Annual Report





The purpose of The Organic Research Centre – Elm Farm is to develop and support sustainable land-use, agriculture and food systems, primarily within local economies, which build on organic principles to ensure the health and well-being of soil, plant, animal, man and the environment. It has played a central role in the development of organic research, policy and standards since 1980.

Trustees

Christopher Bielenberg (Chairman) Alexander Bielenberg Roger Harrison Rachel Hood James Skinner Prof Dr Hartmut Vogtmann

Patrons

Countess of March and Kinrara Juliet Kindersley Peter Kindersley Graham Pye Yvonne Pye The Lord Poole Jan Sundt

Investment Manager

Newton 71 Queen Victoria Street London EC4V 4DR

Bankers

Charity Money Management CafCash Kings Hill West Malling Kent ME19 4TA

National Westminster Bank City of London Office Box 12258 1 Princes Street London EC2R 8PA **President** Prof Dr Hartmut Vogtmann

Senior staff

Director - Lawrence Woodward O.B.E. Research Director - Professor Martin Wolfe Deputy Research Director - Dr Bruce Pearce

Overseas partners and affiliates

Arbeits Gemeinschaft Okologischer Landbau (Ge) Avalon (Ne) Danish Research Centre for Organic Farming (De) ENEAC Forschungsinstitut fur Biologischen Landbau (FIBL) (Ge) Fundacion Monte Mediterraneo (Sp) GVEAC (Sp) IOFGA IFOAM INRA (Fr) Institut Technique de l'Agriculture Biologique (Fr) **ISARA-CEREF** ISOFAR Louis Bolk Instituut (Ne) Purdue University (USA) Schweisfurth Foundation (Ge) Tufts University - Friedman University of Ancona University of Kassel FB11 Vitalis Biologische Zaden B.V. (NL)

The Organic Research Centre, Elm Farm Hamstead Marshall Newbury Berks RG20 0HR tel: +44 (0) 1488 658298 fax: +44 (0) 1488 658503

www.organicresearchcentre.com

Registered charity number: 281276 Company number registered in England: 1513190 The Progressive Farming Trust Ltd.



Chairman's Report

What a busy year it has been. The battle ground for ideas on the future direction for sustainable living, agriculture, food, energy economies and climate change has never been more crowded or diverse. And never before has the drive for policy and behavioural change been more urgent. As an organisation we continue to carve a distinctive niche with the delivery of sustainable solutions alongside fearless analysis of problem areas.

How heartening it was to hear well-informed and heated debate tackling these big issues at the second Organic Research Centre producer conference in Cirencester as the year drew to a close. In his keynote speech to the delegates Professor Hartmut Vogtmann highlighted the role of organic farming in the increasingly tightly funded world of EU agriculture. Organic farming, he said, delivers so much more than food and deserves enhanced funding as a result.

He reminded us all that ecological health equals economic welfare – and what better driver than that can there be for governments and policy makers? It is a continuing irritation that too many politicians continue to see organic agriculture as merely delivering an absence of pesticides. Alongside wholesome food we should remember that conservation, biodiversity, recreation, amenity, landscape, education, higher levels of employment and even clean water and air are all key organic outputs.

At The Organic Research Centre – Elm Farm we have launched a new research programme to address these complex and interlinked issues in a cross-cutting manner. The Energy, Emissions, Ecology and Agricultural Systems Integration project – EASI for short – has begun with a pilot study of a farm-scale energy economy on Luddesdown Farm in Kent. It is forming the foundations of a whole new direction for our work from biofuels to anaerobic digesters to soil carbon conservation.

Throughout the year our established research programme has powered ahead with continuing strength in the arable work. The development of composite cross populations of wheat, with a mission to deliver diversity to combat environmental adversity, and led by Professor Martin Wolfe, is moving towards real industry acceptance. We have secured on-going funding through a Defra LINK scheme for this work and during the year initiated another stream of research in the form of Legume LINK.

Our poultry systems research has focused closely on welfare and feed issues and developed new directions in collaboration with the likes of Sheepdrove Organic Farm, Clare's Organics, The Soil Association and a new producer group formed during the year called Better British Organic Poultry (BBOP).

It has been a busy twelve months for policy research where we continue to be active in the debates on how to protect poultry (and man) from the threat of avian flu. We have also started to explore the bigger picture of overall positive health for livestock production against the background of a blizzard of disease from TB to foot and mouth disease to Bluetongue to H5N1 avian flu. Other areas tackled include biofuels, GM crop co-existence, box schemes and the organic offer in supermarkets.

Our information service, Organic Inform, part funded by Defra has become a successful clearing house for market data and analysis With a wide range of industry partners, its mission is to deliver and exchange independent and reliable news to help farmers and traders make the most of organic markets.



Education remains a top priority, particularly aimed at helping those with learning difficulties and disabilities to connect to growing food and the soil. We have taken a central role in the development of care farms – land based enterprises aimed at helping those with illness, difficulties and disabilities to connect and achieve therapy through growing food. We have enthusiastically embraced the Year of Food and Farming which has the aim of allowing all children of school age to visit a farm in the academic year 2007/8. Groups of schoolchildren from Berkshire and beyond are already signed up to visit (or have visited) Elm Farm.

At last we shall have modern eco-friendly premises at Elm Farm as a home base for The Organic Research Centre. During the year the builders have been busy converting the old laboratory block and traditional cart sheds into offices. They will be ready for occupation in April 2008, and Phase 2 – the conversion of the old barn and creation of a link corridor - is due to commence soon after that.

Finally, I am delighted to report that during the year we have appointed a new president of The Organic Research Centre – Elm Farm. He is Professor Hartmut Vogtmann (our key note speaker from Cirencester as above). Following a distinguished career based in Germany and Switzerland he joins us to feed new perspectives into the research and development programme. Another core mission will be to engage with the European Commission and member states to ensure organic agriculture is centrally placed on all their political agendas. As the only organic "political" player of note on the European stage, Professor Vogtmann will be leading this crucial work in the run up to future reforms of the Common Agricultural Policy.

As ever, my sincere thanks are due to all our friends, supporters and staff. On a warming planet, increasingly short of natural resources, our combined efforts in striving to make the world a sustainable place for future (and present) generations could not be more important or valuable.

Christopher Bielenberg



The Organic Research Centre in 2007



Sustaining our philosophy – the backdrop to our work

We are delighted that the national and international debate about a world fast approaching the limits of finite and diminishing resources has finally been ignited. For some time now the analysis of energy and other resource shortage and novel solutions has been at the top of our research and policy agenda.

We believe that the principles and characteristics of organic farming self-regulating metabolic cycles tending towards closed systems; the use of local resources; reduced use of fossil fuel; the deployment of appropriate technology; the use of de-centralised systems for production, processing and distribution - are the best way a food and farming system can respond to the threats to our planet and civilisation.

More than ever, organic farmers everywhere need protection. We have to protect our planet and government policies should protect those - like farmers - who are protecting primary resources. The current economic and policy framework does not do this, leaving all organic farming and localisation initiatives vulnerable to short term market forces.

As our principles say, we have to be fair, equitable, just and care for each other in this organic community. We must stop using standards and certification to facilitate unsustainable global marketing and instead use them to differentiate, protect and reward those genuine organic producers who will provide the basis of local food security in the years to come.

International networks of organic producers need to facilitate equitable trade on the basis of mutual need, not unsustainable trade. This year's debate on airfreight for organic produce has raised some of these issues, but has failed to deliver clear solutions.

Local and regional economies are going to be the best, most democratic way of providing the things that matter in the future. The worry is that the end of cheap oil, which underpins globalisation, does not automatically mean that democratic localisation will follow. We need to work with other groups to create local networks that can build sustainable local economies. Local energy generation, appropriate technologies and the application of the "proximity principle" are the natural partners of principled organic farming.

Strength in research

It has been a busy year for the Research Department, developing its work within interlinked programmes across agriculture and the environment; and within economic, social and policy projects.

Of real note has been the energy and enthusiasm within the research team for the developments of the winter wheat populations, developed in the seven year Defra - funded wheat breeding project. This has sparked industry interest across the UK. Enormous support from farmers, certification bodies, and other key partners involved in grain processing have supported the research team in a successful application to the Sustainable Arable LINK (SA LINK) programme of Defra.

The early results in this work highlight the potential of these populations to provide improved stability and performance across farming systems. The profile of this research is further raised through the collaborative work we are doing with the Plant Varieties and Seeds division of Defra, and discussion with our European partners, to address the challenges of seed legislation. The collaborations that have been developed with our European SUSVAR partners are taking the populations on a tour of partner countries in a long term experiment to evaluate how to manage this genetic material over the long term.

The immediate challenges farmers face in managing the myriad of factors in wheat agronomy are targeted in the SA LINK project WheatLINK. Partnerships with the certification bodies, farmers, agricultural engineers and grain processors have facilitated the research process to address the key issues in the field. In this final year of replicated trials in Berkshire, Suffolk and North Berwick with our research partners at SAC, the results will be used to develop an agronomic calculator, a tool that will ensure research results are available for commercial farm application immediately.

Oats, a popular crop particularly in organic systems, are the focus of an extensive SA LINK project led by IGER Aberystwyth. ORC has evaluated new breeding lines, and mixtures at both Sheepdrove Organic Farm and Wakelyns Agroforestry at different positions in the rotation. The results from the ORC trials have been fed into the development of new oat varieties. ORC supported the showcase of this work at Cereals 2007 alongside representatives from the whole of the food chain. The results and findings of all projects were widely disseminated at both farmer events and scientific conferences.

The agro-livestock programme has again focused on poultry. The livestock work at our Sheepdrove Organic Farm site continues with work being undertaken with the farm team to develop and expand the silvo-poultry system. Research work has focused on the performance of multi-age flocks which has been successful, although further work needs to be undertaken to identify the implications for commercial scale production. The environmental aspects of the programmes have been covered by our on-going environmental monitoring work, where we now have up to five years of data. These have shown the positive effects of organic farming on a range of indicators, particular carabid populations.

Policy research effort has focused on biofuels and GM crops. Work on GM coexistence for Wales has been undertaken on behalf of the Organic Centre Wales. Biofuels work was undertaken for Friends of the Earth and we continue to develop our knowledge and ideas on this which will be expanded through a new programme called Energy, Emissions, Ecology and Agricultural System Integration (EASI). We continue our interest and involvement in food quality by working within the CORE Organic Food Quality Project (Quality analysis of critical control points (QACCP) within the whole food chain and their impact on food quality, safety and health) led by the University of Kassel in Germany.



Getting the message across

Much of our media and policy work through the year has revolved around animal health and especially poultry issues. We have analysed and commented upon the sorry list of H5N1 avian flu, foot and mouth disease, bluetongue and TB which have hit these shores in 2007.

The on-going national debate about poultry quality and intensive production echoes much of the work and profile that the ORC achieved in early 2007 on ensuring that organic poultry is worthy of the name and not simply a quasi-intensive product.

We have also been busy communicating on some of the difficult issues which lie behind biofuels, GM crops, local food networks and EU agricultural policy reform.

This year Organic Inform has found its feet as an information provider and analysis service. Its website www.organicinform.org has become a key organic information portal. Organic Inform has also been central in organising seminars and conferences including the highly successful organic producer conference at Cirencester in December 2007 and a series of poultry meetings which have led to the creation of the producer body BBOP – Better British Organic Poultry.

In the organic horticulture sector the ORC has assisted in the birth of the new producer group, the OGA – Organic Growers Alliance – which was created at the Cirencester conference of December 2006.

This year our series of "gold standard" investigations looked at the organicness of box schemes and uncovered concerns about the future viability of local small-scale operations in competition with national box schemes.

The communication effort has been sustained and expanded with effective engagement with the media generally. Media platforms have ranged from Breakfast News on BBC 1 TV (Organic airfreight) to Tonight with Trevor Mcdonald on ITV (Organic poultry) to Farmers Weekly and Poultry World.

Our in-house publications - the Bulletin and website (www.organicresearchcentre.com) - have been refined through the year for both design and content with a mix of cutting edge analysis and research reports.

Education impact

Through the year, the Education Department has continued to attract visits to Elm Farm by schools, colleges and members of the public. The academic year 2007/8 has been designated the "Year of Food and Farming". This is a welcome Government initiative that will help to give school pupils a much better understanding of the processes of agriculture and food production. So far this national initiative has allowed us to give extra profile for our work to local trusts and businesses, who have generously donated sponsorship for nearly 20 full day visits to Elm Farm for children of all age groups.

The National Care Farm Initiative continues to gather momentum. We have accepted an invitation to membership of its steering group that meets twice a year to coordinate the work of promoting this network of care farms to authorities and charities. We are also continuing our dialogue with local organisations, hoping to form a project that will replace our currently discontinued work with Thrive.

A notable school activity was a 6-week project on laboratory cultures of composted manure by a group of year 10 pupils at Trinity School in Newbury. The results, presented to the Food and Farming Challenge held at Sheepdrove Organic Farm, showed that completely different communities of micro-organisms were present between samples from Elm Farm and from a nearby conventional livestock unit. Our farm trail has again proved to be a popular attraction. A total of more than 100 members of the West Berkshire community responded to invitations to join guided walks on four Sunday afternoons during the year. We continue in a variety of ways to build on our reputation in the local community as a source of information on sustainable management and conservation of the countryside.

Advice in the field

The two key "highlights" of the year were the closing and re - birthing of the Organic Conversion Information Service (OCIS) contract. This is a programme of work that has been continuously delivered by the Organic Advisory Service (OAS) for over 10 years. The development of a detailed tender for the new service announced in August 2007 and to re-commence activity in Spring 2008 has been undertaken.

In Wales the separate OCIS contract has continued to run but a re-tendering process is to take place in early 2008. The OAS delivered two major market reviews in Wales and there are on-going developments in organic horticultural training. There are extremely interesting times ahead for the OAS on both sides of Offa's Dyke, but the future for the service can now be seen as one of potential expansion.

Following discussions between members of the Organic Growers Alliance (OGA), Soil Association and the OAS, an apprenticeship scheme for work on organic holdings has been established. One of several distinctive aspects of the planned scheme was that it should have no link whatsoever with established qualification frameworks. The scheme was formally launched in August 2007, primarily based on the grower (or farmer when extended to agriculture) providing on the job training with a guarantee to the apprentice that he or she has quality access to discuss specific issues, ask questions, seek clarification and get a detailed feel for the way in which the holding is managed. The scheme is already proving very popular.

The core consultancy work continues at a steady rate. Specialist projects included a consultancy in Iceland to advise on organic protected cropping standards there and a presentation to an organic conference in New Zealand to deliver a 20 year perspective on organic advisory work.

Our information service Organic Inform has powered ahead and now provides a valuable portal and news/business analysis for all involved in the organic market.

Farmer support

Our help to the UK organic sector includes active participation in the Organic Arable Marketing Group (OAMG) and the Organic Seed Producers Company (OSP) addressing the needs of cooperative marketing and seed production.

We have also been active in the creation of two new producer groups over the Year : BBOP – Better British Organic Poultry and the OGA – Organic Growers Alliance.



Financial Report

Review of financial position: Year ended 31st October 2007

At £937,489, income generated is 19% lower than in the previous year. This is largely attributable to the completion of two research contracts and the closure of the Organic Conversion information Service by Defra in January 2007.

23% of the income is derived from donations from private Trusts and individuals. 56% arises from project delivery. Organic Inform saw the completion of its first full year.

Costs at \pounds 936,158 are similarly reduced as we cut variable costs associated with the reduced income.

The trading surplus at $\pm 1,331$ is marginally down on the previous year but was in line with budgets and estimates for the year.

The net current asset position is much in line with the previous year. Debtors were reduced, as were creditors. Cash at the bank was lower reflecting the above.

2007/2008 plans a trading deficit as the organisation invests in programmes to develop its research aspirations in the UK and internationally. Phase 1 of the building redevelopment will be completed in April 2008 and it is hoped to commence Phase 2 – the listed barn development into a multi functional conference and meeting space – at the end of 2008.

Lawrence Woodward O.B.E. Director

Donors and Supporters

We would like to thank all of those who have supported us in so many ways and in particular:

B G Allison, D Ambrose, F Astor, L Astor, S Astor, Lady Bamford,
Lady Barnard, A J Bolton, E Bulmer, C Burrell, C Butcher, D Caldecott,
H Chester-Master, J Chichester, C Clarkson Webb, D L H Cole,
P Conford, S Coppard, R Cowen, N Cremer, M de Wardt, P J Elliott,
C Evans, R Ewbank, B Feder, L Fernandez-Armesto, R Fost, J Gallagher,
P Gilbert, J Gilbey, G Goad, Lady Gordon Lennox, P Guth, T Gwyn Jones,
C Hall, Lady Horn Smith, L Hughes, A Jedwell, Lord Joffe,
P Kearney, W Kendall, M Kerr-Dineen, P Kindersley, J Kindersley,
T Latter, C Lavell, S Lavers, Lady Lester, J Lister, H Lobstein, V Makins,
O J Mason, G Masterton, R Moody, R Morgan-Jones, G Murray,
J Ondaatje Rolls, N Oppenheimer, B Panvel, P Perry, Lord Poole,
L Pope, L Pulsford, G Pye, Y Pye, I S Robertson, R Rowlands, M D Sackler,
J Scheckter, C Schmidt, J Scott, K Scott-Barrett, S Semple, A Sharples,
M Stay, J Sunderland, R Tandy, H Turner, R Unwin, H Van Cutsem,
H Vogtmann, E Wates, R Weller, A Whitley, N Wookey, Lady Young.

Trusts and Companies

The Peter Baker Foundation, Bernard Richard Body Charitable Trust, Biffa Waste Services Ltd, Birthday House Trust, The Charlotte Bonham-Carter Charitable Trust, Bonus Trust, Conscience Trust, Constance Travis Charitable Trust, The Ernest Cook Trust, Cuthbert Horn Trust, Douglas Heath Eves Charitable Trust, Doves Farm Foods, Ecover UK, Allan And Nesta Ferguson Charitable Settlement, Golden Bottle Trust, N A Goodwin & Son, Goodwood Estate Company Ltd, The Gordon Palmer Memorial Trust, The Gerald Palmer Eling Trust, HADCAF, JCJ Eaton Charitable Trust, JMG Foundation, The Langdale Trust, Le Manoir aux Quat' Saisons, Luddesdown Organic Farms, Mary Webb Trust, Mitchell Trust, M J Samuel Charitable Trust, Newbury District Agricultural Society, NRM Ltd, Oakdale Trust, Observer Charitable Trust, OGA, Panton Trust, Paget Trust, Priory Foundation, J A Pye Charitable Trust, Radley Charitable Trust, Risby Charitable Trust, Sheepdrove Trust, Shipton Mill Ltd, The David & Jennifer Sieff Charitable Trust, Sony UK Ltd, Tedworth Charitable Trust, The Torex Foundation, Triodos Bank, WWOOF UK and other Trusts who wish to remain anonymous.

Government and EU funders

Defra, SEEDA, The European Social Fund and The Learning Skills Council.

Our thanks also to our Organic Demonstration Farm Network members, LINK Farmers and those who have assisted in our research trials over the year including: HDRA; Institute of Organic Training and Advice; Organic Milk Suppliers Co-Operative; Organic Arable Marketing Group; Organic Centre Wales; Organic Farm Foods; Organic Farmers and Growers; Organic Grain Link; Soil Association; Organic Livestock Marketing Cooperative Ltd and Organic Growers' Alliance.

Auditor's report

In our opinion the financial statements give a true and fair view of the company's affairs at 31 October 2007 and of its incoming resources and application of resources, including its income and expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Russell New, Chartered Accountants, The Courtyard, Beeding Court, Steyning, West Sussex, BN44 3TN

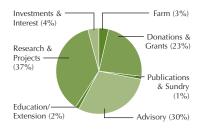
The accounts were approved by the Board at an AGM on 11th February 2007. Full audited accounts are available for inspection at The Organic Research Centre, Hamstead Marshall, Newbury.

Notes:	Income and expenditure are divided into project funds in three categories.	Restricted – restricted use by stipulation of the donor for particular project fund or
	Unrestricted – without	expenditure area.
	stipulation on use.	Designated – where the char

Designated – where the charity itself restricts use of income to a particular project fund.

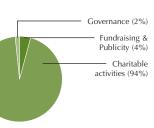
Total income 2007

Farm	£36,233
Donations & Grants	£218,578
Publications & Sundry	£10,188
Advisory	£277,865
Education/Extension	£12,394
Research & Projects	£345,705
Investments & Interest	£36,526



Expenditure	2007
-------------	------

Fundraising & Publicity	£40,948
Charitable activities	£882,136
Governance	£13,074





Statement of financial activity for year ended October 2007

	£	General	Unrestricted Designated	Restricted	TOTAL 2007	TOTAL 2006
Incoming Resources	Donations and grants	141,894	39,700	36,984	218,578	199,139
	Farm	36,233			36,233	29,149
	Research and projects			345,705	345,705	521,675
	Advisory		208,752	69,113	277,865	336,193
	Education/Extension	240	7,650	4,504	12,394	29,380
	Publications	4,281			4,281	4,502
	Interest received	16,882			16,882	14,460
	Investment income	19,644			19,644	19,192
	Sundry	5,907			5,907	6,897
	TOTAL	225,081	256,102	456,306	937,489	1,160,587
Resources expended	Costs of generating funds					
	Fundraising and publicity costs	25,975	14,973		40,948	55,751
	Charitable activities					
	Farm	8,271			8,271	7,362
	Research/project expenses	125,851	101,372	330,269	557,492	679,145
	Advisory	49,969	127,890	119,996	297,855	371,851
	Education and publications	610	11,867	6,041	18,518	29,416
	Total charitable expenditure	184,701	241,129	456,306	882,136	1,087,774
	Governance costs	13,074			13,074	11,140
	TOTAL	223,750	256,102	456,306	936,158	1,154,665
NET INCOMING RESOURCES/(OUTGOING)		1,331	0	0	1,331	5,922
Gains on investment assets		29,972			29,972	47,938
RESERVES		31,303	0	0	31,303	53,860

Balance sheet as at 31st October 2007

	£		2007			2006	
Fixed assets			1,696,684			1,695,134	
Investments			597,512	2,294,196		570,553	2,265,687
Current assets	Stocks	7,229			8,317		
	Debtors	99,464			157,588		
	Cash at bank and in hand	286,188	392,881		361,500	527,405	
	Creditors : amounts due within 1yr		-409,327	-16,446		-546,645	
Net current assets							-19,240
Total assets less current liabilities				2,277,750			2,246,447
Amounts falling due after more than one year				0			0
Funds				2,277,750			2,246,447
	Restricted			0			0
	Unrestricted			2,277,750			2,246,227

















The Organic Research Centre – Elm Farm Hamstead Marshall • Near Newbury • Berkshire • RG20 0HR • United Kingdom Tel: +44 (0)1488 658298 Fax: +44 (0)1488 658503 email: elmfarm@organicresearchcentre.com www.organicresearchcentre.com Registered Charity No. 281276 © The Organic Research Centre – Elm Farm 2008

1	Drilling cereal trials at Sheepdrove Organic Farm.
2	BBC Radio 4 at Wakelyns. Martin Wolfe with Jonathon Porritt.
3	Members of BBOP (Better British Organic Poultry) at Lawn Farm, Pewsey.
4	Education Officer Bob Winfield with a Spring tour of Elm Farm (April 2007).
5	Arable open day at Wakelyns.
6	Curious organic water buffalo grazing at Elm Farm.