



Annual Report 2009



The business of the Organic Research Centre is to develop and support appropriate agriculture and food systems, primarily within local economies, which build on organic/agro-ecological principles, to ensure the health and wellbeing of soil, plant, animal, man and the environment.

The Centre has played a central role in the development of organic food and farming research, policy and standards since 1980. It applies modern scientific knowledge and research expertise to find every possible way of maximising food production sustainably, by -

- Carrying out scientific and practical research into all aspects of farming, based on organic principles, with impartiality and independence of mind.
- Expanding knowledge of cyclical and sustainable systems of farming and advising farmers, landowners and related institutions on the commercial application of such systems.
- Evaluating and disseminating information about organic farming and its relevance to food quality, pollution control, appropriate technology, energy efficiency, soil fertility, human and animal welfare and the conservation of the countryside.

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

Chairman's Report

At first sight, the development of the organic sector in the United Kingdom, and internationally, appears to be a success story. There has been significant and continuous growth over the last two decades, both in the area of land under organic management and in the market for organic food.

At the same time, the institutional support for the organic movement has been strengthened, in a regulatory sense through the new EU organic regulation applying from 2009, and in terms of policy support for organic farming particularly through the EU's Rural Development Programme and national/regional action plans for organic farming.

In the UK, organic farming now covers about 4-5% of the land area (over 8% in Wales), while in some other EU countries and Switzerland, organic farming exceeds 10% and is as high as 40% of the land area on a regional basis.

But there are a number of clouds on the horizon that threaten to undermine or reverse the progress that has been made -

- The focus on the market, and on certified organic production, has become dominant for many, so that it has become an end in itself, rather than a means to support organic land management based on organic/agro-ecological principles delivering a range of environmental sustainability, health and quality goals.
- The recession, which has impacted on the organic market quite significantly, has disrupted the previous growth trends and undermined confidence, although there is evidence in late 2009/early 2010 that the situation is stabilising and some confidence is returning.
- For many policy makers, there continues to be confusion about whether support for organic farming is about supplying a market niche, or a real contribution to meeting their policy goals. With the emergence of serious policy concerns relating to climate change and food security, as well as soil, water and biodiversity conservation, the relevance

of organic land management is not (or barely) recognized. Even where it is, the limited extent of the adoption of organic practices is seen as problematic. Defra is actively cutting back its support for organic farming.

- The dominance of corporate interests, both in the organic marketplace and in the debate on future development paths for agriculture and food, also means that the emphasis on organic/agro-ecological principles is down-played, and that there is a renewed confidence amongst those promoting an industrial/technological approach to addressing the key policy issues.
- Many producers who have converted to organic production have only really encountered the inspection process and the rulebook. The opportunities to engage with the underlying organic/agro-ecological principles, and with agro-ecosystem management approaches as a way of dealing with production problems are extremely limited. As a consequence, the development of systems that are just certification compliant, reliant on substituting one slightly more acceptable input for a less acceptable one, is perhaps inevitable.

The challenge for ORC is to turn this process round by supporting with high quality research the development of sustainable farming systems based on organic/agro-ecological principles, capable of making a real contribution to addressing local, national and global food security, climate change, biodiversity/resource conservation and socio-economic concerns. The achievement of this will involve not just research, but effective dissemination of information and communication with producer, supply chain businesses, consumers, citizens and policy makers.

This cannot be achieved by ORC alone – there is a need to build collaborative alliances with traditional and non-traditional partners. However, all of this needs to be done on the basis of a clear commitment to our core organic/agro-ecological principles.



During 2008/9 we have made significant progress in starting to address these issues. The appointment of Dr. Nic Lampkin as Executive Director has helped refresh our vision and direction. The research team has been successful in winning several new research contracts, from Defra and the EU, leading to the appointment of new staff and expansion of our areas of activity. The completion of our building programme has resulted in high quality office and conference accommodation, providing a good base for further growth.

We can look forward to the future with confidence that the Organic Research Centre can make a real contribution to the challenges that the organic community and society at large are facing.

Christopher Bielenberg

The Organic Research Centre in 2009

As a registered Charity, the work of the Organic Research Centre is for the public benefit.

The Charity was initially established for the advancement of education through research, in particular (in the Charity Commission's terms) activities to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise, remains the primary one of relevance.

However, the work of the Charity also addresses other key public benefit concerns identified by the Charity Commission, including the advancement of health, the advancement of environmental protection and improvement (in particular the promotion of sustainable development and biodiversity; the promotion of recycling and sustainable waste management; and

where appropriate, by identifying and resolving problems through research;

- Increase the level and diversity of external research funding;
- Be pivotal in setting the UK and EU organic farming research agenda.

Specifically in 2009 we set out to (and achieved) -

- Secure new funding by bidding for Defra, EU and other projects;
- Appoint new staff to lead and implement research in current and new areas;
- Continue and complete work on existing projects and initiate work on new projects;
- Develop a team approach to research, with team leaders appointed to take forward different areas of our activities.



Wheat populations at Duchy Home Farm.

Wheat Breeding LINK

The Wheat Breeding LINK project, which started in April 2008 and will run for 4.5 years, is led by the Organic Research Centre and follows on from a previous project on using high genetic diversity in wheat breeding.

The current project is funded by Defra and industry partners (such as breeders, certification bodies, millers and bakers) and studies the performance and stability of winter wheat Composite Cross Populations (CCPs) over a wide range of environmental conditions. This includes determination of the application, processing and marketing capabilities of the CCPs for end users, e.g. through protein analysis and baking tests.

The populations are grown both in replicated field trials on organic and non-organic sites and on several farms across England. The use of genetically highly diverse wheat populations is predicted to buffer crop production against increasing environmental variation while allowing a major reduction in synthetic inputs.

A further important question is whether increased genetic diversity in wheat can lead to selective adaptation of the crop to the local site on which it is grown. This question is in part addressed by using molecular tools in collaboration with the John Innes Centre.

Our focus on key societal concerns such as sustainable food production systems, biodiversity and ecosystem services, environmental protection, climate change, food security, animal welfare, food quality and health means that public benefit lies at the heart of what we do.

research projects into the use of renewable energy sources) and the advancement of animal welfare through research into improved livestock production systems. Our focus on key societal concerns such as sustainable food production systems, biodiversity and ecosystem services, environmental protection, climate change, food security, animal welfare, food quality and health means that public benefit lies at the heart of what we do.

Growing the research base

The work of the research team continues to consolidate our past successes and build towards the future, focussing on the following objectives -

- Develop and improve the practice of agriculture and food systems, building on organic principles, and regionally

Crops programme

The crops programme continued its innovative and highly participatory work on wheat breeding, with the composite cross-populations entering their ninth year of development. A new project was started investigating legumes and their mixtures to enhance the nitrogen use efficiency and economic viability of cropping systems, involving a range of UK research partners and over 30 participatory farmers across the UK. Other work has also started in the early autumn of 2009 looking at mechanical weed control in oil seed rape and sustainable oat production and utilisation. We have been actively seeking new areas of research funding, with bids submitted to the EU Framework 7 programme, as well as to BBSRC and grant funding trusts to develop PhD and MSc programmes alongside our existing research work.

Legume LINK

The Legume LINK project, led by the Organic Research Centre, started in December 2008 and will run for 3 years. The project, co-funded by Defra and industry partners, investigates legume-based mixtures to enhance the nitrogen use efficiency and economic viability of cropping systems.

Research partners in this project include the Institute of Grassland and Environmental Research (IBERS), Rothamsted Research, the Scottish Agricultural College (SAC), The Arable Group (TAG), and the Organic Studies Centre at Duchy College.

Many successful low-input systems rely on a legume-based fertility-building ley as an alternative to mineral N applications, and there is increasing interest in applying these systems more widely.

The project aims to create a legume-based species mixture that can have significantly improved resilience in fertility building and nitrogen release dynamics compared to the traditional grass/clover mixtures, over a range of environmental conditions.

By studying the growth characteristics of individual legume species and grasses in field trials, and a mixture of all trial species in participatory trials, we will better understand the potential and the mechanisms by which a designed legume-based mixture may increase the sustainability of arable systems, and have robust data on which to base the development of commercial seed mixes.



Meadow pea – a component of the multi-species legume mixes being tested as fertility building break crops in arable rotations.



Agroforestry alleys with fertility building clover leys at Wakelyns.

Agroforestry

Working agroforestry systems are already well established at our Wakelyns Agroforestry site. This new project, started in February 2009 with funding provided by the Ashden Trust, focuses on promoting an eco-agroforestry approach that integrates agroforestry with organic/agro-ecological principles. Our goal is to realise the full potential of agroforestry as a self-sustaining diverse production system that works within ecological cycles and actively supports ecosystem health.

The aim of the project is to increase our agroforestry activity so by improving the output of food and fuel from these systems without damaging biodiversity. It will also target policy makers in the UK and EU in order to encourage an understanding of the multiple benefits and deliverables of agroforestry.

A dissemination programme to farmers and land managers in order to encourage uptake of this approach is also planned.

During this year, we have carried out an extensive review of agroforestry research literature to identify knowledge gaps and develop a research programme. On our silvo-arable agroforestry site at Wakelyns, we studied the productivity of cereals within a diverse timber and fruit tree system to identify diversity effects on yields at a system-level (provisioning services).

We also collected baseline biodiversity data from a newly established organic fruit tree/arable system in the Cambridgeshire fens to observe how agroforestry can affect biodiversity and the ecosystem services they deliver.

Our goal is to realise the full potential of agroforestry as a self-sustaining diverse production system that works within ecological cycles and actively supports ecosystem health.

Livestock programme

The crops and livestock programmes have been working together to look at home-grown feed for poultry and pigs. Trials of cereal and legumes (both monoculture as well as mixtures) were undertaken and the resultant product is feeding into the livestock work. The livestock work, supported by the Kindersley Foundation, has once again focussed on poultry, in particular feed issues, but has also developed to investigate feed and appropriate rations for pigs.

The poultry and pig trials have been investigating home grown feeds as a way of reducing feed costs and the associated carbon emissions. The UK climate allows for a range of quality feed crops to be grown which can easily be integrated within an organic mixed farm's rotation.

A simple on-farm substitution of 30% bought-in concentrate feed for home-grown wheat was trialled on 6,600 table birds. Results showed the birds grew no less efficiently, suffered no behavioural or welfare problems and positively selected for the wheat as they got older. There was no effect on live weight gain, carcass weight, conformation or quality. The results were so successful that they were implemented across the commercial flock.

The UK climate allows for a range of quality feed crops to be grown which can easily be integrated within an organic mixed farm's rotation.

Higher levels of substitution were trialled on a smaller scale following the success of the 30% inclusion. It was concluded that a 70% inclusion was likely to be the greatest that could be used commercially when balancing feed prices against finishing time.

Other small-scale trials included trying to encourage invertebrates, a good source of important amino acids, into the birds' range for the birds to find themselves. This would make their diet more natural,



Silvi-poultry systems development at Sheepdrove Organic Farm.

enrich their environment and improve welfare and potentially reduce the amount of protein needing to be bought in, thus reducing the cost. These trials are on-going.

Another simple on-farm substitution of bought-in concentrate feed was trialled with the pigs. One group were fed 50% wheat mixed with 50% concentrate, whilst a second group were fed a mix of 50% triticale and 50% concentrate. Results for both proved promising and further trials were run using the triticale as it was deemed better for the rotation of the specific farm. It is envisaged that a fully home-grown ration can be developed for the pigs using other home-grown grains such as barley and oats.

Assessing and improving the sustainability of farming systems

Energy, Emissions, Ecology and Agricultural Systems Integration (EASI) With the completion of six farm audits, the EASI assessment tool has been developed to a stage where an assessment can be completed in less than two days and we are looking at how it can be best developed commercially. However, the tool continues to be used within other research projects and for advisory services, where there is a demand. The EASI library has been organised into a 'database of recommendations', divided by farm enterprise. We have continued to answer

queries regarding energy, emissions and carbon sequestration and completed a literature review of existing environmental assessment services. In policy terms, we continue to be represented on the International Energy Agency's Task 37, pro-biogas group, and Parliamentary Renewable and Sustainable Energy Group.

Developing methods for assessing the sustainability of farming systems Building on the experience of the EASI project, and earlier work with the Organic Systems Development Programme and with a Defra-funded project on Quality and Environmental Benchmarking, we are participating in a new Defra-funded project led by Warwick HRI which aims to develop a methodology for assessing different farming systems in terms of their social, economic and environmental sustainability. We are also working internally on approaches to assessing the total productivity of organic farming systems, including food and energy production, as well as other ecosystem services, so that we can get a better understanding of the real contribution of organic and other agro-ecologically based systems to sustainable food security.

Delivering advice and information

Organic Inform

The Organic Inform project came to an end in September 2009, though not without delivering a third successful organic producer conference in January 2009, and the establishment of a new website.

The independent evaluation of the project identified that the producer conference had *'been one of the most welcome and successful outputs of the whole project. It has been well received by producers and other stakeholders alike and is widely recognised as filling what had become a crucial gap in the supply of technical information. At the [first conference in 2006] after critical inputs from the OI Programme Manager a new growers group, the Organic Growers Alliance (OGA), was formed. The OGA has gone from strength to strength and is now a self-funded support and representational body with 210 members.'*



Pondering oats at an arable open day.

The project evaluation also recognised the value of the website, with the target of 500 participants being achieved, but highlighted that the original intention to create a central source of market information was not achieved, in part due to limited transfer of data from other data owners. The producer conference, the OGA, the website and the technical information service will be continued beyond the life of the project and a new initiative to address the market data deficit will be developed in 2009/10.

Organic Conversion Information Service (OCIS) England

The advisory team have continued to deliver on-farm visits under the new OCIS contract. The first year of the service ended on March 31st 2009 and we moved into the second year having been confirmed as the deliverers for the whole three-year contract.

The OGA has gone from strength to strength and is now a self-funded support and representational body with 210 members.

Over the first contract year 370 calls were taken by the helpline, only 23% of the original target of 1600. 132 visits were carried out, representing a conversion rate of calls to visits of 36%, roughly in line with what was expected, but still only 26% of the original target of 520 visits. The average size of farm visited was 90 ha. As a consequence, targets and budgets for the second contract year were reduced. In the period April-October 2009, a total of 100 calls (29% of the revised target) were received and 53 visits were delivered, a conversion rate of 53% which is significantly up on the first year. The trends for all these second year figures are down on the first year. As a consequence of the low demand, income from OCIS was reduced significantly, as was the expenditure on consultant input.

Organic Advisory Service (OAS)

User-paid and other non-OCIS work continued at a relatively low level. The variety of work delivered by the OAS is wide and included a number of contracts for planning advice and agricultural appraisals including an appearance at a planning appeal. There was a number of one-off contracts, attendance at OCW events and ongoing work with the Icelandic certification body to develop organic protected cropping standards.

Wales

Our work in Wales is delivered in the context of our involvement as one of the partners running Organic Centre Wales (OCW), which is funded by the Welsh Assembly Government and which we have been involved with since 2000. Our work with OCW includes -

- The delivery of the Welsh OCIS, including 98 visits (relatively high compared with England, but producers in Wales may receive up to three visits including support for the development of a conversion plan);
- The Farming Connect Organic Development Programme, including the Welsh Organic Producer Conference held in October each year and the Royal Welsh Show Organic Food and Farming Centre, as well as demonstration farm events and other knowledge transfer activities and small projects;
- The management of Organic Centre Wales, including active involvement in routine meetings and the recruitment of a replacement Director of OCW (Sue Fowler) following Nic Lampkin's move to the Organic Research Centre, and
- Engagement with policy issues, including the development/implementation of the Welsh organic action plan and the Welsh organic farming scheme, and policy consultation responses, in particular with reference to GM co-existence.

During 2009, OCW was successful in obtaining a three-year, £2million WAG and EU-funded Supply Chain Efficiency project, now known as Better Organic Business Links (BOBL). The Organic Research Centre will be contributing to the delivery of this project in future years.

Getting the message across

Policy engagement and communication

The development of a significant policy and communications capacity remains a core objective, which was taken forward during the year by the creation of a policy, fund-raising and communications department, with Lawrence Woodward focusing his activities as Director on these issues, and the appointment of a full-time fund-raising and public relations officer.

A key focus has been the issue of food security and the contribution of GM technology and agro-ecological approaches. In November 2008, the QE2 conference centre in Westminster saw over

of the journal *Food Policy* was published, guest-edited by Nic Lampkin and Matthias Stolze of the Swiss Research Institute of Organic Farming (FiBL).

Communication work has been taken forward through the Organic Research Centre Bulletin, through the Organic Inform and ORC websites, and through media work including letters and responses to media articles. Some stories, notably the impact of the recession on the organic food market and the suggestion of feed 'holidays' for organic livestock producers, attracted particular attention.

The Organic Research Centre also provided support to Sustain in the development of a proposal for an EU-funded consumer information campaign.

Kassel, Witzenhausen, and the Organic Research Centre, funded by the Partridge Foundation. The project has several elements, including an annual, four-week intensive course for students from the US, Germany and the UK, held at the Organic Research Centre and the University of Kassel. The first of these was held in August 2009, with a focus on wheat under the title 'Our Daily Bread' – covering issues relating to breeding, sustainable production, processing, bread-making and product quality – involved 11 students and an intensive programme of presentations and visits organised by our staff.

The project also includes the appointment of a Chair in Sustainable Food Systems and an annual conference (attended by Hardy Vogtmann and Christopher Bielenberg in October 2009) at the College of the Atlantic; teaching exchanges (with Roger Hitchings visiting Maine in June 2009) and the possibility of CoA interns to be based at the Organic Research Centre (the first of these are planned for 2010).

The major new education activity in 2008/9 was the start of a three-year collaboration between the College of the Atlantic in Maine, USA, the University of Kassel, Witzenhausen, and the Organic Research Centre, funded by the Partridge Foundation.

130 delegates and speakers in hot debate about the failure of GM crop technology to deliver anything on the promises of twenty years ago. In stark contrast, speaker after speaker, from Kenya, New Zealand, the Netherlands, Italy and the UK, pointed to agro-ecological approaches, including organic farming, as extremely attractive sustainable farming and food options, especially in a world fast running out of oil. The themes raised during the conference have continued to be developed, with discussions on potential actions to challenge GM taking place, as well as work with GM Freeze on a report on agro-ecological alternatives to GM.

At European level, we have been involved with policy work through the IFOAM EU group, addressing research priorities (through the TP Organics Technology platform), CAP Reform and organic regulation issues. We are represented both in the IFOAM EU group (with Lawrence Woodward as a deputy UK representative), and in the forum of UK IFOAM members that started meeting regularly in 2009. In June 2009, a special organic policy edition

Education

We are continuing to pursue our objectives of developing an education programme and engaging a full-time education officer. With the completion of the building work on the new Conference Centre, there is real potential to develop an education programme focused on food systems and sustainability, and efforts to fund both an education officer, and the redevelopment of the horticultural education site after the buildings works, achieved some success, with the projects being implemented in 2009/10.

As part of our existing local education programme, a number of farm trail events were held during the year at Elm Farm, and funding was obtained to renovate the gates and stiles around the trail. Projects involving local schools also took place, with one secondary school using the Centre as a base for a class project evaluating biological control of slugs.

The major new education activity in 2008/9 was the start of a three-year collaboration between the College of the Atlantic in Maine, USA, the University of

Supporting the development of the organic sector

Facilitating the development of organic Producer Groups continues to be an objective, with Organic Inform providing a mechanism to support the development of the Organic Growers Alliance and a group of poultry producers, Better British Organic Poultry (BBOP).

Lawrence Woodward has maintained his involvement in a number of previous initiatives, as a Director/Board member of Organic Arable, Organic Seed Producers and the Institute of Organic Training and Advice. Nic Lampkin has also maintained his previous engagement in support of the organic sector in Wales, as chair of the Welsh Organic Strategy Group and as a Director/Board member of the Welsh meat levy company Hybu Cig Cymru/Meat Promotion Wales.

Developing our own resources to support our work

The major achievement in 2008/9 has been the completion of the ecological restoration of the Grade II listed 18th Century barns to provide new conference and office facilities, financed by grants by the South East England Development Agency (SEEDA) and charitable sponsors, and by a new loan from Triodos Bank. The new buildings are now fully operational, with ground-sourced heating, electricity supplied from 100% renewable energy sources, bat attics and other features. The conference centre has enabled us to host

maintain and develop the farm as a potential resource for future educational, training and research activities.

With the arrival of Nic Lampkin as Director responsible for programmes and operations, a number of changes have been made to organisational, administration and human resource aspects of the Organic Research Centre. These included staff restructuring and the appointment of new research staff, a move from the old departmental structure to a more flexible team-based approach, a review of staff terms and conditions as well as the implementation of a new staff grading structure linked (loosely) to the

The new buildings are now fully operational, with ground-sourced heating, electricity supplied from 100% renewable energy sources, bat attics and other features.



The new conference hall in use for an event organised by Triodos Bank, one of our sponsors.

the College of Atlantic Summer course, producer events, as well as events organised externally. Consistent with the SEEDA grant funding and our own objectives, the new facilities are made available at discounted rates to local community, charitable and other like-minded organisations.

All the Elm Farm-based staff have now been accommodated in the new buildings and work has started on restoring and developing new roles for the farmhouse, which was the main office building for 30 years.

A new farm tenancy agreement was implemented in 2008 and we are continuing to work with the tenant to

Higher Education Role Assessment (HERA) process being implemented in most Universities.

Our Investors in People and ISO 9000 quality management accreditation were both successfully renewed in 2009. A review of Corporate Governance procedures and the 2006-2010 corporate plan was also undertaken, with agreed changes being implemented in 2009/10.

The dispersed nature of the organisation, with research sites at Wakelyns Agroforestry in Suffolk, Sheepdrove Organic Farm in Berkshire, and on 50 participatory research farms, and a team of self-employed consultants providing the input to our advisory work, provides particular challenges to ensure that multi-

site working is efficient and effective. In particular, our IT systems need to be able to meet the needs of a modern, dispersed organisation. Significant progress has been made in upgrading our systems in 2008/9, but the lack of broadband access (in common with many rural communities), reliance on satellite links, and inability to access digital telephony remain significant barriers to achieving service standards that would be expected in the 21st century. At an unaffordable quoted cost of close to £150,000, access to broadband and digital phone services remains a dream, which may or may not be addressed under future government policy initiatives. With the development of the team structures for the organisation, it has proved possible to address some of the other communication challenges from multi-site working by encouraging more staff visits to the different sites, as well as a variety of team meetings using video-conferencing facilities.

Future aims and objectives

Our detailed plans for the future are set out in our new Corporate Plan for 2010-2012 and the annual business plan for 2009/10. Working to our original mission statement, we aim to strengthen our position and effectiveness as the leading independent UK research and development institution for organic food and farming, by extending our activities and impact in research, information dissemination (including advice, education and public communications) as well as policy and other support for the development of the organic sector, building collaborative links with other organizations and developing our resources to support this.

Financial Report

Review of financial position: Year ended 31st October 2009

At £958,869 income generated from donations and grants, investments and charitable activities was almost identical to the preceding year (£959,726). Both voluntary income and investment income were reduced, in large part due to the recession, with the total income from these sources down by 19% at £257,173. In contrast, income from other sources, including research grants, was up by nearly 10% at £701,696, representing 73% of the income in 2009 (67% in 2008).

Expenditure at £1,004,648 was down 7% compared with 2008. This was partly due to staff restructuring, involving some redundancies, as well as a number of voluntary staff departures. At the same time, a second executive Director, Dr Nic Lampkin, was recruited, enabling Lawrence Woodward to focus on fund-raising and public relations activities. Together with the recruitment of a full-time fundraising and public relations officer, this accounts for some of the significant increase in fundraising and publicity costs at £153,444 (£83,700 in 2008).

Despite the increase in research grants, and the recruitment of new staff to work on these

projects, overall expenditure on charitable activities was down 15% at £838,313. Expenditure on research and other projects was down 12% at £555,334.

Due to our success in containing expenditure, the trading deficit (net outgoing resources) was reduced by 62% to £45,779. The stock market recovery increased the value of our investments assets by £41,632, which contrasted markedly with the £136,380 loss in 2008. (The loss in 2008 was offset by £204,393 gains on the sale of freehold property.). As a result, the net overall loss for the year (net movement in funds) was reduced substantially to £4,147, compared with a loss of £52,479 in 2008.

These results are broadly in line with the budgets and estimates for the year, with income higher and expenditure lower than forecast, leading to a lower than forecast deficit before increases in investment asset values are taken into account.

As signalled in last year's annual report, there has been a significant investment in buildings. The first phase of conversion of barns to office space was completed in 2008, while 2009 saw

the completion of the second phase involving the conversion of a Grade 2 listed barn to a conference centre and new reception office. This work was completed on time and slightly under budget, but the effect can be seen in the increased value of tangible assets, calculated on an historic cost basis, to £2,268,170 in 2009 (£1,868,731 in 2008). The increase of just under £400,000 was financed by a mortgage loan from Triodos bank of £350,000 and by the sale of investment assets. As a result, the value of investment assets fell to £388,015 from £460,309 in 2008. The completion of these projects means that we are now equipped with excellent facilities to support the further development of our activities.

The reduction in current assets was more than matched by a reduction in creditors falling due within one year, resulting in a small decrease in current liabilities to £10,061 from £28,769 in 2008. Overall, total net assets fell by £4,147 to £2,221,124 in 2009.

Nic Lampkin and Lawrence Woodward
Directors

Auditor's report

In our opinion, the financial statements give a true and fair view of the charity's affairs as at 31 October 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended. The accounts have been properly prepared in accordance with UK Generally Accepted Accounting Practice and with the Companies Act 2006.

Mark Cummins FCCA (Senior Statutory Auditor) for and on behalf of Russell New Ltd, Statutory Auditor, The Courtyard, Shoreham Road, Upper Beeding, Steyning, West Sussex, BN44 3TN.

The accounts were approved by the Annual General Meeting of Progressive Farming Trust Ltd. on 21st April 2010. Full audited accounts are available for inspection at the Trust's registered office: Organic Research Centre, Elm Farm, Hamstead Marshall, Newbury, RG20 0HR.

Funding sources

New grants/contracts

Using legume-based mixtures to enhance the nitrogen use efficiency and economic viability of cropping systems. Defra LINK funded (LK09106), £208k (ORC share), 2009-2011. ORC co-ordinated, multi-partner collaborative project.

Harnessing new technologies for sustainable oat production and utilisation. Defra LINK funded (LK09124), £108k (ORC share), 2009-2014. Aberystwyth University co-ordinated, multi-partner collaborative project.

New approaches to weed control in oilseed rape. HGCA funded (RD20083605).

£8k (ORC share), 2009-2012. The Arable Group (TAG) co-ordinated, multi-partner collaborative project.

Development of (eco-)agroforestry in UK. Ashden Trust funded, £60k, 2009-2011. Single partner project.

Development of Farming Systems Assessment Methodology. Defra-funded, £24k (ORC share), 2009-2012. Warwick HRI co-ordinated, multi-partner collaborative project.

Continuing statutory funders

Defra (LINK research)
Natural England (OCIS England)
South East England Development Agency (Organic Inform, Building redevelopment)
Welsh Assembly Government (Organic Centre Wales, OCIS Wales, Farming Connect)

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

Individual donors/supporters

I Alexander; D Ambrose; C Ash Wheeler; B Astor; B Allison, A Brockman; C Burrell; P Conford; E Crabtree; R Ewbank; R Goodwin; S Hill; Lady E Horn-Smith; R Hunter; W Kendall; P Kerney; A Jedwell; J Mason; M Measures; Prof. Murray; B Panvel; W & L Pope; G Pye (In Memoriam Collection); S Rasmussen; J Rolls; R Rowlands; S Sarikhani; A Sharples; J Scheckter; R Tandy; R Unwin; W Warmington; A Waters; R Weller; A Whitley; L Woodward; N Wookey

Trusts and Companies

Ashden Trust; David Alston Suffolk Ltd; Peter Baker Foundation; Birthday Trust; Cobb Charity; Energy Saving Trust; Walter Guinness Charitable Trust; Hamamelis Trust; Cuthbert Horn Trust; Jersey Organic Association; Miss W E Lawrence Charitable Trust; Dr Mortimer & Theresa Sackler Foundation; Jamie Mother Charitable Trust; Newbury and District Agricultural Society; Nichols Charitable Trust; Paget Trust; Partridge Foundation; Polden Puckham Charitable Foundation; Pye Trust; Rank Foundation; Ratcliff Foundation; Rushall Farm, Scotshill Trust; Sheepdrove Trust; Constance Travis Charitable Trust; Triodos Bank; Garfield Weston Foundation; WWOOF.

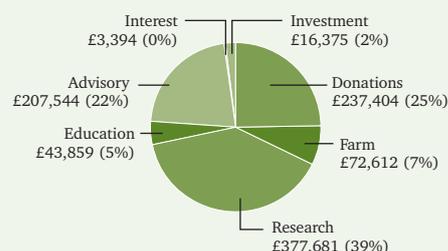
Statement of financial activity for year ended October 2009

		Unrestricted Funds (£)	Designated Funds (£)	Restricted Funds (£)	2009 TOTAL (£)	2008 TOTAL (£)
Incoming Resources	Donations and grants	130,546	59,558	47,300	237,404	271,936
	Farm and estates	72,612			72,612	29,762
	Research and projects	1,384		376,297	377,681	348,004
	Advisory	4,076	19,668	183,800	207,544	244,479
	Education and publications			43,859	43,859	19,340
	Interest received	3,394			3,394	29,604
	Investment income	16,375			16,375	16,101
	Sundry					500
	TOTAL	228,387	79,226	651,256	958,869	959,726
Resources expended	Fundraising and publicity	130,131	5,239	18,074	153,444	83,700
	Charitable activities	129,154	76,977	632,182	838,313	984,448
	of which – Farm and estates	8,050			8,050	6,381
	– Research and projects	107,643	26,688	421,003	555,334	631,765
	– Advisory services	11,213	29,669	193,609	234,491	321,967
	– Education and publications	2,248	20,620	17,570	40,438	24,335
	Governance costs	12,891			12,891	12,070
	TOTAL	272,176	82,216	650,256	1,004,648	1,080,218
Net incoming/(outgoing) resources	Before transfers	(43,789)	(2,990)	1,000	(45,779)	(120,492)
	Gross transfers between funds	(2,990)	2,990			
	Gain/(loss) on investment assets	41,632			41,632	(136,380)
	Gain on sale of cottages					204,393
Net movement in funds		(5,147)		1,000	(4,147)	(52,479)

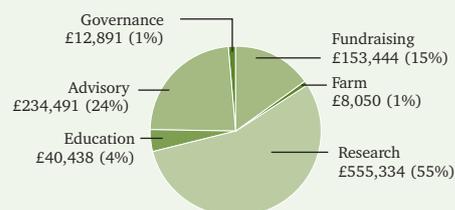
Balance sheet as at 31st October 2009

	2009 (£)	2008 (£)
Fixed assets	2,656,185	2,329,040
of which – Land (historic cost)	750,000	750,000
– Buildings (historic cost)	1,518,170	1,118,731
– Investments (market value)	388,015	460,309
Current assets	284,834	330,447
of which – Stocks	6,538	5,194
– Debtors	195,379	200,992
– Cash at bank/in hand	82,917	124,261
Creditors: amounts due within 1 year	(294,895)	(359,216)
Net current liabilities	(10,061)	(28,769)
Total assets less current liabilities	2,646,124	2,300,271
Amounts falling due after more than one year	(425,000)	(75,000)
Net assets	2,221,124	2,225,271
of which – Restricted	1,000	

Income 2009



Expenditure 2009



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.

Factfile

New staff

Oliver Crowley, Research Assistant
Dr Thomas Döring, Senior Crops Researcher and Crops Team Leader
Dr Sally Howlett, Senior Crops Researcher
Dr Nicolas Lampkin, Executive Director
Claudia Sales, Fundraising and Public Relations Officer
Dr Joanne Smith, Agroecology Researcher

Staff leaving

Zoe Haigh, Peter How, Dr Hannah Jones, Rosie Jordan, Dr Catherine Phillips, Richard Sanders.

Project partners

Research: ADAS; Countryside and Community Research Institute; Cranfield University; Duchy College; Garden Organic; Harper Adams University College; IBERS, Aberystwyth University; John Innes Centre; Rothamsted Research; Scottish Agricultural College; Scottish Crops Research Institute; University of Reading; Warwick HRI

Industry: Abacus Organic Services Ltd; AHDB (DairyCo); EBLEX; HGCA; Bernard Matthews Foods Ltd; Bread Matters Ltd; British Oat and Barley Millers Association (BOBMA); Causey Park Farms Ltd; Crisping Malting Group Ltd; Doves Farm Foods Ltd; Du Pont (UK); Farmeco Ltd; GBSeeds; Halo Foods Ltd; Institute of Organic Training and Advice; J E Wardle and Sons; KWS UK Ltd; LEAF; Letheringsett Watermill; Mole Valley Feed Solutions; Nairns Oatcakes; Nickerson-Advanta Ltd; Norton Organic Grain Ltd; Oat Services Ltd; Organic Arable; Organic Farmers and Growers Ltd; Organic Seed Producers Ltd; Phytatec; Poultry Xperience; RAGT Seeds Ltd; Rushall Farms; SAC Commercial Ltd; Scottish Organic Producers Association; Senova Ltd; Shipton Mill Ltd; Soil Association Certification Ltd; Soil Association Ltd (Charity); The Arable Group; W & H Marriage & Sons Ltd; Wakelyns Agroforestry

The participatory research engagement of many individual producers is particularly appreciated.

Overseas partners and affiliates

College of Atlantic, Maine (US); International Federation of Organic Agriculture Movements (IFOAM); University of Kassel, Witzenhausen (DE); Food Quality and Health (EU); Ecological Plant Breeding (ECO-PB - EU); International Centre for Research on Organic Farming Systems (ICROFS - DK); University of Helsinki (FI)

Publications

Döring T. F., Haigh, Z., Pearce, H. & Wolfe, M.S. (2009). The importance of competition and compensation in organic wheat. *Organic Newsletter of the Scottish Organic Producers Association*: June 2009, p. 10.

Döring T. F., Wolfe, M. (2009). Stabilising wheat yields – can genetic diversity increase reliability of wheat performance? *The Arable Group Research Bulletin* 22: 10-11.

Döring, T. F., Haigh, Z., Pearce, H., Pearce, B., Jones, H., Clarke, S., Wolfe, M.S. (2009). Variations on varieties: How reliably do wheat varieties perform under different organic farming conditions? *Organic Farming* 101: 42-43.

Döring, T. F., Spaethe, J. (2009). Measurements of eye size and acuity in aphids (Hemiptera: Aphididae). *Entomologia Generalis* 32: 77-84.

Harris, F., Lyon, F., **Clarke, S.** (2009) Doing interdisciplinarity: motivation and collaboration in research for sustainable agriculture in the UK. *Area* 41(4), 374-384.

Moakes, S. and **Lampkin, N.** (2009) Organic Farm Incomes in England and Wales, 2008/09. Report to DEFRA. Aberystwyth University.

Norton, L., Johnson, P., Joys, A., Rick Stuart, R., Chamberlain, D., Feber, R., Firbank, L., Manley, W., **Wolfe, M.S.**, Hart, B., Mathews, E., Macdonald, D. and Fuller, R. (2009 in press). Consequences of organic and non-organic farming practices for field, farm and landscape complexity. *Agriculture, Ecosystems & Environment*.
<http://dx.doi.org/10.1016/j.agee.2008.09.002>

Østergård, H., Finckh, M.R., Fontaine, L., Goldringer, I., Hoad, S., Kristensen, K., Lammerts van Bueren, E.T., Mascher, F., Munk, L., **Wolfe, M.S.** (2009). Time for a shift in crop production: embracing complexity through diversity at all levels. *J Sci Food Agric* 2009; 89: 1439-1445. DOI 10.1002/jsfa.3615

Smith, L. (2009). Anaerobic digestion – it's a gas. *Organic Farming*, Spring 2009.

Stolze, M. & **Lampkin, N.** (2009) Policy for organic farming: rationale and concepts. In: Stolze, M. & **Lampkin, N.** (eds.) Development of Organic Farming Policy in Europe. Special Section. *Food Policy* 34(3):237-244.

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

Wolfe, M.S. (2008). Wheat populations: stability in an increasingly unstable environment. *Aspects of Applied Biology*, 88: Effects of Climate Change on Plants: Implications for Agriculture. 61-67.

Wolfe, M.S. (2008). Functional diversity and problem prevention. *Aspects of Applied Biology* 91: Crop Protection in Southern Britain 2009. 63-72.

Wolfe, M.S. (2009). Is heterogeneity an advantage or a disadvantage in breeding for baking quality in wheat? Proceedings of the Workshop on the role of marker assisted selection in breeding varieties for organic agriculture. H. Østergård, E.T. Lammerts van Bueren, L. Bouwman-Smits (Eds). <http://www.bioexploit.net>

Events organised

Feeding the World conference, London (Nov-08)
Organic Producer Conference, Harper Adams University College (Jan-09)
Organic Cereals Research Day, Suffolk (Mar-09)
Organic Research Centre Open Day, Wakelyns Agroforestry, Suffolk (Jun-09)
Arable Event, Elm Farm (Jun-09)
Our Daily Bread Intensive Course, Elm Farm and Wakelyns Agroforestry (Aug-09)

Events contributed to

IFOAM 1st EU Congress, Brussels (Dec-08)
Biofach, Nuernberg (Feb-09)
Irish Organic Producers Conference, Athlone (Jun-09)
Transition Farming Event, Royal Agricultural College (Jun-09)
Probio Summer Academy, Czech Republic (Jul-09)
Royal Welsh Show Organic Centre (Jul-09)
Welsh Organic Producers Conference, Aberystwyth (Oct-09)

Directorships, Membership of Boards and Government Committees

Hitchings, R: Member, Defra Advisory Committee on Organic Standards Board
Hitchings, R: Chair, Defra Advisory Committee on Organic Standards Technical Committee
Lampkin, N: Member, Welsh Assembly Government Food and Drink Advisory Partnership
Lampkin, N: Chair, Welsh Assembly Government Organic Strategy Group
Lampkin, N: Member, Defra/Natural England Agri-environment Stakeholders Group
Lampkin, N: Director, Hybu Cig Cymru/Meat Promotion Wales
Pearce, B. Member, Royal Horticultural Society Science and Horticultural Advice Committee.
Smith, L: Member, Parliamentary Renewable and Sustainable Energy Group
Woodward, L: Member, International Energy Agency Task 37 (Biogas) Group.
Woodward, L: Director, Organic Arable
Woodward, L: Director, Organic Seed Producers
Woodward, L: Director, Institute of Organic Training and Advice

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