



2016
**ANNUAL
REPORT**



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Letter FROM THE BOARD CHAIR



It was a busy and exciting 2016 for the National Honey Board! The NHB's Board of Directors appreciates this opportunity to share with you a brief recap of the year's activities. We also extend an invitation to attend NHB meetings, which are typically held in April and October, for more specific details of the programs completed by the NHB staff and agency partners.

Research is the foundation of NHB programming, and in 2016, two large research projects were conducted to better understand consumers and honey consumption. Armed with the results of these studies, the NHB has a better understanding of the target audience for future outreach efforts.

The FDA announced new labeling requirements this year, which include using "added sugar" on honey's nutrition panel. The NHB completed both qualitative and quantitative research to share with the FDA on what "added sugar" really means to a consumer. NHB staff and board are still in discussions with the FDA.

There has also been a renewed focus on retail marketing programs. The NHB is partnering with popular consumer packaged goods brands, which has allowed us to achieve a substantial impact for a relatively small investment.

On behalf of the Board, I would like to extend our appreciation to the NHB staff and agency partners for their passion and enthusiasm. With new program launches and the continued momentum gained by our ongoing programs, 2017 looks to be golden!

Visit www.honey.com to stay in touch.

Warm regards,

Jill Clark
Board Chair



Jill Clark
Chairperson
First Handler
Dutch Gold Honey Inc.
Lancaster, PA

Eric S. Wenger
Vice Chairperson
First Handler
Barkman Honey LLC
Hillsboro, KS

Brent Barkman
First Handler
Barkman Honey LLC
Hillsboro, KS

Charles Kocot
Secretary-Treasurer
Importer
C. M. Goettsche & Co. Inc.
Basking Ridge, NJ

Ronald Phipps
Importer
CPNA International, Ltd
East Norwich, NY

Mathias Leitner
Importer-Handler
Ecotrade International
Gilbert, AZ

Mark Mammen
Marketing Cooperative
Sioux Honey Association
Sioux City, IA

Douglas Hauke
Producer
Hauke Honey Corp
Marshfield, WI

Mark Jensen
Producer
Smoot Honey Company
Power, MT

Valeri Severson
Producer
Strachan Apiaries
Yuba City, CA

BOARD MEMBERS

Board members selected by the U.S. Secretary of Agriculture administer the program. USDA's Agricultural Marketing Service (AMS) provides oversight of the National Honey Board in accordance with the Commodity Promotion Research, and Information Act of 1996 and the Honey Packers and Importers Research, Promotion, Consumer Education and Industry Information Order. USDA encourages board membership that reflects the diversity of the individuals served by the programs.

MISSION

Drive consumption of honey in the U.S.

VISION

Inspire a passion for honey, nature's finest food, and an appreciation for the honeybees that make it possible.

PURPOSE

National Honey Board is the "hive" that unifies the industry to promote the natural purity of honey.

WE VALUE

COLLABORATION

Bringing the industry together for the common good

HONESTY

Being authentic, fair and honest in all our dealings

INNOVATION

Forward thinking yet purposeful to ensure long-term growth

TRANSPARENCY

Using a research- and fact-based approach in all communications

RESPECT

Balancing the needs of all industry members for the greater good

INTEGRITY

Upholding strong moral principles

GOALS

- ▶ Educate on the benefits of honey
- ▶ Increase honey demand with consumers, foodservice and ingredient channels
- ▶ Serve as the authoritative go-to resource for all things honey
- ▶ Unify the industry and facilitate communication



MARKETING PROGRAM OVERVIEW

There are many key trends occurring among Americans that honey is poised to take advantage of. From the increasing desire for “clean” labels, to the growing appreciation for food and where it comes from, to the passion Americans have for discovering new and unique foods, honey is at the forefront of many of these trends.

The National Honey Board’s marketing program is focused on leveraging these trends to increase consumption and preference for honey. Through a comprehensive integrated marketing program reaching consumers, retailers, ingredient manufacturers and foodservice chefs, the marketing program seeks to:

Inspire usage and preference of honey with consumers, foodservice and ingredient channels.

Educate on the importance of honey and its connection to pollinators and agriculture.





IN-HOUSE MARKETING

The National Honey Board has a comprehensive In-House Marketing program which seeks to educate consumers about the benefits and uses of honey through strategic partnerships and promotional campaigns. The In-House Marketing program provides creative usage ideas to consumers to inspire them to think about honey in new ways and showcase honey as a natural ingredient they can feel good about feeding to their families.

TASTE OF HOME COOKING SCHOOLS

The National Honey Board partnered with the Taste of Home Cooking Schools to promote honey in 140 markets during the spring and fall. The events highlighted honey in a unique way with a live, on-stage demonstration of the Grilled Chicken Salad with Honey-Jalapeño Vinaigrette (spring) and Prosciutto Wrapped Pork Tenderloin with Honey Poached Pears and Gorgonzola (fall).

- ▶ Featured multiple honey-inspired recipes and images in the cooking school magazine that is distributed to all the attendees of the shows.
- ▶ Created press releases highlighting honey's versatility with each season (spring and fall) that local media used for promotion.
- ▶ Taste of Home branded videos were created for ownership of the NHB where honey's versatility is highlighted across the menu.
- ▶ Taste of Home conducted an independent ROI study to gauge how well attendees remembered and will take action on the sponsorship, with the ultimate goal of inspiring attendees to purchase and use more honey.

FOOD FESTIVALS

The National Honey Board participated in the South Beach Food and Wine Festival and Feast Portland in an effort to promote new and inspiring uses of honey to consumers.

South Beach Food and Wine

conducted in conjunction with the Cooking Channel.

- ▶ Participated as a silver sponsor for the Grand Tasting event.
- ▶ Featured a master mixologist who created three honey-inspired drinks for attendees. The drinks included Honey Coconut Piña Colada, Honey Orange Crush Spritzer and Grilled Citrus Honey Lemonade.
- ▶ Chef David Guas, sponsored by the NHB, joined more than 25 chefs from around the country to participate in the second annual Meatopia.

Feast Portland

conducted in conjunction with *Bon Appetit*.

- ▶ Participated as a gold sponsor of the Grand Tasting, where the honey booth featured fun giveaways for visitors and honey sticks in three varieties—orange blossom, blackberry and buckwheat.
- ▶ Teamed up with Chef David Guas to have a presence at Brunch Village, which included sample distribution of the Bacon Cheddar Chive Scone and Honey and Yogurt Panna Cotta with Honey and Early Fall Granola.

IN-HOUSE MARKETING (CONTINUED)

BLOGGER PARTNERSHIP

The National Honey Board partnered with seven talented bloggers through Tasting Spoon Media to create two separate campaigns featuring honey.

- ▶ The first seven posts were rolled out the May/June and focused on grilling with honey to support the Honey Up Your Summer retail promotion.
- ▶ The second seven posts were promoted August/September and focused on back-to-school ideas with honey.
- ▶ Provide NHB ownership rights to the 14 new recipes and photography rights to 14 images, which will be used on the recipe database featured on **honey.com**.

SOCIAL MEDIA

Executed a comprehensive social media program to foster engagement and conversation with honey consumers.

- ▶ Engaged consumers across multiple social media channels through sharing of relevant content (e.g., honey recipes, holiday themes, honey bees, giveaways).
- ▶ Drove traffic to **honey.com** through sharing information about honey, varietals, campaigns/promotions and recipes.
- ▶ Revitalized consumer communication through the launch of a redesigned and improved consumer-facing newsletter, *The Honey Feast*.
- ▶ Reached and engaged new followers through continued social media advertising.

GREW SOCIAL MEDIA FOLLOWING BY

61%

across all platforms with Instagram having the most rapid growth at 131% over the year.



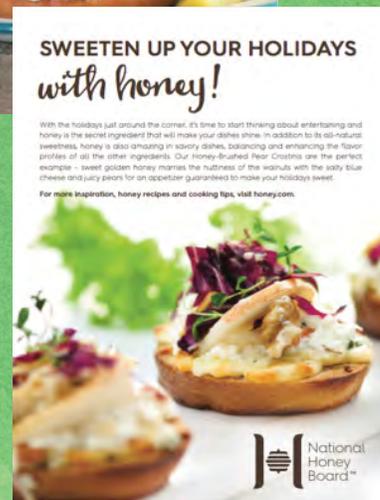
ADVERTISING

The In-House Marketing program executed a targeted print advertising campaign to reach honey consumers. The print advertising campaign included two ads in the *Taste of Home* flagship magazine. Advertisements also ran in two Simple and Delicious special interest publications. The National Honey Board also partnered with the leading Hispanic parenting magazine, *Ser Padres*, running a full-page advertisement in the May issue.

NHB ad in the June/July issue of *Taste of Home* was

#1 NOTED and #1 READ

among 29 ads.



CONSUMER PUBLIC RELATIONS

The Consumer Public Relations program seeks to increase the consumption of honey by educating consumers about the benefits and uses of honey through strategic partnerships, influential media outlets and promotional campaigns. These programs provide creative and inspiring usage ideas to consumers and the media to inspire them to think about honey in new ways.

DISNEY JUNGLE BOOK PROMOTION

The National Honey Board promoted an exciting partnership with Disney's *The Jungle Book*. The promotion drove excitement and awareness for honey by leveraging the strong honey inclusion in the movie.

- ▶ Inspired consumers with the creation of six new honey-inspired and jungle-themed recipes with blogger.
- ▶ Drove traffic to honey.com with the creation of a campaign page, blog posts and recipes.
- ▶ Engaged consumers across multiple social media channels with online quiz and sweepstakes.
- ▶ Engaged premiere goers at *The Jungle Book* world premiere with sponsored honey-themed crafts, menu items and an observation hive exhibit.



DISNEY partnership

resulted in

25 MILLION
VIDEO VIEWS

1.2 MILLION
FACEBOOK INTERACTIONS

3,200
SWEEPSTAKES ENTRIES

Secured

HONEY

coverage

in consumer publications
that generated

MORE THAN
10.8
MILLION
IMPRESSIONS

Secured

HONEY

coverage in

Hispanic publications
that generated

MORE THAN
544
MILLION
IMPRESSIONS

CONSUMER PUBLIC RELATIONS (CONTINUED)

MEDIA TOURS WITH CELEBRITY CHEF, DAVID GUAS

The National Honey Board partnered with celebrity Chef David Guas to showcase inspiring honey recipes to top tier media. Media tours were secured for the first three quarters of 2016, placing an emphasis on New York City as the epicenter of the most influential and popular media publications.

- ▶ Demoed delicious honey recipes and showcased honey varietals with two southern-based, top media groups: Time Inc. hosted the NHB for a presentation in its brand-new test kitchen based in Birmingham, AL, and Hoffman Media hosted the NHB for an exclusive editor meeting with Chef Guas and NHB CEO Margaret Lombard.
- ▶ Conducted one-on-one desk-sides with the highest-level editor and journalists from various consumer publications to position honey as an on-trend ingredient their readers are craving knowledge about.
- ▶ Received a seven-page feature on cooking with honey in the September/October issue of *Taste of the South* magazine.
- ▶ Received a six-page spread on cooking with honey in the April/May issue of *Cooking with Paula Deen* magazine.



HONEY UP YOUR SUMMER CAMPAIGN

In an effort to increase honey consumption during the Summer, the National Honey Board partnered with grilling expert and restaurant owner Chef Michell Sanchez to elevate the usage of honey in easy honey marinades and sauces.

- ▶ Created consumer-friendly grilling recipes, from honey fish tacos to honey sriracha grilled wings. Highlighted honey's culinary benefits, including humectant properties, flavor enhancer and balancer, as well as caramelization of the finished product.
- ▶ Executed three media tours in Miami, LA and Chicago with Hispanic media, securing live TV, radio and print interviews with Univision, Telemundo, Despierta America and La Opinion.
- ▶ Media results achieved: 330 media placements with more than 100 million impressions.

BACK-TO-SCHOOL CAMPAIGN

The National Honey Board partnered with food and mommy blogger Oriana Romero to promote balanced meals and snacks with honey, perfect for energizing early morning starts and back-to-school lunchboxes.

- ▶ Developed four kid-approved and easy-to-make lunchbox recipes prepared with a back-to-basic ingredient that parents can feel good about feeding their kids.
- ▶ First-ever media tour in Washington D.C., plus media tour in New York City with Hispanic media.
- ▶ Media results achieved: 236 media placements with more than 86 million impressions.

RETAIL PARTNERSHIPS

The Retail program is a newly introduced program initiative that was launched in 2016. The Retail program seeks to drive incremental honey purchases through innovative retail promotions and partnerships. This is achieved by implementing National Honey Board-funded retail promotions that leverage promotional partnerships with relevant brands and categories.

The launch year of the Retail program experienced many successes. A regional summer grilling program with Foster Farms and Gold 'N Plum was implemented, and partnerships with Thomas' and Quaker Oats were secured for 2017.

SUMMER 2016 GRILLING PROGRAM

- ▶ Designed summer grilling promotion, which encouraged use of honey in grilling glazes, sauces and marinades.
- ▶ Secured cooperation from two prominent chicken packers to place \$5 rebate offer and Honey Grilled Chicken recipe on 1.8M fresh chicken packages.
- ▶ Promotion implemented in major retailers, including Walmart, Target, Kroger, Albertsons/Safeway, HEB, Hy-Vee and SaveMart.
- ▶ Drove strong awareness among shoppers: sweepstakes attracted 30K entries, in-store audio advertising was heard by 18M shoppers.

PROGRAM FOR Q1 2017

- ▶ Secured partnership with Thomas' English Muffins & Bagels.
- ▶ Facilitated placement of 1M on-pack coupons or \$1 savings on honey with the purchase of Thomas'.
- ▶ Developed and sold in account-specific promotions for six of 11 largest U.S. retailers.

PROGRAM FOR Q2 2017

- ▶ Secured partnership with Quaker Oats.
- ▶ Facilitated national free-standing insert (FSI) delivering coupon for \$1 savings on honey with purchase of Quaker Oats; dropping to 34M U.S. households on April 9, 2017.
- ▶ Worked with Quaker to develop quarter-pallet displays, which include tray for honey cross-merchandising plus coupon tearpads offering \$1 savings on honey with purchase of Quaker Oats.



INGREDIENT MARKETING

The Ingredient Marketing program focuses on reaching commercial bakery and snack manufacturers, beverage processors, brewers, confectioners and dairy food producers. The program inspires these manufacturers to learn about the flavor, functional and marketing benefits of honey, and show how the all-natural sweetener is aligned perfectly to capitalize on consumer cravings for more clean label food and beverage products.

This program is essential to increasing honey usage in the United States and improving the image of honey to consumers. One successful made-with-honey new product launch can have a chain reaction on the marketplace, spurring competitive launches and further increasing usage and awareness of the benefits of honey.

The Ingredient Marketing program had a busy and successful 2016, conducting more than 15 campaigns designed to inspire food and beverage processors to launch new made-with-honey products and reformulate existing products to include honey.

HONEY SUMMITS

The National Honey Board conducted four trademark Honey Summits this year, each with a unique goal of inspiring honey usage and education with key segments of the audience.



HONEY BAKING SUMMIT

20 of the best artisan bread bakers and pastry chefs in the world spent two days immersed in learning about honey, and baking with the sweetener in a variety of formulas.



HONEY BAKING SUMMIT REUNION

A honey think tank with 13 of the best bakers in the world, each bringing two made-with-honey recipes to the event, and collaborating on creating exceptional bakery foods with honey as the star.



HONEY BEER SUMMIT

The annual summit attracted 28 of the best craft brewers in the United States for two days of technical sessions, honey tastings and honey beer tastings.



HONEY EDITOR SUMMIT

The leading journalists in the food and beverage industry attended this Summit, which included educational sessions, made with honey product tastings, and tours of a brewery and bakery that use honey.



Commercially produced beers entered in the Honey Beer Competition

15,000 lbs.

of honey ordered from one brewer shortly after attending Honey Beer Summit

PUBLIC RELATIONS

Public relations outreach generated 25+ placements across the spectrum of manufacturers, from beer and bakery to candy and dairy products. It also achieved significant social media publicity through industry influencers in baking and brewing.

DIRECT OUTREACH

Direct outreach efforts engaged with more than 100 large food and beverage manufacturers through a multiphase marketing campaign designed to raise awareness, educate and spur new product development with honey.

CONFERENCES

A full-slate of conferences and trade shows provided the forum to promote honey to a widespread audience. Highlights include the Craft Brewer's Conference and the International Baking Industry Exposition.

FOODSERVICE MARKETING

The Foodservice Marketing program targets key volume driving operators in the fast-casual and mid-scale restaurant sectors. The main objective is to inspire chefs and mixologist with innovative uses of honey, to ultimately increase honey usage within foodservice.

2016 was a successful year for the Foodservice Marketing program, featuring custom events and unique partnerships. These combined efforts resulted in an increased use of honey on menus across almost every restaurant industry segment.

Honey Summit

The National Honey Board hosted a custom Honey Summit for a dozen top foodservice professionals. The program included a CIA Chef-led program and kitchen exercises, a honey varietal tasting by Marina Marchese, an apiary tour, and beverage workshop by Kim Haasarud of Liquid Architecture. The goal was to inspire recipe innovation with honey, with an emphasis on savory to drive new usage.

The 12 new “honey ambassadors” brought this honey inspiration back to their operations and menus, and since the summit, many participants have begun cascading their learnings at their operations and increased honey menuing. These relationships will continue to be fostered in the future.



Honey Summit

FOODSERVICE ADVERTISING

The Foodservice Advertising program launched a series of new advertising creative, focused on "Inspiration." The series includes several versions reflecting honey food and beverage recipes across all day parts across almost every restaurant industry segment.



The advertising plan resulted in

42

PLACEMENTS + 15 BONUS ADS

The ads were placed in highly targeted foodservice print and digital publications:

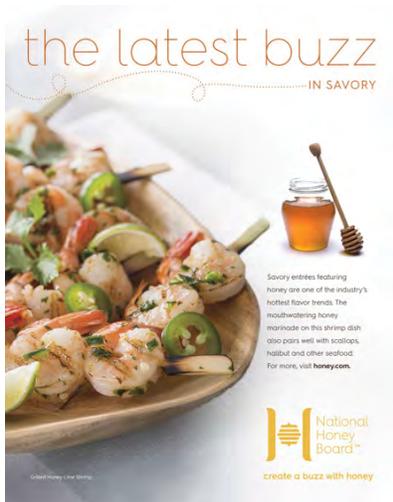
Plate, Flavor & The Menu, Restaurant Hospitality, Foodservice Director, Restaurant Business, Food Management, RestaurantBev, Recipedia, Flavor Flash

The advertising plan generated a total of

1.4 MILLION IMPRESSIONS

(1.2 million print, 200K digital)

print examples



FOODSERVICE PARTNERSHIPS

Three key partnerships were implemented with top operators, featuring new honey items at their restaurants.

P.F. CHANG'S

"Garden to Glass" menu features four honey cocktails available at all 200+ restaurant locations.



SIZZLER

Honey-inspired fall salad promotion with social media support.

CALIFORNIA PIZZA KITCHEN

Honey cocktail launch

Honey is now featured on menus at

56.4%

of U.S. restaurants and growing.*

**Datassential.*

Honey varietal mentions are increasing.

Clover honey mentions are

up 20%

from 2015–2016,

while Orange Blossom honey climbed **33%** for the same period.

Honey cocktail menuing is up **17%** for the year,

&

a whopping **84%**

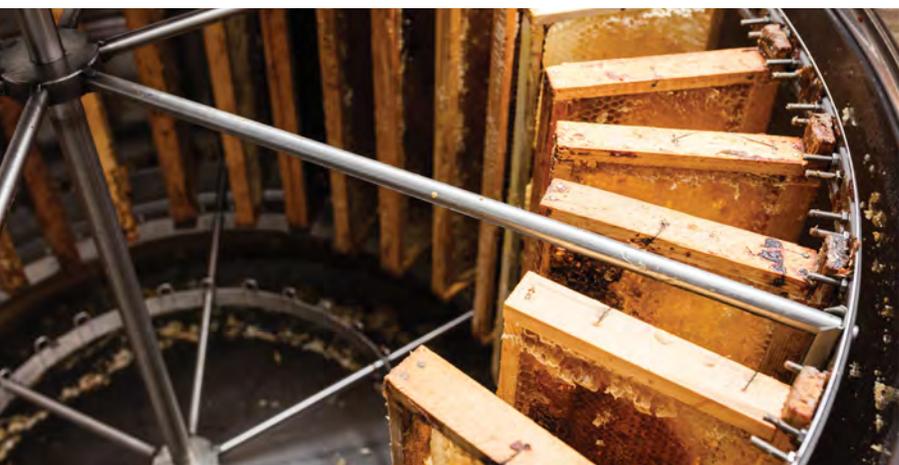
from 2012–2016



INDUSTRY SERVICES PROGRAM

Industry Services brought an exciting new transition into online ordering of industry materials at www.nhbcatalog.com with a minimal shipping charge of \$9.95 per shipment now being charged. The marketing department also created a beautiful new brochure to add to our selection of complimentary brochures. This piece is called "Honey's Sweet Journey" and it is an educational piece created for adults.

This piece takes readers on honey's journey from bees' collection of nectar, transformation in the hive and the collection and bottling from the beekeeper. Fun fact call-outs throughout the piece give readers a look at the most fascinating characteristics of honeybees. Readers will be amazed when they read about the 300+ varieties of honey and inspired by simple tips on how to help the bees.



RESEARCH PROGRAM OVERVIEW



The Research program is the foundation of the National Honey Board programs. The program helps to deliver on the key values of transparency and using a fact-based approach in all programs. The goals of the Research program are to provide the industry with market research on the latest honey consumption trends, evaluate program effectiveness, and lead scientific studies to aid in improved bee health.

Market Research

In 2016, two foundational pieces of market research were conducted. The **Honey Volumetric Assessment** provided the first-ever estimate of how all of the honey in the U.S. is being used, by industry sector and food category. These insights allowed the National Honey Board to prioritize the programs that are driving the most honey volume.

The **Consumer Segmentation Study** was a comprehensive assessment of all consumers in the U.S. By segmenting U.S. adults against key food and health and wellness attitudes, the highest opportunity target audiences were identified. This resulted in the identification of the new consumer target, Natural Balancers, which is the driving consumer target audience for all programs.



PRODUCTION RESEARCH

The National Honey Board funded a number of honey production research projects in 2016. Total funding for these projects was \$416,375.

Tools for Varroa Control & Sampling
Mulica/Honey Bee Health Coalition

Increasing Colony Survival through Innovative Queen Nutrition
Traynor/University of Maryland

Development of Varroa Destructor in Vitro Rearing Methods
Ellis/University of Florida

Using Food-Derived Fatty Acids to Improve Control of Varroa Mite
Johnson/Ohio State University

In Vitro Rearing of Queen Honey Bees, Apis mellifera
Mortensen/Ellis/University of Florida

Use of Honey Phytochemical as Honey Bee "Nutraceuticals" to Boost Pesticide Detoxification
Berenbaum/University of Illinois

Preservation and Distribution of Probiotic Acetobacteraceae Alpha 2.2 for Use by Beekeeper
Corby-Harris/USDA-ARS

Developing a High-Throughput System of Quantifying and Contextualizing Genetic Diversity in Beekeeping Operations
Tarpy/North Carolina State University

Development of Predators as a Sustainable, Cost-effective Tool for Managing the Varroa Mite
Lundgren/Ecdysis

2016 FINANCIALS

Clausen & Associates CPAs, PC, audited the National Honey Board financial statements for fiscal year 2016 and issued a report on April 5, 2017. The audit was done in accordance with auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Clausen & Associates CPAs, PC, did not identify any significant deficiencies in internal control over financial reporting for 2016.

REVENUE

Assessments	\$6,742,080
Investment Income	\$338
Other Revenue	\$28,010
Total Revenues	\$6,770,428

G+A

Operating	\$543,330
Board Meetings	\$65,260
USDA	\$95,809
Total G+A	\$704,399

EXPENSES

Research	\$858,465
Emerging Opportunities	\$29,022
Total Program Expenses	\$5,886,078

Marketing	\$4,998,591
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Total Expenses

\$6,590,477

Change in Net Assets

\$179,951

Net Assets Beginning of Year

\$1,543,095

Net Assets End of Year

\$1,711,331

2016 NHB FINANCIALS



Programs	\$5,886,078
Administrative	\$608,590
USDA	\$95,809



thank you

