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BOARD OF DIRECTORS

Ardath Rodale, Co-Chair Paul McGinley, Esq., Co-Chair Mark Kintzel, Secretary **Christiane Baker** George Bird, Ph.D. Lorna Donaldson Joseph McMahon Helen Piszek Nelson Maria Rodale Louise Schorn Smith

Anthony Rodale, Chairman Emeritus

LETTER FROM THE BOARD CO-CHAIRS





Dear Friends,

In the very first issue of *Organic Farming and Gardening* magazine, J.I. Rodale wrote:

"One of these fine days, the public is going to wake up and will pay for eggs, meats, vegetables, etc., according to how they were produced."

J.I. recognized a revolution and decided to place himself on the front lines. In 1972 J.I.'s son Robert Rodale purchased a 333-acre farm in Kutztown, Pennsylvania, which became the site of the Rodale Institute.

Looking back to 1972, we are amazed at what we started. Back then, hardly anyone had heard the word "organic" now, it's a way of life. The Rodale Institute marked its 60th anniversary in 2007 and celebrated our worldwide efforts to implement organic research and education.

We're entering our seventh decade of leadership in the field and are still on the cutting edge of the organic revolution. We're communicating the health and environmental benefits of organic food and farming, and pioneering groundbreaking research on the role organic farming can play in reducing global warming.

The organic revolution started in our back yards and has spread across our planet. Today it continues to grow in influence with every swipe of the supermarket scanner as millions of shoppers make the conscious choice to buy organically grown food. We are profoundly grateful to the staff, volunteers and supporters of the Rodale Institute, and are confident the organic revolution is redefining our food system from seed to table.

Ardath Rodale Board Co-Chair

Produce Rodale

Paul McGinley Board Co-Chair

LETTER FROM CEO TIM LASALLE



Timothy J. LaSalle, Ph.D. came to Rodale Institute in June, 2007 as the Institute's first CEO. Tim LaSalle holds his doctorate in depth psychology at Pacifica Graduate Institute, a master's degree in populations genetics from Virginia Polytechnic Institute and State University, and a bachelor of science degree from California Polytechnic State University (Cal Poly). For 12 years he was a full professor at Cal Poly, where he taught dairy science classes and served as the president and CEO of California's Agriculture Education Foundation. More recently, LaSalle served in an executive capacity with various nonprofit organizations, including the Environmental Center of San Luis Obispo County and the Allan Savory Center for Holistic Management.

Dear Friends,

J.I. Rodale began seeding the vision more than 60 years ago that healthy soil = healthy food = healthy people. Today, the scientific and health communities are not only confirming that "you are what you eat," but revealing that your health is critically dependent on what you do to your soil.

In my first six months, I took up the Board's challenge to build upon our rich heritage of leadingedge research by broadly communicating that regenerative, organic farming can solve some of the world's most pressing challenges, especially climate change, hunger, clean water, drought resistance and flood prevention.

Changing the way we eat and the way we farm may be the single biggest action the world can take to address climate change and to help the world's most vulnerable end the cycle of hunger. It's our moral imperative to share this research-based knowledge with leaders who can change policy to support the transition of farmers globally to regenerative food production. Furthermore, it is imperative to educate consumers that buying organic food invests not only in their personal health, but in a healthy environment.

In 2008 and beyond, we will show the world how to change agriculture from a global-warming contributor to a global warming inhibitor, from a source of ever-increasing pollution to a source of regeneration, from an industrial commodity to a cultural staple.

We warmly invite you to visit and join us in this urgent effort to regenerate the health of our population and that of the planet.

Sincerely,

Tim LaSalle, Ph.D. CEO

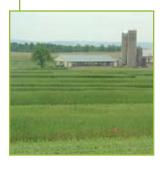
RODALE INSTITUTE ANNUAL REPORT 2007

2007 MILESTONES

RESEARCH-

- Updated the Farming Systems Trial® to add conventional farming practices of no-till with herbicides coupled with GM seed stock and cutting-edge organic no-till practices.
- Received Pennsylvania Energy Development Authority (PEDA) grant to improve measurement and identification of changes in soil organic matter and carbon sequestration.

- Received Organic Farming Research Foundation (OFRF) grant to evaluate organic biological controls for cutworms in corn.
- Research agroecologist Matthew Ryan completed his master's degree in weed ecology from The Pennsylvania State University.







Pest Management) research grant to experiment with cover crops for





- Provided key inputs for Received Northeast IPM (Integrated) the Pennsylvania Climate Roadmap, collaborating with the Pennsylvania Environment weed suppression. Council and key stakeholders.
- Worked with USDA researchers to develop "Purple Bounty", a new early flowering hairy vetch cultivar, which will allow farmers in more northern climates to utilize this important legume cover crop.

EDUCATION AND OUTREACH -

- Published "Studies and Advances in Composting Technology" in ACRES USA magazine (Vol 37, No 9), summarizing research from a Pennsylvania Department of Energy Nutrient Sequestration Grant.
- National Geographic magazine photographer Jim Richardson visited our farm to capture images for a story on the state of soil worldwide.
- Hosted a group of six South Korean sustainable agriculture students from Gyeongsang National University, and their professor, throughout the month of July.









Hosted a no-till field day here on our farm.



Co-hosted the International Conference to Develop Educational Strategies for Sustainable Agriculture at Cornell University.

■ Published "The Organic Farming Response to Climate Change," covering Rodale Institute carbon sequestration research, in Pesticides and You magazine (Vol 27, No 1).

- Held composting workshop in Lancaster. Pa.
- Hosted Women In Agriculture workshop here on our farm.

- Developed and implemented custom educational programs for students from Lehigh University, Delaware Valley College, Albright College, Lafavette College, Bristol Community College, Alfred State College and Earth University.
- Research agronomist Dave Wilson presented research results at the American Society of Agronomy/Crop Science Society of America/Soil Science Society of America International Annual Meeting in New Orleans. Wilson also presented at the Northeast Agriculture Expo in Raleigh, North Carolina, and the 10th Anniversary of the Long-Term Agroecological Research (LTAR) plots at the Neelly-Kinyon Field Day in Iowa.











Research director Paul Hepperly delivered keynote address to Beyond Pesticides Conference in Chicago.

- National Sustainable Agriculture information service (ATTRA) interviewed research agronomist Dave Wilson for a "Conversations in the Field" column featuring movers and shakers in the sustainable agriculture movement.
- Hosted Organic No-Till: Reducing the **Environmental and Economic Costs** of Farming field day here on our farm.
- Developed and implemented corporate educational programs for staff from Mars, Inc., and Seeds of Change.

FARM OPERATIONS

- Expanded organic no-till research work, based on management of cover crops with the Rodale roller/crimper, to include many new farmers and research organizations.
- Successfully implemented all research field projects and managed the farm production areas with record net farm returns due to high grain prices and good yields.











- Organic Price Report (OPR) gathered more momentum with inclusion of new price suppliers.
- Jeff Moyer voted in as vice-chair of **USDA National Organic Standards** Board for 2008.
- Constructed wetlands project for waste water treatment for our Visitor Center took a few giant steps forward in 2007 with the acceptance of the USDA-EPA grant.

INTERNATIONAL

- Rodale Institute teamed up with Food and Agriculture Organization (FAO) and the Swiss Research Institute for Organic Agriculture (FiBL) to explore low-level greenhouse-gas agriculture and food systems.
- Cultivated partnerships to pursue internationally focused programs with Africare, World Neighbors, North Carolina State University, University of Florida, the Regional Research Center for Adaptation of Drought (CERAAS), the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development, the World Bank and USAID.

Rodale Institute International Programs director Amadou Makhtar Diop, Ph.D., invited by government of Norway to conduct two workshops at an international conference on the topic "Can Africa feed itself? Poverty, Agriculture and Environment - Challenge for Africa." Dr. Diop presented our global young farmer leadership development initiative and described the role that organic farming and agroecology should play in the developing world. The symposium led to publication of a book entitled "Africa Can Feed Itself" (The Development Fund, 2007), which includes Dr. Diop's presentation.









Rodale Institute signed a memorandum of understanding with Shumei, a Japanese organization, to collaboratively work on a Natural Agriculture Garden Project.

Rodale Institute research director Paul Hepperly selected as Fulbright scholar to teach organic practices to agricultural leaders in Uruguay.

Bike Town Senegal launched in partnership with Rodale Inc.'s Bicycling Magazine and the healthy living publisher's Bike Town Africa program. Twenty five specially made cargo bikes have been distributed to farmers to date to help them get their products to market.

Research agroecologist Matthew Ryan presented Institute research results at the 7th European Weed Research Society workshop on Physical and Cultural Weed Control in Germany.

COMMUNICATIONS

- Completed USDA Risk Management Agency (RMA)funded online Organic Transition Course, along with complementary Organic System Plan and Crop Conversion Calculator tools.
- Posted farmer-centered stories and sustainable/organic farming news in monthly updates to www.newfarm.org.
- Kidsregen.org Organic School Garden Awards contest received entries from around the country. Learning Gate Community School in Lutz, Florida, took first-place honors.





Continued weekly updates of the Organic Price Report (OPR).

- Provided research into organic conversion for policymakers seeking to incentivize conversion to organic agriculture.
- Provided research updates on the Rodale Institute no-till roller/crimper; soil carbon research; agronomic research; and outside research bearing upon regenerative organic systems.

Produced content on developing local, organic food networks; strategic analysis on global food production; role of biofuels in sustainable food system; new/young farmers starting out; innovative land access; organic success at farm and regional organic processing level; grass-based dairy opportunities and managing organic weeds.

DEVELOPMENT —

- New management structure of development office undertaken with hiring of director and, subsequently, a development coordinator.
- Establishment an internal forum for critically evaluating grants and partnerships.
- Assessment of department infrastructure completed and upgrade to the donor database software prescribed.
- Acquisition of internet capability for researching prospects.
- 100-percent financial participation by board of directors.
- Lead role in successful execution of the Institute's 60th anniversary celebration picnic.













2007 FINANCIALS ——

REVENUE, GAINS AND SUPPORT Grants Federal awards Contributions Education, bookstore and catalog Crop sales Others Interest and dividend income Realized and unrealized loss Total revenue, gains and support	Total \$ 56,730 1,148,680 1,699,972 96,644 132,911 82,695 261,591 (113,518) 3,365,705
EXPENSES Program Services Research and Training NewFarm.org International Program Farm Operations Kidsregeneration Resource Network Programs Communications	372,845 764,022 151,223 742,503 134,021 190,301
Supporting Services Management and General Developement Total expenses CHANGE IN NET ASSETS	644,598 <u>223,494</u> <u>3,223,007</u> <u>142,698</u>
NET ASSETS Beginning of year, as previously reported Prior period adjustments Beginning of year, as restated TOTAL NET ASSETS	12,405,613 <u>1,514,540</u> <u>13,920,153</u> \$14,062,851

2007 SUPPORTERS

Gifts over \$5000

Christiane Baker
Copernicus Society of
America
Merry Hart
Susie Watts Margolin
Marisla Foundation
Joseph McMahon
Ardath Rodale
Maria Rodale
The Rodale Family
Foundation
Rodale Inc.
Toward Sustainability

Foundation

Gifts between \$1500 and \$5000

George Bird Frederick Buechner Seth Cohen East Penn Bank Freddie Mac Foundation Matching Gift Program Sandra Fricke Terrence Hess Marta Jo Lawrence The New York Community Trust The M&T Charitable Foundation MARS Snackfood Paul McGinlev Mike's Bikes Jennifer Parker Peter Richardson Grace Jones Richardson **Testamentary Trust** Nina Rodale Houghton Seeds of Change Dennis Travis

Virginia Widenmyer

Gifts between \$750 and \$1499

Douglas Bixby Mary Chavez Samuel Clayberger Clorox Company Foundation Susan Colten Evangelical Luthern Church Of Our Savior Joanne Florian Charles Hahn Carl Kohls Sandy Lerner Maurice Meslans **Eleanor Morris** Patricia Naguib Craig Schiffer Louise Schorn Smith Daniel Stroock

Three Z Printing Company

Conradine Zarndt

Gifts between \$500 and \$749

Hank Barnette

Baskets of Africa David Brienza Dorothy Buckley Thomas Camp Henrietta Connor John Fish Judith Jones Kane Family Foundation, Inc. George Karr Stephen Madden Amy Martin Kamala Martin David Myers Organic Valley Anne Rhodes Lee Anthony Rodale Heidi Rodale Brian Schupbach Gary Sheehan Wendell Starr Harry Thurm Walter Wells Kim Wennesland Ayesha Zafar

We improve the health and well-being of people and the planet.

