



# American Botanical Council

*Annual Report for the Fiscal Year  
November 1, 2005 through October 31, 2006*

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## Overview of American Botanical Council

The American Botanical Council (ABC) is a non-profit member-based organization dedicated to educating the public on the safe and effective use of herbs and phytomedicine. We provide educational materials to consumers, healthcare professionals, researchers, industry professionals, and the media. We publish the acclaimed journal, HerbalGram and a other science-oriented educational publications on the traditional use of herbs and medicinal plants and their modern, evidence-based properties.

***Our Vision: The public makes educated, responsible choices about herbal medicine as an accepted part of healthcare.***

***Our Mission: To provide education using science-based and traditional information to promote responsible use of herbal medicine — serving the public, researchers, educators, healthcare professionals, industry, and media.***

ABC is a global leader in providing educational, science-based information regarding the responsible use of herbs and phytomedicines. ABC was incorporated in November 1988 as a

nonprofit, tax-exempt 501 (c)(3) research and education organization. As an independent information clearinghouse on the topic of herbal medicine, ABC's mission is to provide education using science-based and traditional information to promote responsible use of herbal medicine to consumers, healthcare professionals, governmental agencies, the herbal products industry, and the media.

ABC produces and distributes a wide range of publications, and conducts educational programs and projects intended to further the professional education of healthcare practitioners. ABC projects and concerns span the globe. ABC's vision is for a public that makes educated, responsible choices about herbal medicine as an accepted part of healthcare.

ABC is headquartered in a renovated historic homestead on the east side of Austin, Texas, which was built in the 1850s by one of Texas' first millers. The 2.5-acre site is landscaped with medicinal demonstration gardens and features a greenhouse, a rainwater collection system and incorporates "green" practices in the buildings and grounds. The "Annex" or Herbal Education and Research Center houses the library, an archive of resources and historical documents, plus a conference room used for classes and events.

ABC is presented to Federal employees around the world in the Combined Federal Campaign and in state campaigns in Texas and California under the name Herbal Medicine Institute. This name is presented in the alphabetic listings and accompanies the ABC name as well. ABC is audited annually. Based on the 2005 audit reports and accepted calculations, the portion of ABC income devoted to administration and fundraising is 23% of the total revenue.

## Finances

American Botanical Council generated revenues of \$1,703,589 versus expenses of \$1,501,906 for the fiscal year ending October 31, 2006, resulting in a net operating income surplus of \$201,682.

Membership and donations accounted for \$1,240,050 in revenue (72% of total revenues); sales and services generated \$305,137 (18%); and advertising revenue from HerbalGram generated \$110,820 (7%).

Expenses were primarily comprised of salaries and benefits totaling \$744,560 (50%), contractual and professional services at \$198,655 (13%), cost of sales, postage and freight at \$241,905 (16%), and advertising and promotion at \$123,770 (8%). A large portion of the salaries and other expenses are program related expenses.

<b>REVENUE</b>	
Membership	\$1,142,290.57
Donations	98,259.97
HerbalGram	110,820.58
Sales	89,917.64
Services	122,709.82
Content Licensing	92,510.00
Other Income	47,080.64
<b>TOTAL REVENUE</b>	<b>\$1,703,589.22</b>
Cost of Sales	157,881.21
<b>OPERATING EXPENSES</b>	
Salaries & Employee Benefits	774,559.74
Advertising & Promotion	123,770.96
Contractual Services	128,701.09
Depreciation	34,438.82
Interest Expenses	22,160.28
Outside services	50,606.38
Postage & Freight	84,024.17
Professional Services	19,348.21
Property & Casualty Insurance	16,698.97
Repairs & Maintenance	10,905.47
Supplies	26,039.37
Telephone & Utilities	40,729.56
Other Expenses	12,042.51
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,344,025.53</b>
<b>NET OPERATING INCOME</b>	<b>\$201,682.48</b>

## Programs & Services

During the fiscal year ending October 31, 2006, ABC expanded its current programs to better reflect the needs of our members while staying focused on fulfilling our mission to promote the responsible use of herbal medicine. ABC's core publications include our quarterly journal *HerbalGram*, the literature summary/review service HerbClip™, and our online resources, which include several searchable databases. Other programs include our internship rotations for pharmacy and dietitian students, continuing education for healthcare professionals, and certificate training for retail employees through the Herbal Information Course.

**HerbalGram:** Recent feature articles on Tibetan herbal medicine, Ayurvedic formulations and efforts to maintain sustainability of Indian medicinal plants, and the medicinal plants of Montenegro reflect not only our readers' interests in the many long-standing cultural traditions on medicinal plants but also the increasingly international scope of ABC's work. In addition, the recent issue features an extensive article on the scientific evidence supporting some botanists' proposal for a possible reclassification of the genus *Echinacea*, an issue that will surely continue to be discussed for several years hence.

**HerbClip™:** The HerbClip service now offers 14 summaries and critical reviews twice monthly, and the HerbClip Online database contains more than 3,000 searchable summaries and reviews of articles from literature from around the world. HerbClip covers some journal not indexed elsewhere.

**Online Resources at [www.herbalgram.org](http://www.herbalgram.org):** ABC's website contains password-protected content available only to Members. Portions of every database contain content open to the public. Each month, ABC online resources receive approximately 1 million hits from more than 200,000 visitors. ABC's newest online database is **Healthy Ingredients**, which includes more than 100 overviews of herbs and other ingredients used for body care, skin care, aromatherapy, and dietary supplements. The overviews highlight the historical and current uses, modern research from human clinical studies, and the future outlook which addresses the availability, market statistics, and sustainability of each ingredient. ABC's website, [www.herbalgram.org](http://www.herbalgram.org), will undergo a major update and conversion early in 2007. We have contracted with Convio, an email marketing and web-hosting site, to help ABC better serve our Members with improved electronic communications and ecommerce functions. Members will continue to receive password-protected access to restricted portions of the site, but will be asked to update their electronic profiles so that ABC can better direct appropriate electronic communications to them. Internally, the conversion to Convio will help ABC better use staff resources, will help to better serve ABC's content licensees, and will completely automate all financial transactions conducted online.

**HerbStream™:** ABC's website educational content licensing program, HerbStream, offers the same educational content available on [www.herbalgram.org](http://www.herbalgram.org) to ABC Members for licensing on e-commerce, university and other websites, as an educational resource for consumers, students, etc. Currently 15 companies and universities, along with the FDA and MD Anderson Cancer Center, license one or more of ABC's databases for their websites, generating thousands of

visitors each month to ABC information. On the licensee sites, the content is not password protected.

**Internship Program:** ABC offers year-round internship rotations for Pharm-D pharmacy students and Dietitian students both in their final year of study, helping them understand the vital role that herbs and medicinal plants play in selfcare and healthcare and how they can incorporate them into their future professional practice. Journalism interns also work at ABC and assist with *HerbalGram* and other editorial projects.

**Continuing Education:** *The ABC Clinical Guide to Herbs* is accredited for continuing education for five healthcare professions: physicians, nurses, naturopaths, pharmacists and dietitians.

**Herbal Information Course:** During 2006, ABC launched the second of its training and certification courses for retail employees, MLM distributors, and others who speak to consumers about herbs. Several large retail chains, including Whole Foods, Vitamin Cottage, Vitamin Shoppe, and many independent stores, have chosen to educate their employees through ABC's Herbal Information Course, which provides annually renewable certification, and a store decal announcing an Herbal Information Specialist on Staff. To date, more than 2,000 courses have been purchased.

**Outreach:** ABC worked closely with and cooperated with four other herbal organizations to launch the first HerbDay, an international grassroots campaign designed to raise public awareness about the significance of herbs in our lives and the many ways herbs can be used safely and creatively for health, beauty care, and culinary enjoyment. Events around the nation, and at the US Botanic Gardens, attracted thousands of participants.

## Organizational Development & Strategic Planning

During the fiscal year ending October 31, 2006, ABC's staff and Board of Trustees embarked on a strategic planning process to help move ABC to the next level of organizational growth. The staff and Board are currently working on a 3-5 year plan for ABC, which includes plans for expanding editorial projects and staff, as well as marketing efforts to increase Membership and revenue, and to help us further accomplish our mission. The program will continue into FY 2007.

## Summary

ABC experience steady growth during Fiscal Year 2006 and ended the year more than \$200,000 over projected year end operating income. With revenues totally more than \$1.7 million, ABC will be able to project growth into 2007 that will permit the implementation of new programs and initiatives. New energy from the Board of Trustees including an energetic new member also has infused ABC with an expanded view of the future. Hopes are also high for an expanded base of core members with the implementation of the new website in 2007 hosted by Convio. The overall picture of 2006 was good and the future looks equally positive.

## Board of Trustees of the American Botanical Council

**Michael J. Balick, Ph.D.**

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Institute of Economic Botany  
The New York Botanical Garden  
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President  
Sustainable Solutions Consulting Services  
Sebastopol, CA

**Peggy Brevoort**

ABC Board President  
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**James A. Duke, Ph.D.**

ABC Board Member Emeritus  
Economic Botanist (USDA, ret.)  
Author,  
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**Norman R. Farnsworth, Ph.D.**

Research Professor of Pharmacognosy  
Program for Collaborative Research  
in the Pharmaceutical Sciences  
University of Illinois at Chicago

**Steven Foster**

ABC Board Vice President  
President, Steven Foster Group, Inc.  
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**Fredi Kronenberg, Ph.D.**

ABC Board Secretary  
Director, Rosenthal Center for  
Complementary & Alternative Medicine  
Department of Rehabilitation Medicine  
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Physicians & Surgeons  
New York, New York

**Morris Shriftman**

ABC Board Treasurer  
Senior Vice President of Marketing  
Avalon Organic Products  
Petaluma, California

**Mark Blumenthal**

ABC Board Member Ex-Officio  
Founder and Executive Director  
American Botanical Council

## History & Highlights

1983	<ul style="list-style-type: none"><li>• <i>HerbalGram</i> launched.</li></ul>
1988	<ul style="list-style-type: none"><li>• ABC incorporated.</li></ul>
1992	<ul style="list-style-type: none"><li>• HerbClip™ launched.</li></ul>
	<ul style="list-style-type: none"><li>• Initiated the Pharmacy Continuing Education Program.</li></ul>
1993	<ul style="list-style-type: none"><li>• Ginseng Evaluation Program initiated to review North American ginseng products in order to increase consumer confidence by determining if product contents meet label claims.</li></ul>
	<ul style="list-style-type: none"><li>• Undertook the translation and publication of the German Commission E monographs.</li></ul>
	<ul style="list-style-type: none"><li>• Created an extensive mail-order catalog offering a large assembly of scientifically-based and difficult-to-find medicinal plant books, videos, audiotapes, CD-ROMs, databases and more.</li></ul>
	<ul style="list-style-type: none"><li>• Offered first on-site Pharmacy Continuing Education Program courses on herbal medicine.</li><li>• Began cosponsoring ethnobotanical tours for continuing education credit.</li></ul>
1995	<ul style="list-style-type: none"><li>• Published the first in a series of Herbs &amp; Health pamphlets.</li></ul>
	<ul style="list-style-type: none"><li>• Offered first Pharmacy Continuing Education Program home study courses.</li></ul>
1996	<ul style="list-style-type: none"><li>• Launched Capital Campaign to purchase Case Mill Homestead and create ABC's Herbal Education and Research Center.</li></ul>
	<ul style="list-style-type: none"><li>• Initiated Traditional Medicine Research Project to document regulation and approval of herbal medicines in six industrialized nations. The Executive Summary was presented before the President's Commission on Dietary Supplement Labeling.</li></ul>
	<ul style="list-style-type: none"><li>• Contracted to produce proceedings of the National Institute of Health's Office of Alternative Medicines, 1994 "Botanicals: A Role in U.S. Healthcare?" Conference.</li></ul>
	<ul style="list-style-type: none"><li>• Produced Pharmacy Continuing Education teleconference modules commissioned for Wal-Mart pharmacists nationwide.</li></ul>
1997	<ul style="list-style-type: none"><li>• Purchased the 140-year old Case Mill Homestead in Austin, Texas.</li></ul>
	<ul style="list-style-type: none"><li>• Received national attention through the media by addressing two major stories on adulterants in herbal products including plantain and a product labeled kava which contained no kava.</li></ul>
	<ul style="list-style-type: none"><li>• ABC website launched.</li></ul>
1998	<ul style="list-style-type: none"><li>• Moved ABC headquarters to the Case Mill Homestead</li></ul>
	<ul style="list-style-type: none"><li>• Hosted 450 people at industry and local community inaugural events of ABC's new Herbal Education and Research Center.</li></ul>
	<ul style="list-style-type: none"><li>• Published <i>The Complete German Commission E Monographs</i></li></ul>
1999	<ul style="list-style-type: none"><li>• <i>The Complete German Commission E Monographs</i> ranked #2 by Doody Publishing, the leading reviewer of medical titles. Chosen from more than 3500 published during 1998; the first alternative medicine book to qualify for this award.</li></ul>
	<ul style="list-style-type: none"><li>• Published HerbClip-on-CD 1996–1998</li></ul>

<b>1999 (cont)</b>	<ul style="list-style-type: none"> <li>• Hosted 600 people from Austin at a city-wide Rainwater Harvesting System demonstration</li> </ul>
	<ul style="list-style-type: none"> <li>• Initiated <i>The ABC Clinical Guide to Herbs</i>, a continuing education module.</li> </ul>
	<ul style="list-style-type: none"> <li>• Initiated <i>Herbal Medicine: Expanded Commission E</i>.</li> </ul>
	<ul style="list-style-type: none"> <li>• Established herbal workshop series for local community.</li> </ul>
<b>2000</b>	<ul style="list-style-type: none"> <li>• Published <i>Herbal Medicine: Expanded Commission E Monographs</i></li> </ul>
	<ul style="list-style-type: none"> <li>• HerbClip-on-CD 1996-1999 is published using greatly expanded search engine.</li> </ul>
	<ul style="list-style-type: none"> <li>• Established Herb-Ed-Web™ Content Licensing Program, to enable others to use ABC materials on their web sites.</li> </ul>
	<ul style="list-style-type: none"> <li>• Doody Publishing gives <i>Herbal Medicine: Expanded Commission E Monographs</i> a four star rating.</li> </ul>
	<ul style="list-style-type: none"> <li>• ABC publishes its 50th issue of <i>HerbalGram</i>.</li> </ul>
	<ul style="list-style-type: none"> <li>• Initiated manufacturer display advertising in <i>HerbalGram</i>.</li> </ul>
<b>2001</b>	<ul style="list-style-type: none"> <li>• New website launched</li> </ul>
	<ul style="list-style-type: none"> <li>• ABC becomes a member-based organization with new Charter Membership Program.</li> </ul>
	<ul style="list-style-type: none"> <li>• Media Education Campaign launched. ABC distributes 3 North American Precis Syndicate (NAPS) releases for ginkgo, saw palmetto and St. John's wort.</li> </ul>
	<ul style="list-style-type: none"> <li>• Mark Blumenthal is inducted into the Natural Health Hall of Fame with 30 international leaders.</li> </ul>
	<ul style="list-style-type: none"> <li>• Mark Blumenthal is listed among the top 10 innovators by Nutraceuticals World</li> </ul>
<b>2002</b>	<ul style="list-style-type: none"> <li>• ABC Launches HerbClip Online and <i>HerbalGram</i> Online</li> </ul>
	<ul style="list-style-type: none"> <li>• Thieme Medical publishers selected as the exclusive international distributor of <i>The ABC Clinical Guide to Herbs</i></li> </ul>
	<ul style="list-style-type: none"> <li>• Media Education Campaign continues with major press releases on kava kava and St. John's wort</li> </ul>
	<ul style="list-style-type: none"> <li>• Added HerbMedPro™ to Herb-Ed-Web™ content licensing program and as benefit of membership.</li> </ul>
	<ul style="list-style-type: none"> <li>• ABC receives North American Precis Syndicate certificate of excellence for superior achievement in media relations.</li> </ul>
<b>2003</b>	<ul style="list-style-type: none"> <li>• <i>The ABC Clinical Guide to Herbs</i> is published</li> </ul>
	<ul style="list-style-type: none"> <li>• Entered advertising-printing agreement with Rector-Duncan &amp; Associates for <i>HerbalGram</i></li> </ul>
	<ul style="list-style-type: none"> <li>• First Annual Medicinal Herb Fest held</li> </ul>
	<ul style="list-style-type: none"> <li>• Donated the American Botanical Council Heber Youngken Sr. Medicinal Plant Herbarium to Botanical Research Institute of Texas (BRIT)</li> </ul>
	<ul style="list-style-type: none"> <li>• First herb products bearing labels in ABC's Safety Labeling Program (based on ABC's Safety Information Sheets) reach the consumer</li> </ul>
	<ul style="list-style-type: none"> <li>• Media Education Campaign generates 90 million impressions in national media coverage.</li> </ul>

	<ul style="list-style-type: none"> <li>• Aveda sponsors fundraiser to launch <i>The ABC Clinical Guide to Herbs</i></li> </ul>
<b>2004</b>	<ul style="list-style-type: none"> <li>• Launched the ABC Herbal Information Course online with the collaboration of Virgo Publishing</li> </ul>
	<ul style="list-style-type: none"> <li>• Launched HerbalEGram, ABC's electronic newsletter for members.</li> </ul>
	<ul style="list-style-type: none"> <li>• In 2004, the Safety Assessment Program (SAP) was expanded to offer companies marketing herbal dietary supplements the use of ABC's peer-reviewed Safety Assessment Reports</li> </ul>
	<ul style="list-style-type: none"> <li>• The average number visitors per month at <a href="http://www.herbalgram.org">www.herbalgram.org</a> through direct access and our licensees exceeds 85,000, an increase of 59% over 2003</li> </ul>
	<ul style="list-style-type: none"> <li>• Herbal Body Care dataset added to website</li> </ul>
<b>2005</b>	<ul style="list-style-type: none"> <li>• HerbClip™ launches FasTrak articles to deliver more timely studies and articles from the literature to recipients</li> <li>• HerbClip™ launches HerbClip News.</li> </ul>
	<ul style="list-style-type: none"> <li>• The average number visitors per month at <a href="http://www.herbalgram.org">www.herbalgram.org</a> through direct access and our licensees exceeds 165,000.</li> </ul>
	<ul style="list-style-type: none"> <li>• Introduced Healthy Ingredients online database</li> </ul>
	<ul style="list-style-type: none"> <li>• Launched ABC Herbal Information Course 2</li> </ul>
	<ul style="list-style-type: none"> <li>• Virtual Garden Tour completed and posted on website</li> </ul>
<b>2006</b>	<ul style="list-style-type: none"> <li>• ABC announces HerbDay 2006, to be held in October 2006. ABC is part of a coalition of 5 non-profit herbal organizations planning grass root activities nationwide</li> </ul>
	<ul style="list-style-type: none"> <li>• First annual American Botanical Celebration, a banquet held at a national convention, thanking Sponsor Members and recognizing excellence in botanical research through the Norman R. Farnsworth Award and excellence in literature through the James A. Duke award.</li> </ul>
	<ul style="list-style-type: none"> <li>• New Board of Trustee Member elected: Neil Blomquist</li> </ul>
	<ul style="list-style-type: none"> <li>• Published new book with the Missouri Botanical Gardens, <i>The Identification of Medicinal Plants: A Handbook of the Morphology of Botanicals in Commerce</i></li> </ul>
	<ul style="list-style-type: none"> <li>• First HerbDay, October 14, 2006, launched with great success. ABC plays major role.</li> </ul>
	<ul style="list-style-type: none"> <li>• Embarked on a strategic planning process and long range plan</li> </ul>