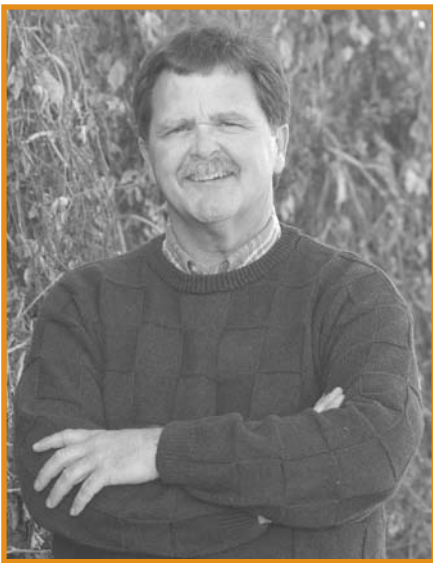




The Savory Center 2004 ANNUAL REPORT



Dear Friends,

In the much beloved classic film, *The Wizard of Oz*, there comes a moment in Oz when a bewildered Dorothy announces, "My . . . people come and go so quickly here!" Her words come in response to a whirlwind of changes that are transforming her life and her perspective. With the many changes that have come to pass at The Savory Center in recent months, I imagine there are those who may have similar thoughts and feelings.

Dilbert, the quirky cartoon character, may provide the best perspective on such circumstances. He says simply, "Change is good for you . . . you go first!"

Change is inherently disquieting. Yet, firm resolve, with a bit of acceptance of discomfort, is the most appropriate response. And in the midst of that resolve, we make decisions and choose our direction.

While 2004 was simultaneously exciting, tumultuous, and challenging, from it comes that place of quiet but firm resolve for The Savory Center. And from that state emerges a number of actions and decisions.

- The Board completed a painstaking organizational assessment.
- Numerous discussions and clarifications concerning The Savory Center's purpose, and how we fulfill that purpose, have set the scene for a rigorous assessment of services and delivery that is currently advancing the groundwork begun in 2004.
- A market-driven strategic planning process based on the excellent foundation laid in 2004 is simultaneously ongoing. We expect to revolutionize our marketing, messaging, and programmatic approaches as a result.
- Perhaps more importantly, the service delivery assessment and strategic planning process will be followed by a well-defined implementation and action plan designed to produce the desired outcomes in The Savory Center operation.
- On the organizational front, a number of initiatives have begun that will bolster our leadership models and practices as well as cultivate the infrastructure and capacity of the organization to deliver targeted outcomes.

The year 2004 was a remarkable year of transition for The Savory Center and Holistic Management. It clearly produced an organizational paradigm shift that will prove to be instrumental in future successes.

Thomas Edison once claimed he had experienced no failures, that every seeming failure had been a necessary element in an outcome of discovery or invention. As Chairman, I am pleased to offer this annual report in that spirit.

Thank you to our believers, supporters and stakeholders. Thank you for the continued financial support from so many that was particularly important during these challenging times. Especially, thank you for assisting us in keeping our eyes on the prize: the worldwide dissemination and practice of Holistic Management.

With delight and appreciation,

Ron Chapman
Chairman of the Board

Projects & Programs

Dear Friends,

It is always hard for me to return to a year already over in order to bring the Annual Report together because I generally focus my attention on what's happening now and what's ahead. As you read the summary of our activities below, I hope you will feel as excited as the staff and Board of the Savory Center do at the ongoing progress in spreading the practice of Holistic Management around the world.

Educational Services

The Savory Center engaged in extensive educational design and marketing work in 2004. Later this year and in early 2006, we will begin to see the rollout of improved and expanded educational opportunities, products, services, and support systems from the Savory Center and its network of Certified Educators around the world.

Already this year, a strong group of Certified Educators in the North Central U.S., who began their program back in 2002, completed their graduation in Australia. Thanks to numerous Aussies, that graduation week was full of

success and memories for all.

In Mexico, we are finishing a Certified Educator program that began early in 2004 and will graduate some 25 new Educators through the Ministry of Agriculture.

In Southern Africa, we launched a Certified Educator program in May 2004 (for completion in May 2006) with participants from Europe, Africa, and the U.S.



In Monde, one of the villages in the Wange community near The Africa Centre in Zimbabwe, villagers spoke about their holistic goal to a group from the Food and Agriculture Organization (FAO) of the United Nations as part of their site visit to learn more about our work in the Wange community. This village will likely be the first to use goats as a currency with our village banking program.

The Africa Centre (Dimbangombe)

The Dimbangombe Wildlife College continued to flourish in 2004—despite working under some of the harshest economic and social conditions in the world. Due to 600 percent inflation, we extensively analyzed the **Village Banking** program with the help of a visiting team of experts—Bob Graham, an expert in micro-credit, and Roland Bunch, an expert in agriculture and rural development—creating an alternative banking program based on goats as the currency. This innovative program will be

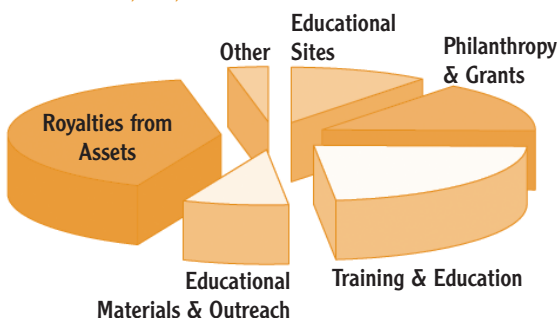
launched in 2005 with funding from the U.S. Agency for International Development.

The Africa Centre also drew visitors in 2004 from traditional livestock communities in Namibia who hope to pattern their own land restoration efforts after those begun at Dimbangombe and seek training in how to herd livestock within areas heavily populated by wild grazers.

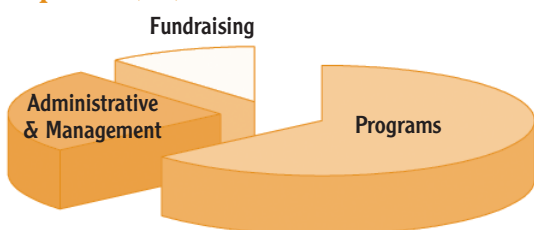
In February 2004, The Savory Center received a grant of \$25,000 from the Maria

The Savory Center Audited Financial Report

Revenue \$1,280,097



Expenses \$1,571,245



Summarized Statement of Activities

(Fiscal year January 1-December 31, 2004)

Revenue	2004	2003
Educational Sites	\$134,540	\$459,991
Philanthropy & Grants	\$190,214	\$584,623
Training & Education	\$292,582	\$245,227
Outreach & Educational Materials	\$103,590	\$82,206
Royalties from Assets	\$518,720	\$484,900
Other	\$40,451	\$18,351
Total	\$1,280,097	\$1,875,298

Expenses	2004	2003
Programs	\$999,061	\$1,078,425
General/Administrative	\$392,447	\$270,000
Fundraising	\$179,737	\$174,756
Total	\$1,571,245	\$1,523,181

Change in Net Assets before minority interest in earnings of subsidiary (\$291,148) \$352,117

Minority Interest in loss of subsidiary 733 (\$1,563)

Change in Net Assets (\$290,415) \$350,554

Summarized Statement of Financial Position

(December 31, 2004)

Assets	2004	2003
Cash	\$551,347	\$960,950
Receivables	\$81,434	\$71,191
Other Receivables	\$106,732	\$122,239
Prepaid Expenses	\$46,882	\$8,160
Inventory	\$14,457	\$11,823
Property/Equipment	\$1,733,788	\$1,617,294
Other Assets	\$2,773,030	\$2,922,608
Total	\$5,307,670	\$5,714,265

Liabilities	2004	2003
Current Portion LTD	\$11,891	\$116,008
Accounts Payable	\$100,530	\$49,021
Accrued Liabilities	\$1,075	\$3,362
Deferred Revenue	\$108,992	\$159,948
Long Term Debt	\$245,136	\$234,789
Total	\$467,624	\$563,128
Minority Interest in Investment	\$0	\$20,676

Net Assets	2004	2003
Unrestricted	\$3,522,366	\$3,806,592
Temporarily Restricted	\$30,990	\$37,179
Permanently Restricted	\$1,286,690	\$1,286,690
Total	\$4,840,046	\$5,130,461

Total Liabilities and Net Assets \$5,307,670 \$5,714,265

Gans Norbury Fund for Animals to create an endowment fund to be used to support the training and education programs offered by the Africa Centre through Dimbangombe College. The endowment funds were invested in cattle in order to grow the endowment principal through retention of females, and accrue "interest" through sales of male progeny and cull animals. The Africa Centre's herd is used to enhance wildlife habitat and watershed health, and these additional animals (just over 60 thus far in our Endowment Herd) have had an impact on our ability to do that while building toward a sustainable future for the Africa Centre.

The West Ranch

At the David West Station for Holistic Management in Texas, we are preparing for a new group of interns from the National Autonomous University (UNAM) in Mexico. The interns will be working on special research, education and ranching activities at the West Ranch, as well as providing basic animal health to communities near Presidio that are part of Heifer International's animal gifting programs. These interns will have already received Holistic Management training at Chapa de Mota, a university field station directed by Certified Educator Dr. Manuel Casas.

I am grateful to the members who continue to support The Savory Center in sharing Holistic Management with more and more families and communities. As you review the additional information in this Annual Report, please feel free to call me if you have any questions.

In visiting with a number of Certified Educators and practitioners over the last few months, I have felt truly blessed to be back involved with The Savory Center on a day-to-day basis. As I have always said (to anyone willing to listen), what I love most about this work is the people with whom I am allowed to associate every day. I love their passion for the land, their love of family and community, and their willingness to have a vision of a better world and to seek and adopt approaches, like Holistic Management, that they feel can help them create the lives they want.



Shannon Horst
Interim Executive Director



On the West Ranch, a research team, led by HRM of Texas, has recently begun a project to determine the effect of planned grazing, high impact, rest, and conventional grazing on cedar infestation. Peggy and Joe Maddox will be in charge of managing their flierd of cattle and hair sheep to assist in this research.

The Africa Centre has seen improved wildlife habitat develop at Dimbangombe due to improved grazing management by Africa Centre staff.



Savory Center Members Win Awards

As always true, some of you out there on the ground were nominated for and won awards as a result of your efforts to increase the biodiversity and productivity of your land and improve your farm, ranch or community. Congratulations to you all!

- Kim Barker
- Dennis Demmel
- Mark Frasier
- Doc & Connie Hatfield
- Fred Hays
- Rukin Jelks, Jr.
- David & Mary Marsh
- Richards Ranch
- Jim & Mary Rickert
- Agee Smith
- George Whitten
- George Work

Savory Center Contributors

The Savory Center Board of Directors and Staff would like to extend our heartfelt appreciation for the generous donations our members made in 2004. Your giving makes a world of difference.

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