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NATIONAL HONEY BOARD

MEETING MINUTES

PRESIDING: BRENT BARKMAN, CHAIR

LOCATION: Denver, Colorado

DATE: October 23-24, 2014

National Honey Board Members Present: Brent Barkman, Hans Boedeker, Jill Clark, Charles Kocot, Nancy Gamber-Olcott, George Hansen, Douglas Hauke, Mark Jensen, Mark Mammen

National Honey Board Members Absent: Candace Trussler

National Honey Board Alternates Present: Courtney Fullerton, Ron Phipps, Eric Wenger, Nicholas Sargeantson, Tony Schmitz, Bonnie Woodworth

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

Others Present: Patricia Petrella (USDA/AMS), Jerry Probst (consultant) Mary Anne Davitt (transcriber), Pam Phipps

THURSDAY, OCTOBER 23, 2014

The Thursday session of the National Honey Board meeting was convened by Brent Barkman at 9:15 a.m. Bruce Boynton called the roll.

BOARD MEMBER RESIGNATION

Barkman said Candace Trussler has resigned from the Board, effective October 31, 2014. Her letter of resignation was read aloud by Bruce Boynton. Boynton said the letter of resignation was passed on to AMS.

ACTION ITEM I SEATING OF ALTERNATE

Motion by Mark Mammen, seconded by Nancy Gamber-Olcott and carried to seat Ron Phipps, Alternate for Candace Trussler.

At Barkman's request, all present introduced themselves.

Barkman asked for approval of the agenda and noted that the consent agenda consisted of the minutes from the April board meeting. He said if the schedule ran tight toward the end of today, some items could be carried over to tomorrow morning.

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ACTION ITEM II AGENDA AND CONSENT AGENDA

Motion by Mark Jensen, seconded by Douglas Hauke, and carried to approve the Agenda and the Consent Agenda.

MEDIA TRAINING

Leslie Arroyo, of Ketchum Public Relations, gave a presentation on how to prepare for media interviews and included information on National Honey Board key messages.

MARKETING

Marketing Presentation Overview

Catherine Barry gave a brief preview of today's marketing presentations. She also explained a questionnaire being distributed to board members for feedback on how staff can optimize the Board's time at board meetings.

2014 Social Media & In-House Programs

Jessica Schindler reviewed the accomplishments of the 2014 Social Media programs including Facebook, Facebook ads, Twitter, Pinterest, Instagram, the Honey Feast e-newsletter, and Straight from the Hive blog. She presented statistics showing the number of followers and impressions, noting the steady increase in the number of people these programs reach.

Schindler reviewed the In-House Activities, including Big City Moms in Miami, Mommy Con in Chicago, Plush in Los Angeles, and Big City Moms in NYC (scheduled for later in the year). Schindler explained that exhibiting at these shows helped educate consumers about the correct age to feed honey to kids, as well as to educate attendees about other key messages such as culinary uses for honey, honey as a cough suppressant and honey in beauty routines.

Schindler also reviewed the Mitzi Dulan Pinterest Partnership, Mark Boughton Photography and the Taste of Home Cooking School. She shared the evergreen versatility ad with the Board, and Brent Barkman reported on his personal experience attending a recent Taste of Home cooking school event in Wichita.

2014 Minor League Baseball Program

Schindler reported on this year's partnership with five teams: Clearwater Threshers, Brooklyn Cyclones, Portland Sea Dogs, Spokane Indians, and Savannah Sand Gnats. She discussed a recent article in Family Circle that gave statistics about minor league baseball and its appeal to consumers, and provided measurement results for a dozen different impressions and redemptions activities. Also presented were examples of additional exposure gained as a result of our longstanding relationship with minor league baseball.

2014 General Consumer Public Relations

Shereen Mahnami and Alyson Barnes of Ketchum Public Relations provided a recap report of the 2014 General Consumer Public Relations programs. Several activities focused on our newest spokesperson, Kerri Walsh Jennings. A Honey Educational

Event was held in three cities featuring Brent Barkman, Gene Brandi and Marie Simmons. The *Story of Honey* is being updated with new videos from the educational events along with an updated press release and content. Other events included a Honey Educational Webinar for 50 health professionals with a culinary focus, a smaller scale educational event in Nashville for local media and Relish magazine, a Lucky FABB Beauty Event for 30 bloggers and beauty influencers, a speed pitching event with 28 media outlets, consumer education and work with spokesperson Nurse Barb, culinary panels with chef David Guas and culinary author and spokesperson Marie Simmons, a News Bureau and Supermarket RD program, and continuation of 2013's recipe integration and ads on ALLRecipes.com. The Ketchum team continues to provide issues support as needed. Mahnami reported that total public relations impressions to date from this year's activities are more than 300 million.

2014 Hispanic Public Relations

Catherine Barry briefly reviewed the programs of RL Public Relations aimed at the Hispanic demographic. Campaigns included: Beauty Inside & Out Starts with Honey, Golden Path to an Active Summer, Honey Happy Hour, Univision Familia y Hogar Expo, Sweet and Savory Honey Holidays and "Honey Suite" for the Latin Grammys.

2014 Foodservice Public Relations

Andrea Schepke of Evans Hardy & Young reviewed the foodservice public relations activities and events. A Honey Beverage Summit was held in Seattle and included a media partnership with The Tasting Panel to extend reach. The NHB was a sponsor at the 2014 Women Chefs & Restaurateurs conference, as well as at the NRA Marketing Executives Group meeting in May and The Flavor Experience food and beverage conference in August. A Honey Innovation Awards contest was held in concert with Plate magazine. As part of a Honey Summit Road Show, a mini Honey Summit was conducted at California Pizza Kitchen's corporate test kitchen in August, with other outreach efforts being made with Omni Hotels and Dave & Buster's. Six issues of Hot from the Hive are being distributed throughout the year with a special beverage issue in May/June. Schepke reported that more than 1.15 million impressions have been made through trade media outreach efforts so far, exceeding last year's total.

2014 Ingredient/Baking Programs

Keith Seiz of The Arland Group reviewed the Ingredient Marketing programs, noting the increased targeting of the beverage market. Print advertising for the baking segment is limited, but targeted. The NHB also sponsored a Beverage World webinar in March, titled "How Craft Beer is a Force Beyond its Category", and it included a presentation about honey. A fourth Honey Baking Summit was held in Providence and resulted in several new Made With Honey products, one of which was sampled at the meeting. A first-ever Honey Beer Summit was held in September at Urban Chestnut Brewing Co. in St. Louis, MO. and focused on educating craft brewers about the benefits of brewing with honey. In addition, Seiz mentioned his recent visit to Snyder's Lance for the Honey Up Close program that allowed him to hold a honey seminar with their research and development team, as well as the sales team. Other events included participation at a Craft Brewers Conference and a Food Evolution Summit.

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LUNCH: 12:35 – 2:00pm

2015 Marketing Budget Overview

Catherine Barry reviewed and explained the proposed 2015 Marketing budget of \$3,186,900 with proposed funding for marketing administration and program focus areas of General Consumer, Foodservice, Ingredient, Hispanic, Sports Marketing, and In-House.

2015 General Consumer PR Program

Shereen Mahnami and Alyson Barnes with Ketchum PR agency reported on the General Consumer Public Relations proposed program plans for 2015. After a recap of business and communication goals, Mahnami reminded that the primary target will be women/moms 30+ and the secondary target will be millennials 20-37, including non-parents in their 30's. Honey will be positioned as a natural wonder. Spokesperson Kerri Walsh Jennings will continue to work with the Board, and several planned activities with Kerri were presented. Other plans include honey educational events to provide an interactive experience for media and potentially consumers, honey experiential tours, partnering with The Motherhood blogger network, building a culinary panel, programs with Chef David Guas and cookbook author Marie Simmons, a test kitchen seminar for long-lead media and bloggers, and a grilling-themed integrated media tour. Allyson Barnes presented ideas for promoting honey's whole body benefits: wellness kits will be created for a fall promotion, creative mailings with a beauty message will be made to influential editors and bloggers, and a news bureau will pitch traditional media and online outlets. Mahnami said a honey attitude and usage study is planned for January/February. George Hansen asked how it will be funded. Catherine Barry said it is covered in the Research budget.

Hansen asked if there might be some other fertile ground for opportunities since there was so much going on. Mahnami didn't think there were other opportunities to consider at this time within the given budget. Ron Phipps asked if we might be able to use some science research, even if preliminary or ongoing. Patricia Petrella mentioned that AMS doesn't allow the use of animal studies as a resource or support for messaging. Shereen Mahnami mentioned Ketchum's resources as a way to look at the potential of particular scientific research. Boynton also mentioned that other NHB consultants are used to look into the usefulness of scientific research brought to our attention.

2015 Hispanic PR Program

Catherine Barry presented the planned programs timed throughout the year, with recommended campaigns and grassroots events, such as Soothing Honey Candies, Honey Summer Grilling, Power Up Your Week with Honey, "Viva Los Dodgers (LA) and "Junta Hispana" (LA, NY, Chicago or Miami), and ongoing media opportunities. A new program, "Sweet Quinceanera" (a major Hispanic coming-of-age celebration), is being introduced that will focus on honey's beauty messages. An NHB Spanish-language Facebook page will be maintained. Mark Jensen asked if we use any cross-cultural integration to use the ideas from Hispanic PR for general consumer use. Barry said, when appropriate, we repurpose the recipes on the NHB's English language website (www.honey.com), as well as via our social media. Barry also pointed out that many of

the program's materials are developed in both English and Spanish and showed a recipe brochure for the 2014 Honey Happy Hour Campaign as an example. She said we also maintain the Hispanic language website, www.mielpura.org, to update Latinos about the current activities and program of the NHB.

2015 In-House and Social Media Programs

Jessica Schindler reviewed the planned in-house and social media programs. The NHB will participate in trade shows focusing on moms, such as Big City Moms (Atlanta, San Francisco, Boston/DC), Mom 2.0, and conduct a co-op satellite media tour. We plan to continue participating in the Taste of Home cooking school events. Barkman asked whether the plan was to participate in the Fall or Spring Taste of Home events. Schindler said the Fall event is more likely, as preparing for a Spring event would be under a very tight planning schedule. Catherine Barry said if more funds become available we might look at participating in both the Spring and Fall events.

2015 Minor League Baseball

Schindler reviewed the 2015 MiLB program objectives, noting the new MiLB rule requiring the National Honey Board to sponsor an entire league with the same elements and cost, and with one outfield signage instead of the two that has been standard in previous years. The league we would sponsor in 2015 has 14 teams. Schindler asked the Board for feedback on the kind of honey bear mascot costume that would be preferred for use at the baseball games. There were several suggestions, including beekeeper and bee costumes, and Barkman confirmed the consensus that a bear costume with the honey spout/nozzle on top provided better brand recognition and was preferred by the Board. Boynton said the higher cost for the preferred bear costume could be covered from the Emerging Opportunity budget for either 2014 or 2015 as needed.

2015 Ingredient/Baking Program

Keith Seiz of The Arland Group presented the proposed plans for 2015. He reviewed the target audiences for the Made With Honey websites and discussed core strategies, the things we do continually to get impressions, as well as direct strategies. Core audiences include wholesale bakers, retail bakers, and craft brewers. The Honey Up Close campaign, for large food and beverage manufacturers, will be intensive half-day meetings with R&D teams informing, education and pitching made with honey products. In response to a question, Catherine Barry said that reports we send directly to target food manufacturers can also be made available to stakeholders, packers and board members.

Seiz said a big question that needs to be answered with new consumer research is whether consumers will pay more for a product made with honey. Catherine Barry said that, due to the timing of the budget creation process, the cost of this planned consumer research is presently in the Ingredient program budget, but she would like to add it to the Research budget. Seiz said we do not put money into any retail baking print advertising, but we do put money into online advertising, as well as promoting formulas on the Bake magazine website. He said we will get year-round advertising with this. The craft brewer is one of the fastest growing segments of the food and beverage

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industries. A Honey Beer Summit and other activities will be conducted in 2015 to reach this audience.

2015 Foodservice Program

Andrea Schepke of Evans Hardy & Young spoke about the planned strategy of promoting honey as a wholesome, all natural ingredient and sweetener; highlighting its versatility across the menu. Planned activities include a foodservice editors honey summit, trade media outreach, sponsorship at the Women Chefs and Restaurateurs conference, continuation and delivery of an e-newsletter with honey news and information to a subscriber base, revamping foodservice content on the website, conducting mini “honey Summits” at 2-3 test kitchens, participation at the 2015 Flavor Experience conference, and a year-long editorial series with Tasting Panel magazine. Also, Schepke spoke about building upon relationships established in 2014 in order to conduct menuing and marketing partnerships with California Pizza Kitchen and Omni Hotels in the coming year.

The Thursday session ended at 5:10 p.m.

FRIDAY, OCTOBER 24, 2014

Brent Barkman convened the Friday morning session at 8:33 a.m.

2015 INDUSTRY SERVICES BUDGET

Bruce Boynton reviewed the proposed 2015 Industry Services budget of \$164,000 explaining each line item in detail. Boynton explained that the budget for fulfillment materials is down from 2014 because a major piece intended for 2015 is being produced this year. George Hansen asked if there were things we could be doing to increase our outreach to beekeepers/non-assessment payers. There was extensive discussion of ideas and opinions. Andrea Brening noted that some of the calls she gets from beekeepers were not aware of the National Honey Board. Marlys Christiason noted that she maintained a database of state beekeeping association contacts and email addresses, but it would be impossible to reach all hobbyist beekeepers and those that don't belong to an association or read the trade magazines. Boynton noted this matter has been discussed by staff, and many of the things mentioned were already being done. Press releases for new materials are sent to state beekeeping associations, as well as the beekeeping trade magazines and the contact for ABF. Mark Jensen said he passes these press releases on to AHPA for distribution to their membership. Boynton said staff had discussed the possibility of exhibiting at the January beekeeping conferences, but he felt that the amount of time out of the office needed for two staff members to work a booth was prohibitive. He suggested the possibility of advertising in beekeeping trade magazines. There was an informal consensus to have staff investigate ways to get word of the National Honey Board out to beekeepers and report back at the next board meeting, and to go ahead and implement ideas that could be done within the budget and were not cost prohibitive.

2015 RESEARCH BUDGET

Boynton reviewed the proposed 2015 Research budget, explaining each line item in detail. The amount proposed for “production research” is 5% of the amount budgeted for assessment revenue. He noted that he never received a research proposal for mead research that was provided for with a 2014 budget amendment at the last meeting. He handed out a list of 13 research proposals received by the Honey Board last week having to do with ways to increase U.S. honey production. Barkman asked for discussion on ways to proceed with a review and selection process. Regarding possible collaboration with other groups, Doug Hauke explained what the PAM group was. It was mentioned that AMS oversight and contractual requirements made collaboration difficult. It was explained that the bee research proposals due in November fell under the heading of production research, as do these recent proposals for ways to increase U.S. honey production. Eric Wenger asked for clarification of “production research.” Boynton explained that both sets of proposals could be funded out of the 5% of anticipated assessment revenue that is set aside for “production research.” It was noted that these 13 proposals will have to be reviewed and a decision on funding will have to be made prior to November 17th, when the bee research proposal are due, so that the amount of available funds for bee research will be known. Barkman suggested forming an ad-hoc committee to review the proposals to determine which ones are of interest and which might be added to the group of proposals for bee research. He will confer with board members and form the committee.

AMS REPORT

Patricia Petrella reported that Kimberly Spriggs is on a temporary assignment in another AMS department until the end of December. Petrella gave the AMS report. She said the nomination packet was moving through the department. Regarding the resignation of Candace Trussler, she recommended a nomination for replacement not be made at this time.

The recommendation for an assessment rate increase is moving along. It is expected to be published in the Federal Register within weeks, with a 30 day comment period to follow. Pending the outcome of the comments, a final rule would be published.

She asked for input on the timing of the 2015 referendum. Following board discussion, Barkman suggested that early in the year was preferable, possibly in April, with a February publication in the Federal Register.

TREASURER’S REPORT/FINANCE

Sam Butler reviewed current financial and cash positions, discussed trends in domestic and import assessments and assessment projections for the remainder of 2014. He presented a compliance update through October, showing the amounts of assessments owed as a result of compliance audits as well as the average cost per review.

2015 Proposed Budget

Butler presented the proposed 2015 budget with an explanation of the accompanying Assumptions and Notes. He explained the 2014 end of year cash forecast, projected to

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be around \$827,900, and the 2015 Assessment Revenue projections. Butler noted that the budgeted assessment revenue was conservative, especially in light of October assessments received after the budget was prepared. He said it is likely that we would have more money available than is presently included in the proposed budget as presented, although it is not guaranteed since we still have two months to go this year. Butler also explained that an assessment rate increase had not been built into the budget because the process for the rate increase is not yet finalized. There was board discussion about the conservative nature of the budget. There was a consensus of understanding that the budget will have to be amended early next year, as is customary.

George Hansen suggested that the market research proposed by the Arland Group for 2015 be funded under the Research category rather than Marketing, as that is where it should be. All agreed.

ACTION ITEM III AMENDMENTS TO PROPOSED BUDGET

Motion by George Hansen, seconded by Hans Boedeker, and carried to amend the Assessment Revenue Budget by \$15,000 and to increase the Research Budget by \$15,000.

Butler then reviewed the entire 2015 Proposed Budget.

ACTION ITEM IV PROPOSED BUDGET

Motion by Nancy Gamber-Olcott, seconded by Ron Phipps, and carried to approve the proposed 2015 Budget as amended.

Bruce Boynton thanked Butler for his good work.

NEXT BOARD MEETING

The next board meeting was tentatively scheduled for the last week of April, 2015, in Asheville, NC. The idea is to be in an Omni hotel that will be participating in a National Honey Board activity.

OPEN DISCUSSION

Brent Barkman spoke of the possibility of Apimondia meeting in the U.S. in 2019, and of the Honey Board advertising or serving as a sponsor for this. He said he was presenting the idea at this time just for information.

Jill Clark suggested that Catherine Barry, Keith Seiz and the new Honey Board CEO attend the January NHPDA meeting; Clark will approach the president of NHPDA about this.

The terms of board members Nancy Gamber-Olcott and Hans Boedeker end December 31 of this year. Bruce Boynton thanked them for their years of service on the National Honey Board and presented each with a plaque.

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ADJOURNMENT

ACTION ITEM V ADJOURNMENT

Motion by Nancy Gamber-Olcott, seconded by Hans Boedeker, and carried to adjourn.

The meeting was adjourned at 11:15 a.m.