

National Honey Board Meeting Minutes

PRESIDING: Michelle Poulk, Chairperson

LOCATION: Virtual Meeting

DATE: April 21st & 22nd, 2021

National Honey Board Members Present: John Olney, Christopher Olney, Michelle Poulk, Tom Sargeantson, Greg Olsen, Lisa Hansel, Joan Gunter, Joseph Sanroma, Maren Martin, Patricia Sundberg

National Honey Board Alternates Present: Jeffrey Dong, Kevin Jensen, Alan Turanski, Jeff Hull, Eric Wenger, Nancy Seaquist, Andrew Sargeantson, Arlen Penner, Darren Cox, Blake Shook

National Honey Board Absent:

National Honey Board Staff Present: Margaret Lombard, Kelly Werning, Catherine Barry, Jessica Schindler, Jocelyn Martinez, Melissa Boone-Hall, Andrea Brening, Darren Brown

Others Present: Katie Cook (USDA/AMS), Vicky Carpenter (USDA/AMS), Jeff Caley (Dutch Gold), Jill Clark (Dutch Gold), Chris Stroh (Dutch Gold), Evan Himes (Dutch Gold), Laura Morin (Sterling Rice Group), Amer Tadmori (Sterling Rice Group), Laura Muir (Sterling Rice Group), Linda Li (Sterling Rice Group), Linda Martin (Westbound Communications), Hailey Thompson (Porter Novelli), Jimmy Szczepanek (Porter Novelli), Keith Seiz (Brightly Creative), Don Ladhoff (Fresh Smart Solutions), Andrea Schepke (Evans Hardy + Young), Barbara Lyle, (B Lyle, Inc.), Danielle Downey (Project Apis m)

WEDNESDAY, April 21st, 2021

CALL TO ORDER

The Thursday session of the National Honey Board meeting was convened at 9.02 a.m. by Michelle Poulk and Andrea Brening called roll.

ACTION ITEM I TO ACCEPT THE AGENDA

Motion by Joan Gunter seconded by Lisa Hansel and carried to approve the consent agenda.

ACTION ITEM II TO ACCEPT THE MINUTES

Motion by Lisa Hansel, seconded by Joe Sanroma and carried to approve the minutes.

WELCOME & SWEARING IN OF NEW BOARD MEMBERS

Katie Cook with United States Department of Agriculture/Agricultural Marketing Service (USDA/AMS) began by welcoming the new board members. Cook began my welcoming the newly elected board members.

Chris Olney, First Handler and Nancy Seaquist, First Handler Alternate

Eric Wenger, First Handler Alternate serving a 1year term

Greg Olsen, Importer and Arlen Penner, Importer Alternate

Joan Gunter, Producer and Blake Shook, Producer Alternate

Cook then swore in all the new board members and had them repeat the oath and congratulated everyone.

USDA UPDATE

Cook then shared that board nominees are due July 1st and stated that she had nothing further to share.

FINANCIAL

Kelly Werning introduced herself as the Vice President of Finance and she ran through a quick review of financial statements for March 2021. She reviewed the 1st Quarter touching on all the highlights. She reviewed assets and liabilities and the income statement and revenue. With total assets of 2.8 million and outstanding liabilities of \$5473 and total net assets and liabilities of 2.8 million at the end of the quarter.

She then discussed the current revenues indicating that we are slightly ahead of where we expected to be. So far, we are at about 1.8 million total assessments combined from both Domestic and Imports. The breakdown on that is 73% is Imports and 27% is Domestic.

Werning noted that the organic refunds are at \$225,000 so far this year.

Total Revenue of 1.8 million for the Quarter. Expenses are right on budget with total expenditure of 1.6 million and excess revenue of \$198,336.

2021 BUDGET AMENDMENT

Werning ran through the process of how the budget is determined and how we true up all the numbers based on how we ended up the prior year. She then ran through the details of proposed changes to the budget. Touching on a few adjustments:

- Release research funds due to comfort level with COVID
- Increase in Marketing/Promotion
- G & A

She wanted to point out that they have not updated the assessments or revenue based on impacts on the honey industry this year. So, there may be a need for a 2nd Budget Amendment.

This will be voted on tomorrow morning.

COMPLIANCE

Werning discussed the compliance update stating that they try to get thru 10-12 each year, which is the goal for 2021. They are looking to do desktop virtual compliance review for 2021

as well. This process of doing this seems to work well and was very successful. We hope to have these completed by the fall board meeting.

NHB AMS Review

This is done every 3 year and will be conducted this year. They test our financials and marketing process among others. This will be a virtual review beginning in May. We hope to have a final report by the end of summer and can report to the board at the Fall board meeting.

2020 AUDIT PRESENTATION

By Alan Holmberg with Anderson & Whitney

Alan Holmberg began with the auditor's report reviewing the managers responsibility and what specifically the board is required to do. He then reported to the board the financials including assets and liabilities all of which leave us in a very good position. Auditors also look at compliance and contracts and confirm that we are compliant with all those requirements. Internal controls are very important and there were no findings in this area. The outcome of the review of processes and financials found everything to be in good order with no findings.

ACTION ITEM III TO APPROVE AUDITED FINANCIALS

Motion by Joan Gunter seconded by Patricia Sundberg to approve the audited financials and carried to approve

CODE OF ETHICS & DISCLOSURE STATEMENTS

Margaret Lombard discussed the Code of Ethics and Disclosures Statements that were attached with the documents sent to the board and they do need to be completed by the board and submitted. Andrea Brening will be following up on these forms.

YEAR IN REVIEW VIDEO

Margaret Lombard stated that it is important to take a moment to review all that has been accomplished by the board in 2020. The Year in Review video was played for the board to

highlight all that has been achieved. She stated that staff and marketing firms have done a remarkable job especially during a difficult year.

TALLOW

Lombard touched on this issue for the honey industry. The board investigated doing a research project to review the impact of this on the industry, but it didn't seem feasible. We have worked with others to combat this issue.

MELIBIO

The issue of the synthetic honey MeliBio which is created in a test tube in a lab. We don't know how big of a threat this will be to the honey industry, but we have created a three-pronged strategy to address this. A Standard of Identity is key to essential to protect our industry and we have reached out to the FDA in regard to this.

Poulk said she has been asked if the synthetic honey is being made in the US and is it subject to honey board assessments? Lombard said she will investigate that, Cook confirmed that it would not be subject to assessments.

What are the guidelines and rules and regulations on labeling for this product? This is also an issue as to how it is being presented as a negative issue towards bees and beekeepers.

NHB BOARD NOMINATIONS

Lombard gave a shout out to all the current board members and encourages people to considering running. The nomination process is simple, and we have streamlined it and the forms can be found on our website.

MEDIA MONITORING

Linda Martin introduced herself and stated that their goal is to protect the reputation of honey especially with our Good For You and Good For Me audience. This is done mainly through the media relations and utilizing every opportunity to share the positive story about honey and bees.

We do all this through:

- Linked In Channel
- Newsletter
- Blogs

PRODUCTION RESEARCH

Danielle Downey discussed who Project Apis m (PAM) is and what all they do to promote honey bee health. It is a team effort involving their staff and the scientist and experts that they work with. We have worked with NHB on research projects since 2017 funding over 40 projects. Our RFP submissions have been increasing every year and we are receiving submissions from labs that have not sent in proposals before. This is all going very well, and they are very pleased with all the results. Downey gave a quick update on 7 of the current projects.

BEE HEALTH COLLECTIVE

Launched in 2020 The Bee Health Collective provides a reliable information site about honey bee health and the components that show how things are progressing. It is a great database, a one-stop shop for bee health, research opportunities and funding. There are other partners that have contributed such as the California Almond Board.

This is a database that is growing and doing well but we are still finding ways to improve and have goals to grow the BHC.

Blake Shook stated that all these research projects are incredible and applicable and are very much appreciated by the commercial beekeeping industry and beekeepers in general.

Poulk asked if proposals that are not selected can be resubmitted the next year. Downey stated that the science advisors will have conversations with the researchers for projects that are feasible and advise them to resubmit.

NUTRITION RESEARCH

Barbara Lyle discussed the different research projects that are being evaluated and their current status. She is also talked to the COVID impact on these projects and the areas of focus.

Greg Olsen asked if they have done any studies regarding sleep or allergies? Lyle stated that there has been work done on local honey to assist in alleviating allergies. She stated that diet, stress, and sleep go hand in hand and those are areas that they are looking into for the future research. Allergies and honey are still in the category of anecdotal. And they don't see that further studies are likely to result in a whole lot of success.

Joseph Sanroma asked about honey as a complex sugar and studies regarding this. They are working on this with an MD as to the implications of this on diabetes.

NIELSEN RESEARCH

Laura Morin and Amer Tandori presented on three research areas. Beginning with Retail Sales, Manufacturing and Foodservice.

Amer touched on the impact on retail sales of honey in 2020 with an incredible sales growth across all types of honey. Honey volume also grew along with dollar sales.

Organic is still a strong driver growth although still holds a small share of totals. Branded honey outgrew in sales in comparison to private label. Household growth in usage of honey increased in 2020 and the question is how to keep those users and promote further growth.

INNOVA & DATASSENTIALS

Morin reviewed what is important here and what the methodology for Innova research. This shows us where the trends are going and what manufacturers are focusing on. New product growth using honey saw a growth which was positive. Honey is growing while total sugar introductions declined, so that is really good for the honey industry. Key category growth held a decent percentage especially in the following categories:

- Cereal and Bars
- Alcoholic Beverages
- Bakery
- Sauces and Seasonings
- Spreads

Increased competition from alternative sweeteners is gaining share. The important thing to consider here is that alternative sweeteners are becoming true competitors for honey.

FOOD SERVICE

While honey menuing may be down due to Covid but it is still be included as an offering. Moring looked at the following key things:

- Penetration
- Incidence
- Price

She spoke to the overall growth of honey in all menu items due to its versatility.

Shook asked for an overview on what the action plan is to combat alternate sweeteners. Barry said the plan is to show case factor factory content and really looking at how honey is produced in comparison and the lack of processing regarding other sweeteners. Show casing how amazing honey is.

Shook then also asked how much of a concern is to “Threat ingredient vs consumer”? We are addressing this thru RD and nutritionist.

How did performance of honey do in comparison to items stored on shelves in that area? Tandori said that we do not have data directly. But honey did grow faster than other sweeteners.

Do we know the price on the synthetic honey? Lombard said no we don't know yet.

Any studies to know what hobbyist do with their honey and how they sell it? We don't have good data on this, but we are working with NASS to try and come up with this information.

Alan Turanski asked about the impact of the price of honey on growth of honey. Lombard addressed this and asked for Tandori's thoughts. Tandori said that yes price was still going up. 2020 was a hard year to be able to judge that by

Poulk asked that since the comments for Tallow close this Friday, so will they still accept our Economic Impact Study, and will it make a difference? Lombard stated that we cannot influence government policy, so all we can do is suggest that if they would like to have a full view of the impact of this biological agent, that we are willing to take this on and have

submitted statements to that affect and noted that we would need a little bit more time. The environmental impact is very clear, but the economic impact has not yet to be studied. Sanroma spoke to this issue as well and the importance of this study. Lombard mentioned that another missing piece is the reforging piece, what will take its place for forge for the bees???

Meeting was adjourned for the day at 11:14

THURSDAY, APRIL 22ND, 2021

Meeting was called to order at 9:00 and Margaret did the roll call.

National Honey Board Members: John Olney, Christopher Olney, Michelle Poulk, Tom Sargeantson, Maren Martin, Greg Olsen, Lisa Hansel, Joseph Sanroma, Joan Gunter, Patricia Sundberg

National Honey Board Alternates: Eric Wenger, Nancy Seaquist, Alan Turanski, Arlen Penner, Blake Shook

National Honey Board Absent: Jeffrey Dong, Andy Sargeantson, Jeff Hull, Darren Cox, Kevin Jensen

National Honey Board Staff: Margaret Lombard, Kelly Werning, Catherine Barry, Jessica Schindler, Missy Boone-Hall, Jocelyn Martinez, Darren Brown

MARKETING PROGRAM OVERVIEW

Catherine Barry started off by pointing out that they started off the year with many unknowns and still dealing with the aftershocks of the Pandemic. They began by asking some of the following questions:

- How did the Pandemic influence consumer perceptions and behavior
- How can we continue to make honey relevant
- For industries significantly impacted by the Pandemic are they ready to start having conversations again when it relates to honey and establishing partnerships

Looking at our marketing strategies there are three things that we hope to accomplish with our marketing teams and programs:

- Leverage honey's health attributes and positive perceptions as all natural
- Differentiate honey by showcasing how honey is produced in comparison to other sweeteners
- Celebrate the craft of beekeeping and the impact bees have on the ecosystem through pollination

Barry then reviewed the strategic marketing pillars of Good For Me and Good For The Planet and what that all means for our planet and our target audience.

MARKETING PARTNERSHIPS

Barry briefly touched on our in-house Marketing team and what each of them do and then went on to discuss the six agency partners we have and what all they each do.

NUTRITION PROFESSIONAL OUTREACH

Laura Morin with Sterling Rice Group spoke to this program and why we launched it this last fall to help with the Good For Me and Good For The Planet pillar. It has delivered for both pillars. We are trying to reach healthcare professionals and encourage them to recommend honey as the preferred sweetener when talking to their clients. Morin then discussed what all they are doing to get the messaging out to RD's and nutritionist to educate them on the health benefits of honey. Sustainability is also of key importance to this group and an important part of our message.

CONSUMER PR UPDATE

Hailey Thompson with Porter Novelli shared the overall consumer plans for 2021 noting that the current state of the industry for consumers. They are spending more and more time than ever on digital sources for their news. Health and wellness are essential to consumers, and they are looking for reliable sources for this information. The key strategies to reaching consumers is to continue with the Good For Me and Good For The Planet messaging. Including reinforcing honey as a pure a flavorful choice while driving greater awareness about the importance that bees play on the food system. Building on influencers that care about bees and honey and the art of beekeeping.

IN-HOUSE MARKETING PROGRAM

Jessica Schindler shared with the board the in-house programs focusing on the Good For Me and Good For The Planet messaging. These include such events as the following:

- FNCE (Virtual Event with the largest attendance ever in 2020)
- Epcot Flower & Garden Festival (With extended dates in 2021)

Media partnerships have also continued to be very beneficial with both Eating Well and All Recipes.

Recipe development and photography continues to be important and showcases ingredients that pollinator friendly.

RETAIL MARKET PROGRAM

Don Ladhoff with Fresh Smart Solutions) gave an overview of the retail partnerships for 2021. Focusing on messaging for the consumers as to why honey is good for them and the important role of bees in the food supply. He talked about what all the retail partners are doing to promote National Honey Month with signage and special merchandise material and digital advertising.

We continue to enjoy a partnership with Thomas' Bagels and Celestial Seasonings with a variety of co-promotions.

SOCIAL MEDIA

Jocelyn Martinez presented on the status and success of all our social media programs. She stated that recipes perform well on visual platforms such as Facebook and Instagram. Honey bee and pollinator messaging perform well across all NHB channels but especially on Twitter. Which is also a strong platform for sharing the beekeeping story.

Martinez shared that we are excited to again be partnering with nutrition and fitness expert Mitzi Dulan who has a strong Pinterest following.

We have been working on creating a new NHB Digital Communications Plan & Playbook working closely with AMS to create new process for submitting content for review and approval.

FOODSERVICE MARKETING

Andrea Schepke with Evans Hardy + Young shared the good news that the Food Service Industry is making a rebound. "Share of Stomach" is at its highest level since the pandemic began. Limited-service restaurants are tracking 2 points above and Full-service restaurants are tracking 2 points below pre-pandemic levels. This is all very impressive considering the dramatic challenges over the past year. Growth is in the positive territory due to pent up demand and optimism due to the Covid vaccine.

Schepke than reviewed the program highlights to date including the following:

- Global Plant Forward Conference
- Trade Media Relations
- Foodservice Advertising (Print & Digital)
- Hot From the Hive
- Menuing & Marketing Partnerships

Still ahead this year are virtual summits, the IFEC Conference and some new recipes and photography.

INGREDIENT MARKETING

Keith Seiz with Brightly Creative talked to the board about the currently feeling of the Food & Beverage Industry. They are getting back to normal with a slightly different look and feel. Product development is slowly coming back, however product launches are more focused online extensions and not new products. Another major shift is direct sales to consumers through online sales. He believes this is going to create a product development boom as it easier to get a product out to consumers, rather than spending money through the retail route.

Product development is across the board from healthy to comfort foods. We are seeing more unique products that focus on both healthy and comfort.

On the alcohol side we are seeing a focus on hard seltzers, canned cocktails, and low alcohol products. With things opening up more and with regulation changes there is a sense of hope in the craft industry. Hard seltzer is a difficult market for the honey industry because by nature it is a flavorless product. However, Seiz thinks that there is a big opportunity for honey with sessions or draft meads to become a serious player in the alcohol category.

Looking at the Sweetener Industry he notes that the competition is fierce. Where we really need to make an impact is by shifting the conversations from where natural sweeteners come from, but to how they are transformed. This is what is really going to make honey stand out.

All this information helps us determine who are target audience is and making those our top priority. Always keeping an eye on emerging opportunities. Seiz then went on to discuss what all they are doing in the year ahead from conferences, virtual summits, social media and direct outreach. All with the Good For Me, Good For The Planet messaging.

SYNTHETIC HONEY SUBCOMMITTEE

Michelle Poulk mentioned that since we have received numerous questions about the synthetic honey that is seems important to create a subcommittee to investigate the issue. Poulk volunteered as did Lisa Hansel and Maren Martin to serve on that committee.

ACTION ITEM IV

Motion by Joseph Sanroma, seconded by Lisa Hansel to approve 2021 Budget Amendment

GENERAL DISCUSSION

Christopher Olney would like to see the better for the planet more on a global level not just on the domestic side and how beekeeping is making an economic impact globally and how it is helping people in other countries not just in the US – requested NHB look at other resources or partnerships to engage with these stories and not just rely on what we are able to do locally or nationally.

Alan Turanski suggested that more be done with regards to products that use the word “Honey” on the label but contain no honey. Poulk requested volunteers for a sub-committee to do more research and intel to provide more information on this issue to everyone. Lombard warned that it could be tricky for NHB and our involvement is limited and therefore she suggests Trade Organizations step up and get more involved with this issue. Cook said that she would reach out to her contacts to see how other boards are dealing with similar situations. If a subcommittee is created volunteers are Margaret Lombard, Alan Turanski and Keith Seiz.

Maren Martin would like to see NHB get more involved with Universities and Colleges to promote honey and uses in menus etc.... Margaret requested she send a list of items she has in mind to her and Catherine.

Greg Olsen brought an article to everyone's attention regarding "US Honey Containing Trace Amounts of Radioactive Fallout From Nuclear Bomb Testing During The Cold War". No one else had heard this yet, he was going to share.

2021 Fall Meeting – In Person – Boulder CO

2022 Spring Meeting – Hilton Head SC

ACTION ITEM V

Motion by Patty Sundberg, seconded by Lisa Hansel to adjourn the meeting