

# 2009 ANNUAL REPORT



**AOCS**   
Since 1909  
Your Global Fats and Oils Connection

# Letter from the President



## A Vital Past and a Healthy Future-Characterized by Rapid Change

Following a century of steady growth, AOCS has emerged from its centennial celebration to see the vista of a world characterized by rapid change.

We saw the price of petroleum move from \$10 a barrel in 2001 to \$147 a barrel in 2008. We saw the Chinese and Indian economies

growing at unprecedented rates in excess of 10%. We saw the world population continuing to grow, with projections that it will grow from seven to nine billion over the next 40 years. Then, we saw the dramatic shock to the global financial system brought on by excessive leverage.

What I personally find more amazing than the change itself is the speed with which it is occurring. The introduction of the Apple iPhone® four years ago has radically altered the capability of handheld mobile communication. These devices now enable us to instantly tap into the accumulated body of knowledge in the world while traveling on a high speed electric train, or flying 1,000 kilometers an hour at 10 kilometers above the ground. I wonder what my grandfather would have thought about these developments.

Change, and the speed at which it occurs, also impacts AOCS... and we must quickly adapt. Your Governing Board is very mindful of the need to adapt to the rapidly changing world in which we live and transact our business. We want to build a healthy organization that can and will continue to serve the needs of its members and other stakeholders. Therefore, we have taken the following

action over the last couple of years to adapt to the rapidly changing environment:

- Outsourced our publications to Springer Science+Business Media
- Downsized our organization from 50 to 37 employees
- Moved to a smaller building
- Built up a healthy cash and investment reserve fund
- Revamped our website
- Digitalized our books and magazines
- Created distance learning courses
- Aligned ourselves better with our organization and its overlapping interests
- Undertaken a “deep-dive” into a global strategy review

We will be working on implementing some further changes based on our global strategy review. These include:

- Continue to increase our digital footprint to enable us to offer better services to our users
- Continue to grow our member headcount, with particular emphasis on high-growth geographies like China, India, and South America
- Streamline our Board structure by proposing a reduction from 18 to 13 members by attrition over the next five years
- Introduce a Board Member qualification process (not unlike what happens in public companies) to try to maintain and improve the performance potential in serving the on-going interests of AOCS stakeholders

Thanks to the combined efforts of volunteers, staff, and the Governing Board, we are looking forward to a prosperous 2010 and beyond.

It has been an honor, and indeed a pleasure, to have been elected to serve you as President in our centennial year.

Ian Purtle  
AOCS Governing Board President 2009–2010

# Letter from the Executive Vice President

## Our 101st Year . . . and the State of Professional Societies

As Ian Purtle noted, we have almost reinvented AOCS over the past 10 years, and there is no end in sight. While all organizations have undergone profound changes during the last decade and many jobs have changed or been eliminated, the period has actually been one of refining for AOCS. During that time, every single staff job and program has been changed to reflect the needs of the marketplace and the organization. The change has resulted in greater flexibility and a keen focus on our core mission, which is to provide a forum for interaction over relevant information.

I recently attended a meeting of my counterparts in the association management field. We discussed the new role of associations and professional societies in a world where Google leads to a body of information that seems to be limitless, and social networking allows professionals to find and interact with colleagues worldwide. These two functions have historically been the primary purposes for which associations existed. So what are we here for now?

The answer is simply that AOCS and other professional groups provide a "Google-like" function for the professionals we serve. Whereas Google sorts and serves up information of greatest relevance to the user, AOCS provides the most direct route to credible information and the experts who generate that information.

With that in mind, AOCS will invest in programs and services that facilitate that exchange of information and expertise, both through technology and face-to-face opportunities.

So, what does the AOCS of the future look like?

- A global network of scientists from the AOCS sphere, connecting with individuals and companies from allied societies worldwide, representing the foods, cereals, palm oil, personal care, soap, and detergent associations
- A provider of continuous online news and relevant information, "pushed" to members in the form of electronic newsletters, blogs, tweets, and *inform*
- A "one-stop-shopping" website for vendors and companies serving the professional fields represented by AOCS members
- And more . . .




Perhaps the most important piece of this is that AOCS, which has long been an international organization, will finally be able to serve all members equally and in real time.

At the present time, the Board is leading, and I am managing, the staff and organization to be in a position to accomplish all of the above and more. In partnership with the AOCS Foundation, which serves an increasingly vital role in providing for these new initiatives, we are moving toward collaboration and vendor relationships that will allow AOCS to become indispensable to its members and constituents.

We have an exciting 100 years ahead of us, so eat right and exercise! We will need you to move with us into the future to achieve these ambitious goals.






Jean Wills Hinton  
Executive Vice President

# Publications

In 2009, AOCS Press Books and Special Publications shed its “print” shell and extended its reach into global markets. Via the innovative Books Plus CD-ROM  products, as well as AOCS eBooks and individual eChapters, AOCS content was instantly available for use anywhere in the world. This made it possible for purchasers to use AOCS products in their training programs, for customized “mix and match” content in classrooms, or as needed for research. AOCS book chapters are now part of the FOODnetBASE, NUTRITIONnetBASE, and CHEMLIBnetBASE of CRC/Taylor & Francis, longtime AOCS partners in book publishing. The AOCS content also became available via Knovel and Research & Markets in 2009.

AOCS journals (*Journal of the American Oil Chemists' Society*, *Lipids*, and *Journal of Surfactants and Detergents*) had a year of growth as well. The journals recorded over one million article downloads in 2009, a 30% increase from 2008. Over 5,300 institutions worldwide now have access to AOCS journals, demonstrating an increased reach and impact.

Additional publishing highlights from 2009 include:

- The *Focus on Obesity* CD-ROM was AOCS' focus on the international public health challenge. The fully searchable disc was edited by Patricia Kearney and an addition to the AOCS “Focus on” CD-ROM series that also includes *Focus on trans Fat*, *Focus on Biodiesel*, and *Focus on Omega-3*.
- AOCS books received an increased presence in Google Book Search, resulting in increased exposure and sales click-throughs to the AOCS store.
- Douglas Hayes, Dai Kitamoto, Daniel Solaiman, and Richard Ashby edited *Biobased Surfactants & Detergents: Synthesis, Properties & Applications*. 
- Gary R. List edited the 2nd edition of *Bleaching and Purifying Fats and Oils: Theory and Practice*. 
- In conjunction with AOCS Press, CRC/Taylor & Francis began work on *Distillers Grains: Production, Properties, and Utilization* (AOCS-T&F 3/11).
- Ronald Watson edited an extensive look at *Fatty Acids in Health Promotion and Disease Causation*. 
- Fortuna and Luis Spitz produced an updated edition of *Evolution of Clean*.
- Robert Moreau and Afaf Kamal-Eldin edited a comprehensive look at *Gourmet and Health-Promoting Specialty Oils*,  featuring color photos of representative oilseeds. The book is Volume 3 in the AOCS Monograph Series on Oilseeds.
- Magdi M. Mossoba and John K.G. Kramer wrote a new edition of the *Official Methods for the Determination of trans Fat*.
- Luis Spitz edited a new *Soap Manufacturing Technology*  book.
- AOCS, along with the Sociedade Brasileira de Óleos e Gorduras (SBOG) and Editora Blücher, published the first of three books in Spanish, *Temas Selectos en Aceites y Grasas - Volumen 1 Procesamiento*
- In 2009, AOCS began to distribute the English-language translation of M.E. Chevreul's *A Chemical Study of Oils & Fats of Animal Origin* (translated and annotated by Albert J. Dijkstra and edited by Gary R. List and Jaime Wisniak), the *Handbook of Australasian Edible Oils* (edited by Charmian O'Connor and Laurence Eyres), *Industrial Chocolate Manufacture and Use*, 4th Edition, and *Biocatalysis and Bioenergy* (Wiley).

# Technical Services

Technical Services had another year of progress, research, and networking in 2009, continuing to fulfill the AOCS mission by providing products and services to help maintain industry excellence.

The year was highlighted by the production of the 6th Edition of the *Official Methods and Recommended Practices of the AOCS*, the publication on which AOCS was founded 100 years before. Technical Director, Richard Cantrill, organized international expert panels on olive oils, biodiesel, and process contaminants, serving as liaison in the discussion of these hot button issues. Other 2009 accomplishments were the release of three new methods and the introduction of a biodiesel feedstock series into the acclaimed Laboratory Proficiency Program (LPP).

## AOCS Technical Liaison

Technical Services represents AOCS at numerous trade shows and events each year. Notable in 2009 were:

- ISO TC 28/SC 7 Liquid Biofuels Committee (Rio de Janeiro, Brazil)
- National Biodiesel Conference and Expo (San Francisco, California, USA)
- 21st Session of the Codex Committee on Fats and Oils (Kota Kinabalu, Malaysia)
- 30th Session of the Codex Committee on Methods of Analysis and Sampling (Balatonalmadi, Hungary)
- Beyond Extra Virgin Olive Oil Conference (Davis, California, USA)
- Agricultural & Food Traceability Conference (Des Moines, Iowa, USA)
- ASTM Committee D02 on Petroleum Products and Lubricants (Norfolk, Virginia, USA and Anaheim, California, USA)
- Farm Progress Show (Decatur, Illinois, USA)
- AOAC International Annual Meeting & Expo (Philadelphia, Pennsylvania, USA)
- AACC International Annual Meeting (Baltimore, Maryland, USA)
- World Congress on Oils and Fats & 28th ISF Congress (Sydney, Australia)
- ISO/TC 34/SC 11 and ISO/TC 34/SC 2 (Sydney, Australia)
- 7th Euro Fed Lipid Congress (Graz, Austria)
- National Biodiesel Board Biodiesel Technical Workshop (San Antonio, Texas, USA)
- First Meeting of Food Inspection Methods subsection of China Cereal and Oils Association (Beijing, China)
- 2nd International Congress on Biodiesel (Munich, Germany)

## International Organization for Standardization (ISO) Activities

AOCS is a liaison organization affiliated with ISO/TC 34 (Food Products), as well as the Secretariat of SC 16 (Molecular Biomarker Analysis), and the Administrator of the U.S. Technical Advisory Group (TAG) for all TC 34 Working Groups, ISO/TC 34/SC 2 (Oleaginous Seeds and Fruits), and ISO/TC 34/SC 11 (Animal and Vegetable Oils and Fats).

AOCS hosted several meetings of the US TAG to ISO/TC 34/SC 16, including meetings at the spring and fall AEIC meetings and the AACC International Annual Meeting.

## Soybean Quality Traits Analytical Standards Program

The Soybean Quality Traits Program (SQT) is sponsored by the United Soybean Board (USB) with the purpose of increasing confidence in analytical measurement throughout the soybean industry. This is accomplished through the dedicated proficiency scheme, the new method development committees, the low-linolenic NIR survey, and open lines of communication. The Program Manager represented SQT and AOCS at various conferences during the year, including:

- USB Seed Composition Workshop (St. Louis, Missouri, USA)
- Commodity Classic (Grapevine, Texas, USA)
- GEAPS Exchange (St. Louis, Missouri, USA)
- Pittcon (Chicago, Illinois, USA)
- Ag Innovation Showcase (St. Louis, Missouri, USA)
- Agricultural & Food Traceability Conference (Des Moines, Iowa, USA)
- USP Food Protein Workshop (Rockville, Maryland, USA)
- Grain Analyzer Sector Meeting (Kansas City, Missouri, USA)
- SQT NIR Oversight Committee Meeting (Kansas City, Missouri, USA)
- Farm Progress Show (Decatur, Illinois, USA)
- Soya & Oilseed Summit (New Orleans, Louisiana, USA)
- CSS 2009 & Seed Expo—ASTA American Seed Trade Association (Chicago, Illinois, USA)

# Meetings & Exhibits

The AOCS Meetings & Exhibits Department continued its primary purpose in 2009, using its products and services to bring together thousands of people to preview the latest research and discuss current issues within the fats and oils global community. Through cooperation and collaboration with fats and oils groups around the world, AOCS broadens its network and its value for members and constituents.

In 2009, AOCS involved more than 2,000 people throughout the world in the active interchange of knowledge and scientific research:

- The highly anticipated **100th Annual Meeting & Expo** was held at the Rosen Shingle Creek in Orlando, Florida, USA, from May 3–6. Mirroring most industry events in 2009, attendance was somewhat lower than expected due to the uncertain economic climate and H1N1 virus concerns. For the 1,500 people in attendance, a stimulating exchange of theories and research results was made possible through 441 oral presentations and 229 poster presentations. Additionally, nine Hot Topic/General Interest Symposia brought to light key issues such as sustainability, saturated fats and health, soybean genomics, and more, while also offering a historical look at AOCS and its role in the fats and oils industry. While exhibitions continued to struggle industry-wide, the Annual Meeting Expo surpassed the 2008 numbers, with a total of 98 exhibiting companies and 111 booths sold. In celebration of the 100 years of AOCS, attendees also enjoyed special musical presentations in the expo hall throughout the meeting and a gala celebration featuring paparazzi impersonators and live karaoke.
- The informative **2nd International Congress on Biodiesel: The Science and The Technologies** was held in Munich, Germany, from October 15–17. The conference addressed the current business conditions facing the industry and provided key scientific information and insights into future technologies in all of the biodiesel categories. Nearly 250 participants were in attendance, lower than the first conference numbers due to the state of the global biodiesel industry. However, post-meeting survey results were very positive with many expressing an interest in a future congress. Comments indicated AOCS serves a niche for this area and provides scientific information not available elsewhere. A CD featuring the audio and PowerPoint presentations from the conference was produced with nearly 150 copies distributed.
- Rounding out the 2009 AOCS meeting offerings, several section-sponsored conferences and short courses were held around the world, attracting over 400 attendees:
  - **Lipid Oxidation and Antioxidants Short Course**, Orlando, Florida, USA
  - **8th AOCS Edible Oil Refining Short Course**, Orlando, Florida, USA
  - **New Tools for Surfactant and Polymer Characterization Short Course**, Orlando, Florida, USA
  - **Short Course on Refining, Handling, and Applications of Palm Oil**, Cartagena, Colombia
  - **Lipid Oxidation and Antioxidants Short Course**, sponsored by the Australasian Section of AOCS and held in Sydney, Australia
  - **Practical Edible Oil Refining Short Course: Process Optimization, Equipment and Technology Selection, and Specialty Oils**, Sydney, Australia
  - **23rd Meeting of the Canadian Section of the AOCS—Fats and Oils Functionality in Processed Foods: From the Fundamentals to the Applied**, Toronto, Canada
  - **Crystallization of Lipids, Nucleation to Application Conference**, Toronto, Canada
- In a contracted “fee for service” agreement, the AOCS Meetings & Exhibits Department was retained by the Washington-based Council for Responsible Nutrition to organize a two-day symposium in Milan, Italy, entitled, **Evaluating the Efficacy and Safety of Isoflavones for Postmenopausal Women**. The purpose of the May symposium was to bring together international isoflavone experts to explore relevant animal, human, and epidemiological data. Their primary focus was to evaluate the effects of isoflavones on breast tissue and breast cancer risk and the efficacy of isoflavones for alleviating menopause-related hot flashes. The program included 16 presentations from leading experts and attracted over 60 participants.

# Membership

In the past 100 years, AOCS has grown from nine founders on the steps of the Memphis Jockey Club to an international organization consisting of over 4,300 members throughout 92 countries. It is these members and their contributions that make up the true value of AOCS.

AOCS welcomed 655 new members in 2009, many through the AOCS Annual Meeting & Expo registration offer and the Member-Get-A-Member (MGM) campaign. The Annual Meeting offer brought in 187 new members, while the MGM brought in 109 new members with the help of 81 current members. Overall, membership declined by 8%, largely due to the global economic climate.

Below are some membership highlights in 2009:

- **Sections** assisted the Society in reaching local markets and AOCS members around the globe

- **Divisions** improved the AOCS information exchange by hosting quality technical sessions at the 100th AOCS Annual Meeting & Expo
- **Awards Program** recognized over 60 individuals, representing 13 countries
- **Common Interest Groups** addressed the needs of students and professional educators
- **Career Services** was one of the most requested services as AOCS continued its partnership with JobTarget.

Society members committed time, energy, and resources to AOCS activities and are the foundation of the organization. Their support ensures that AOCS will continue serving the community for another 100 years!

# Foundation

In 2009, the AOCS Foundation continued to increase donations and support AOCS programs and activities. Fundraising by the AOCS Foundation is used to provide tools AOCS constituents need to advance their knowledge and careers.

Fundraising for the Campaign for Technology was completed in December, which provided, and will continue to provide, new technology tools necessary to advance the AOCS Mission.

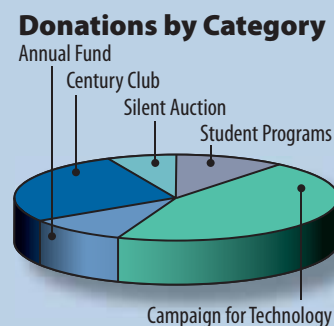
2009 Foundation highlights include:

- **Redesign** of [www.aocs.org](http://www.aocs.org), with the goal of streamlining and improving online resources
- **Upgrades** to software and equipment to support new AOCS products and services

- **The LAB** gave attendees at the 100th AOCS Annual Meeting & Expo access to email stations as well as a chance to learn about, and try, the many new electronic tools offered by AOCS
- **Onsite kiosks** where AOCS Annual Meeting attendees could search abstracts and build their meeting itinerary

In addition, the Foundation Century Club raised approximately \$22,000 in its third year and grew to nearly 500 members.

*Donations to the AOCS Foundation are never used to offset the operating expenses of AOCS.*



# Financial

## AOCS and AOCS Foundation Combined Statement of Financial Position

For the year ending December 31, 2009

### Assets

Current Assets	\$3,632,732
Property and Equipment	1,681,848
Other Assets	520,269
<b>Total Assets</b>	<b>5,834,849</b>

### Liabilities and Net Assets

Current Liabilities	1,377,656
Long-Term Liabilities	<u>693,118</u>
Total Liabilities	2,070,774
Net Assets	3,764,075
<b>Total Liabilities and Net Assets</b>	<b>5,834,849</b>

## AOCS and AOCS Foundation Combined Statement of Activities

For the year ending December 31, 2009

### Support and Revenue

Publications	\$980,412
Education & Meetings	1,142,475
Technical Services	1,238,825
Membership	1,214,664
Investment Income	186,252
Fundraising	91,260
Other	10,597
<b>Total Support and Revenue</b>	<b>4,864,485</b>

### Expenses

Publications	644,297
Education & Meetings	1,520,941
Technical Services	1,187,721
Membership	1,086,223
Supporting Services	396,335
Fundraising	6,136
<b>Total Expenses</b>	<b>4,841,653</b>

**Increase in Net Assets** **22,832**

The firm of Martin, Hood, Friese & Associates, LLC, Independent Public Accountants, audited the financial statements of AOCS for the fiscal year ending December 31, 2009. It reported that the combined financial statements present fairly, in all material respects, the financial position of the American Oil Chemists' Society and Foundation as of December 31, 2009 and the changes in our net assets and cash flow for the year ended in conformity with accounting principles generally accepted in the United States of America.