



RODALE
INSTITUTE™



2017 ANNUAL REPORT

**GLOBAL LEADER *of* REGENERATIVE
ORGANIC AGRICULTURE SINCE 1947**



Healthy
SOIL

=

Healthy
FOOD

=

Healthy
PEOPLE

Rodale Institute was founded in 1947 with the conviction that *healthy people* need *healthy food*, and healthy food grows in *healthy soil*. Our founders knew that organic agriculture was the essential piece in this equation. The Institute's *world-leading research* has defined the standards for organic agriculture, and—through our innovative research, education, and outreach—continues to reveal its full promise.

Now, more than ever, the world is in desperate need of *healing*. The planet struggles against *climate change and water pollution*, and its people with *heart disease, diabetes, hidden hunger, and obesity*. Our research has proven that organic agriculture performs as well as, if not better than, conventional agriculture. We are demonstrating the power of organic food to *prevent and reverse disease*, and we are working to create *economic vitality* by training tomorrow's farmers. Through partnerships with schools and communities, we help people make *informed choices* about their health and food.

We are committed to leveraging the full spectrum of our resources, knowledge, and talents to make organic farming not simply an option, but the norm. As the *birthplace* of organic farming, this is not only our mission, but our responsibility. Together, we can harness the power of regenerative organic agriculture—rooted in *sustainable practices, empowered farmers, and engaged communities*—to *heal the planet and transform lives*.

OUR WORK

LEADING THE WAY WITH SCIENTIFIC RESEARCH

As the global leader in regenerative organic agriculture, our mission is to conduct rigorous research designed to help us uncover the most effective, efficient, and regenerative organic agricultural practices. With the potential to influence nearly every farming practice, the research conducted at Rodale Institute is a catalyst for change in farming and food production across the globe.

RECENT RESEARCH AND IMPACT

REDUCING TOXIC CHEMICALS

Since 1981, Rodale Institute's **Farming Systems Trial (FST)**, the longest-running side-by-side comparison of organic and conventional grain systems, has sought to answer one crucial question: Is organic better for people and the planet? The answer is in the data. In 2017, results from FST revealed that **conventional systems leach atrazine**, an herbicide known to disrupt human and animal endocrine systems, in amounts between 1 and 3 parts per billion (ppb) into the water table. Replicated controlled studies on frogs have shown that exposure to atrazine at just **0.1 ppb** causes significant changes to male frogs' hormonal profiles, rendering them hermaphroditic. While humans may tolerate higher levels of atrazine than amphibians, the chemical's marked effect on animals and ecosystems at levels lower than previously thought is cause for concern. Organic systems, which do not rely on synthetic inputs, leach **zero** atrazine.

FEEDING THE WORLD

FST also showed that organic oats grown in systems utilizing legume cover crops contain **higher levels of total protein and higher levels of 8 out of 13 essential minerals** analyzed, including magnesium, zinc, phosphorus, and potassium. Meanwhile, data analyzed from the 2016 growing season shows that our organic no-till manure system yielded 200 bushels of corn per acre—a **record-breaking yield** across both organic and conventional systems, beating the county average by more than 50 bushels per acre. Who said organic can't feed the world? What's even more outstanding is that the organic system returned gross revenues more than 3 times that of the conventional system.

To continue investigating the link between soil health and human health, in 2017 Rodale Institute initiated the **Vegetable Systems Trial (VST)**, a side-by-side study of organic and conventional vegetable systems. Whereas other studies have compared vegetable crop systems to analyze relevant yields and measures of soil health, Rodale Institute's VST is the first of its kind to specifically analyze the nutrient density, or quality, of vegetables. 2017 saw the inaugural planting of this long-term study.

Also the first of its kind? Our new research on **industrial hemp**, which seeks to uncover the potential for this crop to build soil, suppress weeds, and boost profits for American farmers. Rodale Institute was one of just 16 organizations in the state of Pennsylvania chosen to experiment with this versatile crop.

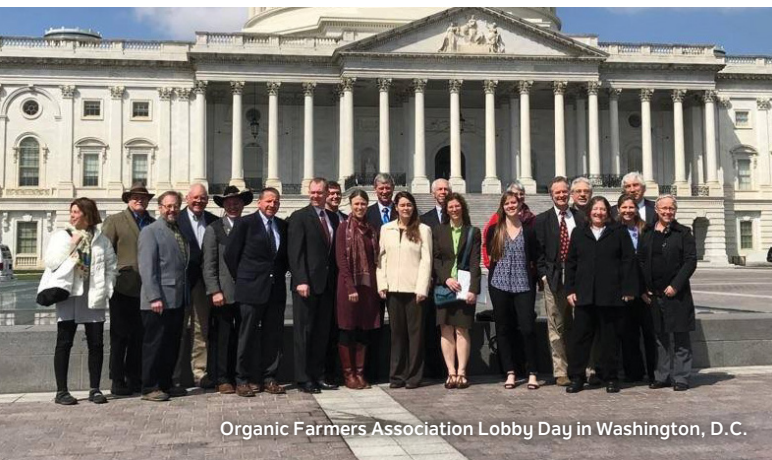


Industrial hemp at Rodale Institute

TRAINING THE NEXT GENERATION

With one-third of farmers past retirement age, millions of acres are about to change hands. Agriculture is at a turning point, and it is imperative that current and future farmers have the knowledge, resources, skills, and tools they need not only to leverage this economic opportunity, but to help heal the planet and their communities through organic agriculture. Rodale Institute supports a broad range of programs—including internships, online education, and sponsorship of the Organic Farmers Association—to ensure that they can.

In 2017, the Rodale Institute-sponsored Organic Farmers Association (OFA) prepared for its first year of policy work. After electing a policy committee, OFA took several important stances: it opposed permitting hydroponic products to be certified organic and supported a rule to enforce higher animal welfare standards for certified organic products. Despite intense lobbying in Washington, D.C., neither policy was decided in OFA's favor. The organization continues to fight for the best interests of its organic farming members and the future of organic certification.



2017 IMPACT SNAPSHOT

- Trained **11 military veterans** through our Veteran Farmer Training Program
- Graduated **7 beginning farmers** from the Organic Farming Certificate Program and trained more than **20 others** through on-farm internship programs
- Presented at **34 conferences and seminars** in the United States, Canada, Italy, China, and more
- Represented **407 members with Organic Farmers Association**
- Hosted **21 workshops** and classes for **872 attendees**
- Hosted **4 webinars** with **161 participants**
- Hosted more than **4,000 visitors** on the farm for Field Day and Organic Apple Fest
- Launched the **Next Generation Scholarship fund** to support the ongoing training of future organic farmers and researchers

OUTREACH AND EDUCATION

Our 333-acre campus in Kutztown, Pennsylvania is more than a working farm—it's a destination for inspiration. The farm is a living laboratory, an educational campus, and a gathering place. From talks in our demonstration garden to volunteer opportunities with our honeybee conservancy, we look for ways to remove the barriers between people and healthy food. With an expanding roster of web-based educational programs, Rodale Institute serves as a clear voice that helps people make well-informed choices about their food.

THE FUTURE OF ORGANIC IS REGENERATIVE

Our education and outreach efforts stretch beyond our campus and around the globe. In 2017 we introduced the Regenerative Organic Certification (ROC) to aid consumers faced with an ever-growing number of labels in the grocery aisle. This robust, high-bar certification goes beyond USDA Organic, ensuring customers that their purchase supports farms dedicated not only to reducing synthetic fertilizers and pesticides but to improving soil health, animal welfare, and worker fairness.



SOIL HEALTH

Increase soil organic matter over time, and sequester carbon in the soil.



ANIMAL WELFARE

Improve living conditions and the overall well-being of animals.



SOCIAL FAIRNESS

Provide economic stability and fairness for farmers, ranchers, and workers.



2017 Organic Pioneer Awards Dinner

AND THE WINNERS ARE...

Each year, Rodale Institute honors three individuals—a scientist, a businessperson, and a farmer—for their outstanding contributions to the organic movement. In 2017, the Organic Pioneer Awards went to:



Farmer

Tom Beddard of Lady Moon Farms was the founding president of Pennsylvania Certified Organic and a founding member of the Pennsylvania Association for Sustainable Agriculture.



Businessperson

Yvon Chouinard is the founder of Patagonia and recently launched Patagonia Provisions, a food company focused on supporting regenerative organic agriculture.



Scientist

Dr. Kathleen Delate, organic farmer, is a professor of horticulture and agronomy at Iowa State University. In 1997, she was awarded the first faculty position in organic agriculture at a U.S. land-grant university.

HUMAN HEALTH: THE NEXT FRONTIER

Conventional farming practices can damage production of the vitamins, minerals, proteins, and phytonutrients that we assume are in our fruits and vegetables. The world is currently experiencing a crisis of “hidden hunger:” Despite access to abundant calories, people are malnourished and sick. At Rodale Institute, we are working to ensure that food is truly contributing to human health. Organic, regenerative agriculture is the key. Better soil equals better health, and only organic systems are proven to increase soil health over time.



The Phyrillas family picks up their vegetables at the farm

THE FACTS

- Worldwide, we’re using more pesticides than ever: **5.2 billion pounds per year**. More than a third of the world’s soil has already been degraded. And yet, our fruits and vegetables are less nutrient-dense than in previous generations.
- Childhood obesity has tripled in the last 30 years, and more than **2 billion people** around the world are overweight or obese.
- **75% of the \$3 trillion** the U.S. spends on healthcare is related to lifestyle diseases.

WHAT WE’RE DOING TO HELP

Our **farm-to-hospital program** provides organic produce to patients, staff, and visitors at seven St. Luke’s University Health Network hospital campuses. The model makes fresh produce more available and increases awareness of healthy eating. The proof is in the salad bar sales—St. Luke’s staff report they’re eating more veggies since the program began.

HELPING FAMILIES

The Phyrillas family is a prime example of the benefits of organic food—wanting to help their autistic son, Teddy, with his symptoms, they joined Rodale Institute’s **Agriculture Supported Communities**, a program that provides certified organic produce to underserved communities while simultaneously providing a training opportunity for new farmers. Happily, the Phyrillas’s report that “the changes in Teddy have been absolutely phenomenal” since they joined.

WHAT’S NEXT

Rodale Institute is partnering with the Plantrician Project to create the **Regenerative Health Institute**, a global hub connecting the mutual futures of organic agriculture and healthcare.

- ▶ Learn more at [RegenerativeHealthInstitute.org](https://www.RegenerativeHealthInstitute.org)

DONORS



Karen and Ron Stark at the 2017 Organic Apple Fest

ORGANIC FOR LIFE

Karen Stark’s family thinks she’s crazy. Daughter of a conventional dairy farmer and sister to a conventional grain farmer, her choice to go organic after a cancer diagnosis in 2002 wasn’t well understood. Stark fastidiously changed her diet anyway. “The only thing you have control over after cancer treatment is what you put in your body,” she says, “after they’ve assaulted it with all sorts of other things.”

During treatment, Stark pulled away from the convenience of fast food and was drawn to her local farmer’s market, where the organic produce “just tasted better.” When her family moved to Illinois several years later, Stark founded an organic market in her new town and oversaw it for five years. The family moved again to Pennsylvania several years later. There, Stark co-founded GMO-Free Pennsylvania and discovered the work of Rodale Institute.

For those with questions about the benefits of organic, says Stark, “Rodale Institute’s scientific research is a great source of answers.” For Stark, who has been cancer-free for 16 years, supporting the Institute’s work is a nod to life. “I always thank organic farmers for my health,” she says. “The regenerative organic path is about just that. A dollar to Rodale is a dollar that’s going to create life.”

Stark holds a seat on the Committee for Growing Pennsylvania Organic Farmers and is a member of the Slow Foods Philadelphia steering committee. Stark is current member of the J.I. Rodale Leadership Society.

MAJOR DONORS

Thank you for your support in 2017

- | | |
|-----------------------------|------------------------|
| Jay Belanger & Linda Eckert | Kim Larson |
| Robin Bot-Miller | Grant & Susie Lundberg |
| Judy Buechner | Maria Rodale |
| Kyle Garner | Nina Rodale Houghton |
| Josh Hankes | Hannah Smith-Brubaker |
| Merry R. Hart | Karen Stark |
| Corby Kummer | Anonymous* |

*In 2017 we had 16 major donors who wished to remain anonymous.

J.I. RODALE LEADERSHIP SOCIETY



NEW FOR 2018 JOIN THE J.I. RODALE LEADERSHIP SOCIETY

At this pivotal moment, we seek partners who understand the fundamental, indispensable need for healthy soil to produce healthy food and healthy people. With philanthropic support, we can harness the power of regenerative organic agriculture—rooted in regenerative practices, empowered farmers, and engaged communities—to secure the future health of the planet and transform lives.

To join, please contact Jeff Tkach, Chief Growth Officer, at 610-683-1405 or Jeff.Tkach@RodaleInstitute.org.

JOIN AT ANY OF THE FOLLOWING LEVELS

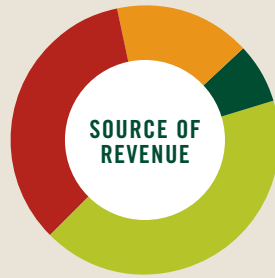
HEIRLOOM DONOR
\$1,000-\$2,499

POLLINATOR DONOR
\$2,500-\$4,999

CULTIVATOR DONOR
\$5,000-\$9,999

HARVEST DONOR
\$10,000 and above

2017 FINANCIALS



16% - \$902,429
Grants

7% - \$401,197
Program Revenue

42% - \$2,339,126
Contributions

35% - \$1,900,439
Other/Investment Loss



10% - \$426,663
Management & General

13% - \$596,759
Development

77% - \$3,451,273
Program Services

STATEMENT OF ACTIVITIES

REVENUE, GAINS, AND SUPPORT	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTALS	
				2017	2016
GRANTS	\$446,417	\$-	\$-	\$446,417	\$219,661
FEDERAL AWARDS	456,012	-	-	456,012	567,077
CONTRIBUTIONS	1,091,109	1,248,017	-	2,339,126	1,459,890
EDUCATION AND STORE	160,030	-	-	160,030	193,749
FARM SALES	241,167	-	-	241,167	248,762
OTHER	182,525	-	-	182,525	151,356
INTEREST AND DIVIDEND INCOME	146,713	90,644	9,292	246,649	270,920
NET REALIZED AND UNREALIZED GAIN/LOSS ON INVESTMENTS	669,578	658,004	82,829	1,410,411	478,763
CHANGE IN VALUE OF BENEFICIAL INTEREST IN PERPETUAL TRUST	-	-	60,854	60,854	(202)
TRANSFERS					
ENDOWMENT SPENDING POLICY DISTRIBUTION	279,212	(244,877)	(34,335)	-	-
NET ASSETS RELEASED FROM RESTRICTIONS	6,260,183	(6,260,183)	-	-	-
TOTAL REVENUE, GAINS AND SUPPORT	\$9,932,946	(\$4,508,395)	\$118,740	\$5,543,191	\$3,589,976

EXPENSES

PROGRAM SERVICES					
STRATEGIC SOLUTIONS TEAM	\$2,612,846	\$-	\$-	\$2,612,846	\$2,438,871
COMMUNICATIONS	838,427	-	-	838,427	734,804
SUPPORTING SERVICES					
MANAGEMENT AND GENERAL	426,663	-	-	426,663	461,262
DEVELOPMENT	596,759	-	-	596,759	291,790
TOTAL EXPENSES	4,474,695	-	-	\$ 4,474,695	\$3,926,727
CHANGE IN NET ASSETS	\$5,458,251	(\$4,508,395)	\$118,740	\$1,068,496	(\$336,751)

STATEMENT OF FINANCIAL POSITION

ASSETS	TOTALS	
	2017	2016
CASH	\$7,209,933	\$614,992
CONTRIBUTIONS RECEIVABLE	1,136,736	5,591,000
ACCOUNTS RECEIVABLE	305,128	339,061
INVENTORY	37,421	47,922
PREPAID EXPENSES AND OTHER ASSETS	40,110	57,680
INVESTMENTS	11,531,404	10,945,377
NOTE RECEIVABLE	-	1,030,580
BENEFICIAL INTEREST IN PERPETUAL TRUST	565,697	504,843
PROPERTY AND EQUIPMENT, NET	3,118,550	3,240,466
TOTAL ASSETS	\$23,944,979	\$22,371,921
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	\$678,678	\$164,502
NOTES PAYABLE	48,073	57,687
TOTAL LIABILITIES	\$726,751	\$222,189
NET ASSETS		
UNRESTRICTED	\$15,315,177	\$9,856,926
TEMPORARILY RESTRICTED	6,606,133	11,114,528
PERMANENTLY RESTRICTED	1,296,918	1,178,278
TOTAL NET ASSETS	\$23,218,228	\$22,149,732
TOTAL LIABILITIES AND NET ASSETS	\$23,944,979	\$22,371,921



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