PLANTING HOPE, RESTORING FORESTS, NOURISHING COMMUNITIES

SUSTAINABLE HARVEST INTERNATIONAL

ANNUAL REPORT FISCAL YEAR 2008
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# FISCAL YEAR 2008

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## 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.

*Sustainable Harvest International’s Annual Report Fiscal Year 2008 is a publication of Sustainable Harvest International (SHI), a 501(c)3 nonprofit corporation. All donations to Sustainable Harvest International are tax-deductible. This report is printed on recycled paper using soy-based inks.*

*Front Cover: SHI participant Felipe Urbina from Ocatalito, Honduras, with a lettuce harvest from her garden.*
Dear Friends,

Within the pages of this annual report you will read about specific projects that have been made possible thanks to your generous support and the hard work and dedication of the 48 local staff members and 1,350 participant families taking part in SHI’s programs. While the individual projects are important, most impressive is what happens when you put all of these projects together and consider the impact they have on people’s lives and the communities where they live.

I want to share stories of two people whose lives have been dramatically impacted by our work this year. One is Herminio Sho, a field trainer who was hired in February to work with families on SHI’s waiting list in Belize’s Toledo District. The second is Santiago Coy, a Kekchi Mayan farmer from Sundaywood, one of the villages Herminio assists. I had the opportunity to visit with Herminio and Santiago Coy this fall when they were planting cacao trees [the tree that produces chocolate] in a multi-story forest plot.

Herminio takes great pride in his work. “Working so far with Sustainable Harvest International Belize is very amazing since working hand-in-hand with the people in rural communities is my passion. I see my work as a way to make things better for my people here in Belize. We are working with families living in very serious poverty. They have been pushed down their whole lives, but with training from SHI, they suddenly have hope in their lives for a better future for their children. I am proud to have the opportunity to help people in this way.”

Santiago Coy is one of thirty-three families working with Herminio in the village of Sundaywood. Mr. Coy explained that now, after years of feeling oppressed by poverty, he has hope for a better future for his children. “Before I only planted rice, corn, beans and some yams. Now I will be planting 1,000 cacao along with coconut, plantain, molly apples, cashew, madre de cacao and mahogany. All of these trees will shade the cacao and provide for my family… Herminio has also showed me how to make natural pesticide using a mixture of papaya leaves and soap that keeps the ants and white flies off my new garden. The money we save and the money I will earn from selling what we don’t eat from the garden will send my children to school. I am learning from Herminio ways that I can improve my family’s situation.”

In this first year of work with SHI, Herminio will work with the Coy family and others to improve their nutrition by planting vegetable gardens and transition away from slash-and-burn and intensive chemical agriculture. The families trust Herminio and know that he will be there along the way to bring them the training and tools they need to succeed. During the coming years, Herminio will help the families to further diversify their crops, increase their yields, build wood-conserving stoves, prevent erosion, construct composting latrines and market what they grow. The training that Herminio and the other SHI field trainers provide empowers families to break free of the cycles of poverty and deforestation in their communities.

I hear from families and field trainers across all of SHI’s programs in Honduras, Belize, Nicaragua and Panama who feel the same pride that Santiago and Herminio have for their work. Every time I visit the field I am asked to share heartwarming thanks with you, our supporters, for making this all possible. I hope that you enjoy reading within these pages about the projects that are making a real impact on the lives of the families we serve and on our threatened planet. I hope you will share their pride and sense of accomplishment.

Best regards,

Florence Reed, Founder & President

Above: Flo with her son, Clay.
BELIZE
Sustainable Harvest International’s Belize program began in 1999 and currently serves more than 320 families, having planted thousands of trees and almost 280 gardens. Belize country director, Nana Mensah reports, “Belize is losing acres of forest lands and contributing to high amount of CO₂ emission due to the traditional method of slash and burn to clear land for farming. These are the problems of farmers who come to SHI for assistance and these are the problems SHI is working to solve.” Families working with SHI in Belize are playing an important role in the restoration of the environment while breaking the cycle of poverty in their communities.

HONDURAS
“Most the past year has been very special for the Sustainable Harvest Honduras program,” reports country director, Yovany Munguia. “It has been a year of transitions as the majority of the families who have been working with SHI for five years or more are graduating from the program. We have been working to select new families to work with SHI.” There is a long waiting list of families who have requested assistance from the Honduras program and the local staff members are selecting new families and communities based on need, strategic planning and our ability to fund new efforts. In 2008, we saw 326 acres improved through sustainable techniques and reforestation, almost 600 small family projects (such as improved stoves and gardens), more than 23,000 trees of various species and the establishment of 101 new small businesses and two rural banks. We also supported 9 schools with nutritional improvement projects and the application of environmental techniques in gardening.

NICARAGUA
According to Sustainable Harvest International Nicaragua country director, Marvin Gonzalez, “The most important achievement of 2008 has been providing direct assistance to 188 families and 20 women's groups. Our work with them has focused on technical support and training in sustainable agriculture techniques. Roughly 376 acres were converted to sustainable and organic agriculture, 309 acres were reforested and 222 gardens established. There have also been many small infrastructure projects such as construction of 24 improved chicken coops, 15 biodigesters, 16 solar dryers and 19 grain storage facilities. We have set up 60 new businesses with funding from the organization, Trickle Up.” All of this has served to raise the standard of living for Nicaraguan families, improve their nutritional intake as well as their economic circumstances, and has served to better protect the environment.

PANAMA
Sustainable Harvest International’s Panama program is pleased to report great success in 2008, focused on self-sufficiency activities with families such as crop diversification, reforestation, non-traditional crops, vegetable gardens, wood-conserving stoves and composting latrines. All of these projects have led to a better home environment for families, meaning better nutrition and an improved level of income. SHI Panama formed three rural banking programs, and these will benefit 30 families with small loans at low levels of interest. These loans assist with small business start-ups for individuals, usually focused on small commercial vegetable crops, animal husbandry and small stores. Panama country director Rodrigo Rodriguez reports, “We have a long list of communities near La Pintada who have asked for our help so one of the biggest opportunities for the next fiscal year will be a potential expansion of the program to 100 more families, which we hope to achieve with the help of the donors to our program.”
KILLING PESTS SOFTLY: NON-CHEMICAL PESTICIDES & FERTILIZERS

SHI has been working with farmers to find alternatives to harmful and expensive commercially produced chemical pesticides. By mixing natural ingredients such as hot peppers, cow urine, garlic, and neem, farmers are able to create powerful, yet nontoxic, homemade pest control substances. The farmers are saving money by using these inexpensive homemade alternatives, but more importantly, they are no longer exposing their families to the dangerous chemicals found in pesticides. Moreover, families are incorporating integrated pest management practices which have served to improve populations of beneficial insects, including predators like ladybugs and braconid wasps, and pollinators such as stingless bees (meliponines).

A SIMPLE RECIPE: BOCASHI

Bocashi (from the Japanese bokashi) is a highly effective natural fertilizer. Though there are many different techniques for making bocashi, SHI participants have developed a simple recipe that works well for them and requires only materials that are readily available. Manure, coffee pulp or rice hulls, yeast and molasses are mixed with healthy soil. The yeast becomes active when it comes in contact with the molasses and the fermentation process begins.

The bocashi mixture ferments and decomposes for a period of 15 days. Each morning and night it should be mixed so that it does not become too hot. At the end of the 15-day fermentation period, the bocashi is ready to use or, as our field staff members explain, “ready to feed the earth.”

There are a number of uses for this special compost. Most of the farmers working with SHI have found it most helpful in their tree nurseries and vegetable gardens. Safe, effective and inexpensive, bocashi is a wonderful alternative to unsustainable and expensive chemical fertilizers!

BLACK IS THE NEW GREEN: BIOCHAR

Having heard about the wonders of biochar or terra-preta, and its practical use in tropical environments, SHI and several families in Honduras and Panama have begun experimenting with the ancient techniques practiced in the Amazonia. In January of 2008, staff had their first introduction to biochar during a workshop with Ph.D candidate Julie Major from Cornell University. Not to be mistaken with organic fertilizers or compost, biochar is a soil conditioner, which improves the efficiency of fertilizers by retaining applied nutrients and provides a niche for microbial activity.

Families in Honduras and Panama have already begun experimenting with this ancient technique and seen dramatic improvements in crop yield and water retention. In Panama, families have incorporated charcoaled rice hulls and other organic matter into their corn fields and seen production increase compared to traditional methods of cultivation. In the coming year, staff and families anticipate increasing their usage of biochar and developing a means to harness the energy produced during the pyrolosis (breaking down of matter into char in absence of oxygen).
TEACH A CHILD TO PLANT: SCHOOL PROGRAMS

In addition to working with individual families, SHI also works with school groups. Teachers invite our field trainers into the classroom where they teach the importance of sustainable growing practices. We also provide the materials for school gardens and tree nurseries. Thanks to donor support, our staff is working directly with teachers and students in 50 schools.

“Students are setting up school gardens, integrating what is learned into their classroom lessons. They are learning patience, friendship and how to live in a community.”

- Nana Mensah, Belize Country Director

WATER WORKS: IRRIGATION SYSTEMS

SHI helps families with basic irrigation for their agricultural plots. One of the irrigation systems that we use is drip irrigation. Drip irrigation is a method which minimizes the use of water and fertilizer by allowing water to drip slowly to the roots of plants, either onto the soil surface or directly onto the root, through a network of valves and tubing. This cost-effective and time-saving method ensures that a garden is well-watered and conserves a great deal of valuable water and energy.

THINKING AHEAD: SAVING SEED

Saving seeds is a fundamental part of creating a sustainable farm that will continue to provide healthful produce year after year, and develop an understanding and appreciation of localized economies. SHI not only provides seeds to help families start gardens and diversify their current crop production, but offers farmers the skills and training necessary to select, save, and store seeds for the future. All too frequently, farmers are challenged by market prices for seeds such as the common bean (Phaseolus vulgaris) and subsequently are limited in what they can and can’t grow. SHI and local staff members are offering a diverse and healthy alternative for farmers, and further empowering the community by way of establishing local seed banks and offering funds for farms. For SHI and the families of Central America, seed saving is instrumental to being sustainable and creating localized farms.
SEEDS OF SUSTAINABILITY: TREE PLANTING

REFORESTATION

In addition to empowering families by helping them improve their incomes and quality of life, SHI seeks to preserve and restore local and global environments. Restoring our tropical forests not only impacts local communities, but also mitigates global climate change and prevents drought. Our local field trainers provide families with the training, as well as seeds and other materials, needed to build tree nurseries. In the rainy season, when the seedlings are ready to transplant, our staff members help families plant the trees in ways that will truly make a difference on their farms, providing shade for crops like coffee, creating barriers for soil erosion, or protecting a local streambed.

SHI PARTICIPANT FARMER, DON MARIANO

“"I have replanted trees native to the area, such as macuelizo, acacia, mahogany, cedar and others. I have my plantation, which consists of coffee, bananas and a little bit of cacao. Personally, what gives me the most money are coffee and bananas, but it’s not enough to cover all my needs because I have so many underage children that my older children have had to go out and work in the factories to support me."
- Juventino Mejivar, 10 children, SHI Participant, Honduras

ALLEY CROPPING

Alley cropping is a simple technique that SHI teaches farmers to restore nitrogen to the top layer of soil and use the same piece of land year after year to grow their crops. Nitrogen-fixing trees are planted between rows of such staple crops as corn and cassava. These trees fix nitrogen to the soil through their roots. They also can provide shade for crops like coffee. In the case of sun loving crops, such as corn, when the trees grow so tall that they are shading the crops, the farmer simply needs to cut them back. Each time these trees are cut back to a stump, the already established tap root allows the tree to grow back stronger than ever. The branches that are pruned can be used for firewood while the twigs and leaves can be left where they are to serve as natural mulch.

MULTI-STORY FORESTS

SHI encourages biodiversity on the participating farms. A multi-story farm mimics a natural forest with an overstory of hardwood trees, for example, shading bananas, coffee and ginger – all of which thrive in the shade. The shade-loving crops flourish in this environment, while farmers greatly expand the overall productivity of their land. If the market value of one of their crops drops, just as the coffee prices have in recent years, they still have their other crops to fall back on for family income. Plantations like these have been found to contain 90% of the biodiversity of bird species natural to the nearby forest.

HIGH YIELDING FRUITS: BREADFRUIT

With the support of the Breadfruit Institute, Sustainable Harvest Honduras program has launched a lucrative initiative to grow several thousand Breadfruit trees and distribute them to families in the districts of Yoro and Santa Barbara. The program has planted approximately 3,000 seedlings and will offer at no cost at least four plants per family. In addition to providing the saplings, SHI staff will be working with families to care and monitor the development of the trees, and tutorials on how to cook with the fruit.

Breadfruit (Atrocarpus altillus) is native to western Pacific Islands, but has been widely used in the Caribbean an inexpensive yet high energy food source. Besides producing a hearty yield of nutritious and versatile fruits, the breadfruit tree will serve to protect watersheds and offer permanent tree cover in family orchards and multi-story forest plots.

Left: SHI Smaller World Trip Coordinator, Kevin Johnson, with a breadfruit.

RIGHT: SHI Field Trainer Cipriano Perez Picado, Kukra River, Nicaragua
This type of chicken coop permits the chickens to lay their eggs in it, so they don’t lay them in the weeds, where they get lost or other animals consume them, to the detriment of the families. It also avoids one of the common problems in the area, which is the loss of the chickens, either by theft or because they are eaten by other animals. Since its inception, the loss of chickens has been reduced, to the benefit of the families.

- SHI Participant in El Carrizalita, Honduras

SHI’s local field trainers teach families how they can turn garden scraps, leaves, manure and other organic material into rich fertilizer for their crops. This homemade compost is a great alternative to dangerous and expensive chemical fertilizers. Vermiculture, or worm composting, is a technique that SHI participants have used with great success. Red wriggler worms are added to family compost piles to help break down organic material. The castings that the worms create are rich in nutrients and beneficial micro-organisms. SHI participants are also making bocashi (see pg. 3), compost made from fermenting a mixture of manure, coffee pulp, yeast, sugar cane stalks and soil. This mixture ferments and decomposes in just 15 days, at which point it is ready to use in gardens and tree nurseries.

Due to my environmental outlook, I have never really liked soil burning, or using contaminants, and while working with Sustainable Harvest, I have learned much more about organization, crop diversity, and the preparation of natural fertilizers, so that I now have worm manure, compost fertilizer, bio-fertilizers, and bocashi. I have also learned how to protect water sources and I use a mulching technique to avoid soil erosion.

- Juan Moody, SHI Participant, Kukra River, Nicaragua

In the rural villages where SHI works, water contamination from human waste is a serious health threat. Families lacking the resources and training to build safe latrines have asked for SHI assistance. We held workshops in Honduras and Belize on the construction of eco-sanitation toilets. They benefit the household and community by producing free, organic fertilizer, conserving water, preventing pollution, and encouraging good health. Families with ecosan toilets are able to increase their harvest without resorting to chemical fertilizers, and are under less pressure to clear more forest land for cultivation. These toilets are quick to build using local materials, and once the investment is made they can produce their valuable products for decades.

- SHI Participant in El Carrizalita, Honduras
USING NATURAL RESOURCES: RENEWABLE ENERGY

HEALTHY HEARTHs: WOOD-CONSERVING STOVES

Wood-conserving stoves are saving thousands of trees and greatly improving women’s and children’s health in Central America. These stoves require as little as 1/4 of the amount of firewood of an open fireplace and reduce the amount of smoke in the home. Women and children using open fire places in their homes were breathing smoke fumes equivalent to eight packs of cigarettes a day! Now hundreds of families working with SHI’s local staff are building simple stoves for cooking and heating, while smoke is funneled outside via a chimney. This stove uses very little fuel and contains a combustain chamber which burns off toxic soot. These stoves are easy to construct with mostly local material and are greatly improving the lives of many. SHI is offering training and material support to construct two models of stoves.

Mrs. Concepciona Sub (above) cooks fish on the demonstration Justa Stove at Cotton Tree Lodge in Belize: “I would like a stove like this in my home. I have told my family about how good it is. It cooks fast with little wood and there is no smoke. I am glad that Sustainable Harvest Belize will now be working here in San Felipe so we can learn to build good stoves like this.”

MIRACULOUS METHANE: BIOGAS DIGESTERS

A biogas digester is essentially a long plastic tube into which families pour water and manure mixed with other organic material. As the material in the digester decomposes in an anaerobic setting, methane gas is released. The gas can then be tapped and used for cooking. Methane cook stoves are used to prepare traditional rice and beans each day. A woman can cook for eight hours a day on the methane produced by her family’s digester. Families no longer need to spend hours each day collecting firewood and the methane stoves can be used to prepare traditional meals each day. Another added bonus is that the effluent from the biogas digester is also a powerful organic fertilizer.

EXPERIMENTAL BIOFUEL: JATROPHA

Jatropha seeds can be crushed in order to produce an oil that is easily processed into fuel, similar to the fuel that is produced by more well-known biofuel sources such as sugar and corn. Although production varies and the SHI Honduras program is at least two years away from having mature plants to with which experiment, in other parts of the world jatropha has produced up to 200 gallons of biofuel per acre, without the drawbacks that have been a part of debate over food crops used as biofuels. There are 175 species under the genus of Jatropha, a plant native to Central America, but the optimal for biofuel production is the deciduous version of Jatropha curcus. The advantages of it as a crop are many. It can be used to prevent erosion and grows in almost any soil, including dry and saline soils. Its largest disadvantage is that there is not much solid data on producing Jatropha curcus in mass quantities. This is because the plant is not edible (and is in fact poisonous if eaten in sufficient quantity), and while its short-term impact on soils seems to be negligible, the long-term impacts have not been studied. Jatropha production in Honduras is not yet a reality, but SHI Honduras has already planted several acres with the crop and put together a five-year plan for shifting use of diesel to biodiesel, at least for the trucks used by the program.
**WOMEN LEAD THE WAY: MICRO-ENTERPRISES**

Right: Josefina Sanchez harvesting dried okra in her garden in Punta Gorda, Belize.

Below: Romelia Castro shows off healthy tree seedlings ready to plant in Yoro, Honduras.

SHI is proud to be supporting women who are taking steps to empower themselves through the business enterprise program. SHI provides small loans to help the women get started, as well as the training and support they need to succeed.

We hope that with additional funding, we will be able to offer more support to women who have requested our assistance to start businesses including bakeries, herb gardens, small stores and sewing cooperatives.

**SHI is proud to be supporting women who are taking steps to empower themselves through the business enterprise program. SHI provides small loans to help the women get started, as well as the training and support they need to succeed.**

**COMMUNITIES TAKE CHARGE: LOAN FUNDS**

In the rural villages where SHI’s assistance has been requested, there are no government or private institutions offering economically disadvantaged families financial assistance to establish and expand businesses. SHI’s Rural Loan Fund Program provides families with training and seed capital to start rural banks. The community members match the seed capital, set interest rates, establish lending criteria, and originate and administer the loans. Since the loan funds are run by local people, rates are very reasonable, defaults are practically non-existent and return on capital is high. Every community member feels a real personal investment in the lending process.

"First, SHI Honduras helped us start a chicken project and after we had such success selling the eggs and hens, we decided to start a sewing cooperative. With the money we earned, we were able to buy this sewing machine. We also make school uniforms in all sizes for our children and to sell. With the money we earn we support our families and buy more cloth and materials to put into our business. Our goal is to prosper and we hope to improve what we are able to provide for our children.

- Bernada Gomez of the Mujeres en Accion (Women in Action) Sewing Cooperative, Honduras"

**WORKING OUT OF POVERTY: MARKETING**

After SHI has assisted a family to meet their basic needs and grow their crops more sustainably, participants usually ask for assistance with marketing. Our local field trainers help the farmers to form cooperatives, find appropriate markets and add value to what they produce.

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- Bernada Gomez of the Mujeres en Accion (Women in Action) Sewing Cooperative, Honduras"
INTEGRATED AQUACULTURE: RICE PADDIES

When farmers living in Panama grow rice in paddies instead of using slash-and-burn practices, they are able to improve their yields by 400%-800% without having to cut down more forest. In addition to greatly improving family income and reducing deforestation, these hand-dug paddies provide a wonderful ecosystem where fish can be raised with the rice (referred to as “ricipicicultura”). The fish eat the weeds and pests while naturally fertilizing the rice crop, and later both the rice and the fish can be harvested for food.

FEED THE FUTURE: ORGANIC VEGETABLE GARDENS

Many children in Central America live in places where most of the families fall below the poverty level. Proper nutrition is essential to good health, yet many children are malnourished due to a lack of vital nutrients in their diets. Fruits and vegetables are considered luxuries that only the wealthy can afford. In fact, before starting work with SHI, over 75% of participant families report that they never before had access to even the most basic garden vegetables such as tomatoes and carrots. SHI provides seeds, training, and support to families desperate to grow nourishing produce to sustain themselves. Now, over 90% of the families working with SHI have planted organic gardens. Not only are the children getting the nutrition they need, the families are experiencing increased income as they are now able to sell excess produce in markets and to their neighbors.

COSTS: A DONATION OF $45 PLANTS FAMILY VEGETABLE GARDENS

RESULTS: SHI PARTICIPANT FAMILIES PLANTED MORE 782 GARDENS IN 2008!

SHOWING BY EXAMPLE: DEMONSTRATION FARMS

In addition to providing direct hands-on technical support and household visits, SHI’s program in Honduras is demonstrating the advantages of an integrated and sustainable farm system. The demonstration farms in Yoro and Santa Barbara, Honduras and demonstration gardens at Belize’s Cotton Tree Lodge have helped to further exhibit the variety of techniques employed by SHI and provide a means of collecting data on how sustainable agriculture improves soil fertility and crop production. These farms provide families with hands-on training in techniques that they can implement on their own land. Families are able to see new techniques first and then decide what will work best for them.

Currently Honduras is operating two demonstration farms that have hosted students and participants during workshops and trainings, and provided learning opportunities to the surrounding regions. The planned demonstration farm in Bluefields, Nicaragua will operate similar to the farms in Honduras, in addition to being a center piece in the South Atlantic Autonomous Region (RAAS) for sustainable agriculture and appropriate technology. SHI’s demonstration farms are yet another step towards supplying families with practical hands-on solutions to the growing economic, environmental and food crises that face the impoverished communities of Central America.

Left: SHI Demonstration Farm in Santa Barbara, Honduras
Smaller World Tours foster collaboration between Central American farming communities and travelers from around the world. The program serves to support Sustainable Harvest International’s mission of providing training and support to farming villages working to reverse the trends of poverty and deforestation. Smaller World Tour participants take part in 1-2 week trips to SHI’s programs in Honduras, Belize, Nicaragua and Panama. Participants tour family farms, meet with local staff and families, and take part in service projects that improve quality of life while restoring the rainforest. We organize excursions to cultural, historic and ecological sites and strive to put tourist dollars to work supporting sustainable enterprises and local businesses that provide alternatives to destructive slash-and-burn farming practices.

It has been an exciting fourth year for the Smaller World program with more than 120 volunteer participants taking part. In addition to the important hands-on volunteer support our trip participants give onsite, the Smaller World program also provides critical financial assistance to the local SHI field programs. During the past year, more than $22,000 was donated directly to the local programs by our Smaller World supporters. These funds made many new projects possible including: family biogas digesters, school gardens and tree nurseries, demonstration farms and plots, water catchment tanks, crop diversification, family vegetable gardens, tree planting, erosion control, animal husbandry projects, wood-conserving stoves, solar latrines and much more!

We invite all of our supporters to join us in the field for a Smaller World Trip. Our local staff and families are very proud of all they have accomplished with SHI and they want to share their work with you!

“A whole village came together to help with the water project. When you work together, anything is possible.”

- Amanda Masters, Ohio Wesleyan University
THANK YOU!

You make it all possible! We would like to send our sincere thanks to the 1,340 individuals and groups supporting our work with families and communities in Central America this year. Your generous donations and commitment have led to the success of our programs. Whether you are one of our hard-working volunteers or a financial supporter, your efforts have helped families in Honduras, Belize, Nicaragua and Panama implement sustainable techniques to support themselves, protect the environment and ensure a healthy future for their children.

THANK YOU FOR PLANTING HOPE, RESTORING FORESTS AND NOURISHING COMMUNITIES.

LEGACY SOCIETY
Joanne Holman • Kira Kilmer • Barbara Semrau • 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 Sustainable Harvest International.
Alan Day • Jeanne Fossani • William R. Jackson • Mae Manney

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$1,000 TO $2,999
FAMILY FRIENDS
Betsy & Charles (Collie) Agle • Ron Alderman • Austin Bradley Anderson • John R. Anderson • Anonymous • Jim Barrett • Margaret Bau • Jenny Belknap • Bellows Falls Union High School Legacy Group • Bill Berg • Meg Berlin • Stephen & Linda Beste • Elizabeth S Binnian • Matthew & Barbara Black • David & Kathy Bourque • Katey Branch • Mike Brzozowski • Tim & Susan Carden • Robert Cignarella • Rosemary Clark • Steve & Dorrie Condon • Karen Copeland • David Cortez • Cottonwood Foundation • Dewoskin / Roskin Foundation • Earthbound Farm • Earthlite Corporation • Eco-Libris • Marylou & Herbert Faris • Margery & Irving Forbes • P. Wesley Foster, Jr. • George Friese • Charles & Merry Gerber • Tom Green • Thomas W. Haas • Scott & Kristine Hankins • John & Ruth Harris • Mary A. Harwood • Lucile W. Hays & William Hays III • Anna Henriques • Lee Herrick • Diana Raye Hodgson • Joanne Holman • Darrin & Greta Homme • Howard A. Vanvleck Foundation • Jeremy Hylton • Jeff Mather • Samuel Kendall & Cathie Zusu • Kathryn Kistler Powers • John & Cornelia Kittredge • Lane Industries • Edwin C. Laurensen • Dick Leathers • Christina Bird & Donald Loock • Frank & Darlene Lordi • Kris Maanum • Gary McKellips • Meredith Corporation • Mills Family Foundation • Modern Spirits • Mukoguf • Moscow Philanthropic Fund • Natural Fitness • Kenneth A. Neidorf • Ohio Wesleyan University • Carolyn & Clayton Pandalqui • Peterborough Unitarian Church • Prince Communications • Helen Reed • Robert M. Schifman Foundation • Joanne Robertson • Marjorie & Richard Rogalski • Neil Rolde • Seacoast District Garden Club • Diane Seagren • Sharp Foundation • Mitzi Simmons • Benjamin Daniel Sloniker • South Church • St. George's School • Superior Nut Company • Diane Englander & Mark Underberg • Votenet Solutions, Inc. • Alexis P. Walker • James Matthew Watson • Jane & James White

* Bold denotes Business and Community Group Sponsors
## INDEPENDENT AUDITORS’ REPORT

To the Board of Directors  
Sustainable Harvest International  
Surry, Maine

I have audited the accompanying statements of financial position of Sustainable Harvest International as of June 30, 2008 and 2007 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, 2008 and 2007, 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  
12 November 2008

## FINANCIAL STATEMENT

SUSTAINABLE HARVEST INTERNATIONAL

## STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS FISCAL YEAR 2008  
FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2008

<table>
<thead>
<tr>
<th>Revenues, Gains, and Other Support</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$1,010,975</td>
<td>$443,837</td>
<td>$1,454,812</td>
</tr>
<tr>
<td>Contributions – Non-cash</td>
<td>3,212</td>
<td>-</td>
<td>3,212</td>
</tr>
<tr>
<td>Other Revenues</td>
<td>7,358</td>
<td>-</td>
<td>7,358</td>
</tr>
<tr>
<td>Gain from Sale of Securities</td>
<td>10,015</td>
<td>-</td>
<td>10,015</td>
</tr>
<tr>
<td>Investment Income</td>
<td>12,458</td>
<td>-</td>
<td>12,458</td>
</tr>
<tr>
<td><strong>Total Revenues, Gains, and Other Support</strong></td>
<td><strong>1,044,018</strong></td>
<td><strong>443,837</strong></td>
<td><strong>1,487,855</strong></td>
</tr>
</tbody>
</table>

| Net Assets Released from Restrictions      | 383,188      | (383,188)              | -      |
| **Total Revenues, Gains, Other Support, and Net Assets Released from Restrictions** | **1,427,206**| **60,649**             | **1,487,855** |

## EXPENSES AND LOSSES

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Expense</td>
<td>1,092,258</td>
<td>-</td>
<td>1,092,258</td>
</tr>
<tr>
<td>Management &amp; General Expense</td>
<td>104,270</td>
<td>-</td>
<td>104,270</td>
</tr>
<tr>
<td>Fundraising Expenses</td>
<td>131,392</td>
<td>-</td>
<td>131,392</td>
</tr>
<tr>
<td><strong>Total Expenses and Losses</strong></td>
<td><strong>1,327,920</strong></td>
<td><strong>-</strong></td>
<td><strong>1,327,920</strong></td>
</tr>
</tbody>
</table>

## Change in Net Assets

| Change in Net Assets                          | 99,286 | 60,649 | 159,935 |
| Net Assets, Beginning of Year                 | 318,605 | 130,433 | 449,038 |
| Net Assets, End of Year                       | $ 417,891 | $ 191,082 | $ 608,973 |

A complete copy of Sustainable Harvest International’s financial statements may be obtained by contacting our office.
BOARD OF DIRECTORS
The SHI staff offers our sincere thanks to our volunteer Board of Directors.

The Board is made up of a diverse group of individuals whose time, talent and financial support contribute to the organization’s success!

CHAIR: TONY BARRINGTON
VICE CHAIR: DIANE SEAGREN, ESQ.
TREASURER: IVOR FREEMAN
SECRETARY: RON POITRAS
DIRECTORS: BETSY AGLE
TERENCE BARR, PH.D.
MIMI BECKER, PH.D.
DAVID BORDEN
MEL BRIDE
GEOFFREY CLARK, M.D.
RHETT CURRIER, ESQ.
JILL KAMMERMEYER, PH.D.
SAMUEL KAYMEN
FLORENCE REED

BOARD AND STAFF OF SHI AT THE SURRY, MAINE OFFICE.
2,280,612 trees planted

more than 1,000 families working to address the issues of poverty and deforestation in their communities

33 community loan funds started

local extension workers helping families in 93 villages

more than 1,400 wood-conserving stoves and chicken coops built

more than 2,000 school children learning about sustainable farming in the classroom

more than 1,000 farmers using natural pesticides instead of harmful and expensive chemicals on their crops

families harvesting fruits and vegetables from more than 4,500 organic gardens

more than 80 biogas digesters constructed

over 8,000 acres converted to sustainable land use

Thank you to the 1,340 donors who supported us this year!