Dear Friends,

All of us who help make Sustainable Harvest International’s work possible are celebrating the accomplishments achieved during our last fiscal year. I am certainly thrilled to have been a part of this life-changing work that has directly or indirectly improved the lives of thousands of Central Americans and the ecological stability of nearly 700,000 acres of land. At the same time, I know that a total of 2.1 billion people (70% of the world’s poor) live in rural areas, contributing to deforestation and other environmental degradation because they have no good alternatives. I look forward to working with all of you in the coming years to bring viable alternatives to the millions of families who are still waiting for them.

Adelante!

Florence Reed, President & Founder

---

2,961,530 trees planted since 1997
129,077 trees planted in FY2011
$18,873 small business funds loaned in FY2011

---

BY THE NUMBERS:

451 organic vegetable gardens planted
362 wood-conserving stoves built
4 new rural banks opened
490 agricultural training events offered
1,307 acres farmed sustainably

---

1 Agriculture at a Crossroads Global Report, IAASTD, 2009.
Sustainable Harvest International (SHI) has worked with families in rural farming communities in Belize, Honduras, Nicaragua and Panama since 1997. Using organic vegetable gardens, wood-conserving stoves, biogas digesters and a host of other projects, SHI’s local field trainers work together with families, individuals and communities to preserve our planet’s tropical forests while overcoming poverty.

Our five-phase approach to solving the agricultural, ecological and economic problems of Central America is innovative, hands-on and long-term.

- **Phase 1** Family Selection, Orientation & Planning
  *We have 160 families in Phase 1.*

- **Phase 2** Introduction to Nutrition, Organic Farming & Crop Diversification
  *We have 511 families in Phase 2.*

- **Phase 3** Advanced Crop Diversification & Introduction to Business
  *We have 167 families in Phase 3.*

- **Phase 4** Identifying Markets & Strengthening Entrepreneurial Skills
  *We have 14 families in Phase 4.*

- **Phase 5** Family Graduation
  *We have 25 families in Phase 5.*

*We have graduated 562 families from our program since 1997.*

SHI currently works with 877 families, living in 100 rural Central American communities.

*As of 6/30/2011*
Angelina Salam - Dolores, Belize

“At times I am tempted to use chemicals to speed things up, but I think of what it would do to me. Having seen the effect of chemicals on my father’s health made me realize that organic is the best. SHI has taught me ways to fertilize my crops and control pests that are beneficial to me and the environment. I want to live to be 100, so I am protecting myself now in order to reach that goal.”

Sr. Bonifacio prepares the soil in his new vegetable garden bed.

“With SHI’s help, I now grow organic vegetables such as sweet pepper, calaloo (amaranth), cabbage, mustard greens, cilantro and papaya in my backyard garden. I have reforested an acre with 180 coffee plants, 150 cacao trees and 25 coconut seedlings. In the last two months, I made $100 from my vegetables, with which I was able to buy books, school supplies and pay school fees for my daughter’s education.”

Lorraine Arzu - Carib Reserve, Belize

“Children enjoy more nutritious meals after their family begins working with SHI.”

Children enjoy more nutritious meals after their family begins working with SHI.
Before working with SHI, I knew very little about environmental contamination. My family looked at trash as something worthless, something we could throw anywhere. It never crossed our minds that we were polluting the environment or endangering the health of our family and others.

Now we have greatly improved how we manage resources. Non-perishable items like plastics are reused and organic perishables are applied in our fields and orchards. Composting food waste has helped us financially since now we no longer spend money on chemical fertilizers. Thank you for helping us make a greener and better life.”
Before SHI, we survived day-to-day, rarely producing enough for the family. But now we've created an integrated farm where we grow dozens of fruits and vegetables, and our lives have improved dramatically. We produce all of our own food and also generate income from our surplus harvest.”

I am not the person I was before working with SHI. I no longer throw trash everywhere or burn my land. I compost all my organic waste, have planted 800 fruit and hardwood trees and am feeding my family with the things we produce. We have learned that burning destroys the soil and depletes nutrients. Now we are caring for the soil and can feed ourselves and make money from the extra vegetables we grow.”

Sr. Ricardo Guardado of Panama learned a new method to grow food organically and improve his acidic and nutrient poor soil.
Baudilia Chiru  
Calle Larga, Panama

“I decided to work with SHI because I like the projects that others in my community are doing. I want to get ahead by learning to plant rice without burning.”

Lorenzo Valdivia  
Kukra River, Nicaragua

“My wish is that Sustainable Harvest International would support more poor families in Nicaragua. If more households had access to this organization, our children would have the opportunity to go to school, have better health and learn to give the environment the value that it deserves.”

Sra. Berta Briones harvests organic radishes and parsley from her home garden in El Tule, Honduras.
SHI’s Smaller World Tours support farming communities in Central America by providing meaningful, community-based, service-learning experiences to our volunteer participants.

Smaller World volunteers work alongside local staff and SHI participant families on a wide range of projects that have lasting impacts in their communities. No experience is needed, and families and groups are welcomed.

Smaller World volunteers lend a hand with the organic vegetable garden at the San Juanito School in Panama, June 2011.
In FY2011, we were proud to host 12 Smaller World Tours made up of 151 volunteers. These trips made a total donation of $19,756 to support our field programs.

We would like to thank the following groups for their participation: River Valley Charter School, Trinidad Conservation Project, Hancock United Church of Christ, United Church of Chapel Hill, Harvest for the Hungry Garden, Road Scholar and the Foster Family.

Martha Foster, with other volunteers from the United Church of Chapel Hill, joined us in Honduras.

Ollie Bride digs Panama!

Adelaide Key transplants rice seedlings in Panama.
STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS
FOR THE PERIOD JULY 1, 2010 THROUGH JUNE 30, 2011

FISCAL YEAR 2011

REVENUES, GAINS, AND OTHER SUPPORT

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$983,894</td>
<td>$403,853</td>
<td>$1,387,747</td>
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<tr>
<td>Contributions – Non-cash</td>
<td>80,861</td>
<td></td>
<td>80,861</td>
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<tr>
<td>Other Revenues</td>
<td>9,737</td>
<td></td>
<td>9,737</td>
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<tr>
<td>Unrealized Gains from Investments</td>
<td>1,665</td>
<td>12,211</td>
<td>13,876</td>
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<tr>
<td>Investment Income</td>
<td>2,566</td>
<td></td>
<td>2,566</td>
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<tr>
<td><strong>TOTAL REVENUES, GAINS, AND OTHER SUPPORT</strong></td>
<td><strong>1,078,723</strong></td>
<td><strong>416,064</strong></td>
<td><strong>1,494,787</strong></td>
</tr>
</tbody>
</table>

Net Assets Released from Restrictions

|                        | 472,471     | (472,471)              |           |

**TOTAL REVENUES, GAINS, OTHER SUPPORT, AND NET ASSETS RELEASED FROM RESTRICTIONS**

|                        | 1,551,194   | (56,407)               | 1,494,787 |

EXPENSES AND LOSSES

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Loss from Sale of Securities</td>
<td>337</td>
<td></td>
<td>337</td>
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<tr>
<td>Program Expense</td>
<td>1,302,952</td>
<td></td>
<td>1,302,952</td>
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<tr>
<td>Management &amp; General Expense</td>
<td>150,073</td>
<td></td>
<td>150,073</td>
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<tr>
<td>Fundraising Expenses</td>
<td>176,534</td>
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<td>176,534</td>
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<tr>
<td><strong>TOTAL EXPENSES AND LOSSES</strong></td>
<td><strong>1,629,896</strong></td>
<td><strong>1,629,896</strong></td>
<td></td>
</tr>
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CHANGE IN NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>(78,702)</th>
<th>(56,407)</th>
<th>(135,109)</th>
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</thead>
<tbody>
<tr>
<td>Net Assets, Beginning of Year</td>
<td>220,391</td>
<td>269,104</td>
<td>489,495</td>
</tr>
<tr>
<td>Net Assets, End of Year</td>
<td>$141,689</td>
<td>$212,697</td>
<td>$354,386</td>
</tr>
</tbody>
</table>

BOARD OF DIRECTORS

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Terence Barr

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Regional Coordinator

Sarah Kennedy
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Institutional Giving Dir.

Justin Trezza
Field Program Dir.

DOWNLOAD AN ELECTRONIC VERSION OF THIS ANNUAL REPORT ONLINE: WWW.SUSTAINABLEHARVEST.ORG/ANNUALREPORT

A complete copy of our financial statements may be obtained by contacting our office.
I have been working with SHI-Panama for three years. My youngest child, Yazmin, was born after we saw our family’s nutrition improve thanks to SHI. She was our first child born with a normal birth weight, and neighbors tell us that our three older children look healthier now.”

Migdalia, Lorenzo and Yazmin Rodriguez of Calle Larga, Panama
A special thank you to the following Legacy Society members who made a commitment to Sustainable Harvest International’s future through a planned gift or bequest.

Alan Day • Jeanne Fossani • Katherine Gundling • Joanne Holman & Lance Hellman • Nathalie Huittic • William Jackson • Samuel & Louise Kaymen • Dianne Kira Kilmer • Mae Manney • Charles Merrill, Jr. • Florence Reed • Helen Reed • Barbara & Louis Semrau • Henry Smith • Joy & Steve Urban • Mary Weitzel & David Halfpenny • Cheryl Wilfong

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$10,000 - $14,999 Barbara Carpenter • Patience Chamberlin • C.H. Robinson • David & Della Cushing • EarthShare • Kaufman Family Foundation • Paul Foundation • St. Mark’s Episcopal Church • Tuthill Family Foundation
THANK YOU

We would like to give our sincere thanks to the individuals and institutional partners who supported our work with families in Central America last fiscal year. Your generous donations have led to the continued success of our programs, ensuring a healthier future for the planet and its people.

**$5,000 - $9,999**
- Americans Caring Teaching & Sharing
- Anonymous
- Terence & Marilyn Barr
- Brown Environmental, Inc.
- Lawrence Carroll
- Martha Copithorne & Robert Sprafkin
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- Goldman Sachs Group, Inc.*
- Google*
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- Nena Norton
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- Jane White
- Zed Communications

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SHI provides farming families in Central America with the training and tools to preserve our planet’s tropical forests while overcoming poverty.

Sustainable Harvest International
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(207) 669-8254 | www.sustainableharvest.org