

Rainfovest Alliance 2006 Annual Report





A bag of coffee beans

from a forest-friendly farm in the Peruvian highlands is brewed by a barista in Brooklyn. A bunch of bananas cultivated on a farm in Costa Rica where rainforest is protected, plastic is recycled, pesticide use is controlled and workers are well treated finds its way to a supermarket in Copenhagen and into the lunch of a school child. Chocolate grown by the Chachi of Ecuador lands in a cup of cocoa in England. Mahogany from a tree felled in a Honduran forest is crafted into a guitar sold in Honolulu. Cork from Spain stops a wine bottle poured at a party in South Africa.

After twenty years, the Rainforest Alliance sits at the epicenter of a great, global chain that links the millions of people around the world who produce farm and forest products with the millions who consume them. We are creating the globalization of sustainability. Our reach now extends across more than 50 countries so that when consumers buy coffee, chocolate, bananas, wood or paper, or book vacations in Latin America, they become key links in the sustainable supply chain.

The Rainforest Alliance provides people with purchasing choices that instead of driving the ecological destruction of land and the exploitation of workers and their communities foster reforestation, habitat protection, education and empower the lives of millions.

Rainforest Alliance certification has improved the lives and landscapes of thousands. They include, for example...

- * Abdul Harris Tamburaka, who maintains a Forest Stewardship Council/Rainforest Alliance Certified teak stand in southwest Sulawesi, where he is able to preserve his traditional land-use practices inter-plant ing the teak with cash crops such as coffee, cocoa and cashews while servicing the global teak supply chain.
- ★ Suffian Mahdi, a coffee exporter who represents Ethiopian farmers and who worked with them to achieve Rainforest Alliance certification.
- ★ Floridalma Ax, one of 10,000 people in Guatemala most of them women who harvest, sort and pack xate, a palm leaf used widely in both North America and Europe as an ornamental green in flower arrange ments and for Palm Sunday services.
- * Xu Bin is the driving force behind the promotion of Forest Stewardship Council/ Rainforest Alliance certification in China, where we have trained 1,300 foresters in the principles of certification and provided them with the tools and materials to reproduce our workshops so that we can exponentially increase awareness of sustainable forestry in that country.
- * Maria Justina Llatas, owner of two small coffee farms in the mountains of northeast Peru, where she is protecting springs and streams on her property, separating garbage and composting organic waste.
- ** Milford Peynado, who has learned to run his hotel, Cabinas Doña Maria in Bocas del Toro, Panama, with greater efficiency, to recycle, cut back on the use of non-bio degradable products and protect the local environment that provides a nesting ground for four species of turtles.

To create this eco-structure takes the commitment of many, starting with our very own staff that now includes 160 hard-working and dedicated professionals. We started out as a New York City-based organization, focused on linking lives in the tropics with those in urban areas, and we remain committed to doing so. From New York, we added a Costa Rica office, and from there expanded to Vermont and more recently to Bolivia, Guatemala, Indonesia, Mexico, The Netherlands and Spain, and in the US, to California, Minnesota and Oregon.

While our New York and Vermont offices have certainly grown, we now have more staff members living outside the US than within its borders, a sure sign we are truly an international organization reconciling the needs of consumers everywhere with those of producers in some of the world's most biodiverse regions in order to create the foundation for a sustainable future. We invite you to read in detail about just some of the lives and landscapes we are changing around the world.



Tensie Whelan



Daniel R. Katz

Indicators

Measuring the Progress and Benefits of Rainforest Alliance Certification Around the World In 56 countries, the Rainforest Alliance is working with farmers, foresters and lodge owners, providing them with the tools and know-how required to ensure the responsible use of land, improve lives and livelihoods and protect wildlife habitat. Measuring the impact of our work can be challenging, but as the numbers below indicate, the Rainforest Alliance approach to conservation results in positive benefits for ecosystems and the people and wildlife that depend on them.

Yanesha Cooperative, Peru

With support from Italian coffee company Lavazza and the exporting company VOLCAFE, the Rainforest Alliance is working with members of Peru's Yanesha Cooperative to improve coffee production and people's lives.

* New wet mill has reduced water consumption by 95 percent.

The Painfovest Alliance works

to conserve biodiversity and

ensure sustainable livelihoods

by transforming:

✓ land-use practices

✓ business practices

✓ consumer behavior

- * Rainforest Alliance certification standards increased incomes for coffee farmers.

 Net income went from \$9.55/acre (\$23.60 per/ha) in March 2004 to \$143.25/acre (\$353.84 per/ha) in April 2005.
- ★ Higher quality coffee brings bigger profits. Percentage of first-grade coffee increased from 85 percent to 91.5 percent.
- * Certification standards require trees for wildlife and watershed protection, helping to mitigate global warming. Number of tree species on farm increased from 12 to 19, with 27,000 planted for reforestation. Tree diversity is essential for creating viable wildlife habitats.

- ** All Rainforest Alliance Certified farms require access to schools. Children attending school increased from 132 to 148.
- * Healthcare access is also a requirement. Incidence of illness went down, and the number of people treated at clinics was reduced from 132 to 119.

Nepal's Mountain Communities

The highlanders of Nepal rely primarily on the sale of medicinal plants for income. In cooperation with the Nepal Non-Timber Forest Products Promotion Alliance, the Rainforest Alliance enables members of Nepal's Federation of Community Forest User Groups to meet the Forest Stewardship Council/Rainforest Alliance certification standards so they will always have a source of income plus a healthy environment.

- ****** 11,000 rural residents received training on harvesting sustainable levels of wild herbs and bark.
- * 14 new small businesses produce pain relief oil, personal care products, herbal teas and handmade papers.

- ***** 5,300 households are now part of the global marketplace.
- Before certification, the primary markets were in India and Nepal.
- After certification, markets expanded to the S&D Aroma company in the United Kingdom and the Aveda Corporation in the United States.
- * Residents are now controlling illegal logging and as a result of a wildlife inventory, a requirement of certification, they have identified three endangered species, which they had been hunting and eating and now protect.

Community Forestry in Mexico

High in the Sierra Madres, close to the Pacific Ocean, the village of El Balcón is in a large forested area besieged by illegal logging and drug trafficking. In 1966, the Mexican government granted property rights to 136 families in El Balcón. Villagers have since built a sophisticated and successful forestry enterprise that was FSC/Rainforest Alliance Certified in 2003 and today employs 276 people on its 25,000 acres (10,000 hectares). The certified sustainable business provides:

- * Free private medical care for 750 villagers.
- ***** Pensions for widows and orphans.
- * A portion of teachers' salaries; scholarships available for youth.
- ***** 90,000 trees planted annually.
- ***** Solar energy.
- * Nearly 9,880 acres (4,000 hectares) of protected forest.

Ejidos face technical, social, and administrative challenges to maintain their niche in national markets and to fully realize their potential to provide international markets with certified wood. Rainforest Alliance training helps *ejidos* to earn better access to certified markets by focusing on increasing efficiency and quality. As a result of this training, the 230-person, 84,500-acre (34,000-hectare) *ejido* San Pablo in Durango, Mexico has improved the productivity of its forestry business...

- Improved primary and secondary wood processing has resulted in a 66 percent increase in annual income
- ★ 18 percent change in improved wood quality
- ***** 30 percent increased production efficiency

Mendocino Redwood Company, California

Since 1998, when the Mendocino Redwood Company purchased 233,000 acres (94,000 hectares) in northern California, company foresters have been working to repair and revitalize the lands. Certified in 2000, forestry practices conserve old-grown stands and help maintain healthy ecosystems.

- ** Reduced use of chemical herbicides by more than 35%; reduced the herbicide Garlon by 90%
- ★ Set aside 605 acres (245 hectares) as "forever wild" conservation easements
- ★ Completed more than 230 restoration projects to control erosion and improve fish passage
- ★ Reduced sediment entering watercourses by the equivalent of over 60,000 dump truck loads



- ★ Planted hundreds of thousands of seedlings each year in reforestation projects
- ★ Significantly reduced annual timber harvest to 1/3 of growth
- * Mapped and inventoried wildlife data such as salmon habitat, northern spotted owl territory and marbled murrelet populations.



Forests provide food, fuel, fiber and building materials. They prevent erosion, filter and regulate the flow of fresh water, protect coral reefs, provide wildlife habitat, control pests and mitigate global climate change. Yet less than ten percent of the world's land area remains as intact forests. To stem the loss of valuable forestlands and ensure the sustainable use of land and water and the responsible production of goods, the Rainforest Alliance works around the world with foresters, farmers, lodge owners and our partner organizations.

Loggers in Honduras Supply Gibson with Forest-Friendly Mahogany

Thanks to a deal brokered by the Rainforest Alliance, residents in Honduras' Rio Plátano Biosphere Reserve are filling an ongoing order from Gibson Musical Instruments for sustainably harvested mahogany. The company that has outfitted the likes of rock and blues legends Santana and B.B. King is paying \$40,000 monthly for shipments of Rainforest Alliance Certified two-foot mahogany blocks, nearly four times the value of the wood in the national market. The purchase provides a source of sustainable income to the logging communities and an incentive for them to conserve their forest resources. "These sales are not only improving the quality of life in these communities, they also raise their consciousness of the importance of managing forest resources in a sustainable way," explains José Román Carrera, regional coordinator for the Rainforest Alliance's forestry program.

Established by the United Nations as a World Heritage Site in 1982, the reserve is home to an extensive mangrove ecosystem, mountainous highlands, Caribbean coast and the Plátano River, and it is one of the largest protected areas

in Central America. However, uncontrolled agricultural development, logging and commercial hunting threaten to undermine the region's ecological integrity along with the traditions of some 2,000 indigenous people who populate the reserve.

With training from the Rainforest Alliance, workers from four Rio Plátano communities work on the fringe of the area's protected buffer zone to salvage mahogany blocks from trees felled by storms or left behind by unscrupulous loggers. Whenever live trees are harvested, the indigenous woodsmen adhere to a management plan approved by the Honduran government that allows controlled logging in buffer zones around reserves and in areas of cultural significance.

Cultivating Certified Beans in the Birthplace of Coffee

Coffee has grown wild in Ethiopia's forests for thousands of years, where it continues to thrive as a natural part of the landscape. But today, most of Ethiopia's coffee is cultivated on small farms, just the way that it is throughout Latin America, Southeast Asia and other parts of Africa. Some 12 million Ethiopians earn their

living selling coffee; the commodity is both integral to the country's economy and its culture.

Nearly seven hundred family farmers in Ethiopia's Djimmah region spent much of the past year bringing their farms up to Rainforest Alliance standards. The forest-friendly farm methods are particularly significant in Ethiopia, where improper farming practices have reduced forestlands at an alarming rate. According to "Forest Fires in Ethiopia," a United Nations report published in 2002, four decades ago 40 percent of Ethiopia was covered by forests, a percentage that at the time of the report's publication had dropped to less than three percent. Rainforest Alliance certification encourages healthy ecosystems and helps stem deforestation, requiring coffee farms to support a minimum number of shade trees.

Laying the Groundwork for Sustainable Pineapple Cultivation

Pineapple farming is expanding rapidly throughout Central America, and the Rainforest Alliance is concerned about its implications for the region's workers and the environment. The crop's cultivation is associated with high agrochemical use, soil erosion, harsh conditions for workers, contamination of waterways and deforestation. Pineapple farms currently cover nearly 123,500 acres (50,000 hectares) in Costa Rica, Guatemala and Panama, and that area is expected to double in the next two to three years.

To reduce the harmful effects of commercial pineapple farming, Rainforest Alliance technicians have been visiting pineapple farms and meeting with stakeholders in Panama, where 100 small farms produce the prickly fruit in the watershed of the Panama Canal.

Landmark Training Project for Guatemala's Coffee Farmers

Rainforest Alliance Certified coffee is gaining ground in Guatemala. Already, a host of international buyers including Kraft Foods, Japan's Ueshima Coffee Company Ltd. and the US coffee companies Java City and Caribou Coffee are sourcing beans from Rainforest Alliance Certified farms. Encouraged by the success of the Rainforest Alliance approach, Guatemalan President Oscar Berger, US Ambassador to Guatemala James Derham and the US Agency for International Development Mission Director for Guatemala and Central America Glenn Anders gathered at the Rainforest Alliance's Guatemala City office in

"I vsed to think that the way to protect the fovest was to say, 'Stop, don't touch.' We put people in jail and confiscated the illegal wood, but the fovest just kept getting smaller and smaller, I vealize now that a move effective way to conserve the vainfovest is to show the people who live there that they can make a better living by managing the fovest sustainably than they would if they cut it down. This is something we are accomplishing in Guatemala and that we would like to repeat in and around Central America's other biosphere reserves, in order to ensure the survival of this region's endangered wilderness."

The Rainforest Alliance has developed standards

goal of certifying farms in Panama in the coming

for sustainable pineapple production with the

year and extending the benefits of pineapple

pineapple farms, owned by Chiquita and the

Italian company Unifrutti, in the Philippines.

certification to neighboring countries soon

afterwards. We recently certified the first

José Román Carrera, Rainforest Alliance forestry manager for Central America



February to mark an innovative agreement that will result in the certification of three Guatemalan Coffee Association farms. As the farms begin to adopt the Rainforest Alliance's standards that guarantee environmental protection, efficient administration and the respectable treatment of farm workers, they will serve as models for other interested farm owners.

The agreement is closely aligned with President Berger's emphasis on expanding Guatemala's coffee industry. At the signing ceremony, Berger acknowledged that "perhaps the most important aspect of certification is that it is a real tool for improved competition ... and at the same time it implements better agricultural practices, which entails a substantial improvement in the quality and productivity of crops."

Juan Valdez Embraces Sustainable Coffee

Juan Valdez has long been a symbol of the hard-working Colombian coffee farmer, whose handpicked beans are considered among the world's finest. Now, Juan is not only offering the high-quality product that people have come to expect, but Rainforest Alliance Certified coffee. In May, Juan Valdez Cafes began selling the coffee in Colombia and the US.

"Rainforest Alliance Certified coffee gives producers guidelines for managing their farms in harmony with nature," explains Gabriel Silva, CEO of Colombia's largest coffee growers' group, the National Federation of Coffee Growers of Colombia (FNC). "For us, sustainability is a way of life. We expect to still be growing the world's highest-quality coffees sustainably in the next century." Silva has vowed to ensure that ten percent of the FNC's total coffee output is certified by 2007. FNC experts regularly visit coffee farmers, training them in the latest cultivation and processing techniques and providing assistance, which has helped Colombian farmers achieve Rainforest Alliance certification relatively quickly and expand into markets for

sustainable coffee. Working with the FNC, the Rainforest Alliance has certified more than 170 coffee farms since 1999. Bogota-based conservation group Fundación Natura audits the farms annually to ensure their continued compliance with Rainforest Alliance standards. Production of Colombian certified coffee has increased sixteen-fold since 2003. The country is expected to triple its output by 2007, reaching 300,000 130-pound bags per year.

Setting A New Course of Action for Forestry in China

Deforestation in China dates back to the ancient dynasties, when the country's vast forests were first exploited and plundered. During the late 1950s, when Mao Zhedong attempted to industrialize overnight, the degradation of China's resources accelerated significantly. Fueling China's ever-increasing need for timber is an exploding population that over the past 50 years has increased about two and a half times, while the population in forested areas has increased five-fold. Although authorities long denied any connection between excessive exploitation of the country's natural resources and environmental degradation, in September 1998, when terrific flooding along the Yangtze River resulted in some 3,000 deaths, China's State Council imposed a logging ban in an attempt to prevent the widespread erosion. Consequently, China is now the world's second largest timber importer after the US.

In response to the devastating floods and the worsening condition of China's environment, authorities have stepped up efforts to recover and increase forest resources. Forest certification offers China the best hope of moving beyond its logging ban, and towards the establishment of a sustainable domestic forest industry. It also provides a means for China to slow its demand of irresponsibly-harvested timber from other countries. The Rainforest Alliance is managing a broad outreach and training initiative with our partner, the Chinese Academy of Forestry.

We are working with a network of collaborators (including the World Wide Fund for Nature, academic institutions, the Forest Stewardship Council (FSC), and industry and government participants) to deliver workshops and Webbased resources for foresters and stakeholders to better understand the requirements and benefits of FSC certification. Key experts receive training and materials to replicate these workshops for others, creating an exponential level of awareness.

Green Yields in the Petén

Collecting leaves from the jade palm (*Chamaedorea oblongata*) is a common source of income for people living in the Guatemalan province of Petén, who sell the fronds to florists in Europe and the United States for use in floral arrangements. Jade palm, or *xate* (pronounced SHAtay) in the Maya language, grows in the shadow of rainforest trees. Its export contributes over a million dollars annually to the Guatemalan economy. In an area where almost 50 percent of the population has no formal education, harvesting of wild *xate* generates about 10,000 jobs for low-income families, and especially for women.

Traditionally only a few leaves are removed from *xate* at time, allowing the palm to remain productive and provide communities with an incentive to maintain their forest resources. However, the increased demand for *xate* leaves, purchased by quantity rather than quality, combined with an absence of standards and management practices has resulted in over-harvesting of this non-timber forest product. New incentives and management practices were needed in order to protect the species.

A US buyer, Continental Floral Greens, was willing to change business practices and purchase leaves based on quality, thus removing the incentive to over-harvest. The Rainforest Alliance is helping communities in the Petén to manage their resources sustainably through training in



better harvesting practices and increase their incomes by facilitating the direct export of *xate* to the US.

Communities in Mexico Turn to Certified Furniture Making

In a new furniture factory in the mountains of Oaxaca, about 44 miles (70 kms) from the city, some 200 local workers — 35 percent of them women — are manufacturing school furniture using wood sustainably harvested from nearby FSC/Rainforest Alliance Certified forests. The successful enterprise has financed a number of community works, such as the expansion of the town's water system and the development of an ecotourism project.

The forests of Oaxaca, like 80 percent of Mexico's forests, are managed by communities; people committed to protecting their country's great wealth of natural resources while earning their living from the land. While the worldwide demand for certified forest products is increasing exponentially, many Mexican producers can't compete against a wave of cheaper wood imports from other countries. The Rainforest Alliance is working across Mexico in communities such as Ixtlán de Juárez to help them overcome their difficulties in accessing markets, so they remain engaged in biodiversity conservation. Our strategy is to work intensively with a small number of certified forestry communities to improve their market competitiveness and foster public-private partnerships; partnerships that lead to profitable, transparent and lasting commercial relationships. We help these communities improve their processing yields, increase the amount of the yield that can be sold as "high grade" and find ways to invest in machinery to turn lower grade wood into consumer goods, like furniture.

To date, the Rainforest Alliance has helped Mexico's certified community forests leverage \$4.5 million for new sawing and manufacturing machinery. Eighty percent of those funds have come from the communities themselves. The results are encouraging. Four communities in Oaxaca, for example, recently landed a contract to build chairs and desks for state schools, which will generate some \$1.3 million and sustain their incentive to manage their forests responsibly, protecting the region's fragile biodiversity.

Milestones

- * In 2005, the promise of sustainable coffee farming garnered the support of the United Nations Development Programme, which approved a \$12 million grant to support the Rainforest Alliance's work with farmers over the course of seven years. As the grant stipulates, "the program will result in the conservation of biologically rich coffee areas through an increase in market demand for coffee produced under biodiversity-friendly, sustainable production practices."
- * The Rainforest Alliance was selected as one of ten finalists for the US \$1 million Alcan Prize for Sustainability. The prize, created in 2004 by the multinational aluminum and packaging company Alcan, recognizes outstanding contributions to the goals of economic, environmental and social sustainability by not-for-profit, non-governmental and civil society organizations around the world.
- ★ The Rainforest Alliance is expanding its work with cocoa farmers to the Ivory Coast so that 4,000 farmers will receive the tools and training they need to meet the Sustainable Agriculture Network certification standards for environmentally and socially friendly cocoa farming.

- * Marsh-Billings-Rockefeller National Historical Park is the first US national park to earn Forest Stewardship Council/Rainforest Alliance certification. The park's mandate is to continue the stewardship traditions instituted in the 19th century by Frederick Billings, who worked to reverse the effects of colonial deforestation in New England through tree planting and sustainable harvesting.
- ★ The Rainforest Alliance awarded the world's largest Forest Stewardship Council (FSC) certification to Alberta-Pacific Forest Industries Inc., establishing Canada as the global leader in FSC-certified land and bringing hundreds of thousands of tons of certified, chlorine-free hardwood pulp to the world's markets. Alberta-Pacific responsibly manages 13.6 million acres (5.5 million hectares) of boreal forestland, covering nearly 9 percent of the province of Alberta.
- * Two Canada-based companies, Domtar and Tembec, continued their committed efforts to bring all forestlands they manage under FSC certification. Over 13 million acres (5 million hectares), either directly or cooperatively managed by Domtar, have been certified to the standards of the FSC, and Tembec has 19 million acres (7.7 million hectares) of FSC-certified forestland. Each company now manages more FSC-certified forestland than any other company in the world.
- ** The Rainforest Alliance and its European partner NEPCon issued three Forest Stewardship Council (FSC) group certificates in Belarus, covering approximately 3.5 million acres (1.4 million hectares) of temperate forest dominated by Scots pine, Norway spruce and birch. Pulpwood from the forest-rich country is widely exported through the Baltic countries and to







Scandinavian pulp mills, while processed timber is sold throughout Western Europe. The certifications ensure that the habitats of rare and threatened species, including the European bison and black stork, will be protected.

- ** Land trusts offer landowners a means of conserving their holdings in perpetuity. While many of these conserved lands are left "wild," sustainably managed timber extraction is permitted on a limited basis. To help land trusts learn how FSC certification can provide standards and recognition for sustainable practices, the Rainforest Alliance produced the Guide to Forest Stewardship Council Certification for Land Trusts. This free online guide gives a thorough overview of FSC certification and highlights the certification options most appropriate and cost-effective for land trusts.
- ** Bolivia is a global leader in certified tropical forests, certifying 5 million acres (2 million hectares) over the past ten years. Fully one-quarter of Bolivia's managed forests are now FSC/Rainforest Alliance Certified. The certified acres encompass the endangered Amazonian forest and Chiquitano dry forest ecosystems and protect the endangered short-eared dog, southern two-toed sloth, pygmy marmoset, saddleback tamarin, the Goeldi's monkey, barefaced currasow, pumas, jaguars and the maned wolf.

Sustainable Agricultur Network Partners

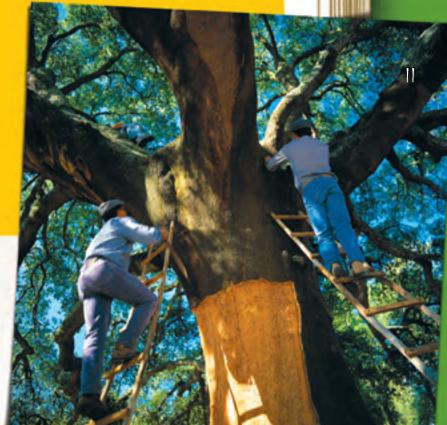
The Rainforest Alliance is the international secretariat of the Sustainable Agriculture Network (SAN), a coalition of leading conservation groups that links responsible farmers with conscientious consumers by means of the Rainforest Alliance Certified seal of approval.

- Conservación y Desarrollo, Ecuador
- Fundación Interamericana de Investigación Tropical, FIIT, Guatemala
- Institute for Agricultural and Forestry Management and Certification (IMAFLORA), Brazil
- Instituto para la Cooperación y Autodesarrollo, ICADE, Honduras
- Fundación Natura, Colombia
- ProNatura Chiapas A.C., Mexico
- SalvaNATURA, El Salvador
- Toledo Institute for Development and the Environment (TIDE), Belize

Forestry Partner

The Rainforest Alliance maintains formal partnerships with leading nonprofit organizations, which provide invaluable local knowledge and expertise. They include...

- Institute for Agricultural and Forestry Management and Certification (IMA-FLORA), Brazil
- Nature, Ecology and People Consult (NEPCon), Denmark
- Chinese Academy of Forestry, China



The Cainfovest Alliance works to promote the sustainable harvesting of covk bark. These trees support the environmental, economic and cultural stability of cork producing regions in Spain and Portugal.



Business Practices

At the Rainforest Alliance, we believe it is possible to create a society that protects the planet and provides people everywhere with sustainable livelihoods. To support this vision of environmental and social justice, the Rainforest Alliance is training farmers, foresters and lodge owners in best production practices...providing a process for stakeholders to reach agreement about the management of scarce resources...creating mechanisms to reward honesty and transparency and eliminate corruption...and enabling companies and consumers to contribute to a sustainable economy through the production and purchase of sustainable goods.

A Commitment to Conserving Coffeelands

Located at the edge of a nature reserve in the misty mountains of Nicaragua, Finca La Bastilla is a Rainforest Alliance Certified farm that supplies Maryland-based Mayorga Coffee Roasters. During the past two years, the farm has made transformations typical of those promoted by the Rainforest Alliance. Just a few years ago Finca La Bastilla's housing was so dilapidated that the owners were hard-pressed to recruit enough workers to pick the farm's coffee. But since seeking Rainforest Alliance certification, the farm owners have rebuilt worker housing and established an infirmary with a full-time health counselor and regular doctor visits. The farmers are also working with the government to patrol an adjacent nature reserve, plant native trees in deforested areas and protect streams that run through their lands.

In addition to its Finca La Bastilla purchases, Mayorga also buys Rainforest Alliance Certified coffee from farms in Honduras and Brazil, which have demonstrated comparable commitments to people and the planet. The Ipanema coffee farm in central Brazil protects vast expanses of cerrado, a mix of forest and savannah that is home to a wealth of wildlife and is as threatened as the Amazon rainforest. The 350 members of the Cohorsil coffee cooperative in the mountains of central Honduras are donating a portion of their earnings to support a sports program for local youth and a mobile clinic that delivers basic medical care to more than a dozen rural communities. Such public works are especially important in Honduras and neighboring Nicaragua, which are among Latin America's poorest countries and where more than 8,000 acres (3,285 hectares) of coffee farms are Rainforest Alliance Certified.

This year, Mayorga began distributing its Rainforest Alliance Certified coffees at eight retail locations in the Washington, DC area; through its wholesale distributorship in the mid-Atlantic region; through its online store and at Costco stores throughout Virginia, Maryland and the surrounding region.

Rainforest Alliance Certified Coffee Goes Mainstream

In the not too distant past, coffee connoisseurs and conscientious consumers could only find sustainably cultivated beans in specialty outlets or online. But thanks to the commitment of companies, including Kraft Foods and Caribou Coffee, shoppers can buy coffee grown on Rainforest Alliance Certified farms at any number of supermarkets, gourmet coffee houses and chain stores. Kraft began purchasing the environmentally and socially beneficial beans in 2003, and has been increasing its purchase every year since. Kraft bought over 5 million pounds of Rainforest Alliance Certified coffee in 2004, 14 million pounds in 2005 and 29 million pounds in 2006.

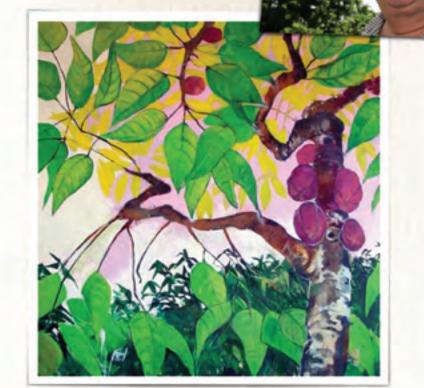
Kraft initially blended the Rainforest Alliance Certified beans into its existing mainstream brands, then launched new 100 percent certified products such as All Life. In 2005, Kraft introduced 100 percent Rainforest Alliance Certified versions of existing brands in Europe. And in 2006, the company introduced Yuban in the United States with 30 percent minimum Rainforest Alliance Certified content.

By integrating Rainforest Alliance Certified beans into mass-market coffees while keeping the price competitive, Kraft is broadening the profile and availability of sustainable products. The increased volume of Rainforest Alliance Certified coffee means greater benefits to workers and ecosystems in coffee producing countries. As of July 2006, Kraft's purchases were ensuring the sustainable management of 75,000 acres of farm and forestland, habitat for thousands of species of plants and wildlife. Thanks to Kraft, 152,000 farmers, farm workers and their children enjoy much improved living and working conditions as well as all legal rights and benefits.

"A sustainable hotel, while conserving the environment by managing vesources well, should also preserve local culture and implement programs in the survounding communities to generate effective social and economic benefits. We work with two universities to encourage rural and traditional artwork in the nearby villages and we're working with the Insituto de Pesarvollo y Aprendizase

(Development and Tvaining Institute) to encouvage the development of small hotels and other tourism businesses in the vuval communities."

> Federico Gallegos, owner of Sueño Azul, a rainforest reserve and resort in Costa Rica







Business Practices

Minneapolis-based Caribou Coffee Company, the nation's second largest non-franchised coffee house chain, announced in July, 2005 that it would support sustainably-produced coffee and the communities and farms in coffee growing lands through a partnership with the Rainforest Alliance. By the end of 2008, Caribou plans to buy half of its beans from Rainforest Alliance Certified farms. Caribou has also been collaborating with the Rainforest Alliance to identify new farms interested in complying with the group's sustainable standards.

Advancing Sustainable Tourism in Latin American by Striking Partnerships with Tour Operators

Because tour operators wield considerable power in the creation of popular tourist destinations, the Rainforest Alliance is encouraging them to motivate their affiliated businesses to conserve biodiversity and reduce tourism's negative impacts. Throughout Guatemala, Belize, Costa

Rica and Ecuador, we are signing agreements with tour operators that obligate them to choose lodges and other businesses whose staff has been trained in our sustainable management methods. Rainforest Alliance tourism workshops help business owners understand how to incorporate environmentally, socially, economically and culturally responsible practices, including methods for recycling, reducing waste and ensuring that local communities benefit from tourist dollars.

We are also encouraging tour operators to create sustainable packages by facilitating partnerships between domestic and overseas tour operators and businesses that have participated in Rainforest Alliance best management workshops. Three Dutch and three German tour operators recently traveled to Costa Rica to visit sustainable hotels, restaurants and other businesses; it was the first "familiarization trip," as they are called in the industry, to focus on sustainable destinations.

The Path to Excellence

Nespresso, based in Switzerland, is known for its impossibly clever and sleek espresso machines that deliver a perfect cup at the touch of a button. But superb flavor depends on superb beans, and Nespresso goes to extraordinary lengths to find the best coffees. The company is committed to the farmers who grow those special beans.

During the past two years, the Rainforest Alliance and the conservation groups that form the Sustainable Agriculture Network have been collaborating with Nespresso to develop a system to guide producers toward farm management practices that improve the well-being of workers, protect the environment and maintain or even improve the quality of the resulting coffee beans. High quality commands high prices, so the farmers are achieving long-term, economic sustainability.

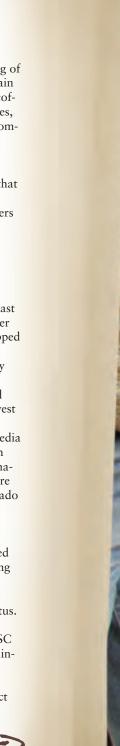
Nespresso, one of the fastest-growing coffee companies in the world, is aiming to ensure that it will have increasing supplies of top-quality coffee in the future; that means helping farmers along the path toward sustainability.

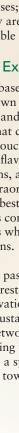
As the total area of Forest Stewardship

To market, to market

Council (FSC)/Rainforest Alliance Certified lands grew by an incredible 66 percent this past year, producing more certified pulp and timber than ever before, the Rainforest Alliance stepped up its efforts to educate businesses along the supply chain about the benefits of responsibly produced wood and paper. Our staff fanned out across the globe to let building, print and packaging professionals know about the newest certified options available to them. We gave presentations, manned booths and offered media briefings at trade shows and conferences such as the Greenbuild Expo in Atlanta, the International Woodworking Machinery and Furniture Supply Fair in Atlanta and the Brasil Certificado Fair in Sao Paulo, Brazil. A number of our partner companies engaged the Rainforest Alliance to provide training to their staffs on how to describe and promote their certified products. More than 500 sales people working for Forest Stewardship Council/Rainforest Alliance Certified businesses were trained on the successful marketing of their certified status.

The past year saw a 22 percent increase in FSC chain-of-custody certificates issued by the Rainforest Alliance, as record numbers of lumber yards, printers and manufacturers integrated sustainable certified options into their product







"In addition to gaining improved movale and productivity on our farms, we have saved money in the process. Everybody wins — the workers, the company and the environment, not to mention the Painforest Alliance, which deserves enormous credit for showing us a better way.."

Bob Kistinger, President & COO of the Chiquita Fresh Group



The Sustainable Agriculture Standards ensure that on Painforest Alliance Certified farms, workers and their families are given access to medical care.

Business Practices

lines. Canada-based Domtar Inc., for example, now offers more than 800 different kinds of certified papers, from photocopy papers to fine stationery. Appleton and Stora Enso issued the first certified catalogue papers, filling a major gap in the supply chain. Publishing company Harper Collins UK now prints all trade paperbacks and monocolor hardbacks on certified paper. And the National Envelope Corporation, the world's largest envelope manufacturer, issued certified envelopes in dozens of weights and sizes and now offers FSC/Rainforest Alliance Certified Christmas cards to individual and corporate buyers.

Residential builders and architects clamored for new certified products such as two-by-fours, flooring, framing and interior paneling. To help them locate supply sources, we launched our SmartGuide to Green Building Wood Sources and provided individual consulting for our certified partners. Our work with the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) rating program resulted in the mandate that all tropical wood used in a LEED rated home be FSC-certified.

Making Markets Work for the Environment and Local Communities

The Certified Sustainable Products Alliance (CSPA) is a collaboration of the United States Agency for International Development, the Rainforest Alliance, its partners in the Sustainable Agriculture Network and more than two dozen companies. Through this effort the supply, demand and value of sustainably produced timber, bananas and coffee is growing in Central America and Mexico. By strengthening the competitiveness and sustainability of forest management and agricultural enterprises, the CSPA is raising living standards in rural communities, improving protection of the region's natural resources and catalyzing new trade and investment.

The project's goals include certifying 319,000 acres (129,095 hectares) of forest and farmland over three years and facilitating the sale at premium prices of 13,000 tons of coffee, 90 million boxes of bananas and four million board feet of wood products. After rapid growth in the number of certified farms and forestry operations in Mexico and Central America during the project's first year, the second year saw the area of certified land in the region continue to increase.

The total certified coffee, banana and forestland in the region as of June 30, 2006 was 3,921,997 acres (1,587,176 hectares), up by 289,472 acres (117,145 hectares) from the prior year.

As of June 30, 2006, the Rainforest Alliance promoted gross sales in the region of \$312.4 million of certified bananas, coffee and wood products, \$143.3 million in the last year alone. Bananas sold for \$282.3 million, coffee for \$56.5 million and wood products for \$8.6 million. In the seven countries in the region, 64,894 people work on certified farms including both permanent and temporary workers, up nearly 5,000 from the previous year.

Milestones

- ** Innocent Drinks, the inventive British fruit smoothie maker known for its commitment to ethical practices, now purchases all of its bananas and as much other fruit as possible including oranges and passion fruit from Rainforest Alliance Certified farms. "As soon as other fruits become available in the quantities that we need, we'll buy a whole lot more from those crazy Rainforest people," informs the Innocent Web site.
- * The Tip Top IV is the newest in a fleet of nine boats certified by SmartVoyager,

Ecuador's sustainable tourism certification program, which is managed by Conservación y Desarrollo, a Rainforest Alliance partner since 1997 and a founding member of the Sustainable Tourism Certification Network of the Americas. (The network is a Rainforest Alliance-led effort to integrate certification programs in the Americas). With a 16-passenger capacity, the Tip Top IV features superior standards for comfort and safety, and demonstrates a commitment to conservation. Tip Top IV's furniture and parts of the craft were crafted from teak harvested from Rainforest Alliance Certified forests.

- * This year, the Rainforest Alliance produced the second edition of its popular Guide to Best Practices for Sustainable Tourism and the Directory of Best Practices, Certification and Codes of Conduct for Sustainable Tourism. Developed with the support of the Inter-American Development Bank, the guide is intended to provide community businesses and small and medium-sized entrepreneurs with specific guidelines for greening their operations.
- * Lavazza's new ¡Tierra! coffee is a Rainforest Alliance Certified line whose sales benefit disadvantaged farming communities in Latin America. The initiative is unusual in that the Italian coffee trendsetter helped coffee-farming communities in Honduras, Colombia and Peru get on the path toward sustainability and then blended coffee from these cooperatives to make the tasty ¡Tierra!.
- * Each year, corporate annual reports consume millions of tons of paper, most of it from virgin pulp. By switching to paper originating from forests certified to the standards of the Forest Stewardship Council, companies can have a swift and positive impact on the environment, often at no greater cost. In 2005, a few companies that





Business Practices

made this important change were Home Depot, Johnson & Johnson, JPMorgan Chase, McDonald's, Lowe's and Wal-Mart, all of which printed their annual reports on FSC-certified paper, a trend the Rainforest Alliance will continue to encourage.

- ** The British company S&D Aroma, a global supplier of essential oils to manufacturers of beauty products, earned chain-of-custody certification for botanicals and essential oils purchased from FSC/Rainforest Alliance Certified community forests in Nepal. The Rainforest Alliance worked with forest user groups, providing certification services and supporting their efforts to promote their products and develop markets. Certified oils are derived from botanicals managed for long-term productivity, the protection of wildlife habitat and the just treatment of workers and their communities.
- * For nine years Rainforest Alliance partner group Conservación y Desarrollo has worked with 1,500 farmers in Ecuador, helping them get a better price for their cocoa while conserving biodiversity and regaining their cocoa growing heritage. This year Kraft committed to integrating certified cocoa into its chocolate supply, and in September 2005 bought its first monthly purchase of 50 tons of cocoa beans from Rainforest Alliance Certified farms. Kraft, the largest food company in the US and a leading company globally, is extending the lessons learned in certified coffee to cocoa. In addition to supporting the farmers in Ecuador, Kraft has joined with the Rainforest Alliance and local cocoa organizations, traders and NGOs in the Ivory Coast to begin instilling sustainable farm management practices there. The multinational food company not only has plans to purchase more cocoa, but contin-



"The Rainfovest Alliance program has encouraged us to not only change and improve the accommodations, but we have used these good practices throughout our entire operation."

Carlos Chavarría, executive director of the Tirimbina Rainforest Center, an outdoor education facility and lodge in Costa Rica

ues to support the lands and farmers that produce these products. Kraft has identified 1,000 cocoa farms in Ecuador from which they hope to buy beans.

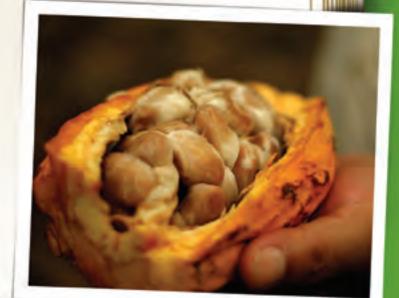
- ***** Germans love coffee, drinking more per capita than even the Brazilians. Tchibo, one of the world's top-five coffee companies, is the best-known brand in Germany. One of Tchibo's specialty coffees this year was Honduras Escondida, a premium Rainforest Alliance Certified blend from small farms in Honduras, where the company and Sustainable Agriculture Network member ICADE helped farmers get on the path toward sustainability. Tchibo also sells Rainforest Alliance Certified Schattenwald Kaffee in its 900 shops. The name means "shade forest coffee," and is a popular blend from certified farms in Honduras, Colombia, El Salvador and Brazil.
- * Frequent fliers on KLM, the Dutch airline, know that the airline serves high-quality, freshly brewed coffee. Now, KLM is serving something extra in the cup: sustainability. Under an agreement with Drie Mollen, a progressive coffee supplier and roaster in The Netherlands, KLM switched to gourmet-quality, Rainforest Alliance Certified coffee on all its flights. Drie Mollen also roasts certified beans for Super de Boer stores in Holland.

** The Rainforest Alliance helped Goldman Sachs source over 75,000 pounds of Rainforest Alliance Certified coffee, representing over 50 percent of the investment firm's global coffee purchase. We also worked with the company's team of consultants to source Forest Stewardship Council-certified wood for the construction and interior design elements of the new 2.1 million square foot world headquarters building in Battery Park City, New York. Goldman Sachs clients now receive statements, trade confirmations and other communications on FSC certified paper.

A farmer displays the inside of a cocoa pod.

Like coffee, cocoa can be grown in harmony

with the natural forest.





Consumer Behavior

As concern grows about unprecedented challenges such as global warming and the loss of biodiversity, people are looking for ways to contribute to holistic, sustainable solutions in their daily actions. We are all consumers, and we are beginning to seriously demand accountability, transparency and traceability in our purchasing and travel decisions. The Rainforest Alliance green frog seal provides us with the assurance that goods, products and services bearing the trustmark are the result of environmentally and socially scrupulous practices. Our publications, Web site, media outreach efforts and educational curricula for teachers are all designed to encourage responsible choices and let consumers know how Rainforest Alliance certification helps to better lives and landscapes around the world.

Online Travel Guide for Savvy Travelers

Featuring a database that includes a description of sustainable tourism businesses in the Americas and the Caribbean, the Rainforest Alliance's Eco-Index of Sustainable Tourism, www.eco-index.org/tourism, is a new online resource for travelers and travel agencies looking to book eco-friendly vacations. These destinations are not only exciting and beautiful, but also benefit communities, plants and animals. Information is listed by country, type of destination and type of lodging or activity. Vacation planners will find all necessary contact information for their chosen destination. Content is in both Spanish and English.

Catalog of Certified Tourism Businesses

While the idea of ecotourism frequently appeals to today's conscientious travelers, information on reputable hotels and tour operators can be

hard to locate. To help, the Rainforest Alliance and its partners in the Sustainable Tourism Certification Network of the Americas a group of tourism organizations that through meetings, newsletters and a virtual classroom encourages an exchange of ideas among stakeholders and acts as an information clearinghouse to raise the impact and professionalism of certification programs throughout North, Central and South America and the Caribbean assembled Certified Tourism Products in the Americas, a user-friendly, 85-page, full-color catalog of 138 hotels, restaurants and other types of sustainable tourism operations in Guatemala, Costa Rica, Ecuador and the Caribbean. By choosing responsible travel, consumers can enjoy vacations secure in the knowledge that their tourism dollars are helping to conserve fragile ecosystems and alleviate poverty in local communities. The catalog is available in print, on CD and online at www.rainforest-alliance. org/programs/tourism/certification/catalog.html.



New Middle School Curricula

In response to an ever-increasing demand for bringing global education into the classroom, the Rainforest Alliance added new middle school lessons and information to the Learning Site, our free on-line curriculum. Since the inception of the Learning Site two years ago, the Rainforest Alliance has been working closely with kindergarten through 6th grade teachers and students to foster a deeper understanding of current conservation issues.

The middle school curricula, developed in collaboration with Project Learning Tree an environmental education program of the American Forest Foundation — provide 7th and 8th grade teachers with access to social studies, language arts, math and science activities that explore the environmental, cultural and economic aspects of banana production in Honduras. Each year, people around the globe consume more than 55 million tons of bananas, making the banana the world's most popular fruit. By connecting students to rainforest conservation issues through such a familiar topic, the Rainforest Alliance curricula help students to better relate to the environmental and economic effects of banana production in Honduras.

SmartGuides to Certified Paper and Wood

The Rainforest Alliance's *SmartGuide to Paper and Print Sources* was developed to help pulp providers, paper mills and merchants, printers and retail outlets find certified sources of supply and also for suppliers to find a market for their raw materials. The more certified paper that is manufactured, the greater its availability to consumers.

Due to the success of the paper SmartGuide, this year we produced the *SmartGuide to Green Building Wood Sources*, the first comprehensive listing of FSC-certified wood building products in the United States and Canada. This resource was developed to help architects, designers and builders seeking certified construction materials locate manufacturers and distributors. The SmartGuide has proved particularly helpful for projects following the United States Green Building Council guidelines for Leadership in Energy and Environmental Design (LEED) rating.

As a result of our outreach to the building and design community, the SmartGuides were downloaded over 7,500 times from the Rainforest Alliance Web site, our most popular downloads for the year.

"We started certifying our forestlands because it was
the right thing to do. The more forests we certified,
the more certified fiber we had available, so we created
a line of papers called EarthChoice. It started
with doing the right thing in the forest, which
we then turned into an opportunity to put
new products in the marketplace."

Lewis C. Fix, Director of Business Development, Corporate Markets — EarthChoice, Domtar



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FSC SW-COC-056 SMARTWOOD SMARTWOOD SW-COC-056 FSC SW-COC-056 SW-COC-056 SW-COC-056 SW-COC-056



Practiced vesponsibly, tourism can provide communities in developing countries with a source of income and an incentive to protect their natural vesources.

Consumer Behavior

Free, Online Reference Promotes Western Hemisphere Migratory Species Conservation

Wildlife managers and conservationists working to conserve migratory species in the western hemisphere can now access a new online resource. The Rainforest Alliance's Western Hemisphere Migratory Species Initiative Pathway, www.eco-index.org/migratory, offers detailed information in English and Spanish on more than 175 initiatives that are conserving migratory species in the Americas and the Caribbean, along with interviews and advice from conservation leaders. The pathway is part of the Rainforest Alliance's Eco-Index, a searchable database of more than 900 conservation projects, managed by more than 600 NGOs, government agencies and research personnel in Latin America and the Caribbean.

Better Farms Lead to Better Coffee

Rainforest Alliance Certified farms not only benefit workers and the environment — they also generate a great cup of coffee, thanks to improved cultivation and processing techniques. Proving that point is the fact that Rainforest Alliance Certified coffees have consistently scored high at international cuppings — or coffee tastings — and auctions. This year...

- ** Twelve lots of Rainforest Alliance
 Certified coffee earned the coveted Q grade
 at a special cupping held by the Coffee
 Quality Institute in Guatemala. To make
 the grade, coffees must score at least 80
 points of a possible 100; nearly every bean
 in the bunch has to be perfect.
- * For the second year in a row, Danish barista Klaus Thomsen won the World Barista Championship using Rainforest Alliance Certified coffee from the Daterra farm in Brazil.

- ** At the Rainforest Alliance's third annual "Cupping for Quality" event which recognizes farmers committed to growing top quality beans, while protecting workers and the environment an expert panel of judges evaluated coffees submitted from eight Latin American countries. The winning farm was Panama's Hacienda Esmeralda with a score of 88.71 out of a possible 100. Speaking at the event, Linda Smithers, former president of the Specialty Coffee Association of America, thanked the Rainforest Alliance for "proving that from the best farm management practices comes high quality coffee."
- * Certified farm Finca Las Mercedes won first place at the Cup of Excellence coffee competition in El Salvador, where sixteen bags of the coffee were later auctioned off at the record-breaking price of \$17 per pound.
- * The Swiss-based Nespresso company, which uses only the most select beans for its single-serve espresso drinks, teamed with the Rainforest Alliance and Sustainable Agriculture Network to demonstrate on thousands of small farms in Latin America that responsible farming leads to better quality coffee (and higher prices for farmers).

The Right Message for the Media

Thanks to our targeted media outreach, the public is learning about the Rainforest Alliance through articles in an increasing range of daily newspapers, business publications, environmental outlets and lifestyle magazines. This year saw coverage in The New York Times, Fortune, The Miami Herald, The Financial Times, Good Housekeeping, Dwell, CNN, Travel & Leisure, Elle and hundreds of other publications. Our work was also featured in trade publications such as Gourmet, The Grocer, Roast Magazine and Environmental Design & Construction.

We garnered international attention in over 20 countries, in outlets like Germany's *De Telegraaf*, Canada's *Globe & Mail*, France's *Metro*, England's *The Observer*, Ecuador's *Dinero*, Colombia's *La Republica* and Costa Rica's *La Nación*.

Adopt-A-Rainforest

Through the Rainforest Alliance's Adopt-A-Rainforest program, school groups and other organizations can contribute to locally-based conservation groups working to stop rainforest destruction in tropical countries. The on-the-ground conservation projects that serve as the basis for the Rainforest Alliance's Learning Site are the same as those supported by Adopt-A-Rainforest. This unique relationship gives students the opportunity to directly support the grassroots groups they are studying, as well as monitor the progress of their conservation initiatives.

Before traveling to Brazil last summer, students attending the Saltimbanco School — the touring school of Cirque du Soleil, an international organization devoted to the creation, production and performance of artistic works — produced and presented a PowerPoint presentation, designed and sold t-shirts, sponsored a concert and sold cookies, raising \$2,104.47, which they donated to Rainforest Alliance partner IMA-FLORA and the village of Boa Vista do Ramos in Brazil.

In Arlington Heights, Illinois, third-grade students at the Riley School visited classrooms, created flyers and broadcast PA announcements each morning to raise school-wide awareness about the importance of rainforest conservation. They also wrote letters to companies, requesting that they improve their environmental practices, and they donated \$175 to the Rainforest Alliance. Teacher Beth Bobbe remarked that her students learned that "even though they are only

eight years old, they are old enough to make a difference in the world — and to encourage others to make a difference too!"

The Rainforest Alliance Brand Goes Bananas

Chiquita's promotion of Rainforest Alliance certification across nine European countries means that 50 million bananas a week now bear the little green frog seal. Chiquita found that consumers responded well to the catchy jingle and clever ads; a post-campaign survey in Germany showed a 50 percent increase in the number of banana shoppers who now

understand that Chiquita

respects the environment.

According to George Jaksch, senior director of corporate responsibility and public affairs, Chiquita International: "During the planning of the campaign, we faced critical questions from colleagues that the launch of the 'Rainforest Alliance Certified' seal might only end up benefiting the Rainforest Alliance.... But after the first month we can say that the campaign has bolstered Chiquita's reputation in terms of our environmental and social performance, and to some degree has increased the public's willingness to pay a premium price."



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We are immensely grateful

to our individual members, foundation and government funders, corporate partners and in-kind donors for your support. You make our work possible, and your continued generosity is invaluable as we further our mission and expand the reach and benefits of our programs.

There are many exciting ways to support the Rainforest Alliance, including:

Canopy Associates

With a gift of \$1,000 or more, one becomes a Canopy Associate and joins a network of individuals committed to providing vital support for the Rainforest Alliance's conservation activities. As a Canopy Associate you will be invited to special events, environmental briefings, and eco-trips as well as receive updates from the executive staff.

Corporate Supporters

We work with corporations in a number of ways, from workplace giving campaigns to cause marketing relationships to our newly launched Sustainable Business Forum, designed to help businesses reach their sustainability and supply chain management goals.

Planned Giving: Making the Rainforest Alliance Part of Your Legacy

A planned gift is a lasting way to ensure the future of the Rainforest Alliance's effective global conservation programs, while furthering your financial goals. Planned gifts include any donation that is integrated with your personal financial and estate planning.

Annual and Endowed Funds

The Rainforest Alliance Annual and Endowed Funds program allows donors to underwrite a program, project, division or directorship for a full year of operation or for perpetuity. These funds place donors among a prominent group of stewards leading the way for the future of the Rainforest Alliance's sustainable world vision.

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Zhong Lun Law Firm



2-7

Rainforest Alliance 2006 Annual Gala

From top to bottom: | Gabriel Silva, president of the National Federation of Colombian Coffee Growers speaks at conference for honorees held the day of the gala; 2 Sigourney Weaver and Henry Juszkiewicz, Board Member; 3 Daniel Katz, Board Chair, Maggie Lear and Norman Lear; 4 Karen Clark, Board Member, Howard Clark and Ana Paula Tavares; 5 Mary Stuart Masterson, Board Member, Tensie Whelan, John Stamos, Edie Falco and Lori Loughlin

Financial Overview

Summary of Activities

As of June 30, 2006 (with comparative totals for fiscal year 2005)

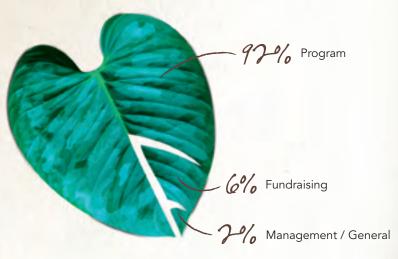
Support and Revenue	2006	2005
Fee for Services	4,750,928	4,526,856
Foundations / Corporations / Govt.	2,668,232	2,255,435
Membership / Contributions	1,575,539	1,455,748
Special Events	833,446	646,231
Government	4,908,363	3,496,090
Other	495,852	97,365
	15,232,360	12,477,725
Expenses		
Program	14,083,452	10,984,645
Fundraising	986,873	764,342
Management / General	220,383	198,775
Management / General	15,290,708	11,947,762
Change in Net Assets	(58,349)	529,963
Summary of Net Assets		
Unrestricted	1,477,355	1,284,789
Unrestricted-Recoverable Grant		
	(2,429,250)	(2,466,750)
Temporarily Restricted	1,163,229	1,451,643
Total Assets	211,333	269,682

Financials at a Glance

Fiscal Year 2006 Revenue



Fiscal Year 2006 Expenses



Board of Directors Fiscal Year 2006

Daniel R. Katz, Board Chair Labeeb M. Abboud, Vice Chair

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Dr. Noel Brown Anthony Rodale
Karen Clark Eric Rothenberg

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Editorial Assistants: Eryn Loeb and Angela Richards Donà

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Cover: Art Wolfe; Robert Goodier, Rainforest Alliance; Chiquita, Denmark

Page 1: Steffen Thalemann; Maggie Lear

Page 2: Lisa Giunta; Robert Goodier, Rainforest Alliance

Page 3: Alessandro Donà; Sara Solis Sierra; Robert Goodier, Rainforest Alliance

Page 4: Robert Goodier, Rainforest Alliance Page 6: Robert Goodier, Rainforest Alliance

Page 9: Robert Goodier, Rainforest Alliance

Page 10: Robert Goodier, Rainforest Alliance; Bethany Koch, Rainforest Alliance

Page 11: Amorim

Page 12: L. Abboud, Rainforest Alliance

Page 13: Robert Goodier, Rainforest Alliance; painting — Charlotta Janssen

Page 14: Robert Goodier, Rainforest Alliance

Page 15: Robert Goodier, Rainforest Alliance

Page 16: Rainforest Alliance; Robert Goodier, Rainforest Alliance

Page 18: Robert Goodier, Rainforest Alliance Page 19: Robert Goodier, Rainforest Alliance

Page 20: Lisa Giunta

Page 21: Robert Goodier, Rainforest Alliance

Page 22: Lewis Lumber Products; Robert Goodier, Rainforest Alliance

Page 24: Brian Kerr

Page 27: photography by Silk Studio

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The paper used in this report is produced from raw materials that are certified by the Rainforest Alliance, to the standards of the Forest Stewardship Council (FSC). The FSC is an independent nonprofit organization devoted to encouraging the responsible management of the world's forests. FSC sets high standards that ensure forestry is practiced in an environmentally responsible, socially beneficial, and economically viable way. Landowners and companies that sell timber or forest products seek certification as a way to verify to consumers that they have practiced forestry consistent with FSC standards.

Soy-based inks were not used, because soybean production is a leading cause of rainforest destruction.

For information about the Rainforest Alliance's programs and achievements, please visit www.rainforest-alliance.org.





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