Farm Foundation’s mission is to improve the economic and social well-being of U.S. agriculture, the food system and rural communities by serving as a catalyst to assist private- and public-sector decision makers in identifying and understanding forces that will shape the future. Individuals make Farm Foundation’s mission a reality.
The vision and leadership of Alexander Legge and Frank Louden more than 70 years ago established Farm Foundation to be a catalyst, creating opportunities for individuals to broaden their understanding of complex issues and challenging those individuals to generate innovate alternatives to move forward. Their focus was economic and public policy to improve the well-being of agriculture, the food system and rural communities.

Achieving that mission requires creative and thoughtful individuals putting forth new ideas and avenues for exploration. It requires a leadership team committed to objective analyses of opportunities. It also requires financial support to implement specific projects, as well as to ensure the long-term financial health of the organization.

In its 2006 fiscal year, Farm Foundation supported numerous individuals in development of ideas, provided an environment to initiate new programs, and strengthened networks of industry, government and community leaders.

The year saw completion of one of the Foundation's largest and most challenging projects, the Future of Animal Agriculture in North America. More than 160 individuals helped carry out this 18-month project. They were from Canada, Mexico and the United States. They were from industry, government, academia and special interest groups. They contributed ideas and diverse opinions. Through discussions and shared information, they developed a comprehensive report to help public- and private-sector leaders make better decisions in the years ahead.

Farm Foundation’s leadership of this project was the catalyst that brought people to a common table for productive discussions of issues and options. It stimulated thinking and challenged norms, developing potential for new approaches. It promoted new professional relationships, a groundwork for future cooperative efforts.

In the pages that follow, you’ll learn more about Farm Foundation’s work in the 2006 program year. You will also see recognition of the many contributors to Farm Foundation’s work in 2006. The Foundation received more than $500,000 in support for its annual fund drive, project specific work, and endowment development.

The work completed during 2006 reflects the Foundation’s catalytic role, energizing individuals to address critical issues with objective analysis, constructive dialogue and innovative ideas. We look forward to Farm Foundation’s continuing contributions to the economic and policy issues facing agriculture and rural people.
The Leadership of Farm Foundation

Farm Foundation is directed by a Board of Trustees comprised of individuals who are leaders in production agriculture, agribusiness, academia and rural communities. Trustees direct implementation of the mission of Farm Foundation by setting the program priority areas and identifying high priority topics within each. This process draws opinions and ideas from a broad spectrum of public- and private-sector leaders, and gives direction to the staff as it carries out the day-to-day work of the Foundation.

Trustees provide staff with valuable insights on evolving issues, enhancing the Foundation’s ability to respond in an appropriate and timely manner. Trustees also have a crucial role in outreach, helping to communicate Farm Foundation’s unique role in serving agriculture, the food system and rural communities. Representing the diversity of audiences served by Farm Foundation, Trustees are messengers of the Foundation’s work and benefits. These individuals help make Farm Foundation’s mission a reality.

Executive Committee

Daniel M. Dooley, Chairman
Victor L. Lectenberg, Vice Chairman
Richard Hahn
Greg Heying
Barry Flinchbaugh
Sara Wyant

The Executive Committee members (standing from left) Sara Wyant, Richard Hahn, Victor Lectenberg, Greg Heying, Barry Flinchbaugh and Dan Dooley (seated).
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* Resigned January 2006

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Director of Communication and Program Manager

Laurie Marsh
Administrative Assistant

Vickie Liszewski
Administrative Assistant
The Work of Farm Foundation

Farm Foundation is a catalyst to increase knowledge of current and emerging economic and policy issues impacting agriculture, the food system and rural communities. We bring together individuals—producers, industry executives, interest group representatives, government employees and academics—through conferences and workshops to address current and emerging issues that will impact the economics of agriculture, the food system and the people of rural America. We create opportunities for these leaders to meet, learn, converse and build new ideas in an agenda-free environment.

Unlike many nonprofits, Farm Foundation does not advocate, lobby or press a point of view. Our 73-year history of objectivity gives us the ability to engage diverse viewpoints and encourage dialogue among individuals and groups with different agendas. We are also unique in addressing economic and policy issues significant across the face of agriculture and rural America—regardless of geographic, livestock or crop boundaries. A publicly-supported 501(c)(3), Farm Foundation works to build understanding of the many facets of issues, and to help generate innovative options to meet the challenges. The results provide a broad basis for informed private- and public-sector decisions.

Farm Foundation sponsors three types of projects:

- **Risk/Incubator projects** build professional networks, incubate innovate ideas and highlight new approaches to issues.
- **Keystone projects** enrich project partnerships, extend the work of project partners to key stakeholder audiences and inform public policy debate and private-sector action.
- **Leadership projects** are staff-directed explorations of critical issues that identify policy options, provide objective analyses of these options and engage private and public decision makers in thoughtful long-term policy dialogue.
Farm Foundation’s Board of Trustees has identified four program goals to direct the work of the Foundation:

- Identify forces of change that will shape the future.
- Stimulate education and research that increase human capital and build a body of knowledge on the forces of change and issues evolving from them.
- Foster informed dialogue and build networks to increase understanding and move toward consensus on important economic issues and public policies.
- Encourage public and private institutions to communicate to the media and the public about issues facing agriculture and people living in rural communities.

Program goals are implemented in six priority areas, with high priority topics identified within each. Many projects overlap one or more of the six priority areas, which are:

**Environmental and Natural Resource Issues**

**Rural Community Viability**

**New Technologies**

**Globalization**

**Role of Agricultural Institutions**

**Consumer Issues**

*The following pages highlight the High Priority Topics for each priority area and profile some projects from our 2006 Fiscal Year.*
Program area
and high priority topics:

**Consumer Issues**

- Examine the implications of current concerns about animal diseases on consumer perceptions of the meat industry and potential impacts on the dairy, beef, pork and poultry sectors of U.S. agriculture.

- Explore the long-term implications of the various proposals for more extensive labeling and traceability of food products and their potential impacts on food processors, retailers, producers, consumers and trade.

- Examine risks of intentional contamination of the food system and institutional arrangements in the food chain that might mask or distort the risks of action or inaction by isolated participants in the system.

- Increase our understanding of the potential long-term impacts of growing public concern about animal welfare issues on the structure, costs and economic efficiency of the food system.

Project Profiles

*The Future of Animal Agriculture in North America*

In December 2004, Farm Foundation brought together about 50 farmers, commodity group leaders, agribusiness representatives and government agency staffers to discuss the feasibility of a study of the future of the animal agriculture industry.

The project that evolved, *The Future of Animal Agriculture in North America*, involved more than 160 individuals from Canada, Mexico and the United States in a comprehensive and objective review of current and emerging issues. The project report is a valuable tool for public- and private-sector decision makers.

At the heart of this project was the leadership commitment of our Board of Trustees for more Farm Foundation-lead exploration of critical issues facing agriculture, the food system and rural communities. Farm Foundation continues its tradition of partnering with other organizations and agencies to maximize returns of human and financial capital. But the Trustees recognized the importance of the Foundation’s unique reputation for objectivity—and the value of that objectivity to agriculture, the food system and rural communities. To maximize that value, Trustees put emphasis on Farm Foundation leading projects to identify policy options, provide quality, objective analysis of those options and engage private and public decision makers in thoughtful, long-term policy dialogue.

“As a cattle producer, I deal day-to-day with the complexity of issues facing our industry. Understanding the opportunities and consequences of options is an important part of decision making.”

Carol Keiser, C-ARC Enterprises, Illinois
The *Future of Animal Agriculture in North America* project did just that. The Farm Foundation staff:

- Administered a Steering Committee, co-chaired by Farm Foundation President Walt Armbruster and former Texas Congressman Charles Stenholm, which provided direction for the study.
- Involved more than 160 producer, industry, NGO, academic and government representatives from Canada, Mexico and the United States in the seven Working Groups that did the work of the study.
- Coordinated the editing and production of the final report.
- Lead outreach efforts to maximize the impact of the report. Government officials in all three nations have been briefed on the report. Commodity and industry groups are using the report.
- Coordinated the commitment of human and financial resources from Canada, Mexico and the United States to make the project a reality. Industry, NGOs, foundations and government agencies helped fund the effort with more than $300,000 in financial support.

This project yielded a comprehensive, objective analysis of the state of the North American livestock industry. Released in April 2006, the project report does not praise or condemn the industry, nor does it offer magic solutions. The report highlights areas of consensus and disagreement, as well as areas where more knowledge or research is needed. The report’s value to public- and private-sector decision makers is the diversity of issues, impacts and options analyzed.

Financial support for this effort came from the following industry organizations, government agencies and other foundations:

- Agriculture and Agri-Food Canada
- American Farm Bureau Federation
- Canadian Cattlemen’s Association
- Canadian Pork Council
- Grocery Manufacturers Association
- Joseph and Jeanne Sullivan Foundation
- National Cattlemen’s Beef Association
- National Corn Growers Association
- National Farmers Union
- National Pork Producers Council
- Secretaría de Agricultura, Ganadería y Desarrollo Social, Pesca y Alimentación (SAGARPA), Mexico
- United Soybean Board
- U.S. Department of Agriculture through seven agencies: Agricultural Marketing Service; Animal and Plant Health Inspection Service; Agricultural Research Service; Cooperative State Research, Education and Extension Service; Economic Research Service; Foreign Agricultural Service; and Natural Resources Conservation Service
- U.S. Meat Export Federation
- W.K. Kellogg Foundation

“It’s an enriching experience to be at the table with your industry counterparts, working together to broaden understanding of the complexities and nuances of this North American industry.”

John Hardin, Hardin Farms, Indiana
Program area and high priority topics:

**Environmental and Natural Resource Issues**

- Examine the impacts of farmland preservation programs on production agriculture and rural communities, and increase our understanding of the public’s willingness to pay for environmental amenities on private agricultural land.

- Explore alternative approaches to the conservation and energy titles of the Farm Bill that may be considered in the 2007 legislative process.

- Assess the impacts of energy policy on agriculture, both as a consumer and producer of energy.

- Examine the impacts of competition for available water supplies on agriculture and the options for dealing with increases in water cost or loss of access to water supplies.

- Assess the impacts of agriculture on air quality and the options for remediying the identified issues related to animal agriculture, dust and equipment emissions.

- Explore the program initiatives of the NGO community in the United States to determine what issues related to agriculture, the food system and rural communities are generating funding.

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**Project Profiles**

**Energy from Agriculture: New Technologies, Innovative Programs, Success Stories**

Agriculture's role in energy production is garnering increased attention as consumers, business leaders and government leaders struggle with high fuel costs, rapid developments in biofuels and implementation of the Energy Policy Act of 2005. Building on the June 2004 conference, *Agriculture as a Producer and Consumer of Energy*, this December 2005 conference provided a comprehensive picture of current knowledge on the economics of energy production from agriculture.

This conference provided farmers and ranchers, rural community leaders, energy executives and state and regional government officials with practical, science-based information on agriculture’s role in energy production. The conference was a collaboration of Farm Foundation and three USDA agencies—Office of Energy Policy and New Uses, Office of Rural Development and Natural Resources Conservation Service.

**25X’25**

One impact of the June 2004 conference, *Agriculture as a Producer and Consumer of Energy*, was the formation of 25X’25, a group of agricultural leaders working for the goal of 25% of the total energy consumed in the United States to be provided by agriculture by the year 2025. Economic analyses out to the year 2025 on agriculture’s role as an energy producer do

“The individuals involved in the 25X’25 project are working to explore the potential of renewable energy to benefit not just farmers, but all energy users and the nation as a whole.”

Don Villwock, Indiana Farm Bureau
not exist. Farm Foundation worked with this group to help develop realistic goals for an economic analysis of its policy goal. Through this project, parameters were established for a study, including assumptions for the contributions various agricultural energy technologies will make, and a request for proposals was constructed.

With funds from other sources, 25X’25 commissioned a team from the University of Tennessee to conduct the analysis. Preliminary findings were presented in March 2006 at the 25x’25 summit in Washington, D.C.

**Disaster Community Redevelopment**

Rebuilding from the damage of a natural disaster is a long-term process that requires the work of many individuals, especially when the disaster is on the scale of Hurricane Katrina. With seed money from Farm Foundation, academic, government and non-profit professionals met to develop a comprehensive disaster response plan for community development professionals working in areas impacted by Katrina. They discussed strategies to rebuild rural communities and detailed the capacity of the Land Grant university system to sustain long-term community rebuilding initiatives. The blueprint created at the summit is a comprehensive, integrated plan of what the Land Grant university system can effectively do to help rural communities impacted by natural disasters.

Long term, this project will help improve decision making by public- and private-sector leaders working to rebuild and restructure rural communities after natural disasters. It could result in expansion of the Land Grant system’s Extension Disaster Education Network (EDEN) first responder program, to include a second phase focused on long-term redevelopment.

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**Program area and high priority topics:**

**Rural Community Viability**

- Examine the impacts of the Farm Bill, particularly the conservation, rural development and energy titles, on rural communities and how these provisions might be strengthened in the 2007 legislation.
- Explore the implications for rural people and communities of shifts in key demographic/ethnic groups, socio-economic indicators, and migrant and immigrant labor.
- Explore innovative ways to improve access to capital for rural entrepreneurs.
- Examine the impact of a changing animal agriculture sector on rural community viability, including the development of innovative animal products targeted to niche markets.
- Facilitate coalitions and working relationships among agricultural and non-agricultural groups and organizations with interests in rural economic development.
Program area and high priority topics:

**Role of Agricultural Institutions**

- Develop materials and analyses that engage stakeholders in informed debate on the 2007 Farm Bill.
- Encourage Land Grant colleges to enhance multi-state and interdisciplinary activities and to update college curriculums to include a foreign language requirement to better prepare students to work in a global and rapidly changing food industry.
- Explore issues of animal welfare in the context of a comprehensive examination of the future of animal agriculture in North America.
- Examine the impact of biotechnology and related intellectual property law on all agricultural institutions, including research and development institutions, commodity and farm organizations, and trade and policy institutions.
- Examine the long-term economic viability of cooperatives of all types with particular attention to issues of access to capital and the role of cooperatives.

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**Project Profiles**

2007 Farm Bill Forums

Food and agricultural policy is at a crucial crossroad. Federal budgets have moved from surplus to deficit. The increasing integration of the world agricultural economy presents challenges in trade, food safety, animal health and food security. More citizens and interest groups are actively working to influence agricultural and food policy issues.

To engage diverse stakeholders in informed dialogue on food and agricultural policies, Farm Foundation launched the 2007 Farm Bill Forum in February 2006. These monthly forums will continue as Congress wrestles with the process of writing new farm, food and rural legislation. Former Texas Congressman Charles Stenholm moderates the forums, at which participants examine current policies, explore and analyze alternative policy proposals, and give voice to new proposals. Speakers provide brief topic summaries, with the majority of time devoted to discussion.

To date, almost 300 individuals with an interest in agricultural and food policy have participated in one or more of the sessions.

“Building strong, practical legislation requires knowledge of the options and their potential implications. Rich and diverse policy debate among all stakeholders enriches that process.”

Charles Stenholm, former Texas Congressman
National Public Policy Education Committee & Conference

The key to quality public policy education is the ability to deliver information about a controversial issue without advocating a particular point of view. The educator must be able to foster dialogue and discussion in a way that allows program participants to reach their own conclusions.

Since 1951, Farm Foundation’s National Public Policy Education Conference has been a forum where public policy educators can gather information and new insights on current or emerging policy issues, and refine their methods for delivery of this information to stakeholder groups. The conference targets Extension policy educators and others who use public policy/issues education techniques to help agricultural and rural community stakeholders increase their understanding of controversial public issues.

In 2005, the NPPEC program addressed the federal policy-making process, rural governance, the 2007 farm bill, environmental conflicts, and nutrition and obesity.

Farm Bill Education Project

Prior to every farm bill debate for at least the last 20 years, Farm Foundation has provided educational materials on the diverse issues to be addressed. The project has two key elements. The first is a series of white papers identifying key issues, options that Congress might pursue to address those issues, and the consequences of those options. The goal is informed decision making by public and private leaders.

The second element of the Farm Bill Education Project is a survey of farmers and ranchers, conducted by the National Public Policy Education Committee, in collaboration with Land Grant universities and state offices of USDA’s National Agricultural Statistics Service. Many factors will influence development of the next farm bill. Understanding producer attitudes and policy preferences can be valuable to the discussions. As part of the National Agricultural, Food and Public Policy Preference Survey, producers in 27 states were asked about issues ranging from conservation and commodity programs to trade policy and regulatory policies.
**Program area and high priority topics:**

**New Technologies**

- Explore the use of innovation and technology to secure the food supply by helping markets function efficiently in the global food system.
- Examine the role of intellectual property law, public funding and other federal and state public policies on the development of new technologies and efficient commercialization and access to new technologies.
- Explore interactions and relationships among all technologies used in the food system, from farm to table, to develop a better understanding of how each technology contributes value and how technologies are introduced into the system.
- Examine innovative ways to commercialize new technologies and innovations from public and private sponsored research including, but not limited to, smaller scale enterprises and niche markets facilitating the development of products to meet consumer demands and serve a global differentiated marketplace.
- Evaluate emerging technologies used to convert agriculturally produced feed stocks into energy, and technologies targeted to fertilizer and industrial biotechnology.

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**Project Profiles**

**Agricultural Biotechnology Research: The Roles of University-Industry Relationships**

There are benefits to private- and public-sector collaborations in agricultural research, especially in the area of biotechnology. But with those benefits come questions regarding research focus, licensing and the mix of public and private goods generated by such collaborations. A $2 million grant from the U.S. Department of Agriculture funded a national study of university-industry relationships in agricultural biotechnology. The grant was funded from the Initiative for Future Agriculture and Food Systems under USDA’s Cooperative State Research, Education and Extension Service. Farm Foundation was one of the collaborating institutions for the project, which was headquartered at Portland State University.

This study is one of the first to document and analyze these public-private relationships and their effects on products. The report also offers policy options for stakeholders to consider as they plan agricultural and biotechnology research.

**Farmer Cooperatives Conference**

The continued success of a cooperative is important to the economic activity of the community in which it operates, as well as to its owner-members. Through the Farmer Cooperatives Conferences, executives and board members gain insights on forces that will impact the decisions made for their cooperatives. The 2005 conference, which focused on global opportunities, was the eighth organized in a partnership of Farm Foundation and the University of Wisconsin Center for Cooperatives.

This conference has earned a reputation as the premier educational activity for cooperative executives and board members as they explore new ways to thrive in a changing business environment.

“Understanding the relationships between the public science and commercial technology development sectors allows both to optimize their strengths. Long-term benefits are realized by taxpayers, producers and consumers.”

Dave Ervin, Portland State University
North American Agrifood Market Integration Workshop

Industry, government and academic leaders from Canada, Mexico and the United States have met annually for more than a decade to identify ways to overcome hurdles slowing integration under the North American Free Trade Agreement. The workshop in 2004 concluded that coordination of policies and regulations across the NAFTA countries is needed for a more uniform consensus position in WTO. The 2005 workshop evaluated alternative methods for achieving policy, program and regulatory coordination under NAFTA. Participants reviewed the experience with existing coordination mechanisms, drawing on case studies from beef and pork, and evaluated the potential for coordination of domestic farm policies.

Workshop discussions developed suggestions for institutional and policy changes needed to aid market integration consistent with the NAFTA objectives. Outreach efforts targeted public- and private-sector decision makers in all three nations, providing individuals the materials needed for informed decision making.

"Through the AgriFood Market Integration Workshop, individuals from Canada, Mexico and the United States exchange ideas, discuss new approaches and offer options for improving market integration."
Ron Knutson, professor emeritus, Texas A&M University

Program area and high priority topics:

Globalization

• Examine the role of GMOs and other technical barriers to trade in emerging trade disputes.
• Explore the impact China, Brazil and the group of 21 will have on the future of global agricultural trade.
• Explore the multi-faceted issues of animal health and international trade. Emphasis should be placed on consumer attitudes and preferences, border protocols and inspections, food safety, and institutions to assure the health, safety and economic well-being of animal agriculture.
• Examine the new economic realities of global agricultural/food trade, including U.S. and other country direct equity investment in global agricultural/food enterprises.
Farm Foundation builds knowledge by developing networks of individuals, promoting discussion and interaction of diverse parties—producers, researchers, agribusiness leaders, community leaders, regulators, interest groups and policy makers. One of the longest-running of these networking programs is the Farm Foundation Round Table.

The Farm Foundation Round Table is an invitational discussion forum comprised of agricultural and agribusiness leaders. Meeting twice yearly, these leaders examine current and developing issues. Programs are designed to explore ideas, analyses and insights that participants may use in their own work.

The Round Table’s June 2005 meeting in Portland, Oregon, examined sustainable agriculture, land use and resources in conflict. The 2007 Farm Bill debate was the topic for the January 2006 meeting in Phoenix, Arizona.

The Round Table is governed by a 12-member Steering Committee. Members of the Steering Committee are:

- George Hoffman, Chair
- Sheldon Jones
- Gary MacDonald
- Thayne Larson, Vice Chair
- Reg Gomes
- Thayne Larson
- Medders
- Jim Lerwick
- Madeline Mellinger
- Reg Gomes
- Jim Lerwick
- Madeline Mellinger
- Patrick Takasugi

Round Table Steering Committee members, from left, Pat Takasugi, Thayne Larson, John Hardin, Sheldon Jones, Madeline Mellinger and Rob Robinson.
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<th>Name</th>
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<td>Jim Hauge</td>
<td>Blue Hill Ranch</td>
<td>Carson, ND</td>
</tr>
<tr>
<td>Lynn O. Henderson</td>
<td>Henderson Communications LLC</td>
<td>Chesterfield, MO</td>
</tr>
<tr>
<td>Greg Heying</td>
<td>SUPERVALU INC.</td>
<td>Chanhassen, MN</td>
</tr>
<tr>
<td>Sonja Hillgren</td>
<td>Farm Journal Media</td>
<td>Philadelphia, PA</td>
</tr>
<tr>
<td>Gerald E. Hillier</td>
<td>Hillier Consulting and Management</td>
<td>Riversidea, CA</td>
</tr>
<tr>
<td>Chip Hinton</td>
<td>Florida Strawberry Growers Assn.</td>
<td>Plant City, FL</td>
</tr>
<tr>
<td>Stephen H. Hoefer</td>
<td>Fayetteville, NY</td>
<td></td>
</tr>
<tr>
<td>George Hoffman</td>
<td>Restaurant Services, Inc.</td>
<td>Coral Gables, FL</td>
</tr>
<tr>
<td>Sheldon R. Jones</td>
<td>Colorado Department of Agriculture</td>
<td>Lakewood, CO</td>
</tr>
<tr>
<td>Marilyn L. Jorgensen</td>
<td>JorgAnna Farms</td>
<td>Garrison, IA</td>
</tr>
<tr>
<td>John Kautz</td>
<td>Kautz Ironstone Vineyards</td>
<td>Lodi, CA</td>
</tr>
<tr>
<td>Carol A. Keiser</td>
<td>C-ARC Enterprises, Inc.</td>
<td>Champaign, IL</td>
</tr>
<tr>
<td>Alan Kemper</td>
<td>Kemper Farms</td>
<td>Lafayette, IN</td>
</tr>
<tr>
<td>David M. Key</td>
<td>Key and Company, LLC</td>
<td>New York, NY</td>
</tr>
<tr>
<td>William F. Kirk Jr.</td>
<td>Norris City, IL</td>
<td></td>
</tr>
<tr>
<td>Ronald D. Knutson</td>
<td>College Station, TX</td>
<td></td>
</tr>
<tr>
<td>Robert C. Lanphier</td>
<td>AGMED Inc.</td>
<td>Dawson, IL</td>
</tr>
<tr>
<td>William G. Lapp</td>
<td>Advanced Economic Solutions</td>
<td>Omaha, NE</td>
</tr>
</tbody>
</table>
Round Table Membership

Thayne Larson
Bestifor Farms
Belleville, KS

Victor L. Lechtenberg
Purdue University
West Lafayette, IN

Mary Keough Ledman
Keough Ledman & Associates
Libertyville, IL

James R. Lerwick
Lerwick Farms, Inc.
Pine Bluffs, WY

Ewell E. Long
Long-Middendorf Corporation
Hammond, IN

William D. Long
Apopka, FL

William J. Loughmiller
Loughmiller, Inc.
Twin Falls, ID

Gary MacDonald
MacDon Industries Ltd.
Winnipeg, MB, Canada

Michael V. Martin
New Mexico State University
Las Cruces, NM

Alexander S. Mathews
Animal Health Institute
Washington, DC

Terry McClure
McClure Farms
Grover Hill, OH

David McMurray
Hancock Land Company
Burlington, IA

Cecil B. Medders
Alabama Power Company
Birmingham, AL

Madeline Mellinger
Glades Crop Care, Inc.
Jupiter, FL

Kenneth L. Peoples
The Peoples Group, Ltd.
Arlington, VA

Donna Reifschneider
Smithton, IL

Darrell Smith
Metropolitan Life Insurance Co.
Overland Park, KS

Randall Smith
Smith Orchards
Cashmere, WA

Roderick N. Stacey
Verdant Partners LLC
Capitol, CA

Robert Stallman
American Farm Bureau Federation
Washington, DC

Charles R. Stamp Jr.
Deere & Company
Washington, DC

Robert D. Steele
Pennsylvania State University
University Park, PA

Michael J. Stuart
Florida Fruit & Vegetable Assn.
Maitland, FL

Patrick A. Takasugi
Idaho Department of Agriculture
Boise, ID

Robert L. Thompson
University of Illinois
Urbana, IL

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Animal Health Institute
Washington, DC

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Florida Fruit & Vegetable Assn.
Maitland, FL

Patrick A. Takasugi
Idaho Department of Agriculture
Boise, ID

Steven G. Tate
Tate Farms
Meridianville, AL

Larry Wooten
North Carolina Farm Bureau Federation
Raleigh, NC

Sara R. Wyant
Agri-Pulse Communications, Inc.
St. Charles, IL
## Financial Highlights

### Statement of Position For Fiscal Years Ended April 30a

<table>
<thead>
<tr>
<th></th>
<th>2005b</th>
<th>2006b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>129,255</td>
<td>95,603</td>
</tr>
<tr>
<td>Securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vanguard REIT Index Fund</td>
<td>1,440,704</td>
<td>1,390,687</td>
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<tr>
<td>Vanguard Int'l Stock Index Fund</td>
<td>1,344,329</td>
<td>1,524,132</td>
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<tr>
<td>Vanguard Stock Market Index Fund</td>
<td>11,669,988</td>
<td>13,642,408</td>
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<tr>
<td>PIMCO Total Return Fund</td>
<td>8,587,005</td>
<td>8,446,115</td>
</tr>
<tr>
<td>PIMCO Low Duration Fund</td>
<td>399,432</td>
<td>406,302</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>23,570,713</td>
<td>25,505,247</td>
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</tbody>
</table>

### Statements of Activities For Fiscal Years Ended April 30a

**REVENUES AND GAINS**

<table>
<thead>
<tr>
<th></th>
<th>2005b</th>
<th>2006b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends and Interest</td>
<td>846,479</td>
<td>699,081</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>1,022,292</td>
<td>2,278,972</td>
</tr>
<tr>
<td>Investment expenses</td>
<td>(9,385)</td>
<td>(9,338)</td>
</tr>
<tr>
<td><strong>NET INVESTMENT RETURN</strong></td>
<td>1,859,386</td>
<td>2,968,715</td>
</tr>
<tr>
<td>Gifts</td>
<td>472,423</td>
<td>577,163</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE AND GAINS</strong></td>
<td>2,331,809</td>
<td>3,545,878</td>
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**PROGRAM AND OPERATING EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>2005b</th>
<th>2006b</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>330,511</td>
<td>268,900</td>
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<tr>
<td>Development</td>
<td>183,675</td>
<td>145,434</td>
</tr>
<tr>
<td>Programs</td>
<td></td>
<td></td>
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<tr>
<td>Globalization</td>
<td>143,091</td>
<td>225,213</td>
</tr>
<tr>
<td>Environmental Issues</td>
<td>338,303</td>
<td>234,807</td>
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<tr>
<td>New Technologies</td>
<td>4,881</td>
<td>12,115</td>
</tr>
<tr>
<td>Consumer Issues</td>
<td>206,567</td>
<td>203,220</td>
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<tr>
<td>Agricultural Institutions</td>
<td>178,010</td>
<td>216,176</td>
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<tr>
<td>Rural Communities/Leadership</td>
<td>95,503</td>
<td>267,744</td>
</tr>
<tr>
<td>Farm Foundation Round Table</td>
<td>18,376</td>
<td>37,735</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAM AND OPERATING EXPENSES</strong></td>
<td>1,498,917</td>
<td>1,611,344</td>
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</tbody>
</table>

**INCREASE IN UNRESTRICTED NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2005b</th>
<th>2006b</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>832,892</td>
<td>1,934,534</td>
</tr>
</tbody>
</table>

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*a Modified Cash Basis  
b Taken from 2005 and 2006 audited financial statements*
Individuals make Farm Foundation’s mission a reality. They provide leadership and human capital. They also contribute financial resources to ensure that the work of Farm Foundation continues. Financial support is given for the Annual Fund, Project Specific Funds and Endowment Growth.

Annual Fund

Annual Fund contributions provide unrestricted support for ongoing Foundation operations and programs. This year’s drive was lead by Barry Flinchbaugh, co-chair, Richard Hahn, co-chair, Bruce Andrews, Cecil Medders and Robert Steele. We gratefully acknowledge the individuals, companies and organizations for their generous support for the FY2006 Annual Fund Drive (ending April 30, 2006).

“Endowments from two individuals provide the financial framework for Farm Foundation. The contributions of hundreds of individuals and organizations maintain and build that framework for the future.”
Richard Hahn, Farmers National (retired)

President’s Team - $5,000 and over

Deere and Company

Catalyst - $2,500 - $4,999

Michael Bowman
MacDon Industries Ltd.
Joseph P. Sullivan
Union Pacific Foundation

Bennett Sustaining Members - $1,000 - $2,499

Chuck Ahlem
Philip W. Ashcraft
Nicholas C. Babson
Call Farms Inc.
Daniel M. Dooley
W.H. Dunklin & Sons Inc.
Farmers National Company
Farmland Management Services
Florida Fruit and Vegetable Association
Dan R. Glickman
John Hardin
Gerald E. Hillier
John H. Kautz Farms
Mary Keough Ledman
James R. Lerwick
Madeline Mellinger
Met Life Foundation
North Carolina Soybean Production Association
Nuffer Smith and Tucker
R.D. Offutt Company
Pioneer Hi-Bred International Inc.
Edward (Rob) Robinson
Mark Scholl
Charles Stamp
University of California-DANR
Verdant Partners
Donald B. Villwock
William J. Whitacre
Clayton Yeutter
Venture Partners - $500 - $999

Donors - up to $499
Farm Foundation seeks funding for specific projects from a variety of sources—individuals, agribusinesses, government agencies, other foundations, commodity organization and special interest groups. These donors recognize the importance of Farm Foundation's unique work and the Foundation's unwavering focus on objective analyses. We acknowledge their generous support during the past year.

**Project Patrons (Funding support of more than $50,000)**

- USDA Economic Research Service
- W.K. Kellogg Foundation

**Project Partners (Funding support of up to $50,000)**

- Agriculture and Agri-Food Canada
- American Farm Bureau Federation
- Canadian Cattlemen’s Association
- Grocery Manufacturers of America Inc.
- Portland State University
- National Corn Growers Association
- Joseph and Jeanne Sullivan Foundation
- USDA Forest Service
- USDA Office of Energy Policy and New Uses
- USDA Natural Resources Conservation Service

Projects often receive funding support that does not come directly to the Foundation. These “leveraged” funds are substantial. In the FY2006, for every $1 invested by Farm Foundation, $11 was invested by project collaborators.
To continue its service to agriculture, the food system and rural communities well into the future, Farm Foundation strives to grow its endowment, the keystone of the organization’s funding. Donors are recognized as Legge Pioneers (gifts of $25,000 or more) or as members of the Farm Foundation Builders Club, (gifts of up to $24,999). We acknowledge the generous investment made by the following Builders Club members in the Endowment Fund this fiscal year.

Agricultural Investment Associates, Inc.  
Animal Health Institute  
Philip W. Ashcraft  
BASF Plant Science LLC  
William T. Boehm  
Michael Espy  
Barry L. Flinchbaugh

Larry L. Groce  
John Hardin  
Lynn O. Henderson  
Sonja Hillgren  
JorgAnna Farms  
William F. Kirk  
Knutson & Associates  
James R. Lerwick

William J. Loughmiller  
Cecil B. Medders  
Bobby D. Moser  
Bill Northey  
Joe P. Silveira  
Donald B. Villwock  
Luther Waters

Founding members of the Legge Pioneers are from left, Bill and Grace Richards, and Dan Smalley, representing Gold Kist Foundation.