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**GLOBAL WARMING,**  
peak oil, huge population growth,  
diminishing natural resources  
**AND A VOLATILE ECONOMY**  
is not a vision of the future, it is

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**THE REALITY OF TODAY**

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All of these issues threaten the  
natural and business climate  
**& FOOD SECURITY**

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**The role of The Organic Research Centre 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. The Centre has played a central role in the development of organic research, policy and standards since 1980.**

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

## Chairman's Report

**If a week is a long time in politics, it is an age in organic farming. Once again it has been a packed year in the operation of the Organic Research Centre; a year of change and evolution in organic agriculture and, of course, a momentous period in the economic world in which we all live and operate.**

To cope with such rapid evolution (revolution?), never before has the drive for policy and behavioural change in our society and across the globe been more urgent. I am proud to say that, as an organisation, we continue to carve a distinctive niche with the delivery of sustainable, practical solutions alongside calm and detailed analysis of problem areas.

Once again it was stimulating to hear well-informed and heated debate tackling these big issues at the third of our Organic Research Centre producer conferences held this year at Harper Adams University, at the turn of the year. The theme of Organic Farming – for richer for poorer; for better for worse - was well timed to focus debate about the future direction of our sector in the new economic environment. What are the merits of producers taking “organic holidays”; how intensive should/could organic production become; how do we deal with the spectre of an “organic” pot noodle?

Personally I am delighted to see the success of our involvement in a collaborative project between the University of Kassel (UOK) in Germany and the College of the Atlantic in Maine, USA being confirmed during the year. In terms of practical outcomes this will mean the construction by ORC of a four week summer course in conjunction with UOK for visiting students from the USA. We will be providing opportunities for up to 10 internships of 10 weeks duration over the summer period.

### **Our influence across the world is spreading**

The latest addition to our research programme - the Energy, Emissions, Ecology and Agricultural Systems Integration project – EASI for short – is now in full operation. A study of anaerobic digestion heat and power systems for organic farms and the

development of whole farm energy audits and carbon accounting systems are now well in hand.

Throughout 2008 the rest of our varied research programme has pushed 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 completion. An excellent conference in Cambridge in March drew together an impressive gathering of researchers, regulators, seed companies and cereal end-users to discuss the project and its outputs.

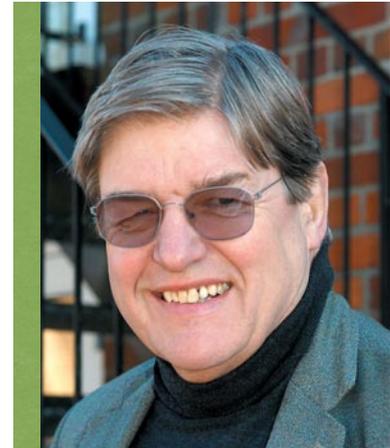
We are now busy in Whitehall and Brussels, working to adapt seed regulation to take account of this system of production and we continue our work with millers and bakers on proving the populations' worth as a sound ingredient.

Our poultry systems research has been re-invigorated in 2008, focused closely on welfare and feed issues and it developed new directions in whole grain feeding and grass potential, especially at Sheepdrove Organic Farm.

In policy research we continue to be active in the extended debate on organic and wider animal health. At the beginning of June, an eminent group was assembled by the ORC in Oxford at an Organic Animal Health Colloquium. A key output was the urgent desire to formulate definite organic policy on vaccination and other preventative animal health strategies.

Another policy focus has been on GM crops and agro-ecological alternatives. The Feeding the World Conference held at the QE2 Conference Centre in London, organised by the ORC, drew speakers from as far as New Zealand and Rome. Its conclusion was that GM is a technology that has failed to deliver on its promises, that merely re-inforces oil-dependency, that depletes research resource availability for other systems and which is still unsafe.

The information clearing house of Organic Inform has become a well-used focus 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.



In Education we have enthusiastically embraced the Year of Food and Farming 2007/2008 which has allowed groups of schoolchildren from Berkshire and beyond to visit Elm Farm, its working organic agriculture, nature and scenery.

Our new, modern eco-friendly office premises at Elm Farm as a home base for The Organic Research Centre came on stream in May. Phase Two – the conversion of the grade II listed barn and creation of a new reception - is being progressed, ready for use later in 2009.

We are extremely grateful to SEEDA – the South East England Development Agency for its generous and on-going commitment to this project.

Last year it was my honour to welcome Prof Dr Hartmut Vogtmann to be ORC President. This year I am very happy to welcome Dr Nic Lampkin as the new ORC Executive Director. He has had a distinguished career in organic agriculture, lately at Aberystwyth University and at Organic Centre Wales. His focus and organisational skills promise a great new era at Elm Farm and across our sector.

Lastly, my warm thanks go to all our friends, supporters and staff. We must once again applaud all of our hard work in endeavouring to make food, energy, farming and wider environment systems truly sustainable and thriving. On now to even more hard work and even more challenge in 2009.

*Christopher Bielenberg*

# The Organic Research Centre in 2008

## Thoughts that underpin our work

At the Organic Research Centre 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-centralized systems for production, processing and distribution - are the best way that a farming system can respond to the threats to our planet and civilization.

More than ever, organic farmers everywhere need protection. In order to protect our planet, government policies should protect those - like farmers - who are protecting primary resources. The current economic and policy framework fails to do this, leaving organic farming and local market initiatives vulnerable to short term market forces.

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**“The hollow, fatuous phrase ‘market failure’ now has a more unacceptable, harmful meaning. Markets are failing on a massive scale and tragically the casualties might include those enterprises that could have a leading role in developing business, trade and markets appropriate to our world of finite and diminishing resources.”**

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We have to be fair, equitable, just and caring towards each other in this organic community. We must end the bad habits of using standards and certification to facilitate unsustainable global marketing and instead use them to differentiate, protect and reward those genuine organic producers who are providing the basis of local food security for the years to come.

## Growing the research base

The list of research highlights this year is impressive. The important Wheat LINK project has been completed. This three year project aimed to improve sustainable production of organic wheat, by studying the interactive effect of various management factors. The results have been assembled to produce a Decision Support Tool – a key aid to estimating gross margins based on choice of management factors.

A major new project - Legume LINK working with nearly 30 participatory farmers, SAC, IBERS, Rothamsted Research and Duchy College was launched in the year. It is designed to fit in neatly with the ORC research programme’s policy of encouraging biodiversity.

Our Wheat Breeding LINK programme, working with over 20 participatory farmers as well as John Innes Centre and The Arable Group, continues its cutting edge path in the field of agroecology. We held a key meeting in Cambridge in Spring 2008 called Diversity for Adversity where cereal populations, their development, use and legal framework were all debated keenly. This led to a meeting in Brussels about seed legislation in EU.

We were pleased to find an open-minded approach to discussion about these novel developments.

In international meetings and publications the ORC had a strong presence at the IFOAM/ISOFAR meeting at Modena in Italy, and Eucarpia general congress at Valencia in Spain. The publication of a special edition of Euphytica, covering breeding for the organic sector, to which we made a large contribution, is worth noting. \*See ref.

The EU Cost 860 Action on agroecology and novel cereal systems was completed during the year, following a successful meeting in Denmark in Spring 2008. The outcome of the Action was positively received by the EU and led to a major draft publication which has been submitted to the scientific press. This forms part of an encouraging shift in attitudes and interests of the EU scientific community towards R&D in organic agriculture, which we obviously hope to build on.

A number of successful visits and discussions at our Wakelyns site in Suffolk showed the growing interest in agroforestry, which encourages us into developing this area of our programme further.

The ORC poultry work has successfully focused on reducing feed costs by increasing the amount of home-grown feed in the ration and in particular whole wheat. On-going work is looking at integrating the crops and poultry programmes and establishing a linked programme of trialling appropriate feeds (cereals and legumes as well as mixtures of the two) that will then be trialled as a feed for the birds. Similar work is planned for pigs.

The EASI research programme is up and running. Early work has focused on developing a farm/estate level holistic auditing tool that integrates land use and production, energy use and production as well as environment. Attention now is switching to on-farm anaerobic digestion systems and opportunities.

## A year of communication

For communication, 2008 was very much a year of events. Framed by two successful producer conferences to start the year at Cirencester and finish at Harper Adams, the events covered crucial issues such as Cereal Diversity (Cambridge, March), Animal Health (Oxford, June) and GM crops (London, November).

Much of our media and policy work through the year has revolved around these conferences and the issues and debate they have thrown up.

During the year Organic Inform has developed well as an information provider and analysis service. Its website [www.organicinform.org](http://www.organicinform.org) has become a key organic information portal. Organic Inform has been key central in organising many of the farmer gatherings and conferences. Our arable open days at Sheepdrove and Wakelyns have again proved popular as have the poultry meetings of the producer body BBOP – Better British Organic Poultry.

The communication effort has achieved some effective engagement with the media generally.

Media appearances, comments and quotes have appeared and impacted widely from BBC Panorama and Breakfast News to The Times, Farmers Guardian, The Ecologist and Farming Today.

Once again letter writing to the national press has proved a useful tool. ORC letters on GM technology, biofuels, organic standards and organic marketing have appeared in the Financial Times, The Times, The Guardian, The Independent and in many specialist and technical publications.

The in-house publications - the Bulletin and website have been busy and well appreciated through the year. They continue with their distinctive voice and mix of intelligent analysis and ORC research reports.

### Education focus

The National Year of Food and Farming 2007/2008 for schools was an undoubted success at Elm Farm. The sponsorship obtained from local charities and businesses enabled groups of local school pupils to experience the realities of food production and countryside management.

Most successful were days with a theme, such as 'bacteria and decay', 'nutrients' and 'the life of farm animals'. These were themes pre-arranged and planned with teachers to complement work in the classroom.

The popularity of the farm trail grows from year to year. Our programme of Sunday afternoon guided walks attracted well over 100 people; mostly from West Berkshire and mostly with little experience of agriculture.

The farm trail has been an important part of our local community engagement for many years, and we have been able to make a number of improvements during the year that will make the trail more accessible.

With sponsorship from the Landfill Communities Fund, distributed locally in the Biffaward programme, we have replaced all of the stiles on the farm trail with gates, placed seats where there is a good view and graded and re-surfaced some of the path.

### Delivering advice

There have been four key advisory developments during 2008 – the first was the successful winning of the new OCIS contract and its launch in April, the second was the successful achievement of Farming Connect accreditation in Wales, and the third has been linkages to the College of the Atlantic project. A new joint tender was submitted and awarded for the Welsh OCIS contract.

The new Organic Conversion Information Scheme (OCIS) – managed by Natural England and delivered by The Organic Research Centre - was launched by Lord Rooker at Sheepdrove Organic Farm on March 31st 2008.

The current economic climate has meant that interest in the new service has run at approximately 30% of anticipated levels. The contract was originally awarded for one year with confirmation of years two and three conditional on satisfactory performance. Client satisfaction levels based on feedback forms have been high.

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**“Quite simply, the GM route reinforces an outdated model of industrial, energy reliant agriculture, wholly unsuitable for adapting to and dealing with the conditions that climate change and expensive, scarce oil bring for global food security.”**

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Input has continued to the organic Apprenticeship Scheme – this is led by the Soil Association in conjunction with the Organic Advisory Service and the Organic Growers Alliance. Training days have been delivered to the pilot group of apprentices.

The core consultancy work is much as it has been in recent years with some direct farm consultancy on the books but new business seeming to focus on issues surrounding planning permission or the setting up of businesses with residential provision on green field sites.

Involvement in the work of Organic Centre Wales has followed a similar pattern to previous years although the time input has reduced mainly due to the time demands of the new English OCIS.

A detailed tender was submitted to the Welsh Assembly Government for the provision of technical advice under the new Farming Connect service that finally launched in September 2008. We continue to contribute to events and training days.

The market and information service Organic Inform has matured well, providing a one-stop shop for all players in the organic sphere.

### Supporting farmers

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 development of two new producer groups over the Year: BBOP – Better British Organic Poultry and the OGA – Organic Growers Alliance.

Finally, our research department is supervising two postgraduate students; Laura Hathaway-Jenkins (DEng at Cranfield University working on organic production methods and soil quality) and Abdurrahman Mohammad Albawardy (PhD at Brunel University working on the development of organic farming in Saudi Arabia).

*\*ref: M. S. Wolfe, J. P. Baresel, D. Desclaux, I. Goldringer, S. Hoad, G. Kovacs, F. Löschenberger, T. Miedaner, H. Østergård, E. T. Lammerts van Bueren (2008). Developments in breeding cereals for organic agriculture. Euphytica. DOI 10.1007/s10681-008-9690-9.*

# Financial Report

## Review of financial position: Year ended 31st October 2008

At £959,726, income generated from donations and grants; investments and charitable activities is 2.6% higher than in the previous year. Donations were boosted by a SEEDA grant for the first phase of the development project which helped to deliver refurbished and renovated office accommodation. Other activities yielded in line with 2006/2007 results.

28% (23% at 2007) of the income is derived from donations from private Trusts and individuals and grants.

Costs at £1,080,218 are 15% higher than in the previous year. This is the result of the strategy decisions to invest further in programmes which develop the basic ethos

of the Charity especially in the areas of GM, an innovative education programme with the College of the Atlantic, environmentally sustainable land use, animal welfare in poultry production systems and its aim to extend its area of influence especially in Europe.

The trading deficit of £120,492 compares with the breakeven of the previous year but was in line with budgets and estimates for the year. The net asset position is much in line with the previous year.

Phase 1 development was primarily financed by the restructure of the Charity's assets with the sale of two cottages. It was supported by a SEEDA grant and the Mr &

Mrs J A Pye Charitable Settlement. The increase in tangible asset value reflects this restructure - as does the £204,393 shown as an extraordinary incoming resource shown in the profit and loss account.

2008/2009 plans a smaller trading deficit as the organisation restructures and progresses those projects pump primed in 2007/2008. Phase 2 of the building redevelopment – the refurbished grade 2 listed barn conversion to a flexible meeting and conference centre and new reception and display - will be completed in May 2009.

Lawrence Woodward O.B.E.  
Director

## Auditor's report

In our opinion the financial statements give a true and fair view of the company's affairs at 31 October 2008 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 4th March 2009. Full audited accounts are available for inspection at The Organic Research Centre, Hamstead Marshall, Newbury.

## Government and EU funders

Biffaward, Defra, SEEDA, RSWT and West Berkshire Council, Natural England and EU Cost Action.

## Donors and Supporters

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

I Alexander, B Allison, J Alun-Jones, D Ambrose, B Astor, F Astor, L Astor, S Astor, Lady Barnard, A Bolton, P Bowles, C Burrell, Viscountess Bury, J Chichester, G Clark, D Cole, P Conford, S R Cowen, M de Wardt, C Evans, R Ewbank, B Feder, G Fitzherbert, R Fost, C Gibbs, P Gilbert, B Goodenough, P Guth, T Gwyn Jones, G Hardstone, M Heron, S Hill, C Holland, P Holland, M Houghton Brown, L Hughes, R Hunter, A Jedwell, T Jepson, T Jones, P Kearney, W Kendall, P Kindersley, J Kindersley, C Lavell, S Lavers, C Lester, H Lobstein, V Makins, C Marriage, M Marriage, O J Mason, C Merfield, R Moody,

R Morgan-Jones, E Novotny, N Oppenheimer, B Panvel, J Perry, L Pope, L Pulsford, G Pye, Y Pye, R Rose, R Rowlands, M D Sackler, J Scheckter, J Scott, K Scott-Barrett, T Sharif, N Stephens, R Tandy, The Late Mrs E Thornton, H Turner, A Turner, WHG Warmington, A Waters and Sir Philip Wroughton.

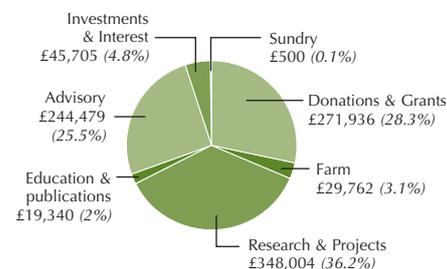
## Trusts and Companies

The Peter Baker Foundation, Biffaward, Biffa Waste Services Ltd, The Birthday House Trust, The Bonus Trust, Doves Farm Foods, JCJ Eaton Charitable Trust, The Englefield Charitable Trust, Goodwood Estate Company Ltd, HADCAF, Douglas Heath Eves Charitable Trust, Holt Farms Ltd, Cuthbert Horn Trust, JMG Foundation, Luddesdown Organic Farm, The P & M Lovell Charitable Trust, The Material World Charitable Trust, The Mitchell Trust, Newbury District Agricultural Society, The Observer Charitable Trust, The Paget Trust, The Gerald Palmer Eling Trust, The Gordon Palmer Memorial Trust, The Partridge Foundation, The Polden Puckham Charitable Foundation, The J A Pye Charitable Settlement, Rank Foundation, The Ratcliffe Foundation, Sheepdrove Trust, The N Smith Charitable Settlement, The Spear Charitable Trust, The Tim & Marion Stevenson Charitable Trust, The Tinsley Charitable Trust, Constance Travis Charitable Trust, Triodos Bank, Vocational Training Scheme administered through Duchy College using funds from the South West RDA, The Mary Webb Trust, WWOOF UK and other Trusts who wish to remain anonymous.

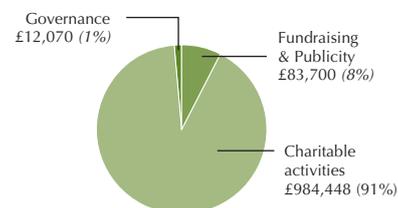
## Supporters

**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:** Better British Organic Poultry; Brunel University, Cranfield University, Garden Organic; 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 Seed Producers, Organic Growers' Alliance and Organic Livestock Marketing Cooperative Ltd.

## Total income 2008



## Expenditure 2008



## Statement of financial activity for year ended October 2008

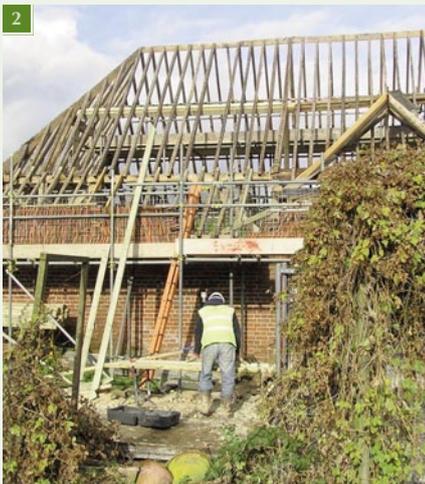
	£	Unrestricted Funds	Designated Funds	Restricted Funds	TOTAL 2008	TOTAL 2007
<b>Incoming Resources</b>						
Donations and grants		61,980	91,481	118,475	271,936	218,578
Farm		29,762			29,762	36,233
Research and projects			3,364	344,640	348,004	345,705
Advisory			105,738	138,741	244,479	277,865
Education and publications		2,690	16,650		19,340	16,675
Interest received		29,604			29,604	16,882
Investment income		16,101			16,101	19,644
Sundry		500			500	5,907
<b>TOTAL</b>		<b>140,637</b>	<b>217,233</b>	<b>601,856</b>	<b>959,726</b>	<b>937,489</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
<b>Fundraising and publicity costs</b>		<b>47,083</b>	<b>20,767</b>	<b>15,850</b>	<b>83,700</b>	<b>40,948</b>
<b>Charitable activities</b>						
Farm		6,381			6,381	8,271
Research and projects		132,311	104,888	394,566	631,765	557,492
Advisory		62,186	68,341	191,440	321,967	297,855
Education and publications		1,098	23,237		24,335	18,518
<b>Total charitable expenditure</b>		<b>201,976</b>	<b>196,466</b>	<b>586,006</b>	<b>984,448</b>	<b>882,136</b>
<b>Governance costs</b>		<b>12,070</b>			<b>12,070</b>	<b>13,074</b>
<b>TOTAL</b>		<b>261,129</b>	<b>217,233</b>	<b>601,856</b>	<b>1,080,218</b>	<b>936,158</b>
<b>Net outgoing/incoming resources</b>		(120,492)	0	0	(120,492)	1,331
<b>Loss on investment assets</b>		(136,380)			(136,380)	29,972
<b>Gain on sale of cottages</b>		204,393			204,393	
<b>Net movement in funds</b>		<b>(52,479)</b>	<b>0</b>	<b>0</b>	<b>(52,479)</b>	<b>31,303</b>

## Balance sheet as at 31st October 2008

	£	2008		2007	
<b>Fixed assets</b>		1,868,731		1,696,684	
<b>Investments</b>		460,309	<b>2,329,040</b>	597,512	<b>2,294,196</b>
<b>Current assets</b>					
Stocks		5,194		7,229	
Debtors		200,992		99,464	
Cash at bank and in hand		124,261		286,188	
		330,447		392,881	
Creditors : amounts due within 1yr		(359,216)		(409,327)	
<b>Net current liabilities</b>			<b>(28,769)</b>		<b>(16,446)</b>
<b>Total assets less current liabilities</b>			<b>2,300,271</b>		<b>2,277,750</b>
<b>Amounts falling due after more than one year</b>			<b>(75,000)</b>		
<b>Funds</b>					
<b>Restricted</b>			<b>0</b>		<b>0</b>
<b>Unrestricted</b>			<b>2,225,271</b>		<b>2,277,750</b>

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

- 1 Pupils completing their observation sheets in one of our special conservation areas during their visit to Elm Farm as part of the Year of Food and Farming for Schools government initiative.
- 2 Phase 2 of the re-development at the Elm Farm site. The barn is well on the way to being converted to an eco-friendly meeting and conference facility.
- 3 Cereal drilling under way in the agro-forestry strips at ORC Wakelyns.
- 4 Organic chickens from our poultry research programme foraging in the hedgerow strips at Sheepdrove Organic Farm.
- 5 Professor Jack Heinneman, University of Canterbury, NZ; Dr Brian Johnston, Former Head of Biotechnology Unit, English Nature; Professor Janice Jiggins, Wageningen University and Research Centre, NL and Dr Michael Antoniou, Kings College London School of Medicine at the Feeding the World Conference in London, November 2008.



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