



For Organic Principles and Best Practice

Elm Farm Research Centre (EFRC) is one of Britain's leading research, development and advisory institution for organic agriculture, founded in 1980 as an educational charity. It is based on a 237 acre fully converted tenanted working organic farm in the Kennet Valley in Berkshire, with two other main sites - Sheepdrove Organic Farm in Berkshire and Wakelyns Agro-Forestry in Suffolk. It undertakes research and demonstration projects on organic farms throughout the country.

For more than 20 years, EFRC has played a central role in the development of policy and standards for organic farming and food within the UK, EU and internationally. The Centre's alliance of practice and policy; on-farm and desk research and consultancy and advice is unique.

We would like to see a world where food can be grown in ways which do not pollute and abuse our environment; where the use of finite resources for food production, processing and distribution are minimised and husbanded, not carelessly exploited; where agro-chemical residues are not commonplace in food; where additives, antibiotics and growth promoters are not part of our food production and consumptions patterns; and where people possess the skills and means to grow more of their own food in a way that is compatible with their ecological surroundings, wherever they are in the world.

Our purpose is to work by ourselves and with others, to promote such an agriculture and to develop organic agriculture as far as possible to comply with these principles. Low environment technologies, such as organic farming, do exist; economic activity that takes due account of environmental and social impact also exist. They could provide the basis for a genuinely sustainable future if more people knew about them, studied them and where possible, practised them. EFRC aims to develop an energetic and positive force for change in support of this.

We have a unique mode of operation and we operate on a broad front from practice to policy, providing solutions in this world and the future. On-farm and desk research and consultancy are linked together in one institution. No one else has this structure. **We have unique expertise** in research, advice, practice and policy in organic systems.

We are independent and have charitable status. We are innovative and we are prepared to "stick our necks out" and do and say unpopular things if necessary as in the Foot and Mouth outbreak. But we are collaborative and seek to work with partners and stakeholders to identify problems and develop solutions. We have an extensive network of research sites, institutional partners and work with other NGOs and environmental organisations. We work with farmers in innovative ways to identify and address practical problems.

We are an organisation that is proposing change. We are innovative. We have opposed the invidious march of Genetic Engineering on the environment, food and health.

We believe in the objectivity of the scientific method and are rigorous in its application, but we also have a view of the world as we would like to see it.

Elm Farm Research Centre Mission Statement

“Elm Farm, Research Centre is developing 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 his environment.”

TRUSTEES' REPORT

There is mounting evidence that the finite resources upon which our civilization depends - the climate, hydrocarbon energy, water and soil - are coming under immense pressure, which can only increase over the next few decades. This will have a direct impact on our most basic need: to grow enough and good enough food to support the health of mankind.

The role of EFRC is to identify and analyze the implications of this crisis, and to undertake research into practical and sustainable solutions to it.

There are powerful voices which claim that genetic engineering can deliver both a viable and a profitable food supply. We beg to differ and have been active in the debate on genetic engineering. We are heartened by the success of the counter arguments in which EFRC has played a significant part. There remains however the question of seed contamination by genetic material and the fact that seeds can be contaminated without being labelled GM and without notification or the ability to trace the contamination. We have raised our strong concerns on this issue, not least in our position statement on co-existence with GM, which seeks to provide a practical and effective ring fence for organic farming.

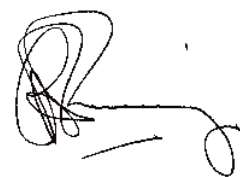
Much has been claimed for "sustainable development" and under that banner "sustainable agriculture". Our emphasis, particularly in this year, has been on appropriate breeding both in our cereals programmes but also in the research and development of poultry systems with the Sheepdrove Trust. Mixtures and varieties for local and organic adaptation are an important way forward for sustainability of the system.

The year has been challenging for the organisation as it attempts to deal with a wide number of important issues with a small, well-qualified but overstretched team. The funding climate for our particular work is difficult with competition for the "pool of funds". With the uncertainty of farmers and growers, as the agricultural financing plans change but with no certain outcome during the year, we have seen reductions in the call for the Organic Conversion Information Scheme and advice generally.

However, the organic market is still the fastest growing in the food industry but we need to ensure that its principles and practice are still the best. EFRC has been a strong proponent of the protection and development of the principles of organic agriculture and has been very involved with the international movement's reappraisal of its principles. It will continue to be so, as it will continue to offer that advice so needed by any prospective (or current) organic farmer or grower to ensure best practical solutions.

Our other activities are outlined in the rest of the report as is a list of those who have supported us. We would like to thank them - and our loyal staff - for their continued support without which we could not achieve what we do.

Christopher Bielenberg
Chairman



FUNDING and SUPPORT 2003/2004

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

Mr I Alexander, Dr. D. Ambrose, Mr & Mrs. R Ash Wheeler, Lady Bamford, Mr. & Mrs J. Bradley, Mrs. J. Bulbulian, Mrs. G. Bullock, Mr N Campbell, Mr. T. Chamen, Miss C. Clarkson-Webb, Mr. A. Cooper, Mrs C Creighton, Mr P Davis, Mrs. M. de Wardt, Mr. J. Dellow, Mr M Don, Mr. C. Earle, Mrs. P. Edwards, English Nature, Mr. R. Ewbank, Ms. H. Exton, Mr. G. Forster, Mr. Gardejere, Ms. A. Glyn-Jones, Mr B Goldsmith, Mr. G. Goad, Goodenough & Sons, Mrs. E. Harris, Ms. R. Hood & Mr. J. Gosden, Mr. T Gwyn-Jones, Mrs. M. Haynes, Mr. A. Jarrett, Mr. Kearney, Mrs. B. Langley, Mr T Latter, Miss C. Lavell, Mr. M. Linklater, Rev. & Mrs J. Mason, Mr. C. Merfield, Newbury District Agricultural Society, Mr. F. Nichols, Dr. E. Novotny, Ms. E. Parker, Mrs. S. Rothera, Mr. & Mrs A. Sarikhani, Mr. E. J. Scott, Mrs. K. Snychi, Mrs. B. Tarlo, The Rev. Dr. H Turner, Mr. B. Walton, Mr. J. Wellman, Mrs J. Wigan, West Berkshire Council, WWOOF, Mr. P. Wroughton,

TRUSTS: The Arbib Foundation, Birthday House Trust, The Connecticut Komonia Trust, The Cuthbert Horn Trust, The Mercers' Company, The Nichols Charitable Trust, The Paget Trust, The Pantom Trust, The Observer Trust, The Sheepdrove Trust, The Tedworth Charitable Trust, The Tinsley Charitable Trust, The Zephyr Charitable Trust

COMPANY and other SPONSORS: Dreamlodge Ltd, English Nature, The Goodwood Estate Co Ltd, Organic Resource Agency Ltd, Sayers Butterworth, Triodos Bank, Vodafone, W.H.E.B. Ventures Ltd, Waitrose Ltd

GOVERNMENT AND EU FUNDERS: Defra; ESF; LSC, EU

AUDITOR'S REPORT

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 2004 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, Registered Auditor, The Courtyard, Beeding Court, Steyning, West Sussex BN44 3TN 10.01.05

The accounts were approved by the Board at an AGM on 10th January 2005.

Full audited accounts are available for inspection at Elm Farm Research Centre, Hamstead Marshall, Newbury.

Income and expenditure are divided into project funds according to three categories:

"Unrestricted" - where the use of the income received is unrestricted and there is no stipulation as to its expenditure;
 "Restricted" - where use of the income is restricted by the donor for expenditure within a specified project fund or expenditure areas;
 and "Designated" - where the charity itself decides to restrict the use of the income to a particular project fund.

Progressive Farming Trust Ltd trading as Elm Farm Research Centre Statement of Financial Activities for the Year Ended 31 October 2004

extract from the full audited accounts.

	£	Unrestricted		Restricted	TOTAL	TOTAL
		General	Designated		2004	2003
INCOME						
Donations and grants		156435	1000	37500	194935	231439
Farm		15148	0	1732	16880	124029
Research				263735	263735	350705
Advisory/Education		2143	176800	21766	200709	304816
Publications		4439			4439	7575
Other Income		34226			34226	31340
TOTAL		212391	177800	324733	714924	1049904
EXPENDITURE						
Farm		2513			2513	169431
Research/project expenses		15573	268	260071	275912	363650
Advisory/Education/Demonstration		22245	148719	21766	192730	264593
DIRECT CHARITABLE		40331	148987	281837	471155	797674
Publications		12219			12219	9160
Events		3091			3091	5768
Conferences and Shows		15951			15951	17345
FUNDRAISING AND PUBLICITY		41119			41119	38326
MANAGEMENT /ADMINISTRATION		75398	23000	36000	134398	165441
ESTABLISHMENT		54738	5813	6896	67447	111568
TOTAL		211586	177800	324733	714119	1113009
NET INCOMING RESOURCES/(OUTGOING)		805	0	0	805	-63105
Gains on investment assets		18086			18086	46446
TRANSFER OF LAND OWNERSHIP(NET OF DEPR)		1680000			1680000	0
RESERVES		1698891	0	0	1698891	-16659

Balance Sheet as at 31st October 2004						
	£	2004			2003	
FIXED ASSETS		1741967			65329	
INVESTMENTS		491548	2233515	2233515	505514	570843
CURRENT ASSETS						
Stocks		10000			9995	
Debtors		89429			230023	
Cash at bank and in hand		256761	356190		125103	365121
Creditors : amounts due within 1yr			-436738		-455888	
NET CURRENT ASSETS				-80548		-90767
TOTAL ASSETS LESS CURRENT LIABILITIES				2152967		480076
Amounts falling due after more than one year				0		-26000
FUNDS UNRESTRICTED				2152967		454076

DIRECTOR'S REPORT ON THE FINANCIAL POSITION

At £714,924 the trading income for the year is reduced from the previous year for a number of reasons.

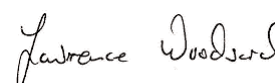
EFRC's organic farm was tenanted on 1st November 2004 and thus income (£107,149 lower) now only comprises rental income and grants - the herd being sold to the new tenant. This arrangement is working well for both tenant and EFRC with no loss to the organisation in the facilities available to it - education, research or as a Head Quarters. **Research project** income patterns meant reduced income in the year (£86,970) - but this was totally offset with resultant direct cost savings. With uncertainty on Mid Term Review proposals, the demand for Defra's Organic Conversion Information Service fell by 15% in the year reducing income in **Advisory services** by £105,000. This was offset by the reduced costs of delivery.

Thus total costs at £714,119 were significantly reduced from the previous year in line with activity changes. The portfolio made gains of £18,086 in the year.

The resultant overall trading position is a profit of £18,891. The year also saw the final transfer of the land and buildings at Elm Farm from the Avenue Trust to EFRC, an exceptional non-cash transfer of £1,680,000 net of depreciation.

The company also plans for a profit for 2004/2005 and is confident of achieving this.

Lawrence Woodward O.B.E.
 Director



Council of Management
Christopher Bielenberg *Chairman*
James Cornford
Rachel Hood
Prof Dr H Vogtmann
Lawrence Woodward O.B.E. *Company Secretary*

Alexander Bielenberg
D Roger Harrison
James Skinner



Patrons: **The Countess of March Kinrara, The Lord Poole, Gaham Pye, Jan Sundt, Peter Kindersley, Juliet Kindersley**

EFRC's Agricultural Research is carried out on effectively operating, viable organic farms around the country to evaluate and to provide the best possible information about the potential and problems of organic agriculture. The programme of research is funded from its own resources provided by private charitable trusts and donations and from work carried out under contract with the European Union, UK government and other bodies. A diverse range of R&D projects relevant to organic farming has been undertaken including: functional biodiversity; weed control; pest and disease management; nitrate leaching; nutrient management; livestock health and welfare; the development of organic varieties and food quality.

Elm Farm Research Centre's Organic Advisory Service (OAS), formed in 1985, is one of the UK's leading provider of advice on organic farming to farmers. Working throughout the country (and internationally), it also runs training courses and events for stakeholders. It delivers the free advisory visits funded by the UK Government DEFRA Organic Conversion Information Service (OCIS) to promote conversion and uptake by those interested in conversion to organic farming.

EFRC's Organic Demonstration Farm Network was established in May 1996 with the aim of promoting "seeing is believing". An annual programme of events on twenty farms is run and provides a focus for the practical demonstration of working organic farming systems and solutions to practical problems. The Centre also provides training and educational courses on a wide range of issues to diverse target groups. This is also used as the base for the OAS Farmer Group programme. EFRC is home to a project which provides **horticultural skills training**, practical work experience and organic agriculture training for those with learning difficulties and mental and physical handicaps.

The EFRC programme covers a wide range of environmental, technical and social issues in its **policy work** and now encompasses such issues as soil and water quality, renewable energy systems, intermediate technology and appropriate economic initiatives. These are explored and analysed in its Policy Work, an important element of which is concerned with the development of appropriate local economies and food systems under our Lean Economy Initiative. Key staff members participate on Government Committees such as the development of the Organic Action Plan and scientific advisory panels, especially on genetic engineering.

In addition to producing **Articles, Scientific Papers and Publications**, raising awareness of the problems and solutions and dissemination of research results, technical, legal issues and economic information and policy is achieved by the production of a regular publication - the *EFRC Bulletin*, which is widely distributed.

Director: Lawrence Woodward O.B.E.

Deputy Directory/Finance & Resources Director: Pat Walters BA FMAAT

Research Director: Prof Martin Wolfe PhD

Head of Operations/Deputy Research Director: Dr Bruce Pearce PhD

Education Project: Bob Winfield BSc Dipl EED

Head of Organic Systems Development Programme: Mark Measures BSc

Organic Advisory Service * : Roger Hitchings

Research: Claire Aspray BSc, Lois Philipps BSc, Sarah Pepler PhD, Kay Hinchsliffe BSc, Josie O'Brien MSc

Lean Economy Initiative: David Fleming PhD

Accounts: Alison Day MAAT

Administration: Pam Tibbatts, Jame Watson, Gillian Woodward

Estate Management: Colin Woodward

I.T. Support: Aaron Ross

Farm & Food Society Member Liaison: Roger Ewbank O.B.E.

DTP/Communications: Alison Walters MMath

** OAS operates with a team of independent professional associates*

Our thanks also to our **Organic Demonstration Farm Network** members, without whom our training and demonstration activities would be much curtailed, less informative and less fun.

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