

# AOCS



Since 1909

Your Global Fats and Oils Connection



# 2010 ANNUAL REPORT



# Letter from the President

In my opening address at the 101st AOCS Annual Meeting & Expo, I made some observations on the change occurring around us and the reality that AOCS must adapt to those changes in order to meet the needs of its worldwide membership in multiple disciplines. We continue our transition and evolution to match the prevailing environment and to anticipate where we need to adapt to meet future needs.

In 2010, we focused on five areas to improve AOCS and ensure a future of innovation and growth:

## 1. Financial Health and Responsible Fiscal Management

I'm pleased to report that we continue to show financial stability, and, in fact, we are showing some growth. AOCS has met or exceeded the forecast for the last five years. The resulting reserves have been well invested by our financial advisors to the extent that they are now contributing nicely to our income. In an economic world of too many negative economic surprises, that was a pleasantly positive one.

Worthy of note is our decision years ago to outsource publishing of our journals to Springer Science+Business Media. This continues to be a major success with much wider distribution than we could have achieved independently. It's a classic example of where it makes sense to outsource. In this case, when we asked, "What business are we in?" the correct answer is clearly knowledge transfer and networks. It causes us to consider where that model of focusing on our core competencies can be reapplied. The sales function has also been recently outsourced to enhance the identification of global opportunities for our products.

On the practical side, our fiscal strength has allowed us to pay down the mortgage on our new building such that it will be paid off in the next 18 months.

## 2. Increase Communication, Knowledge Management, and Networking Tools Across Membership

In the communication area, 2010 saw considerable progress with the complete redesign of our website to be more member-friendly. The project was funded by the AOCS Foundation. With an upgraded platform now in place, we are working on our ultimate goals — building member networking and opening innovation capability, hosting education programs developed through universities around the world, implementing page-flipping software, and launching a blog. In addition, the AOCS Foundation is funding the hardware to upgrade the staff email and server infrastructure. We recognize that virtual communication is a major part of our future.

## 3. Streamline the Governing Board

We continue to streamline the structure and operation of the AOCS Governing Board. Our goals are to reduce its size, balance representation to represent membership, and focus the Board on strategic issues. We completed the first year of a new election and nominations process specifically designed to result in a more deliberate set of competencies and representation. Additionally, the number of at-large members will be decreased by natural attrition as terms expire. In parallel, we are taking guidance from governance consultants on possible operational structure options. This is still a work in progress.

## 4. Increase Global Reach

Several initiatives have focused on extending our global reach. In partnership with the Indian Home & Personal Care Industry Association (IHPCIA), AOCS will begin publishing *C<sup>3</sup> Science*, a quarterly features magazine for professionals working in Indian personal care, cleaning, and cosmetics industries. The inaugural issue will be distributed to nearly 15,000 recipients.

## 5. Continuous Improvement in Major Scientific Meetings and Technical Services

It was a successful year for our big meetings. Following an excellent annual meeting in Phoenix, the Montreux 2010 meeting was a major success in every respect. Attendance including exhibitors was nearly 900, and there's no doubt that attracting the CEOs of Procter & Gamble, Henkel, and Unilever as speakers was well received and drew attendance and interest from around the globe. As is usual for this convention site, which provides excellent exhibit access, feedback from exhibitors was positive.

The success of the Montreux meeting, combined with the rapid development of the surfactant and detergent industry in Asia has led us to assess the possibility of a Singapore-based event of similar stature in 2012.

A core competence that shows continual growth and contribution to our financials is our Technical Services Department, and we are looking for ways to extend our reach. In this vein, we are following up on contacts with the Standard Methods for the Examination of Waste Water who are interested in the determination of surfactants and oils in waste water. We will be canvassing membership in these businesses for engagement in this Expert Panel. This a classic example where our core competence can be an outsourcing option to others.

It's been a year of progress, growth, and transition as we move forward with our eyes firmly focused on the future and our place in it to serve our ever-diversifying membership.

It's been a pleasure and honor to serve as your president, and in particular to work with the dedicated set of professional staff in Urbana-Champaign. I hand off the AOCS leadership with a sense of optimism that AOCS will continue its growth.

J. Keith Grime  
AOCS Governing Board President 2010-2011

# Letter from the Executive Vice President

2010 was a year of continuing growth and change within the AOCS organization and staff. AOCS is similar to most organizations in that we are continually working to adapt our strategy to keep up with the rate of change within the business environment. In a classic McKinsey article\* from 2003, when the full breadth and depth of economic change was far from revealed, the authors identified four conditions for managing organizational change including:

1. a purpose to believe in
2. reinforcement systems
3. the skills required for change
4. consistent role models



More recently, McKinsey interviewed authors Chip and Dan Heath about their research leading to a new book, *Switch: How to Change Things When Change Is Hard\*\**. They emphasize the emotional versus rational part of change. Specifically, that our minds can understand why we need to change, but that 90 percent of our ability to change is emotional, and that 90 percent is harder to convince!

Even with a tightly reined budget, we are succeeding in serving the technical, research, education, and information needs of professionals, both within our membership and outside of it. AOCS attempts grand things, with almost no margin for error, primarily based upon the huge talents of our members, who continued to generate books, articles, and collaborative studies. Without grants or government aid to sustain us, we launched products into the marketplace, developed by and for you and your colleagues. And in this high-risk business environment that is deeply affected by the change around us, we moved forward with the will and intent to provide you with the professional information and network you require.

We are proud to report that we had another year in the black, earned interest income on our investments, collected money through our Foundation, reduced our building debt to less than four percent of our annual budget, and are ready to invest in the future. Since you, our members, are our only shareholders, it is to your sole benefit that our resources continue to grow.

It seems that the one thing that hasn't changed throughout this decade of change has been the mission of AOCS, which drives everything we do. We continue to be:

"... a global forum to promote the exchange of ideas, information, and experience, to enhance personal excellence, and to provide high standards of quality among those with a professional interest in the science and technology of fats, oils, surfactants, and related materials."

Jean Hinton  
Executive Vice President

\*McKinsey Quarterly, June 2003, Lawson and Price

\*\*McKinsey Quarterly, March 2010 ([www.mckinseyquarterly.com/article](http://www.mckinseyquarterly.com/article))

# Publications

In 2010, AOCS Press Books and Special Publications continued to shed its print shell and extend its reach into global markets. Via the innovative Books Plus CD-ROM products, as well as AOCS eBooks and individual eChapters, AOCS content remains instantly available for use anywhere in the world. This made it possible for purchasers to use AOCS products in their training programs, for customized “mix and match” content in classrooms, or as needed for research.

Google, another AOCS partner in content distribution, invited AOCS Press to be part of the commercial Google Editions program. Therefore, AOCS content now resides in the Google global library. AOCS book chapters remain part of the online databases FOODnetBASE, NUTRITIONnetBASE, and CHEMLIBnetBASE of CRC/Taylor & Francis, longtime AOCS partners in book publishing. The AOCS content also continues to be available via Knovel and Research & Markets.

AOCS journals (*Journal of the American Oil Chemists' Society*, *Lipids*, and *Journal of Surfactants and Detergents*) had another year of growth. In 2010, AOCS journals recorded over a half million individual article downloads. In addition, more than 5,000 worldwide institutions now have electronic access to journal content. *inform*, the AOCS member magazine, introduced an enhanced online version in a “page-flipping” format, which closely simulates the experience of reading a traditional print publication.

2010 publishing highlights include a tighter focus on our core subject areas:

- Canola was a focus in 2010, with the release of the fourth volume in the AOCS Monograph Series on Oilseeds: *Canola: Chemistry, Production, Processing, and Utilization* (edited by James K. Daun, N.A. Michael Eskin, and Dave Hickling); and the proposal for *Recent Advances in Canola Research*.
- The following AOCS Press books were released as Books Plus:
  - *Hydrogenation of Fats and Oils: Theory and Practice*, 2nd Edition (edited by Gary R. List and Jerry W. King)
  - *The Biodiesel Handbook*, 2nd Edition (edited by Gerhard Knothe, Jürgen Krahl, and Jon Van Gerpen)
  - *Single Cell Oils: Microbial and Algal Oils*, 2nd Edition (edited by Zvi Cohen and Colin Ratledge)
  - *Microscopic Analysis of Agricultural Products* (edited by James Makowski, Neil Vary, Marjorie McCutcheon, and Pascal Veys)
- In conjunction with AOCS Press, CRC/Taylor & Francis continued to work on *Distillers Grains: Production, Properties, and Utilization* (AOCS-T&F 7/11).
- AOCS, along with the Sociedade Brasileira de Óleos e Gorduras (SBOG) and Editora Blücher, finalized the second and third volumes of *Temas Selectos en Aceites y Grasas - Volumen 2, Chemistry*, and *Volumen 3, Applications*.



Technical Services, the foundation of AOCS, continued work on its goal of facilitating global trade and laboratory integrity. 2010 was another year to celebrate, with strong sales of the 6th Edition of the *Official Methods and Recommended Practices of the AOCS* and continual progress in method development, the Laboratory Proficiency Program, and expert panels.

Department highlights included:

- Several developments in AOCS Methods:
  - A pre-collaborative study on AOCS Official Methods Ce 1j-07, *Determination of Fatty Acids in Extracted Fats by Capillary GLC*, and Ce 1k-09, *Direct Methylation of Lipids in Foods for the Determination of Total Fat, Saturated, cis-Monounsaturated, cis-Polyunsaturated, and trans Fatty Acids by Gas Chromatography*, generated results indicating these methods would become industry standards for fat analysis and labeling. A full collaborative study began in July 2010.
  - As part of the Cognis QTA System, the AOCS Standard Procedure Method Ck 2-09, *Determination of Various Properties of Biodiesel by the QTA® System Method*, passed sub-committee vote in June and moved to the main vote in December where it was approved for inclusion in *ASTM D6751 - 10 Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels*.
  - AOCS Official Method Cd 3-25, *Saponification Value*, was revised after technical changes were approved by the Uniform Methods Committee and implemented by the AOCS Technical Services Department.
  - A pre-collaborative study began on AOCS Recommended Practice Cd 28-10, *Glycidyl Fatty Acid Esters in Edible Oils*. This method will be used for the determination of glycidyl (glycidol) fatty acid esters (GEs) in edible oils using double solid-phase extraction (SPE) and liquid chromatography – mass spectrometry (LC-MS) using HPLC.
- The Laboratory Proficiency Program continued to excel in helping laboratories achieve technical excellence and peak performance. In 2010, the Tallow and Grease and Olive Oil series saw significant participation increases.
- Technical Director, Richard Cantrill, continued to lead AOCS olive oil, process contaminants, and biodiesel expert panels.
- Technical Specialist, Gina Clapper, received the National Biodiesel Board's (NBB) 2010 "Eye on Biodiesel Award."

#### AOCS Technical Liaison

Technical Services represents AOCS at numerous trade shows and events each year. Notable in 2010 were:

- NBB Biodiesel Conference and Expo (Grapevine, Texas, USA)
- Second Annual Biofuels Law and Regulation Conference (Champaign, Illinois, USA)
- AEIC Fall 2010 Meeting (Lincoln, Nebraska, USA)
- 101st Annual Meeting of the Association of American Feed Control Officials (Portland, Oregon, USA)
- Algal Biomass Summit (Phoenix, Arizona, USA)

- AACC International Annual Meeting (Savannah, Georgia, USA)
- 124th AOAC Annual Meeting and Expo (Orlando, Florida, USA)
- IOC Chemists' Meeting (Madrid, Spain)
- NBB Biodiesel Technical Workshop (Jacksonville, Florida, USA)
- ASTM International D02 Petroleum Products and Lubricants Meeting (Jacksonville, Florida, USA)

#### 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).

In 2010, AOCS met with officials from the American Seed Trade Association (ASTA) to discuss future partnerships in international standards activities. AOCS also attended the second plenary meeting of SC 16 in Tokyo, Japan in February, 2010, as well as US TAG meetings in Research Triangle Park, North Carolina, USA, and Lincoln, Nebraska, USA.

#### Soybean Quality Traits Analytical Standards Program

The Soybean Quality Traits Program (SQT) continued to receive funding from the United Soybean Board (USB Project 1225 and 1311), with the purpose of increasing confidence in analytical measurement throughout the soybean industry. This is accomplished through the dedicated proficiency scheme, the new method development committees, the low-linolenic survey, and open lines of communication.

In 2010, SQT helped bring Monsanto's Crop Analytics Mobile Laboratory (CAML) to the 101st AOCS Annual Meeting & Expo for tours and demonstrations. At the AOCS Annual Meeting, SQT was invited to contribute a chapter to an AOCS monograph entitled *Designing Soybeans for 21st Century Markets*.

The Program Manager represented SQT and AOCS at various conferences in 2010, including:

- USB Seed Composition Meeting (St. Louis, Missouri, USA)
- Pittcon (Orlando, Florida, USA)
- Commodity Classic (Anaheim, California, USA)
- Ag Innovation Showcase (St. Louis, Missouri, USA)
- 2010 Center for Analytical Instrumentation Development meeting (West Lafayette, Indiana, USA)
- International Diffuse Reflectance Conference (Chambersburg, Pennsylvania, USA)
- 13th Biennial Molecular & Cellular Biology of the Soybean Conference (Durham, North Carolina, USA)
- National Conference on Weights and Measures Grain Analyzer Sector (Kansas City, Missouri, USA)
- Soya & Oilseed Summit (Minneapolis, Minnesota, USA)
- Federation of Analytical Chemistry & Spectroscopy Societies meeting (Raleigh, North Carolina, USA)
- USB CONNECTIONS (St. Louis, Missouri, USA)
- ASTA Corn & Sorghum and Soybean Seed Research Conference 2010 (Chicago, Illinois, USA)

# Meetings and Educational Services



Each year, the AOCS Meetings and Exhibits Department facilitates knowledge acquisition and networking throughout the global fats and oils community by organizing events worldwide. This ongoing outreach enables AOCS to provide members, other professionals, and students the opportunity

to preview the latest research and discuss current issues facing fats and oils related interests around the world.

In 2010, AOCS involved more than 3,000 people globally in the exchange of knowledge and scientific information, an attendance increase of nearly 1,000 people compared to 2009.

- AOCS ushered in the start of its second century by providing professionals from 49 different countries the opportunity to experience the science and business dynamics driving the global fats and oils industries at the **101st AOCS Annual Meeting & Expo**, held May 16-19 at the Phoenix Convention Center in Phoenix, Arizona, USA. Attendance saw a significant boost, thanks in part to intriguing theories and research results delivered through 480 oral presentations and 216 poster presentations. Those in attendance also had the chance to participate in five Hot Topic/General Interest Symposia covering issues that included what edible oil technologists need to know, the challenges and opportunities seen in lipids and oil/fats education and curriculum development, food safety management, high-protein diets, and weight management and value-added fats and oils. The Annual Meeting & Expo was also host to exhibiting companies, with a total of 89 booths sold.
- In addition, more than 170 attendees took advantage of a series of short courses made available prior to the 101st AOCS Annual Meeting & Expo. The courses offered included:
  - **Lipid Oxidation and Health Short Course: From Chemistry to Nutrition**
  - **Basics of Edible Oil Processing and Refining Short Course**
  - **New Technologies in Oilseed Extraction and Edible Oil Refining Short Course**
- AOCS and its Australasian Section organized the **19th International Symposium on Plant Lipids**, in Cairns, Australia, from July 11-16. It was the first time this event was held in Australia. Aimed at bringing together the world's leading plant lipid scientists, the conference sets the stage for innovation within the plant-oil-based industries. ISPL 2010 highlighted the multitude of ways basic plant lipid science is beginning to yield technologies that will be important in addressing the future food, nutrition, and industrial needs of society. ISPL 2010 was attended by nearly 200 delegates from 29 countries.
- Global leaders met at the prestigious **Montreux 2010—the 7th World Conference on Detergents** to shape the future of the fabric and home care industries from October 4-7 in Montreux, Switzerland. Well-attended with 892 participants from 57 countries, the program offered 20 high-level oral presentations, 36 poster presentations, and 40 exhibiting companies at the sold-out exhibition. In a new twist for 2010, the CEOs from the top three detergent manufacturers presented their own unique perspectives on the detergents and cleaning products industry as well as their strategies for the future. Plans are already under way for Montreux 2014.
- Rounding out the AOCS Meetings and Exhibits calendar of events was the **9th International Symposium on the Role of Soy in Health Promotion and Chronic Disease Prevention and Treatment**, in Washington, D.C., from October 16-18. Attended by 150 delegates from 20 different countries, this influential symposium presented data confirming the health benefits of soy in a variety of well-researched areas as well as several potential new benefits. Session highlights included late-breaking breast cancer research offering reassurance that soyfoods are not only safe but are, in fact, beneficial to breast cancer patients and women in high-risk categories. Other topics of interest included how soyfoods can reduce cholesterol and the risk of coronary heart disease, the ability of soy to improve skin health, and how isoflavones can improve the prognosis of children diagnosed with a particular fatal genetic disease.

# Membership

AOCS is continually working to help its members stay informed of scientific breakthroughs and industry trends. After all, it is members and their contributions that make up the true value of AOCS.

In 2010, AOCS welcomed 759 new individual members and 18 Corporate Members at the Bronze or Silver level. The AOCS Annual Meeting & Expo registration offer and the Member-Get-A-Member (MGM) programs were once again successful membership campaigns. The Annual Meeting offer brought in 301 new members, while the MGM program brought in 107 new members. AOCS ended the year with 4,201 individual members and 110 Corporate Members.

Membership highlights from 2010:

- **Sections** assisted the Society in reaching local markets and AOCS members around the globe. The Australasian, Asian, and Indian Sections hosted local meetings, and all Sections had leadership meetings in which either AOCS staff or AOCS Governing Board members attended.
- **Divisions** improved the AOCS information exchange by hosting quality technical sessions at the 101st AOCS Annual Meeting & Expo, along with hosting networking opportunities and collaborating with related organizations' meetings.
- **Enhanced Benefits** were offered, including the new \$75 credit toward eChapters – electronic chapters of some of the best-selling books from AOCS Press. The new member benefits complement the existing benefits, providing another avenue for members to access the information necessary for research projects to forecast industry trends and assist professional growth. With the enhanced membership benefits, AOCS strives to give its members the opportunity for interaction with experts worldwide, along with promoting knowledge and relationship building.

To understand the needs and interests of members, AOCS conducted a “Member Satisfaction” survey. The information helped assess the degree to which AOCS is meeting expectations and target areas where AOCS can improve. Highlights from the survey include:

- Members have a favorable opinion of AOCS. Most agree that AOCS is the premier scientific authority in the oil chemistry field (88 percent). And when asked, “Overall, how satisfied are you with your AOCS membership?” 89 percent expressed satisfaction, while only two percent expressed dissatisfaction.
- Most people became aware of AOCS through colleagues and employers. Individuals join in order to belong to a professional organization and choose to renew their membership for the same reason. AOCS has a reputation as a trusted organization.
- Members expressed the strongest desirability for potential programs, products, and services like an AOCS e-Library, a multi-year membership at a discounted rate, professional networking sites, and customized news content.



## Foundation

In 2010, the AOCS Foundation continued to increase donations. The Influencing Innovation Campaign kicked off in May, and is structured to raise funds to support the research and development of new products and services for AOCS constituents.

Notable accomplishments made possible by generous donors in 2010 included:

- **Access** to [www.aocs.org](http://www.aocs.org), whose redesign was funded by the AOCS Foundation
- **Connection** at the 101st AOCS Annual Meeting & Expo through support of email stations, Wi-Fi, the LAB, and abstract search kiosks.
- **Information** on the latest news through the *inform* SmartBrief (to be launched in 2011).

In addition, the Foundation Century Club raised approximately \$20,000 in its fourth year and grew to more than 551 members.

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

# Information Technologies

The re-launched AOCS and AOCS Foundation websites debuted in 2010. The AOCS website now provides a superior user experience with a family of sites structured in an intuitive manner. The site navigation has been designed according to best practices and emerging industry standards.

Thus far, the redesign has garnered impressive results:

- The main AOCS site, [www.aocs.org](http://www.aocs.org), previously received approximately 4,500 unique visits per month. It now receives an average of 8,500 unique visits per month, an impressive 88 percent increase.
- Usability testing on the new site showed a marked decrease in time to complete tasks, as well as a 100 percent task completion rate (compared to the 50 percent completion rate the old design yielded).
- An Alexa Site Audit revealed that the AOCS Search Engine Optimization (SEO) was effective, with [www.aocs.org](http://www.aocs.org) given an "A" for Reputation and Optimization.
- AOCS' "Web Presence" or "Traffic Rank" (based on aggregated historical traffic data with a combined measure of page views and users) also improved dramatically. AOCS was previously "unranked" but now enjoys a ranking position of 145,669 out of an estimated 180 million websites.

Other notables from 2010:

- The first live webcast for AOCS was successfully completed at the 101st Annual Meeting & Expo, with the AOCS Annual Business Meeting and Keynote Address streamed worldwide.
- The *inform* monthly cover story and free article have proven to be immensely popular web content, garnering an average of 17,000 views each month.
- Several new pages have been added to the Resources Section of the AOCS website, including pages on Saturated Fat, Omega-3, Process Contaminants, and Fish Oil.
- The ability to renew AOCS membership, Division and Section memberships, and purchase journal subscriptions was added to the Annual Meeting Online Registration.
- Social networking has also become a focus, with AOCS having a successful presence on Facebook, LinkedIn, and Twitter.



-  Follow us on Twitter
-  Fan us on Facebook
-  Join us on LinkedIn

# Financial

## AOCS and AOCS Foundation Combined Statement of Financial Position

For the year ending December 31, 2010

<b>Assets</b>	
Current Assets .....	\$3,514,643
Property and Equipment .....	\$1,701,133
Other Assets .....	\$458,284
<b>Total Assets .....</b>	<b>\$5,674,060</b>
<b>Liabilities and Net Assets</b>	
Current Liabilities .....	\$1,356,157
Long-Term Liabilities .....	\$103,007
Total Liabilities .....	\$1,459,164
Net Assets .....	\$4,214,896
<b>Total Liabilities and Net Assets .....</b>	<b>\$5,674,060</b>

## AOCS and AOCS Foundation Combined Statement of Activities

For the year ending December 31, 2010

<b>Support and Revenue</b>	
Publications .....	\$987,810
Education & Meetings .....	\$2,383,311
Technical Services .....	\$1,369,218
Membership .....	\$1,141,036
Investment Income .....	\$177,758
Fundraising .....	\$4,356
Other .....	\$19,042
<b>Total Support and Revenue .....</b>	<b>\$6,082,531</b>
<b>Expenses</b>	
Publications .....	\$1,012,166
Education & Meetings .....	\$2,271,746
Technical Services .....	\$1,196,657
Membership .....	\$728,787
Supporting Services .....	\$413,690
Fundraising .....	\$8,664
<b>Total Expenses .....</b>	<b>\$5,631,710</b>
<b>Increase in Net Assets .....</b>	<b>\$450,821</b>

The firm of Martin, Hood, Friese & Associates, LLC, Independent Public Accountants, audited the financial statements of AOCS for the fiscal year ending December 31, 2010. 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, 2010, 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.