

NATIONAL HONEY BOARD

MEETING MINUTES

PRESIDING: BRENT BARKMAN, CHAIR

LOCATION: Clearwater, Florida

DATE: April 29-30, 2014

National Honey Board Members Present: Brent Barkman, Hans Boedeker, Charles Kocot, George Hansen, Douglas Hauke, Mark Mammen, Candace Trussler, Jill Clark, Mark Jensen

National Honey Board Members Absent: Nancy Gamber-Olcott

National Honey Board Alternates Present: Courtney Fullerton, Tony Schmitz

National Honey Board Staff Present: Bruce Boynton, Andrea Brening, Sam Butler, Catherine Barry, Jessica Schindler

Others Present: Kimberly Spriggs (USDA/AMS), Jerry Probst (consultant) Mary Anne Davitt (transcriber)

TUESDAY, APRIL 29, 2014

The Tuesday session of the National Honey Board meeting was convened at 10:15 a.m. by Brent Barkman, who expressed thanks to the staff and alternates. Bruce Boynton called the roll.

ACTION ITEM I AGENDA

Motion by Mark Jensen, seconded by Candace Trussler and carried to approve the Agenda.

ACTION ITEM II CONSENT AGENDA

Motion by Mark Mammen, seconded by George Hansen, and carried to approve the Consent Agenda.

DIVERSITY POLICY

Bruce Boynton summarized the history of the Diversity Policy and read the policy aloud (attached). Brent Barkman reported on a diversity conference that he and Bonnie Woodworth had attended.

CODE OF ETHICS AND CONFLICT OF INTEREST STATEMENTS

Brent Barkman explained the National Honey Board Code of Ethics and Conflict of Interest Statement and the annual requirement for board member signatures.

AMS REPORT

Kimberly Spriggs stated that AMS received the assessment increase request, and the Department of Agriculture is processing it. They have not encountered any issues yet. It should be done by the end of the year if everything goes according to plan. Typically the process includes, among other things, a 60 day comment period but they are trying to get it to a 30 day comment period.

AMS ORIENTATION AND SWEARING IN OF NEW BOARD MEMBERS

Spriggs conducted an orientation for new board members, with a slide show on the structure of USDA-AMS, the formation and history of commodity boards, the legal authority of USDA/AMS, and its responsibilities with respect to the National Honey Board. She also reviewed board member responsibilities and accountability. She then conducted the official swearing in of new or reappointed board members and alternates present at the meeting: Brent Barkman, First Handler Member; Candace Trussler, Importer Member; Douglas Hauke, Producer Member; Courtney Fullerton, Producer Alternate; and Mark Mammen, Marketing Cooperative Member.

BYLAWS CHANGE

Bruce Boynton read and reviewed the following bylaws change needed to bring the National Honey Board's bylaws into compliance with the Order:

Article IX – Voting Procedures

- (a) A majority of the board members will constitute a quorum so long as at least one of the members present is an importer member and one of the members present is a first handler member.

ACTION ITEM III BYLAWS CHANGE

Motion by Hans Boedeker, seconded by Douglas Hauke and carried to approve the proposed bylaws change.

GENERAL CONSUMER PUBLIC RELATIONS

Catherine Barry reported on the ethnic group research, conducted at the board's request, to identify minority groups that the Honey Board might reach out to with honey information. Indian and Asian consumers were identified as those to watch for opportunities to provide honey recipes and information.

Barry reviewed planned activities surrounding the new partnership with spokesperson Kerri Walsh Jennings, as well as activities with spokesperson Nurse Barb who helps spread the cough suppressant message. Mark Mammen asked if there was a way to

measure if the message about honey being o.k. for kids at age one was getting through. Barry said a consumer use and attitude survey was planned for this fall, and questions will be developed to cover this. Barry reviewed other upcoming events, including the educational panels to take place in May in San Francisco, Chicago, and New York; a Relish test kitchen seminar with culinary expert Marie Simmons; Instagram challenges; a September media event with beauty, health and lifestyle editors; and news bureau/supermarket outreach.

PROPOSED RESEARCH RFP

George Hansen reviewed the background and purpose of drafting a Request for Proposal to research the decline in U.S. honey production. Boynton read a section of the draft proposal and suggested that the request to provide estimates of costs associated with implementing recommendations may be a bit too much. Candace Trussler asked what the Honey Board could do with the research, since it's not part of our mandate. Barkman explained that the proposal is broad to allow people to come up with new ideas. Trussler suggested reworking it to focus on finding ways to increase honey production. Hansen suggested editing the language to provide, "where possible", estimates of costs and other impacts associated with implementing the research recommendations. He also suggested setting a timeline, such as one year, for completing the research. Bruce Boynton suggested he could check with other experts, such as Dr. Ron Ward, who might suggest improvements to the proposal.

ACTION ITEM IV RESEARCH PROPOSAL

Motion by Mark Jensen, seconded by George Hansen and carried to table the research RFP pending the development of further information on potential costs and revision to focus on improving U.S. honey production.

SOCIAL MEDIA & IN-HOUSE PROGRAMS

Jessica Schindler reported on Marketing's social media programs, including data on the Honey Board's Facebook, Twitter, Pinterest and Instagram platforms. Other social media programs include the Straight From the Hive blog, Featured recipes, and the Honey Feast monthly e-newsletter.

In-house activities, those conducted by NHB staff, include participation at several trade shows geared toward moms and mothers-to-be. Schindler also reported on recipe and photo development, a planned satellite media tour in late August to feature tailgating honey recipe ideas, Facebook ads which are performing extremely well, and the Honey Board's participation in the Taste of Home Cooking School shows in the fall. Schindler also answered questions from board members.

INDUSTRY UPDATES

Hans Boedeker reported on the new industry taskforce, its members, and planned activities. There was discussion of various aspects of the program, and Jerry Probst provided helpful information.

Lunch Break: 12:15 – 1:40

FOODSERVICE PUBLIC RELATIONS

Catherine Barry reviewed the Foodservice activities for 2014. Programs reviewed included Honey Innovation Awards launched in January, Honey Beverage Summit, onsite Honey Summits planned for 3-4 key targets, a collaboration with Sysco and the National Pork Board, sponsorship at the National Restaurant Association's Marketing Executives Group meeting in May, participation at the Women Chefs & Restaurateurs conference, creating new honey-inspired recipes and photography, creating a honey beverage handbook, and the Hot from the Hive e-newsletter. Barry mentioned ongoing outreach to food and beverage trades and samples of 2014 placements to date in several trade publications.

INGREDIENT MARKETING

Keith Seiz presented the Ingredient Marketing program for 2014 and explained the strategy for 2014. Activities include print and online advertising, public relations events, in-person events, and a variety of seminars. Goals include more in-person engagement and increasing honey usage through direct connections. NHB was the sole sponsor of a webinar through Beverage World magazine on craft brewing in March. Seiz reviewed the three-city road trip in January and showed a video of one of the bakers visited on the tour. The videos will be advertised monthly on The Baking Channel. A Honey Baking Summit is planned for June, and a Honey Beer Summit is planned for September. This year Seiz has already attended the Natural Products Expo West and exhibited at the Craft Brewers Conference in Denver. He reported that the NHB has started the year with excellent traffic on the redesigned BakingWithHoney.com website and launched a BeveragesWithHoney eNewsletter. The NHB has also developed a *Beverage Ideas with Honey* brochure to promote honey's use in the beverage industry.

PRELIMINARY MEAD RESEARCH PROPOSAL

Bruce Boynton discussed a preliminary proposal for mead research submitted by Amina Harris, Director of the Honey and Pollination Center at the Robert Mondavi Institute for Wine and Food Science at UC Davis. Both Keith Seiz and Boynton opined that the idea warranted a full proposal. Boynton explained that at this point there is no money in the budget for this research if the board should agree to it, and that Amina Harris is in the process of developing a more detailed full proposal for our consideration.

MEDIA TRAINING

Bruce Boynton explained the logistics of media training, cost, and time commitment, and recommended that the board consider a media training session in conjunction with the fall board meeting.

HISPANIC PUBLIC RELATIONS

Jessica Schindler reported on the 2014 Hispanic marketing activities, starting the year with "Beauty Inside & Out" - a campaign designed to capitalize on the juicing trend. The "Golden Path to an Active Summer" campaign will partner with a fitness expert to develop wholesome honey-based recipes and fitness tips from April to August. "Honey Happy Hour" includes partnering with a Latino mixologist to develop honey-based

cocktails and an event for media and bloggers in Los Angeles and New York. “Sweet 7 Savory Honey Holidays” will include a contest for culinary students and an event in Houston during the period September through December. Schindler also gave examples of ongoing media opportunities.

SPORTS MARKETING – MINOR LEAGUE BASEBALL

Ardy Arani, of the Championship Group, discussed the objectives and program elements of the 2014 MiLB partnership. He displayed figures showing the large attendance at MiLB games compared to other professional spectator sports.

Arani described each of the five participating teams for 2014, including:

- Clearwater/Tampa, Florida Threshers
- Savannah, Georgia Sand Gnats
- Portland, Maine Sea Dogs
- Spokane, Washington Indians
- Brooklyn, New York Cyclones

Arani also discussed the various program elements for the 2014 season, including outfield and concourse signage, honey trivia and fan cam, website and email blasts, minimum of two interviews per team, hat redemption offer or merchandise discount offer, honey information hand-outs and honey bear mascot, present at each ballpark.

Finally, because the board members were attending the Clearwater Threshers game later that evening, Arani made note of program elements to look for. Arani went through the various ways that honey would be incorporated into the evening’s game, as well as noted particular times to watch for honey mentions.

WEDNESDAY, APRIL 30, 2014

Brent Barkman convened the Wednesday morning session at 9:17 a.m. and thanked the National Honey Board staff for their efforts in arranging the board’s Tuesday night dinner and visit to a baseball game with the Clearwater Threshers, one of the National Honey Board-sponsored MiLB teams.

COMPLIANCE UPDATE

Sam Butler presented figures on the 2013 compliance program and 2014 YTD activity. He explained that he tries to conduct two onsite compliance visits each month, and further explained what the program entails and costs, and showed comparative data from 2009 through March 2014.

2014 BUDGET AMENDMENTS

Butler outlined the board's budget preparation schedule, explaining that the budget is prepared in the fall and approved by the board and AMS. The budget is based on assumptions for the remainder of the year and that adjustments are always needed to reflect actual end of year numbers and carryovers to cover final costs. He explained each proposed amendment to the 2014 budget, and that the amendments, if approved, would leave a balance of \$157,842 "new money" to be allocated at the board's discretion.

ACTION ITEM V BUDGET AMENDMENTS

Motion by George Hansen, seconded by Mark Mammen and carried to approve the budget amendments as presented.

ACTION ITEM VI ALLOCATION OF ADDITIONAL FUNDS

Motion by George Hansen, seconded by Hans Boedeker and carried to allocate the additional \$157,842 as follows: \$7,500 to Industry Services and the remainder to General and Administrative Services.

George Hansen asked Butler to confirm whether the budgeted assessment revenue was a conservative number, as is the usual practice. Butler confirmed that the budgeted assessment revenue number was a conservative number, less than 2% more than 2013 actual, and mentioned that 2014 YTD assessment revenue through March was 5% more than for the same period last year. Hansen said he would like to make additional money available for possible mead research.

Charles Kocot asked Barry whether she thought the attention to mead was a fad or something long term worth investing in. Barry said has seen good interest in mead at the craft brewers conference and with foodservice professionals, and that our ingredient PR agency also felt the mead research would be a benefit to our programs. She expressed support for the mead research.

ACTION ITEM VII ASSESSMENT REVENUE LINE ITEM

Motion by George Hansen, seconded by Mark Jensen and carried to amend the budget to increase the assessment revenue line item by \$60,000, and to allocate the increased revenues to the Emerging Opportunities Fund.

Fulfillment. Sam Butler provided a line-by-line review of the fulfillment income and expenses. Bruce Boynton expressed thanks to the staff for tracking this information and to Butler for developing the inventory system to track the inventory and the demand for specific items. There were questions from board members on how this information could be used, and whether it could serve as a baseline. Andrea Brening, Fulfillment Coordinator, helped answer questions about mailing costs and shipping of orders, and types of materials most often requested.

2013 AUDIT

The NHB auditor, Barbara Clausen, CPA, made a telephonic presentation to the board on the 2013 audited financial statements. She indicated that the audit resulted in an unqualified opinion on the financial statements, as well as affirming that the board is in compliance with AMS requirements regarding investments, credit risk and internal control.

ACTION ITEM VIII 2013 AUDIT REPORT

Motion by Mark Mammen, seconded by Candace Trussler and carried to accept the audited financial statements.

There was board discussion about whether the audit is put out to bid every three years. It was agreed that this would not be a good year to change auditors.

CEO SEARCH

ACTION ITEM IX RATIFICATION OF CEO SEARCH EMAIL BALLOT

Motion by Hans Boedeker, seconded by Mark Jensen and carried to ratify the April 11, 2014 email ballot regarding the CEO search:

On April 11, 2014, an electronic ballot was sent out to the entire board for vote on the following motion made by Candace Trussler and seconded by Jill Clark:

“The search committee should hire the MIXTEC group to conduct a search for a new CEO. We will invite them to the April board meeting to interview the full board as to what we want in a new CEO. Also recommend an expenditure of funds to cover the cost of the MIXTEC group’s services and expenses for the CEO search in the amount not to exceed \$60,000.00 without further board approval.”

The results of the vote were unanimous “yes”. Please let the minutes reflect the vote as such.

NEXT BOARD MEETING

The next board meeting was tentatively scheduled for October 23-24, 2014, in Denver, Colorado.

OFFICER ELECTIONS

Bruce Boynton read the appropriate bylaw governing the nomination and election of officers by secret ballot, and Andrea Brening distributed ballots. In response to a question, it was noted that the officers elected at this meeting would serve through the 2015 Spring board meeting unless their board terms were to end December 31, 2014.

Chairperson. Two board members were nominated for chairperson, Brent Barkman and Mark Mammen. Mark Mammen declined the nomination and Brent Barkman accepted.

ACTION ITEM X BOARD CHAIRPERSON

Motion by George Hansen, seconded by Hans Boedeker and carried to accept Brent Barkman as board chairperson.

Vice-Chairperson Mark Mammen was the single nominee, and was elected by general consent.

Secretary/Treasurer. Nancy Gamber-Olcott, Charlie Kocot, Jill Clark and Douglas Hauke were nominated. Kocot, Clark and Hauke declined the nomination. Nancy Gamber-Olcott was elected by general consent.

HONEY PRODUCTION RFP

ACTION ITEM XI RFP DISCUSSION

Motion by George Hansen, seconded by Candace Trussler and carried to reopen the discussion about a proposed RFP to research U.S. honey production.

There was further discussion on the honey production RFP, focused on timing of the proposals and the budget.

ACTION ITEM XII RFP PUBLICATION

Motion by George Hansen, seconded by Candace Trussler and carried to circulate the RFP soon enough for the proposals to be available for discussion at the October 2014 board meeting.

Boynton said he would keep the board informed about any suggestions for significant changes to the RFP that he might receive from other sources.

ADJOURNMENT

ACTION ITEM XIII ADJOURNMENT

Motion by Mark Mammen, seconded by Hans Boedeker, and carried to adjourn.

The meeting was adjourned at 11:13 a.m.

NHB Diversity Policy

- Annual communication from the Chairman
The Board approved a Diversity policy and plan in March of 2010. The Plan requires the Board's Chairperson to annually communicate to the Board and Committee members the Board's Diversity Policy. I will read the policy to you, and ask that you work for its successful implementation.

Read: The Board's programs are open to all individuals without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status or other basis protected by law; and it is the Board's policy that membership on the Board and its committees reflect the diversity of individuals served by its programs. It is therefore the Board's policy to have industry representatives from diverse backgrounds on the Board and committees. To this end, the Board strongly encourages women, minorities, and persons with disabilities to seek nominations to the Board and committees, and to participate in Board and committee activities. The Board strongly encourages those qualified organizations making nominations to make every effort to emphasize the selection of qualified persons for Board positions without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status or other basis protected by law.