HEIFER APPROACH TO CLOSE THE GAP BETWEEN ACTUAL AND LIVING INCOME

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OUR MISSION
WE WORK WITH COMMUNITIES TO END HUNGER AND POVERTY, WHILE CARING FOR THE EARTH.
AGENDA

I. Living Income Benchmark

II. Actual Income

III. Closing the gap
AGENDA

I. Living Income Benchmark

II. Actual Income

III. Closing the gap
The goal:

By 2020 Heifer International will have helped 4 million households in the places where we work-who currently experience extreme hunger and poverty- secure annual living income that takes them out of poverty to resilient, self-reliant lives.
Living Income: A living income is all the income of a household earned/generated or transferred whether cash or in-kind, sufficient to enable all members of the household to afford a decent standard of living.

Attributes of decent standard of living include a nutritious diet, housing, education, health care, transport, clothing, communication provision for unexpected events and external support.
LIVING INCOME BENCHMARK

- Nutritious Low Cost Diet
- Housing
- Non-food, non-housing needs
- Unexpected costs
- Family support

= Living Income Benchmark
AGENDA

I. Living Income Benchmark update

II. Actual Income

III. Closing the gap
ACTUAL INCOME

Monitoring actual income to identify the households’ economic capacity to access the standards of living determined by Living Income benchmark
ACTUAL INCOME

On-farm

- Net income cash crops
- Self-produced/consumed crops
- Net income livestock & byproducts
- Self-produced/consumed livestock & byproducts

Off-farm

- Net income from off-farm business and retail activities
- Wage and salaries
- Capital gains
- Dividends
- Transfers

\[ \text{On-farm} + \text{Off-farm} = \text{Actual Income} \]
AGENDA

I. Living Income Benchmark update

II. Actual Income

III. Closing the gap
CLOSING THE GAP

Current Income

LI benchmark

Intervention

$t$
CASE STUDY
CLOSING THE GAP

Income Composition

<table>
<thead>
<tr>
<th>Farm</th>
<th>Income %</th>
<th>Income %</th>
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</thead>
<tbody>
<tr>
<td>Farm1</td>
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<td>81</td>
</tr>
<tr>
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<td>1</td>
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<tr>
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<tr>
<td>Farm6</td>
<td>28</td>
<td>72</td>
</tr>
</tbody>
</table>
CASE STUDY

**PRODUCTS/SERVICES**

- **Growing Profits (GP)**
  - Commercial AFS
  - Diversification of Production
  - Access to Capital
  - Technical Assistance
  - Business Approach
  - Low Risk

- **Value Addition (VC)**
  - Transportation
  - De-husking (Café Oro)
  - Sorting and Grading
  - Coffee Concentrate
  - Medium Risk

- **Moving-up the Value Chain**
  - Large Buyers
  - Regional Buyers
  - Importers
  - Industrial Processors
  - Medium Risk

- **MSMEs/Alternative Income**
  - Poultry
  - Food Processing
  - Apiculture/Honey
  - General Stores
  - High Risk

**MARKETS**

- Current
- New
LIVING INCOME & ACTUAL INCOME

Living Income Benchmark: Jul 16
First round Actual Income: Dec 16

Jan 16  Apr 16  Jul 16  Oct 16  Jan 17  Apr 17  Jun 17
Dec 15