

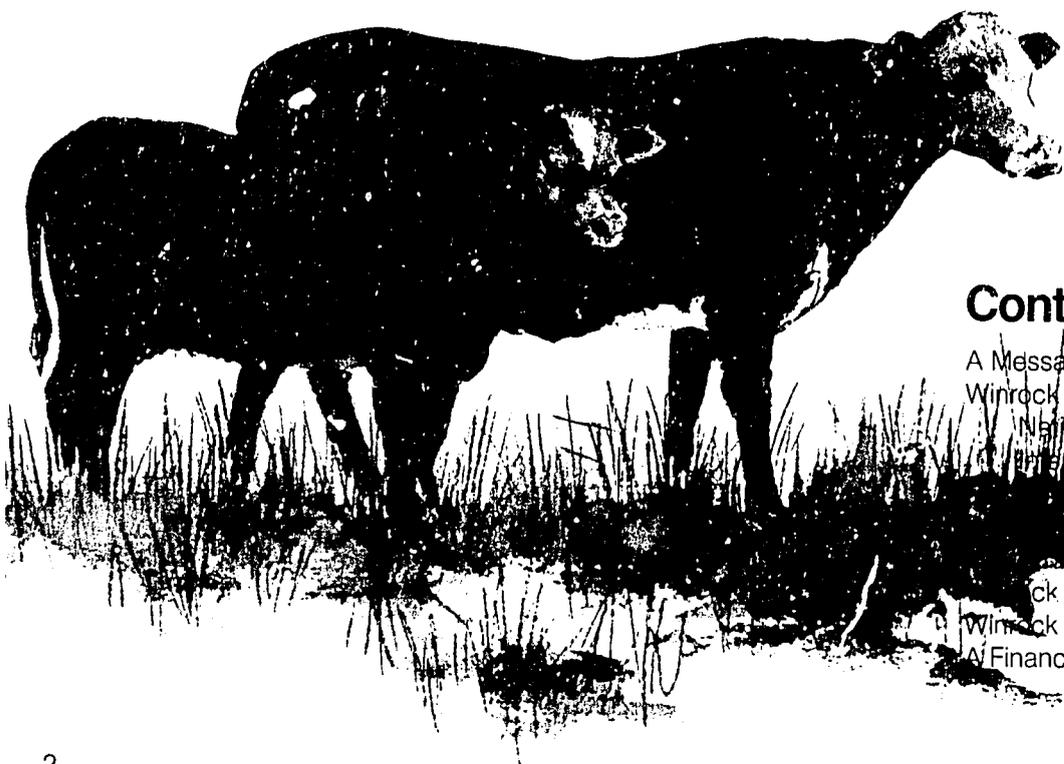
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ANNUAL REPORT



Seventy miles west of Little Rock, near the banks of the Arkansas River, stands Petit Jean Mountain. It was here that Winthrop Rockefeller came in 1953 to make his home and to develop the now internationally known Winrock Farms. Before his death in 1973 Mr. Rockefeller had served two terms as governor of his adopted state and had left his mark on Arkansas and the mid-South both personally and through his development of projects of lasting value and quality. It was Mr. Rockefeller's wish that his interest in Arkansas -- and particularly his interest in animals and farming -- be continued. In 1975 the Winthrop Rockefeller Charitable Trust provided a grant for the founding of Winrock International Livestock Research and Training Center, Inc. to fulfill that wish.

Operating from its home base on Petit Jean Mountain, Winrock International conducts research and training projects which reach from Arkansas around the world. Winrock's mission -- to improve animal agriculture for the benefit of people -- makes it unique in the existing structure of agricultural institutions. Its sharp focus on the often neglected, but essential, livestock component of the world food-production chain has enabled the institution to earn in a short time a worldwide reputation as a reliable provider of information and expertise. The goal of all Winrock work is to help generate income, supply employment, and improve human nutrition in a stable agricultural environment in the United States and abroad. To do this, Winrock provides practical, applicable research and training to individuals and organizations in order to equip producers to preserve their resources while improving production. In addition, Winrock provides the general public and policy-makers with a sound information base from which to better understand and develop priorities for the decisions that will shape the future of the world food and agriculture system.



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A Message from Winrock International!

Political upheaval throughout the world should serve as a reminder to all of us that agricultural issues are not peripheral — they are central to world economic and political stability. Events such as those in Poland in 1981 underscore the fact that nations need stable food supplies; that people want livestock products; and that when the production system is disrupted, the resulting unrest can put the entire world on edge.

Although worldwide grain reserves are now at low to moderate historical levels and there are real concerns about whether food production in the remaining years of the 20th century will keep pace with human needs, there may be more immediate threats to the world food-production system.

The decade of the 1970s was a time of increased oscillation in the availability of food and feed grain supplies, and thus a time of wide price swings that worked to keep both consumers and producers in tension. If the 1970s have set the stage for the 1980s — and there is good reason to believe this may be the case — this decade promises more unrest and instability as global food production continues to swing between surplus and deficit.

Periods of surplus agricultural production tend to depress prices. While this means relief for consumers, it puts the farm sector — especially in the United States — in the dangerous position of being paid prices for their commodities that are often lower than their costs of production. Periods of short supply, on the other hand, allow farmers to receive higher prices but strain consumers as food costs rise.

The consequences of such oscillation can be serious. As the pendulum swings, disruptions are felt by both producers and consumers, by developed and developing nations. The geopolitical upheavals they portend threaten all.

At Winrock International, one of the questions we have been asking in the face of such forecasts is what kind of role animal agriculture plays in global food production and distribution. Does the presence of livestock work to stabilize or destabilize that system?

The answer is that livestock may do both. In a free market, livestock is usually looked upon as a stabilizing factor in the agricultural marketplace. As grain supplies increase and prices fall, more grain tends to move through the livestock sector, thus stabilizing market prices and helping to keep some sort of floor, in the short run, on grain prices. In the longer run, livestock provide a better quality of available food and can serve as a form of food storage.

But as the world grain situation tightens and prices rise, livestock production, especially in the more financially constrained countries, often has to be squeezed down. Resulting unavailability of livestock products to consumers can destabilize the political system. Particularly in countries that have started on the track toward providing improved quality of food for their populations, such turnbacks increase the chances of geopolitical disturbances.

At Winrock International, we work to combat these problems in two ways. First, we are continuing our practical, production-oriented research and training efforts, attempting to improve biological efficiency of livestock production. By strengthening communications between research communities and producers and by providing better training and management techniques, we work to produce greater quantities and better quality food supplies from the livestock system.

At the same time, we are aware that a market gone haywire cannot be an efficient market. The threatened large oscillations in food supply raise serious policy questions about how to protect American farmers, who more than any others must bear the brunt of income losses due to surplus supplies, and about how to prevent the geopolitical disruptions that can result when world supplies tighten.

In order to have enlightened public policy, both the public and policymakers must have an understanding of causes and effects, of interactions between the livestock, feed grain and food grain components of the world food production system, and of how to prepare for and deal with both surpluses and deficits. Through our public policy research focus, we try to bring solid, reliable information to the fore to ensure that wise, workable policy decisions may be made based on an understanding of the forces that drive agricultural production and trade. We are acutely aware that if the major engines driving the world food system begin to falter, as the U.S. commercial system could in times of surpluses, the efforts we have expended at the other end of the production spectrum could be seriously eroded.



R. O. Wheeler
President

Winrock International Program Areas



Winrock International seeks to aid people by harnessing the potential of animal agriculture as a key resource in the world food-production system. Through research and training activities that take into account the interdependency of resources in agricultural production, Winrock staff work on specific projects and as consultants in the United States and abroad. With producers and producer groups, with private voluntary organizations and host government agencies, Winrock staff members work to design and develop livestock programs to fit local needs and resources and to train the human talent to manage these programs.

Winrock works in three broad program areas — National, International, and Public Policy Research. Activities in all areas are interrelated and each program area is strengthened by the work done in each of the other areas. Winrock's conference, office, and housing facilities on Petit Jean Mountain further strengthen program activities by allowing the institution to host key individuals and groups — from visiting scientists and postdoctoral fellows to local, national, and international workshops and seminars. The projects described here are only a cross-section of Winrock's activities.

National

Winrock International's National Program activities are primarily in providing service to both commercial and limited-resource family farmers in Arkansas and the southern United States. Winrock's commitment to carrying out the same kind of research and training projects in the United States as it does in other countries increases the institution's credibility in developing countries. By the same token, information and expertise gained on international projects strengthen national program activities.

International Stockmen's School

Turning a profit in U.S. livestock production has become more difficult in recent years. One way to increase profitability is to narrow the gap between developments in the scientific community and management practices of producers. The acquisition in late 1981 of the International Stockmen's School (ISS) from the Agriservices Foundation provides Winrock International the opportunity to significantly expand its ability to provide training services for a variety of livestock industry audiences in the United States. ISS has been held annually in various U.S. locations since 1963 and has attracted commercial livestock producers, agribusinessmen, and educators. The four days of shortcourse training are designed to help livestock producers increase the productivity and profitability of their enterprises. The lectures presented are published each year and used as texts on production of beef cattle, dairy cattle, sheep and goats, and horses.

The first school under Winrock leadership will be held in San Antonio, Texas, in January 1983. Lecturers have been invited from colleges and universities, the USDA, agribusinesses serving agriculture, and livestock producers in the United States and abroad. ISS will not only expand Winrock's communications with commercial livestock producers in the U.S. but will also serve as a link between the institution's other national and international activities. From 1983-1985, ISS activities will be expanded to include one school in Mexico, two other regional commodity schools in the United States, and a scholarship program to encourage involvement of limited-resource producers, young farmers, international students and young people in junior livestock associations, 4-H, and FFA clubs.

Agroforestry

With increasing demands being placed on the southern land base to house and service growing populations, graze increasing livestock numbers, and produce greater volumes of both crops and wood products, ways must be found to both increase production and preserve the land for wildlife, recreation, and other uses. For several years, Winrock International has been involved in efforts to understand and prepare for these demands. The institution's main focus in this area is on agroforestry - a multiple land use concept in which both wood and food products may be produced from the same land. Winrock's emphasis in agroforestry has been on combining wood production and livestock grazing on forestlands.

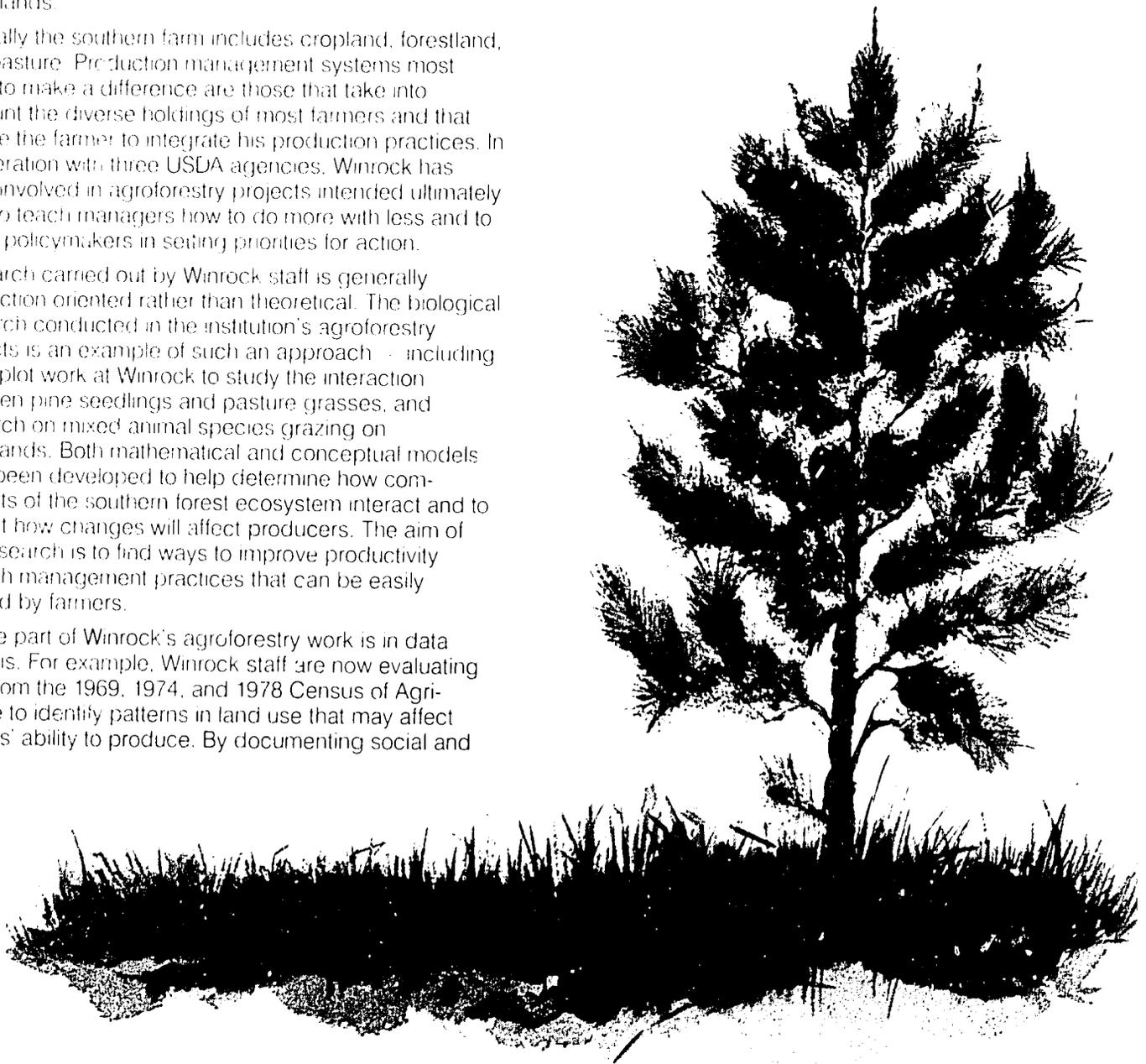
Typically the southern farm includes cropland, forestland, and pasture. Production management systems most likely to make a difference are those that take into account the diverse holdings of most farmers and that enable the farmer to integrate his production practices. In cooperation with three USDA agencies, Winrock has been involved in agroforestry projects intended ultimately both to teach managers how to do more with less and to assist policymakers in setting priorities for action.

Research carried out by Winrock staff is generally production oriented rather than theoretical. The biological research conducted in the institution's agroforestry projects is an example of such an approach - including small-plot work at Winrock to study the interaction between pine seedlings and pasture grasses, and research on mixed animal species grazing on forestlands. Both mathematical and conceptual models have been developed to help determine how components of the southern forest ecosystem interact and to predict how changes will affect producers. The aim of this research is to find ways to improve productivity through management practices that can be easily applied by farmers.

A large part of Winrock's agroforestry work is in data analysis. For example, Winrock staff are now evaluating data from the 1969, 1974, and 1978 Census of Agriculture to identify patterns in land use that may affect farmers' ability to produce. By documenting social and

economic trends in a 30-state area, Winrock staff hope to help prepare both producers and policymakers for the pressures that are coming to bear on the land base.

With one-fourth of the world's land mass forested, and with much of that land in danger of being "burned out" through mismanagement or being converted to other uses, Winrock's agroforestry projects in the United States are of tremendous interest internationally. The southern U.S. has the opportunity to become an international showcase in research on the use and preservation of forestlands.



Dairy Goat Producers Cooperative

While Winrock International's agroforestry involvement focuses on data analysis and production research, other national projects allow staff to provide hands-on production and marketing training to producers and their cooperatives. In one such training project, Winrock International staff members work with dairy goat producers who are members of the Central States Dairy Goat Cooperative. The goal is to improve the economic outlook primarily for small and part-time dairy goat producers in a six-state region. A number of seminars in production and management techniques were held for producers in 1981.

A major problem faced by these producers is lack of markets for their animals. While goat milk is purchased by a dairy in Yellville, Arkansas, there has been little opportunity for marketing the kids culled from producers' dairy herds. The cooperative is working on developing



both goat meat markets in high-demand regions and markets for the high quality breeding stock raised by cooperative members. Winrock communications staff prepared a pamphlet outlining the cooperative's export capabilities; this pamphlet is now being distributed to potential customers. The cooperative provides service in locating, procuring, and exporting dairy goat breeding stock. It maintains a computer file of the animals available for sale and assists buyers dealing directly with member-producers in stock collection, health inspection, and transportation.

Family Farm Development Network

Another producer cooperative project, the Southeast U.S. Family Farm Development Network, grew out of the success of a cooperative project involving Heifer Project International, the Winthrop Rockefeller Foundation, and Winrock. The three institutions worked to help producers

turn an unproductive swine project in Rosston, Arkansas, into a model swine cooperative for limited-resource farmers.

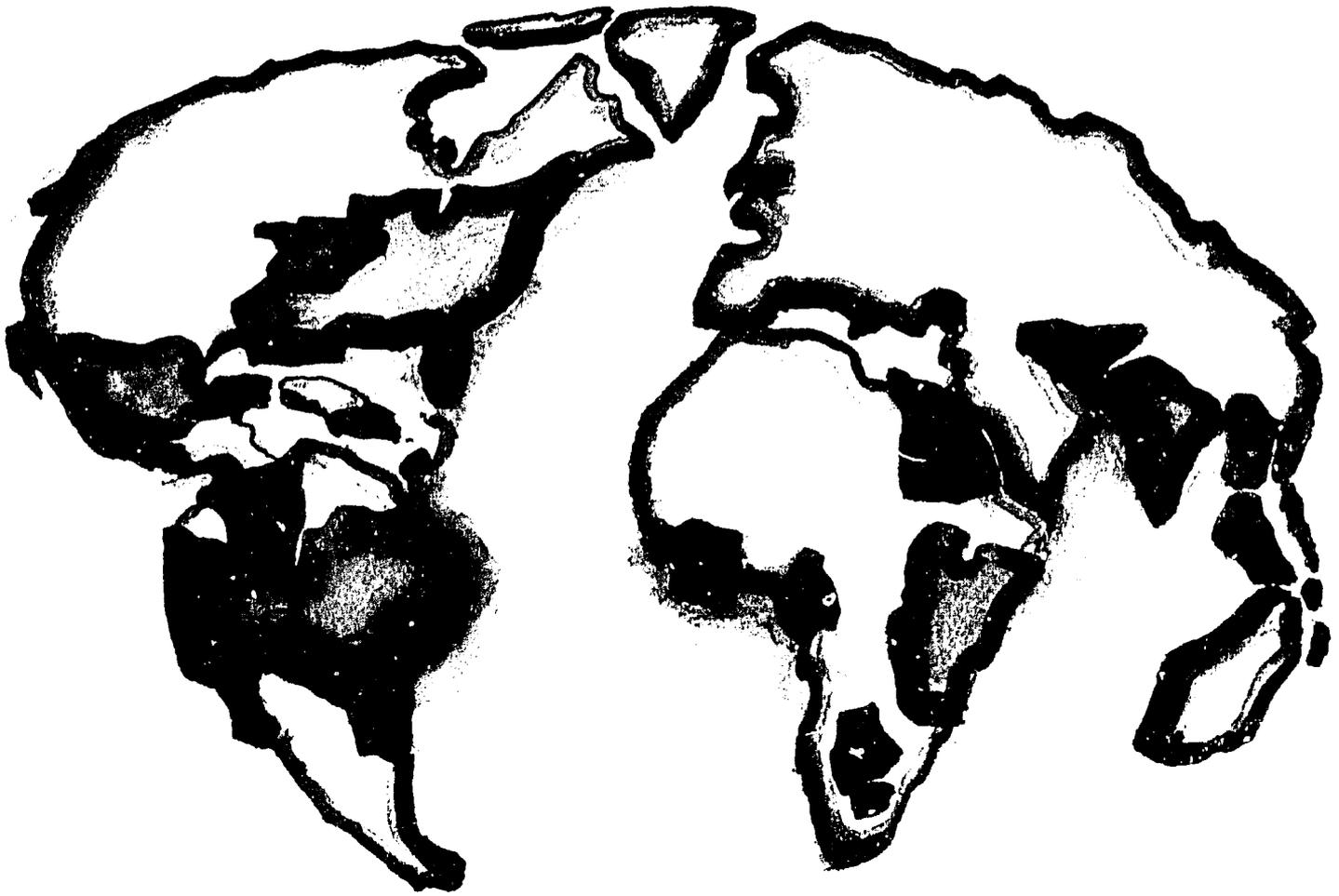
Early in 1980, staff began working with the small feeder-pig cooperative that had been established by a group of limited-resource farmers in 1969 but that had never been self-sufficient. The network provided training and technical assistance in production and management and helped develop market outlets for the livestock produced by cooperative members. The Rosston Swine Producers Association Cooperative, with network and community support, has now begun to turn a profit and is independent of outside subsidy. Because these limited-resource producers have learned how to raise high quality animals in low overhead operations, they are often able to turn profits even in years when hog prices are low.

After the Rosston success, network members agreed to turn their attention to several other cooperatives in southern Arkansas. Many farmers in this area have expressed interest in swine or sheep production --- activities that may be carried out by part-time and limited-resource producers and that, with small capital investment, can supplement family incomes. The network has now begun to provide aid to the Col-O-Cal cooperative, a 300-member cooperative operating in a five-county area, and to a small sheep producers' cooperative now being organized in southern Arkansas. Plans are to slowly expand network capabilities from Arkansas to other southeastern states.

Communications

Winrock International's communications activities --- which include preparation of publications, videotapes, and both paper- and computer-based training materials --- are designed to further the institution's work in all program areas. In addition, Winrock's specialists have been involved in a number of national communications projects.

In its developing relationship with the Kerr Foundation, Winrock has provided communications services to enhance a number of that institution's projects. In the Kerr Brucellosis Campaign, for example, Winrock developed and coordinated television and radio spots, brochures, and posters to alert cattle producers in southeastern Oklahoma to brucellosis and the need for its eradication. Producers were encouraged to attend meetings where a Winrock-produced videotape was part of a Kerr campaign to prompt producer action. In addition, Winrock communications specialists have been developing training materials for a number of projects under grants from Control Data Corporation. In 1981, Winrock completed a computerized instructional program on sheep production and began development of a computerized sheep data base and of an instructional program on dairy goat production and management that includes computer, text, and videotape instruction.



International

Since 1975, 40 Winrock professionals have worked on field-level activities in more than 50 countries in the institution's International Program. Currently, 11 Winrock staff and their families are posted overseas.

All Winrock activities are based on the fact that livestock is a component of larger production systems. To improve production, it is important to understand the systems within which livestock are raised. The systems approach to agricultural research and development requires that a farmer be seen not simply as a crop producer or a livestock producer but as a producer of both and a manager of various types of land, labor, and other resources. It requires further that the farmer be seen in

a larger context of the socioeconomic system that varies from area to area and has the potential to inhibit or promote production.

Winrock provides the technical assistance that developing countries and development agencies need in their livestock development, research, and training programs.

This assistance includes: **Development and Support Services** in the design, implementation and/or evaluation of projects; **Production Systems Research** in grazing and crop/livestock systems; **Production Training** to assist indigenous organizations in the development of their own training programs for trainers and producers.

Technical Services Project

Since Winrock International was founded in 1975, the institution has received many requests for technical services from U.S.-based nonprofit organizations and from foreign government agencies and institutions. To hire commercial consultants with livestock expertise is often prohibitively expensive, and there are few other places such groups interested in supporting livestock development can go for technical assistance.

In late 1981, Winrock embarked on a major long-term contract with USAID to provide design and technical services to the major private voluntary agencies, host government institutions, and small producer groups in their agricultural development programs. This project will expand Winrock's ability to assist institutions and organizations working abroad in developing the food production process, and enhancing the earning capacity of rural communities through improvement of the livestock production sector.

In this project, Winrock will develop educational and informational materials for use in various regions on various livestock production activities. Direct technical assistance will be provided through staff visits to agencies in developing countries and through correspondence and telephone communications. Regional workshops are planned to train a limited number of trainers in various regions of the developing world.

In addition, Winrock will broaden its computerized livestock data base to provide easier access to information for many organizations. Although

considerable time and effort have been devoted throughout the world to research on animal production systems adapted to small-producer conditions, most organizations have neither easy access nor the resources to establish retrieval systems for their own use. Winrock's role will be to collate, organize, and package this information in a manner that can be easily understood and put into practice and subsequently distributed to users.

Haiti Goat Production

Another new Winrock International project -- the Haiti Goat Production Improvement Project -- provides an example of a new kind of Arkansas involvement in Winrock's work. Funded in part by the Arkansas Area Hunger Task Force of the Arkansas United Methodist Church, this project will assist the Haitian Ministry of Agriculture in its efforts to improve food supplies from the goat sector and to increase the incomes of small goat producers.

When African swine fever was discovered in a large portion of the Dominican Republic's swine population in 1981, the entire swine population of the country had to be slaughtered. The disease has been found in Haitian swine herds and depopulation has begun in that country. During the slow process of rebuilding swine herds, protein available for human consumption will be in short supply. Sponsors of this project hope increased goat meat production will, at least in part, alleviate the problems of short meat supplies during swine herd rebuilding.



Haiti now has a large native goat population, but production is far below potential. In this project, Winrock specialists will assist in developing a central goat multiplication farm. Other aims of the project are to develop goat management systems appropriate to integrated crop/livestock production conditions; to develop the local capability to train producers; to deliver training, technology, improved animals, and follow-up services to small producers; and to establish a goat meat and milk production nucleus.

Kenya Range Research

The development of the Kiboko Range Research Station located in the arid and semiarid rangelands of south central Kenya is Winrock International's largest single project. Initiated in 1979, this six-year research project is funded by the Government of Kenya and USAID. Texas A&M has been subcontracted by Winrock to provide stateside postgraduate training. Progress has been made in the development of range livestock systems to protect and improve the rangelands and, consequently, increase the production of meat, milk, and fiber from cattle, sheep, goats, and wildlife. Range livestock-systems research is underway on the management and improvement of rangelands, on rainfall utilization, and on livestock nutrition and management.

One of the aims of this project is to train a cadre of Kenyan research scientists to staff that country's rangeland research program. The station's research and technical officers have been increased from 16 to 32; 11 Kenyans, who will staff the on-going research program, are now receiving postgraduate training at Texas A&M and will be joined by seven more in 1982. Most thesis research is conducted in Kenya on priority research topics.

Housing at the Kiboko Station was nearly doubled in 1981, office and laboratory facilities were expanded, school facilities were established for the children of the five Winrock families on site, and two classrooms established on the station for the children of Kenya personnel.

Blenheim Sheep Station

Another pasture-based project in which Winrock International is involved is being funded by the Government of Trinidad-Tobago. Winrock staff are providing management and technical assistance to develop the Blenheim sheep research and multiplication station in Tobago and will provide assistance in the selection of breeding stock and in performance testing and breeding programs for hair sheep. A Winrock veterinarian on-site at the station began a two-year assignment in Trinidad-Tobago in 1981. Much of the year was spent in rehabilitating the station, improving pastures, and developing a herd health program.

CARDI Small-Farms Systems Research

Since a large portion of the world's livestock population is produced in farming systems that include both livestock and crop production, Winrock International is actively involved in mixed crop/livestock research and training projects. Winrock is currently working with the Caribbean Agricultural Research and Development Institute (CARDI) in its small-farm systems research project in less-developed eastern Caribbean countries. Winrock's major contribution has been evaluation of interaction between crops and livestock in smallholder units. In 1981, three CARDI economists participated in a month-long work-study project at Winrock's Petit Jean headquarters.

Title XII Dairy Goat Production Systems

The smallholder, subsistence-level farmer in the humid tropics is often in need of quality protein foodstuffs for home consumption and good health. When there is not adequate land for cattle, a practical solution is development of a low-cost, low-risk, dual-purpose dairy goat production system. Winrock International, with five U.S. universities in the Title XII Small Ruminants Program, is developing and adapting that kind of dairy goat system for small-scale farmers with limited capital resources. Two Winrock staff members and their families are currently on-site in western Kenya in this mixed crop/livestock project. In 1981, staff completed the monitoring phase of a survey of existing farm systems in Kenya to evaluate the resource base and to aid researchers in establishing priorities. Studies were also begun on goat nutrition and management, feed production, and preservation.

This project's feed preservation research is an example of Winrock's research in international projects. A critical problem faced by goat producers in Kenya is the lack of feed supplies during the long dry season. Reduced feed supplies diminish milk production, thus less protein is available for family consumption. Winrock staff are researching ways to preserve surplus feed supplies raised in the rainy season to ensure a steady supply of milk for producers and their families.

Title XII Economic Analysis

A second Winrock International activity under the Title XII Small Ruminants Program is the Economic Analysis of Small Ruminant Production and Marketing Systems Project. This project calls for basic research on production economics, marketing systems, household behavior, human nutrition, and supporting biological research. Very little systematic research has been done on production or marketing problems associated with small-farm production of sheep and goats in developing countries. To identify factors that limit production, Winrock staff have been analyzing current practices of small-ruminants producers in Peru, Brazil, Kenya, and



Indonesia. As marketing and consumption patterns are better understood, projects designed to fill local needs may be more successfully developed.

Winrock staff are now in Peru, Indonesia, and Kenya. This project also supports local graduate-student research in participating countries and graduate study at U.S. universities. In 1981, two Peruvian scientists were supported for Masters study in the United States, and U.S. students were supported for Masters thesis fieldwork in Kenya and Indonesia. In addition, Kenyan and Indonesian economists were identified for graduate studies. A limited project on dairy goat product marketing in the United States has been carried out in connection with this project.

Mexican Dual-Purpose Cattle Training

Winrock's focus in production training is on practical, "hands on" approaches.

In Mexico, Winrock International staff are involved with the Instituto Nacional de Investigaciones Pecuarias (INIP) in implementing a training project aimed at increasing the productivity and income of dual-purpose (meat and milk) cattle producers in the humid tropics. To reach this end, INIP and Winrock staff are training local extension personnel who will provide technical assistance to producers.

In the course of this 42-month project, 144 local extension personnel will be trained in practical production and management skills. In addition, 45 commercial-lending-institution personnel will be trained with the goal of improving their understanding of the credit needs of small- and medium-sized cattle producers in Mexico. Improved technologies adapted to livestock production have been developed and tested in Mexican livestock experiment stations, but dissemination and implementation have not received enough attention, thus reducing the value of research information. When this project is completed, extension personnel will be better equipped to transfer these technologies to users.

Short-Term Technical Assistance

Winrock International responds to the short-term technical assistance needs of a broad range of development agencies. In 1981, assistance was provided to the Instituto Nacional de Investigaciones Pecuarias in Mexico, the Centro Agronomico Tropical de Investigacion y Ensenanza in Costa Rica, the Caribbean Agricultural Research and Development Institute in Trinidad, the Jamaican National Investment Corporation, the Instituto Interamericano de Ciencias Agricolas and USAID in Central America, the World Bank in Colombia, CARE in Lesotho, UNDP/FAO in Kenya, USAID in Thailand, Tennessee Valley Authority, and Imperial Chemical Industries.

Public Policy Research

The purpose of Winrock International's Public Policy Research Program is to provide reliable information to the general public and policymakers to facilitate policy development and implementation. Winrock seeks to inform and educate with rigorous, credible analytic information concerning issues crucial to U.S. and world food and agriculture. It does not engage in advocacy of particular policies or decisions.

The Winrock Model

There is a lack of reliable information on the interactions in the world livestock, feed grain, food grain system. This lack of information was exemplified early in 1980 when analysts tried to estimate the effects of the U.S. suspension of grain sales on the Soviet Union's livestock system. To help fill that information void, Winrock International prepared an extensive study of the world meat economy and released the results in late 1980. This study was one in a series based on the Winrock Model, a computer simulation model that measures nutrient requirements of the world's ruminant animals.

Used first in Winrock's *Role of Ruminants in Support of Man* study, the model was further developed and refined in the world livestock market, feedstuff, and food grain system project. This study, published in 1981, projected a shortfall in world grain production of some 26 million tons by 1985, despite continued increases in production of as much as one-fifth. The results of this project identified several critical concerns that are the focus of a new public policy project. The new project will, for the first time, involve the corporate private sector in a major Winrock research activity.

Corporate Sponsors Project

The purpose of this new three-year project is to examine the world food and agriculture system in the context of a new, more internationally interdependent setting. It will build on the Winrock Model data bank and will provide research and analytical information useful for development and assessment policy, formulation of business strategies, and planning of agricultural development and research programs. This is a joint venture project with as many as five corporations representing major segments of the food and agricultural industry.

In the first phase of the project, a benchmark assessment of the global food situation will be made. This will be published each year and will fill in important information needed for assessment of the status of global food and agriculture in the context of historical development and future trends. The study will identify countries experiencing food deficits and surpluses and the countries most likely to be in those positions during this decade. In later phases of the project, special emphasis will be given to potential problems to U.S. agriculture in meeting expected domestic and foreign food demands.

Several policy courses that might be pursued to lessen the impacts of agriculture-related economic instability will be identified and assessed.

Mexican Feed Study

In addition to regularly updating its global agricultural data base, Winrock International plans to develop more detailed production and demand data for specific countries. Data for Mexico, an increasingly influential country, are being collected and analyzed in a study of the livestock and feed grain sectors. Mexico currently plans to become self-sufficient in production of basic foodstuffs by 1985. If this plan is successful, lands now used for livestock feeds will be shifted to crop production. The Winrock study will examine the adjustments in livestock production that may occur with a policy of self-sufficiency in conjunction with the growing demand for livestock products accompanying Mexico's population and income growth.

The future developments in Mexico will have consequences for the U.S. feed grain and oilseed sectors. The results of the Winrock study should prove of interest to U.S. policy officials, producers, and agricultural industries.

Livestock Program Strategy/USAID

Winrock International has a growing reputation for providing reliable information and expertise in the public policy area. In 1981, the Bureau of Science and Technology of USAID requested Winrock to prepare a livestock program-strategy-and-priorities position paper to identify the technical assistance needs and to establish priorities for livestock development.

In the analysis of 60 developing countries with USAID programs, Winrock developed farming-systems classifications to examine the dominant livestock production systems and the relative importance of crop, mixed-crop-and-livestock, and livestock-based systems. The study found the majority of the world's farmers operate mixed production systems and that these systems account for the largest numbers of animals. Nearly two-thirds of the existing livestock are in areas where animals and crops are grown together. Most small producers in the Third World, therefore, view livestock and crops as complementary rather than competitive. Institutions that take a systems approach are increasingly in the strongest position to respond to the needs of these people.

Based on the study results, Winrock recommended that USAID pay greater attention to livestock within larger agricultural systems and emphasize the complementarity of livestock and crops. USAID's programs to increase food production would be strengthened, the report said, through a broader view that assesses both needs and potentials to improve livestock production within these agricultural systems.

Based on this USAID position paper, Winrock made the same recommendations to the World Bank's Third Agricultural Sector Symposia in New York in early 1982.

Conferences, Seminars, Workshops

Winrock International's Conference Center includes facilities for meetings, lodging, and recreation built by the late Governor Rockefeller. The Center not only supports the institution's program activities, but also serves as a state, regional, national, and international meeting place for individuals and groups interested in a wide range of topics. In 1981, Winrock hosted 45 conferences, workshops, seminars, consultations, and retreats with over 1125 participants.

Through its reputation for quality in both staff and projects, Winrock has introduced the state of Arkansas to a wide audience throughout the world. The positive association people in both developed and developing countries have with Arkansas through familiarity with Winrock is reinforced as heads of state, ministers, ambassadors, and private citizens from scores of countries visit the Conference Center each year. The examples that follow are a cross section of Conference Center activities in 1981.

Arkansas

Winrock International has become a focal point for meetings of state agencies and departments, both executive and legislative, as well as for private and not-for-profit organizations. Winrock works closely with the Arkansas Department of Parks and Tourism and with other tourist centers in the state. In 1981, Winrock continued a program of energy workshops in cooperation

with the Arkansas Energy Office. Arkansas county agents, builders, appraisers and loan officers, and college presidents and chancellors took part in energy workshops at Winrock. Winrock also hosted a number of other Arkansas organizations from the Arkansas Farm Bureau and the Arkansas Endowment for the Humanities to the Little Rock Council for International Visitors and the Arkansas Community Development Association.

Regional

Serving the southcentral states is one of the aims of Winrock's conference program. In addition to hosting the Southwest Regional Energy Conference for key legislators of six states in 1981, Winrock hosted such groups as the Mississippi State University College of Veterinary Medicine, the Tennessee Valley Authority, and the Southern Rural Development Center.

National

In 1981, Winrock served a cross-section of agencies, organizations, and not-for-profit groups whose mission of public service parallel Winrock's. National groups hosted included the Congressional Research Service, Library of Congress; the National Center for Toxicological Research; National Governor's Association; American Forestry Association; American Soybean Association; Council on Foreign Relations; Aspen Institute for Humanistic Studies; and the U.S. Association, Club of Rome.



International

In 1981, Winrock increased its function as a rallying point for training and development workshops, seminars, and planning conferences dealing with international cooperative efforts among private institutions. Groups interested in international work hosted in 1981 included the Interamerican Development Institute; Lutheran World Relief; Save the Children Federation; Agricultural Council of the Americas; Catholic Relief Services; Eisenhower Exchange Fellowship; FAO (United Nations); USAID; and the International Federation of Institutes for Advanced Studies.



Publications

The exchange of ideas relating to animal agriculture through various forms of publications is an important facet of Winrock's program activities. The following journal articles, proceedings, and reports join Winrock's previous list of publications:

- Byington, E. K. and R. D. Child. "Forages from the World's Forested Land for Ruminant Animal Production." In: E. K. Byington and R. D. Child (Eds.) *Potential of the World's Forages for Ruminant Animal Production* (2nd Ed.). Morrilton, Arkansas: WILRTC, 1981.
- Chandra, S. and A. J. De Boer. "Some Interactions Between Land Tenure, Technical Efficiency, and Gross Output on Mixed Farming Systems in Fiji." *Quarterly Journal of International Agriculture*, Vol. 20, No. 2, April-June, 1981.
- De Boer, A. J. "Socioeconomic Aspects of Dairying in Developing Countries." *Journal of Dairy Science*, 64(12):2453-2462.
- Fitzhugh, H. A. "Transition in Livestock and Forage Production." Paper presented at Research for Small Farms Symposium, Beltsville, Maryland, November 16-18, 1981.
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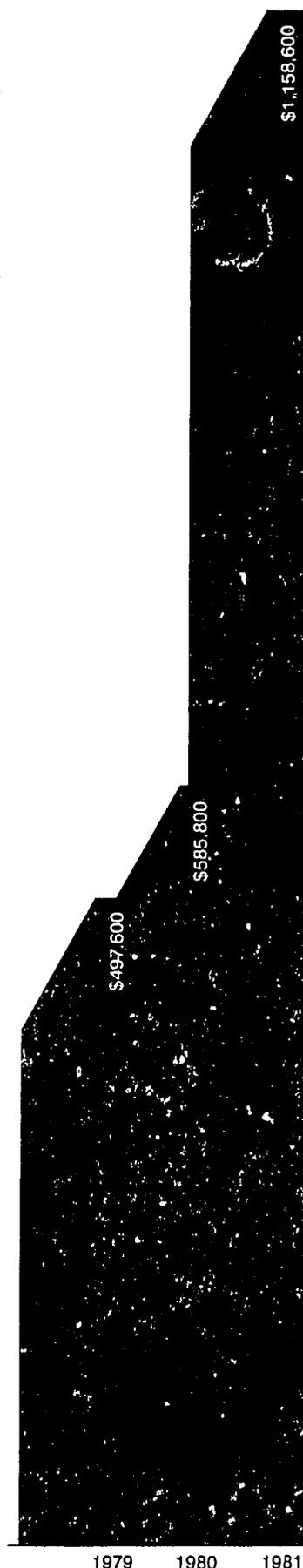
A Financial Overview

Winrock International Livestock Research and Training Center, Inc., is a non-profit corporation incorporated in the state of Arkansas. Research and training programs are supported by the institution's own funds, by foundations, individuals, corporations, and by government contracts and grants. Winrock International accepts, and actively seeks, tax deductible gifts as a publicly-supported organization.

One of the more significant events of 1981 was the Internal Revenue Service's determination that Winrock International is a tax exempt, publicly supported organization. This letter of determination is a replacement of the IRS's advance ruling for similar status issued in August, 1975. The more recent determination letter, however, provides tax exempt status on a more permanent basis.

Balance Sheet

	November 30,	
	1981	1980
ASSETS		
Current assets:		
Cash, including time deposits	\$ 68,500	\$ 419,600
Accounts receivable	328,300	155,600
Interest receivable	168,800	123,400
Prepaid expenses	40,200	35,900
Total current assets	605,800	734,500
Investments, at market (Note 2)	13,461,100	14,677,200
Property and equipment, net (Notes 3, 4 and 5)	1,158,600	585,800
	<u>\$15,225,500</u>	<u>\$15,997,500</u>
LIABILITIES AND FUND BALANCE		
Current liabilities:		
Current portion of long-term debt (Note 3)	\$ 19,700	\$ 9,600
Accounts payable	73,000	41,300
Accrued liabilities	69,300	35,500
Deferred revenue	121,200	92,100
Deferred contributions (Note 4)		367,300
Total current liabilities	283,200	545,800
Long-term debt (Note 3)	68,300	60,900
Fund balance:		
Unrestricted	1,249,100	367,600
Restricted	13,624,900	15,023,200
	<u>14,874,000</u>	<u>15,390,800</u>
	<u>\$15,225,500</u>	<u>\$15,997,500</u>



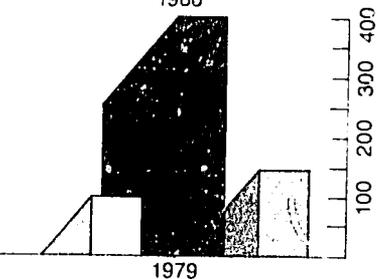
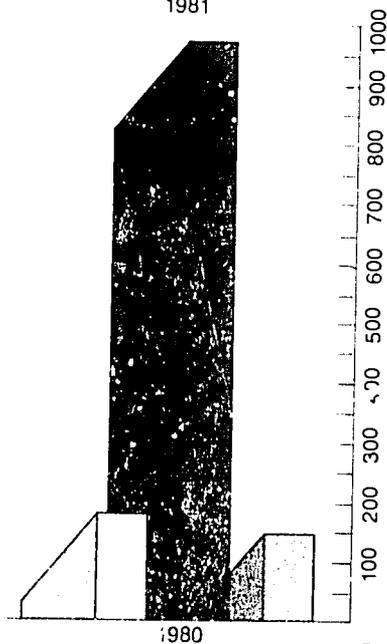
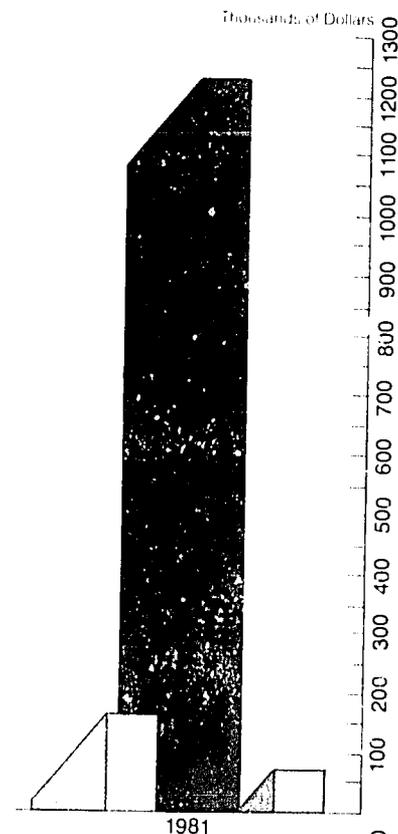
The accompanying notes are an integral part of these financial statements.

Relative Revenue for Program Services

Thousands of Dollars

Statement of Revenues and Expenses

	Year ended November 30,	
	1981	1980
Revenues:		
Contributions (Notes 4 and 5)	\$1,351,400	\$ 358,800
Program services:		
National	158,600	174,200
International	1,238,700	965,500
Public policy	69,500	145,000
Investment income:		
Dividends	342,900	246,400
Interest	1,145,700	740,100
Other	206,700	184,300
Total revenues	<u>4,513,500</u>	<u>2,814,300</u>
Expenses:		
Program services:		
National	478,000	509,200
International	1,858,600	1,294,200
Public policy	432,300	232,000
Supporting services:		
Administrative	292,500	241,700
General support	570,600	519,800
Total expenses	<u>3,632,000</u>	<u>2,796,900</u>
Excess of revenues over expenses before capital contributions	881,500	17,400
Capital contributions (deductions):		
Distribution from Winthrop Rockefeller Charitable Trust (Note 2)		7,160,000
Increase (decrease) in market value of investments, net	(2,264,700)	2,406,300
Gain on sale of investments, net	866,400	498,000
Net capital contributions (deductions)	<u>(1,398,300)</u>	<u>10,064,300</u>
Excess (deficiency) of revenue over expenses after capital contributions (deductions)	<u>\$ (516,800)</u>	<u>\$10,081,700</u>



NATIONAL
 INTERNATIONAL
 PUBLIC POLICY

Statement of Changes in Fund Balance

	Components of Fund Balance		
	Unrestricted	Restricted	Total
Balance at November 30, 1979	\$ 350,200	\$ 4,958,900	\$ 5,309,100
Excess of revenue over expenses and capital contributions	<u>17,400</u>	<u>10,064,300</u>	<u>10,081,700</u>
Balance at November 30, 1980	\$ 367,600	\$15,023,200	\$15,390,800
Excess of revenue over expenses and capital contributions (deductions)	<u>881,500</u>	<u>(1,398,300)</u>	<u>(516,800)</u>
Balance at November 30, 1981	<u>\$1,249,100</u>	<u>\$13,624,900</u>	<u>\$14,874,000</u>

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Financial Position

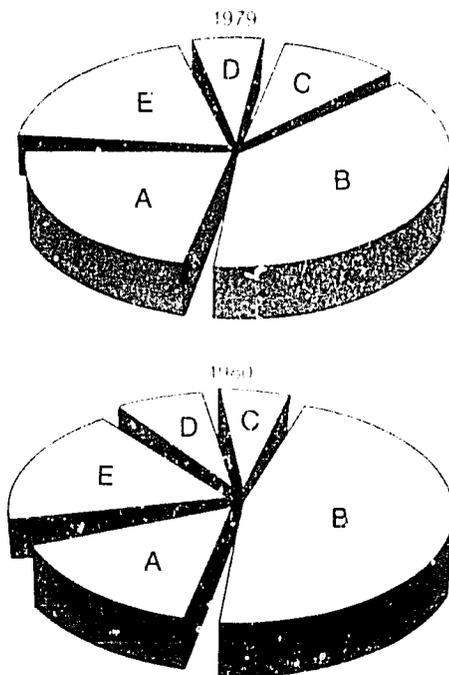
	Year ended November 30,	
	1981	1980
Cash was provided by: –		
Excess of revenue over expenses before capital contributions (deductions)	\$ 881,500	\$ 17,400
Capital contributions (deductions), net	(1,398,300)	10,064,300
Excess (deficiency) of revenue over expenses after capital contributions (deductions)	(516,800)	10,081,700
Add (deduct) items not affecting cash:		
Investments received from the Winthrop Rockefeller Charitable Trust		(7,160,000)
(Increase) decrease in market value of investments	2,264,700	(2,406,300)
Depreciation	82,400	56,500
(Increase) decrease in accounts receivable	(172,700)	36,700
Increase in interest receivable	(45,400)	(19,300)
Increase in prepaid expenses	(4,300)	(5,300)
Increase in accounts payable	31,700	22,700
Increase (decrease) in accrued liabilities	33,800	(1,100)
Increase (decrease) in deferred revenues	29,100	(143,900)
Increase (decrease) in deferred contributions	(367,300)	507,300
Cash provided from operations	1,335,200	829,100
Proceeds from disposal of property and equipment		1,700
Proceeds from borrowings	31,800	20,900
Total	1,367,000	851,700
Cash was used for:		
Increase in investments, at cost	1,048,600	452,000
Acquisition of property and equipment	655,200	146,500
Reduction of long-term debt	14,300	11,600
Total	1,718,100	610,100
Increase (decrease) in cash	(351,100)	241,600
Cash at beginning of year	419,600	178,000
Cash at end of year	\$ 68,500	\$ 419,600

Statement of Functional Expenses

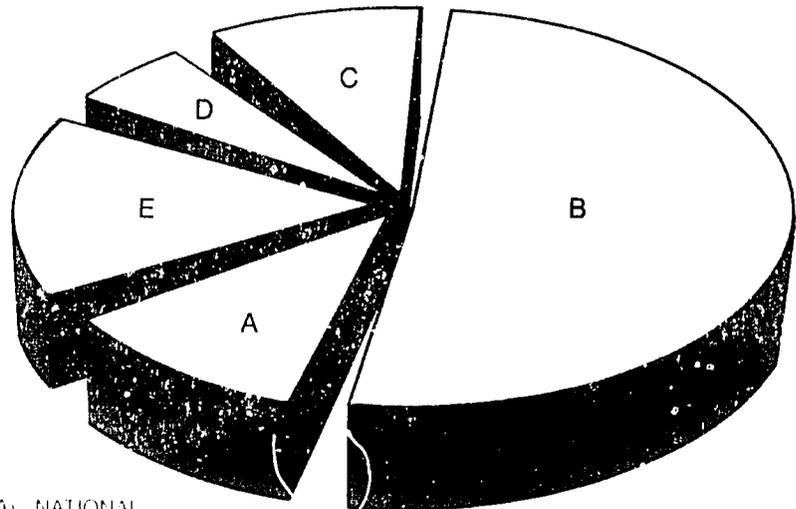
For the Year Ended November 30, 1981
(with comparative totals for 1980)

	Program Services			Supporting Services		1981 Total	1980 Total
	National	Inter- national	Public Policy	Adminis- trative	General Support		
Salaries	\$175,100	\$ 601,900	\$133,000	\$121,600	\$401,800	\$1,433,400	\$1,113,500
Contract salaries	68,200	155,900	133,000	10,600	2,500	370,200	214,300
Pension cost				18,700		18,700	12,400
Payroll taxes				98,100		98,100	59,100
Insurance and other taxes	1,000	5,000	400	136,700	2,600	145,700	120,400
Reimbursed capital expenditures		22,300				22,300	284,200
Office and supplies	32,300	22,100	18,800	9,800	65,100	148,100	117,600
Food service	300	500	100	3,200	64,700	68,800	62,500
Utilities	2,700	4,900		400	147,600	155,600	133,700
Employee allowances	900	33,800	500	21,200	3,600	60,000	54,500
Repair and maintenance	8,600	53,700	3,600	4,900	190,300	261,100	167,400
Professional fees				19,800	10,400	30,200	20,600
Travel	30,000	233,600	43,700	27,200	4,600	339,100	259,500
Depreciation					82,400	82,400	56,600
Rent		16,800			7,900	24,700	7,800
Outside computer costs	1,400	1,400	100	100	5,900	8,900	14,500
Education and training materials	35,000	309,500	10,200	1,900	4,200	360,800	94,600
Interest expense				1,200	2,700	3,900	3,700
Interdepartmental charges	37,700	26,400	5,700	15,700	(85,500)		
Sub-total	393,200	1,487,800	349,100	491,100	910,800	3,672,000	2,796,900
Allocation of supporting services	84,800	370,800	83,200	(198,600)	(340,200)		
Total	\$478,000	\$1,858,600	\$432,300	\$292,500	\$570,600	\$3,672,000	\$2,796,900

The accompanying notes are an integral part of these financial statements.



Functional Expenses



- (A) NATIONAL
- (B) INTERNATIONAL
- (C) PUBLIC POLICY RESEARCH
- (D) ADMINISTRATION
- (E) GENERAL SUPPORT

Notes to Financial Statements

NOTE 1 — Organization and summary of significant accounting policies:

Organization

Winthrop International Livestock Research and Training Center, Inc. (Center) was incorporated under the Arkansas Nonprofit Corporation Act on May 15, 1975.

The primary objective of the Center is to conduct national, international, and public policy programs which encompass agricultural research and training activities. These programs are supported by the Center's administrative offices and staff and by other general supporting services. Programs and supporting services are funded primarily by investment income and endowments received from the Winthrop Rockefeller Charitable Trust.

Investments

Investment assets are recorded at fair market value based upon last reported sales prices from national stock exchanges in effect at the first business day of the fiscal year. Changes in realized appreciation (depreciation) of investment assets are reflected currently in capital contributions.

Investment transactions are recorded on trade date (date that asset is sold). Gains and losses are reflected currently as net income and loss.

Property and equipment

Real estate, property and equipment purchases are capitalized and recorded at cost. Depreciation is computed using the straight line method, based upon estimated useful lives (generally, depreciable real property, 3-10 years for other property and equipment).

Capital contributions

The Center is funded primarily by endowments of cash and marketable securities from the Winthrop Rockefeller Charitable Trust. The Center has no rights to any investment income and may market and reinvest the securities; however, it must maintain available for refund the cash and securities received or obtained through reinvestment. Trustees of the Charitable Trust have retained the right of refund, for a limited time such time as the trustees are discharged of any further responsibility with respect to the estate of the late Mr. Winthrop Rockefeller. Management does not anticipate being required to return endowments; accordingly, distributions from the estate have been recognized as capital contributions.

Revenues

Contributions are considered to be available for general use unless specifically restricted by the donor. Contributions restricted by specific purposes are recorded as revenue when the related expenditures are made in compliance with the intent.

Revenues from program services are recorded when earned. Advance payments for program services are recorded

as deferred revenue until the applicable expenses are incurred.

Investment income earned from endowments which is available for unrestricted use is recorded as revenue when earned.

Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of revenues and expenses. Certain costs, including maintenance of the Center's headquarters and conference center, have been allocated to respective program services and administration of operations and summarized in the statement of functional expenses.

Income taxes

The Center is a publicly supported organization exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code; accordingly, there is no provision for income taxes in the accompanying financial statements.

Donated services

Donated services having measurable value are included in other income and salary expense. Services having a value of \$71,300 and \$71,400 were donated during the years ended November 30, 1981 and 1980, respectively.

NOTE 2 — Investments:

Investments at market value are comprised of the following:

	November 30,	
	1981	1980
Cash equivalents	\$ 1,667,100	\$ 5,293,600
U.S. government obligations	1,381,400	
Corporate bonds	3,798,300	3,352,300
Corporate stocks	6,114,300	6,031,300
Investment in a limited partnership (Note 5)	500,000	
	\$13,461,100	\$14,677,200

The market value at date of receipt of contributed securities and the cost of purchased securities at November 30, 1981 and 1980 total \$13,687,300 and \$12,638,600, respectively.

Since November, 1977, the Center has received four partial distributions of its endowment from the Winthrop Rockefeller Charitable Trust aggregating \$12.5 million. No distributions were received in fiscal 1981; fiscal 1980 distributions totalled \$7,160,000 in cash and marketable securities.

In February, 1982, the Center received an additional distribution from the Charitable Trust in the form of cash and marketable securities in the amount of \$2,500,000 and, based on consultation with the trustees of the Charitable Trust, Center management expects to receive additional endowment grants of cash, marketable securities and real and personal property (Note 4). These endowments are recognized as capital contributions in the period received and, accordingly, are not reflected in the accompanying financial statements.

NOTE 3 — Debt:

Long-term debt is comprised of the following:

	November 30,	
	1981	1980
8.75% bank loan, payable at \$167 monthly, including interest, through September, 1991, secured by land and dwelling at Petit Jean Mountain, Arkansas	\$ 13,100	\$ 13,900
8.75% bank loan, payable at \$240 monthly, including interest, through January, 2005, secured by land and dwelling at Greenhrier Arkansas	28,500	28,700
10% and 16% loans, to various equipment vendors, payable in monthly installments, including interest, with varying maturity dates through July, 1985, secured by equipment purchased	46,400	27,900
	88,000	70,500
Less portion due within one year	19,700	9,600
	\$ 68,300	\$ 60,900

NOTE 4 — Property and equipment:

Property and equipment is comprised of the following:

	November 30,	
	1981	1980
Land	\$ 16,500	\$ 16,500
Buildings	731,000	244,300
Equipment	221,700	136,500
Furniture and fixtures	392,700	309,400
	\$1,361,900	\$706,700
Less accumulated depreciation	203,300	120,900
	\$1,158,600	\$585,800

During fiscal 1980 the Center received a \$400,000 grant from the Winthrop Rockefeller Charitable Trust for restoring, renovating and remodeling the facilities of the Center. The contribution has been recognized as revenue in fiscal periods when the related expenditures were made. \$32,700 of revenue was recognized in fiscal 1980, \$367,300 was deferred at November 30, 1980 and recognized as revenue in fiscal 1981.

The Center is permitted to use and is charged with maintaining certain real and personal property on Petit Jean Mountain near Merrillton, Arkansas, owned by the Estate of Winthrop Rockefeller (Note 5). It is anticipated that title to these properties will be conveyed to the Center which will record them as assets at that time.

NOTE 5 — Related party transactions:

The Center maintains business relationships with other entities directly or indirectly related to the Center and its benefactor, the Winthrop Rockefeller Charitable Trust. Transactions with such related parties consist primarily of contributions and investment advisory services.

In addition to capital contributions (Note 2), the Center received revenue in the form of contributions from the Charitable Trust aggregating \$1,167,300 and \$332,700 during the years ended November 30, 1981 and 1980, respectively. During the year ended November 30, 1981, the Center received contributions aggregating \$109,100 from other organizations related to the late Mr. Winthrop Rockefeller and his estate which have been recorded as revenue.

The Center is permitted to use certain properties owned by the Estate of Winthrop Rockefeller (Note 4). No objective determination can be made on the value of such services, and no amounts are included in the accompanying financial statements for the Center's use of the properties.

Investment advisory services are provided to the Center by one of the Center's directors and by an organization related to the Estate of the late Mr. Winthrop Rockefeller and the Winthrop Rockefeller Charitable Trust. Transactions with these parties, in the opinion of the management, are in the ordinary course of business of executing investment decisions made by the Board of Directors through its Investment Committee. At November 30, 1981, the Center maintained an investment of \$500,000 in a limited partnership sponsored by the Rockefeller related company.

Report of Independent Accountants

To the Board of Directors of
Winrock International Livestock Research and Training Center, Inc.

In our opinion, the accompanying balance sheet and the related statements of revenues and expenses, of changes in fund balances, of changes in financial position, and of functional expenses present fairly the financial position of Winrock International Livestock Research and Training Center, Inc. at November 30, 1981 and 1980, and the results of its operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Little Rock, Arkansas
February 12, 1982

Pricewaterhouse