

2011 Annual Report

Helping to Improve Your Land and Your Life

HOLISTIC MANAGEMENT INTERNATIONAL





A Message from the CEO & Board Chair

The Board and staff of HMI utilized many of the fundamental principles of Holistic Management® in 2011 to generate a robust Holistic Goal, tie it to a succinct Mission Statement, connect it to Quality of Life statements, Forms of Production, and future and current Resource Bases. Out of all this has come a focused business plan with core strategies and measurements. Going forward, it is an exciting time for HMI as we continue our march to taking the principles and practices of Holistic Management mainstream.

As a result of a Board/Staff retreat facilitated by experienced Holistic Management Educator, Kirk Gadzia, HMI's mission statement is brief, clear, and actionable: "HMI educates people to manage land for a sustainable future". Our value statement reflects the triple bottom line: "People count, healthy land is essential, money matters".

Today's HMI delivers on its mission in two key areas:

- Beginning Farmers and Ranchers – we work with new farmers and ranchers to help them build and sustain successful agriculture operations, with an emphasis both on production in harmony with nature and, importantly, working from a perspective of effective management and decision making.
- Professional Development – we continue to work with experienced ranchers, farmers, and land stewards to deliver on our mission and help them meet the unique goals of their enterprise.

The delivery of our programs revolve around five key learning components in a new curriculum format, emphasizing results based teaching and results based learning – outcomes, observable changes in knowledge, and changes in behavior leading to measurable, quantifiable results.

1. Decision framework and goal setting
2. Financial planning
3. Land planning
4. Grazing planning
5. Monitoring and assessment

Financially, we have been blessed with generous donors, an improved development effort aimed at grant generation, and continued fee-for-service work. While the economy has presented major challenges for HMI, prudent financial planning has enabled us to weather the storms and allow us to continue to plan for our future growth.

We are excited by the growth and progress being made at HMI, and look forward to a dynamic 2012. As always, we thank you for your continued interest, enthusiasm and support for the HMI mission. Your support is valued and appreciated. What you do makes a real difference.

Best,



Peter Holter, CEO



Sallie Calhoun, Board Chair

About HMI

HMI is an Albuquerque-based international non-profit organization. Our mission is to educate people to manage land for a sustainable future.

We believe people count, healthy land is essential, and money matters.

We accomplish our mission by delivering a variety of programs and services designed to educate and support farmers, ranchers and land stewards in their efforts to enhance the land through Holistic Management®, a whole ranch/farm planning system.



"Being involved with this program has been significant for me in two ways--it has given me a completely new approach to planning for my own land and farming aspirations, and it has shown me a system for assisting farmers that views all aspects of their lives, land, and business as equal parts of the whole that can be managed sustainably without sacrifice."

Jessie Schmidt, Vermont
Beginning Women Farmers & Ranches: Women in the Northeast program participant



Goals and Accomplishments

Goals

HMI's 2011 Business Plan is built on six core strategies and measurements. We are making significant progress against these goals.

Deliver a financially stable and sustainable HMI

Our development team increased revenue generated by our annual donation appeal by 10% over 2010 results while increasing the total number of donors by 12%

We established a scholarship in memory of Holistic Management Certified Educator Terry Gompert.

The HMI Board of Directors has reviewed many things in order to ensure the organization's sustainability and growth. This included a review of the West Ranch, which was generously donated to HMI in 2001. The board gave careful consideration to the option of selling the ranch—and undertook a rigorous Holistic Management testing process on the proposed sale, which resulted in the sale of the ranch and our deploying the assets from that sale to the specific development of programs in fulfillment of the HMI mission.

We also invested in our future by building capacity in the form of a new cloud computing database and office space.



Increase exposure of youth to Holistic Management practices

210 students participated in Kids On the Land programs in 2011. Over 30 volunteers participated in the program which included four different school districts in Texas.

The free KOL booklets continue to be popular items on the HMI website.

The Cowboy Joe literacy project continues to gain momentum. Cowboy Joe visited the National Future Farmers Conference, the state of Oklahoma, the Soil Carbon Challenge Tour, and Australia.

In February, Austin College in Sherman Texas held a series of classes under the HMI Gen Next umbrella. Holistic Management Certified Educator, Rob Rutherford taught the classes to about 100 students.

In October, HMI participated in the National Future Farmers of America convention in Indianapolis, where we met with over 80 agricultural students and teachers.

Document and demonstrate evidence of HMI's program impact

HMI provided over 5,200 Holistic Management tools to farmers and ranchers and had 1,375 subscribers to our bi-monthly land journal, *In Practice*. Here are just a few results farmers and ranchers have achieved through various HMI programs:

- 40% decrease in labor costs
- 29% decrease in fertilizer & chemical costs
- 29% decrease in fuel costs
- 72% increase in number of wildlife
- 86% increase in personal happiness and job pleasure
- 25% increase net profit
- 80% increase in pounds of beef produced per acre



This year, HMI taught an advanced conservation course to 25 NRCS agency professionals

- 100% of participants increased their overall knowledge of Holistic Management practices
- 75% of respondents would recommend the event to others
- Most indicated they are better positioned to integrate their knowledge of grazing and financial planning and decision making into their work with land owners



Goals and Accomplishments

Create & disseminate effective Holistic Management educational programs

HMI continued to implement our Beginning Women Farmers in the Northeast grant funded by USDA/NIFA. Participant results included:

- 59% increased net profit
- 100% revised or wrote a business plan
- 85% situated farm layout and infrastructure differently
- 84% implemented a systems approach to improve planning and soil health through grazing
- 73% expanded to new markets
- 51% monitored for improved soil health

Interest in this program is high with waiting lists in all states. In addition HMI expanded our programming to Texas and co-sponsored 4 day-long seminars in Dallas, Austin, Lubbock, and Edinburgh with 295 women participating in these courses and 163 expressing interest in further training. Surveys from these courses showed that 68% will change management practices because of what they learned and 94% would recommend this training to other agricultural producers.

The Rappahannock County Future Farms program completed a year of training. The 9 farms (13 people) in the first year classes uniformly report better social interactions with family and friends as they learn to create time for important values, a better grasp of managing land while they manage the livestock, and an increase in forage in spite of drought conditions during much of the summer. Finances improved for some. All participants plan to make changes to their operation in 2012 as a result of participation in the program.

Build HMI's brand through effective communication

HMI embarked on a brand redesign and marketing push which unifies all our communications and outreach materials. The objectives were to achieve brand consistency, increase loyalty among our existing community, and reach new and younger agrarians. We are already reaping the benefits of the new focus.

- Increased the number of Twitter followers from 219 in January to 5,849 in December
- Increased the number of Facebook fans from 532 in January to 1,358 in December
- Increased monthly number of web visits by 79% from August 2011 to January 2012

Build HMI's reputation as an effective education source and catalyst of Holistic Management

In 2011, HMI's 60 Certified Educators trained 5,831 people and influenced an additional 1.3 million acres of land. HMI also collaborated with and provided training for other non-profits, higher education institutions, and government agencies in many regions of the U.S. including USDA Beginning Farmer & Rancher Development Program, Farm Services Agency, Quivira Coalition, Austin College, Community Involved in Sustaining Agriculture, University of Vermont, Small and Beginning Farmers of New Hampshire, Connecticut NOFA, Central New York RC&D, Maine Women's Agricultural Network, Sustainable Food Center, Lake Superior Sustainable Farming Association, Minnesota State Community and Technical College, University of Manitoba, and the Land Stewardship Project.

Tracy Favre, HMI's COO was appointed to the USDA National Organic Standards Board as one of three environmentalists.

"We've stopped making hay, sold our hay equipment, and are keeping all the nutrients on our farm. Our grazing season has been extended and we've fed half the amount of hay this year as last, all due to grazing planning and the implementation of a Holistic Goal."

Mike Peterson, Sperryville, VA

"I cut my fertilizer cost more than half and cut fuel cost by 1/3."

Dick McNear, Washington, VA

"We've saved about \$800 on diesel...\$1000 on fish oil fertilizer."

David Schoumacher, Hume, VA

Future Farms & Ranches: Rappahannock Program Participants





Audited Financials



Summarized Statement of Activities

	2011	2010
Revenues		
Professional services	85,531	155,349
Educational programs	64,896	74,394
Grants	213,298	250,851
Publications	69,985	80,849
Gas royalties	1,016,790	786,956
Contributions	129,302	119,028
Other	303,178	311,908
Total revenues	1,882,980	1,779,335

Expenses

Professional services	56,951	72,651
Educational programs	538,158	607,089
Beginning farmers programs	214,391	276,875
Publications	75,700	85,071
Outreach	197,356	160,671
Gas royalties	147,539	164,023
Fundraising	104,601	76,414
Administration	484,338	499,870
Total expenses	1,819,034	1,942,664

Change in Net Assets

63,946	-163,329
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Summarized Statement of Financial Position

Assets

Cash and cash equivalents	2,270,580	566,189
Accounts receivable	173,614	191,743
Prepaid expenses	19,471	17,242
Inventory	7,567	10,289
Property and equipment, net	160,231	1,823,478
Other assets	2,034,207	2,118,441
Total	4,665,670	4,727,382

Liabilities

Accounts payable	54,743	101,148
Accrued liabilities	28,060	22,939
Deferred revenue	12,058	17,607
Current portion LTD	0	22,501
Long-term debt	0	56,324
Total	94,861	220,519

Net Assets

Unrestricted	2,875,422	3,220,173
Temporarily restricted	1,695,387	1,286,690
Total	4,570,809	4,506,863

Total Liabilities and Net Assets

4,665,670	4,727,382
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“Before the training we took whatever profit there was at the end of the year. If we wanted more profit, we would add more animals. Now, we plan for our profit. We know what is making money, what isn’t, and what’s barely making it.”

Tricia Park, New York
Beginning Farmers & Ranchers: Women in the Northeast Program Participant



Funders

Thanks to our Supporters

It is always with great pleasure that we acknowledge the many individuals and organizations whose support is the lifeblood of our mission and our community. Many of you have been steadfast partners for years, and we salute your loyalty and commitment. We extend a special thanks to those who joined us more recently in our shared quest to manage land for a sustainable future. A heartfelt "thank you" to all for the wonderful support and generous spirit!

\$150,000+

USDA National Institute of Food and Agriculture

\$50,000+

Sallie Calhoun - The Christiano Family Fund, an advised fund of The Community Foundation for San Benito County

\$5,000+

Farm Aid
Farm Credit Bank of Texas
Genevieve Duncan
Marshall Foundation
The William & Mary Greve Foundation, Inc.

\$3,500+

Cliff Miller Family Endowment of The Community Foundation Serving Richmond and Central Virginia
Ron Chapman

\$2,000+

David Brock - Quick Sol of Texas, LLC
J. Cliff Miller III - Mount Vernon Farms
Katherine Dickson
Rappahannock County

\$1,000+

Ben & Denise Bartlett
Brooke Henley & Thomas Garnett
Don & Randee Halladay
Gail Hammack & Doug McDaniel
James & Ann McMullan
Jim & Carol Parker
John Flocchini - Durham Ranches, Inc.
Joy Law
Kathryn Smyth
Mark Bader - Free Choice Enterprises
Michael Sands & Betsy Dietel
NRCS - Texas
Texas Dispute Resolution Center
Texas Range Minerals

\$500+

Connie Krider - Powerflex
David Schoumacher
Drausin Wulsin
Emry & Deborah Clark Birdwell - Birdwell & Clark Ranch
Harry (Pono) & Angela VanHolt - Ponoholo Ranch Ltd.
Joan Kelleher
Swift Action Fund, a Donor-advised Fund held at the San Luis Obispo Community Foundation
Linda Meuth
Malcolm & Delphine Beck
Organic Certification Consulting
Roby Wallace

\$250+

Ann Beeghly
Art & Sally Roane
Chip Fischer
Eric Brown - Brown Brothers Farming
Harry Duncan Campbell, Jr.
Jaye Henneke
Jim & Sara Shelton
Katherine Steele Rodriguez
Lee Dueringer
Linda Davis - CS Cattle Co.
Lowell & Mary Forman
Mary Cox
Native Prairie Association
Roberta & Derek Meader
Tammy Parish
Texas Wildlife Association
Thomas Brown
Vanessa Semifero Rodriguez
Walter Lynn

\$100+

Adrienne E Ruby
Aleatha Scholer
Alice Ball-Strunk
Amy Greer - Winters Family Beef
Anonymous
Art McElroy
Azilia Ventures
Bill Dorrance - Dorrance Ranches, L.P.
Bruce Condill
Carolyn Vogel
Charles & Jennifer Sands
Dale Lasater - The Lasater Ranch
Dave Waters
Dick McNear
Douglas Dockter
Dwayne Wamrick
Edwin Waters
Elma Irene Garza - J.L. Garza LLC
Gena Leathers
Gunther Reitzel
J.D. Folbre
Jack & Zera Varian - V6 Ranch
Jack Southworth - Southworth Bros. Inc.
Jeff & Denise Hunewill
Jerry & Sharon Holtman
Joan Kelleher
Joe & Peggy Maddox
Joe Middleton - Whole System Management
John Parker
Layton Humphrey - Flying M Land & Cattle Co., LLC
Martha Holdridge
Martin Woodard - Roy Wheeler Realty
Mary Ellen Gonzales
Melinda & Shanon Sims - Sims Cattle Co LLC
Nancy Ranney Levi
Pam Walker
Pamela Glenn
Peter Schulze
Richards Ranch
Rita Talbot - Artifacts
Rob & Martie Rutherford
Roland Kroos
Sandy Langelier
Suzanne Nelson
Travis Driscoll - Mudhouse Advertising
William Eastman
William Jenkins

<\$100

Agee Smith - Cottonwood Ranch
Ann Adams
Arlin Grimes
Barbara Eder
Ben Berlinger
Borja Diaz
Brendan Prendergast - Koinonia Farm
Brett Smith
Brian Russ
Carol Elliott
Christopher Kinney & Luciente Blais
Dana Foster - Scattergood Farm
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John Lynn
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Joseph & Blair Fitzsimons
Ken Gallard - Gallard Photographics
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Kevin & Nancy Rummel
Kirk Mills
Larry Johnson
Lauren Armstrong - SM Cubed
Lauren Bradbury
Linus Meyer
Luke & Emily Frey
Mark Biaggi
Merton W Taylor
Nathan Ricks - JRRT Enterprises LC
Norman & Gail Lowe
Olive Hershey Spitzmiller
Rich & Anne Morris
Richard Rominger
Rita Foust
Robin Elizabeth Wolfson
Steve & Andrew Jurgens
Sue Kacskos & Daniel Schuck
Susan Stropes
Tom & Irene Frantzen
Watt Casey
William Gallagher/Sally Wellborn



Current Staff

Peter Holter – Chief Executive Officer
Tracy Favre – Chief Operating Officer
Kelly King – Chief Financial Officer
Ann Adams – Director, Education
Frank Aragona – Director, Research & Development
Sandy Langelier – Director, Communications & Outreach
Mary Girsch-Bock – Grants Manager
Valerie Grubbs – Comptroller
Carrie Nelson – Customer Support & Store Manager
Matt Parrack – Director, Development
Peggy Sechrist – Program Advisor
Donna Torrez – Manager, Administration and Executive Support
Peggy Cole – Project Manager
Peggy Maddox – Director, Education – Kids on the Land

Current Board of Directors

Sallie Calhoun, Director & Chair - Paicines, CA
Ben Bartlett, Director & Past Chair - Traunik, MI
Ron Chapman, Director & Secretary - Simpsonville, SC
Cezanne "Zizi" Fritz, Director - Albuquerque, NM
Gail Hammack, Director - Lostine, OR
Clint Josey, Director & Vice-Chair - Dallas, TX
Jim Parker, Director - Montrose, CO
Christopher Peck, Director - Windsor, CA
Jim Shelton, Director & Treasurer - Vinita, OK
Judi Earl, Director - Australia
Kelly Sidoryk, Director - Canada
Wayne Knight, Director - South Africa

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Donate

As a non-profit organization, HMI is always grateful for donations in support of our mission. Visit our website at www.holisticmanagement.org or phone our Development Department at 505-842-5252 to find out how you can contribute.

Join the conversation:



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Healthy Land, Sustainable Future

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