

“Build for your team a feeling of oneness, of dependence on one another, and of strength to be derived by unity.”

Coach Vince Lombardi



Commemorating a Year of Strength 2008



A Vital Past and A Healthy Future

2008 was a year of both strength and unity. Together we capitalized on and expanded everything that makes our organization great – from new collaborations to more professional resources and from new memberships to a healthier bottom line.

As AOCs president, 2008 marked a very exciting and busy year for me. Not only were we planning a celebration for the AOCs 100th Anniversary, but we were also combing the archives to provide a glimpse of what we've accomplished in the last century. To help showcase this great accomplishment, George Willhite (retired from AOCs in 2002 after 27 years) most recently acted as AOCs centennial historian and authored a year-long series of *inform* articles looking at the history of AOCs. The Centennial Celebration Advisory Committee, along with AOCs staff, dedicated a great deal of time and energy to research and plan the activities surrounding this historic event.

The Governing Board focused on establishing the strategic vision for the Society as it approached its 100th Anniversary. Highlights of that vision include making products generated by AOCs members accessible through technology to the global fats and oils (and soaps, surfactants, biofuels, etc.) communities. Most of the electronic advances, including digitization of *inform* magazine, were funded by the AOCs Foundation through the Campaign for Technology. For that, AOCs is grateful.

As with most organizations, health is measured by membership. I am pleased to report that in 2008, the number of active members continued to increase and membership retention remained stable. The year finished with membership at a five-year high and the addition of the new Asian Section.

The Society realized a surplus of \$426,000 against a budgeted surplus of \$118,000. This is very encouraging in a year when the global economy was down. The AOCs financial position remained strong and fund reserves were not needed for operational costs.

I've only mentioned a few of the many achievements from 2008, but please take time to review the many efforts in motion and accomplishments highlighted throughout this report.

Overall, it was a year when the Governing Board, volunteers, and staff continued to build on the strong foundation and strategic direction of AOCs. "Strength derived by unity"—those words sum up what AOCs has always been about. In 2008, as always, it was my pleasure to be a part of it.

Casimir C. Akoh
AOCs Governing Board President 2008–2009

Marking Strong Achievement

As AOCs President Casimir Akoh's letter notes, we witnessed many achievements in 2008. These successes weren't made alone. They were due in part to our many dedicated members who shared in our vision.

As those members who have been actively involved in the Society can attest, *you get out what you put in*. I would take it a step further and say that those who are members set the agenda for their fields. It is they who choose the topics presented at the Annual Meeting & Expo; the conference topics hosted by the Society; and the books and articles that are published. AOCs members determine what professionals in their fields read, hear, and discuss. Their efforts have a powerful impact on their professional environment. It is through this shared vision and the success of our members that AOCs will continue to flourish.

We hope you enjoy reading about these accomplishments. As always, the staff—which supports the efforts of the professionals affiliated with AOCs—is grateful for the opportunity to work with such a wonderful group of people. It is a privilege to serve the American Oil Chemists' Society.

Sincerely,
Jean Wills Hinton
Executive Vice President



Letter from the
Executive Vice President



Mail Address: AOCs, P.O. Box 17190, Urbana, IL 61803-7190 USA
Street Address: 2710 S. Boulder Dr., Urbana, IL 61802-6996 USA
Phone: +1-217-359-2344 • Fax: +1-217-351-8091 • www.aocs.org

Providing Dynamic Professional Resources

In 2007, AOCS Press outsourced the technical journal production and marketing to Springer Science+Business Media, which resulted in financial success. Springer incorporates the new business model of individually negotiated print and online subscription sales, which results in wider exposure, visibility, and usage. Our association with Springer has provided much-needed additional exposure for our technical journals via consortia, multisite, or site licenses to over 4,300 institutions worldwide. Springer also digitized the entire archived contents of the AOCS journals.

Authorship for all three journals represented a truly global mix. Authors from outside the U.S. contributed 80 percent of JAOCS articles, 91 percent of JSD articles, and 78 percent of Lipids articles. Impact factors for all three journals increased compared with 2007. Additionally, full-text downloads of articles from AOCS journals—which are referenced in various abstracting and indexing services—reached 858,000 in 2008. This is a three-fold increase over 2007.

A few of the many highlights include:

- AOCS Press published Volume 2 of the *AOCS Monograph Series on Oilseeds: the new Soybeans: Chemistry, Production, Processing, and Utilization*, edited by Lawrence A. Johnson, Pamela J. White and Richard Galloway. The United Soybean Board underwrote the project.
- AOCS Press, with Sociedade Brasileira de Óleos e Gorduras (SBOG) and Editora Blücher Publishers, moved ahead with AOCS' first original Spanish-language basic fats and oils book series: *Temas Selectos en Aceites y Grasas*.
- We continued our partnership with Taylor & Francis to co-publish books. Selected AOCS Press books have chapters available online via the CRC NetBASE program. AOCS book chapters can be purchased from the FOODnetBASE, NUTRITIONnetBASE, and CHEMLIBnetBASE. The *Tocotrienols: Vitamin E beyond Tocopherols*, edited by Ronald R. Watson and Victor Preedy is a 2008 AOCS Press-Taylor & Francis book.
- AOCS Press added Mian Riaz' book, *Extruders and Expanders in Pet Food, Aquatic and Livestock Feeds*, to the list of books being distributed via www.aocs.org.
- Other 2008 releases included the unique CD collection of Valery M. Dembitsky's *Astonishing Diversity of Natural Surfactants* articles, originally published in the journal *Lipids* and edited by AOCS Past President Howard R. Knapp.
- Monoj K. Gupta's new 2008 *Practical Guide to Vegetable Oil Processing* book complements the existing *AOCS/SFA Edible Oils Manual*, *Deep Frying: Chemistry, Nutrition, and Practical Applications*, 2nd edition and *Frying Technology and Practices* books.
- Afaf Kamal-Eldin and David B. Min edited *Lipid Oxidation Pathways*, Volume 2.
- William E.M. Lands edited a new AOCS *Focus on Omega-3* CD ROM.
- The six original editors, Yoshihisa Katsuragi, Takuji Yasukawa, Noboru Matsuo, Brent D. Flickinger, Ichiro Tokimitsu, and AOCS Past President Mark G. Matlock reunited to edit a second edition of the *Diacylglycerol Oil* book, which appears as a professional reference on the Enova Oil website www.enovaoil.com/prof/.

Benefiting from Solid Collaboration and Review

As we headed toward our 100th year, Technical Services worked with numerous referees to review the AOCS methods of analysis in preparation for the production of the 6th edition of the *Official Methods and Recommended Practices of the AOCS*—the publication from which AOCS was founded.

The AOCS Strategic Initiative for 2008 was omega-3 fatty acids. With this in mind, AOCS Technical Services coordinated with GOED (Global Organization for EPA and DHA) for the GOED/AOCS laboratory proficiency series for fish oils and EPA/DHA.

AOCS Technical Liaison

AOCS Technical Services represents AOCS at several trade shows and events each year. Notable in 2008 were:

- National Biodiesel Conference and Expo
- Codex Committee for Methods of Analysis and Sampling (CCMAS)
- Secretary of the InterAgency Meeting (IAM)—a meeting of standards developers with methods of analysis in Codex documents
- Cosponsor through IAM of a MONiQA workshop on method uncertainty
- Member of the Joint Expert Panel on Food Additives and Contaminants at the FAO (Food and Agriculture Organization)
- IFT (Institute of Food Technologists) Annual Meeting and Expo
- AOAC International
- EuroFed Lipid Congress
- ASTM International's D.02 Committee for Petroleum
- First Global Conference on GMO Analysis
- National Biodiesel Board's Technical Workshop
- SIAL 2008 Global Food Marketplace; and the Oil+Fats Expo

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 ISO events in 2008, including: an International Workshop on Bulk Commodity Sampling; the ISO/TC 34/SC 2 meeting (Oleaginous Seeds and Fruits); the ISO/TC 34/SC 11 meeting (Animal and Vegetable Oils and Fats); the ISO/TC 34/WG 12 (Quality Management Systems for Agriculture) meeting; the meeting of the ISO Joint Working Group [ISO/TC 28 (Petroleum) and ISO/TC 34/SC 11 (Fats and Oils)] on Biodiesel; the first meeting of ISO/TC 34/SC 16 (Horizontal Methods for Molecular Biomarker Analysis); and the ISO/TC 34 (Food Products) chair's advisory group and plenary meetings.

Soybean Quality Traits Analytical Standards Program (SQT)

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

- Independent Professional Seedsmen Association
- USB's Soybean Composition meeting
- ASTA (American Seed Trade Association) Annual Meeting
- AAFCO (American Association of Feed Control Officials) Annual Meeting
- NTEP (National Type Evaluation Program) meeting
- Chambersburg Diffuse Reflectance meeting
- ASTA's Soybean, Corn, and Sorghum section meetings in Chicago

Enjoying Robust Participation

Through its outreach via meetings and distance learning products, AOCs continues to fulfill its mission: *To be a global forum to promote the exchange of ideas, information, and experience. . . among those with a professional interest in the science and technology of fats, oils, surfactants, and related materials.*

In 2008, AOCs enabled more than 2,700 people to actively share knowledge and scientific research. The Society's meetings and conferences—in locations ranging from the United States to Japan—provided attendees with abundant opportunities for professional growth.

The influential **SODEOPEC 2008**, sixth in the series of conferences covering the four interrelated areas of soaps, detergents, oleochemicals, and personal care products, kicked off the year in April at Lake Buena Vista, Florida. With nearly 260 participants in attendance (57 percent from North America, 29 percent from Latin America and the Caribbean)—industry experts focused on the latest research and technology in the following areas: Impact of Biodiesel; Sustainability and Environmental Issues; Soap and Oleochemicals Innovations; and Detergents and Personal Care Products Innovations. The accompanying sold-out exhibition featured products and services from companies worldwide.

The dynamic **99th AOCs Annual Meeting & Expo** returned to Seattle, Washington, May 18–21. AOCs was last there in 1997. While attendance stayed fairly steady compared to 2007 (total attendance was 1,782 in 2008, 1,789 in 2007) the Annual Meeting & Expo enjoyed one of its most successful programs in recent years. Attendees had their pick of 462 oral presentations and 169 poster presentations, along with nine Hot Topic/General Interest Symposia which highlighted late-breaking research in such areas as: *The Changing Face of Fatty Acids in our Foods; Alternate Oil Sources for Biodiesel and Solutions to Transportation Issues; Sustainable Oils and Fats Processing; Regional Approaches to Extra Virgin Olive Oil Quality;* and more. While exhibitions continue to struggle industry-wide, the Annual Meeting Expo held its own, with a total of 96 exhibiting companies and 104 booths sold.

The notable **2nd Industrial Applications of Renewable Resources** conference, held October 13–16, in Cincinnati, Ohio, presented 154 attendees with three days of technical programming, broken out into three separate tracks of interest: Alternative Fuels; Lubricants and Oleochemicals; and Biobased Chemicals and Biopolymers. The conference was co-sponsored by the Society of Tribologists and Lubrication Engineers (STLE). A post-conference short course, *The Changing Biodiesel Market: Alternative Feedstocks and Retrofitting Plants for Alternative Products*, was also offered.

The distinguished **8th International Conference on the Role of Soy in Health Promotion and Chronic Disease Prevention and Treatment**, November 9–12, held for the first time in soy-rich Japan (where more soy is consumed by people than anywhere else on earth), brought 275 professionals to Tokyo to hear world-renowned health and soy experts present the latest research on the effect of soy in humans. Presentations delved into soy as it relates to bone and cardiac disease, obesity, hormones, cancer, and cognitive function, and included a special focus on equol, a non-steroidal estrogen.

Increasing Our Strength in Numbers

The total Society membership grew for the fifth straight year—welcoming 1,042 new members, which indicates that we are a healthy and vibrant society. The Member-Get-A-Member campaign continues to be successful as well; 100 members recruited 150 new members. Corporate membership remains strong as 114 companies used tiered membership to take advantage of the many available benefits. These dedicated members and their diligent efforts helped our Society grow.

To enhance our global presence, Sections assisted the Society in reaching local markets, hosting regional meetings of AOCS members around the globe.

Divisions continue to improve our information exchange by hosting quality technical sessions at the Annual Meeting & Expo and collaborating with outside organizations on meetings of interest to the industry the Division serves. The 12 topical Divisions, which cover virtually every aspect of fats and oils, are an important vehicle for program development, identification of peers with similar technical interests, volunteer activities, and leadership development.

Our Awards Program has a rich history of recognizing world leaders in fats and oils. This year's award winners represented 11 countries. We anticipate the program will continue to generate favorable publicity for AOCS and provide opportunities for career advancement and member involvement.

By definition, a Common Interest Group (CIG) is a group of AOCS members who embrace a designated scientific, technical, or professional area of interest within the Society. There are currently two active CIGs: a Student group which has been active since 1995 and a new Professional Educators' group formed in 2007.

One of the most requested services an association can provide to its members or member companies is assisting them with career services. As an association with specialized interest areas, we are uniquely qualified to match individuals with employment opportunities in the industries we serve. We continue our partnership with JobTarget to enhance and expand our Career Services program.

With the support of the current membership, AOCS continues to grow and develop the worldwide networking opportunities that AOCS membership offers.

Membership

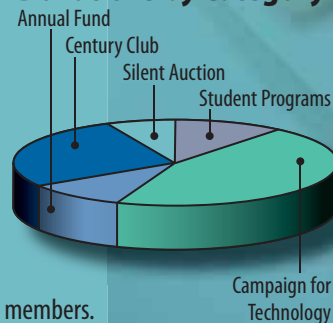
Offering Powerful New Technology Tools

2008 was a very successful year for the AOCS Foundation. The Campaign for Technology provided the following tools necessary to advance the AOCS Mission:

- Software and equipment to help develop new AOCS products and services
- Funding for video recording of AOCS Hot Topic Sessions
- Onsite kiosks where AOCS Annual Meeting attendees could search abstracts and build their meeting itinerary
- Digitized back issues of *inform*
- Funding for development of an e-zine product
- Funding for distance learning software for future eLearning series
- AOCS Connect social networking platform

In addition, the Foundation Century Club raised approximately \$30,000 in its second year and grew to nearly 425 members.

Donations by Category



Foundation



Encouraging, with a Strong Bottom Line

AOCS experienced yet another successful financial year, with revenues exceeding expenses by \$425,971.

This was due in part to the transfer of Section funds to the Society from accounts held outside the purview of AOCS as well as additional income received from our relationship with Springer for the 2007 subscription year. Those two events combined for a total of approximately \$193,000. 2008 activities yielded a net gain of \$232,971 compared to a projected budget surplus of \$118,292. See the following *Statement of Activities* and *Statement of Financial Position*.

The Governing Board charged the Financial Steering Committee with management and oversight of AOCS funds. The Financial Steering Committee established an operating reserve fund goal of \$1.5 million. The reserve fund was established to provide a prudent amount of funds for planned future requirements as well as a rainy day scenario. The purpose of the established fund is generally to provide sufficient funds to meet AOCS' financial obligations in a timely manner to ensure the smooth operation of the association in times of financial hardship. It is also to be used for the overhaul of and/or replacement of key operating systems. In addition, the fund will provide venture capital for new program development.

Funds beyond the operating reserve as well as the Foundation funds will be maintained in longer-term investments, seeking a higher rate of return. These funds—managed by professional investment managers—will provide support for the Society and Foundation annual award obligations. The Board's leadership ability, combined with increased communication with key committee leaders and staff, will help AOCS weather the volatile economy and maintain its financial health.

AOCS and AOCS Foundation Combined Statement of Financial Position

For the Year Ended December 31, 2008

Assets

Current Assets	\$3,494,783
Property and Equipment	1,698,888
Other Assets	653,597
Total Assets	5,847,268

Liabilities and Net Assets

Current Liabilities	1,335,586
Long-Term Liabilities	770,439
Total Liabilities	2,106,025
Net Assets	3,741,243

Total Liabilities and Net Assets 5,847,268

The firm of Martin, Hood, Friese & Associates, LLC, Independent Public Accountants, audited the financial statements of the AOCS for the fiscal year ending December 31, 2008. 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, 2008 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.

AOCS and AOCS Foundation Combined Statement of Activities

For the Year Ended December 31, 2008

Support and Revenue

Publications	\$1,170,489
Education & Meetings	1,519,392
Technical Services	1,004,424
Membership	1,461,883
Investment Income	25,243
Fundraising	9,177
Other	4,781
Total Support and Revenue	5,195,389

Expenses

Publications	880,576
Education & Meetings	1,544,694
Technical Services	966,260
Membership	1,199,097
Supporting Services	194,337
Fundraising	10,334
Total Expenses	4,795,298

Increase in Net Assets 400,091

