



National
Honey
Board™



2017 ANNUAL REPORT



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Letter

FROM THE BOARD CHAIR

The National Honey Board had a wonderful and exciting 2017! The NHB's Board of Directors truly appreciates this opportunity to share with you a brief recap of the year's programs and marketing efforts. We would also like to extend an invitation to all industry participants to attend National Honey Board meetings for more specific details of the programs completed by the NHB staff and agency partners.

The National Honey Board had great learnings from 2017 research. It marked the first year of implementing the annual research plan, which is used to track honey usage and measure the performance of the integrated marketing program. In addition, a focused research initiative on the morning occasion and honey in coffee has provided deep insight into how to increase Natural Balancers' consumption of honey in the morning. These insights will continue to propel the messaging and content for future outreach.

2017 also marked the inaugural year of the Honey Industry Summit. This event educated industry members on the unique selling points of honey. Due to the popularity of this event, it will be expanded on in 2018, which will be held directly before the October Board Meeting. Other key initiatives in 2017 included an integrated effort to promote National Honey Month, the development of a nutrition research strategy and the launch of a comprehensive sustainability strategy.

Across all programs, 2017 has shown significant success with no signs of stopping. With new partnerships, elevated marketing efforts and a unified passion for honey and the bees, the National Honey Board's continued momentum is off to a powerful start in 2018.

On behalf of the Board, I would like to extend our appreciation to the NHB staff and agency partners for their passion and enthusiasm.

Visit www.honey.com to stay in touch.

Warm regards,



Jill Clark

Board Chair



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

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

Michelle Poulk
First Handler
T.W. Burlison & Son, Inc.
Waxahachie, TX

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

Andrew Sargeantson
Importer
Sunland Trading, Inc.
New Canaan, CT

Mathias Leitner
Importer-Handler
Ecotrade International, Inc.
Gilbert, AZ

Lisa Hansel
Marketing Cooperative
Sioux Honey
Association, Co-op
Sioux City, IA

Blake Shook
Producer
Desert Creek Honey
Blue Ridge, TX

Mark Jensen
Producer
Smoot Honey Company, Inc.
Power, MT

Valeri Severson
Producer
Strachan Apiaries, Inc.
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

VISION, PURPOSE & GOALS

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, and 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.

NATIONAL HONEY BOARD STAFF



IN-HOUSE MARKETING

The National Honey Board aims to increase the use of honey and make it an essential food through simple ideas that fit into busy lives—especially during breakfast—while affecting consumers' awareness about honey's connection to foods and agriculture. The National Honey Board inspires consumers with new uses for honey with a goal to make it an essential food through simple ideas for modern, busy people.



FOOD FESTIVALS

Charleston Wine and Food

charlestonwineandfood.com

Presenting sponsor of Foraging: What's all the buzz?

- ▶ Intimate excursion at a family farm for special ticket attendees.
- ▶ Apiary experience that allowed attendees to get close to several working hives and learn how beekeepers take care of their bees.
- ▶ Exclusive honey-inspired luncheon at a local restaurant.

Presenting sponsor of Iron and Oak

- ▶ Held intimate lunch amid grand live oaks at the RiverOaks private estate for select attendees.
- ▶ Beehives on property for guests to visit.
- ▶ An opportunity to educate guests during the cocktail reception about the NHB, how honey is made and the importance of honeybees.
- ▶ Veggie-inspired menu with connection back to honeybees and pollination work by beekeeper chef.
- ▶ All guests left with their own jar of honey and a honey.com honey dipper.
- ▶ Participated in grand tasting event with honey giveaways (lip balms) and food samples at the booth.
- ▶ Featured a honey varietal pairing with honeycomb, cheese and fruit platters.
- ▶ Provided honey sticks for mobile coffee stations throughout festival.

Chicago Gourmet

Grand Tasting Silver sponsor with premium perimeter booth locations, offering great foot traffic.

- ▶ Featured honey varietal pairing with cheese and fruit



- offerings; attendees were given the choice of alfalfa, orange blossom, blueberry or buckwheat honey.
- ▶ Nearby local hive provided an opportunity to talk about honeybees and their important contributions to our food supply.

Presenting sponsor of the 606 dinner:

- ▶ An old 606 railway trail that sits above the gardens and runs throughout the city.
- ▶ Collaborated with celebrity chef Rick Bayless on the honey-based dishes and drinks that were served to guests.
- ▶ Hosted an educational program about beekeeping during the event, as well as featured an observation hive and beekeeper for guests to interact with.

Rise-and-Shine Gourmet Breakfast

- ▶ As an added value for our sponsorship, the NHB provided a honey lip balm in each guest gift bag.

IN-HOUSE MARKETING

(CONTINUED)

FOOD NETWORK

Placed two ads in the *Food Network* flagship magazine, including a four-page Love Notes insert that was interactive for readers to use at home. Also placed an ad in the November issue, featuring a Thanksgiving editorial theme.

Added value was also included for the ad spend:

Taste Buds Kitchen (August and September)

- ▶ Fun and educational back-to-school open house events in seven markets (North Carolina, New York, Massachusetts, Texas, Illinois, Montana and Florida) across the U.S.
- ▶ Culinary entertainment experience for kids and families to encourage budding chefs.
- ▶ Veggie wraps with honey lemon avocado dressing was the honey-inspired signature recipe.
- ▶ Honey was also included as a sweet topping at the bagels and cream cheese station.

Food Network Cooking School (November)

Attendees purchased the chance to be a part of this second annual, sold-out, hands-on culinary entertainment experience at the coveted International Culinary Center in SoHo NYC.

Bonus page and editorial recipe in the December issue of Best of Holiday Recipes.



Of 87 ads in the September issue of *Food Network*, National Honey Board
RANKED TOP 10

ADVERTISING

Taste of Home & Simple and Delicious

Placed two ads in the *Taste of Home* flagship magazine (circ. 2.5 million; 13.2 million audience) and two ads in the *Simple and Delicious* magazines (circ. 580K; 1.6 million audience; sister publication) in 2017. Both ads showcased honey's versatility, but also highlighted the breakfast occasion, which the NHB chose to prioritize for 2017.

TASTE OF HOME (TOH) LIVE COOKING SCHOOLS

- ▶ Partnered with TOH to promote honey in markets across the country.
- ▶ New format launched in 10 markets during April and May.
- ▶ New talent on stage: Chef Kari Karch.
- ▶ TOH LIVE included three different acts, and honey was incorporated throughout the entire cooking school.
- ▶ Featured multiple honey-inspired recipes and images in the cooking school magazine, which is distributed to all show attendees.



Taste of Home Live Event

84% of attendees recall the National Honey Board Sponsorship.

58% learned new ways to use honey.

90% agree that honey is a versatile, all-natural ingredient.

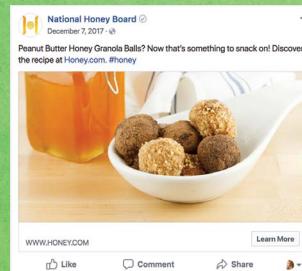
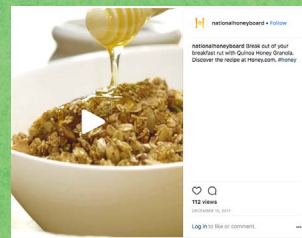
IN-HOUSE MARKETING

(CONTINUED)



BLOGGER PARTNERSHIP

Partnered with five talented bloggers that make up Tasting Spoon Media to create four separate campaigns featuring honey throughout 2017. All campaigns were linear to activities ongoing in other programs. And NHB not only had the exposure of the blog posts and social media cross-promotion of all posts, but also the ownership of all new recipes and photography rights to all images. This will add value to the recipe database featured on **honey.com**.



SOCIAL MEDIA

- ▶ Served as consumer touchpoint for Golden Moments, Hive to Table and National Honeybee Day campaigns.
- ▶ Supported strategic partnerships and program initiatives, including Food and Wine Festivals, Virtual Reality Debut and Promotion, FNCE, Blogger Partnership, Honey Beer Competition, Honey Summits, etc.
- ▶ Served as primary platform for promotion of NHB's Simple Inspiration video series.
- ▶ Continued to drive traffic to relaunched honey.com through sharing of recipes, blog posts, honey and honeybee information.
- ▶ Communicated with honey enthusiasts about upcoming events, trending news and seasonal recipes through Straight from the Hive e-newsletter.
- ▶ Grew online community through targeted social media advertising.

GREW SOCIAL MEDIA FOLLOWING BY

25%

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

CONSUMER PUBLIC RELATIONS

The Consumer Public Relations Program seeks to inspire Natural Balancers to bring honey out of their kitchen cupboards and onto their plates. This program provides consumers with simple and creative usage ideas for their busy lifestyles, emphasizing versatility by educating about varietals and unique applications.

HIVE-TO-TABLE VR EXPERIENCE

The National Honey Board created a real-world virtual reality (VR) experience from the point of view of the bee, which takes the viewer on an interactive journey through the world of honey and builds an appreciation for its sourcing and a deeper understanding of bee health.



- ▶ Launched the VR content with an immersive media dinner in New York City, timed with the announcement of a commitment to the future of bees through an investment of \$10 million by 2020 in bee health research.
- ▶ Secured top-tier media coverage in outlets most important to Natural Balancers, including *Martha Stewart Living* and Yahoo!
- ▶ Drove traffic to honey.com and National Honey Board social channels via the VR video, new recipes and honey inspirations.
- ▶ Encouraged Natural Balancers to test their bee knowledge by viewing the VR video and taking an interactive Bee IQ quiz.

HIVE TOTABLE

VR PROGRAM RESULTS

89+ MILLION
consumer media impressions

.....

252 PIECES
of consumer media coverage

.....

262K+
full views of VR video

.....



CONSUMER PUBLIC RELATIONS

(CONTINUED)



DURING THE
MONTH OF
SEPTEMBER, THE
NATIONAL HONEY
MONTH PROGRAM
RESULTED IN:

90+
MILLION

consumer media impressions

270 PIECES

of consumer media coverage

5K+ USES

of #NationalHoneyMonth

& **100+ USES**

of #SavorGoldenMoments

CELEBRATING LIFE'S GOLDEN MOMENTS DURING NATIONAL HONEY MONTH

Capitalizing on the ownable National Honey Month in September, the National Honey Board partnered with top party-planning expert Camille Styles to celebrate life's golden moments with honey.

- ▶ Secured top-tier media coverage in outlets most important to Natural Balancers, including *Women's Health* and the *Daily Meal*.
- ▶ Created new recipes, themed party packs and eye-catching graphics to help media and consumers celebrate honey all month long.
- ▶ Engaged Natural Balancer bloggers to celebrate the month with their readers, each selecting one themed party pack to share their golden moments during September.
- ▶ Showcased new content and gave away party packs on National Honey Board's social channels to encourage further engagement and celebration.

NUTRITION COMMUNICATIONS

The Nutrition Program seeks to build awareness of National Honey Board's work, how honey is made and the versatility of honey with health professionals. The program was also an opportunity to discuss added-sugars labeling.

Reaching Top Health Professionals in Key Locations

To launch the Nutrition Program in 2017, the National Honey Board sponsored two reputable health professional conferences:

- ▶ **Food 3000:** An annual educational conference hosted by Porter Novelli that brings together top food and nutrition communicators and industry leaders. The National Honey Board hosted a 90-minute session titled "A Honey of a Journey: The Buzz from Hive to Added-Sugars Labeling" and showcased the VR video.
- ▶ **FNCE:** The world's largest annual meeting of food and nutrition experts, where more than 10,000 registered dietitian nutritionists and industry leaders attended to address key issues. The National Honey Board showcased the VR video, ran a honey varietal tasting and sponsored *Food & Nutrition Magazine's* FNCE Social to network with top RDs.

TO LAUNCH THE NUTRITION PROGRAM IN 2017, THE NATIONAL HONEY BOARD:

GARNERED A SCORE OF

4.28
OUT OF 5

for the **Food 3000**
National Honey Board
Session



NETWORKED WITH

180+

top-tier editors at the
Food & Nutrition
Magazine's FNCE Social

RETAIL PROGRAMS

The National Honey Board's Retail Programs seek to drive increased honey volume sales in the retail channel while simultaneously spurring increased consumption of honey, driving incremental purchases by inspiring creative uses for honey and leveraging honey's natural halo.

The National Honey Board's Retail Programs had several notable successes in 2017, implementing partnerships with prominent food brands, including Thomas' English Muffins and Quaker Oats. The positive results that our promotional partners attained in 2017 set the stage for repeat programs and even greater investments in these joint activities.

SET YOUR TASTE BUDS ABUZZ... PARTNERSHIP PROMOTION WITH THOMAS'



- ▶ Thomas' is the flagship brand of Bimbo Bakeries USA (itself a division of Grupo Bimbo, the world's largest baking company), and is a \$1+ billion brand that commands a 70+% share of its category.
- ▶ The top 11 retailers were targeted for joint promotional activity; in the end, custom programs were successfully implemented at six of them (Albertsons/Safeway, Publix, ShopRite, Ahold, Meijer and HEB). In addition, 1 million instantly redeemable coupons on Thomas' packages offering \$1 savings on honey drove added sale volume at regional chains across the U.S.
- ▶ Although all programs delivered strong results, the highlight was ShopRite's 52% increase in unit sales during the promotion week (versus the same week in 2016).
- ▶ Thomas' has agreed to partner with the National Honey Board again in 2018, and programs are currently in development for the top eight U.S. retailers.

National Honey Month (September)

- ▶ Using in-store audio ads and shelf signs, over 100 million shoppers saw or heard suggestions for enjoying more honey during the month of September.
- ▶ Eye-catching signs promoting honey used with Maxwell House coffee, Skippy peanut butter, Thomas' English Muffins, Celestial Seasonings tea and Grape Nuts cereal were placed in front of those products in over 2,800 grocery stores.
- ▶ Thirty-second audio ads called attention to National Honey Month in 5,700+ grocery stores, delivering over 76 million shopper impressions during five weekends in September.



INGREDIENT MARKETING

The Ingredient Marketing Program inspires food and beverage product developers and marketers to create and promote new products that are made with honey. The National Honey Board targets CPG manufacturers where honey usage exhibits the most potential, including beverage processors, brewers, baking and snack manufacturers, and distillers.

The Ingredient Marketing Program is essential to increasing honey usage in the United States. Existing products made with honey account for an estimated 172 million pounds of honey, and any new product development from a large manufacturer could significantly push this number even higher.

The potential for increased honey usage from food and beverage manufacturers is limitless. Consumer trends for more clean-label, all-natural product development mirrors honey's main benefits to these categories. It's the perfect formulation match, and the ingredient marketing campaign has developed a program to inspire food and beverage makers to use honey in their products.



HONEY BEER SUMMIT

The National Honey Board hosted two beer summits in 2018, attracting more than 60 of the best craft brewers in the United States to Austin and St. Louis for two days of technical sessions on how to brew with honey. These events spurred more than 40 new honey beers from attendees, including some that received nationwide media attention.

HONEY BEER Competition

In three years, we've seen a more than a 400% increase in the number of entrants into our annual Honey Beer Competition. This increase reflects the growing interest and potential to expand honey usage in craft breweries.

2015 Entries: **21** • 2016 Entries: **52** • 2017 Entries: **106**

HONEY SPIRITS SUMMIT

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.



PUBLIC RELATIONS

A successful year on the public relations front garnered us more than 20 placements, plus we had three cover stories written about honey, appearing in *Baking & Snack*, *Artisan Spirits* and *All About Beer* magazines. On the social media front, our events generated significant buzz throughout the food and beverage industry.



NATIONAL HONEY MONTH

To celebrate National Honey Month and promote the importance of honeybees and foods made with honey, we partnered with 10 bakers, brewers and restaurants to feature made-with-honey products throughout September. The culmination of Honey

Month was a consumer-focused event that featured made-with-honey food and beer from six of the top restaurants, bakeries and breweries in Chicago. The event educated consumers about honeybees and honey varietals through a demonstration hive and honey-tasting station.



TRADE SHOWS AND SEMINARS

A full slate of conferences and trade shows provided the forum to promote honey to a widespread audience. Highlights included the Craft Brewer's Conference and the Institute of Food Technologists' Food Expo.

DIRECT OUTREACH

Direct outreach efforts engaged with more than 100 large food and beverage manufacturers through multiphase marketing campaigns and in-person technical sessions called Honey Up Close seminars. In 2017, we conducted sessions with one of the largest global beverage suppliers, as well as the #2 and #7 largest craft brewers, among others.

FOODSERVICE MARKETING

The Foodservice Marketing Program targets key volume-driving operators in the fast-casual and midscale restaurant sectors. The main objective is to inform and inspire chefs and mixologists with innovative uses of honey to ultimately increase honey usage within foodservice. 2017 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 every restaurant industry segment from QSR to fast casual and fine dining.

FOODSERVICE ADVERTISING

The Foodservice Advertising Program utilized 2016 creative, focused on "Inspiration." The series includes several versions reflecting honey food and beverage recipes across all dayparts across almost every restaurant industry segment.

- ▶ Secured 21 insertions
- ▶ July and August *Plate* ad received Readex Award
- ▶ Highest in Condiment and Spices Category
- ▶ 91% believable, 85% attention getting, 74% informative, 67% plan or took action
- ▶ Scored well above the issue average across all measures

HONEY SUMMIT

The National Honey Board hosted a custom Honey Summit for top foodservice professionals. Featuring Top Trends Forecaster Suzy Badaracco, we hosted 10 VIP participants representing a cross-section of foodservice operations from Jamba Juice, TGI Fridays and Sunbasket to Albertsons and more.

- ▶ Spurred new Jamba Juice product innovation and testing
- ▶ Follow-up meeting slated with Albertsons for Q2 2018
- ▶ Leveraged chef participant for subsequent NHB recipe development



TRADE MEDIA RELATIONS

2017 was a record year for trade media placements.

32 STRATEGIC PLACEMENTS
versus 24 in 2016

3.2 MILLION IMPRESSIONS
versus 2 million in 2016

HOT FROM THE HIVE E-NEWSLETTER

4 issues in 2017

1,920
readers per issue
(chefs, mixologists, operators)

18.02%
average open rate versus 16%
target open rate

FOODSERVICE MARKETING (CONTINUED)

The National Honey Board partnered with Chefs Roll for National Honey Month. The partnership resulted in 357K Instagram followers and 200K Facebook followers.

National Honey Month contest:

- ▶ The National Honey Board netted 189 entries from chefs around the country
- ▶ 2x the usual number of entries for similar contests
- ▶ The National Honey Board awarded four prizes, including varietal of the month shipment



Greg Czekala



DJ Tangalin



Curtis Cameron



Alina Muratova

Over the last four years, honey menu penetration has increased in all U.S. geographic regions. Honey appears on more menus today than ubiquitous condiments like mayo and mustard.

HONEY APPEARS ON

57.5%

of **U.S. RESTAURANT MENUS**, an increase of **11% since 2011**

RECIPE DEVELOPMENT

The National Honey Board enlisted chef and mixology partners to create 40 new recipes featuring honey. These chef-driven recipes helped maximize trade media opportunities.

- ▶ Emphasis on appetizers, desserts, nonalcoholic beverages
- ▶ Based on analysis of 2016 Datassentials menuing report
- ▶ Photographed new recipe concepts for multiple uses
- ▶ Editorial outreach, honey.com, e-newsletter, collateral and more



The first of its kind, the Honey Industry Summit welcomed more than 25 members of the honey industry to a daylong educational seminar on food and beverage industry trends. The summit provided attendees with information to help them sell more honey to food and beverage manufacturers.

In October 2017, the National Honey Board conducted the first-ever Honey Industry Summit, an educational seminar designed to give members of the honey industry the tools to sell more honey to food and beverage manufacturers. The daylong event was held at Blue Moon Brewery in Denver and was attended by more than 25 members of the industry.

The event started with consumer-focused sessions detailing consumer purchasing behaviors and how honey factors into these purchasing decisions. The remainder of the day was spent taking deep dives into the baking, snack, beverage, breakfast, beer and spirits categories, analyzing current trends and providing ideas for how producers, packagers and importers can capitalize on these trends. As part of these sessions, attendees sampled various food and beverage products made with honey.

The event ended with a food industry panel featuring executives from Blue Moon Brewing, Noosa Yoghurt, Sprecher Brewing and Tribe 9 Foods. During this panel, attendees were able to ask questions about why these manufacturers are using honey and how the honey industry can better support the supply and promotion of honey.



INDUSTRY SERVICES PROGRAM



It was an exciting year for the National Honey Board's (NHB) Industry Services Program. With its online ordering system being promoted among the industry, the NHB set to work building its catalog of materials with the creation of two new brochures and the promotion of the new 2016 brochure *Honey's Sweet Journey: From Bee to Bottle*.

The NHB kicked off 2017 with the creation of its *Set Your Tastebuds Abuzz* brochure, in support of its partnership with Thomas' Bagels. This beautiful accordion-style brochure features enticing photos of eight newly created recipes that are simple to make and highlight the perfect breakfast team—honey and Thomas' English Muffins and Bagels.

The NHB has also been working to revamp and update its children's education materials and kicked off the project with its newest educational brochure *A Sweet Story*. A combination of two of its previous brochures, *A Sweet Story* takes kids on honey's journey from flower to table from the perspective of our favorite forager bee, Scout. The brochure also features six kid-friendly honey recipes, simple bug identification, tips on how to help the bees and a fun maze activity.

In 2017, the beekeeping industry was hit hard by hurricanes Maria and Irma, with some of the most devastating damage occurring to beekeepers in Puerto Rico and the U.S. Virgin Islands. To mitigate the impact of the storms, the NHB partnered with the Pollinator Partnership and its 17 partner organization, to organize the Caribbean Bee Rescue Campaign and to raise \$50,000 for this initiative.



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.



In 2017 and early 2018, several new market research studies were conducted.

The Consumer A&U Study will serve as the baseline for tracking attitudes, awareness and usage of honey among a nationally representative gen-pop sample and the target audience, Natural Balancers. It also assesses the potential impact of specific honey messages.

CONSUMER A&U KEY FINDINGS:

- ▶ Honey is the second most preferred sweetener, just behind granulated sugar. Yet honey outperforms sugar as being more flavorful, healthy, natural and unprocessed, and having a clean ingredient label.
- ▶ Natural Balancers have an above-average preference for honey and are more likely to be aware of and using different honey varieties.
- ▶ Honey is primarily being consumed in beverages and at breakfast.
- ▶ When asked for the single most motivating statement to eat honey more often, two rose to the top: “honey is better for me than other sweeteners” and “honey is an all-natural sweetener.”

MORNING OCCASION KEY FINDINGS:

The Morning Occasion Study estimated the size of the morning and breakfast occasion to understand the needs and barriers to identify occasion and share-growth opportunities in this space as the A&U identified this as a top consumption occasion for honey.

- ▶ There is an opportunity to grow honey consumption among Natural Balancers—up to \$140 million.
- ▶ This consumer segment has a pre-established habit for consuming honey—and upside potential for consuming more.
- ▶ Pancakes and waffles are clear leaders (\$17 million in additional share), but honey’s appeal extends to bread items (e.g., bagels, english muffins, toast, etc.), as well as beverages like protein shakes, cold or hot tea and specialty coffees.
- ▶ Price, top-of-mind awareness and convenience are the biggest opportunity areas when considering honey barriers.
- ▶ Taste and natural are at the cornerstone of honey’s perceived benefits; these two qualities combine to generate feelings of peace of mind, accomplishment and happiness (key emotional drivers to anchor messaging).

RESEARCH PROGRAM OVERVIEW

(CONTINUED)

The Natural Balancer Deep Dive was an immersive assessment of the Natural Balancer's motivations, values and key drivers in life and, particularly, during the morning occasion. Additionally, the study focused on one role of honey, drivers and barriers to usage, honey shopping and opportunities to drive morning occasion growth.

NATURAL BALANCER DEEP DIVE KEY FINDINGS:

- ▶ Communication efforts oriented toward Natural Balancers must be authentic, supported by facts and ultimately provide solutions that improve quality of life for them individually as well as their families.
- ▶ Natural Balancers are motivated by new experiences and find delight in unexpected discoveries. They look for opportunities to step out of their routines, so communications should continue to inspire and contribute to joy in everyday moments.
- ▶ The biggest challenge for honey is convenience. Addressing this barrier is a big opportunity for the honey industry.
- ▶ There is confusion, even among heavy users, on where to find honey merchandised in the grocery store, possibly due to the varied use and long shelf life of product.
- ▶ Visibility will drive additional occasions. Consumers are seeking out aesthetically appealing and functional packaging to work around messy and slow pour currently provided.



PRODUCTION RESEARCH

In 2017, the National Honey Board began its collaboration with Project Apis m. (PAm) to administer and manage the NHB Production Research Funds. This will allow management of the projects to better support the beekeeping industry by harmonizing the NHB research funding with several other stakeholder efforts and funding resources PAm coordinates, in addition to additional flexibility possible through PAm. With NHB as the funding sponsor, PAm is the administrator of the proposal, accountability and funding process. Scientific advisors and PAm Board of Directors (including two NHB representatives) concluded the selection process by naming the following projects for funding:

FUNDED PROPOSALS

Jeffery S. Pettis, Principal Investigator, Pettis and Associates, LLC, Salisbury, Maryland
Protecting Queens for Improved Colony Productivity

Dennis vanEngelsdorp, Principal Investigator, University of Maryland; and Humberto Boncristiani, Primary Researcher
Investigation of possible new threats to honeybee health

Matthew Smart, Principal Investigator, US Geological Survey; and Jonathon Lundgren, Cooperator
Developing a rapid assessment technique to understand the effect of forage quality on nutritional status and honeybee health

Julie Shapiro, Principal Investigator, HoneyBee Health Coalition; and Mike Smith, Cooperating Investigator
Bee integrated demonstration project

Juliana Rangel, Principal Investigator, Texas A&M University
Synergistic effects of in-hive miticides and agrochemicals on honeybee (*Apis mellifera*) queen survival, colony growth and honey production

Olav Rueppell, Principal Investigator, University of North Carolina; Kaira Wagoner and Taylor Reams, Investigators
Understanding semiochemical tools for natural Varroa control principle

Jonathan Snow, Principal Investigator, Barnard College, New York
Defining sensitivity and cellular impacts of pharmacologic and genetic inhibition of aminoacyl-tRNA synthetases on *N. Ceranae* and its honeybee host

Richard Crespín, Principal Investigator, Bee Understanding, Collaborate Up
The Bee Understanding Project: Sponsorship Agreement



2017 FINANCIALS

Clausen & Associates CPAs, PC, audited the National Honey Board financial statements for fiscal year 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 2017.

REVENUE

Assessments	\$8,280,291
Investment Income	\$700
Other Revenue	\$15,543
Total Revenue	\$8,296,534

G+A

Operating	\$521,322
Board Meetings	\$80,389
USDA	\$99,300
Total G+A	\$701,011

EXPENSES

Research	\$980,276
Total Program Expenses	\$7,041,849

Marketing	\$6,061,573
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Total Expenses

\$7,742,860

Change in Net Assets

\$553,674

Net Assets Beginning of Year

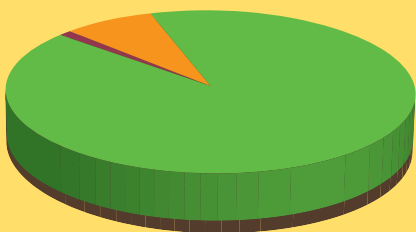
\$1,411,182

Net Assets End of Year

\$1,964,856

2017 NHB FINANCIALS

Administration 8% USDA 1% Programs 91%



Programs	\$7,041,849
Administrative	\$601,711
USDA	\$99,300



Thank you

