



2018 ANNUAL REPORT
APPALACHIAN
sustainable
DEVELOPMENT
LIVING. BETTER. LOCALLY.



FROM THE DIRECTOR

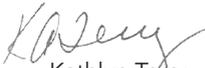
“Transformative.” That’s a big word. A bold word. A word that means important and lasting change. And what could be more important in Appalachia than transforming our economy? Or, more accurately, enabling communities and empowering citizens in Appalachia to transform their own economies and lives.

At ASD we are proud to be playing a part in that transition. In 2000, ASD established Appalachian Harvest, one of the first food hubs in the country.

Today, it is still going strong and serving as the lead on multiple projects that truly do have the potential to transform our rural communities. One of those projects is the Central Appalachian Food

Corridor which has the potential to transform not only the food system in Central Appalachia, we believe it will serve as a model for how rural communities can work together in creative ways that leverage their strengths and connect private industry, government, and nonprofits to increase opportunities for all. The Corridor project, which received another round of funding, is also serving as the foundation for the Appalachian Harvest Herb Hub, which builds on the infrastructure and technical assistance that

ASD and our partners have been working to establish over the last several years.


Kathlyn Terry
Executive Director



“ASD HAS DEMONSTRATED THE ECONOMIC POWER OF COLLABORATION IN APPALACHIAN COMMUNITIES. IT HAS LED THE WAY IN HELPING TO GROW A MORE VIABLE AGRICULTURAL SECTOR.”

—Earl Gohl, former Federal Co-chair of the Appalachian Regional Commission

ASD REGIONAL IMPACTS

\$2,828,602

APPALACHIAN HARVEST TOTAL
PRODUCT SALES

24

FARMING WORKSHOPS HELD

776

INDIVIDUALS PARTICIPATED

62,810 LBS.

2NDS. PRODUCE DONATED

12,554 LBS.

FOOD GROWN BY PARTICIPANTS

CORRIDOR PROJECT IMPACTS

\$2,673,480

LEVERAGED PRIVATE INVESTMENT

40

NEW BUSINESSES CREATED

316

BUSINESSES SERVED

134.5

JOBS CREATED

Our region's economy, once highly dependent on mining, forestry, agriculture, chemical industries, and heavy industry, is becoming more diversified, and we are proud to be a part of that change. Appalachia has come a long way in the past five decades: its poverty rate, 31 percent in 1960, was 16.7 percent over the 2012-2016 period. The number of high-poverty counties in the Region (those with poverty rates more than 1.5 times the U.S. average) declined from 295 in 1960 to 93 over the 2012-2016 period.

These gains are laying the foundation for a transformation of the region from one of wide spread poverty to one of collaboration. With partners working towards solutions, some communities have successfully diversified their economies, while others still require basic infrastructure such as roads and water and sewer systems. The contrasts are not surprising in light of the region's challenges, size and diversity.

Appalachian Sustainable Development remains committed to serving our region through diversified, impactful programs that help create a thriving and equitable agricultural economy for all communities. We create economies that enable people from a variety of walks of life to earn a living and allows people to stay on the land they love. At the heart of our work are the men and women farmers we support, the hungry families we feed and the partners we collaborate with, to help us all "live better. Locally"

In the stories that follow, you will see examples of our work that include:

- Developing markets for agricultural products and facilitating access to them
- Providing training and technical assistance for producing agricultural products from forests and fields
- Building and implementing the infrastructure that connects our remote Central Appalachian producers with markets of scale
- Increasing access to fresh, healthy food for all communities



Since 1995, Appalachian Sustainable Development has been creating jobs in farming and agriculture and feeding hungry families.

RICHARD CALKINS, THE ACCIDENTAL FARMER

A SHEPHERD FOR BEGINNING FARMERS IN THE HEART OF APPALACHIA

Beginning farmer Richard Calkins explains, “This chapter of my autobiography will be titled ‘The Accidental Farmer’. This career was not my intention.” When Calkins retired, his intention was to hike the Appalachian Trail (AT), not become a farmer.

In 2016, he moved to the region and shortly after, suffered an irreparable knee injury. A conversation with his wife prompted Calkins to pursue a serious career in farming and Harbin Hill Farm was born. Calkins’ passion and determination led him to ASD and he began attending workshops and classes to hone his craft and expand his knowledge. After winning a whole farm business plan challenge, Calkins decided he wanted to operate an organic learning farm, giving the farm a higher purpose. He began to notice an influx of young urban-raised people who were interested in growing their own food and also contributing to the planet’s sustainability – a new agriculture movement. Calkins observed, “Most of these people don’t have the knowledge or the funding for startup – this is the higher purpose of the learning farm.”



FROM THE BEGINNING,
CALKINS KNEW HE WANTED
TO OPERATE AN ORGANIC
LEARNING FARM, GIVING THE
FARM A HIGHER PURPOSE.

In 2017, the Farmer and Rancher Mentoring Program kicked off at ASD, and once again, Calkins was eager to jump on board as a Mentor and explained, “I’m not teaching the interns,

we are learning together. We discuss and debate. Farming is all about managing priorities because every day, something comes up”, Calkins believes that there needs to be a bigger picture to this endeavor – beyond himself, his farm, and what he is doing. And there seems to be. 15 interns have since worked at Harbin Hill Farm. The farm has doubled production and sales each year through a model that is both financially and environmentally sustainable.

In August 2019, Calkins turns 75 and he still has dreams of hiking the AT. For now, he continues to work on the farm, giving back whenever he can. By mentoring young folks that are also utilizing ASD’s programs and services, he is helping give them a once in a life time opportunity to experience the good, the bad, and the ugly of a startup operation. Calkins concludes, “For me, it is not just labor, it’s about their enthusiasm because they want to do what I am doing. They wake up knowing that what they are about to do is helping them get closer to achieving their dream.”



“ I DON'T DO WELL SITTING ON THE SOFA EATING BONBONS, WATCHING OPRAH – I NEED A CHALLENGE. LIFE IS TOO SHORT NOT TO TRY TO CHANGE THINGS FOR THE BETTER.”



In 2018, 4 adult interns successfully completed 200 hour internships on a mentor's working farm. 4 youth interns successfully completed 70 hour internships. FARM interns and mentors also attended meetings in TN and VA to network, share best practices and learn from their peers.



“ I DIDN'T WANT TO MOVE AWAY
BECAUSE I WANTED TO FARM THE SAME
LAND MY PAPA W ALWAYS HAD. ”

-Embrie Pendleton - 5th generation

Adam Pendleton grew up in Lee County, VA on a 200 acre farm that has been in his family for 4 generations. The farm started out as a dairy farm and when milk prices started to fall in the late 70s his papaw switched over to beef cattle. His family raised beef cattle, field corn and tobacco through the early 2000s and in 2013 switched to raising registered Simmental Cattle to capture better prices by selling bulls and replacement females.

He started college in the fall of 2013 but was unsure of what he wanted to do for a career. In 2014, Pendleton began working at ASD's Appalachian Harvest Food Hub. He soon fell in love with the work being done there and the opportunities being created for local farmers and food producers. Seeing how the dedicated staff provided education, training and connections to markets inspired him. Pendleton's understanding of how ASD's work impacts local families and regional economies, got him to start thinking about different ways to stay on the farm and keep a job in the agricultural field.

In 2015 Pendleton and his family decided to try their hand at growing organic produce. Two weeks before harvest a hail storm wiped out the majority of their crop. In the next two years, they had successful seasons, growing about 15,000 yellow squash plants (equal to 2.5-3 acres). In 2018 Pendleton's family expanded to grow peppers and tomatoes and learning a lot in the process. The family plans to keep expanding production and find labor to grow on a larger scale, considering doing a CSA or maybe a farm stand and potentially providing fresh produce to a local restaurant.

Adam Pendleton knows first-hand about what ASD can do for a family and for a community. He explains, "ASD has given me and a lot of other farmers of all ages an opportunity to continue doing what we love and be able to make a living at it. I love being able to get out and talk to farmers and share stories about our passion. I'm very thankful for the opportunities that ASD has given me, from working here at the Food Hub to growing crops on a small wholesale scale. I believe that someday I'll fulfill my dream of being a full time farmer and for that I am forever grateful!"





“THE PROCESS SIGNIFICANTLY REDUCED MY LABOR COSTS!
THIS WILL HELP ENSURE A STEADY AND INCREASING SUPPLY
OF QUALITY PRODUCTS FOR BUYERS IN THE FUTURE.”

– Michelle Pridgen, Windy Hill Farm & Blue Ridge Woodland Growers

In 2016, two forest farmers with the Blue Ridge Woodland Growers harvested black cohosh root to sell to a wholesale buyer. After hours of scrubbing roots by hand with tooth brushes and drying in several batches in small tabletop dehydrators, it became clear that their labor costs were far outweighing their income! Rooted in this realization, the idea and community need for the Appalachian Harvest Herb Hub sparked. In 2017, the Appalachian Harvest Food Hub expanded to include the Herb Hub in its Duffield, Virginia facility, and was able to improve post-harvest handling efficiencies and herb quality.



–black cohosh root

Research estimates that over half of native U.S. medicinals are found in the forests of Appalachia, making this region a biodiversity hotspot for forest farming opportunities. Many of these species have longstanding markets. Today, market value for forest-based medicinal plant products exceeds one billion dollars annually in the U.S. However, with the exception of ginseng, prices in the traditional supply chain are often less than \$5/dry pound. This translates to limited economic incentive for sustainable cultivation and/or management of forest botanicals, many of which are already at risk from over-harvesting and habitat

loss. The Appalachian Harvest Herb Hub is working to create a premium-price, niche market for verified forest farmed botanicals - one that provides economic incentive for sustainable forest farming practices.

To ensure the sustainable and long-lasting future of the forest botanical industry in Appalachia, herb companies are not only paying premiums for forest farmed botanicals, they are also sponsoring conferences to help train the next generation of forest farmers. Gaia Herbs donated a used, 400 square foot dryer to ASD to increase drying capacity and LUSH Cosmetics provided funding for Virginia farmers to produce 3 acres of field grown herbs, including peppermint, nettles, lavender, marshmallow, and elderberries, on previously mined and pasture land.

Looking to the future, Agroforestry Program Director, Katie Commender, is encouraged by a “growing number of discerning companies and consumers who are setting a precedent for sustainable and ethical material.” She believes that “the Appalachian region, with its deep rooted cultural connections to medicinal herbs, is well positioned to tap into this growing market by way of conservation through cultivation.” With market demand outweighing available supply, she looks forward to planting for the future in 2019, both in the woods and fields!

NEXT STEPS TO SUCCESS



“ AT GAIA HERBS,
WE KNOW THAT BOTH
THE SAFETY AND EFFICACY
OF OUR PRODUCTS STARTS
WITH HOW THE HERBS
WERE GROWN, BUT JUST
AS IMPORTANTLY, HOW
THEY ARE HANDLED IN THE
CRITICAL HOURS AND DAYS
AFTER HARVEST. HAVING A
DRYER THAT CAN MANAGE
CAPACITY MEANS THAT
THE HERB HUB CAN HELP
FARMERS PRODUCE
HIGH QUALITY HERBS AT
SCALE THAT IS PROFITABLE.”

— Stephanie Kane,
Global Sourcing Specialist at Gaia Herbs



HEALTHY FOOD = HEALTHY COMMUNITIES

There are many reasons why people don't have access to fresh healthy food, including an inability to afford it, physically get to it, or even knowing what to do with it, (and sometimes, a learned indifference or dislike of it due to long term, generational, lack of access). ASD considers food access to be one of the foundational pieces of our work and we find many ways to empower communities to have access to fresh, healthy food through food donations, community gardens, and in after school programs.



One example can be found at the Boys and Girls Club of Bristol where ASD worked with staff and Central Presbyterian Church to install a Learning Landscapes garden in 2015. The garden has flourished and today, children from 2nd through 6th grade continue to learn where their food comes from, how to grow it, and then how to prepare it.

The noteworthy thing about this garden is the transformational impact it has on the children who participate. We are working with children who have severely limited access to food and almost no access to fresh fruits and vegetables, many of them view the garden almost as a pantry, running to it when it's gardening time, to gather food so they can eat.

Spunky "Tonya" (4th grade) would initially come to the garden carrying her strongly held belief that in order to be a farmer "you have to have acres and acres of land and tractors". Initially she was very dismissive and bored with all garden activities, being quite skeptical of the whole affair. One day she attempted to bring some of

the gardeners to her side and yelled to them as they worked, "hey, hey, hey, raise your hands if you think you're a farmer!" Imagine her surprise when nearly all the children paused from harvesting carrots, lettuce, peppers, and kale to raise their hands. Yes, they were farmers! ASD staff member Chelsea Goulding shared, "This little girl was one who didn't want to garden or try new things and afterwards, she did. Everybody helped her understand. And then Tonya's transformation began – suddenly she was not the skeptic and lo and behold, she actually likes veggies!"

In addition to Learning Landscapes which focuses on children, ASD increases access to fresh, healthy food in other ways. In 2018 we provided support to 38 gardeners (29 home and 9 market growers), who produced 12,554 pounds of food to feed themselves and to sell at markets to supplement their income. ASD's Healthy Families – Family Farms program donated 62,810 pounds of fresh produce seconds to food banks and food pantries in the region.



ASD food access programs empower communities to have increased access to fresh healthy food by donating it to food banks/pantries and through programs that educate participants on how to grow their own food.

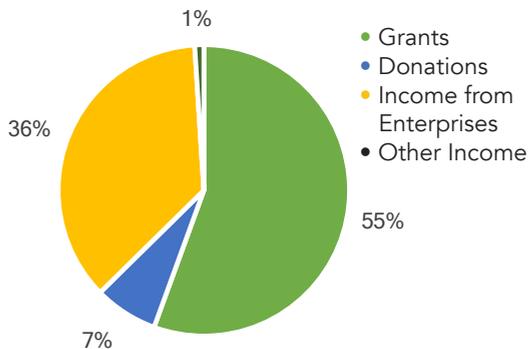
STATEMENT OF FINANCIAL POSITION

	2017	2018 (unaudited)	2018 % of Total
ASSETS			
Cash and Cash Equivalents	\$423,522	\$428,980	30%
Receivables	\$184,927	\$178,404	12%
Fixed Assets-Net	\$841,947	\$841,948	58%
Total Assets	\$1,450,396	\$1,449,332	100%
LIABILITIES			
Accounts Payable	\$268,042	\$165,600	25%
Notes Payable	\$279,003	\$301,887	45%
Other Liabilities	\$31,707	\$201,615	30%
Total Liabilities	\$578,752	\$669,102	100%
NET ASSETS			
Unrestricted	\$491,698	\$484,886	62%
Temporarily Restricted	\$295,344	\$295,344	38%
Total Net Assets	\$787,042	\$780,230	100%
Total Liabilities and Net Assets	\$1,365,794	\$1,449,332	

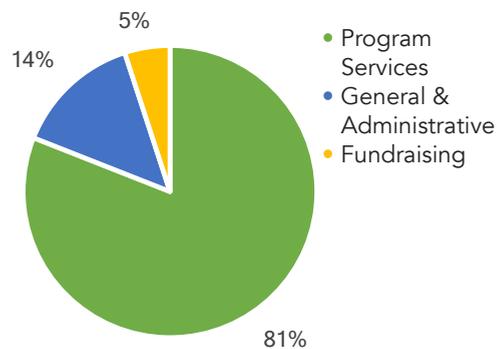
STATEMENT OF ACTIVITIES

	2017	2018 (unaudited)	2018 % of Total
REVENUE			
Grants	\$1,336,681	\$982,624	55%
Donations	\$241,875	\$131,822	7%
Income from Enterprises	\$532,437	\$650,261	36%
Other Income	\$159,634	\$22,249	1%
Total Revenue	\$2,270,627	\$1,786,956	100%
EXPENSES			
Program Services	\$2,016,628	\$1,251,632	81%
General and Administrative	\$99,781	\$215,214	14%
Fundraising	\$115,353	\$74,237	5%
Total Expenses	\$2,231,762	\$1,541,083	100%
Increase (Decrease) in Net Assets	\$38,865	\$38,865	\$245,873

REVENUE BY CATEGORY



EXPENSES BY CATEGORY



2018 BOARD OF DIRECTORS

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Dr. Steven Hopp
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Jonathan (JT) Thomas
John Thompson

2018 ASD STAFF

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Driver
Gina Bishop
Appalachian Harvest Administrative Assistant
Katie Commender
Regional Marketing & Logistics Coordinator
Dale Craig
Director of Operations
Sylvia Crum
Director of Communications & Development
Lindsey Felty
Market Development Manager
Chelsea Goulding
Ag Education Manager
Emily Lachniet
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Executive Director
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Director of Finance
Adam Watson
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OUR MISSION IS TO TRANSITION APPALACHIA TO A MORE
RESILIENT ECONOMY AND A HEALTHIER POPULATION BY SUPPORTING
LOCAL AGRICULTURE, EXPLORING NEW ECONOMIC OPPORTUNITIES
AND CONNECTING PEOPLE WITH HEALTHY FOOD.

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