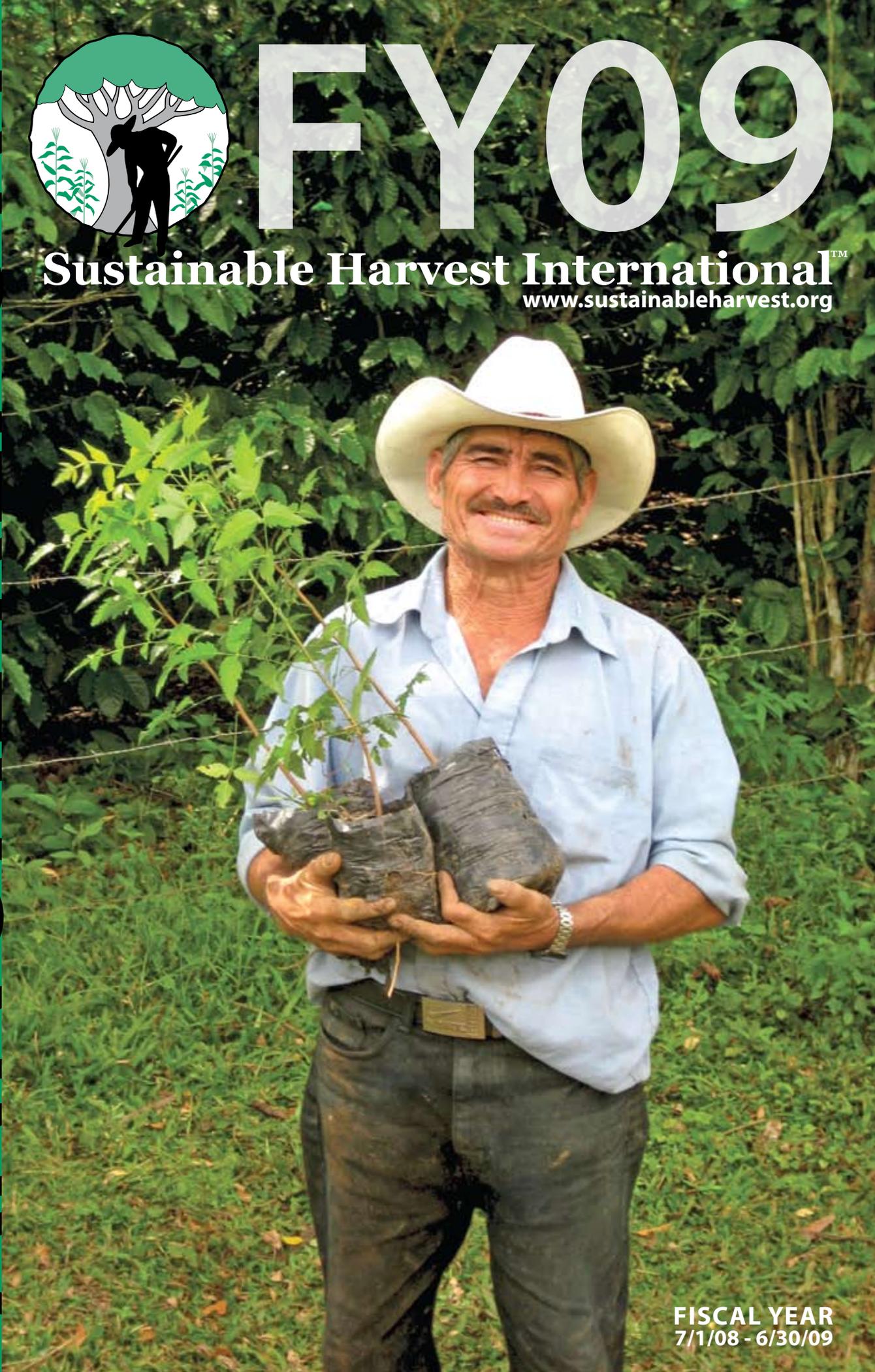


ANNUAL REPORT



FY09

Sustainable Harvest International™
www.sustainableharvest.org



FISCAL YEAR
7/1/08 - 6/30/09

OUR MISSION

Sustainable Harvest International (SHI)
provides farming families in
Central America with the training and
tools to overcome poverty while
restoring our planet's tropical forests.



Children in their school's garden with SHI Field Trainer Daysbeth López (*back row, left*) in the community of Santa Rita, Panama.

SHI provides alternatives to slash-and-burn destruction of tropical forests.



SHI works with participant families to improve their standard of living.

THE NEED

- The world's number of malnourished people has increased from 190 million in 2007 to 210 million in late 2009 due to climbing food prices and economic recession. (*International Labour Organization, 2009*)
- Approximately 2.6 billion people—men, women and children—rely on agricultural production systems, be it farming, livestock production, forestry or fishery. (*'Agriculture at a Crossroads' Global Report, IAASTD, 2009*)
- In developing countries some 2.5 billion people are forced to rely on biomass—fuelwood, charcoal and animal dung—to meet their energy needs. Indoor air pollution resulting from the use of solid fuels is a major killer. It claims the lives of 1.5 million people each year, more than half of them below the age of five: that is 4,000 deaths a day. To put this number in context, it exceeds total deaths from malaria and rivals the number of deaths from tuberculosis. (*Millennium Development Goals Report, 2007*)

OUR SOLUTION

PLANTING HOPE • RESTORING FORESTS • NOURISHING COMMUNITIES

Sustainable Harvest International sees the importance of small-scale farming both as a means to ensure food sovereignty and to promote sustainable techniques that improve quality of living while restoring the natural environment. We take a hands-on long-term approach to solving the agricultural, ecological and economic problems of Central America through the work of our affiliate programs in Honduras, Nicaragua, Belize and Panama. SHI's grassroots approach of hiring local staff and promoting cooperative sharing of knowledge and resources serves to break the cycle of paternalism for small-scale producers in the developing world.

PLANT HOPE

“A farmer in a remote village in Honduras is providing us with organic coffee, providing winter habitat for our song birds, stabilizing our global climate, preserving the forests that are the source of most of our medicines, creating oxygen to breathe and protecting the coral reefs from siltation as a result of deforestation. So if a poor farmer in Honduras can do all this for us, what can we do for him?”

- Florence Reed, Founder & President of Sustainable Harvest International



Dear Friends,

With so much bad news in the world, I'm confident the stories of hope and transformation in this year's annual report will bring you joy and optimism.

As for so many people, the past year has been financially challenging for Sustainable Harvest International. Thanks to the generosity of long-time supporters who were able to increase their contributions, and to new friends who gave for the first time this year, we narrowly avoided making significant program cuts. Although we were not able to expand our work to reach new families on our waiting list, we were able to strengthen our core programs. I hope that during the coming year, we will see our income increase again so we can reach more families, do more to stabilize our climate and ecosystems, take more volunteers to our work areas and continue to strengthen our work in the field and in the US.

As awareness builds about the global issues of poverty and deforestation, SHI continues to apply appropriate techniques, practical solutions and grassroots training. Through our programs I have seen environmental destruction reversed and communities empowered. Your contributions are having a huge impact on our planet and in the rural farming villages we serve. On behalf of the 1,769 families, 31 local field trainers and more than 2,150 students working with SHI, I thank you for making this important work possible.

Best regards,

A handwritten signature in blue ink, appearing to read "Florence".

Florence

Statement from Ken Berger,
Charity Navigator
President & CEO:

“We are proud to announce Sustainable Harvest International has earned our fourth consecutive highest 4-star rating for its ability to efficiently manage and grow its finances. Only 7% of the charities we rate have received at least 4 consecutive 4-star evaluations, indicating that Sustainable Harvest International consistently executes its mission in a fiscally responsible way and outperforms most other charities in America. This “exceptional” designation from Charity Navigator differentiates Sustainable Harvest International from its peers and demonstrates to the public it is worthy of their trust.”



THANK YOU

We would like to give our sincere thanks to all of the individuals and groups supporting our work with families in Central America this year. Your generous donations have led to the success of our programs, ensuring a healthy future for people and the planet.

LEGACY SOCIETY

Joanne Holman • Kira Kilmer • Barbara Senrau • Henry Smith • Joy & Steve Urban • Mary Weitzel & David Halfpenny

A special tribute to four members of our Legacy Society who will be remembered through their generous gifts to SHI: Alan Day • Jeanne Fossani • William R. Jackson • Mae Manney

\$50,000+ • PROGRAM PARTNERS

Lawrence Carroll • Jeanne Fossani • **Free Family Foundation** • **Laurence W. Levine Foundation** • Al Schwendtner

\$13,000 - \$49,999 • FIELD TRAINER FELLOWS

A.C.T.S. • **Alternative Gifts International** • **American Forests** • **Annie's, Inc.** • **Melza M. and Frank T. Barr Foundation, Inc.** • Bruce Berlin • **C.H. Robinson Worldwide** • Patience Chamberlin • Geoffrey Clark • Julia Farwell-Clay • **Foster Family Foundation** • **Frees Foundation** • Louis Frenkel • Jeanie Graustein • Thomas W. Haas • William and Janet Jackson • **The Kaufman Family Foundation** • Douglas Kinney • **Latin America Fund** • Mae Manney • Bobbie Sweet • Andrea Szeto • **Tonic Mailstopper** • Wayne C Westerman

\$3,000 - \$12,999 • COMMUNITY CHAMPIONS

Karin McCormick • Franklin & Dorothy Agnew • **Ansche Chesed Tzedakah Foundation** • **Apartment Therapy LLC** • **Atkinson Foundation** • Terence Barr • Anne Baruch • **Bassler Family Foundation, Inc.** • **Boreal Renewable Energy Development** • **Brown Environmental, Inc.** • **Brown University Men's Lacrosse Team** • C Austin Buck • Barbara Carpenter • Rosemary Clark • **Cool Works** • Martha Copithorne • **CREDO** • Henrietta Currier • **Eco-Libris** • Christopher Elain • **Emma M Kelly Charitable Trust** • Marylou and Herbert Faris • Tony & Suzanne Federer • H. Charles Ford • Ivor Freeman • Kate Gooding • The Hammer Family • **Harvest for the Hungry Garden** • **Harvey L. Miller Family Foundation** • Ann & Mark Hawley • Peter Holland • Lola Horwitz • **Ideal Bite** • Jeff Mather • **John A. & Joan M. Dietze Charitable Trust** • **Journey Charitable Foundation** • Marta Jo Lawrence • Helaine Lerner • Wayne Martinson & Deb Sawyer • **Modern Spirits** • **Natural Fitness** • Helen & Walter Norton • Nena Norton • **The Paul Foundation** • **Peter Backman & Annie Christopher Fund** • Christine Pielenz • David Putnam • Charles Schaller &

Susan MacQuarrie-Schaller • Robert F. Schumann • Leonard & Diane Seagren • Thomas & Katherine Shea • Alison Smith • Shirley Smith & John Shonle • **St Columba Church** • **Sustainable Harvest Switzerland a fund of Symphasis Charitable Foundation** • **The Penates Foundation** • **The Tuthill Family Foundation** • **The Vestry of St Mark's Parish** • Jim & Whitney Vose • Terese & Joe Williams

\$1,000 - \$2,999 • FAMILY FRIENDS

Betsy & Charles Agle • Gordon Wood Anderson • Steven & Susanne Assante • Tony Barrington • Margaret Bau • Meg Berlin • **Biophilia Foundation, Inc.** • David & Kathy Bourque • Katey Branch • Jacob & Barbara Brown • Mike Brzozowski • Tim & Susan Carden • Lien & Martin Cibulka • Robert Cignarella • Steve & Dorrie Condon • **Cottonwood Foundation** • David & Della Cushing • **Debley Family Foundation** • Stephanie Deutsch • **Dewoskin-Roskin Foundation** • **Earthlite Corporation** • Margery Forbes • George Friese • Charles & Merry Gerber • **Give with Liberty Campaign** • Tom Green • **Greenland Hills United Methodist Church** • Katherine E. Gundling • **Hamalainen Charitable Trust** • **Hancock United Church of Christ** • Scott & Kristine Hankins • Martha Pemberton Heath • Cynthia Hermes & Millard Wilson • Diana Raye Hodgson • Darrin & Greta Homme • Jeremy Hylton • Jewelry by Anna Ruth Henriques • Samuel Kaymen • Samuel Kendall & Cathie Zusy • Edwin C. Laurenson • Dick Leathers • Leslie Libaw • Frank & Darlene Lordi • Kris Maanum • **Maine Association of Nonprofits** • Dr Walter & Anne Meier • Bruce Merrill • Charles E. Merrill • **Microsoft Corporation** • **New Visions Foundation** • **Northeast Fine Art & Design** • **Piscataqua District G.C.F.M.** • Charles & Joan Pratt • **Prince Communications** • **Razoo** • **Robert M Schiffman Foundation, Inc.** • Joanne Robertson • **Robin's Chocolate Sauce** • Marjorie & Richard Rogalski • Neil Rolde • Brian Rosa • **Rosenbluth Family Foundation** • **Rosengarten-Horowitz Fund** • J. Rottinghuis • **Saint Thomas Parish** • **Sharp Foundation** • **St. George's School** • Jonathan Stone • **Superior Nut Company** • Christopher Swartout • Bailey & Charles Symington • **The Robert H. & Anita Q. Lawe Foundation** • **Time Waner Cable** • Diane Englander & Mark Underberg • Mary Van Kerrebrook • Rufus Wanning & Margaret de Rivera • James Matthew Watson • Michael West • Jane & James White • Harold Willis

* *Bold denotes Corporations, Foundations & Community Groups*

SHI-Belize Country Director Nana Mensah inspecting a new solar composting eco-toilet at the Stann Creek Demonstration area.



My greatest hope is to have a diversified and sustainable farm that allows me to live off what I cultivate and provides me with income. I will achieve this because I now have the support and assistance of Sustainable Harvest.

-Denis Castillo, Punta Gorda, Belize



This eco-toilet design built by the Belize staff uses a black solar collector to heat solid waste, destroying pathogens, which allows for a wider range of uses.

BELIZE

Over the past year, SHI-Belize has led the region in solar drying eco-toilet installations. Partnering with organizations like the Red Cross, SHI-Belize installed twelve eco-toilets and train families on their usage. These eco-toilets enable farmers to turn waste into a resource, keeping it out of the water, and using it safely and hygienically to rebuild the soils of their farms. During the next fiscal year, SHI-Belize intends to install more eco-toilets and further integrate their use in family agricultural systems.

In addition to advances in infrastructure and appropriate technology, SHI-Belize is promoting a school curriculum that integrates agroecological concepts and hands-on experience with traditional public school subject matters such as math and science. Over twenty schools will be developing programs that touch on soil science, community cooperation, development and nutrient cycles.

SHI-Belize families are achieving improved standards of living and gaining access to new markets. Our field trainers are providing direct assistance in improved marketing techniques, planning an annual regional Organic Fair and giving assistance in fair trade and organic certification. Participants like Emiliano Choc of the Maya Mopan community are expanding their crop production and developing diversified agroforestry systems which feature various products for commercial sale such as cocoa, ginger, and vanilla. In the last year, participant families have made immense strides when it comes to production and marketing via contacts with the Toledo Cacao Growers Association and a developing collaboration with a Maine business, Barkwheats.



An SHI participant family in Yoro, Honduras with its organic onion seedlings.

HONDURAS

The role of community and cooperation is pivotal in many rural sites in Honduras, and the community of Piedras Negras, Santa Barbara is no exception. Field Trainer Jorge Rodriguez's leadership has motivated the communities he works with to share ideas and work together. Upon entering the mountainous coffee village, one can witness how families are supporting one another and paving the way for a sustainable and healthy future by their enthusiasm for local organic gardens, agroforestry systems and alley cropping. The seventeen SHI-Honduras participants in Piedras Negras and the fifty-seven others in surrounding communities embody the concept of SHI's phased approach to sustainable community development, and without hesitation, have demonstrated a willingness to share their knowledge with neighbors not in the program.

During the past fiscal year, the Honduras program has further developed how it selects and prepares families for SHI's model five-year work plan, and more importantly how it evaluates the medium- and long-range plans established with each of the participants. According to Country Director, Yovany Munguia, *"We believe that with these changes, our annual results will not be independent, rather part of the bigger picture - our five-year which has families graduating from our program with developed skills in sustainable land-use practices. It is within these plans and those five years that participants see the future in a positive light. With dedication and effort, they can achieve significant changes and transcend the presence of SHI in their communities."*



I'm very excited by the work of Sustainable Harvest because I have reached an understanding that all human beings on this Earth should not be selfish with the environment, but rather we should protect it. Leaving a legacy of a healthy environment for our children, our grandchildren and all the generations to come is our obligation now.

- Marcial Urbina, La Pichinga, Nicaragua



NICARAGUA

The effects of civil war are devastating. Families like Ignacio Valle of La Fonseca or Gregorio Torres of Caño Azul represent a portion of the thousands of Nicaraguans that migrated from the interior of the country in order to find a new life. Like many of their neighbors, they fled to the far reaches of the Atlantic Coast to escape the atrocities being committed by both sides, Sandinista and Contras. Unfortunately, what most of them encountered was not a utopia but a land of depleted tropical soils, torrential downpours and inaccessibility.



Seed saving will be an important technique at Nicaragua's new demonstration and education farm, Center for Families and the Environment.

SHI's Nicaraguan affiliate, FUNCOS, is offering the Valle and Torres families, along with 225 others, sustainable alternatives to a life of poverty and instability. During the past year, field trainers have worked with families teaching sustainable silviculture (forest regeneration) and resource management and broke ground on what will become the program's demonstration and educational farm (see photo, left).

According to Country Director Marvin Gonzalez, *"The program looks forward to inviting participants and their families to visit the demonstration farm and learn via hands-on training the importance of diversified and efficient agricultural systems."*

PANAMA

When I began working for SHI-Panama, I quickly realized the far reaching impacts the organization has on local economies and environments. It is an entity promoting a model of sustainable human development which is realistic, and whose actions are centered on the family and their farm. We apply a working methodology that is accepted by small producers and constantly renews their enthusiasm to stay in the program and improve their future. SHI is helping families permanently improve their production capacity, reduce environmental threats facing local populations and habitat, alter their standard of living and contribute to the reversal of global climate change.

- Rodrigo Rodriguez, Country Director

Within the valleys and hills of Cocle, SHI-Panama is building a network of farmers and families that seek sustainable solutions to their everyday problems. In the community of El Entradero, families are working collectively to integrate rice paddies with fish ponds and vegetable gardens. In Pagua, families are reconnecting with their culture by planting native palm and fabricating the traditional *Sombrero Pintado* or *Panama Painted Hat* from its leaves. Families are developing a new mindset that looks at the world as one system.

During the past year SHI-Panama has enjoyed many internal achievements including improved communication and training for staff. Staff are working as a team to expand their knowledge base. As a result of its achievements, SHI-Panama has redefined community driven development and the camaraderie that is critical to building a healthy and sustainable planet.



Right: Isabel Rodriguez with his containers of home-made organic pesticides.

Inset: Young girl wearing & weaving a traditional Panama Painted Hat.



Smaller World Tours offer groups and individuals the opportunity to connect to families working with SHI's programs in Central America. Our local staff request assistance with specific projects and we match them with volunteer groups which provide the support and funding to make these projects possible. Volunteers work side-by-side with our local field staff and farmers who provide the training and materials they need for the work project. In addition to hosting various organized groups (listed below) this year, we welcomed many individuals on our popular Sustainable Chocolate Tours at Cotton Tree Lodge, a Family Voluntourism Trip, and on several new themed trips such as a Dairy Goat Workshop and an Educator's Workshop.

Our upcoming schedule of tours is posted on our website: www.sustainableharvest.org



*We worked, we learned, we contributed.
If there is truly a way to help the
impoverished developing world, SHI holds
the key.*

- Margaret Crenshaw (Washington D.C.)

SMALLER WORLD™ TOURS

Thank you to the following groups who participated in Smaller World Tours this year:

- Brown University
- Camp Betsey Cox
- Center for Ecological Living and Learning
- Hancock United Church of Christ, Lexington, MA
- Holderness School Breadfruit Workshop

- Spring Island Trip
- St. George's School
- Unity College
- Women to Women

FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Sustainable Harvest International, Surry, Maine
2 November 2009

I have audited the accompanying statements of financial position of Sustainable Harvest International (a nonprofit organization) as of June 30, 2009 and 2008 and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sustainable Harvest International as of June 30, 2009 and 2008, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Robert M. Sullivan, CPA
Blue Hill, Maine

STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS

FISCAL YEAR 2009

FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,193,796	\$ 624,201	\$1,817,997
Contributions – Non-cash	15,801	-	15,801
Other Revenues	1,766	-	1,766
Investment Income	9,218	-	9,218
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	1,220,581	624,201	1,844,782
Net Assets Released from Restrictions	506,425	(506,425)	-
TOTAL REVENUES, GAINS, OTHER SUPPORT, AND NET ASSETS RELEASED FROM RESTRICTIONS	1,727,006	117,776	1,844,782
EXPENSES AND LOSSES			
Loss from Sale of Securities	565	-	565
Program Expense	1,388,472	-	1,388,472
Management & General Expense	146,846	-	146,846
Fundraising Expenses	203,665	-	203,665
TOTAL EXPENSES AND LOSSES	1,739,548	-	1,739,548
CHANGE IN NET ASSETS			
Change in Net Assets	(12,542)	117,776	105,234
Net Assets, Beginning of Year	417,891	191,082	608,973
Net Assets, End of Year	\$ 405,349	\$ 308,858	\$ 714,207

A complete copy of Sustainable Harvest International's financial statements may be obtained by contacting our office.

BOARD OF DIRECTORS

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VICE CHAIR

Diane Seagren, Esq.

TREASURER

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Terence Barr, Ph.D.

Mimi Becker

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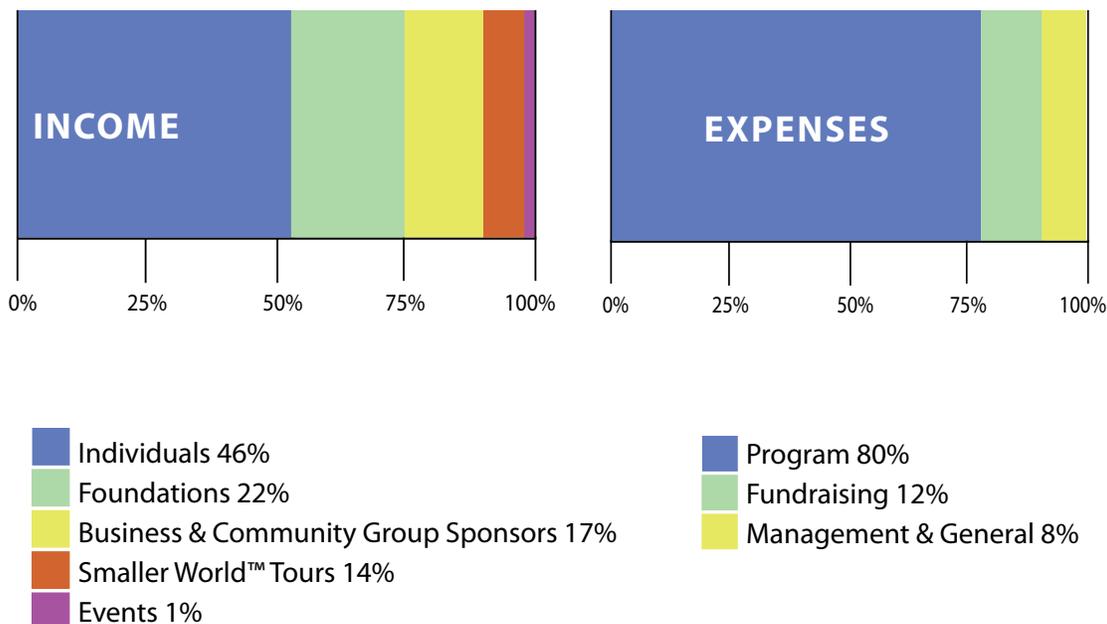
Rhett Currier, Esq.

Charlie French, Ph.D.

Jill Kammermeyer, Ph.D.

NON-VOTING

Florence Reed, *President*



SINCE 1997...

Sustainable Harvest International has

- Converted over **12,000 acres** to sustainable and diversified land use
- Planted **2,590,287 trees**
- Worked with **1,769 families** in **151 communities**
- Graduated **45 communities**

DURING FISCAL YEAR 2009, SHI AND ITS AFFILIATES SUCCESSFULLY...

- Planted **309,675 trees**
- Started **180 vermiculture (worm composting) projects**
- Built **149 wood-conserving stoves**
- Created **10 community rural banks**
- Provided over **225 loans totaling \$28,000**
- Taught environmental education, nutrition and sustainable agriculture in **13 rural schools**
- Established over **1,200 vegetable, fruit & medicinal gardens**
- Worked with families in **106 communities**
- Employed **50 field staff** in Belize, Honduras, Panama & Nicaragua and **11 staff in the U.S.**



Mango seedling ready to plant in Honduras.

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Annual Report FY2009 is a publication of Sustainable Harvest International (SHI), a 501(c)3 nonprofit corporation. All donations to SHI are tax-deductible to fullest extent of the law. Printed on recycled paper with soy-based inks.

Photo credits: Greg Bowles, Sarah Kennedy, Jon Hurst, Florence Reed and Juan Cho.

Cover: Manuel Ramos preparing to plant a neem tree seedling in a school yard in Honduras.