



Annual Report 2009



Letter from the Board

**SUPPORTING AND PROMOTING
SUSTAINABLE AGRICULTURE IS OUR BUSINESS**

2009 was a year in which the dominant concern for most businesses and non-profits was coping with the recession. For the organic industry and Oregon Tilth, the worry that a food-buying public, confronted with high unemployment and stagnant wages, would find less money in their budgets to spend on organic products, was very real.

In review, the good news is that folks appeared to have voted with their stomachs. Although sales industry-wide didn't see the kind of rapid growth as previous years, the buying public did not drop the organic industry into a deep, dark well. Tilth was able to come through 2009 intact, and with modest growth, and for that we are thankful and appreciative of the world's apparent commitment to organic food and farming, in good times and bad. That said, the future is not perfectly clear for 2010 and beyond. The economy remains challenged, and the organic food industry, ever changing, will continue to wrestle with the challenges of both maintaining the highest integrity and enduring continued growth.

2009 marked two important milestones in the evolution of Oregon Tilth. First, Tilth completed a new five-year strategic plan designed to guide both strategic choices and capacity building efforts. Second, at the close of 2009 the Tilth Board appointed a new Executive Director, Chris Schreiner.

The later first – Chris Schreiner has been an integral part of the Tilth staff for over a decade, and part of an executive management team for the past three years. He is often referred to as the “memory” of Tilth, and has for years worked to maintain the integrity of Tilth's certification services through his role as an internal quality control manager. The Board is extremely pleased that he was willing to step up to the role of Executive Director, and foresee great things to come under his leadership. On a related note, Tilth could not have operated so successfully over the past few years without the strong executive management role played by Kristy Korb. Kristy will continue as Certification Director for Tilth, and continues to be an invaluable player in the organization's success.

The strategic planning process yielded a confirmation of Tilth's mission, but a set of evolved strategies and tactics. Put simply, Tilth's goal is to grow by 100% over the next five years in service to our mission. Our activities will remain the same: certification, research and advocacy and education. We will excel in these areas by focusing on developing excellence in staff and communication, and enhancing our technology platform. And finally, we will deliver both mission and financial returns to organic and sustainable agriculture by developing strong partnerships with research and advocacy institutions. In short, Tilth is preparing to be an institution that will support sustainable and organic agriculture for the long haul. We appreciate your support and look forward to our future shared success!

Adam Zimmerman, President

Programs accomplishments in 2009



OTCO Certification Program

The Oregon Tilth Certified Organic (OTCO) program is a well-recognized symbol of organic integrity. OTCO provides a system that combines strict production standards, on-site inspections, and legally binding contracts to protect the producers and buyers of organic products. Certification services are offered both nationally and internationally, for compliance with the USDA National Organic Program, European Union organic requirements, Canada Organic Regime standards and the Global Organic Textile Standards. By the end of 2009, the OTCO program certified over 1250 producers, handlers and manufacturers of organic products. Approximately 200 operations (16%) were new applicants in 2009.

Certified organic products continue to see increased sales and market access, beginning to move beyond a market niche and into the mainstream. The success of the organic label in the marketplace will continue to be a cornerstone in fulfilling our mission because it provides an educational platform for producers, manufacturers and consumers of organic products.

The Organic Education Center

Oregon Tilth's Organic Education Center (OEC) highlights for 2009 include engaging over 220 students via classes offering placed-based education at our demonstration garden at Luscher Farm; donating over 1000 lbs of organic produce to the local housing authority that supports food-insecure residents; and support from community volunteers providing over 350 hours of service. Through partnerships with Oregon State University Extension and Seattle Tilth, the OEC expanded its offerings to include multi-week, comprehensive gardening classes. Through its combined public outreach efforts including classes, community events, volunteer work parties and garden tours, the OEC accumulated 4822 contact hours in 2009.

In Good Tilth

In Good Tilth, Oregon Tilth's magazine, serves as a primary educational tool for the organization. Each 48-page issue offers informative articles covering a diverse mix of timely and timeless food system news items of importance to both rural and urban audiences. Since 2004, every issue features several articles translated into Spanish.

In Good Tilth is mailed directly to over 1600 subscribers throughout North America and the world, including supporting members, certified organic farmers & handlers, and partner organizations. The publication is also bulk-distributed and available without charge at pickup locations like natural food stores and retail nurseries throughout the Northwest and parts of the Midwest. Archive issues are made available for download at no cost on the Oregon Tilth website.



Strategic Partnerships making things happen

USDA Natural Resources Conservation Service (NRCS) -

NRCS offers well-established assessment tools, technical support and funding streams that could be used to assist well-managed organic farming systems realize their full resource conservation potential.

In 2009, with grant funding support from Western Sustainable Agriculture Research and Education (WSARE), Oregon Tilth partnered with NRCS to deliver training sessions to help conservation planners and organic certification professionals correlate the requirements of organic certification with those of traditional conservation practices and Farm Bill programs. The Organic Conservation Cross-Training brought organic professionals and natural resource specialists together to:

- Learn how traditional conservation practices can benefit organic systems,
- Advance solutions that shape conservation practices to organic operations, and
- Increase the scope of conservation assistance available to organic producers.

Oregon State University (OSU) Extension Service – Small Farms Program

Using funding support from Oregon Tilth, the partnership creates a framework for the OSU Small Farms Program to enhance Oregon Tilth's research and education efforts in support of organic farmers.

Four areas are targeted:

- * Cover crop research in organic systems including development of a Cover Crop Calculator
- * Education for beginning farmers through the Growing Farms: Successful Whole Farm Management series
- * Education for organic and transitional farmers through Organic Day at the North Willamette Horticulture Society annual meeting
- * And, an ongoing needs assessment of organic farmers to set a research and education agenda for the future.

Oregon Tilth brings to the partnership a deep understanding of organic market trends, the regulatory environment and industry connections. OSU brings the ability to leverage well-established resources and infrastructure in outreach, education and research.

Oregon Physicians for Social Responsibility (PSR)

Campaign for Safe Food – Campaign's mission is to advance the establishment of an agricultural system and food supply that does not use genetically engineered organisms. The project focuses on three issues: 1) recombinant bovine growth hormone (rBGH or rBST) in dairy 2) U.S. meat production and 3) biopharmaceutical (biopharm) crops, which are plants genetically engineered to produce drugs.

Healthy Food in Healthcare Project – Project employs market-based forces to increase demand for sustainably produced foods, improve hospital food quality, educate the public, and bolster the local economy.

Organicology

In February 2009, Oregon Tilth co-sponsored an educational conference, called Organicology: The Study of a Sustainable Food Future, that engaged over 500 participants over the course of 3 days. Conference offerings included day-long intensives, 3 keynote presentations, concurrent workshops, live entertainment, meals featuring organic food and a trade show where attendees could meet and ask questions of representatives from aligned vendors, organizations, and other service providers.

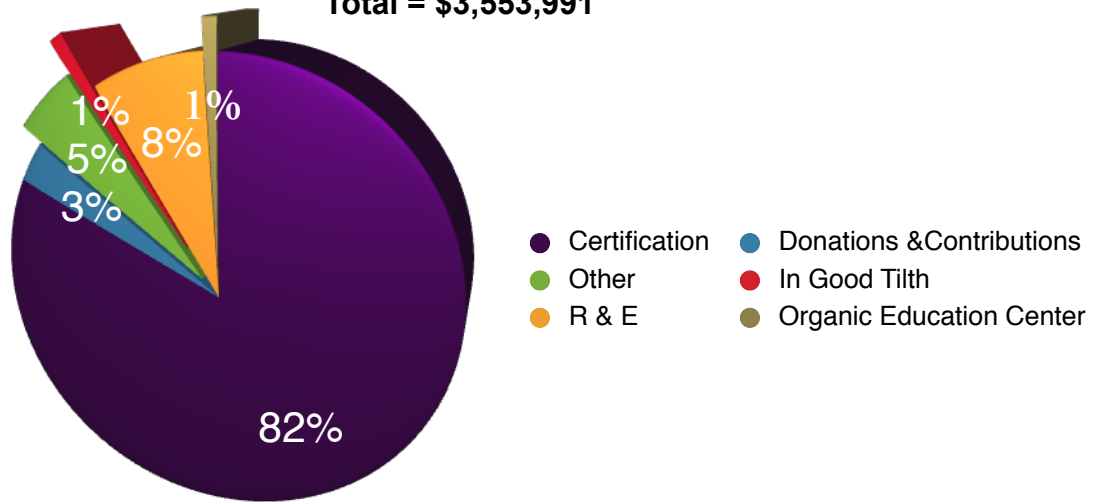
Organicology is an interactive educational format created by a strategic partnership between Oregon Tilth, Organically Grown Company, Food Trade Sustainability Leadership Association and Organic Seed Alliance. The event will become a bi-annual event and is scheduled to occur again in Portland, OR February 10-12th, 2011.



Financials and Charts

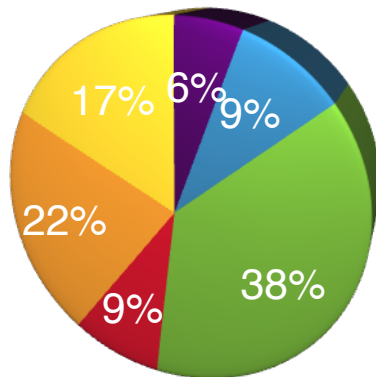
quick look at numbers

2009 Income Class
Total = \$3,553,991



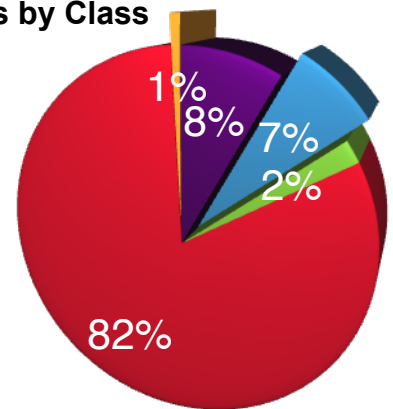
In 2009, the Oregon Tilth Certified Organic (OTCO) program continued to be our flagship area of work, representing the majority of funding provided to the organization. While income for quality educational programs such as In Good Tilth magazine and the Organic Education Center covers their associated materials and contract services, the certification income provides the critical payroll funds necessary to support the staff delivering these two programs. In addition to evaluating compliance with organic standards, certification staff also supports outreach, education and advocacy through their attendance and presentations at over a hundred events each year. As such, an investment in organic certification not only offers value-added market access and premiums, it also supports Oregon Tilth's important education and advocacy work that helps grow the sustainable food movement. Other Research & Education income is received from Organicology conference fees, Organic Land Care education workshops and grant funding.

Average Size of OTCO Certified Farms



- Over 1000 acres
- 100-500 acres
- 10-50 acres
- 500-1000 acres
- 50-100 acres
- Under 10 acres

OTCO Certified Handlers and Processors by Class



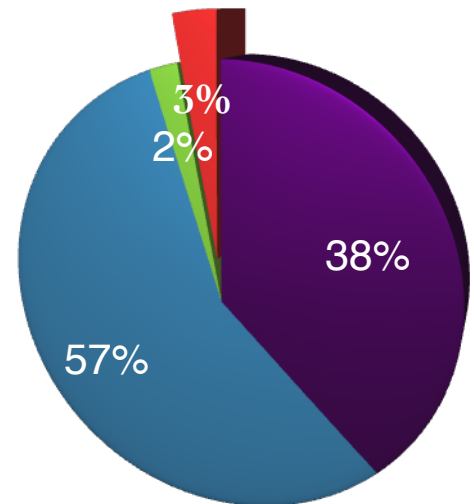
- Organic Handlers
- Organic Marketers
- Organic Fiber and Textiles
- Organic Processors
- US Organic Restaurants and Retailers

Contributions

Oregon Tilth manages several programs and is regularly supporting other organizations that match our mission. Through sponsorships, member dues and other donations Oregon Tilth contributes to over 100 organizations annually. Below is a list of some of these organizations and events we contributed funds to in 2009 to support their work in food systems and sustainable agriculture.

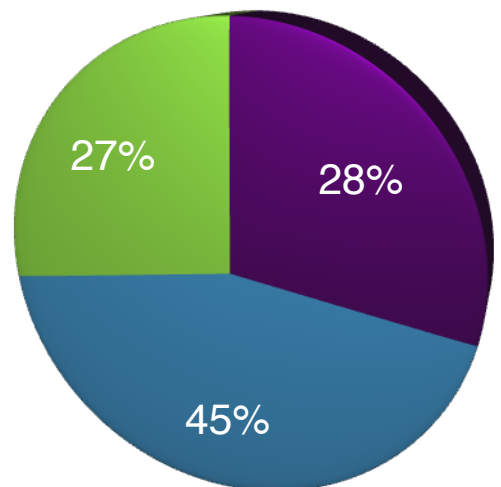
- International Federation of Organic Agriculture Movements (IFOAM)
- Midwest Organic and Sustainable Education Services
- Cascade Pacific Resource Conservation and Development
- Oregon PSR Campaign for Safe Food
- Organic Trade Association
- Organic Exchange / Textile Exchange
- Ecological Farming Association
- National Sustainable Agriculture Coalition
- Accredited Certifiers Association
- Organic Farming Research Foundation
- Northwest Coalition for Alternatives to Pesticides
- International Organic Inspectors Association
- OSU Small Farms Program
- Farmworker Justice
- Tilth Producers of Washington
- Kickapoo Country Fair
- Provender Alliance
- Institute of Food Technologists
- Organic Materials Review Institute
- Food Trade Sustainability Leadership Association
- Oregon Organic Coalition

2009 Contribution Income Details Total = \$15,199



- Organic Education Center Contributions
- Membership Fees
- Yard & Garden
- General

2009 Contribution Expense Total = \$66,278



- Sponsorship
- Contributions
- Dues and Subscriptions



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