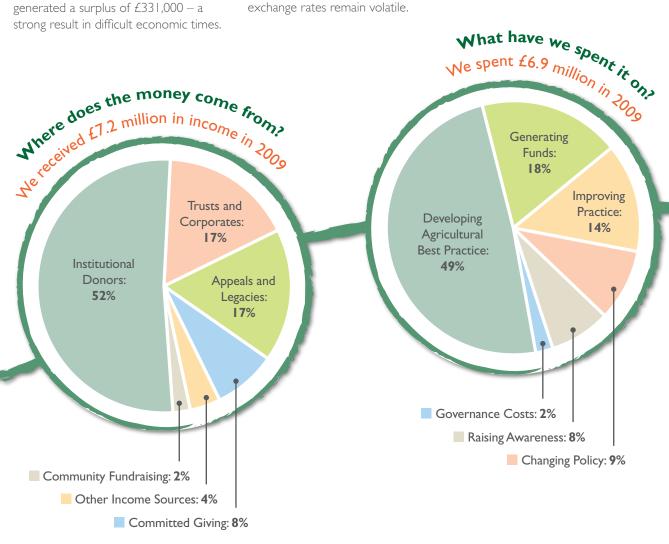
We increased our incoming resources by over £730,000 in the year, and generated a surplus of £331,000 – a strong result in difficult economic times.

In total £5.5 million (81%) of expenditure in 2009 was made on direct charitable activities, compared to £5.3 million (83%) in 2008. This represents our ongoing commitment to operating efficiently and to delivering the best possible impact for our beneficiaries.

We begin 2010 in a strong financial position, although with lower levels of unrestricted reserves than we consider necessary for long term financial stability. We expect 2010 to be another challenging year economically – the credit crunch is not yet over and exchange rates remain volatile.

However, strong financial management and clear strategic goals allow us to look forward with confidence to 2010 and beyond.

For a fuller understanding of the financial affairs of the charity please request a copy of the full Annual Report and Consolidated Financial Statements from the Director of Resources, FARM-Africa, Clifford's Inn, Fetter Lane, London, EC4A IBZ



FURTHER READING

Climate Frontline

Initiated and co-ordinated by the Norwegian Development Fund, Climate Frontline is a collaboration of five NGOs, including FARM-Africa, that each provided access to journalists to write case studies of people's experiences of living in challenging climates. The publication was extremely well received at the 2009 Copenhagen Climate Change Conference.

Millions Fed

Funded by the Bill and Melinda Gates Foundation, Millions Fed is an International Food Policy Research Institute (IFPRI) publication intended to promote increased investment in agricultural development by identifying case studies from across the globe. FARM-Africa's CEO was part of the advisory panel for this publication and so contributed to this publication.

Why No Thought for Food?

In January 2010, The All Party Parliamentary Group on Agriculture and Food for Development launched its report 'Why No Thought for Food?' to examine the prospects of achieving global food security by 2050 and what the UK should be doing to help halt, and ultimately reverse, the global slide towards hunger. The report is the culmination of the Parliamentary inquiry which gathered evidence during 2009. A key contributor to the report, FARM-Africa was attributed as one of the world's leading authorities in the fields of agriculture and food security and our CEO, Dr Christie Peacock one of the most respected experts.

Sustainability, Resilience and Increased Productivity in African Food and **Agricultural Systems**

FARM-Africa contributed to the report of UK Foresight Food and Farming Futures project of the Government Office for Science by providing case studies of FARM-Africa's work that showcase evidence of successful and sustainable agricultural development projects in Africa.



PATRON

Michael Palin CBE

PRESIDENT

Sir Martin Wood OBE FRS DL

AMBASSADORS

Kate Adie OBE

Sir Peter de la Billiere KCB KBE DSO MC MSC DL

Lord Plumb of Colehill DL

TRUSTEES

The Lord De Ramsey DL (Chairman and Trustee until 6 July 2009)

Dr Martin Evans

(Deputy Chair until 6 July 2009, Chairman from 6 July 2009)

Dr Timothy Williams

(from 11 March 2009, Deputy Chair from 16 December 2009)

Richard Lackmann

(Treasurer)

Victoria Rae

(Board Secretary)

Jan Bonde Nielsen

Dr Peter Hazell

Dr Helen Pankhurst

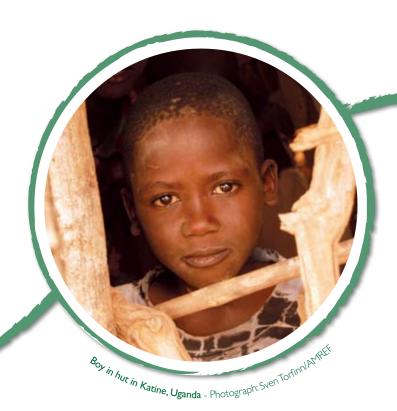
Nader Mousavizadeh

Carey Ngini

John Shaw

(from 11 March 2009)

Richard Macdonald CBE (from 16 December 2009)





FARM-Africa Clifford's Inn, Fetter Lane, London EC4A IBZ t: +44(0)20 7430 0440 e: farmafrica@farmafrica.org.uk www.farmafrica.org.uk

